

## Low Documentation (Lo-Doc) OL Loan Processing Guide

NAME OF APPLICANT		TYPE OF OPERATION	
CASE NUMBER		REMAINGING YEARS OF ELGIBILITY	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>LO-DOC TEST</b>			
Yes	No	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"/>	Meet one of the following: (check appropriate box) <input type="checkbox"/> The requested loan is \$50,000 or less and the total OL indebtedness at the time of closing will be less than \$100,000 or <input type="checkbox"/> The loan requested is used to pay annual operating expenses and 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 ⇨			
<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: \$ _____	
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, 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. FSAS)	PROPOSED FSA, OTHER DEBT	EQUITY
Chattels					
Real Estate					
Crops, Lvsst					
On Hand					
Crops, Lvsst					
Projected					
Chattels					
Acquired					
Other					
TOTAL					
<b>SECURITY IS 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					
150% RULE FOR D-OLs IS MET <input type="checkbox"/> NOT MET <input type="checkbox"/>					
<b>UCC/FFS:</b> List Security that is to be excluded on UCC/FFS-1 or the Amendment from standard language:					
_____ _____					
<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 record-keeping), 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>					
<b>RECOMMEND BY:</b> _____ <b>DATE:</b> _____ <b>APPROVAL OFFICIAL'S COMMENTS:</b> _____ _____ _____					
<input type="checkbox"/> Approved <input type="checkbox"/> Rejected <input type="checkbox"/> Proposed closing requirements reviewed & completed in Part IV					
<b>APPROVAL OFFICIAL'S SIGNATURE:</b> _____ <b>DATE:</b> _____					

**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 an entity (corporation, cooperative, partnership, joint operation, LLC, or trust):
_____	_____	(A) Complete list of all entity members including all persons involved in the entity showing address and percentage of co-ownership or beneficial interest.
_____	_____	(B) A current personal financial statement from each person involved in the entity.
_____	_____	(C) Bylaws, Articles of Incorporation, Partnership Agreement, Joint Operating Agreement, Articles of Incorporation, Operating Agreement, Trust Agreement, or Certification of Trust.
_____	_____	(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.
_____	_____	(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 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 HEL and wetlands referrals required by Form AD 1026A. 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.

	Date Received	By Whom
(1) When Form FSA 410-1 is received, complete Item 28 A of 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 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: _____ Current/past debt inquiry system _____ Borrowers cross-reference inquiry system _____ Farm Programs claims report	_____	_____
(5) Cross-check FSA records to verify DCP, LDP, MILC, and other FSA payments. CAIVRS report order for applicant(s) and all individual members of entities.	_____	_____
(7) 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.	_____	_____
(8) 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) (copy to DD) requesting the needed information for a complete application.	_____	_____
(9) Obtain unofficial lien search on applicant, assumed business names, etc.	_____	_____
(10) Obtain unofficial business registry search on assumed business names, entities, etc.	_____	_____

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

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.

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

**ADDITIONAL ITEMS THAT MAY BE REQUIRED BY THE CREDIT OFFICIAL**

(10) Form CCC-10 or FSA 1941-1 OR for everyone executing the promissory note and for those having an ownership interest in the chattel security that have not signed Form FSA 410-1 with a revision date of 9-14-01 or later.



- (3) Credit official to complete eligibility certification and borrower training requirements on Form FSA 440-2, "Certification or Recommendation," within 30 days of a complete application.
- (4) Within 5 days after the eligibility determination, notify the applicant of the eligibility determination and training requirements.
- (5) Date of Last Field Visit (one must have been done within the last year): \_\_\_\_\_
- (6) Cross-check FSA records to verify DCP, LDP, MILC, and other FSA payments.
- (7) 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."
- Post WLS 4061 to MAC for contracted chattel appraisal. \_\_\_\_\_
- Post WLS 4060 to MAC for appraisal completed by FSA. \_\_\_\_\_
- (8) Complete 5 year historical spreadsheet (Form FmHA-OR 1924-21, "Historical Income, Expenses, and Production," or equivalent). **Optional**
- (9) For real estate secured loans with real estate as primary security, order a real estate appraisal.
- (10) Real estate appraisal report received. \_\_\_\_\_
- Post WLS 5002 to MAC for contracted RE appraisal. \_\_\_\_\_
- Post WLS 4062 to MAC for appraisal completed by FSA. \_\_\_\_\_
- (11) 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.
- (12) Obtain signatures and funds for lien filings and official searches (State/County) if approval appears likely.
- (13) Complete written analysis of the feasibility of the operation by use of attached farm assessment including yields and prices.
- (14) Document the availability of other credit through the use of Exhibit A to FmHA Instruction 1951-F.
- (15) Complete record-keeping checklist (Exhibit I to Oregon Notice FC-16).
- (16) 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.
- (17) Prepare Form FmHA 1940-22, "Environmental Checklist for Categorical Exclusions." Complete Form FmHA 1940-21, "Environmental Assessment for Class I Action," or a Class II Assessment, if appropriate.
- (18) 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."

- \_\_\_\_\_ (19) Prepare FEMA Form 81-93, Standard Flood Hazard Determination, for loans where real estate is taken as security (may be attached to RE appraisal report.)
- \_\_\_\_\_ (20) Prepare and complete Form FSA 851, "Environmental Risk Survey Form," when real estate is taken as security. Post WLS 7000 to MAC.
- \_\_\_\_\_ (21) 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 FmHA 1940-1.
- \_\_\_\_\_ (22) Review with the applicant the 14 items of understanding as required by FmHA Instruction 1910-A, Section 1910.8(c).
- \_\_\_\_\_ (23) Update Form FSA 410-1 (if necessary) to match the amount of the approved loan and obtain the applicant's initials.
- \_\_\_\_\_ (24) If loan is approved, send Exhibit C of 1910-A, "Farmer Program Borrower Responsibilities."
- \_\_\_\_\_ (25) If highly erodible lands and wetlands are present, send Guide Letter 1940-G-1 to applicant with Form FmHA 1940-1.
- \_\_\_\_\_ (26) 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.
- \_\_\_\_\_ (27) Complete Form FSA 1924-23, "Agreement To Complete Training," if form not previously completed or waiver granted
- \_\_\_\_\_ (28) Complete proforma classification and print summary page for case file.
- \_\_\_\_\_ (29) If loan is made to an existing borrower, include a recent copy of the 540 Report (redacting all other borrowers' information) reflecting no PLS or DSA for last 5 years.

### **CLOSING REQUIREMENTS**

Date      Check if  
Obtained   Required

- \_\_\_\_\_ ( ) UCC-1 and EFS-1 (Secretary of State)
- \_\_\_\_\_ ( ) Financing Statement (fixtures) UCC-1 (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: \_\_\_DCP\_\_\_CRP\_\_\_MILC\_\_\_LDP\_\_\_Other; Post to MAC (WLS 4083)
- \_\_\_\_\_ ( ) Obtain Brand Card for File
- \_\_\_\_\_ ( ) Brand Certificate, Bill of Sale



Completed Whom

- \_\_\_\_\_ \_\_\_\_\_ Post to Applicant Card (Closed)
- \_\_\_\_\_ \_\_\_\_\_ Post and update MAC workload scheduling including follow-ups for analysis, LR reviews, UCC/EFS 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 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)
- \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_
- \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_
- \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_
- \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_
- \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_
- \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

o O o