

For: State Offices

LDP Misaction/Misinformation and Requests for Relief Guidelines

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

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Background

We have received several requests for relief and requests for misaction/misinformation approvals relating to LDP's and market loan repayments authorized by CCC-681-1.

We are concerned that some STC's may be incorrectly approving misaction/misinformation requests under \$5,000.

B

Purpose

This notice:

- reminds State Offices of the approval authority regarding misaction/misinformation cases under \$5,000
- explains situations when misaction/misinformation and requests for relief are not applicable
- requests STC's to review misaction/misinformation procedure.

Disposal Date	Distribution
October 1, 1999	State Offices

2 Misaction/Misinformation Policy Review

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Policies

Policies for misaction/misinformation cases are found in 7-CP, Part 3.

7-CP, subparagraph 52 C, provides guidance for determining when misaction/misinformation is not applicable.

Misaction/misinformation is not applicable when producers:

- knew, or had sufficient reason to know, that the action or advice upon which the producer relied was improper or erroneous
- relied upon their own misunderstanding or misinterpretation of program provisions, notices, or advice.

Approval also does not extend to cases where producers acted on their own misunderstanding or misinterpretation of program advice, notice, or hearsay.

B

Reason to Know

Misaction/misinformation policies do not apply to cases where a producer has reason to suspect the information was erroneous or the action to be improper. When a producer signs CCC-709, CCC-666 LDP, or CCC-681-1, the producer agrees with the terms and conditions of the document the producer is signing.

There is no legal authority to grant relief in cases where misaction/misinformation cannot be determined.

Notice LP-1670

3 Request for Relief Situations

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CCC-681-1 Cases

The Federal Agriculture Improvement and Reform Act of 1996, Section 133 c, prohibits the extension of the term of a marketing assistance loan. Any loan repaid after maturity may only be repaid at principal plus interest, as stated on CCC-681-1.

7-LP, subparagraph 926 C, provides the correct repayment amount needed to repay the loan. Any loan repaid for commodities delivered after the loan matures, regardless of when CCC-681-1 expires, must be repaid at principal plus interest.

Misaction/misinformation relief shall not be granted for these cases based on the fact that the producer did not have reason to know the information was erroneous.

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Late-Filed CCC-709 Cases

6-LP, paragraph 17, and 7 CFR 1421.5(c)(1), provide that a producer is eligible to receive LDP on commodities if beneficial interest is maintained through the date of the LDP request.

Relief will not be authorized for late-filed CCC-709's when beneficial interest is lost before requesting LDP.

4 STC Action

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Action

STC shall:

- review 7-CP, Part 3
 - review 7 CFR 718.8(b)
 - be advised that there is no legal authority to approve misaction/misinformation if the reasons are as described in this notice.
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