

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

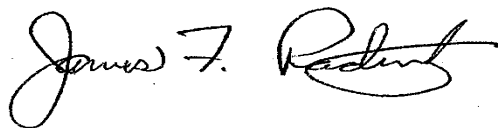
Notice FLP-744

6-PM, Part 13

For: State and County Offices

Credit and Financial Analysis Training (CFAT)

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A Background

Section 361 of the Consolidated Farm and Rural Development Act (CONACT) requires that the Secretary shall provide adequate training to employees of FSA on credit analysis, and financial and farm management, to ensure proper management of FLP.

Historically, CFAT has been provided in a classroom style session and a distance learning correspondence course. CFAT will now be provided as an eLearning course.

B Purpose

This notice:

- announces Moody's Analytics as the new CFAT vendor
- announces "Agribusiness Lending" as the new course
- explains the CFAT registration process
- identifies the actions and responsibilities of the National Office FLOT Coordinator, State FLOT Coordinators, trainers, and trainees
- obsoletes Notice FLP-743.

Disposal Date

January 1, 2017

Distribution

State Offices; State Offices relay to County Offices

Notice FLP-744

1 Overview (Continued)

C Contact

Direct any questions about this notice to Teresa Martin by either of the following:

- e-mail at **teresa.martin@wdc.usda.gov**
- telephone at 202-690-0431.

2 Redesigned CFAT

A Overview

The Agribusiness Lending course consists of a kick-off teleconference, approximately 12 to 15 hours of self-study eLearning, and a one half day live WebClass presented by Moody's Analytics.

B Registration/Schedule

Trainees will be:

- scheduled and registered for CFAT by the National Office FLOT Coordinator as follows.
Trainees who have:
 - passed the comprehensive exam, completed all loan dockets (as shown in the FLOTrack system) and been delegated loan approval authority, per State Office
 - passed the comprehensive exam, and have recorded loan dockets in the FLOTrack system, by hire date
 - completed the comprehensive exam, by hire date
 - completed the FLOTrack Direct Loan Making and Farm Business Plan program area tests, by hire date.

Note: FLC's and State FLOT Coordinator's will be notified prior to the trainee being registered for the course to confirm the trainee can meet all the set timeframes. Trainees who cannot meet the timeframes will be deferred to the next registration.

- allotted two weeks to complete the eLearning with the WebClass scheduled the following week. There will be no exceptions to the timeframes.

3 Moody's Analytics Agribusiness Lending

A Agribusiness Lending eLearning

The Agribusiness Lending eLearning course consists of approximately 12-15 hours of self-study, with two weeks allotted to complete. The course consists of 15 lessons presented in 5 modules, each with an initial diagnostics/pre-test, knowledge checks, and final exam. The passing score for the module final exams is at least 70 percent.

The modules and lessons are:

- Agribusiness fundamentals:
 - Agribusiness Entities
 - Borrowing Needs
 - The Credit Decision Process
- Agribusiness Accounting:
 - Agribusiness Accounting
 - Financial Risk Assessment
 - Cash Budgeting and Expansion Planning
 - Sensitivity Analysis
- Inspections and Appraisals:
 - Field Inspection
 - Equipment/Machinery Appraisals
 - Agribusiness Real Estate Appraisals
- Qualitative Risk Assessment:
 - Market Risk Assessment and the Competitive Marketplace
 - Economic, Environmental, and Business Cyclicity
 - Management Risk Assessment
- Credit Risk Mitigation:
 - Repayment Sources
 - Credit Enhancement and Risk Mitigation.

3 Moody's Analytics Agribusiness Lending (Continued)

B Agribusiness Lending WebClass

The Agribusiness Lending WebClass, is a four hour class that analyzes two actual FSA case studies under the direction of Moody's Analytics. Trainees are required to submit the pre-work assignment and actively participate in the WebClass by answering all online polls and questions, in addition to answering questions when asked by the Moody's trainer. Submitting the WebClass survey is required to receive credit for the class.

C Agribusiness Lending FLOTrack Results

The Agribusiness Lending course does not have a comprehensive final exam. An average of the five module final exams will be the recorded FLOTrack score and the completion date will be the WebClass completion date. CFAT completion will be recorded in FLOTrack after the trainee completes the WebClass survey.

4 Action and Responsibilities

A National Office FLOT Coordinator

National Office FLOT Coordinator shall:

- notify State Offices prior to registering trainees to confirm the trainee will be available for all timeframes
- register all trainees for Agribusiness Lending
- schedule and send an Outlook meeting invitation for the kick-off teleconference/WEBEX demo meeting with:
 - Moody's Analytics
 - trainees
 - trainers (attendance optional)
 - FLC (attendance optional) and State FLOT Coordinator
- schedule and send an Outlook meeting invitation for the live Adobe Connect WebClass and teleconference with the trainees

4 Action and Responsibilities (Continued)

A National Office FLOT Coordinator (Continued)

- monitor the progress of each trainee enrolled in the course in Moody's Analytics eLearning system
- have the authority within the Moody's Analytics eLearning system, to re-set a module final exam and allow a trainee a third chance to successfully complete a module exam, after consulting with the FLC or State FLOT Coordinator
- record the CFAT completion date and score in FLOTrack.

B State Office FLOT Coordinator

State Office FLOT Coordinator shall:

- verify with the trainee, trainer, and supervisor if different from trainer, the trainee can commit to all the timeframes allotted for CFAT when contacted by the National Office
- notify the trainee, trainer, and supervisor if different from trainer that **CFAT takes priority over all other training and duties** to allow the trainee time to concentrate on the course
- attend the kick-off teleconference/web-meeting when their state has a trainee enrolled if possible
- notify the National Office FLOT Coordinator if a trainee has failed to score a minimum of 70 percent on the second attempt at a module exam.

C Moody's Analytics

Moody's Analytics shall:

- e-mail trainees when they have been registered for the Moody's eLearning Agribusiness Lending course with the training access link, sign-in information, Welcome Letter and eLearning User Guide
- present an overview of the eLearning modules, along with a demo of the web site at the kick-off teleconference/web meeting

4 Action and Responsibilities (Continued)

C Moody's Analytics (Continued)

- provide the trainee with contact information for assistance and questions from their credit experts
- present the live Adobe Connect WebClass
- email the trainee, upon successful completion of the course, a completion certificate.

D Trainee

Trainees must:

- make the Agribusiness Lending eLearning and WebClass priority over other training and duties while enrolled in the course
- attend the kick-off teleconference/WEBEX demo meeting and the WebClass
- complete the eLearning course within the two week timeframe
- successfully complete and pass each module exam with at least a 70 percent score. If the first exam score does not meet the minimum score of 70 percent, the eLearning system will allow a second chance to successfully complete the module exam
- notify their trainer and State FLOT Coordinator, if a 70 percent score is not achieved on the second final exam for any module
- complete the required WebClass assignments as directed by Moody's Analytics, and actively participate during the live WebClass.

E Trainer

Trainers shall:

- arrange trainees work duties to allow them to make the Agribusiness Lending course a priority over all other training and duties
- monitor the trainees progress while enrolled in the Agribusiness Lending course to ensure that the specified timeframes are met
- attend the kick-off teleconference/web-meeting and WebClass if possible.

5 FLOT Program Guidance

A FLOT Program Guidance

States shall instruct trainees to begin working on loan dockets once the comprehensive exam is complete while waiting for CFAT registration.

Refer to:

- 6-PM, Part 13 for FLOT program guidelines and requirements
- 1-FLP, Paragraph 25 for the requirements to delegate loan approval authority to trainees.

Note: 6-PM, Part 13, will be amended to address the revisions to CFAT.