

Opportunity (EO), Softwood Timber (ST), Recreation (RL), and Rural Housing loans for farm service buildings (RHF). Nonprogram (NP) farm type loans may be serviced under this subpart for borrowers who also have FLP loans.

[60 FR 46756, Sept. 8, 1995, as amended at 64 FR 393, Jan. 5, 1999; 65 FR 31249, 31250, May 17, 2000]

§ 1951.952 General.

DSA is a program whereby borrowers who are current or not more than one installment behind on any and all FLP loans may be permitted to move the scheduled annual installment for each eligible FLP loan to the end of the loan term. The intent of this program is to relieve some of the borrower's immediate financial stress caused by a disaster or low commodity prices and avoid foreclosure by the Government. DSA is not intended to circumvent the servicing available under subpart S of this part.

[60 FR 46756, Sept. 8, 1995, as amended at 64 FR 394, Jan. 5, 1999; 65 FR 31249, May 17, 2000]

§ 1951.953 Notification and request for DSA.

(a) [Reserved]

(b) *Deadline to apply.* All FLP borrowers liable for the debt must request DSA within 8 months from the date the disaster was designated, in accordance with 7 CFR part 1945, subpart A. Applications due to low commodity prices in 1999 must be received on or before August 31, 2000.

(c) *Information needed to apply.* (1) A written request for DSA signed by all parties liable for the debt; and

(2) Actual production, income, and expense records for the production and marketing period in which the disaster occurred. Other information may be requested by the servicing official when needed to make an eligibility determination.

[60 FR 46756, Sept. 8, 1995, as amended at 62 FR 41252, Aug. 1, 1997; 64 FR 394, Jan. 5, 1999; 65 FR 31249, May 17, 2000]

§ 1951.954 Eligibility and loan limitation requirements.

(a) *Eligibility requirements.* The following requirements must be met to be eligible for DSA:

(1)(i) The borrower must have operated a farm or ranch in a county designated a disaster area as contained in 7 CFR part 1945, subpart A, or a county contiguous to such an area, and must have been a borrower and operated the farm or ranch at the time of the low commodity prices or disaster period.

(ii) If the borrower is applying for a second installment to be set aside based on a declared disaster, the borrower must have operated in a county declared a major disaster by the President or the Secretary, or in a county contiguous to such a county, and the Agency must have determined that second set-asides can be processed and approved for declared disasters in the specified year. The first set aside must have been provided for a previous crop year.

(iii) All FLP borrowers may apply for an installment to be set aside based on low commodity prices during 1999. If the borrower is applying for a second installment to be set aside based on low commodity prices, the first set-aside must have been provided for a previous crop year. County location, or proximity to a disaster declared county is not a consideration when the DSA is justified by low commodity prices.

(iv) A borrower cannot have more than two installments set aside on any loan.

(2) The borrower must have acted in good faith as defined in § 1951.906 of subpart S of this part.

(3) All nonmonetary defaults must have been resolved. This means that even though the borrower has acted in good faith, the borrower may still be in default for reasons, such as, but not limited to: no longer farming, prior lienholder foreclosure, bankruptcy or under court jurisdiction, not properly maintaining chattel and real estate security, not properly accounting for the sale of security, or not carrying out any other agreement made with the Agency.