

For: State and County Offices

**Direct Loan Servicing Requirements for Women and Hispanic Claimants
in Conjunction With USDA’s Initiative to Settle Outstanding Group Actions**

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A Background

In 2009, Secretary Vilsack provided a comprehensive plan to address civil rights issues at USDA. On February 25, 2011, the Secretary announced a unified Claims Process (Claims Process) for women and Hispanic farmers who allege that they were discriminated against when they applied, or were discouraged from applying for direct farm loans or direct farm loan servicing. The Claims Period runs from September 24, 2012, through March 25, 2013.

For Hispanic claimants, this Claims Process is designed to provide relief to successful claimants who:

- farmed or attempted to farm between January 1, 1981, and December 31, 1996, or between October 13, 1998, and October 13, 2000 (Relevant Period)
- allege discrimination by USDA in processing applications for farm loans or loan servicing during that same time period based on being Hispanic.

For women claimants, this Claims Process is designed to provide relief to successful claimants who:

- farmed or attempted to farm between January 1, 1981, and December 31, 1996, or between October 19, 1998, and October 19, 2000 (Relevant Period)
- allege discrimination by USDA in processing applications for farm loans or loan servicing during that same time period based on being a woman.

Disposal Date	Distribution
October 1, 2013	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice:

- establishes that the claims period runs from September 24, 2012, through March 25, 2013, and that 45 calendar days from the close of the claims period is May 9, 2013.
- obsoletes Notice FLP-615.

Note: Youth loans, guaranteed loans, and nonprogram loans are excluded from the actions contained in this notice.

C Time Periods for Moratorium on Accelerations and Foreclosures

The moratorium will be implemented in 2 phases.

The first phase (Phase 1) **began on April 11, 2011, and will extend until May 9, 2013, which is 45 calendar days after the closing date of the Claims Period.** The second phase (Phase 2) will continue only for those persons who have submitted timely and complete Claims Packages by the Claims Period deadline and will expire after payments and debt relief are provided under the Claims Process to successful claimants or a claim is denied, whichever event occurs earlier.

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1 Overview (Continued)

C Time Periods for Moratorium on Accelerations and Foreclosures (Continued)

Phase 1 of the moratorium applies to the following.

- All direct FO's, OL's, SW's, EE's, and EM's that contain a "Hispanic" or "Female" indicator in PLAS. This moratorium is intended to cover all FLP accounts where the applicant was a woman or Hispanic individual who applied in a personal capacity and/or a woman or Hispanic individual doing business as a sole proprietorship. The Phase 1 borrower will consist of primary borrowers that are coded as "Female", and/or race/ethnicity code as "Hispanic" and the type of applicant is an individual during the Relevant Period. The National Office provided a list of borrowers to each State on May 25, 2011, that identified these accounts.
- All direct FO's, OL's, SW's, EE's and EM's, where a husband or wife filed an application together as a joint operation, unless the loans and applications associated with them are outside of the Relevant Period as determined from PLAS and DLS data. The Agency does not intend to send a new Phase 1 list to State offices addressing these accounts. Instead, the National Office has made the policy call to hold the programmatic discrimination clearance submitted under 1-FLP, subparagraph 41 H for these accounts because women or Hispanics involved in a joint operation as co-borrower or co-signer may be potential claimants under the Claims Process framework. The National Office will release these clearances after the Claims Period deadline has passed and it has been determined that the borrower is not on the claimant list. Because these accounts are covered by the Phase 1 moratorium, these accounts may be serviced up to the point of acceleration and submitted for programmatic clearance as outlined in 1-FLP, subparagraph 41 H.

Note: The Claims Process does **not** cover applications from an entity, except for joint operations, and this phase of the moratorium is **not** intended to extend to entity accounts.

FSA's moratorium on women and Hispanic borrowers applies for direct loan accounts that are identified in Phase 1 (see bullet in this subparagraph) and that are not otherwise covered by the 2008 Farm Bill moratorium according to 1-FLP, subparagraph 41 I. The women and Hispanics framework is not intended to interfere with the 2008 Farm Bill moratorium in 1-FLP, subparagraph 41 I.

Any borrower or co-borrower who previously asserted a claim in any other administrative or civil proceeding alleging lending discrimination on a prohibited basis by FSA during the Relevant Period (1981-2000) and who received a final resolution of their claim (whether successful or not), is not eligible to participate in the Claims Process and **will not be included** on the lists of eligible Phase 2 persons sent to each State by the National Office. States will notify the National Office of any Phase 1 identified borrower who has previously asserted claims as previously described. Notification will be sent by e-mail to Jacqueline King, LSPMD, at jacqueline.king@wdc.usda.gov. The National Office will then confirm the findings and provide further instructions to the State on how to proceed.

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1 Overview (Continued)

C Time Periods for Moratorium on Accelerations and Foreclosures (Continued)

Phase 2

Two weeks after the Claims Period deadline, the Claims Administrator will send a list of all persons who filed timely and complete Claims Packages to USDA. This list of persons will be provided to SED and FLC of each State no later than May 9, 2013, so that the moratorium will be extended only to persons with direct FLP accounts who have filed timely and complete Claims Packages. Phase 2 of the moratorium will extend to any person who filed a Claims Package that is considered to be complete and timely by the Claims Administrator, regardless of whether the underlying loan accounts contain “Hispanic” or “Female” indicators in PLAS.

The moratorium from Phase 1 shall be lifted for all direct loan accounts that contain a “Hispanic” or “Female” indicator who are not on the list of timely and complete claimants. At that point, all appropriate collection actions shall resume for all persons who do not participate in the Claims Process.

2 Servicing Actions

A Moratorium on Accelerations and Foreclosures

In Phase 1 and Phase 2, FSA is directed to cease the following actions on direct FLP accounts of borrowers identified according to subparagraph 1 C:

- acceleration
- foreclosure
- cancellation of indebtedness that has been referred for cross-servicing and returned from the Department of the Treasury as uncollectible (CNC accounts).

Note: If debt is not canceled, it will continue to accrue interest unless that is suspended according to subparagraph C.

Under both phases of the moratorium, FSA may take any actions up to, but not including, acceleration, foreclosure, or cancellation of CNC accounts. FSA will continue to service the loans and provide other assistance to borrowers as needed or requested, but will not take the actions stated in this subparagraph.

Note: A United States Attorney may proceed with a foreclosure already referred to DOJ by USDA if the United States Attorney determines not to suspend the foreclosure according to this moratorium. FSA may also liquidate security under a court order or instructions from DOJ. For FSA farm loan accounts where the borrower has filed bankruptcy and which have been referred to DOJ, the collateral may be liquidated according to bankruptcy court orders including provisions included in confirmed plans filed under Chapter 11, 12, or 13.

2 Servicing Actions (Continued)

B Moratorium on Offsets for Phase 2 Only

The moratorium on offsets will only be implemented in Phase 2 and will extend only to the loan accounts of persons who have filed a timely and complete Claims Package with the Claims Administrator. The moratorium on internal offsets and referrals to TOP shall continue until a claim is denied, or a successful claim is paid and applicable debt relief is provided. The State Office will manually delete using code "11" through the TOP offset screens. USDA will receive a report from the Claims Administrator on a weekly basis that indicates the status of adjudicated claims. State Offices will receive this information after the Claims Administrator confirms to USDA that the claimant has been notified of any denial of his or her claim. Denials of claims will be issued on a rolling basis by the Claims Adjudicator.

Notes: If an offset was taken on or after FSA was notified of a filed claim, FSA must refund the offset.

The State Office will recall loans from cross-servicing when notified of a filed claim.

C Moratorium on Interest Accrual for Phase 2 Only

A limited moratorium on interest accrual will be applied only in Phase 2 and will be limited solely to FO's, OL's, SW's, and EM's that are already at the point of acceleration and foreclosure at the time that SED and FLC are informed of persons who qualify for Phase 2 of the moratorium. DCIA requires the charging of interest on Federal debt until the debt is paid in full, otherwise resolved, or unless interest is waived. Subject to the procedures that implement Consolidated Farm and Rural Development Act, Section 331A(b) (2008 Farm Bill, Section 14002), the suspension of interest accrual will be applied only to loans that meet the specifications described in Section 331A(b). See 1-FLP, subparagraph 41 I for further instructions on implementing the Section 331A(b) provision. For this resolution process only, filing a timely and complete Claims Package with the Administrator will be treated as having an accepted claim of discrimination with USDA.

D Moratorium on Inventory Sales for Phase 2 Only

A limited moratorium on inventory sales will be applied only in Phase 2 and will be limited solely to properties in inventory that were formerly owned by women or Hispanic borrowers who file a timely and complete Claims Package with the Claims Administrator. For properties acquired subsequent to the beginning date of the Phase 2 moratorium, if the claimant has been released, SED's shall request and receive National Office concurrence on a case-by-case basis before advertising and selling inventory property previously owned by a claimant. In all cases, if National Office approval is obtained, SED's may proceed to sell the property according to 5-FLP, Part 21.

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3 DD and County Office Action

A Acceleration, Foreclosures, and Offsets

In Phase 1, DD's and County Offices shall:

- discontinue accelerations, foreclosures, and cancellation of indebtedness on the direct FLP accounts of women or Hispanic borrowers that have a "Hispanic" or "Female" indicator in PLAS identified in Phase 1 according to subparagraph 1 C
- continue to take the necessary steps to collect payments from internal administrative offsets on the direct FLP accounts of women or Hispanic borrowers who are 90 calendar days delinquent, unless the account has an accepted valid discrimination complaint and is at the point of acceleration or foreclosure according to 1-FLP, subparagraph 41 I
- continue to refer or renew a referral to the Department of the Treasury for TOP or cross-servicing on women or Hispanic borrower accounts who are 90 calendar days delinquent, unless the account has an accepted valid discrimination complaint pending and is at the point of acceleration or foreclosure according to 1-FLP, subparagraph 41 I.

In Phase 2, DD's and County Offices shall:

- continue to stop all accelerations, foreclosures, and cancellation of indebtedness on the direct FLP accounts who are on the list of timely and complete claimants
Note: Proceed to accelerate, foreclose, and cancel indebtedness on direct loan accounts of borrowers who were not on the list of timely and complete claimants.
- discontinue collecting payments from internal administrative offsets on all borrowers who are on the list of timely and complete claimants
Note: For these borrowers, offsets will continue after a claim is denied or a claim is paid and debt relief is provided. For borrowers who are not on the list of timely and complete claimants, proceed to offset according to normal procedures.
- discontinue referring or renewing referrals to the Department of the Treasury for TOP or cross-servicing on all borrowers who are on the list of timely and complete claimants.
Note: For these borrowers, offset will continue after a claim is denied or a claim is paid and debt relief is provided. For borrowers who are not on the list of timely and complete claimants, proceed to refer or renew to the Department of Treasury for TOP according to normal procedures.

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3 DD and County Office Action (Continued)

B Loan Servicing and DLS

When servicing the direct FLP accounts of women or Hispanic borrowers that are identified according to subparagraph 1 C, DD's and County Offices shall:

- continue to provide primary loan servicing assistance to direct FLP accounts of women or Hispanic borrowers who are in default up to the point of acceleration according to 5-FLP

Important: Exhibit 1, subparagraph A shall be included in the notification package mailed to all women or Hispanic borrowers identified in Phase 1 or 2 who are sent FSA-2510 on or after the date of this notice.

Exhibit 1, subparagraph B shall be included in the notification package mailed to all women or Hispanic borrowers sent FSA-2514 on or after the date of this notice.

Exhibit 2, subparagraph A shall be included in the notification package mailed to women or Hispanic borrowers identified in Phase 1 or 2 who are sent FSA-2521.

Exhibit 2, subparagraph B shall be included in the notification package mailed to women or Hispanic borrowers identified in Phase 1 or 2 who are sent FSA-2525.

FSA-2580 will be completed by the servicing and reviewing official to ensure that servicing has been completed properly.

FSA-2581 will not be completed until the Claims Process is completed.

- place the DLS Special Servicing tracking on hold using the reason, "Women/Hispanic Unified Process", at the point of acceleration, or if the account has already been accelerated

Note: This action will place the special servicing reminders under the "Postponed" column until the Claims Process is finalized.

- continue routine servicing for women or Hispanic borrowers according to 4-FLP

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3 DD and County Office Action (Continued)

B Loan Servicing and DLS (Continued)

- suspend interest accrual once notified that a borrower has filed a claim and they are at the point of acceleration or foreclosure on covered direct farm loans
- comply with 2-INFO when processing third party requests for copies of the records of women/Hispanic (FOIA request) and 3-INFO when processing requests for copies of their own records received from women/Hispanic (Privacy Act request).

Note: See 2-INFO and 3-INFO for additional information about fees for copying. However, when a request is made for FSA to copy a borrower's file, the FSA official should offer the borrower or representative the alternative to review the files in the FSA Office and mark any pages to be copied.

C Outreach Responsibilities

Exhibits 3, 4, and 5 shall be:

- posted in each FSA Office
- provided to any person that requests them or inquiries about the unified Claims Process.

Note: DD's are to ensure that all FSA Offices in their district have posted Exhibits 3, 4, and 5, and copies are available to provide to potential claimants.

4 SED and State Office Action

A Phase 1 Action

In Phase 1, State Offices shall:

- discontinue referring direct FLP women or Hispanic borrower accounts who have a "Hispanic" or "Female" indicator in PLAS, according to subparagraph 1 C, to OGC or Government contractors for foreclosure action and inform contractors that all such foreclosure actions should be stopped
- inform DOJ of the moratorium on direct FLP women or Hispanic borrower accounts who have a "Hispanic" or "Female" indicator in PLAS that DOJ has for foreclosure
- inform OIG of the moratorium on direct FLP women or Hispanic borrower accounts who have a "Hispanic" or "Female" indicator in PLAS that OIG is investigating
- discontinue referral of direct FLP women or Hispanic borrower accounts to "FSA-DIRECTLOANS" for discrimination clearance review for approvals to continue with acceleration or foreclosure until the Claims Process is completed

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4 SED and State Office Action (Continued)

A Phase 1 Action (Continued)

- continue to refer direct FLP women or Hispanic borrower accounts to “FSA-DIRECTLOANS” for discrimination clearance review for CNC.

B Phase 2 Action

In Phase 2, State Offices shall:

- ensure that all accelerations, foreclosures, and cancellation of indebtedness on the direct FLP accounts of borrowers who are on the list of timely and complete claimants continue to be stopped and not referred to OGC or Government contractors for foreclosure

Note: Proceed to accelerate, foreclose, and cancel indebtedness on direct loan accounts that are not on the list of timely and complete claimants.

- continue to check the list of timely and complete claimants for deletion of offsets as described in subparagraph 2 B
- inform DOJ of any direct loan borrowers who are on the list of timely and complete claimants who have previously been referred to DOJ
- inform OIG of any direct loan borrowers who are on the list of timely and complete claimants who have previously been referred to OIG
- continue to stop referrals of direct FLP women or Hispanic borrower accounts to “FSA-DIRECTLOANS” for all borrowers who are on the list of timely and complete claimants.

5 Exceptions to Moratorium

A Bankruptcy Accounts

On FSA farm loan accounts where the borrower has filed bankruptcy and that have been referred to DOJ, the collateral may be liquidated according to bankruptcy court orders or provisions in confirmed plans filed under Chapter 11, 12, or 13. Offsets can also be taken and interest can accrue even if a borrower is a claimant if the Court-directed plan directs it.

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5 Exceptions to Moratorium (Continued)

B Voluntary Liquidation

If the borrower requests to liquidate:

- all chattel security, or to allow FSA to take possession of and sell the property on the borrower's behalf, then FSA may consider the request under normal procedures.

Note: The borrower; however, will need to be provided a copy of this notice, and execute FSA-2571 and Exhibit 6 acknowledging his or her rights under the moratorium.

- real estate security, the borrower will need to be provided a copy of this notice, and execute FSA-2060 and Exhibit 6 acknowledging his or her rights under the moratorium.

C Prior Lawsuits/Prior Participation in Other Class Action Settlements

The moratorium does not cover borrowers or co-borrowers in an operation who have submitted a claim alleging any lending discrimination on any prohibited basis by USDA during the Relevant Period in another litigation or resolution process and who received a final resolution of the claim according to subparagraph 1 C, Phase 1.

D Debt Settlement

If a borrower covered by this notice voluntarily requests debt settlement, the borrower will immediately be provided a copy of this notice. The debt settlement application must include a signed copy of Exhibit 6 and may be processed according to RD Instruction 1956-B.

CNC accounts of women or Hispanic borrowers that have all loans returned by the Department of Treasury as uncollectible will not be canceled until the earlier of: when the Claims Process is completed, when FSA is notified that a claim has been denied by the Claims Administrator, or FSA is notified that no claim was submitted by the woman or Hispanic borrower.

E Income Proceeds

The moratorium does not apply to the collection of proceeds from the sale of normal income or basic security, leases, assignments, insurance, program payments, or any other proceeds described in 4-FLP, Part 7.

F Third Party Actions

The moratorium does not affect FSA's ability to protect its security interest on third party actions. FSA shall continue to answer the complaint to protect the Government's security interest, but shall not join in the third party action.

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5 Exceptions to Moratorium (Continued)

G Statute of Limitations

Cases where FSA’s ability to collect will be impacted by the expiration of the statute of limitations during the moratorium will be referred to the National Office for direction on how to proceed.

6 Contacts

A State and County Offices

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Craig Nehls, LSPMD by telephone at 202-720-0628.

B Individuals

Individuals contacting FSA personnel for information about the settlement and the unified Claims Process should be advised using the following language.

Thank you for your inquiry [*Mr./Mrs./Miss*_____]. It appears your inquiry pertains to the Hispanic and Women Farmers and Ranchers Unified Claims Process.

It would be inappropriate for USDA to provide any assistance, advice, or counsel to persons regarding the litigation framework. However, we can provide you with a copy of the “Notice to Hispanic and Women Farmers and Ranchers: Compensation for Claims of Past Discrimination” and “Fact Sheet Women and Hispanic Farmers and Ranchers.” [*Exhibits 3, 4, and 5 - Provide at time of inquiry for requests made in person or by mail for telephone or written requests.*] We recommend that you:

Register to receive a Claims Package from:

- telephone 1-888-508-4429 (toll free phone number)
- web site **www.farmerclaims.gov**.

Claims Packages will be mailed to you and will contain detailed information and instructions.

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6 Contacts (Continued)

C Media

State and County Offices shall:

- forward all Congressional correspondence to the Office of Congressional Relations to **ashley.martin@osec.usda.gov** or **ann.wright@osec.usda.gov**
- direct all media correspondence to the FSA Media Relations Office (Public Affairs) for the region.

Initial Primary Loan Servicing Notification Package Letter

A Notification Mailed With FSA-2510

The following letter is to be included in the primary loan servicing notification package when FSA-2510 is mailed. Ensure that current letterhead is used.

Borrower's Name	Date
Borrower's Address	
Borrower's Town, State and Zip Code	
Dear Borrower's Name;	
Under Federal law, FSA is required to notify you of the availability of loan servicing if you are 90 days past due. Enclosed is FSA-2510, "Notice of Availability of Loan Servicing to Borrowers who are 90 Days Past Due."	
The FSA-2510 provides an explanation of the available loan servicing programs and we encourage you to submit a timely complete application. The notice references the possibility of acceleration, foreclosure, and offset if:	
<ul style="list-style-type: none"> • You do not timely submit a complete loan servicing or debt settlement application, • We make an adverse decision on your request for loan servicing or debt settlement, or • You do not bring your account current. 	
According to the Women or Hispanic Framework, FSA will take no further action to accelerate or foreclose your account until all reconsideration, mediation and appeal options have been exhausted and all provisions of the Women or Hispanic Framework have been met with regard to your account.	
If you fail to submit a completed application and then you do not file a claim under the Women or Hispanic Framework or if you do file a claim and the claim is denied, then USDA will promptly resume collection efforts including acceleration and foreclosure.	
Also, please be aware that the FSA's debt settlement application process mentioned on page 6 of the enclosed FSA-2510 is different from submitting a claim under the Women or Hispanic Framework. If your claim is approved under the Women or Hispanic Framework, your FSA debt may be written down as provided in that agreement.	
If you have questions regarding the Women or Hispanic Framework, we recommend that you contact 1-888-508-4429 (toll free phone number) and/or web site www.farmerclaims.gov for additional information.	
Sincerely,	
Name of Authorized Agency Official	
Title	
Attachment: FSA-2510	

Initial Primary Loan Servicing Notification Package Letter (Continued)

B Notification Mailed With FSA-2514

The following letter is to be included in the primary loan servicing notification package when FSA-2514 is mailed. Ensure that current letterhead is used.

Borrower's Name	Date
Borrower's Address	
Borrower's Town, State and Zip Code	
Dear Borrower's Name;	
Under Federal law, FSA is required to notify you of the availability of loan servicing if you are in non-monetary default. Enclosed is FSA-2514, "Notice of Availability of Loan Servicing to Borrowers who are in Non-Monetary Default."	
The FSA-2514 provides an explanation of the available loan servicing programs and we encourage you to submit a timely complete application. The notice references the possibility of acceleration, foreclosure, and offset if:	
<ul style="list-style-type: none"> • You do not timely submit a complete loan servicing or debt settlement application, • We make an adverse decision on your request for loan servicing or debt settlement, or • You do not resolve the default. 	
According to the Women or Hispanic Framework, FSA will take no further action to accelerate or foreclose your account until all reconsideration, mediation and appeal options have been exhausted and all provisions of the Women or Hispanic Framework have been met with regard to your account.	
If you fail to submit a completed application and then you do not file a claim under the Women or Hispanic Framework or if you do file a claim and the claim is denied, then USDA will promptly resume collection efforts including acceleration and foreclosure.	
Also, please be aware that the FSA's debt settlement application process mentioned on page 6 of the enclosed FSA-2514 is different from submitting a claim under the Women or Hispanic Framework. If your claim is approved under the Women or Hispanic Framework, your FSA debt may be written down as provided in that agreement.	
If you have questions regarding the Women or Hispanic Framework, we recommend that you contact 1-888-508-4429 (toll free phone number) and/or web site www.farmerclaims.gov for additional information.	
Sincerely,	
Name of Authorized Agency Official	
Title	
Attachment: FSA-2514	

Subsequent Primary Loan Servicing Notification Package Letter

A Letter Mailed With FSA-2521 and FSA-2522

The following letter shall be included in the Primary Loan Servicing Notification Package sent to a women or Hispanic borrower sent FSA-2521 and FSA-2522 during the time covered by Phase 1 or Phase 2 of the moratorium on accelerations and foreclosures.

Borrower's Name	Date
Borrower's Address	
Borrower's Town, State and Zip Code	
Dear Borrower's Name;	
<p>Under Federal law, the Farm Service Agency (FSA) is required to notify you of its decision regarding your Primary Loan Servicing request within 60 calendar days of receipt of a complete application. Enclosed is FSA-2521, "Denial of Primary Loan Servicing and Intent to Accelerate", and FSA-2522, "Borrower Response to Denial of Primary Loan Servicing and Intent to Accelerate", which informs you of FSA's adverse decision on your request and your right to request reconsideration, mediation, and appeal. FSA encourages you to review this information closely and timely consider the options provided.</p>	
<p>Also, please be aware that the FSA's debt settlement application process mentioned in item 8 of the enclosed FSA-2521 is different from submitting a claim under the Women or Hispanic Framework. If your claim is approved under the Women or Hispanic Framework, your FSA debt may be written down as provided in that agreement.</p>	
<p>FSA-2521 does not accelerate your account. FSA will take no further action to accelerate or foreclose your account until all reconsiderations, mediation and appeal options have been exhausted and provisions of the Women or Hispanic Framework have been met with regard to your account.</p>	
<p>If you have questions regarding the Women or Hispanic Framework, FSA recommends that you contact 1-888-508-4429 or visit www.farmerclaims.gov for additional information.</p>	
Sincerely,	
Name of Authorized Agency Official	
Title	
Attachment: FSA-2521 and FSA-2522	

Subsequent Primary Loan Servicing Notification Package Letter (Continued)

B Letter Mailed With FSA-2525 and FSA-2526

The following letter shall be included in the Primary Loan Servicing Notification Package sent to a woman or Hispanic borrower sent FSA-2525 and FSA-2526 during the time covered by Phase 1 or Phase 2 of the moratorium on accelerations and foreclosures.

Borrower's Name	Date
Borrower's Address	
Borrower's Town, State and Zip Code	
Dear Borrower's Name;	
<p>Under Federal law, the Farm Service Agency (FSA) is required to notify you of its decision regarding Primary Loan Servicing within 60 calendar days of receipt of a complete application. Enclosed is FSA-2525, "Intent to Accelerate", and FSA-2526, "Borrower Response to Intent to Accelerate" which informs you of your right to request reconsideration, mediation, and appeal. FSA encourages you to review this information closely and timely consider the options provided.</p>	
<p>Also, please be aware that the FSA's debt settlement application process mentioned in item 7 of the enclosed FSA-2525 is different from submitting a claim under the Women or Hispanic Framework. If your claim is approved under the Women or Hispanic Framework, your FSA debt may be written down as provided in that agreement.</p>	
<p>FSA-2525 does not accelerate your account. FSA will take no further action to accelerate or foreclose your account until all reconsiderations, mediation and appeal options have been exhausted and provisions of the Women or Hispanic Framework have been met with regard to your account.</p>	
<p>If you have questions regarding the Women or Hispanic Framework, FSA recommends that you contact 1-888-508-4429 or visit www.farmerclaims.gov for additional information.</p>	
Sincerely,	
Name of Authorized Agency Official	
Title	
Attachment: FSA-2525 and FSA-2526	

Notice to Hispanic and Women Farmers and Ranchers

The following shall be posted in each FSA Office and be provided to any person that request a copy or inquiries about the unified Claims Process.



United States Department of Agriculture

Attention Hispanic and Women Farmers and Ranchers

If you, or someone you know, believe the United States Department of Agriculture (USDA) has improperly denied you farm loan benefits between 1981 and 2000 because you are Hispanic or female, you may be eligible to apply for compensation.

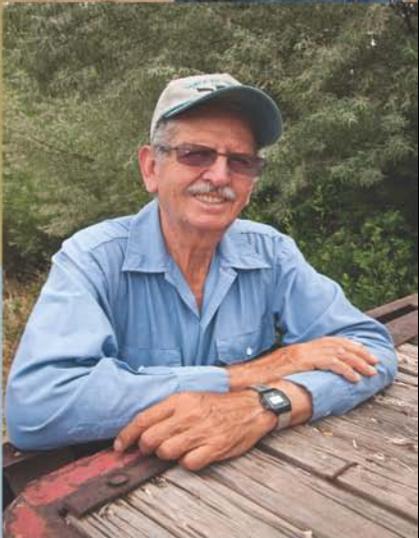
Claims MUST be filed between September 24, 2012 and March 25, 2013 to be considered for cash payment or loan forgiveness.

If you think you might be eligible to file a claim, please access the Farmer and Rancher Call Center or Website:

1-888-508-4429
www.farmerclaims.gov

For guidance, you may contact an attorney or other legal service provider in your community. If you are currently represented by an attorney regarding allegations of discrimination or in a lawsuit claiming discrimination, you should contact your attorney regarding this claims process. USDA cannot provide legal advice.

USDA is an equal opportunity provider and employer. September 2012


Atención Agricultores y Ganaderos Hispanos o Mujeres Agricultoras o Ganaderas

Si usted o alguien que usted conoce considera que el Departamento de Agricultura de Estados Unidos (USDA por sus siglas en inglés) le negó indebidamente beneficios de préstamos agrícolas entre los años 1981 y 2000 por ser hispano o mujer, es posible que cumpla con los requisitos para solicitar compensación.

Las reclamaciones DEBEN recibirse entre el 24 de septiembre de 2012 y el 25 de marzo de 2013 para ser consideradas para pago en efectivo o alivio de deuda.

Si usted considera que califica para solicitar compensación, por favor llame al Centro de Llamadas para Agricultores y Ganaderos o ingrese a la página web:

1-888-508-4429
www.farmerclaims.gov

Para recibir asesoramiento, comuníquese con un abogado u otro proveedor de servicios legales en su comunidad. Si a usted actualmente lo representa un abogado o ha iniciado una demanda alegando discriminación por el USDA, debe ponerse en contacto con su abogado con respecto a este proceso de reclamaciones. El USDA no le puede ofrecer asesoría legal.

USDA es un proveedor de servicios y empleador que ofrece igualdad de oportunidades para todos. Septiembre 2012

Fact Sheet, “Women and Hispanic Farmers and Ranchers”, English Version

The following shall be posted in each FSA Office and be provided to any person that request a copy or inquiries about the unified Claims Process.

FACT SHEET WOMEN AND HISPANIC FARMERS AND RANCHERS

The United States is establishing a voluntary administrative claims process for Hispanic and female farmers who submit timely claims alleging discrimination by USDA in responding to their applications for farm loans or loan servicing from 1981 to 2000.

CASH AWARDS AND OTHER RELIEF

Successful claimants will be eligible for a cash award and debt relief on eligible farm loan debt. Claimants must elect to proceed under one of the following tiers, each of which has different requirements and potential awards. Claimants under two of the tiers will also be eligible for tax relief as described below.

Tier 2 Payments

- Certain documentation is required, and the substantial-evidence standard applies.
- Prevailing claimants will receive a \$50,000 cash award, plus tax relief, and debt relief on eligible farm loans.
- There is no limit to the number of claimants under Tier 2 and there is no cap on the total dollar amounts paid to prevailing claimants under Tier 2.
- Claimants who fail to prove their Tier 2 claims will automatically be reviewed under Tier 1(a).

Tier 1(a) Payments

- The substantial- evidence standard applies.
- Prevailing claimants will receive a cash award of up to \$50,000, plus tax relief, and debt relief on eligible farm loans.
- Total amounts paid under Tier 1(a) are subject to a \$1.13 billion cap. This cap may be adjusted up to 1.33 billion if the full amount of funds available for other tiers are not paid, and awards may be reduced on a pro-rata basis from \$50,000 depending on the number of successful claimants.

Tier 1(b) Payments

- Documentary evidence admissible under the Federal Rules of Evidence is required, and the preponderance-of- the- evidence standard applies.
- Prevailing claimants will receive a cash award of up to \$250,000 for proven actual damages, plus debt relief on eligible farm loans. No tax relief is available.
- Total payments under Tier 1(b) are subject to a \$100 million cap, and awards may be reduced on a pro-rata basis depending on the number of successful claimants and the total dollar amounts of their actual damages.

DEBT RELIEF

A total of \$160 million in debt relief will be made available by USDA to successful claimants for debts on eligible farm loan program loans.

Fact Sheet, “Women and Hispanic Farmers and Ranchers”, English Version (Continued)

DO YOU QUALIFY?

You must satisfy the following criteria to recover:

- You are Hispanic or female;
- If you are Hispanic, you farmed, or attempted to farm, between January 1, 1981, and December 31, 1996, or between October 13, 1998, and October 13, 2000;
- If you are female, you farmed, or attempted to farm, between January 1, 1981, and December 31, 1996, or between October 19, 1998, and October 19, 2000;
- You were the owner-operator or a tenant-operator of farm property, or you attempted to own or lease farm land, during the same time periods listed above;
- You applied for a farm loan or for farm-loan servicing at a USDA office during one of the time periods listed above; or for those seeking a Tier 1(a) payment only, you made a bona fide effort to apply for a farm loan or for farm-loan servicing, and USDA actively discouraged the application during one of those time periods;
- Your application for a farm loan from USDA was denied, provided late, or approved for a lesser amount than requested or restricted; or USDA failed to provide you an appropriate loan service;
- You believe that USDA discriminated against you because you are Hispanic or female;
- USDA’s treatment of your loan or loan application led to economic damage to you;
- You filed a discrimination complaint with USDA, either individually or through a representative, alleging that USDA discriminated against you based on your being Hispanic or female, in connection with a loan application or loan; and
- You have not participated in, and will not participate in, any other resolution or claims process of any kind involving the same claims.

THE CLAIM PERIOD IS SEPTEMBER 24, 2012 – MARCH 25, 2013.

SINGLE RECOVERY

A farmer who is both Hispanic and female is limited to a single claim in this claims process. If more than one person operates a farm operation, recovery is limited to one claim.

Fact Sheet, “Women and Hispanic Farmers and Ranchers”, English Version (Continued)

ASSISTANCE WITH FILING A CLAIM

Community organizations or attorneys may be of assistance to you in filing a claim. USDA is not permitted to complete the Claims Package for you or provide you with legal advice. USDA does not require that you hire an attorney to participate in the claims process. If you hire an attorney who seeks fees for assistance in filing a successful claim, you must pay such fees directly, and there are limits on the amount of fees that can be charged for such assistance. Fees are limited to work on successful claims. Fees paid out of the cash award shall not exceed \$1500 per claimant for claims under Tier 2 or Tier 1(a), or 8% of the cash award for claims under Tier 1(b). The amount of cash awards will not be increased for those claimants who are represented by an attorney. If you have questions, you may consult with counsel or another legal service provider.

CLAIMS PROCESS

- 1. Obtaining a Claim Package:** To obtain a Claim Package, call 1-888-508-4429, or go to www.farmerclaims.gov. The Claims Administrator will send you a Claim Package, which will contain forms and instructions for participating in the claims process. The Claims Administrator will also have a toll-free helpline to provide information about the process.
- 2. Participating in the Voluntary Claims Process:** You must enter into the settlement agreement included in the Claim Package, agreeing to participate in the voluntary claims process to resolve your claim and waiving your right to file a lawsuit. Once your claim is accepted by the Administrator as eligible for adjudication, the only recovery available is that offered by the claims process. Decisions in the claims process are not appealable.
- 3. Submitting Claim to Administrator:** The Claim Period is September 24, 2012 – March 25, 2013. You must submit a Claim Package within that period. The Claims Administrator will determine whether you submitted a timely and complete Claim Package. The Administrator’s decisions are final and cannot be appealed.
- 4. Review of Claims:** Every claim must be submitted under penalty of perjury. USDA reserves the right to submit evidence to the Claims Adjudicator regarding any claim. All claims will be subject to random audits and other reviews, and fraudulent claims will be denied and are subject to potential prosecution.
- 5. Determination by Adjudicator:** Your claim will be decided by a claims adjudicator with independent decision-making authority, based on the information that you submit in the Claims Package and any response by USDA. The Adjudicator’s decisions are final and cannot be appealed.

THE CLAIM PERIOD IS SEPTEMBER 24, 2012 – MARCH 25, 2013.

Fact Sheet, “Women and Hispanic Farmers and Ranchers”, Spanish Version

The following shall be posted in each FSA Office and be provided to any person that request a copy or inquiries about the unified Claims Process.

HOJA DE HECHOS

MUJERES AGRICULTORAS Y GANADERAS O AGRICULTORES Y GANADEROS
HISPANOS

Los estados unidos están estableciendo un proceso de reclamación administrativa voluntaria para hispanos y mujeres agricultores que presentan reclamaciones a tiempo por discriminación de USDA por negación de aplicaciones de préstamos agrícolas o servicios por préstamos desde 1981 hasta 2000.

PREMIOS EN EFECTIVO Y OTRO ALIVIO

Los reclamantes exitosos serán elegibles para un premio en efectivo y alivio de la deuda sobre la deuda de préstamos agrícolas elegibles. Los reclamantes necesitan elegir a proceder en uno de los siguientes niveles, cada nivel tiene requisitos diferentes y premios potenciales. Reclamantes que están en dos niveles serán elegibles para un alivio de los impuestos como se describe abajo.

Nivel 2 Pagos

- Documentación específica se requiere, y la evidencia sustancial normal se aplica.
- Los reclamantes predominantes va a recibir un premio en efectivo de \$50,000, alivio de los impuestos, y alivio de la deuda de préstamos agrícolas elegibles.
- No hay ningún límite en la cantidad de reclamantes en Nivel 2 ni en la cantidad total de dólares pagados a reclamantes predominantes en Nivel 2.
- Reclamantes que no tienen éxito en demostrando sus reclamos en Nivel 2 serán revisadas en Nivel 1(a).

Nivel 1(a) Pagos

- La evidencia sustancial normal se aplica.
- Los reclamantes predominantes va a recibir un premio en efectivo de \$50,000, alivio de los impuestos, y alivio de la deuda de préstamos agrícolas elegibles.
- Total de los pagos recibidos en Nivel 1(a) están sujetos a \$1.13 billón tope o límite. Este tope es ajustable hasta 1.33 billón si toda la cantidad de fundíos disponibles por otros niveles no son pagadas, y premios puedan ser reducidos en un base prorrateada de \$50,000 depende en el número de reclamantes.

Nivel 1(b) Pagos

- La evidencia admisible de documentos según las reglas federales de evidencia serán requeridos, y la preponderancia de la evidencia norma se aplica.
- Los reclamantes predominantes va a recibir un premio en efectivo hasta \$250,000 para daños actuales demostrados, y alivio de la deuda de préstamos agrícolas elegibles. No alivio para los impuestos son disponible.
- Todos los pagos bajo Nivel 1(b) están sujetos a \$100 millón tope o limite, y premios puedan ser reducidos en un base prorrateada depende en el número de reclamantes exitosos y la cantidad total de los daños actuales.

ALIVIO DE LA DEUDA

Un total de \$160 millón en alivio de la deuda será disponible de USDA a los reclamantes exitosos para deudas en préstamos de programa elegibles.

Fact Sheet, “Women and Hispanic Farmers and Ranchers”, Spanish Version (Continued)

¿USTED CALIFICA?

Usted necesita satisfacer los criterios siguientes para recuperar:

- Usted es hispano o una mujer;
- Si usted es hispano, cultivo o trato a cultivar la tierra desde el primer de enero 1981, hasta el treintaiuno de diciembre 1996, o el trece de octubre 1998 hasta el trece de Octubre 2000;
- Si usted es una mujer, cultivo o trato a cultivar la tierra desde el primer de enero 1981, hasta el treintaiuno de diciembre 1996, o el trece de octubre 1998 hasta el trece de Octubre 2000;
- Usted era el dueño/a-operador/a o el inquilino/a-operador/a de la propiedad de granja, o trato a poseer o alquilar tierras agrícolas durante los mismos períodos de tiempo indicados;
- Aplico para un préstamo agrícola o para servicios de un préstamo agrícola a una oficina de USDA durante uno de los tiempos indicados arriba; o para ellos buscando solamente en un pago de nivel 1(a), se hizo un esfuerzo de buena fe a aplicar para un préstamo agrícola o para servicios de un préstamo agrícola, y USDA disuadió la aplicación durante estos períodos de tiempo;
- Su aplicación para un préstamo agrícola con USDA se le negó, con tal que recibió tarde, o Aprobado por una cantidad menos a la solicitada; o USDA fallo a proveer un servicio de préstamo adecuado;
- Usted cree que ha sido discriminado porque usted es hispano o mujer;
- El tratamiento de su préstamo o solicitud de préstamo causó daño económico para usted;
- Presentó una queja por discriminación contra a USDA, individualmente o por un representante, diciendo que encontró discriminación porque usted es hispano o mujer, en relación con una solicitud de préstamo o préstamo; y
- Usted no han participado en, y no va a participar en, ningún otro resolución o proceso de reclamos de ningún tipo incluyendo los mismos reclamos.

LA RECUPERACION INDIVIDUAL

Los agricultores que son hispanos y mujeres se limitan a un solo reclamo en este proceso de reclamaciones. Si más de una persona operada una operación de la granja, recuperación se limita a una reclamación.

Fact Sheet, “Women and Hispanic Farmers and Ranchers”, Spanish Version (Continued)

ASISTENCIA PARA PRESENTAR UNA RECLAMACION

Organizaciones de la comunidad o abogados pueden asistirle en presentando una reclamación. USDA no puede completar el paquete para usted o proveerle con consejos legales. USDA no se requiere que contrata un abogado a participar en el proceso de reclamos. Si contrata un abogado que tiene cargos para ayudarle en presentando una reclamación exitosa, necesita pagarlos directamente, y hay límites en la cantidad de cargos que se puede cargar. Los cargos se limitan para trabajo en reclamaciones exitosas. Cargos que se pagan del premio en efectivo no puedan exceder \$1500 por cada demandante para reclamaciones en Nivel 2 o Nivel 1(a), o 8% del premio en efectivo para reclamaciones en Nivel 1(b). La cantidad de premios en efectivos no se incrementará para aquellos reclamantes quien se representadas de un abogado. Si tiene preguntas, consulte con un consejo u otro servicio legal.

PROCESO DE RECLAMACION

1. **Obtener un Paquete de Reclamación:** A obtener un paquete, llama a 1-800-508-4429, o va a www.farmerclaims.gov. Más tarde en este año, el administrador de reclamaciones va a empezar a enviar los paquetes, que va a tener formas y instrucciones para participar en el proceso de reclamación, a todas las personas que se interesan. El administrador de reclamaciones va a tener una línea de ayuda a proveer información sobre el proceso.
2. **Participando en el proceso de reclamaciones voluntarias:** Es necesario entrar en el arreglo incluido en el paquete de reclamación, y está de acuerdo en participar en el proceso de reclamación voluntaria a resolver su reclamación y renunciando a su derecho a presentar un pleito. Hasta su reclamación esta aceptada por el administrador como elegibles para la adjudicación, la única recuperación disponible es la ofrecida por el proceso de reclamación. Decisiones en el proceso de reclamación no son apelables.
3. **Presentando una Reclamación a un Administrador:** USDA va a anunciar la empieza del periodo de los reclamaciones, cual va a durar por 180 días. Necesita presentar un Paquete de Reclamación durante este periodo. El administrador de reclamaciones va a determinar si usted presento su paquete completamente y a tiempo. Las decisiones del administrador están final y no son apelables.
4. **Reviso de Reclamaciones:** Cada reclamación necesita esta presentada bajo pena de perjurio. USDA reserva el derecho a presentar evidencia al adjudicador con respeto a cualquier reclamación. Todas las reclamaciones estarán sujetos a auditorias al azar y otros repasos, y reclamaciones fraudulentas serán negados i están sujetos a procesamiento potencial.
5. **Determinación de Adjudicador:** Su reclamación será decidido por un adjudicador que tiene la autoridad a llega a una decisión independiente, se basa en la información que presenta en el Paquete de Reclamaciones y la respuesta de USDA. Las decisiones del adjudicador están final y no son apelables.

Waiver Acknowledging Rights Under the Women/Hispanic Moratorium

The following addendum shall be used in voluntary liquidation or debt settlement requests.

Waiver Acknowledging Rights under the Women/Hispanic Moratorium

I/We understand that USDA has implemented a moratorium on certain accelerations and foreclosures under the Unified Claims Process for Women and Hispanic farmers and ranchers who allege they were discriminated against.

I/We have received a copy of Notice FLP-626 explaining this moratorium and understand my rights. I understand that I may seek legal counsel concerning my rights.

I/We request to voluntarily liquidate security or debt settle the FSA account and knowingly and willingly waive any rights I/we may have under the moratorium.

Borrower Co-Borrower