

For: State and County Offices

**Farm Storage Facility Loan (FSFL) Program Installment
Repayment and Maintenance Reminders**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

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Background

FSFL was implemented during May 2000. Disbursement of loans began during July 2000. According to the FSFL regulations at 7 CFR Part 1436, annual installments are due no later than the last day of each 12 months of the loan period until the principal plus accrued interest has been paid in full.

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Purpose

This notice reminds County Offices of:

- required actions to collect FSFL installments that are now due and payable
- borrowers responsibilities regarding taxes and insurance.

<p>Disposal Date</p> <p>June 1, 2002</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice FSFL-20

2 County Office Action

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Due and Payable Installments

For due and payable FSFL loan installments, County Offices shall:

- identify when installments are due by printing the installment due report, according to 1-FSFL, paragraph 414
 - prepare and send the notification and reminder letter to the contact borrower, according to 1-FSFL, subparagraph 150 C
 - process installment repayments, according to 1-FSFL, paragraph 361.
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When Installments Are Not Paid

For loan installments not paid by the due date, County Offices shall:

- on the day after the due date, prepare and send demand letters to the contact borrower and all co-borrowers, according to 1-FSFL, subparagraph 150 E
 - follow failure to repay installment policy according to 1-FSFL, subparagraph 150 D.
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3 FSFL Maintenance Policy

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Borrower's Responsibilities

Borrowers are responsible, according to 1-FSFL, paragraphs 58, 151, and 152, for maintaining:

- current real estate taxes and providing proof of paid taxes to the County Office
 - storage structures in a condition suitable for storage
 - fire and flood insurance on FSFL loan collateral
 - FCIC crop insurance on applicable crops.
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County Office Action

County Offices, according to 1-FSFL, paragraphs 58, 151, and 152, shall:

- be sure taxes and insurance are current for all FSFL loans
 - physically inspect FSFL collateral at least once per year
 - take action to call loans if all loan terms and conditions are not met.
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