

Inflation Reduction Act Section 22006

Extraordinary Measures Assistance

Overview

USDA is providing a financial assistance option for Farm Service Agency (FSA) direct loan borrowers who took extraordinary measures to keep their loan accounts current between February 28, 2020 through October 18, 2022.

This assistance is part of USDA's continuing efforts to assist borrowers through implementation of Section 22006 of the Inflation Reduction Act (IRA), which provided \$3.1 billion for USDA to provide relief for distressed borrowers with certain FSA direct and/or guaranteed loans and whose agricultural operations are at financial risk.



Extraordinary Measures Program Eligibility Criteria

A borrower may be eligible for this assistance if they're a current FSA direct loan borrower, took any of the qualifying extraordinary measures below between February 28, 2020 through October 18, 2022 to pay an installment on their qualifying direct farm loan program loan, and can provide required supporting documentation to FSA.

Please be aware that FSA farm loan accounts that have been paid in full are not eligible for IRA Section 22006 payment assistance. Qualifying direct FLP loan types are: Farm Ownership, Operating (including Youth and Microloans), Emergency, Conservation, and Soil and Water loans.

Qualifying extraordinary measures for payment assistance are:

- Deferral of a loan that is not an FSA loan
- Obtaining additional debt not ordinarily taken on in the normal course of business through resources outside of FSA and/or formal or informal loans from family members or individuals to make FSA farm loan payments
- Delinquency as of May 19, 2023 on essential family living and farm operating expenses in order to make FSA farm loan payment, provided the outstanding expenses are from the period between February 28, 2020 and October 18, 2022
- Early withdrawal of non-liquid assets such as retirement funds, college funds or long-term investments with related fees or penalties for early withdrawal
- The sale of essential assets that are required to maintain the current operation level of the borrowers farm and household

How to Request Assistance

Borrowers can submit requests for extraordinary measure assistance in two ways:

1. Send in a direct request using the Farmers.gov 22006 assistance request portal at farmers.gov/ira22006request.
 - ♦ Remember to securely upload any supporting documentation under the Required Information and Documentation section. A list of required documentation can be found on the next page.
2. Submit a request in person at the local FSA office.
 - ♦ Remember to bring any supporting documentation to the local FSA office. FSA will collect the information, upload it to the Farmers.gov 22006 assistance request portal, and provide a receipt for service.

All requests for assistance must be received by December 31, 2023. Assistance is subject to funding availability.

Required Information and Documentation

- ♦ Name of the entity or individual by which the FSA installment was paid, including the state in which the operation does business
- ♦ Last 4 digits of the SSN or EIN related to the FSA loan account
- ♦ Contact Information: address of headquarters of operations and phone number
- ♦ Borrower's bank account number and routing number
- ♦ Payment request information:
 - The dollar amount of the extraordinary measures used to pay FSA loan installments
 - Number of installments paid using extraordinary measures
 - Amount of each installment paid using extraordinary measures
 - Corresponding FSA loan numbers for loan installments paid using extraordinary measures
- ♦ A copy of supporting documentation that demonstrates the borrowers extraordinary measures taken. Examples of documentation include, but are not limited to the following:
 - **For deferral of a loan that is not an FSA loan:** Documentation from the lender demonstrating the loan deferral and the amount deferred
 - **For additional debt obtained through resources outside of FSA and/or formal or informal loans from family members or individuals unrelated to the normal course of business to make farm loan payments:** Formal loan documentation demonstrating loan approval or a letter from family members documenting that funding was a loan and bank statements showing the transfer of funds
 - **For delinquency on essential**

family living and farm operating expenses: Copy of delinquent bill(s) or statement(s) demonstrating delinquency

- **For withdrawal of non-liquid assets such as retirement funds, college funds or long-term investments with related fees or penalties for early withdrawal:** Retirement account or other long-term investment account statements reflecting the amount withdrawn and any related fees or penalties
- **For sale of assets:** Bills of sale reflecting the date sold, asset sold, and amount received

How Extraordinary Measures Assistance Will Be Calculated

Extraordinary measures assistance will equal the total payment amount FSA received on qualifying direct FSA loans as a result of the extraordinary measures the borrower took between February 28, 2020 through October 18, 2022 to avoid delinquency. Multiple extraordinary measures can be eligible for assistance, but only for loan payments made within the same production year in which the extraordinary measure was taken.

Extraordinary measures payments will equal the amount of funds obtained through the extraordinary measures that were used to make the payments to FSA, with a maximum payment being the full amount of the installment paid. For instance, if a borrower obtained an additional, non-FSA loan of \$60,000 and in the same production cycle used \$30,000 of it to make their \$30,000 FSA installment payment, they could be eligible for \$30,000 in assistance. If the borrower took out a \$40,000 non-FSA loan and in the same production cycle used the full amount to cover half of a \$80,000 installment, they could be eligible for \$40,000 in assistance.

For borrowers who withdrew non-liquid assets early, such as retirement funds, college funds, or long-term investments, these payments will also cover any fees or penalties incurred as a result of the early withdrawal.

Extraordinary measures direct payments must be reinvested in the farming operation or used to address the consequences of the extraordinary measures that were taken, such as repayment of farm debt, repurchase of an asset, or reinvestment into retirement funds, college savings, or other long-term investment funds. A borrower's request for this assistance will serve as that borrower's certification that they agree to the terms of this payment, including that they will only use the funds in this manner.

In addition to the direct payment outlined above, borrowers may also be eligible to receive a payment covering their next loan installment due on all FLP direct loans if they have not received prior IRA Section 22006 assistance that covered a forward installment. These installment payments will be applied directly to borrowers' FSA loan accounts. Eligible borrowers also have the option to decline this additional payment and may do so when they submit their request for an extraordinary measures payment.

Learn More

Additional details, frequently asked questions, and other updates will be posted: farmers.gov/inflation-reduction-investments/assistance.

Borrowers can also contact the FSA call center at **877-508-8364** between 8 a.m. and 7 p.m. Eastern.

For information related to tax resources, visit farmers.gov/taxes.