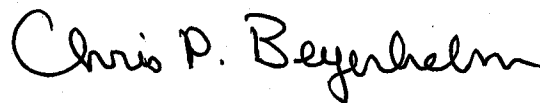


For: State and County Offices

Servicing Claimants in *Keepseagle v. Vilsack* Class Action Lawsuit

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A Background

A settlement agreement was signed on October 19, 2010, to resolve the *Keepseagle v. Vilsack* class action lawsuit and approval was provided by the Court on April 11, 2011. The claims process period began on June 29, 2011, and ended on December 27, 2011.

The Claims Administrator has provided the names of all *Keepseagle v. Vilsack* claimants to DAFLP. DAFLP will provide the list of *Keepseagle v. Vilsack* claimants to SED's.

Note: Native American borrowers who are **not** on the list of *Keepseagle v. Vilsack* claimants are not subject to the requirements of this notice, and will be serviced according to applicable regulations, including acceleration, foreclosure, offset, cross-servicing and debt settlement as appropriate.

B Purpose

This notice:

- provides guidance on servicing *Keepseagle v. Vilsack* claimants
- obsoletes Notice FLP-599.

Disposal Date	Distribution
March 1, 2013	State Offices; State Offices relay to County Offices

Notice FLP-613

2 Servicing Actions

A Settlement Agreement Moratorium

FSA will continue the settlement agreement moratorium for borrowers identified as *Keepseagle v. Vilsack* claimants. Prohibited actions include:

- efforts to seize personal property
- acceleration
- foreclosure
- collection and renewal of internal administrative offsets
- referrals or renewal of referrals to the Department of the Treasury (Treasury) for TOP or cross-servicing.

Under the moratorium, FSA may take any actions up to, but **not** including, acceleration, foreclosure, or offset, that are necessary to protect the interest of the United States or service a loan under applicable law. FSA will continue to service the loans and provide other assistance to the borrowers as needed or requested, but will **not** take actions considered adverse, such as the actions stated in this subparagraph.

Note: A United States Attorney may proceed with a foreclosure already referred by the date of preliminary approval, November 1, 2010, by USDA if the United States Attorney determines in his or her sole discretion **not** to suspend the foreclosure according to this moratorium. However, FSA will recommend to the United States Attorney **not** to proceed with any foreclosures on FSA loans subject to this moratorium.

B DD and County Office Action

DD's and County Offices shall:

- discontinue accelerations, foreclosures, and efforts to seize personal property on the direct FLP accounts of *Keepseagle v. Vilsack* claimants
- immediately take the necessary steps to stop collecting payments from internal administrative offsets on the direct FLP accounts of *Keepseagle v. Vilsack* claimants

Note: If an offset was taken on or after November 1, 2010, the date of the District Court Preliminary Settlement Agreement Order, FSA **must** refund the offset.

Notice FLP-613

2 Servicing Actions (Continued)

B DD and County Office Action (Continued)

- not refer or renew a referral to Treasury for TOP or cross-servicing on accounts of *Keepseagle v. Vilsack* claimants

Note: If an offset was taken on or after November 1, 2010, the date of the District Court Preliminary Settlement Agreement Order, FSA **must** refund the offset.

- provide loan servicing assistance to *Keepseagle v. Vilsack* claimants who are in default up to the point of acceleration, according to 5-FLP

Note: 1951-C1 and/or 1951-C2 letters will not be sent for *Keepseagle v. Vilsack* claimants that receive the 90 calendar days past due primary loan servicing notification.

Important: Exhibit 1 shall be included in the notification package mailed to all *Keepseagle v. Vilsack* claimants who are sent FSA-2510 on or after the date of this notice.

Exhibit 2 shall be included in the notification package mailed to all *Keepseagle v. Vilsack* claimants who are sent FSA-2514 on or after the date of this notice.

Exhibit 3 shall be included in the notification package mailed to all *Keepseagle v. Vilsack* claimants who are sent FSA-2521.

Exhibit 4 shall be included in the notification package mailed to all *Keepseagle v. Vilsack* claimants who are sent FSA-2525.

FSA-2580 will be completed by the servicing and reviewing official to ensure that servicing has been completed properly.

FSA-2581 will not be completed until the claims process is finalized and all requirements of 1-FLP, Exhibit 13.5 have been met.

Place the DLS special servicing tracking on “Hold” using the reason “Keepseagle Lawsuit” at the point of acceleration, or if the account has been accelerated. This action will place the special servicing reminders under the postpone column until the claims process is finalized.

Notice FLP-613

2 Servicing Actions (Continued)

B DD and County Office Action (Continued)

- continue routine servicing of direct FLP accounts of *Keepseagle v. Vilsack* claimants
- comply with 2-INFO when processing third party requests for copies of borrower records (FOIA request) and 3-INFO when borrowers request copies of their own records (Privacy Act request).

Notes: 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 be copied.

For FOIA or Privacy Act questions, contact either of the following:

- John W. Underwood, FSA Privacy Act Officer by:
 - e-mail at john.underwood@kcc.usda.gov
 - telephone at 816-926-6992
- Kent Politsch, Chief, Public Affairs by:
 - e-mail at kent.politsch@wdc.usda.gov
 - telephone at 202-720-7163.

Notice FLP-613

2 Servicing Actions (Continued)

C SED and State Office Action

State Offices shall:

- not refer accounts of *Keepseagle v. Vilsack* claimants to OGC or Government contractors for foreclosure action
- ensure that OGC does not refer *Keepseagle v. Vilsack* claimants to DOJ or third parties for foreclosure action
- inform DOJ of the settlement agreement on any *Keepseagle v. Vilsack* claimant that DOJ has for foreclosure action
- inform OIG of the settlement agreement on any *Keepseagle v. Vilsack* claimant OIG is investigating and obtain approval from DAFLP before referring any *Keepseagle v. Vilsack* claimant to OIG.

D Debt Settlement Applications

If a borrower covered by this notice voluntarily requests debt settlement, a copy of this notice will immediately be provided. The debt settlement application must include a signed copy of Exhibit 5 and may be processed according to RD Instruction 1956-B.

CNC accounts that have all loans returned by Treasury as uncollectible will not be canceled until the claims process is completed and/or unless no claim was submitted.

3 Contact Information

A State and County Offices

If there are questions about this notices:

- County Offices shall contact the State Office
- State Offices shall contact LSPMD at 202-720-4572.

Notification Mailed With FSA-2510

The following letter is to be included in the primary loan servicing notification package when FSA-2510 is mailed. Ensure that current letterhead is used.

Attachment to FSA-2510 for <i>Keepseagle v. Vilsack</i> claimants	
Borrower's Name	Date
Borrower's Address	
Borrower's Town, State and Zip Code	
Dear Borrower's Name;	
Under Federal law, FSA is required to notify you of the availability of loan servicing if you are 90 days past due. Enclosed is FSA-2510, "Notice of Availability of Loan Servicing to Borrowers who are 90 Days Past Due."	
The FSA-2510 provides an explanation of the available loan servicing programs and we encourage you to submit a timely complete application. The notice references the possibility of acceleration, foreclosure, and offset if:	
<ul style="list-style-type: none"> • You do not timely submit a complete loan servicing or debt settlement application, • We make an adverse decision on your request for loan servicing or debt settlement, or • You do not bring your account current. 	
According to the <i>Keepseagle v. Vilsack</i> Settlement Agreement, FSA will take no further action to accelerate or foreclose your account or collect through offset until all reconsideration, mediation and appeal options have been exhausted and all provisions of the <i>Keepseagle v. Vilsack</i> Settlement Agreement have been met with regard to your account.	
If you fail to submit a completed application and your <i>Keepseagle v. Vilsack</i> claim is denied, then USDA will promptly resume collection efforts including acceleration and foreclosure.	
Also, please be aware that the FSA's debt settlement application process mentioned on page 6 of the enclosed FSA-2510 is different from submitting a claim under the <i>Keepseagle v. Vilsack</i> Settlement Agreement. If your claim is approved under the <i>Keepseagle v. Vilsack</i> Settlement Agreement, your FSA debt may be written down as provided in that agreement.	
If you have questions regarding the <i>Keepseagle v. Vilsack</i> Settlement Agreement, we recommend that you contact 1-888-233-5506 (toll free phone number) and/or web site www.indianfarmclass.com and/or email questions@indianfarmclass.com for additional information.	
Sincerely,	
Name of Authorized Agency Official	
Title	
Attachment: FSA-2510	

Notification Mailed With FSA-2514

The following letter is to be included in the primary loan servicing notification package when FSA-2514 is mailed. Ensure that current letterhead is used.

Attachment to FSA-2514 for <i>Keepseagle v. Vilsack</i> claimants	
Borrower's Name	Date
Borrower's Address	
Borrower's Town, State and Zip Code	
Dear Borrower's Name;	
Under Federal law, FSA is required to notify you of the availability of loan servicing if you are in non-monetary default. Enclosed is FSA-2514, "Notice of Availability of Loan Servicing to Borrowers who are in Non-Monetary Default."	
The FSA-2514 provides an explanation of the available loan servicing programs and we encourage you to submit a timely complete application. The notice references the possibility of acceleration, foreclosure, and offset if:	
<ul style="list-style-type: none"> • You do not timely submit a complete loan servicing or debt settlement application, • We make an adverse decision on your request for loan servicing or debt settlement, or • You do not resolve the default. 	
According to the <i>Keepseagle v. Vilsack</i> Settlement Agreement, FSA will take no further action to accelerate or foreclose your account or collect through offset until all reconsideration, mediation and appeal options have been exhausted and all provisions of the <i>Keepseagle v. Vilsack</i> Settlement Agreement have been met with regard to your account.	
If you fail to submit a completed application and your <i>Keepseagle v. Vilsack</i> claim is denied, then USDA will promptly resume collection efforts including acceleration and foreclosure.	
Also, please be aware that the FSA's debt settlement application process mentioned on page 6 of the enclosed FSA-2514 is different from submitting a claim under the <i>Keepseagle v. Vilsack</i> Settlement Agreement. If your claim is approved under the <i>Keepseagle v. Vilsack</i> Settlement Agreement, your FSA debt may be written down as provided in that agreement.	
If you have questions regarding the <i>Keepseagle v. Vilsack</i> Settlement Agreement, we recommend that you contact 1-888-233-5506 (toll free phone number) and/or web site www.indianfarmclass.com and/or email questions@indianfarmclass.com for additional information.	
Sincerely,	
Name of Authorized Agency Official	
Title	
Attachment: FSA-2514	

Letter Mailed With FSA-2521 and FSA-2522

The following is an example of the letter to be included in the primary loan servicing notification package when FSA-2521 and FSA-2522 is mailed. Ensure that current letterhead is used.

Attachment to FSA-2521 and FSA-2522 for <i>Keepseagle v. Vilsack</i> claimants	
Borrower's Name	Date
Borrower's Address	
Borrower's Town, State and Zip Code	
Dear Borrower's Name;	
<p>Under Federal law, the Farm Service Agency (FSA) is required to notify you of its decision regarding your Primary Loan Servicing request within 60 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 inform you of FSA's adverse decision on your request and your right to request reconsideration, mediation and appeal. We encourage you to review this information closely and timely consider the options provided.</p>	
<p>Also, please be aware that the FSA's debt settlement application process mentioned in item 8 of the enclosed FSA-2521 is different from submitting a claim under the <i>Keepseagle v. Vilsack</i> Settlement Agreement. If your claim is approved under the <i>Keepseagle v. Vilsack</i> Settlement Agreement, your FSA debt may be written down as provided in that agreement.</p>	
<p>FSA-2521 does not accelerate your account. FSA will take no further action to accelerate or foreclose your account or collect through offset until all reconsideration, mediation and appeal options have been exhausted and all provisions of the <i>Keepseagle v. Vilsack</i> Settlement Agreement have been met with regard to your account. If you have questions regarding the <i>Keepseagle v. Vilsack</i> Settlement Agreement, we recommend that you contact 1-888-233-5506 (toll free phone number) and/or web site www.indianfarmclass.com and/or email questions@indianfarmclass.com for additional information.</p>	
Sincerely,	
Name of Authorized Agency Official	
Title	
Attachment: FSA-2521 and FSA-2522	

Letter Mailed With FSA-2525 and FSA-2526

The following is an example of the letter to be included in the primary loan servicing notification package when FSA-2525 and FSA-2526 is mailed. Ensure that current letterhead is used.

Attachment to FSA-2525 and FSA-2526 for <i>Keepseagle v. Vilsack</i> claimants	
Borrower's Name	Date
Borrower's Address	
Borrower's Town, State and Zip Code	
Dear Borrower's Name;	
<p>Under Federal law, the Farm Service Agency (FSA) is required to notify of your options since we did not receive a complete application from you within 60 days of your receipt of our notification of the availability of Primary Loan Servicing. Enclosed is FSA-2525, "Intent to Accelerate," and FSA-2526, "Borrower Response to Intent to Accelerate," which inform you of your right to request reconsideration, mediation and appeal. We encourage you to review this information closely and timely consider the options provided.</p>	
<p>Also, please be aware that the FSA's debt settlement application process mentioned in item 7 of the enclosed FSA-2525 is different from submitting a claim under the <i>Keepseagle v. Vilsack</i> Settlement Agreement. If your claim is approved under the <i>Keepseagle v. Vilsack</i> Settlement Agreement, your FSA debt may be written down as provided in that agreement.</p>	
<p>FSA-2525 does not accelerate your account. FSA will take no further action to accelerate or foreclose your account or collect through offset until all reconsideration, mediation and appeal options have been exhausted and all provisions of the <i>Keepseagle v. Vilsack</i> Settlement Agreement have been met with regard to your account. If you have questions regarding the <i>Keepseagle v. Vilsack</i> Settlement Agreement, we recommend that you contact 1-888-233-5506 (toll free phone number) and/or web site www.indianfarmclass.com and/or email questions@indianfarmclass.com for additional information.</p>	
Sincerely,	
Name of Authorized Agency Official	
Title	
Attachments: FSA-2525 and FSA-2526	

Addendum to Voluntary Liquidation or Debt Settlement Requests

The following is an example of the Addendum to Voluntary Liquidation or Debt Settlement Requests.

<p>Waiver Acknowledging Rights Under the <i>Keepseagle v. Vilsack</i> Class Action Lawsuit</p>	
<p>I/We understand that USDA has implemented a moratorium on certain accelerations and foreclosures under the <i>Keepseagle v. Vilsack</i> Settlement Agreement.</p>	
<p>I/We have received a copy of Notice FLP-613 explaining this moratorium and understand my rights. I understand that I may seek legal counsel concerning my rights.</p>	
<p>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.</p>	
_____	_____
Borrower	Co-Borrower