

§§ 1951.26–1951.49

(c) *Processing.* (1) If, after the review, the interest rate is to remain the same, no further action needs to be taken.

(2) When the interest rate is increased to the current rate, the loan will be recorded as a regular loan and will no longer be considered a limited resource loan. The borrower must be notified in writing at least 30 days prior to the date of the change. Exhibit B of this subpart may be used as a guide. The effective date of the change in interest rate will be the effective date on Exhibit B. The borrower must be informed of the following for each loan:

- (i) The authorization for the change,
- (ii) Reason for change (repayment ability, etc.),
- (iii) The effective date and rate of the increase in interest,
- (iv) Amount of the new installments and dates due,
- (v) Right to appeal.

(3) It is not necessary to obtain a new promissory note for this change in interest rate.

[50 FR 45764, Nov. 1, 1985, as amended at 53 FR 35717, Sept. 14, 1988; 56 FR 3395, Jan. 30, 1991; 58 FR 15074, Mar. 19, 1993]

§§ 1951.26–1951.49 [Reserved]

§ 1951.50 OMB control number.

The collection of information requirements in Subpart A of part 1951 have been approved by the Office of Management and Budget and assigned OMB control number 0575–0075.

[52 FR 26137, July 13, 1987]

EXHIBITS TO SUBPART A

EXHIBIT A—NOTICE TO FMHA OR ITS SUCCESSOR AGENCY UNDER PUBLIC LAW 103–354 BORROWERS

FmHA or its successor agency under Public Law 103–354 borrowers with farmer program and community program loan types made under the Consolidated Farm and Rural Development Act may request a loan summary statement which shows the calendar year account activity for each loan. Interested borrowers may request these statements through their local FmHA or its successor agency under Public Law 103–354 office.

[54 FR 10270, Mar. 13, 1989]

7 CFR Ch. XVIII (1–1–01 Edition)

EXHIBIT B—NOTICE OF CHANGE IN INTEREST RATE

(insert date)

Notice of Change in Interest Rate

(insert borrower’s address)

- Re:
Fund code

Loan number

Kind code

Dear (insert borrower’s name and case number): Your promissory note dated _____, for the original amount of _____ dollars (\$ _____) provides for a change in interest rate for a limited resource loan in accordance with the Farmers Home Administration or its successor agency under Public Law 103–354 regulations.

Effective (insert date) the interest rate on this loan will be _____ percent (%) on the unpaid principal balance. Your installment due January 1, 19 _____, will be _____ dollars (\$ _____). This change in interest rate is for the reason indicated below.

- Increase in repayment ability as per Farm and Home Plan dated _____.
- (insert reason if other than above for increase in interest rate).

You may appeal this action by writing to (hearing officer), (address), within 30 calendar days of the date of this letter, giving the reason why you believe this matter should be decided differently. This time may be extended if you cannot notify the hearing officer within 30 days for reasons beyond your control.

[56 FR 3396, Jan. 30, 1991]

Subpart B—Collections

SOURCE: 53 FR 26591, July 14, 1988, unless otherwise noted.

§ 1951.51 General.

This subpart prescribes the policies and procedures of the Farmers Home Administration or its successor agency under Public Law 103–354 (FmHA or its successor agency under Public Law 103–354) for collection of loan payments and depositing payments through the Concentration Banking System (CBS). Under CBA, FmHA or its successor agency under Public Law 103–354 field offices select a local financial institution to maintain a Treasury Limited Account (TLA) for depositing FmHA or

RHS, RBS, RUS, FSA, USDA**§ 1951.102**

its successor agency under Public Law 103-354 loan collections. Deposits to these accounts are withdrawn daily by the concentrator bank for transfer to the Treasury. Under these procedures, the local FmHA or its successor agency under Public Law 103-354 office will deposit the daily office collections in a participating local financial institution and report the amount deposited to a data service facility that is under contract to the concentrator bank. The data service facility will inform the concentrator bank of the amount available in each local financial institution and the concentrator bank will use this information to transfer the funds to the concentrator bank and then to the Treasury.

§§ 1951.52–1951.53 [Reserved]**§ 1951.54 Authority.**

The provisions of this subpart are applicable to FmHA or its successor agency under Public Law 103-354 employees who are authorized to receive collections. Employees listed in Exhibit B of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office) are hereby authorized to receive, receipt for, exchange for money orders or bank drafts, and transmit collections or deposit collections in a TLA.

§ 1951.55 Receiving and processing collections.

FmHA or its successor agency under Public Law 103-354 offices receive borrower payments either through the mail or in person in the form of checks, money orders, and cash. Payments are recorded on the appropriate accounting forms which are Form FmHA or its successor agency under Public Law 103-354 451-2, Form FmHA or its successor agency under Public Law 103-354 1944-9, Form FmHA or its successor agency under Public Law 103-354 1951-55, or a payment coupon. Forms FmHA or its successor agency under Public Law 103-354 451-2 and FmHA or its successor agency under Public Law 103-354 1944-9 are used to transmit accounting information to the Finance Office. Form FmHA or its successor agency under Public Law 103-354 1951-55 is used to assemble payment information which the

District Offices use to transmit MFH account information through field office terminals. In addition, the FmHA or its successor agency under Public Law 103-354 office records payments on a management system card, a servicing card, or a payment tracking form, as appropriate.

[56 FR 28038, June 19, 1991]

Subpart C—Offsets of Federal Payments to USDA Agency Borrowers**§ 1951.101 General.**

Federal debt collection statutes provide for the use of administrative, salary, and Internal Revenue Service (IRS) offsets by government agencies, including the Farm Service Agency (FSA), Rural Housing Service (RHS), Rural Utilities Service (RUS) for its water and waste programs, and Rural Business-Cooperative Service (RBS), herein referred to collectively as “United States Department of Agriculture (USDA) Agency”, to collect delinquent debts. Any money that is or may become payable from the United States to an individual or entity indebted to a USDA Agency or other individual or entity indebted to a USDA Agency may be subject to offset for the collection of a debt owed to a USDA Agency. In addition, money may be collected from the debtor’s retirement payments for delinquent amounts owed to the USDA Agency if the debtor is an employee or retiree of a Federal agency, the U.S. Postal Service, the Postal Rate Commission, or a member of the U.S. Armed Forces or the Reserve. Amounts collected will be processed as regular payments and credited to the borrower’s account. USDA Agencies will process requests by other Federal agencies for offset in accordance with § 1951.102 of this subpart. This subpart does not apply to RHS direct single family housing loans. Nothing in this subpart affects the agency’s common law right of set off.

[65 FR 50602, Aug. 21, 2000]

§ 1951.102 Administrative offset.

(a) *General.* Collections of delinquent debts through administrative offset