

USDA Temporarily Suspends Debt Collections

USDA Temporarily Suspends Debt Collections, Foreclosures and Other Activities on Farm Loans for Several Thousand Distressed Borrowers Due to Coronavirus

Due to the national public health emergency caused by coronavirus disease 2019 (COVID-19), the U.S. Department of Agriculture today announced the temporary suspension of past-due debt collections and foreclosures for distressed borrowers under the Farm Storage Facility Loan and the Direct Farm Loan programs administered by the Farm Service Agency (FSA).



USDA will temporarily suspend non-judicial foreclosures, debt offsets or wage garnishments, and referring foreclosures to the Department of Justice; and USDA will work with the U.S. Attorney's Office to stop judicial foreclosures and evictions on accounts that were previously referred to the Department of Justice.



Additionally, USDA has extended deadlines for producers to respond to loan servicing actions, including loan deferral consideration for financially distressed and delinquent borrowers. In addition, for the Guaranteed Loan program, flexibilities have been made available to lenders to assist in servicing their customers.

Yesterday's announcement by USDA expands previous actions undertaken by the Department to reduce financial hardship. According to USDA data, more than

12,000 borrowers— approximately 10 percent of all borrowers—are eligible for the relief announced. Overall, FSA lends to more than 129,000 farmers, ranchers and producers.

The temporary suspension is in place until further notice and is expected to continue while the national COVID-19 disaster declaration is in place.

For more information:

To access the recent newsrelease, see: <https://www.fsa.usda.gov/news-room/news-releases/2021/usda-temporarily-suspends-debt-collections-foreclosures-and-other-activities-on-farm-loans-for-several-thousand-distressed-borrowers-due-to-coronavirus>.