

For: State and County Offices

Issuing Remaining FY 2001 Market Loss Assistance (MLA) Payments

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

On September 21, 2001, Notice PF-167 instructed County Offices to discontinue issuing FY 2001 MLA payments until further notice. KC-ITSDO also transmitted software to County Offices that day which disabled the FY 2001 MLA regular payment process.

B

Purpose

This notice advises State and County Offices that:

- software is being transmitted to enable the FY 2001 MLA regular payment process
- County Offices shall immediately issue all remaining FY 2001 MLA payments to eligible producers
- MLA payments shall not be issued and held in anticipation that a producer might become eligible for a payment.

C

SED Action

SED's shall:

- immediately notify County Offices to resume processing FY 2001 MLA payments to ensure that the September 30, 2001 statutory deadline is met
- ensure that County Offices understand and follow the procedure in this notice. Funding is specific and limited. Therefore, it is imperative that correct payment amounts are only issued to eligible producers. Payments **shall not** be processed and held in anticipation of future actions.

Disposal Date	Distribution
October 1, 2001	State Offices; State Offices relay to County Offices

Notice PF-169

2 Provisions For Issuing Remaining FY 2001 MLA Payments

A

Modified Software

On September 25, 2001, KC-ITSDO will transmit software to County Offices to enable the MLA regular payment process. County Offices shall immediately follow the instructions in Information Bulletin No. 2178 to install the software.

B

Reminder for Issuing MLA Payments

As specified in Notice PF-162, the 2001 Act does not provide FSA with any discretionary authority to issue FY 2001 MLA payments after September 30, 2001. As a result, the FY 2001 regular payment process will be permanently disabled on the earlier of the following:

- October 1, 2001
- when County Release No. 469 is installed.

Further, because the 2001 Act specifies that all FY 2001 MLA payments shall be disbursed by September 30, 2001, an authorized payment process is not being developed for FY 2001 MLA payments. County Offices shall ensure that **all** MLA payments are issued through the regular payment process to **eligible** producers by September 30, 2001.

However, County Offices are reminded that MLA payments shall not be issued to producers:

- on contracts with disputed shares unless the dispute is settled before September 30, 2001
 - involved in bankruptcy situations unless guidance has been provided by the Regional Attorney
 - who have filed an appeal unless a favorable determination is made before September 30, 2001.
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C

Typewritten Checks

Issuing typewritten MLA checks is strictly prohibited.

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Notice PF-169

2 Provisions For Issuing Remaining FY 2001 MLA Payments

D Ineligible Producers

County Offices are:

- reminded that MLA payments shall not, under any circumstance, be issued to producers that are not eligible for benefits
- **not** authorized to issue MLA payments to a producer in anticipation that the producer's eligibility status might change before September 30, 2001.

If the system generates a payment to an ineligible producer, County Offices shall:

- not release the payment to the producer
- **immediately** cancel the payment in the system according to 2-PF and Notice PF-162
- update the system to reflect the producer's ineligibility to ensure that future payments are not processed nor issued.

If the producer's eligibility status changes before September 30, 2001, then the system should be updated immediately by all affected County Offices so payments can be issued timely.

Notice PF-169

3 Provisions About Withholding PFC Payments

A **Withholding** **PFC Payments**

The 2001 Act governing issuance of FY 2001 MLA payments:

- requires that payments be issued by September 30, 2001
- does not provide for exceptions.

Therefore, County Offices do not have the authority to withhold FY 2001 MLA payments for cases involving **potential** adverse program eligibility determinations.

B **Handling** **Receivables** **and/or Claims**

County Offices shall offset FY 2001 MLA payments to satisfy outstanding receivables and/or claims, if the producer has been properly notified of the debt according to 58-FI. The offsets shall be applied against outstanding receivables and/or claims even if the producer has appealed the determination that resulted in the debt.

If the determination that resulted in the establishment of the receivable or claim is reversed, County Offices shall refund offset amounts according to:

- 64-FI for claim collections
 - 67-FI for receivables collections.
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