

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FLP-123

1941-A, 1943-A, 1945-D,
1955-C, 1956-B, 1965-A

For: State and County Offices

COC's Role in FLP's

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

**A
Background**

COC's role in FLP has been modified in recent years as a result of regulatory changes.

**B
Purpose**

This notice:

- identifies COC's role in FLP
- delegates responsibility for certain actions to Agency officials who have been delegated loan approval authority.

**C
Contact**

State Offices shall direct questions about this notice to LMD at 202-720-1632.

<p>Disposal Date</p> <p>May 1, 2001</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice FLP-123

2 Information

A

Delegation of Authority

The authority and responsibility for the following actions, are hereby delegated to Agency officials with loan approval authority:

- loan eligibility for direct loans according to FmHA Instruction 1910-A, Section 1910.4(h)
- beginning farmer or rancher status according to FmHA Instructions 1941-A, Sections 1941.4 and 1943.4
- borrower training according to FmHA Instruction 1924-B, Section 1924.74(b)(1).

Note: FmHA 440-2 shall be completed and signed by an Agency official with loan approval authority.

B

Role of COC in Loan Making

COC is an important resource in the County Office.

COC shall continue to act in an advisory capacity for FLP, providing vital information about:

- local agricultural practices
- production conditions
- loan applicants.

Example: Consult with COC in determining typical business and production practices in the area, typical share lease terms, cultural practices, and production contract provisions. This and similar local information are essential in providing meaningful advice to applicants and supervision to borrowers.

Agency officials with FLP loan making responsibilities should:

- consult with COC regularly to stay informed of any conditions in the area that may affect demand for FSA loans
 - work closely with COC in conducting outreach activities, such as informational meetings, fair booths, and field days
 - attend COC meetings at least quarterly, to keep COC informed of loan program activity in the county or area.
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Continued on the next page

2 Information (Continued)

C

Role of COC in Loan Servicing

COC shall continue to make recommendations and determinations as specified in loan servicing instructions. This includes determinations about inventory property according to RD Instructions:

- 1955-B, Section 1955.63
- 1955-C, Section 1955.137(b)(3)(ii).

COC has critical responsibilities in :

- debt settlement actions as:
 - stated in RD Instruction 1956-B, Section 1956.57(f)
 - clarified in Notice FLP-54, subparagraph 3 A
- releases of personal liability as stated in:
 - FmHA Instruction 1965-A, Sections:
 - 1965.26(f)(5)
 - 1965.27(f)
 - RD Instruction 1955-A, Section 1955.10(f)(2).

COC must continue to:

- annually certify in writing that the credit and eligibility reviews have been completed according to FmHA Instruction 2006-W, Section 2006.1103(c)
 - act in a general advisory capacity to loan officials in loan servicing activities similar to its role in loan making.
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