

Low Documentation (Lo-Doc) OL Loan Processing Guide

NAME OF APPLICANT		TYPE OF OPERATION	
CASE NUMBER		RESERVED	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			
LO-DOC TEST			
Yes	No	NA	The applicant must:
<input type="checkbox"/>	<input type="radio"/>		Be applying for an OL loan.
<input type="checkbox"/>	<input type="radio"/>		Be current on all payments to all creditors including FSA.
<input type="checkbox"/>	<input type="radio"/>		Have not received primary loan servicing or disaster set-aside on FSA debt within the past five years.
<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>	The requested loan is \$50,000 or less & the total OL indebtedness at the time of closing will be less than \$100,000 or
<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>	The loan requested is used to pay annual operating expenses & the applicant is an existing FSA borrower who received and repaid on schedule at least 2 annual OLs.
⇨ IF ANY ITEMS ABOVE ARE MARKED "NO", LOAN REQUEST CANNOT BE PROCESSED AS A LO-DOC LOAN ⇨			
LOAN SUMMARY			
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 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: \$ _____	
LOAN(S) PURPOSES: _____			
TEST FOR OTHER CREDIT: REPAYMENT MARGIN _____ % If the applicant does not meet the conventional and guaranteed loan criteria, document the specific reasons here. Discuss the applicant's specific financial ratios and situation compared to the specifics of what other lenders require, with or without a guarantee. _____ _____ _____			
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, 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	LOAN VALUE	PRIOR DEBT (INC. FSA'S)	PROPOSED FSA, OTHER DEBT	EQUITY	VALUE USED FOR LOAN CLASSIFICATION
Chattels						
Real Estate						
Crops, Lvst On Hand						
Crops, Lvst Projected						
Chattels Acquired						
Other						
TOTAL						
SECURITY IS ADEQUATE(?) <input type="checkbox"/> YES <input type="checkbox"/> NO LOAN TO VALUE CALCULATIONS: [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"/>						
UCC/EFS: List Security that is to be excluded on UCC/EFS-1 or the Amendment from standard language: <hr/>						
COUNTIES TO BE LISTED & NAMED ON EFS: _____						
<input type="checkbox"/> WRITTEN FARM ASSESSMENT ATTACHED including: 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 record-keeping), 7. Projected budget, 8. Planned changes, 9. Ability to obtain guaranteed credit, and 10. Supervision and training.						
<input type="checkbox"/> PROPOSED LOAN CLOSING REQUIREMENTS COMPLETED IN PART IV						
RECOMMEND BY: _____ DATE: _____ APPROVAL OFFICIAL'S COMMENTS: _____ _____ _____						
<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 - LO-DOC OL DIRECT LOANS

APPLICANT'S NAME: _____

PART II ITEMS REQUIRED FROM APPLICANTS FOR A COMPLETE APPLICATION

Date Received	By Whom	(Required for Lo-Doc OL Loan)
_____	_____	(1) Written request for priority consideration from prevailing claimant under Consent Decree. (Date received)
_____	_____	(2) Exhibit A to 1910-A, Letter requesting information needed for a complete Farm Loan Program application. (Date sent to applicant)
_____	_____	(3) Form FSA 410-1, "Request For Direct Loan Assistance."
_____	_____	(4) If the application is from a corporation, cooperative, partnership, or joint operation:
_____	_____	(A) Complete list of members, stockholders, partners and/or joint operators, showing address and percentage of co-ownership.
_____	_____	(B) A current personal financial statement from each member/stockholder/partner, or joint operator.
_____	_____	(C) Bylaws, Articles of Incorporation, Partnership Agreement, or Joint Operating Agreement.
_____	_____	(D) If a corporation, "Certificate of Current Registration" (Goodstanding) with Secretary of State's Office.
_____	_____	(E) A resolution adopted by the board of directors, members, or stockholders authorizing specific officers of the corporation, cooperative, partnership, or joint operation to apply for and obtain the desired loan, and execute the required debt, security and other instruments.
_____	_____	(5) 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.
_____	_____	(6) Form SCS-CPA-26, "Highly Erodible Land and Wetland Conservation Determination," completed by NRCS (for each tract of land identified on Form AD 1026A. (NOTE: If this form has previously been provided to FSA, it need not be provided again unless there is a change in property or a change in previous information. The AD 1026 and accompanying Form AD 1026A will used to determine if a change has occurred). Location of SCS-CPA026:_____ Borrower Case File:_____ Tract File:_____
_____	_____	(7) "Authorization to Release Information," Exhibit 1 to Oregon Notice FLP-47, unless on file.
_____	_____	(8) Provide a credit report fee of \$_____ payable to FSA. (Required for new applicants)
_____	_____	(9) 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.
_____	_____	(10) Form FSA 1941-1 OR, "Representations For Loan and Authorization To File Financing Statements And Related Documents."

ADDITIONAL ITEMS THAT MAY BE REQUIRED BY THE CREDIT OFFICIAL

- _____ (11) _____
- _____ (12) _____
- _____ (13) _____
- _____ (14) _____

After receipt of **ALL** completed forms and information required of the applicant 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

Date Received	By Whom	(Required for Lo-Doc OL Loan)
_____	_____	(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.
_____	_____	(2) Review ADPS civil rights database for listing & entitlement when priority consideration requested. Place copy of screen in applicant's file, Position 3.
_____	_____	(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.
_____	_____	(4) Review current/past debt inquiry system, borrowers cross-reference inquiry system, and Farm Programs claims report to determine any previous debt forgiveness and past FSA loan history and credit worthiness. Place copies of screens in applicant's file, Position 3. (Required for new applicants)
_____	_____	(5) CAIVRS report order for applicant(s) and all individual members of entities.
_____	_____	(6) If all of the required application forms have NOT been received, send FmHA Guide Letter 1910-A-1(20 day letter) to the applicant and request forms and information needed within 10 days after receipt of an application.
_____	_____	(7) If the necessary information is not received from the applicant within 20 calendar days after the date of the first notification of an incomplete application, send FmHA Guide Letter 1910-A-2 (10 day letter) requesting the needed information for a complete application.
_____	_____	(8) Obtain unofficial lien search on applicant, assumed business names, etc.
_____	_____	(9) Obtain unofficial business registry search on assumed business names, entities, etc.
_____	_____	(10) Order credit report (required for new applicants or in conjunction with 1951-S servicing request).
_____	_____	(11) Credit report received, if ordered.
_____	_____	(12) CAIVRS report received. Place report(s) in Position 3 of the case file.
_____	_____	(13) Input required information on the EFT database system for electronic disbursements unless waived by credit official.

Oregon Notice FLP-94

Exhibit 2

- _____ (8) Complete 5 year historical spreadsheet (Form FmHA-OR 1924-21, "Historical Income, Expenses, and Production," or equivalent). **Optional**
- _____ (9) Complete Form FmHA 1960-12, "Financial and Production Farm Analysis Summary." **Optional**
- _____ (10) For real estate secured loans with real estate as primary security, order a real estate appraisal.
- _____ (11) Real estate appraisal report received.
- _____ (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.
- _____ (13) Obtain signatures and funds for lien filings and official searches (State/County) if approval appears likely.
- _____ (14) Complete written analysis of the feasibility of the operation by use of attached farm assessment including yields and prices.
- _____ (15) Document the availability of other credit through the use of Exhibit A to FmHA Instruction 1951-F.
- _____ (16) Complete record-keeping checklist (Exhibit 1 to Oregon Notice FC-16).
- _____ (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.
- _____ (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.
- _____ (19) Prepare FEMA Form 81-93, Standard Flood Hazard Determination, for loans where real estate is taken as security (maybe attached to RE appraisal report.)
- _____ (20) Prepare and complete a TSQ and Exhibit 1 to Notice EQ-103 when real estate is taken as security.
- _____ (21) Notify applicant of approval by sending Form RD 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.
- _____ (22) If loan is approved, send Exhibit C of 1910-A, "Farmer Program Borrower Responsibilities."
- _____ (23) If highly erodible lands and wetlands are present, send Guide Letter 1940-G-1 to applicant with Form FmHA 1940-1.
- _____ (24) 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.

CLOSING REQUIREMENTS

Date Check if
Obtained Required

- _____ () UCC-1 and EFS-1 (Secretary of State)
- _____ () Financing Statement (fixtures) UCC-1A (County)
- _____ () Financing Statement (fixtures) UCC-1 (Secretary of State)
- _____ () UCC and EFS Lien Search (Secretary of State) required if a lien search is not currently in the file, or any time that crops are added.
- _____ () Amend or Continue Financing Statement (Secretary of State)
- _____ () Amend or Continue Financing Statement (County)
- _____ () Crop Insurance/Assignment of Indemnity
- _____ () Update EFT database for electronic funds transfer
- _____ () Supervised Bank Account: Form RD 402-1, "Deposit Agreement," Signature Card, Blank Check Booklet, Deposit Slip and Check, RD FmHA 402-2, "Supervised Bank Account Sheet" (1902- A). Name of Bank _____
- _____ () Obtain Title to Vehicles, Trailers Specify: _____
- _____ () FSA Assignment Specify: _____AMTA_____CRP_____CLDAP_____MLA_____Other
- _____ () Obtain Brand Card for File
- _____ () Brand Certificate, Bill of Sale
- _____ () Machinery Bill of Sale
- _____ () Restructuring, Reamortization and Extension Agreement
- _____ () Preliminary Title Report
- _____ () Insurance: Fire and extended coverage () Flood () Chattels () Other ()
- _____ () Title Insurance (mortgagees policy)
- _____ () Form FmHA 426-2, "Property Insurance Mortgage Clause," or equivalent loss clause
- _____ () Form FSA 440-13, "Report of Lien Search" (County)
- _____ () Form FSA 440-4A, "Security Agreement"
- _____ () Form RD 440-15, "Security Agreement" (if no crops or livestock)
- _____ () Form FSA 441-5, "Subordination Agreement" if required from other lienholders to FSA
- _____ () Form FmHA 441-8, "Assignment of Proceeds from the Sale of Agricultural Products"
- _____ () Form FmHA 441-10, "Nondisturbance Agreement"
- _____ () Form FmHA 441-12, "Agreement for Disposition of Jointly Owned Property"
- _____ () Form FSA 441-18 "Consent to Payment of Proceeds from Sale of Agricultural Products"
- _____ () Form RD 441-25, "Dairy Assignment"
Who Assignment to: _____
Amount of Assignment: \$ _____
- _____ () Form FmHA 460-9, "Assumption Agreement – Same Terms Eligible Transferee"
- _____ () Form FmHA 1924-23, "Agreement To Complete Training"
- _____ () Form FmHA 1927-1 OR, "Real Estate Mortgage" (on all real property and fixtures)
- _____ () Form RD 1927-4, "Transmittal of Title Information"
- _____ () Form RD 1927-5, "Affidavit Regarding Work of Improvement"
- _____ () Form FSA-OR 1927-5, "Subordination Agreement in Favor of the Government"
- _____ () Form FSA-OR 1927-8, "Contract Modification"
- _____ () Form RD 1927-15, "Loan Closing Instructions/Loan Closing Statement"
- _____ () Form FSA 1940-17, "Promissory Note"
- _____ () Form FmHA 1965-13, "Assumption Agreement – Farmer Program Loans"
- _____ () Form FS 220-13, "Escrow Waiver of Term Grazing Privileges" (Forest Service permits)
- _____ () BLM Notice of Lienholders Interest (BLM permit)

OTHER FORMS THAT MAY BE REQUIRED

- _____ () Form RD 400-1, "Equal Opportunity Agreement"
- _____ () Form RD 400-3, "Notice to Contractors and Applicants"
- _____ () Form RD 400-4, "Assurance Agreement"
- _____ () Form RD 400-6, "Compliance Statement"
- _____ () Form FmHA 431-4, "Business Analysis - Nonagricultural Enterprise"
- _____ () 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 440-45, "Nondiscrimination Certificate" (Individual Housing)
- _____ () 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 FSA 1922-2, "Supplemental Report - Irrigation, Drainage, Levee and Minerals"
- _____ () Form FSA 1922-3, "Map of Property"
- _____ () Form FSA 1922-10, "Appraiser's Worksheet - Farm Tract (Study of Comparable Properties)"
- _____ () Form FSA 1922-11, "Appraisal for Mineral rights"
- _____ () Form RD 1924-2, "Description of Materials"
- _____ () Form FmHA 1924-3, "Service Building Specifications"
- _____ () Form RD 1940-20, "Request for Environmental Information"
- _____ () Form FmHA 1940-21, "Environmental Assessment for Class I Action"
- _____ () Form FmHA 1940-38, "Request for Lender's Verification of Loan Application"
- _____ () 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
Completed Whom

_____	_____	Post to Applicant Card (Closed) & Management System Card
_____	_____	Post and update MRS (or MAC) workload scheduling including follow-ups for analysis, LR reviews, UCC continuations, field visits, etc.
_____	_____	Post to MAC from 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
_____	_____	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 transaction (Limited Resource Review)
_____	_____	Complete Form FmHA 2006-20, "Classification of Loan" & input 8N transaction (Classification)
_____	_____	Post Borrower Training Tally Card & MAC
_____	_____	Post Assessment Tally Card & MAC
_____	_____	Post Record Keeping Tally Card
_____	_____	Update civil rights database (State Office only)
_____	_____	_____
_____	_____	_____
_____	_____	_____

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