

For: State and County Offices

**Handling Production Flexibility Contract (PFC) and
Market Loss Assistance (MLA) Payments for Producers Involved in Bankruptcy**

Approved by: Acting Deputy Administrator, Farm Programs



1 Handling FY 2001 PFC and MLA Payments

A

Background

Notices PF-168 and PF-169 provided guidance on issuing FY 2001 PFC and MLA payments. Several State Offices have asked for clarification on handling bankruptcy situations before September 30, 2001.

B

Purpose

This notice clarifies how State and County Offices shall handle issuing FY 2001 PFC and MLA payments for producers involved in bankruptcy.

C

OGC Guidance

OGC has advised that FY 2001 PFC and MLA payments shall not be issued unless either of the following occurs before September 30, 2001:

- Regional Attorney provides written guidance to the State and County Office that the payment or payments can be issued to the producer or offset to satisfy a debt to CCC
- if the bankruptcy case has not been resolved, the FY 2001 PFC and/or MLA payment or payments can be issued and deposited into an escrow account for later disposition.

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