

For: County Offices

**Review of DALR\$ Report as it Pertains to the Farm and Home Plan**

Approved By: State Executive Director

LEF:LEV:ph



**1 Overview**

**A  
Background**

Results of our 2000 National Internal Reviews (NIR) indicate there are significant number of inconsistencies occurring between information on Farm and Home Plans and the DALR\$ Reports. Data on the Farm and Home Plan is not always inputted correctly into DALR\$ and signatures are not always being obtained. In addition, improper discount rates were used in the DALR\$ program.

It is essential that the information from the Farm and Home Plan be entered correctly into DALR\$. When a borrowers loan(s) have been restructured through the DALR\$ program it is imperative to make sure that both the Farm and Home Plan and the DALR\$ report are signed. It is also important to make sure the correct discount rate is used in the DALR\$ report.

**B  
Purpose**

The purpose of this Oregon Notice is to:

- Remind DDs, FLMs, FLOs, and CEDs of the importance of checking the DALR\$ report to make sure that all the numbers are inputted accurately.
- Remind FSA employees to make sure that the correct discount rate is used in the DALR\$ report.
- Remind FSA employees that the DALR\$ report needs to be signed by an FSA credit official and that the Farm and Home Plan is to be signed by both the borrower and the FSA credit official.

*Continued on the next page*

**FILING: Preceding FmHA Instructions 1951-S**

Disposal	Distribution
May 15, 2002	STO, DD, COR, COC, COF - Including Farm Loan Programs

## 2 Action

### A COF Action

Local agency employees shall check the DALR\$ Analysis Report to ensure accurate entries are made for the planned year and the deferred year. When transferring data from the Farm and Home Plan to the DALR\$ program, particular attention should be made to ensure that the numbers found in the Farm and Home Plan are the same numbers found in the DALR\$ report.

In particular, the following items need to be accurately transferred to the DALR\$ report from the completed Farm and Home Plan:

- The balance available (Line J-16)
- Payments on non-FSA debts
- Non-FSA annual operating loan amounts
- Taxes
- FSA annual operating loan amount
- The average number of months the FSA annual operating loan is outstanding

(The 2000 NIR summary report noted that 16.21 percent of the files reviewed had not transferred the correct information from the FHP to the DALR\$ report.)

The servicing official, before signing the DALR\$ report must ensure that the discount rate used is the correct rate. Verify the discount rate used in DALR\$ with the discount rates issued through published notices and Exhibit L to FmHA Instruction 440.1.

Servicing officials also need to ensure that all the servicing documents have been properly signed. FmHA Instruction 1924-B, Section 1924.56(b)(3) and (4) requires the Farm and Home Plan to be signed by the borrower and the local servicing official. FmHA Instruction 1951-S, Section 1951.909(h)(1) requires that the DALR\$ report be signed by the servicing official. In addition, the DALR\$ report must be signed prior to Exhibits F or Attachment 5 or 6-A being sent out to the borrower. The Agency servicing officials need to make sure that both the final Farm and Home Plan and the DALR\$ report that are in the case file are signed during the processing of a servicing request.

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## Oregon Notice FLP-83

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### B

#### DD Action

When reviewing any completed 1951-S restructuring, please verify :

- That the DALR\$ report reflects the same numbers as those used in the FHP.
  - That the correct discount rate is used in the DALR\$ report.
  - That the DALR\$ report and FHP are signed.
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### C

#### STO Action

Each year the STO will conduct State Evaluation Reviews on selected offices and review loan accounts that have been recently restructured to see if they were done correctly.

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### 3 Contacts

Direct questions about this Oregon Notice to Peter Halvorson, Bob Perry, or Lynn Voigt in the STO.

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