



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 3010 (1924-B)

May 6, 1994

SUBJECT: Implementation of the Borrower Training Program

TO: State Directors

PURPOSE/INTENDED OUTCOME:

This AN is intended to provide guidance and assistance in establishing and implementing the Borrower Training program which became effective on February 28, 1994.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

Numerous questions and issues have come up regarding how the Borrower Training program should be established and implemented in each State. Information is provided on the most commonly mentioned issues as follows:

**Approval of Vendors:** In accordance with FmHA Instruction 1924-B Section 1924.74(d)(4), the State Director has full authority to approve applications from accredited colleges and universities (including community colleges) without National Office concurrence. In order to expedite the approval process of the applications which require National Office concurrence, the State Director will fax or mail a list of the criteria to be used in evaluating the vendor's application package. The approval criteria will include the following:

- \* An example of what items must be included on the course agenda.
- \* Minimum training objectives for each section of the course.
- \* The criteria for determining if instructors are qualified to provide training.
- \* A description of the criteria to be used to determine if an organization has adequate experience in developing and administering training to farmers.

EXPIRATION DATE: March 31, 1995

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1924-B



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Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

The approval criteria should be sent to the Assistant Administrator, Farmer Programs, ATTN: Loan Making Division or faxed to the Loan Making Division at (202) 690-1117. Once the criteria has been established and reviewed by the National Office, the State Director will have the authority to approve vendors who meet the established criteria and the minimum criteria set out in FmHA Instruction 1924-B, Section 1924.74(d)(3).

**One-Year Extensions:** The borrower is required to complete all training courses specified by the County Committee within two years after Form FmHA 1924-23, "Agreement to Complete Training," is signed. As stated in FmHA Instruction 1924-B, Section 1924.74(c)(1), the County Supervisor may grant a 1-year extension if the borrower is unable to complete the training within the established timeframe due to circumstances beyond his/her control. A valid reason for granting an extension would be if the borrower was unable to complete the course within two years because the vendors had not been established.

**Automated Tracking System:** The regulations require that a training code be entered into the automated tracking system at the time the loan is obligated. The automated system is not fully functional at this time. Therefore, it will be necessary to manually track which borrowers are required to attend training and which borrowers have been granted waivers by the FmHA County Committee. When the automated system is fully functional, the information manually recorded for these borrowers will be transferred to the automated system.

For those borrowers required to attend training, the borrower's name, case number and the date that Form FmHA 1924-23 was signed by the borrower should be recorded. For those borrowers granted a waiver by the County Committee, the borrower's name, case number and the date the County Committee signed Form FmHA 440-2, "County Committee Certification or Recommendation," recommending the waiver should be recorded. This is the minimum amount of information that should be recorded. Additional information may be recorded if the County Supervisor determines it will be beneficial.

**General Curriculum Guidelines:** FmHA Instruction 1924-B, Section 1924.74(d)(3)(iii), lists the four basic subject areas which must be covered by the curriculum. Each basic subject area can be broken down into topics. The time and attention devoted to each topic will be a factor in determining how long each course should last. As a guide, the following are features of an ideal course. These features ARE NOT minimum or maximum criteria, they are only a target or starting point. The following lists characteristics of an ideal course:

- \* Is at least 40 hours in length per area.  
For example, 40 hours of Business Planning,  
40 hours of Financial Management Systems,  
40 hours Production.
- \* Meets 1-2 hours per week.
- \* May be completed within a two-year period.
- \* Assists farmers in preparing their own plans.
- \* Is not necessarily confined to a classroom training environment.
- \* May involve one-on-one training.
- \* May involve combining production courses for different crop and livestock operations.
- \* Bases difficulty of training course on the average ability of a willing borrower.

The characteristics of the ideal training course can be used as a starting point for developing a workable program in each State. The actual training program, established within regulatory guidelines, may involve more or less criteria depending on what is needed in each State to accommodate borrowers' needs in relation to the time available and cost.

If you have any questions or would like additional information, please contact Kay M. Callin or Steven K. Ford of the Farmer Programs Loan Making Division at (202) 720-1632.

This AN may not be revised and reissued by State Directors without prior approval by the Assistant Administrator, Farmer Programs, unless modification is necessary to comply with State law.

  
MICHAEL V. DUNN  
Administrator