UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-589

1-FLP, 5-FLP

For: State and County Offices

Direct Loan Servicing for Women and Hispanic Claimants in Conjunction With USDA's Initiative to Settle Outstanding Group Actions

Approved by: Deputy Administrator, Farm Loan Programs

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1 Overview

A Background

In 2009, Secretary Vilsack provided a comprehensive plan to address civil rights issues at USDA. On February 25, 2011, the Secretary announced a unified Claims Process (Claims Process) for women and Hispanic farmers who allege that they were discriminated against when they applied, or were discouraged from applying for direct farm loans or direct farm loan servicing. The claims period is expected to open during the summer of 2011 and continue for 180 calendar days.

For Hispanic claimants, this Claims Process is designed to provide relief to successful claimants who:

- farmed or attempted to farm between January 1, 1981, and December 31, 1996, or between October 13, 1998, and October 13, 2000 (Relevant Period)
- allege discrimination by USDA in processing applications for farm loans or loan servicing during that same time period based on being Hispanic.

For female claimants, this Claims Process is designed to provide relief to successful claimants who:

- farmed or attempted to farm between January 1, 1981, and December 31, 1996, or between October 19, 1998, and October 19, 2000 (Relevant Period)
- allege discrimination by USDA in processing applications for farm loans or loan servicing during that same time period based on being female.

FSA has previously implemented an informal moratorium on acceleration and foreclosure on accounts that contain a female or Hispanic borrower until the Claims Process has begun. If a foreclosure has already been referred to DOJ for action, then DOJ will determine whether to suspend the foreclosure.

Disposal Date	Distribution
May 1, 2012	State Offices; State Offices relay to County Offices

1 Overview (Continued)

B Purpose

This notice:

- provides information for State and County Offices about servicing direct FLP loans of a female or Hispanic borrower
- applies to all direct FLP loans held by a borrower covered by these provisions, even if the loans were obligated after October 19, 2000, (the end of the Relevant Period) or before January 1981 (the beginning of the Relevant Period)
- obsoletes Notice FLP-587 to correct the exhibit reference in subparagraph 5 D.

Note: Youth loans, guaranteed loans, and nonprogram loans are excluded from the actions contained in this notice.

C Time Periods for Moratorium on Accelerations and Foreclosures

The moratorium will be implemented in 2 phases.

The first phase (Phase 1) **will begin on April 11, 2011, and extend until 45 calendar days after the closing date of the claims period**, which is anticipated to be on or around January 2012. The second phase (Phase 2) will continue only for those persons who have submitted timely and complete Claims Packages by the Claims Period deadline and will expire after payments and debt relief are provided under the Claims Process to successful claimants or a claim is denied, whichever event occurs earlier.

Phase 1

Phase 1 of the moratorium applies to all direct FO's, OL's, SW's, EE's, and EM's that contain a "Hispanic" or "Female" indicator in PLAS. This moratorium is intended to cover all FLP accounts where the applicant was a female or Hispanic individual who applied in a personal capacity and/or a female or Hispanic individual doing business as a sole proprietorship. The Claims Process does **not** cover applications from an entity and this phase of the moratorium is **not** intended to extend to entity accounts.

Notes: Phase 1 borrowers will consist of primary borrowers that are coded as a female, and or race/ethnicity code as a Hispanic, and the type of applicant is an individual during the Relevant Period. A husband and wife who filed an application together, are considered a joint operation. A joint operation is an entity which is **not** covered in the Claims Process framework. The moratorium is **not** extended to entity accounts.

1 Overview (Continued)

C Time Periods for Moratorium on Accelerations and Foreclosures (Continued)

The National Office will provide a list of borrowers included in Phase 1 to each State.

Additionally, Phase 1 of the moratorium is intended to extend to applicants who become borrowers of USDA direct loan credit, but **is not intended to extend to co-signers and/or co-borrowers**.

FSA's current moratorium on Women and Hispanic borrowers shall be lifted for direct loan accounts that are **not** identified in Phase 1 and that are not otherwise covered by the 2008 Farm Bill moratorium according to 1-FLP, subparagraph 41 I.

Any borrower or co-borrower who previously asserted a claim in any other administrative or civil proceeding alleging lending discrimination on a prohibited basis by FSA during the Relevant Period (1981-2000) and who received a final resolution of their claim (whether successful or not) is not eligible to participate in the Claims Process and **will not be included** on the lists of eligible Phase 2 persons sent to each State by the National Office. States will notify the National Office of any Phase 1 identified borrower who has previously asserted claims as previously described. Notification will be sent by e-mail to Jacqueline King, LSPMD, **at jacqueline.king@wdc.usda.gov**. The National Office will then confirm the findings and provide further instructions to the State on how to proceed.

Phase 2

Two weeks after the Claims Period deadline, the Claims Administrator will send a list of all persons who filed timely and complete Claims Packages to USDA. This list of persons will be provided to SED and FLC of each State no later than 45 calendar days after the Claims Period deadline so that the moratorium will be extended only to those persons with direct FLP accounts who have filed timely and complete Claims Packages. Phase 2 of the moratorium will extend to any person who filed a Claims Package that is considered to be complete and timely by the Claims Administrator, regardless of whether the underlying loan accounts contain "Hispanic" or "Female" indicators in PLAS.

The moratorium from Phase 1 shall be lifted for all direct loan accounts that contain a "Hispanic" or "Female" indicator who are not on the list of timely and complete claimants. At that point, all appropriate collection actions shall resume for all persons who do not participate in the Claims Process.

2 Servicing Actions

A Moratorium on Accelerations and Foreclosures

In Phase 1 and Phase 2, FSA is directed to cease the following actions on direct FLP accounts of borrowers identified according to subparagraph 1 C:

- acceleration
- foreclosure
- cancellation of indebtedness that has been referred for cross-servicing and returned from the Department of the Treasury as uncollectible (CNC accounts).

  Note: If debt not canceled, it will continue to accrue interest unless that is suspended according to subparagraph C.

Under both phases of the moratorium, FSA may take any actions up to, but not including, acceleration, foreclosure, or cancellation of CNC accounts. FSA will continue to service the loans and provide other assistance to borrowers as needed or requested, but will not take the actions stated in this subparagraph.

Note: A United States Attorney may proceed with a foreclosure already referred to DOJ by USDA if the United States Attorney determines not to suspend the foreclosure according to this moratorium. FSA may also liquidate security under a court order or instructions from DOJ. For FSA farm loan accounts where the borrower has filed bankruptcy and which have been referred to DOJ, the collateral may be liquidated according to bankruptcy court orders including provisions included in confirmed plans filed under Chapter 11, 12, or 13.

B Moratorium on Offsets – Phase 2 Only

The moratorium on offsets will only be implemented in Phase 2 and will extend only to the loan accounts of persons who have filed a timely and complete Claims Package with the Claims Administrator. The moratorium on internal offsets and referrals to TOP shall continue until a claim is denied, or a successful claim is paid and applicable debt relief is provided. The State Office will manually delete using code 05 through the TOP offset screens. USDA will receive a report from the Claims Administrator on a weekly basis that indicates the status of adjudicated claims. State Offices will receive this information after the Claims Administrator confirms to USDA that the claimant has been notified of any denial of his or her claim. Denials of claims will be issued on a rolling basis by the Claims Adjudicator.

Notes: If an offset was taken on or after FSA was notified of a filed claim, FSA must refund the offset.

The State Office will recall loans from cross-servicing when notified of a filed claim.

2 Servicing Actions (Continued)

C Moratorium on Interest Accrual – Phase 2 Only

A limited moratorium on interest accrual will be applied only in Phase 2 and will be limited solely to FO's, OL's, SW's, and EM's that are already at the point of acceleration and foreclosure at the time that SED and FLC are informed of those persons who qualify for Phase 2 of the moratorium. DCIA requires the charging of interest on Federal debt until the debt is paid in full, otherwise resolved, or unless interest is waived. Subject to the procedures that implement Section 331A(b) of the Consolidated Farm and Rural Development Act (Section 14002 of the 2008 Farm Bill), the suspension of interest accrual will be applied only to those loans that meet the specifications described in this subsection. See 1-FLP, subparagraph 41 I for further instructions on the implementation of this provision. For this resolution process only, filing a timely and complete Claims Package with the Administrator will be treated as having an accepted claim of discrimination with USDA.

D Moratorium on Inventory Sales – Phase 2 Only

A limited moratorium on inventory sales will be applied only in Phase 2 and will be limited solely to those properties in inventory that were formerly owned by female or Hispanic borrowers who file a timely and complete Claims Package with the Claims Administrator. For properties acquired subsequent to the beginning date of the Phase 2 moratorium, if the claimant has been released, SED's shall request and receive National Office concurrence on a case-by-case basis before advertising and selling inventory property previously owned by a claimant. In all cases, if National Office approval is obtained, SED's may proceed to sell the property according to 5-FLP, Part 21.

3 DD and County Office Action

A Acceleration, Foreclosures, and Offsets

In Phase 1, DD's and County Offices shall:

- discontinue accelerations, foreclosures, and cancellation of indebtedness on the direct FLP accounts of female or Hispanic borrowers that have a "Hispanic" or "Female" indicator in PLAS identified in Phase 1 according to subparagraph 1 C

- continue to take the necessary steps to collect payments from internal administrative offsets on the direct FLP accounts of female or Hispanic borrowers who are 90 calendar days delinquent, unless the account has an accepted valid discrimination complaint and is at the point of acceleration or foreclosure according to 1-FLP, subparagraph 41 I

- continue to refer or renew a referral to the Department of the Treasury for TOP or cross-servicing on female or Hispanic borrower accounts who are 90 calendar days delinquent, unless the account has an accepted valid discrimination complaint pending and is at the point of acceleration or foreclosure according to 1-FLP, subparagraph 41 I.

3 DD and County Office Action (Continued)

A Acceleration, Foreclosures, and Offsets (Continued)

In Phase 2, DD's and County Offices shall:

- continue to stop all accelerations, foreclosures, and cancellation of indebtedness on the direct FLP accounts who are on the list of timely and complete claimants

  Note: Proceed to accelerate, foreclose, and cancel indebtedness on direct loan accounts of borrowers who were not on the list of timely and complete claimants.

- discontinue collecting payments from internal administrative offsets on all borrowers who are on the list of timely and complete claimants

  Note: For these borrowers offsets will continue once a claim is denied or a claim is paid and debt relief is provided. For borrowers who are not on the list of timely and complete claimants you may proceed to offset according to normal procedures.

- discontinue to refer or renew a referral to the Department of the Treasury for TOP or cross-servicing on all borrowers who are on the list of timely and complete claimants. For these borrowers offset will continue once a claim is denied or a claim is paid and debt relief is provided. For borrowers who are not on the list of timely and complete claimants you may proceed to refer or renew to the Department of Treasury for TOP according to normal procedures.

B Loan Servicing and DLS

When servicing the direct FLP accounts of female or Hispanic borrowers are identified according to subparagraph 1 C, DD's and County Offices shall:

- continue to provide primary loan servicing assistance to direct FLP accounts of female or Hispanic borrowers who are in default up to the point of acceleration according to 5-FLP

  Note: Exhibit 1 will be included in the notification package to any female or Hispanic borrower sent FSA- 2521. Exhibit 2 will be included in the notification package to any female or Hispanic borrower sent FSA-2525. FSA-2580 should be completed by the servicing and reviewing official to ensure that servicing has been completed appropriately. FSA- 2581 will not be completed until the Claims Process is completed.

- place the DLS Special Servicing tracking on hold using the reason, "Women/Hispanic Unified Process", at the point of acceleration, or if the account has already been accelerated

  Note: This action will place the special servicing reminders under the postponed column until the Claims Process is finalized.

3 DD and County Office Action (Continued)

B Loan Servicing and DLS (Continued)

- continue routine servicing for female or Hispanic borrowers according to 4-FLP

- suspend interest accrual once notified that a borrower has filed a claim and they are at the point of acceleration or foreclosure on covered direct farm loans

- comply with 2-INFO when processing third party requests for copies of the records of Female/Hispanic (FOIA request) and 3-INFO when processing requests for copies of their own records received from Female/Hispanic (Privacy Act request).

  Note: See 2-INFO and 3-INFO for additional information about fees for copying. However, when a request is made for FSA to copy a borrower's file, the FSA official should offer the borrower or representative the alternative to review the files in the FSA Office and mark any pages to have copied.

C Outreach Responsibilities

Exhibits 3, 4, 5, and 6 shall be:

- posted in each FSA Office
- provided to any person that request them or inquiries about the unified Claims Process.

Note: DD's are to ensure that all FSA Offices in their district have posted this notice and Fact Sheets and copies are available to provide to potential claimants. DD's will notify SED in writing that all of the offices in their district are in compliance with the postings and availability no later than 10 calendar days from the date of this notice.

4 SED and State Office Action

A Phase 1 Action

In Phase 1, State Offices shall:

- discontinue referring direct FLP female or Hispanic borrower accounts who have a "Hispanic" or "Female" indicator in PLAS according to subparagraph 1 C to OGC or Government contractors for foreclosure action and inform contractors that all such foreclosure actions should be stopped

- inform DOJ of the moratorium on direct FLP female or Hispanic borrower accounts who have a "Hispanic" or "Female" indicator in PLAS that DOJ has for foreclosure

- inform OIG of the moratorium on direct FLP female or Hispanic borrower accounts who have a "Hispanic" or "Female" indicator in PLAS that OIG is investigating

4 SED and State Office Action (Continued)

A Phase 1 Action (Continued)

- discontinue referral of direct FLP female or Hispanic borrower accounts to **FSA-DIRECTLOANS** for discrimination clearance review for approvals to continue with acceleration or foreclosure until the Claims Process is completed

- continue to refer direct FLP female or Hispanic borrower accounts to **FSA-DIRECTLOANS** for discrimination clearance review for CNC.

B Phase 2 Action

In Phase 2, State Offices shall:

- ensure that all accelerations, foreclosures, and cancellation of indebtedness on the direct FLP accounts of borrowers who are on the list of timely and complete claimants continue to be stopped and not referred to OGC or Government contractors for foreclosure

  Note: Proceed to accelerate, foreclose, and cancel indebtedness on direct loan accounts who are not on the list of timely and complete claimants.

- inform DOJ of any direct loan borrowers who are on the list of timely and complete claimants who have previously been referred to DOJ

- inform OIG of any direct loan borrowers who are on the list of timely and complete claimants who have previously been referred to OIG

- continue to stop referrals of direct FLP female or Hispanic borrowers accounts to **FSA-DIRECTLOANS** for all borrowers who are on the list of timely and complete claimants.

5 Exceptions to Moratorium

A Bankruptcy Accounts

On FSA farm loan accounts where the borrower has filed bankruptcy and which have been referred to DOJ, the collateral may be liquidated according to bankruptcy court orders or provisions in confirmed plans filed under Chapter 11, 12, or 13. Offsets can also be taken and interest can accrue even if a borrower is a claimant if the Court-directed plan directs it.

5 Exceptions to Moratorium (Continued)

B Voluntary Liquidation

If the borrower requests to liquidate:

- all chattel security, or to allow FSA to take possession of and sell the property on the borrower's behalf, then FSA may consider the request under normal procedures. The borrower, however, will need to be provided a copy of this notice, and execute FSA-2571 and Exhibit 7 acknowledging his or her rights under the moratorium

- real estate security, the borrower will need to be provided a copy of this notice execute FSA-2060 and Exhibit 7 acknowledging his or her rights under the moratorium.

C Prior Lawsuits/Prior Participation in Other Class Action Settlements

The moratorium does not cover borrowers or co-borrowers in an operation who have submitted a claim alleging any lending discrimination on any prohibited basis by USDA during the Relevant Period in another litigation or resolution process and who received a final resolution of the claim according to subparagraph 1 C, Phase 1.

D Debt Settlement

If a borrower covered by this notice voluntarily requests debt settlement, the borrower will immediately be provided a copy of this notice. The debt settlement application must include a signed copy of Exhibit 7 and may be processed according to RD Instruction 1956-B.

CNC accounts of female or Hispanic borrowers that have all loans returned by the Department of Treasury as uncollectible will not be canceled until the earlier of: when the Claims Process is completed, when FSA is notified that a claim has been denied by the Claims Administrator, or FSA is notified that no claim was submitted by the female or Hispanic borrower.

E Income Proceeds

The moratorium does not apply to the collection of proceeds from the sale of normal income or basic security, leases, assignments, insurance, program payments, or any other proceeds described in 4-FLP, Part 7.

F Third Party Actions

The moratorium does not affect FSA's ability to protect its security interest on third party actions. FSA shall continue to answer the complaint to protect the Government's security interest but shall not join in the third party action.

5 Exceptions to Moratorium (Continued)

G Statute of Limitations

Those cases where FSA's ability to collect will be impacted by the expiration of the statute of limitations during the moratorium will be referred to the National Office for direction on how to proceed.

6 Contacts

A State and County Offices

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Craig Nehls, LSPMD by telephone at 202-720-0628.

B Individuals

Individuals contacting FSA personnel for information about the settlement and the unified Claims Process should be advised using the following language.

> Thank you for your inquiry [Mr./Mrs./Miss_____]. It appears your inquiry pertains to the Hispanic and Women Farmers and Ranchers Unified Claims Process.
>
> It would be inappropriate for USDA to provide any assistance, advice, or counsel to persons regarding the litigation settlement. However, we can provide you with a copy of the "Notice to Hispanic or Women Farmers and Ranchers: Compensation for Claims of Discrimination" and "Summary of Claims Process." (*Exhibits 3, 4, 5, and 6 - Provide at time of inquiry for requests made in person or by mail for telephone or written requests.*) We recommend that you:
>
> E-mail **claimsquestions@osec.usda.gov** to get answers to questions; and
>
> Register to receive a Claims Package from:
>
> - telephone 1-888-508-4429 (toll free phone number)
> - web site **www.farmerclaims.gov**.
>
> Claims Packages will be mailed to you this summer and will contain detailed information and instructions.

6 Contacts (Continued)

C Media

State and County Offices shall:

- forward all Congressional correspondence to the Office of Congressional Relations at **lilia.mcfarland@osec.usda.gov** or **todd.williamson@osec.usda.gov**

- direct all media correspondence to the FSA Media Relations Office (Public Affairs) for the region.

Attachment to FSA-2521 and FSA-2522

The following letter shall be included in the Primary Loan Servicing Notification Package sent to a female or Hispanic borrower sent FSA-2521 and FSA-2522 during the time covered by Phase 1 or Phase 2 of the moratorium on accelerations and foreclosures.

Borrower's Name Date
Borrower's Address
Borrower's Town, State and Zip Code

Dear Borrower's Name;

Under Federal law, the Farm Service Agency (FSA) is required to notify you of its decision regarding your Primary Loan Servicing request within 60 calendar days of receipt of a complete application. Enclosed is FSA-2521, "Denial of Primary Loan Servicing and Intent to Accelerate", and FSA-2522, "Borrower Response to Denial of Primary Loan Servicing and Intent to Accelerate", which informs you of FSA's adverse decision on your request and your right to request reconsideration, mediation, and appeal. FSA encourages you to review this information closely and timely consider the options provided.

FSA-2521 does not accelerate your account. FSA will take no further action to accelerate or foreclose your account until all reconsiderations, mediation and appeal options have been exhausted and provisions of the **Women or Hispanic** Settlement Agreement have been met with regard to your account.

If you have questions regarding the Women or Hispanic Settlement Agreement, FSA recommends that you contact 1-888-508-4429 or visit **www.farmerclaims.gov** for additional information.

Sincerely,

Name of Authorized Agency Official
Title

Attachment: FSA-2521 and FSA-2522

Attachment to FSA-2525 and FSA-2526

The following letter shall be included in the Primary Loan Servicing Notification Package sent to a female or Hispanic borrower sent FSA-2525 and FSA-2526 during the time covered by Phase 1 or Phase 2 of the moratorium on accelerations and foreclosures.

Borrower's Name Date
Borrower's Address
Borrower's Town, State and Zip Code

Dear Borrower's Name;

Under Federal law, the Farm Service Agency (FSA) is required to notify you of its decision regarding Primary Loan Servicing within 60 calendar days of receipt of a complete application. Enclosed is FSA-2525, "Intent to Accelerate", and FSA-2526, "Borrower Response to Intent to Accelerate"' which informs you of your right to request reconsideration, mediation, and appeal. FSA encourages you to review this information closely and timely consider the options provided.

FSA-2525 does not accelerate your account. FSA will take no further action to accelerate or foreclose your account until all reconsiderations, mediation and appeal options have been exhausted and provisions of the **Women or Hispanic** Settlement Agreement have been met with regard to your account.

If you have questions regarding the Women or Hispanic Settlement Agreement, FSA recommends that you contact 1-888-508-4429 or visit **www.farmerclaims.gov** for additional information.

Sincerely,

Name of Authorized Agency Official
Title

Attachment: FSA-2525 and FSA-2526

Notice to Hispanic or Women Farmers and Ranchers - Compensation for Claims of Discrimination

NOTICE TO WOMEN AND HISPANIC FARMERS AND RANCHERS:

COMPENSATION FOR CLAIMS OF DISCRIMINATION

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation. You may be eligible if:

1. **you sought a farm loan or farm-loan servicing from USDA during that period; and**
2. **the loan was denied, provided late, approved for a lesser amount than requested, approved with restrictive conditions, or USDA failed to provide an appropriate loan service; and**
3. **you believe these actions occurred because you are Hispanic or female.**

If you want to register your name to receive a claims package, you can call the Farmer and Rancher Call Center at 1-888-508-4429 or access the following website: www.farmerclaims.gov

In 2011, a Claims Administrator will begin mailing claims packages to those who have requested one through the Call Center or website. The claims package will have detailed information about the eligibility and claims process.

In order to participate, you must submit a claim to the Claims Administrator by the end of the claims period.

If you are currently represented by counsel regarding allegations of discrimination against USDA or in a lawsuit claiming discrimination by USDA, you should contact your counsel regarding this claims process.

USDA Cannot Provide Legal Advice to You.
You are not required to hire an attorney to file a claim, but you may contact a lawyer or other legal services provider in your community for additional guidance.

Aviso A Agricultores Y Ganaderos Hispanos O Hujeres Agricultoras O Ganaderas - Compensacion Por Reclamacion De Discriminacion

AVISO A AGRICULTORES Y GANADEROS HISPANOS O MUJERES AGRICULTORAS O GANADERAS:

COMPENSACIÓN POR RECLAMACIÓN DE DISCRIMINACIÓN

Si usted considera que el Departamento de Agricultura de Estados Unidos (USDA por sus siglas en inglés) le negó indebidamente beneficios de préstamos agrícolas entre los años 1981 y el 2000 por ser hispano o mujer, es posible que cumpla con los requisitos para solicitar compensación. Podría cumplir con los requisitos si:

1. solicitó del USDA un préstamo agrícola o la prestación de servicios con respecto a la administración de un préstamo agrícola durante ese periodo, y
2. el préstamo fue negado, otorgado tarde, aprobado por un monto menor al solicitado o aprobado con condiciones restrictivas, o el USDA no prestó un adecuado servicio de préstamo, y
3. usted considera que estos actos ocurrieron por ser usted hispano o mujer.

Si desea inscribirse para recibir los documentos para reclamación, puede llamar al Centro de Llamadas para Agricultores y Ganaderos al 1-888-508-4429 o ingresar a la página web: www.farmerclaims.gov

En del 2011, un administrador de reclamaciones empezará a enviar los documentos para reclamación a quienes los hayan solicitado por medio del Centro de Llamadas o la página web. Los documentos para reclamación tendrán información detallada sobre los requisitos y el proceso de reclamaciones.

Para poder participar, debe enviar su reclamación al administrador de reclamaciones antes de la fecha límite para presentarla.

Si actualmente lo representa un abogado con respecto a quejas de discriminación contra el USDA o ha iniciado una demanda judicial alegando discriminación por el USDA, debe ponerse en contacto con su abogado respecto a este proceso de reclamaciones.

El USDA no puede darle consejos legales.
No es necesario contratar un abogado para presentar la reclamación,
pero puede ponerse en contacto con un abogado u otro proveedor
de servicios legales de su comunidad si desea orientación adicional.

Summary of Claims Process - Female or Hispanic Farmers

SUMMARY OF CLAIMS PROCESS – WOMEN AND HISPANIC FARMERS AND RANCHERS

The United States Government is establishing a claims process to make available $1.33 billion or more[1] to farmers who alleged discrimination by the U.S. Department of Agriculture (USDA) based on being female, or based on being Hispanic, in making or servicing farm loans during certain periods between 1981 and 2000. If you qualify and submit a timely claim, you could receive an award of up to $50,000 in cash. USDA will also provide a total of up to $160 million in debt relief to successful claimants who currently owe USDA money for eligible farm loans. Successful claimants will also receive an additional amount equal to 25% of the combined cash award plus debt relief, to help pay federal taxes that may be owed. Your claim will be decided by a claims adjudicator with independent decision-making authority.

Claimants who submit certain required documents and meet other requirements will each receive a "Tier 2" payment of $50,000. Other claimants who do not provide such documents or otherwise do not meet the standards required for a Tier 2 payment but can successfully prove their claims may receive "Tier 1" compensation. Claimants under Tier 1 will be eligible to receive an award up to $50,000, which might be reduced as Tier 1 funds will be divided among successful claimants. Total funds made available for Tier 1 awards will be between $1.23 billion and $1.33 billion, depending on the funds awarded to Tier 2 claimants. **The total funds made available for Tier 2 awards will not be capped.**

DO YOU QUALIFY?:

You must satisfy the following criteria to recover:

- You are Hispanic or female;
- If you are Hispanic, you farmed, or attempted to farm, between January 1, 1981, and December 31, 1996, or between October 13, 1998, and October 13, 2000;
- If you are female, you farmed, or attempted to farm, between January 1, 1981, and December 31, 1996, or between October 19, 1998, and October 19, 2000;
- You were the owner-operator or a tenant-operator of farm property, or attempted to own or lease farm land, during the same time periods listed above;
- You applied for a farm loan or for farm-loan servicing at a USDA office during the same time periods listed above; or for those seeking a Tier 1 payment only, you made a bona fide effort to apply for a farm loan or for farm-loan servicing, and USDA actively discouraged the application during the same time periods;
- Your application for a farm loan from USDA was denied, provided late, approved for a lesser amount than requested, or restricted, or USDA failed to provide you an appropriate loan service;
- You believe USDA discriminated against you because you are Hispanic or female;
- USDA's treatment of your loan or loan application led to economic damage to you;
- You filed a discrimination complaint with USDA, either individually or through a representative, alleging that USDA discriminated against you based on your being Hispanic or female, in connection with a loan application or loan; and
- You have not participated in, and will not participate later in, any other resolution or claims process with USDA involving the same claims.

[1] Depending on the number of successful claimants, more than $1.33 billion may be made available. Further details are available at www.farmerclaims.gov.

Summary of Claims Process - Female or Hispanic Farmers (Continued)

If you allege that you did not apply but made a bona fide effort to apply for a farm loan or for farm-loan servicing and USDA actively discouraged the application during the same time periods, you may qualify for Tier 1 and will also be required to submit:

- A sworn, verified, or notarized written statement from someone who witnessed the alleged incident; or
- A contemporaneous written, rather than oral, complaint of that incident, filed with the USDA within one (1) year of the alleged discriminatory action.

You may apply for a Tier 2 payment of $50,000 if you submit a copy of the loan application and supporting documents, or related correspondence from USDA, , and a copy of a written discrimination complaint that you submitted to USDA within one year of the event. To receive a Tier 2 payment, you must also provide additional, specific information about the alleged discrimination. Otherwise, you will be eligible for a Tier 1 payment of an amount up to $50,000.

THE CLAIMS PROCESS:

1. **Obtaining a Claim Package:** You may request a Claim Package by calling 1-888-508-4429 or going to www.farmerclaims.gov. Later this year, the Claims Administrator will begin mailing Claim Packages, which will contain forms and instructions for participating in the claims process, to all interested persons. The Claims Administrator will also have a toll-free helpline to provide information about the process.

2. **Entering Claims Process:** You must enter into the settlement agreement included in the Claim Package, agreeing to the claims process and waiving your right to file a lawsuit. Once you decide to enter into the claims process, the only recovery available is that offered by the claims process. Decisions in the claims process are not appealable.

3. **Submitting Claim to Claims Administrator:** USDA will announce the start of the claims period, which will start in 2011 and last 180 days. **You must submit a claim within that period.**

4. **Review of Claims.** Every claim must be sworn to under penalty of perjury. USDA reserves the right to submit evidence to the Claims Adjudicator regarding any claim. All claims will be subject to random audits and other reviews, and fraudulent claims will be denied and subject to potential prosecution.

5. **Determination by Claims Adjudicator:** Based on the Claim Package you submit, the Claims Adjudicator will determine whether you are eligible to recover, with either a Tier 1 or Tier 2 payment, for your claim. USDA will provide loan balances for claimants seeking debt forgiveness. The Claims Adjudicator will decide if you meet the burden of proving your claim of discrimination. The decisions of the Claims Adjudicator are final and not appealable.

ASSISTANCE WITH FILING A CLAIM:

A community organization for female or Hispanic farmers may be of assistance. USDA is not permitted to complete the Claims Package for you or provide you with legal advice. If you have questions, you may

Summary of Claims Process - Female or Hispanic Farmers (Continued)

consult with counsel or another legal service provider. USDA does not require that you hire an attorney to participate in the claims process.

SUCCESSFUL CLAIMANTS WILL RECEIVE A CASH AWARD:

If the Claims Adjudicator approves your claim, you will receive a Tier 2 cash award of $50,000, or a Tier 1 cash award up to $50,000. USDA may also provide debt relief by forgiving the outstanding balances of loans that were connected to alleged discrimination. In addition, you will receive an additional amount equal to 25% of the combined cash award plus debt relief to help pay federal taxes that may be owed. Because of the cap on Tier 1 awards and the cap on debt relief, the actual amount of any Tier 1 award may be reduced, and debt relief may be prorated.

Resumen Del Proceso De Reclamaciones Para Mujeres Agricultoras O Agricultores Hispanos

RESUMEN DEL PROCESO DE RECLAMACIONES PARA MUJERES AGRICULTORAS O AGRICULTORES HISPANOS

El gobierno de Estados Unidos está estableciendo un proceso de reclamaciones para hacer disponible $1.33 mil millones o más[1] a agricultores que alegaron haber sido víctimas de discriminación por el Departamento de Agricultura de Estados Unidos (U.S. Department of Agriculture o USDA), por ser mujer o hispano, en la solicitud de un préstamo o servicio de asistencia respecto a la administración de préstamos agrícolas durante ciertos periodos entre 1981 y 2000. Si usted reúne los requisitos y presenta una reclamación a tiempo, podría recibir una compensación de hasta $50,000 en efectivo. El USDA también condonará deudas por un total de hasta $160 millones a los reclamantes que prueben su caso y que actualmente le deban dinero al USDA por préstamos agrícolas que cumplan con ciertos requisitos. Los reclamantes que prueben su caso también recibirán una cantidad adicional equivalente a 25% del monto combinado de la compensación en efectivo con la condonación de deuda, para ayudar a pagar impuestos federales que posiblemente se deban. Su reclamación será determinada por un adjudicador de reclamaciones con poder independiente de decisión.

Cada reclamante que presente los documentos requeridos y reúna otros requisitos recibirá un pago de "Nivel 2" equivalente a $50,000. Es posible que otros reclamantes que no proporcionen dichos documentos o que no cumplan por algún motivo con los criterios establecidos para un pago de Nivel 2, pero que logren probar sus reclamaciones, reciban compensación de "Nivel 1". Los reclamantes de Nivel 1 cumplen con los requisitos para recibir compensación de hasta $50,000, esta cantidad podría ser menos, ya que los fondos del Nivel 1 se dividirán entre los reclamantes que logren probar su caso. Se asignará para las compensaciones del Nivel 1 un total de $1.23 mil millones a $1.33 mil millones, lo cual dependerá de los fondos que se otorguen a los reclamantes del Nivel 2. No se limitará la cantidad total de dinero que se asignará para compensaciones del Nivel 2.

¿REÚNE LOS REQUISITOS?:

Debe reunir los siguientes requisitos para recibir compensación:

Ser hispano o mujer;
Si es hispano, haber cultivado o tratado de cultivar, entre el 1° de enero, 1981, y el 31 de diciembre, 1996, o entre el 13 de octubre, 1998, y el 13 de octubre, 2000;
Si es mujer, haber cultivado o tratado de cultivar, entre el 1° de enero, 1981, y el 31 de diciembre, 1996, o entre el 19 de octubre, 1998, y el 19 de octubre, 2000;
Haber sido propietario-operario o arrendatario-operario de una propiedad agrícola, o haber tratado de ser dueño o arrendar tierras de cultivo, durante los periodos arriba mencionados;
Solicitó un préstamo agrícola o servicios de administración de préstamos agrícolas en una oficina del USDA durante los periodos arriba mencionados, o solamente en el caso de quienes busquen obtener un pago del Nivel 1, hizo un esfuerzo de buena fe

[1] Dependiendo del número de reclamantes que prueben su caso, es posible que se asigne más de $1.33 mil millones. Hay más detalles disponibles en www.farmerclaims.gov.

Resumen Del Proceso De Reclamaciones Para Mujeres Agricultoras O Agricultores Hispanos (Continued)

para solicitar un préstamo agrícola o servicios de administración de préstamos agrícolas, y el USDA desalentó la solicitud activamente durante esos mismos periodos;
Su solicitud de un préstamo agrícola del USDA se negó, se otorgó tarde, se aprobó por un monto menor al solicitado, se restringió o el USDA no le proporcionó el debido servicio de administración de préstamo;
En el momento en que solicitó el préstamo o servicio de administración de préstamo, reunía todos los requisitos normativos aplicables del USDA para el préstamo o servicio de administración de préstamo.
Considera que el USDA discriminó contra usted debido a que es hispano o mujer;
La forma en que el USDA trató su préstamo o solicitud de préstamo resultó en que usted sufriera daños económicos;
Presentó una queja de discriminación ante el USDA, ya sea individualmente o por medio de un representante, en la cual alega que el USDA discriminó contra usted en base a que es hispano o mujer, con relación a la solicitud de préstamo o el préstamo mismo, y
No ha participado ni participará posteriormente en ninguna otra resolución o proceso de reclamaciones ante el USDA con respecto a las mismas reclamaciones.

Si usted alega que no solicitó pero hizo un esfuerzo de buena fe para solicitar un préstamo agrícola o servicios de administración de préstamos agrícolas, y el USDA desalentó activamente la solicitud durante esos mismos periodos, es posible que reúna los requisitos para el Nivel 1 y también se le requerirá que presente:

- Una declaración jurada por escrito, verificada o certificada ante notario, de alguien que presenció el incidente que usted alega, o
- Una queja contemporánea escrita, no en forma verbal, de ese incidente, presentada ante el USDA dentro de un (1) año del acto de discriminación que usted alega.

Usted puede solicitar un pago de Nivel 2 de $50,000 si presenta una copia de la solicitud de préstamo y documentos que la respalden, o correspondencia relacionada del USDA, y una copia de una queja escrita de discriminación que haya presentado ante el USDA dentro de un año del acontecimiento. Para recibir un pago del Nivel 2, también debe proporcionar información adicional y específica sobre la discriminación que usted alega. De otro modo, cumplirá con los requisitos para un pago de Nivel 1 por una cantidad de hasta $50,000.

El PROCESO DE RECLAMACIONES:

1. **Obtener los documentos de reclamación:** Usted puede solicitar los documentos de reclamación llamando al 1-888-508-4429 o en www.farmerclaims.gov. Dentro de unos meses, el Administrador de Reclamaciones comenzará a enviar los documentos de reclamación, entre ellos formularios e instrucciones para participar en el proceso de reclamaciones, a todas las personas interesadas. El administrador de reclamaciones también tendrá una línea telefónica gratuita para proporcionar información acerca del proceso.

Resumen Del Proceso De Reclamaciones Para Mujeres Agricultoras O Agricultores Hispanos (Continued)

2. **Participación en el proceso de reclamaciones:** Usted debe aceptar el acuerdo extrajudicial incluido en los documentos de reclamación, por el que acepta participar en el proceso de reclamaciones y renuncia a su derecho de entablar una demanda. Una vez que decida hacerse parte del proceso de reclamaciones, el único pago a disposición es el ofrecido por el proceso de reclamaciones. Las decisiones en el proceso de reclamaciones no se pueden apelar.

3. **Presentación de la reclamación al administrador de reclamaciones:** El USDA anunciará el inicio del periodo de reclamaciones, que se iniciará en el 2011 y durará 180 días. **Debe presentar su reclamación dentro de ese periodo.**

4. **Análisis de las reclamaciones:** Es necesario que toda reclamación sea bajo juramento, bajo sanción de perjurio. El USDA se reserva el derecho de presentar pruebas al adjudicador de reclamaciones con respecto a cualquier reclamación. Todas las reclamaciones estarán sujetas a auditorías aleatorias y otros análisis, y las reclamaciones fraudulentas se denegarán y estarán sujetas a posible procesamiento judicial.

5. **Dictamen por el Adjudicador de Reclamaciones:** En base a los documentos de reclamación que presente, el adjudicador de reclamaciones determinará si su reclamación cumple con los requisitos para recibir un pago, ya sea del Nivel 1 o Nivel 2. El USDA proporcionará información sobre saldos de préstamo a los reclamantes que quieran que se condone su deuda. El adjudicador de reclamaciones decidirá si cumple con probar su reclamación de discriminación. Las decisiones del adjudicador de reclamaciones son finales y no se pueden apelar.

AYUDA PARA PRESENTAR UNA RECLAMACIÓN:

Es posible que una organización comunitaria para mujeres agricultoras o agricultores hispanos pueda ayudarlo. No se permite que el USDA le llene los documentos de reclamaciones ni le proporcione asesoría legal. Si tiene preguntas, debe consultar con un abogado u otro proveedor de servicios legales. El USDA no requiere que contrate a un abogado para participar en el proceso de reclamaciones.

LOS RECLAMANTES QUE PRUEBEN SU CASO RECIBIRÁN COMPENSACIÓN EN EFECTIVO:

Si el adjudicador de reclamaciones aprueba su reclamación, recibirá compensación de $50,000 en efectivo con el Nivel 2 o compensación de hasta $50,000 en efectivo con el Nivel 1. El USDA también podrá condonar su deuda y no exigir que pague el saldo de sus préstamos relacionados con la discriminación alegada. Además, recibirá una cantidad adicional equivalente a 25% del monto combinado de la compensación con la condonación de deuda, para ayudar a pagar impuestos federales que posiblemente deba. Debido al límite de compensación en el Nivel 1 y el límite de condonación de deuda, es posible que se reduzca la cantidad real de cualquier compensación de Nivel 1, y que la condonación de deuda sea prorrateada.

Waiver Acknowledging Rights Under the Women/Hispanic Moratorium

The following addendum shall be used in voluntary liquidation or debt settlement requests.

Waiver Acknowledging Rights under the Women/Hispanic Moratorium

I/We understand that USDA has implemented a moratorium on certain accelerations and foreclosures under the Unified Claims Process for Women and Hispanic farmers and ranchers who allege they were discriminated against.

I/We have received a copy of Notice FLP-589 explaining this moratorium and understand my rights. I understand that I may seek legal counsel concerning my rights.

I/We request to voluntarily liquidate security or debt settle the FSA account and knowingly and willingly waive any rights I/we may have under the moratorium.

_____ _____

Borrower Co-Borrower