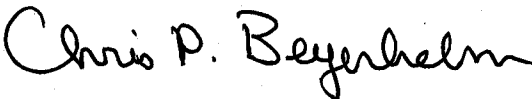


**For:** FSA Offices

**Temporary Suspension of FLP Foreclosures**

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



**1 Overview**

**A Background**

In response to the economic challenges facing farmers, the Secretary has placed a temporary suspension on FLP foreclosures for approximately 90 calendar days, effective May 1, 2009.

**B Purpose**

These 90 calendar days will afford USDA the opportunity to review loans to ensure that FSA borrowers have been provided with all civil rights appropriate servicing options under law. Foreclosure actions will be suspended and a review conducted on FLP accounts with a "Foreclosure Action Pending (FAP)" flag as of May 1, 2009, and up until 60 calendar days thereafter.

Until the review is completed and SED has received clearance from the Administrator, accounts will **not** be foreclosed by FSA unless directed by DOJ. Servicing under 4-FLP and 5-FLP will continue on all other accounts through acceleration to the point of foreclosure (FAP flag).

**C Contact**

County Offices shall contact the State Office with any questions. State Offices shall contact LSPMD at 202-720-4572.

<b>Disposal Date</b>	<b>Distribution</b>
October 1, 2009	All FSA Offices; State Offices relay to County Offices

**Notice FLP-537**

**2 Identifying, Submitting, and Reviewing Accounts**

**A Identifying Accounts**

Each SED will receive a list from the National Office of all accounts that had a FAP flag on May 1, 2009. In addition, any accounts flagged FAP within 60 calendar days of May 1, 2009, will be added to the list.

The Secretary has contacted DOJ in Washington, DC to inform them of this action and request their support. DOJ in Washington, DC has informed DOJ in the States of this request. DOJ will make the final determination on all accounts under their jurisdiction.

**B SED Action**

Each SED shall:

- advise County Offices to discontinue referring foreclosure cases to OGC or Government contractors for foreclosure action
- advise OGC to discontinue the referral of foreclosure cases to DOJ or third parties for foreclosure action
- review the statute of limitation (SOL) records as required by 5-FLP, subparagraph 126 B, and consult with OGC as required, to determine whether the 6-year SOL on any of the accounts will run within 45 calendar days of May 1, 2009
- separately identify any cases where SOL will run in 46 to 90 calendar days of May 1, 2009.

State Offices should contact Michael Cumpton or Veldon Hall at 202-720-4572 to discuss any accounts meeting either SOL criteria.

<b>If the National Office agrees that SOL expires within...</b>	<b>THEN...</b>
45 calendar days	foreclosure will continue, and the files will <b>not</b> be called in by the National Office for further review.
46 to 90 calendar days	the National Office will expedite the call for the file.

If the borrowers or representatives of the estate of a deceased borrower request the foreclosure to continue, all borrowers or representatives of the estate must sign a written request for a waiver, with justification, that will be forwarded to the National Office for consideration.

**Note:** Temporary suspension under this notice does **not** apply to third party foreclosure actions.

## Notice FLP-537

### 2 Identifying, Submitting, and Reviewing Accounts (Continued)

#### C Submitting Case Files for Review

To facilitate the efficient transfer and review of the case files, SED will be notified by the National Office when the case files are to be sent to the National Office for review. No case files will be submitted until specifically requested by the National Office.

All County Office folders on each account will be sent by FedEx Ground to the following address.

USDA FSA DAFLP LSPMD  
1250 MARYLAND AVE SW  
SUITE 500  
WASHINGTON DC 20024  
ATTN: Michael Cumpton

#### D Review by FLP

The review on each case file will be completed in the National Office. Review teams will include National Office personnel and State FLP staff, if required.

If any discrepancies are found, the account will be returned to SED for the correction of any oversight or discrepancy noted.

#### E Review by the Office of Adjudication and Compliance (OAC)

OAC will conduct a review to determine whether the borrower has an open program complaint that has been accepted as valid at the same time FLP is conducting the program review.

### 3 Routine Review of Accounts

#### A Submitting for Routine National Office Review Before Foreclosure

Routine file or e-mail submissions to the National Office according to Notice FLP-515 or 1-FLP, subparagraph 41 H, for the purpose of pre-acceleration reviews, will continue as usual.