

**Direct Loan Processing Guide**

NAME OF APPLICANT		TYPE OF OPERATION	
CASE NUMBER		REMAINING YRS OF ELIGIBILITY	PRIORITY CONSIDERATION <input type="checkbox"/> <input checked="" type="checkbox"/> If YES
BEGINNING FARMER <input type="checkbox"/> Yes <input type="checkbox"/> No	SDA APPLICANT <input type="checkbox"/> SDA-Ethnic <input type="checkbox"/> SDA-Gender <input type="checkbox"/> No	ALSO INVOLVES <input type="checkbox"/> DALRS <input type="checkbox"/> Guarantee <input type="checkbox"/> Transfer <input type="checkbox"/> Subordination	
TOTAL LOANS REQUESTED \$ _____ OL    \$ _____ Subordination    \$ _____ FO    \$ _____ EM			
<b>LOAN SUMMARY</b>			
LOAN TYPE	ASSISTANCE CODE	INITIAL OR SUBSEQUENT <input type="checkbox"/> <input type="checkbox"/>	LIMITED RESOURCE RATE <input type="checkbox"/> <input checked="" type="checkbox"/> If YES
LOAN AMOUNT	INTEREST RATE	TERMS IN YEARS	DISBURSEMENT BY: <input type="checkbox"/> EFT <input type="checkbox"/> Check
PAYMENT SCHEDULED FOR PROPOSED LOAN			
\$ _____ on _____		\$ _____ on _____	
\$ _____ on _____		\$ _____ on _____	
\$ _____ on _____		\$ _____ on _____	
\$ _____ on _____		and \$ _____ Due _____ Thereafter	
APPROVAL AUTHORITY: FLO, CED, FLM, DD, SED (Circle One)		Unpaid Principal Balance: \$ _____ Amount of new Loan: \$ _____ Total: \$ _____	
<b>LOAN SUMMARY - CONCURRENT LOAN</b>			
LOAN TYPE	ASSISTANCE CODE	INITIAL OR SUBSEQUENT <input type="checkbox"/> <input type="checkbox"/>	LIMITED RESOURCE RATE <input type="checkbox"/> <input checked="" type="checkbox"/> If YES
LOAN AMOUNT	INTEREST RATE	TERMS IN YEARS	AMOUNT OF IMMEDIATE ADVANCE
PAYMENT SCHEDULE FOR PROPOSED LOAN			
\$ _____ on _____		\$ _____ on _____	
\$ _____ on _____		\$ _____ on _____	
\$ _____ on _____		\$ _____ on _____	
\$ _____ on _____		and \$ _____ Due _____ Thereafter	
APPROVAL AUTHORITY: FLO, CED, FLM, DD, SED (Circle One)		Unpaid Principal Balance: \$ _____ Amount of new Loan: \$ _____ Total: \$ _____	
LOAN(S) PURPOSES: _____			
TEST FOR OTHER CREDIT: REPAYMENT MARGIN _____ %    ADDRESSED IN (✓ BOXES): <input type="checkbox"/> ASSESSMENT <input type="checkbox"/> EXHIBIT A - 1951-F <input type="checkbox"/> FORM FSA 1940-38 (EM) <input type="checkbox"/> REJECTION LETTERS			
TYPE OF LIEN SEARCH TO BE DONE (i.e. UCC, EFS, ASL, County Records, Title Report, Business Registry Search, etc.): _____			
SEARCHES TO BE DONE ON THE FOLLOWING NAMES (include individuals, assumed business names, corporation, partnership, LLC, Trust, etc.) _____ _____			

SECURITY CONSIDERATIONS						
SECURITY TO BE TAKEN	LIEN POSITION	PRIMARY SECURITY	ADDITIONAL SECURITY			
<input type="checkbox"/> Crops						
<input type="checkbox"/> Livestock						
<input type="checkbox"/> Equipment						
<input type="checkbox"/> Real Estate						
<input type="checkbox"/> Other:						
VALUE OF SECURITY						
TYPE OF SECURITY	APPRAISAL DATE	CLASSIFICATION ➤ LOAN VALUE<	PRIOR DEBT (INC. FSA'S)	PROPOSED FSA, OTHER DEBT	EQUITY	
Chattels						
Real Estate						
Crops, Lvst On Hand						
Crops, Lvst Projected						
Chattels Acquired						
Other						
TOTAL						
<b>IS SECURITY ADEQUATE(?)</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <b>LOAN TO VALUE CALCULATIONS:</b> [LOAN VALUE ÷ (TOTAL EXISTING DEBT + PROPOSED LOAN)] x 100 <hr/> 150% RULE FOR D-OLs IS MET <input type="checkbox"/> NOT MET <input type="checkbox"/>						
<b>UCC/EFS:</b> List Security that is to be excluded on UCC/EFS-1 or the Amendment from standard language: <hr/>						
<b>CROPS TO BE LISTED ON EFS:</b> _____ <b>COUNTIES TO BE LISTED ON EFS:</b> _____						
<input type="checkbox"/> <b>WRITTEN FARM ASSESSMENT ATTACHED INCLUDING:</b> 1. Type of operation, 2. Goals, 3. Real estate and facilities, 4. Chattel property, 5. Farm business organization & key personnel, 6. Historical performance & financial data (including recordkeeping), 7. Projected budget, 8. Planned changes, 9. Ability to obtain guaranteed credit, and 10. Supervision and training.						
<input type="checkbox"/> <b>PROPOSED LOAN CLOSING REQUIREMENTS COMPLETED IN PART IV</b>						
RECOMMEND BY: _____ DATE: _____ APPROVAL OFFICIAL'S COMMENTS: _____ <hr/>						
<input type="checkbox"/> Approved <input type="checkbox"/> Rejected <input type="checkbox"/> Proposed closing requirements reviewed & completed in Part IV						
APPROVAL OFFICIAL'S SIGNATURE: _____ DATE: _____						

FARM LOAN PROGRAMS - DIRECT LOANS

APPLICANT'S NAME: \_\_\_\_\_

**PART II ITEMS REQUIRED FROM APPLICANTS FOR A COMPLETE APPLICATION**

Date By (Required for Chattel or Real Estate Loan, indicated by CH or R)  
Received Whom

\_\_\_\_\_ CH,R (1) Written request for priority consideration from prevailing claimant under Consent Decree (Date received)

\_\_\_\_\_ CH,R (2) Exhibit A to 1910-A, Letter requesting information needed for a complete Farm Loan Program application. (Date sent to applicant)

\_\_\_\_\_ CH,R (3) Form FSA 410-1, "Request For Direct Loan Assistance."

\_\_\_\_\_ CH,R (4) If the application is from an entity (corporation, cooperative, partnership, joint operation, LLC, or trust):

\_\_\_\_\_ CH,R (A) Complete list of all entity members including all persons involved in the entity showing address and percentage of co-ownership or beneficial interest.

\_\_\_\_\_ CH,R (B) A current personal financial statement from each person involved in the entity.

\_\_\_\_\_ CH,R (C) Bylaws, Articles of Incorporation, Partnership Agreement, Joint Operating Agreement, Operating Agreement, Trust Agreement, or Certification of Trust.

\_\_\_\_\_ CH,R (D) If a corporation, registered partnership, or LLC, "Certificate of Current Registration" (Goodstanding) with Secretary of State's Office or equivalent copy of an internet business registry search.

\_\_\_\_\_ CH,R (E) A resolution adopted by the board of directors, members, or stockholders authorizing specific officers of the corporation, cooperative, partnership, joint operation, or LLC managers to apply for, obtain the desired loan, and execute the required debt, security and other instruments.

\_\_\_\_\_ CH,R (5) Evidence of inability to obtain conventional credit.

\_\_\_\_\_ CH,R (6) Copies of the last five year's income tax records from the applicant.

\_\_\_\_\_ CH,R (7) Copies of the last five year's financial statements.

\_\_\_\_\_ CH,R (8) Copies of the last five year's production information.

\_\_\_\_\_ CH,R (9) A brief narrative of the applicant's farm training and/or experience and background of the individual members, if an entity applicant. (NEW Applicants Only)

**Oregon Notice FLP-106**

**Exhibit 1**

- \_\_\_\_\_ CH,R (10) A brief narrative describing the proposed operation, size, and financial needs of the proposed operation. (NEW Applicants Only)
- \_\_\_\_\_ CH,R (11) Form RD 1910-5, "Request for Verification of Employment," if applicant employed.
- \_\_\_\_\_ CH,R (12) Form FmHA 431-4, "Business Analysis NonAgricultural Enterprise," for nonfarm income.
- \_\_\_\_\_ CH,R (13) A projection of income, expenses, and debt repayment on Form FSA 431-2, "Farm and Home Plan."
- \_\_\_\_\_ CH,R (14) Monthly cash flow statement for annual operating loans and others as needed based on the current Farm and Home Plan.
- \_\_\_\_\_ CH,R (15) Form FSA 440-32, "Verification of Debts and Assets," for all debt other than FSA. Forms must have complete addresses of creditors and be signed by the applicant. Applicant's account numbers should also be listed on the form. Required for all debts of more than \$1,000.
- \_\_\_\_\_ CH,R (16) Verification of receivables and crops on hand including warehouse receipts.
- \_\_\_\_\_ CH,R (17) If real estate is to be taken as security, a copy of the deed(s) containing the legal description of real property.
- \_\_\_\_\_ CH,R (18) If leased land is part of the operation, a copy of all leases. If there is no lease available, the terms of the lease should be documented and signed by the borrower.
- \_\_\_\_\_ R (19) Earnest money agreement for proposed farm purchase.
- \_\_\_\_\_ CH,R (20) Form AD 1026A, attached to either Form AD 1026 or AD 1026-U and completed by FSA. Required only if changes have occurred on prior year's AD 1026 and 1026-U.
- \_\_\_\_\_ CH,R (21) Form SCS-CPA-26, "Highly Erodible Land and Wetland Conservation Determination," completed by NRCS for HEL and wetlands referrals required by Form AD 1026A.  

Location of SCS-CPA026:\_\_\_\_\_ Borrower Case File:\_\_\_\_\_ Tract File:\_\_\_\_\_
- \_\_\_\_\_ CH,R (22) List of credit references with complete addresses and account numbers (required for New Applicants).
- \_\_\_\_\_ CH,R (23) "Authorization to Release Information," Exhibit 1 to Oregon Notice FLP-47, unless on file.
- \_\_\_\_\_ CH,R (24) Provide a credit report fee of \$\_\_\_\_\_ payable to FSA. (Required for new applicants)
- \_\_\_\_\_ CH,R (25) Evidence of CAT insurance or waiver for insurable crops.

- \_\_\_\_\_ CH,R (26) Form FSA 1940-38, "Request For Lender's Verification of Loan Application," (EM ONLY).
- \_\_\_\_\_ CH,R (27) Form FSA 1945-22, "Certification of Disaster Loss." (EM ONLY)
- \_\_\_\_\_ CH,R (28) Evidence of at least minimum insurance coverage on property (not crops) when physical loss loans are sought (EM ONLY).
- \_\_\_\_\_ CH,R (29) Form FmHA 1924-1, "Development Plan," drawings, and specifications if development is proposed.
- \_\_\_\_\_ CH,R (30) Form FmHA 1924-27, "Request For Waiver Of Borrower Training Requirements," (if waiver requested).
- \_\_\_\_\_ CH,R (31) Form SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," voided check or SF-1199A, "Direct Deposit Sign-up Form," if already on file for electronic funds transfer disbursements.
- \_\_\_\_\_ CH,R (32) Form CCC-10, "Representations For CCC or FSA Loans and Authorization To File a Financing Statement and Related Documents," or FSA 1941-1 OR, "Representations For Loan and Authorization To File Financing Statements And Related Documents."

After receipt of **ALL** completed forms and information required of the applicant, and when Forms FmHA 440-32, "Statement of Debts and Collateral," are received from creditors and the credit report is received from the credit bureau, the application will be considered complete. The FSA approval or disapproval must be given within 60 days of this date.

**PART III FSA ACTION AFTER RECEIPT OF FORM FSA 410-1**

- | <u>Date</u> | <u>By Whom</u> | (Required for Chattel or Real Estate Loan, indicated by CH, or R.)  |
|-------------|----------------|---|
| _____       | _____          | CH,R (1) When Form FSA 410-1 is received, post the application to the application card (1905-4) and complete Item 28 Form FSA 410-1 and enter in MAC.   |
| _____       | _____          | CH,R (2) Review ADPS civil rights database for listing & entitlement when priority consideration requested. Place copy of screen in applicant's file, Position 3.   |
| _____       | _____          | CH,R (3) Check Item 21 of Form FSA 410-1 for identified relationship or association with FSA employees. For those identified sent Guide Letter 1900-D-2.  |
| _____       | _____          | CH,R (4) Review the FSA computer databases to determine any previous debt forgiveness, past FSA loan history, and credit worthiness. Place copies of screens in applicant's file, Position 3. (Required for new applicants). Include the following: <ul style="list-style-type: none"> <li>_____ Current/past debt inquiry system</li> <li>_____ Borrowers cross-reference inquiry system</li> <li>_____ Farm Programs claims report</li> </ul> |



**PART IV FSA ACTIONS AFTER RECEIPT OF COMPLETED APPLICATION**

After receipt of ALL completed forms and information required of the applicant and when Forms FmHA 440-32, "Statement of Debts and Collateral," are received from creditors and the credit report is received from the credit bureau, the application will be considered complete. FSA approval or disapproval must be given within 60 days of this date.

By \_\_\_\_\_ (Required for Chattel or Real Estate Loan, indicated by CH, or R)  
Date Whom \_\_\_\_\_

\_\_\_\_\_ CH,R (1) Document here the date of complete application, post this date into MAC, and complete Item 28 B of Form FSA 410-1. This is the date the last required document is received including the verification of all debts.

DATE OF COMPLETE APPLICATION: \_\_\_\_\_

\_\_\_\_\_ CH,R (2) Notify the applicant that a complete application has been received by sending FmHA Guide Letter 1910-A-3.

\_\_\_\_\_ CH,R (3) Credit official to complete eligibility certification and borrower training requirements on Form FSA 440-2, "Eligibility Certification or Recommendation," within 30 days of a complete application.

\_\_\_\_\_ CH,R (4) Within 5 days after the eligibility determination, notify the applicant of the eligibility determination and training requirements.

\_\_\_\_\_ CH,R (5) Form FSA 1945-26, "Calculations of Actual Losses," (**EM ONLY**).

\_\_\_\_\_ CH (6) Date of Last Field Visit (one must have been done within the last year): \_\_\_\_\_

\_\_\_\_\_ CH,R (7) Cross-check FSA records to verify DCP, LDP, MILC, and other FSA payments.

\_\_\_\_\_ CH (8) For Chattel loans: If debts are to be refinanced or if an initial applicant or if existing appraisal exceeds 2 years, prepare Form FmHA 440-21, "Chattel Appraisal."

\_\_\_\_\_ CH,R (9) Complete 5 year historical spreadsheet (Form FmHA-OR 1924-21, "Historical Income, Expenses, and Production," or equivalent). Required.

\_\_\_\_\_ R (10) For real estate loans, order a real estate appraisal.

\_\_\_\_\_ R (11) Real estate appraisal report received.

\_\_\_\_\_ CH,R (12) Review and revise Form FmHA 431-2, "Farm and Home Plan," as needed with Applicant. Be sure it is complete, automated, signed, dated and contains key management practices.

\_\_\_\_\_ CH,R (13) Obtain signatures and funds for lien filings and official searches (State/County) if approval appears likely.

## Oregon Notice FLP-106

## Exhibit 1

- \_\_\_\_\_ CH,R (14) Complete written analysis of the feasibility of the operation by use of attached farm assessment.
- \_\_\_\_\_ CH,R (15) Document the availability of other credit through the use of Exhibit A to FmHA Instruction 1951-F.
- \_\_\_\_\_ CH,R (16) Complete record-keeping checklist (Exhibit 1 to Oregon Notice FC-16).
- \_\_\_\_\_ CH,R (17) Complete Form FmHA 1962-1, "Agreement For the Use of Proceeds/Release of Chattel Security." The period covered by the 1962-1 must match the period of Form FmHA 431-2, "Farm and Home Plan," and must be in ink.
- \_\_\_\_\_ CH,R (18) Prepare Form FmHA 1940-22, "Environmental Checklist for Categorical Exclusions." Complete Form FmHA 1940-21, "Environmental Assessment for Class 1 Action," or a Class II Assessment, if appropriate.
- \_\_\_\_\_ CH,R (19) Complete Environmental Justice review as required by Notice EQ-110 by including an attachment to Form FmHA 1940-22 with the following statement if no adverse effect was found, "In completing the Environmental Justice compliance review for the proposed project, it was determined that there is no disproportionate high and adverse human health or environmental effects, including social and economic, of programs, policies, or activities on minority populations and low income populations including American Indian tribal populations."
- \_\_\_\_\_ CH,R (20) Prepare FEMA Form 81-93, Standard Flood Hazard Determination, for loans where real estate is taken as security (maybe attached to RE appraisal report).
- \_\_\_\_\_ CH,R (21) Prepare and complete Form FSA 851, "Environmental Risk Survey Form," when real estate is taken as security.
- \_\_\_\_\_ CH,R (22) Notify applicant of approval by sending Form FmHA 1940-1, "Request for Obligation of Funds." If disapproved, prepare letter with appeal rights. List security requirements and loan purpose on the back of Form RD 1940-1.
- \_\_\_\_\_ CH,R (23) If loan is approved, send Exhibit C of 1910-A, "Farmer Program Borrower Responsibilities."
- \_\_\_\_\_ CH,R (24) If highly erodible lands and wetlands are present, send Guide Letter 1940-G-1 to applicant with Form FmHA 1940-1.
- \_\_\_\_\_ CH,R (25) If loan funds are not available within 15 days of loan approval, write a letter to the applicant explaining the situation, advising that the application will be held until the funds are available. This letter must be sent by certified mail, return receipt.
- \_\_\_\_\_ CH,R (26) Complete Form FSA 1924-23, "Agreement To Complete Training," if form not previously completed or waiver granted.
- \_\_\_\_\_ CH,R (27) Complete Form FSA 580, "Primary Loan Servicing Checklist," if primary loan servicing is involved.



**OTHER FORMS THAT MAY BE REQUIRED**

- \_\_\_\_\_ ( ) Form RD 440-9, "Supplementary Payment Agreement"
- \_\_\_\_\_ ( ) Form FmHA 440-26, "Consent and Subordination Agreement"
- \_\_\_\_\_ ( ) Form FSA 440-34, "Option to Purchase Real Property"
- \_\_\_\_\_ ( ) Form FSA 440-35, "Acceptance of Option"
- \_\_\_\_\_ ( ) Form FmHA 440-58, "Estimate of Settlement Costs"
- \_\_\_\_\_ ( ) Form FSA 441-10, "Nondisturbance Agreement"
- \_\_\_\_\_ ( ) Form FSA 441-13, "Division of Income and Nondisturbance Agreement"
- \_\_\_\_\_ ( ) Form FSA 441-17, "Certification of Obligation to Landlord"
- \_\_\_\_\_ ( ) Form FSA 441-18 "Consent to Payment of Proceeds from Sale of Agricultural Products"
- \_\_\_\_\_ ( ) Form FmHA 443-16, "Assignment of Income from Real Estate Security"
- \_\_\_\_\_ ( ) Form FmHA 443-17, "Agreement to Sell Nonessential Real Estate"
- \_\_\_\_\_ ( ) Form RD 1924-2, "Description of Materials"
- \_\_\_\_\_ ( ) Form FmHA 1924-3, "Service Building Specifications"
- \_\_\_\_\_ ( ) Form FmHA 1940-21, "Environmental Assessment for Class I Action"
- \_\_\_\_\_ ( ) Form FmHA 1940-51, "Crop-Share-Cash-Farm Lease"
- \_\_\_\_\_ ( ) Form FmHA 1940-53, "Cash Farm Lease"
- \_\_\_\_\_ ( ) Form FmHA 1940-55, "Livestock-Share Farm Lease"
- \_\_\_\_\_ ( ) Form FSA 1940-56, "Annual Supplement to Farm Lease"
- \_\_\_\_\_ ( ) Form FmHA 1940-59, "Settlement Statement"
- \_\_\_\_\_ ( ) \_\_\_\_\_
- \_\_\_\_\_ ( ) \_\_\_\_\_
- \_\_\_\_\_ ( ) \_\_\_\_\_

**FOLLOW UP AFTER CLOSING**

Date	By	
<u>Completed</u>	<u>Whom</u>	

- |       |       |  |
|-------|-------|--|
| _____ | _____ | Post to Applicant Card (Closed) & Management System Card   |
| _____ | _____ | Post and update MAC workload scheduling including follow-ups for analysis, LR reviews, UCC/EFS continuations, field visits, etc. |
| _____ | _____ | Post to MAC from the supervision section of the Farm Assessment, Tables C & K of Farm & Home Plan, and the Running Record        |
| _____ | _____ | Post Installment Information to MAC & management system card   |
| _____ | _____ | Post to MAC for appraisals and reviews completed   |
|       |       | Contracted RE appraisal WLS 5002 and review WLS 4077   |
|       |       | Contracted chattel appraisal WLS 4061 and review WLS 4078  |
|       |       | Agency RE appraisal WLS 4062 and review WLS 4077   |
|       |       | Agency chattel appraisal WLS 4060  |
| _____ | _____ | Follow up to obtain copies of termination statements   |
| _____ | _____ | Follow up of Return of Vehicle Titles from DMV or Lienholders  |
| _____ | _____ | Post MAC with 10 month follow up for new 1962-1 & management system card   |
| _____ | _____ | Input 8M ADPS transaction (Limited Resource Review)  |
| _____ | _____ | Complete Form FmHA 2006-20, "Classification of Loan" & input 8N ADPS transaction   |
| _____ | _____ | Post Borrower Training Tally Card & MAC  |
| _____ | _____ | Post Assessment Tally Card & MAC   |
| _____ | _____ | Post Record Keeping Tally Card   |
| _____ | _____ | Update civil rights database (State Office only)   |
| _____ | _____ | _____  |
| _____ | _____ | _____  |