

**For:** State and County Offices

**Temporary Changes Made to Expedite Emergency (EM) Loan Processing**

**Approved by:** Acting Deputy Administrator, Farm Loan Programs



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**1 Overview**

**A**

**Background**

Widespread disasters in some regions of the country have resulted in a large number of counties receiving disaster designations. LMD anticipates that many applications for EM loans may be received by the offices servicing these areas.

This volume has signaled a need to further streamline the loan making process to implement temporary timesaving solutions. These temporary changes are intended only to expedite the loan making process and not to circumvent or remove any statutory requirements.

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**B**

**Purpose**

This notice provides:

- temporary administrative changes to FmHA Instruction 1945-D
- guidance for expediting EM loan processing.

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**C**

**Contact**

Direct questions about this notice to Chuck Ropp, LMD at 202-720-1632.

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**Disposal Date**

October 1, 1999

**Distribution**

State Offices; State Offices relay to County Offices

**Notice FLP-7**

**2 Action**

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**A**

**SED Action** SED's shall take the following actions.

<b>Action</b>	<b>Requirement</b>
1	Closely monitor all EM loan application activity, as well as the need for and availability of resources to assist the County Office with the timely processing of EM loans.
2	Make every effort to shift staff resources, if available, to areas demonstrating the need for additional assistance.
3	Consider other resources, such as contracting appraisals and the effective use of in-house appraisers.
4	Provide training where needed.
5	In extremely high workload situations, consider using contractors through the Blanket Purchase Agreement process to assist in loan processing on a timely basis.  <b>Note:</b> Experienced contractors can appraise chattel property, analyze farm records, develop a farm assessment, and perform other functions needed to complete applications for review and final action by loan approval officials.
6	Ensure that automated EM calculation software has been installed in the field and that suitable hardware is available to run the programs, such as laptops and PC's.

**B**

**SED Subsequent Action** SED's may request Action Teams:

- according to Notice FC-209
- once they have met the requirements in subparagraph A, with special emphasis being placed on actions 2, 3, and 6.

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## Notice FLP-7

### 2 Action (Continued)

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#### C

#### Ag Credit Teams Action

Ag Credit Teams are authorized to implement the following temporary administrative changes:

- approve loans based on a handwritten Farm and Home Plan
- complete automated Farm and Home Plan within 60 calendar days after loan closing
- in States where an underwriting review process requires all loans to be reviewed before loan approval, Ag Credit Teams will not be required to submit files for review before approval

**Note:** Only post-approval reviews will be completed.

- verify disaster benefits and complete and sign FmHA 1945-29

**Note:** This form does not have to be completed by another FSA employee; however, it must be completed by an FSA or County Office employee who is able to complete a thorough review of Agency records and ensure that all benefits are fully documented.

- loss calculations will be made using the software recently issued to the field.

**Note:** Experience and audit results indicate that using the software significantly reduces errors in loss calculations.

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