



Farm and Foreign
Agricultural
Services

October 11, 2016

Farm Service
Agency

Dear Steve,

Office of the
Administrator

1400 Independence
Ave, SW
Stop 0501
Washington, DC
20250-0501

Thank you for your letter of October 6, 2016, concerning the environmental requirements for Farm Service Agency (FSA) guaranteed farm loans. I appreciate the opportunity to address the concerns of American Bankers Association's member-bankers. To clarify, FSA does not have a moratorium on direct or guaranteed loans for livestock facilities. It is unfortunate that some of our lender partners have received inaccurate information. As you are probably aware, FSA must comply with the requirements of the National Environmental Policy Act (NEPA) in making both direct and guaranteed loans. FSA's NEPA process and requirements can be found at 7 C.F.R. part 799. FSA continues with its normal environmental compliance process to meet NEPA requirements. While this process can take time, this should not be confused with a moratorium. FSA has a long-standing policy that the loan application is not complete until the environmental review is concluded. In addition, we are not aware of any pending applications that are delayed by the United States Environmental Protection Agency rules or the Waters Of The United States (WOTUS) rule, as mentioned in your letter. If you wish to discuss this further or have any questions, please contact Jim Radintz, the Deputy Administrator for Farm Loan programs here at FSA, on [202-720-4671](tel:202-720-4671), or at jim.radintz@wdc.usda.gov. Jim will be glad to discuss your concerns regarding this or any other FSA guaranteed loan issues. We welcome the opportunity to address any potential concerns your members may have.

FSA values the relationships it has with lenders across rural America, working together to meet the credit needs of farmers and ranchers. I certainly agree that this partnership has worked well. So well, in fact, that in the fiscal year that ended on September 30, 2016, FSA guaranteed loan activity reached an all-time high, totaling nearly \$4 billion dollars. We recognize that reduced farm income has increased financial pressure on farmers, and anticipate that demand for guaranteed loans will remain at the current high levels in fiscal year 2017. We will continue to work closely with lenders and others to assist farmers and ranchers in coping with the financial challenges many of them will face in the coming year.

Thank you again for the opportunity to address your concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Val Dolcini", followed by the word "for" in a smaller font.

Val Dolcini
Administrator