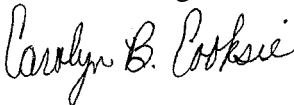


**For:** State and County Offices

**Continuation of Term Limit Waiver on Guaranteed Operating Loans (OL's)**

**Approved by:** Deputy Administrator, Farm Loan Programs



**1 Overview**

**A Background**

With the enactment of the second Continuing Resolution (CR) (Pub. L. 110-116), signed November 13, 2007, the suspension of the term limits for borrowers receiving guaranteed OL's has been extended through December 14, 2007.

Consolidated Farm and Rural Development Act, Section 319(b) prohibits a borrower from receiving guaranteed OL's if the borrower has received guaranteed or direct OL's in 15 or more years according to 2-FLP, subparagraphs 108 L and M. This limitation was suspended by Pub. L. 107-171; the suspension was extended by Pub. L. 110-5, and is further extended by Pub. L. 110-116.

**B Purpose**

This notice obsoletes Notice FLP-482.

**C Contact**

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact the Guaranteed Loans Branch, LMD at 202-720-3889.

<b>Disposal Date</b>	<b>Distribution</b>
March 1, 2009	State Offices; State Offices relay to County Offices

## Notice FLP-483

### 2 Actions

#### A Determining Term Limit Eligibility

In anticipation of the possible expiration of the guaranteed OL term limit waiver, County Offices shall review guaranteed OL applications in process to determine if applicants meet the term limits outlined in 2-FLP, subparagraphs 108 L and M. FSA will **not** intentionally delay action on guaranteed OL requests.

#### B Notifying Lenders With Pending OL Applications

If the term limit waiver is **not** extended beyond December 14, 2007, FSA-1980-27's **cannot** be issued for borrowers exceeding the term limits outlined in 2-FLP, subparagraphs 108 L and M after December 14, 2007. If an application is approved for an applicant who will no longer be eligible on December 15, 2007, the following condition should be included in FSA-2232, Part B, item 17:

“A Loan Guarantee cannot be issued after December 14, 2007, without further congressional action because the applicant will no longer be eligible due to statutory operating term limitations implemented by §7 C.F.R. 762.122 (a). If the loan is not closed and all lender and FSA actions outlined in 2-FLP, paragraph 247 are not completed prior to December 15, 2007, this conditional commitment becomes null and void.”

In addition, the number of days inserted in FSA-2232, Part C, item 18 may be reasonably adjusted to ensure that the guarantee is requested so that FSA can complete the requirements in 2-FLP, subparagraph 247 B by December 14, 2007.

**Note:** Additional CR's may continue the term limit waiver. However, a determination of whether the term limit waiver continues **cannot** be made until after the CR's language has been reviewed by OGC. If an additional CR is enacted, loan guarantees for borrowers exceeding the term limit shall **not** be issued without further guidance from the National Office.