

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Oregon State Office  
Tualatin, OR 97062-8121

---

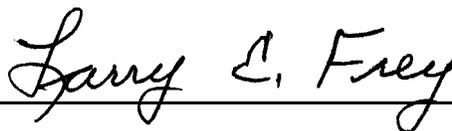
**General Program Administration**  
**1-FLP**

**Amendment 3**

---

**Approved by:** State Executive Director

LEF:LEV:lev



---

**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 25 A has been added to incorporate a redelegation of approval authority.

Subparagraphs 28 A and B have been added to:

- provide guidance and instructions on completing Credit Quality Reviews through quarterly DD “peer reviews,” State Evaluation Reviews (SERs), Service Center FLP Management Reviews, and pre-approval and proficiency post reviews
- establish the method and standards for completing required docket reviews.

Subparagraph 142 A has been amended to:

- provide a list of reputable publications and sources of information that may be used in the absence of public sale data when performing chattel appraisals
- delegate authority to the State-Designated Appraiser/Review to consent to the use of other publications and sources of information on a case-by-case basis.

Subparagraphs 404 and 405 have been added to:

- provide guidance on reviewing and completing review documents for Service Center FLP management and civil rights activity
- specify the completion of Service Center FLP management and civil rights reviews as part of the State’s ongoing SERs and DD FLP Oversight Reviews.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

Subparagraphs 441 D and E and Subparagraphs 442 A and B have been added to:

- designate DDs as Review Officials to conduct reviews for equitable treatment in processing direct and guaranteed loan applications as part of their ongoing DD FLP Oversight Reviews
- provide a review form (Form FSA-2192 OR) for documenting and reporting the review of rejected and withdrawn SDA applications
- provide for the quarterly submission of review results and findings concerning rejected and withdrawn SDA applications, and recommendations for correcting any apparent pattern or practice of disparate treatment, inequitable treatment, or discrimination against SDA applicants.

Exhibit 1 has been properly supplemented through the issuance of Oregon Amendment pages, rather than through the issuance of a separate OR Exhibit 1.

Exhibit 20 has been supplemented to provide guidance and instructions for the completion of the following reviews and review forms as part of the National Internal Review, Quality Assurance Review, National Office Field Review, or other designated review process:

- Service Center FLP management of direct loans review, and the completion of Form FSA-2112
- Service Center FLP management of guaranteed loans review, and the completion of Form FSA-2113
- Service Center FLP civil rights review, completion of Form FSA-2114, and completion of Form FSA-2115 until it is revised for use with 2002 census data by the National Office.

The Oregon Exhibits page has been removed and replaced by an Oregon Table of Contents (OR TC) page.

OR Exhibit 1 has been removed, and its contents revised and incorporated into the Oregon Amendment pages supplementing Exhibit 1.

OR Exhibits 2 through 5 have been revised to make formatting and grammatical corrections.

OR Exhibit 6 has been amended to provide space for tax lot information and the name of the FSA employee submitting the appraisal request.

## Amendment Transmittal (Continued)

### A Reasons for Amendment (Continued)

Other subparagraphs and pages have been revised where formatting, grammatical, or page number revisions are needed to conform with Amendments issued to FSA Handbook 1-FLP.

### B Complete Part Reprint

The Oregon Amendment pages of this handbook requiring some form of revision have been converted to the revised format. Even though every page of the parts being included in this Oregon Amendment have not been amended, the parts are being released for reprint in the revised format because the handbook has been converted. The major changes are listed in Subparagraph A.

Page Control Chart		
TC	Text	Exhibit
1, 2, 3 (add) Oregon Exhibits Pg 1 (remove) OR TC 1 (add)	2-6, 2-7 (add), 2-11 (add), 6-2, 6-3 (add), 6-4, 6-6, 6-6.5 (and 6-6.6) (add), 6-7, 6-8, 6-10.5 (and 6-10.6), 6-12, 7-5, 9-8 (add), 9-9 (add), 9-52 (add), 9-53 (add)	1, page 1 (add) pages 3 through 5 (add) 20, pages 57 thru 80 (add) OR 1, page 3 (remove) page 5 (remove) OR 2, pages 1 through 5 page 6 (add) OR 3, pages 1 and 2 OR 4, page 1 OR 5, pages 1 and 2 OR 6, page 1





# Table of Contents

Page No.

## Part 2 FLP Authorities

24	Delegating Appraisal Authority	
24B	Chattel Appraisals .....	2-6
24C	Real Estate Appraisals Involving Transactions of \$100,000 or Less.....	2-6
24D	Administrative Appraisal Reviews.....	2-6
25	Delegating Approval Authority	
24A	Receiving Approval Authority .....	2-7
28	Establishing Credit Quality Standards	
28A	Introduction .....	2-11
28B	Credit Quality Reviews .....	2-11

## Part 6 Appraisals

141	General Appraisal Requirements	
141E	Obtaining Appraisals.....	6-2
142	Appraisal Reports	
142A	Chattel Appraisals .....	6-3
142B	Real Estate Appraisals.....	6-4
143	FSA Review of Appraisal Reports	
143B	Administrative Appraisal Reviews.....	6-6
143C	When Administrative Appraisal Reviews May Be Conducted.....	6-6.5
143D	Technical Appraisal Reviews Overview .....	6-7
143E	When Technical Appraisal Reviews May Be Conducted .....	6-8
144	Appeals of Decisions Based on Appraisals	
144D	Real Estate Independent Technical Appraisal Review .....	6-10.5
145	Appraiser Qualifications	
145A	Chattel Appraisals .....	6-12
145D	FSA Limited Authority Real Estate Appraisers.....	6-12

## Table of Contents (Continued)

		<b>Page No.</b>
<b>Part 7</b>	<b>Program Loan Cost Expenses</b>	
162	Allocating PLCE Funds	
162B	State Office Allocation of PLCE's.....	7-5
<b>Part 9</b>	<b>Internal Controls</b>	
<b>Section 1</b>	<b>National Internal Review</b>	
404	FLP Management Reviews	
404A	Evaluation.....	9-8
404B	State Review Coordination.....	9-8
404C	Review Schedule .....	9-8
405	FLP Civil Rights Reviews	
405A	Evaluation.....	9-9
405B	State Review Coordination.....	9-9
405C	Review Schedule .....	9-9
<b>Section 2</b>	<b>DD FLP Oversight Activities</b>	
441	DD FLP Oversight Reviews	
441D	Oversight Reviews .....	9-52
441E	Forms Availability.....	9-52
442	Reporting Requirements	
442A	Preparing Reports .....	9-53
442B	Submitting Reports.....	9-53

## Table of Contents (Continued)

### Exhibits

1	Reports, Forms, Abbreviations, and Redelegations of Authority
1	FLP OR 1 – Inequitable Treatment in Processing Loan Applications Report
1	FSA 1922-16 OR – Farm (08-18-03)
1	FSA 1922-16 OR – Non-Farm (08-18-03)
1	FSA 1922-16 OR – Chattel (08-18-03)
1	FSA-2103 OR (01-20-04)
1	FSA-2104 OR (01-20-04)
1	FSA-2105 OR (01-20-04)
1	FSA-2106 OR (01-20-04)
1	FSA-2117 OR (05-24-01)
1	FSA-2119 OR (01-20-04)
1	FSA-2122 OR (01-20-04)
1	FSA-2192 OR (06-07-04)
1	RD 440-21 OR (06-30-03)
20	FLP National Internal Review Guide
20A	Contents of This Exhibit
20L	Completing FSA-2112, Part B
20M	Completing FSA-2113, Part B
20N	Completing FSA-2114, Part B
20O	Completing FSA-2115, Part B

## Oregon Table of Contents

### OR Exhibits

2	Obtaining Appraisals
3	Review of Appraisal Reports – Administrative Appraisal Review
4	Review of Appraisal Reports – Technical Appraisal Review Overview
5	Review of Appraisal Reports – When Technical Appraisal Reviews May Be Conducted
6	Appraisal Purchase Order Description Sheet
7	Chattel Appraisal Request and Bid Solicitation Sheet
8	Equipment List
9	Livestock List
10	Growing Crop List
11	Inventory List
12	Statement of Work – Chattel Appraisals
13	Call Order – Chattel Appraisal
14	Call Order – Letter (Example)
15	Creating Windows XP Desktop Shortcuts and Using Work Form Documents
16	Oregon FSA Contract Appraisers



**24 Delegating Appraisal Authority**

**B Chattel Appraisals**

A request for delegation of authority to complete chattel appraisals will be submitted to the SED from the employee's supervisor through the DD. The DD must concur with the recommendation for delegation of authority. The transmittal memorandum will request the delegation and document the employee's experience and training. The minimum training requirements are further described in subparagraph 145 A.

**C Real Estate Appraisals Involving Transactions of \$100,000 or Less**

The SED will delegate authority to FSA employees to complete real estate appraisals involving loan transactions of \$100,000 or less. The FLP Section in the State Office (STO) will provide a listing of FSA employees with the delegated authority upon request.

**D Administrative Appraisal Reviews**

A request for delegation of authority to complete administrative appraisal reviews will be submitted to the SED from the employee's supervisor through the DD. The DD must concur with the recommendation for delegation of authority. The transmittal memorandum will request the delegation and document the employee's experience and training. The minimum training requirements are further described in subparagraph 143 B.

**25 Delegating Loan Approval Authority****A Receiving Approval Authority**

In accordance with the authority provided in Exhibit 1 of FSA Handbook 1-FLP, and unless otherwise prohibited by statute or regulation, the incumbents of the following positions are hereby redelegated authority to approve Farm Loan Program loans and servicing actions, both direct and guaranteed, within the same limitations as prescribed for the SED:

- Farm Loan Chief (FLC)
- Farm Loan Specialist (FLS)
- Farm Loan Program Reviewer performing duties as Oregon's full-time State-Designated Appraiser/Reviewer.

**Note:** The authority redelegated to the State-Designated Appraiser/Reviewer is limited to those loans and loan servicing actions that do not involve appraisals completed by the State-Designated Appraiser/Reviewer, or prepared with the assistance of the State-Designated Appraiser/Reviewer acting as an Appraisal Assistant.

In exercising approval authority to any FSA employee, the approving official's title must be shown on all applicable documents.

No redelegation of approval authority to any FSA employee shall supersede other program regulations requiring review of dockets by higher authority prior to loan or loan servicing approval.



**28 Establishing Credit Quality Standards****A Introduction**

Credit quality reviews will be completed through quarterly DD "peer reviews," State Evaluation Reviews (SERs), Service Center FLP Management Reviews, pre-approval and proficiency post reviews conducted to demonstrate proficiency prior to receipt of loan approval authority or to maintain loan approval authority, and other reviews as needed.

**B Credit Quality Reviews**

Pre-approval and proficiency post reviews will be conducted on loan dockets and servicing actions in order confirm a loan approval official's demonstrated ability to make prudent credit decisions, and accurately analyze an applicant or borrower's operation.

For docket reviews used in connection with the delegation of loan approval or loan servicing authority, an acceptable compliance score of at least 90 percent must be achieved based on the applicable NIR questions and the additional questions shown in the Oregon pages to the review sheets posted on the Oregon State FSA website at <http://www.fsa.usda.gov/or/oregonforms.htm>, or printed and distributed to Service Centers. For the purposes of reviews performed to meet the requirements of subparagraph 25 A of FSA Handbook 1-FLP, this means that if 5 independently prepared dockets are called for, 5 out of the last 6 dockets prepared and submitted for review must score 90 percent or more. Likewise, if 3 independently prepared dockets are called for, 3 out of the last 4 dockets prepared and submitted for review must score 90 percent.

Independently prepared dockets prepared for the purpose of demonstrating proficiency prior to receipt of loan approval authority must be submitted to the STO for review and approval by an FLS or the FLC. Likewise, any post review conducted for the purpose of demonstrating proficiency after revision, limitation, or revocation of loan approval or loan servicing authority must be conducted by an FLS or the FLC.

DDs shall schedule and conduct quarterly "peer review" meetings with FLMS, FLOs, FLOTs, and at the DD's discretion, CEDs and PTs with FLP responsibilities, for the purpose of performing FLP docket reviews (NIR "peer reviews") on files selected randomly in their Districts. DDs shall coordinate with the FLP section so that the FLC or an FLS can make arrangements to attend, and assist with random file selection.

"Peer reviews" must include dockets randomly selected from all the NIR review categories and the populations specified in paragraph 403 of FSA Handbook 1-FLP. Sufficient reviews must be conducted to meet the 100 percent sample or 30 case sample size for the State overall. DDs need to coordinate with the FLC so that guidance can be provided on docket size and selection by District for each review category. The FLP staff in the STO will conduct docket reviews for those review categories where STO approval is required. These STO reviews will be conducted in the course of processing such actions as debt settlements and guaranteed loss claims.

**141 General Appraisal Requirements**

**E Obtaining Appraisals**

Appraisals may be conducted by designated FSA employees, those with appropriate delegated authorities, or by a contract appraiser. The procedure to obtain an appraisal, chattel or real estate, and contractual requirements are further described by OR Exhibit 2.





## 142 Appraisal Reports

## A Chattel Appraisals

If Form RD 440-21 or any other agency recognized chattel appraisal form is not available to be completed by the Farm Business Plan software or any other agency recognized software, Form RD 440-21 OR will be used when completing a chattel appraisal.

In the absence of public sale data, use of the publications and on-line resources shown in the following table are hereby authorized to estimate market value.

Name	Internet Address	Access Information
Hot Line Farm Equipment Guide (Farm Machinery)	www.agdeal.com	Hardcopy Publication
Hot Line Farm & Antique Equipment Guide	www.agdeal.com	Hardcopy Publication
Iron Solutions Dealer Edition (Farm Machinery)	www.ironolutions.com	Hardcopy Publication
Capital Press Agriculture Weekly (Commodities and Equipment)	www.capitalpress/info	Weekly Newspaper
Online Farm Equipment Guide (Farm Machinery and Equipment)	www.farmshotline.com or www.agdeal.com	USDA Id and Password Required
Machinery Link Tools & Resources (Farm Machinery and Equipment)	www.ironsearch.com	Free Access
Kelly Blue Book (Vehicles)	www.kbb.com	Free Access
Scholtens Equipment (Equipment Dealer)	www.scholtensequipment.com	Free Access
Mels Tractor (Farm Machinery)	www.melstractor.com	Free Access
Baker Auction (Farm Machinery)	www.bakerauction.com	Free Access
Sparks Auction (Farm Machinery)	www.sparksauction.com	Free Access
Western Auction (Farm Machinery)	www.westernauctionco.com/auction.htm	Free Access
Superior Livestock (Video Auction)	www.superiorlivestock.com	Free Access
Western Livestock (Video Auction)	www.westernauctionco.com/auction.htm	Free Access
Producers Livestock (Weekly Live Auction)	www.producerslivestock.com	Free Access
Agri-Service (Equipment Dealer)	www.agri-service.com	Free Access
Hollingsworth (Equipment Dealer)	www.jdealer.deere.com/hollings/	Free Access
Agricultural Marketing Service (Commodity Prices)	www.ams.usda.gov/marketnews.htm	Free Access

**Note:** Other publications and sources may also be used with the prior concurrence of the State-Designated Appraiser/Reviewer.

**142 Appraisal Reports (Continued)**

**B Real Estate Appraisals**

The SED's authority to permit an exception allowing the use of a restricted appraisal report on a case-by-case basis under extraordinary circumstances is hereby redelegated to the State-Designated Appraiser/Reviewer.



## B Administrative Appraisal Reviews

Administrative appraisal reviews can only be conducted by FSA employees that have received delegated authority from the SED. Additionally, the completion of an administrative appraisal review of a real estate appraisal requires additional supplemental standards to be considered.

FSA employees must complete certain training requirements in order to receive delegated authority to completed administrative appraisal reviews. These requirements include:

- meeting the requirements of Uniform Standards of Professional Appraisal Practices (USPAP), Advisory Opinion (AO) 6
- successful completion of administrative appraisal review training approved by the State-Designated Appraiser/Reviewer or other designated person
- performing at least one (1) administrative appraisal review with oversight by an FSA employee with designated administrative appraisal review authority.

The immediate Supervisor of an FSA employee who has met the above training requirements may request a delegation of authority for the employee to complete administrative appraisal reviews by submitting a memorandum to the SED documenting:

- the training that has been completed
- the number of administrative appraisal reviews completed with oversight by an FSA employee with delegated administrative appraisal review authority, and depth of experience gained.

**Note:** The employee's DD must provide written concurrence.

Administrative appraisal reviews will be performed for both real estate and chattel appraisals completed by a FSA designated contract appraiser or a third party appraiser. The administrative appraisal review should be performed upon receipt of the appraisal.

**Note:** OR Exhibit 3 provides further guidance in completing real estate and chattel administrative appraisal reviews.

## 143 FSA Review of Appraisal Reports (Continued)

**C When Administrative Appraisal Reviews May Be Conducted**

In the case of contracted appraisals obtained for any direct loan purpose:

- OR Exhibit 3 provides further information regarding administrative appraisal reviews
- any real estate appraisal that is determined unacceptable for FSA use should have the discrepancy documented by use of FSA 1922-16, and FSA 1922-16 OR – Farms or FSA 1922-16 OR – Non-Farm. The State-Designated Appraiser/Reviewer should be notified of the discrepancy and the following will be submitted to the STO:
  - a memorandum requesting a technical appraisal review and identifying the discrepancies in the appraisal
  - a copy of FSA 1922-16 and FSA 1922-16 OR – Farms or FSA 1922-16 OR – Non-Farm as appropriate.

**Note:** Minor errors or typos that the reviewer determines should be corrected may be discussed with the contract appraiser. The reviewer may request change pages. However, the State-Designated Appraiser/Reviewer will be notified of the minor discrepancy by memorandum or email documenting the discrepancy. The State-Designated Appraiser/Reviewer will be provided copies of any change pages for each appraisal copy that was provided by the contracting appraiser.

In the case of chattel appraisals completed by FSA employees:

- the immediate supervisor with delegated authority to complete chattel appraisals and administrative appraisal reviews will review 20 percent of all chattel appraisals that are completed by subordinate employees during the fiscal year
- if the immediate supervisor of the employee does not have delegated authority to complete chattel appraisals and administrative appraisal reviews, the DD will designate an FSA employee with delegated authority to complete the review
- OR Exhibit 3 provides further information regarding administrative appraisal reviews.

In the case of real estate appraisals completed by FSA employees:

- each staff appraiser that is delegated authority to complete real estate appraisals when the total credit transaction is less than \$100,000 will have 20 percent of their real estate appraisals completed each fiscal year reviewed by the State-Designated Appraiser/Reviewer. Form FSA 1922-16 will be used to document the review.



**143 FSA Review of Appraisal Reports (Continued)**

**D Technical Appraisal Reviews Overview**

Technical appraisal reviews are completed only on real estate appraisals. The State-Designated Appraiser/Reviewer is the only FSA employee who can complete technical appraisal reviews.

When a contract appraiser completes a real estate appraisal there are certain contractual requirements that must be met prior to the contractor receiving payment. OR Exhibit 4 provides further guidance and procedure required to complete a technical review.

**143 FSA Review of Appraisal Reports (Continued)**

**E When Technical Appraisal Reviews May Be Conducted**

OR Exhibit 5 provides further guidance and procedure required when technical appraisal reviews may be conducted.





**144 Appeals of Decisions Based on Appraisals (Continued)****D Real Estate Independent Technical Appraisal Review**

An applicant or borrower may request an independent technical appraisal review as part of the appeal process as provided in FSA Handbook 1-APP. When a borrower or applicant requests an independent technical appraisal review of a real estate appraisal, the authorized agency official will:

- provide a list of State-certified general appraisers that have attended FSA appraisal training sessions and have established blanket purchase agreements with FSA

**Note:** OR Exhibit 16 contains a list of State-certified general appraisers that have attended FSA appraisal training sessions and have established blanket purchase agreements with the agency.

- inform the applicant or borrower that they may obtain an independent technical appraisal review from any State-certified general appraiser.

Upon receipt of an independent technical appraisal review from the applicant or borrower, the authorized agency official will forward the original technical appraisal review to the State-Designated Appraiser/Reviewer in the STO with:

- a cover memorandum which shows “Independent Technical Review – Appeal” in the subject line, and provides the name, case number, and the adverse decision that was based on the FSA appraisal
- a recommendation concerning the reasonableness of any opinion of value stated in the independent technical review provided by the appellant.

The State-Designated Appraiser/Reviewer will review the independent technical appraisal review to determine if the review meets USPAP Standard 3 requirements. The State-Designated Appraiser/Reviewer will respond within 30 days of receipt of the review. However, if the State-Designated Appraiser/Reviewer determines that a field review is necessary, additional time to provide a final decision may be necessary. The State-Designated Appraiser/Reviewer will notify the authorized agency official if additional time is necessary.

## 145 Appraiser Qualifications

### A Chattel Appraisals

FSA employees must have delegated authority from the SED to complete chattel appraisals. In order to receive delegated authority, the FSA employee must have:

- successfully completed chattel appraisal training approved by the State-Designated Appraiser/Reviewer or other authorized and designated person
- performed at a minimum, three (3) chattel appraisals with oversight by an FSA employee with delegated authority to complete chattel appraisals and administrative appraisal reviews.

**Note:** The 3 chattel appraisals should be completed on a variety of chattels.

The immediate supervisor of an FSA employee meeting the above training requirements may request a delegation of authority for the employee to complete chattel appraisals by submitting a memorandum to the SED documenting:

- the training that has been completed
- the number of chattel appraisals completed with oversight by an FSA employee with delegated chattel appraisal and administrative appraisal review authority, and depth of experience gained.

**Note:** The employee's DD must provide written concurrence.

### D FSA Limited Authority Real Estate Appraisers

The SED may delegate limited appraisal authority to FSA employees that have that meet certain training requirements. These individuals are individuals whose primary responsibility is the administration of FSA programs. The delegation will limit authority to performing real estate appraisals when the total credit transaction is less than \$100,000. The SED will consult the State-Designated Appraiser/Reviewer and the FLC for recommendation of individuals that may receive the delegation. Typically, the State-Designated Appraiser/Reviewer will provide training to individuals that are delegated limited appraisal authority. To receive such a delegation, FSA employees must:

- receive basic appraisal training on appraisal methods and procedures from the State-Designated Appraiser/Reviewer, or successfully complete other courses approved by the SED upon concurrence by the State-Designated Appraiser/Reviewer
- successfully complete an approved administrative appraisal review course.





## 162 Allocating PLCE Funds

### B State Office Allocation of PLCE's

The FLP PT in the STO will be the PLCE Liaison responsible for monitoring obligations and disbursements of PLCE-allocated monies by account. An FLS or the FLC may act as the PLCE Liaison if the FLP PT is unavailable.

Appraisal requests will be handled in accordance with OR Exhibit 2 of this State Amendment.

Non-contractual requests will be processed by contacting the PLCE Liaison in the STO, and providing the following information or documents by fax or mail:

- account code (A, L or R), the program authority code (PAC), payment amount and purpose
- AD 838-7, "Purchase Order"
- RD 838-B, "Invoice," and Invoice attachment
- AD-700, "Procurement Request."

**Note:** The signed form AD 700 will be returned to the Service Center for filing. The PLCE Liaison signature is evidence that program loan cost expense funds have been set-aside. The Service Center can proceed with the payment of cost item upon receipt of a signed AD 700.

Contractual requests will be processed by contacting the PLCE Liaison in the STO, and submitting a properly completed AD-700 clearly reflecting the Vendor Name, Address and Tax Id Number on the form.

- The PLCE Liaison will submit the AD-700 to the Contracting Officer (CO) in the STO for further processing. The CO will notify the Service Center when the contract is awarded, if appropriate
- When services are completed or the contract is completed in accordance with the Statement of Work (SOW) and verified by the Service Center, the Service Center will submit the RD 838-B or the original invoice from the vendor to the CO for payment.

**Note:** The designated CO's Representative or CO's Technical Representative must certify that the contractor has met the contractual requirements when the Service Center submits the invoice for payment.

**404 FLP Management Reviews****A Evaluation**

The OR Amendment pages of Exhibit 20 provide guidance for reviewing Service Center management activity, measuring program compliance, and completing review documents for the:

- direct loan portfolio using FSA-2112
- guaranteed loan portfolio using FSA-2113.

Until such time as the NIR Guide (Exhibit 20) is revised by the National Office to specifically address completion of the above review documents, reviewers may use the guidance provided in the OR Amendment pages of Exhibit 20 to respond “Yes,” “No,” or “N/A” to each management question on the applicable Service Center management review documents.

**B State Review Coordination**

Service Center management reviews shall be scheduled and completed:

- as part of Oregon’s ongoing State Evaluation Review (SER) process by the FLC and FLSs in Type 1 and Type 2 Service Centers
- concurrently with DD FLP Oversight Reviews by DDs for Type 1 and Type 2 Service Centers not subject to SERs during the current FY.

As Service Center management reviews are completed, review sheets need to be promptly forwarded to the FLP Section in the STO so that the data can be entered in the NIR software for analysis and reporting.

**C Review Schedule**

Service Center management reviews will be conducted:

- as part of an SER review conducted by the FLC and FLSs in at least one Type 1 or Type 2 Service Center in each District each FY
- concurrently with DD FLP Oversight Reviews by DDs so that, together with the Service Center management reviews conducted as part of SERs, at least one third of all Type 1 and Type 2 Service Centers in each District are reviewed each FY on a rotational basis.

## 405 FLP Civil Rights Reviews

### A Evaluation

The OR Amendment pages of Exhibit 20 provide guidance for:

- reviewing Service Center civil rights compliance activity using FSA-2114
- displaying comparative race and gender statistics from the 1997 Census of Agriculture using FSA-2115.

**Note:** The 2002 Census of Agriculture was released on June 4, 2004, but the race and ethnicity data is inconsistent with the format and numerical totaling reflected in the 01-20-04 revision of FSA-2115. The OR Amendment pages of Exhibit 20 will be updated with 2002 census data when FSA-2115 is revised.

Until such time as the NIR Guide (Exhibit 20) is revised by the National Office to specifically address completion of the above review documents, reviewers may use the guidance provided in the OR Amendment pages of Exhibit 20 to respond “Yes,” “No,” or “N/A” to each civil rights question and provide statistical data on the applicable Service Center civil rights review documents.

### B State Review Coordination

Service Center civil rights reviews shall be scheduled and completed:

- as part of Oregon’s ongoing State Evaluation Review (SER) process by the FLC and FLSs in Type 1 and Type 2 Service Centers
- concurrently with DD FLP Oversight Reviews by DDs for Type 1 and Type 2 Service Centers not subject to SERs during the current FY.

As Service Center civil rights reviews are completed, review sheets need to be promptly forwarded to the FLP Section in the STO so that the data can be entered in the NIR software for analysis and reporting.

### C Review Schedule

Service Center civil rights reviews will be conducted:

- as part of an SER review conducted by the FLC and FLSs in at least one Type 1 or Type 2 Service Center in each District each fiscal year
- concurrently with DD FLP Oversight Reviews by DDs so that, together with the Service Center civil rights reviews conducted as part of SERs, at least one third of all Type 1 and Type 2 Service Centers in each District are reviewed each FY on a rotational basis.

**441 DD FLP Oversight Reviews (Continued)****D Oversight Reviews**

In addition to other duties stated, DDs are also hereby designated as Review Officials responsible for:

- monitoring direct and guaranteed loan application processing timeframes in their Districts by using the direct loan Applications Reports – All Farm Loans Direct report available on the MAC reports menu, and guaranteed loan Average processing Times Report available on the GLS menu
- monitoring adherence to timeframes established in Section 1910.4 (e) of FmHA Instruction 1910-A and Subparagraph 95 B of FSA Handbook 2-FLP for notifying all applicants of any additional information required for a complete loan or loan guarantee application
- reviewing the reasons and explanations entered in the MAC and GLS systems concerning why decisions have not been made in a timely manner (within 45 calendar days) on complete loan applications
- reviewing at least 50 percent of the rejected or withdrawn SDA loan applications for each quarter in each Service Center of their jurisdiction using Form FSA-2192 OR
- reviewing all rejected and withdrawn SDA loan applications in the approval official's coverage area using Form FSA-2192 OR if any improper rejections or withdrawals are found
- notifying the SED and FLC of any problems detected
- with the advice of the FLC, taking action on mishandled or improperly rejected and withdrawn loan applications to correct any errors
- recommending appropriate personnel actions to the SED and FLC, such as additional training or revocation of loan approval authority, for the approval officials responsible for rejections and withdrawals that appear to reflect a pattern or practice of disparate treatment, inequitable treatment, or discrimination against SDA applicants.

**E Forms Availability**

Form FSA-2192 OR is available on the Oregon State FSA website. Access the site from the internet at <http://www.fsa.usda.gov/or/oregonforms.htm>.

## 442 Reporting Requirements

### A Preparing Reports

In addition to other duties stated, DDs shall:

- use FSA-2192 OR as a guide for the items to be reviewed for each rejected or withdrawn SDA application file, and document specific findings on it
- indicate the date of review on FSA-2192 OR.

### B Submitting Reports

DDs should complete FLP Oversight Reviews of all review items in all Type 1 and Type 2 Service Centers at least every other month. If reviews consistently reflect no significant deficiencies, the frequency of the review may be reduced to quarterly with FLC concurrence.

Unless serious deficiencies are noted, completed Forms FSA-2101 and FSA-2102 should be submitted to the FLP Section in the STO within 15 days of the end of each quarter of the FY. Copies need to be provided to each Service Center reviewed.

Submission of completed Forms FSA-2101 and FSA-2102 should be accompanied by a transmittal memorandum summarizing the findings of the oversight reviews for the quarter, providing details concerning any significant deficiencies or apparent problems noted, and recommending appropriate corrective actions for consideration.

In addition to other duties stated, DDs shall submit the following to the attention of the FLP Section in the STO immediately upon identification of any disparate treatment, or in any event, within 15 days of the end of each quarter:

- completed FSA-2192 OR for each rejected or withdrawn SDA application reviewed
  - Note:** The DD should comment on each item by number in an attachment, and include the specific findings and documentation of each case file reviewed.
- description of any problems detected
- proposed action to be taken to correct errors on any mishandled rejected or withdrawn loan applications
- recommended personnel actions for the FSA employees responsible for any rejections or withdrawals which appear to reflect a pattern or practice of disparate treatment, inequitable treatment, or discrimination against SDA applicants
- reasons why any decisions on complete loan applications have not be made in a timely manner, and actions to be taken to correct the untimeliness.



**Reports, Forms, Abbreviations, and Delegations of Authority**

**Reports** This table lists the required report of this handbook.

<b>Reports Control Number</b>	<b>Title</b>	<b>Reporting Period</b>	<b>Submission Date</b>	<b>Negative Reports</b>	<b>Reference</b>
FLP OR 1 (with FSA-2192 OR)	Inequitable Treatment in Processing Loan Applications Report	Quarterly	Within 15 days of the end of each quarter of each FY	Required	441, 442



**Reports, Forms, Abbreviations, and Delegations of Authority (Continued)**

**Forms (Continued)**

Number	Title	Display Reference	Reference
FSA 1922-16 OR-Farm (08-18-03)	Oregon Supplemental Appraisal Review – Farm Real Estate		143
FSA 1922-16 OR-Non-Farm (08-18-03)	Oregon Supplemental Appraisal Review – Non-Farm Real Estate		143
FSA 1922-16 OR-Chattel (08-18-03)	Oregon Administrative Chattel Appraisal Review		143

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2103 OR (01-20-04)	Direct Loan Making File Review Questionnaire – (Page 1a)		401, Ex. 20
FSA-2104 OR (01-20-04)	Guaranteed Loan Making File Review Questionnaire – (Page 1a)		401, Ex. 20
FSA-2105 OR (01-20-04)	Routine Direct Loan Servicing of Current Borrower File Review Questionnaire – (Page 2)		401, Ex. 20
FSA-2106 OR (01-20-04)	Guaranteed Loan Servicing File Review Questionnaire – (Page 2)		401, Ex. 20
FSA-2112	Service Center FLP Management Review Questionnaire Direct Loans		401, 404, Ex 20
FSA-2113	Service Center FLP Management Review Questionnaire Guaranteed Loans		401, 404, Ex 20
FSA-2114	Service Center FLP Civil Rights File Review Questionnaire		401, 405, Ex 20
FSA-2115	Service Center FLP Civil Rights File Review Worksheet		401, 405, Ex 20
FSA-2117 OR (05-24-01)	Financial Data Input Form For Guaranteed Loans – (Pages 2-4)		401, 403, Ex. 20

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2119 OR (01-20-04)	Delinquent Borrower Servicing (1951-S) File Review Questionnaire – (Page 1a)		401, Ex. 20
FSA-2122 OR (01-20-04)	Seriously Delinquent Borrower Servicing (1951-S) File Review Questionnaire – (Page 2)		401, Ex. 20
FSA-2192 OR (06-07-04)	Rejected and Withdrawn SDA Application Review Guide		441, 442
RD 440-21 OR (08-18-03)	Oregon Appraisal Of Chattel Property		142



**FLP National Internal Review Guide**

**A Contents of This Exhibit**

Use the following table for completing the following forms.

<b>IF completing . . .</b>	<b>THEN go to . . .</b>	<b>ON . . .</b>
FSA-2112	subparagraph L	page 57
FSA-2113	subparagraph M	page 63
FSA-2114	subparagraph N	page 68
FSA-2115	subparagraph O	page 76

**FLP National Internal Review Guide (Continued)**

**L Completing FSA-2112, Part B**

Follow this table to complete FSA-2112, Part B for reviewing **Service Center FLP management of direct loans.**

<b>Question</b>	<b>Instructions</b>
<b>1</b>	<p><b><u>In using RC736, were borrowers not considered for graduation properly excluded?</u></b></p> <p>The Finance Office issues a loan classification report (Report Code 736 ) to each Servicing Office by January of each year, identifying the classification codes of direct borrowers. The graduation review period starts with the issuance of this report. It should be completed by July 1.</p> <p>If there is an obvious reason that a borrower listed on the classification report will not be able to graduate, Section 1951.262 (d) of RD Instruction 1951-F requires the reason to be documented in the borrower's case file and in the margin of the classification report. Section 1951.262 (d) also requires that the "marked up" copy of the classification report be retained as part of the Servicing Office's FLP 4-2 Operational File for graduations.</p> <p>If the Service Center's FLP 4-2 Operational File contains a copy of the current year's classification report with entries in the margin reflecting its use to conduct and record the initial screening of borrowers, the reviewer will answer <b><u>YES</u></b>. If the FLP 4-2 Operational File contains a copy of the current year's classification report without entries in the margin, the reviewer will pull the case files of several borrowers that obviously can not graduate, search their running records, and answer <b><u>YES</u></b> if entries are there recording the results of the initial screening. If the current year's classification report is not in the Operational File, or it is not completed showing the results of the initial review and there are no entries in the case files of borrowers that obviously can not graduate, the reviewer will answer <b><u>NO</u></b>.</p>

FLP National Internal Review Guide (Continued)

L Completing FSA-2112, Part B (Continued)

Question	Instructions
2	<p><b><u>Did borrowers requested to graduate obtain other financing or provide adequate documentation that financing could no be obtained?</u></b></p> <p>Section 1951.262 (e) of RD Instruction 1951-F says that borrowers who are classified "commercial" or "standard" are considered graduation candidates after screening out the borrowers that obviously can not graduate. This Section and Section 1924.55 (d) of FmHA Instruction 1924-B also require borrowers to provide certain financial information to FSA every two years to enable the Agency to reclassify their loans and determine their ability to graduate.</p> <p>Through the initial screening process, some "commercial" or "standard" borrowers will be screened out of the graduation process. Section 1951.262 (f) requires the distribution of a prospectus to local lenders for each of the remaining borrowers for possible refinancing when the borrower's financial condition and projected repayment capacity suggest that commercial credit may be available, with or without a guarantee. If a lender expresses an interest in refinancing the borrower's FLP debt, FmHA Guide Letter 1951-F-3 is sent to the borrower requesting the borrower to contact the lender and refinance within 30 days.</p> <p>If a borrower fails to cooperate by providing financial information for classification and graduation purposes when requested, the borrower is to be notified of the Agency's intent to accelerate the account and to foreclose in accordance with Section 1951.264 (b) of RD Instruction 1951-F. If the borrower does not cooperate with the graduation requirements by providing the requested financial information, contacting lenders for refinancing purposes, or refinancing, the case file is prepared for legal action within 30 days.</p> <p>If no lender expresses an interest in refinancing the borrower from the prospectus information provided by FSA, or from an actual and reasonable loan application submitted by the borrower, the graduation review for the borrower will be concluded for that year. Section 1951.262 (f)(4) of RD Instruction 1951-F, however, states that the lender's reasons for declining to refinance the borrower's FSA indebtedness will be noted in the margin of the classification report, and the "marked up" report will be maintained in the Service Center's FLP 4-2 Operational File. Section 1951.262 (f)(4) also requires that documentation be placed in the borrower's case file.</p> <p>The reviewer will pull the Service Center's FLP 4-2 Operational File and pull the case files for a sample borrowers requested to refinance, noting the names of the borrowers in the sample on the Review Sheet. If the FLP 4-2 Operational File contains the classification report, <i>and</i> (a) the requested borrowers either refinanced <i>OR</i> (b) the classification report shows reasonable and realistic reasons in the margin why borrowers could not refinance when requested and that conclusion is supported by written evidence in the sampled borrowers' case files, then the reviewer should answer <b><u>YES</u></b>. Otherwise, the reviewer should answer <b><u>NO</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**L Completing FSA-2112, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>3</b>	<p><b><u>Were limited resource reviews completed for each limited resource borrower during the annual analysis process?</u></b></p> <p>Section 1951.25 (a) of FmHA Instruction 1951-A requires that limited resource loans be reviewed each year at the time a year end analysis (YEA) is conducted in accordance with FmHA Instruction 1924-B, and any time a primary loan servicing action is taken. Section 1924.55 (d) of FmHA Instruction 1924-B requires a YEA for all borrowers who are receiving limited resource interest rates, and requires the YEA to be performed to coincide with the borrower's farm budget planning period. Essentially then, a limited resource review is required any time a Farm and Home Plan is required of a limited resource borrower.</p> <p>If the borrower's Farm and Home Plan projections for the coming year show that the "balance available to pay debts" exceeds the amount needed to pay debts by 10 percent or more, then Section 1951.25 (b)(3) of FmHA Instruction 1951-A requires that the borrower's interest rate be increased in increments of whole numbers to the current regular interest rate.</p> <p>Section 1924.55 (d) requires the reasons for performing a YEA (i.e. limited resource review), be documented in the borrower's case file. Section 1924.56 (b) also requires the basis for the Farm and Home Plan and any resulting decisions (i.e. the decision to continue or discontinue limited resource interest rates) to be documented in the borrower's case file. Once the limited resource review is completed and documented to the borrower's case file, the ADPS manual requires the processing of an ADPS transaction. Transaction Code 8M is processed to reflect date of the limited resource review when there is no interest rate change, or a Transaction Code 8R is processed to reflect the interest rate change and the date of the review.</p> <p>The reviewer should obtain the most recent Finance Office generated Limited Resource Loan Review Report (Report Code 660) and a MAC Workload Scheduling Report for WLS Code 4000 from the Service Center. The reviewer should pull a random sample of the borrowers listed in the reports as having completed limited resource reviews, those as having past due limited resource reviews, and those accounts where discrepancies exist between Report Code 660 and the MAC WLS report for WLS Code 4000. The names of these borrowers should be included on the Review Sheet. If the reviews are being completed in a reasonably timely manner, the decision resulting from the review is well documented and well founded, and the required ADPS Transaction Code 8M or 8R has been processed, the reviewer will answer <b><u>YES</u></b>. If the accounts of limited resource borrowers are not being reviewed annually for continued need of limited resource interest rates, limited resource interest rates are being continued for unauthorized reasons, the reviews are not being processed in ADPS, or MAC WLS Codes 4000 are not being updated, the reviewer will answer <b><u>NO</u></b>. If there are no loans with limited resource interest rates, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**L Completing FSA-2112, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>4</b>	<p><b><u>Are ADPS transactions processed in accordance with the time frames established in 1-FLP, paragraph 52G?</u></b></p> <p>ADPS transactions must be processed within 10 calendar days of the effective date. If a discrepancy occurs, Paragraph 52 G of FSA Handbook 2-FLP requires correction within 5 calendar days of the initial rejection date. An additional 15 calendar days are allowed for correcting discrepancies with a suspend code on the borrower's account.</p> <p>An exception is allowed for Transaction Code 8M. Limited resource reviews performed during the month must be processed by the 5<sup>th</sup> calendar day of the following month to be considered timely.</p> <p>The reviewer should obtain a copy of the Finance Office generated Report Form 389-535A reflecting ADPS discrepancies. The reviewer should also make a random selection of borrowers that have had check requests, classifications, limited resource reviews, and primary loan servicing actions processed in the previous 12 months to verify ADPS processing and discrepancy processing timeframes. The names of selected borrowers should be made part of the Review Sheet, and the reviewer should review the ADPS transaction records (screen printouts) maintained in position 2 of the files. If the ADPS discrepancies shown on Form 389-535A are not excessive, and the ADPS processing timeframes in the borrower case files are generally within the time frames listed above, the reviewer will answer <b><u>YES</u></b>. If they are not, the reviewer will answer <b><u>NO</u></b>.</p>
<b>5</b>	<p><b><u>Are borrowers, for whom a subordination was approved, monitored to ensure that the loan for which the subordination was granted is repaid?</u></b></p> <p>Sections 1962.30 (a) and (b) of FmHA Instruction 1962-A and Section 1965.12 (a) of FmHA Instruction 1965-A permit Agency liens to be subordinated to permit another creditor to refinance a debt or lend for an authorized direct loan purpose, but only if the borrower can document the ability to repay the total amount due under the subordination, and pay all other debt payments scheduled for the operating cycle.</p> <p>Farm Assessments must be complete and in place for all direct FLP borrowers according to Section 1924.55 of FmHA Instruction 1924-B. Section 1955.55 (e) also requires at an annual review to monitor progress, and requires documentation in the case file concerning any difficulties the borrower is facing in meeting goals and agreements. In addition, Section 1924.55 (d) of FmHA Instruction 1924-B requires a YEA for all borrowers the first year after a chattel subordination is received, and requires the YEA to be performed to coincide with the borrower's farm budget planning period.</p> <p>The reviewer should identify from the MAC Application Processing reports all borrowers for which subordinations have been approved. In addition, the reviewer should obtain MAC Workload Scheduling Reports for WLS Codes 4055 and 4030 from the Service Center. The reviewer should make a random selection of borrowers that have outstanding subordinations from these reports, and document the names of the selected cases to the Review Sheet. The reviewer should compare the documentation in the case files with the information in the MAC WLS reports for WLS Codes 4055 and 4030. If documentation in the case files reflect that borrowers are being monitored to assure that subordinations are being repaid, the reviewer will answer <b><u>YES</u></b>. If the case files do not reflect at least an annual contact for monitoring purposes, or MAC WLS Codes 4055 and 4030 are not being updated, the reviewer will answer <b><u>NO</u></b>. If there are no direct loan borrowers with subordinations, the reviewer will answer <b><u>NA</u></b>.</p>

FLP National Internal Review Guide (Continued)

**L Completing FSA-2112, Part B (Continued)**

Question	Instructions
6	<p><b><u>Is FSA-460-2 marked paid in full and returned to FSA upon satisfaction of the lender's debt?</u></b></p> <p>Section 1962.30 (b) of FmHA Instruction 1962-A and Section 1965.12 (a) of FmHA Instruction 1965-A permit only one subordination to be outstanding to one lender at any one time in connection with the same security. The text referenced by the asterisk (*) behind the subordination limitation blank on Form FSA 460-2, "Subordination by the Government," requires the lender to mark the subordination Paid In Full and return it to the servicing office when the lender's indebtedness secured by the property described in the subordinated lien has been satisfied.</p> <p>The reviewer should identify from the MAC Application Processing reports all borrowers for which subordinations have been approved in the previous 24 months. In addition, the reviewer should obtain MAC Workload Scheduling Reports for WLS Codes 4055 and 4030 from the Service Center. The reviewer should make a random selection of borrowers that received and have since paid their subordinations, and document the names of the selected cases to the Review Sheet. The reviewer should search and review Positions 1 and 5 for the original Form FSA 460-2 marked "Paid in Full." If the original Forms FSA 460-2 are found in the borrower's case file marked "Paid in Full" by the lender, the reviewer will answer <b>YES</b>. If the case files of borrowers who have paid their subordinations do not contain the original Forms FSA 460-2 marked "Paid in Full," the reviewer will answer <b>NO</b>. If there are no direct loan borrowers that have paid their subordinations in full in the previous 24 months, the reviewer will answer <b>NA</b>.</p>
7	<p><b><u>Is the FLM completing a review of courthouse records 6 months prior to the expiration of Shared Appreciation Agreements to determine if the borrower has sold any real estate? [See Section 1951.914 (a)(2) of FmHA Instruction 1951-S]</u></b></p> <p>Section 1951.914 (a)(2) of FmHA Instruction 1951-S states that six months prior to the maturity of the shared appreciation agreement, the court house records will be reviewed to assure that the borrower has not sold the real estate property covered by the Shared Appreciation Agreement (SAA), or transferred title to the property without FSA's knowledge. It also requires that the results of the review be recorded in the borrower's case file.</p> <p>The reviewer should obtain the most recent Finance Office generated Shared Appreciation Agreement Report (Report Code 655-G), the most recent Report Code 540, and a MAC Workload Scheduling Report for WLS Code 4052 from the Service Center. The reviewer should pull a random sample of the borrowers listed Report Code 540 as having 3R Transactions processed 9½ or more years, ( or 4½ or more years, as appropriate) prior to the review, which resulted in their SAAs maturing during 24 months prior to the review. The names of these borrowers should be included on the Review Sheet. The reviewer should compare the documentation in the case files with the information in the MAC WLS report for WLS Code 4052.</p> <p>If the 6-month SAA reviews are being completed and documented as part of the SAA servicing process, and the required MAC WLS Code entries have been made, the reviewer will answer <b>YES</b>. If the completion of the 6-month reviews are not documented to the case files or the reviews are not being updated in the MAC WLS Codes, the reviewer will answer <b>NO</b>. If there are no borrowers with SAAs that have matured in the previous 24 months, the reviewer will answer <b>NA</b>.</p>

**FLP National Internal Review Guide (Continued)**

**L Completing FSA-2112, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>8</b>	<p><b><u>Has the FLM established a 24-month follow-up system to review the County real estate records to determine if the borrower has sold or conveyed the real estate property covered in the Net Recovery Buyout Agreements? If so, are the reviews being conducted and documented in the file? [See Section 1951.913 (c) of FmHA Instruction 1951-S]</u></b></p> <p>Section 1951.913 (c) of FmHA Instruction 1951-S requires that court house records be reviewed every 24 months starting from the date of the borrower's Net Recovery Buyout (NRB) Recapture Agreement to determine if the borrower has sold or conveyed the real estate property covered by the NRB Agreement. It also requires that the results of the review be recorded in the borrower's case file.</p> <p>The reviewer should obtain the most recent Finance Office generated NRB Agreement Report (Report Code 655-A) and a MAC Workload Scheduling Report for WLS Code 4052 from the Service Center. The reviewer should pull a random sample of the borrowers listed Report Code 655-A as outstanding NRB Agreements. The names of these borrowers should be included on the Review Sheet. The reviewer should compare the documentation in the case files with the information in the MAC WLS report for WLS Code 4050.</p> <p>If the 24-month NRB reviews are being completed and documented as part of the NRB servicing process, and the required MAC WLS Code entries have been made, the reviewer will answer <b><u>YES</u></b>. If the completion of the 24-month reviews are not documented to the case files or the reviews are not being updated in the MAC WLS Codes, the reviewer will answer <b><u>NO</u></b>. If there are no borrowers with unmatured NRB Agreements, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**M Completing FSA-2113, Part B**

Follow this table to complete FSA-2113, Part B for reviewing **Service Center FLP management of guaranteed loans**.

Question	Instructions
1	<p><b><u>Has the FLM reviewed at least 20 percent of CLP outstanding guaranteed loans over the course of a year according to priorities established in 2-FLP, paragraph 267B?</u></b></p> <p>FSA must annually review 20 percent of each Certified Lender Program (CLP) lender's outstanding guaranteed loans, according to Subparagraphs 267 B and E of FSA Handbook 2-FLP. Loans are to be selected for review according to the priorities listed in the Handbook, and Form FSA 1980-3, "Annual File Review Checklist for SEL and CLP Lenders," is to be used to complete and document the lender file reviews. Letters or reports from lender visits and loan file reviews are to be filed according to Exhibit 40.5 of FSA Handbook 25-AS, with copies forwarded to the District Director. If the review reveals frequent deficiencies, a report should be forwarded to the State Executive Director.</p> <p>The reviewer should obtain the most recent copy of the Status of Active Guaranteed Loans report (Report Code 4105) showing all of the guaranteed loan borrowers and their lenders in the Service Center area. The reviewer should also obtain a MAC Workload Scheduling Report for WLS Code 3003 from the Service Center showing all CLP guaranteed loans scheduled for an annual review. The reviewer should compare the two lists to assure that 20 percent of each CLP lender's files have been reviewed, and pull a random sample of the borrowers shown on listed MAC Workload Scheduling Report for WLS Code 3003 as having annual reviews completed to verify completion and documentation on Form FSA 1980-3. The names of these borrowers should be included on the Review Sheet.</p> <p>If the annual reviews are being completed and documented on Form FSA 1980-3 for 20 percent of each CLP lender's outstanding guaranteed loans in the Service Center, and the required MAC WLS Code 3003 entries have been made, the reviewer will answer <b><u>YES</u></b>. If the completion of the annual reviews are not documented to the case files of 20 percent of each CLP lender's case files, or the reviews are not being updated in the MAC WLS Codes, the reviewer will answer <b><u>NO</u></b>. If there are no CLP lenders with outstanding guaranteed loans in the Service Center area, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**M Completing FSA-2113, Part B (Continued)**

Question	Instructions
2	<p><b><u>Has the FLM reviewed at least 40 percent of SEL outstanding guaranteed loans over the course of a year according to priorities established in 2-FLP, paragraph 267B?</u></b></p> <p>FSA must annually review 40 percent of each Standard Eligible Lender's (SEL's) outstanding guaranteed loans, according to Subparagraphs 267 B and E of FSA Handbook 2-FLP. Loans are to be selected for review according to the priorities listed in the Handbook, and Form FSA 1980-3, "Annual File Review Checklist for SEL and CLP Lenders," is to be used to complete and document the lender file reviews. Letters or reports from lender visits and loan file reviews are to be filed according to Exhibit 40.5 of FSA Handbook 25-AS, with copies forwarded to the District Director. If the review reveals frequent deficiencies, a report should be forwarded to the State Executive Director.</p> <p>The reviewer should obtain the most recent copy of the Status of Active Guaranteed Loans report (Report Code 4105) showing all of the guaranteed loan borrowers and their lenders in the Service Center area. The reviewer should also obtain a MAC Workload Scheduling Report for WLS Code 3004 from the Service Center showing all SEL guaranteed loans scheduled for an annual review. The reviewer should compare the two lists to assure that 40 percent of each SEL lender's files have been reviewed, and pull a random sample of the borrowers shown on listed MAC Workload Scheduling Report for WLS Code 3004 as having annual reviews completed to verify completion and documentation on Form FSA 1980-3. The names of these borrowers should be included on the Review Sheet.</p> <p>If the annual reviews are being completed and documented on Form FSA 1980-3 for 40 percent of each SEL lender's outstanding guaranteed loans in the Service Center, and the required MAC WLS Code 3004 entries have been made, the reviewer will answer <b><u>YES</u></b>. If the completion of the annual reviews are not documented to the case files of 40 percent of each SEL lender's case files, or the reviews are not being updated in the MAC WLS Codes, the reviewer will answer <b><u>NO</u></b>. If there are no SEL lenders with outstanding guaranteed loans in the Service Center area, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**M Completing FSA-2113, Part B (Continued)**

Question	Instructions
3	<p><b><u>For PLP lenders whose review is the responsibility of the local FSA Service Center, has the FLM or other Agency personnel reviewed the appropriate number of outstanding guaranteed loans over the course of a year according to priorities established in 2-FLP, paragraph 267B?</u></b></p> <p>FSA must annually review 20 percent of each Preferred Lender Program (PLP) lender's outstanding guaranteed loans, according to Subparagraphs 267 B and E of FSA Handbook 2-FLP, unless no major deficiencies have been found during the first 3 years of reviews. In this event, the SED may reduce PLP lender file reviews to biennially, and the number of files reviewed may be reduced to a minimum of 5 files or 10 percent of the lender's loans, whichever is greater. Where PLP lenders are operating in two or more States, Subparagraph 267 C of FSA Handbook 2-FLP indicates that the SED may elect to conduct PLP lender reviews on a multi-state review basis. If this election has not been made, however, PLP lender reviews will be conducted locally where the PLP lender's files are maintained or can be made available conveniently for review.</p> <p>Loans are to be selected for review according to the priorities listed in the Handbook, and Form FSA 1980-4, "Annual File Review Checklist for PLP Lenders," is to be used to complete and document the lender file reviews. Letters or reports from lender visits and loan file reviews are to be filed according to Exhibit 40.5 of FSA Handbook 25-AS, with copies forwarded to the District Director. If the review reveals frequent deficiencies, a report should be forwarded to the State Executive Director.</p> <p>The reviewer should obtain the most recent copy of the Status of Active Guaranteed Loans report (Report Code 4105) showing all of the guaranteed loan borrowers and their lenders in the Service Center area. The reviewer should also obtain a MAC Workload Scheduling Report for WLS Code 3002 from the Service Center showing all PLP guaranteed loans scheduled for an annual review. The reviewer should then pull the County Office FLP 2-3 Operational file of each PLP lender, and determine whether the SED authorized either biennial reviews at the 10 percent level, or a multi-State review. If a multi-State review has not been authorized, the reviewer should compare the two lists on Report Codes 4105 and 3002 to assure that 20 percent (or 10 percent if authorized) of each PLP lender's files have been reviewed, and pull a random sample of the borrowers shown on listed MAC Workload Scheduling Report for WLS Code 3002 as having annual reviews completed to verify completion and documentation on Form FSA 1980-3. The names of these borrowers should be included on the Review Sheet.</p> <p>If the annual reviews are being completed and documented on Form FSA 1980-3 for 20 percent (or 10 percent if authorized) of each PLP lender's outstanding guaranteed loans in the Service Center, and the required MAC WLS Code 3002 entries have been made, the reviewer will answer <b><u>YES</u></b>. If the completion of the annual reviews are not documented to the case files of 20 percent (or 10 percent if authorized) of each PLP lender's case files, or the reviews are not being updated in the MAC WLS Codes, the reviewer will answer <b><u>NO</u></b>. If there are no PLP lenders with outstanding guaranteed loans in the Service Center area, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**M Completing FSA-2113, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>4</b>	<p><b><u>If a loss was incurred on a guaranteed loan, has the file been properly labeled for retention?</u></b></p> <p>Paragraphs 86 E and F of FSA Handbook 25-AS require the Agency to retain the entire case file of any borrower involved in a case resulting in a financial loss to the Government. Paragraph 86 G (and alternatively Paragraph 89 A) further requires that the borrower's case files be labeled with "LOSS TO THE GOVERNMENT - Date _____ and Disposition Date _____" with the appropriate date of loss and authorized disposition date entered in the blank spaces. Closed case files of borrowers that resulted in a loss to the government are retained for 10 fiscal years after the end of the fiscal year in which the case was closed, as specified in Paragraph 90 A.</p> <p>The reviewer should obtain the most recent copy of the Guaranteed Loans Detail Loss Listing report (Report Code 4130) showing all of the guaranteed loan losses have been paid in the Service Center area. The reviewer should also obtain a MAC Workload Scheduling Report for WLS Code 4037 from the Service Center showing all guaranteed loans that a follow-up for future recovery was scheduled on. The reviewer should pull a random sample of the guaranteed borrowers shown on the reports that had losses paid within the previous 10 years, and verify the proper and accurate labeling of the files for the proper retention period. The names of these borrowers should be included on the Review Sheet.</p> <p>If the files are properly labeled and the retention period is accurately calculated, the reviewer will answer <b><u>YES</u></b>. If the files have been destroyed, are not available, do not have the proper label, or the retention time has been improperly calculated, the reviewer will answer <b><u>NO</u></b>. If there are no guaranteed loan losses that have been paid in the last 10 years in the Service Center area, the reviewer will answer <b><u>NA</u></b>.</p>
<b>5</b>	<p><b><u>Does the FLM notify lenders of changes in guaranteed loan procedures that may affect the lender?</u></b></p> <p>CEDs, FLOs, and FLMs serve as the primary contact points and decision makers for the guaranteed loan program, and Paragraph 20 A of FSA Handbook 2-FLP holds them responsible for providing training and education to lenders and prospective lenders. In order to assist lenders in staying abreast of the program, CEDs, FLOs, and FLMs must notify their guaranteed lenders of changes in the guaranteed loan program. Evidence of keeping lenders in the Service Center area informed about changes in the guaranteed loan program should be documented in the Service Center's FLP 2 Guaranteed Loan Program, FLP 2-1 Agriculture Lender Contacts, or FLP 2-3 Individual Guaranteed Lender Files Operational Files.</p> <p>The reviewer will pull the Service Center's FLP 2, FLP 2-1, and FLP 2-3 Operational Files and search for evidence of Agency contact with guaranteed lenders for the purpose of providing training, providing information, or keeping them informed of changes that have occurred in the guaranteed loan program. If the Operational Files contain such evidence or documentation, then the reviewer should answer <b><u>YES</u></b>. If the Operational Files do not contain such evidence or documentation, then the reviewer should answer <b><u>NO</u></b>. If there are no lenders participating in the guaranteed loan program in the Service Center area, the reviewer should answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**M Completing FSA-2113, Part B (Continued)**

Question	Instructions
6	<p><b><u>Are DDs sending copies of the quarterly and year-end FLP Oversight Review Reports along with the summary of findings to the appropriate service centers?</u></b></p> <p>For all Type 1 and Type 2 Service Centers, District Directors (DDs) are to complete FLP Oversight Reviews using Form FSA 2101 following the guidance of Subparagraph 442 C of FSA Handbook 1-FLP, and conduct the reviews according to Form FSA 2102. The DD Oversight Review Manual is Exhibit 25 of FSA Handbook 1-FLP, and it provides instructions and guidance for performing the review and completing Form FSA 2101. DDs are to document their specific findings for each case or operational file reviewed using Form FSA 2101 as a guide, and indicate the date of the review on Form FSA 2102.</p> <p>As a minimum, Subparagraph 442 B of FSA Handbook 1-FLP indicates that DDs should:</p> <ul style="list-style-type: none"> <li>• submit copies of their Form FSA 2102 and summary of findings from reviews completed during the quarter to the SED on a quarterly basis, within 15 calendar days of the end of each quarter</li> <li>• submit a signed original Form FSA 2102 and summary of findings from reviews completed during the Fiscal Year to the SED, within 15 calendar days of the end of the last quarter of the Fiscal Year</li> <li>• send a copy of the quarterly and year end reports, along with a summary of findings, to the Farm Loan Chief and the appropriate Service Centers.</li> </ul> <p>Copies of the District Director’s quarterly Forms FSA 2102, supporting Forms FSA 2101 and summary of findings should be documented and filed in the Service Center's FLP 1-5 District Director Oversight Reviews Operational File established for each Fiscal Year.</p> <p>The reviewer will pull the Service Center's FLP 1-5 District Director Oversight Reviews Operational Files for the current and immediate past Fiscal Year, and search for copies of the DDs the quarterly and year end reports on Forms FSA 2102 and 2101, along with a summary of findings. If the Operational Files contain such evidence or documentation, then the reviewer should answer <b><u>YES</u></b>. If the Operational Files do not contain such evidence or documentation, then the reviewer should answer <b><u>NO</u></b>. If the Service Center being reviewed is a Type 3 Service Center, the reviewer should answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**N Completing FSA-2114, Part B**

Follow this table to complete FSA-2114, Part B for reviewing **Service Center FLP Civil Rights**.

Question	Instructions
1	<p><b><u>For the total loan making applications received during the 12 calendar months preceding the date of this review, are loan making applications being processed for minorities in an equal manner as compared to non-minorities?</u></b></p> <p>The reviewer should obtain a MAC Detailed Application Report from the Service Center showing all direct and guaranteed applications received in the past 12 months. The reviewer should also obtain a GLS Guaranteed Farm Loan Application Detail report from the Service Center showing all guaranteed applications received in the past 12 months. These reports should be used to view the application information and processing time frames of applications received from minorities in comparison to applications received from non-minorities. Both the number of days "received to complete" and the number of days "complete to final disposition" should be reviewed.</p> <p>If the MAC and GLS data reflect that the comparative application processing time frames for applications from minorities is roughly equal to or less than applications from non-minorities, the reviewer will answer <b><u>YES</u></b>. If the data reflect that the comparative application processing time frames for applications from minorities is greater than applications from non-minorities, the reviewer will answer <b><u>NO</u></b>. If there were no applications from minorities, the reviewer will answer <b><u>NA</u></b>.</p>
2	<p><b><u>For the total loan making applications received during the 12 calendar months preceding the date of this review, are loan making applications being processed for females in an equal manner as compared to males or family units?</u></b></p> <p>The reviewer should obtain a MAC Detailed Application Report from the Service Center showing all direct and guaranteed applications received in the past 12 months. The reviewer should also obtain a GLS Guaranteed Farm Loan Application Detail report from the Service Center showing all guaranteed applications received in the past 12 months. These reports should be used to view the application information and processing time frames of applications received from females in comparison to applications received from males and family units. Both the number of days "received to complete" and the number of days "complete to final disposition" should be reviewed.</p> <p>If the MAC and GLS data reflect that the comparative application processing time frames for applications from females is roughly equal to or less than applications from males and family units, the reviewer will answer <b><u>YES</u></b>. If the data reflect that the comparative application processing time frames for applications from females is greater than applications from males and family units, the reviewer will answer <b><u>NO</u></b>. If there were no applications from females, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**N Completing FSA-2114, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>3</b>	<p><b><u>For the total loan servicing applications received during the 12 calendar months preceding the date of this review, are loan servicing applications being processed for minorities in an equal manner as compared to non-minorities?</u></b></p> <p>The reviewer should obtain a MAC Workload Scheduling Report for WLS Code 4100 from the Service Center showing all primary loan servicing applications received. The reviewer should also obtain a copy of the Service Center's most recent Report Code 540. From these reports, the reviewer should identify all servicing applications received during the previous 12 months. File reviews, MAC Borrower information screens, and MAC Servicing Compact Borrower History Reports should be used to determine the application information and processing time frames of applications received from minorities in comparison to applications received from non-minorities.</p> <p>If the data reflect that the comparative application processing time frames for applications from minorities is roughly equal to or less than applications from non-minorities, the reviewer will answer <b><u>YES</u></b>. If the data reflect that the comparative application processing time frames for applications from minorities is greater than applications from non-minorities, the reviewer will answer <b><u>NO</u></b>. If there were no applications from minorities, the reviewer will answer <b><u>NA</u></b>.</p>
<b>4</b>	<p><b><u>For the total loan servicing applications received during the 12 calendar months preceding the date of this review, are loan servicing applications being processed for females in an equal manner as compared to males or family units?</u></b></p> <p>The reviewer should obtain a MAC Workload Scheduling Report for WLS Code 4100 from the Service Center showing all primary loan servicing applications received. The reviewer should also obtain a copy of the Service Center's most recent Report Code 540. From these reports, the reviewer should identify all servicing applications received during the previous 12 months. File reviews, MAC Borrower information screens, and MAC Servicing Compact Borrower History Reports should be used to determine the application information and processing time frames of applications received from females in comparison to applications received from males and family units.</p> <p>If the data reflect that the comparative application processing time frames for applications from females is roughly equal to or less than applications from males and family units, the reviewer will answer <b><u>YES</u></b>. If the data reflect that the comparative application processing time frames for applications from females is greater than applications from males and family units, the reviewer will answer <b><u>NO</u></b>. If there were no applications from females, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP Management and Civil Rights Review Guide (Continued)**

**N Completing FSA-2114, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>5</b>	<p><b><u>Are loans being made to minorities in the same or in greater proportion than to non-minorities as evidenced by the population percentages from the census data?</u></b></p> <p>The reviewer should obtain a copy of the Service Center's most recent Report Code 540. The reviewer should also obtain the most recent copy of the Status of Active Guaranteed Loans report (Report Code 4105) showing all of the guaranteed loan borrowers in the Service Center area. From these reports, the reviewer should identify all the Service Center's entire loan and loan guarantee portfolio. File reviews, and MAC Borrower information screens should be used to determine the comparative number of minority borrowers and non-minority borrowers on a percentage basis in relation to the census data reflected in a completed Form FSA 2115 for the Service Center area.</p> <p>If the data reflects that the comparative number of minority borrowers in relation to non-minority borrowers is roughly equal to or greater on a percentage basis than is reflected in the Service Center's census data for the farm population, the reviewer will answer <b><u>YES</u></b>. If the data reflects that the comparative number of minority borrowers in relation to non-minority borrowers is less than is reflected in the Service Center's census data on a percentage basis, the reviewer will answer <b><u>NO</u></b>. If there are no minorities shown in the Service Center's census data shown in a completed Form FSA 2115 for the Service Center area, the reviewer will answer <b><u>NA</u></b>.</p>
<b>6</b>	<p><b><u>Are loans being made to females in the same or in greater proportion than to males or family units as evidenced by the population percentages from the census data?</u></b></p> <p>The reviewer should obtain a copy of the Service Center's most recent Report Code 540. The reviewer should also obtain the most recent copy of the Status of Active Guaranteed Loans report (Report Code 4105) showing all of the guaranteed loan borrowers in the Service Center area. From these reports, the reviewer should identify all the Service Center's entire loan and loan guarantee portfolio. File reviews, and MAC Borrower information screens should be used to determine the number of female borrowers in relation to male and family unit borrowers on a percentage basis, and compare it to the census data reflected in a completed Form FSA 2115 for the Service Center area.</p> <p>If the data reflects that the comparative number of female borrowers in relation to male and family unit borrowers is roughly equal to or greater on a percentage basis than is reflected in the Service Center's census data for the farm population, the reviewer will answer <b><u>YES</u></b>. If the data reflects that the comparative number of female borrowers in relation to male and family unit borrowers is less than is reflected in the Service Center's census data on a percentage basis, the reviewer will answer <b><u>NO</u></b>. If there are no females shown in the Service Center's census data shown in a completed Form FSA 2115 for the Service Center area, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**N Completing FSA-2114, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>7</b>	<p><b><u>Is the Equal Credit Opportunity Notice included in all rejection letters to applicants?</u></b></p> <p>The reviewer should obtain a MAC Detailed Application Report from the Service Center showing all direct applications received in the past 12 months. From this report, the reviewer should identify all applications with an eligibility determination of "R" or a final disposition code of "R". The reviewer should make a random selection of applications with these rejection codes, and document the names of the selected cases to the Review Sheet. The reviewer should review the rejection letters in the case files for inclusion of the ECOA statement.</p> <p>If the rejection letters contain the ECOA statement, the reviewer will answer <b><u>YES</u></b>. If the rejection letters do not contain the ECOA statement, the reviewer will answer <b><u>NO</u></b>. If there are no applications that were rejected, the reviewer will answer <b><u>NA</u></b>.</p>
<b>8</b>	<p><b><u>Is there evidence that minorities are receiving their appeal rights and are not being encouraged to withdraw their applications?</u></b></p> <p>The reviewer should obtain a MAC Detailed Application Report from the Service Center showing all direct applications received in the past 12 months. From this report the reviewer should identify all applications with a final disposition code of "W", and then determine from file reviews and MAC Borrower information screens the number of applications from minorities that have been withdrawn. The names of each of these withdrawn minority applicants should be entered on the Review Sheet. The reviewer should review the withdrawn applicant's case file for any indication that the applicant has been encouraged to withdraw their application by FSA rather than having their application considered in following Agency regulations.</p> <p>If the review of the case files reflect no evidence or indication of encouragement to withdraw rather than having the application being considered based on it's merits, the reviewer will answer <b><u>YES</u></b>. If the case files reflect evidence or indication of encouragement to withdraw rather than having the application considered on it's merits, the reviewer will answer <b><u>NO</u></b>. If there are no applications from minorities that were withdrawn, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**N Completing FSA-2114, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>9</b>	<p><b><u>Is there evidence that females are receiving their appeal rights and are not being encouraged to withdraw their applications?</u></b></p> <p>The reviewer should obtain a MAC Detailed Application Report from the Service Center showing all direct applications received in the past 12 months. From this report the reviewer should identify all applications with a final disposition code of "W", and then determine from file reviews and MAC Borrower information screens the number of applications from females that have been withdrawn. The names of each of these withdrawn female applicants should be entered on the Review Sheet. The reviewer should review the withdrawn applicant's case file for any indication that the applicant has been encouraged to withdraw their application by FSA rather than having their application considered following Agency regulations.</p> <p>If the review of the case files reflect no evidence or indication of encouragement to withdraw rather than having the application being considered based on it's merits, the reviewer will answer <b><u>YES</u></b>. If the case files reflect evidence or indication of encouragement to withdraw rather than having the application considered on it's merits, the reviewer will answer <b><u>NO</u></b>. If there are no applications from females that were withdrawn, the reviewer will answer <b><u>NA</u></b>.</p>
<b>10</b>	<p><b><u>Is there evidence that the Credit Officer is following the State Outreach Plan?</u></b></p> <p>The Administrative Section in the Oregon State Office develops and distributes an State Outreach Plan annually. It contains elements addressing outreach efforts to assure that minorities, women, and underrepresented groups are aware of, and have access to, the Agency's FLP program benefits.</p> <p>The reviewer should search the Service Center's Operational Files for a copy of the State Outreach Plan. The reviewer consider looking in the INFO Informational Services, INFO 1 Reports, INFO 7 Other State Office or STC Publications, INFO 9 County Office Newsletters, INFO 12 Public Notification Files, CR 1 Reports and Statistics, and CR 6 Civil Rights Implementation Plan Operational Files for this information. While making this search, the reviewer should also search for any evidence of Agency action to implement or scheduled action steps to implement portions of the State Outreach Plan.</p> <p>If the Operational Files contain a copy of the State Outreach Plan and evidence of implementation is contained in them, then the reviewer should answer <b><u>YES</u></b>. If the Operational Files do not contain a copy of the State Outreach Plan, or do not contain evidence or documentation of implementation, then the reviewer should answer <b><u>NO</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**N Completing FSA-2114, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>11</b>	<p><b><u>Is there evidence that any attempts have been made by the Credit Officer to attract female farmers to the SDA program?</u></b></p> <p>The Agency has loan programs specifically intended to assist women and minorities become owner-operators and tenant-operators of family sized farming operations. In addition, loan funds are targeted and appropriated by Congress specifically for women and minority applicants so that they do not need to compete with other loan applicants for available funds. FSA has an affirmative responsibility to assure that minorities, women, and underrepresented groups are aware of, and have access to, these and other FLP program benefits.</p> <p>The reviewer should search the Service Center's Operational Files for evidence and documentation of specific activities scheduled or undertaken to attract female farmers to the SDA program. The reviewer consider looking in the INFO Informational Services, INFO 1 Reports, INFO 7 Other State Office or STC Publications, INFO 9 County Office Newsletters, INFO 12 Public Notification Files, CR 1 Reports and Statistics, and CR 6 Civil Rights Implementation Plan Operational Files for this information.</p> <p>If the Operational Files contain evidence and documentation of specific activities scheduled or undertaken to attract female farmers to the SDA program, then the reviewer should answer <b><u>YES</u></b>. If the Operational Files do not contain meaningful evidence and documentation of specific activities scheduled or undertaken to attract female farmers to the SDA program, then the reviewer should answer <b><u>NO</u></b>.</p>
<b>12</b>	<p><b><u>Is there evidence that any attempts have been made by the Credit Officer to attract minority farmers to the SDA program?</u></b></p> <p>The Agency has loan programs specifically intended to assist women and minorities become owner-operators and tenant-operators of family sized farming operations. In addition, loan funds are targeted and appropriated by Congress specifically for women and minority applicants so that they do not need to compete with other loan applicants for available funds. FSA has an affirmative responsibility to assure that minorities, women, and underrepresented groups are aware of, and have access to, these and other FLP program benefits.</p> <p>The reviewer should search the Service Center's Operational Files for evidence and documentation of specific activities scheduled or undertaken to attract minority farmers to the SDA program. The reviewer consider looking in the INFO Informational Services, INFO 1 Reports, INFO 7 Other State Office or STC Publications, INFO 9 County Office Newsletters, INFO 12 Public Notification Files, CR 1 Reports and Statistics, and CR 6 Civil Rights Implementation Plan Operational Files for this information.</p> <p>If the Operational Files contain evidence and documentation of specific activities scheduled or undertaken to attract minority farmers to the SDA program, then the reviewer should answer <b><u>YES</u></b>. If the Operational Files do not contain meaningful evidence and documentation of specific activities scheduled or undertaken to attract minority farmers to the SDA program, then the reviewer should answer <b><u>NO</u></b>.</p>

FLP National Internal Review Guide (Continued)

N Completing FSA-2114, Part B (Continued)

Question	Instructions
13	<p><b><u>Is there evidence that the Credit Officer is reviewing pending acceleration and foreclosure cases as required to ensure that no evidence of inconsistencies, inequitable treatment, or complaints of discrimination, written or oral, exist?</u></b></p> <p>Before referring a defaulted loan account for acceleration according to Section 1955.15 (b) and (c) of RD Instruction 1955-A, the Credit Officer must complete Form FSA-580 and RD-1955-2 as required by Section 1951.907 (e)(8) of FmHA Instruction 1951-S. While completing the review required under Section 1955.15 (c) of RD Instruction 1955-A, case files and records must be searched for any evidence of procedural inconsistencies, inequitable treatment, or complaints of discrimination, written or oral. In addition, the Credit Officer should determine whether any identified inconsistencies, discrimination, or inequitable treatment contributed to the failure of the farming operation.</p> <p>The reviewer should obtain a copy of the Service Center's most recent Report Code 540, and identify those chronically delinquent borrowers in the &gt; 90 days past due category where all primary loan servicing has been concluded, but the loan accounts have not been accelerated. The names of these cases should be recorded on the Review Sheet, and the case files of these borrowers reviewed for evidence that the required file review is being completed.</p> <p>If the borrower case files contain evidence and documentation of the required inequitable and disparate treatment reviews, then the reviewer should answer <b><u>YES</u></b>. If the case files do not contain meaningful evidence and documentation of the required inequitable and disparate treatment reviews, then the reviewer should answer <b><u>NO</u></b>. If there are no chronically delinquent borrowers in the &gt; 90 days past due category where all primary loan servicing has been concluded, but the loan accounts have not been accelerated, the reviewer will answer <b><u>NA</u></b>.</p>
14	<p><b><u>Does the documentation in the case file support the answers on the Form FSA 580, "Primary Loan Servicing Checklist"?</u></b></p> <p>Before referring a defaulted loan account for acceleration according to Section 1955.15 (b) and (c) of RD Instruction 1955-A, the Credit Officer must complete Form FSA-580 and RD-1955-2 as required by Section 1951.907 (e)(8) of FmHA Instruction 1951-S. While completing the review required under Section 1955.15 (c) of RD Instruction 1955-A, case files and records must be searched for any evidence of procedural inconsistencies, inequitable treatment, or complaints of discrimination, written or oral. In addition, the Credit Officer should determine whether any identified inconsistencies, discrimination, or inequitable treatment contributed to the failure of the farming operation.</p> <p>The reviewer should obtain a copy of the Service Center's most recent Report Code 540, and identify those chronically delinquent borrowers in the &gt; 90 days past due category where all primary loan servicing has been concluded, and a Form FSA 580 has been completed. This may include accounts that have had a Form FSA 581 completed by the State Independent Review Group and those that have been accelerated by the DD. The names of these cases should be recorded on the Review Sheet, and the case files of these borrowers reviewed for evidence that the required file review is being completed.</p>

**FLP National Internal Review Guide (Continued)**

**N Completing FSA-2114, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>14</b>	<p><b><u>Does the documentation in the case file support the answers on the Form FSA 580, "Primary Loan Servicing Checklist"?</u></b></p> <p>Before referring a defaulted loan account for acceleration according to Section 1955.15 (b) and (c) of RD Instruction 1955-A, the Credit Officer must complete Form FSA-580 and RD-1955-2 as required by Section 1951.907 (e)(8) of FmHA Instruction 1951-S. While completing the review required under Section 1955.15 (c) of RD Instruction 1955-A, case files and records must be searched for any evidence of procedural inconsistencies, inequitable treatment, or complaints of discrimination, written or oral. In addition, the Credit Officer should determine whether any identified inconsistencies, discrimination, or inequitable treatment contributed to the failure of the farming operation.</p> <p>The reviewer should obtain a copy of the Service Center's most recent Report Code 540, and identify those chronically delinquent borrowers in the &gt; 90 days past due category where all primary loan servicing has been concluded, and a Form FSA 580 has been completed. This may include accounts that have had a Form FSA 581 completed by the State Independent Review Group and those that have been accelerated by the DD. The names of these cases should be recorded on the Review Sheet, and the case files of these borrowers reviewed for evidence that the required file review is being completed.</p> <p>If the borrower case files contain evidence and documentation supporting the answers on Form FSA 580, then the reviewer should answer <b><u>YES</u></b>. If the case files do not contain meaningful evidence and documentation which supports the answers on Form FSA 580, then the reviewer should answer <b><u>NO</u></b>. If there are no chronically delinquent borrowers in the &gt; 90 days past due category where all primary loan servicing has been concluded, and a Form FSA 580 has been completed, the reviewer will answer <b><u>NA</u></b>.</p>

**FLP National Internal Review Guide (Continued)**

**O Completing FSA-2115, Part B**

Follow this table to complete FSA-2115, Part B for reviewing **Service Center FLP Civil Rights Statistical Information**.

Question	Instructions
1	<p><b><u>African American.</u></b></p> <p>Log on to the FFAS Intranet at <a href="http://dc.ffasintranet.usda.gov/html">http://dc.ffasintranet.usda.gov/html</a> and click on “1997 Census of Agriculture” under the Agriculture Facts portion of the Reference Tools section of the web page. When the NASS Census Page opens, click on “Complete Volume” of the “Volume 1, Geographic Area Series, U.S., State, and County” column of the 1997 Census data. When the Volume 1 page of the Ag Census Data appears, scroll down to the “State and County Geographical Area Series - State and County” table, and click on “Oregon.”</p> <p>Alternatively, go directly the following document posted to the NAS Website at the following address: <a href="http://usda.mannlib.cornell.edu/reports/census/ac97aor.pdf">http://usda.mannlib.cornell.edu/reports/census/ac97aor.pdf</a>.</p> <p>Obtain the number of African American (Black) farm operators from Table 37: <i>Operators by Selected Racial Groups: 1997 and 1992</i> shown on Page 344 of the County Summary Highlights portion of <i>Volume 1, Geographical Area Series of Part 37, Oregon State and County Data, of the 1997 Census of Agriculture, AC97-A-37</i>.</p> <p>Please Note: Because the African American farm operator population is so small that it might enable the identification of a single operator when broken down on an County by County basis, the Census data has been lumped into a summary line entitled “all other county data” when the sample in the County population is less than three. For FSA’s purposes, one of each of the 12 African American farm operators shown in the “all other county data” have been administratively assigned to Clackamas, Coos, Deschutes, Douglas, Hood River, Jackson, Josephine, Klamath, Marion, Multnomah, Umatilla and Wasco County.</p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11.</p>

**FLP National Internal Review Guide (Continued)**

**O Completing FSA-2115, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>2</b>	<p><b><u>American Indian/Alaska Native.</u></b></p> <p>Obtain the number of American Indian/Alaska Native farm operators from Table 37: <i>Operators by Selected Racial Groups: 1997 and 1992</i> shown on Page 344 of the County Summary Highlights portion of <i>Volume 1, Geographical Area Series of Part 37, Oregon State and County Data, of the 1997 Census of Agriculture, AC97-A-37.</i></p> <p>Please Note: Because the American Indian/Alaska Native farm operator population is so small that it might enable the identification of a single operator when broken down on an County by County basis, the Census data has been lumped into a summary line entitled “all other county data” when the sample in the County population is less than three. For FSA’s purposes, one of each of the 8 Native American /Alaska Native farm operators shown in the “all other county data” have been administratively assigned to Clatsop, Grant, Hood River, Josephine, Lincoln, Multnomah, Wallowa, and Wheeler County.</p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11.</p>
<b>3</b>	<p><b><u>Asian/Pacific Islander.</u></b></p> <p>Obtain the number of Asian/Pacific Islander farm operators from Table 37: <i>Operators by Selected Racial Groups: 1997 and 1992</i> shown on Page 344 of the County Summary Highlights portion of <i>Volume 1, Geographical Area Series of Part 37, Oregon State and County Data, of the 1997 Census of Agriculture, AC97-A-37.</i></p> <p>Please Note: Because the Asian/Pacific Islander farm operator population is so small that it might enable the identification of a single operator when broken down on an County by County basis, the Census data has been lumped into a summary line entitled “all other county data” when the sample in the County population is less than three. For FSA’s purposes, one of each of the 11 Asian/Pacific Islander farm operators shown in the “all other county data” have been administratively assigned to Columbia, Coos, Gilliam, Jefferson, Josephine, Lake, Lincoln, Morrow, Tillamook, Union, and Wasco County.</p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11.</p>

**FLP National Internal Review Guide (Continued)**

**O Completing FSA-2115, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>4</b>	<p><b><u>Hispanic.</u></b></p> <p>Obtain the number of Hispanic farm operators (operators of Spanish, Hispanic, or Latino origin) from Table 38: <i>Operators of Spanish, Hispanic, or Latino Origin: 1997 and 1992</i> shown on Page 345 of the County Summary Highlights portion of <i>Volume 1, Geographical Area Series of Part 37, Oregon State and County Data</i>, of the <i>1997 Census of Agriculture, AC97-A-37</i>.</p> <p>Please Note: Because portions of the Hispanic farm operator population is so small that it might enable the identification of a single operator when broken down on an County by County basis, the Census data has been lumped into a summary line entitled “all other county data” when the sample in the County population is less than three. For FSA’s purposes, one of each of the 7 Hispanic farm operators shown in the “all other county data” have been administratively assigned to Clatsop, Curry, Sherman, Tillamook, and Wallowa County, and two to Grant County.</p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11.</p>
<b>5</b>	<p><b><u>Other: Specify _____.</u></b></p> <p>Obtain the number of non-white farm operators by “Other Races” from Table 37: <i>Operators by Selected Racial Groups: 1997 and 1992</i> shown on Pages 344 and 345 of the County Summary Highlights portion of <i>Volume 1, Geographical Area Series of Part 37, Oregon State and County Data</i>, of the <i>1997 Census of Agriculture, AC97-A-37</i>.</p> <p>Please Note: Because the non-white farm operator population is so small by “Other Races” that it might enable the identification of a single operator when broken down on an County by County basis, the Census data has been lumped into a summary line entitled “all other county data” when the sample in the County population is less than three. For FSA’s purposes, one of each of the 5 non-white Other Race farm operators shown in the “all other county data” have been administratively assigned to Coos, Hood River, Jackson, Umatilla, and Washington County.</p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11.</p>
<b>6</b>	<p><b><u>Total Minority Farmers.</u></b></p> <p>This is the sum of the number of farmers in Items 1 through 5.</p>
<b>7</b>	<p><b><u>White.</u></b></p> <p>This is the sum of the number of farmers in Item 11 minus Item 6.</p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11.</p>

**FLP National Internal Review Guide (Continued)**

**O Completing FSA-2115, Part B (Continued)**

<b>Question</b>	<b>Instructions</b>
<b>8</b>	<p><b><u>Total All Farmers.</u></b></p> <p>Obtain the total number of farm operators from the “Land in Farms . . . Farms” line of the appropriate County column of Table 11: <i>Tenure and Characteristics of Operator and Type of Organization: 1997 and 1992</i> beginning on Page 233 of the County Summary Highlights portion of <i>Volume 1, Geographical Area Series of Part 37, Oregon State and County Data, of the 1997 Census of Agriculture, AC97-A-37.</i></p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11. The percentage should equal 100.00 %.</p>
<b>9</b>	<p><b><u>Males.</u></b></p> <p>Obtain the total number of male farm operators from the “Operators By Sex - Male” line of the appropriate County column of Table 11: <i>Tenure and Characteristics of Operator and Type of Organization: 1997 and 1992</i> beginning on Page 238 of the County Summary Highlights portion of <i>Volume 1, Geographical Area Series of Part 37, Oregon State and County Data, of the 1997 Census of Agriculture, AC97-A-37.</i></p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11.</p>
<b>10</b>	<p><b><u>Females.</u></b></p> <p>Obtain the total number of female farm operators from the “Operators By Sex - Female” line of the appropriate County column of Table 11: <i>Tenure and Characteristics of Operator and Type of Organization: 1997 and 1992</i> beginning on Page 238 of the County Summary Highlights portion of <i>Volume 1, Geographical Area Series of Part 37, Oregon State and County Data, of the 1997 Census of Agriculture, AC97-A-37.</i></p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11.</p>
<b>11</b>	<p><b><u>Total All Farmers.</u></b></p> <p>This is the sum of the number of farmers in Item 9 plus Item 10. This total should equal Item 8.</p> <p>Calculate the percentage for this item by dividing the number entered by the number shown for Total All Farmers in Item 11. The percentage should equal 100.00 %.</p>

FLP National Internal Review Guide (Continued)

O Completing FSA-2115, Part B (Continued)

OREGON RACE AND GENDER DATA

County	Race*										Gender**											
	Black No.	%	Am Indian/AN No.	%	Asian/PI No.	%	Hispanic No.	%	Other No.	%	Total Minority No.	%	White No.	%	Total All No.	%	Male No.	%	Female No.	%	Total All No.	%
Baker			4	0.57			5	0.71			9	1.28	695	98.72	704	100.00	618	87.78	86	12.22	704	100.00
Benton			4	0.55	5	0.69	12	1.65	5	0.69	26	3.58	700	96.42	726	100.00	609	83.88	117	16.12	726	100.00
Clackamas	1	0.03	18	0.48	21	0.56	51	1.36	14	0.37	105	2.80	3,640	97.20	3,745	100.00	3,101	82.80	644	17.20	3,745	100.00
Catsop			1	0.44			1	0.44			2	0.87	227	99.13	229	100.00	183	79.91	46	20.09	229	100.00
Columbia			3	0.44	1	0.15	7	1.02	4	0.58	15	2.19	671	97.81	686	100.00	592	86.30	94	13.70	686	100.00
Coos	1	0.15	4	0.59	1	0.15	9	1.33	1	0.15	16	2.37	659	97.63	675	100.00	548	81.19	127	18.82	675	100.00
Crook			3	0.58			4	0.77			7	1.34	514	98.66	521	100.00	462	88.68	59	11.32	521	100.00
Curry			6	3.57			1	0.60			7	4.17	161	95.83	168	100.00	135	80.36	33	19.64	168	100.00
Deschutes	1	0.08	10	0.81	3	0.24	15	1.22			29	2.35	1,206	97.65	1,235	100.00	1,006	81.46	229	18.54	1,235	100.00
Douglas	1	0.05	9	0.47	4	0.21	27	1.42	8	0.42	49	2.57	1,859	97.43	1,908	100.00	1,623	85.06	285	14.94	1,908	100.00
Gilliam					1	0.60		2.41			5	3.01	161	96.99	166	100.00	148	89.16	18	10.84	166	100.00
Grant			1	0.25			2	0.49			3	0.74	404	99.26	407	100.00	347	85.26	60	14.74	407	100.00
Harney			4	0.79			8	1.59			12	2.38	492	97.62	504	100.00	443	87.90	61	12.10	504	100.00
Hood River	1	0.19	1	0.19	33	6.15	14	2.61	1	0.19	50	9.31	487	90.69	537	100.00	468	87.15	69	12.85	537	100.00
Jackson	1	0.06	14	0.86	5	0.31	39	2.40	1	0.06	60	3.70	1,563	96.30	1,623	100.00	1,327	81.76	296	18.24	1,623	100.00
Jefferson			8	2.01	1	0.25	8	2.01	4	1.00	21	5.26	378	94.74	399	100.00	369	92.48	30	7.52	399	100.00
Josephine	1	0.16	1	0.16	1	0.16	11	1.79			14	2.27	602	97.73	616	100.00	474	76.95	142	23.05	616	100.00
Klamath	1	0.09	16	1.50	7	0.66	20	1.88	3	0.28	47	4.41	1,019	95.59	1,066	100.00	941	88.27	125	11.73	1,066	100.00
Lake			3	0.72	1	0.24	8	1.91			12	2.87	406	97.13	418	100.00	371	88.76	47	11.24	418	100.00
Lane	3	0.14	7	0.33	7	0.33	24	1.14	7	0.33	48	2.28	2,056	97.72	2,104	100.00	1,736	82.51	368	17.49	2,104	100.00
Lincoln			1	0.33	1	0.33	3	0.98			5	1.63	301	98.37	306	100.00	249	81.37	57	18.63	306	100.00
Linn	3	0.15	12	0.60	4	0.20	30	1.49	10	0.50	59	2.94	1,950	97.06	2,009	100.00	1,747	86.96	262	13.04	2,009	100.00
Malheur			4	0.33	56	4.64	38	3.15	21	1.74	119	9.86	1,088	90.14	1,207	100.00	1,108	91.80	99	8.20	1,207	100.00
Marion	1	0.04	8	0.31	9	0.35	43	1.69	7	0.28	68	2.67	2,478	97.33	2,546	100.00	2,247	88.26	299	11.74	2,546	100.00
Morrow			3	0.71	1	0.24	7	1.67	5	1.19	16	3.81	404	96.19	420	100.00	382	90.95	38	9.05	420	100.00
Multnomah	1	0.17	1	0.17	9	1.56	11	1.91			22	3.81	555	96.19	577	100.00	479	83.02	98	16.98	577	100.00
Polk			6	0.52	6	0.52	21	1.83	5	0.44	38	3.31	1,109	96.69	1,147	100.00	1,016	88.58	131	11.42	1,147	100.00
Sherman							1	0.60			1	0.60	167	99.41	168	100.00	154	91.67	14	8.33	168	100.00
Tillamook					1	0.32	1	0.32			2	0.64	311	99.36	313	100.00	281	89.78	32	10.22	313	100.00
Umatilla	1	0.07	10	0.67	7	0.47	28	1.88	1	0.07	47	3.16	1,441	96.84	1,488	100.00	1,322	88.84	166	11.16	1,488	100.00
Union			3	0.36	1	0.12	3	0.36			7	0.84	825	99.16	832	100.00	758	91.11	74	8.89	832	100.00
Wallowa			1	0.22			1	0.22			2	0.44	457	99.56	459	100.00	393	85.62	66	14.38	459	100.00
Wasco	1	0.21	9	1.92	1	0.21	3	0.64			14	2.98	456	97.02	470	100.00	436	92.77	34	7.23	470	100.00
Washington	3	0.18	3	0.18	16	0.95	26	1.55	1	0.06	49	2.92	1,632	97.09	1,681	100.00	1,438	85.54	243	14.46	1,681	100.00
Wheeler			1	0.64			3	1.91			4	2.55	153	97.45	157	100.00	134	85.35	23	14.65	157	100.00
Yamhill			5	0.28	8	0.44	22	1.21	5	0.28	40	2.21	1,773	97.79	1,813	100.00	1,585	87.42	228	12.58	1,813	100.00
Total	21	0.06	184	0.54	211	0.62	511	1.50	103	0.30	1,030	3.03	33,000	96.97	34,030	100.00	29,230	85.90	4,800	14.11	34,030	100.00

\* All Farms in 1997 - Tables 37-38, 1997 Census of Agriculture AC97-A-37. Note: Unit counts of 1 are extrapolated from "All Other Counties" Census data shown in the Tables.  
\*\* All Farms in 1997 - Table 11, 1997 Census of Agriculture AC97-A-37

## Obtaining Appraisals

### A Farm Appraisals

Real estate appraisals may be completed by either FSA employees with delegated authority or by contract appraisers.

### B Requesting Farm Appraisals for Normal Loan Making or Loan Servicing

When requesting an appraisal in connection with a loan making or loan servicing application, please submit a completed “Appraisal Purchase Order Description Sheet” (OR Exhibit 6) to the State-Designated Appraiser/Reviewer with applicable and appropriate attachments as soon as it is known that an appraisal will be necessary.

**Note:** Please remember that timely submittal of the request is important. The State-Designated Appraiser/Reviewer and State FLP PT must have adequate time to solicit appraisal quotations and award the appraisal assignment, and the appraiser must have sufficient time to properly complete the appraisal and deliver the appraisal report.

The initial appraisal request should be submitted via facsimile with the following information or documents attached as a minimum:

- Appraisal Purchase Order Description Sheet (OR Exhibit 6)
- legal description of the real property and any attached fixtures
- aerial photo outlining (clearly) all parcels
- copy of a plat map clearly outlining all tax lots.

**Note:** For appraisals involving partial releases, please provide a plat map clearly identifying which parcels are to remain, and which parcels are to be released. A clearly marked plat map would have the boundaries of the parcels marked and labeled as remaining or released so they can be easily read on a fax.

After sending the facsimile, please inform the State-Designated Appraiser/Reviewer by e-mail that an appraisal request has been submitted by fax, and provide the property owner’s name, number of acres, county, and date of facsimile transmission. Please follow-up by mailing the State-Designated Appraiser/Reviewer a hardcopy of the request and attachments.

After receipt of the complete request, appraisal quotations will be solicited and a call order will be issued. Solicitation of quotations generally occurs within 3 business days, and call orders for the appraisals are generally issued within an additional 5 business days. Delivery of completed appraisal reports will not occur for at least another 45 to 90 business days.

## Obtaining Appraisals (Continued)

### C Requesting Farm Appraisals Involving Shared Appreciation Agreements (SAAs)

When requesting an appraisal in connection with a Shared Appreciation Agreement transaction, please submit a completed “Appraisal Purchase Order Description Sheet” (OR Exhibit 6) to the State-Designated Appraiser/Reviewer with applicable and appropriate attachments:

- promptly after any triggering event which occurs prior to maturity of the SAA
- at least 9 months prior to maturity of the SAA if an earlier triggering event has not occurred.

**Note:** Subparagraph 141 F of FSA Handbook 1-FLP and 7 CFR 761.7 (d) provide authority for FSA to use an appraisal completed within 12 months prior to maturity of the SAA for decision making purposes.

If capital improvements have been added during the term of the SAA, the SAA appraisal request needs to identify the specific capital improvements made, and ask that the appraisal report identify the contributory value attributable to those capital improvements. If a capital improvement replaces another improvement that was present at the beginning of the SAA period, the replaced old improvement must also be identified. The assigned appraiser will determine the difference in contributory values of the new development and the replaced or removed item.

For SAA ending period appraisals, a copy of the initial appraisal the write-down was based upon should be included. The copy provided need only contain the information on the subject property, and not on the comparable properties in the original appraisal.

After receipt of the complete appraisal request, appraisal quotations will be solicited and a call order will be issued. Although SAA appraisal requests will be given a high priority for completion, it is expected that delivery of completed appraisal reports will not occur for at least 45 to 90 business days.

## Obtaining Appraisals (Continued)

### D Supporting Information Generally Required for a Real Estate Appraisal Request

The following is a list of supporting information and documents generally required to properly describe an appraisal request and define the appraisal assignment for the prospective appraiser:

- legal description of the property
- plat map with the tax lots clearly marked
- aerial photo with the property boundary clearly marked
- copy of FSA's last mortgage describing the real estate security and any other mortgage showing fixtures or personal property taken as security, along with a copy of any partial release executed after the mortgage
- copy of the shared appreciation agreement, if applicable
- copy of the most current mortgagee's title insurance policy or preliminary title report
- two complete sets of plans and specifications covering any planned improvements to be made to the property and included in the appraised value

**Note:** These should be on 8 ½ x 11 inch size paper whenever possible.

- copy of any earnest money agreement, buy/sell agreement, or lease on the property
- memorandum explaining any partial release transaction

**Note:** Please remember to complete the partial release section of the Appraisal Purchase Order Description Sheet (OR Exhibit 6).

- any other information or documents listed in the Appraisal Purchase Order Description Sheet (OR Exhibit 6) that apply to the property to be appraised.

The complete information for an appraisal request should be mailed to the STO the same day facsimile request is made.

Title companies will provide, at no cost, consumer information reports on properties. Appraisers obtain a trio with a plat map, the assessor's improvement information and a copy of the deed. Brokers often obtain similar packages. This information is helpful in properly completing appraisal requests for properties not subject to FSA mortgages.

## **Obtaining Appraisals (Continued)**

### **E Requesting Residential Real Estate Appraisals**

When requesting an appraisal on residential real estate or a lot, please provide the State-Designated Appraiser/Reviewer with the following documents or items of information:

- completed Form AD-700, necessary to document the availability of contracting funds
- completed Appraisal Purchase Order Description Sheet (OR Exhibit 6), with Sections A and B completed in detail
- listing of licensed appraisers that could perform the appraisal in the county that the property is located in, together with the name, address, designation, phone number, and fax number of each prospective appraiser
- legal description of the property
- plat map with the tax lots clearly marked
- copy of any earnest money agreement, buy/sell agreement, or lease on the property.

The State-Designated Appraiser/Reviewer and CO can provide assistance in locating prospective residential appraisers, and will complete the necessary purchase order.

### **F Requesting Other Non-Farm Real Estate Appraisals**

When requesting an appraisal on real estate other than farm properties or residential properties, please provide the State-Designated Appraiser/Reviewer with the following documents or items of information:

- completed Form AD-700, necessary to document the availability of contracting funds
- completed Appraisal Purchase Order Description Sheet (OR Exhibit 6), with Sections A and B completed in detail
- legal description of the property
- plat map with the tax lots clearly marked
- copy of any earnest money agreement, buy/sell agreement, or lease on the property.

The State-Designated Appraiser/Reviewer and CO can provide assistance in locating prospective residential appraisers, and will complete the necessary purchase order.

**Obtaining Appraisals (Continued)**

**G Requesting Chattel Appraisals**

Typically, chattel appraisals will be completed by FSA employees that have delegated authority to perform chattel appraisals. Only in unusual circumstances will FSA contract for the delivery of chattel appraisals. If FSA employees are not able to complete a chattel appraisal, then the County Office may solicit services from qualified chattel appraisers.

**Note:** Please remember that the requirements of 48 CFR, Part 1, the Agriculture Acquisition Regulation, USDA DR’s and Notices, and FSA Notices must be followed in managing manage acquisitions.

A listing of potentially qualified chattel appraisers should be developed in preparation for soliciting quotations for chattel appraisal services. The recommended minimum qualifications for chattel appraisers are as follows:

- be licensed as a business in the State of Oregon
- have at least 3 years experience in appraising the type and kind of personal property for which the appraisal is requested
- be a member of the National Auctioneers Association, the Oregon Auctioneers Association, or any other similar organization that provides oversight of chattel appraisers
- copy of any earnest money agreement, buy/sell agreement, or lease on the property.

Once the listing of potentially qualified chattel appraisers has been developed, the following actions should be taken:

- complete Sections A through E of the “Chattel Appraisal Request & Bid Solicitation Sheet,” (OR Exhibit 7), with applicable and appropriate attachments
- identify and document the chattel property to be appraised using OR Exhibits 8 through 11 as shown in the following table:

<b>IF appraising . . .</b>	<b>THEN use the . . .</b>	<b>SHOWN as . . .</b>
equipment	Equipment List	OR Exhibit 8
livestock	Livestock List	OR Exhibit 9
growing Crops	Growing Crops List	OR Exhibit 10
inventory	Inventory List	OR Exhibit 11

## **Obtaining Appraisals (Continued)**

### **G Requesting Chattel Appraisals (Continued)**

**Note:** Base Acres should be documented through the use of CCC 509E, “Direct and Counter-Cyclical Statement of Estimated Payments,” and a copy of CCC 509, “Direct and Counter Cyclical Program Contract,” for the particular producer, or any other appropriate form, if applicable.

- make a copy of the latest Form FSA 0440-04A or 0440-04, “Security Agreement (Chattels and Crops,” if applicable
- prepare a map or plat map that clearly identifies the location of the chattel property to be appraised.

Once these actions have been taken, price quotations may be solicited by providing the following information or documents to potentially qualified prospective chattel appraisers:

- Chattel Appraisal Request & Bid Solicitation Sheet (OR Exhibit 7)
- Statement of Work – Chattel Appraisal (OR Exhibit 12)
- appropriate and applicable attachments describing the chattel property to be appraised and the appraisal assignment.

Upon receipt of the Chattel Appraisal Request & Bid Solicitation Sheets from the responsive quoters with Section F completed, the authorized agency official should:

- review the quotations for price reasonableness, competitiveness, and bidder qualification
- submit the quotation proposed for award to the STO with a completed Form AD 700 reflecting the estimated cost of the appraisal; the name, street, mailing, and e-mail address of the proposed contractor; the proposed contractor’s telephone and facsimile number; and the proposed contractor’s Federal Employer ID No.

After receiving a signed Form AD 700 back from the STO evidencing the availability of funding for the proposed contract, the authorized agency official may then issue a call order for the chattel appraisal. The following OR Exhibits are provided for use in doing so:

- Call Order – Chattel Appraisals, (OR Exhibit 13)
- Call Order Letter Example, (OR Exhibit 14).

Assistance and further guidance in soliciting chattel appraisal quotations and issuing call orders may be requested from the State-Designated Appraiser/Reviewer and CO as needed.

## Review of Appraisal Reports – Administrative Appraisal Reviews

### A General

Administrative reviews will be completed by appropriate FSA employees located in Service Centers when the Service Center receives a copy of the completed real estate or chattel appraisal report completed by either a third party or contract appraiser. In completing administrative reviews, FSA employees are reminded that:

- only delegated individuals can complete an administrative review
- timely completion of the administrative appraisal review is necessary for the STO to process the contracting appraiser's invoices within regulatory timeframes
- the administrative appraisal review should be completed within 7 business days of receiving the appraisal report
- for real estate appraisals, a copy of the completed FSA 1922-16 OR-Farm, or FSA 1922-16 OR-Non-farm, should be faxed to the STO, and a follow-up hard copy mailed

**Note:** The calculation section of FSA 1922-16 OR-Farm or FSA 1922-16 OR-Non-farm is not required to be completed, but is available for use in documenting calculations.

- for chattel appraisals, Form FSA 1922-16 OR – Chattels will be completed or any other chattel appraisal form recognized by the agency
- if there is not an Oregon Supplemental Appraisal Review Sheet, the reviewer must determine if the contractual requirements described in the appropriate Statement of Work (SOW) are met
- the original administrative review should be placed in the Service Center's 1-FLP operational file.

Automated and fillable Forms FSA 1922-16, FSA 1922-16 OR – Farms, FSA 1922-16 OR – Non-Farm, are available on the Agency's public server accessible through the agency intranet. The address location of the Microsoft Word version of the forms is as follows:

\\Ortualatinc001\shared\USDA\_Forms\FSA\Oregon\Appraisal\

OR Exhibit 15 provides information on the automated forms and exhibits that are available at this directory. OR Exhibit 15 also provides instructions on setting up hyperlinks to the documents and using the forms.

**Review of Appraisal Reports – Administrative Appraisal Reviews (Continued)**

**B Supplemental Standards for Administrative Appraisal Reviews**

When completing an administrative appraisal review of a farm or non-farm real estate appraisal, Form FSA 1922-16 OR-Farm or FSA 1922-16 OR-Non-farm will be completed. It is not necessary to complete the calculation section of Form FSA 1922-16 OR-Farm or FSA 1922-16 OR-Non-farm, but it is available for use in documenting the calculations made.

Depending on the type of property appraised the following Oregon Supplemental Appraisal Review Sheets are applicable:

- Farms – FSA 1922-16 OR – Farms, “Oregon Supplemental Appraisal Review – Farm Real Estate”
- Non-Farm – FSA 1922-16 OR – Non-Farm, “Oregon Supplemental Appraisal Review – Non-Farm.”

**Note:** This Oregon Supplemental Appraisal Review Sheet is typically used for residential real estate appraisals.

## Review of Appraisal Reports – Technical Appraisal Reviews Overview

### A Shared Appreciation Agreement (SAA) Servicing

A technical appraisal review will be completed on all appraisals performed for the purpose of determining amounts potentially due under the terms of Shared Appreciation Agreements.

For appraisals used in connection with SAA transactions and determinations, the authorized agency official with delegated administrative appraisal review authority will:

- complete an administrative appraisal review within 7 business days of receiving the appraisal report
- submit the administrative appraisal review to the State-Designated Appraiser/Reviewer with a cover memorandum requesting a technical appraisal review.

**Note:** The memorandum should also specify the date that the Agency is required to provide the appraisal information and SAA calculations to the borrower.

The appraisal WILL NOT be released to the borrower, or the value discussed with the borrower, until the State-Designated Appraiser/Reviewer has notified the Service Center that the appraisal is acceptable and meets USPAP standards.



## Review of Appraisal Reports – When Technical Appraisal Reviews May Be Conducted

### A Contract Appraisals Completed for Direct Loan Making or Loan Servicing Actions

Typically, the State-Designated Appraiser/Reviewer will randomly select appraisals completed by FSA contract appraisers for technical appraisal reviews.

### B Appraisals Completed for Guaranteed Loan Making or Loan Servicing Actions

The State-Designated Appraiser/Reviewer will notify the appropriate Service Centers by the end of the second quarter of each FY, of the guaranteed lenders that will have technical appraisal reviews completed on their loan making or loan servicing actions.

Upon such notification, the FLM will respond by providing the following information to the State-Designated Appraiser/Reviewer:

- the original real estate appraisal acquired by the lender, together with a cover memorandum reflecting the name of the guaranteed lender, the name of the borrower, and a return mailing address for returning the original address to the guaranteed lender

**Note:** If the original real estate appraisal acquired by the lender is not available, then please provide a copy. To avoid confusion, the cover memorandum transmitting the appraisal report should also show “Guaranteed Lender Administrative Appraisal Review” as the subject.

- the date scheduled for completing the lender’s guaranteed lender file reviews.

FLMs should make a diligent effort to coordinate with the State-Designated Appraiser/Reviewer when scheduling required guaranteed lender file reviews so that any appraisal concerns can be addressed in the Agency’s lender file review response to the lender.

If a technical appraisal review completed by the State-Designated Appraiser/Reviewer (or an FSA contract appraiser tasked for this purpose) finds that the appraisal does not comply with USPAP standards, that there are serious mathematical errors in the report, or that the value opinion stated is not supportable, the State-Designated Appraiser/Reviewer will:

- provide a copy of the technical review to the FLC and advise the FLC in writing that guaranteed loan real estate appraisal may not meet USPAP standards
- cooperate with the FLC in determining what corrective action would be appropriate, if any. The FLC will make the final determination as to what action would be appropriate.

**Review of Appraisal Reports – When Technical Appraisal Reviews May Be Conducted (Continued)**

**B Appraisals Completed for Guaranteed Loan Making or Loan Servicing Actions (Continued)**

If a technical review determines that the real estate appraisal for the guaranteed loan does not meet USPAP standards, a copy of the technical review will be provided to the guaranteed lender and will become part of the annual guaranteed lender file review documented with either Form FSA 1980-03 or FSA 1980-04, as appropriate.

**Note:** The State-Designated Appraiser/Reviewer or FSA contract appraiser will be available to assist the FLC and Service Center in providing the guaranteed lender information regarding the technical review.

If the FLM has not completed an annual file review for the particular lender, the FLM will complete an annual file review for the particular guaranteed loan associated with the real estate appraisal for which the technical review was completed. The annual file review will be completed in accordance with Paragraph 267 of FSA Handbook 2-FLP.

**C Third Party Appraisal Reviews**

Technical appraisal reviews must be performed on third party appraisals received in conjunction with proposed loan making or loan servicing actions.

The following information should be submitted to the State-Designated Appraiser/Reviewer to request technical appraisal reviews of third party appraisals:

- the administrative appraisal review completed by an FSA employee with delegated administrative appraisal review authority in the Service Center
- the original appraisal, if available, or a complete copy, with Form FSA 1922-16 and FSA 1922-1 OR – Farms.

Approval of the loan or loan servicing action will not occur until the approval official receives notification from the State-Designated Appraiser/Reviewer that the appraisal is acceptable for FSA use.

Appraisal Purchase Order Description Sheet

<b>Appraisal Purchase Order Description Sheet</b>	
<b>SECTION A</b>	<b>General Information</b> <small>(Complete for all properties)</small>
County Office: _____	Date of Request: _____
Property to be Appraised: <input type="checkbox"/> FARM <input type="checkbox"/> RESIDENTIAL <input type="checkbox"/> NON-FARM	
Property Information:    County Property Is Located In: _____	
Date Appraisal Needed: _____	Estimate Value of Property: \$ _____
<small>(Enter Township, Range &amp; Section where the residence or most of the land is located)</small>	
Township: _____	<b>Number of Parcels:</b> _____
Range: _____	Section: _____
Tax Lots: _____	
Address: _____ City: _____	
Ownership History: _____	
<b>Owner Information:</b> Case No.: _____	
Name: _____	Phone Number: _____
Address: _____	City: _____ State: _____
Oldest Loan Obligated Prior to 10/01/91: <input type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes, Fund Code & Loan Number of the oldest loan secured by collateral to be appraised: _____	
Attitude of owner toward FSA? <input type="checkbox"/> Cooperative <input type="checkbox"/> Uncooperative	
<b>Applicant Information:</b> Case No.: _____	
Name: _____	Phone Number: _____
Address: _____	City: _____
Contact : <input type="checkbox"/> Owner <input type="checkbox"/> Buyer <input type="checkbox"/> Other:	Phone Number _____
<b>SECTION B</b>	<b>Attached Documents</b> <small>(Complete for all properties)</small>
<input type="checkbox"/> FSA Mortgage <input type="checkbox"/> Aerial Photo <input type="checkbox"/> Plat Map <input type="checkbox"/> Purchase Agreement <input type="checkbox"/> Lease Agreement <input type="checkbox"/> Title Report <input type="checkbox"/> CRP Info <input type="checkbox"/> WR Certificate <input type="checkbox"/> Grazing Permit <input type="checkbox"/> Environ. Survey <input type="checkbox"/> Plans, Specs & Cost Estimates on Planned Improvements <input type="checkbox"/> Other: _____	
If development, describe: _____	
<b>SECTION C</b>	<b>Farm Information</b> <small>(Complete for farm property only)</small>
<b>Purpose of Appraisal:</b>	
<input type="checkbox"/> Loan/Transfer <input type="checkbox"/> 1951-S Primary Servicing <input type="checkbox"/> Partial/Release <input type="checkbox"/> Inventory Sale <input type="checkbox"/> Conservation Contract <input type="checkbox"/> Shared Appreciation <input type="checkbox"/> Bankruptcy <input type="checkbox"/> Foreclosure <input type="checkbox"/> Voluntary Conveyance <input type="checkbox"/> Homestead Protection <input type="checkbox"/> Leaseback/Buyback <input type="checkbox"/> Other: _____	
Type of Property to be Appraised: <input type="checkbox"/> FARM <input type="checkbox"/> RANCH    Total Deeded Acres: _____	
Irrigated Crop Acres: _____	Dry Crop Acres: _____ Range/Pasture Acres: _____
BLM Grazing Permit Units: _____	Forest Service Grazing Permit Units: _____
Irrigation System: _____	
Farmstead & Improvements (existing and/or planned) consist of: _____	
<b>SECTION D</b>	<b>Partial Release Information</b> <small>(Complete for farm property only)</small>
Remaining Property:    Total Acres: _____	To Be Released Property:    Total Acres: _____
Irrigated Acres: _____	Irrigated Acres: _____
Dry Crop Acres: _____	Dry Crop Acres: _____
Range/Pasture Acres: _____	Range/Pasture Acres: _____
Improvements: _____	Improvements: _____
Appraisal request submitted by: _____	

