

For: State and County Offices

Guaranteed Loan Reamortization Transaction

Approved by: Acting Deputy Administrator, Farm Loan Programs

Almida (Dee) Cole

1 Overview

A

Background

The guaranteed loan reamortization transaction was implemented in April 2002. At that time, County Offices were instructed to prepare a memorandum for all reamortized/restructured guaranteed loans with capitalized interest and forward it to KCFO for processing.

B

Purpose

This notice:

- informs County Offices that the guaranteed loan reamortization transaction is required for all loans reamortized/restructured before April 2002, including loans without capitalized interest
- provides clarification of the information to be sent to KCFO
- informs Field Offices that this transaction will remain under the authority of KCFO only, until it is moved to the web.

C

Contact

State Offices shall refer questions about this notice to Trina Brake, LSPMD at 202-690-4008.

<p>Disposal Date</p> <p>March 1, 2004</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice FLP-292

2 Action

A County Office Action

County Offices shall review their guaranteed loans that have been reamortized/restructured with or without capitalized interest. If documentation was submitted according to Notice FLP-247, no further action is required. For all other cases, submit a memorandum for each loan containing the following information to the State's Finance Office technician:

- borrower case number and name
- loan number
- date of maturity
- reamortization/restructure date
- unpaid principal balance
- capitalized interest amount
- new loan amount
- accrued interest not capitalized at the time of reamortization/restructuring
- guaranteed interest rate
- type of guaranteed interest rate (fixed/variable)
- nonguaranteed interest rate
- type of nonguaranteed interest rate (fixed/variable)

Notes: The above data shall be sent to KCFO for all active loans that were reamortized/restructured before April 2002.

If KCFO was notified before Notice FLP-247 of a reamortized/restructured loan with only RD-1980-47, then only the loan maturity date and interest rate were updated.

If a loan was reamortized/restructured more than once, the data for each reamortization is required. Each loan on which a reamortization/restructuring has been processed, will be displayed on the GLSREAM2 - Reamortized Loan Detail report in GLS.

B Restructuring and Reamortization of Loans With Interest Assistance (IA)

If a loan has IA and the capitalized interest exceeds the original IA loan amount and/or the original term of the IA agreement is extended, the Agency loan official must also comply with requirements of 2-FLP, subparagraph 230 E.

Once KCFO has updated the record, the County Office can process the IA claim.
