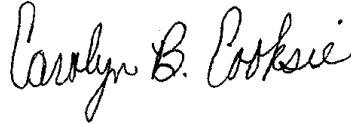


For: State and County Offices

Debt Collection by Internal Administrative Offset

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A Purpose

This notice provides detailed guidance to ensure that FSA payments made to direct delinquent FLP borrowers are offset through internal administrative offset procedures according to RD Instruction 1951.104 (a) (1).

B Contact

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Constance Rime, LSPMD at 202-690-4012.

2 Servicing Actions

A FLM Responsibilities

Each month, FLM's shall provide a list of direct borrowers subject to administrative offset to CED's servicing counties where the subject FLP borrowers are known to operate. FLM's shall retain a copy of the list in the Operation Files according to 25-AS, Exhibit 40.5.

B DD Responsibilities

DD's shall verify compliance with this notice and annotate the following on FSA-2101, item 9:

- FLM's are providing CED's with updated offset lists on a monthly basis
- CED's are processing the offsets against the listed FLP borrowers.

Disposal Date	Distribution
June 1, 2005	State Offices; State Offices relay to County Offices