UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-171

For: State and County Offices

Credit Alert Interactive Voice Response System (CAIVRS) Requirements and Update

Approved by: Acting Deputy Administrator, Farm Loan Programs

1 Overview

A Background

OMB Circular A-129 requires Agencies to determine whether or not applicants are delinquent on any Federal debt before loans or other types of Federal assistance are provided. In implementing the provisions of the circular, OMB has indicated that Agencies should use CAIVRS, developed by the Department of Housing and Urban Development (HUD), to conduct pre-screening of applications to determine an applicant's credit status with the Federal Government. Agencies are responsible for implementing regulations and methods for accessing CAIVRS.

B Purpose

This notice:

- clarifies that payment of a loss claim on a guaranteed loan does not convert the guaranteed debt into a Federal debt
- clarifies loan eligibility issues about the Federal Debt Collection Act
- provides the information needed to install and use the automated CAIVRS access software
- establishes CAIVRS screening requirements for direct and guaranteed loans
- provides definitions on the CAIVRS report information fields
- clarifies CAIVRS information timeframes
- obsoletes Notice FLP-148.

Continued on the next page

Disposal Date	Distribution
July 1, 2001	State Offices; State Offices relay to County Offices

C
Loan Eligibility and Delinquency

The Federal Debt Collection Act prohibits Agencies from making or guaranteeing loans to applicants who are delinquent on other Federal debt.

Exceptions: Delinquent Federal **tax** debt will not affect eligibility for either direct or guaranteed loans except as it may impact credit worthiness.

Delinquency on a guaranteed loan will not be considered delinquent Federal debt.

Note: However, CONACT, section 373 prohibits FSA from making direct OL loans to borrowers who are delinquent on any FSA direct or guaranteed loan. Additionally, borrowers current on all payments when a confirmed bankruptcy plan is in place may be eligible for a direct or guaranteed annual operating loan

Making emergency loans is exempt from the borrower delinquency prohibitions of the Federal Debt Collection Act.

It is important that the creditworthiness provisions of Instruction 1910-A, sections 1910.5(c)(5) and 1910.5(d) and 2-FLP, subparagraph 108 A be used to evaluate all applicants.

Agency instructions will be amended to reflect the above issues.

2 Installing and Using CAIVRS Software

A Installing Software

CAIVRS software will be installed only on CCE/NT workstations that have On-Net Host Suite 4.0 software installed. On-Net software upgrades must be installed before installing the CAIVRS software. The following actions will be taken in each office processing FLP direct and guaranteed loan applications, by the system's administrator to install the On-Net upgrade and the CAIVRS software.

Step	Action
1	Access the upgrade and CAIVRS software by connecting to the Rural Development webpage at **www.RDIRM.USDA.gov/simb**.
2	Select, print, read, and follow instructions for installing On-Net Patch CCE/NT version 1.0 software.
3	After installing the On-Net Patch, select, print, and follow instructions for installing CAIVRS software.
4	Print the CAIVRS users guide, become familiar with the screening process, and provide guidance to office staff on the proper use of the screening software.
5	The first time CAIVRS is accessed from each workstation, select "transfer set-up" to assign a NIS ID number, which consists of any 7 unique characters. Each workstation must be assigned its own unique NIS ID number.

When uploading/downloading a request, use "**fsa123**" as the Agency authorization code.

Note: "fsa" must be in lower case letters.

3 CAIVRS Screening Requirements

A Direct Loans

State and County Offices shall:

- immediately upon receipt of an application, process a CAIVRS inquiry for the applicant, including, if the applicant is an entity, its individual members
- review the CAIVRS status report to determine whether the applicant or any individual member of the entity is delinquent on other Federal debt
- upon determining that the applicant or any individual member of the entity is delinquent on other Federal debt:
  - notify the loan applicant that they or, if an entity, the individual member, have been identified as being delinquent on a **non-tax** Federal debt
  - reject the loan application giving appeal rights
  - include a copy of the CAIVRS status report as an attachment
  - inform the applicant that to reinstate the application, evidence must be supplied from the identified creditor that the delinquency has been resolved, or will be resolved by loan closing.

If an application is otherwise ready for approval but a CAIVRS report has not been received, the approval official may approve the loan subject to receiving an acceptable CAIVRS report.

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B Guaranteed Loans

State and County Offices shall:

- immediately upon receipt of an application, process a CAIVRS inquiry for the loan applicant, including, if the loan applicant is an entity, its individual members
- review the CAIVRS status report to determine whether the loan applicant or any individual member of the entity is delinquent on a **non-tax** Federal debt
- upon determining that the loan applicant or any individual member of the entity is delinquent on a non-tax Federal debt, notify the lender the loan applicant is ineligible. The notification shall:
  - identify the loan applicant or individual entity member delinquent on non-tax Federal debt
  - reject the loan application giving appeal rights
  - include a copy of the CAIVRS status report as an attachment
  - inform the lender that to reinstate the application, evidence from the identified creditor must be provided reflecting that the delinquency has been resolved, or will be resolved by loan closing.

If an application is otherwise ready for approval, but a CAIVRS report has not been received, the approval official may approve the loan subject to receiving an acceptable CAIVRS report.

4 Contact

A Installation Questions

Direct questions about installation of the software to the FSA Help Desk at:

- 816-926-1552
- 800-255-2434.

B CAIVRS Screening Requirements

State Office may direct questions as follows.

IF questions about screening requirements for...	THEN contact...
direct loans	either of the following: • Mike Hinton, Branch Chief, Direct Loans Funds Management Branch, at 202-720-1472 • Kathleen Miller, Senior Loan Officer, Direct Loans Funds Management Branch, at 202-720-1643
guaranteed loans	either of the following: • Bob Bonnet, Branch Chief, Guaranteed Loans Branch, at 202-720-3889 • Steve Ford, Senior Loan Officer, Guaranteed Loans Branch, at 202-690-0451.

5 CAIVRS Report

A Definitions

The following is a listing of the information fields on the report.

Term	Definition
Social Security Number	Social Security number of the person for whom information is requested.
Authorization Code	HUD-assigned inquiry number.
Reporting Agency	Agency that reports the information on the borrower. **Note:** FLP loans were incorrectly reported under Rural Housing and vice versa. This problem is being corrected by HUD.
Status	Codes that HUD accepts: Multiple, Claim, Default, Foreclosure, Judgment.
Case Number	Default number: This is a 9-digit field. The first 5 digits are the borrower's servicing office (for FLP, State non-FIPS code, and mail code) and the last 4 digits are the borrower's project or loan number.
Contact	Agency that has the loan.
Phone	Phone number of the contact Agency.

6 Timeframes

A Reporting

According to 31 CFR 285.13(d), borrowers whose loans have not been paid within 90 calendar days (90 days past due or more) are considered delinquent and are reported to CAIVRS.

B Information Requests

Requests for CAIVRS information are gathered at midnight of the same day. The requested information is available at midnight of the following day.

The Finance Office estimates that FLP's delinquency information in CAIVRS is 30 calendar days old when the requestor receives the report. If the delinquency has been resolved within the last 30 calendar days, the data can be verified with the agency listed under Contact on the report.