

**UNITED STATES DEPARTMENT OF AGRICULTURE**

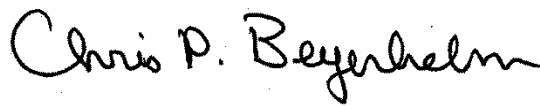
Farm Service Agency  
Washington, DC 20250

**Notice CM-745**

**For:** IN and TX State and County Offices

**Digital Signature Pilot**

**Approved by:** Deputy Administrators, Farm Loan Programs and Farm Programs



**1 Overview**

**A Background**

The Electronic Signatures in Global and National Commerce Act (E-Sign Act), Pub. L. 106-229, ensures that a signature, contract, or other record relating to such transaction may not be denied legal effect, validity, or enforceability solely because it is in electronic form. It is an agency policy decision whether a certain electronic format is practicable for a certain transaction.

This digital signature pilot will allow FSA to evaluate the use of this available technology, potential cost and time savings, and determine whether practical for FLP and/or Farm Programs (FP) purposes. This will assist FSA to develop policy to not only allow the use of digital signatures by FSA officials, but by producers, FLP applicants and borrowers, and lenders as well. The pilot is to be conducted in Indiana and Texas, and in addition, digital signatures are only authorized for certain FLP and FP documents.

**B Purpose**

For the pilot States (Indiana and Texas), this notice provides policy and guidance on:

- implementing the digital signature pilot
- using digital signatures
- notifying guaranteed lenders
- reporting requirements
- training resources.

Disposal Date	Distribution
June 1, 2015	IN and TX State Offices; State Offices relay to County Offices

## 1 Overview (Continued)

### C Contacts

If there are questions about this notice:

- County Offices shall contact their State Office
- State Offices shall contact:
  - DAFLP, Bradley Johnson, by either of the following:
    - e-mail to **bradley.a.johnson@wdc.usda.gov**
    - telephone at 202-720-5847
  - DAFP, Melonie Sullivan, by either of the following:
    - e-mail to **melonie.sullivan@wdc.usda.gov**
    - telephone at 202-690-1003.

## 2 Implementing the Digital Signature Pilot

### A Digital Signature Pilot Duration

The planned duration of the digital signature pilot is through May 31, 2015.

### B Designating State Points of Contact

Each State will designate a maximum of two FSA officials to act as a point of contact. This will ensure that all information, questions, and concerns can be addressed through the State contacts.

All questions shall be routed through the State contacts to the National Office. Additional information and guidance on the digital signature pilot will be distributed to the State contacts for dissemination to the field.

## 2 Implementing the Digital Signature Pilot (Continued)

### C Training for Implementing Pilot

To assist in implementing the digital signature pilot, DAFLP and DAFP will conduct training on using digital signatures. SED's, State Office officials, CED's, FLM's, SFLO's, and FLO's should attend 1 of the following Live Meeting training sessions:

- July 29, 2014: 10 a.m. e.t. / 9 a.m. c.t. (Texas only)
- July 30, 2014: 10 a.m. e.t. / 9 a.m. c.t. (Indiana only)
- July 31, 2014: 10 a.m. e.t. / 9 a.m. c.t. (Texas only)
- July 31, 2014: 2 p.m. e.t. / 1 p.m. c.t. (makeup session – Indiana and Texas).

**Note:** SED's may designate additional individuals to attend this training.

Audio will not be available through Live Meeting. State contacts shall receive instructions on accessing the Live Meeting training sessions, along with the conference telephone line dial-in instructions. State contacts shall disseminate this information to all Agency officials in their respective State.

**Note:** Since the capacity of the conference line is limited, consolidated use is encouraged.

## 3 Guidance on Using Digital Signatures

### A Definition

A digital signature is an electronic signature that can be used to authenticate the identity of the sender of a message or the signer of a document. Besides being easily transportable, it can also add assurance that the content of the message or document that has been sent is unchanged.

Digital signatures are based on public key infrastructure (PKI), and are a result of a cryptographic operation that guarantees signer authenticity, data integrity, and non-repudiation of signed documents. Digital signatures use a digital certificate to validate the signer's identity. Digital signatures cannot be copied, tampered, or altered, and therefore non-reputable.

**Note:** Although the terms “digital signatures” and “electronic signatures” are sometimes used interchangeable, they are **not** the same. Digital signatures are a very specific type of electronic signature.

### 3 Guidance on Using Digital Signatures (Continued)

#### B General Authorization

Digital signatures:

- are authorized for FSA officials **only**
- must be completed using the official's LincPass card.

**Note:** Current policy on signatures from producers, FLP applicants and borrowers, and lenders will **not** be affected. This includes electronic signatures in FSA applications such as eForms or LINC.

#### C Digitally Signing a Document

To assist FSA officials in implementing digital signatures, a User Guide for Digital Signatures in Adobe Acrobat XI Standard has been developed. The user guide can be found on DAFLP's presentation webpage on the Farm Loan Programs Systems webpage at <https://amistad.sc.egov.usda.gov/flp>, under "Presentations".

FSA personnel shall refer to the user guide to create a digital signature appearance template, digitally sign and protect a document, and remove a digital signature from a document signed in error.

#### D Documents Authorized for Digital Signature

Digital signatures are authorized for PDF documents only. Authorized documents not available as a PDF can be converted and digitally signed. In addition, Adobe Acrobat software must be used to create the digital signature. See Exhibits 1 and 2 for the FLP and FP documents, respectively, authorized for digital signature.

**Note:** MSD, Forms and Graphics Section will be converting many of the authorized documents to a PDF format that includes digital signature fields (placeholders). These documents will be available on DAFLP's presentation webpage located on the Farm Loan Programs Systems webpage at <https://amistad.sc.egov.usda.gov/flp>, under "Presentations".

For State and National Office documents not listed in Exhibit 1 or 2, State contacts may request authorization to use a digital signature. This request should be routed through SED to:

- Melonie Sullivan at [melonie.sullivan@wdc.usda.gov](mailto:melonie.sullivan@wdc.usda.gov) for FP forms and documents
- Bradley Johnson at [bradley.a.johnson@wdc.usda.gov](mailto:bradley.a.johnson@wdc.usda.gov) for FLP and all other forms and documents.

### 3 Guidance on Using Digital Signatures (Continued)

#### E Verifying Signer's Authenticity and Data Integrity

Adobe PDF documents provide several features to verify the signer's authenticity and data integrity. Put simply, the signer is who they say they are and the document has not been altered after it was digitally signed.

For all documents digitally signed, FSA personnel must ensure that:

- digital signature is valid
- after the last digital signature is applied, document is locked to prevent alteration.

**Note:** Refer to the User Guide for Digital Signatures in Adobe Acrobat XI Standard for instructions to ensure that a digital signature is valid and the document has not been altered. Access the user guide according to subparagraph C.

#### F Record Retention

FSA officials shall electronically retain all digitally signed PDF documents. Electronic records must be accessible to all appropriate FSA staff. Electronic records shall be maintained on the County/District/State office network (S drive), Intranet site, or SharePoint site.

FSA officials shall set up and maintain electronic folders in the appropriate County/District/State Office network (S drive), Intranet site, or SharePoint site, in which to file all digitally signed PDF documents. These electronic folders shall be developed similar to the paper folders developed according to 25-AS. FSA officials shall note in the appropriate paper file, the location of the digitally signed document. Retaining a printed copy of the digitally signed document is not necessary.

**Note:** For all digitally signed documents e-mailed to an external customer, such as a guaranteed lender, the FSA official shall also retain an electronic copy of the e-mail and delivery receipt.

## 4 Notification of Guaranteed Lenders

### A Notification Letter

State or County Office officials shall mail or e-mail all active guaranteed lenders Exhibit 3. This is to inform the lender that FSA-2232, “Conditional Commitment”, and other authorized documents will be digitally signed by an FSA official and provided to the lender via e-mail during the duration of this pilot, unless the lender chooses not to participate in the pilot. Exhibit 3 is available at the Farm Loan Programs Systems webpage, <https://amistad.sc.egov.usda.gov/flp>, under “Presentations”.

**Note:** Lender acceptance of digital signatures on the Conditional Commitment and other authorized documents will assist DAFLP in the evaluation of authorizing digital signatures on additional guarantee forms, such as FSA-2235, “Loan Guarantee”.

### B E-Mailing Digitally Signed Documents to Guaranteed Lenders

Except for lenders that do not wish to participate in this pilot, authorized guaranteed loan documents will be digitally signed and provided to the lender via e-mail. A paper copy of the digitally signed document need not be mailed to the lender. For all documents e-mailed to guaranteed lenders, FSA officials shall request a delivery receipt in Microsoft Outlook, to ensure that the document was delivered to the intended recipient. If the lender chooses to not participate in the pilot, for whatever reason, the document will be signed and sent as they normally would be.

**Note:** For all documents containing PII information, the FSA official must ensure that the document is encrypted before e-mailing.

## 5 Reporting Requirements

### A Bi-Monthly Teleconferences

DAFLP and DAFP will conduct bi-monthly teleconferences with the pilot States to determine:

- the percentage of FSA personnel using digital signatures
- which documents are being digitally signed
- if additional documents should be authorized for digital signature.

Bi-monthly teleconferences will be held, with a final teleconference to take place at the conclusion of this pilot. SED’s, State contacts, and State Office officials will be asked to participate in these teleconferences. These teleconferences will provide DAFLP and DAFP with valuable feedback to aid in the development of nationwide policy on the use of digital signatures.

## 6 Training Resources

### A AgLearn

FSA officials may wish to complete the Digital Signatures training course in AgLearn. This course provides an overview of digital signatures and their use by FSA officials. To access this course, on the Aglearn home page in the “Search Catalog” box enter “**Digital Signatures**” and click “Browse”. Scroll down to find the Digital Signatures training course.

### B Other Training Resources

Additional digital signature training and informational resources are located on the USDA OCIO Digital Signature webpage at  
[http://www.ocio.net.usda.gov/wps/portal/ocio/ocioportal/home/iaa/iaa.digital\\_signature](http://www.ocio.net.usda.gov/wps/portal/ocio/ocioportal/home/iaa/iaa.digital_signature).

**FLP Documents Approved for Digital Signatures**

The following table provides FLP documents that are authorized for digital signatures.

<b>Form Number</b>	<b>Title</b>
CCC-257	Schedule of Deposit
FmHA 2006-21	Information Systems Management (ISM) Request
FSA-13-A	Data Security Access Authorization Form
FSA-159	Request for Supplies, Forms, and/or Publications
FSA-851	Environmental Risk Survey Form
FSA-1956-22	Update to TOP and Cross-Servicing Information
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation
FSA-2103	Direct Loan Making File Review Questionnaire
FSA-2104	Guaranteed Loan Making File Review Questionnaire
FSA-2119	Delinquent Borrower Servicing File Review Questionnaire
FSA-2124	Farm Loan Programs Certification of Farm Loan Officer Training Orientation
FSA-2125	Farm Loan Program County Information File Changes
FSA-2126	Program Loan Cost Expense (PLCE) Request (Non-Contractuals only)
FSA-2127	Request for CED FLP Loan Approval Authority
FSA-2144	Designated Financial Institution Pledge of Collateral
FSA-2160	Appraisal of Chattel Property
FSA-2161	Appraisal Report - Agricultural Tract
FSA-2164	Appraisal for Mineral Rights
FSA-2165	Administrative Appraisal Review
FSA-2166	Technical Appraisal Review and Certification
FSA-2167	Administrative Appraisal Review for Chattel Appraisals
FSA-2171	Substitute Invoice
FSA-2172	Request for Emergency Payment
FSA-2173	Foundation Financial Information System (FFIS) Vendor Code Request
FSA-2231	Request for Obligation of Funds Guaranteed Loans
FSA-2232	Conditional Commitment
FSA-2234	FSA Review of Lender's Evaluation of Collateral
FSA-2243	Notice of Substitution of Lender (Transaction 4034)
FSA-2244	Guaranteed Loan Status Update Adjustment (Transaction 4048)



## FLP Documents Approved for Digital Signatures (Continued)

Form Number	Title
FSA-2246	Notification of Transfer and Assumption of a Guaranteed Loan Transaction Code 4037
FSA-2247	Guaranteed Loan Borrower Adjustments
FSA-2249	Request for Restructuring Guaranteed Loans
FSA-2250	FSA Purchase of a Guaranteed Loan Portion
FSA-2262	Notice of Liquidation Responsibility
FSA-2293	Annual File Review Checklist for SEL and CLP Lenders
FSA-2294	Debt Writedown Review Checklist
FSA-2295	Guaranteed Estimated Loss Review Checklist for SEL and CLP Lenders
FSA-2296	Guaranteed Loan Final Loss Review Checklist
FSA-2429	Request for Change in Application
FSA-2490	Deceased Borrower Report
FSA-2495	Application to Move Security Property
FSA-2550	Report of Problem Case
FSA-2551	Request for Nonmonetary Default Determination
FSA-2560	Request for Statement of Account
FSA-2562	Borrower Account Description Flag
FSA-2574	Confirmation Reorganization Plan Worksheet
FSA-2576	Notice of Judgment
FSA-2594	Advice of Inventory Property Sold
FSA-2731	Cancellation of Debt Without Application
RD 1922-15	Administrative Appraisal Review for Single Family Housing
RD 1940-22	Environmental Checklist for Categorical Exclusions

**For guaranteed loans only**, the following additional documents are authorized for digital signatures:

- First Incomplete Application Notification Letter according to 2-FLP, subparagraph 97 B
- Second Incomplete Application Notification Letter according to 2-FLP, subparagraph 97 D
- all PLP Annual File Review Checklists
- all general correspondence to guaranteed lender.

**Note:** Digital signatures are **not** authorized for Application Withdrawn Letter (according to 2-FLP, subparagraph 97 F) and all adverse decision letters.

**FP Forms and Documents Approved for Digital Signatures**

This table provides FP forms and documents for which digital signatures are authorized.

<b>Form Number</b>	<b>Title</b>
AD-2007	FSA/RMA Compliance Referral Form
FSA-179 <u>1</u> /	Transfer of Farm Records Between Counties
FSA-850	Environmental Evaluation Checklist
FSA-851	Environmental Risk Survey Form

1/ Limited to in-State transfers only.

**Notification Letter to Guaranteed Lenders**

The following letter shall be mailed to all lenders with active guaranteed loans.

Notice CM-XXX, Exhibit 3

*[Use Agency Letterhead format with local return address]*

RE: FSA's Digital Signature Pilot

*[Lender's name]*

Farm Service Agency (FSA) is excited to announce a pilot program to evaluate the use of digital signatures by FSA officials. This pilot is limited to two States, Indiana and Texas, and will allow FSA officials to digitally sign many guaranteed loan program forms and correspondence. The Electronic Signatures in Global and National Commerce Act (E-Sign Act), Pub. L. 106-229, ensures that a signature, contract, or other record relating to such transaction may not be denied legal effect, validity, or enforceability solely because it is in electronic form.

FSA officials will be digitally signing several authorized documents that include:

- Form FSA-2232, "Conditional Commitment"
- Incomplete application notification letters
- General correspondence.

These forms and documents will be provided to you by e-mail. Your participation in this pilot will assist FSA in evaluating the use of digital signatures and potentially, in developing policy to allow the use of digital signatures for FSA's customers - including lenders.

To ensure that you receive all FSA documents provided via e-mail, please provide us with either your group e-mail address or the e-mail addresses for at least two individuals, along with their name and phone number.

We encourage you to participate in FSA's digital signature pilot, but realize that there may be circumstances which do not allow your participation at this time. If you do not wish to participate in the digital signature pilot, please inform our office.

If you have any questions or concerns, please e-mail *[FSA official's name]* at *[FSA official's e-mail address]*, or call our office at *[Enter office phone number]*.

Sincerely,