

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Direct Loan Servicing – Special
and Inventory Property Management
5-FLP**

Amendment 22

Approved by: Deputy Administrator, Farm Loan Programs

Chris P. Beyerhelm

Amendment Transmittal

A Reasons for Amendment

Subparagraph 432 C has been added to provide that any attorney's fees and any fees routinely charged by DOJ will be added to the amount of the debt.

Subparagraph 533 F has been amended to reference DOJ fees.

Paragraph 582 has been withdrawn and the information has been moved to paragraph 551.

Subparagraph 581 C has been added to provide how to document liquidated items.

Exhibits 34, 40, 41, 44, 49, 50, 51, and 52 have been amended to:

- reference DOJ fees
- add language about check payment, if required.

Amendment Transmittal (Continued)

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--Section 3 Servicing DOJ Judgment Debts--

431 Monitoring Judgment Debts

A Monitoring Status

State Offices shall monitor the status of all judgments with DOJ, except pending foreclosure judgments, to determine whether:

- any collections have been made on the judgment in the last 12 months
- the account has been referred to Department of Treasury for TOP and/or cross-servicing.

B Request Return

State Offices shall request that DOJ return judgments if no collections have been made by DOJ in the last 12 months.

432 Servicing Judgment Debts Retained by DOJ**A Internal Administrative Offset**

Under FSA and CCC offset regulations at 7 CFR 792.7 and 1403.7, DOJ is not entitled to priority in requesting offset of FSA farm program payments. To achieve the greatest recovery on judgment debt, it is FLP's policy to use FLP's priority under 7 CFR 792.7 and 1403.7 regulations whenever possible and appropriate. Therefore, State and County Offices shall:

- determine whether the borrower will receive farm program payments and request written DOJ concurrence to pursue collection of these monies as applicable
- pursue internal administrative offset according to RD Instruction 1951-C after obtaining DOJ concurrence
- notify DOJ of all administrative offset collections received and applied to the judgment accounts.

B TOP Referral

DOJ is responsible for referring judgment debts under its control to TOP and it is the DOJ's policy to do so while DOJ is pursuing collection of the debt. If the debt is selected for TOP during FSA's TOP referral process, the debt must be deleted from the TOP Eligible Screens at the end of each quarter using Delete Code "05". When DOJ returns the case to FSA, DOJ withdraws the debt from TOP, and it is FSA's responsibility to refer the debt to TOP according to Exhibit 15.

***--C DOJ Fees**

If the borrower's account is referred to DOJ for foreclosure and/or other collection action after foreclosure, such as a deficiency judgment or enforcing a judgment lien, any attorney's fees and any fees charged by DOJ will be added to the debt.--*

533 Acceleration Actions

A Preparation of the Case File

When the borrower meets the conditions for acceleration, the authorized agency official will prepare the case file for acceleration. A State supplement will be issued to describe the required procedures to accelerate FLP accounts, including “chattel only” accounts.

B Civil Rights and Primary Loan Servicing Reviews

FSA-2580 and FSA-2581 are used to document and certify that FSA fully and appropriately considered the borrower for servicing and that there is no evidence of inconsistencies, inequitable treatment, or discrimination complaints.

The authorized agency official will ensure that FSA-2580 has been completed. DD will *--complete FSA-2581, Part A. FSA-2580 and FSA-2581 must be submitted to SCRRG before acceleration. SCRRG consists of SED, FLC, and the State civil rights coordinator.--*

Note: Only FSA-2581, Part A is required in cases referred for acceleration/foreclosure because of the borrower’s failure to graduate, and for acceleration of nonprogram loans.

SED will submit files and information to the National Office only if required or because of special circumstances. See 1-FLP, Exhibits 12 and 13 for information on determining *--discrimination complaint status. Once FSA-2581, Parts B and C and the discrimination complaint status clearance process have been completed indicating that foreclosure can--* continue, the authorized agency official will execute the problem case report.

C Problem Case

FSA-2550 will be completed to document the status and circumstances of the account when there is real estate security.

D Determining Prior Liens

If current lien information is not in the case file, the authorized agency official will obtain a title or lien search on all security property to determine whether there are any prior liens on the property.

E Property Value

The authorized agency official will include either the estimated value or appraised value of the security in the case file. The authorized agency official may estimate the market value of the property, unless there are prior liens other than a current-year tax lien. If there are prior liens, the authorized agency official must obtain an appraisal to determine the “as is” market value of the property according to 1-FLP, Part 6, unless a State supplement allows the use of an estimated value.

533 Acceleration Actions (Continued)**F Narrative and Deficiency Judgment Recommendation**

The authorized agency official will include in the case file a narrative description of the borrower's financial condition and the conclusion of all appeals and mediation.

The authorized agency official will recommend to the DD whether FSA should pursue a deficiency judgment. To make a recommendation, the authorized agency official will determine whether foreclosure will likely satisfy the borrower's FSA debt. The basic formula for this calculation is:

Sale price - sale costs (if considered separate from recoverable costs and expenses) - recoverable costs and expenses to be charged - prior liens = net proceeds.

This calculation is an estimate. It may not be used as the basis for charging or crediting the borrower's account. In using this formula, the authorized agency official must be aware of what costs are charged to the borrower's account and what costs are deducted from the amount credited to the borrower's account.

If the liquidation will not satisfy the borrower's FSA account, FSA will assess the borrower's financial situation to determine whether further recovery on the account is possible through a deficiency judgment. The authorized agency official will include these findings and a recommendation in the borrower's case file.

--If the borrower's account could be referred to DOJ for foreclosure and/or other collection action after foreclosure, such as a deficiency judgment or enforcing a judgment lien according to Part 11, Section 3, any attorney's fees and any fees charged by DOJ will be added to the debt.--

G Submitting the Problem Case File

The problem case file will be submitted to the DD as soon as the file is complete or within 90 calendar days of when the borrower meets all acceleration criteria, whichever come first.

Part 16 Involuntary Liquidation**Section 1 General Information****551 Introduction****A General Procedures**

[7 CFR 766.351(a)(1)] When a borrower cannot or will not meet a loan obligation, the Agency will consider liquidating the borrower's account in accordance with this subpart.

FSA will move to liquidate security after acceleration.

The involuntary liquidation process differs among States, and in particular between judicial and nonjudicial foreclosure States. SED, in consultation with OGC, will issue a State supplement to provide detailed guidance on involuntary liquidation.

[7 CFR 766.357(b)(4)] After the date of foreclosure, the borrower or former owner retains no statutory, implied, or inherent right of possession to the property beyond those rights granted by state law.

If FSA acquires property as a result of involuntary liquidation, the property becomes inventory property. FSA maintains and disposes of inventory property according to Part 21.

B Recordkeeping

During the involuntary liquidation process, the authorized agency official must make entries into the running record on the liquidation process and retain any letters, forms, or documentation associated with the acceleration that are required by this handbook and State supplements.

C Conditions for Involuntary Liquidation

[7 CFR 766.357] (a) The Agency will liquidate the borrower's security if:

(1) The borrower does not satisfy the account in accordance with §§ 766.355 and 766.356 (Part 15), as appropriate;

(2) The involuntary liquidation is in the Agency's financial interest.

551 Introduction (Continued)***--D Charging the Borrower's Account**

[7 CFR 766.357(c)(1)] The Agency will charge the borrower's account for all recoverable costs incurred by the Agency as a result of the repossession and sale of the property.

If the borrower's account is referred to DOJ for foreclosure and/or other collection action after foreclosure, such as a deficiency judgment or enforcing a judgment lien according to Part 11, Section 3, any attorney's fees and any fees routinely charged by DOJ will be added to the amount of debt reported to DOJ. Borrowers have been informed of this fee by notifications of offset and/or notifications of acceleration. SED will issue a State Supplement as required on the proper calculation of the amount to be reported to DOJ.

E Crediting the Borrower's Account

[7 CFR 766.357(c)(2)] The Agency will apply the proceeds from the repossession sale to the borrower's account less prior liens and all authorized liquidation costs.

F Outstanding Loan Balances Remaining After Repossession

[7 CFR 766.357(c)(3)] If an unpaid balance on the Agency loan remains after the sale of the repossessed property, the Agency may debt settle the account in accordance with subpart B of 7 CFR Part 1956.

For any outstanding balance remaining after foreclosure for which the borrower is still liable, if FSA has not and/or will not pursue a deficiency judgment according to subparagraphs 421 G and 533 F, the unsecured account balance will be serviced according to Part 24.

Judgment debt will be serviced according to Part 11, Section 3.

In judicial foreclosure States only, unless the borrower voluntarily liquidated with a release of liability or debt settlement, SED completes FSA-2576 and completes a 3B transaction in ADPS to record a judgment account, if applicable.--*

551 Introduction (Continued)

G 2008 Farm Bill Foreclosure Moratorium

As provided in 7 CFR 766.358, FSA will not foreclose on the program loans of a borrower who has filed a program discrimination complaint that has been accepted by USDA's Office of Adjudication until the complaint has been either:

- resolved by USDA
- closed by a court of competent jurisdiction.

See 1-FLP, subparagraph 41:

- H for additional guidance on determining whether a discrimination complaint has been filed
- I for additional guidance on the foreclosure moratorium, and suspension of interest accrual and offset.

552-565 (Reserved)

Section 3 Chattel

581 Repossession of Chattel

A Repossessing Chattel

FSA may take possession of chattel as part of an involuntary liquidation. FSA may acquire chattel by bidding at a sale only if bidding is clearly in FSA's interest and SED approves acquisition. SED determines the bid amount and designates an authorized agency official to attend the sale. Prior lienholders are notified of the repossession, as appropriate by FSA-2572.

FSA-2571 will be completed for liquidation of chattel security by FSA or the borrower.

B Borrower Agrees to Sell Property During Involuntary Liquidation

If voluntary liquidation will not be delayed, the borrower may receive FSA assistance in arranging chattel liquidation and release of liability or debt settlement using FSA-2571 and RD 1956-1:

- after the account has been accelerated
- before referral to the Department of Treasury for cross-servicing.

***--C Documenting Items**

The authorized agency official documents the liquidated items on FSA-2040.--*

581 Repossession of Chattel (Continued)**D Peaceably Obtaining Possession of Security**

If the borrower does not liquidate the chattel security with FSA assistance, the authorized agency official will inform the borrower of FSA's intent to repossess the property.

If the borrower consents to the repossession or does not resist FSA's efforts to collect the security, the authorized agency official will contact an auctioneer, the State Contracting Officer or other third party, as required by State policy to collect the security. The authorized agency official should coordinate logistical details with the borrower and the auctioneer including:

- where the property is located
- when the chattel should be collected
- where the chattel will be delivered.

The authorized agency official will instruct the auctioneer that if peaceful repossession cannot be obtained, the auctioneer should not attempt to collect the chattel and should report back to the authorized agency official. If the auctioneer cannot collect the security, the authorized agency official proceeds according to subparagraph E.

E Initiating Legal Procedures

If the borrower does not consent to the repossession, the authorized agency official forwards the borrower's case file to SED. Based on the State's procedures for handling involuntary liquidation, SED processes the case file to initiate foreclosure.

- SED may forward the case file with all relevant information and documentation to OGC and/or the U.S. Attorney.
- SED may keep the borrower's file in the State Office. In this case, SED is responsible for initiating and processing the foreclosure.

F Borrower Abandons Property

If the borrower abandons the property or if the security is in danger or risk of injury or degradation, the authorized agency official must act according to Part 18.

582 (Withdrawn--Amend. 22)

583-600 (Reserved)

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

This table lists all required reports in this handbook.

Reports Control Number	Title	Reporting Period	Submission Date	Negative Reports	Reference
	Statute of Limitations	Quarterly	5th of each month	No	126

Forms

This table lists the forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification		81
FSA-137	Address Information Request		67, 386
FSA-1956-20	Checklist for “Currently Not Collectible” Debt		433, 952, Ex. 16
FSA-1956-21	List of Currently Not Collectible (CNC) Debts Eligible to Be Referred to Treasury for Cross-Servicing		433, Ex. 16
FSA-1956-22	Update to TOP and Cross-Servicing Information		Ex. 15, 16
FSA-2001	Request for Direct Loan Assistance		81, 344
FSA-2002	Three-Year Financial History		81
FSA-2003	Three-Year Production History		81
FSA-2025	Notice of Approval, Terms and Conditions and Borrower Responsibilities		346
FSA-2026	Promissory Note		Text
FSA-2027	Supplemental Payment Agreement		161
FSA-2029	Mortgage/Deed of Trust		Text
FSA-2037	Farm Business Plan Worksheet Balance Sheet		81
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expenses		81
FSA-2040	Agreement and Record of the Disposition of FSA Security/Release of Proceeds		464, 465, 581
FSA-2060	Application for Partial Release, Subordination, or Consent		462, 463
FSA-2065	Annual Statement Loan Account		Ex. 16
FSA-2070	Bill of Sale		516, 517, 519
FSA-2080	Release From Personal Liability		84
FSA-2489	Assumption Agreement		Text
FSA-2501	Addendum to the Promissory Note or Assumption Agreement for the Disaster Set-Aside Program		44-46, 48

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2510	Notice of Availability of Loan Servicing to Borrowers Who Are 90 Days Past Due		3, 67, 83, 85, 405, 702
FSA-2511	Borrower Response to Notice of the Availability of Loan Servicing		81, 405, 702
FSA-2512	Notice of Availability of Loan Servicing to Borrowers Who Are Current, Financially Distressed, or Less Than 90 Days Past Due		3, 67, 85, 102
FSA-2513	Borrower Response to Notice of the Availability of Loan Servicing		81
FSA-2514	Notice of Availability of Loan Servicing to Borrowers Who Are in Non-Monetary Default		3, 67, 83, 85, 444, 702
FSA-2515	Borrower Response to Notice of the Availability of Loan Servicing for Borrowers Who Received Form FSA-2514		81, 444, 702
FSA-2516	30 Day Reminder of the Notice of Availability of Loan Servicing		83
FSA-2517	Offer of Primary Loan Servicing for Borrowers Who Received Form FSA-2510 or FSA-2514 and Applied for Servicing		116
FSA-2518	Acceptance of Primary Loan Servicing for Borrowers Who Received Form FSA-2510 or FSA-2514 and Applied for Servicing		116
FSA-2519	Offer of Primary Loan Servicing for Borrowers Who Received Form FSA-2512 and Applied for Servicing		116
FSA-2520	Acceptance of Primary Loan Servicing for Borrowers Who Received Form FSA-2512 and Applied for Servicing		116
FSA-2521	Denial of Primary Loan Servicing and Intent to Accelerate for Borrowers Who Received Form FSA-2510 or FSA-2514 and Applied for Servicing		116, 229, 322
FSA-2522	Borrower Response to Denial of Primary Loan Servicing and Intent to Accelerate for Borrowers Who Received Form FSA-2510 or FSA-2514 and Applied for Servicing		116, 229, 322

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2523	Denial of Primary Loan Servicing for Borrowers Who Received Form FSA-2512 and Applied for Servicing		116, 229, 322
FSA-2524	Borrower Response to Denial of Primary Loan Servicing for Borrowers Who Received Form FSA-2512 and Applied for Servicing		116, 229, 322
FSA-2525	Intent to Accelerate for Borrowers Who Received Form FSA-2510 or FSA-2514 and Did Not Apply for Servicing or Did Not Accept Servicing		85
FSA-2526	Borrower Response to and Intent to Accelerate for Borrowers Who Received Form FSA-2510 or FSA-2514 and Did Not Apply for Servicing or Did Not Accept Servicing		85
FSA-2529	Negotiated Appraisal Agreement		230
FSA-2535	Conservation Contract		Text
FSA-2537	Notification of Consideration for Homestead Protection		281
FSA-2538	Response to Notification of Consideration for Homestead Protection for Borrowers Who Received FSA-2537		281
FSA-2539	Homestead Protection Program Agreement		283, 284
FSA-2540	Notice of the Availability of Homestead Protection – Post Acquisition		281, 568
FSA-2543	Shared Appreciation Agreement		Text
FSA-2544	Shared Appreciation Agreement Recapture Appraisal Notice		343, 344
FSA-2545	Borrower Notification of Shared Appreciation		344
FSA-2547	Shared Appreciation Agreement Recapture Reamortization		67
FSA-2548	Shared Appreciation Agreement Recapture Reamortization 2nd Notice		67
FSA-2550	Report of Problem Case		421, 533
FSA-2551	Evidence of Conversion, Fraud, or Waste		66, 421
FSA-2560	Request for Statement of Account		536

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2561	Statement of Account		536
FSA-2562	Borrower Account Description Flag		67, 248, 401, 421, 534, 567, Ex. 11
FSA-2569	Warranty Deed		408, 496-499
FSA-2570	Offer to Convey Security		284, 496, 497, 499, 500, 516, 517
FSA-2571	Agreement for Voluntary Liquidation of Chattel Security		464, 465, 516, 518, 581
FSA-2572	Agreement of Secured Parties to Sale of Security Property		581
FSA-2574	Confirmation Reorganization Plan Worksheet		404, 406
FSA-2576	Notice of Judgment		551, 567, 568, 604
FSA-2580	Primary and Preservation Loan Servicing Checklist		67, 533
FSA-2581	Inequitable Treatment Review Data		533
FSA-2585	Acquisition or Abandonment of Secured Property		708, Ex. 66
FSA-2587	Advice of Property Acquired		568, 743
FSA-2588	Acquired Property Maintenance		568
FSA-2591	Lease of Real Property		281, 284, 568, 743
FSA-2592	Invitation, Bid and Acceptance Sale of Real Property by the United States		776, 778, 782
FSA-2593	Standard Sales Contract Sale of Real Property by the United States		778
FSA-2594	Advice of Inventory Property Sold		778
FSA-2595	Quitclaim Deed		778
FSA-2596	Bill of Sale "A" (Sale of Government Property)		780
FSA-2597	Farmer Programs Noncash Credit for Purchase of Easement Rights		197
IRS Form 1098	Mortgage Interest Statement		Ex. 16
IRS Form 1099-C	Cancellation of Debt		406
NRCS-CPA-026	Highly Erodible Land and Wetland Conservation Determination		81
RD 1956-1	Application for Settlement of Indebtedness		Text, Ex. 16

State Supplements

The following table lists required State supplements.

Subparagraph	Required State Supplement
3 C	Guidance on Notary Acknowledgement
3 D	Guidance on Signature Requirements
3 F	Using State-Specific and State-Created Forms
104 A	Obtaining PLS Appraisals
196 B	Filing of Conservation Contracts
229 B	State-Certified Mediation Requirements
247 B	Closing Reamortized Loans
302 A	Homestead Protection According to State Laws
343 B	Real Estate Appraisals for Determination of SAA Recapture
345 C	Satisfying Shared Appreciation Agreements (SAA) According to State Laws
346 E	Maintaining Lien Position When Amortizing SAA Recapture
401 E	State Policies and Procedures for Bankruptcy
402 F	Reaffirmation of Debt
421 D	State Policies and Procedures for Civil and Criminal Actions
443 C	Managing the Liquidation Process
462 B	Title Searches
464 B	Lien Searches
498 A	Convergence of Rights With Real Property
531 A	Loan Acceleration
533 A	Case File Preparation for Acceleration
533 E	Determination of Property Value Prior to Acceleration
534 E	Notification of Prior Lienholders After Acceleration
535 C	Partial Payments After Acceleration
551 A	General Involuntary Liquidation
566 D	Real Property Foreclosures
567 C	Bidding at Foreclosure Sales
568 A	Acquisition of Inventory Property
568 E	Addressing Outstanding Loan Balances After Real Estate Foreclosure
--551 D	Calculating Amount To Be Reported to DOJ--
601 A	Third-Party Foreclosures
601 C	Contract Forfeiture
602 A	Prior Lienholder Liquidation
604 E	Redemption Rights

State Supplements (Continued)

Subparagraph	Required State Supplement
705 C	Custodial Property
707 F	Removal of Abandoned Vehicles From Inventory Property
724 A	Taxes on Inventory Real Property
776 D	Advertisement of Inventory Property for Sale
776 F	Contracting With Real Estate Brokers to Sell Inventory Property
778 E	Sale of Inventory Property
Exhibit 17, *--subparagraph 5 F--*	<ul style="list-style-type: none"> • Estimated Cost and Average Holding Period • Factors to Use When Adjusting Market Value. <p>Note: State supplement is issued after cost-analysis has been completed, but no later than November 30 each year.</p>

Notification of the Availability of the Disaster Set-Aside Program

*--Note: Exhibit 10 is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK “FFAS Employee Forms/Publications Site” and CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “5-FLP Exhibit 10”.

5-FLP, Exhibit 10

This Exhibit may only be revised by SED.

(Use Agency Letterhead format with local return address.)

**NOTIFICATION OF THE AVAILABILITY OF THE
DISASTER SET-ASIDE PROGRAM**

Dear

The Disaster Set-Aside (DSA) program could be available to you if your operation has suffered losses as a result of a natural disaster and you cannot pay all of your expenses, debts to other creditors and FSA farm loan payments.

Under the DSA program, you may be eligible to delay any or all of your FSA farm loan payments due this year or next (but not both). This payment will be moved to the end of your loan to be paid on or before the final due date. Loans with less than 2 years remaining are not eligible. DSA will only be approved if all farm loan payments will be up-to-date after the payments are set aside.

You can apply for DSA anytime you note, from local publications, that your county has an active disaster designation. To apply for DSA, you must provide this office with a letter, signed by all parties liable for the debt, requesting DSA and your actual production, income and expense records for the last three years. FSA might request additional information later if it is needed to make an eligibility decision. Complete applications must be submitted to FSA before your account becomes 90 days past due and prior to the end of the disaster designation.

Note: FSA will take a lien on all your assets (with few exceptions) if your account has become past due at the time DSA is closed.

Current Disaster Designations

Date Declared	Code	Disaster Description	Final Date to Apply
---------------	------	----------------------	---------------------

For more information, please contact this office.

Sincerely

--*

Notice to Borrower’s Attorney Regarding Loan Servicing Options

*--Note: Exhibit 34 is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK “FFAS Employee Forms/Publications Site” and CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “5-FLP Exhibit 34”.

5-FLP, Exhibit 34

This Exhibit may only be revised by SED.

(Use Agency Letterhead format with local return address.)

Notice to Borrower’s Attorney Regarding Loan Servicing Options

RETURN ADDRESS

Borrower’s Attorney’s Address

Dear

This letter provides important information which the Farm Service Agency (FSA) requests you to provide to your client _____ who has filed a bankruptcy petition, or is currently under the jurisdiction of the bankruptcy court. Your client was also sent a copy of this letter. Subject to the applicable provisions of the Bankruptcy Code and FSA regulations, FSA may take action to enforce its security instrument given by _____ as security for an FSA loan. However, your client may be able to cure one or all of the problems indicated below so that it will not be necessary for FSA to enforce its security instrument.

Loan payments are \$ _____ past due.

Your client has disposed of some of the property used to secure the FSA loans. Your client did not get written approval for this action. This property is:

Your client has breached the agreements contained in the security instrument executed by your client in favor of FSA by taking the following actions: _____

Your client has failed to make the required payments under a confirmed bankruptcy plan.

Your client has

_____.

Before FSA can act to enforce its security instruments, its regulations require FSA to provide borrowers with notice of servicing options. The enclosed forms explain the loan servicing options that FSA has available. **THIS NOTICE WILL BE YOUR CLIENT’S ONLY OPPORTUNITY TO APPLY FOR THESE SERVICING OPTIONS. YOUR CLIENT WILL NOT BE RENOTIFIED OF ANY ADDITIONAL SERVICING OPTIONS WHILE UNDER THE PROTECTION OF THE BANKRUPTCY COURT.** Depending upon the prior servicing and previous loan history, your client may not be eligible for servicing consideration or may be eligible for only certain servicing options. The following servicing options are available:

Notice to Borrower's Attorney Regarding Loan Servicing Options (Continued)

*--

5-FLP, Exhibit 34

This letter advises you that FSA can only consider eligibility for the remaining servicing options listed above, if any, and only within FSA's statutory and regulatory eligibility requirements. If there are servicing options available and your client wishes to apply for either primary or preservation loan servicing, you or your client must complete and return the enclosed application forms and any request for updated information, within * days of receipt of this notice. By this response, you will be acknowledging that when FSA processes your client's request for loan servicing it is not interfering with any rights or protections your client may have under the Bankruptcy Code and its automatic stay provisions. FSA's processing of the application may include considering your client for primary and preservation loan servicing options, notifying your client of FSA's decision on the application in accordance with 7 CFR part 766, and holding any mediation, meetings or appeals requested by your client. If your client fails to complete and return the required information within the *-day period, FSA will proceed to enforce its security instrument as allowed under the Bankruptcy Code and FSA regulations.

To ascertain whether your client is eligible for any remaining options, it may be necessary for FSA to work closely with your client. If your client requests this contact we hope that we can assist him or her. However, if favorable action is not possible, FSA will notify you, and provide your client with the opportunity to appeal the decision. **FSA WILL NOT ACCELERATE THE ACCOUNT OR INITIATE FORECLOSURE UNTIL FSA COMPLIES WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE.**

If your client's account is referred to the Department of Justice for foreclosure and/or other collection action after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to the debt as well as a Department of Justice fee of 3 percent.

--*

Notice to Borrower's Attorney Regarding Loan Servicing Options (Continued)

*--

5-FLP, Exhibit 34

If your client is discharged in a Chapter 7 bankruptcy, your client must reaffirm the entire FSA debt in accordance with the provisions of the Bankruptcy Code in order to receive FSA primary loan servicing. Reaffirmation requires the approval of the Bankruptcy Court. No reaffirmation is necessary for your client to be eligible for preservation loan servicing.

If your client is operating under a confirmed bankruptcy plan, and desires to apply for loan servicing and qualifies for servicing under FSA's regulations, you must also comply with provisions of the Bankruptcy Code practiced in your jurisdiction concerning modification of the plan. If your client's plan has not yet been confirmed by the Bankruptcy Court, you may choose to file a proposed plan which may or may not contain restructuring features similar to those available under FSA regulations. The Government, of course, is free to object to the proposed plan in accordance with the provisions of the Bankruptcy Code. If a plan is confirmed before servicing and any appeal is completed under FSA regulations, FSA will complete the servicing or appeals process, and may consent to a post-confirmation modification of the plan, if appropriate, in accordance with advice from FSA's legal counsel.

FSA's loan servicing regulation is found at 7 CFR part 766. FSA cannot promise you or your client that a request for loan servicing will be approved. However, FSA can promise that a request for any loan servicing options which remain will be fully and fairly considered.

Sincerely,

Attachments

cc: [Borrower's name]

* Indicate 60 days or time period remaining from last servicing action, whichever is greater.

--*

Notice of Acceleration of Your Debt (Non-Program) to the Farm Service Agency (FSA) and Demand for Payment of That Debt

***--Note:** Exhibit 40 is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK “FFAS Employee Forms/Publications Site” and CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “5-FLP Exhibit 40”.

5-FLP, Exhibit 40

This Exhibit may only be revised by SED with concurrence of OGC.

CERTIFIED MAIL
(Name and Address)

(Use Agency Letterhead format with local return address.)

Date

SUBJECT: NOTICE OF ACCELERATION OF YOUR DEBT (NON-PROGRAM) TO THE FARM SERVICE AGENCY (FSA) AND DEMAND FOR PAYMENT OF THAT DEBT

Dear *(Borrower's Name)*:

PLEASE TAKE NOTE that the entire indebtedness due on the promissory note(s) and/or assumption agreement(s) which evidence the loan(s) received by you from the United States of America, acting through the Farm Service Agency (FSA), United States Department of Agriculture is now declared immediately due and payable. They are described as follows:

Date of Instrument

Amount

The promissory notes and assumption agreements are secured by Real Estate Mortgages, Deeds of Trust, Security Agreements, Financing Statements, etc. described as follows:

Date of Instrument

Place of Recordation (Filing)

Recorded In: Book No. Page No.

This acceleration of your indebtedness is made in accordance with the authority granted in the above-described instruments.

Notice of Acceleration of Your Debt (Non-Program) to the Farm Service Agency (FSA) and Demand for Payment of That Debt (Continued)

*--

5-FLP, Exhibit 40

The reason(s) for this acceleration of your indebtedness is (are) as follows:

The indebtedness due is \$ unpaid principal, and \$ unpaid interest, as of 20__ , plus additional interest accruing at the rate of \$ per day thereafter, plus any advances made by the U.S.A., for the protection of its security and interest accruing on any such advances. Unless full payment of your indebtedness is received within 30 days from the date of this letter, the U.S.A., will take action to foreclose the above-described security instruments and to pursue any other available remedies.

Payment should be made by cashier's check, certified check, or postal money order payable to the Farm Service Agency and delivered to FSA at (*street address or P.O. Box*). (*city*). (*ZIP Code*). If you submit to the U.S.A., any payment insufficient to pay the entire indebtedness or insufficient to comply with any arrangements agreed to between FSA and yourself, that payment WILL NOT CANCEL the effect of this notice. If insufficient payments are received and credited to your account, no waiver or prejudice of any rights which the U.S.A., may have for breach of any promissory note or covenant in the security instrument(s) will result and FSA may proceed as though no such payment had been made.

[THE ABOVE-DESCRIBED SECURITY INSTRUMENTS PROVIDE THAT THE U.S.A. MAY FORECLOSE WITHOUT COURT ACTION BY SELLING THE PROPERTY AT PUBLIC SALE AFTER . THE GOVERNMENT INTENDS TO SELL THE PROPERTY IN THIS MANNER. NO FURTHER NOTICE IS REQUIRED TO BE GIVEN YOU CONCERNING THIS FORECLOSURE.] (*This paragraph will be omitted in States with judicial foreclosure or where it conflicts with State laws.*)

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

If you think FSA is in error in accelerating your account and proceeding with foreclosure, you may submit evidence within 15 calendar days to the undersigned documenting why your account is not in default. Your request will be forwarded to the next level of authority within FSA for consideration. This review will be based solely upon the record including your case file. Applicable statutes and regulations and the documentation you submit to support your position will be considered by the next level of authority.

You may apply for debt settlement and retain the property if you pay the current market value along with an additional amount you are able to pay.

You have the option of selling your property. This will provide you with an opportunity to recover any equity you may have in the property. NOTE: FSA regulations allow you to sell your property at its current market value regardless of the debt. The buyer may be able to obtain FSA financing on program or non-program terms.

--*

Notice of Acceleration of Your Debt (Non-Program) to the Farm Service Agency (FSA) and Demand for Payment of That Debt (Continued)

*--

5-FLP, Exhibit 40

Notice to Customers Presenting Checks

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquires, please contact your local office.

Privacy Act – A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with the law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

United States of America by

(District Director or State Approval Official)

Farm Service Agency, United States Department of Agriculture

--*

Notice of Acceleration of Your Farm Service Agency (FSA) Account (Non-Program)

*--Note: Exhibit 41 is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK “FFAS Employee Forms/Publications Site” and CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “5-FLP Exhibit 41”.

5-FLP, Exhibit 41			
This Exhibit may only be revised by SED with concurrence of OGC.			
CERTIFIED MAIL <i>(Name and Address)</i>			
<i>(Use Agency Letterhead format with local return address.)</i>			
Date:			
<i>(Name and Address)</i>			
SUBJECT: NOTICE OF ACCELERATION OF YOUR FARM SERVICE AGENCY (FSA) ACCOUNT (NON-PROGRAM)			
Dear <i>(Borrower's Name)</i> :			
PLEASE TAKE NOTE that the Farm Service Agency (FSA) intends to enforce its Real Estate Mortgages, Deeds of Trust, Security Agreements, Financing Statements, etc. given or assumed by you as security for the following-described promissory notes and assumption agreements and declares the indebtedness immediately due and payable:			
<table><tr><td style="text-align: center;"><u>Date of Instrument</u></td><td style="text-align: center;"><u>Amount</u></td></tr></table>	<u>Date of Instrument</u>	<u>Amount</u>	
<u>Date of Instrument</u>	<u>Amount</u>		
The security instruments referred to above are described as follows:			
<table><tr><td style="text-align: center;"><u>Date of Instrument</u></td><td style="text-align: center;"><u>Place of Recordation (Filing)</u></td><td style="text-align: center;"><u>Recorded In: Book No. Page No.</u></td></tr></table>	<u>Date of Instrument</u>	<u>Place of Recordation (Filing)</u>	<u>Recorded In: Book No. Page No.</u>
<u>Date of Instrument</u>	<u>Place of Recordation (Filing)</u>	<u>Recorded In: Book No. Page No.</u>	
The decision to foreclose is made in accordance with the authority granted in the above-described security instruments for the following reasons:			
The balance of the account is \$ _____ unpaid principal, and \$ _____ unpaid interest, as of _____, 20____, plus additional interest accruing at the rate of \$ _____ per day thereafter, plus any advances to be made by the United States for the protection of its security, and the interest accruing on any such advances. Pursuant to the terms of the loan instruments FSA is now exercising its option to declare this debt immediately due and payable, although FSA has no intention of seeking to recover any part of this debt from assets you have other than the property which is security for the debt.			

--*

Notice of Acceleration of Your Farm Service Agency (FSA) Account (Non-Program) (Continued)

*--

5-FLP, Exhibit 41

The security instruments executed by you in favor of FSA are not affected by a discharge in bankruptcy and the security can still be foreclosed upon or liquidated to satisfy the secured debt, although a discharge under the Bankruptcy Code does render any debt discharged unenforceable as your personal obligation. In other words, if FSA proceeds with foreclosure or liquidation, all property which is security would be sold. If the proceeds from that sale are not sufficient to payoff the debt, FSA cannot seek a personal judgment against you for any deficiency. This letter is not intended as an act to collect or recover any debt from you for which your personal obligation has been discharged pursuant to 11 U.S.C. §524 but rather it is intended to collect or recover any such debt from the property which is security for the loans made to you.

Unless full payment of the secured debt is received within 30 days from the date of this letter, the U.S.A., will take action to foreclose/liquidate under the authority granted in the above-described instruments. Payment should be made by cashier's check, certified check, or postal money order payable to the Farm Service Agency and delivered to FSA at (*street address or P.O. Box*) (*city*), (*ZIP Code*). If there is submitted to the U.S.A., any payment insufficient to pay the account in full or insufficient to comply with any arrangements agreed to between FSA and yourself, that payment WILL NOT CANCEL the effect of this notice. If insufficient payments are received and credited to your account, no waiver or prejudice of any rights which the U.S.A., may have for breach of any promissory note or covenant in the security instruments will result and FSA may proceed as though no such payments had been made.

[THE ABOVE-DESCRIBED SECURITY INSTRUMENTS PROVIDE THAT THE U.S.A., MAY FORECLOSE WITHOUT COURT ACTION BY SELLING THE PROPERTY AT PUBLIC SALE AFTER . THE GOVERNMENT INTENDS TO SELL THE PROPERTY IN THIS MANNER. NO FURTHER NOTICE IS REQUIRED TO BE GIVEN YOU CONCERNING THIS FORECLOSURE.] (*This paragraph will be omitted in States with judicial foreclosure or where it conflicts with State law.*)

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

If you think FSA is in error in accelerating the account and proceeding with foreclosure, you may submit evidence within 15 calendar days to the undersigned documenting why the account is not in default. Your request be forwarded to the next level of authority within FSA for consideration. This review will be based solely upon the record including your case file. Applicable statutes and regulations and the documentation you submit to support your position will be considered by the next level of authority.

You have the option of selling your property. This will provide you with an opportunity to recover any equity you may have in the property.

NOTE: FSA regulations allow you to sell your property at its current market value regardless of the debt. The buyer may be able to obtain FSA financing on program or non-program terms.

--*

Notice of Acceleration of Your Farm Service Agency (FSA) Account (Non-Program) (Continued)

*--

5-FLP, Exhibit 41

Notice to Customers Presenting Checks

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquires, please contact your local office.

Privacy Act – A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with the law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

United States of America by

(District Director or State Approval Official)
Farm Service Agency, United States Department of Agriculture

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Notice Advising of Potential Referral to Treasury for Cross-Servicing and the Availability of Debt Settlement

Note: Exhibit 44 is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK “FFAS Employee Forms/Publications Site” and CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “5-FLP Exhibit 44”.

*--

5-FLP, Exhibit 44

(Use Agency Letterhead format with local return address.)

NOTICE ADVISING OF POTENTIAL REFERRAL TO TREASURY FOR CROSS-SERVICING AND THE AVAILABILITY OF DEBT SETTLEMENT

Dear

Farm Service Agency (FSA) records show that you owe debt totaling \$ _____ with daily interest accrual of \$ _____. In accordance with the Debt Collection Improvement Act (DCIA), 31 U.S.C. Chapter 37, FSA is prepared to refer your debt to the U.S. Department of Treasury (Treasury) for collection through cross-servicing. Referral of debt to Treasury for cross-servicing is not an appealable action. If your debt is referred for cross-servicing, Treasury may:

- take action to collect the debt by garnishing your wages,
- refer the debt to a private collection agency for collection, or
- refer the debt for collection by the U.S. Department of Justice.

Collection fees will be charged to you when collections are made. In addition, FSA will continue to report the debt to a credit bureau.

FSA will refer your debt for cross-servicing unless you pay the debt in full or submit RD 1956-1, “Application for Settlement of Indebtedness,” to this office within 30 days from the date of this letter. A copy of this form is attached. All statements made on RD 1956-1 must be accurate and will be subject to verification. If you submit a debt settlement application and the application is not approved, your account will be referred to Treasury for cross-servicing after all appeal rights on the debt settlement application are exhausted.

If you are unable to pay your FSA debt in full, FSA has several programs which could allow you to settle the remaining debt for less than the total amount due. The following programs are subject to FSA’s discretion and are not a matter of entitlement or right.

- 1) **Compromise Offer** - A lump-sum payment of less than the total debt owed.
- 2) **Adjustment Offer** - A series of payments of less than the total debt owed paid over a maximum of five years.
- 3) **Cancellation** - The final settlement of a debt without any payment. FSA must verify that there is no income or other assets from which the Government can collect. You must be unable to pay any part of the debt now or in the future.

NOTE: FSA will not finance a compromise or adjustment offer.

--*

Notice Advising of Potential Referral to Treasury for Cross-Servicing and the Availability of Debt Settlement (Continued)

*--

5-FLP, Exhibit 44

If FSA refers your account to Treasury, any debt settlement offer must be submitted to Treasury, or its contracted private collection agency. If Treasury refers your account to the Department of Justice for collection, your offer must be made to the Department of Justice.

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

If your debt is delinquent as of the date of this letter, FSA may be using administrative offset to collect the delinquent debt. Administrative offset is required by DCIA, and will continue until the delinquent debt is paid in full. Some of the payments that can be offset include IRS tax refunds, Federal salaries, Federal contractor/vendor payments, Federal benefit payments such as Social Security, FSA Farm Program payments, and state income tax refunds for states participating in centralized administrative offset through Treasury's Offset Program.

If you were not previously notified of FSA's intent to use administrative offset to collect your debt, offset notification will be sent in a separate letter.

If you have any questions about this letter, please contact this office at (local office phone number).

Sincerely,

(Agency Official)

Attachment

Notice to Customers Presenting Checks

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquires, please contact your local office.

Privacy Act – A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

--*

**Notice of Acceleration of Farm Loan Programs Accounts Secured by Real Estate and/or Chattels
in Cases Not Involving Bankruptcy**

*--Note: Exhibit 49 is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK “FFAS Employee Forms/Publications Site” and CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “5-FLP Exhibit 49”.

5-FLP, Exhibit 49				
This Exhibit may only be revised by SED with concurrence of OGC.				
(Use Agency Letterhead format with local return address.)				
NOTICE OF ACCELERATION OF FARM LOAN PROGRAMS ACCOUNTS SECURED BY REAL ESTATE AND/OR CHATTELS IN CASES <u>NOT</u> INVOLVING BANKRUPTCY				
CERTIFIED MAIL				
[Date]				
(Borrower) (Co-Borrower) (Address) City, State Zip code				
Subject: NOTICE OF ACCELERATION OF YOUR DEBT TO THE FARM SERVICE AGENCY AND DEMAND FOR PAYMENT OF THAT DEBT				
Dear _____ :				
PLEASE NOTE that the entire indebtedness due on the promissory notes and/or assumption agreements which evidence the loans received by you from the United States of America, acting through the Farm Service Agency, United States Department of Agriculture is now declared immediately due and payable. They are described as follows:				
<table><thead><tr><th style="text-align: left;">Debt Instrument</th><th style="text-align: left;">Date of Instrument</th><th style="text-align: left;">Original Amount</th></tr></thead></table>	Debt Instrument	Date of Instrument	Original Amount	
Debt Instrument	Date of Instrument	Original Amount		
The promissory notes or assumption agreements are secured by real estate mortgages, deeds of trust, security agreement, and financing statements, etc., described and perfected as follows:				
<table><thead><tr><th style="text-align: left;">Security Instrument</th><th style="text-align: left;">Date</th><th style="text-align: left;">Recording Office</th><th style="text-align: left;">Recording Information</th></tr></thead></table>	Security Instrument	Date	Recording Office	Recording Information
Security Instrument	Date	Recording Office	Recording Information	

**Notice of Acceleration of Farm Loan Programs Accounts Secured by Real Estate and/or Chattels
in Cases Not Involving Bankruptcy (Continued)**

*--

5-FLP, Exhibit 49

This acceleration of your indebtedness is made in accordance with the authority granted in the above-described instruments.

The reasons for the acceleration of your indebtedness are as follows:

The indebtedness due is \$_____ unpaid principal, and \$_____ unpaid interest, as of _____, plus additional interest accruing at the rate of \$_____ per day thereafter, plus any advances made by the United States for the protection of its security and interest accruing on any such advances and any shared appreciation. Unless full payment of your indebtedness is received made by one of the methods described below within 30 days from the date of this letter, the United States will foreclose the above described security instruments and pursue any other available remedies.

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

Full payment may be made in any of the following ways:

A) CASH

Payment should be made by cashier's check, certified check, or postal money order payable to the Farm Service Agency and delivered to FSA at _____. If you submit to the UNITED STATES any payment insufficient to pay the account in full or insufficient to comply with any arrangements agreed to between the Farm Service Agency and yourself, that payment WILL NOT CANCEL the effect of this notice. If such insufficient payments are received and credited to your account, no waiver or prejudice of any rights which the UNITED STATES may have for breach of any promissory note or covenant in the security instruments will result and the Farm Service Agency may proceed as though no such payment had been made.

B) TRANSFER AND ASSUMPTION

You may transfer the collateral for your loans to someone who is willing and able to assume the debt. Contact FSA immediately if you are interested in this.

C) SALE

You may sell the collateral for your loans for its market value and send the proceeds to FSA or to other creditors with liens prior to FSA's lien. Contact FSA immediately if you are interested in this.

*D) VOLUNTARY CONVEYANCE

You may convey all of your collateral to the Government. Contact FSA immediately if you are interested in this.

--*

**Notice of Acceleration of Farm Loan Programs Accounts Secured by Real Estate and/or Chattels
in Cases Not Involving Bankruptcy (Continued)**

*--

5-FLP, Exhibit 49

** The above-described security instruments provide that the United States may foreclose without court action by selling the property at public sale after _____. The United States intends to sell the property in this manner.

*** If you have not been advised of your rights to request deferral of payments or other servicing options you should contact FSA at the above mentioned address within 15 days of the receipt of this notice.

If you fail to comply with the requirements outlined in this notice within the next 30 days, the United States plans to proceed with foreclosure/liquidation.

YOU DO NOT HAVE ANY RIGHT TO APPEAL THIS DECISION TO ACCELERATE YOUR FSA DEBTS.

UNITED STATES OF AMERICA

BY: _____
District Director
Farm Service Agency
United States Department of Agriculture

Notice to Customers Presenting Checks

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquires, please contact your local office.

Privacy Act – A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

*This will be included as an option only if it would be in the Government's financial interest to accept a voluntary conveyance offer.

**This paragraph will be omitted in States with judicial foreclosure or if it conflicts with State law.

*** This paragraph will be omitted when accelerating accounts for failure to graduate or accelerating accounts of Non-Program Loan debtors.

--*

Notice of Intent to Foreclose on Your Property Serving as Security for the United States of America and Acceleration of Your Loan Accounts

***--Note:** Exhibit 50 is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK “FFAS Employee Forms/Publications Site” and CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “5-FLP Exhibit 50”.

5-FLP, Exhibit 50

This Exhibit may only be revised by SED with concurrence of OGC.

(Use Agency Letterhead format with local return address.)

CERTIFIED MAIL

[Date]

(Borrower)
(Co-Borrower)
(Address)
City, State Zip code

NOTICE OF INTENT TO FORECLOSE ON YOUR PROPERTY SERVING AS SECURITY FOR THE UNITED STATES OF AMERICA AND ACCELERATION OF YOUR LOAN ACCOUNTS

Dear (Borrower):

The United States of America intends to enforce its (real estate mortgages, deeds of trust, security agreements, etc.) given or assumed by you as security for your loans. The security instruments referred to above as described below were perfected as follows:

Security Instrument	Date	Recording Office	Recording Information

The security instruments executed by you in favor of the UNITED STATES are not affected by a discharge in bankruptcy and the security can still be foreclosed upon or liquidated to satisfy the secured debt, although a discharge under the Bankruptcy Code does render any debt discharged unenforceable as your personal obligation. If the proceeds from the sale are not sufficient to pay off the debt, the UNITED STATES will not seek a personal judgment against you for any deficiency. This letter is not intended as an act to collect or recover any debt from you for which your personal obligation has been discharged, but rather is intended to inform you that the UNITED STATES intends to collect as much of the secured debt as possible from the property which serves as security for the loans made to you. In order to do so, it is necessary for your loans to be accelerated. Therefore, pursuant to the terms of the debt instruments, the United States is now exercising its option to declare your entire debt immediately due and payable. **Any Farm Loan Programs family living and farm operating expenses which you may be receiving are hereby terminated.**

The reasons for taking this action are as follows:

[If the loan account is in monetary default, list this as one reason for accelerating. If the loan account is not in monetary default, OGC must advise.]

--*

Notice of Intent to Foreclose on Your Property Serving as Security for the United States of America and Acceleration of Your Loan Accounts (Continued)

*--

5-FLP, Exhibit 50

The debt instruments are described as follows:

Debt Instrument	Date of Instrument	Original Amount

The UNITED STATES will not file its foreclosure action or liquidate its security, under the authority granted in the above-described instruments, for 30 days. During that period you may purchase the property for the market value, which the Farm Service Agency has appraised to be \$ _____. Payment should be made by cashier’s check, certified check, or postal money order payable to the Farm Service Agency and delivered to the county official at _____.

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney’s fees may be added to your debt as well as a Department of Justice fee of 3 percent.

*You may not stop the foreclosure by paying an amount less than the market value.

** The above-described security instruments provide that the UNITED STATES may foreclose without court action by selling the property at public sale after _____. The Government intends to sell the property in this manner.

YOU DO NOT HAVE ANY RIGHT TO APPEAL THIS DECISION TO ACCELERATE YOUR FSA DEBTS.

UNITED STATES OF AMERICA

BY: _____
District Director
Farm Service Agency
United States Department of Agriculture

Notice to Customers Presenting Checks

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquires, please contact your local office.

Privacy Act – A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by

--*

Notice of Intent to Foreclose on Your Property Serving as Security for the United States of America and Acceleration of Your Loan Accounts (Continued)

*--

5-FLP, Exhibit 50

mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

*This sentence can only be used with the approval of the Regional OGC.

**This paragraph will be omitted in States with judicial foreclosure or if it conflicts with State law.

--*

Notice of Acceleration of Your Debt to the Farm Service Agency Based on Confirmed Bankruptcy Plan With Discharge and Demand for Payment of That Debt

***--Note:** Exhibit 51 is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK “FFAS Employee Forms/Publications Site” and CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “5-FLP Exhibit 51”.

5-FLP, Exhibit 51

This Exhibit may only be revised by SED with concurrence of OGC.

(Use Agency Letterhead format with local return address.)

CERTIFIED MAIL

[Date]

(Borrower)
(Co-Borrower)
(Address)
City, State Zip code

NOTICE OF ACCELERATION OF YOUR DEBT TO THE FARM SERVICE AGENCY BASED ON CONFIRMED BANKRUPTCY PLAN WITH DISCHARGE AND DEMAND FOR PAYMENT OF THAT DEBT

Dear

PLEASE TAKE NOTE that the entire indebtedness due under the Chapter ____ Plan confirmed on ____ in Bankruptcy Case No. ____ which evidences the loan(s) received by you from the United States of America, acting through the Farm Service Agency (FSA), United States Department of Agriculture is now declared immediately due and payable. The obligation set out in the confirmed Chapter ____ Plan is described as follows:

Date of Bankruptcy Plan Confirmation Order	Amount
---	--------

The amount(s) set out in the confirmed Chapter ____ Plan is/are secured by real estate mortgage(s), deed(s) of trust, security agreements(s), financing statement(s), etc. described (perfected) as follows:

Security Instrument	Date	Recording Office	Recording Information
------------------------	------	------------------	--------------------------

The acceleration of your indebtedness is made in accordance with the authority granted in the above-described instrument(s). Although, this is not an acceleration of your debt owed to the FSA prior to confirmation of the Chapter ____ Plan, it is fully effective to accelerate the debt as set out in the Chapter ____ Plan.

--*

Notice of Acceleration of Your Debt to the Farm Service Agency Based on Confirmed Bankruptcy Plan With Discharge and Demand for Payment of That Debt (Continued)

*--

5-FLP, Exhibit 51

The reason(s) for the acceleration of your indebtedness is(are) as follows:

[If debt under the confirmed Chapter ___ Plan is in monetary default, list this as one of the reasons. If the debt is not in monetary default, obtain concurrence of OGC before acceleration.]

The indebtedness due as a result of your Chapter _____ Plan is \$_____ unpaid principal, and \$_____ unpaid interest, as of _____ plus additional interest accruing at the rate of \$_____ per day thereafter, plus any advances made by the United States for the protection of its security and interest accruing on any such advances. Unless full payment of your indebtedness is received, made by one of the methods described below, within 30 days from the date of this letter, the United States will foreclose the above described security instrument(s) and pursue any other available remedies.

Full payment may be made in any of the following ways:

(A) CASH

Payment should be made by cashier's check, certified check, or postal money order payable to the Farm Service Agency and delivered to FSA at _____. If you submit to the United States any payment insufficient to pay the account in full or insufficient to comply with any arrangements agreed to between FSA and yourself, that payment WILL NOT CANCEL the effect of this notice. If such insufficient payments are received and credited to your account, no waiver of prejudice of any rights which the United States may have for breach of any promissory note or debt evidenced by your confirmed Chapter _____ Plan or covenant in the security instrument(s) will result and FSA may proceed as though no such payment had been made.

(B) TRANSFER AND ASSUMPTION

Subject to FSA approval, you may transfer the collateral for your debt to someone who is eligible for FSA assistance and is willing and able to assume the debt. Contact FSA at _____ immediately if you are interested in this.

(C) SALE

You may sell the collateral for your loan(s) for its market value and send the proceeds to FSA to or other creditors with liens prior to FSA's lien. Contact FSA immediately if you are interested in this.

--*

Notice of Acceleration of Your Debt to the Farm Service Agency Based on Confirmed Bankruptcy Plan With Discharge and Demand for Payment of That Debt (Continued)

*--

5-FLP, Exhibit 51

*(D) VOLUNTARY CONVEYANCE

You may convey all of your collateral to the United States. Contact FSA at _____ immediately if you are interested in this.

**(The above-described security instrument(s) provide(s) that the UNITED STATES may foreclose without Court action by selling the property at public sale after _____. The United States intends to sell the property in this manner.

***If you have not been advised of your rights to request deferral of payments or other servicing options you should contact FSA at the above-mentioned address within 15 days of the receipt of this notice.

If you fail to comply with the requirements outlined in this notice within the next 30 days, the UNITED STATES plans to proceed with foreclosure/liquidation.

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

YOU DO NOT HAVE ANY RIGHT TO APPEAL THIS DECISION TO ACCELERATE YOUR FSA DEBT(S) TO ANY OFFICIAL OF THE FARM SERVICE AGENCY.

UNITED STATES OF AMERICA

[name]
[title]
Farm Service Agency
United States Department of Agriculture

CC: FSA State Executive Director,
FSA Farm Loan Programs Division,
FSA Farm Loan Manager

Notice to Customers Presenting Checks

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquires, please contact your local office.

Privacy Act – A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by

--*

Notice of Acceleration of Your Debt to the Farm Service Agency Based on Confirmed Bankruptcy Plan With Discharge and Demand for Payment of That Debt (Continued)

*--

5-FLP, Exhibit 51

mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

*This will be included as an option only if it would be in the United States financial interest to accept a voluntary conveyance offer.

**This paragraph will be omitted in States with judicial foreclosure or if it conflicts with State law.

***This paragraph will be omitted when accelerating accounts for failure to graduate or accelerating accounts of non-program loan debtors.

--*

Notice of Acceleration for FLP Accounts Held by American Indian Borrowers and Secured by Real Estate Located Within a Recognized Reservation and Borrower Rights

*--Note: Exhibit 52 is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK "FFAS Employee Forms/Publications Site" and CLICK "Find Current Forms Using Our Form Number Search". For "Form Number", ENTER "5-FLP Exhibit 52".

5-FLP, Exhibit 52			
This Exhibit may only be revised by SED with concurrence of OGC.			
(Use Agency Letterhead format with local return address.)			
CERTIFIED MAIL			
[Date]			
NOTICE OF ACCELERATION FOR FLP ACCOUNTS HELD BY AMERICAN INDIAN BORROWERS AND SECURED BY REAL ESTATE LOCATED WITHIN A RECOGNIZED RESERVATION AND BORROWER RIGHTS			
Borrower Co-Borrower Address of Borrower City, State, Zip			
Subject: NOTICE OF ACCELERATION OF YOUR DEBT TO THE FARM SERVICE AGENCY, DEMAND FOR PAYMENT, AND NOTICE OF ADDITIONAL RIGHTS PRIOR TO FORECLOSURE			
Dear (Borrower):			
The entire indebtedness you owe to Farm Service Agency (FSA) evidenced by the promissory notes and assumption agreements described below is now declared immediately fully due and payable. Such promissory notes and assumption agreements are described as follows:			
<table><thead><tr><th><u>Type of Instrument</u></th><th><u>Date of Instrument</u></th><th><u>Amount</u></th></tr></thead></table>	<u>Type of Instrument</u>	<u>Date of Instrument</u>	<u>Amount</u>
<u>Type of Instrument</u>	<u>Date of Instrument</u>	<u>Amount</u>	
These promissory notes and assumption agreements are secured by real estate mortgages, deeds of trust, financing statements, security agreements, etc. described as follows:			
<table><thead><tr><th><u>Type of Instrument</u></th><th><u>Date of Instrument</u></th><th><u>Place of Recordation (Filing)</u></th></tr></thead></table>	<u>Type of Instrument</u>	<u>Date of Instrument</u>	<u>Place of Recordation (Filing)</u>
<u>Type of Instrument</u>	<u>Date of Instrument</u>	<u>Place of Recordation (Filing)</u>	
<table><thead><tr><th><u>Recorded In:</u></th><th><u>Book No.</u></th><th><u>Record under Document No.</u></th></tr></thead></table>	<u>Recorded In:</u>	<u>Book No.</u>	<u>Record under Document No.</u>
<u>Recorded In:</u>	<u>Book No.</u>	<u>Record under Document No.</u>	
This acceleration of your indebtedness is made in accordance with the authority granted in the above-described instruments.			

--*

Notice of Acceleration for FLP Accounts Held by American Indian Borrowers and Secured by Real Estate Located Within a Recognized Reservation and Borrower Rights (Continued)

*--

5-FLP, Exhibit 52

The reason for the acceleration of your indebtedness is as follows:

(If the borrower is in monetary default, list this as one reason for accelerating. If the borrower is not in monetary default, obtain concurrence of OGC before acceleration.)

The indebtedness due is \$_____ unpaid principal, and \$_____ unpaid interest, as of _____, plus additional interest accruing at the rate of \$_____ per day thereafter, plus any advances made by FSA for the protection of its security and interest accruing on any such advances. Unless full repayment of your indebtedness is received through one, or a combination, of the methods described below within 60 calendar days from the date of this letter, FSA will foreclose the above described security instruments and pursue any other available legal means to resolve your remaining indebtedness.

Under section 335(e) of the Consolidated Farm and Rural Development Act (CONACT) (7 U.S.C. 1985(e)), you are entitled to receive notification from FSA of additional rights available to you for liquidation or settlement of your FSA loan account prior to United States Government completion of a legal foreclosure sale of your FSA-secured real estate. This letter lists those additional CONACT rights. This letter also lists other alternatives you may wish to utilize to resolve your indebtedness to FSA.

If you wish to pursue an alternative to legal foreclosure, you must inform this office in writing within 60 calendar days of this letter specifying which of the following settlement or liquidation alternative, or combination of alternatives, you wish to pursue:

Alternative A: You may request the Tribe, having jurisdiction over the reservation in which the real property is located, be assigned the loan from FSA. FSA will forward your assignment request along with all other applicable loan information for Tribal consideration and determination.

If the Tribe agrees to accept the assignment within 30 calendar days after FSA notifies the Tribe of your request, the following will occur:

1. FSA will not foreclose the loan because of any default that occurred before the date of assignment.
2. The Tribe will pay FSA the lesser of the amount owed on the debt or the market value of the real estate that secures the loan in exchange for the assignment of your loan to the Tribe. The Tribe may pay for the purchase of the loan assignment over time under terms and conditions similar to an Indian Tribal Land Acquisition Program (ITLAP) loan. Note that ITLAP servicing options may be available except that ITLAP write down servicing options are not available for this loan.
3. If the Tribe agrees to accept the assignment of your loan, your loan will be assigned to the Tribe. Your future payments will be made to the Tribe and future servicing will be done by the Tribe. FSA will no longer be responsible for the collection or servicing of your loan. The Tribe does not have to agree to the assignment.

--*

Notice of Acceleration for FLP Accounts Held by American Indian Borrowers and Secured by Real Estate Located Within a Recognized Reservation and Borrower Rights (Continued)

*--

5-FLP, Exhibit 52

Alternative B: You may request that your loan be assigned to the Secretary of Interior. If you request this option, FSA will send your loan information to the Secretary of Interior for review. If the Secretary of Interior agrees to accept the assignment of your loan, your loan will be assigned to the Secretary of Interior, and FSA will no longer be responsible for the collection or servicing of your loan. The Secretary of Interior does not have to accept your request for the assignment of your loan.

Alternative C: You may voluntarily convey the security to FSA. Subject to acceptable environmental review, you can deed your property to FSA and FSA will credit your account with the market value of the property or the total debt, whichever is greater. Under this alternative, you will lose your property but will no longer owe a debt to FSA.

Additional Alternatives

Alternative D: You may sell the property to a buyer of your choice.

1. You still retain the right to sell your property to a buyer of your choice for cash, as long as the price you receive for such sale is not less than the market value.
2. Your chosen property buyer must have the financial ability to buy the property within a reasonable period of time. In most cases, the sale of your property should be completed within 90 calendar days of your notification to FSA of your selection of this option.
3. You can sell the property to a buyer of your choice by transferring your ownership of your property and transferring the obligation of your FSA indebtedness, if your chosen buyer qualifies for loan transfer under FSA regulations, and if the property is sold for a price that is not less than its market value. This process is referred to as "transfer and assumption".

Alternative E: You may pay your FSA indebtedness in full. All FSA borrowers are entitled to fully repay the entire indebtedness they owe to FSA at any time, unless a legal action has occurred that prevents or supersedes FSA enforcement of its loan instruments.

WARNING: If you wish to pursue settlement or liquidation of your FSA indebtedness through one, or a combination, of the alternatives presented in this letter, your written request, including which alternatives you want, must be received by FSA within **60** calendar days of this letter. If you do not respond to this letter within 60 calendar days, FSA will continue to foreclose on your property. While FSA will not delay the actions necessary to initiate and process a legal foreclosure proceeding beyond the 60 calendar days offered in this letter, FSA will consider your requested account resolution alternatives as authorized, if they can be completed **BEFORE** a scheduled foreclosure sale.

--*

Notice of Acceleration for FLP Accounts Held by American Indian Borrowers and Secured by Real Estate Located Within a Recognized Reservation and Borrower Rights (Continued)

*--

5-FLP, Exhibit 52

If you have not been advised of your rights to request deferral of payments or other servicing options, you should contact FSA at the above mentioned address within 15 calendar days of the receipt of this letter. (**Note: Omit this paragraph when accelerating accounts for failure to graduate or accelerating accounts of Non-Program Loan debtors.)

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

YOU DO NOT HAVE ANY RIGHT TO APPEAL THIS DECISION TO ACCELERATE YOUR FSA DEBT.

In accordance with the requirements of section 335(e) of the CONACT (7 U.S.C. 1985(e)), a copy of this letter and FSA's determination of the value of the real estate security is being provided to the Tribe that has jurisdiction over the Reservation in which the real estate security is located.

We are also enclosing, with this letter, a more detailed explanation of the additional CONACT rights that are available to you.

Sincerely,

District Director

Attachment
cc: Tribe
Area Office, BIA
SED/FLC
DD
FLM

Notice to Customers Presenting Checks

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquires, please contact your local office.

Privacy Act – A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

--*