

**For:** State and County Offices

**End of Secretary's Temporary Suspension of FLP Foreclosures**

**Approved by:** Administrator



**1 Overview**

**A Background**

Effective May 1, 2009, the Secretary initiated a temporary suspension of FLP foreclosures according to Notice FLP-537. Pending foreclosure cases were forwarded to the National Office for a review to ensure that borrowers were afforded all of their servicing and civil rights.

**B Purpose**

This notice:

- informs that the National Office review has been completed and the suspension of foreclosures will be lifted effective September 1, 2009
- obsoletes Notice FLP-537.

**C Contact**

County Offices shall contact the State Office with any questions. State Offices shall contact Michael Cumpton or Veldon Hall, LSPMD at 202-720-4572.

<b>Disposal Date</b>	<b>Distribution</b>
March 1, 2010	State Offices; State Offices relay to County Offices

## Notice FLP-545

### 2 Resumption of Foreclosure Activities

#### A Foreclosure Actions

The foreclosure suspension is lifted effective September 1, 2009. Thereafter, foreclosure action may resume subject to compliance with:

- instructions returned with each account reviewed during the foreclosure suspension
- the civil rights and Primary Loan Servicing review requirements of 5-FLP, subparagraph 533 B
- the civil rights clearance process requirements of 1-FLP, subparagraph 41 H.

According to 1-FLP, subparagraph 41 G, acceleration and foreclosure actions are not authorized on accounts with open civil rights complaints. Accounts with open civil rights complaints are subject to the moratorium provisions of Notice FLP-541 once they have been accepted as valid by USDA, Office of Adjudication and Compliance.

#### B SED Action

Each SED shall:

- ensure that State and County Offices are in compliance with the requirements of subparagraph 2 A
- advise OGC to resume referring cases to DOJ or appropriate third parties for foreclosure action on September 1, 2009.