

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FSFL-206

For: State and County Offices

**Temporary Suspension of FSFL Foreclosures,
Collections of Past-Due Debts, and Nonmonetary Defaults**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

FSA is temporarily suspending past-due debt collections, foreclosures, and nonmonetary defaults for financially distressed and delinquent borrowers.

During the temporary suspension of foreclosures, past-due debt collections, and nonmonetary defaults, State and County Offices will continue to deliver high level customer service and assure FSFL borrowers that FSA's mission is to service them during difficult times.

B Purpose

This notice:

- informs State and County Offices that FSA continues to temporarily suspend actions under FSFL to foreclose or collect past-due debts (see Exhibit 1 for questions and answers)
- obsoletes FSFL-204.

Note: A copy of this notice must be filed in all delinquent FSFL borrower folders.

Disposal Date	Distribution
January 1, 2024	State Offices; State Offices relay to County Offices

Notice FSFL-206

1 Overview (Continued)

C Contact Information

Contact either of the following with questions about this notice.

Name	Contact Information
Toni Williams	e-mail to toni.williams@usda.gov
Kimberly Kempel	e-mail to kimberly.kempel@usda.gov

2 Action

A State Office Action

State Offices will:

- ensure that STC's, COC's, County Offices, and FSFL producers are aware of the contents of this notice
- contact the National Office with questions about Department of Justice bankruptcy cases.

Note: All FSFL:

- borrowers currently reported to the Treasury Offset Program have been suspended by the Department of Treasury
- related debts that are currently in NRRS as FSFL past-due debt, including a defaulted loan, have been temporarily suspended for further collections.

B County Office Action

County Offices **must** contact the State Office for guidance and immediately **stop**:

- all acceleration, foreclosure, and liquidation proceedings
- generating demand letters for nonmonetary defaults of past-due FSFL debts.

During the temporary suspension of FSFL foreclosures, past-due collections, and nonmonetary defaults, County Offices **are**:

- **not** required to follow 1-FSFL, subparagraph 262 B, which instructs the County Office to set the "Other Debt Offset" flag in the customer profile through FSA-FS the day after the installment due date
- **required** to follow 1-FI, subparagraph 98 G to manually handle the other agency flag and temporarily bypass the collection of the FSFL annual installment debt

2 Action (Continued)

B County Office Action (Continued)

- reminded that borrowers who are unable to make the annual installment can either:
 - request a one-time annual installment deferral
 - receive a one-time 120-calendar day later payment of an annual installment.

County Offices may temporarily delay required inspections of FSFL collateral for required inspections as provided in 1-FSFL, paragraph 215.

All FSFL recoverable fees established in NRRS as a receivable are collectible and must not be suspended.

CCC-195 Servicing TS must be used for servicing FSFL's until further notice. See Exhibit 2 for an example of CCC-195 Servicing TS.

Temporary Suspension of FSFL Past-Due Debts and Foreclosures Questions and Answers

The following are general FSFL temporary suspension questions and answers.

Q1: Can FSFL borrowers request the County Office to set the “Other Agency Offset” flag so that offsets can be applied to their annual FSFL installment?

A1: No. The producer can make the payment on their own without a payment being offset.

Q2: Can FSFL borrowers submit CCC-36 and assign their payments to the FSFL installment?

A2: Yes. The producer may continue to assign payments to the annual FSFL installment by signing the CCC-36.

Q3: Should the County Offices continue to mail demand letters?

A3: All demand letters notifying producers of a delinquent FSFL debt are temporarily suspended. The Annual FSFL Reminder Letter will continue to be mailed by the national contractor and the outstanding balances and payment due will be as of the date the National Office generates the Direct Loan System/Enterprise Data Warehouse Reminder Report.

Q4: Can FSFL borrowers submit an annual FSFL deferral request 6 months before the annual FSFL installment due date?

A4: FSFL borrowers may request a FSFL deferral within 60 calendar days of the annual FSFL installment date.

Note: Because of the temporary suspension of foreclosure and collection of past-due FSFL debts, STC’s may determine, on a statewide basis, if accepting FSFL deferral requests at this time is necessary.

Q5: Are delinquent FSFL payments reported to the 3 main credit reporting repositories?

A5: No. Currently, delinquent FSFL debt and annual payments are not reported to the 3 main credit reporting repositories, Experian, TransUnion, and Equifax.

Q6: Will FSFL borrowers be denied future FSFL’s because they did not pay their annual installment payment timely?

A6: A delinquency on a FSFL or MAL may negatively affect the ability of a borrower to obtain additional Farm Loan Programs loans. Producers should contact their local FSA County Office to discuss available servicing options.

**Temporary Suspension of FSFL Past-Due Debts and Foreclosures Questions and Answers
(Continued)**

Q7: Should State and County Offices start a new CCC-195 Servicing TS checklist after a CCC-195 Servicing has already been completed for the FSFL?

A7: A CCC-195 Servicing TS is required at least 45 calendar days before the annual installment due date. If a CCC-195 Servicing has been completed before issuance of this notice, a new CCC-195 Servicing TS is not required.

Note: Until further notice is provided, CCC-195 Servicing TS must be used instead of CCC-195 Servicing.

Q8: If a FSFL producer is currently delinquent or becomes delinquent, is a copy of this notice required to be filed in a FSFL borrower's folder?

A8: Yes. A copy of this notice must be filed in all delinquent FSFL borrower folders.

Q9: What actions are required if an "Other Agency Offset" occurred after January 27, 2021, to pay a delinquent FSFL past-due debt?

A9: State Offices must contact the National Office for procedures for refunding the "Other Agency Offset" taken for the FSFL delinquent past-due debt. See subparagraph 1 C for the contact information.

Q10: What is a nonmonetary default?

A10: A nonmonetary default exists when a producer fails to correct a loan compliance violation, other than a monetary amount past due.

Q11: Could COC call the loan of a producer who has an FSFL that is in good standing with making payments, but the County Office has knowledge that there are other nonmonetary reasons why the FSFL should be called, such as but not limited to:

- not maintaining automobile, all-peril structural, or crop insurance policies
- abandons the FSFL collateral
- FSFL collateral is relocated without COC approval
- FSFL producer dies or becomes incompetent and there is no one to continue the FSFL
- producer is no longer farming.

A11: No. COC cannot call the outstanding FSFL while the temporary suspension of FSFL foreclosures and collections of past-due debts and nonmonetary defaults is in place.

CCC-195 Servicing TS, Farm Storage Facility Loan (FSFL) Servicing Checklist Temporary Suspension (TS)

The following is an example of the CCC-195 Servicing TS.

CCC-195 Servicing TS (02-22-21) FARM STORAGE FACILITY LOAN (FSFL) SERVICING CHECKLIST Temporary Suspension (TS)	USDA CCC	1. Name of Producer						
		2. Loan Number						
		3. State Office Name (<i>Where facility or equipment is located</i>)			4. County Office Name			
		5A. FSFL Term (<i>Check one</i>) <input type="checkbox"/> 3 <input type="checkbox"/> 5 <input type="checkbox"/> 7 <input type="checkbox"/> 10 <input type="checkbox"/> 12		5B. FSFL Annual Term Year		5C. Installment Due Date (<i>MM-DD-YYYY</i>)		
Office Staff Actions:		Applicable References (<i>1-FSFL (Revision 3)</i>)		YES	NO	N/A	Initials	Date
6. Collecting Installments								
Was the FSFL annual installment payment received timely and entered in DLS? If the answer is "YES", continue to Item 7. Note: If the answer is "No", authorization is not granted to further collect delinquent FSFL payments. Do not send a demand letter notifying the FSFL borrower of the delinquent debt. Continue to Item 8.		Subparagraph 211C 2-FSFL Paragraph 462						
7. Releasing Security, if applicable:								
A. FSFL is "paid in full." Initiate the release of security documents, as required by State law.		Paragraph 218						
B. Require the producer to pay all security release fees.								
C. Mark the original CCC-186 "paid" and forward to the producer 30 calendar days after the date of the final payment.								
8. Real Estate Taxes:								
A. Producer provided proof of payment of real estate taxes, applicable to the collateral securing the FSFL and real estate taxes are current. If the answer is "NO", complete Item 8B. If the FSFL is not secured with real estate, mark N/A.		Paragraph 213						
B. Pay any unpaid taxes with respect to the collateral securing FSFL if appears CCC's security interest is in jeopardy.								
9. Annual Insurance Coverage Requirement:								
A. Multi-Peril Crop Insurance - Producer provided proof of multi-peril crop insurance, if applicable, for commodities stored in the structure.		Subparagraphs 214A and 214B						
B. All-Peril Structural Insurance - Producer provided proof of all-peril structural insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee or mortgage payee.		Subparagraph 214A						
C. Flood Insurance - Producer provided proof of flood insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee or loss payee.		Subparagraphs 214A and 214D						
D. Auto Insurance - Producer provided proof of auto insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee.		Subparagraphs 214A and 214C						
10. Financing Statements:								
A. UCC-1 is current. If the answer is "NO" continue to Item 10B.		Paragraph 216						
B. UCC-3 Continuation is filed.								
<p><i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i></p> <p><i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i></p> <p><i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.esrc.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</i></p>								

CCC-195 Servicing TS, Farm Storage Facility Loan (FSFL) Servicing Checklist Temporary Suspension (TS) (Continued)

CCC-195 Servicing TS (02-22-21)		Page 2 of 2				
11. Collateral Inspection:						
A. Is a collateral inspection required for the applicable FSFL term? If the answer is "YES", complete the remainder of Item 11. If the answer is "NO", no further action is required for Item 11.	Paragraph 215					
B. Can a physical collateral inspection be safely completed for the applicable FSFL term? If the answer is "NO", document in the remarks section if the reason is due to something other than the pandemic.						
C. Was there legal access to the facility site?						
D. Was there proper facility maintenance?						
E. Was this a collateral inspection needed because of a late FSFL annual installment repayment?						
F. If asphalt flooring is installed, a collateral check is required at least once every other year. Is an asphalt flooring check required for this year? If "YES", record remarks regarding the check in Item 15.						
12. Certification:						
A. Signature of Preparer(s)		B. Date (MM-DD-YYYY)				
13A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur						
13B. CED, CED Designee Representative or DD Signature (Required for all Loans)		13C. Date (MM-DD-YYYY)				
14. State Office or Designee Review:						
Question	YES	NO	Remarks or finding, if applicable			
14A. Did the respective employee check, initial, and date the appropriate box for each item as it was performed?						
14B. According to your review of CCC-195 Servicing TS and the actions taken, was the FSFL properly serviced?						
14C. Do you have other concerns regarding this FSFL?						
14D. I, the undersigned, certify the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur						
14E. State Office or Designee Signature		14F. Date (MM-DD-YYYY)				
15. Remarks						
16. Important:						
The State Office or designee shall select the following per County Office for review each FY, beginning October 1: <ul style="list-style-type: none"> ▪ three CCC-195 Servicing TS, if 10 or less CCC-195 Servicing TS have been completed ▪ five CCC-195 Servicing TS, if 11 through 1,000 CCC-195 Servicing TS have been completed 						