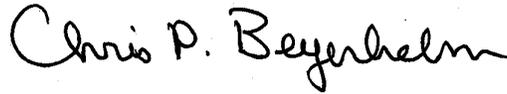


For: State and County Offices

Unsuitable Acreage for Conservation Contracts (CC's)

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A Background

The CC Program sets aside land as specified in CC's to help protect and conserve important resources in exchange for canceling a portion of FLP debt. CC terms may be 10, 30, or 50 years.

B Purpose

This notice provides additional clarification for determining that land is ineligible or unsuitable for CC because of legal restrictions when the land is encumbered by other programs for which the borrower is being compensated for conservation, wildlife, or recreation benefits.

C Contact

If there are any questions about this notice, contact Jeff King, LSPMD, at 202-720-1651.

2 Action

A Determining Ineligible Land

When an application is received, the CC Review Team will review the request and determine whether the borrower's land is suitable for CC. Land is unsuitable if it meets the provisions described in 5-FLP, subparagraph 192 B and 7 CFR 766.110(c). Specifically, 7 CFR 766.110(c)(1) states a land is ineligible for CC because of legal restrictions. Going forward, FSA interprets legal restrictions to include, but are not limited to, encumbrances of other USDA, State, or local government programs for which the borrower is being, or has been, compensated for conservation, wildlife, or recreation benefits.

B Adverse Decisions on CC Requests

See 5-FLP, subparagraph 195 H for additional guidance.

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