

For: State and County Offices

Offsetting Administrative Disbursements/Payments Issued by FSA or CCC

Approved by: Deputy Administrator, Farm Programs



1 Applying Marketing Assistance Loan (MAL) and LDP's

A Background

Presently, any disbursement/payment made by CCC to a producer as a result of MAL or LDP is credited toward any FSA delinquent debt owed by the producer.

The Farm Security and Rural Investment Act of 2002 does **not** exempt any program payments, including disaster payments, from offset for debt owed FSA or CCC. Refer to Notice FI-2534.

B Purpose

This notice provides clarification on existing policy and guidance for applying MAL and LDP's to FSA delinquent debts or administrative offsets for amounts due CCC.

C Offset Action

When a producer is delinquent on FSA or CCC debt, County Offices shall apply the disbursement from MAL or payment from LDP to reduce the producer's outstanding FSA or CCC delinquent debt.

Proceeds shall be applied to the oldest FSA delinquent debt or administrative offsets for amounts due CCC. The oldest delinquent debt is determined by the date of delinquency and can be either FSA or CCC debt. Issue any remaining funds to the producer in the normal manner.

Follow 58-FI, paragraph 160 for any offset procedures.

Disposal Date January 1, 2004	Distribution State Offices; State Offices relay to County Offices
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