

For: State and County Offices

Important Actions Required Related to Linking Co-Borrowers in DLS

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Previously, FSFL’s were processed using the System 36-based APSS in approximately 2,600 Service Centers nationwide. To streamline FSFL delivery, FLP/DLS was enhanced in September 2014 to allow support for the FSFL Program. DLS is a web-based system used to track applications and loan processing.

Unlike System 36, DLS provides the capability to record co-borrowers on loans; however loading co-borrowers in DLS has been optional and it did not allow for individual share percentages to be entered.

Enhancements are forthcoming to DLS that will allow the users to enter the share percentages of co-borrowers. Share percentages will be used to capture the interest paid on the IRS-1098 form for tax reporting purposes.

Important: In order for the share percentages to be allocated after the enhancement is released, all co-borrowers **must** be linked to the primary borrower in DLS **before** the enhancement is released into production.

A future notice will be issued with instructions for allocating shares.

B Purpose

This notice provides instructions for linking co-borrowers in DLS.

County Offices shall complete the following actions by September 30, 2015.

- link co-borrowers to all active outstanding loans
- link all co-borrowers to all applications that have not closed.

| Disposal Date | Distribution |
|------------------|--|
| February 1, 2016 | State Offices; State Offices relay to County Offices |
| 8-11-15 | Page 1 |

Notice FSFL-119

1 Overview (Continued)

C Contact

If there are questions about this notice, State Office employees may contact the following.

| Name | Contact Information |
|---------------|--|
| Toni Williams | Contact Toni Williams by either of the following: <ul style="list-style-type: none">• e-mail to toni.williams@wdc.usda.gov• telephone at 202-720-2270. |
| Julie Pena | Contact Julie “Nanette” Pena by either of the following: <ul style="list-style-type: none">• e-mail to julie.pena@wdc.usda.gov• telephone at 202-260-8074. |
| Stacy Carroll | Contact Stacy Carroll by either of the following: <ul style="list-style-type: none">• e-mail to stacy.carroll@wdc.usda.gov• telephone at 202-690-8037. |
| Laura Schlote | Contact Laura Schlote by either of the following: <ul style="list-style-type: none">• e-mail to laura.schlote@wdc.usda.gov• telephone at 202-720-7785. |

2 Linking Co-Borrowers in DLS

A Overview

With the migration of FSFL into DLS, linking of related entities (that is co-borrowers) with the primary borrower has been an optional function for County Offices.

To accurately report future principal and interest payments for FSFL’s with co-borrowers, it is important all co-borrowers are recorded in DLS before the next release of FSFL enhancements.

Co-borrowers:

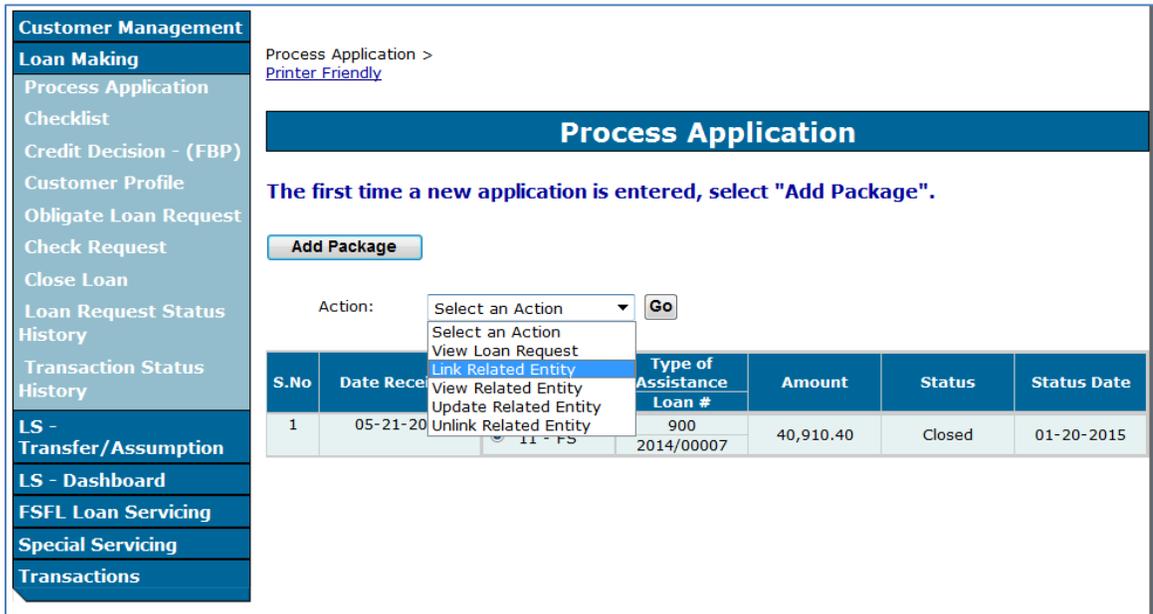
- are referred to as “related entities” in DLS
- have a share percentage of the loan
- report taxes separately.

Important: Many States require the spouse to co-sign all types of note and security agreements even though the share is 100 percent to the primary borrower. For the guidance provided in this notice, spouses who are solely co-signers do not need to be linked in DLS.

2 Linking Co-Borrowers in DLS (Continued)

B Example of the Available Actions on the Process Application Screen

The following is an example of available actions on the Process Application Screen.



C County Office Action

To link a co-borrower in DLS:

- access DLS according to 2-FSFL, paragraph 21
- select the primary borrower according to 2-FSFL, paragraph 22.

From the Process Application Screen:

- CLICK on the radio button of the applicable loan
- CLICK the action drop-down arrow to display available options
- CLICK “**Link Related Entity**”
- CLICK “**Go**”; the SCIMS Search Page is displayed
- select the related entity; the Link Related Entity Screen is displayed
- CLICK the “Co-borrower” radio button
- CLICK “**Submit**” to complete the process.

Repeat the process for additional related entities.

Note: If the related entity is new to DLS, you will be prompted to submit a customer profile before linking the entity.

Notice FSFL-119

2 Linking Co-Borrowers in DLS (Continued)

D Example of the Link Related Entity Screen

The following is an example of the Link Related Entity Screen linking a co-borrower.

| Link Related Entity | | | | |
|-----------------------------|--------------|---------------------|-------------|--|
| Related Entity Information: | | | | |
| Date Received | Request Type | Related Entity Name | Tax ID | Related Entity Type |
| 04-28-2015 | FS | IM Farmer | 999-99-9999 | <input checked="" type="radio"/> Coborrower <input type="radio"/> Cosigner <input type="radio"/> Guarantor |