

For: County Offices

Servicing FLP Group-Type Loans

Approved By: Acting State Executive Director



RAT:LEV:lv

1 Overview

**A
Background**

Farm Loan Program (FLP) group-type loans include the following:

- Indian Tribal Land Acquisition Program (ITLAP) loans - (Fund Code 98)
- Grazing Association loans - (Fund Codes 52, 74, or 94)
- Irrigation and Drainage Loans - (Fund Codes 51, 76, or 96).

Regardless of the specific purpose or loan type, loans obligated under Fund Codes 51, 74, 76, 94, or 96 are commonly referred to as “Shift-in-Land-Use” loans.

Since the October 1, 1995 Transfer of Function brought about by the USDA reorganization, Group-Type borrower case files have been located in FSA County Offices. Servicing of Group-Type loans has been accomplished by a combination of FLP employees, County Office employees, and District Directors.

**B
Purpose**

The purpose of this Oregon Notice is to supplement now expired Notice FLP-42, replace expired Oregon Notice FLP-28, and provide guidance on the servicing of Group-Type loans.

FILING: Preceding FmHA Instructions 442.11 and 1951-E	
Disposal	Distribution
March 1, 2002	STO, DD, COR, COC, COF - Including Farm Loan Programs

Oregon Notice FLP-72

2 Action

A

Location of Files

All Group-Type loan files will be located in the County Office that is responsible for servicing other FLP borrowers in the same geographical area.

B

Responsible Persons

The person with primary FLP responsibilities in the County Office will also be responsible for servicing Shift-in-Land-Use loans.

Exception: Compliance Reviews for Shift-in-Land-Use loans will be performed by District Directors and other trained and designated Compliance Review Officers.

District Directors, with the assistance of Farm Loan Managers (FLMs), Farm Loan Officers (FLOs), and County Executive Directors (CEDs), are the primary contacts for making and servicing ITLAP loans. The FLM, FLO, and CED working in the County Office will perform day-to-day ITLAP loan making and servicing activities under the District Director's guidance.

C

Loan Making

ITLAP loans are the only Group-Type loans for which funding authority is currently available.

District Directors will be responsible for loan processing, with guidance from the State Office FLP section. FmHA Instruction 442.11 governs ITLAP loan processing.

D

Loan Servicing

FmHA Instruction 1951-E provides guidance on loan servicing actions that apply to both Shift-in-Land-Use and ITLAP loans.

Graduation consideration for both Shift-in-Land-Use and ITLAP loans is governed by FmHA Instruction 1951-F.

FmHA Instruction 1901-E sets forth the compliance review requirements of the Civil Rights Act of 1964 for Shift-in-Land-Use loans. Civil Rights Reviews are to be conducted by District Directors, with assistance as necessary from other trained and designated Compliance Review Officers.

Note: Civil Rights Compliance Reviews are not required for ITLAP loans.

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2 Action, Continued

E

Annual Reports

The internal organizational documents of Shift-in-Land-Use borrowers require the preparation of annual budgets and other financial documents. No regulations exist today, however, which require any specific submission or annual reporting of this information to the Agency for these Shift-in-Land-Use loans. As a result, no annual reports from these Group-Type borrowers are needed unless the borrower is delinquent or some other servicing problem exists.

If a delinquency or some other type of problem does exist with a Shift-in-Land-Use borrower, necessary reports will be determined by the District Director, in consultation with the FLM and the FLP section in the State Office. Forms FmHA 442-2 and 442-3 may be used in conjunction with an annual audit to acquire financial or other information when needed.

Annual reporting is required for borrowers having outstanding ITLAP loans. Annual reporting requirements for ITLAP borrowers are found in Section 1942.17 (g) of FmHA Instruction 1942-A. Annual audit reports are required, along with proposed budgets and other financial information. After initial review by the District Director and FLM, the audits and other required financial information received should be forwarded on to the FLP section in the State Office for review.

County Offices with ITLAP loans are to post follow-ups on their Management System Cards (or in their MAC system, as appropriate) to insure that Tribes having outstanding ITLAP loans are informed of their reporting responsibilities on an annual basis, unless more frequent reports have been requested for a specific reason.

3 Contacts

A

Contact Persons

If questions arise concerning the making of an ITLAP loan, or questions arise concerning the servicing of any Group-Type loan:

- CEDs and FLOs should contact the FLM serving their County Office
 - FLMs and District Directors should contact Lynn Voigt, Bob Perry, or Peter Halvorson in the State Office.
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