

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
P.O. Box 2415
Washington, DC 20013-2415

Notice FC-26

1951-A

For: State and County Offices

FY 1996 Performance Goals for Farm Credit Programs

Approved by: Acting Deputy Administrator, Farm Credit Programs



1 Overview

**A
Background**

Farm Credit Programs:

- anticipates and responds to the needs of the family farmer with supervised credit, outreach, and technical assistance to promote and strengthen the family farm system
- empowers farm families to achieve economic security, conserve agricultural resources, and produce a healthy and abundant supply of food, fiber, and other agricultural products.

Goals are an important tool in accomplishing program objectives. Goals focus effort on activities that will result in accomplishing objectives set forth in the Agency's Strategic Plan. Accomplishment of these goals improves the success of our borrowers and reduces program costs while helping to strengthen the family farm.

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Disposal Date

November 1, 1996

Distribution

State Offices; State Offices relay to County Offices and Ag Credit Teams

1 Overview (Continued)

B

Objectives

Farm Credit Programs focuses on the following objectives:

- to help eligible individuals and families become successful farmers and ranchers by concentrating on those with the greatest need
 - to make the most effective use possible of available financial, human, and technological resources to best accomplish the Agency's mission
 - to increase customer satisfaction through courteous, professional, and timely delivery of services.
-

2 Performance Goals

A

**Supervised
Credit**

Implement a supervised credit program that recognizes each farmer's different supervisory oversight and training needs.

Goal	Description
A-1	Implement the new "Farm Assessment" supervised credit process and set standards for the quality of farm assessments.
A-2	<p>Increase the level of borrower financial management through the use of farm recordkeeping. Achieve a rate of 90 percent of all direct loan borrowers having adequate recordkeeping systems. Use of the FSA record book system is encouraged but not required. An adequate system must include the following as a minimum:</p> <ul style="list-style-type: none"> • separation of expenses by category • income received • production levels • family living expenses • assets • liabilities • inventory.
A-3	Reduce the number of appeals. State Offices set goal percentage or number.
A-4	Reduce the number of problem cases. State Offices set goal percentage or number.

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2 Performance Goals (Continued)

**A
Supervised
Credit
(Continued)**

Measurement:

State Offices shall submit FCP-1 to the National Office on FSA-601 (Exhibit 1) each quarter (first report due by March 20, 1996; second report due by April 15, 1996; third report due by July 14, 1996; and the last report due by October 15, 1996), including:

- a short narrative on the State Office's progress on farm assessment and what quality standards are being developed for Goal A-1
 - goal accomplishments on recordkeeping, problem cases, and appeals and previous FY's accomplishments to show increases or decreases.
-

**B
Successful
Farmers**

Improve the financial condition of farmers and ranchers and decrease the default rate.

Goal	Description
B-1	Increase the percentage of all direct loan borrowers current on their loans by using all of the tools in the regulations, such as deferrals and restructuring loans. State Offices set goal percentage.
B-2	Increase the number of borrowers who are current on new and newly restructured loans after the first installment comes due. Restructure loans before they become delinquent. Use unequal payments and deferrals to assist borrowers. State Offices set goal percentage.
B-3	Reduce the holding period on inventory property. Use guarantees to fund credit sales. Use participation loans. State Offices set goal percentage or number.
B-4	Reduce the number of active and inactive delinquent borrowers who have been delinquent for 2 years or more. State Offices set goal percentage.

Continued on the next page

2 Performance Goals (Continued)

B

**Successful
Farmers
(Continued)**

Measurement:

The Executive Information System (EIS) will be used to monitor the first year loans that are current after the first payment comes due under the EIS heading of first year delinquencies. State Offices, based on their last year's current first year loans, shall choose an increased percentage of first year loans that are current after the first payment comes due.

Example: First year delinquency last FY was 18 percent; therefore, 82 percent of the loans were current. Increase to 85 percent loans that are current after the first payment comes due.

State Offices shall submit to the National Office by March 20, 1996, and each quarter thereafter, the percentage of current first year loans, showing totals from each quarter last FY with the corresponding totals from each quarter this FY to show the State Office's progress toward the goal. Overall current loan goals will be measured and reported in the same way, using the EIS overall delinquency information to calculate the percentage of current loans. Goal accomplishments will be reported on FSA-601 (Exhibit 1). State Offices shall also submit to the National Office by March 20, 1996, the decrease chosen for the inventory property average holding goal, and EIS will be used to monitor this goal.

Borrowers that have been delinquent 2 years or more shall be monitored using Report Code 540 and EIS. State Offices shall submit quarterly FCP-1's on their goal accomplishments using FSA-601.

C

**Customer
Service**

Achieve a high level of customer satisfaction.

Goal	Description
C-1	Improve timeliness of direct application processing. Ninety percent of all direct applications will reach final disposition within 60 calendar days.
C-2	Improve timeliness of guaranteed application processing. Ninety percent of all non-Approved Lender Program/Certified Lender Program (ALP/CLP) applications will reach final disposition within 30 calendar days.

Continued on the next page

2 Performance Goals (Continued)

C
Customer
Service
(Continued)

Goal	Description
C-3	Improve timeliness of ALP/CLP application processing. Ninety percent of all ALP/CLP applications will reach final disposition within 14 calendar days.
C-4	Improve timeliness of appeal decision implementation. Ninety percent of all appeal decisions will be implemented within 30 calendar days.
C-5	Use follow-up customer service survey to determine the customer's impression of the helpfulness of the staff and ability to meet their needs. Customers must rate the staff as helpful 85 percent of the time.
C-6	The Application Tracking System of the Management Records System (MRS) and Implementation of Reversed and Modified Appeal Decisions (IRMAD) must be accurate and up-to-date. National Office staff will assess this goal.

Measurement:

EIS, using MRS data, IRMAD, and FOCUS will be used to monitor the timeliness goals. Non-ALP/CLP application processing will be monitored by FOCUS ad hoc reports. State Offices shall submit the results of the follow-up customer service survey, attached to FSA-601 (Exhibit 1), to the National Office at the end of the FY. Quarterly goal accomplishment FCP-1's shall be submitted to the National Office on FSA-601.

Note: Each State Office's Agriculture Credit Director shall be responsible for the timeliness and accuracy of the application data uploaded from MRS and the accuracy and timeliness of the IRMAD system data. Accomplishments for all the timeliness goals will be assessed in the context of the upkeep of the application data in MRS and the appeals information in IRMAD.

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2 Performance Goals (Continued)

D

Effective Use of Improve allocated fund use to better serve all rural Americans.

Resources

Goal	Description
D-1	Use 100 percent of FY 1996 allocations, emphasizing full use of beginning farmer and socially disadvantaged monies.
D-2	Increase use of participation loans. State Offices set goal.
D-3	Increase use of subordinations to other lenders. State Offices set goal.
D-4	Increase outreach activities. Each credit team or office jurisdiction shall conduct at least 1 outreach meeting each quarter.

Measurement:

Allocation usage will be monitored using EIS and Report Code 205C. State Offices shall submit to the National Office by March 20, 1996, the number of participation loans and subordinations made in FY 1995 and their goals for FY 1996. State Offices shall submit FCP-1 quarterly to the National Office on the goal accomplishments, including a brief narrative on outreach activities. See Exhibit 1 for reporting format.

3 Action

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SED Action

SED's shall provide quarterly FCP-1's on FSA-601 (by March 20, 1996, April 15, 1996, July 14, 1996, and October 15, 1996) on the Farm Credit Programs Performance Goals accomplishments to Lou Anne Kling, Deputy Administrator, Farm Credit Programs, Attention: Kathleen Miller, through the appropriate Area Office. Attach results of follow-up customer service survey to the last report on October 15, 1996.

B

Contact

Questions on Farm Credit Program Performance Goals are to be directed to DAFCP, Attention: Kathleen Miller, through the Area Office.

FSA-601, Farm Credit Program Performance Goals Quarterly Report

REPRODUCE LOCALLY. Include form number and date on reproductions.

FSA-601 (02-28-96) U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency		1. FISCAL YEAR	2. STATE OFFICE	
FARM CREDIT PROGRAM PERFORMANCE GOALS QUARTERLY REPORT Report Control No. FCP-1		3. QUARTERLY REPORT <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd <input type="checkbox"/> 4th		
4. Send TO: Deputy Administrator, Farm Credit Programs USDA - FSA, AG Code 0520 P. O. Box 2415 Washington, DC 20013-2415		5. FROM: (SED Name or Designee)		
GOAL	GOAL % or Number	FY 1996 % or Number	FY 1996 % or Number	% CHANGE (+/-)
PART A - SUPERVISED CREDIT				
A-2. Recordkeeping				
A-3. Appeals				
A-4. Problem Cases				
PART B - SUCCESSFUL FARMERS				
B-1. Overall Borr. Current				
B-2. First Year Current New Loans				
Restr. Loans				
B-3. Inventory Property				
B-4. Delinquent 2 Years or More Active Borrowers				
Inactive Borrowers				
PART C - CUSTOMER SERVICE				
C-1. Dir. Appl.				
C-2. Non-ALP/CLP Guar. Appl.				
C-3. ALP/CLP Guar. App.				
C-4. Appeal Decision Implementation				
PART D - EFFECTIVE USE OF RESOURCES				
D-1. Allocation Usage: Total				
D-OL				
G-OL				
D-FO				
G-FO				
Direct BF OL				
Direct BF FO				
Downpayment				
Direct OL SDA				
Direct FO SDA				
Guar. BF OL				
Guar. BF FO				
Guar. OL SDA				
Guar. FO SDA				
D-2. Participation Loans				
D-3. Subordinations				

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FSA-601, Farm Credit Program Performance Goals Quarterly Report (Continued)

FSA-601 (Page 2) (02-28-96)
NARRATIVE ON SUPERVISED CREDIT
A-1. Implementation Of Farm Assessment and Standards for the Quality of Farm Assessments
NARRATIVE ON CUSTOMER SERVICE
C-5. Follow-up Customer Service Survey
NARRATIVE ON EFFECTIVE USE OF RESOURCES
D-4. Narrative on Outreach Activities
COMMENTS: