

## Changes to recovery of outstanding balances

May 25, 2012

The way Agricorp handles accounts with outstanding balances is changing in two ways:

- Effective January 1, 2013, interest will now be applied to any outstanding accounts
- All outstanding account balances must be repaid within three years.

### Customer notification

All customers with outstanding account balances will receive a package containing an explanatory letter, a detailed statement of account as of December 31, 2011, and a repayment form. Statements will ensure producers understand what is owed, as well as when and how the debts were incurred.

Agricorp will continue to work with customers to establish repayment plans that meet all debt-repayment requirements while minimizing any undue financial hardship.

### Interest charges

In the past, a waiver of interest has been granted to producers with outstanding amounts owing on their Agricorp accounts. The current interest waiver will expire on December 31, 2012. .

Beginning January 1, 2013, interest will be applied on Agricorp accounts at a rate determined quarterly by the Government of Ontario.

### Repayment plans

Current customers must now establish a repayment plan within 45 days of the date on their *Statement of account*. Under the repayment plan, producers can choose from the following options:

- Repay the debt in full at any time
- Repay the outstanding balance in instalments
- Allow the debt to be repaid from future program payments to eliminate the full balance within three years.

### Producers who no longer participate in programs

Producers who no longer participate in business risk management programs administered by Agricorp must repay at least one-third of their debt each year, starting within one year of their *Statement of account*.