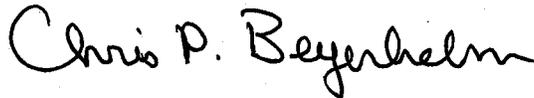


For: State and County Offices

**Instructions to Release Borrowers and/or Co-Borrowers  
From Liability in the Guaranteed Loan System (GLS)**

Approved by: Acting Deputy Administrator, Farm Loan Programs



**1 Releasing Borrowers and/or Co-Borrowers From Liability in GLS**

**A Background**

Currently, in GLS there is **not** a way to:

- release a borrower and/or co-borrower who has been released from liability
- maintain the borrower's and/or co-borrower's data about the specific loan for eligibility purposes.

If a loan in GLS is active and a borrower and/or co-borrower is released from liability, using the "Remove Co-Borrower From the Loan" function will delete the information from the loan and break the connection to the loan. Information about the loan and interest assistance eligibility on the borrower and/or co-borrower would be lost.

To address this issue, an automation update has been initiated to allow a borrower's and/or co-borrower's account to reflect release from liability on a specific loan while continuing to maintain the individual's data in GLS about the loan for eligibility purposes. The automation update is pending implementation.

**Note:** There is **no** change to 2-FLP instructions about releasing liability. 2-FLP should continue to be followed.

**B Purpose**

This notice continues policies established in Notice FLP-411 for releasing borrowers and/or co-borrowers from liability in GLS.

Disposal Date	Distribution
October 1, 2008	State Offices; State Offices relay to County Offices

## Notice FLP-488

### 1 Releasing Borrowers and/or Co-Borrowers From Liability in GLS (Continued)

#### C Contact

If there are any questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Courtney Dixon, LSPMD at 202-720-1360.

#### D GLS Processing During Interim Period

Until GLS has been revised, the authorized agency official shall maintain a list of borrowers and/or co-borrowers who signed FSA-1980-25 or FSA-1980-28 with the July 20, 2001, or later revision date and have been released of liability on active and terminated guaranteed loans.

**Note:** A loan with a terminated status is a loan that has been paid in full, written off, terminated by the lender as indicated on the loan status report, or had a final loss claim paid.

After the automation update has been implemented, instructions will be provided on how to update GLS, including retroactively processing the release of borrowers and/or co-borrowers listed during the interim period.

**Note:** If a borrower and/or co-borrower has been released from liability on a loan where a final loss has been paid and a debt offset receivable has been established, the authorized agency official shall update the Maintain Debt Offset Screen to remove the borrower and/or co-borrower from offset referral.