



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

15 APR 1983

SUBJECT: Plan for Resolution of "Problem" Cases

TO: All FmHA State Directors and Assistant
Administrator Accounting and Director,
Finance Office

This Administrative Notice replaces and updates the provisions of AN No. 690 (1951) dated April 23, 1982.

In a letter dated January 24, 1983, Subject: Monthly Problem Case Allotment, the Finance Office requested that each state office complete a survey identifying, by category, the estimated number of problem cases still unresolved. The objective was to determine the possibility of increasing state allotments. The results of the survey strongly indicate that it would be premature for the agency to discontinue the allotment program. Exhibit A provides a nationwide summary by type of transaction of problem cases.

The following procedure will continue to be followed in the resolution of "Problem" Cases:

1. The appointed coordinator will continue to serve as the contact point for resolving any questions or problems as they arise. The Finance Office coordinator for a particular state and his/her supervisor and telephone number are identified in Exhibit B.

2. The County Office will submit problem cases by a form letter (see Exhibit C) through the State Office. The county office must assure that all supporting documentation is provided to help in resolving the problem case. If the problem relates to an unprocessed form, such as an interest credit agreement, a copy of the form should be attached. Delinquency audit request letters should have Form FmHA 343-4, Delinquency Audit Worksheet (see Exhibit D) with all supporting documentation attached. When the application of a direct payment is in question, copies of both front and back of either the check or the money order should be provided. After documentation of the cases, the County Office should prioritize the problem cases, if desired and return them to the State Office.

EXPIRATION DATE: March 31, 1984

FILING INSTRUCTIONS: File
Preceding FmHA Instruction 1951-A



3. Each State Office will then prioritize all correspondence submitted by their field offices and forward the highest priority problem cases, with the state allotment, to the Finance Office. If possible, it is requested that problem cases be blocked and sent to the Finance Office as a single package by the first of the month. The following is the recommended priority schedule: (a) final payments involving sale, graduation, or foreclosure; (b) assumptions, consolidations and reamortizations; (c) credit sales; (d) interest credit agreements; and (e) other discrepancies. Each form letter will reference only one borrower to the State Office. Any correspondence related to loan servicing received by the Finance Office directly from the County Office will be returned to the State Office without action being taken.

4. Telephone calls from County Offices relating to cases being handled through correspondence must be handled through the state coordinator or his/her designee. Problem cases called to the Finance Office by the state coordinator will be applied against the state's monthly correspondence allotment. This is necessary since the time required to resolve these types of cases reduces the time available for answering correspondence. Telephone calls are discouraged, unless a true emergency situation exists. (Telephone calls from the County Office regarding general questions relating to document preparation on how they are processed in the Finance Office should be addressed to the appropriate areas within the State Office. Program officials should call the appropriate supervisors for their state as identified in Exhibit B. County Offices should not call the Finance Office directly on these problem issues.)

5. The coordinator will be responsible for submitting each month the problem cases to be worked on by the Finance Office. A control sheet (see Exhibit E) will be submitted with the package identifying each problem case submitted. The control sheet will be used to coordinate the efforts between State Offices and the Finance Office to assure all correspondence is resolved. The Finance Office will return all responses through the State Office with a copy going to the originating field office. It must be understood that dependent on the complexity of the problem case, all cases will not necessarily be resolved during the month the case is received. It will, however, receive priority handling until fully resolved.

Based on the results of the survey and the available resources within the Finance Office, the following adjustments are being made in the allotment program:

1. State allotments will be increased by approximately 10 percent beginning May 1983. (See Exhibit B - this exhibit also updates Finance Office contacts, supervisors, and telephone numbers.)

2. At this time each state will be permitted to submit certain types of unprocessed transactions to the Finance Office in addition to the regular monthly allotment. Existing backlogs of these transactions, which are identified below, must be submitted to the Finance Office by May 15, 1983, through the state problem case coordinators. A separate Form FmHA 342-4, Correspondence Transmittal Control Sheet, (Exhibit E), must be prepared for each problem category listed below. Any transactions received after May 15, 1983, will be returned to the state for handling under the regular monthly allotment. The Finance Office goal is to process these transactions by September 30, 1983.

a. New, renewal, and corrected interest credit agreements/cancellations with effective dates of July 1982 and subsequent. Interest credit agreements/cancellations with effective dates prior to July 1982, must be handled under the allotment program.

b. Acquisitions.

c. Credit Sales.

d. Chargeoffs/Writeoffs.

e. Moratoriums.

f. Additional Partial Payment Agreements.

g. Direct Payment Plan Changes.

Activities not impacted by this AN will be:

1. Inquiry Station services currently provided by the Inquiry Station will continue to be provided without restriction.

2. Form FmHA 451-2, Schedule of Remittances, when found to be in error, should be copied and sent directly to the Finance Office with a Form AD-311, Speed Memo, containing an explanation of the problem. These corrections will be in addition to the monthly allotment.

3. Correspondence related to the servicing of community programs may still be sent directly to the Finance Office. Servicing of Multiple Family Housing Loans will be as required in AN No. 779 (1944) "Quality Control Measures" for processing Multiple Family Housing forms, dated November 30, 1982. Correspondence resulting from AN No. 779 (1944) will not be charged to the State's correspondence allotment.

4. Correspondence relating to loan making activities; i.e., loan obligations, check issuance, loan closings, and payment of cost items.

By following these guidelines, the problem case backlog can be further reduced during 1983 without adversely affecting other loan servicing areas. The level of success we will achieve in resolving individual "problem" accounts will be directly related to the cooperation extended by all parties involved. This plan will be periodically reviewed to evaluate its success and to make appropriate changes as needed. Your full cooperation will be greatly appreciated.

A handwritten signature in cursive script, reading "Charles W. Shuman". The signature is fluid and somewhat stylized, with the first name "Charles" and last name "Shuman" clearly legible.

CHARLES W. SHUMAN
Administrator

833(1951)

EXHIBIT A

NATIONWIDE RECAP
PROBLEM CASE ALLOTMENT SURVEY

CATEGORY	NUMBER OF PROBLEM CASES
1. Interest Credit Cancellation/ Interest Credit not Processed	3593
2. Reamortization/Assumption not Processed	1899
3. Payment Application/Payment not Applied	4479
4. Amount of Delinquency	3277
5. Payment Cards/Amount of Payment	1663
6. Credit Sale/Corrected Credit Sale not Processed	777
7. Acquisition not Processed	653
8. Moratorium not Processed	507
9. Chargeoff not Processed	382
10. Transaction Record in Error	1161
11. Payment of Vouchers	329
12. Other	<u>1281</u>
TOTAL	<u><u>20001</u></u>

MONTHLY ALLOTMENT BY STATE

State	Monthly Allotment	Finance Office Contact	FTS Phone Number	Supervisor	Number
01-AL	55	Joann Andrews	279-6475	Billie O'Neal	279-6648
02-AZ	19	Lavonda Cox	279-4446	Marie Harris	279-4843
03-AR	46	Mary Sommerer	279-4446	Marie Harris	279-4843
04-CA	52	Kim Byerly	279-6141	Billie O'Neal	279-6648
05-CO	30	Mary Sommerer	279-4824	Marie Harris	279-4843
06-CT	5	Mary Sommerer	279-4824	Marrie Harris	279-4843
07-DE	8	Mary Sommerer	279-4824	Marie Harris	279-4843
09-FL	34	Joann Andrews	279-6475	Billie O'Neal	279-6648
10-GA	39	Sue Sasenger	279-6472	Mickey Donohue	279-6031
12-ID	25	Ann Davis	279-6421	Mickey Donohue	279-6031
13-IL	22	Sue Sasenger	279-6472	Mickey Donohue	279-6031
15-IN	29	Ann Davis	279-6421	Mickey Donohue	279-6031
16-IA	29	Sue Sasenger	279-6472	Mickey Donohue	279-6031
18-KS	32	Lavonda Cox	279-4446	Marie Harris	279-4843
20-KY	39	Kim Byerly	279-6141	Billie O'Neal	279-6648
22-LA	35	Ann Davis	279-6421	Mickey Donohue	279-6031
23-ME	39	Lavonda Cox	279-4446	Marie Harris	279-4843
24-MD	12	Will Jacobs	279-6078	Pat Rethmann	279-6047
25-MA	7	Carol Polarine	279-4461	Barb Stanhaus	279-6649
26-MI	40	Pat Huss	279-4866	Barb Stanhaus	279-6649
27-MN	39	Kathy Valdez	279-6678	Rosemary Treece	279-6476
28-MS	77	Will Jacobs	279-6078	Pat Rethmann	279-6047
29-MO	46	Carol Polarine	279-4461	Barb Stanhaus	279-6649
31-MT	11	Carol Polarine	279-4461	Barb Stanhaus	279-6649
32-NE	29	Nancy Kiefner	279-4890	Rosemary Treece	279-6476
33-NV	3	Kathy Valdez	279-6678	Rosemary Treece	279-6476
34-NH	7	Kathy Valdez	279-6678	Rosemary Treece	279-6476
35-NJ	19	Kathy Valdez	279-6678	Rosemary Treece	279-6476
36-NM	11	Will Jacobs	279-6078	Pat Rethmann	279-6047
37-NY	50	Nancy Kiefner	279-4890	Rosemary Treece	279-6476
38-NC	89	Sandy Claverie	279-6479	Pat Rethmann	279-6047
40-ND	25	Carol Polarine	279-4461	Barb Stanhaus	279-6649
41-OH	21	Kathy Valdez	279-6678	Rosemary Treece	279-6476
42-OK	50	Pat Huss	279-4866	Barb Stanhaus	279-6649
43-OR	15	Mary Schmidt	279-6665	Anna Schwenne	279-6661
44-PA	34	Sharon Kiefner	279-6642	Diane Kauffmann	279-6650
45-RI	3	Sharon Kiefner	279-6642	Diane Kauffmann	279-6650
46-SC	58	Betty Weidenbenner	279-6669	Diane Kauffmann	279-6650
47-SD	35	Carolyn Lane	279-6643	Pam Leong	279-6640
48-TN	50	Carolyn Lane	279-6643	Pam Leong	279-6640
49-TX	70	Mary Schmidt	279-6665	Anna Schwenne	279-6661
52-UT	19	Deane Wilson	279-6641	Pam Leong	279-6640
53-VT	15	Irene Snyder	279-6672	Anna Schwenne	279-6661
54-VA	74	Irene Snyder	279-6672	Anna Schwenne	279-6661
56-WA	22	Deane Wilson	279-6641	Pam Leong	279-6640
57-WV	26	Betty Weidenbenner	279-6669	Diane Kauffmann	279-6650
58-WI	48	Deane Wilson	279-6641	Pam Leong	279-6640
59-WY	10	Sharon Kiefner	279-6642	Diane Kauffmann	279-6650
60-AK	3	Mary Schmidt	279-6665	Anna Schwenne	279-6661
61-HI	5	Carolyn Lane	279-6643	Pam Leong	279-6640
62-GU	5	Betty Weidenbenner	279-6669	Diane Kauffmann	279-6650
63-PR	43	Sharon Kiefner	279-6642	Diane Kauffmann	279-6650
64-VI	3	Mary Schmidt	279-6665	Anna Schwenne	279-6661

NOTE: Offices not currently on FTS Network Call: 314-425-(last 4 digits).

INSTRUCTIONS

Make a brief descriptive statement such as, unapplied payments, credit sales, or interest credits.

BLOCK 8. PROBLEM EXPLANATION: Explain what is wrong with the account.

Provide relevant detail information concerning dates and amounts.

Example - Payment dated February 25, 1982, Schedule No. 147 for \$86.50 has not been applied.

Send copies of pertinent forms and/or reports. For example: If you are questioning a delinquency send a copy of the Form FmHA 389-223, Rural Housing Monthly Payment Account Status Report, and a completed Form FmHA 343-4, Delinquency Audit Worksheet. Attach copies of both front and back of either the check or money order when applications of a direct payment is in question. Attach copies of both front and back of a personal check when a schedule is involved. Copies of checks and money orders forwarded should be clear.

