

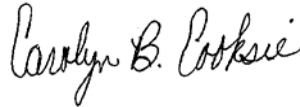
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Direct Loan Making
3-FLP**

Amendment 6

Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reason for Amendment

Subparagraph 163 C has been amended to clarify when disaster payments are not considered duplicative payments under FLP.

Page Control Chart		
TC	Text	Exhibit
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163 Eligibility Requirements (Continued)

N Borrower Training

[7 CFR 764.4(a)(13)] The applicant must agree to meet the borrower training requirements in accordance with § 1924.74 of this title.

O Prior Drug Convictions

[7 CFR 764.4(a)(14)] The applicant cannot have been convicted under Federal or State law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance, as defined in 21 CFR part 1308, during the current crop year or the previous 4 crop years. If the applicant is an entity, this requirement applies to all members of the entity.

The applicant also self-certifies on the application form that he or she as an individual, or any member of an entity applicant, is not ineligible for Federal benefits based on a conviction for the distribution of controlled substances or any offense involving the possession of a controlled substance under 21 U.S.C. 862.

A decision to reject an applicant for either of these reasons is not appealable.

P Recovery of Duplicative Benefits

[7 CFR 764.4(a)(15)] The applicant must agree to repay any duplicative Federal assistance to the agency providing such assistance. A person receiving Federal assistance for a major disaster or emergency is liable to the United States to the extent that the assistance duplicates benefits available to the person for the same purpose from another source.

***--If additional disaster benefits are expected from existing programs, but the amount is not known at loan approval, the applicant must assign the benefits to FSA.**

Programs enacted by congress after loan approval will not affect EM loan calculations and are not considered duplicative benefits under FLP. FLP will not require an assignment on benefits from programs enacted **after** loan approval. In these cases, the rules for the new programs will govern treatment of the payments. A voluntary assignment of payments may be accepted if the rules for the new program permit.--*

163 Eligibility Requirements (Continued)

Q Timely Loan Application

[7 CFR 764.4(b)(1)] A loan application must be received by the Agency not later than 8 months after the date the disaster is declared or designated in the county of the applicant's farming operation.

Loan approval officials shall verify that receipt of the loan application was within timeframes established in the State supplement to FmHA Instruction 1945-A.

--If a county has been designated or named (either contiguous or primary) more than 1 time for the same disaster, applicants will have 8 months from the date of the most recent designation to submit an application.--

R Qualifying Losses

[7 CFR 764.4(b)(2)(i)] The applicant may seek an Emergency loan only with respect to a family farm that had production or physical losses as a result of a disaster in a disaster area.

Refer to the State supplements to FmHA Instruction 1945-A, which provide a list of current disaster designations determining if an applicant was operating in a disaster designated area.

[7 CFR 764.4(b)(2)(ii)] For production loss loans, the applicant must have a disaster yield that is at least 30 percent below the normal production yield of any single crop, as determined by the Agency, that comprises a basic part of an applicant's total farming operation.

See Exhibit 2 for the definition of "Basic Part of an Applicant's Total Farming Operation."

--Calculate production losses according to subparagraph 165 C.--

Note: If an applicant cannot plant their usual crop or plants the crop and it is destroyed as a result of the disaster, then the applicant plants a substitute crop in its place, the applicant will not be eligible for a production loss on the original crop. However, if the substitute crop suffers a qualifying loss, a loan may be made for the loss on that crop.

[7 CFR 764.4(b)(2)(iii)] For physical loss loans, the applicant must have suffered disaster-related damage to chattel or real estate essential to the farming operation, to household items that must be repaired or replaced, to harvested or stored crops, or to perennial crops.