

§§ 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 (1–1–02 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