

For: State and County Offices

Agricultural Credit Officer Training (ACOT)

Approved by: Administrator



1 Overview

**A
Background**

New Agricultural Credit Officer (ACO) positions have been authorized to perform loan making and servicing actions. Notice PM-1967 authorized these new positions and outlined hiring and training plans.

**B
Purpose**

This notice provides information regarding the ACOT program, including establishment of a Training Coordinator, if one has not already been designated in the State.

2 ACOT Program

**A
Purpose and
Participants**

Employees selected for ACO positions; filled according to Notice PM-1967, will participate in the ACOT program. The ACOT program provides the skills and experience necessary to perform loan making and servicing activities. The training consists of 34 modules covering all aspects of loan making and servicing as well as credit and financial analysis training (CFAT).

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<p>Disposal Date</p> <p>August 1, 1998</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice FC-131

2 ACOT Program (Continued)

B

Structure

The majority of the program is individually paced, with the trainee working in a County Office designated as a training site, under the direction of an Agricultural Credit Manager (ACM).

The orientation module will be provided on a nationwide basis, to groups of 50 participants each session, at a designated site to be announced later.

A week long CFAT session will be provided by a vendor on a nationwide basis, to groups of 25 participants each session. There are 4 advanced loan servicing modules that will be provided by the State Office staff near the end of the program. The balance of the modules (29 modules) will be completed by the trainee in the designated training site under the direction of ACM.

C

Materials

The materials for the first 6 modules have been printed and will be distributed to trainees at the orientation session. When completed, all training materials for the individually paced modules will be posted to BBS and can be downloaded by the States, as needed. The material for each module is general in nature and must be supplemented by reading related FmHA Instructions, completing work assignments from ACM, and through close guidance and work with all farm loan program staff in the Service Center.

D

Schedule

The ACOT modules must be completed in 12 months. The Ag Credit Director (ACD), the State Training Coordinator, and the designated ACM trainer will work together to set goals for completion, based on knowledge of the trainee and the designated workload. The deadline, not to exceed 12 months from completion of orientation session, will be in the trainees' elements and standards. Individual Development Plans (IDP's) will be established for each trainee with specific dates set up to cover the necessary modules within the 12-month timeframe.

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2 Training Program (Continued)

**D
Schedule
(Continued)**

The following table is a general guideline for the completion of the modules.

Module	Length
1	1 week
2-6	2 months
7-16	5 months
17-27	4 months
28-31	1 week
32-34	3 weeks
Total	1 Year

**E
Proficiency
Examinations**

All ACO trainees will be required to pass a final examination upon completion of the 34 modules. ACD, or designee, will administer the final examination for each trainee. This process includes ensuring the privacy of both the exam questions and the test results. Details on the examination and the testing process will be distributed in a future notice.

3 Training Coordinator

**A
Selection**

The position of Training Coordinator will be established in each State as a collateral duty for an individual who will have sufficient time to track and monitor the progress of ACO trainees working on the 34 modules. The Training Coordinators' responsibilities will be added to the elements and standards of the individual selected.

Some States may already have coordinators designated and should expand these employees' elements and standards to include the additional duties they will acquire under this training program. Submit the name, job title, and telephone number of the Training Coordinator through the Area Office to the National Training Coordinator. See subparagraph 7 C.

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3 Training Coordinator (Continued)

**B
Responsibilities**

The Training Coordinator shall:

- attend national "Train the Trainer" session in Kansas City, MO, in mid-August
- assist ACD in conducting training for the field site trainers (ACM's in designated training County Offices) on a State-wide basis
- meet with field site trainers, DD's, and ACM's quarterly to discuss the progress of each trainee

Note: If necessary, this meeting may be a teleconference.

- keep SED, ACD, and DD for the specific trainee informed regarding progress of ACO

Note: It is important to obtain input from the trainer, but keep the overall review process independent of the field office so the effectiveness of the trainer can also be evaluated.

- monitor both the trainer and trainee and give quarterly evaluation reports to ACD

Note: ACD and DD will review the reports and make any recommended changes needed for the trainee or trainer.

- work closely with ACD to ensure that the training needs of ACO trainees are met in a timely manner.
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4 Planned Training Meetings

A

Orientation Session

Each ACO trainee will be required to attend an orientation session, which will be conducted on a national basis. Each orientation session will contain no more than 50 participants and will be conducted at a centralized location. Specific hotel, travel, and meeting location details will be distributed to the Training Coordinators for dissemination to the ACO trainees in their State.

The orientation sessions will be presented by members of the training development team, made up of ACD's, Ag Credit Specialists, and National Office Staff. The first orientation session will be scheduled before the end of this FY.

B

CFAT Session

All ACO trainees will be required to attend a CFAT training session. Each session will contain no more than 25 participants and will be provided by a vendor as a group-paced training session at a centralized location. Each session will be 5 days and may include evening work by the trainee. Participants will be pre-tested to determine proficiency and then grouped accordingly to ensure that the level of training meets the attendants' proficiency level.

ACO trainees must have completed the orientation session and at least the first 6 training modules before attending the CFAT training session. Participants will be post-tested and are required to achieve an acceptable level of proficiency in credit analysis.

5 Selecting Trainers and Training Sites

A Trainers and Training Sites

Selecting trainers and training sites is critical to the success of the ACOT program. The site must provide a strong trainer and a caseload which will expose the trainee to a variety of work. The criteria in this paragraph must be considered.

B ACM Trainer

This is the single most important criteria. If ACM is moved from the training site, then the site should be re-evaluated before continuing as a training site. The most important traits for an effective trainer is knowledge of the regulations, the ability to utilize and execute regulations, the ability to train a new employee on the elements of the ACO position, and to effectively facilitate the trainee's participation in the 34 modules. Both job related and people skills are necessary to transfer knowledge to the trainee. Therefore, trainers should be proficient at their jobs and have sufficient people skills to ensure that they can provide the necessary support to the trainees. Training responsibilities will be included in the ACM trainer's elements and standards.

C Farm Loan Program Staff

The farm loan program office should be fully functional, including support staff and a trained ACO, when possible. For several months, the ACO trainee will require a great deal of attention and supervision from the farm loan program staff, especially ACM. Trainees should not immediately be viewed as an "assistant". It is important that a trained ACO or support staff be available to assist with the work of the office to enable ACM sufficient time with the trainee. There is also a benefit in the trainee working with and learning from employees in all areas of the farm loan program office. A training site will have no more than 2 trainees in the program at 1 time.

D Resources

The site selected should have the necessary resources to support the trainee. These include but are not limited to office space, desk, computer equipment, and access to regulations, telephones, and support staff.

5 Selecting Trainers and Training Sites (Continued)

E

Diversity

In conjunction with other considerations, the sites selected should reflect a diverse workforce when possible.

F

Commodity Programs

When possible, the training should include exposure to Commodity Programs. This will be most important when the trainees do not have Commodity Program experience.

G

Expenses

Travel and relocation expenses should be considered. While it may be a State's goal to minimize travel expenses, it should not be at the cost of the effectiveness of the training program.

6 Training Employees Other Than ACO's Identified in Notice PM-1967

A

Using Modules

The 34 modules were designed for use in the structured training program, although the program is primarily individually paced. However, the modules may be used for training any employee.

The text of the modules will be posted to BBS and available for download by the end of August. The Training Coordinators will be advised by the National Training Coordinator, when the modules become available.

It will be the Training Coordinator's responsibility to meet with ACD to assess when the modules should be downloaded and how many copies will be needed to train within the State. The Training Coordinator will also be responsible for securing a sufficient number of 3-ring binders to distribute to individuals trained with these modules.

Notice FC-131

6 Training Employees Other Than ACO's Identified in Notice PM-1967

B Federal and Non-Federal

There may be some States with ACO positions filled before Notice PM-1967. Additionally, States are to train CED's, DD's acquiring loan approval authority after October 1, 1995, and other employees who may be involved in the farm loan program, but who have not had previous farm loan program training.

These employees as well as any employee dealing with the farm loan programs, who have not had loan approval authority granted before October 1, 1995, will be trained by the State using ACOT modules.

Note: Previous training and experience may be taken into consideration and exceptions to training on the ACOT modules may be granted on a case by case basis according to subparagraph 7 B.

C Orientation Session

There currently is no provision to conduct a national orientation session for the employees identified in subparagraph A. State Offices should use Module 1 as a guide for orientation.

D CFAT

There are employees, other than ACO's, who need CFAT. Since November 28, 1990, the CONACT (statute governing FLP's) has required employees making or servicing loans to be trained in credit analysis and financial and farm management. Specifically, Section 361 of the CONACT requires:

"The Secretary shall provide adequate training to employees of the Farmers Home Administration (read FSA) on credit analysis and financial and farm management to:

- better acquaint the employees with what constitutes adequate financial data on which to base a direct or guaranteed loan approval decision; and
 - ensure that proper supervision of farmer program (read Farm Loan Program) loans."
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6 Training Employees Other Than ACO's Identified in Notice PM-1967 (Continued)

D

**CFAT
(Continued)**

SED's must ensure that all staff, whose current position requires approval authority for making and servicing loans, has been trained in credit and financial analysis. FSA employees, who were formerly employed by FmHA from 1991 through September 30, 1995, should have been trained previously. Documentation of this training is in the employee's personnel folder. Other employees must now be trained. Therefore, the IDP's for employees with farm loan program approval authority received after October 1, 1995, must include CFAT or documentation of previous acceptable CFAT.

The Training Coordinator shall establish and maintain a record of these employees, showing the dates and types of training received previously or in the future. Specific CFAT is being established for these individuals, so a list of these employees and their job titles will be submitted to the National ACOT Coordinator, through the Area Office. Confirmation of registration and assignment of a training date, will be returned to the requesting State.

7 Loan Approval Authority

A

**Maintaining
Loan Approval
Authority**

The criteria for obtaining and maintaining loan approval authority was initially addressed in Notice PM-1967 and more specific requirements will be addressed in a future notice. In general, anyone designated to have loan approval authority before October 1, 1995, will not be affected by the future notice. However, States are responsible for ensuring that loan approval officials continue to meet the standards necessary to maintain their authority.

B

**Exception to
This Notice**

Each State has different needs and resources. If SED and ACD determine that any provision of this notice does not meet their needs or goals, exceptions may be requested. SED's may request exceptions that are fully supported by justification through the Area Office. The Area Office may only grant exception with the concurrence of DAFLP.

C

**National
Training
Coordinator**

The National Training Coordinator for the ACOT program is Chris Greenwalt, Senior Loan Officer, PDEED. Direct questions about this notice, training meetings, or the ACOT program, through the Area Office.
