

**For:** State and County Offices

**NEPA Compliance for Microloan Applications**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

FSA’s new Microloans provide direct farm operating loans with a shortened application process and reduced paperwork designed to meet the needs of smaller, nontraditional, and niche-type operations with a maximum loan of \$35,000. FSA is instituting guidance to ensure that:

- NEPA compliance is adhered
- FSA meets the need of the Microloan objective of a shortened application process.

**B Purpose**

This notice provides guidance on the proper documentation needed to fulfill compliance with NEPA for the Microloan Program.

**C Policy**

Current FSA policy requires that applicants complete RD-1940-20 as part of the loan application.

**2 Action**

**A County Office Action**

County Offices will be responsible for ensuring that the applicant has completed RD-1940-20 as required according to instructions. If all of the checks in item 3 are “No” and parts (1), (2), (13), (15), (16), and (17) of item 1b are completed as appropriate with no outstanding issues, the environmental review shall be considered complete with the appropriate documentation and no further NEPA compliance is required.

<b>Disposal Date</b>	<b>Distribution</b>
February 1, 2014	State Offices; State Offices relay to County Offices

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### 2 Action (Continued)

#### A County Office Action (Continued)

If any of the checks in item 3 are “Yes”, or if any of parts (1), (2), (13), (15), (16), and (17) of item 1b have outstanding issues, then FSA must complete RD-1940-22 to determine whether additional NEPA documentation may be required, such as a Class II Environmental Assessment.

#### B State Office Action

State Offices shall ensure that County Offices follow the procedure and policy in this notice.

#### C Contact

Direct questions about this notice to Michael Moore, LMD, by either of the following:

- e-mail at [michael.moore@wdc.usda.gov](mailto:michael.moore@wdc.usda.gov)
- telephone at 202-690-0651.