

## SUMMARY OF CLAIMS PROCESS – FEMALE OR HISPANIC FARMERS

The United States Government is establishing a claims process to make available \$1.33 billion or more<sup>1</sup> to farmers who alleged discrimination by the U.S. Department of Agriculture (USDA) based on being female, or based on being Hispanic, in making or servicing farm loans during certain periods between 1981 and 2000. If you qualify and submit a timely claim, you could receive an award of up to \$50,000 in cash. USDA will also provide a total of up to \$160 million in debt relief to successful claimants who currently owe USDA money for eligible farm loans. Successful claimants will also receive an additional amount equal to 25% of the combined cash award plus debt relief, to help pay federal taxes that may be owed. Your claim will be decided by a claims adjudicator with independent decision-making authority.

Claimants who submit certain required documents and meet other requirements will each receive a “Tier 2” payment of \$50,000. Other claimants who do not provide such documents or otherwise do not meet the standards required for a Tier 2 payment but can successfully prove their claims may receive “Tier 1” compensation. Claimants under Tier 1 will be eligible to receive an award up to \$50,000, which might be reduced as Tier 1 funds will be divided among successful claimants. Total funds made available for Tier 1 awards will be between \$1.23 billion and \$1.33 billion, depending on the funds awarded to Tier 2 claimants. The total funds made available for Tier 2 awards will not be capped.

### **DO YOU QUALIFY?:**

**You must satisfy the following criteria to recover:**

- You are Hispanic or female;
- If you are Hispanic, you farmed, or attempted to farm, between January 1, 1981, and December 31, 1996, or between October 13, 1998, and October 13, 2000;
- If you are female, you farmed, or attempted to farm, between January 1, 1981, and December 31, 1996, or between October 19, 1998, and October 19, 2000;
- You were the owner-operator or a tenant-operator of farm property, or attempted to own or lease farm land, during the same time periods listed above;
- You applied for a farm loan or for farm-loan servicing at a USDA office during the same time periods listed above; or for those seeking a Tier 1 payment only, you made a bona fide effort to apply for a farm loan or for farm-loan servicing, and USDA actively discouraged the application during the same time periods;
- Your application for a farm loan from USDA was denied, provided late, approved for a lesser amount than requested, or restricted, or USDA failed to provide you an appropriate loan service;
- At the time you applied for the loan or loan servicing, you met all applicable USDA regulatory requirements for the loan or loan servicing.
- You believe USDA discriminated against you because you are Hispanic or female;
- USDA’s treatment of your loan or loan application led to economic damage to you;
- You filed a discrimination complaint with USDA, either individually or through a representative, alleging that USDA discriminated against you based on your being Hispanic or female, in connection with a loan application or loan; and

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<sup>1</sup> Depending on the number of successful claimants, more than \$1.33 billion may be made available. Further details are available at [www.farmerclaims.gov](http://www.farmerclaims.gov).

- You have not participated in, and will not participate later in, any other resolution or claims process with USDA involving the same claims.

**If you allege that you did not apply but made a bona fide effort to apply for a farm loan or for farm-loan servicing and USDA actively discouraged the application during the same time periods, you may qualify for Tier 1 and will also be required to submit:**

- A sworn, verified, or notarized written statement from someone who witnessed the alleged incident; or
- A contemporaneous written, rather than oral, complaint of that incident, filed with the USDA within one (1) year of the alleged discriminatory action.

You may apply for a Tier 2 payment of \$50,000 if you submit a copy of the loan application and supporting documents, or related correspondence from USDA, and a copy of a written discrimination complaint that you submitted to USDA within one year of the event. To receive a Tier 2 payment, you must also provide additional, specific information about the alleged discrimination. Otherwise, you will be eligible for a Tier 1 payment of an amount up to \$50,000.

#### **THE CLAIMS PROCESS:**

1. **Obtaining a Claim Package:** You may request a Claim Package by calling 1-888-508-4429 or going to [www.farmerclaims.gov](http://www.farmerclaims.gov). Later this year, the Claims Administrator will begin mailing Claim Packages, which will contain forms and instructions for participating in the claims process, to all interested persons. The Claims Administrator will also have a toll-free helpline to provide information about the process.
2. **Entering Claims Process:** You must enter into the settlement agreement included in the Claim Package, agreeing to the claims process and waiving your right to file a lawsuit. Once you decide to enter into the claims process, the only recovery available is that offered by the claims process. Decisions in the claims process are not appealable.
3. **Submitting Claim to Claims Administrator:** USDA will announce the start of the claims period, which will start in 2011 and last 180 days. **You must submit a claim within that period.**
4. **Review of Claims.** Every claim must be sworn to under penalty of perjury. USDA reserves the right to submit evidence to the Claims Adjudicator regarding any claim. All claims will be subject to random audits and other reviews, and fraudulent claims will be denied and subject to potential prosecution.
5. **Determination by Claims Adjudicator:** Based on the Claim Package you submit, the Claims Adjudicator will determine whether you are eligible to recover, with either a Tier 1 or Tier 2 payment, for your claim. USDA will provide loan balances for claimants seeking debt forgiveness. The Claims Adjudicator will decide if you meet the burden of proving your claim of discrimination. The decisions of the Claims Adjudicator are final and not appealable.

**ASSISTANCE WITH FILING A CLAIM:**

A community organization for female or Hispanic farmers may be of assistance. USDA is not permitted to complete the Claims Package for you or provide you with legal advice. If you have questions, you may consult with counsel or another legal service provider. USDA does not require that you hire an attorney to participate in the claims process.

**SUCCESSFUL CLAIMANTS WILL RECEIVE A CASH AWARD:**

If the Claims Adjudicator approves your claim, you will receive a Tier 2 cash award of \$50,000, or a Tier 1 cash award up to \$50,000. USDA may also provide debt relief by forgiving the outstanding balances of loans that were connected to alleged discrimination. In addition, you will receive an additional amount equal to 25% of the combined cash award plus debt relief to help pay federal taxes that may be owed. Because of the cap on Tier 1 awards and the cap on debt relief, the actual amount of any Tier 1 award may be reduced, and debt relief may be prorated.