

**For:** State and County Offices

**Reminder of Elimination of Second Disaster Set-Aside (DSA) Authority**

**Approved by:** Deputy Administrator, Farm Loan Programs



**1 Elimination of Second DSA Authority**

**A**

**Background**

On May 22, 2000, FmHA Instruction 1951-T was revised to provide authority for granting a second DSA because of declared disasters in 1999 or low commodity prices received in 1999. The authority to grant DSA's based on low commodity prices received in 1999 expired on August 31, 2000. Applications for second DSA based on declared disasters had to be received within 8 months from the date the disaster was designated.

**B**

**Purpose**

This notice reminds State and County Offices that second DSA's on the same loans and DSA's because of low commodity prices are no longer available.

**C**

**Contact**

If there are any questions, State Offices shall contact Michael Cumpton, LSPMD, at 202-690-4014.

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<p><b>Disposal Date</b></p> <p>May 1, 2002</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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## Notice FLP-211

### 1 Elimination of Second DSA Authority (Continued)

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#### D

##### **Eligibility for DSA**

Borrowers must meet the eligibility requirements under FmHA Instruction 1951-T, section 1951.954(a) to receive DSA. In addition, the loan limitation requirements under FmHA Instruction 1951-T, section 1951.954(b) must be met.

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#### E

##### **Correcting Unauthorized DSA's**

Any second DSA's or DSA's made because of low commodity prices for disasters which occurred after 1999 should be reversed according to FmHA Instruction 1951-T, section 1951.958(b).

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