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

Notice FLP-126

For: State and County Offices

Implementing Credit Alert Interactive Voice Response System (CAIVRS) Requirements

Approved by: Deputy Administrator, Farm Loan Programs

Carolyn B. Cooksie

1 Overview

A Background

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

Additionally, the Federal Debt Collection Act of 1996, prohibits agencies from making or guaranteeing loans to applicants who are delinquent on other Federal debt. Delinquency on a guaranteed loan will not be considered delinquent Federal debt. Additionally, delinquent Federal tax debt will not affect an applicant's eligibility for a guaranteed loan according to 7 CFR 762.120(b), but will affect eligibility for a direct loan.

B Purpose

This notice:

- provides the information needed to install/use the automated CAIVRS access software
- establishes CAIVRS screening requirements for Direct and Guaranteed loans.

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

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 CAIVRS software.

Step	Action
1	Access the upgrade and CAIVRS software by connecting to the RD 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 an 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 Federal debt
  - reject the loan application giving review rights
  - include a copy of the CAIVRS status report as an attachment
  - inform the applicant that to reinstate the application they must supply evidence from the creditor identified, 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.

Note: Emergency loan applicants are exempt from the prohibitions against making loans to applicants who are delinquent on Federal debt if the delinquency on Federal debt is a direct result of the disaster. Additionally, past delinquency on Federal debt should be carefully considered when making creditworthiness determinations. Therefore, even if the applicant is able to pay the debt in full or otherwise resolve the debt, the delinquency must be considered when making creditworthiness determinations.

Continued on the next page

3 CAIVRS Screening Requirements (Continued)

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 other Federal debt

- upon determining that the loan applicant or any individual member of the entity is delinquent on other Federal debt, notify the lender the loan applicant is ineligible. The notification shall:

  - identify the loan applicant or individual entity member delinquent on Federal debt

  - reject the loan application giving review rights

  - include a copy of the CAIVRS status report as an attachment

  - inform the lender that to reinstate the application evidence from the creditor identified, 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 KCMO Help Desk at:

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

B CAIVRS Screening Requirements

State Offices may direct questions as follows.

IF questions about screening requirements for...	THEN contact...
direct loans	Mike Hinton, Branch Chief, Direct Loans Funds Management, at 202-720-1647.
guaranteed loans	either of the following: • Bob Bonnet, Branch Chief, Guaranteed Loans Branch, at 202-690-0214 • Steve Ford, Senior Loan Officer, Guaranteed Loans Branch, at 202-690-0451.