UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-232

1910-A

For: State and County Offices

Equitable Treatment in Processing Loan Applications

Approved by: Deputy Administrator, Farm Loan Programs

Carolyn B. Cooksie

1 Overview

A Background

Since FY 1998, a key objective in the Administrator's Annual Civil Rights Performance Plan has been to eliminate disparate treatment of socially disadvantaged applicants (SDA's) in loan processing.

DAFLP monitors the timeliness of processing loan applications through yearly performance goals based on:

- previous year's accomplishments
- statutory and regulatory processing timeframes.

B Purpose

This notice:

- emphasizes the importance of processing loan applications in a timely manner
- continues the review process of rejected and withdrawn SDA direct loan applications
- reminds Field Offices of monitoring requirements for guaranteed loans
- obsoletes Notice FLP-186.

C Contact

If there are questions about this notice, State Offices shall contact Bashir Duale or Kathleen Miller, LMD, at 202-720-1632.

Disposal Date	Distribution
June 1, 2004	State Offices; State Offices relay to County Offices

2 Direct Loan Applications

A County Office Action

Farm Loan Managers and other loan officials shall:

- process loan applications from prevailing claimants under the Consent Decree, according to Notice FLP-225
- for loan applicants who are not prevailing claimants:
  - process applications according to statutory and regulatory timeframes and established performance goals
  - adhere to timeframes established in §1910.4(e) for notifying all applicants of any additional information required for a complete loan application
  - notify all applicants of eligibility and ineligibility, according to FSA regulations
  - approve or disapprove all loan applications in a timely manner
  - enter the reason, if a decision has not been made within 45 calendar days of receiving a complete application, and if necessary, an explanation in the Management of Agricultural Credit (MAC) automated system
  - use MAC as the official loan application data record for all direct applications.

B Designated Review Officials Action

Officials designated by SED's to review applications shall:

- review at least 50 percent of the rejected or withdrawn SDA loan applications for each quarter in each office of their jurisdiction
- if any improper rejections or withdrawals are found, review all rejected and withdrawn SDA loan applications in the approval official's coverage area

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B
Designated Review Officials Action (Continued)

- notify SED's of any problems detected
- with the advice of the Farm Loan Chief (FLC), take action on improperly rejected and withdrawn loan applications to correct any errors
- recommend appropriate personnel actions to SED's, such as training or revocation of loan approval authority, for the approval officials responsible for rejections and withdrawals that appear to reflect a pattern or practice of discrimination against SDA applicants
- review the reasons and explanations why decisions have not been made in a timely manner on complete loan applications.

C
FLC Action

FLC's shall:

- monitor loan application processing timeframes, MAC and Guaranteed Loan System (GLS) reports, and performance goal accomplishments using FOCUS and Executive Information System (EIS) reports, and when available, Intranet application reports

  Note: Access the reports from the EIS Main Menu under "MISC APPLICATIONS", and select "Dir App Race & Gender". This report includes average processing times for both SDA's and non-SDA's. Both "average days received to complete" and "average days complete to final disposition" shall be monitored.

- provide FOCUS and EIS reports on loan application processing timeframes to SED's

  Note: FOCUS file "APPL" now contains MAC application data.

- provide technical advice and direction for corrective actions on improperly rejected or withdrawn loan applications.

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2 Direct Loan Applications (Continued)

D
SED Action

SED's shall:

- designate DD's or other qualified State Office personnel as review officials
- be accountable for SDA loan application processing in the State, including ensuring that designated review officials:
  - conduct reviews of rejected or withdrawn SDA applications
  - take corrective action in a timely manner
- emphasize the importance of timely loan application processing for all applicants
- ensure that loan application processing data is monitored through MAC, EIS, FOCUS, or when available, Intranet application reports, so that applications are being processed in a timely manner and equitably in the State
- manage staff resources appropriately to minimize loan application processing delays
- when necessary, initiate or monitor appropriate personnel actions recommended by the designated review official
- review the:
  - reports on loan application processing problems submitted by the designated review officials
  - FLC reports on both SDA and non-SDA average loan application processing timeframes
- provide DD's with report findings and ensure that DD's monitor County Office SDA activity
- if not already done, submit an FY 2001 summary report that was due October 31, 2001

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2 Direct Loan Applications (Continued)

D
SED Action (Continued)

- submit an FY 2002 summary report of affected cases, findings, corrective actions, and results by October 31, 2002, to:

  USDA FSA DAFLP LMD STOP 0522
  DIRECTOR, LOAN MAKING DIVISION
  1400 INDEPENDENCE AVENUE SW
  WASHINGTON DC 20250-0522.

3 Guaranteed Loan Applications

A
State and County Office Action

State and County Offices shall:

- take action according to 2-FLP, paragraph 84
- monitor guaranteed loan application processing by using the Guaranteed Loan Average Processing Times Report, available on the GLS menu.

4 National Office Responsibilities

A
National Office Action

The National Office shall:

- compare average application processing timeframes against each State's established baseline average for SDA and non-SDA
- compare rejection rates
- follow-up with State Offices where corrective action is needed.