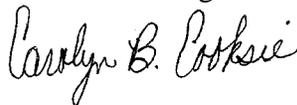


**For:** State and County Offices

**Reminder to Accurately Flag Delinquent Accounts Screened for Treasury Offset Program (TOP)**

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



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**1 Overview**

**A Background**

The Debt Collection Improvement Act (DCIA) of 1996 requires that delinquent debtors, including borrowers and co-borrowers, be referred to TOP for administrative offset of Federal Government payments. Field Offices must update account flags through the Automated Discrepancy Processing System (ADPS) to accurately reflect the status of delinquent debts and to ensure accurate TOP referrals.

**B Purpose**

This notice reminds County Offices to timely and accurately update flags on direct borrower accounts.

**C Contact**

If there are questions about this notice:

- County Offices should contact State Offices
- State Offices may contact Shelley Davis, LSPMD at 202-720-0078.

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**Disposal Date**

May 1, 2008

**Distribution**

State Offices; State Offices relay to County Offices

## Notice FLP-463

### 2 Action

#### A County Office Action

County Offices must review:

- FmHA Instruction 1951-S, Exhibit O, Description Flags for Farm Loan Programs (FLP) Accounts, to determine the appropriate flag to place on accounts
- all flagged accounts during the last month of each quarter to determine whether flags need to be changed or removed, according to FMHA Instruction 1951-S, Exhibit O
- flagged bankruptcy accounts to ensure that borrowers are **not** erroneously referred to TOP.

**Note:** If an account is properly flagged “Bankruptcy Action Pending”, ADPS will generate a programmatic delete code and the borrower will **not** appear on the TOP Offset Screen.

#### B State Office Action

State Offices **must** ensure that County Offices are:

- reviewing flagged accounts
- updating or removing ADPS description flags as account status changes.