

For: State and County Offices

Guidance for Resuming FLP Activities After the Lapse in Funding

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A Background

The Federal government was partially shut down because of a lapse in funding from October 1, 2025, to November 12, 2025. Certain excepted FLP employees reported to offices during the lapse in funding, but only limited FLP activities could be conducted.

B Purpose

This notice provides guidance on:

- timeframes for processing loan applications that were pending during the lapse in funding
- processing loan applications received during the lapse in funding
- loan servicing.

C Contact

County Offices will contact their State Office. State Offices will contact the National Office as follows.

IF the topic is...	THEN contact...
loan making	<ul style="list-style-type: none"> • Kim Eilerman at 202-619-8519 or kimberly.eilerman@usda.gov • Paul Peterson at 507-702-3062 or paul.peterson@usda.gov • Steve Ford at 202-304-7932 or steve.ford2@usda.gov.
loan servicing and property management	<ul style="list-style-type: none"> • Carolyn Estrada at 202-690-1560 or carolyn.estrada@usda.gov • Bruce Mair at 202-720-1645 or bruce.mair@wdc.usda.gov • Lee Nault at 202-720-6834 or lee.nault@usda.gov.
program operations and appraisals	<ul style="list-style-type: none"> • Travis Martin at 509-868-8093 or travis.martin@usda.gov • Brian Rueckl at 920-895-0091 or brian.rueckl@usda.gov • Sherry Hulsey at 270-524-5631 or sherry.hulsey@usda.gov.

Disposal Date	Distribution
October 1, 2026	State Offices; State Offices relay to County Offices

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2 Loan Making

A Loan Making Applications

Process all new loan requests received after September 30, 2025, using either the postmarked date or the date they were hand-delivered to the office as the receipt date.

B Extension of Application Timeframes

No applicant will be penalized because of the lapse in funding.

If an applicant/lender submitted the information required for a complete application in response to an incomplete letter during the lapse in funding, the application will be processed based on the postmarked date or hand-delivery date.

Applicants/lenders who did not respond or did not submit all required information in response to an application incomplete letter, and the timeframe expired during the lapse in funding, will be sent a new letter giving them an additional 15 calendar days from the date the new letter is sent to provide the information needed. See Exhibits 1 through 4.

Note: Offices with a large number of applications on-hand may prioritize the mailing of the applicable exhibit based on the date the application was received; however, all letters should be mailed within 7 workdays of this notice.

Financial information which has reached the 90 calendar day expiration per 3-FLP, subparagraph 42 B, shall be extended to 133 days to accommodate the period of shutdown for applications received prior to November 13, 2025.

C Term Limits

Term limits **cannot** be extended for any reason. If a loan could not be closed before the restoration of funding and closing the loan after the restoration of funding will put the applicant over a term limit, then the applicant is not eligible to receive the loan even if it was approved and obligated before the lapse in funding.

D Guaranteed Lender's Agreements

CLP and PLP lender agreements that expired during the lapse in funding will be extended for 60 calendar days from the date of expiration.

3 Loan Servicing

A Authorized Activities

All loan servicing activities may resume.

B Payments

Payments received from customers during the lapse in funding will be given day of credit according to the date received. If the date received is unknown, then the postmarked date will be used as the day of credit.

C Direct Loan Delinquency

Borrowers whose payment due date occurred during the lapse in funding and who have not made payment to bring the account current are delinquent as of November 13, 2025. Borrowers who had payments due between October 1, 2025, and November 12, 2025, will be considered 90 calendar days past due on Wednesday, February 11, 2026, and the appropriate notices will be sent at that time.

D Primary Loan Servicing (PLS)

Any deadlines, including but not limited to deadlines for filing requests, exercising options, past due dates, will be considered paused (that is, stopped) during the lapse in funding that occurred from October 1, 2025, through November 12, 2025.

Borrowers who had loans that were current and had been approved for PLS on or before September 30, 2025, but became past due during the lapse in funding will continue to be considered as a current/distressed service restructuring.

PLS applications on-hand that were not approved before the lapse in funding and became past due during the lapse in funding will be considered current for 43 calendar days from the original past due date, provided PLS can be approved and closed within the remaining timeframe.

PLS applications received between October 1, 2025, and November 12, 2025, that became 90 calendar days past due during the lapse in funding will now be notified of PLS by certified mail.

Borrowers who were 90 calendar days past due and were sent PLS notices before the lapse in funding and have not responded will be notified by regular mail using Exhibit 5 that their response time is extended 43 calendar days from the date of mailing. In addition to the written notification, in all cases where responses have not been received, County Offices will attempt to contact the borrower by telephone or other means to remind them that a response is needed.

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3 Loan Servicing (Continued)

D Primary Loan Servicing (PLS) (Continued)

Borrowers who were 90 calendar days past due and were sent certified mail PLS notices before the lapse in funding, and whose packages were returned unclaimed will now be notified by regular mail.

All borrowers who have any PLS-related response deadlines that expired during the lapse in funding will be notified by sending Exhibit 5 by regular mail that the deadline is extended 43 calendar days from the date of the exhibit.

E DSA and DBSA

If a DSA or DBSA request was approved but not processed for a loan that was less than 90 calendar days delinquent on or before September 30, 2025, and became 90 calendar days delinquent during the lapse in funding, the borrower will remain eligible and processing can be completed.

DSA applications not approved before the lapse in funding that became 90 calendar days delinquent during the lapse in funding will be eligible if they are less than 133 calendar days past due (extending 43 calendar days beyond the 90-calendar-day requirement).

FSA's response to the DSA or DBSA application received before the lapse in funding is extended by 43 calendar days from the original response due date.

DSA and DBSA closing for applications received before the lapse in funding can be completed if the loan is less than 208 calendar days past due (43 calendar days beyond the 165-calendar-day requirement).

Note: DLS will not allow processing DSA or DBSA transactions that are beyond the 165-calendar-day requirement. States will work with the appropriate RDBCSO contact to process these transactions.

DSA applicants received during the lapse in funding can now be processed; however, the 8-month disaster designation date expiration for eligibility will be based on the date received in the office or the postmarked date if the office was closed. DSA applications received beginning November 13, 2025, will be processed under existing procedures.

3 Loan Servicing (Continued)

F DLS Special Servicing (SS)

Do not make changes to the DLS SS to initialization dates, default dates, or prior activity completion dates based on activities completed or not completed during the lapse in funding. All due dates extended because of the lapse in funding will be recorded as the date they were completed with notes indicating the activity was completed under an extended deadline and provide the updated due date for the activity.

Example: A borrower accepted a 90 Day Pay Due notice on September 15, 2025. DLS indicates that the borrower must provide a complete loan servicing application by November 14, 2025. The borrower is notified by regular mail dated November 17, 2025, that because of the lapse in funding the borrower has until December 30, 2025, (43 calendar days) to provide a complete application. When updating DLS SS and FBP after the borrower provides a complete application, the user will input comments similar to the following: “Original due date of 9/15/2025 extended 43 days from regular mail notification due to lapse in funding for new due date of December 30, 2025.”

G Regular Servicing

Any filing deadlines will be considered paused (that is, stopped) during the lapse in funding that occurred from October 1, 2025, through November 12, 2025. In all cases where borrowers have response deadlines that became due during the lapse in funding, the borrower will be notified by regular mail that they have 43 calendar days from the date of Exhibit 5 to respond.

H Guaranteed Loan Servicing Activities

All guaranteed loan servicing activities may resume.

Interest accrual questions on lender claims impacted by the lapse in funding will be directed on a case-by-case basis to Lee Nault, acting Branch Chief, Guaranteed Loan Servicing and Inventory Property Branch, at 202-720-6834 or lee.nault@usda.gov.

I Inventory Property

FLC’s will direct questions on the selling of property impacted by the lapse in funding to Lee Nault, acting Branch Chief, Guaranteed Loan Servicing and Inventory Property Branch, at 202-720-6834 or lee.nault@usda.gov.

Notice of Incomplete Application Extension

Use this exhibit when applicant previously received FSA-2304.

Note: Copy the language from Exhibit 1 onto local Agency letterhead.

Notice of Incomplete Application Extension

[Date]

**[Borrower Name]
[Borrower Name/Address]
[Borrower Address]
[City, State, Zip Code]**

FSA notified you on **[Date of Original FSA-2304]** that your application received on **[Date Application received]** was incomplete. Due to the lapse in funding that caused the Government shutdown, we are extending the timeframe for submission of the missing information by 15 days from the date of this letter. We must receive the following information by **[Add 15 Calendar Days from the Date of This Letter]** so that we can continue processing your request for assistance.

[Insert Information Needed or Attach Copy of Original FSA-2304]

We hope this additional time will give you the opportunity to provide the information needed. If you have any questions, please contact this office at **[office phone number]** for further guidance.

Sincerely,

**[Authorized Agency Official name]
[Title]**

Notice of Incomplete Application Extension

Use this exhibit when applicant previously received FSA-2305.

Note: Copy the language from Exhibit 2 onto local Agency letterhead.

Notice of Incomplete Application Extension	
	[Date]
<p>[Borrower Name] [Borrower Name/Address] [Borrower Address] [City, State, Zip Code]</p>	
<p>FSA notified you on [Date of Original FSA-2305] that your application received on [Date Application received] was still incomplete. Due to the lapse in funding that caused the Government shutdown, we are extending the timeframe for submission of the missing information by 15 days from the date of this letter. We must receive the following information by [Add 15 Calendar Days from the Date of This Letter] so that we can continue processing your request for assistance.</p>	
<p>[Insert Information Needed or Attach Copy of Original FSA-2305]</p>	
<p>If you do not submit this information by [Add 15 Calendar Days from Date of This Letter] your application will be withdrawn. No review, mediation, or appeal rights will be provided.</p>	
<p>The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant’s income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.</p>	
<p>We hope this additional time will give you the opportunity to provide the information needed. If you have any questions, please contact this office at [office phone number] for further guidance.</p>	
<p>Sincerely,</p>	
<p>[Authorized Agency Official Name] [Title]</p>	

Notice of Incomplete Application Extension

Use this exhibit when lender previously received first notification letter.

Note: Copy the language from Exhibit 3 onto local Agency letterhead.

<p>Notice of Incomplete Application Extension</p> <p style="text-align: right;">[Date]</p> <p>[Lender Name] [Lender Institution Name] [Lender Institution Address] [City, State, Zip Code]</p> <p>Farm Service Agency notified you on [Date of Original First Notification Letter] that your application on behalf of [Applicant Name] for FSA loan guarantee assistance received on [Date Application received] was incomplete. Due to the lapse in funding that caused the Government shutdown, we are extending the timeframe for submission of the missing information by 15 days from the date of this letter. We must receive the following information by [Add 15 Calendar Days from the Date of This Letter] so that we can continue processing your request for assistance.</p> <p>[Insert Information Needed or Attach Copy of Original First Notification Letter]</p> <p>We hope this additional time will give you the opportunity to provide the information needed. If you have any questions, please contact this office at [office phone number] for further guidance.</p> <p>Sincerely,</p> <p>[Authorized Agency Official Name] [Title]</p>

Notice of Incomplete Application Extension

Use this exhibit when lender previously received second notification letter.

Note: Copy the language from Exhibit 4 onto local Agency letterhead.

<p>Notice of Incomplete Application Extension</p> <p style="text-align: right; margin-right: 20px;">[Date]</p> <p>[Lender Name] [Lender Institution Name] [Lender Institution Address] [City, State, Zip Code]</p> <p>FSA notified you on [Date of Original Notification Letter] that your application received on behalf of [Applicant Name] for FSA loan guarantee assistance received on [Date Application received] was still incomplete. Due to the lapse in funding that caused the Government shutdown, we are extending the timeframe for submission of the missing information by 15 days from the date of this letter. We must receive the following information by [Add 15 Calendar Days from the Date of This Letter] so that we can continue processing your request for assistance.</p> <p>[Insert Information Needed or Attach Original Second Notification Letter]</p> <p>If you do not submit this information or contact this office by [Add 15 Calendar Days from Date of This Letter] your application will be withdrawn without further notice.</p> <p>The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant’s income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.</p> <p>We hope this additional time will give you the opportunity to provide the information needed. If you have any questions, please contact this office at [office phone number] for further guidance.</p> <p>Sincerely,</p> <p>[Authorized Agency Official Name] [Title]</p>

Notice of 43-Day Extension

Use this exhibit for loan servicing activities.

Note: Copy the language from Exhibit 5 onto local Agency letterhead.

Notice of 43-Day Extension

[Date]

[Borrower's Name]
[Borrower Name/Address]
[Borrower Address]
[City, State, Zip Code]

Dear **[Borrower's Name]**

Due to the lapse in funding that resulted in the Federal government being shut down from October 1, 2025, to November 12, 2025, Farm Service Agency Offices were closed for the majority of this time period. As a result of the shutdown, FSA is extending timeframes for you to apply for loan servicing, respond to a notification, or to submit additional documentation. Therefore, you have an additional 43 days from the date of this letter to submit the required documents.

Based upon FSA's records **[FSA Loan Official will describe any additional items needed]**

If you need any further information or need a copy of the original notice, please do not hesitate to contact our office.

We are attempting to process all of the requests that were received prior to, during, and after the shutdown as quickly as possible.

Failure to provide the requested information may result in the denial of your request or loss of eligibility for loan servicing. Therefore, if you need more information or have any questions, please contact **[Office or the specific office name]** at **[County Office Address]** or telephone **[phone number]**.

Sincerely,

FSA Official
Cc: