

For: County Offices

FY 2001 Performance Goals for Farm Loan Programs

Approved By: Acting State Executive Director



RAT:LEV:lv

1 Overview

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Background

Farm Service Agency's (FSA's) Farm Loan Programs (FLP) provide assistance to eligible individuals and families to help them become successful farmers and ranchers, and recover from the effects of natural disasters, through supervised credit, outreach, and technical assistance.

Annual performance goals are an important tool in helping FSA employees deliver FLP assistance as described above, accomplish the Agency's mission, and focus effort on activities that will result in accomplishing the objectives set forth in the Agency's 5-year Strategic Plan. Accomplishment of annual program goals improves the success of our borrowers and reduces costs while helping strengthen the family farm.

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Objectives

The primary objectives of our FLP Performance Goals are to :

- increase the number of operations remaining economically viable
 - reduce losses in the loan programs
 - make the most efficient use of available financial, human, and technological resources
 - maintain financial and technical assistance to traditionally underserved groups.
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FILING: Preceding FmHA Instruction 1951-A

Disposal

Distribution

October 1, 2001

STO, DD, COR, COC, COF - Including Farm Loan Programs

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1 Overview, *Continued*

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Purpose

The purpose of this Oregon Notice is to:

- supplement the contents of Notice FLP-187
 - communicate the FLP Performance Goals that have been established for Oregon during FY 2001
 - inform FSA employees of the performance levels achieved in Oregon for FY 2000's FLP Performance Goals.
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2 Performance Goals

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Loan Making Goals

FY 2001 National and State Loan Making goals, and FY 2000 State achievement levels, are shown in the following table.

Goal Number		FY '97 - '01 National Goal	Oregon		
			FY 00 Goal	FY 00 Actual	FY 01 Goal
1	a	Reduce 1st Yr. delinquency rate on new loans by 6%	6.70%	7.50%	6.70%
	b	Reduce 1st Yr. delinquency rate on restructured loans by 6%	15.00%	11.10%	11.10%
2		Increase % of guaranteed loans made to direct borrowers by 6%	44.48%	28.57%	44.48%
3		Increase No. of FO & OL loans made to SDAs by 20%	42 Loans	26 Loans	42 Loans
4	a	Reduce direct loan processing time by 5%	16 Days	25 Days	16 Days
	b	Reduce guaranteed loan processing time by 15%	4 Days	11 Days	4 Days

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2 Performance Goals, *Continued*

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Loan Servicing Goals

FY 2001 National and State Loan Servicing goals, and FY 2000 State achievement levels, are shown in the following table.

Goal Number	FY '97 - '01 National Goal	Oregon		
		FY 00 Goal	FY 00 Actual	FY 01 Goal
1	Reduce direct loan dollar delinquency rate by 30%	11.60%	6.90%	11.60%
2	Reduce loss rate on direct loans by 35%	3.10%	1.10%	3.10%
3	Maintain guaranteed loss rate at 1.88% or less	1.84%	0.60%	1.84%
4	Process 80% of complete primary loan servicing requests within 60 days	80.00%	73.10%	80.00%

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Monitoring Goal Achievement

Progress toward achieving the annual performance goal levels established for Oregon will be monitored using the following:

- Executive Information System (EIS) reports
- FOCUS ad hoc reports
- Finance Office reports, (i.e. RC 540)

Manually generated reports from County Offices.

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3 Action

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Familiarization

All FSA field office personnel must familiarize themselves with the contents of this Oregon Notice. The setting of annual performance goals is intended to place focus on the FLP program areas in greatest need of attention, beginning at the County Office level. The priority given to these areas of work must be elevated to assure success.

FLP work processes and demands change during the year, but equal effort is required throughout the year to accomplish the goals that have been established. Uniform attention to collections and timely primary and preservation loan servicing provide incentives for borrowers to maintain current loan accounts.

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State Office Action

The FLP staff in the State Office is responsible for:

- providing available EIS and FOCUS ad hoc reports to the field staff on a monthly basis
 - monitoring the State's goal performance, and reporting results in State Staff minutes
 - compiling manual goal reports received from County Offices, and reporting the combined results to the National Office
 - concluding accelerated accounts and debt settlement cases
 - providing guidance and assistance to field staff when needed.
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3 Action, *Continued*

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District Director Action

During County Office visits, District Directors must devote attention to reviewing the County Office's progress and contribution toward achieving the goals set forth in this Oregon Notice. Report Code 540, AGCREDIT Current Activity Reports, MAC Workload Scheduling Reports, and the monthly goal reports distributed by the State Office, must be reviewed periodically with CEDs, FLOs, FLMs, and PTs responsible for the FLP program area to assure that delinquent accounts are being serviced in a *timely* and expeditious manner.

During the periodic reviews, attention should be given to the following items:

- small delinquent balances that can reasonably be collected before primary and preservation loan servicing notices are required to be sent
 - primary loan servicing requests not completed within 60 days
 - improper flags on accounts
 - accounts ready for acceleration or referral to the State Office
 - errors needing Finance Office correction.
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County Office Action

County Executive Directors will review the following reports with their FLM, FLOs and PT responsible for the FLP program on at least a monthly basis for the purpose of monitoring the County Office's accomplishments toward achieving desired goal results:

- Report Code 540
 - MAC (formerly AGCREDIT) Current Activity Report
 - MAC (formerly MRS) Workload Scheduling Report
 - Monthly goal reports distributed by the State Office staff.
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Farm Loan Manager Action

Farm Loan Managers will participate in the reviews described in Paragraphs 3 C and D of this Oregon Notice, and help assure that loan making and loan servicing activities assigned to themselves and other FSA employees are carried out in a timely and expeditious manner.

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4 Reports

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Loan Servicing Goal 4 Report

Manual reporting is necessary to enable the State Office to report Oregon's progress in achieving Loan Servicing Goal No. 4. Our goal is to process 80 percent of our complete primary loan servicing applications within 60 days.

With the assistance of FLMs and PTs responsible for the FLP programs, CEDs need to complete Exhibit 1 of this Oregon Notice, "FY 01 Primary Loan Servicing Processing Time," for each County Office in their area of jurisdiction. The completed Exhibit 1 for each County Office should reflect the status of primary loan servicing requests at the end of each remaining quarter during FY 2001, (i.e. March 31, June 30, and September 30). The reports are cumulative, so the new quarter's activity can be reported below the entries made on the previous quarter's report for the County Office.

The completed reports on Exhibit 1 should be forwarded to the FLP Section in the State Office within 5 working days of the close of each quarter.

Exception: The report for the second quarter ending March 31, 2001 should be submitted to the FLP staff in the State Office by no later than April 9, 2001.

FLMs need to follow up with CEDs, and assist as needed to assure that quarterly reports are completed accurately, completely, and timely.

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Entering 1951-S Notices Sent

Exhibit 1 should list all FmHA Instruction 1951-S primary and preservation loan servicing notice packages sent after October 1, 2000. It should also include any notice packages sent in Fiscal Year 2000 where the borrower's *complete* loan servicing package was *received on or after October 1, 2000*. This information can be obtained from 540 Reports retained in the County Office Operational files and the converted AGCREDIT data now residing in the MAC database.

After all of the FmHA Instruction 1951-S notice packages meeting the above criteria have been identified and the borrower's names have been entered in Column 1 of Exhibit 1, the Compact Borrower History Report for each borrower will need to be reviewed to determine whether a complete application was received. If a complete application was *not* received, *no further entries are necessary* on the report for that borrower. If a *complete application was received*, enter the date the complete application was received in Column 3 of Exhibit 1, and calculate the 60-day due date for FSA's final action to be shown in Column 4.

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4 Reports, *Continued*

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Entering Complete Applications Received and FSA Completion Codes

For the purpose of the report for this goal, the term "process a request for Primary Loan Servicing" is defined as FSA's accomplishment and entry into MAC (formerly AGCREDIT), of any of the following activities *in response to a complete FmHA Instruction 1951-S loan servicing action*:

- Date of completion of, and signing for approval or denial of, the DALRS program.
- Date APP-1 (or Notice FLP-45) loan servicing denial letter was issued.
- Date Exhibit F of FmHA Instruction 1951-S was issued.
- Date Exhibit E of FmHA Instruction 1951-S was issued.
- Date Attachment 5, 5-A, 9, or 9-A of Exhibit A to FmHA Instruction 1951-S was issued.
- Date "OTHER" activity code was entered into MAC (formerly AGCREDIT) causing the loan servicing activity to end, (i.e. the date the borrower filed a petition in Chapter 7 Bankruptcy, the date the borrower requested the FmHA Instruction 1951-S application be converted to a debt settlement action under FmHA Instruction 1956-B, etc.).
- Date of borrower resolution of delinquency through payment in full, payment to bring account current, etc. when entered in MAC (formerly AGCREDIT) to end servicing.

Note: For the purposes of this report and the completion of the code to be entered in Column 5 of the report, count only the first of these activities following *receipt of a complete FmHA Instruction 1951-S loan servicing application*.

These possible completion activities have been assigned a "Completion Action Code" in the legend shown at the bottom of the first page of Exhibit 1. Enter the appropriate code in Column 5 to identify the activity that "completed" FSA's decision on the borrower's complete loan servicing request.

Note: If the date entered in Column 3 for the receipt of a complete application during the *fourth* quarter is on or after August 3, 2001, and FSA's completion action was not completed by October 1, 2001, enter "N/A" in Column 3.

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5 Contacts

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Contact Persons

If questions arise concerning the FY 2000 Performance Goals for FLP, or the quarterly report required for Loan Servicing Goal No. 4, please contact your Farm Loan Manager, District Director, the Farm Loan Section in the State Office.

FY 01 PRIMARY LOAN SERVICING PROCESSING TIME

FSA County Office: _____

Report Completed By: _____

1951-S Loan Servicing Notices Sent		Complete 1951-S Loan Servicing Applications Received				
(1) Borrower Names	(2) Date 51-S Notices Sent	(3) Date of Complete Application	(4) 60 Day FSA Due Date	(5) Completion Action Code	(6) FSA Completion Action Date	(7) No. Days Between (3) and (6)
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Legend for Completion Action Codes (Column 5):

Code Completion Action Code Description

- No. Completion of, and signing for approval or denial of the DALRS Program.
1. 1951-S Loan Servicing Denial letter sent.
 2. Exhibit F issued.
 3. Exhibit E Issued.
 4. Attachment 5, 5-A, 9, or 9-A issued.
 5. "OTHER" action taken (i.e. borrower filed Ch. 7 Bankruptcy, requested complete application be converted to 1956-B debt settlement action, or other action taken to end 1951-S activity).
 6. Borrower paid current or paid in full.
 7. Complete Application Received ON OR AFTER 08-03-01 and FSA final action not completed by 10-01-01.
- N.A

