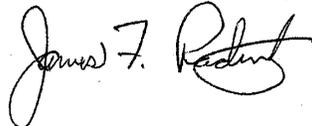


For: State Offices

**Proper Completion of 4-FLP, Exhibit 29, "Notification Letter to Potential Purchasers"**

Approved by: Acting Deputy Administrator, Farm Loan Programs



**1 Overview**

**A Background**

FSA is required by law to notify potential purchasers that FSA has a lien on a borrower's chattels or crops. States must do this by:

- participating and complying with the requirements of a central filing system (CFS) in States where a CFS has been organized, **or**
- providing notification to potential purchasers that FSA has a lien on a specific borrower's chattels and/or crops, **or**

**Note:** This notification is traditionally accomplished by sending 4-FLP, Exhibit 29 to potential purchasers identified by the borrower.

- complying with instructions in a State supplement that details the method to notify potential purchasers in compliance with the Food Security Act, 7 U.S.C. § 1631 (g).

**B Purpose**

This notice addresses some of the confusion about properly completing 4-FLP, Exhibit 29 as it relates to the disclosure of a borrower's PII.

**C Contact**

If there are questions about this notice, contact Lee Nault by either of the following:

- e-mail to [lee.nault@wdc.usda.gov](mailto:lee.nault@wdc.usda.gov)
- telephone at 202-720-6834.

<b>Disposal Date</b>	<b>Distribution</b>
October 1, 2015	State Offices

## Notice FLP-711

### 2 Using 4-FLP, Exhibit 29

#### A Completing 4-FLP, Exhibit 29

When completion of 4-FLP, Exhibit 29 is required, potential purchasers listed by the borrower, on FSA-2040, will be notified of FSA's lien on the borrower's chattel security. Exhibit 29 will be completed and **must** include the following items.

- FSA Office address (the name and address of any secured party).
- Name and address of each debtor, including individuals and entities.
- As required by the Food Security Act, 7 U.S.C. § 1631 (g), the full Social Security number of each debtor or, in the case of a debtor doing business other than as an individual, the full IRS taxpayer ID number. If the State has approved and selected a unique identifier, then it can be used instead of the Social Security number or taxpayer ID number.
- A description of the farm products given as security, including:
  - reasonable description of the farm product or products produced by the borrower (such as type and amount of crops, livestock, or farm machinery)
  - crop year
  - county (or counties) in which the products are produced or located
  - payment obligations imposed on the buyer by FSA (the secured party) as a condition for release of the security interest.

**Note:** Full and complete information must be provided for FSA to be in compliance with the Food Security Act of 1985.

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### 2 Using 4-FLP, Exhibit 29 (Continued)

#### B Protecting Borrower PII

Because 4-FLP, Exhibit 29 or other distribution material developed by State supplements will contain sensitive borrower PII, great care must be exercised when providing these documents to potential purchasers. Employees should comply with the following guidance for protecting PII if sending documents:

- electronically, by e-mail, as an encrypted attachment with the password provided separately (such as by phone, another e-mail, or in person)
- by FAX, alert the recipient before FAXing to allow the recipient to retrieve the FAX immediately when received by the machine

**Note:** After sending the FAX, verify that the recipient received the FAX.

- by postal mail, seal the information in an opaque or security envelope, if available, and mail materials using the U.S. Postal Service's First Class Mail, Priority Mail, or an accountable commercial delivery service (for example, the United Parcel Service).