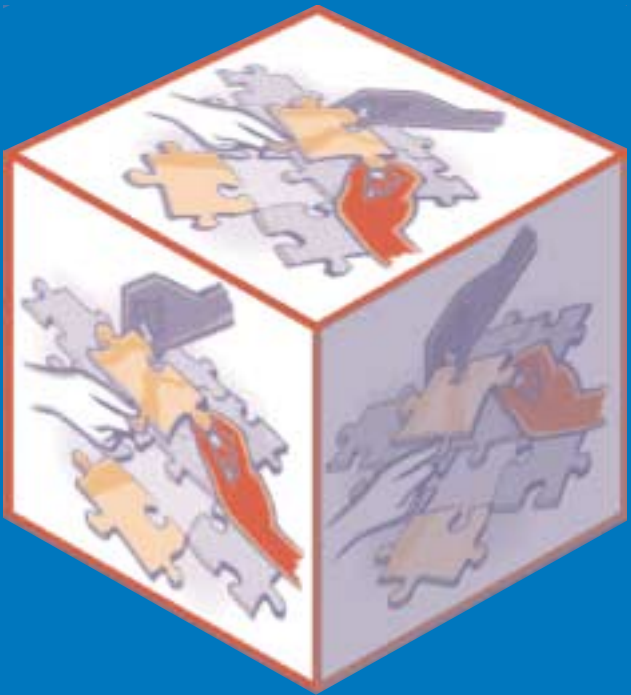




USDA Rural Development

Making Your Voice Heard



**Customer Mediation
Program**

If you have a dispute with an agency of USDA Rural Development, mediation may be available to help resolve it. The process is quick, cost-effective, and intended to be mutually acceptable to all parties.

Mediation may be used to resolve adverse decisions¹ in:

- Single-Family and Multi-Family Housing programs
- Community Facilities programs
- Rural Business-Cooperative Service programs
- Office of Community Development
- Water and Environmental programs
- Some Rural Utilities Service programs

What Is Mediation?

Mediation is a process in which a trained, certified, impartial third party (a mediator) helps all sides in a dispute to: (1) look at their mutual problem, (2) identify their options, (3) consider possible solutions, and (4) agree on a resolution.

The mediator, unlike a judge or arbitrator, has no authority to decide what is right or wrong. The process is private and confidential. The mediator, and by agreement the participants, cannot disclose any information related to the mediation process. Successful mediation is based on the good-faith participation of all parties involved.

After the participants have agreed to a resolution of the dispute, they sign a binding agreement. Rural Development agencies are required to participate in mediation, when requested, and to participate in good faith.

¹ Mediation is not available for adverse decisions based on governing statutes, or if agency regulations exclude the decision from mediation. For Rural Utilities Service (RUS) Electric and Telecommunications programs, mediation is available only if approved by the National Office. Costs in such cases are covered solely by the participating RUS customer.

Mediation Costs

When there are costs, both USDA Rural Development and the participant share the expense of mediation. All participants are notified of their estimated costs before mediation begins.

Scheduling Mediation

Neither the Rural Development mission area nor the individual agency provides the mediator. Instead, all participants agree to a certified, neutral third-party mediator. The mediator has 45 days to complete the mediation, unless the complexity of the case warrants a longer time. A mediator typically contacts participants to discuss the case before the actual mediation session.

Success Stories

Mediation has helped many USDA Rural Development borrowers reach satisfactory resolutions to their problems:

- A Business and Industry (B&I) Direct Loan of \$1.3 million for a 50-bed nursing home in a rural community faced foreclosure. A negotiated settlement, benefiting both the customer and the Federal Government, saved a much needed facility for the rural, mountain community of 6,000.
- A single father suffering from a serious illness was facing foreclosure on his home. Because he had to take care of his 12-year-old son, he had few employment alternatives and worked only sporadically. In the mediation process, with the borrower's permission, a close relative of his stepped in to participate in arrangements for working out the delinquency. With the help of relatives, the mediation also resulted in the borrower seeking and receiving proper treatment for his illness.

- Rural Development shared a financial position with another government entity in a guaranteed business loan. The lender certified that all conditions were met; however, both the borrower and the lender failed to disclose all previous debts. An outstanding loan caused the lender to foreclose and liquidate the borrower's business. At the request of the lender, the agency repurchased the loan, but due to documented non-disclosure the agency proposed to debar the lender. In the process of going to mediation, the agency recovered 100 percent of the loss.

Your Voice Will Be Heard

- Mediation is confidential
- Mediation is flexible
- Mediation can preserve relationships
- Mediation is creative
- Participants control the outcome!

For More Information

Contact your USDA Rural Development State Office for more information. Typically, this phone number can be found in the Federal Government pages of your phone directory, or you can be connected to your State Office by calling (202) 720-4323 and selecting number 1. This information is also available on the Rural Development website: http://www.rurdev.usda.gov/recd_map.html .

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