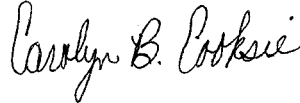


**For:** State and County Offices

**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 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 CED Responsibilities**

CED shall process offsets against the listed FLP borrowers.

**C District Director (DD) Responsibilities**

DDs 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.

<b>Disposal Date</b>	<b>Distribution</b>
December 1, 2006	State Offices; State Offices relay to County Offices