

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Guaranteed Loan Making and Servicing
2-FLP**

Amendment 12

Approved by: Acting Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A

**Reason for
Amendment**

Subparagraph 244 A has been amended to correct the total outstanding direct and guaranteed OL principal balance.

Page Control Chart		
TC	Text	Exhibit
	10-1, 10-2	

Part 10 Processing Approvals and Issuing the Guarantee

244 Loan Approval

A

Loan Limits

The maximum FO or OL levels outlined in this subparagraph include the guaranteed loan being made plus any outstanding direct or guaranteed principal balances, as indicated, owed by anyone who will sign the promissory note.

The total outstanding combined guaranteed FO and OL principal balance cannot exceed \$762,000.

The total outstanding direct and guaranteed FO principal balance cannot exceed \$762,000.

The total outstanding direct and guaranteed OL principal balance cannot exceed *--\$762,000.--*

The total combined outstanding direct and guaranteed FO and OL balance cannot exceed \$962,000.

The total combined outstanding direct and guaranteed FO, OL, and EM balance cannot exceed \$1,462,000.

Note: The dollar limit of guaranteed loans is adjusted annually based on the percentage change in the Prices Paid by Farmers Index, as compiled by USDA.

FSA personnel should refer to 1-FLP for information on loan approval authorities.

Continued on the next page

244 Loan Approval * * * (Continued)

B**Submitting
RD-1940-3 to the
Loan Approval
Official**

When the loan exceeds the Authorized Agency Official's approval authority, the Authorized Agency Official should send the approval official any information the approval official needs to evaluate the loan request, including the following:

- a completed RD-1940-3
- the loan approval screens from the appropriate automated system
- FSA-1980-25 for SEL and CLP loan applicants or FSA-1980-28 for PLP loan applicants
- FSA-1980-15 with recommended changes
- the balance sheet and cash flow statement (for SEL applicants)
- the loan narrative
- any other information the approval official requests.

Once the loan approval official executes RD-1940-3, the Authorized Agency Official may then proceed to execute all other loan-related documents, unless otherwise specified by the loan approval official.

C**Lender
Notification of
Authorized
Agency Official
Decision**

The lender should be informed of the approval decision in writing.

- If the application is approved and funds are available, the Authorized Agency Official shall prepare a letter to the lender (subparagraph D) and *--FSA-1980-15 and proceed to paragraph 245.--*
- If the application is approved and funds are not available, the Authorized Agency Official shall prepare a letter (subparagraph E) to the lender with a copy to the applicant, informing them the loan is approved, subject to the allocation of funding. This letter should inform the lender that funding is being requested and the loan should not be closed until they receive FSA-1980-15, agree to the conditions, and execute the document.
- If the application is rejected, the Authorized Agency Official shall prepare a letter to the lender with a copy to the applicant informing them the loan is rejected, the reasons for rejection, and their right to appeal the decision as outlined in 1-APP.