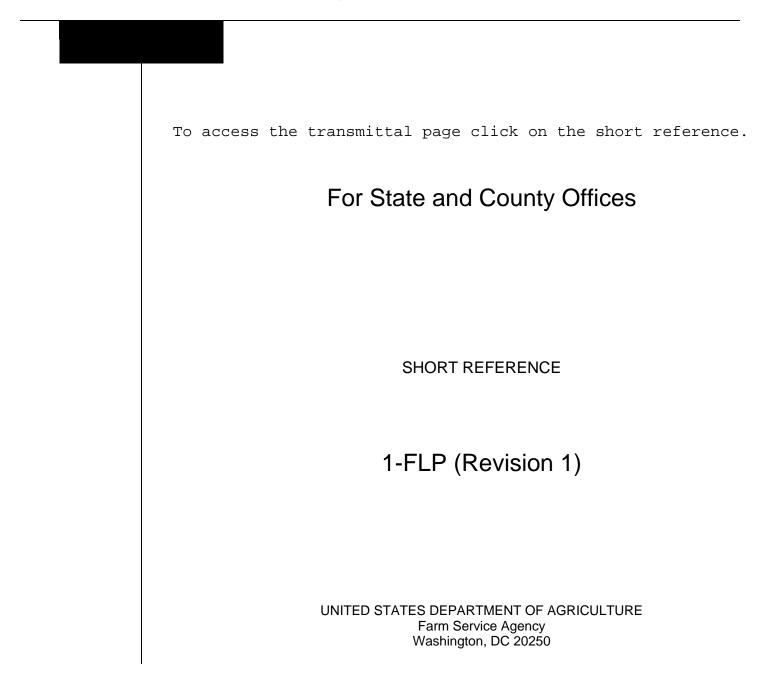


# **General Program Administration**



#### UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency Washington, DC 20250

General Program Administration 1-FLP (Revision 1)

Amendment 122

Approved by: Deputy Administrator, Farm Loan Programs



## **Amendment Transmittal**

#### A Reasons for Amendment

Subparagraphs 4 B and E have been amended to update National Office contacts.

Subparagraph 52 J has been amended to correct the Loan Activity Cutoff date.

Exhibit 17 has been amended to update FLP interest rates.

Exhibit 36 has been amended to update paragraph D, Part A, 3 C question 2.

	Page Control Chart	
ТС	Text	Exhibit
	1-7 through 1-10	1, pages 1, 2
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		36, pages 45, 46

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#### **1** Purpose and Sources of Authority

#### A Handbook Purpose

[7 CFR 761.1(d)] This part describes the Agency's general and administrative policies for its guaranteed and direct Farm Loan Programs. In general, this part addresses issues that affect both guaranteed and direct loan programs.

This handbook is designed to assist FSA in understanding:

- general and administrative regulations governing FLP's
- roles and responsibilities in implementing those regulations and other general and administrative responsibilities.

#### **B** Sources of Authority

The sources of authority for this handbook include:

- 7 CFR Part 761 and other regulations that may be referenced throughout this handbook
- the various laws and statutes passed by Congress, including CONACT.

#### **C** Regulation References

Text in this handbook that is published in the CFR is printed in **bold** text. The CFR citation is printed in brackets in front of the text. The references and text:

- are intended to highlight the requirement spelled out in CFR
- may be used to support FSA adverse decisions.

## \*--D FLP Objectives

7 CFR Parts 761 through 767 set forth FSA's regulations for FLP's. The objective of these programs is to provide supervised credit and management assistance to eligible farmers to become owners or operators, or both, of family farms, to continue such operations when credit is not available elsewhere, or to return to normal farming operations after sustaining substantial losses as a result of a designated or declared disaster. These regulations apply to loan applicants, borrowers, lenders, holders, Agency personnel, and other parties involved in making, guaranteeing, holding, servicing, or liquidating such loans. The programs are designed to allow those who participate to transition to private commercial credit or other sources of credit in the shortest period of time practicable through the use of supervised credit, including farm assessments, borrower training, market placement, and borrower graduation requirements.--\*

#### 2 Related References

#### A Related FSA Handbooks

The following FSA handbooks concern FLP.

IF the area of concern is about	THEN see
State and county organization and administration policies, procedures,	16-AO.
principles, and standards, such as work organization	
civil rights compliance and administration for FSA programs	18-AO.
appeals and mediation	1-APP.
State and county records management	25-AS.
policies and procedures for the acquisition of supplies, equipment, and services	42-AS.
common management and operating provisions for program management activities, functions, and automated applications, such as forms that cannot be accepted by FAX	1-CM.
environmental requirements	1-EQ.
processing collections and canceling loan checks and payments	3-FI.
guaranteed loan making and servicing	2-FLP.
direct loanmaking	3-FLP.
direct loan regular or routine servicing	4-FLP.
direct loan special servicing and inventory property management	5-FLP.
the Emergency Loan Seed Producers Program, Horse Breeder Loan Program, ITLAP, SALP, Land Contract Guarantee Program, and servicing of minor loan programs	6-FLP.
*debt collection and resolution	7-FLP. <b></b> *
procedures for making records available to the public, other Federal agencies, and Congress	2-INFO.
procedures for collecting, maintaining, or disclosing data or information about an individual	3-INFO.
personnel management, such as employee conflict of interest	3-PM.
employee development and training	6-PM.

Note: RD Instruction 1940-G must be used along with 1-EQ.

\* \* \*

## **B** Helpful Links

The Helpful Links web site at

https://arcticocean.sc.egov.usda.gov/flp/InformationalLinks?Action=HelpfulLinks&call er=index provides links to useful web sites.

For FLP-related historical directives, including notices and Administrative Notices, click http://www.fsa.usda.gov/FSA/flpNotices?area=newsroom&subject=landing&topic=foi-er-flp.

#### 2 Related References (Continued)

#### C State Supplements

See Exhibit 4 for State supplements required by this handbook. SED's are authorized to issue State supplements to this handbook in addition to State supplements listed in Exhibit 4.

Note: Additional State supplements may:

- **not** be issued to simply state verbatim, policies already established in the national handbook
- be issued:
  - when the national handbook does not provide complete guidance
  - to provide additional guidance for employees with limited experience
  - when State law requirements are not specifically addressed in the national handbook.

SED's shall:

- issue required supplements, and any additional supplements, according to 1-AS, paragraph 216
- obtain approval of State supplements according to 1-AS, paragraph 220
- •\*--submit for prior approval State supplements requiring the use of State-modified national forms and State-created forms

**Exception:** State-specific FSA-2029's do not require issuance of State supplement.

• follow guidance in subparagraph 3 H for clearance of State modified national forms and State-created forms.--\*

## 3 FLP Forms

## A Form References

\*--Except as provided in this paragraph, this handbook references forms according to the forms numbering system that became effective December 31, 2007. Forms executed before--\* December 31, 2007, may have a number different from that referenced. See Exhibit 5 for a comparison of form numbers before and after December 31, 2007.

Note: See Exhibit 1 for titles of forms referenced in this handbook.

With the exception of FSA-2510, FSA-2512, and FSA-2514, form numbers are not referenced in CFR (**bold**) text. CFR refers to forms by either:

• the common name of the form

Example: CFR may state "a promissory note" instead of stating "FSA-2026".

• purpose or the information collected.

Example: CFR may state "a conservation contract" instead of stating "FSA-2535".

This handbook may refer to the following forms by title and/or form number.

Form Number	Form Title	
FSA-2026	Promissory Note	
FSA-2543	Shared Appreciation Agreement	

## B FSA-2029

All references to FSA-2029 within this handbook are intended as a reference to the applicable State-specific Mortgage or Deed of Trust. State-specific Mortgages or Deeds of Trust are available on the FFAS Employee Forms/Publications Online Website at http://intranet.fsa.usda.gov/dam/ffasforms/forms.html and are numbered FSA-2029 "ST".

Notes: "ST" represents the appropriate State acronym.

SED is not required to issue a State supplement for the State-specific version of FSA-2029.

## C Notary Acknowledgement

Forms do not include preprinted text for the Notary Acknowledgement because numerous States have State-specific laws establishing required text. Therefore, a fillable text area is provided under the "Acknowledgement" heading. SED's shall issue State supplements providing the appropriate Notary Acknowledgement text to be inserted.

#### **3** FLP Forms (Continued)

#### **D** Applicant and Borrower Signatures

Forms completed by applicants or borrowers include a signature box to accommodate multiple signatures. Separate signature lines are not provided because the number of signatures required for an entity applicant or borrower cannot be determined in advance. Instructions for completing forms will provide guidance to applicants or borrowers on signature requirements.

Forms prepared by FSA for the applicant or borrower's signature include a fillable area instead of preprinted signature lines. County Offices shall insert a signature line and the name of each applicant, borrower, entity member, or other individual required to sign the form.

SED's shall issue a State supplement addressing State-specific signature requirements.

#### \*--E State-Modified National Forms

State and County Offices shall use national forms unless their use is prohibited by State law. In such cases, the State Office may modify the national form. Follow guidance in subparagraph H for obtaining clearance for State-modified national forms.

**Note:** State-modified national forms based on national forms will be made available on--\* the FFAS Employee Forms/Publications Online Website at **http://intranet.fsa.usda.gov/dam/ffasforms/forms.html** with the same form number as the national form, followed by the State acronym.

#### **3** FLP Forms (Continued)

#### **F** State-Created Forms

State Offices may create forms, as necessary, when a national form is not available. State-created forms shall be assigned a 5-digit number establishing linkage to the appropriate FLP handbook, followed by the State acronym, according to the following.

IF the form pertains to	THEN the form number shall be
more than one FLP handbook	FSA-2000-1 ST, FSA-2000-2 ST, FSA-2000-3 ST, etc.
1-FLP	FSA-2100-1 ST, FSA-2100-2 ST, FSA-2100-3 ST, etc.
2-FLP	FSA-2200-1 ST, FSA-2200-2 ST, FSA-2200-3 ST, etc.
3-FLP	FSA-2300-1 ST, FSA-2300-2 ST, FSA-2300-3 ST, etc.
4-FLP	FSA-2400-1 ST, FSA-2400-2 ST, FSA-2400-3 ST, etc.
5-FLP	FSA-2500-1 ST, FSA-2500-2 ST, FSA-2500-3 ST, etc.
6-FLP	FSA-2600-1 ST, FSA-2600-2 ST, FSA-2600-3 ST, etc.

Notes: "ST" represents the appropriate State acronym.

\*--Before using State-created forms imposing information collections on 10 or more--\* persons per year, State Offices shall work with the National Office to obtain OMB approval.

\*--State-created forms will be made available on the FFAS Employee Forms/Publications Online Website at http://intranet.fsa.usda.gov/dam/ffasforms/forms.html.--\*

\* \* \*

## **G** Other Sources of Forms

FSA does not provide forms that establish an agreement or contract between applicants/borrowers and third parties only, such as leases. Advise applicants/borrowers to obtain such forms from other sources, such as Extension Service, on-line services, attorney, etc.

# **3** FLP Forms (Continued)

# \*--H Clearance of State-Modified National Forms and State-Created Forms

The following provides guidance on obtaining approval of State-modified and State-created forms.

<ul> <li>revised instructions for completion for National form, if applicable; or instructions for completion for State-created form.</li> <li>Coordinate up</li> </ul>	he t of the form ropriate fice area. ensure nation, and public ments are
<ul> <li>and State supplement that requires using the form State-created forms.</li> <li>State supplements for forms in the 2000 series.</li> <li>electronic or scanned copy of National or State-created form, providing modifications needed</li> <li>revised instructions for completion for National form, if applicable; or instructions for completion for State-created form.</li> <li>Goordinate up</li> </ul>	ropriate fice area. ensure nation, and public ments are needed.
State-created forms.Note:Submit separately all the State supplements for forms in the 2000 series.National Offi•electronic or scanned copy of National or State-created form, providing modifications needed•Review and e nondiscrimin privacy act, a burden staten included, as r•electronic or scanned copy of National or State-created form, providing modifications needed•Send proposa approval.•revised instructions for completion for National form, if applicable; or instructions for completion for State-created form.•Coordinate up	ice area. ensure hation, and public ments are needed.
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<ul> <li>supplements for forms in the 2000 series.</li> <li>electronic or scanned copy of National or State-created form, providing modifications needed</li> <li>revised instructions for completion for National form, if applicable; or instructions for completion for State-created form.</li> <li>Review and en nondiscrimin privacy act, a burden staten included, as r</li> <li>Send proposa approval.</li> <li>Coordinate up</li> </ul>	nation, and public ments are needed.
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<ul> <li>revised instructions for completion for National form, if applicable; or instructions for completion for State-created form.</li> <li>Coordinate up</li> </ul>	al to State for
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completion for State-created form. • Coordinate up	
	tructions for
<b>Notes:</b> Include margins, font size, and any other completion to	
specific requirements for forms that will behttp://intranfiled.gov/dam/ffas	
s.html when	
State-obtained OGC approval of form may supplement is	
be requested during National Office	s upproved.
review.	
Existing In SDMS, submit the following for prior approval: • Review and e	ensure that
State-modified current	
and • electronic or scanned copy of form indicating nondiscrimin	-
State-created needed changes privacy act, a	<b>^</b>
forms burden staten	
electronic or scanned copy of instructions for completion, as needed	needed.
-	al to State for
• State supplement that requires using the form, approval.	
only if changes are needed.	
Coordinate up	ploading
form and inst	tructions for
completion to http://intran	
gov/dam/ffas	

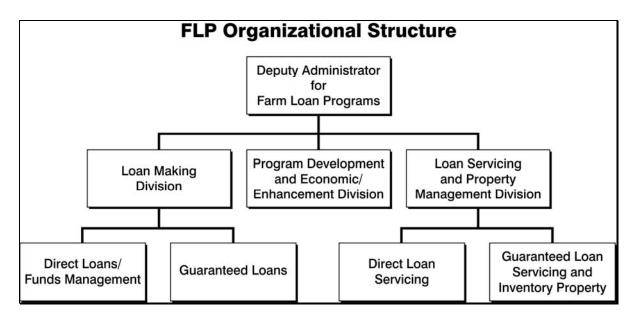
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#### 4 FLP Organizational Structure

#### A National Office FLP Organizational Structure

The following is the National Office FLP organizational structure.



#### **B** Contacts for the Office of the Deputy Administrator

The following provides the address for the Office of the Deputy Administrator.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP	USDA FSA DAFLP
STOP 0520	ROOM 3605 SOUTH BUILDING
1400 INDEPENDENCE AVE SW	1400 INDEPENDENCE AVE SW
WASHINGTON DC 20250-0520	WASHINGTON DC 20250-0520

**Note:** County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

The following provides names, titles, and telephone and FAX numbers for the Office of the Deputy Administrator.

Office of the Deputy Administrator FAX Number 202-690-3573		
Name	Title	Phone Number
*James F. Radintz	Deputy Administrator	202-720-4671*
Melody Hinmon	Secretary to the Deputy Administrator	202-720-4671

## C LMD Contacts

The following provides names, address, and telephone and FAX numbers for LMD.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP LMD	USDA FSA DAFLP LMD
STOP 0522	ROOM 3629 SOUTH BUILDING
1400 INDEPENDENCE AVE SW	1400 INDEPENDENCE AVE SW
WASHINGTON DC 20250-0522	WASHINGTON DC 20250-0522

**Note:** County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

LMD FAX Number 202-720-6797			
Office of the Director			
Name	Title	Phone Number	
Connie Holman	Director	202-690-0756	
John Tamashiro	Deputy Director	202-720-5199	
Carrie Novak	Senior Loan Officer	202-720-1643	
Shanita Staten	Program Assistant	202-720-3889	
Dire	ect Loans/Funds Management	Branch	
Russ Clanton	Branch Chief	202-690-0214	
*Norman Cummins	Senior Loan Officer	202-720-3168*	
Dan Jackson	Senior Loan Officer	202-720-0588	
Joseph Marcoccia	Senior Loan Officer	202-401-0087	
Mike Moore	Senior Loan Officer	202-690-0651	
Jerry Moseman	Senior Loan Officer	202-690-4006	
Ann Smith	Senior Loan Officer	202-720-1656	
Anne Steppe	Senior Loan Officer	202-690-4017	
	Guaranteed Loans Branch		
Randi Sheffer	Branch Chief	202-205-0682	
Steve Ford	Senior Loan Officer	202-304-7932	
*Matthew Henderson	Senior Loan Officer	202-720-5847*	
Trent Rogers	Senior Loan Officer	202-720-1657	

#### **D PDEED** Contacts

The following provides names, address, and telephone and FAX numbers for PDEED.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP PDEED	USDA FSA DAFLP PDEED
STOP 0521	ROOM 3622 SOUTH BUILDING
1400 INDEPENDENCE AVE SW	1400 INDEPENDENCE AVE SW
WASHINGTON DC 20250-0521	WASHINGTON DC 20250-0521

**Note:** County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

PDEED FAX Number 202-690-3573			
Name	Title	Phone Number	
Courtney Dixon	Director	202-720-1360	
William Cobb	Deputy Director	202-720-1059	
Thomas Dobbin	Chief Appraiser	208-378-5671	
Linda Baldwin	Document Control Technician	202-720-5489	
Lorraine Campbell	Senior Writer/Editor	202-690-2850	
Niki Chavez	Senior Loan Officer	202-690-6129	
Gene Christie	Senior Loan Officer	202-690-2517	
Robert Fleming	Lead Review Appraiser-Southeast	803-435-2201, Ex. 103	
Pixie Greer	Senior Loan Officer	202-720-1652	
Jennifer Haley	Program Analyst	202-720-9898	
Donald Howard	Lead Review Appraiser-West	503-692-1973, Ex. 238	
Mike Ittel	Lead Review Appraiser-Midwest	320-251-7800, Ext. 117	
*Tracy Jones	Senior Loan Officer	202-720-6771 <b></b> *	
Teresa Martin	Program Analyst	202-690-0431	
Dirk Nysveen	Senior Loan Officer	701-893-2239	
Sheila Oellrich	Program Analyst	202-720-2990	
Marquita Peoples	Program Analyst 202-720-8320		
Chris Tarr	Lead Review Appraiser-Northeast	315-568-6124, Ext. 104	
Vernon Tesch	Regional Appraiser-West 406-605-3442, Ext. 108		

#### **E LSPMD** Contacts

The following provides names, address, and telephone and FAX numbers for LSPMD.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP LSPMD	USDA FSA DAFLP LSPMD
STOP 0523	<b>ROOM 3627 SOUTH BUILDING</b>
1400 INDEPENDENCE AVE SW	1400 INDEPENDENCE AVE SW
WASHINGTON DC 20250-0523	WASHINGTON DC 20250-0523

**Note:** County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

	Office of the Director		
FAX Number 202-720-5804			
Name	Title	Phone Number	
Michael R. Hinton	Director	202-720-1984	
Craig Nehls	Deputy Director	202-720-1984	
Michael Cumpton	Assistant to the Director	202-690-4014	
Vera Harris	Division Secretary	202-720-1984	
Brenda McNeill	Program and Management Assistant	202-720-4572	
	Direct Loan Servicing Branch		
	FAX Number 202-720-5804		
Bruce Mair	Branch Chief	202-720-1645	
Jacqueline King	Program Analyst	202-720-2820	
Jenny Breece	Senior Loan Officer	202-690-4011	
Theresa Correa	Senior Loan Officer	202-260-9470	
Rebecca Deaton	Senior Loan Officer	202-690-2854	
Richard Cardona-Diaz	lona-Diaz Senior Loan Officer 202-720-0078		
Mary Durkin Senior Loan Officer 202-720-1658		202-720-1658	
Sharilyn Hashimoto	Senior Loan Officer 202-720-2743		
Jonathan (Lee) Nault	Senior Loan Officer 202-720-6834		
Rick Stewart	Senior Loan Officer	202-720-1654	
* * *	* * *	* * *	
Tamara Wilson	Senior Loan Officer	202-690-4012	

#### **E LSPMD** Contacts (Continued)

Guaranteed Loan Servicing and Inventory Property Management Branch FAX Number 202-720-5804				
Name Title Phone Number				
Jeff King	Branch Chief	202-720-1651		
Polly Anderson	Senior Loan Officer	202-720-2558		
Patricia Elzinga	Senior Loan Officer 202-690-1729			
Sharon Harris	Senior Loan Officer 202-401-0191			
Marilyn Meese	Senior Loan Officer 202-690-4002			
Theresa Null	Senior Loan Officer	202-720-7862		
Cynthia Van Nostrand	Senior Loan Officer	202-720-0900		
*Megan Everswick	Loan Officer	202-720-7205*		

#### 5 NFAOC Contacts

#### A NFAOC Contact Information

The following provides name, address, telephone, and FAX numbers for the main points of contact in NFAOC.

**Note:** There are now different contacts for Direct Loan Servicing and Guaranteed Loan Servicing.

#### **B** Direct Loan Servicing

The following provides the Direct Loan Servicing address.

For USPS Delivery	For FedEx or UPS Delivery
USDA, RURAL DEVELOPMENT,	USDA, RURAL DEVELOPMENT
NFAOC, FaSB, FC-1311	ATTN: (Insert Name), NFAOC, FaSB, FC-1311
BUILDING 104	BUILDING 105E - DOCK DELIVERY
4300 GOODFELLOW BLVD # 1321	4300 GOODFELLOW BLVD
SAINT LOUIS MO 63120-1703	ST. LOUIS, MO 63120

# **B** Direct Loan Servicing (Continued)

The following provides contact information for the Direct Loan, FaSB.
---

Direct Loan, FaSB ECM FAX Number 314-457-4539				
Name	Name Title Phone Number			
Cynthia Haas	Branch Chief	314-457-4121		
*Shantaye Gladney	Lead Accountant	314-679-6716		
Sharon Maull	Lead Accountant	314-457-4146*		
Betty Nunnery	Accountant	314-679-6850		
Kathryn White	Accountant	314-679-6837		
Tracy Bozzo	Accounting Technician	314-679-4193	GA, PR	
Yvonne Collins-Myers	Accounting Technician	314-679-6824	FL, ID, IA, MS, TN, UT, VI	
Kathleen Farid	Accounting Technician	314-679-6826	CO, IL, IN, ME, ND, OR, WY	
Karen King	Financial Specialist	314-457-6830	KY, NY	
Lawrence Mullen	Accounting Technician	314-679-6834	CT, KS, MA, MO, MT, PA, RI, SC, WV, WI	
Barbara Lee	Accounting Technician	314-679-6846	AZ, LA, MI, NH, OK, SD, VT, VA	
Byron Luster	Accounting Technician	314-679-6848	AR, NE, NV, NJ, NC, OH, WA, WP	
Susan Pennock	Accounting Technician	314-679-6835	AL, AK, CA, DE, HI, MD, MN, NM, TX	

# C Guaranteed Loan Servicing

The following provides the Guaranteed Loan Servicing address.

For USPS Delivery	For FedEx or UPS Delivery
USDA, RURAL DEVELOPMENT	USDA, RURAL DEVELOPMENT
FARM AND COMMUNITY	ATTN: (Insert Name), NFAOC, FCSB, FC-1321
SERVICES BRANCH, FC-1321	BUILDING 105E - DOCK DELIVERY
NFAOC, BUILDING 104	4300 GOODFELLOW BLVD
4300 GOODFELLOW BLVD	ST. LOUIS, MO 63120
ST. LOUIS, MO 63120	

# C Guaranteed Loan Servicing (Continued)

The following provides contact information for the Guaranteed Loan, FCSB.

Guaranteed Loan, FCSB Main Line 314-457-6402 ECM FAX Number 314-457-4539					
Name         Title         Phone Number         Assignment					
Sharon Sachs	Branch Chief	314-679-6804	0		
Christine Knecht	Lead Accountant	314-457-4301	IA		
Richard Lahr	Lead Accountant	314-457-4206			
Kim Dixon	Accountant	314-457-4325	RD programs only.		
Paul Quante	Accountant	314-679-6836	Farm Loan Programs.		
Jeanine Shoults	Accountant	314-457-4201	RD programs only.		
Jeanette Broeckling	Accounting Technician	314-679-6823	AZ, AR, IN, MS, NE, NC, TX, VA, WV		
Kyle Logan	Accounting Technician	314-679-6847	FL, ID, IL, MN, NY, OH, OR, PR, UT, WA		
Mary Jordan Accounting Technician		314-679-6831	AK, CO, CT, DE, GA, HI, KS, ME, MD, MA, MT, NV, ND, RI, SC, SD		
Barbara Jungenberg	Accounting Technician	314-679-6805	AL, KY, LA, MI, MO, NJ, WY		
Linda Willman	Accounting Technician	314-679-6853	CA, NH, NM, OK, PA, TN, VT, VI, WI, WP		
* * *	* * *	* * *			

# **D** Debt Collection

The following provides DCIB address.

For USPS Delivery	For FedEx or UPS Delivery	
USDA, RURAL DEVELOPMENT,	USDA, RURAL DEVELOPMENT	
NFAOC, DCIB, FC-1331	ATTN: (Insert Name), NFAOC, DCIB, FC-1331	
BUILDING 104	BUILDING 105E - DOCK DELIVERY	
4300 GOODFELLOW BLVD # 1331	4300 GOODFELLOW BLVD	
SAINT LOUIS MO 63120-1703	ST. LOUIS, MO 63120	

# **D** Debt Collection (Continued)

DCIB* Telephone Number 314-679-6870 ECM FAX Number 314-457-4478 FAX Number 314-679-6871			
Name	Title	Phone Number	Assignments
Karen Campbell	Branch Chief	314-679-6861	
Mariella Harstick	Accountant	314-679-6863	Internal Administrative Offset
Wyvone Haymon	Accountant	314-679-6864	TOP Timeline Notifications and ADPS Screen Messages; Cross Servicing Referrals and Cash
Katina Mims	Accountant	314-679-6833	TOP Referrals, Weekly Updates and Cash; Credit Bureau Reporting
Charles Spencer	Accountant	314-679-6868	TOP Refunds
Karen Johnisee	Financial Specialist	314-679-6865	Federal Salary Offset; Cross Servicing Proof of Debt/Disputes; CAIVRS

# E Program Reporting

\*--The following provides PRB address.

For USPS Delivery	For FedEx or UPS Delivery
USDA, RURAL DEVELOPMENT,	USDA, RURAL DEVELOPMENT
NFAOC, PRB, FC-1332	ATTN: (Insert Name), NFAOC, PRB, FC-1332
BUILDING 104	BUILDING 105E - DOCK DELIVERY
4300 GOODFELLOW BLVD # 1332	4300 GOODFELLOW BLVD
SAINT LOUIS MO 63120-1703	ST. LOUIS, MO 63120

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# E Program Reporting (Continued)

PRB					
Telephone Number 314-457-4310					
FAX Number 314-457-4273					
Name	Title	Phone Number	Assignments		
Debra Deters	Branch Chief	314-457-4307			
Mariella Harstick	Accountant	314-679-6863	FSA-2065; IRS Form 1099-INT;		
			RC 540; RC 541; RC 565;		
			RC 655		
Charles Spencer	Accountant	314-679-6868	IRS Forms 1098 and 1099-C;		
			RC 533, RC 534, RC 535;		
			RC 542; RC 543; RC 544;		
			RC 547; RC 606; RC 676;		
			RC 692; RC 830; RC 951;		
			RC 970/971		
Timothy Orf	Accountant	314-457-4256	RC 573, RC 593, RC 595,		
			RC 597		
Karen Johnisee	Financial Specialist	314-679-6865	IRS Forms 1099-A and 1099-G;		
			County Information File;		
			RC 531; RC 661; RC 960/961;		
			RC 980/981		

The following provides contact information for PRB.

## \*--F Cash Management Disbursement Branch

The following provides CMDB address.

Mailing Address
USDA/RURAL DEVELOPMENT
NFAOC, CMDB, FC-1412
BUILDING 105 – DOCK DELIVERY
4300 GOODFELLOW BLVD
ST. LOUIS, MO 63120

The following provides contact information for CMDB.

**Note:** For EFT validations, call the CMDB main line at 314-457-4031.

Cash Management Disbursement Branch Main Line 314-457-4031 ECM Fax Number 314-457-4371					
Name	Title	Phone Number			
Linda Schmidt	Branch Chief	314-457-4111			
Deborah Stokes	Lead Accountant	314-679-6840			
Julie Carlson	Accounting Technician	314-457-4022			
Sylvester Cooks	Financial Specialist	314-457-4034			
Roger Fordahl	Accountant	314-457-4175			
Joann Fults	Financial Specialist	314-457-4025			
Erin Greco	Accountant	314-679-6728			
Teressa Henry	Accountant	314-457-4011			
Curtis Hunt	Accounting Technician	314-457-4093			
Dorothy Wise	Financial Specialist	314-457-4016			

6-20 (Reserved)

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## 21 Overview

#### A Purpose

This Part provides information and guidance on:

- FSA's authority to administer FLP
- delegating loan approval, loan servicing, and appraisal authorities
- redelegating SED authority
- maximum loan approval authority by grade and position
- maximum loan limits.

## **B** Program Authority

CONACT, Section 339 provides the Secretary of Agriculture authority to issue regulations and make delegations of authority as necessary to administer FLP. The Secretary delegated FLP authorities to the Under Secretary for FFAS in 7 CFR 2.16. The Under Secretary further delegated these authorities to the FSA Administrator in 7 CFR 2.42. The Administrator delegates authorities to SED's, as applicable.

[7 CFR 761.1] (a) The Administrator delegates the responsibility to administer Farm Loan Programs of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 <u>et seq.</u>) to the Deputy Administrator for Farm Loan Programs subject to any limitations established in 7 CFR 2.16 (a) (2) and 7 CFR 2.42.

- (b) The Deputy Administrator may:
- (1) Redelegate authorities received under subparagraph (a); and
- (2) Establish procedures for further redelegation of authority.

CONACT, Section 376 provides the Secretary of Agriculture authority to use CED's to make and service FLP loans to the extent CED's have been trained to do so.

#### 22 General Delegation Requirements

#### A General Provisions

The following general provisions apply to FLP delegations of authority.

- SED shall consult with FLC before issuing, revising, or revoking delegations of authority.
- Authority should be delegated to the lowest level possible, consistent with employee training and experience, program requirements, and available resources.
- All delegations of authority must be in writing; the format provided in subparagraph B may be used.
  - **Note:** When a delegation is made to a specific individual, a specific memorandum must be sent to that person, with copies maintained in the appropriate files. However, if SED delegates a position, such as "All District Directors" or "All FLP Specialists", then a State Supplement to the handbook should be issued establishing the delegation. Only positions should be used and not individual names.
- An employee who has been delegated an authority listed in Exhibit 7, may not redelegate their authority to another employee.

Note: This does not apply when designating acting officials.

- Once authority is delegated, it is retained until revised or revoked according to subparagraph C.
  - **Notes:** See subparagraph 27 A for information about the impact of a change in grade or position on loan approval authority.
    - \*--A new delegation of authority is not required when SED, FLC, or FLM who issued the original delegation changes. The new SED, FLC, or FLM may--\* modify delegations according to subparagraph C.

#### 22 General Delegation Requirements (Continued)

#### **B** Sample Delegation Letter

The following letter may serve as a template for delegating authority.

To: Name
Title
The
Subject: Delegation of Authority
In my authority as ( <b>Title of Delegator</b> ), I hereby delegate to you the following
authority(ies):
autionty (los).
•
•
• .
This/these delegation(s) will continue until revoked or revised in writing.
(Signature)
(Title)
(The)
(Date)
(buc)
cc: State Office (2 copies)

## C Revising and Revoking Delegated Authority

\*--SED, FLC, or FLM may revise or revoke any authority they have delegated to an employee as justified by the employee's performance and need for the authority. FLM or FLC may--\* not revise or revoke any authority delegated by SED. Any revision or revocation of authority must be in writing. When an individual's authority is reduced or revoked, the employee must be given specific reasons for the action.

#### 23 State Office and Service Center Authorities

#### A Overview

FSA's decisions to approve or reject a loan or servicing request have broad implications for the applicant or borrower and FSA. These decisions affect the applicants' lives, the achievement of program objectives, and FSA's risk exposure. Therefore, it is imperative that certain authorities be limited to those employees who have met the training and experience requirements and have been formally delegated authority.

## **B** State Office Employees

FLP authorities, except those in Exhibit 7, subparagraph A, are inherent to the position for FLC, FLS, and DD. FLC may delegate authorities in Exhibit 7, subparagraph B to AS, LOA, or LRS, who have demonstrated experience and have received adequate training.

## **C** Service Center Employees

FLP authorities, except those in Exhibit 7, subparagraph A, are inherent to the positions of FLM and SFLO. FLM and SFLO may delegate authorities in Exhibit 7, subparagraph B to FLO, LOA, or PT.

Authorities listed in Exhibit 7, subparagraph B may be delegated to other Service Center employees, if necessary, based on the State organizational structure, as follows:

- FLM, in consultation with CED, may delegate authorities to CO PT's
- SED, in consultation with FLC, may delegate authorities to CED's who are deemed by them to have demonstrated experience and have received adequate training.
- \*--Note: FLOT's are FLO's in training, therefore, may be delegated authorities according to Exhibit 7 as proficiencies are demonstrated. Caution should be taken, however, not to overburden FLOT's with duties not associated with their current position.--\*

#### 23 State Office and Service Center Authorities (Continued)

#### **D** Acting Officials

Acting officials, other than SED, have the inherent authorities of their regular position and the inherent authorities of the acting position, unless otherwise restricted on the designation document. An acting designation does not increase an employee's loan approval authority.

\*--However, SED may increase the loan approval authority of FLO-GS-11 who is acting FLM for an extended period of time, because of a vacancy or illness, to that of FLM-GS-11 or FLM-GS-12 level, if justified by the employee's performance and FSA's need.

The loan approval authority for employees temporarily promoted, according to 3-PM, paragraph 47, will increase for the duration of the temporary promotion.--\*

Acting SED is authorized to approve:

- loans up to the maximum limits established in subparagraph 29 D
- actions which will result in a loss to the Government.

Note: The acting FLM will be designated according to 16-AO, subparagraph 287 E.

The following letter may serve as a template for designating acting officials.

To: Name Title

Subject: Delegation of Authority

You are hereby designated to serve as Acting (**Title of Delegator**), from (**Starting Date**) to (**Ending Date**). I hereby delegate to you all rights, privileges, and powers of the position (except the following:

- •
- \_\_\_\_\_.)

(Signature)

(Title)

•

(Date)

cc: State Office (2 copies)

#### 23 State Office and Service Center Authorities (Continued)

#### **E** Limitations on Inherent Authorities

SED must:

- provide a State Office employee, FLM, or SFLO written notification of any limitations on inherent authorities
- limit inherent authorities of employees selected as DD, FLS, FLM, or SFLO who have not completed required training.

#### **F** Redelegating SED Authorities

SED's may redelegate their:

- loan approval authority to FLC, FLS, or DD
- authority to allow the use of a restricted appraisal report to the designated State staff appraiser
- authority to approve subordinations, or release of refinancing lien instruments instead of subordinations, to FLC, FLS, or DD
- authority to approve surface leases for farm property no longer in use (such as old barns) or for nonfarm purposes (such as wind turbines, communication towers, or other similar installations) to FLC, FLS, or DD.

SED's may **not** redelegate their authority to:

- approve any action that will result in a loss to the Government
- approve subordination of real estate security for operating-type loan purposes
- approve release of chattel or real estate security with no compensation
- •\*--approve cancellation of undisbursed loan funds after all PLS options have been exhausted
- approve alternative repayment agreements in lieu of offset--\*
- request an Administrator's exception.

## 24 Delegating Appraisal Authority

#### **A** General Requirements

Only SED's may delegate appraisal authority according to Exhibit 7, subparagraph A. SED's may delegate appraisal authority to FSA employees who have completed the required training and have the necessary experience.

## **B** Chattel Appraisals

SED may delegate chattel appraisal authority to employees who have completed the training requirements in subparagraph 145 A.

## C Real Estate Appraisals Involving Transactions of \$100,000 or Less

SED may delegate authority to prepare real estate appraisals when the total credit transaction is less than \$100,000 to employees who have completed the training requirements in subparagraph 146 C.

#### **D** Administrative Appraisal Reviews

SED may delegate authority to complete administrative appraisal reviews to employees who have completed the training requirements in subparagraph 143 B.

#### 25 Delegating Loan Approval Authority

#### A Receiving Approval Authority

Loan approval authority must be obtained by:

- employees hired as FLO's
- employees who have not been previously delegated loan approval authority and are selected for a DD or FLS position
- CED's designated to obtain loan approval authority according to subparagraph C.

To obtain loan approval authority, employees must:

- complete Phase 1 of the FLOT program according to 6-PM, Part 13
- \*--Note: All trainees (DD, FLS, FLM, FLO, FLOT and CED) have 1 calendar year to complete Phase 1 required training and testing, as stated in 6-PM, subparagraph 198 A.
- complete Phase 2 of the FLOT program as follows:
  - FLM's, FLO's, FLOT's and CED's working toward obtaining loan approval authority shall:
    - meet the State-established credit quality standards on a minimum of 5 but not more than 7 independently prepared files, of which at least 2 must be term loans
    - be required to submit additional loan files meeting the State-established credit quality standards, until the trainee demonstrates the ability to make good credit decisions and analyze the operation proficiently

Note: The trainer, DD, and FLC will establish the number of files required.

- be placed on OTI or PIP, as appropriate, if the trainee's 3 of the maximum of 7, independently prepared loan files fail to meet the State-established credit quality standards
  - **Note:** If the trainee is placed on OTI or PIP because of failure to meet the State-established credit quality standards on the required independently prepared loan files, this action must be documented in the comments section of FLOTRACK.
- submit, at the end of the OTI or PIP, a new set of loan files that meet the State-established credit quality standards. If the trainee's 3 of the maximum of 7 independently prepared loan files again fail to meet the State-established credit quality standards, follow 6-PM, subparagraph 198 D to determine next action--\*

# A Receiving Approval Authority (Continued)

- have an additional 1 calendar year to complete Phase 2 and be delegated loan approval authority, after completing Phase 1, training
- DD's and FLS' working toward obtaining loan approval authority shall:
  - meet the State-established credit quality standards on a minimum of 3 files of which at least 1 must be a term loan. Not more than 4 files may be submitted to meet this requirement
  - submit a minimum of 4 acceptable file reviews. Not more than 6 file reviews may be submitted to meet this requirement
    - **Note:** When recording trainee file reviews in FLOTRACK Docket information, \*--choose "Docket Type:
      - File Review Direct Loan
      - File Review Guaranteed Loan (SEL)
      - File Review: PLS.--\*
  - be placed on an OTI or PIP as appropriate, if the trainee's:
    - 3 of the maximum of 4 independently prepared loan files fail to meet the State-established credit quality standards
    - 4 of the maximum of 6 file reviews are not acceptable.
    - **Note:** If trainee is placed on an OTI or PIP due to failure to meet the State-established credit quality standards on the independently prepared loan files or file reviews, this action must be documented in the "Comments" section of FLOTRACK.
  - submit, at the end of the OTI or PIP, a new set of loan files that meet the State credit quality standards
    - **Note:** If the trainee's 3 of the maximum of 4 independently prepared loan files again fail to meet the State-established credit quality standards, or 4 of the maximum of 6 file reviews are not acceptable, follow 6-PM, subparagraph 198 D to determine next action.
  - have an additional 6 months to complete Phase 2 and be delegated loan approval authority, after completing Phase 1 training.

### A Receiving Approval Authority (Continued)

The files trainees submit for State Office review and approval must be of sufficient complexity to reflect the ability to make good credit decisions and analyze an applicant's or borrower's operation. The files submitted must include **all** of the following types of loans:

• direct loans

\*--Notes: May submit no more than 1 Microloan.--\*

May **not** submit youth loans.

- guaranteed loan applications from SEL only
- PLS applications.

**Notes:** In cases where SEL and/or PLS applications are **not** available, FLC may substitute direct loans, excluding youth loans, to meet this requirement.

When substituting a direct loan for SEL and/or PLS, note "File Substitution for SEL or PLS" in the "Comments" section.

Files submitted for review may include credit actions recommended for approval or rejection.

# **B** Failure to Receive Loan Approval Authority

Follow 6-PM, subparagraph 198 D if an employee (DD, FLS, FLM, FLO, or FLOT) whose position description requires the employee to obtain loan approval authority, or CED designated to obtain loan approval authority, does not successfully meet the criteria in subparagraph A.

# C CED Loan Approval Authority

SED's, in consultation with FLC and the appropriate DD, may designate CED's to obtain loan approval authority if CED:

- agrees to maintain competency with ongoing FLP activity
- while completing the FLOT program and working toward obtaining loan approval authority, agrees to have added to the performance plan under Program Management, Execution of Duties, or similar element the following standard, "Successfully completes assigned training and training activities within established timeframes"

# C CED Loan Approval Authority (Continued)

• is able to perform the duties according to 27-PM, Exhibit 4.4

**Note:** 27-PM, Exhibit 4.4 will be attached to the CED's position description when loan approval authority has been delegated.

- completes the formal FLOT program
- meets the requirements established in subparagraph A.

CED's, who held FLP loan approval authority **within** the previous 12 months immediately before the SED designation, may submit a statement requesting waiver of additional training. SED, in consultation with FLC and DD, shall determine any training required before CED is delegated loan approval authority.

CED's, who held FLP loan approval authority but **not** within the previous 12 months immediately before the SED designation, must submit the number of independently prepared files required under subparagraph A. SED, in consultation with FLC and DD, shall evaluate the CED's knowledge of **current** FLP loan requirements, financial analysis, and FBP to determine required training before CED is delegated loan approval authority.

# **D** Circumstances for Designating CED's

SED's, in conjunction with FLC, should identify areas of their State that could justify and benefit from CED having loan approval and servicing authority.

The office or area where CED would be designated by SED to obtain loan making and servicing approval authority must meet both of the following conditions.

• Direct and/or guaranteed caseload in the office or area is high, complex, or geographically challenging and FLM, SFLO, or FLP team servicing the office or area needs additional help.

**Notes:** The requirement established in subparagraph 27 D shall be considered when evaluating this condition.

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# **D** Circumstances for Designating CED's (Continued)

FLM or SFLO is responsible for managing loan making and servicing activity in Service Centers considered to be Type 1 offices when CED with loan approval authority is headquartered in the office.

• CED has sufficient time for additional responsibilities required to obtain and maintain loan making and servicing authority without negatively impacting CED's current farm program obligations.

# E COC Concurrence

COC will be required to concur in writing:

- with the additional FLP responsibilities that CED will be incurring
- that while CED is completing the FLOT program and working toward obtaining loan approval authority, has added to the performance plan under Program Management, Execution of Duties, or similar element the following standard, "Successfully completes assigned training and training activities within established timeframes".

# F National Office Approval for CED's Receiving Loan Approval Authority

SED's shall submit FSA-2127 to the National Office to request approval for all CED's designated to obtain loan making and servicing authority by e-mailing the completed FSA-2127 to Teresa Martin, National Office FLOT Coordinator, at **teresa.martin@wdc.usda.gov**.

The National Office FLOT Coordinator will notify SED when DAFO and DAFLP approval has been granted.

# 26 Delegating Loan Servicing Authority

# A Delegations to FLO

FLM or SFLO may delegate loan servicing authorities to FLO according to Exhibit 7, subparagraph B.

\*--Note: Loan servicing authorities may be delegated to FLOT's who have the appropriate training and experience. Use caution in delegating authority to employees still in training.--\*

# **B** Delegations to PT

FLM or SFLO may delegate loan servicing authorities to PT, who has the appropriate training and experience, according to Exhibit 7, subparagraph B.

# 26 Delegating Loan Servicing Authority (Continued)

#### **C** Delegations to CED

See 27-PM, Exhibit 4.4 for FLP responsibilities that may be performed by CED's designated by SED to obtain loan servicing authority.

#### **D** Delegations to AS, LOA, and LRS

FLC, FLM, or SFLO may delegate loan servicing authorities to AS, LOA, or LRS who has the appropriate training and experience, according to Exhibit 7, subparagraph B.

#### 27 Maintaining Approval Authority

#### A Employee Who Accepts New FLP Position Within the State

When an FLP employee with loan approval and servicing authority accepts a new FLP position within the State, a new delegation of authority is not required.

Loan approval authority is automatically increased when the employee's grade increases, unless:

- SED issues a new delegation of authority limiting the authority
- the original delegation of authority established limitations on approval authority.

#### **B** Hires With Prior Loan Approval Authority in Another State

Employees who held FLP loan approval authority for at least 1 year immediately before the selection to the new position, may submit a copy of the previous delegation letter, and a statement from the previous FLC, reflecting the quality of docket reviews based upon credit quality review guidelines.

This information shall be used to establish the following:

- necessary actions for obtaining FLP loan approval in the new State
- •\*--determining whether the employee will be required to submit dockets for review, and if so, the number of dockets to be submitted in the new State to determine whether approval authority will be delegated to the employee--\*.

New employees who did not hold FLP loan approval authority for at least 1 year immediately before the selection to the position, must submit the number of independently prepared files required under subparagraph 25 A. SED, in consultation with FLC, shall determine any training required for the employee to be delegated approval authority.

# 27 Maintaining Approval Authority (Continued)

# C FLM's, SFLO's, FLO's, and CED's Maintaining Loan Approval Authority

After loan approval and servicing authority is granted, FLC's will continue to monitor the loan making and servicing activities of employees to ensure that loan making and servicing actions meet the established State credit quality standards.

This will require that FLM's, SFLO's, FLO's, and CED's submit files that meet the credit quality standard established by SED and FLC in subparagraph 28 A, on a sufficient number of independently prepared files to show continued proficiency. Each State will set a minimum number, no less than 3, of files that must meet the standard. The files submitted for review must be of sufficient complexity to reflect the ability to make good credit decisions and analyze an applicant's or borrower's operation. Files submitted must meet the requirements in subparagraph 25 A.

# D CED's Maintaining Responsibility for FLP Activities

SED, in conjunction with FLC, must determine whether circumstances warranting the granting of loan approval to CED continue to exist according to subparagraph 25 D. If the circumstances warranting the granting of loan approval authority no longer exist, CED should be advised their loan approval authority will be suspended. Suspension of loan approval authority based on these circumstances will not be considered as a performance issue.

CED's, with only loan servicing responsibilities, will be required at a minimum to service 10 case files according to their servicing authorities each year.

To meet the minimum number of files required each year, CED may be required to process cases outside of their immediate County Office area.

**Note:** Actions that may be counted include, but are not limited to the following:

- PLS
- disaster set-aside
- subordinations
- partial releases.

\*--DD will be responsible for tracking the number of case files on which CED completed loan servicing actions.

# E Failure to Maintain Loan Approval Authority

Follow appropriate PM directives for guidance if an employee, whose position description requires the employee to maintain loan approval authority, does not successfully meet the criteria in subparagraphs C and D.--\*

# 28 Establishing Credit Quality Standards

# A Credit Quality Reviews

SED, after consulting with FLC, shall issue a State supplement establishing the method and standards, including what constitutes an acceptable score, for monitoring and evaluating the State's credit quality standards. The supplement must identify the minimum and maximum number of files that will be reviewed, as well as the frequency of credit quality reviews to obtain and maintain loan approval and servicing authority. These credit quality reviews will determine whether an employee's loan approval and/or servicing authority will be granted, revised, limited, or revoked.

**Note:** The State supplement must specify that if the office being reviewed made any loans using ARRA funds, a minimum of 1 file that used ARRA funds must be included in credit quality reviews.

In developing credit quality standards and completing reviews, States may use FSA-2103, FSA-2104, FSA-2119, FSA-2129, or any other alternative evaluation guide provided, and, at a minimum, must include the critical items from each of the following:

- FSA-2103, items 2M, 2Q, 2S, and 2U
- FSA-2104, items 2A, 2H, and 2I
- FSA-2119, items 2A, 2B, 2H, 2J, and 2M.
- •\*--FSA-2129, items 2L, 2P, and 2R.--\*

Each quarter FLC will review at least 2 restructured accounts, if available, to ensure that they are processed correctly. These reviews will be completed in conjunction with or in addition to reviews completed under subparagraph 27 C.

**Notes:** All completed FSA-2103's, FSA-2104's, FSA-2119's, FSA-2129's, and/or alternative evaluations must be filed in operational file FLP 1-4. No original or copy will be filed in the borrower case file.

SED should take into consideration available staff and resources when developing the credit quality review process. SED and FLC may:

- consider establishing a credit quality team in the State Office or using existing FLP underwriting staff with loan approval and servicing authority, if resources are available
- want to consider establishing the process on a district or FLP team basis.

All employees completing credit quality reviews must have approval authority and a good background in loan making and servicing.

# 28 Establishing Credit Quality Standards (Continued)

### **B** Continuing Education Requirements

Beginning in FY 2014, FLP continuing education shall become mandatory annual training for all employees with loan approval or servicing authority. SED shall:

- add the requirement for completing continuing education to the State supplement that addresses the State's credit quality standards
- monitor AgLearn to ensure that required continuing education released the previous FY was completed by employees with loan approval or servicing authority at the time credit quality reviews are conducted.

Notes: Annually, the National Office will issue a FLP notice to:

- announce the year's new continuing education courses
- provide employees required to complete the new courses.

Failure to complete the required continuing education courses will result in a failed credit quality review.

#### 29 Maximum Loan Authorities

#### A OL, FO, CL, and EM Program Loan Limitations

Limitations on maximum loan amounts for OL, FO, and EM are established in CONACT. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 1999 (Pub. L. 105-277), amended the limitations applicable to guaranteed OL and FO by providing for an annual adjustment based on the rate of inflation applicable to FY.

[7 CFR 761.8 (a)] The outstanding principal balances for a farm loan applicant or anyone who will sign the promissory note cannot exceed any of the following at the time of loan closing or assumption of indebtedness. If the outstanding principal balance exceeds any of the limits at the time of approval, the farm operating plan must reflect that funds will be available to reduce the indebtedness prior to loan closing or assumption of indebtedness.

- (1) Farm Ownership, Down payment loans, Conservation loans, and Soil and Water loans:
- (i) Direct--\$300,000;
- (ii) Guaranteed--\$700,000 (for fiscal year 2000 and increased at the beginning of each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);
- \*--Notes: FY 2016 loan limit is \$1,399,000.--\*

This limit includes land contract guarantees.

- A OL, FO, CL, and EM Program Loan Limitations (Continued)
  - (iii)Any combination of a direct Farm Ownership loan, direct Conservation loan, direct Soil and Water loan, guaranteed Farm Ownership loan, guaranteed Conservation loan, and guaranteed Soil and Water loan-\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);
  - \*--Notes: FY 2016 loan limit is \$1,399,000.--\*

This limit includes land contract guarantees.

- (2) Operating loans:
- (i) Direct--\$300,000;
- (ii) Guaranteed--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);
- \*--Note: FY 2016 loan limit is \$1,399,000.--\*
- (iii)Any combination of a direct Operating loan and guaranteed Operating loan--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);
- \*--Note: FY 2016 loan limit is \$1,399,000.--\*
- (3) Any combination of guaranteed Farm Ownership loan, guaranteed Conservation loan, guaranteed Soil and Water loan, and guaranteed Operating loan--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);
- \*--Notes: FY 2016 loan limit is \$1,399,000.--\*

This limit includes land contract guarantees.

- (4) Any combination of direct Farm Ownership loan, direct Conservation loan, direct Soil and Water loan, direct Operating loan, guaranteed Farm Ownership loan, guaranteed Conservation loan, guaranteed Soil and Water loan, and guaranteed Operating loan--the amount in paragraph (a)(1)(ii) of this section plus \$300,000;
- \*--Notes: FY 2016 loan limit is \$1,699,000.--\*

This limit includes land contract guarantees.

(5) Emergency loans--\$500,000;

- A OL, FO, CL, and EM Program Loan Limitations (Continued)
  - (6) Any combination of direct Farm Ownership loan, direct Conservation loan, direct Soil and Water loan, direct Operating loan, guaranteed Farm Ownership loan, guaranteed Conservation loan, guaranteed Soil and Water loan, guaranteed Operating loan, and Emergency loan--the amount in paragraph (a)(1)(ii) of this section plus \$800,000.
  - \*--Notes: FY 2016 loan limit is \$2,199,000.--\*

This limit includes land contract guarantees.

# **B** Adjustment for Guaranteed Loans

[7 CFR 761.8 (b)] The dollar limits of guaranteed loans will be increased each fiscal year based on the percentage change in the Prices Paid by Farmers Index as compiled by the National Agricultural Statistics Service, USDA. The maximum loan limits for the current fiscal year are available in any FSA office and on the FSA website at http://www.fsa.usda.gov.

# C LOC Advances

[7 CFR 761.8 (c)] The total dollar amount of guaranteed line of credit advances and income releases cannot exceed the total estimated expenses, less interest expense, as indicated on the borrower's cash flow budget, unless the cash flow budget is revised and continues to reflect a feasible plan.

A Standard Eligible Lender must obtain Agency approval before issuing future year's funds according to 2-FLP, subparagraph 265 C. Approval may be provided by any Agency official with loan approval authority, and is not subject to the maximum loan limits established in subparagraph D.

Note: PLP and CLP lenders may provide future years' funds without prior FSA approval.

# D Official Loan Approval Limitations for OL, FO, CL, and EM

The following identifies the maximum loan approval authority for OL, FO, CL, and EM by grade and title of approval officials at the time of loan closing. All loan approval limitations include the loan being made plus any outstanding principal balances owed by anyone who will sign the promissory note. For LOC's, the maximum amount of the LOC ceiling will be considered the outstanding principal balance. An approval official cannot approve or reject a loan request that will exceed the official's approval authority at the time of loan closing. The official must forward the loan and recommendations to the appropriate approval official for action.

\* \* \* County Office employees who have loan approval authority may not exceed the authority of the equivalent grade FLO or FLM.

				FLM, DD,						
				FLS, FLC, or Senior						
Type of Loan		FLO		FLO	SED					
Type of Loan	GS-7	GS-9	GS-11	GS-11/12/13	SED					
Maximum approval by assistance type – limitation I										
Guaranteed OL	\$100,000	\$200,000	\$400,000	\$700,000	*\$1,399,000					
Direct OL	\$50,000	\$100,000	\$175,000	\$225,000	\$300,000					
Guaranteed FO+SW+CL	\$0	\$175,000	\$400,000	\$700,000	\$1,399,000					
Land Contract Guarantee	\$0	\$125,000	\$150,000	\$225,000	\$500,000					
Direct FO+SW+CL	\$0	\$125,000	\$150,000	\$225,000	\$300,000					
Direct EM	\$50,000	\$100.000	\$150,000	\$300,000	\$500,000					
Maximum a	Maximum approval for combined assistance types – Limitation II									
OL Total Direct &	\$100,000	\$200,000	\$400,000	\$700,000	\$1,399,000					
Guaranteed	ŕ	-								
FO+CL+SW+ Land	\$0	\$200,000	\$400,000	\$700,000	\$1,399,000					
Contract Total Direct &										
Guaranteed										
Total app	oroval for m	ultiple assist	tance types –	Limitation III						
OL+FO+CL+SW+ Land	\$0	\$400,000	\$550,000	\$850,000	\$1,699,000					
Contract Total Direct										
and Guaranteed										
Total Guaranteed	\$100,000	\$400,000	\$550,000	\$850,000	\$1,399,000					
Total approval for FO, CL, OL, EM and Land Contract – Limitation IV										
OL+FO+CL+SW+EM+	\$0	\$400,000	\$550,000	\$850,000	\$2,199,000*					
Land Contract Total										
Direct and Guaranteed										

# **D** Official Loan Approval Limitations for OL, FO, CL, and EM (Continued)

SED, in consultation with FLC, may raise the loan approval authority limits for FLM's and senior FLO's who routinely show a higher than average loanmaking proficiency by the following:

- direct loanmaking, increase up to an additional \$50,000 •
- guaranteed or a combination of direct and guaranteed loanmaking, increase up to an • additional \$200,000.

SED, after consulting with FLC, shall issue a State supplement establishing the method and standards, including what constitutes higher than average proficiency, for monitoring and evaluating the basis for raising loan approval authorities. This State supplement must be submitted for preapproval.

Note: Loans to employees in a County Office must be approved by the State Office. Loans to State Office employees must be approved by the National Office.

# D Official Loan Approval Limitations for OL, FO, CL, and EM (Continued)

Four loan approval criteria need to be considered when determining whether a loan is within an approval official's authority. Each loan approval decision must meet all applicable criteria. Approval limitation I establishes the maximum by assistance type. Approval limitation II establishes the maximum for combinations of direct and guaranteed by assistance type. Approval limitation III establishes the maximum for combinations of all direct and guaranteed assistance types, except EM. In addition, it provides total guaranteed assistance limits. Approval limitation IV establishes the maximum for combinations of all direct and guaranteed assistance types.

A loan official can determine an applicant eligible when the loan request exceeds the official's loan approval authority at the time eligibility is determined. This decision of eligibility will be reviewed by the approval official at the time of approval. However, a loan official cannot determine an applicant ineligible if the loan request exceeds their approval level at the time the decision is made. They can recommend that the applicant be determined ineligible, but since this determination will result in a loan being rejected it can only be made by an approval official whose approval authority level would allow them to approve the loan.

# E Official Loan Approval Limitations for SALP and Emergency Loans for Seed Producers

		FLO		FLM, DD, FLS, *SFLO, or* FLC	
Type of Loan	<b>GS-7</b>	<b>GS-9</b>	<b>GS-11</b>	GS-11/12/13	SED
Special Apple Loan	\$50,000	\$100,000	\$150,000	\$200,000	\$200,000
Emergency Loan for	\$50,000	\$100,000	\$150,000	\$200,000	Over \$200,000
Seed Producers					

The following identifies the maximum loan approval authority for SALP and Emergency Loans for Seed Producers by grade and title of approval officials.

# **E** Official Loan Approval Limitations for SALP and Emergency Loans for Seed Producers (Continued)

Outstanding loan balances from other direct or guaranteed FLP loans will not affect the amount an applicant is eligible to receive under these programs or the amount an approval official is authorized to approve. Any outstanding SALP or Emergency Loan for Seed Producers loan balances will not affect the amount an applicant is eligible to receive under any other FLP loan program.

# **F** Official Loan Approval Limitations for Nonprogram Loans

The following table identifies the maximum loan approval authority for nonprogram loans by grade and title of approval officials.

Type of Loan	*FLM, SFLO* GS-11/12	DD, FLS, or FLC	SED
Real Estate	\$400,000	\$500,000	Any amount
Chattels	\$200,000	\$300,000	Any amount
Recreation Loans to Individuals	\$175,000	\$300,000	Any amount

**Note:** Approval authority for recreation loans to individuals applies only to property that secured a recreation loan to an individual or farming corporation, not a recreation association.

Outstanding loan balances from other direct or guaranteed FLP loans will not affect the amount an applicant is eligible to receive under nonprogram loans. Any outstanding nonprogram loan balances will not affect the amount an applicant is eligible to receive under any other FLP.

#### **G** Limitations for Loan Servicing Actions

In general, approval authority for loan servicing actions, such as subordinations, and transfer and assumptions, is limited to the approval official's maximum loan approval authority. However, the approval official shall review the appropriate FLP handbook for the specific transaction for further guidance.

Exceptions include the following.

- SED may approve subordinations of any amount unless the total EM indebtedness exceeds \$1 million.
- All PLS may be approved by any authorized agency official, except SED must approve PLS if any debt is forgiven.
- Any authorized agency official may approve all Disaster Set-Aside actions.
- For action on debt settlement applications that exceed the approval official's authority, see RD Instruction 1956-B, Exhibit A.

An approval official cannot approve or reject a servicing request that exceeds the official's approval authority. The official must forward the servicing action and recommendations to the appropriate servicing official for action. Approval officials who have not been delegated loan approval authority may not approve these loan servicing actions.

**30-40** (Reserved)

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#### Part 3 Miscellaneous Procedures and Systems

#### 41 Nondiscrimination in FLP

#### A Federal ECOA

FLP must comply with the provisions of ECOA and the implementing regulations of the Federal Reserve System published in 12 CFR Part 202, which requires in part, the following notice be included on all adverse decisions.

[12 CFR 202.9(b)(1)] The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

#### **B** USDA Nondiscrimination Policy

\*--[7 CFR 15d.3(a)] No agency, officer, or employee of the USDA shall, on the ground of race, color, national origin, religion, sex, sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or gender identity, exclude from participation in, deny the benefits of, or subject to discrimination any person in the United States under any program or activity conducted by the USDA.

[7 CFR 15d.3(b)] No person shall be subjected to reprisal for opposing any practice(s) prohibited by this part, for filing a complaint, or for participating in any other--\* manner in a proceeding under this part.

# C ECOA Notice and USDA Nondiscrimination Statement on Adverse Decisions

Include the following combined ECOA notice and USDA nondiscrimination statement on all adverse decision letters.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

\*--The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint\_filing\_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov.

Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).--\*

# D Nondiscrimination Statement on Advertisement of Sale for Inventory Property

Include the following nondiscrimination statement on advertisements announcing the sale of inventory property.

\*--The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint\_filing\_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov.

Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).--\*

If the material is too small to permit the full statement to be included, the material will at a minimum include the statement in print no smaller than the text.

"The USDA is an equal opportunity provider and employer."

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# **E** Nondiscrimination Statement on Materials for Public Information, Public Education or Distribution

Departmental Regulation 4300-3, Equal Opportunity Public Notification Policy, requires that the following nondiscrimination statement be included on all materials produced for public information, public education, or public distribution, such as program fact sheets, brochures, and press releases. The statement shall be in English and languages appropriate to the local population.

\*--The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint\_filing\_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov.

Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).--\*

If the material is too small to permit the full statement to be included, the material will at a minimum include the statement in print no smaller than the text.

"The USDA is an equal opportunity provider and employer."

# **F** Discrimination Complaints

[7 CFR 15d.4(a)] Any person who believes that he or she (or any specific class of individuals) has been, or is being, subjected to practices prohibited by this part may file on his or her own, or through an authorized representative, a written complaint alleging such discrimination. No particular form of complaint is required. The written complaint must be filed within 180 days from the date the person knew or reasonably should have known of the alleged discrimination, unless the time is extended for good cause by the Director of the Office of Civil Rights or his or her designee. Any person who complains of discrimination under this part in any fashion shall be advised of his or her right to file a complaint as herein provided.

[7 CFR 15d. 4(b)] All complaints under this part should be filed with the Director of the Office of Civil Rights, United States Department of Agriculture, Washington, D.C. 20250, who will investigate the complaints. The Director of the Office of Civil Rights will make final determinations as to the merits of the complaints under this part and as to the corrective actions required to resolve program complaints. The complainant will be notified of the final determination on his or her complaint.

**Note:** If the borrower files a civil rights complaint with FLP personnel, FLP personnel will immediately submit it to CR.

[7 CFR 15d.4(c)] Any complaint filed under this part alleging discrimination on the basis of disability will be processed under 7 CFR Part 15e.

# G Processing Loan and Servicing Applications When an Applicant Files a Discrimination Complaint

Under no circumstances will FSA:

- delay the processing of a loan or servicing application pending the outcome of a filed discrimination complaint
- deny a loan or servicing request because a discrimination complaint has been filed
- accelerate or foreclose a loan before a discrimination complaint is closed.

**Note:** See subparagraph H for guidance on determining if a discrimination complaint has been filed.

# G Processing Loan and Servicing Applications When an Applicant Files a Discrimination Complaint (Continued)

If an applicant or borrower files, or has filed, a discrimination complaint against the agency official responsible for processing the loan or servicing application, DD or SED will assign a different official to process the request. Processing responsibility may be reassigned to:

- an authorized agency official from either of the following:
  - same district, but a different county
  - another district
- DD.
  - **Note:** Reassignment of processing loan or servicing applications is temporary. When the investigation is closed, and if it is determined that discrimination did not occur, the loan or servicing application will be returned to the appropriate office.

# H Determining if a Discrimination Complaint Has Been Filed at CR

FLC or designee will contact the National Office by e-mail to ensure that a discrimination complaint has not been filed before borrower account acceleration, again before borrower account foreclosure, and if needed, just before reclassifying debt as CNC. Before:

- acceleration, State Office must contact the National Office for civil rights filing clearance after conclusion of all primary and preservation loan servicing and related appeal rights
- foreclosure, States with:
  - judicial foreclosure, FLC must contact the National Office after account acceleration and before referring the account to OGC for liquidation action
    - **Note:** If a discrimination complaint is filed after referral to DOJ, then DOJ will decide if the foreclosure shall proceed.
  - nonjudicial foreclosure, FLC must contact the National Office after the account has been accelerated and before the collateral is advertised for foreclosure sale
  - reclassifying an account as CNC, State Offices must contact the National Office for civil rights filing clearance.
  - **Note:** See Exhibit 12 for \* \* \* the process used to determine if a discrimination complaint has been filed and is open at CR.

\* \* \*

See Exhibit:

- 13 for information to be included in e-mail to the National Office for civil rights clearance
- 13.5 for instructions on servicing settlement claimants and National Office FLP programmatic reviews.

Discrimination complaints will be processed according to 18-AO, Part 7.

# I 2008 Farm Bill Acceleration and Foreclosure Moratorium

[7 CFR 766.358(a)] Notwithstanding any other provisions of this subpart, borrowers who file or have filed a program discrimination complaint that is accepted by USDA Office of Adjudication or successor office (USDA), and have been serviced to the point of acceleration or foreclosure on or after May 22, 2008, will not have their account accelerated or liquidated until such complaint has been resolved by USDA or closed by a court of competent jurisdiction. This moratorium applies only to program loans made under subtitle A, B, or C of the Act (for example, CL, FO, OL, EM, SW, or RL). Interest will not accrue and no offsets will be taken on these loans during the moratorium. Interest accrual and offsets will continue on all other loans, including, but not limited to, non-program loans.

Under the 2008 Farm Bill, there is a moratorium on the acceleration or foreclosure for certain borrowers who have a pending program discrimination complaint, or file a program discrimination complaint that is accepted as valid by OA.

When the State Office is notified by OCR or LSPMD that the borrower has an accepted complaint, it will process DLS Transaction "5G", \* \* \* using Descriptive Code "7" to establish the indicator for accounts that may be eligible for a moratorium. The effective date of the "5G" transaction will be the date the complaint was accepted by OA.

**Note:** State Offices will monitor all accounts flagged "OAC1". The State Office will process DLS Transaction "5H", \* \* \* using Descriptive Code "7" at the conclusion of the moratorium.

If the borrower has an accepted complaint at OA and the account is at the point of acceleration or in foreclosure, interest will not accrue and no offsets will be taken on any CL's, FO's, SW's, RL's, OL's, and EM's and any recoverable costs associated with these loans.

The moratorium will end on the date the claim is resolved.

If any requests for debt settlement or payoff during the moratorium are received, contact LSPMD.

# Par. 41

# \*--I 2008 Farm Bill Acceleration and Foreclosure Moratorium (Continued)

For the purpose of the 2008 Farm Bill noted in this subparagraph:

- FSA was not directed to suspend interest or offsets on any loans other than CL's, FO's, SW's, RL's, OL's, and EM's
- interest accrual and offsets will continue to be taken on other loans, including NP loans
- accounts that have no security remaining that have been accelerated or where all loans are mature, such as those classified as CNC, also will continue to accrue interest and be subject to offset.
- **Note:** Other moratoriums as directed by the Secretary of Agriculture or the Administrator will be followed on their own terms and in some cases will interact with accounts affected by the 2008 Farm Bill.

[7 CFR 766.358(a)(1)] If the Agency prevails on the program discrimination complaint, the interest that would have accrued during the moratorium will be reinstated on the account when the moratorium terminates, and all offsets and servicing actions will resume.

[7 CFR 766.358(a)(2)] If the borrower prevails on the program discrimination complaint, the interest that would have accrued during the moratorium will not be reinstated on the account, unless specifically required by the settlement agreement or court order.

- [7 CFR 766.358(b)] The moratorium will begin on:
- (1) May 22, 2008, if the borrower had a pending program discrimination claim that was accepted by USDA as valid and the account was at the point of acceleration or foreclosure on or before that date or
- (2) The date after May 22, 2008, when the borrower has a program discrimination claim accepted by USDA as valid and the borrower's account is at the point of acceleration or foreclosure.--\*

#### \*--I 2008 Farm Bill Acceleration and Foreclosure Moratorium (Continued)

For borrowers who:

- had a pending program discrimination claim **and** were at the point of acceleration or foreclosure as of May 22, 2008, the moratorium was effective as of May 22, 2008
- have a program discrimination claim accepted by OA after the effective date of the 2008 Farm Bill (May 22, 2008) **and** later reach the point of acceleration or foreclosure, the moratorium will begin at the point of acceleration or foreclosure
- are at the point of acceleration or foreclosure **and** then have a program discrimination claim accepted by OA after the effective date of the 2008 Farm Bill (May 22, 2008), the moratorium will begin on the date the claim is accepted by OA.

# [7 CFR 766.358(c)] The point of acceleration under this section is the earliest of the following:

- (1) The day after all rights offered on the Agency notice of intent to accelerate expire if the borrower does not appeal;
- (2) The day after all appeals resulting from an Agency notice of intent to accelerate are concluded if the borrower appeals and the Agency prevails on the appeal;
- (3) The day after all appeal rights have been concluded relating to a failure to graduate and the Agency prevails on any appeal;
- (4) Any other time when, because of litigation, third party action, or other unforeseen circumstance, acceleration is the next step for the Agency in servicing and liquidating the account.

The point of acceleration is the **earliest** of the following:

- the day after all rights offered on FSA-2521 or FSA-2525 have expired, if the borrower does **not** appeal
- the day after all appeals resulting from FSA-2521 or FSA-2525 are concluded, if the borrower did appeal and FSA prevailed on the appeal
- the day after any appeal rights have concluded relating to the failure to graduate under 4-FLP, paragraph 48
- any other time when, because of litigation, third party action, or other unforeseen circumstance, acceleration is the next step for FSA in liquidating the account.--\*

# I 2008 Farm Bill Acceleration and Foreclosure Moratorium (Continued)

# [7 CFR 766.358(d)] A borrower is considered to be in foreclosure status under this section anytime after acceleration of the account.

A borrower is considered to be at the point of foreclosure anytime **after** acceleration.

The borrower will be notified of the temporary moratorium of interest accrual and offset by \*--SED, or State Office designee, using FSA-2120 with a courtesy copy FAXed to FaSB according to subparagraph 5 B.

Note: The offset is not canceled, but only temporarily suspended until the claim is resolved.

FaSB will update the borrower's account to suspend interest accrual and offset activity.--\*

# [7 CFR 766.358(e)] The moratorium will end on the earlier of:

# (1) The date the program discrimination claim is resolved by USDA or

# (2) The date that a court of competent jurisdiction renders a final decision on the program discrimination claim if the borrower appeals the decision of USDA.

FSA-2121 will be used by SED, or State Office designee, to inform the borrower that the \*--moratorium has ended. FaSB will be FAXed a courtesy copy and notified by separate--\* correspondence of the requirements of any Settlement Agreement about interest accrual and offsets.

If FSA prevails, the suspended interest will be reinstated and interest accrual and offsets will immediately resume.

# 42 Appeals

# A General Requirements

FLP applicants and borrowers have the right to request reconsideration, file appeals, and enter into ADR about adverse decisions according to 7 CFR Part 780 and 7 CFR Part 11. See 1-APP for FSA's appeal procedure.

**Exceptions:** For adverse decisions on:

- loan servicing requests under 5-FLP, use the appropriate forms and exhibits to notify borrowers
  - **Note:** Appraisals used for homestead protection, including appraisals used in exercising the option to purchase homestead property, or used to determine the amount due under shared appreciation agreements under 5-FLP, may be appealed according to paragraph 144 and 1-APP.
- nonprogram loan borrowers, see 4-FLP, paragraph 248.
- **Note:** Regulations published in 7 CFR are available on the GPO web site at http://www.gpoaccess.gov/cfr/index.html.

#### **B** Mandatory Language for Adverse Decision Letters

See 1-APP for mandatory language about reconsideration, appeal, and ADR, to be included in adverse decision letters. Additional guidance may be issued under the APP notice series.

#### C Adverse Decisions Involving Appraisals

Text on appraisal reviews provided in subparagraphs D and E will be added to the reconsideration language provided in 1-APP or APP notices, as applicable, when an adverse decision is based on real estate or chattel appraisal, except when either of the following applies:

- the appraisal is for PLS or preservation servicing and 5-FLP requires using a specific form or exhibit
- the appraisal in question was associated with or connected to, an FSA decision wherein appeal rights were previously offered and concluded.
- **Notes:** Appraisals may only be reconsidered or appealed. Mediation is not available on real estate or chattel appraisals.

See subparagraph 144:

- D for additional guidance about handling real estate independent technical appraisal reviews received from an applicant or borrower
- E for additional guidance about handling chattel independent appraisal reviews received from an applicant or borrower
- G for additional guidance when an applicant or borrower identifies errors in an appraisal.

### **D** Real Estate Appraisals

The following text shall be added to the reconsideration paragraph in adverse decision letters involving a real estate appraisal.

You may request a copy of the real estate appraisal used in our decision. We will provide you with a copy within five days of your request. If you would like to discuss the appraisal, or you believe there are errors, including mathematical or property description errors in the appraisal, you should request reconsideration.

#### Independent Technical Appraisal Review

If you believe the real estate appraisal FSA obtained is incorrect for reasons other than those stated above, you may obtain an independent technical appraisal review. The issue under reconsideration will be whether FSA's real estate appraisal is consistent with the Uniform Standards of Professional Appraisal Practice. If you want this option, you must include a copy of the independent technical appraisal review, or notify this office of your intent to obtain an independent technical appraisal review, in your request for reconsideration. This review must be provided to this office at the time of or before the reconsideration meeting. You must pay to obtain a current independent technical

\*--appraisal review from a State-certified general appraiser. The appraiser and the--\* independent technical appraisal review must meet the standards contained in FSA regulations. You may request a copy of the regulations from this office. If you cannot find a qualified appraiser to conduct the independent technical appraisal review, a list of qualified appraisers is available in this office.

If you do not submit an independent technical appraisal review at the time of or before the reconsideration meeting, you waive your right to have us reconsider the appraisal. If you submit an independent technical appraisal review, we will determine whether the appraiser and the independent technical appraisal review meet FSA requirements. If the independent technical appraisal review meets FSA requirements, we will consider all comments contained in the independent technical appraisal review and determine if the appraisal obtained by FSA should be revised.

The following text shall be added to the reconsideration paragraph in adverse decision letters involving a chattel appraisal.

You may request a copy of the chattel appraisal used in our decision. We will provide you with a copy within five days of your request. If you would like to discuss the appraisal, or you believe there are errors, including mathematical or property description errors in the appraisal, you should request reconsideration.

# Independent Appraisal Review

If you believe the chattel appraisal FSA obtained is incorrect for reasons other than those stated above, you may obtain an independent appraisal review. The issue under reconsideration will be whether FSA's chattel appraisal is consistent with the present market value of like items in your area. If you want this option, you must include a copy of the independent appraisal review, or notify this office of your intent to obtain an independent appraisal review, in your request for reconsideration. You must pay to obtain a current independent appraisal review from a qualified appraiser. This review must be provided to this office at the time of or before the reconsideration meeting. The appraiser and the appraisal review must meet standards contained in FSA regulations. You may request a copy of the regulations from this office. If you cannot find a qualified appraiser to conduct the independent appraisal review, a list of qualified appraisers is available in this office.

If you do not submit an independent appraisal review at the time of or before the reconsideration meeting, you waive your right to have us reconsider the appraisal. If you submit an independent appraisal review, we will determine whether the appraiser and the appraisal review meet FSA requirements. If the independent appraisal review meets FSA requirements, we will consider all comments contained in the independent appraisal review and determine if the appraisal obtained by FSA should be revised.

#### **F** Nondiscrimination Statement

The nondiscrimination statement in subparagraph 41 C must be included in all adverse decision letters.

# \*--G Actions When Loan Servicing Denial Is Overturned in NAD Final Determination

1-APP, subparagraph 135 A requires that FSA implement a final determination not later than 30 calendar days after the effective date of the notice of final determination. An appeal determination is administratively final when the provisions of 1-APP, subparagraph 135 B have been met.

The authorized agency official will advise the borrower of the next steps to be taken in the loan servicing request within 5 workdays of the date the appeal decision becomes administratively final, or the date FSA determines that it will not pursue a further review of the hearing officer's decision, whichever comes first. The contact will be by telephone or in person, with a written followup.

1-APP, subparagraph 135 D provides that, according to FSA regulations, FSA may consider changes in the borrower's condition in implementing NAD's final determination. If there have been significant changes to the borrower's financial or farming situation since the date of the original FSA decision, only the information that has changed needs to be submitted or revised. Any revised or new documents must be initialed or signed, as appropriate, by both the borrower and the authorized agency official.

**Note:** A significant change is a change that would materially affect the feasibility of, or eligibility for, the proposed loan servicing action.

FSA may request updated financial or production information as the borrower's circumstances may have changed during the pendency of the appeal that may adversely affect the borrower's farming operation.

**Note:** <u>Adversely affect</u> means that a change unrelated to the issue resolved through the appeal will result in the borrower no longer being eligible for the loan servicing action requested, or the previously developed FBP not being feasible.

After completing the review and evaluation of all necessary revisions, the authorized agency official will approve or deny the loan servicing request according to the applicable FLP handbook. Any loan servicing denial will be handled according to 1-APP, subparagraph 135 E.

The State appeals coordinator will monitor receipt and implementation of final NAD determinations to ensure that they are properly and timely implemented.--\*

# 43 Debarment and Suspension

#### A Purpose

Individuals and entities, other than loan recipients, who have been debarred or suspended from Government procurement or nonprocurement programs cannot participate in transactions with FSA. See 2 CFR 180.115 and 417.10.

**Note:** This does not apply to individuals and entities entering into transactions with applicants and borrowers without FSA involvement.

Obtain current copy of 2 CFR Parts 180 and 417 from the Internet at **http://ecfr.gpoaccess.gov**.

# **B** Direct Loanmaking

Loan approval officials shall check the debarment and suspension list before providing FSA-2341 or FSA-2342, as appropriate, to attorneys, title companies, title insurance companies, or closing agents conducting loan closing activities.

Notes: Loan approval officials may obtain reports containing debarment and suspension lists \*--from the Internet at https://www.sam.gov/portal/public/SAM. It is not necessary to create an account to search the Excluded Parties List System database. On the SAM Home Page, CLICK "Search Records". On the Search Records Screen, enter the name or DUNS number of the person or entity being checked for exclusion. SAM does not have DUNS or Cage Code identifiers for every record.

When matches are found, there may be instances where an individual or entity has the same or similar name as the search request but is actually a different party. Therefore, it is important to verify the intended search to the returned results. If the attorney, title company, title insurance company, or closing agent selected is debarred or suspended, the applicant must make a new selection.

A copy of the returned search record will be filed in the applicant's case file.--\*

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# 43 Debarment and Suspension (Continued)

# C Guaranteed Loanmaking

SED shall review CLP and PLP lenders and their officers and agents for debarment or suspension as follows:

- before submitting to DAFLP for approval to obtain status
- during the annual review of lender's status according to 2-FLP, paragraph 267.

Loan approval officials shall review SEL's and their officers and agents before issuing FSA-2232.

#### **D** Causes for Debarment or Suspension

The causes for initiating and the actions required to initiate:

- •\*--debarment are in 2 CFR Part 180, Subparts F and H, and 2 CFR Part 417, Subpart H
- suspension are in 2 CFR Part 180, Subparts F and G, and 2 CFR Part 417, Subpart G.--\*

# **E** Exceptions

The Secretary of Agriculture or designee may grant a written exception permitting a debarred or suspended person or entity to participate in a covered transaction according to \*--2 CFR 180.135.--\*

# 44 Collecting and Coding Ethnicity, Race, and Gender Information

# A Purpose

FSA collects ethnicity, race, and gender information for reporting purposes and to ensure that targeted funds are made available to SDA's and monitor SDA participation rates in FLP.

# **B** Procedure for Collecting and Coding Ethnicity, Race, and Gender Information

FSA-2001, FSA-2211, FSA-2212, FSA-2301, FSA-2330, and FSA-2683 are used to request ethnicity, race, and gender information of the applicant. This information may be requested only on an FSA approved form. An applicant's response to this request is optional. However, the authorized agency official must inform all applicants that for an applicant to be \*--eligible for targeted funds, FSA will need his or her ethnicity, race, and gender information.

When FSA receives a loan application, FSA will enter the ethnicity, race, and gender information into BP and GLS if guaranteed customer.--\*

#### 44 Collecting and Coding Ethnicity, Race, and Gender Information (Continued)

#### C Ethnicity, Race, and Gender Classifications

An applicant, including individual entity members, may identify:

- his or her ethnicity as either of the following:
  - Hispanic or Latino a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish Culture or origin, regardless of race
  - not Hispanic or Latino
- himself or herself as a member of 1 or more of the following races:
  - Asian a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian Subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam
  - American Indian or Alaskan Native a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment
  - Black or African American a person having origins in any of the black racial groups of Africa
  - Native Hawaiian or other Pacific Islander a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands
  - White a person having origins in any of the original peoples of Europe, North Africa, or the Middle East
- his or her gender as male or female.

#### 45 Allocating Loan Program Funds

# A General

[7 CFR 761.201(a)] This subpart addresses:

\*--(1) The allocation of funds for direct and guaranteed FO, CL, and OL loans:--\*

(2) The establishment of socially disadvantaged target participation rates; and

(3) The reservation of loan funds for beginning farmers.

[7 CFR 761.201(b)] The Agency does not allocate EM loan funds to State Offices but makes funds available following a designated or declared disaster. EM loan funds are available on a first-come first-served basis.

\*--B Timing of the Allocation of FO, CL, and OL Funds

[7 CFR 761.202] The Agency's National Office allocates funds for FO, CL, and OL--\* loans to the State Offices on a fiscal year basis, as made available by the Office of Management and Budget. However, the National Office will retain control over the funds when funding or administrative constraints make allocation to State Offices impractical.

[7 CFR 761.201(c)] State funding information is available for review in any State Office.

**C** National Reserves for FO and OL Funds

[7 CFR 761.203(a)] At the start of each fiscal year, the National Office reserves a portion of the funds available for each direct and guaranteed loan program. These reserves enable the Agency to meet unexpected or justifiable program needs during the fiscal year.

[7 CFR 761.203(b)] The National Office distributes funds from the reserve to one or more State Offices to meet a program need or Agency objective.

- D Methods of Allocating Funds to State Offices
- \*--[7 CFR 761.204] FO, CL, and OL loan funds are allocated to State Offices using one--\* or more of the following allocation methods:

[7 CFR 761.204(a)] Formula allocation, if data, as specified in § 761.205 (subparagraph 45 E), is available to use the formula for the State.

[7 CFR 761.204(b)] Administrative allocation, if the Agency cannot adequately meet program objectives with a formula allocation. The National Office determines the amount of an administrative allocation on a case-by-case basis.

[7 CFR 761.204(c)] Base allocation, to ensure funding for at least one loan in each State, District, or County Office. In making a base allocation, the National Office may use criteria other than those used in the formula allocation, such as historical Agency funding information.

**E** Computing a Formula Allocation

\*--[7 CFR 761.205(a)] The formula allocation for FO, CL, or OL loan funds is equal to:--\*

(1) The amount available for allocation by the Agency minus the amounts held in the National Office reserve and distributed by base and administrative allocation, multiplied by:

formula allocation = (amount available for allocation - national reserve - base allocation - administrative allocation) x State Factor

- (2) The State Factor, which represents the percentage of the total amount of the funds for a loan program that the National Office allocates to a State Office.
- [7 CFR 761.205(b)] To calculate the State Factor, the Agency:
- (1) Uses the following criteria, data sources, and weights:

CRITERIA	LOAN TYPE CRITERION IS USED FOR	DATA SOURCE	WEIGHT FOR *FO AND CL (percent)	WEIGHT FOR OL LOANS* (percent)
Farm operators with sales of \$2,500-\$39,999 and less than 200 days work off the farm	*FO, CL, and OL loans	U.S. Census of Agriculture	15	15
Farm operators with sales of \$40,000 or more and less than 200 days work off farm	FO, CL, and OL loans	U.S. Census of Agriculture	35	35
Tenant farm operators	FO, CL, and OL loans	U.S. Census of Agriculture	25	20
Three-year average net farm income	FO, CL, and OL loans	USDA Economic Research Service	15	15
Value of farm real estate assets	FO and CL*	USDA Economic Research Service	10	N/A
Value of farm non-real estate assets	OL loans	USDA Economic Research Service	N/A	15

#### **E** Computing a Formula Allocation (Continued)

- (2) Determines each State's percentage of the national total for each criterion;
- (3) Multiplies the percentage for each State determined in paragraph (b)(2) of this section by the applicable weight for that criterion;
- (4) Sums the weighted criteria for each State to obtain the State factor.
- **F** Pooling of Unobligated Funds Allocated to State Offices
- \*--[7 CFR 761.206] The Agency periodically pools unobligated FO, CL, and OL loan--\* funds that have been allocated to State Offices. When pooling these funds, the Agency places all unobligated funds in the appropriate National Office reserve. The pooled funds may be retained in the national reserve or be reallocated to the States.

A FLP notice will be issued before pooling of funds occurs.

G Distribution of Farm Loan Funds by State Offices

[7 CFR 761.207] A State Office may distribute its allocation of loan funds to District or County level using the same allocation methods that are available to the National Office. State Offices may reserve a portion of the funds to meet unexpected or justifiable program needs during the fiscal year.

H Target Participation Rates for Socially Disadvantaged Target Groups

[7 CFR 761.208(a)] (1) The Agency establishes target participation rates for providing \*--FO, CL, and OL loans to members of socially disadvantaged groups.--\*

- (2) The Agency sets the target participation rates for State and County levels annually.
- (3) When distributing loan funds in counties within Indian reservations, the Agency will allocate the funds on a reservation-wide basis.
- (4) The Agency reserves and allocates sufficient loan funds to achieve these target participation rates. The Agency may also use funds that are not reserved and allocated for socially disadvantaged groups to make or guarantee loans to members of socially disadvantaged groups.
- \*--I FO and CL's Based on Ethnicity or Race

[7 CFR 761.208(b)] The FO and CL loan target participation rate based on ethnicity--\* or race in each:

- (1) State is equal to the percent of the total rural population in the State who are members of such socially disadvantaged groups.
- (2) County is equal to the percent of rural population in the county who are members of such socially disadvantaged groups.
- J OL Based on Ethnicity or Race

[7 CFR 761.208(c)] The OL loan target participation rate based on ethnicity or race in each:

- (1) State is equal to the percent of the total number of farmers in the State who are members of such socially disadvantaged groups.
- (2) County is equal to the percent of the total number of farmers in the county who are members of socially disadvantaged ethnic groups.

**K** Target Participation Rate for Women Farmers

[7 CFR 761.208(d)] (1) The target participation rate for women farmers in each:

- (i) State is equal to the percent of farmers in the State who are women.
- (ii) County is equal to the percent of farmers in the county who are women.
- (2) In developing target participation rates for women, the Agency will consider the number of women who are current farmers and potential farmers.
- L Loan Funds for Beginning Farmers

[7 CFR 761.209] Each fiscal year, the Agency reserves a portion of direct and guaranteed FO and OL loan funds for beginning farmers in accordance with section 346(b)(2) of the Act.

Direct FO and OL funds are reserved until September 1 of each FY. Beginning farmer downpayment funds are reserved until April 1 of each FY.

**Note:** Between April 1 and September 1 of each FY, beginning farmer downpayment funds may be used by any eligible beginning farmer.

Guaranteed FO and OL funds are reserved until April 1 of each FY.

Note: An FLP notice will be issued before the lifting of targets.

#### \*--M CL Funds

[7 CFR 761.210(a)] The following applicants and conservation projects will receive priority for CL funding:

- (1) Beginning farmer or socially disadvantaged farmer;
- (2) An applicant who will use the loan funds to convert to sustainable or organic agriculture production system as evidenced by one of the following:
  - (i) A conservation plan that states the applicant is moving toward a sustainable or organic production system, or
  - (ii) An organic plan, approved by a certified agent and the State organic certification program, or
  - (iii)A grant awarded by the Sustainable Agriculture Research and Education (SARE) program of the National Institute of Food and Agriculture, USDA.--\*

# M CL Funds (Continued)

(3) An applicant who will use the loan funds to build conservation structures or establish conservation practices to comply with 16 U.S.C. 3812 (section 1212 of the Food Security Act of 1985) for highly erodible land.

# N Transfer of Funds

[7 CFR 761.211] If sufficient unsubsidized guaranteed OL funds are available, then beginning on:

- (a) August 1 of each fiscal year, the Agency will use available unsubsidized guaranteed OL loan funds to make approved direct FO loans to beginning farmers and socially disadvantaged farmers under the Downpayment loan program; and
- (b) September 1 of each fiscal year the Agency will use available unsubsidized guaranteed OL loan funds to make approved direct FO loans to beginning farmers.

# 46 Maintaining Borrower Addresses and Service Center Office Codes

# A Changing Borrower Address Records

An authorized agency official must maintain correct addresses for all direct and guaranteed loan borrowers within the authorized agency official's jurisdiction and caseload.

An authorized agency official should make borrower address changes for borrowers with the following:

- •\*--direct loans only, by updating BP
- both direct and guaranteed loans, by updating BP and by processing a PLAS TC 4C in GLS
- guaranteed loans only, by updating BP and processing a PLAS TC 4C in GLS.
- **Note:** Name and address data entered in GLS for a customer should exactly match BP--\* data for the same customer.

See 1-CM, paragraph 198 for documenting customer data changes \* \* \*.

Forms for requesting updated addresses include FSA-470, which FSA mails to the borrower's last known address, and FSA-137, which requests address information from USPS.

# 46 Maintaining Borrower Addresses and Service Center Office Codes (Continued)

#### **B** Maintaining the Accuracy of Name and Address Information \* \* \*

SCIMS information is matched nightly against PLAS information to detect variances. Any variances between SCIMS and PLAS systematically generate TC 4C to update PLAS.

County Offices shall view the following reports, available through the FSA Data Marts, using the Oracle EPM 11 Data Mart, at least monthly to ensure name and address \*--information in BP and SCIMS is accurate:--\*

- SCIMS-PLAS Exception
- SCIMS-PLAS Update
- SCIMS-PLAS Discrepancy.

\*--Any necessary corrections to BP or PLAS must be made immediately. See Exhibit 14 for guidance on accessing and using the reports, and correcting data.

**Notes:** County Offices shall contact State Offices regarding questions about how to process corrections.

BP is a multi-agency database shared by FSA, NRCS, and RD. Consult CED and other agency representatives, as applicable, before making changes/corrections in BP.--\*

# **C** Related Instructions

See 4-FLP, Part 12 for transferring servicing responsibilities when an existing borrower moves to an area serviced by a different County Office.

# **D** Changing Servicing Office Codes

FSA-2125 will be used by State Offices to change servicing office codes and mail codes when all files for 1 or more County Office are moved.

# 47 Ensuring Borrower Compliance With Restrictions on Lobbying

# A Overview

# [7 CFR 761.5] A person who applies for or receives a loan made or guaranteed by the \*--Agency must comply with the restrictions on lobbying in 2 CFR Part 418.

USDA regulations about restrictions on lobbying are published in 2 CFR Part 418. This paragraph provides guidance for implementing 2 CFR Part 418 for FLP loan applicants--\* and borrowers.

**Note:** CFR citations refer to Departmental regulations.

# **B** Applicant and Lender Certification

Any applicant for a direct or guaranteed loan exceeding \$150,000 must certify compliance with lobbying activities requirements. The certification is obtained from all loan applicants on FSA-2001, FSA-2211, FSA-2212, FSA-2301, and FSA-2683.

Lenders applying for a loan guarantee exceeding \$150,000 must certify compliance with lobbying activities requirements. The certification is obtained from all lenders on FSA-2201.

\*--Additional information on certification requirements is available in 2 CFR 418.110, which--\* is included in subparagraph D.

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# 47 Ensuring Borrower Compliance With Restrictions on Lobbying (Continued)

# C Disclosure of Lobbying Activities

Any person or entity that is required to certify compliance with lobbying activities requirements may have to complete SF-LLL. In particular, any person or entity must complete SF-LLL if they have made or have agreed to make any payment using funds other than appropriated funds to influence a decision in connection with the loan or loan guarantee. This requirement also applies to any person who requests or receives a contract or subcontract of at least \$100,000 under a loan or loan guarantee exceeding \$150,000.

SF-LLL must be submitted at the time of loan or guarantee application and in each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person \*--under paragraphs (a) or (b) of 2 CFR 418.110 (subparagraph D). An event that materially--\* affects the accuracy of the information reported includes 1 or more of the following.

- A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action.
- A change in the persons or individuals influencing or attempting to influence a covered Federal action.
- A change in the officers, employees, or members contacted to influence or attempt to influence a covered Federal action.

A new SF-LLL must be submitted if and when a borrower changes contractors or subcontractors.

All involved contractors, subcontractors, and grantees must collect disclosures from lower tiers and submit them to higher tiers. The borrower or lender must submit all the disclosures to FSA.

The authorized agency official must file all original disclosures and immediately send copies to the following:

- SED
- •\*--USDA FSA AMD 355 E STREET SW 10TH FLOOR WASHINGTON DC 20024.--\*

#### 47 Ensuring Borrower Compliance With Restrictions on Lobbying (Continued)

#### **D** USDA Certification and Disclosure Requirements

#### \*\_\_

#### 2 CFR 418.110 Certification and Disclosure\*

(a) Each person shall file a certification, and a disclosure form, if required, with each submission that initiates agency consideration of such person for:

(1) Award of a Federal contract, grant, or cooperative agreement exceeding \$100,000;

or

(2) An award of a Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000.

(b) (1) Each person shall file a certification, and a disclosure form, if required, upon receipt by such person of:

(i) A federal contract, grant, or cooperative agreement exceeding \$100,000; or

(ii) A Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000,

(2) Unless such person previously filed a certification, and a disclosure form, if required, under paragraph (a) of this section.

(c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraphs (a) or (b) of this section. An event that materially affects the accuracy of the information reported includes:

(1) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or

(2) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or

(3) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

(d) Any person shall file a certification, and a disclosure form, if required, to the next tier above who requests or receives from a person referred to in paragraphs (a) or (b) of this section:

(1) A subcontract exceeding \$100,000 at any tier under a Federal contract;

(2) A subgrant, contract, or subcontract exceeding \$100,000 at any tier under a Federal grant;

(3) A contract or subcontract exceeding \$100,000 at any tier under a Federal loan exceeding \$150,000; or

(4) A contract or subcontract exceeding \$100,000 at any tier under a Federal cooperative agreement,

# 47 Ensuring Borrower Compliance With Restrictions on Lobbying (Continued)

# D USDA Certification and Disclosure Requirements (Continued)

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(e)	All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraphs (a) and (b) of this section. That person shall forward all disclosure forms to the agency.
( <b>f</b> )	Any certification or disclosure form filed under paragraph (e) of this section shall be treated as a material representation of fact upon which all receiving tiers shall rely. All liability arising from an erroneous representation shall be borne solely by the tier filing that representation and shall not be shared by any tier to which the erroneous representation is forwarded. Submitting an erroneous certification or disclosure constitutes a failure to file the required certification or disclosure, respectively. If a person fails to file a required certification or disclosure, the United States may pursue all available remedies, including those authorized by section 1352, title 31, U.S. Code.
(g)	For awards and commitments in process prior to December 23, 1989, but not made before that date, certifications shall be required at award or commitment, covering activities occurring between December 23, 1989, and the date of award or commitment. However, for awards and commitments in process prior to the December 23, 1989 effective date of these provisions, but not made before December 23, 1989, disclosure forms shall not be required at time of award or commitment but shall be filed within 30 days.
(h)	No reporting is required for an activity paid for with appropriated funds if that activity is allowable under either Subpart B or C [of 2 CFR Part 418].

--\*

## 48 Credit Reports

#### A Overview

FSA uses credit reports to assist in determining:

- eligibility of applicants and borrowers requesting FSA loans and loan servicing options
- feasibility of the applicant's farming operation
- debt settlement eligibility and feasibility.

See 3-FLP for direct loanmaking and 4-FLP and 5-FLP for direct loan servicing to specify when credit reports are required.

# **B** Confidentiality

The information in a credit report is confidential and is used only as an aid in conducting FSA business. FSA must make credit reports available to the subject of the report in response to a request made under the Privacy Act of 1974. See 3-INFO.

# C Mortgage Credit Reports

The following are the 2 types of mortgage credit reports:

- an individual report provides information on 1 person only
- a joint report provides information on a married couple.

FSA will order a mortgage credit report to obtain all credit and public record information available for at least the previous 2 years.

# **D** Commercial Credit Report

A commercial credit report provides information on an entity. A commercial credit report is available only for a separate legal entity. Thus, FSA will order a mortgage credit report rather than a commercial credit report when the applicant is an informal partnership. FSA also may order an individual mortgage credit report on the majority owners (principal members) of an entity.

A commercial credit report normally consists of BIR. BIR is a component of a commercial credit report that includes the following:

- summary section that highlights important data elements
- historical background on the business entity's principals and the entity itself
- review of the entity's financial condition and trend of sales and earnings
- payment record reported by suppliers
- brief description of related entities
- public filings
- special events
- description of the entity's operation.

#### 48 Credit Reports (Continued)

#### E Ordering Mortgage Credit Report

Authorized agency officials who have access to FBP will access Equifax, Experian, and Trans Union data through the FBP "General" menu screen.

See Exhibit 15 for ordering credit reports through FBP.

#### **F** Ordering Credit Reports for Nonapplicants

There may be instances when FSA must order a joint credit report in which the spouse is required to sign the promissory note for repayment purposes, but the spouse may not have to sign the application as a co-applicant. The credit report will be ordered in the same manner that all other joint credit reports are ordered. The County Office must however, have the nonapplicant spouse sign FSA-2007 before the credit report is ordered.

#### G When Mortgage and Commercial Credit Reports Are Not Acceptable

If a County Office has problems with a credit report or credit reporting agency (e.g. data on the report is incomplete or the contractor is not complying with contract terms), then the County Office will contact the State Office for assistance.

**Note:** Agency officials will not intervene on behalf of the applicant/borrower in matters about disputed information, balances, or credit scores or ratings. These disputes will be handled according to subparagraph H.

If the issue is significant and the State Office needs assistance in resolving, the State Office \*--shall contact DAFLP according to subparagraph 4 D.--\*

\* \* \*

#### 48 Credit Reports (Continued)

#### H When the Applicant Disputes Information on the Credit Report

If the applicant/borrower disagrees with or disputes information reflected on the credit report, refer the applicant/borrower to the company or companies issuing the credit report at the following phone numbers:

- Trans Union at 312-258-1717 to obtain a copy of their credit report or 800-916-8800 for customer service
- Experian at 888-397-3742 to obtain a copy of their credit report or 800-831-5614, extension 3 for customer service
- Equifax at 800-685-1111 to obtain a copy of their credit report or 800-685-5000, extension 2 for customer service.

**Note:** Agency officials will not intervene on behalf of the applicant/borrower in matters concerning disputed information, balances, credit scores, or ratings.

#### I Credit Report Fees - Cost to the Applicant

Applicants will be charged for reports according to the following.

Applicant	Cost
Individual	\$13.50
Joint	\$20.25
Entity	\$75.00

**Notes:** A husband and wife, who are members of an entity, **will** be charged a joint credit report fee. Individual credit reports will then be obtained for each.

No fee will be collected for servicing only applications according to 4-FLP, subparagraph 116 A or 5-FLP, subparagraph 81 C.

#### J Recording Fees

The appropriate fee for credit reports collected will be recorded on FSA-2001, FSA-2301, \*--FSA-2314, FSA-2330, and FSA-2683.--\*

#### **K** Processing Credit Report Fees

See 3-FI to process credit report fees.

#### L Payment of Invoices for Credit Reports

The National Office will:

- receive monthly invoices showing State usage
- submit payment to the vendor for credit reports generated through FBP.

#### 49 DLS

#### \*--A DLS Uses--\*

DLS is the required system for loan making and \* \* \* servicing information and activities.

DLS:

- tracks each loan request in an application package from receipt to final disposition
- obligates loans through its interaction with PLAS
- submits check/EFT requests through PLAS
- submits loan closings to PLAS
- provides an interactive tasks checklist
- monitors the disbursement of loan funds
- provides reports of loanmaking activities and processing timeframes
- tracks routine loan servicing activities, and timeframes
- has automated follow-up reminders to assist County Office employees in meeting deadlines for routine loan servicing activities
- provides loan account information, such as principal and interest amounts, and account flags
- provides the ability to manage case numbers and mail codes for customer accounts
- warehouses information for reporting purposes
- has automated reporting capabilities.

The National Office uses DLS data in reports to Congress, CR, and FSA senior management. In addition, the data is used to determine whether FSA loan servicing goals are being/have been met.

# **B** User Assistance

The DLS Loan Making and Loan Servicing User's Guides can be referenced for any specific questions. They may be obtained by accessing the FLP web site's manuals page located at **https://amistad.sc.egov.usda.gov/flp/IndexServlet** and then selecting manuals on the left navigation bar.

# C Maintaining and Updating DLS

FCAO is responsible for computer implementation and upgrades. The National Office is responsible for user requirements, updates to accommodate regulatory and statutory changes, and other revisions as needed. State and County Office employees are responsible for data entry of customer and loan information as it is received.

# **D** Security

To obtain an ID and password, users must submit requests according to appropriate IRM directives.

# \*--E Important Calendar Year 2015 Year-End Dates

Various transactions are suspended or disabled as needed to perform calendar year-end activities. The following dates are applicable to the availability of DLS.

Action	Dat	te
Loan Activity Cutoff – the last day that loan	Thursday, January 7, 2016	
activity dated in calendar year 2015 can be	,	
processed to be reflected on FSA-2065 for 2015		
and related IRS forms		
Transactions, Suspension,	and Enabled Dates	
Transactions	Suspension Date	Enabled Date
• TC 4A	December 30, 2015	January 13, 2016
• TC 4D		
• SCIMS to PLAS data upload to create TC 4C		
<ul> <li>Notes: SCIMS data must be entered by December 29, 2015, to generate TC 4C on December 30, 2015.</li> <li>Until TC 4A and TC 4D are enabled, do not use the following DLS sections:</li> <li>Transfer and Assumption</li> <li>Manage case number under Customer Management.</li> </ul>		

\_\_\*

## 50 GLS

#### A Purpose and Overview

GLS was designed to account for all loan making and servicing activity for guaranteed loans. GLS is used to:

- track the processing of guaranteed loan applications, including obligation and loan closing
- process all loan servicing transactions, including interest assistance claims, transfers and assumptions, repurchases, reamortizations, and loss claims
- record guaranteed loan status and default status reports
- maintain lender information, including lender status
- obtain reports for monitoring the guaranteed loan portfolio.

The data entered into GLS is used to monitor individual loan accounts, as well as to provide reports to Congress, CR, Executive Branch, FSA senior management, and parties making FOIA requests. It is FSA's accounting tool for the Guaranteed Loan Program.

#### **B** GLS User Assistance

\*--For specific guidance, the GLS User Guide can be found by doing either of the following:

- logging in the GLS web site using required eAuthentication permissions and selecting "Help"
- selecting the GLS User Guide from the Farm Loan Programs Home Page.--\*

#### 50 GLS (Continued)

#### C Responsibility for Maintaining and Updating GLS

FCSB is responsible for system upgrades. The National Office is responsible for user requirements, updates to accommodate regulatory and statutory changes, and other revisions as needed. County Office and FCSB employees are responsible for data entry of customer and loan information.

#### **D** Security

To obtain a GLS ID and password, users must submit requests according to appropriate IRM directives.

## \*--E Important Calendar 2015 Year-End Dates--\*

Various transactions are suspended or disabled as needed to perform calendar year-end activities. The following dates are applicable to the availability of GLS.

A	D	4 -
Action	Date	
Loan Activity Cutoff – the last day that loan	Thursday, January 7, 2016	
activity dated in calendar year 2015 can be		
processed to be reflected on 2015 IRS forms.		
Transactions, Suspension,	and Enabled Dates	
Transactions	Suspension Date	<b>Enabled Date</b>
• TC 4A	December 30, 2015	January 13, 2016
• TC 4C		
• TC 4D		
<b>Note:</b> Transactions for Debt Offset Collection,		
Refund, and Write-off maintenance		
cannot be processed during this period.		

# 51 FOCUS

## A Purpose and Overview

FOCUS is an ad-hoc reporting system used by the National and State Offices for monitoring purposes. Users may choose to use "canned" reports or may prepare specific reports, as needed, using:

- direct loan data entered through ADPS
- application data entered in DLS.

#### **B** User Assistance

Refer to the USDA FOCUS Ad Hoc Reporting System Manual – Field Office User's Manual for guidance. The User's Manual may be obtained by ordering Item 257 from the Kansas City Warehouse.

#### C Training

State Office employees shall submit requests for training, through SED, to either of the following:

- USDA FSA DAFLP STOP 0520 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0520
- FAX: 202-690-3573

# **D** Security

To obtain an ID and password, users must submit requests according to appropriate IRM directives.

# 52 ADPS

# A Purpose

ADPS is a terminal application system that allows users to process FLP accounting transactions and view borrower or acquired property information. ADPS connects users

\*--located at State and County Offices to FaSB, FCSB, and PLAS. Authorized users shall--\* enter and use information in ADPS for both loan making and servicing purposes.

## **B** Overview

ADPS is used to:

- manuscript select transactions and analyze and correct those transactions if rejected from PLAS (discrepancies)
- view a borrower's loan status information, which lists the following:
  - unpaid balances of existing direct loans along with basic information about each loan
  - cross-reference data from throughout the nation
  - detailed history of transactions
- route selected ADPS-manuscripted or discrepancy transactions that are only processed \*--by FaSB using special routing codes--\*
- view received, processed, and corrected payment activity
- view acquired property information and detailed history of transactions processed for an acquired property.

# C ADPS Assistance

ADPS Online Help is:

- a computer-based system that provides ADPS processing information in the form of online reference material (Reference) and pop-up windows
- accessed from the terminal screen.

The online material reference provides general information about ADPS transactions, definitions, and code values for all short descriptions and mnemonics on transaction detail screens and status screens, discrepancy code definitions, and corrective actions. Pop-up windows provide information for pre-manuscripting validations and manuscript transactions.

For information on ADPS, contact the State Office Automation Coordinator or, if authorized, the Help Desk at 1-800-457-3642. The Help Desk will provide information, guidance, and technical assistance in resolving problems about ADPS operations.

# **D** Requesting Changes to the User Documentation

To initiate a change to the user documentation, submit FmHA 2006-21 to the following.

USDA RURAL DEVELOPMENT USER DOCUMENTATION STAFF MAIL CODE 421 \*--4300 GOODFELLOW BOULEVARD--\* ST LOUIS MO 63120

#### E Maintaining Program Records

\*--When submitting transaction information through ECM to FaSB and FCSB, the--\* authorized agency official must retain the original documents, screen printouts, and transmittal letters. These will be filed in the case folder after verifying that the transaction has been processed.

ADPS screen printouts must be retained in position 2 of the case folder according to 25-AS retention requirements for the folder and its entire contents.

When applicable, users must access ADPS to determine that the selected transactions have been processed or rejected. Users must file processed transaction screens, correct discrepancies, and annotate the related source/input document with the corrected information. Users must generate screen printouts of all corrections and file them with the original input document.

#### F Using "OK to Apply Codes"

"OK to Apply Codes" are used to process a transaction or correct a discrepancy as required by the online assistance for processing transactions. The user shall file a copy of the screen printout to verify the use of an "OK to Apply Code". Screen printouts will be retained in the case folder according to 25-AS retention requirements for the folder and its entire contents.

#### G Processing Schedule

Users must process transactions within 10 calendar days of the effective date. If a discrepancy occurs, the transaction must be corrected within 5 calendar days of the initial rejection date. An additional 15 calendar days are allowed for correcting discrepancies with a suspend code on the borrower account.

#### **H** State Office Action

SED shall ensure timely automation processing and that a County Office is at an acceptable level by:

- training at least 2 employees to process transactions
- processing ADPS transactions as of the effective date or the next workday thereafter
- using "Action Pending Codes" from Online Help when necessary to delay initial processing or make discrepancy corrections.

#### I ADPS and DLS TC's and Titles

The following provides ADPS TC's and titles.

ТС	Title
1A <u>2</u> /	Direct or Guaranteed Loan - Obligation Only
1C <u>2</u> /	Check Request
1D <u>2</u> /	Cancellation of Loan/Grant - Obligation Only
1E <u>1</u> /	Check Cancellation - Obligation Retained

\*--1/ Transactions processed by FaSB only.--\*

2/ Transactions processed through DLS to PLAS.

# I ADPS and DLS TC's and Titles (Continued)

ТС	Title
1F <u>2</u> /	Loan Closing
1G	Credit Sale
1H	Cash Sale/Transfer - Acquired Property
1I	Judgment Cost
1J <u>1</u> /	Cancellation of Loan and/or Check
1K <u>1</u> /	Nonrecoverable Cost
1L/L1	Recoverable Loan Cost
1M <u>2</u> /	Assumption
1M <u>2</u> /	Consolidation
1M <u>2</u> /	Reamortization
1M <u>2</u> /	Reschedule
10 <u>1</u> /	Natural Resource Conservation Service Advance
1P <u>1</u> /	Insurance Charge
1R <u>1</u> /	Default Charge
1S	Lease of Real Property
1T	Correction of Statistical Information
1W <u>1</u> /	Loan Charge Adjustment
1X	Acquired Property Cost
1Y <u>1</u> /	Loan/Grant Cancellation - Obligation and Check
2A <u>1</u> /	Field Office Cash Collection - Initial Update
2B <u>1</u> /	Field Office Cash Collection - Subsequent Update
2C <u>1</u> /	Cash Uncollectible - Field Office Payment
2E <u>1</u> /	Cash Collection - Acquired Property or Lease Payment
2F <u>1</u> /	Reversal and Reapplication of Payment - Same Borrower
2R <u>1</u> /	Cash Collection Refund
2U <u>1</u> /	Reversal and Reapplication of Payment - Different Borrower
2W <u>1</u> /	Cash Uncollectible - Direct Payment
2X <u>1</u> /	Direct Payment Cash Collection - Initial Update
2Y <u>1</u> /	Direct Payment Cash Collection - Subsequent Update
2Z <u>1</u> /	Reapplication - Correct Payment Type
3B	Notice of Judgment
3C <u>1</u> /	Default Credit

\*--1/ Transactions processed by FaSB and FCSB.--\*

2/ Transactions processed through DLS to PLAS.

# I ADPS and DLS TC's and Titles (Continued)

ТС	Title
3E	Acquisition - Property
3F <u>1</u> /	Employee Defalcation
3G <u>1</u> /	Noncash Credit - Administrative Adjustment
3H <u>2</u> /	Conservation Contract
3K	Debt Settlement
3L	Writeoff Lease Account
3N <u>1</u> /	Noncash Application - Assumption Agreement
30 <u>1</u> /	Equity Receivable Amortization - Shared Appreciation Loan
3P <u>1</u> /	Noncash Credit - 3 <sup>rd</sup> Party Judgment
3Q	Net Recovery Buyout/SFH Equity Recapture
3Q <u>2</u> /	Market Value Buyout
3R	Shared Appreciation Writedown
3T	Notice of 3 <sup>rd</sup> Party Judgment
3V <u>2</u> /	Equity Receivable - Full Sale
3V <u>2</u> /	Equity Receivable - Maturity
3V <u>2</u> /	Equity Receivable - Maturity With Partial Sale
3V <u>2</u> /	Equity Receivable - Partial Sale
3Y	Acquired Property - Conservation Easement
4A <u>2</u> /	Loan Transfer
4A <u>2</u> /	Manage Case Number - Loan
4C <u>1</u> /	Change in Name and Address
4D <u>2</u> /	Customer Transfer
4D <u>2</u> /	Manage Case Number - Customer
4E <u>1</u> /	Replacement of Interim Instruments - Amortized/Bond Accounts
4F <u>1</u> /	Change in Loan Number
4G <u>1</u> /	Assumption Agreement - Same Rates and Terms
4J <u>1</u> /	Focal Interest Adjustment
4K <u>1</u> /	Reopen Closed Property/Lease Account
4K/K4	Reopen Closed Borrower/Holder/Equity Account - Establish Settlement Code
4L <u>1</u> /	Correction of Annual Installments
4M <u>1</u> /	Maturing of Account
4N <u>1</u> /	Acceleration of a Borrower Account
40 <u>1</u> /	Deceleration of a Borrower Account

\*--<u>1</u>/ Transactions processed by FaSB and FCSB.--\*
 <u>2</u>/ Transactions processed through DLS to PLAS.

TC	Title
4P <u>1</u> /	Schedule Status Adjustment
4Q <u>1</u> /	Loan Bond Installments
4R <u>1</u> /	Adjustment of Bond Installments
4S <u>1</u> /	Miscellaneous Adjustments
4U <u>1</u> /	Reestablish Loan Account - Name and Address
5A	Case Reclassification - Collection Only to Active
5B	Case Reclassification - Active to Collection Only
5C <u>1</u> /	Change in Kind Code
5D	Change in Veteran Status - to Veteran
5E <u>1</u> /	Establish Suspend Code
5F <u>2</u> /	Remove Suspend Code
5G <u>2</u> /	Add Customer Flag
5H <u>2</u> /	Remove Customer Flag
5J <u>1</u> /	Change Purchase Code
5K	Change in Veteran Status - to Nonveteran
5L	Acquired Property Maintenance
5M	Change in Race/Type of Applicant/Collateral/Acceleration Date/Training Code
	and Dates
5N	Change in Statistical Codes
5Q <u>1</u> /	Correction of Association/Bond/Document/Payment Code
5R <u>1</u> /	File Adjustment

# I ADPS and DLS TC's and Titles (Continued)

\*--<u>1</u>/ Transactions processed by FaSB only.--\*

2/ Transactions processed through DLS to PLAS.

#### TC Title 5S 1/ Record Debt Set-Aside 5S 2/ Record Disaster Set-Aside 5T <u>1</u>/ Reverse Debt Set-Aside Cancel Disaster Set-Aside 5T 2/ 5W 2/ Record Loan Deferral Reverse Loan Deferral Expiration/Cancellation 5X <u>1</u>/ 5Y 2/ Cancel Loan Deferral 8H <u>1</u>/ Split/Combine Loans - Account Status Limited Resource Loan Review 8M 8N Record Borrower/Loan Classification Data Acquired Property - Subdivision 8P 8R 2/ Interest Rate Adjustment Suspend Code - Acquired Property 9E Change in Borrower/Property Mail Code 9G 2/ \* \* \* \* \* \*

#### I ADPS and DLS TC's and Titles (Continued)

\*--1/ Transactions processed by FaSB only.--\*

2/ Transactions processed through DLS to PLAS.

# J Important Calendar 2015 Year-End Dates

Various transactions are suspended or disabled as needed to perform calendar year-end activities. The following dates are applicable to the availability of ADPS.

Action	Da	ite	
Loan Activity Cutoff – the last day that loan	Thursday, January 7, 2016		
activity dated in calendar year 2015 can be			
processed to be reflected on FSA-2065 for			
2015 and related IRS forms.			
Availability of A	DPS Terminals		
Holiday Schedule: Terminals available until	Thursday, December 2	4, 2015 (no update)	
3 p.m. c.t. because of the holiday	Thursday, December 3	1, 2015	
Transaction Processing: Terminals will be	Saturday, January 2, 2	016	
available to provide additional time for initial	Terminals available from	Terminals available from 6 a.m. to	
transaction entry and discrepancy correction	3 p.m. c.t.		
before preparing the Annual Statements.			
Loan Activity Cutoff: Transactions	Thursday, January 7, 2016		
recorded through the terminals after the Loan	Terminals available from 6 a.m. to		
Activity Cutoff, will be scheduled for update	7 p.m. c.t.		
*on the evening of January 7, 2016*			
Transaction suspens	sion/Enabled Dates		
Transactions	Suspension Date	Enabled Date	
TC 4A	December 30, 2015	January 13, 2016	
TC 4C			
TC 4D			
TC 4F			
TC 4G			
TC K4			

# 53 CAIVRS

# A Requesting CAIVRS ID and Password

Employees who perform CAIVRS checks shall request a CAIVRS ID and password according to the following.

Step	Action		
1	*Access the CAIVRS web site at		
	https://entp.hud.gov/caivrs/public/home.html*		
2	CLICK "Using CAIVRS".		
3	Under "Government Agencies", CLICK "Registration for Government User ID".		
4	Follow the instructions to obtain a government user ID.		
	For "Select Agency/Program", CLICK "USDA/Farm Service" and continue entering the required information.		
5	CLICK "Send Application" and the request for a government user ID will be		
	processed.		

Once the CAIVRS ID and password request has been completed, users must:

- complete FSA-13-A, items 1 through 13 and item 37
- forward the completed FSA-13-A to the State SLR.

The State SLR must enter FSA-13-A information into ERSR before a CAIVRS ID and password can be issued.

Upon receiving ERSR from the State SLR, the FSA CAIVRS administrator will provide by e-mail, a CAIVRS ID and password to the requesting employee within 3 working days.

Note: CAIVRS passwords are valid for 21 calendar days and must be reset before expiring.
 \*--Passwords must be exactly 8 characters, are case sensitive, and must contain at least 1 letter, 1 number, and 1 special character. For forgotten or expired password--\* assistance, contact the Security Operations Help Desk at 800-255-2434, option 2.

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# 53 CAIVRS (Continued)

# **B** Using CAIVRS

Perform a CAIVRS inquiry according to the following.

Step	Action
1	Access the CAIVRS web site at https://entp.hud.gov/caivrs/public/home.html.
2	CLICK "Government User Menu".
3	Enter CAIVRS ID and password.
4	Select the function to perform when prescreening an applicant, such as "CAIVRS
	Authorization".
5	Select the agency or program that is prescreening the applicant from the agency
	list.
6	Enter the applicant's Social Security number or EIN and select the appropriate
	Social Security number or EIN indicator.
7	CLICK "Submit".
8	Print the "CAIVRS Authorization Results" and place in case file.

**Note:** If there are no claims, defaults, or foreclosures reported to CAIVRS, then CAIVRS will respond that there are no cases and provide a confirmation number.

#### \*--54 Oracle EPM 11 Data Mart

#### A Purpose and Overview

The Oracle EPM 11 Data Mart is an ad-hoc reporting system used by the National Office and State Offices for monitoring purposes. FLP users who request and are granted access to the Oracle EPM 11 Data Mart will be given access to the FLP Data Mart folder within the Oracle EPM 11 Data Mart. A user with access to the FLP Data Mart folder can pull direct loanmaking and loan servicing data as entered through DLS. Reports can be downloaded to Hyperion, Excel, or PDF format.

#### **B** User Assistance

The Oracle EPM 11 Data Mart may be accessed on the FSA Data Warehouse Home Page at **https://fsadwhouse.sc.egov.usda.gov/FSA-DataMarts/FSAdataMartsHomePage.htm** by clicking "Oracle EPM 11 Data Marts".

The Oracle EPM 11 Reports User Guide for FLP Data Mart may be accessed on the FSA - Farm Loan Programs Systems Manual web site at https://amistad.sc.egov.usda.gov/flp/InformationalLinks?Action=Manuals&caller=index by clicking "Oracle EPM 11 Reports User Guide".

# C Security

Authorized users may access the Oracle EPM 11 Data Mart reporting system using their eAuthentication ID. New users can be requested by completing and submitting FSA-13-A according to appropriate IRM directives.

# **D** Available Reports

See Exhibit 18 for a list of available reports.--\*

# 55 Type of Assistance and Fund Codes

# A Fund Codes

Fund codes are used to identify a type of loan. For example, Fund Code 44 indicates OL.

Obsolete fund codes are not used for new loans; however, obsolete fund codes will be reassigned if the loan is assumed.

See Exhibit 16 for a list of fund codes.

# **B** Type of Assistance Codes

Type of assistance codes identify the specific type of loan for DLS obligation purposes. For example, a Type of Assistance Code 152 is a 1-year Rural Youth loan for an SDA applicant.

See Exhibit 16 for a list of types of assistance codes.

# 56-59 (Reserved)

#### 60 Interest Rates

#### A Interest Rates for Direct Loans

[7 CFR 761.9] Interest rates for all direct loans are set in accordance with the Act. A copy of the current interest rates may be obtained in any Agency Office.

Note: See Exhibit 17 for current interest rates.

\* \* \*

61-100 (Reserved)

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### 101 Overview

### A Supervised Bank Account

A <u>supervised bank account</u> is an account with a financial institution established through a deposit agreement entered into between the borrower, FSA, and the financial institution.

### **B** Establishing a Supervised Bank Account

[7 CFR 761.51 (a)] Supervised bank accounts will be used to:

- (1) Assure correct use of funds planned for capital purchases or debt refinancing and perfection of the Agency's security interest in the assets purchased or refinanced when electronic funds transfer or treasury check processes are not practicable;
- (2) Protect the Agency's security interest in insurance indemnities or other loss compensation resulting from loss or damage to loan security; or
- (3) Assist borrowers with limited financial skills with cash management, subject to the following conditions:
- (i) Use of the supervised bank account for this purpose will be temporary and infrequent;
- (ii) The need for a supervised bank account in this situation will be determined on a case-by-case basis; and
- (iii)The borrower agrees to the use of a supervised bank account for this purpose by executing the deposit agreement.

\*--Until CFR is amended, supervised bank accounts may be used to:

- protect the Agency's security interest in insurance indemnities or other loss compensation resulting from loss or damage to loan security
- assure correct use of funds planned with proceeds from the sale of basic security and perfection of the Agency's security interest in the assets purchased
- assure correct use of funds planned for performing construction and other development work.--\*

### **101 Overview** (Continued)

#### **B** Establishing a Supervised Bank Account (Continued)

\*--FSA-2140 will be signed by all borrowers.

A supervised bank account will be used, only when necessary, to ensure that loan or security proceeds are used according to the farm operating plan, agreement to use proceeds, construction and development plan, or other agreement with FSA.

**Note:** Supervised bank accounts must **not** be used in place of EFT or Treasury checks, according to 7 CFR 764.402(e)(3) (3-FLP, subparagraph 431 A), if practicable.--\*

#### C Justification for Using a Supervised Bank Account

County Offices must:

- ensure that a supervised bank account is established according to this Part
- document in FBP Credit Presentation the reason a supervised bank account was established.

**Note:** For servicing actions that do not require a Credit Presentation be completed, justification will be documented in FBP.

See 3-FLP, 4-FLP, and 5-FLP for specific loan making and servicing situations where a supervised bank account is needed.

DD's and State Offices must review case files of borrowers with supervised bank accounts during County Office reviews to:

- verify that documentation is in place
- document in FBP their concurrence that the supervised bank account is needed.

If the review determines that the supervised bank account is not needed, DD or State Office must:

- document the results of the review in FBP
- instruct the authorized agency official to close the supervised bank account.

### 102 Establishing a Supervised Bank Account

### A Selecting a Financial Institution

[7 CFR 761.51(b)] The borrower may select the financial institution in which the account will be established, provided the institution is Federally insured. If the borrower does not select an institution, the Agency will choose one.

[7 CFR 761.51(c)] Only one supervised bank account will be established for any borrower.

[7 CFR 761.51(d)] If both spouses sign an FLP note and security agreement, the supervised bank account will be established as a joint tenancy account with right of survivorship from which either borrower can withdraw funds.

### **B** Opening a Supervised Bank Account

The authorized agency official must provide the financial institution with FSA-2140, which addresses:

- services to be provided
- frequency and method of transmission for account statements
- countersignature requirements
- waiving of service charges whenever possible.

The authorized agency official, the financial institution, and any borrower authorized to write checks must sign FSA-2140. File the original in the borrower's case file and provide 1 copy to the borrower and 1 copy to the financial institution.

The authorized agency official is not required to provide his or her SSN to the financial institution. Government agencies are exempt from the requirements of the Customer Identification Program. FSA-2139 will be sent to financial institutions that require documentation of the exempt status of Government agencies on this issue.

\*--Note: Supervised bank accounts shall remain open no longer than 12 months, unless justified by the loan official, and concurrence by DD. DD must document the reason in the FBP running record.--\*

# C Type of Account

[7 CFR 761.53(a)] A supervised bank account, if possible, will be established as an interest bearing deposit account provided that funds will not be immediately disbursed, and the account is held jointly by the borrower and the Agency if this arrangement will benefit the borrower.

The authorized agency official, the borrower, and the financial institution must complete FSA-2141 when an interest bearing account is used.

# **102** Establishing a Supervised Bank Account (Continued)

D Account Balance Exceeding the Maximum Amount Insured by the Government

[7 CFR 761.51(e)] If the funds to be deposited into the account cause the balance to
 \*--exceed the maximum amount insurable by the Federal Government, the financial--\*
institution must agree to pledge acceptable collateral with the Federal Reserve Bank for
the excess over the insured amount, before the deposit is made.

\* \* \*

Agency officials should use EFT or multiple advances when possible to minimize instances where the balance in supervised bank accounts will exceed the maximum insurable amount.

If an account balance will exceed \$250,000, County Offices must complete FSA-2144 and forward it to the State Office. The State Office shall submit FSA-2144 to:

- FMD FINANCIAL SYSTEMS AND PROCEDURES BRANCH STOP 0581 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0581
- FAX: 703-305-1144.

FMD will coordinate the collateralization with the financial institution.

[7 CFR 761.51(e)] (1) If the financial institution is not a member of the Federal Reserve System, the institution must pledge acceptable collateral with a correspondent bank that is a member of the Federal Reserve System. The correspondent bank must inform the Federal Reserve Bank that it is holding securities pledged for the supervised bank account in accordance with 31 CFR Part 202 (Treasury Circular 176).

(2) When the balance in the account has been reduced, the financial institution may request a release of part or all of the collateral, as applicable, from the Agency.

Requests for release of collateral will be forwarded to FMD, Financial Systems and Procedures Branch.

### 103 Supervised Bank Account Transactions and Monitoring

#### - ----

# A Deposits

[7 CFR 761.52(a)] Checks or money orders may be deposited into a supervised bank account provided they are not payable:

### (1) Solely to the Federal Government or any agency thereof; or

### (2) To the Treasury of the United States as joint payee.

The authorized agency official must prepare the deposit slip and deliver the deposit to the financial institution. Copies are distributed to the borrower and the borrower's case file.

FSA must maintain a record of all deposits, including funds from other sources, on FSA-2142.

### **B** EFT Transactions

### [7 CFR 761.52(b)] Loan proceeds may be deposited electronically.

The authorized agency official should use EFT to deposit loan funds to a supervised bank account.

The authorized agency official will make the initial deposit to the supervised bank account with a paper check only when required by the financial institution or if an EFT waiver is on file. FSA may then make subsequent advances by initiating EFT transactions.

- 103 Supervised Bank Account Transactions and Monitoring (Continued)
  - C Withdrawals from a supervised bank account

[7 CFR 761.54(a)] The Agency will authorize a withdrawal from the supervised bank account for an approved purpose after ensuring that:

- (1) Sufficient funds in the supervised bank account are available;
- (2) No loan proceeds are disbursed prior to confirmation of proper lien position, except to pay for any lien search if needed;
- (3) No checks are issued to "cash"; and
- (4) The use of funds is consistent with the current farm operating plan or other agreement with the Agency.

[7 CFR 761.54(b)] A check must be signed by the borrower with countersignature of the Agency, except as provided in Paragraph (c) of this section (subparagraph 103 D). All checks must bear the legend "countersigned, not as co-maker or endorser."

**D** Withdrawal Without Borrower Signature

[7 CFR 761.54(c)] The Agency will withdraw funds from a supervised bank account without borrower counter signature only for the following purposes:

- (1) For application on Agency indebtedness;
- (2) To refund Agency loan funds;
- (3) To protect the Agency's lien or security;
- (4) To accomplish a purpose for which such advance was made; or
- (5) In the case of a deceased borrower, to continue to pay necessary farm expenses to protect Agency security in conjunction with the borrower's estate.

The authorized agency official must submit recommendations for withdrawal to SED, in writing. SED may withdraw funds from a supervised bank account using FSA-2145.

### 103 Supervised Bank Account Transactions and Monitoring (Continued)

### **E** Documentation

The authorized agency official may retain copies of invoices, receipts, or other documentation, as necessary, to support withdrawals from the supervised bank account.

# F Interest

# [7 CFR 761.53(b)] Interest earned on a supervised bank account will be treated as normal income security.

See 4-FLP for further information on normal income security.

# **G** Reconciliation

The authorized agency official must reconcile the supervised bank account statement with FSA-2142. Items to be reconciled are the payee, amount of each check, and the balance in the account. Deposits and withdrawals verified during the reconciliation will be initialed and \*--dated. Any discrepancies must be resolved and documented in the FBP running record.

The authorized agency official must return the statement and canceled checks to the borrower after the reconciliation has been completed. The results of the reconciliation must be documented in the FBP running record.

Note: Signing checks and reconciliation must be completed by separate agency officials.

# H Annual Report

The State Office will review all SBA's at least annually. Each State Office will submit the annual SBA Review Report, as of September 30 through SDMS, documenting the number of SBA accounts that are open, total present balance in all accounts, and justification for all accounts open longer than 12 months no later than October 31.

**Note:** See 1-AS, Exhibit 8 for guidance on using SDMS. ENTER "SBA Review Report" as the title.--\*

#### **104** Closing Accounts

A Account No Longer Needed

[7 CFR 761.55(a)] If the supervised bank account is no longer needed and the loan account is not paid in full, the Agency will determine the source of the remaining funds in the supervised bank account. If the funds are determined to be:

- (1) Loan funds:
- (i) From any loan type, except Youth loan, and the balance is less than \$1000, the Agency will provide the balance to the borrower to use for authorized loan purposes;
- (ii) From a Youth loan, and the balance is less than \$100, the Agency will provide the balance to the borrower to use for authorized loan purposes;
- (2) Loan funds:
- (i) From any loan type, except Youth loan, and the balance is \$1000 or greater, the Agency will apply the balance to the FLP loan;
- (ii) From a Youth loan, and the balance is \$100 or greater, the Agency will apply the balance to the FLP loan;
- (3) Normal income funds, the Agency will apply the balance to the remaining current year's scheduled payments and pay any remaining balance to the borrower; and
- (4) Basic security funds, the Agency will apply the balance to the FLP loan as an extra payment or the borrower may apply the balance toward the purchase of basic security, provided the Agency obtains a lien on such security and its security position is not diminished.
- **B** Uncooperative Borrowers

[7 CFR 761.55(b)] If the borrower is uncooperative in closing a supervised bank account, the Agency will make written demand to the financial institution for the balance and apply it in accordance with paragraph (a) (subparagraph 104A) of this section.

Written demand will be made by SED according to subparagraph 103 D.

**104** Closing Accounts (Continued)

C Death of Borrower

[7 CFR 761.55(c)] In the event of a borrower's death, the Agency may:

- (1) Apply the balance to the borrower's FLP loan;
- (2) Continue with a remaining borrower, provided the supervised bank account was established as a joint tenancy with right of survivorship account;
- (3) Refund unobligated balances from other creditors in the supervised bank account for specific operating purposes in accordance with any prior written agreement between the Agency and the deceased borrower; or
- (4) Continue to pay expenses from the supervised bank account in conjunction with the borrower's estate.

Deceased borrower's supervised bank accounts will be handled according to 4-FLP. SED may withdraw funds according to subparagraph 103 D after obtaining approval from OGC.

105-120 (Reserved)

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# Part 5 Planning and Performing Construction and Other Development

# 121 Overview

### A Purpose

[7 CFR 761.10(a)] This section describes Agency policies regarding the planning and performing of construction and other development work performed with:

- (1) Direct FLP loan funds; or
- (2) Insurance or other proceeds resulting from damage or loss to direct loan security.

# A Applicability

An applicant for an FLP loan for construction or repair of farm dwellings, service buildings, \*--or land development must submit a construction and development plan to FSA before loan approval.--\*

A borrower using insurance or other proceeds resulting from the damage or loss of loan security for construction, repair, or land development must submit a construction and development plan to FSA before the release of any proceeds.

# **B** Funds for Development Work

# [7 CFR 761.10(b)] The applicant or borrower:

- (1) Must provide the Agency with an estimate of the total cash cost of all planned development prior to loan approval.
- **Note:** Estimates must be provided from the supplier or contractor who will provide services or perform the repair.
- (2) Must show proof of sufficient funds to pay for the total cash cost of all planned development at or before loan closing.

# (3) Must not incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from Agency funds.

Acceptable sources of funds to pay for the planned development include loan proceeds, any cash furnished by the borrower, proceeds from cost sharing programs, or proceeds from the sale of property.

# C Scheduling, Planning, and Completing Development Work

[7 CFR 761.10(c)] The applicant or borrower:

(1) Is responsible for scheduling and planning development work in a manner acceptable to the Agency and must furnish the Agency information fully describing the planned development, the proposed schedule and the manner in which it will be accomplished.

Construction and development work may be performed either by the contract method or the borrower method.

Under the contract method, construction and development contractors perform work according to a written contract with the applicant or borrower. Under the borrower method, the applicant or borrower will perform the construction and development work.

The borrower method may only be used when the authorized agency official determines, based on information from the applicant, that both of the following conditions apply.

- The applicant possesses or arranges to obtain the necessary skill and managerial ability to complete the work satisfactorily
- Such work will not interfere with the applicant's farming operation or work schedule.

An applicant or borrower must submit FSA-2150 along with the following information:

- cost estimates that fully describe the materials to be used and the work to be performed according to subparagraph B
- certified drawings, specifications, or contract documents that completely describe the work, including all landscaping, repairs, and site development
- technical data, tests, or engineering evaluations, if requested by FSA.
- \*--The applicant or borrower must identify and inform FSA of the authorities or professionals who will perform inspections before initiating conservation or development projects.--\*

# **D** Qualified Technical Services

The applicant or borrower:

# [7 CFR 761.10(c)(5)] Is responsible for obtaining any required technical services from qualified technicians, trades-people, and contractors.

The applicant should be advised to review copies of license, liability insurance, and bond coverage; however, copies are not required for the borrower's file.

1-FLP (Rev. 1) Amend. 82

**E** Construction and Repair Standards

[7 CFR 761.10(d)] (1) The construction of a new building and the alteration or repair of an existing building must conform with industry-acceptable construction practices and standards.

- (2) All improvements to a property must conform to applicable laws, ordinances, codes, and regulations.
- (3) The applicant or borrower is responsible for selecting a design standard that meets all applicable local and state laws, ordinances, codes, and regulations, including building, plumbing, mechanical, electrical, water, and waste management.
- (4) The Agency will require drawings, specifications, and estimates to fully describe the work as necessary to protect the Agency's financial interests. The drawings and specifications must identify any specific development standards being used. Such information must be sufficiently complete to avoid any misunderstanding as to the extent, kind, and quality of work to be performed.
- (5) The Agency will require technical data, tests, or engineering evaluations to support the design of the development as necessary to protect its financial interests.
- (6) The Agency will require the applicant or borrower to provide written certification that final drawings and specifications conform with the applicable development standard as necessary to protect its financial interests. Certification must be obtained from individuals or organizations trained and experienced in the compliance, interpretation, or enforcement of the applicable development standards, such as licensed architects, professional engineers, persons certified by a relevant national model code organization, authorized local building officials, and national code organizations.
- \*--Certification required may vary based on type of construction and amount needed and may include, but not be limited to:
  - permits issued by local building authorities, based on review of detailed plans and specifications
  - licensed general contractor
  - local building company.--\*

### **F** Scheduling Construction

The applicant or borrower:

# [7 CFR 761.10(c)(4)] Must schedule development work to start as soon as feasible after the loan is closed and be completed as quickly as practicable.

Development work should be completed no later than 12 months from the date of loan closing. The authorized agency official must document any extension beyond 12 months in \*--FBP.--\*

# **G** Approvals and Permits

The applicant or borrower:

# [7 CFR 761.10(c)(2)] Is responsible for obtaining all necessary State and local construction approvals and permits prior to loan closing.

All necessary State and local construction approvals and permits should be obtained before loan closing. Failure to obtain such approvals and permits in a timely manner may delay the project and increase costs. In some cases, all approvals and permits may not be available until after construction.

### **H** Environmental Review

The applicant or borrower:

# [7 CFR 761.10(c)(3)] Must ensure that all development work meets the environmental requirements established in subpart G of 7 CFR part 1940.

See 1-EQ and the State Natural Resources Guide for additional guidance.

# I Warranty and Lien Waivers

# [7 CFR 761.10(f)] The applicant or borrower must obtain and submit all lien waivers on any construction before the Agency will issue final payment.

The borrower must submit a completed FSA-2153 and FSA-2154 or other documentation acceptable to FSA before FSA will issue final payment. The authorized agency official must place the completed FSA-2153 or other acceptable documentation in the borrower's case file.

The borrower should obtain warranties as applicable.

### 123 Review of Proposed Construction and Development Plans

### A Review Process and Criteria

FSA will review the proposed method of doing the work and determine whether the work can be performed satisfactorily under the proposed method. To facilitate its review, FSA will visit the farm or site of the proposed construction or development.

In this review, the authorized agency official must:

- review the cost estimate for reasonableness
- analyze the adequacy of the planned construction or development in achieving applicant goals according to the farm assessment, as outlined in Part 8, Section 2
- determine that the applicant has adequate funds to complete the project according to subparagraph 122 B
- determine whether the contractor will be able to obtain surety according to paragraph 126
- determine whether the applicant will be able to obtain a warranty and a lien waiver according to subparagraph 122 I
- determine that the location is appropriate and adequate for the proposed development
- examine the project for compliance with environmental (e.g., lead paint, water, waste disposal), and cultural protection requirements, consistent with 1-EQ
- determine that the proposed schedule is realistic and results in completion as quickly as practicable and within no more than 12 months according to subparagraph 122 F
- if required, determine that the applicant has obtained a written certification from a State-licensed engineer or architect that final drawings and specifications meet appropriate development standards according to subparagraph 122 E.

### 123 Review of Proposed Construction and Development Plans (Continued)

### **B** Security Considerations

The authorized agency official should ensure that the Government's security interest in the development is adequately protected by completing inspections and monitoring progress, as appropriate. Examples of potential lending risks include the following:

- incomplete construction caused by undisclosed or undiscovered site characteristics, structural problems arising from inadequate or incompetent engineering or design, local opposition to the project, or environmental problems
- cost overruns resulting from delays, changes in building materials or labor markets, changes in cost or failure to estimate properly, unexpected increases in financing costs
- financial failure because of unfavorable market conditions or inability of the borrower to complete the project.

### 124 Inspections

### **A** Applicant/Borrower Inspections

# [7 CFR 761.10(e)(1)] The applicant or borrower is responsible for inspecting development work as necessary to protect their interest.

The borrower's inspection ascertains that the actual construction and development work conforms with all plans, applicable design standards, and local, State, and Federal laws and regulations. In addition, an inspection helps to ensure that contractors and subcontractors comply with the contract terms and that structures are in livable and operable condition before final payment.

The authorized agency official will evaluate the following in determining if FSA inspections are needed:

- total cost of construction
- complexity of project
- whether State or local Government inspections address the full scope of design or performance issues of concern to FSA
- cost of obtaining inspections and availability of professional inspection services.

# \*--[7 CFR 761.10(e)(2)] The applicant or borrower must provide the Agency written--\* certification that the development conforms to the plans and good construction practices, and complies with applicable laws, ordinances, codes and regulations.

Where required by applicable State or local laws, ordinances, codes, and regulations, the borrower must have inspections performed by responsible State or other Government authorities. The borrower must provide a copy of the written certification obtained from the State or local authorities as appropriate.

\* \* \*

Complex projects may require several inspections. For example, inspections may be appropriate for major building components (e.g., wiring) that would not be visible when construction is complete. At a minimum, inspections of most new construction should include mechanical, plumbing, electrical, and all applicable requirements about water and sewage disposal. Inspections for repairs and some types of new construction (e.g., service buildings without utilities) are more limited in scope.

# **B** Other Inspections

[7 CFR 761.10(e)(3)] The Agency will require the applicant or borrower to obtain professional inspection services during construction as necessary to protect its financial interests.

# (4) Agency inspections do not create or imply any duty or obligation of the Government to the applicant or borrower.

When performed, FSA inspections are for FSA's benefit, not to assure the borrower that the construction is according to plans and specifications. The purpose of an inspection is to determine that FSA has adequate security for its loan and loan funds or security proceeds are used as planned.

Inspections by FSA staff are not mandatory. However, to protect the interest of the Government, an authorized agency official should participate in final inspections, accompanied by the borrower if practicable. FSA inspections will be to certify that funds were used for authorized purposes and not to guarantee workmanship or construction soundness.

\*--Inspections will be documented in FBP.--\*

# **C** Correction of Deficiencies

The borrower is responsible for following up on the correction of deficiencies noted in any inspection and must provide FSA with documentation of follow-up and correction of deficiencies.

If the borrower or the contractor refuses to correct the deficiencies, the authorized agency official will contact the State Office for guidance.

# **D** Reviewing Incomplete Developments

If the borrower has not completed development work within a reasonable time after the date of loan closing or receipt of security proceeds and the authorized agency official has determined that the borrower cannot or will not complete the development, the authorized agency official must contact the State Office for guidance.

**Note:** Any funds remaining in the supervised bank account should be handled according to subparagraph 103 D.

### 125 Changing the Planned Development

### A Permissible Changes

[7 CFR 761.10(h)] An applicant or borrower must request, in writing, Agency approval for any change to a planned development. The Agency will approve a change if all of the following are met:

- (1) It will not reduce the value of the Agency's security;
- (2) It will not adversely affect the soundness of the farming operation;
- (3) It complies with all applicable laws and regulations;
- (4) It is for an authorized purpose;
- (5) It is within the scope of the original loan proposal;
- (6) If required, documentation that sufficient funding for the full amount of the planned development is approved and available;
- (7) If required, surety to cover the full revised development amount has been provided; and,
- (8) The modification is certified in accordance with paragraph (d)(6) (subparagraph 122 E) of this section.

### **B** Change Orders Procedures

When a borrower completing construction or development under the borrower method requests FSA approval of changes, the authorized agency official and the borrower will revise, date, and initial FSA-2150. Revised plans and specifications will be obtained as appropriate when a borrower completing construction or development under the contract method requests FSA approval of changes.

The borrower will submit revised contract documents, plans, and specifications, as appropriate.

The borrower and the borrower's contractors and subcontractors may not proceed with a proposed change and may not reflect the change in payment requests until FSA approves the requested change.

### 126 Surety Bonds

# A Surety

# [7 CFR 761.10(g)] The Agency will require surety to guarantee both payment and performance for construction contracts as necessary to protect its financial interests.

An applicant for a direct loan to finance a construction project must obtain from a construction contractor a surety bond that guarantees both payment and performance in the amount of the construction contract when 1 or more of the following conditions exist:

- contract exceeds \$100,000
- authorized agency official determines that a surety bond appears advisable to protect the borrower against default of the contractor
- contract provides for partial payments in excess of the amount of 60 percent of the value of the work in place.

When the surety is required, the applicant's contract with the contractor must indicate that the contractor will furnish a properly executed surety bond before starting any work.

FSA will incur no liability to a surety bond issued in connection with a construction contract. The contractors must name FSA as a co-beneficiary in all surety bonds unless prohibited by State law.

# **B** Sources of Surety

A contractor must obtain the surety bonds from a corporate bonding company listed on the current Department of Treasury Circular 570.

**Note:** The Treasury Department publishes this circular in the Federal Register annually. A current copy may be obtained from **http://www.fms.treas.gov/c570/index.html**.

The contractor may use a corporate bonding company not listed on Department of Treasury Circular 570 with SED approval. In no case may the applicant or any person or organization with an interest in the applicant's operation provide the required surety bond.

### **126** Surety Bonds (Continued)

### **C** Exceptions to Surety Requirements

If the contractor is unable to obtain a surety bond meeting the requirements in subparagraphs A and B, the applicant may submit a written request for an exception from SED. The request must specifically state why the contractor is unable to obtain an acceptable surety bond and why it is financially advantageous for the applicant to proceed with the proposed contractor without such a bond.

SED may grant an exception if the proposed contractor is reliable and experienced in the construction of projects of similar size, design, scope, and complexity and has financial assurance comparable to being bonded.

### 127-140 (Reserved)

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#### 141 General Appraisal Requirements

#### A General

[7 CFR 761.7(a)] This section describes the requirements for:

- (1) Real estate and chattel appraisals made in connection with the making and servicing of direct FLP loans and Nonprogram loans
- (2) appraisal reviews conducted on appraisals made in connection with the making and servicing of direct and guaranteed FLP and Non-program loans.

#### **B** Purpose

FSA uses appraisals to determine the value of real and personal property or other security pledged or to be pledged to support direct loans and loan servicing actions. FSA requires a lender to obtain an appraisal in certain guaranteed loan making and servicing cases.

\*--Appraisals are an integral part of determining whether there is adequate security to support--\* a loan or servicing action.

#### C USPAP Compliance

[7 CFR 761.7(b)(1)] Real estate appraisals, technical appraisal reviews and their respective forms must comply with the standards contained in USPAP, as well as applicable Agency regulations and procedures for the specific FLP activity involved. Applicable procedures and regulations are available for review in each Agency State Office.

To comply with OMB Circular No. A-129, the employee making a real estate appraisal may not approve any action in which the real estate appraisal was used, including loan approval or any servicing action.

### **D** Appraisal Costs

\*--Responsibility for payment of appraisal costs is as follows:

• FSA, for cost of obtaining an appraisal associated with direct loan making and loan servicing activities

Note: See Part 7 for information on FSA appraisal costs and payments.

• the applicant or borrower for costs associated with appealing or negotiating FSA--\* appraisals.

Note: See paragraph 144 for information on appraisal appeals.

### **E** Obtaining Appraisals

A chattel appraisal may be conducted by either an FSA employee who has been delegated chattel appraisal authority from SED or a contract appraiser.

\*--For direct credit transactions, a real estate appraisal is obtained according to the following table.

IF credit		
transaction		
amount is	AND type of property is	THEN appraisal can be completed by
less than	residential, small agricultural	State-certified residential, State-certified
\$100,000	property, or bare land	general contract appraiser, FSA full-time or
		part-time designated appraiser/reviewer, or
		FSA limited authority appraiser.
	property <b>other</b> than	State-certified general contract appraiser or
	residential, small agricultural	FSA full-time or part-time
	property, or bare land	appraiser/reviewer.
\$100,00 or	residential, small agricultural	State-certified residential, if within the
more	property, or bare land	scope of the appraiser's State appraisal
		license, State-certified general contract
		appraiser, or FSA full-time or part-time
		designated appraiser/reviewer.
	property <b>other</b> than	State-certified general contract appraiser or
	residential, small agricultural	FSA full-time or part-time
	property, or bare land	appraiser/reviewer.
		<b></b> *

**Notes:** A credit transaction includes any action or existing debt secured by real estate and any proposed loans, subordinations, prior liens, or guarantees.

### 141 General Appraisal Requirements (Continued)

### **E** Obtaining Appraisals (Continued)

\*--A State-certified residential appraiser can appraise residential properties, including 1 to 4 single family units, and small agricultural properties or bare land. The property must be determined to be within the scope of the State license authority in which the subject property is located. Any other properties usually will be beyond the scope of a State-certified residential appraiser. If there are concerns whether the property under consideration may be appraised by a State-certified residential appraiser, consult an FSA staff appraiser.--\*

SED shall issue a State supplement providing guidance on the process to request:

- a chattel appraisal from a contract appraiser
- a real estate appraisal.

FSA offices shall release information requested by the appraiser to complete real estate appraisals.

F Using an Existing Appraisal

[7 CFR 761.7(c)] Except where specified elsewhere, when a real estate appraisal is required, the Agency will use an existing real estate appraisal to reach loan making or servicing decisions under either of the following conditions:

- (1) The appraisal was completed within the previous 12 months and the Agency determines that:
- (i) The appraisal meets provisions of this section and applicable Agency loan making and servicing requirements, and
- (ii) Market values have remained stable since the appraisal was completed; or
- (2) the appraisal was not completed in the previous 12 months, but has been updated by the appraiser or appraisal firm that completed the appraisal and both the update and original appraisal were completed in accordance with USPAP.
- **Note:** Current USPAP requirements provide that an update of an appraisal is a new appraisal assignment. The appraiser may provide a new report:
  - without incorporating the prior report
  - by incorporating the prior report by attachments
  - by incorporating the prior report by reference only if the original appraiser's firm and original intended users agree.

### 141 General Appraisal Requirements (Continued)

### **F** Using an Existing Appraisal (Continued)

An existing chattel appraisal may be used if it was completed within the previous 24 months and:

- FSA determines that the appraisal meets the loan making and/or servicing requirements
- market values have remained stable since the appraisal was completed.

# **G** Using Third Party Appraisals

FSA may use an appraisal that has been completed by a third party for any direct or guaranteed loan making or servicing action, provided the appraisal meets all of the following:

- appraisal was completed within the previous 12 months
- appraisal was signed by a State-certified general appraiser licensed in the State where the property is located
- intended use stated in the report is consistent with FSA's need.
- **Notes:** FSA does not need to be listed as an intended user in a third party appraisal report for any direct or guaranteed loan making or servicing action; however, FSA must verify that the appraisal was ordered by and prepared for a financial institution or land trust. Borrower-ordered appraisals are not acceptable for loan making or servicing actions except as provided in 5-FLP for special servicing actions.

If the administrative review concludes the appraisal is **not** acceptable for FSA use, a technical review should **not** be completed, nor should the report be used.

# **H** Contracts for Appraisal Services

Contracts for obtaining real estate appraisals and technical reviews or chattel appraisals shall be established according to Part 7.

Contract appraisers must remain independent from other FSA processes that are not appraisal-related.

**Note:** FSA processes that are not appraisal-related include completion of environmental screening questionnaires or forms.

### **142** Appraisal Reports

### A Chattel Appraisals

# [7 CFR 761.7(b)(2)] When a chattel appraisal is required it must be completed on an applicable Agency form (available in each Agency State Office) or other format containing the same information.

FSA may use FSA-2160. If FSA-2160 is not used, the chattel appraisal, as a minimum, will identify all chattel items appraised, including the following details:

• the quantity, kind, sex, breed, color, weight or average weight, brands or other identification, and value of livestock

**Note:** Weight is not required for breeding stock.

• the quantity, kind, manufacturer, size and type, condition, year of manufacture, serial or motor number, and value of machinery and other equipment.

The appraised value of chattel property will be based on public sales of the same or similar property in the market area. In the absence of public sale data, reputable publications may be used to establish market value. \*\*\*

### **B** Real Estate Appraisals

A real estate appraisal, as a minimum, will be an appraisal report as defined by USPAP. Any exception to allow the use of a restricted report requires prior written approval by SED. SED may redelegate this authority to the designated State staff appraiser. Approval of restricted reports will only be granted under extraordinary circumstances, limited to situations where there will be only a single user of the report.

Real estate appraisals must include as a minimum, the following details:

• documentation of the physical onsite inspection of the subject and comparable properties by the appraiser

**Note:** Physical inspections are required for the appraisal unless an exception in writing is provided by an FSA appraiser.

- documentation of the results of the following 3 approaches to estimating value, as determined to be applicable and necessary, except as provided in the scope of work in USPAP:
  - sales comparison approach
  - cost approach
  - income approach
- if adjustments are made, the basis for these adjustments as recognized by the market and supported by adequate documentation in the appraisal
- at least a 3-year sales history of the property
- the comparable sales used, including a breakdown of land and improvement features and photographs of improvements and land.

Note: Using the subject property's pending sale as a comparable is prohibited.

\* \* \*

### 142 Appraisal Reports (Continued)

### **B** Real Estate Appraisals (Continued)

\*--Before the passage of the Agricultural Act of 2014 (Pub. L. 113-79) on February 7, 2014, CONACT provided for direct FO loans secured by real estate after December 23, 1985, the appraisal must consider the value of oil, gas, and other minerals for FSA to perfect its lien on the minerals. FSA is no longer required to include the value, even if nominal, of oil, gas, and other minerals to perfect its lien.

When the value of mineral rights is needed to adequately collateralize the loan, FSA-2164,--\* Part D or other formats that provide the same information, will be included in the appraisal report to support the market value arrived at by the appraiser.

\* \* \*

### **C** Approved Appraisal Formats

Any appraisal format that meets USPAP requirements is acceptable.

FSA has the following available formats that may be used along with additional documentation to meet USPAP requirements:

- FSA-2161
- FSA-2162
- FSA-2163
- FSA-2164.

### **D** Real Estate Appraisal Software

FSA has appraisal software available for full-time and part-time staff appraisers/reviewers. To obtain a copy of the software, or if there are questions about the software, contact Thomas Dobbin, Chief Appraiser, by either of the following:

- e-mail at **thomas.dobbin@wdc.usda.gov**
- telephone at 208-378-5671.

### 143 FSA Review of Appraisal Reports

# A Overview

[7 CFR 761.7(d)(1)] With respect to a real estate appraisal, the Agency may conduct a technical appraisal review or an administrative appraisal review, or both.

# [7 CFR 761.7(d)(2)] With respect to a chattel appraisal, the Agency may conduct an administrative appraisal review.

Real estate appraisals used for any direct or guaranteed loan making or servicing purpose are subject to a technical appraisal review or an administrative appraisal review by FSA for compliance with applicable FSA regulations and procedures.

\*--Chattel appraisal administrative reviews will be completed on FSA-2167.--\*

### **B** Administrative Appraisal Reviews

Administrative appraisal reviews are conducted by FSA employees, other than an FSA full-time or part-time State-designated appraiser/reviewer, delegated the responsibility by SED. Employees must have completed training on conducting appraisal reviews, according to paragraph 147, before receiving this delegation.

An administrative appraisal review is performed as a due diligence function in the context of a loan making or servicing decision and to ensure compliance with organizational requirements. After the administrative appraisal review, the appraisal user will be in a position to understand the strengths and weaknesses of the information in the report. An administrative appraisal review is completed to verify that the:

- correct property was appraised
- math is correct
- appraisal is logical and understandable
- appraisal complies with FSA contracting requirements.

**Note:** An administrative appraisal review does not include a determination of compliance with USPAP.

The administrative reviewer will refer to the designated State staff appraiser any areas of concern or problems detected. An administrative reviewer may not express a different opinion of value and may not certify to the type and extent of review.

The administrative appraisal review is completed for farm properties on FSA-2165 and for residential properties on RD 1922-15, or in any other format containing, at a minimum, the same information.

### \*--C Conducting Administrative Appraisal Reviews

FSA will complete an administrative appraisal review:--\*

- within 7 workdays of receiving a contracted appraisal obtained for any direct loan purpose
- on 20 percent of appraisals obtained during each FY by CLP and PLP lenders for any guaranteed loan purpose
- on all appraisals obtained during each FY by SEL's for any guaranteed loan purpose
- of chattel and real estate appraisals completed by FSA employees, as determined by SED
- on all third party appraisals.

### **D** Technical Appraisal Reviews Overview

A technical appraisal review will be in writing to address all requirements of USPAP, Standard 3. Under the scope of the technical appraisal review, the appraiser/reviewer forms an opinion as to:

- the adequacy and relevance of the data used
- the propriety of any adjustments to the data
- the appropriateness of the appraisal methods and techniques used
- whether the analysis and conclusion of the appraisal under review is credible, and if not, the reason for expressing different opinion of value.

Unless written authority is granted by DAFLP, a technical appraisal review must be \*--completed by a State-certified general appraiser, whose services are obtained under a contract, or FSA full-time or part-time State-designated appraiser/reviewer who will--\* determine whether the appraisal is in compliance with USPAP Standards. The appraiser/reviewer must certify as to the type and extent of the review process. A technical appraisal review may include a desk review and/or a field review. The appraiser/reviewer may express a different opinion of value from the appraiser, only after complying with USPAP Standards 1 and 2.

The technical appraisal review is completed for agriculture properties on FSA-2166, or any other format containing, at minimum, the same information and complies with USPAP standards.

A technical desk review:

- is an analysis of the material presented in the appraisal report as to the adequacy of the documentation of the final value estimate
- may reveal concerns, such as math errors, discrepancies of legal descriptions, comparable sales used that are not recent or similar to the subject property, failure to give value consideration to all items located on the subject property, and failure to address the condition of the subject and comparable sales.

A technical field review involves an examination of all aspects of making the appraisal. All information contained in the appraisal report is verified, inspected, and researched. Other information, such as other comparable sales, not included in the report may be addressed.

Problems or areas of concern detected during the technical appraisal review will be referred to the appraiser who conducted the appraisal.

### **E** Conducting Technical Appraisal Reviews

FSA will complete a technical appraisal review of the following:

- first direct loan appraisal completed by a contract appraiser and then 1 every 2 FY's thereafter
- first third party appraisal used for direct loan appraisals completed by an appraiser with whom FSA has had no appraisal experience and then 1 appraisal every 2 FY's thereafter

\* \* \*

- **Note:** If an appraisal has been technically reviewed under any of the previous bullets, it is **not** necessary to conduct another review of another appraisal completed by the same appraiser on a different category, such as appraisal reviewed with a
  - \*--direct loan and the same appraiser subsequently completes another assignment--\* that is submitted to FSA as a third party appraisal. A review would **not** be necessary.
- 1 appraisal (or technical review when an appraisal has not been completed during the cycle) completed by FSA staff appraisers every 2 FY's
  - **Note:** The National Office will coordinate peer desk type reviews and monitor completion and results. Peer reviewers and appraisal/technical reviews selected for review will be on a random basis.
- direct or guaranteed loan appraisals when an administrative review detects serious problems
- all appraisals completed by limited authority appraisers
- of appraisals conducted by contractors and FSA employees in a random spot check method that is established by SED

**Note:** Each year, SED will vary the method used to select appraisals for review to ensure that adequate internal controls are established.

- on a more frequent basis, if problems have been detected in the scheduled spot check review
- upon request of the loan approval official anytime before loan approval.

### **F** Recordkeeping and Internal Management Controls

Each State must maintain a recordkeeping system and internal management controls to \*--ensure that all administrative, technical (desk and field) reviews, and compliance activities--\* are accomplished according to 25-AS, Exhibit 40.5.

### **G** USPAP Records Retention

USPAP requires that appraisers retain documentation about appraisal reviews and technical appraisal reviews they conduct for whichever of the following is longer:

- 5 years from date of completion
- 2 years from the date all appeals and litigation about the appraisal are concluded.

SED's shall provide adequate storage space to staff appraisers for the duration of the required documentation retention period.

### H FLP Appraisal Work Files

Appraisal work files **must**:

- **not** be destroyed or otherwise removed from FSA when USPAP retention requirements expire
- be relinquished when appraisers leave FSA employment positions.
- **Note:** Appraisers may make copies of their work files at no cost before departing. Appraisers will be provided access to their work files on an as-needed basis to address State board concerns.

#### 144 Appeals of Decisions Based on Appraisals

# A Scope

This paragraph provides general information on appealing a direct loan making or loan servicing decision based on an appraisal. See 1-APP and paragraph 42 for additional information on appeals.

#### B When a Decision Based on an Appraisal May Be Challenged

An applicant or borrower may request reconsideration or appeal of any adverse decision based on an FSA appraisal. However, when the appraisal was obtained in connection with a request for PLS and negotiation of the appraisal has been completed according to 5-FLP, paragraph 230, the negotiated value is not appealable.

#### C Reconsideration of Real Estate Appraisals

An applicant or borrower may request reconsideration of an adverse decision based on a real estate appraisal and provide an independent technical appraisal review, completed by a State-certified general appraiser.

The independent technical appraisal review:

- is performed to determine whether the analysis, opinions, and conclusions in the appraisal report obtained by FSA are appropriate and reasonable
- may include either a desk review and/or a field review.
  - **Note:** The appraiser conducting the technical appraisal review must certify as to the type and extent of the review process.

At the applicant's or borrower's request, the agency official shall provide a list of State-certified general appraisers. The applicant or borrower may select an appraiser from the list or retain any other State-certified general appraiser to conduct the independent technical appraisal review according to USPAP Standard 3. The applicant or borrower must pay the cost of the independent technical appraisal review.

FSA will review the independent technical appraisal review, as well as the appraisal used to \*--make the decision, and determine the final appraisal report to be used. The authorized--\* agency official will notify the applicant or borrower of the outcome of reconsideration according to 1-APP.

#### 144 Appeals of Decisions Based on Appraisals (Continued)

# Par. 144

# **D** Reconsideration of Chattel Appraisals

An independent appraisal review is performed to determine whether the analysis, opinions, and conclusions in the appraisal report obtained by FSA are appropriate and reasonable.

FSA will review the chattel independent appraisal received from the applicant or borrower, along with a copy of the appraisal, and decide the chattel's final appraised value. The authorized agency official will notify the applicant or borrower of the outcome of reconsideration according to 1-APP.

# **E** Real Estate and Chattel Appraisal Appeals

[7 CFR 761.7(e)] Challenges to an appraisal used by the Agency are limited as follows:

- (1) When an applicant or borrower challenges a real estate appraisal used by the Agency for any loan making or loan servicing decision, except primary loan servicing decisions as specified in § 766.115 of this chapter (5-FLP, paragraph 230), the issue for review is limited to whether the appraisal used by the Agency complies with USPAP. The applicant or borrower must submit a technical appraisal review prepared by a State Certified General Appraiser that will be used to determine whether the Agency's appraisal complies with USPAP. The applicant or borrower is responsible for obtaining and paying for the technical appraisal review.
  - **Note:** The applicant or borrower does **not** have the right to provide a second independent appraisal for consideration.
- (2) When an applicant or borrower challenges a chattel appraisal used by the Agency for any loan making or loan servicing decision, except for primary loan servicing decisions as specified in § 766.115 of this chapter (5-FLP, paragraph 230), the issue for review is limited to whether the appraisal used by the Agency is consistent with present market values of similar items in the area. The applicant or borrower must
- \*--submit an independent appraisal review that will be used to determine whether the appraisal is consistent with present market values of similar items in the area. The applicant or borrower is responsible for obtaining and paying for the independent appraisal review.
  - **Note:** Applicants or borrowers challenging a chattel appraisal must submit an independent chattel appraisal review. This CFR text will be amended in a forthcoming rule to correctly reflect this requirement.--\*

#### 144 Appeals of Decisions Based on Appraisals (Continued)

## \*--E Real Estate and Chattel Appraisal Appeals (Continued)

If the borrower:

- is being considered for PLS under 5-FLP, the appeal challenging FSA's appraisal may include the borrower's independent appraisal according to 5-FLP, paragraph 230
  - **Note:** In Homestead Protection under 5-FLP, Part 7, the borrower has the right to select an independent appraiser from a list of appraisers provided by the authorized agency official. The issue on appeal will be whether FSA's appraisal is consistent with USPAP and the borrower may only provide an independent technical appraisal review of FSA's appraisal. The borrower does **not** have the right to provide a second independent appraisal for consideration or negotiation of the appraisal.
- disagrees with the appraised value used to determine the amount due under a shared appreciation agreement or net recovery buyout recapture agreement, the issue on appeal will be whether FSA's appraisal is consistent with USPAP, and the borrower may only provide an independent technical appraisal review of FSA's appraisal.
  - **Note:** Subparagraphs 42 D and E provide text to be added to the reconsideration paragraph in adverse decision letters involving appraisals.--\*

#### 144 Appeals of Decisions Based on Appraisals (Continued)

#### **F** Releasing FSA Appraisal Reviews

\*--Administrative appraisal reviews performed by an FSA employee:

- before an initial decision are part of the FSA record and must be submitted to NAD as part of the appeal process
- after an initial decision are not part of the FSA record and would not be releasable except under a subpoena from NAD according to 7 CFR 11.8(a), and only after any information prohibited from disclosure is deleted.

Technical appraisal reviews performed before or after an initial decision are part of the FSA record and must be submitted to NAD as part of the appeal process.--\*

#### **G** Errors Identified in an Appraisal

If either the authorized agency official or borrower discovers any mathematical or property description errors in the appraisal, the discrepancies must be reported to SED or designated State staff appraiser. The designated State staff appraiser shall review the nature of the discrepancy and make a determination to:

- contact the appraiser to correct the appraisal
- determine whether the discrepancies are material to the final value determined in the appraisal report.

The appraiser may make corrections to the appraisal up until the time the appeal hearing begins or as a result of the appeal hearing.

3-23-09

# **A** Chattel Appraisals

An FSA employee delegated chattel appraisal authority from SED, or a contractor hired to complete chattel appraisals, must:

- possess sufficient experience or training to establish market value of chattel property based on public sales of the same or similar property in the market area
- demonstrate, to SED's or designee's satisfaction, sufficient experience and training to establish market values of chattel property.

**Note:** A contract appraiser's qualifications shall be documented by the appraiser and maintained in the contract file.

# **B** Real Estate Contract Appraisers

Real estate contract appraisers must be State-certified general appraisers in the State in which the property to be appraised is located.

#### C Full-Time and Part-Time FSA Real Estate Appraisers/Reviewers

A full-time appraiser/reviewer is an FSA employee who is responsible only for real estate appraisals and technical real estate appraisal reviews, and who has or is fulfilling the training requirements in paragraph 146.

A part-time appraiser/reviewer is an FSA employee who has significant responsibilities for real estate appraisal and technical real estate appraisal reviews, but has other FSA program responsibilities as well, and who has or is fulfilling the training requirements in paragraph 146.

Both full-time and part-time appraisers/reviewers must be a State-certified general appraiser or obtain State-certified general appraiser status within \* \* \* 5 years of being designated as an appraiser/reviewer.

# **D** FSA Limited Authority Real Estate Appraisers

An FSA limited authority appraiser is an employee who is primarily responsible for the administration of FSA programs, but has been delegated limited authority to perform real estate appraisals when the total credit transaction is less than \$100,000, as described in subparagraph 141 E.

FSA limited authority appraisers are not:

- required to obtain State-certified general appraiser status
- authorized to complete technical real estate appraisal reviews.

#### 146 Appraiser Training Requirements

#### A Obtaining State-Certified General Appraiser Status

Both full-time and part-time FSA appraisers/reviewers must acquire State-certified general appraiser status within 5 years from being designated as an appraiser/reviewer. To acquire this status, the appraiser/reviewer must meet their respective State licensing requirements and complete the following categories, at a minimum.

Category	Description	
1	220 hours of appraisal training, of which a majority must concentrate in farm real estate-related courses, in:	
	• sales comparison approach	
	• cost approach	
	• income approach.	
2	16 hours of training in USPAP.	
3	24 hours of training in narrative report writing.	
4	A minimum of 40 hours of technical appraisal review.	

Required courses may be taken from approved institutions, such as:

- colleges or universities
- community or junior colleges
- real estate appraisal or real estate-related organizations
- State or Federal agencies or commissions
- proprietary schools
- other providers approved by the State certification-licensing agency.

The appraiser/reviewer, with supervisor approval, should select courses accredited by the State Appraisal Board and meet required general course guidelines and directions.

In addition, the appraiser/reviewer must meet State experience requirements for obtaining a State-certified general license.

If a designated appraiser/reviewer cannot acquire State-certified general appraiser status within 5 years because of State requirements, SED or FLC must request an extension from the National Office for the appraiser/reviewer to complete the requirements. The request

\*--should be e-mailed to Thomas Dobbin, Chief Appraiser, at thomas.dobbin@wdc.usda.gov.--\*

#### 146 Appraiser Training Requirements (Continued)

#### **B** Maintaining State-Certified General Appraiser Status

Full-time and part-time appraisers/reviewers are required to maintain their State-certified general appraiser status by completing continuing education courses according to the standards established by the State Appraisal Board.

These courses must be:

- taken from approved institutions
- accredited by the State Appraisal Board.

The appraiser/reviewer, with supervisor approval, should select the continuing education course topics.

#### C Training Requirements for FSA Limited Authority Appraisers

SED or full-time appraisers/reviewers shall establish the minimum training needs for FSA-limited authority appraisers.

The training must ensure satisfaction of the following:

- ethics
- competency
- scope of work
- jurisdictional exception rule
- USPAP Standards 1 and 2
- appropriate FSA appraisal requirements.

Full-time or part-time appraisers/reviewers shall provide in-house or on-the-job training to FSA-limited authority appraisers.

## 146 Appraiser Training Requirements (Continued)

#### **D** Payment of Training Fees

By August 1 of each FY, each SED must request, in writing, from the National Office appraisal training funds for the following FY for both basic and continuing education costs.

For staff appraiser/reviewers who are:

- not State-certified or have not completed FSA's basic education, request shall include the following:
  - name of individual to receive training
  - date hired into position
  - dates and courses to be taken in the coming FY
  - category in which course applies
  - course hours accredited by the State Appraisal Board for each course
  - cost of tuition, books, site fee, travel, and per diem
- State-certified and are fulfilling continuing education requirements, requests shall include the following:
  - name of individual to receive training
  - dates and courses to be taken in the coming FY
  - course hours accredited by the State Appraisal Board for each course
  - cost of tuition, books, site fee, travel and per diem.
  - •\*--number of hours required by State for continuing education per license cycle
  - number of hours of continuing education completed for the current license cycle.
  - **Note:** Training fee requests should only be courses in aggregate that provide the minimum hours necessary to meet basic qualification or continuing education requirements. Requests in excess of basic qualification or continuing education requirements will be denied.

The travel and per diem costs requested will be added to the State's normal allotment of travel funds by BUD. It is the appraisers/reviewers and their supervisor's responsibility to--\* communicate to the State administrative section of the travel funds requested for appraisal training and to establish a basis to use those funds for the intended purpose.

## 146 Appraiser Training Requirements (Continued)

#### **D** Payment of Training Fees (Continued)

SED must mail the request for training funds to the following.

APPRAISAL TRAINING AND FUNDING USDA FSA DAFLP PDEED STOP 0521 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0521

FSA shall reimburse all full-time and part-time appraisers/reviewers for the ongoing dues and fees associated with obtaining and maintaining State-certified general appraiser status.

When claiming reimbursement of dues and fees, appraisers/reviewers must complete SF-1164 together with proof of payment and submit it to the following address unless otherwise directed in the annual notice, "Reimbursement of Dues and Fees for State Certified General Appraisers and \* \* \* Training Program Expense Authorization".

FINANCIAL ACCOUNTING DIVISION USDA FSA PO BOX 419205 KANSAS CITY MO 64141-6205

FSA-limited authority appraisers do not incur any training costs because they are trained in-house or on-the-job by full-time or part-time appraisers/reviewers and are not State-certified.

# **E** Maintaining Appraisal Skills

Appraisers are required to maintain their appraisal skills by remaining actively engaged in all areas of real estate appraisal work. To maintain skills, appraisers holding an active certified general appraiser credential in any State or Territory must schedule work with their supervisor in a manner so as to complete a minimum of 10 appraisal work credits each FY. Work credits may be earned at the following rate:

- 2 credits for completing each agricultural property appraisal
- 1 credit for completing each agricultural property desk or field technical review.

**Notes:** Appraiser may earn the minimum credits from any mixture of real estate appraisal work (that is, completion of 3 appraisals (6 credits) and 4 technical reviews (4 credits) would satisfy the annual requirement).

This requirement does not pertain to appraiser trainees.

6-21-11

# \*--147 Training Requirements for Performing Administrative Appraisal Reviews

#### A State Responsibility

State Offices are responsible for developing and delivering a training program to an adequate number of employees to perform administrative appraisal reviews.

## **B** Available National Training

An online course has been developed to supplement State-developed training. The online course is optional and can be accessed as follows:

- log into AgLearn at http://www.aglearn.usda.gov
- enter user ID and password
- CLICK "**Catalog**" tab
- CLICK "Browse Catalog"
- on left side of the page under Subject Area Menu, CLICK "+" next to AgLearn Original Courseware Structure
- on left side of the page, CLICK "+" next to **Farm Service Agency**
- navigate to and select "Farm Loan"
- on right side locate Administrative Appraisal Review, select "To Do" list, and take later or select "Launch Content" to begin training course.--\*
- 148-160 (Reserved)

#### 161 Overview

#### A Purpose

\*--This Part describes procedures for:

- obligating and paying PLCE items
- processing PLCE requests for normal servicing and for purchases above and below Micropurchase thresholds
- handling concerns about vendor payments.

#### **B** Program Authority

Program authorities to request goods and services are located in Exhibit 25. Employees with program authority may redelegate their authority to any qualified employee.

If a State needs additional program authority above those granted in Exhibit 25, SED must send an e-mail to the appropriate point of contact as shown in subparagraph 161 C or by written request sent by FAX to 202-720-6797.

## C PLCE and FMMI Help Desk Information

The National Office is the first point of contact for all PLCE and FMMI related inquiries as follows.

Point of Contact for PLCE and FMMI Inquiries		
PLCE Funding	Joe Marcoccia	joe.marcoccia@usda.gov
	Jerry Moseman (primary)	jerry.moseman@usda.gov
	Ann Smith	ann.smith@usda.gov
User Access	Ann Smith (primary)	anne.steppe@usda.gov
	Anne Steppe	
General Inquiries	Ann Smith	
	Anne Steppe	
Vendor Inquiries	Ann Smith	
	Anne Steppe (primary)	
Lost Payments	Ann Smith	
	Anne Steppe	
		*

#### 161 Overview (Continued)

# \*--D State Office Responsibilities

SED must issue a State supplement that:

- identifies the State PLCE Monitor responsible for overseeing PLCE and FMMI activity as described in subparagraph 161 E
- establishes and identifies method of certifying fund availability
- if applicable, covers State-specific requirements for handling UCC filings and lien searches **not** covered by the guidance in subparagraph 164 C
- covers State requirements for processing and accepting Micropurchases (as defined by Federal Acquisition Regulation (FAR) Part 13.1), as necessary.

# **E** State PLCE Monitor Responsibilities

The State PLCE Monitor is not required to be a State Office FLP employee member; however, the State PLCE Monitor must be a person familiar with FLP loan making and loan servicing functions. The State PLCE Monitor is responsible for the following:

- ensuring the proper use of PLCE allocations and providing guidance to the Field Office as necessary
- working with the FLC in determining and documenting how the State's allocation will best be used to meet program goals and objectives
- certifying funds availability
- overseeing the obligations and disbursements of PLCE-allocations by account to avoid violating the Anti-Deficiency Act
- creating and modifying non-SAM vendor records in FMMI
- oversees processing FMMI purchase orders (ZMY), invoices (TY), and modifications
- acts as a liaison between FLP, contracting official, and appraisal staff to ensure that all involved parties follow Micropurchase request procedures, documentation requirements are met, and applicable Micropurchase review processes are followed
- post-payment adjustments
- responding to vendor inquires.--\*

# 162 Understanding PLCE

# A PLCE Spending Chain

The components of the PLCE spending chain are defined as follows.

Component	Action	
1	<u>Allocation</u> is funds that are apportioned to the agency and subsequently	
	allocated to each State in 4 separate funds. Allocation to the State level is	
	required before spending can occur.	
	<b>Note:</b> See paragraph 163 for funds explanation.	
2	*Internal Budget Pre-approval means authorized agency officials*	
	contact the State PLCE Monitor to certify availability of funds <b>before</b>	
	incurring an expense on behalf of the agency or a borrower.	
	<b>Note:</b> This step is by-passed when a delinquent real estate tax notice or	
	delinquent personal property tax notice is received in the County	
	Office.	
3	Obligation means once an order is placed, the agency has a legal	
_	responsibility or obligation to pay for the ordered goods or services. A	
	purchasing document is used to purchase goods and services or pay for costs	
	associated with servicing a farm loan and preservation of the agency's	
	security according to the signed loan documents. Obligations draw down	
	available funds in the associated account in FMMI.	
4	<u>Invoice</u> is an accounts payable document that is used to pay for goods and	
	services received and the disbursement of funds. Depending upon the type	
	of expenditure, disbursements may occur after or simultaneously with the	
	obligation document. Invoices reference and liquidate documents in the	
	•	
5	PLCE spending chain.	
5	Disbursement is handled by the National Finance Center. This step is driven	
	by the vendor record and invoice document.	

#### **\*--B** Definition of PLCE

<u>PLCE</u> are expenditures that relate to loan making activities and the provisions of the Promissory Note for the preservation and protection of any security for the loan.--\*

The way each authorized PLCE expense is handled depends upon the individual item cost and the type of goods or service needed.--\*

## 162 Understanding PLCE (Continued)

#### \*--B Definition of PLCE (Continued)

- Routine Loan Account Maintenance, or "noncontractuals," are those items exempt from FAR and Agriculture Acquisition Regulation provisions and **not** subject to a purchase threshold. These items have fixed costs and specific vendors, all of which are outside FSA's control. This categorization may include, and may not be limited to:
  - all items listed in Exhibit 25 under "Loan Account Maintenance"
  - State Database Access Fees
  - advertising property sales or posting legal notices for foreclosures, etc., when there is only 1 State or 1 local newspaper in which to post the required legal notice:
  - law enforcement services
  - ground rents
  - litigation guarantees
  - abstracts and/or stub abstracts
  - masters in equity
  - trustee agency (foreclosure)
- PLCE expenses with a per item cost **at or below** the Micropurchase threshold as defined in the FAR may be considered Micropurchases. Any PLCE cost item that **exceeds** the defined Micropurchase thresholds shown below will be referred to as "**contractuals**" for purposes of this Part.

The current Micropurchase thresholds are as follow.

• Supplies - \$3,000

The Maintenance and Management purpose category located in Exhibit 25 is the **only** area of PLCE under which supplies might be purchased.

• Services - \$2,500

Almost everything related to loan making and loan servicing PLCE expenses falls under Services. Services include inspections, appraisals, analysis, and professional services. Credit reports also come under this category.

• Construction - \$2,000

Construction items are those needed for authorized repairs or maintenance to real property separate from supplies or services.--\*

#### 162 Understanding PLCE (Continued)

#### \*--B Definition of PLCE (Continued)

FAR 13.1 should be consulted to ensure that offices use the current Micropurchase thresholds at the time of action.

**Note:** Any PLCE item associated with an environmental issue will be discussed with the State Environmental Coordinator before proceeding under these instructions. Consultation with the National Office, the National Environmental Coordinator, and the State Contracting staff may be necessary.

#### C Expense Types

There are 2 types of PLCE's:

- Recoverable PLCE's are chargeable to either a borrower or inventory property account
- Nonrecoverable PLCE's are **not** chargeable to a borrower or inventory property account.

See:

- Exhibit 25 for recoverable and nonrecoverable PLCE designations.
- subparagraphs 164 E and 164 F for additional guidance on recoverable cost items.--\*

# \*--D PAC

Exhibit 25 provides a list of each authorized PLCE expense. Each expense item has an assigned unique 3-digit alphanumeric-character, which is required to obligate and control funds and track expenses. If there is a "Comment" annotated for the selected PAC, County Offices and State PLCE Monitors should review the Exhibit 25 "Note" section for usage clarification or application.

PAC's are based upon whether the cost is related to loan making, loan servicing, or inventory property. All transactions fall under 1 of the following 3 categories.

- Loan Making PAC's are applicable during the loan application process only. Once a loan is closed, it becomes a loan servicing action.
- Loan Servicing PAC's are applicable from the point of loan closing through the final disposition of the loan.
- **Inventory Property PAC's** are applicable only **after** FSA has taken the property into inventory, **not** during the acquisition process. Any PLCE item incurred on behalf of FSA during the acquisition process (foreclosure, voluntary conveyance, etc.) is a **loan servicing action** and is charged to the borrower's account, **not** the inventory property. This includes accrued or delinquent taxes, attorney fees, or any other expense related to the security **prior** to the date taken into Government inventory.--\*

## **E** Historical PAC Reference

PACs found in Exhibit 26 were made obsolete effective October 1, 2010. For loan servicing purposes, Exhibit 26 is retained for historical reference only.--\*

#### **163** Allocating PLCE Funds

# A National Office Allocation of PLCE Funds to States

The National Office allocates PLCE funds to each State or group of States that has FLC. PLCE funds are not suballocated to the County Office level. The most recent allocations and balances are available in FMMI using the Availability of Funds Control Report which may be accessed according to the following FMMI pathway: **Funds Management > Reports > Budget Preparation and Planning > Budget Availability Control**.

#### **163** Allocating PLCE Funds (Continued)

#### A National Office Allocation of PLCE Funds to States (Continued)

The National Office divides each State allocation into 4 accounts that correspond to their respective Treasury symbols. Each account has its own purpose and designated loan cohort.

- ACIF Program Account (nonrecoverable). This "A" account is used to pay PLCE's that are not chargeable to a borrower or inventory property account. The "A" account fund code is identified as "**FA00B1140D**" in the FMMI environment.
- ACIF Direct Loan Financing Account (recoverable). This "R" account is used to pay PLCE's that are chargeable to a borrower or inventory property account in which the loan was obligated in FY 1992 or subsequent years. The "R" account fund code is identified as "FA00B4212D" in the FMMI environment.
- ACIF Liquidating Account (recoverable). This "L" account is used to pay PLCE's that are chargeable to a borrower or inventory property account in which the loan was obligated before FY 1992. The primary "L" account fund code is identified as "FA00B4140D" in the FMMI environment.

There are 2 different appropriated line items for "L" funds, each with their own functional area:

- FA02FL2040000000: Loan Servicing "L" account
- FA02**FL214**0000000: Inventory Property "L" account.

Both line items use the same fund identifier of FA00B4140D. Only the loan servicing "L" funds are allocated to the State level. The inventory property "L" funds are maintained at the National Office level. The PLCE Monitor will contact LMD when "L" funds are needed for servicing inventory property.

• Recovery Act - Direct Financing Account - Capital Investment (recoverable). This "S" account is used to pay PLCE's that are chargeable to a borrower or inventory property account in which the loan was obligated using ARRA ("Stimulus") identified loan funds. "S" loans are identified with Type of Assistance codes 564 through 583. The "S" account fund code is identified as "FA00B4284D" in the FMMI environment.

#### 163 Allocating PLCE Funds (Continued)

#### \* \* \*

#### **B** State Office Allocation of PLCE's

\*--All PLCE obligations and disbursements must occur on a "requirement and consideration" basis, because there must be a specific need for a specific loan applicant or borrower. Obligating lump sum amounts or "banking" PLCE funds for a specific vendor is prohibited and a violation of the Anti-Deficiency Act. The obligation of PLCE funds in one FY for use in another FY without a specific requirement also violates the Anti-Deficiency Act and is **not** permitted.

Examples of permissible and not permissible are as follows:

- **Permissible** On September 25, 2014, the County Office requests a title opinion in preparation for an upcoming foreclosure sale for a particular borrower. The PLCE commitment is created the same day **and work begins**; however, it is November 1, 2014, when the vendor delivers the title opinion and requests payment.
- Not Permissible On September 25, 2014, the State Office decides to set aside \$xxx for real estate appraisals needed in the next FY. There is no immediate need for the obligation; however, the State wants to "use up" the remaining FY 2014 "L" allocation and draw-down funds from the one ZMY obligation on an as-needed basis in FY 2015.

**Note:** For electronic UCC filings with the Secretary of State's office see subparagraph 164 D.

#### **C** Using PLCE Allocations

Before any PLCE item can be obtained or an expense incurred on behalf of the Government, the State PLCE Monitor must certify fund availability and ensure the State budget reflects that potential commitment. PLCE obligations should be entered into FMMI **before** goods or services are received.

**Note:** Notices about delinquent real estate taxes and property taxes are exempt from funds certification. It is not possible to know when a borrower will not pay their taxes in a timely manner. All other items found under Loan Account Maintenance in Exhibit 25, or those identified as "noncontractual", require prior budget approval from the State PLCE Monitor before committing the Agency. Reimbursement for an unapproved cost item is not guaranteed.--\*

#### \*--164 Obtaining PLCE Items

#### A Current Employees as Vendors

Employees are permitted to incur costs on behalf of FSA to obtain copies of courthouse documents provided **prior budget approval is obtained** from the PLCE Monitor. If preapproval of the expenditure is not received from the PLCE Monitor, the cost may not be reimbursable.

FLC or designee will sign FSA-2126 for all employee reimbursement requests.

Employees will not:

- act as a vendor for "convenience" of the office, applicant, or borrower
- act as a vendor whenever "L", "R", or "S" funds are used
- be asked or required to use personal funds for miscellaneous expenses with repayment through PLCE funding at a later time
- be a vendor when an expense can be handled through normal PLCE processes, i.e., ordering a Treasury check
- file for reimbursement of any PLCE on a travel voucher, SF-1164, or by any other means other than the FSA-2126.
  - **Note:** FSA employee records are already in FMMI. A Federal employee requesting reimbursement will **not** have a vendor record created using the FSA-2173.

#### **B** Former Employees as Vendors

Restrictions on post-FSA employment are designed to address certain activities that involve, or may appear to involve, the unfair use of prior FSA employment. These restrictions apply to a former FSA employee as a PLCE vendor and depend upon a number of factors, such as position(s) and duties during FSA employment and the type of work a former employee may do as a PLCE vendor. There are 3 basic considerations.

- Lifetime ban for any employee who had oversight authorities, and/or was deeply involved with a particular borrower or situation.
- Two-year ban for persons not having oversight or personal involvement in loan making, loan servicing, or inventory property decisions in a particular area.
- One year ban for all employees who will work for FSA as a vendor in an area in which there was no direct or substantial involvement and decision making in loan making, loan servicing, or inventory property.--\*

#### \*--164 Obtaining PLCE Items (Continued)

#### **B** Former Employees as Vendors (Continued)

In all instances, no former employee may work in any county in which they were involved in loan making, loan servicing, or inventory property decisions.

In **every** instance of former FSA employees being considered for hire as a PLCE vendor, the State Office **must** contact the National Ethics Program Manager for FSA for specific directions and permissions. The Office of Ethics may be reached by telephone at 202-205-2102, and by e-mail at **Ethics-Farm-FSA@oe.usda.gov**.

See 3-PM and 18 USC 207 for additional guidance on employing former FSA employees as PLCE vendors.

#### C Guidance for Electronic UCC Transactions

State Offices may establish accounts with the Secretary of State's office using a draw-down process to meet UCC electronic and central filing requirements. "R" funds are used for this purpose.

In States where the Office of the Secretary of State has decided to use credit card only transactions, the PLCE Monitor will work with the Secretary of State to find an alternative to credit card transactions. If there is no alternative payment option available, third party processors may be used, for an additional fee, to handle FLP UCC needs.

When using third party processors, third party processor fees are an administrative cost of doing business and paid using "A" funds separate from the UCC filing and lien search fees. Loan applicants and borrowers are responsible only for the cost of the UCC filing, **not** the processing fee. FSA must incur the processor fee because it **cannot** comply with a credit card requirement.

If a UCC is being renewed for an account in foreclosure using "L", "R", or "S" funds, separate FMMI transactions will be processed for that specific UCC filing. The PAC to use is '2N5'. Likewise, if there is no collection of UCC fees, the cost is charged against a borrower's account, using PAC '2N5'.

When the borrower remits payment for an electronic UCC filing which is sent to the Finance Office with a miscellaneous collection code of 36 or 38, the PAC code '1NE' or '2NE' is used.

If an error is made on a UCC or other legal document, the cost of the correction is a nonrecoverable item. "A" funding and the PAC code "2N5" are used.--\*

#### \*--164 Obtaining PLCE Items (Continued)

## **D** Refunding Credit Report Fees

When credit report fees are collected and deposited, and the credit report is never obtained, reimbursement to the applicant is **not** a PLCE function. Whenever money is transmitted successfully to NFC, the refund **must** come from the same office. County Offices shall submit a request for refund to their account technician who services their Sate according to paragraph 5.

#### **E** Using Recoverable Cost Items

FSA charges recoverable PLCE's to specific loans, except ARRA ("Stimulus") loans.

Only "S" account funds are used to obligate and pay PLCE expenses for ARRA ("Stimulus") loans. The use of "L" or "R" funds for ARRA ("Stimulus") loans is **not** authorized.

When a specific recoverable PLCE applies to more than 1 loan, the oldest outstanding loan, which is the loan with the earliest obligation date, for which the security associated with the charge is attached, will determine which recoverable account ("L" or "R") is used. For a rescheduled or reamortized loan, always use the **original loan obligation date** to determine which account is used.

Note: Interest accrues at the same interest rate as the loan associated with the charge.

#### **F** ADPS Transactions for Recoverable Cost Items

When a recoverable cost item is charged back to a direct OL, ML, or EM loan, a new "loan" is created on the borrower's account. The loan number will be between 75 and 99, starting backwards from 99. The ADPS TC 1L is associated with the charge.

When the loan being charged is a direct FO loan, the PLCE charge is reflected as an advance on the loan; a separate "loan" is not created. The transaction is identified by ADPS TC 1L in the borrower's online history.

When a PLCE charge falls under Inventory Property, ADPS TC 1X reflects the charge.

PLCE charges on Judgment accounts are shown as a ADPS TC 1I transaction.--\*

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## \*--165 Processing Routine Loan Account Maintenance PLCE's

## A Forms

FSA-2126 is the only form required to initiate PLCE requests for routine loan account maintenance, or "noncontractuals" as described in subparagraph 162 A.

# **B** Filing Requirements

FSA-2126 and any documents related to recoverable cost items should be filed in the borrower's case file and treated as a debt instrument.

It is recommended that PLCE documents involving the use of "A" funds be filed in the borrower's case file as part of the running record of actions taken on behalf of the borrower or applicant. Documents for nonrecoverable cost items are not debt instruments.

County and State Offices should establish and maintain an operational file for PLCE activity according to 25-AS.

Tracking systems to monitor State PLCE budget activity is recommended.

## C Vendor Selection

There is no vendor selection process for routine loan account maintenance. For an item to fall under this category, the vendor and cost are outside FSA's control.

# **D FMMI**

The PLCE Monitor and State FMMI users should refer to the FMMI User Guide for additional guidance and automation instructions, which are not addressed in the administrative workflow process provided in subparagraph 165 E.

#### E Workflow Process for "Noncontractual" Expenses

In general, routine loan account maintenance PLCE requests are immediately due and payable. Simultaneous obligations and disbursements for "noncontractual" items are common and permissible.

**Note:** Tax notices and other documents from the vendor source are considered invoices and this information should **not** be transferred to FSA-2171. Always use the original documentation to support the obligation whenever possible.--\*

# \*--165 Processing Routine Loan Account Maintenance PLCE's (Continued)

# E Workflow Process for "Noncontractual" Expenses (Continued)

Authorized Agency Officials shall take the following steps for routine loan account maintenance PLCE items.

Step	With Invoice	Invoice Pending
1	Authorized Agency Official is notified	Authorized Agency Official
	or receives notification of PLCE need	determines, or is notified of, PLCE
	and refers to Exhibit 25 for	need and refers to Exhibit 25 for
	authorization and terms.	authorization and terms.
	If AAO is uncertain if or how to	If AAO is uncertain if or how to
	proceed, AAO will contact State PLCE	proceed, AAO will contact State PLCE
	Monitor for guidance.	Monitor for guidance.
		<b>Note:</b> State PLCE Monitor <b>must</b> be
		contacted <b>before</b> incurring an
		expense not triggered by an
		automatic billing (tax notice,
		for example). AAO's may
		<b>not</b> commit the Agency to, or
		expect reimbursement without
		proper prior authorization.
2	Authorized Agency Official completes	Authorized Agency Official completes
	and signs FSA-2126 and attaches	FSA-2126, and, along with any other
	invoice, and any other necessary	necessary documentation related to the
	documentation related to the PLCE.	PLCE, sends request to the State PLCE
	Documents are sent to the State PLCE	Monitor for processing.
3	Monitor for further processing.	State DLCE Manite name income and
3	State PLCE Monitor receives and	State PLCE Monitor receives and
	reviews FSA-2126 for accuracy,	reviews FSA-2126 for accuracy,
	completeness, and validity, consulting with the Farm Loan Chief, as	completeness, and validity, consulting with the Farm Loan Chief, as
4	necessary. State PLCE Monitor certifies budget	necessary. State PLCE Monitor certifies budget
	availability. If approved, the PLCE	availability. If approved, the PLCE
	process continues.	process continues.
5	PLCE request is processed and posted	PLCE request is processed and posted
5	in FMMI, creating a ZMY obligation	in FMMI, creating a ZMY obligation
	using the FMMI User Guide as	using the FMMI User Guide as
	reference.	reference.
	<b>Note:</b> National Office support is	<b>Note:</b> National Office support is
	available for <b>approvals only</b> on	available for <b>approvals only</b>
	an as-needed basis.	on an as-needed basis.

--\*

# \*--165 Processing Routine Loan Account Maintenance PLCE's (Continued)

Step	With Invoice	Invoice Pending
6	Invoice is processed and posted in FMMI, creating a TY payment document as shown in the FMMI User Guide.	A copy of the budget-approved FSA-2126 and associated FMMI transaction documents are returned to the requesting office.
7	A copy of the-approved and completed FSA-2126 and FMMI ZMY and TY transaction documents are returned to the requesting office for placement in file(s). Note: National Office support is available for <b>approvals only</b> on an as-needed basis.	Once county office receives invoice, using FSA-2126, forwards invoice to the State PLCE Monitor with a signed request for payment and copy of the original FSA-2126.
8	END	Invoice is processed and posted in FMMI, creating a TY payment document as shown in the FMMI User Guide.
9		A copy of the completed FSA-2126 and FMMI TY invoice transaction document are returned to the requesting office for placement in file(s).
10		END

# E Workflow Process for "Noncontractual" Expenses (Continued)

# A Forms

FSA-2126 is the only form required for PLCE requests at or **below** the Micropurchase threshold limits described in subparagraph 162 A.

For Micropurchases determined to be **above** the threshold limits, FSA-2126 is used to **initiate** PLCE requests. Any additional documents required to complete the purchasing process will be prepared by the State Contracting Officer or Contracting Official.

#### **B** Additional Requirements

Additional documentation to FSA-2126 may be required depending upon the PLCE need. Authorized Agency Officials will follow established procedures according to paragraph 141 and subparagraph 161 D, as applicable.

# **C** Filing Requirements

FSA-2126 documents related to recoverable cost items should be treated as a debt instrument and filed in the borrower's case file.

It is recommended that PLCE documents involving using "A" funds be filed in the borrower's case file as part of the running record of actions taken on behalf of the borrower or loan applicant. Documents for nonrecoverable cost items are not debt instruments.

County and State Offices should establish and maintain operational files for Micropurchase PLCE activity in accordance with Handbook 25-AS.

Tracking systems to monitor State PLCE budget, Micropurchase transactions, and vendor selections should be established.

#### **D** Vendor Selection

In addition to requesting PLCE obligations and disbursements, FSA-2126 is used to record associated vendor contacts and quotes.

Authorized Agency Officials will contact appropriate vendors to obtain quotes for the required good or service. The amount of the cost quote provided by the vendors determines how many quotes must be obtained.

If the first vendor provides a cost quote *below* the given Micropurchase threshold, and that vendor is qualified and able to perform the task within the given timeframe, additional vendor quotes are **not** necessary. Single source vendor selection may be justified on FSA-2126.--\*

#### \*--166 Processing PLCE Micropurchase (Continued)

## **D** Vendor Selection (Continued)

If the first vendor contacted provides a cost quote **above** the Micropurchase threshold, authorized agency officials must obtain **2 additional** quotes from qualified vendors, for a total of 3 cost quotes.

**Note:** All Authorized Agency Officials must ensure that vendor selections are rotated so no 1 vendor receives all requests for goods or services. Low bid is **not** a sufficient reason to select repeatedly 1 particular vendor over others; equal consideration to other qualified and available vendors must be given. The PLCE Monitor will work with the appraisal staff and contract team, as necessary, to ensure that vendor selection is fair and equitable, and that the Government receives a fair and reasonable price.

# E FMMI

The PLCE Monitor and State FMMI users shall see the FMMI User Guide for additional guidance and automation instructions, which are not addressed in the administrative workflow process provided in subparagraph 166 F.

Step	Below Threshold	Above Threshold
1	Authorized Agency Official determines	Authorized Agency Official
	PLCE need and refers to Exhibit 25 for	determines PLCE need and refers to
	authorization and terms. If AAO is	Exhibit 25 for authorization and terms.
	uncertain if or how to proceed, AAO	If AAO is uncertain if or how to
	will contact State PLCE Monitor for	proceed, AAO will contact State
	guidance.	PLCE Monitor for guidance.
2	Authorized Agency Official calls or e-	Authorized Agency Official calls or
	mails vendor(s) for price quote and	e-mails vendor(s) for price quote and
	availability. Vendor contacts are	availability. Vendor contacts are
	recorded on the FSA-2126.	recorded on the FSA-2126.
3	FSA-2126 is completed, signed, and	FSA-2126 is completed, signed, and
	forwarded to State PLCE Monitor for	forwarded to State PLCE Monitor for
	budget approval, along with supporting	budget approval, along with
	documentation as applicable.	supporting documentation as
		applicable.
4	State PLCE Monitor receives and	State PLCE Monitor receives and
	reviews FSA-2126 for accuracy,	reviews FSA-2126 for accuracy,
	completeness, and validity, consulting	completeness, and validity, consulting
	with the Farm Loan Chief or other	with the Farm Loan Chief or other
	Agency Official as necessary.	Agency Official as necessary.

# F Workflow for Micropurchases

# \*--166 Processing PLCE Micropurchase (Continued)

Step	Below Threshold	Above Threshold
5	State Office certifies budget availability and approves FSA-2126.	State Office certifies budget availability and forwards the approved and signed FSA-2126, along with other required information, to the State's Authorized Contracting Official according to procedures provided in paragraph 14
6	<ul> <li>State Office inputs FMMI purchase order (ZMY), as provided in the FMMI User Guide, and annotates the ZMY document number on the FSA-2126.</li> <li>Note: National Office support is available for approvals only on an appended basis</li> </ul>	or subparagraph 161 D. Authorized Contracting Official coordinates with other Agency Officials as necessary. Authorized Contracting Official sends the purchase order to selected vendor for vendor's acceptance signature.
7	an as-needed basis. Original signed and approved FSA-2126 and copy of the FMMI ZMY document is returned to the Service Center.	Authorized Contracting Authority sends the signed purchase order with award letter to the vendor, with copies to the State PLCE Monitor an others, for placement in file(s) and additional processing
8	Service Center Authorized Agency Official sends selected vendor an e-mail confirming quoted price and authorization to perform work, along with any additional directions necessary for the completion of the work.	State Office inputs FMMI purchase order (ZMY) as provided in the FMMI User Guide and annotates the ZMY document number on FSA-2126 <b>Note:</b> National Office support is available for <b>approvals only</b> on an as-needed basis.
9	Vendor completes PLCE task and submits invoice with completed goods or services to the Service Center.	FSA-2126 and copy of the FMMI ZMY document are returned to the Service Center for placement in file(s) and to Contracting Official an others as determined by established procedures.
10	Service Center Authorized Agency Official follows established procedures as provided in paragraphs 141 or 161 D to certify receipt and acceptance of goods or services.	Vendor completes PLCE task and submits invoice with completed goods or services to the Service Center.

# F Workflow for Micropurchases (Continued)

# \*--166 Processing PLCE Micropurchase (Continued)

Step	Below Threshold	Above Threshold
11	Upon accepting PLCE goods or	Service Center Authorized Agency
	services, Authorized Agency Official	Official follows established State
	will attach a copy of vendor invoice to	procedures as provided in paragraph
	FSA-2126 and request payment.	141 or subparagraph 161 D to certify
	FSA-2126, with invoice, is sent to	receipt and acceptance of goods or
	PLCE Monitor for vendor payment.	services.
12	State Office inputs FMMI invoice	Upon completing the formal review
	document TY and annotates the TY	process, FSA-2126 requesting payment
	document number on FSA-2126 as	to vendor and copy of vendor invoice is
	provided in the FMMI User Guide.	forwarded to the PLCE Monitor for
		entry into FMMI.
	Note: National Office support is	
	available for <b>approvals only</b>	
	on an as-needed basis.	
13	Completed FSA-2126 and copy of the	State Office inputs FMMI invoice
	FMMI TY document is returned to the	document TY as provided in the FMMI
	Service Center for placement in file(s).	User Guide and annotates the TY
		document number on the FSA-2126.
		<b>Note:</b> National Office support is
		available for <b>approvals only</b> on
		an as-needed basis.
14	End	Completed FSA-2126 and copy of the
		FMMI TY document is returned to the
		Service Center and other Agency
		Officials, as applicable, for placement
		in file(s).
15		End

# F Workflow for Micropurchases (Continued)

--\*

# \*--167 FMMI

#### A Background

FMMI is a commercial off-the-shelf web-based financial management system that provides online, real-time transaction and on-demand query capabilities. FMMI is a comprehensive system for all of USDA's financial and accounting functions.

PLCE data recorded in FMMI includes:

- State allocations in 4 PLCE funding accounts
- purchase order obligations
- invoices
- disbursements
- accounting adjustments made through purchase order or invoice modifications
- penalty interest
- manual disbursements
- post payment adjustments
- canceled checks
- vendor records
- FSA client records.

Borrower and property loan information is validated and stored in the BOPR table in FMMI to ensure that applicable customer data is accurate at obligation and back-fed correctly to PLAS.

SED shall ensure that an adequate number of employees are trained, delegated authority, and have the proper security clearance, user ID, and password to input and approve transactions using FMMI, which requires 2 employees to successfully process all transactions. Any FLP employee, as identified by FLC, may be selected and trained as a FMMI user. A contracting warrant is not needed for FMMI access or to process any PLCE transaction in FMMI.--\*

# \*--167 FMMI (Continued)

#### **B** User Assistance

The FMMI User's Guide can be referenced for specific questions and may be obtained by accessing the FLP web site at

https://amistad.sc.egov.usda.gov/flp/informationalLinks?Action=Manuals&caller=index. CLICK "Manuals" located on the left navigation bar.

# C Requesting FMMI Access

Access to FMMI is obtained by the following steps.

Step	Action	
1	Employee shall login to AgLearn and complete the following self-paced courses:	
	• FMMI 101: "Introduction to FMMI"	
	FMMI 201: "Integrated Process Overview"	
	FMMI 207: "Purchasing Overview"	
	FMMI 208: "Accounts Payable Overview"	
	FMMI 301: "FMMI Portal and SAP Navigation".	
2	Employee shall access the FMMI Program Loan Cost Expense training materials	
	located at	
	http://fsaintranet.sc.egov/fcad/Manuals/FMMI_ProgramLoanCostExpense/F	
	MMI_PLCE.htm.	
3	Login into the FMMI portal and complete the self-certification.	
4	Using secure e-mail procedures, submit the following documents:	
	• screen print of AgLearn history showing completion of all required FMMI self-paced courses	
	• self-certification that the online training guides have been reviewed	
	• completed and signed FSA 13-A	
	• completed and signed FSA-FM1, which is obtained from the contacts listed in subparagraph 161 C.	
	The documents shall be submitted to either of the following:	
	• Anne Steppe at anne.steppe@wdc.usda.gov	
	• Ann Smith at ann.smith@wdc.udsa.gov.	
5	Upon receipt of the required documents, the National Office will process a user	
	access request through the FMMI portal.	
6	NFC completes the user access request and notifies employee.	

--\*

# **D** FMMI Vendor Identification Number

All vendors must have a FMMI vendor identification number assigned before processing FMMI obligations and disbursements. The FMMI vendor identification number is a FMMI-generated unique number used to identify vendors, organizations, and persons to whom USDA makes payments or from whom USDA collects receivables.

Vendors who do not fall within the SAM exemptions given in subparagraph 167 F must register in SAM as required. Use the FMMI-generated vendor ID number associated with the SAM record containing the vendor's remittance information for FMMI obligations and disbursements.

**Note:** The State Office will not create another vendor record using the Pre-Approval Vendor process for a SAM-registered vendor.

Additional information about SAM registration may be found at https://www.sam.gov/portal/public/SAM/.

State Offices shall access the FMMI vendor table using the FMMI View Vendor Master Data function found in FMMI at:

- Purchasing
- Commercial Vendor and Customer Master Data Evaluation
- Vendor/Customer Master Data > View Vendor Master Data.

A search may be conducted on the vendor's Social Security number, TIN, vendor's name, city and State of vendor location, or a combination of these identifiers. When searching by name, an asterisk (\*) may be used as a wild card in the search string.

If the vendor is SAM-exempt, and is not located in FMMI, the vendor shall complete FSA-2173. Enter vendor requests into FMMI using the Vendor and Customer Master Data Request Screen. Concerns about FMMI vendor identification numbers can be addressed with LMD.--\*

#### \*--167 FMMI (Continued)

## E Using EFT

DCIA of 1996 mandates using EFT as the payment method for Government disbursements. EFT enables FSA to pay for goods and services electronically by direct deposit.

FAR and Treasury regulations at 31 CFR Part 208 allows the following exemptions to the EFT requirement:

- Federal, State and local Government vendors
- Federal employees
- nonemployee travelers
- foreign vendors not operating on U.S. soil
- individuals that do not have an account at a financial institution
- operational hardship.

**Note:** Operational hardship applies if the vendor's regular business process will be severely hindered by receiving payment through EFT.

#### **F SAM Exemptions**

Prospective vendors must be registered in SAM **before** the award of a basic ordering agreement.

There are certain exemptions to this requirement for PLCE transactions, as follows:

- PLCE non-contractual vendor
- foreign vendors doing work outside the U.S.
- Federal employees
- nonemployee travelers
- vendors paid for Micropurchases that do not use EFT.--\*

#### 168 Modification or Cancellation of Obligation

#### A Modifying or Canceling an Obligation

State Office shall see the **FMMI Document Chain Report** to confirm the status of the Purchase Order or Invoice requiring modification.

- **Note:** If making a Vendor change, a new Purchase Order and ZMY transaction is required. The original ZMY must be modified in FMMI to reflect a \$0.00 line item amount.
- \*--To initiate a modification or cancellation of an obligation, the County Office will submit a new FSA-2126, to the PLCE Monitor for processing in FMMI. Contracting Officers should be informed of any modification or cancellations of contractual requests.--\*

The process for modifications or cancellations of current FY obligations is as follows.

Document Status	Action
Obligation (ZMY) with No Disbursement.	Obligation Modification/Obligation Change.
Obligation (ZMY) with Partial	Obligation Modification/Obligation Change.
Disbursement – 1 Line Item.	
	If changing Amount, new line amount may not
	go below available balance.
Obligation (ZMY) with Partial	If line item(s) have been paid and remaining
Disbursement – Multiple Line Items.	line item(s) require change, process
	<b>Obligation Modification/Obligation Change</b> .
	If line item to be changed has been paid in full,
	process Post-Payment Modification for that
	line item only.
Obligation (ZMY) with Full Disbursement	Post-Payment Modification.
of All Line Items.	
Invoice TY with No Treasury Activity.	Pre-Payment Modification/Invoice Change.
Invoice TY with Treasury- in-Transit (TI)	Post-Payment Modification.
or TC.	-

\*--Additional guidance is located in the FMMI User Guide--\*

# \*--169 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments

#### A Stopping Payments for Funds Not Issued

If the scheduled pay date for the posted TY document is within **3 workdays** of the current date, a payment **cannot** be stopped. The scheduled date is found using the FMMI Document Chain Report and is calculated based on the payment terms and "Baseline Date."

**Example:** The Document Chain Report shows a baseline date of 03-16-2012. The current date is 04-18-2012. Payment terms are PP30. The payment cannot be stopped because the current date is within 3 workdays of the baseline date and payment terms of "net 30 days."

If the invoice TY document:

- has not been posted, process a purchase order modification to cancel the original ZMY transaction
- is posted, and the FMMI Document Chain Report does **not** reflect TI or TC entries for the TY:
  - process an invoice modification to cancel the original TY transaction
  - if the purchase order is no longer wanted, a purchase order modification to cancel the obligation will be necessary
- is posted, and TI or TC entries **are** found in the FMMI Document Chain Report, contact the vendor for the return of funds.

#### **B** Inquiring on Mishandled or Lost Disbursement

When a vendor notifies the Agency that a payment was not received, the PLCE Monitor should:

- run the document Chain Report for the TY transaction
- fully expand the report to see every entry

**Note:** Look for a TC entry. The payment date must be **more than 10 business days** from the current date to be considered missing.

- verify that there is no TR or KZ for the TY
- determine if the funds were sent to the vendor's correct "Remit To" address, if paid by paper check
- determine if the funds were sent to the vendor's current bank account, if paid by EFT.--\*

# \*--169 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

## **B** Inquiring on Mishandled or Lost Disbursement (Continued)

If there is a TR or KZ reflected on the Document Chain Report for either a paper check or EFT disbursement, a replacement check or subsequent EFT transaction **cannot** be processed until funds are restored to the original obligation. If the payment is no longer needed, the original ZMY must be cancelled. If payment is needed, mailing and EFT information will be verified before issuing another TY. NFC will cancel the invoice associated with a return.

If time is critical and funding levels permit, a new ZMY and TY may be generated while waiting for prior transactions to be reversed or cancelled.

To have the mishandled or lost disbursement researched, the PLCE Monitor will send an email to the appropriate points of contact as listed in subparagraph 161C. The e-mail must contain:

- ZMY and TY Document Numbers
- Name of Vendor and FMMI Vendor ID number
- Payment Date
- Check Number information, if available
- Dollar Amount Invoiced.

**Note: PLCE payments are subject to the U.S. Treasury Offset Program**. If a vendor payment is reported as being offset, vendors will be informed to contact the Treasury Offset Program Call Center at 1-800-304-3107. This is no longer an FSA matter.

#### **C** Canceling EFT Payments

When canceling an EFT payment, the vendor must contact their banking institution and arrange for the bank to return the electronic funds to the U.S. Treasury. From Treasury, the funds are electronically returned to NFC. NFC will cancel the invoice and notify AFCB of the cancellation. AFCB will then e-mail the State Office to cancel the obligation in FMMI. Both the invoice and obligation cancellations will be back-fed through the ADPS to the borrower's account.

If the cancellation is for same fiscal year funds, the returned money is returned to the State's allocation once the ZMY transaction is modified in FMMI to reflect \$0.00 for the line item.--\*

# \*--169 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

#### **D** Canceling U.S. Treasury Check

When cancelling a U.S. Treasury check issued for a PLCE vendor payment that was **not** issued for an emergency check:

• the County Office or PLCE Monitor will mail the check directly back to Treasury using the following address:

Department of the Treasury Philadelphia Regional Finance Center P.O. Box 51320 Philadelphia, PA 19154

• a completed and signed FSA-2072 and **fully expanded** Document Chain Report for the transaction being cancelled is FAXed to the State's Finance Office account technician according to paragraph 5.

From Treasury, the funds are returned to NFC. NFC will cancel the invoice and notify AFCB of the cancellation. AFCB will then e-mail the State Office to cancel the obligation in FMMI. Both the invoice and obligation cancelations will be back-fed through ADPS to the borrower's account.

If the U.S. Treasury check needing to be cancelled **was** issued for an **emergency check**, the check and FSA-2072 will be mailed to:

USDA/Rural Development Cash Management Collections Branch 4300 Goodfellow Boulevard, FC 1411 St. Louis, MO 63120

The Cash Management Collections Branch (CMCB) will provide the cancellation information to the AFCB. AFCB will manually input the cancellation in to FMMI. AFCB will notify the State Office of the cancellation. Upon notification of the cancellation, the State PLCE Monitor will ensure the obligation is cancelled in FMMI.--\*

### \*--169 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

#### E Canceling Non-U.S. Treasury Check

Do not send personal checks or third party checks back to Treasury.

Along with a completed and signed FSA-2072 for the transaction being cancelled, the third-party or personal check for full or partial refund will be sent to:

USDA/Rural Development Cash Management Collections Branch 4300 Goodfellow Boulevard, FC-1411 St. Louis, MO 63120

The Cash Management Collections Branch will then provide the information to the AFCB to manually input the cancellation into FMMI. AFCB will notify the State Office of the cancellation so the State Office can cancel the obligation in FMMI.

#### F Requesting an Emergency Check

Using the **ACCP payment term** on the TY document works as quickly as an emergency check request and is the **preferred** method of processing emergency check requests.

Emergency checks will **not** be requested for items covered by DLS workflows, such as UCC renewals. Field Offices should request assistance through the normal PLCE process at least **30 days in advance** of the UCC deadline to ensure that timely payment is received. Using the ACCP payment term on the invoice should be used in these instances; see the FMMI User Guide for guidance on processing an invoice under ACCP terms.

Emergency check requests should be a rarity and used **only** in true emergency situations, such as:

- an unexpected foreclosure sale, U.S. Marshal's sale or similar
- delinquent real estate taxes
- FMMI system issue or other problem affecting the ability to process a timely TY document.--\*

### \*--169 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

#### F Requesting an Emergency Check (Continued)

To order an emergency check, the State Office will do **all** of the following:

- post the ZMY document before requesting the emergency check from NFAOC
- FAX the completed FSA-2126, completed FSA-2172, and the Document Chain Report to the Direct Loan Division at ECM FAX number 314-457-4539
- Send an e-mail to **all 3** of the following contacts notifying them of the emergency check request and request that copies are sent of FSA-2126, FSA-2172, and the Document Chain Report to AFCB at **RD.DCFO.FCB2@STL.USDA.GOV** for the manual input of the check request into FMMI:
  - Shantaye Gladney **shantaye.gladney@stl.usda.gov**
  - Kathryn White kathryn.white@stl.usda.gov
  - Betty Nunnery betty.nunnery@stl.usda.gov.

Note: State Offices will not enter the TY transaction into FMMI.

#### G Missing Vendor 1099

Vendors inquiring about a 1099 tax form are to be directed to the 1099 Help Desk. The 1099 Help Desk may be reached:

- by telephone at 1-800-421-0323
- by email to 1099helpdesk@usda.gov.--\*

#### 170-200 (Reserved)

#### Part 8 Supervised Credit

#### Section 1 Introduction

#### 201 Overview

#### A Applicability

### [7 CFR 761.101] This subpart applies to all direct FLP applicants and borrowers, except borrowers with only Non-program loans.

FSA's direct loan programs assist family farmers with temporary financial supervisory assistance to improve their potential to graduate to securing credit from commercial lenders. To ensure that this program objective is met, FLP direct loan programs:

- have in place:
  - term limits (3-FLP)
  - graduation requirements (4-FLP)
  - market placement to assist eligible borrowers to obtain guaranteed loans (2-FLP)

Note: CL's are not subject to term limits or graduation.

- require:
  - borrower training to ensure that guaranteed loans or commercial credit can be \*--obtained in the future (3-FLP, Part 18)--\*
  - FSA and the loan applicant or borrower to complete farm assessments and assessment updates as needed (Section 2)
  - the loan applicant or borrower to prepare a farm operating plan, with FSA assistance as needed (Section 3)
  - FSA to classify accounts (Section 4)
  - FSA, with borrower input, to complete a year-end analysis as required (Section 5).

#### 201 Overview (Continued)

#### **B** FSA's Role

FSA's role is to help its direct loan applicants and borrowers in the supervised credit process:

- identify short-, intermediate-, and long-term goals consistent with financial success
- pinpoint and prioritize problem areas
- develop strategies and an operating plan to:
  - meet operational goals
  - graduate to commercial credit
- provide objective credit counseling
- evaluate progress and adjust the action plan as needed.

#### C Applicant/Borrower's Role

The applicant or borrower has the ultimate responsibility for success of the farming operation. FSA serves in an advisory role, providing temporary assistance. Therefore, it is especially important for the applicant or borrower to prepare to graduate to guaranteed or commercial credit by:

- identifying the goals for the operation
- pinpointing and prioritizing problem areas
- developing strategies and a farm operating plan to meet the operation's goals
- evaluating progress and adjusting operating plan as needed
- complying with the borrower responsibilities according to paragraph 202.

#### 202 Borrower Responsibilities

A Recordkeeping and Reporting

[7 CFR 761.102(a)] A borrower must maintain accurate records sufficient to make informed management decisions and to allow the Agency to render loan making and servicing decisions in accordance with Agency regulations. These records must include the following:

- (1) Production (e.g., total and per unit for livestock and crops);
- (2) Revenues, by source;
- (3) Other sources of funds, including borrowed funds;
- (4) Operating expenses;
- (5) Interest;
- (6) Family living expenses;
- (7) Profit and loss;
- (8) Tax-related information;
- (9) Capital expenses;
- (10)Outstanding debt; and
- (11)Debt repayment.

FSA will not dictate or promote using any particular recordkeeping system, so long as the borrower uses 1 that provides the required information.

\*--Note: The authorized agency official will document in FBP whether the applicant has--\* selected, established, and maintains the recordkeeping system.

Using OL funds is authorized to purchase a computer and/or recordkeeping software and to attend recordkeeping courses.

- **202** Borrower Responsibilities (Continued)
  - **B** Other Borrower Responsibilities

[7 CFR 761.102(b)] A borrower also must agree in writing to:

- (1) Cooperate with the Agency and comply with all supervisory agreements, farm assessments, farm operating plans, year-end analyses, and all other loan-related requirements and documents;
- (2) Submit financial information and an updated farm operating plan when requested by the Agency;
- (3) Immediately notify the Agency of any proposed or actual significant change in the farming operation, any significant changes in family income, expenses, or the development of problem situations, or any losses or proposed significant changes in security.

Note: FSA-2313 addresses loan approval conditions and borrower responsibilities.

**C** Borrower Failure to Comply

[7 CFR 761.102(c)] If the borrower fails to comply with these requirements, unless due to reasons outside of the borrower's control, the non-compliance may adversely impact future requests for assistance.

203-220 (Reserved)

#### 221 Overview

#### A Objective

\*--[7 CFR 761.103(a)] The Agency, in collaboration with the applicant, will assess the farming operation to:

- (1) Determine the applicant's financial condition, organizational structure, and management strengths and weaknesses;
- (2) Identify and prioritize training and supervisory needs; and
- (3) Develop a plan of supervision to assist the borrower in achieving financial viability and transitioning to private commercial credit or other sources of credit in the shortest time practicable, except for CL.--\*

An assessment:

- is an evaluation of the applicant's operation, developed jointly with the applicant
- is completed after an applicant, not currently indebted to FSA, has been determined eligible for a direct loan
- identifies weaknesses in the operation, prioritizes them from most to least critical, and determines their impact on the operation's needs and goals
- helps to identify operational goals, positive and negative trends in the applicant's management, earnings and capital positions, productivity, and physical assets
- builds a strategy in the areas of planning, counseling, loan controls, analysis, monitoring, borrower training, and other supervisory needs.

The assessment process enables FSA to determine the kind and amount of financial and supervisory assistance needed by the applicant. In conducting assessments, authorized agency officials need to draw upon their knowledge, expertise, and judgment to arrive at conclusions on local economic conditions, production constraints and capabilities, the farm's historical performance, productive capabilities, adequacy of equipment and facilities, business goals, and project performance. Listening to the applicant's perceptions of the operation is critical to the assessment process.

\*--All available resources shall be used when developing the plan to assist the borrower to address any operational weaknesses and achieve the borrower's goals, including:--\*

- local farm management consultants
- the Extension Service
- educational institutions
- producer associations
- successful local farmers
- fellow FSA employees.

#### 222 Elements of an Initial Assessment

#### **A** Type of Farming Operation

- \*--[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:
  - (2) Type of farming operation.

[7 CFR 761.103(c)] For ML, the Agency will complete a narrative that will evaluate, at a minimum, the:

- (1) Type of farming operation and adequacy of resources;
- (4) The financial viability of the entire operation, including a marketing plan, and available production history, as applicable;--\*

The initial assessment must identify or describe the type of farming operation, including:

- the business focus of the operation, including major types of crops, livestock, or other output produced by the farm
- minor commodities being produced, such as fat steers from a dairy operation
- size of the operation, such as number of milking herd and herd average, number of acres being farmed, and projected yields
- market conditions, environmental concerns, and other external factors
- production contracts, capital leases, or other special contractual arrangements that affect the farming operation
- the effects of special circumstances, if any, related to the applicant's family and organization.

<u>Production Levels.</u> Evaluation of production levels, such as bushels per acre, percent calf crop, pounds of milk per animal, and pounds of grain, shall include a determination of:

- whether there is sufficient capacity to generate projected income
- if present levels of production will attain the goals set by the applicant.

If production is below area standards, the authorized agency official must discuss with the applicant why this is so and develop plans to improve production. Possible strategies for improvement may include feed analysis, soil testing, or investment in different equipment. If applicable, credit needs for additional investments should be discussed.

#### A Type of Farming Operation (Continued)

Reporting of yields may not be practical or applicable for some operations. For example, an operation producing \* \* vegetables on a plot of land, whose production is measured in rows, partial rows, or raised beds in greenhouses, would be better measured by the income for that production space. Also, a producer of eggplants and tomatoes who switches to bell peppers and salad greens for the current production cycle will not have available yields for

\*--this cycle and the yields for eggplant and tomato production will not be applicable to the--\* projections for the current cycle. Additional guidance on developing projections for these types of operations is provided in subparagraph 242 A where the use of historical information is discussed.

Applicability and Appropriateness of Practices. The initial assessment must:

- evaluate existing farm practices, such as herd health and cropping practices, breeding and milking programs, and soil and feed testing
- determine applicability and appropriateness of practices based on what is typical for the area, cost effectiveness of the practice, type of operation, and demonstrated effectiveness.

If the authorized agency official does not know enough about a particular enterprise to make this evaluation, the authorized agency official must consult other resources, such as the Extension Service.

<u>Timeliness of Operations.</u> The initial assessment must evaluate the timeliness of the farm's operations. For example, the authorized agency official shall determine if each of the following operations, as applicable, is conducted in a timely manner and how this affects the performance of the operation:

- planting
- fertilizer and herbicide application
- harvesting
- calving
- marketing (weight and/or condition)
- breeding
- vaccination.

<u>Appropriateness of Marketing Plan.</u> The authorized agency official must assist the borrower in developing and evaluating a marketing plan. This plan must describe marketing practices and strategies, especially for any unique commodities the operation produces. The plan shall address whether marketing is accomplished so as to lock in a profit when possible or whether it is done speculatively as the accruing interest on operating loans may surpass a price increase obtained by holding back on the sale of commodities.

#### **B** Goals for the Farming Operation

### \*--[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

#### (3) Goals for the farming operation.

### [7 CFR 761.103(c)] For ML, the Agency will complete a narrative that will evaluate, at a minimum, the:

#### (3) The goals of the operation;--\*

Setting goals is essential for the success of any farming operation. The applicant's goals provide the direction for the applicant's business. FSA uses the applicant's goals to help identify the need for financial and supervisory assistance. The authorized agency official must learn the personal and business aspirations of the farm family and work with the applicant to prioritize goals from most to least important. In many situations, the authorized agency official must have in-depth discussions with the applicant to identify these business aspirations.

The authorized agency official shall work with the applicant to incorporate short-, intermediate-, and long-term goals into the comprehensive farm business planning process. For example, the farm operating plan, supervisory plan, and training plan must facilitate achieving these goals. A farm operation might set goals for reducing expenses or for increasing yields and production level. Corrective measures and goals should be divided into stages for implementation over several years, when appropriate.

If the farm operation is an entity, the authorized agency official must meet with all the principals to ensure that the organization's goals are compatible with those of each principal.

The authorized agency official must also:

- identify and evaluate any changes the applicant intends to make, such as expansion of farmland, new buildings, and new management techniques
- identify increased credit needs, increased management skills, growth opportunities, and operating efficiency required to accomplish the planned changes
- determine how planned changes relate to the applicant's business goals.

#### C Adequacy of Real Estate, Including Facilities, to Conduct the Operation

[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

#### (4) Adequacy of real estate, including facilities, to conduct the operation.

In evaluating the adequacy and appropriateness of real estate used in the applicant's operations, the authorized agency official must consider the following:

- location and size, including efficiency of location to markets and farm supply dealers
- improvements and repairs needed for improved efficiency
- •\*--presence of wetlands, hazardous waste, and underground storage tanks, the adverse effects of their presence, and possible solutions

If a wetland determination has not been previously completed for the project area and is not available from NRCS, the authorized loan official will follow the flow chart in Exhibit 27 and complete FSA-858 to document their findings. When wetland indicators are found to be present the applicant will be notified using Exhibit 27.5.

- **Note:** The wetland project area to be evaluated is limited to the specific geographical area(s) within which an FLP funded activity actually takes place and/or those where an environmental resource is influenced as a result of the project. That is, causes changes in use or character. It does not include all farm or related tracts that may be owned or operated by the applicant.
  - **Examples:** Project is to build 2 poultry houses on the northwest corner of a 20 acre tract. The project area is limited to the 5 acres that will be disturbed for construction, installation, and related infrastructure.

Project is to provide funding to purchase tillage equipment that will be used to produce grain on 300 acres of a 400 acre farm tract. The project area is limited to the 300 acres of crop land being planted.

Project is to fund purchase of cows and post-style fencing on 50 acres of pasture where they will be maintained. Applicant crops 200 contiguous acres, grows nursery stock on another 30 acre tract that is part of the same farm and has obtained upgraded animal waste and nutrient management plans for the expanded operation. The project area is limited to the 50 acres where the cows will be fenced and maintained.--\*

• conservation practices and measures and implementation of conservation plans for program compliance

#### C Adequacy of Real Estate, Including Facilities, to Conduct the Operation (Continued)

- probability of continued use
- external factors, such as urban encroachment and new zoning ordinances
- ownership and leasing agreements, especially leasing arrangements relating to both land and chattel.

**Note:** For ML, see subparagraph A for adequacy of resources.

#### **D** Adequacy of Chattel Property Used to Conduct the Operation

### [7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

#### (5) Adequacy of chattel property used to conduct the operation.

The initial assessment must evaluate the adequacy of the chattel property, such as equipment and livestock used in the operation, relative to the applicant's goals and the planned level of production. As appropriate, the initial assessment should include comments on ownership, condition, probability for continued use, and any external factors, such as:

- operation life of chattel property relative to loan period
- necessary repairs
- improvements in operating efficiency with use of hired, leased, or owned equipment
- numbers, condition, breed suitability, and age of livestock.

**Note:** For ML, see subparagraph A for adequacy of resources.

#### **E** Farm Organization and Key Personnel Qualifications

### [7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

#### (1) Farm organization and key personnel qualifications.

To provide adequate supervision and training recommendations, the authorized agency official must know who is performing key tasks within the farming operation. The initial assessment must identify the key individuals involved in operating the farm, including any seasonal labor. It also must:

- discuss the specific duties of each person, noting who is responsible for management, labor, resource allocation, and decision making
- evaluate the use of managerial resources and determine whether management choices are contributing to or hampering success in the operation
- determine if the time and effort spent on an enterprise or particular commodity is commensurate with the gains realized.

#### F Supervisory Plan

### [7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

#### \*--(8) Supervisory plan, except for streamlined CL.--\*

The authorized agency official must tailor the supervisory plan to the applicant's individual needs and risks associated with the operation. An applicant's involvement and understanding of FSA's supervisory responsibilities in providing supervised credit are essential to successful supervision. The authorized agency official must work with the applicant to develop practical plans and realistic timetables for realizing improvements in critical areas. The supervisory plan shall:

- identify and recommend areas of training which will help the applicant address operational weaknesses, according to 3-FLP, paragraph 472
- schedule the farm visit and record review and track through DLS by using the Farm Visit scheduling, tracking, and monitoring workflow activities
- ensure that the operational analysis will be done in FBP.

### [7 CFR 761.103(c)] For ML, the Agency will complete a narrative that will evaluate, at a minimum, the:

#### (5) Supervisory plan; and

#### **G** Historical Performance

### [7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

#### (6) Historical performance, except for Streamlined CL;

The authorized agency official must consider and analyze significant aspects of the operation's historical production and financial performance, trends, and current condition.

<u>Production Data</u>. The initial assessment must include and evaluate at least the last 3 years of production data for the farm, where possible. The applicant has the discretion to provide up to the last 5 years of production records. The evaluation must consider current production levels (e.g., bushels per acre, percent calf crop, pounds of milk per animal, and pounds of grain). It also must consider whether the farm has a capacity sufficient to generate projected production and to attain the applicant's goals. If an applicant is taking over an operation and the operation will remain substantially unchanged, the assessment may consider the most recent 3 years of production data for the existing operation.

#### **G** Historical Performance (Continued)

<u>Financial Data</u>. The initial assessment must include and evaluate at least the last 3 years of financial data for the farm or applicant. The applicant has the discretion to provide up to the last 5 years of financial records. Financial data can be gathered from tax returns, applicant records, or FSA records. If an applicant is taking over an operation and the operation will remain substantially unchanged, the assessment may consider the most recent 3 years of financial data for the existing operation, if available, along with the applicant's own living expenses.

Trend analysis must use comparable data for each year. For example, a trends analysis using balance sheets can be done properly only when the balance sheets from different years are "as of" approximately the same dates. Even though the balance sheets may not be submitted on, for example, December 31, 2XXX, the balance sheet may still be prepared "as of" that date.

The initial assessment must evaluate the current management and use of financial resources (income and credit), and how they contribute to or detract from the operation. The assessment shall determine how well financial resources are used in meeting goals and whether the applicant stays within the budget, considering the following:

- appropriateness of income sources
- adequacy of dedicated resources
- appropriateness of credit use
- productivity levels as related to profitability
- effectiveness of income use
- existence of other income opportunities.

Numerous indicators based on actual performance must be considered red flags when analyzing an operation. For example:

- increasing expense-to-income ratio for several years and a large debt load without considerable nonfarm income, especially if the applicant has not suffered from natural disasters
- increasing current liabilities from year to year without corresponding increases in current assets, especially if the applicant has not suffered from natural disasters
- increasing trend in debt-to-asset ratio, while considering fluctuations in land values, the economy, and price levels
- declining working capital position
- declining repayment margins.

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#### 222 Elements of an Initial Assessment (Continued)

#### **G** Historical Performance (Continued)

The following illustrates how some financial indicators can alert the authorized agency official to potential problems or immediate concerns about the farming operation. For instance, an expense-to-income ratio that stays at 70 percent or higher for several years could indicate a potential problem. The same ratio at 80 percent or more coupled with minimal off-farm income is a cause for immediate concern.

Financial Indicator	Potential Problem	Immediate Concern
Expense-to-income	70 percent or more for	More than 80 percent with minimal
ratio (without interest)	several years	off-farm income
Increased accounts	Sudden increase in accounts	Accounts payable extended over
payable	payable	2 months without cash-generating
		assets/ receivable accounts
Liquidity	Ratio less than 1.5 to 1	Ratio less than 1 to 1
Solvency	Ratio of 60 percent or more	Ratio of 75 percent or more
Family living	Unsubstantiated estimates	Unsubstantiated estimates below
expenses	below \$20,000 for an	\$10,000 for an average family
	average family	

#### H Farm Operating Plan

### \*--[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a--\* minimum, the:

#### (7) Farm operating plan.

The initial assessment must include a balance sheet and provide a projected farm budget (1-year pro forma). The automated FBP system is the primary tool used in budget planning, but other systems acceptable to FSA may also be used.

A breakdown of per-acre expenses by commodity item is ideal when developing a plan of action regarding operating expenses. Examining per-unit costs assists in identifying whether expenses are being applied properly toward those income-generating areas. A per-unit cost breakdown also is useful with livestock production.

### \*--[7 CFR 761.103(c)] For ML, the Agency will complete a narrative that will evaluate, at a minimum, the:

(2) Amount of assistance necessary to cover expenses to carry out the proposed farm operating plan, including building an adequate equity base;--\*

#### I Training Plan

[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

#### \*--(9) Training plan.--\*

The authorized agency official must describe FSA's initial recommendations for borrower training. The recommendations must assist the applicant in addressing operational weaknesses. See 3-FLP, Part 18 for borrower training requirements.

### [7 CFR 761.103(c)] For ML, the Agency will complete a narrative that will evaluate, at a minimum, the:

#### (6) Training plan.

\* \* \*

#### J Graduation Plan

[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

#### \*--(10) Graduation plan, except for CL.--\*

FLP's, except for CL, are designed to allow borrowers to transition to private commercial credit or other sources of credit in the shortest period of time practicable through the use of supervised credit, including the farm assessment and:

- borrower training, 3-FLP, Part 18
- market placement, 2-FLP, paragraph 72
- borrower graduation, 4-FLP, Part 4.

The authorized agency official must document the borrower's status about graduation and the consideration given each item in this subparagraph. The borrower's progress toward graduation should be noted with any recommendations for further action to achieve graduation.

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#### 223 Annual Review and Assessment Update

#### A Objective of Annual Review

- \*--[7 CFR 761.103(e)] The Agency reviews the assessment to determine a borrower's--\* progress at least annually. The review will be in the form of an office visit, field visit, letter, phone conversation, or year-end analysis, as determined by the Agency. For Streamlined CLs, the borrower must provide a current balance sheet and income tax records. Any negative trends noted between the previous years' and the current years' information must be evaluated and addressed in the assessment of the Streamlined CL borrower.
- \*--[7 CFR 761.103(f)] If a CL borrower becomes financially distressed, delinquent, or--\* receives any servicing options available under part 766 of this chapter (5-FLP), all elements of the assessment in paragraph (b) of this section (paragraph 222) must be addressed.

In times of LR's the authorized agency official may prioritize the completion of the assessment according to current agency directives.

The annual review:

- monitors the borrower's progress towards the operation's goals
- evaluates supervisory assistance provided to assist borrower graduation to commercial credit.

#### **B** Scope of Annual Review

The annual review must address any significant changes to the borrower's farming operation, expenses, or financial condition that have occurred since the most recent assessment update or annual review. The authorized agency official shall pay particular attention to the following:

- changes in operations or goals
- status of progress toward goals
- need for changes in plan of supervision
- need for additional borrower training.

#### C Assessment Updates

#### \*--[7 CFR 761.103(d)] An assessment update must be prepared for each subsequent--\* loan. The update must include a farm operating plan \* \* \* and any other items discussed in paragraph (b) of this section (subparagraphs 222 B through F and I through J) that have significantly changed since the initial assessment.

This assessment update serves as a gauge for measuring the borrower's progress and the effectiveness of FSA assistance.

\* \* \*

#### 223 Annual Review and Assessment Update (Continued)

#### **D** Documentation

If significant changes have occurred, the authorized agency official must document the nature of each change and the reason for the change.

The documentation must address only new or changed information. Documentation in \*--FBP must be adequate to record the type of supervision given, the findings of the review,--\* and any items requiring follow-up.

#### 224-240 (Reserved)

#### 241 Overview

#### A Objective

The primary objective of the farm planning process is to develop a plan that most accurately reflects the expected cash flow and business activities for the operating cycle. The farm operating plan documents the operation's:

- financial position
- cash flow
- repayment ability.

The applicant or borrower must use a FBP system. FSA primarily uses FBP to evaluate loan feasibility and the likelihood of achieving financial viability. An applicant or borrower may use an alternative format for the farm operating plan, if approved by FSA. An original signed copy of the farm operating plan must be retained in the case file.

#### **B** Farm Operating Plan Format

FSA uses FBP to perform financial planning, analysis, loan origination and servicing functions, and manage the FLP portfolio. See Exhibit 15 for instructions on using FBP.

Borrowers may use other automated or manual FBP's if they are approved by FSA. The authorized agency official may approve using other systems and formats for the farm operating plan, if formats contain the same information as required by FBP and the following statement is signed by the applicant or borrower:

"I agree to follow this plan and to discuss with the authorized agency official, any important changes that may become necessary. This is a projected plan and does not release the security interest of the Government in any security referred to in this plan. I recognize that making any false statement on this plan or any other loan document may constitute a violation of Federal criminal law."

#### C Timing of Farm Operating Plan

The period of time covered by a farm operating plan should reflect the norm for the type of commodity or agricultural enterprise being farmed in a particular area, considering climate conditions and other factors vital to the successful production of the commodity or agricultural enterprise. If there are any changes to the operation during the cycle of the plan, the changes will be noted on the plan. The revised operating plan will be signed and dated

\*--by the borrower and the authorized agency official, and will be documented in FBP. In--\* most cases, the period covered by the plan should not exceed 18 months unless special circumstances dictate a longer planning period.

#### \*--242 Developing Farm Operating Plans

#### A General

### [7 CFR 761.104(a)] An applicant or borrower must submit a farm operating plan to the Agency, upon request, for loan making or servicing purposes.

A farm operating plan used for loanmaking or loan servicing decisions will be based on:

- a typical year's plan for existing farm operations or enterprises without changes
- accurate, verifiable, reliable, and realistic information for new enterprises.

### [7 CFR 761.104(b)] An applicant or borrower may request Agency assistance in developing the farm operating plan.

Applicants will be encouraged to obtain technical assistance. Sources of technical assistance include Extension Service, Land Grant Universities, State Programs, USDA 2501 grant recipient organizations and institutions, and private consultants.

### [7 CFR 761.104(c)] The farm operating plan will be based on accurate and verifiable information.

Poultry or hog production contracts are the basis of grower income and facility value. The dependability of production contracts has a profound impact on the prospect for loan repayment. "Flock-to-flock" or "turn-by-turn" type arrangements alone may not be a dependable source of income or a reasonable projection of income for poultry or hog applicants who do **not** have current financial performance history with FSA.

**Note:** For contract income to be considered dependable, the contract must:

- be for a minimum period of 3 years
- provide for termination based on objective "for cause" criteria only
- require that the grower be notified of specific reasons for cancellation
- provide assurance of the grower's opportunity to generate income to ensure loan repayment, by incorporating requirements, such as a minimum number of flocks or turns per year, minimum number of bird or hog placements per year, or similar quantifiable requirements.--\*

#### A General (Continued)

Applicants requesting loans to expand their poultry or hog operation by adding more houses/barns or purchasing additional land to increase the size of the poultry or hog operation, and who **are** presently indebted to FSA, will be required to have a contract with a minimum 3-year term. The contract must at least cover the facilities financed with the FSA loan. When contract income **cannot** be determined to be dependable and likely to continue, that is **cannot** be used to reasonably project future income, the authorized agency official shall:

- inform the grower of the contract provisions that result in the determination
- provide an opportunity for the submission of a revised contract before a final decision on the request.
- **Note:** Whenever possible, loan requests should be approved subject to modification of unacceptable contract provisions.

#### [7 CFR 761.104(c)(1)] Historical information will be used as a guide.

The authorized agency official will review the farm operating plan to ensure that it is reasonable, relative to historical performance and local practices and conditions.

\*--To report past yields, documentation, such as operator's sales receipts, financial statements, contracts, and tax returns, may be used by applicants whose operations' past yields do not provide pertinent information for the projected plan. Such operations include vegetable operations in which different crops are grown to meet changing market demands, operations that produce crops using measures such as rows or partial row instead of acres, or operations that grow crops that sell in volumes, such as bunches. For such operations, past reliable history of income and expenses or cash receipts may be used to project the field, greenhouse, or operations' production revenue.--\*

# [7 CFR 761.104(c)(2)] Positive and negative trends, mutually agreed upon changes and improvements, and current input prices will be taken into consideration when arriving at reasonable projections.

The impact of industry trends must be assessed when developing farm operating plans used in loan requests from poultry and/or hog growers, and can be based on standard production budgets developed by contractors, consultants, or extension specialists. While these budgets are accepted starting points, the authorized agency official must ensure that the farm operating plan reflects realistic performance assumptions for each individual situation, including but not limited to the following:

- increased input costs
- changes in unit numbers and weights
- increased idle time between flocks of poultry or turns of hogs
- other relevant factors that affect net income.

#### A General (Continued)

The impact of age, condition, and potential obsolescence of the facilities must be assessed for loans to purchase or refinance existing facilities. The farm operating plan must factor in any reduced efficiency as well as the potential costs for required modernization of existing facilities to comply with the contract's requirements.

### [7 CFR 761.104(c)(3)] Projected yields will be calculated according to the following priorities:

(i) The applicant or borrower's own production records for the previous 3 years;

### (ii) The per-acre actual production history of the crops produced by the farming operation used to determine Federal crop insurance payments, if available;

**Notes:** This does not mean that averages will be the projection used in every plan. Positive and negative trends will be considered when projecting production levels. The primary focus should always be on developing a realistic projection. If production has been increasing each year for the past 3 years, using the most recent year's production level or a higher level consistent with the trend will, in most cases, be the most realistic projection.

Conversely, if the trend is negative, the average may overstate production, and the most recent year's level is probably the most realistic projection. However, a higher production level may be projected if the negative trend is the result of disaster conditions, or if actions have been taken that will definitively reverse the trend.

Additionally, 3 years is the minimum years of records to be considered, if available. The applicant, at their discretion, can provide more than 3 years of records if these additional records provide a more realistic yield projection. The basis for the yield used should be adequately documented in FBP \* \* \*.

When the production of a growing commodity can be estimated, that estimate must be considered in production projections.

## (iii)FSA Farm Program actual yield records;(iv)County averages;(v) State averages.

#### A General (Continued)

[7 CFR 761.104(c)(4)] If the applicant or borrower's production history has been substantially affected by a disaster declared by the President or designated by the Secretary of Agriculture, or the applicant or borrower has had a qualifying loss from such disaster but the farming operation was not located in a declared or designated disaster area, the applicant or borrower may:

(i) Use county average yields, or state average yields if county average yields are not available, in place of the disaster year yields; or

(ii) Exclude the production year with the lowest actual or county average yield if their yields are affected by disasters during at least 2 of the 3 years.

**Note:** SED will issue a State supplement containing the 3-year history of disaster declarations for all counties in their State, along with the type of disaster and the incident period.

# 7 CFR 761.104(d)] Unit prices for agricultural commodities established by the Agency will generally be used. Applicants and borrowers that provide evidence that they will receive a premium price for a commodity may use a price above the price established by the Agency.

\*--FSA-established prices will be used in all farm operating plans developed, unless the--\* applicant provides evidence that they will receive a premium price or a price other than that established by the State. Evidence of this may include, but is not limited to, contracts or other written agreements that guarantee the price for the commodity being produced. If the applicant has historically received a premium price because of above average quality or grade of the product produced, the premium will be taken into account when determining the expected price to be received for that product.

SED will issue a supplement listing the unit prices for all commodities commercially
\*--produced in their State, including resources for pricing and marketing strategies for commodities that have not traditionally been commercially produced or marketed in the past. Examples may include organic production, locally or regionally produced agricultural food products, direct marketing to restaurants and grocery stores, CSA, and farmers markets.--\*

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#### A General (Continued)

Pricing data for alternative production and marketing methods may be available from the following:

- NASS, through its 2008 organic production survey at http://www.agcensus.usda.gov/Publications/2007/Online\_Highlights/Organics/index.php
- AMS:
  - grain and foodstuffs at http://www.ams.usda.gov/mnreports/lsbnof.pdf
  - fruit and vegetables at http://www.marketnews.usda.gov/portal/fv
  - •\*--wholesale terminal markets at http://usdareports.com
- RMA provides price for organically grown commodities--\*
- National Agricultural Library has resources available on sustainable and organic agriculture at http://afsic.nal.usda.gov/organic-production
- nonprofit organizations such as Rodale Institute's New Farm Organic Price Report
- local sources such as the State Department of Agriculture, farmers market organizations, State organic farmers and gardeners associations, roadside stand organizations, local retail outlets, and State universities.
- \*--Note: See Exhibit 28 for a guide to determining projected prices.--\*

[7 CFR 761.104(e)] For MLs, when projected yields and unit prices cannot be determined as set forth in paragraphs (c) and (d) of this section because the data is not available or practicable, documentation from other reliable sources may be used.

[7 CFR 761.104(f)] Except as provided in paragraph (g) of this section, the applicant or borrower must sign the final farm operating plan prior to approval of any loan or servicing action.

[7 CFR 761.104(g)] If the Agency believes the applicant or borrower's farm operating plan is inaccurate, or the information upon which it is based cannot be verified, the Agency will discuss and try to resolve the concerns with the applicant or borrower. If an agreement cannot be reached, the Agency will make loan approval and servicing determinations based on the Agency's revised farm operating plan.

#### A General (Continued)

If a loan making/servicing decision is based on a revised farm operating plan the applicant \*--does not agree with, the authorized agency official will enter the plan on which the applicant does not agree in FBP along with the plan submitted by the applicant. The authorized agency official will document in FBP the differences in the plans and the fact that the loan--\* making/servicing decision was based on a revised farm operating plan on which the applicant does not agree.

In FBP, the plans should be named such that it is clear which plan is the applicant's plan and which plan is developed by FSA.

#### **B** Consideration of New Enterprises

For new enterprises that are **not** a part of the applicant's history, the authorized agency official may use reliable sources, such as enterprise budgets from Extension Service and Land Grant Universities, as acceptable documentation to support the farm operating plan. Farm operating plans developed for new enterprises must use acceptable State or county average production levels. In addition, the local conditions (soil productivity, climate, etc.) that will affect the enterprise and current realistic income and expense information will be considered when State or county averages are used.

**Note:** Program loan cost contracting funds are available and may be used to procure technical assistance for applicants planning new enterprises if public sector institutions (Extension Service, State Government, Land Grant Universities, etc.) cannot provide the assistance necessary.

#### **C** Consideration of Farm Program Payments

The authorized agency official shall:

- determine whether the applicant has applied for and may be eligible to receive any type of program payment assistance
- contact CED to determine the type and amount of program payment assistance the applicant has received or can expect to receive during the period covered by the farm operating plan
- include typical program payments and subsidies that are included in the President's annual appropriations budget in the cash flow projection of the farm operating plan
- not include any:
  - disaster related payments in the cash flow projections of long range and/or typical year farm operating plans, as disasters and any related type of payment assistance are ad-hoc and are not considered typical for a farming operation
  - 1-time payment assistance appropriated as a result of special legislation by Congress and the President in the cash flow projections of long range and/or typical year farm operating plans, as 1-time payment assistance is not considered typical for a farming operation.--\*

#### \*--243 Revising Farm Operating Plans

#### A Revising Plans

The authorized agency official and the applicant or borrower must revise the farm operating plan when changes occur in the farming operation or in the planned or actual use of loan funds. Any revisions made to the plan must be circled, dated, and initialed by the borrower and the authorized agency official. If major revisions cannot be accommodated in the original farm operating plan, a new plan must be completed and attached to the original. This new plan must be labeled, "Revision I, II, III," etc. to reflect the latest revision under consideration.

#### **B** FSA Responsibility for Revisions

The authorized agency official will meet with the applicant or borrower to discuss, date, and sign the revised farm operating plan. The revised plan must be placed in the applicant's or borrower's file and followup actions posted to DLS. The authorized agency official will provide a copy of the revised farm operating plan to the applicant.--\*

#### 244-246 (Withdrawn--Amend. 67)

247-250 (Reserved)

#### Section 4 Borrower Account Classification

#### 251 Overview

#### A CONACT Requirements

CONACT requires FSA to classify borrower accounts and to review annually for graduation each direct loan borrower classified as "commercial" or "standard". FSA uses the borrower account classification system to identify borrowers with the best potential to obtain commercial credit, except CL. See 4-FLP, Part 4 for graduation. Classification also identifies borrowers in need of special loan servicing and helps the National Office evaluate the quality of FSA's direct loan portfolio.

Classifications are not disclosed to credit bureaus or other lenders. A borrower cannot appeal an account classification.

#### **B** Classification Categories

Accounts will be identified as 1 of the following.

Classification	Classification Category	
1	Commercial	
2	Standard	
3	Acceptable	
4	Marginal	
5	Not Classified	

#### **C** When Classification Is Required

- \*--All classifications will be completed using FBP. For guidance on completing the classification, see Exhibit 15, subparagraph J 7 b. If the account is classified as--\* commercial or standard, the authorized agency official must thoroughly document that the borrower has met the test for credit and therefore meets the eligibility requirements for the loan being granted.
- \*--Direct loans will be classified using the FBP credit presentation that is used to analyze and approve the loan.--\*

At the end of YEA, done according to Section 5, the authorized agency official must also classify the account.

Subsequently, the authorized agency official at minimum must classify the account every 2 years with the updated data collected according to 4-FLP, subparagraph 47 B.

Before an account is identified as "Currently Not Collectible (CNC)" according to 5-FLP, subparagraph 126 A, a classification will be completed using FBP. The D-Loan/Special Classification Credit Action shall be used and will be assigned a score of "5", "Not Classified". Post cross servicing referral, CNC accounts are not required to be classified.

#### 251 Overview (Continued)

#### **D** Classification of Youth Loans

New youth loans will be classified as "3" when completing the Youth Loan Credit Action. For existing youth loans, that are current, complete a D-Loan/Special Classification Credit Action. A score of "3", "Acceptable" will be assigned. For existing youth loans that are delinquent, the D-Loan/Special Classification Credit Action shall be used and will be assigned a score of "5", "Not Classified". The values of FSA's Security Margin and percent of FSA Loss will be calculated from the best information available for the borrower. The

\*--basis for these values will be documented in FBP.--\*

#### **E** Classification of CL's

CL's will be classified using the FBP credit presentation that is used to analyze and approve the loan. There is no test for credit for CL's, so a classification of commercial or standard is acceptable without further documentation.

At the time of YEA, completed according to Section 5, the authorized agency official must classify the account.

Subsequently, the authorized agency official at minimum must classify the account every 2 years with the updated data collected according to 4-FLP, subparagraph 47 B.

Streamlined CL's will be classified as "2" using the D-loan/special classification credit action.

If CL, including Streamlined, subsequently becomes delinquent or financially distressed, all documents will be obtained to complete an analysis and the account will be classified using the updated information.

#### **F** Classification Reporting

Field Offices must use the Active FLP Borrowers Report from FLP Data Mart at **https://fsadwhouse.sc.egov.usda.gov/FSA-DataMarts/FSAdataMartsHomePage.htm** to monitor classifications. This report identifies the classification category and date for the most recent classification for each borrower. When a new classification is completed in FBP, the authorized agency official must update the Classification Review Workflow in DLS as soon as it is possible to do so.

#### 252 Borrower Account Classification System

#### \*--A Calculating Account Classifications

Borrower account classifications are completed using the most current balance sheet and income/expense statements available. FBP calculates the financial indicators used in the classification analysis and assigns a score for the 4 ratios addressed in subparagraphs B through E. A weighted percentage of each score is used to obtain the total overall score that determines the account's classification according to subparagraph F.

#### **B** Current Ratio (Liquidity)

This ratio indicates the extent to which current farm assets, if liquidated, would cover current farm liabilities.

FBP calculates the current ratio as follows.

Current Ratio	Score
1.25 or greater	1
1.16 to 1.24	2
1.00 to 1.15	3
0.99 or less	4

Current Ratio = Total current farm assets  $\div$  Total current farm liabilities.

#### C Debt to Asset Ratio (Solvency)

This ratio measures the operation's solvency by comparing total farm debt obligations owed against the value of total farm assets. The ratio expresses what proportion of total farm assets is owed to creditors and is 1 way to express the risk exposure of the farm business.

FBP calculates the debt to asset ratio as follows.

Debt to Asset Ratio = Total farm liabilities ÷ Total farm assets.

Debt to Asset Ratio	Score
40 or less	1
40.01 to 69	2
69.01 to 99	3
99.01 or greater	4

#### 252 Borrower Account Classification System (Continued)

#### \*--D Return on Assets Ratio (Profitability)

This ratio measures the rate of return on farm assets and is often used as an overall index of profitability.

FBP calculates the return on assets ratio as follows.

Return on Assets Ratio = Net farm income from operations + Farm interest expense – Owner withdrawals  $\div$  Total farm assets.

Note: FBP calculates net farm income from operations as follows.

Net farm income from operations = Total operating income – Purchases for resale – Total operating expenses.

Return on Assets Ratio	Score
7 or greater	1
3.6 to 6.99	2
0.01 to 3.59	3
0 or less	4

#### E TDCLC Ratio (Repayment Capacity)

This ratio measures the operation's ability to cover all term debt and capital lease payments.

FBP calculates TDCLC ratio as follows.

TDCLC Ratio = Net farm income from operations + Non-farm income + Depreciation expense + Term debt/capital lease interest – Income tax expense – Owner withdrawals – Non-farm expense ÷ Term debt/capital lease annual principal/interest payments.

TDCLC Ratio	Score
1.15 or greater	1
1.08 to 1.14	2
1.00 to 1.07	3
0.01 to 0.09	4
-0.01 to 0	1
-0.02 or less	4
	*

#### 252 Borrower Account Classification System (Continued)

#### **F** Account Classification

A weighted percentage of the score for each of the 4 measures of financial performance and operation stability identified in subparagraphs B through E, are used in the FBP to calculate the total overall score.

Total Overall Score = weighted current ratio score + weighted debt to asset ratio score + weighted return on assets ratio score + weighted TDCLC ratio score.

The following table provides the borrower account classification based on the total overall score.

Total Overall Score	Classification	Classification Category
1 to 1.59	1	Commercial
1.6 to 2.19	2	Standard
2.2 to 2.79	3	Acceptable
2.8 to 4	4	Marginal

\* \* \*

253-260 (Reserved)

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### 261 Overview

### **A** Introduction

YEA provides an opportunity for the borrower and FSA to discuss and evaluate a borrower's financial and production performance, progress toward goals, effectiveness of operational management, and FSA supervision and oversight. It also provides an opportunity to modify the plan of supervision and to address other changes in the borrower's operations or situation.

YEA must coincide with the borrower's production and marketing cycle.

YEA may be used in place of an annual review.

YEA must be performed in as much detail as is presented in the farm operating plan.

\*--In times of LR's, the authorized agency official may prioritize the completion of YEA--\* within the requirements of the applicable statutes and regulations.

### **B** Overview

FSA and the borrower jointly prepare YEA. YEA has the following 4 steps.

- The authorized agency official will identify and evaluate any significant changes to the borrower's operation or situation.
- The borrower and the authorized agency official will obtain the borrower's actual production data and financial data for the completed year and compare the actual data to the projections made in the prior year's farm operating plan by calculating variances from the projections.
- The borrower and the authorized agency official will determine and document the reasons for variances.
- The borrower and the authorized agency official will analyze how the borrower's performance can be improved in the coming year and the borrower prepares an updated farm operating plan.

When completed, the authorized agency official must place a copy of each YEA in the borrower's case file.

### 262 Preparing for the Year-End Analysis

Par. 262

### A Schedule for YEA

The authorized agency official will schedule YEA to occur as close as possible to the end of the production cycle. It must be within the 60-calendar-day period after the borrower's production cycle ends. Borrowers must be prioritized according to need, with the greatest need cases being addressed first.

When the authorized agency official determines that YEA will be required according to subparagraph 263 A, a new YEA workflow will be created in DLS.

### **B** Before the Appointment

\*--The authorized agency official must review existing assessments, FBP, written correspondence, and FSA-2040. If this review raises issues or questions, the authorized agency official must record these items in FBP to use when meeting with the borrower.--\*

The authorized agency official must send a copy of the farm operating plan to a borrower if the borrower uses FSA's system. This farm operating plan must be sent to the borrower before the end of the production cycle. The authorized agency official shall ask the borrower to have the actuals completed and to bring record books, tax information, and other verifying documents that may be needed to the meeting. Inventories, asset values, and debts must be calculated as of the COB cycle.

### C Documenting YEA's Not Completed As Scheduled

When the authorized agency official determines that a scheduled YEA will not be completed as required, the YEA workflow in DLS shall be terminated. The terminated workflow must be documented as to why the workflow was not completed as scheduled. A new YEA workflow must be created and scheduled immediately as applicable.

### 263 Minimum Requirements of the Analysis

### A Operations Requiring YEA

[7 CFR 761.105(a)] The Agency conducts a year-end analysis at its discretion or if the borrower:

- (1) Has received any direct loan, except for Streamlined CLs, chattel subordination, or primary loan servicing action within the last year;
- (2) Is financially distressed or delinquent;
- (3) Has a loan deferred, excluding deferral of an installment under Subpart B of part 766; or
- (4) Is receiving a limited resource interest rate on any loan.
- \*--Completion of YEA is mandatory for any borrower meeting the criteria above. A new YEA workflow will be created and scheduled in DLS when a new loan has been closed or upon determination that a borrower meets any other requirements for a mandatory YEA.--\*

The decision to perform YEA on other borrowers is at the discretion of the authorized agency official. YEA is not required for borrowers with:

- youth loans only
- loans flagged as having bankruptcy, foreclosure, or court action pending
- streamlined CL's unless they have been delinquent or are financially distressed.

The authorized agency official shall use knowledge, experience, and judgment to identify high-risk operations requiring such additional supervisory attention. Supervisory judgments must be objective and apply sound credit and financial management principles.

Operations that may require YEA include those that are:

- undergoing major changes
- experiencing adverse production or financial conditions
- subject to volatile changes in the business climate.

### **B** Timing

[7 CFR 761.105(b)] To the extent practicable, the year-end analysis will be completed within 60 days after the end of the business year or farm budget planning period and must include:

- (1) an analysis comparing actual income, expense, and production to projected income, expense, and production for the preceding production cycle; and
- (2) an updated farm operating plan.

### C Identifying and Evaluating Significant Changes

YEA must identify and evaluate any significant changes to the borrower's farming operation, expenses, or financial condition that have occurred since the most recent initial assessment, assessment update, or annual review. In most cases, however, significant changes will not have occurred or, if such changes have occurred, they will be limited to 1 or 2 aspects of the borrower's situation. The authorized agency official shall pay particular attention to the following:

- changes in operations or goals
- status of progress toward goals
- need for changes in the plan of supervision
- need for additional borrower training.

### **D** Comparing Actual Performance to Projections and Calculating Variances

The year-end analysis must present the borrower's actual production data and financial data for the completed year and compare the actual data to the projections made in the prior year farm operating plan. Based on this comparison, the analysis must calculate variances from the projections.

The authorized agency official will collect other pertinent information related to the farm's operation, such as changes or improvements in real estate, changes in key personnel, and any other alterations that significantly impact the operation. The authorized agency official must briefly explain the process, emphasizing the borrower' benefits rather than FSA requirements.

The evaluation of actual performance can be enhanced by:

- obtaining and reviewing the borrower's actuals using pertinent information about the farm operation, such as changes or improvements in real estate, changes in key personnel, and any other alterations that significantly impact the operation
- reviewing production by obtaining and/or calculating yields (production), price per unit, and the amounts in inventory (held for sale)
  - **Note:** Production numbers should roughly correspond with the new balance sheet and numbers sold
- evaluating debt service margin.

**Note:** If greater than 1.10 for a borrower on a limited resource interest rate, the interest rate may need to be increased according to 4-FLP, Part 3.

The authorized agency official must consider the following issues when comparing actual performance to projections and calculating variances.

- The authorized agency official must review planned versus actual expenses for family living, farm operating, and capital expenditures.
- The year-end analysis must discuss credit used for farm operating, capital, and family living expenses.
- Sometimes proceeds are recorded as net figures with commission, sales expenses, yardages, seed, and storage costs removed. Using gross proceeds with the associated costs captured under operating expenses is preferable.

### **D** Comparing Actual Performance to Projections and Calculating Variances (Continued)

- The analysis must calculate yields (production), price per unit, and amounts in inventory (held for sale). Numbers should roughly correspond with the new balance sheet and numbers sold.
- FSA-2040 must be reconciled with the farm operating plan (or other plan) and the security agreement. Differences from projections and the need to amend the security agreement must be discussed.
- Interest figures must include all interest, not just operating interest.
- Any proceeds from the sale of capital items must be subtracted when evaluating income from operations.
- The analysis must evaluate and document the sources of nonfarm income. Income and tax information must be verified as applicable.
- The analysis must consider debts and debt repayments to FSA and other lenders. Breakdowns of principal and interest can serve as a cross check for interest actually paid by the borrower. This information must match FSA-2040.
- The analysis must report expenditures net of trade-ins.
- Income and Social Security taxes must be included in the analysis.

### **E** Determining and Documenting Reasons for Variances

After variances between the projected budget in the farm operating plan and the borrower's actual performance have been identified, the borrower and the authorized agency official must determine and concisely document the reasons for the variances. The analysis must:

- consider both the borrower's and the authorized agency official's perceptions of the borrower's successes, failures, and the reasons that specific items were not completed
- determine why income was not used as planned
- discuss operational performance, achievement of short-term goals, progress toward medium-term and long-term goals, and living expenses.

### F Analyzing How Performance Can Be Improved

After determining the reasons for any deviations in the preceding year's performance, the borrower and the authorized agency official together must analyze how the borrower's performance can be improved in the coming year. The authorized agency official and borrower may identify areas for improvement based on the reasons for the variances between actual and planned performance. The analysis shall address concerns in the following areas:

- unplanned sales
- changes in marketing plans
- sales of basic security
- use of proceeds
- debts paid
- amount of money released for family living and farm operating expenses.

The analysis must consider whether the borrower is making adequate progress towards established goals. Ratios, historical trends, and production records are good sources of information for evaluating business goal achievements. Alternatively, if the borrower's goals (for either business or family) were unrealistic, the analysis must reevaluate them and establish new, obtainable goals.

Areas for improvement also might follow from recent changes in farm operations and family conditions. Therefore, the authorized agency official shall work with the borrower to identify any changes or alterations that significantly affect the operation.

If the authorized agency official determines that the borrower's production or financial performance may be improved by training, the authorized agency official may require that \*--the borrower meet training requirements. See 3-FLP, Part 18 for more information on--\* borrower training.

If performance is better than projected, the analysis should evaluate repayment issues, as well as income taxes and Social Security taxes.

### **F** Analyzing How Performance Can Be Improved (Continued)

The authorized agency official should remind the borrower that deviations from the agreed-upon farm operating plan must be discussed with FSA.

### **G** Preparing an Updated Farm Operating Plan

\*--The year-end analysis must include a current farm operating plan. The farm operating plan is prepared by the borrower, with FSA's assistance if needed.--\*

### 264-400 (Reserved)

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### Part 9 Internal Controls

### Section 1 FLPRA

### 401 Overview

### A Background

FSA is mandated by the Federal Managers Financial Integrity Act of 1982 (Pub. L. 97-255) to maintain an efficient and effective internal control system. FLPRA fulfills this mandate by:

- establishing program evaluation criteria and reporting requirements
- providing a method to administer program evaluations
- providing a framework for performance analysis, risk mitigation identification, risk mitigation implementation, and annual reporting.

### **B** Purpose

FLPRA is the primary tool that FLP uses for ongoing reviews and oversight of field office operations. FLPRA evaluates FLP using a risk-based approach and provides the framework for evaluating FLP management and oversight by State Offices and FLP delivery by Service Centers.

FLPRA evaluates the potential for risk in the following 3 areas.

- Program Objectives Assessing whether or not the objectives of the program, as set forth in agency policies and procedures, are being met.
- Financial Integrity Determining the soundness and quality of the loan program.
- Program Management Evaluating the effectiveness of the leadership and guidance provided in delivering FLP.

### 401 Overview (Continued)

### **B Purpose (Continued)**

FLPRA is divided into the following 3 review areas:

- Direct Loan Making
- Direct Loan Servicing.
- Guaranteed Loan Programs.

Note: This area includes both guaranteed loanmaking and guaranteed loan servicing.

### **C** Objective

The primary objectives of FLPRA are to evaluate the effectiveness of FLP delivery systems and ensure compliance with applicable statutes, regulations, and directives. To promote a consistent and effective approach to conducting reviews, FLPRA focuses on:

- evaluating program delivery by assessing the condition and performance in the risk areas of program objective, financial integrity, and program management
- determining the overall degree of risk existing in FLP programs and identifying the factors contributing to the risk
- recommending or requiring management to take mitigation action, as needed, to strengthen FLP programs and/or ensure compliance with applicable regulations.

### **D** SED Responsibilities

SED is responsible for implementing the FLPRA process in their State by ensuring that all required reviews, analyses, applicable risk mitigation plans, and reports are completed according to this Part.

### 402 FLPRA Review Process

### A Administering FLPRA Reviews

FLPRA reviews will be administered and the results reported both at the State Office and National Office levels. The National Office and State Offices can access the FSA Intranet at **http://intranet.fsa.usda.gov/fsa/** to obtain guides detailing the process to complete the reviews according to the following.

Step	Action
1	On the FSA Intranet Home Page, under "Resources", CLICK "FSA Applications".
2	On the FSA Applications Page, CLICK "Farm Loan Programs Systems".
3	On the Farm Loan Programs Systems Home Page, under "Informational Links",
	CLICK "Manuals" and CLICK "FLPRA National Office Review Process Guide"
	or "FLPRA State Office Review Process Guide", as applicable.

### **B** State Office Review Responsibilities

State Offices will be required to complete FLPRA reviews as follows:

- States with 9 or more FLP Service Centers will be required to review a minimum of 20 percent of the Service Centers each year, with all Service Centers being reviewed at least once every 5 years
- States with 8 or fewer FLP Service Centers will be required to conduct at least 1 Service Center each year, with all Service Centers being reviewed at least once every 5 years
- any Service Center with a review score of 4 or 5 in Program Objectives, Program Management, and/or Financial Integrity must be reviewed the following year.--\*

The process for selecting the FLP Service Centers and high risk program areas to be reviewed is set forth in the FLPRA State Office Review Process Guide.

### **C** National Office Review Responsibilities

The National Office will complete FLPRA reviews in 10 to 13 States per year. The reviews evaluate State FLP delivery and include visits to a limited number of FLP Service Centers. The process used by the National Office to select States to be reviewed is set forth in the FLPRA National Office Review Process Guide.

### 403 State Office Reporting Requirements

### A FLP Service Center Report

State Offices will provide a report to each FLP Service Center reviewed within 30 calendar days after completing the review. The reports will be developed in the format set forth in FLPRA State Office Review Process Guide, Exhibit 2. Reports for each FLP Service Center will include FLPRA State Office Review Process Guide, Exhibits 4 though 7 that will:

- rate each FLP Service Center reviewed in the 3 risk areas
- provide a composite score for the FLP Service Center.

The scores for each FLP Service Center will be:

- input in the automated FLPRA system within 30 calendar days of completing the review
- documented in the comment box provided to support the scores reported
- input in the automated FLPRA system no later than January 15.

### **B** Annual Report

No later than February 1, each State Office will submit the annual FLP4 Report \* \* \* using \*--the template provided in the State Office Review Process Guide, Reports Section, by e-mail to **RA.DCWASHING2-FSA-FLPRA**.--\*

### A State Visit Reports

The National Office will provide a findings report from on-site visits to State management within 30 calendar days after completing the review. The format of this report is detailed in the National Office Review Process Guide, Section 6. This report will:

•\*--clearly present conclusions that are supported by facts obtained during the review--\*

• include recommended mitigative actions.

Mitigative actions will:

- be developed in conjunction with State management during the on-site visit
- have a specified date to provide an update on the State's progress in mitigating identified risks.

### **B PDEED** Action

Upon receiving a State's risk mitigation plans, PDEED shall:

- evaluate and approve risk mitigation plans
- establish a follow-up system to ensure that risk mitigation plans are implemented
- assess the success of the risk mitigation plan on reducing identified high risks
- provide an annual report to DAFLP summarizing the area of potential risk in the States visited.

405-440 (Reserved)

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### 441 General Provisions

### **A** Overview

It is incumbent upon DD's to monitor the FLP delivery in Service Centers to ensure adherence to appropriate laws, policies, and procedures.

### **B** Purpose

The DD FLP oversight process provides a standardized and consistent reporting format and means by which DD can:

- document results from quarterly FLP oversight reviews
- view previously completed quarterly reports
- monitor and followup on actions to be taken by FLP Service Center staff.

### 442 DDORS

### A Overview

Reporting of FLP oversight reviews will be completed on a quarterly basis. DDORS is the official record documenting the results of the quarterly reviews.

### DDORS:

- was developed to assist DD with completing FLP oversight reviews conducted in the FLP Service Centers online
- provides the means by which DD can document and submit review results to State and Field Offices electronically
- contains the review items for each reporting quarter
- •\*--archives oversight reports for five FY's.

### **B** System Access

Access DDORS from the Farm Loan Programs Systems Home Page, located at https://amistad.sc.egov.usda.gov/flp/IndexServlet.

DDORS may also be accessed at https://wdcprod80.sc.egov.usda.gov/Ddors/homepage.aspx.

Note: See Exhibit 36 for detailed instruction on accessing DDORS.--\*

### **B** System Access (Continued)

Users who need access to DDORS should contact their State DDORS Administrator. The authentication and authorization of users is made using USDA's eAuthentication application.

To access DDORS users must have the following:

- valid eAuthentication ID and password
- eAuthentication Level 2 account
- authorized access by the DDORS Administrator.

### C Report Statuses

Report Status will be as follows:

- "Archived", Service Center closed during FY
- "Not Started", the report is empty and can only be accessed by DD
- "In Progress", the report is partially completed
- "Submitted", the report was completed and certified before its due date
- "Auto-Submitted", the report was not certified before its due date. The report may be partially completed or empty.

**Note:** "Submitted" and "Auto-Submitted" reports cannot be modified; however, pending action items can be followed up and closed.

### **D** Service Center Progress Reports

Progress reports provide counts of "Not Started", "In Progress", "Submitted", and "Auto-Submitted" oversight reports that are in the State and in each district.

### **E** Reporting Timeframes

The first quarter report:

- •\*--will be available for completion in DDORS starting December 1 and ending on--\* January 31
- should reflect first quarter data gathered between October 1 and December 31
- is comprised of quarterly review items, additional review items, and certification.

### **E** Reporting Timeframes (Continued)

The second quarter and first semi-annual report:

- will be available for completion in DDORS starting February 1 and ending on April 30
- should reflect:
  - second quarter data gathered between January 1 through March 31 for quarterly review items
  - data gathered between October 1 through March 31 for the first semi-annual review items
- is comprised of quarterly review items, first semi-annual review items, additional review items, and certification.

The third quarter report:

- will be available for completion in DDORS starting May 1 and ending on July 31
- should reflect third quarter data gathered between April 1 and June 30
- is comprised of quarterly review items, additional review items, and certification.

The fourth quarter, second semi-annual, and annual report:

- will be available for completion in DDORS starting August 1 and ending on \*--November 30--\*
- should reflect:
  - fourth quarter data gathered between July 1 and September 30 for quarterly review items
  - data gathered between April 1 and September 30 for the second semi-annual review items
  - data gathered between October 1 at the beginning of FY through September 30 at the end of FY to complete the annual review items

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### \*--E Reporting Timeframes (Continued)

- is comprised of quarterly review items, second semi-annual review items, annual review items, additional review items, and certification.
- **Notes:** The quarterly report that corresponds to the current reporting period will be displayed when DD selects the link for the Service Center to be reviewed from the DDORS Home Page.

Results for all review areas corresponding to each quarter will be captured when the report is submitted or auto-submitted by DDORS when the reporting period has ended.

Oversight reports are locked when DD submits the report or after the due date. DDORS does not allow anyone to add, modify, or delete review information.

### **F** Action Items

An action item is a note attached to a review area, a review record, or a review item in an oversight report. Action items allow users to document concerns and issues about oversight reviews.

DD's are highly encouraged to use action items to bring awareness to the Service Center and State Office, of problems and deficiencies discovered during the oversight review.

Only DD or proxy assigned to an oversight report can add action items to and close action items in the report. DD or proxy can add an action item anytime before submitting the report.

After an oversight report is submitted or auto-submitted, any DDORS user who can view a report can also followup on action items in the report by adding their own comments. Users can add followup comments to an action item until it is closed by DD or proxy.

Follow this table to add comments to a pending action item.

Step	Action
1	Go to the review area, review record, or review item with the pending action item.
2	CLICK " Follow up pending action item".
3	CLICK "Add Follow-Up Comments".
4	Enter followup comments in the box.
5	CLICK "Save Follow-Up".
6	CLICK "Save Follow-Up".

--\*

### \*--G User Roles

There are 6 user roles, as follow. User's role will be displayed under "DDORS Menu", under user's name.

**Example:** If user is an administrator, then "Administrator" will be displayed under "DDORS Menu", under user's name.

### • National User Role

National users are DAFLP, Assistant DAFLP, Directors, Deputy Directors, FLPRA review teams, and national administrators. A national user role allows users to:

- view in progress, submitted, and auto-submitted oversight reports for all Service Centers
- followup pending action items in submitted and auto-submitted reports by adding followup comments.

For all States, national administrators can:

- manage:
  - proxy assignments
  - specialist assignments
  - user accounts
- assign user roles in 1 State to another State.

**Example:** DD in Maryland needs to manage a district in Delaware. National administrator can make the assignment.--\*

### \*--G User Roles (Continued)

### • State User Role

State users may include SED's, FLC's, FLS's, COR's, or State administrators. A State user role allows users to:

- view-only, in progress, submitted, and auto-submitted oversight reports for specified Service Centers
- followup pending action items in submitted and auto-submitted reports by adding followup comments
- act as a proxy for DD, if assigned
- act as specialist, if assigned to a Service Center.

State administrators:

- can activate or deactivate user accounts
- can assign and manage proxy and specialist assignments
- are limited to assigning user roles for Service Centers and districts within their State.

### • District User Role

DD's are assigned by the State administrator:

- to the districts that he or she manages
- read-only access to oversight reports from another district, as determined by the State Office
- a floating DD role to act as a proxy for other DD's.

A district user role allows users to:

- complete and edit oversight reports for their Service Centers
- add action items to their oversight reports
- followup and close pending action items in their reports.--\*

## \*--G User Roles (Continued)

### • Service Center User Role

Service Center user role allows users to:

- view submitted and auto-submitted oversight reports for their Service Center
- followup pending action items in submitted and auto-submitted reports by adding followup comments.

### • Proxy User Role

Proxy user's:

- are temporarily assigned to a Service Center to manage its oversight reports
- can complete, certify, and submit oversight reports for the assigned Service Center
- can followup and close the assigned Service Center's action items.

Proxy assignments are terminated if DD's district assignment changes or if DD or proxy's account is inactivated.

**Note:** During the time period a proxy is assigned to a Service Center, DD can view, but cannot edit, the Service Center's oversight reports.

### • Specialist User Role

Specialist users are State users who are assigned to work on a Service Center's oversight report along with DD or proxy. Specialist users can add and modify review information anywhere in the oversight report.

Specialist users cannot:

- delete review records added by others
- add new action items or close existing action items
- certify (sign) or submit oversight reports.--\*

### 443 **Responsibilities**

### A DD Responsibilities

\*--See Exhibit 36 for detailed guidance on completing the oversight report online and creating various Hyperion and GLS reports.--\*

DD's shall:

- coordinate and plan all FLP oversight review site visits with FLP State Office staff so that participation by FLC or FLS can be arranged when necessary
- notify SED and FLC of any apparent problems that may require immediate attention

### •\*--use DDORS to:

- complete reviews for each Service Center quarterly
- document specific findings for each case file or operational file reviewed
- record and followup on any noted problems or inconsistencies as an "Action Item"
- submit completed Service Center oversight reports.

Note: Submitting the report online in DDORS is the:

- certification for that report
- DD's signature.--\*

### **B** Service Center Responsibilities

Service Center staff shall:

- •\*--assist as needed with items to be reviewed--\*
- be available to discuss specific cases or to answer questions from DD
- followup on any action items identified by DD's in DDORS.

### C State Office Responsibilities

SED's shall ensure that timely FLP oversight reviews are completed by DD's in DDORS.

FLC's shall:

- assign a State System Administrator for DDORS
- •\*--review quarterly reports submitted--\*
- followup on any identified action items
- discuss concerns with DD and SED
- •\*--document the actions taken to remedy identified deficiencies in the operational file.--\*

### **D** National Office Responsibilities

DDORS oversight reports shall be reviewed with the FLPRA process. Reports for each FLP Service Center within a State shall be reviewed to ensure that:

- consistent oversight reviews are being conducted by DD's in the State
- SED's and FLC's are monitoring and addressing any deficiencies or apparent problems identified by DD's.

### 444 DDORS Organization Updates

### A About Organization Updates

The MRT database is the system of record for all organizational data in DDORS. State

\*--Offices must submit FSA-2125 to DCIB to add, delete, or move Service Centers and/or--\* districts. These changes are processed in the PLAS database that populates MRT.

Each Tuesday evening, DDORS searches MRT for changes. Any changes found will flow into DDORS and become organization updates.

DDORS automatically generates an e-mail to the State DDORS administrator when changes have been found, alerting the State DDORS administrator that the pending changes are ready for review and acceptance. The e-mail includes a hyperlink to the DDORS Organization Updates Screen for quick and easy access.

	Home Ab	out DDORS	Help Contact Us E	xit DDORS   Logout of eAuth
Organizat	tion Upda	tes		
State:		~	•	🕜 Help
Available Up	lates			
	August 07, 201 changes to DDO			ers in your st <mark>a</mark> te changed. You
can accept the c		RS service c	enters.	ers in your state changed. You
can accept the c	changes to DDO	RS service c	ates_→	ers in your state changed. You
can accept the o Review & Acce The number of o	changes to DDO	RS service c zation Upd	ates_→	ers in your state changed. You
can accept the o Review & Acce The number of o	changes to DDO ept the Organi organization cha	RS service c zation Upd	ates_→	ers in your state changed. You

The State administrator must click "**Review & Accept the Organization Updates**" link and accept the pending changes in DDORS before any changes are made to the Service Centers and/or districts in DDORS.

### \*--444 DDORS Organization Updates (Continued)

### **B** Accepting Organization Updates

Step	Action			
1	From DDORS Home Page, under "Menu", CLICK "Organization Updates".			
2	From "State" drop-down list, select a State if user has access to more than 1 State.			
	IF organizational updates are THEN the			
	available "Available Updates" section will be displayed.			
	not available	"Current DDORS Organization Structure"		
		section will be displayed.		
3	If "Available Updates" section is a	displayed, CLICK "Review & Accept the		
	Organization Updates" link.			
4	In the table, review the highlighted	changes to Service Centers and districts.		
5	If changes within a district require	a new DD assignment:		
		<b>'Change the DD</b> '' link for the district		
		nt District Director" option and CLICK "Save".		
6		ntly assigned to the Service Center" link to		
	determine which, if any, users are a	affected and need to be reassigned.		
	If users need to be reassigned, do the	he following:		
	, mint the year againment inform	notion on the "Usang approaches again and to the		
	• print the user assignment inform Service Center" window	nation on the "Users currently assigned to the		
	Service Center window			
	• using the "User Management"	module that is accessed by clicking "Home"		
	6	d then under "Menu", clicking " <b>User</b>		
	Management", find and modif			
7	CLICK "Accept Organization Updates" to accept the changes.			

Follow this table to review and accept organization updates changes.

**Important:** Users cannot undo organization changes after they have been accepted. DDORS cannot revert back to an earlier organization structure.--\*

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### Reports

This table lists the required reports of this handbook.

<b>Reports Control</b>		Reporting		Negative	
Number	Title	Period	Submission Date	Reports	Reference
FLP4	FLPRA Annual	Annually	By February 1	Required	403
	Report		each year		
FLP5	SBA Review	Annually	By October 31	Required	103
	Report		each year		

### Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		Ex. 36
CCC-257	Schedule of Deposit		Ex. 36
FmHA 2006-21	Information Systems Management (ISM) Request for Changes to User Documentation		52
FM1	Data Security Access Authorization Form		167
FSA-13-A	Data Security Access Authorization Form		53, 54, 166, Ex. 15, 36
FSA-137	Address Information Request		46
FSA-159	Request for Supplies, Forms, and/or Publications		Ex. 17
FSA-470	Tractor Feed Post Card for Metered Postage		46
FSA-603	Collection Register for State and County Offices		Ex. 36
FSA-851	Environmental Risk Survey Form		Ex. 36
FSA-858	Determining if a Wetland May Be Present		222
FSA-2001	Request for Direct Loan Assistance		44, 47, 48, Ex. 36
FSA-2007	Statement Required by the Privacy Act for Non-Applicants		48
FSA-2028	Security Agreement		Ex. 36
FSA-2037	Farm Business Plan Worksheet Balance Sheet		Ex. 15
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		Ex. 15
FSA-2040	Agreement and Record of the Disposition of FSA Security/Release of Proceeds		262, 263, Ex. 7, 36
FSA-2045	Record of the Disposition of FSA Security/Release of Proceeds		Ex. 36
FSA-2065	Annual Statement Loan Account		5, 49, 52
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation		169

### **Forms (Continued)**

Number	Title	Display Reference	Reference
FSA-2101	DD FLP Oversight Report Guide	Kelerence	Ex. 36
FSA-2103	Direct Loan Making File Review Questionnaire		28
FSA-2104	Guaranteed Loan Making File Review Questionnaire	<u></u>	28
FSA-2119	Delinquent Borrower Servicing File Review	<u> </u>	28
10112117	Questionnaire		20
FSA-2120	Moratorium Notice		41
FSA-2121	Termination of Moratorium		41
FSA-2125	Farm Loan Program County Information File Changes		46, 444
FSA-2126	Program Loan Cost Expense (PLCE) Request		162, 166-169
FSA-2127	Request for CED FLP Loan Approval Authority		25
FSA-2129	Microloan Making File Review Questionnaire		28
FSA-2139	Notification of Exemption From Requirement to Provide Social Security Number		102
FSA-2140	Deposit Agreement		101, 102, Ex. 15, 36
FSA-2141	Interest-Bearing Deposit Agreement		102
FSA-2142	Statement of Deposits and Withdrawals		103, Ex. 36
FSA-2144	Designated Financial Institution Pledge of Collateral		102
FSA-2145	Demand for Withdrawal of Supervised Bank Account Funds		103
FSA-2150	Development Plan		122, 125
FSA-2153	Release by Claimants		122
FSA-2154	Release by Contractor		122
FSA-2160	Appraisal of Chattel Property		142
FSA-2161	Appraisal Report - Agricultural Tract		142
FSA-2162	Real Estate Sales Data		142
FSA-2163	Supplemental Forms-Agricultural Appraisal		142
FSA-2164	Appraisal for Mineral Rights		142
FSA-2165	Administrative Appraisal Review		143
FSA-2166	Technical Appraisal Review and Certification		143
FSA-2167	Administrative Appraisal Review for Chattel Appraisals		143
FSA-2171	Substitute Invoice		167, 169
FSA-2172	Request for Emergency Payment		169
FSA-2173	Program Loan Cost Expense (PLCE) Vendor Code Request		166, 167
FSA-2198 <u>1</u> /	Claimants With Closed Settlement Claims With No Appeal Hearing in Suspension		Ex. 13.5

1/ Contact Jenny Breece at 202-720-4572 to obtain FSA-2198 and FSA-2199.

### **Forms (Continued)**

Number	Title	Display	Reference
FSA-2199 <u>1</u> /	Claimants With Closed Settlement Claims With	Kelerence	Ex. 13.5
1'5A-2199 <u>1</u> /	Appeal Hearing in Suspension		LA. 15.5
FSA-2201	Lender's Agreement		47
FSA-2211	Application for Guarantee		44, 47
FSA-2212	Preferred Lender Application for Guarantee		44, 47
FSA-2232	Conditional Commitment		43, Ex. 7
FSA-2232	Loan Guarantee		43, Ex. 7 Ex. 7
FSA-2233			Ex. 7 Ex. 7
	Assignment of Guarantee		
FSA-2292	Guaranteed Loan Processing Checklist		Ex. 36
FSA-2301	Request For Youth Loan		44, 47, 48,
FG 4 2204			Ex. 15
FSA-2304	Notice of Incomplete Application		Ex. 36
FSA-2305	Second Notice of Incomplete Application		Ex. 36
FSA-2306	Notice of Application Withdrawal/Pending Withdrawal		Ex. 36
FSA-2307	Notice of Complete Application		Ex. 36
FSA-2308	Notice of Eligibility for FSA Assistance		Ex. 36
FSA-2311A	Emergency Loan Calculations		Ex. 15
FSA-2313	Notification of Loan Approval and Borrower Responsibilities		202
FSA-2314	Streamlined Request for Direct OL Assistance		48
FSA-2330	Request for Microloan Assistance		44, 48
FSA-2341	Certification of Attorney		43
FSA-2342	Certification of Title Insurance Company		43
FSA-2510	Notice of Availability of Loan Servicing to Borrowers		3
	Who Are 90 Days Past Due		
FSA-2512	Notice of Availability of Loan Servicing to Borrowers		3
	Who Are Current, Financially Distressed, or Less		
	Than 90 Days Past Due		
FSA-2514	Notice of Availability of Loan Servicing to Borrowers		3
	Who Are in Non-Monetary Default		
FSA-2535	Conservation Contract		3
FSA-2543	Shared Appreciation Agreement		3
FSA-2544	Request for Information on Capital Improvements		Ex. 36
FSA-2545	Borrower Notification of Shared Appreciation Due		Ex. 36
IRS 1098	Mortgage Interest Statement		5
IRS 1099-A	Acquisition or Abandonment of Secured Property		5
IRS 1099-C	Cancellation of Debt		5

1/ Contact Jenny Breece at 202-720-4572 to obtain FSA-2198 and FSA-2199.

		Display	
Number	Title	Reference	Reference
IRS 1099-G	Statement for Recipient of Certain Government		5
	Payments		
IRS 1099-INT	Interest Income		5
OF-347	Order for Supplies and Services		165
RD 1922-15	Administrative Appraisal Review for Single Family		143
	Housing		
RD 1940-22	Environmental Checklist for Categorical Exclusions		Ex. 15, 36
SF-1449	Solicitation/Contract/Order for Commercial Items		165

### Forms (Continued)

Note: SF-1449 is available on GSA's form web site at www.gsa.gov/portal/forms/type/TOP.

### **Abbreviations Not Listed in 1-CM**

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
Addreviation	Application Authorization Security Management	Ex. 18
ACCP	accelerated payment	169
ACIF	Agricultural Credit Insurance Fund	163
ADR	alternative dispute resolution	42
AFCB	Administrative Funds Control Branch	169
ARRA	American Recovery and Reinvestment Act of 2009	
		28, 163, Ex. 16
AS	Agricultural Specialist	23, 26, Ex. 7
BIR	Business Information Report	48
BP	Business Partner	44, 46, Ex. 14, 15
BPA	Blanket Purchase Agreement	161, 162, 165, 166
BOPR	Borrower Property Table	166
CCR	Central Contractor Registration	162
CDAT	Consent Decree Action Team	Ex. 12, 13.5
CL	conservation loan	Text, Ex. 2, 15, 16
CMDB	Cash Management Disbursement Branch	5
CMT	Constant Maturity Treasury	Ex. 17
CNC	currently not collectible	41, 251, Ex. 5, 12, 13,
		13.5, 15
CONACT	Consolidated Farm and Rural Development Act	1, 21, 29, 142, 251
СРА	Certified Public Accountant	Ex. 26
CSA	community supported agriculture	242, Ex. 28

### Approved Abbreviation Term Reference DCIB Debt Collection Improvement Branch, NFAOC 4. 444. Ex. 36 DDORS District Director Oversight Reporting System 442, 443, 444, Ex. 2, 36 eDALR\$ electronic Debt and Loan Restructuring System Ex. 13.5, 15, 17 DUNS Data Universal Numbering System 43 5, 52 ECM **Enterprise Content Management** employer identification number EIN 53 EPM **Enterprise Performance Management** 54 ERSR **Electronic Repository of Security Requests** 53, Ex. 15 FaSB Farm Services Branch, NFAOC 5, 41, 52 FAR Federal Acquisitions Regulation 162, 165, 166 Farm and Community Services Branch, NFAOC FCSB 5, 50, 52 FCAO Farm Credit Applications Office 49, Ex. 15 FHP Farm and Home Plan Ex. 5, 15 FLOTRACK Farm Loan Officer Trainee Tracking System 25 **FLPRA** Farm Loan Programs Risk Assessment 401-403, 443, Ex. 36 FmHA Farmers Home Administration 52, Ex. 5 FMMI Financial Management Modernization Initiative 162-169 Ex. 15 ISA installment set-aside ITLAP Indian Tribal Land Acquisition Program 2, Ex. 16 ΚZ camcellation 169 23, 26, Ex. 7 LOA Loan Analyst LOC line of credit 29, Ex. 15, 16 LR limited resource 223, 261, 263, Ex. 15, 16 LRS Loan Resolution Specialist 23, 26, Ex. 7 margin after debt service MADS Ex. 15 ML microloan 222, 242, Ex. 15, 16 MRT Master Reference Table 444 NFAOC National Financial Accounting and Operations 5. Ex. 14 Center OA Office of Adjudication 41 OTI **Opportunity to Improve Plan** 25 PAC Program Authority Code 162, 164, 167 PARLC, LAO Policy, Accounting, Reporting, and Loan Center, 169 (FFIS Team) Loan Accounting Office PCA Production Credit Association Ex. 18 PIP Performance Improvement Plan 25 PLP Preferred Lender Program 29, 43, 143, Ex. 5

### Abbreviations Not Listed in 1-CM (Continued)

Approved		
Abbreviation	Term	Reference
PLS	Primary Loan Servicing	23, 25, 27, 29, 42, 144,
		Ex. 5, 36
PRB	Programs Report Branch, NFAOC	5
RCI	recoverable cost items	Ex. 15
SALP	Special Apple Loan Program	2, 29
SAM	System for Award Management	43, 166
SDMS	State Directives Management System	3, 103
SEL	standard eligible lender	25, 43, 143, Ex. 5, 36
SLR	Security Liaison Representative	53, Ex. 14, 15
TC	transaction code	46, 49, 50, 52, 164, 169
		Ex. 14
TDCLC	term debt capability lease coverage	252, Ex. 15
TI	treasury in transit	169
TR	treasury reversal	169
TY	payment voucher transaction	161, 165-169
WEM	Web Equity Manager	Ex. 15
WP	Western Pacific	5
YEA	year-end analysis	162, 201, 251, 261-263,
		Ex. 15, 26, 36
ZMY	Obligating document or purchase order created in	161, 163, 165-166,
	FMMI.	168-169

## Abbreviations Not Listed in 1-CM (Continued)

### **Redelegations of Authority**

SED's may redelegate their:

- loan approval authority to FLC, FLS, or DD
- authority to allow the use of a restricted appraisal report to the designated State staff appraiser.

### **Definitions of Terms Used in This Handbook (7 CFR 761.2 (b))**

### Administrative Appraisal Review

<u>Administrative appraisal review</u> is a review of an appraisal to determine whether the appraisal:

- meets applicable Agency requirements; and
- is accurate outside the requirements of Standard 3 of USPAP.

### \*--Adversely Affect

<u>Adversely affect</u> means that a change unrelated to the issue resolved through the appeal will result in the borrower no longer being eligible for the loan servicing action requested, or the previously developed FBP not being feasible.--\*

### Agency

Agency is the FSA.

### **Agency Official**

The <u>agency official</u> is any employee with the agency. This term is used when the action does not require inherent or delegated authority.

### **Approval Official**

The <u>approval official</u> is the specific employee who has the authority to approve or deny the described action.

### **Authorized Agency Official**

The <u>authorized agency official</u> is the FSA official that is authorized to perform specific tasks related to loanmaking or loan servicing. The appropriate official is determined by inherent authorities or delegations applicable to a particular task.

### **Beginning Farmer**

\*--Beginning farmer is an individual or entity who:

(1) Meets the loan eligibility requirements for a direct or guaranteed CL, FO, or OL, as applicable;

(2) Has not operated a farm for more than 10 years. This requirement applies to all members of an entity;

(3) Will materially and substantially participate in the operation of the farm:

(i) In the case of a loan made to an individual, individually or with the family members, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm, consistent with the practices in the county or State where the farm is located.

(ii) In the case of a loan made to an entity, all members must materially and substantially participate in the operation of the farm. Material and substantial participation requires that the member provide some amount of the management, or labor and management necessary for day-to-day activities, such that if the individual did not provide these inputs, operation of the farm would be seriously impaired;

(4) Agrees to participate in any loan assessment and borrower training required by Agency regulations;

(5) Except for an OL applicant, does not own real farm property or who, directly or through interests in family farm entities owns real farm property, the aggregate acreage of which does not exceed 30 percent of the median farm acreage of the farms in the county where the property is located. If the farm is located in more than one county, the median farm acreage of the county where the applicant's residence is located will be used in the calculation. If the applicant's residence is not located on the farm or if the applicant is an entity, the median farm acreage of the county where the major portion of the farm is located will be used. The median county farm acreage will be determined from the most recent Census of Agriculture;

(6) Demonstrates that the available resources of the applicant and spouse (if any) are not sufficient to enable the applicant to enter or continue farming on a viable scale; and (7) In the case of an entity:

(i) All the members are related by blood or marriage; and

(ii) All the members are beginning farmers.--\*

#### Definitions of Terms Used in This Handbook (7 CFR 761.2 (b)) (Continued)

\* \* \*

#### **Conservation Loan (CL)**

<u>CL</u> means a loan made to eligible applicants to cover the costs to the applicant of carrying out a qualified conservation project.

#### **Conservation Plan**

<u>Conservation plan</u> means an NRCS-approved written record of the land user's decisions and supporting information, for treatment of a land unit or water as a result of the planning process, that meets NRCS Field Office Technical Guide (FOTG) quality criteria for each natural resource (soil, water, air, plants, and animals) and takes into account economic and social considerations. The conservation plan describes the schedule of operations and activities needed to solve identified natural resource problems and takes advantage of opportunities at a conservation management system level. This definition only applies to the direct loans and guaranteed loans for the Conservation Loan Program.

#### **Conservation Practice**

<u>Conservation practice</u> means a specific treatment, such as a structural or vegetative measure, or management technique, commonly used to meet specific needs in planning and implementing conservation, for which standards and specifications have been developed. Conservation practices are contained in the appropriate NRCS Field Office Technical Guide (FOTG), which is based on the National Handbook of Conservation Practices (NHCP).

#### **Conservation Project**

<u>Conservation project</u> means conservation measures that address provisions of a conservation plan or Forest Stewardship Management Plan.

#### Forest Stewardship Management Plan

<u>Forest Stewardship Management Plan</u> means a property-specific, long-term, multi-resource plan that addresses private landowner objectives while recommending a set and schedule of management practices designed to achieve a desired future forest condition developed and approved through the USDA Forest Service or its agent.

#### Definitions of Terms Used in This Handbook (7 CFR 761.2 (b)) (Continued)

#### FSA

<u>FSA</u> means Farm Service Agency, an Agency of the USDA, including its personnel and any successor Agency.

#### Graduation

<u>Graduation</u> means the payment in full of all direct FLP loans, except for CLs, made for operating, real estate, or both purposes by refinancing with other credit sources either with or without an Agency guarantee.

#### Loan Activity

Loan activity is any transactions processed in GLS, DLS or PLAS to a borrower's loan.

#### Microloan (ML)

\*--<u>ML</u> is a type of OL of \$50,000 or less made under reduced application, eligibility, and--\* security requirements.

#### **PLCE Expenses**

PLCE expenses are defined as financial transactions and procurement items.

#### **Program Loans**

<u>Program loans</u> include FO, CL, OL, and EM. In addition, for loan servicing purposes the term includes existing loans for the following programs no longer funded: SW, RL, EE, ST, and RHF.

#### **Streamlined Conservation Loan**

<u>Streamlined conservation loan</u> means a direct or guaranteed CL made to eligible applicants based on reduced documentation.

#### **Supervised Bank Account**

<u>Supervised bank account</u> is an account with a financial institution established through a deposit agreement entered into between the borrower, the Agency, and the financial institution.

#### Definitions of Terms Used in This Handbook (7 CFR 761.2 (b)) (Continued)

#### **Technical Appraisal Review**

# <u>Technical appraisal review</u> is a review of an appraisal to determine if such appraisal meets the requirements of USPAP pursuant to Standard 3 of USPAP.

#### **Treasury Judgment Rate**

The <u>treasury judgment rate</u> is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961).

#### **Uniform Standards of Professional Appraisal Practice**

<u>Uniform standards of professional appraisal practice</u> are **standards governing the preparation**, reporting, and reviewing of appraisals established by the Appraisal Foundation pursuant to the Financial Institutions Reform, Recover, and Enforcement Act of 1989.

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# Menu and Screen Index

The following menus and screens are displayed in this handbook.

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	Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports/Loan Making Reports Screen	Ex. 36
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	GLS Guaranteed Loan System & CBP Direct Loans and Grants Screen	Ex. 36
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Menu or		
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	Outstanding Subordination Report Screen	Ex. 36
	Print Options Screen	Ex. 36
	Reduce 1st Year Delinquency Rate on New Loans by 25% Over 5 Years	Ex. 36
	Screen	
	Reduce Average Processing Times for Direct Loans - Goal 2 Screen	Ex. 36
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#### **State Supplements**

Subparagraph	State Supplement
3 C	Guidance on notary acknowledgement.
3 D	Guidance on signature requirements.
28 A	Guidance on completing Credit Quality Reviews.
28 B	Include the requirement for completing continuing education in the State's credit quality standards.
29 D	Establish method and standards for raising the loan approval authority limits for FLM's and SFLO's who routinely show a higher than average loanmaking proficiency. <b>Note:</b> This State supplement must be submitted for preapproval.
141 E	<ul> <li>Guidance on the process to request:</li> <li>chattel appraisal from a contract appraiser</li> <li>real estate appraisal.</li> </ul>
*161	<ul> <li>Guidance on:</li> <li>State PLCE monitor</li> <li>fund availability</li> <li>UCC filings and lien searches</li> <li>Micropurchases*</li> </ul>
242 A	<ul> <li>List of unit prices for all commodities produced in the State.</li> <li>3-year history of disaster declarations by:</li> <li>county</li> <li>type of disaster</li> <li>incident period.</li> </ul>

**Note:** SED's shall:

- issue State supplements according to 1-AS, paragraph 216
- obtain approval of State supplements according to 1-AS, paragraph 220.

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#### Forms List

#### **A** General Information

\*--This exhibit provides:

- information on forms that were renumbered or made obsolete as part of FLP Streamlining
- RD forms that are still used by FLP
- some forms, but is not all inclusive of forms used in FLP delivery.--\*

See subparagraph:

- B for FmHA, FSA, and RD forms
- C for FmHA, FSA, and RD form and guide letters
- D for FmHA and RD Instruction exhibits
- E for items and publications
- F for a numerical list of new FSA forms
- G for a list of new handbook exhibits.

The following is applicable to this exhibit.

- The "Old Form Number" column provides the prefix and number used before December 31, 2007.
- The "New Form Number" column provides the prefix and number to be used after December 31, 2007.

**Note:** An asterisk (\*) in the "New Number" column indicates the document will remain under the current number.

• The "Title" column provides the title of the document.

Note: This column provides the form's title that will be used after December 31, 2007.

#### **B** Forms

The following lists \* \* \* FmHA, FSA, and RD forms used for FLP delivery.

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 021-1		Request for Procedure	8-29-01
RD 021-1		Request for Procedure	12-31-07
FmHA 021-46		Procedure Notice	12-31-07
FmHA 070-1		A Program to Recognize the Farm Family of the	2-17-99
		Year of the FHA, USDA	
FmHA 102-1		Request for Check Delivery	12-31-07
FmHA 104-1		Public Information Transmittal and/or Receipt	4-16-99
RD 140-4	FSA-2071	Transmittal of Documents	
FmHA 160-3		Request for Travel Authorization or Amendment	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 336		Continuation Sheet	12-31-07
FSA-386	FSA-2202	Certified Lender Sticker	
FSA-386-1	FSA-2203	Preferred Lender Sticker	
FmHA 400-1		Equal Opportunity Agreement	12-31-07
FmHA 400-3		Notice to Contractors and Applicants	7-26-04
FmHA 400-4		Assurance Agreement	7-26-04
FmHA 400-6		Compliance Statement	7-26-04
FmHA 400-7		Compliance Review for Recreational Loans to	12-31-07
		Associations (FHA Borrowers)	
FmHA 400-8		Compliance Review	7-26-04
RD 402-1	FSA-2140	Deposit Agreement	
RD 402-2	FSA-2142	Statement of Deposits and Withdrawals	
FmHA 402-6		Termination of Interest in Supervised Bank	12-31-07
		Account	
FmHA 403-1		Debt Adjustment Agreement	7-8-98
FmHA 404-1		Case Reclassification	11-10-99
FmHA 405-A1		Operating Type Loans Maturity Schedule	12-31-07
FmHA 410-07		Notification to Applicant on Use of Financial	2-17-99
		Information from Financial Institution	
FSA 410-1	FSA-2001	Request for Direct Loan Assistance	
FmHA 410-8		Applicant Reference Letter	12-31-07
RD 410-9	FSA-2007	Statement Required by the Privacy Act	
FmHA 410-10		Privacy Act Statement to References	12-31-07
FmHA 426-1		Valuation of Building	12-31-07
RD 426-2	FSA-2320	Property Insurance Mortgage Clause	
FmHA 426-4		Notice of Expiration of Insurance	12-31-07
RD 426-6		Transmittal of Property Insurance Mortgage Clause	12-31-07
FmHA 431-1		Long-Time Farm and Home Plan	12-31-07
FmHA 431-2		Farm and Home Plan	12-31-07
FmHA 431-4		Business Analysis - Nonagricultural Enterprise	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 432-1	FSA-2036	Farm Family Record Book	7-14-08
FmHA 432-1-,		FHP Supplement 1 - Money Received	8-22-07
Supp 1			
FmHA 432-1,		FHP Supplement 2 - Expenses Paid	8-22-07
Supp 2			
FmHA 432-1,		FHP Supplement 3 - Expense Distribution Codes	8-22-07
Supp 3			
FmHA 432-2		Five-Year Inventory Record	12-31-07
FmHA 432-10		Business and Family Record Book	12-31-07
FmHA 440-2		County Committee Certification or	7-24-02
		Recommendation	
FSA-440-2		Eligibility certification or recommendation	12-31-07
FmHA 440-4		Security Agreement (Chattels and Crops)	9-9-03
FSA-440-4A	FSA-2028	Security Agreement	
FmHA 440-8		Notice of Check Delivery	12-31-07
FSA 440-9	FSA-2027	Supplementary Payment Agreement	
RD 440-11		Estimate of Funds Needed For 3- Day Period	12-31-07
		Commencing	
FmHA 440-12		Acknowledgement of Payment for Recording,	12-31-07
		Lien, Search, and Releasing Fees	
RD 440-13	FSA-2360	Report of Lien Search	
FmHA 440-15		Security Agreement (Insured Loans to Individuals)	12-31-07
FmHA 440-21		Appraisal of Chattel Property	12-31-07
FSA 440-21	FSA-2160	Appraisal of Chattel Property	
RD 440-22		Promissory Note (Association or Organization)	12-31-07
FSA-440-25		Financing Statement	12-31-07
FmHA 440-A25		Financing Statement (Carbon-Interleaved)	12-31-07
FSA 440-26	FSA-2317	Consent and Subordination Agreement	
FmHA 440-29		Semiannual Labor Compliance Report	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 440-32		Request for Statement of Debts and Collateral	2-17-99
FSA-440-32	FSA-2015	Verification of Debts and Assets	
FmHA 440-34		Option to Purchase Real Property	12-31-07
FmHA 440-35		Acceptance of Option	11-17-03
FmHA 440-45		Nondiscrimination Certificate (Individual Housing)	12-31-07
FmHA 440-47		Statement of Account	12-31-07
RD 440-57A		Supplemental Installment Information	10-14-88
FmHA 440-58		Estimate of Settlement Costs	12-31-07
FSA 441-5	FSA-2361	*Subordination to the Government*	
FSA 441-8	FSA-2041	Assignment of Proceeds from the Sale of Products	
FmHA 441-10		Nondisturbance Agreement	12-31-07
RD 441-12	FSA-2318	Agreement for Disposition of Jointly Owned Property	
FmHA 441-13		Division of Income and Nondisturbance Agreement	12-31-07
FmHA 441-17		Certification of Obligation to Landlord	12-31-07
FSA 441-18	FSA-2042	Consent to Payment of Proceeds from Sale of Products	
FSA-441-25	FSA-2043	Assignment of Proceeds from the Sale of Dairy	
		Products and Release of Security Interest	
RD 442-2		Statement of Budget, Income and Equity	7-26-04
RD 442-3		Balance Sheet	7-26-04
RD 442-4		District Directors Report	7-26-04
RD 442-7		Operating Budget	7-26-04
RD 442-20		Right of way easement	12-31-07
RD 442-21		Right of way certificate	12-31-07
RD 442-22		Opinion of Counsel relative to rights of way	12-31-07
RD 443-16	FSA-2044	Assignment of Income from Real Estate Security	
FmHA 443-17		Agreement to sell nonessential real estate	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 449-23		Guaranteed Loan Evaluation Farmer Programs	12-31-07
RD 449-30	FSA-2254	Guaranteed Loan Report of Loss	
FSA-449-34	(*)	Loan Note Guarantee	
FmHA 449-36		Assignment Guarantee Agreement	7-26-04
RD 450-5	FSA-2495	Application to Move Security Property and	
		Verification of Address	
*RD 450-6		Notice of Transmittal of Form RD-450-5	12-31-07*
FmHA 450-7		Address Inquiry	4-16-99
FmHA 450-10		Advice of Borrower's Change of Address, Name,	12-31-07
		Case Number, or Loan Number	
RD 450-12		Bill of Sale (Transfer by Withdrawing Member)	7-8-98
FmHA 450-13		Request for Assignment of Income from Trust Property	12-31-07
FmHA 451-1		Acknowledgement of Cash Payment	12-31-07
RD 451-1		Acknowledgement of Cash Payment	7-8-98
FmHA 451-2		Schedule of Remittances	12-31-07
FmHA 451-3		Reminder of Payment to be Made	12-31-07
FmHA 451-8		Journal voucher for loan account adjustments	12-31-07
FSA 451-10	FSA-2560	Request for Statement of Account	
FSA 451-11	FSA-2561	Statement of Account	
FSA 451-18	FSA-2434	Consent and Release of Interest of United States	
		(Farm Ownership Loans)	
FmHA 451-26		Transaction Record	12-31-07
FmHA 451-27		Review of CollectionOnly Accounts	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
RD 455-1	FSA-2550	Report of Problem Case (Request for	
RD 455-22		Foreclosure/Legal Action)	
RD 1955-2			
FSA 455-2	FSA-2551	Evidence of Conversion, Fraud or Waste (Request	
		for Lack of Good Faith Determination/Legal	
		Action)	
FmHA 455-3		Agreement for Sale by Borrower (Chattels and/or	12-31-07
		Real Estate)	
FmHA 455-4	FSA-2571	Agreement for Voluntary Liquidation of Chattel	
		Security (Generic Version)	
FmHA 455-5	FSA-2572	Agreement of Secured Parties of Sale of Security	
		Property	
FSA 455-11	FSA-2070	Bill of Sale "B" (Sale by Private Party)	
FmHA 455-12		Bill of Sale "C" (Sale Through Government as	12-31-07
		Liquidating Agent)	
FSA 455-17	FSA-2490	Report on Deceased Borrower	
FmHA 455-21		Notice of Acceleration and Demand for Payment	7-8-98
RD 455-1	FSA-2550	Report of Problem Case (Request for	
RD 455-22		Foreclosure/Legal Action)	
RD 1955-2			
FmHA 460-1		Partial Release	2-13-02
RD 460-1		Partial Release	
FSA 460-2	FSA-2455	Subordination by the Government	
RDA 460-4	FSA-2433	Satisfaction of Lien	
FmHA 460-5		Assumption Agreement	7-26-04
FSA 460-8	4-FLP,	Notice of Termination of Security Interest in Farm	
	Exhibit 27	Products	
FmHA 460-9		Assumption Agreement	12-23-96
FmHA 460-10		New Promise to Pay	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FSA 462-4	FSA-2465	Assignment, Acceptance, and Release (Wool and Mohair)	
FmHA 462-7 (State)		Continuation Statement (Generic Version)	12-31-07
FSA 462-11	4-FLP, Exhibit 28	Request for Continuation Statement Filing Fee	
FmHA 462-12		Statements of Continuation, Partial Release, Assignment, Etc.	12-31-07
FmHA 462-12 (State)		Continuation of Termination Statement	12-31-07
FmHA 462-14		Change in List of Farmers Home Administration Borrowers	5-18-04
		<b>Note:</b> Reinstated as Exhibit 30 to 4-FLP.	
RD 465-1	FSA-2060	Application for Partial Release, Subordination, or Consent	
RD 465-5	FSA-2476	Transfer of Real Estate Security	
FmHA 465-12 (State)		Quitclaim Deed	12-31-07
FSA-580	FSA-2580	Primary and preservation Loan Servicing Checklist	
FSA-581	FSA-2581	Review data for inequitable treatment	
FmHA 838-B		Invoice - Receipt Certification	12-31-07
FSA-838-C	FSA-2171	Substitute Invoice	
FSA-839	FSA-2172	Request for Emergency Payment	
FSA-845	FSA-2173	Foundation Financial information System (FFIS) Vendor Code Request	
FmHA 1007		Square Foot Appraisal Form	12-31-07
FmHA 1900-1		Request for Appeal of Adverse Action	7-8-98
FmHA 1902-7		Financial Institution Summary For CBS	7-8-98
FmHA 1905-1		Management System Card-Individual	12-31-07
FmHA 1905-4		Application and Processing CardIndividual	12-31-07
RD 1905-12		Monthly Expirations	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
RD 1910-5	FSA-2014	Verification of Income	
FmHA 1910-11		Applicant Certificate Federal Collection	9-9-03
		Policies For Consumer or Commercial Debts	10.00
FmHA 1922-1		Appraisal Report - Farm Tract	10-99
FSA-1922-1 &	FSA-2161	Appraisal Report - Agricultural Tract	
Addendum			
FmHA 1922-2		Supplemental Report-Irrigation Drainage, Levee, and Mineral	*10-99*
FmHA 1922-3 & L3		Map of Property	4-12-00
FmHA 1922-4		Township Plate Map	4-12-00
FmHA 1922-5		Appraisal Review	1-9-04
		<b>Note:</b> Reinstated as FSA-2166.	
FmHA 1922-6		Multiple Township Plat Map	4-12-00
FmHA 1922-8		Uniform Residential Appraisal report	4-12-00
FSA 1922-9	FSA-2162	Real Estate Sales Data	
FSA 1922-10	FSA-2163	Supplemental Forms-Agricultural Appraisal-	
FSA 1922-11	*FSA-2164*	Appraisal for Mineral Rights	
RD 1922-12		Nonfarm Tract Comparable Sales Data	12-31-07
RD 1922-14		Residential appraisal review for SFH	1-9-04
RD 1922-15	(*)	Administrative Appraisal Review For Single Family Housing	
FSA 1922-16	FSA-2165	Administrative Appraisal Review	
FSA-1922-17		Appraisal certification program semiannual report	6-17-08
RD 1924-1	FSA-2150	Development Plan	
FmHA 1924-2		Description of Materials	12-31-07
FmHA 1924-3		Service Building Specifications	12-31-07
FmHA 1924-5		Invitation for Bid (Construction Contract)	12-31-07
FmHA 1924-6		Construction Contract	12-31-07
FmHA 1924-7		Contract Change Order	12-31-07
FmHA 1924-9		Release by Contractor	7-26-04
		Note: Reinstated as FSA-2154.	
RD 1924-10	FSA-2153	Release by Claimants	

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1924-11		Statement of Labor Performed	12-31-07
FmHA 1924-12		Inspection Report	12-31-07
FmHA 1924-13		Estimate and Certificate of Actual Cost	12-31-07
FmHA 1924-16		Record of Pre-Construction Conference	12-31-07
FmHA 1924-18		Partial Payment Estimate	12-31-07
FmHA 1924-19		Builder's Warranty	12-31-07
FmHA 1924-21		Notice of Expiration of First Year of Warranty	12-31-07
FSA 1924-22	FSA-2376	Borrower Training Course Evaluation	
FSA 1924-23	FSA-2371	Agreement to Complete Training	
FSA 1924-24	FSA-2375	Agreement to Conduct Production and Financial	
		Management Training for FmHA Borrowers	
FmHA 1924-25		Plan Certification	12-31-07
FmHA 1924-26		Cost Certification Worksheet	12-31-07
FSA 1924-27	FSA-2370	Request for Waiver of Borrower Training	
		Requirements	
FSA 1927-1D		Real Estate Mortgage or Deed of Trust	
FSA 1927-1M	FSA-2029-M		
FmHA 1927-2		Transmittal of Form FmHA 1927-19/1927-20	12-11-96
RD 1927-4	FSA-2343	Transmittal of Title Information	
RD 1927-5	FSA-2351	Certification of Improvement of Property	
RD 1927-8	FSA-2319	Agreement With Prior Lienholder	
RD 1927-9	FSA-2344	Preliminary Title Opinion	
RD 1927-10	FSA-2352	Final Title Opinion	
FmHA 1927-11	FSA-2569	Warranty Deed (Generic Version)	
(State)			
FmHA 1927-12		Warranty Deed (Generic Version)	12-31-07
(State)			
RD 1927-15	FSA-2350	Loan Closing Instruction	
FmHA 1927-16		Notification of Loan Closing	7-8-98
RD 1927-19	FSA-2341	Certification of Attorney	
RD 1927-20	FSA-2342	Certification of Title Insurance Company	

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1940-1		Request for Obligation of Funds	6-21-05
FSA-1940-1	FSA-2313	Notification of Loan Approval	
	FSA-2025	Notification of * * * Approval, Terms and	
		Conditions and Borrower Responsibilities	
FSA-1940-3	FSA-2231	Request for Obligation of Funds Guaranteed Loans	
RD 1940-10	FSA-2072	Cancellation of U.S. Treasury Check and/or	
		Obligation	
FSA 1940-17	FSA-2026	Promissory Note	
FmHA 1940-18		Promissory Note for Softwood Timber Loans	12-31-07
RD 1940-20	(*)	Request for Environmental Information	
RD 1940-21	(*)	Environmental assessment for Class I Action	
RD 1940-22	(*)	Environmental Checklist for Categorical Exclusions	
FSA 1940-38	FSA-2310	Request for Lender's Verification of Loan	
		Application	
FmHA 1940-39		Declaration of Registrant	7-31-96
FSA-1940-40		Quarterly Declaration of Registrant	7-31-96
FmHA 1940-41		Truth in Lending Disclosure Statement	12-31-07
FmHA 1940-51		Crop-Share-Cash Farm Lease	12-31-07
FmHA 1940-53		Cash Farm Lease	12-31-07
FmHA 1940-55		Livestock-Share-Farm Lease	12-31-07
FmHA 1940-56		Annual Supplement to Farm Lease	12-31-07
RD 1940-59		Settlement Statement	12-31-07
FmHA 1941-1		Criteria for Continuing Assistance to Delinquent	12-31-07
		Borrowers	
FmHA 1942-9		Loan Resolution Security Agreement	7-26-04
RD 1942-14		Association Project Fund Analysis	3-19-03
RD 1942-46		Letter of Intent to Meet Conditions	7-26-04
FmHA 1943-2		Small Farmer Outreach Training and Technical	7-26-04
		Assistance Program (Evaluation)	
RD 1944-3		Budget And/Or Financial Statement	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1945-15		Value Determination Worksheet (EM Loans Only)	9-25-02
FSA 1945-22	FSA-2309	Certification of Disaster Losses	
FSA 1945-26	FSA-2311	Calculation of Actual Losses	
FmHA 1945-27		Report of Natural Disaster	12-31-07
FmHA 1945-29		ASCS Verification of Farm Acreage's, Production and Benefits	2-14-02
FmHA 1950-8		Double Post Card	7-8-98
RD 1951-6	FSA-2562	Borrower Account Description Flag	
FmHA 1951-7	FSA-2429	Request For Change In Application	
RD 1951-9	FSA-2065	Annual Statement of Loan Account	
FmHA 1951-12		Correction of Loan Account	12-31-07
FmHA 1951-13		Change in Interest Rate	12-31-07
FmHA 1951-14		Debt Set-Aside	7-8-98
FmHA 1951-14A		Full Debt Set-Aside Installment Information	7-8-98
RD 1951-15		Community Programs Assumption Agreement	7-26-04
FmHA 1951-16		Detail Report of Administrative Offsets	5-04
RD 1951-17		Consolidated Report of Administrative Offset	7-26-04
FmHA 1951-24		Result of Borrower Graduation Review	7-26-04
FmHA 1951-33		Reamortization Request	7-26-04
FmHA 1951-34		Direct Payment Plan Change	7-8-98
FSA 1951-39	FSA-2535	Conservation Contract	
FmHA 1951-39A		Grant of Easement	3-14-97
FmHA 1951-43		Adjustment of Accounts Referred for IRS Offset	9-14-01
FmHA 1951-44		Annual Review of District/County Collection /activities Concentration Banking System	10-28-03
FmHA 1951-46		Concentration Banking Uncollectible Item	10-28-03
FmHA 1951-47	FSA-2597	Farmer Programs-Noncash Credit for Purchase of Easement Rights	
FmHA 1951-48		Concentration Banking Daily Activity Report	10-28-03
FmHA 1951-49		Register Of Collections	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1951-54		Multiple Family Housing Annual Statement of Loan Account	12-31-07
FmHA 1951-57		Request for loan summary statement	12-31-07
FmHA 1951-58		Basis for Loan Account Payment Application for Farmer Programs Loans	12-31-07
FmHA 1951-60		Field Office Remittance Reconciliation Report	12-31-07
RD 1951-61	FSA-2445	Control of Problem Case Correspondence	
RD 1951-62	FSA-2446	Explanation of Problem Case	
FmHA 1951-63		Delinquency Audit Worksheet	12-31-07
RD 1955-1	FSA-2570	Offer to Convey Security	
RD 1955-2,	FSA-2550	Report of Problem Case (Request for	
FmHA 455-1, FmHA 455-22		Foreclosure/Legal Action)	
FmHA 1955-3	FSA-2587	Advice of Property Acquired	
FmHA 1955- 3A	FSA-2588	Acquired Property-Maintenance	
FmHA 1955-20	FSA-2591	Lease of Real Property	
FmHA 1955-40		Notice of Real Property For Sale	12-31-07
RD 1955-41	5-FLP, Exhibit 70	Notice of Sale	
FmHA 1955-42		Open Real Property Master Listing Agreement	12-31-07
FmHA 1955-45	FSA-2593	Standard Sales Contract - Sale of Real Property By The US	
RD 1955-46	FSA-2592	Invitation Bid and Acceptance-Sale of Real Property by the US	

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
RD 1955-47	FSA-2596	Bill of Sale "A" (Sale of Government Property)	
RD 1955-49	FSA-2595	Quitclaim Deed	
FmHA 1955-50	FSA-2594	Advice of Inventory Property Sold	
FmHA 1955-62		Request for Contract Services for	12-31-07
		Custodial/Inventory Property or Program Services	
RD 1956-1	(*)	Application For Settlement of Indebtedness	
FSA-1956-10	(*)	Debt Settlement and Release of Liability Checklist	
FSA-1956-20	(*)	*Checklist for "Currently Not Collectible" Debt	
FSA-1956-21	(*)	List of Currently Not Collectible (CNC) Debts	
		Eligible to Be Referred to Treasury for	
		Cross-Servicing	
FSA-1956-22	(*)	Update to TOP and Cross-Servicing Information*	
FmHA 1960-12		Financial and Production Farm Analysis Summary	12-31-07
FSA 1962-1	FSA-2040	Agreement For the Use of Proceeds/Release of	
		Chattel Security	
FSA 1962-3	4-FLP,	List of FmHA Borrowers	
	Exhibit 29		
FSA 1962-9	FSA-2450	Temporary Amendment of Consent to Payment of	
		Proceeds From Sale of Farm Products	
RD 1962-20	FSA-2576	Notice of Judgment	
FSA-1962-21	FSA-2574	Confirmed reorganization plan worksheet and	
and 1962-21A		cancellation of unsecured debt	
RD 1965-8	FSA-2080	Release From Personal Liability	
FmHA 1965-11		Accelerated Repayment Agreement	12-31-07
FSA-1965-13	FSA-2489	Assumption Agreement (Farm Loan Programs)	
RD 1965-14		Proof of Claim of the United States of America	12-31-07
		(Individual)	
FmHA 1965-15		Assumption Agreement	12-23-96

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FSA-1980-01	FSA-2291	Lenders Processing Checklist	
FSA-1980-02	FSA-2292	Guaranteed Loan Processing Checklist	
FSA-1980-03	FSA-2293	Annual File Review Checklist for SEL	
		and CLP Lenders	
FSA-1980-04		Annual File Review Checklist for PLP	12-31-07
		Lenders	
FSA-1980-05	*FSA-2294*	Debt Writedown Review Checklist	
FSA-1980-06	FSA-2295	Guaranteed Estimated Loss Review	
		Checklist for SEL and CLP Lenders	
FmHA 1980-07		Notification of Transfer and Assumption	7-26-04
		of a Guaranteed Loan	
FSA-1980-07	FSA-2296	Guaranteed Loan Final Loss Review	
		Checklist	
FSA 1980-15	FSA-2232	Conditional Commitment	6-8-07
RD 1980-19	FSA-2236	Guaranteed Loan Closing Report	
FSA-1980-22	FSA-2233	Lender Certification	
FSA-1980-24	FSA-2222	Request for Interest Assistance Payment	6-8-07
FSA-1980-25	FSA-2211	Application for Guarantee	
FSA-1980-26	FSA-2261	Report On Collection Activities On	
		Liquidation Accounts	
FSA-1980-27	FSA-2235	Loan Guarantee	
FSA-1980-28	FSA-2212	Preferred Lender Application for	
		Guarantee	

Old Form Number	New Form Number	Title	Date Made Obsolete
FSA-1980-36	FSA-2242	Assignment of Guarantee	Obsolete
FSA-1980-37	FSA-2250	FSA Purchase of a Guaranteed Loan Portion	
FSA-1980-38	FSA-2201	Lenders Agreement	
FmHA 1980-40	1011 2201	Reverse A Report of Liquidation Expense	3-19-99
FSA-1980-41	FSA-2241	Guaranteed Farm Loan Status Report	
FSA-1980-42	FSA-2243	Notice of Substitution of Lender	
RD 1980-43	FSA-2251	Lender's Guaranteed Loan Payment To USDA	
FSA 1980-44	FSA-2248	Guaranteed Loan Borrower Default Status	
RD 1980-45	FSA-2262	Notice of Liquidation Responsibility	
FmHA 1980-46		Report of Liquidation Expense	7-26-04
RD 1980-47	FSA-2247	Guaranteed Loan Borrower Adjustments	
FSA-1980-48	FSA-2249	Request for Restructuring Guaranteed Loans	
FSA-1980-49	FSA-2244	Guaranteed Loan Status Adjustment	
FmHA 1980-50		Add, Delete, or Change Guaranteed Loan Borrower Information	4-16-99
FmHA 1980-51		Add, Change or Delete Guaranteed Loan Record	7-26-04
FmHA 1980-52		Report Request	7-26-04
FmHA 1980-56		Guaranteed Loan Borrower Deferment	7-26-04
FmHA 1980-57		Reverse Guaranteed Loan Borrower Deferment	7-26-04
FmHA 1980-58		Interest Rate Buydown Agreement	7-26-04
FmHA 1980-59		Quarterly Delinquent/Problem Loan Report	10-29-97
FSA 1980-64	FSA-2221	Interest Assistance Agreement (Farmer Programs)	6-8-07
FmHA 1980-74		Application for Loan and Guarantee-Agricultural Resources Conservation Demonstration Program	12-31-07
FmHA 1980-75		Conditional Commitment for Guarantee- Agriculture Resource Conservation Demonstration Program	12-31-07
FmHA 1980-76		Lender's Agreement-Agricultural Resources Conservation Demonstration Program	12-31-07
FmHA 1980-77		Loan Note Guarantee-Agricultural Resource Conservation Demonstration Program	12-31-07
FmHA 1980-78		Interest Assistance Agreement -Agricultural Resource Conservation Demonstration Program	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1980-83		Request for Waiver of Borrower Training	3-19-99
		Requirements for Guaranteed Loan Applications	
FmHA 1980-84		Modification of New Contract Relating to Farm	2-17-99
<b>FG</b> + 1000 04	<b>T</b> G 4 <b>33</b> 45	Credit Programs Guaranteed loan/line of credit	
FSA-1980-84	FSA-2245	Modification of Loan Guarantee	
FmHA 1980-85		Modification of Existing Contract Relating to Farm	3-19-99
ECA 1000.0C	ECA 2246	Credit Program Guaranteed loan/line of credit	
FSA-1980-86	FSA-2246	Notification of Transfer and Assumption of a Guaranteed Loan	
FSA-1980-88	FSA-2252	Farm Loan Programs Guaranteed Writedown	
		Worksheet	
FSA-1980-89	FSA-2253	Shared Appreciation Agreement for Guaranteed	
		Loans	
RD 1992-6	FSA-2585	Acquisition or Abandonment of Secured Property	
FSA-2006-3		Instruction and Form Justification	12-31-07
FmHA 2006-8		Procedure Notice Material	12-31-07
FSA 2006-9		Notice of Visit or Meeting	12-31-07
FmHA 2006-10		State Annual Planning Calendar	2-2-00
RD 2006-10		State Annual Planning Calendar	12-22-99
FmHA 2006-11		County Office Operating Report	12-31-07
FmHA 2006-12		County Office Operating Report Tally Sheet	12-31/07
RD 2006-15	(*)	Request for Automation	
FmHA 2006-16		Report of PRA Office Review	4-30-96
FmHA 2006-20		Classification of Farmer Program Borrower	4-12-00
		Account	
FSA-2006-20		Classification of Farmer Program Borrower Account	12-31-07
FmHA 2006-21	(*)	Information Systems Management (ISM) Request	
2000 21		for Changes to User Documentation	
FmHA 2006-23		State Evaluation Review Guide for District Office	4-30-96
FmHA 2006-24		State Evaluation Review Guide for County Offices	4-30-96
RD 2006-25		Production Problem Report	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
RD 2006-38		Civil Rights Impact Analysis Certification	7-8-98
RD 2021-6	FSA-2125	Farm Loan Programs - County Information File Changes	
FmHA 2027-3		Request and Justification for Reproduction Equipment	12-11-96
RD 2030-6		Record of telephone call or office visit	12-31-07
RD 2033-3		Correspondence Charge and Routing Slip	7-8-98
FmHA 2033-5		Request for Future Delivery of File(s) and/or Establishing a Follow-up	2-17-99
FmHA 2033-6		File Cover Sheet-Restricted ( For Official Use only )	4-9-97
RD 2036-1		Travel Record	9-27-00
FmHA 2039-1		Request for Authorization to Incur Transfer Expense	5-8-96
FmHA 2039-4		Service Agreement	5-8-96
FmHA 2051-1		Application for Change in Tour of Duty	12-31-07
FmHA 2051-5		Record of FLSA Travel Time	7-8-98
FmHA 2054-1		Letter to Nominees	7-8-98
FmHA 2054-2		Letter to Elected County Committee Member	7-8-98
FmHA 2054-3		County Committee Membership Record	7-8-98
FmHA 2054-4		Separation Notice to County/Area Committee Members	7-8-98
FmHA 2054-5		Nominating Petition	7-8-98
FmHA 2054-6		Mileage Certification for County Committee Member	7-8-98
FmHA 2054-7		Record of County/Area Committee Meeting	7-8-98

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 2057-9		Executive-Management-Supervisory (E-M-S)	7-8-98
		Individual Development Plan	
RD 2057-10		Executive-Management-Supervisory (E-M-S)	7-8-98
		Individual Development Planning Report	
RD 2057-11		Individual Development Plan ADP	7-8-98
		Coordinator/ADPC Assistant	
FmHA 2057-13		Individual Development Plan	7-8-98
* * *	* * *	* * *	
FSA-2037	(*)	Farm Business Plan Worksheet, Balance Sheet	
FSA-2038	(*)	Farm Business Plan, Projected Income and	
		Expenses	
FSA-2039	(*)	Farm Business Plan Worksheet - Summary of	
		Year's Business	
FSA-2101	(*)	DD FLP Oversight Report Guide	
FSA-2102		Report and Summary Schedule for DD FLP	12-31-07
		Oversight Reviews	
FSA-2103	(*)	Direct loan making file review questionnaire	
FSA-2104	(*)	Guaranteed loan making file review questionnaire	
FSA-2105		Routine Direct loan servicing of current borrowers	3-3-06
		file review questionnaire	
FSA-2106		Guaranteed loan servicing file review questionnaire	3-6-06
FSA-2107		Collection and resolution of direct FLP debts file	3-6-06
		review questionnaire	
FSA-2108		Guaranteed loan loss claims file review	3-6-06
		questionnaire	
FSA-2109		Farm inventory property file review questionnaire	6-8-04

Old Form Number	New Form Number	Title	Date Made Obsolete
FSA-2110		State Office FLP Management File Review Questionnaire	3-6-06
FSA-2111		State Office Civil Rights FLP File Review Questionnaire	3-6-06
FSA-2112		Service Center FLP Management Review Questionnaire Direct Loans	3-6-06
FSA-2113		Service Center FLP Management Review Questionnaire Guaranteed Loans	3-6-06
FSA-2114		Service Center FLP Civil Rights File Review Questionnaire	3-6-06
FSA-2115		Service Center FLP Civil Rights File Review Worksheet	6-6-06
FSA-2116		Financial Data Input Form for Direct Loans	12-6-04
FSA-2117		Financial Data Input Form for Guaranteed Loans	12-6-04
FSA-2118		Lo-Doc Direct Loanmaking File Review Questionnaire	3-24-04
FSA-2119	(*)	Delinquent Borrower Servicing File Review Questionnaire	
FSA-2120		Disaster Set-Aside (1951-T) File Review Questionnaire	1-9-04
FSA-2121		Guaranteed Loan Restructuring File Review Questionnaire	3-6-06
FSA-2122		Seriously Delinquent Borrower Servicing File Review Questionnaire	3-6-06
	FSA-2123	Farm Loan Programs Testing Certification	
	FSA-2126	Program Loan Cost Expense (PLCE) Request	
	*FSA-2129	Microloan Making File Review Questionnaire*	
FSA-2130		Farm Loan Programs Training Report	3-24-04
FSA-2131		Registration for Farm Loan Programs (FLP) Orientation and/or CFAT	3-24-04

Old Form Number	New Form Number	Title	Date Made Obsolete
FSA-2300	FSA-2303	Notice of Farm Loan Programs Application Received	Obsolete
FSA-2301	(*)	Youth Loan Application	
	FSA-2425	Request to Cancel Undisbursed Loan Funds	
FSA-2620	(*)	Indian Tribal Land Acquisition Program Loan Application	
FSA-2621	(*)	Indian Tribal Land Acquisition Program Tribal Council Resolution and Certification	
FSA-2622	(*)	Indian Land Acquisition Program Assignment of Tribal Income and Funds	
FSA-2623	(*)	Indian Tribal Land Acquisition Program Subordination Agreement	
FSA-2648	(*)	Civil Rights Compliance Review	
FSA-2651	(*)	Request for Special Apple Loan Program Assistance	
FSA-2652	(*)	Special Apple Program Promissory Note and Security Agreement	
FSA-2661	(*)	Request for Emergency Loan for Seed Producers Program Assistance	
FSA-2662	(*)	Emergency Loans for Speed Producers Promissory Note and Security	
FSA-2663	(*)	Subordination Agreement in Favor of the Government Emergency Loans for Seed Producers	
FSA-2664	(*)	Emergency Loans for Seed Producers Program Notice of Claim Assignment	
FSA-2670	(*)	Horse Breeder Loan Program Promissory Note	
FSA-2680	(*)	Letter of Interest	
FSA-2681	(*)	Loan Payment Guarantee Agreement and Contract Modification	
*FSA-2683		Request for Land Contract Guarantee Assistance*	

#### **C** Form and Guide Letters

The following lists all FmHA, FSA, and RD form or guide letters used for FLP delivery.

**Notes:** Forms and guide letters that will be used after December 31, 2007, have been converted to either a form or exhibit to the appropriate handbook.

The "Old Number" column provides the prefix and number of the form or guide letter used before December 31, 2007.

The "New Number" column provides the form or handbook and exhibit number.

The "Title" column provides the title of the document.

An asterisk (\*) in the "New Number" column indicates the form or guide letter will remain under the current number.

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA FL 1902-06		Letter to Financial institution	12-31-07
FmHA FL 1902-A-2	FSA-2144	Designated Financial Institution's Collateral	
		Pledge	
FmHA FL 1940-G-1	(*)	Notification of Exhibit M Requirements	
FmHA FL 1941-A-1		Advice to Borrower of Financial Condition	3-24-97
FmHA FL 1941-A-2		Conditional Commitment to Provide Special	3-24-97
		Operating Loan Assistance to Beginning	
		Farmer or Ranchers	

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA FL 1951-5	(*)	Refund Request of Offset	
FmHA FL 1951-6	(*)	Certification of Indebtedness of Debtors to	
		Non-USDA Agencies	
FmHA FL 1951-7	(*)	Notification of Salary Offset From Non-	
		USDA Credit Agency	
FmHA FL 1951-8		Request From Employee For Different	10-8-03
		Repayment Schedule	
RD FL 1951-8	(*)	Employee's Notice To The Agency	
		Requesting A Different Repayment Schedule	
FmHA FL 1951-C-1		Administrative Offset Notice	10-20-00
RD FL 1951-C-1	(*)	Administrative Offset Notice	
RD FL 1951-C-2	(*)	Notice of Debtor that Administrative Offset	
		Has Been Exercised and Intent to Collect by	
		Administrative Offset	
FmHA FL 1951-C-3	(*)	Administrative Offset Referral Letter	
RD FL 1951-C-4		Notification of Salary Offset	12-3-03
RD FL 1951-C-8	(*)	Employee's Notice To The Agency	
		Requesting A Different Repayment Schedule	
FmHA FL 1951-C-9	(*)	Borrowers Notification of IRS Offset	
		Review	
FmHA FL 1951-F-3		Letter Providing Borrower Prospectus	12-31-07
		Information	
FmHA FL 1951-F-9		Letter to request permission to provide	3-14-97
		prospectus to other lenders	

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA FL 1951-J-3		Notice to Non-program applicants of adverse	12-31-07
		decision and their review rights	
FSA FL 1951-S-2		Shared Appreciation Agreement opportunity to Suspend payment	12-31-07
FmHA FL 1951-T-1	5-FLP,	Notification of the Availability of the Disaster	
	Exhibit 10	Set-Aside Program	51110
FSA FL 1951-T-2		Notice of opportunity for a second installment set-aside due to declared disaster or low commodity prices	PN 113
FmHA FL 1955-C-1		Letter to Advise Beginning Farmer or Rancher	12-31-07
FIIIFIA FL 1955-C-1		Applicants/Borrowers in the Special Operating	12-31-07
		Loan Assistance Loan Program of the	
		Availability of Equipment in FmHA Inventory	
FmHA FL 1992-1		Report of Total Cash Payments in Excess of	11-13-96
		\$10,000	
FmHA FL 1992-2	5-FLP,	Notification of Transmittal to the Internal	
	Exhibit 66	Revenue Service (IRS)	
RD FL 1992-E-1		Report of Total Cash Payments in Excess of	12-31-07
		\$10,000	
FmHA GL 1900-B-1		Notification of Further Appeal Rights	7-8-98
FmHA GL 1900-D-1		Notice of Relationship or Association with a	7-8-98
		Recipient of FmHA Assistance	
FmHA GL 1900-D-2		Request to Review FmHA Assistance to an	12-1-06
		Employee, Relative or Associate	
FmHA GL 1900-D-3		Requirements for FmHA Assistance to an	12-1-06
		Employee, Relative or Associate	
FmHA GL 1900-D-4		Certification for FmHA Assistance to an	12-1-06
		Employee, Relative or Associate	

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA GL 1910-A-1	FSA-2304	Notice of Incomplete Application	
FmHA GL 1910-A-2	FSA-2305	Second Notice of Incomplete Application	
FmHA GL 1910-A-3	FSA-2307	Notification of Complete Application	
FmHA GL 1924-B-1		County Supervisor Notification to Applicants	7-8-98
		and Borrowers About Limited Resource	
		Loans	
FmHA GL 1927-B-1		Request for Title Opinion and Legal Services	12-31-07
FmHA GL 1943-A-1	3-FLP,	Memorandum of Understanding Between	
	Exhibit 16	FSA and [Enter Name of State Beginning	
		Farmer Program]	
FmHA GL 1951-1		Notification to Borrower of Eligibility of	12-31-07
		Loan Graduation Review	
FmHA GL 1951-2		Final Notice to Borrower to Provide Current	12-31-07
FmHA GL 1951-3	4-FLP,	Borrower Prospectus	
	Exhibit 24		
FmHA GL 1951-5		To Notify a Borrower to Refinance the	7-9-96
		FmHA Indebtedness	
FmHA GL 1951-6		Notification of Consequences Should	12-31-07
		Borrower Fail to Respond or Refinance the	
		FmHA Indebtedness	
FmHA GL 1951-7		To Notify a Borrower That FmHA will	12-31-07
		Continue With Loan(s)	
FmHA GL 1951-C-4		Notice of Intent to Employee About Salary	5-28-03
		Offset	
RD GL 1951-C-4	(*)	Notice of Intent to Employee About Salary	
		Offset	

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA GL 1951-F-5	4-FLP,	Notice to Borrower to Refinance FSA	
	Exhibit 25	Indebtedness	
FmHA GL 1951-F-8		Letter Reminding Borrowers of Graduation	9-28-00
		Requirement and OL and FO Time Restrictions	
FSA GL 1951-F-8	4-FLP,	Notice of Time Restrictions on Eligibility for	
	Exhibit 21	OL and FO Programs and the Graduation to	
		Commercial Credit Requirement	
FSA GL 1951-F-9	4-FLP,	Request for Graduation Information	
	Exhibit 23		
FmHA GL 1951-J-1	5-FLP,	Notice of Acceleration of Your Debt (Non-	
	Exhibit 40	Program) to the Farm Service Agency (FSA)	
		and Demand for Payment of That Debt	
FmHA GL 1951-J-2	5-FLP,	Notice of Acceleration of Your Farm Service	
	Exhibit 41	Agency (FSA) Account (Non-Program)	
FmHA GL 1951-J-3	4-FLP,	Denial of Non-Program Assistance	
	Exhibit 51		
FSA GL 1951-S-1		Reminder to Borrowers of Shared Appreciation	12-31-07
		Obligation	
FSA GL 1951-S-2	5-FLP,	Shared Appreciation Reminder	
	Exhibit 25		

12-31-07

12-31-07

#### **Forms List (Continued)**

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA GL 1962-A-1	4-FLP,	Initial Notification of 3 <sup>rd</sup> -Party Purchaser	
	Exhibit 32		
FmHA GL 1962-A-2		County Supervisor Notification to Purchaser	12-31-07
		of FmHA Security Property of Possible	
FmHA GL 1962-A-3		Notification to Receivers of FmHA 1962-A-2	12-31-07
		that No Action Will be Taken Against Them	
FmHA GL 1962-A-4	4-FLP,	SED Notification of 3 <sup>rd</sup> -Party Purchaser	
	Exhibit 33		
FmHA GL 1962-A-5	4-FLP,	Notification of Unauthorized Use of Proceeds	
	Exhibit 31		
FmHA GL 1980-B-1		First Notification of Incomplete Farmer	12-31-07
		Programs Guaranteed Application	
FmHA GL 1980-B-2		Second Notification of Incomplete Farmer	12-31-07
		Programs Application	
FmHA GL 1980-B-3		Certification of Complete Application	12-31-07
			1

Letter to Lenders for Collection Activity on

Request for New or Modification to the AD

Liquidated Accounts

HOC Reporting System

#### **C** Form and Guide Letters (Continued)

FmHA GL 1980-B-4

FmHA GL 2006-K-1

#### **D** Exhibits

The following lists all exhibits to FmHA or RD Instructions used for FLP delivery.

**Notes:** Exhibits to FmHA or RD Instructions that will be used after December 31, 2007, have been converted to either a form or Exhibit to the appropriate handbook.

The "Old Number" column provides the FmHA or RD Instruction number and Exhibit.

The "New Number" column provides the new number to be used after December 31, 2007.

The "Title" column provides the title of the document.

	New		Date Made
Old Number	Number	Title	Obsolete
426.1, Exhibit A		Escrow Agreement, Real Property Insurance (to	12-31-07
		collect proceeds from insurance and redistribute	
		to selected payees)	
442.11, Exhibit B		Tribal Council Resolution	1-28-02
442.11, Exhibit C		Assignment of Tribal Income and Funds	1-28-02
442.11, Exhibit D		Subordination Agreement	1-28-02
442.11, Exhibit E		Project Summary (Loans to Indian Tribes and	1-28-02
		Tribal Corporations)	
1901-E, Exhibit A		Memo RE Civil Rights Compliance Reviews	12-31-07
		completed	
1901-E, Exhibit B		Memo RE: Summary Report of Civil Rights	12-31-07
		Compliance Reviews	
1901-E, Exhibit C		Memo RE: FmHA Financed Contracts	12-31-07
1902-A, Exhibit B	FSA-2141	Interest-Bearing Deposit Agreement	

## **D** Exhibits (Continued)

	New		Date Made
Old Number	Number	Title	Obsolete
1910-A, Exhibit A	3-FLP,	Information Needed to Submit An FSA Direct	
	Exhibit 5	Loan Application	
1910-A, Exhibit B		Letter to Notify Socially Disadvantaged	12-31-07
		Applicants/Borrowers Regarding the Availability	
		of Direct Farm Ownership (FO) Loans	
1910-A, Exhibit C		Letter to Notify Applicant(s)/Borrower(s) of	12-31-07
		Their Responsibilities in Connection with FmHA	
		Farmer Program Loans	
1910-C, Exhibit A		Request for Commercial Credit Report	12-31-07
1922-A, Exhibit D		Farmers Home Administration Appraisal	4-12-00
		Certification Program , Semi-Annual Report	
1924-B, Exhibit A		Letter to Borrower Regarding Releases of Farm	12-31-07
		Income to Pay Family Living and Farm	
		Operating Expenses	
1951-A, Exhibit B	4-FLP,	Notice of Change in Interest Rate	
	Exhibit 20		
1951-D, Exhibit A	4-FLP,	Notification of Payoff Amount	
	Exhibit 26		
1951-F, Exhibit A	4-FLP,	Lender Agricultural Loan Underwriting	
	Exhibit 22	Standards	
1951-L, Exhibit A	5-FLP,	Initial Letter to Borrowers Who Received	
	Exhibit 30	Unauthorized Assistance	
1951-L, Exhibit B	5-FLP,	Letter to Borrowers Who Received Unauthorized	
	Exhibit 31	Assistance - Final Determination	

	New		Date Made
Old Number	Number	Title	Obsolete
1951-S, Exhibit	FSA-2510	Notice Of Availability Of Loan Servicing to	
A, Attachment 1		Borrowers Who Are 90 Days Past Due	
1951-S, Exhibit	FSA-2512	Notice of Availability of Loan Servicing to	
A, Attachment 1		Borrowers Who are Current, Financially Distressed,	
		or Less Than 90 Days Past Due	
1951-S, Exhibit	FSA-2511	Borrower Response to Notice of the Availability of	
A, Attachment 2		Loan Servicing - For Borrowers Who Received	
		FSA-2510	
1951-S, Exhibit	FSA-2513	Borrower Response to Notice of the Availability of	
A, Attachment 2		Loan Servicing - For Borrowers Who Received	
		FSA-2512	
1951-S, Exhibit	FSA-2514	Notice of the availability of loan servicing to	
A, Attachment 3		Borrowers Who Are in Non-Monetary Default	
1951-S, Exhibit	FSA-2515	Borrower Response to Notice of the Availability of	
A, Attachment 4		Loan Servicing - For Borrowers Who Received	
		FSA-2514	
1951-S, Exhibit	FSA-2521	Denial of Primary Loan Servicing and Intent to	
A, Attachment 5		Accelerate for Borrowers Who Received FSA-2510	
and 5A		or FSA-2514 and Applied for Servicing	
	FSA-2523	Denial of Primary Loan Servicing for Borrowers	
		Who Received FSA-2512 and Applied for	
		Servicing	
1951-S, Exhibit	FSA-2522	Borrower Response To Denial Of Primary Loan	
A, Attachment 6		Servicing And Intent To Accelerate For Borrowers	
and 6A		Who Received FSA-2510 Or FSA-2514 And	
		Applied For Servicing	
	FSA-2524	Borrower Response To Denial Of Primary Loan	
		Servicing For Borrowers Who Received FSA-2512	
		And Applied For Servicing	

	New		Date Made
Old Number	Number	Title	Obsolete
1951-S, Exhibit A,	FSA-2525	Intent to Accelerate for Borrowers Who	
Attachment 9 and		Received FSA-2510 or FSA-2514 and Did Not	
9A		Apply for Servicing or Did Not Accept	
		Servicing	
1951-S, Exhibit A,	FSA-2526	Borrower Response To And Intent To	
Attachment 10 and		Accelerate For Borrowers Who Received FSA-	
10A		2510 Or FSA-2514 And Did Not Apply For	
		Servicing Or Did Not Accept Servicing	
1951-S, Exhibit B	FSA-2519	Offer Of Primary Loan Servicing For	
		*Borrowers Who Received FSA-2512 And	
		Applied For Servicing*	
1951-S, Exhibit B,	FSA-2520	Acceptance Of Primary Loan Servicing For	
Attachment 1		Borrowers Who Received FSA-2512 And	
		Applied For Servicing	
1951-S, Exhibit C		Net Recovery Buyout Recapture Agreement	12-31-07
		(2 years)	
1951-S, Exhibit C-1		Net Recovery Buyout Recapture Agreement	12-31-07
		(10 years)	
1951-S, Exhibit D	FSA-2543	Shared Appreciation Agreement	
1951-S, Exhibit D-1	5-FLP,	Calculation of Shared Appreciation Recapture	
	Exhibit 26		
1951-S, Exhibit D-2		Addendum to Agreement to Suspend Payment	12-31-07
		of Shared Appreciation	

	New		Date Made
Old Number	Number	Title	Obsolete
1951-S, Exhibit E		Notification of Adverse Decision for Primary	12-31-07
		Loan Servicing, Mediation or Meeting of	
		Creditors and Other Options	
1951-S, Exhibit E,		Borrower's Request for Meeting of Creditors	12-31-07
Attachment 1		and Acknowledgement	
1951-S, Exhibit E,		Borrower's Request for Meeting of Creditors or	12-31-07
Attachment 2		to Negotiate the FSA Appraisal	
1951-S, Exhibit F	FSA-2517	Offer of Primary Loan Servicing for Borrowers	
		Who Received FSA-2510 or FSA-2514 and	
		Applied for Servicing	
1951-S, Exhibit F,	FSA-2518	Acceptance of Primary Loan Servicing for	
Attachment 2		Borrowers Who Received FSA-2510 or	
		FSA-2514 and Applied for Servicing	
1951-S, Exhibit F,	FSA-2529	Negotiated Appraisal Agreement	
Attachment 3			
1951-S, Exhibit G,		Notice of Availability of Option to Reamortize	12-31-07
Attachment 1		Certain Loans Secured by Future Revenue	
		Produced by Planting Softwood Timber	
1951-S, Exhibit K	FSA-2537	Notification of Consideration for Homestead	
		Protection	
1951-S, Exhibit K,	FSA-2538	Response to Notification of Consideration for	
Attachment 1		Homestead Protection for Borrowers Who	
		Received FSA-2537	
1951-S, Exhibit L	FSA-2539	Homestead Protection Program Agreement	
1951-S, Exhibit M	FSA-2540	Notice of the Availability of Homestead	
		Protection - Post Acquisition	
1951-S, Exhibit P	FSA-2547	Shared Appreciation Agreement Recapture	
		Reamortization	
1951-S, Exhibit P,	FSA-2548	Shared Appreciation Agreement Recapture	
Attachment 1		Reamortization 2 <sup>nd</sup> Notice	

	New		Date Made
Old Number	Number	Title	Obsolete
1951-T, Exhibit A	FSA-2501	Addendum to the Promissory Note or	
		Assumption Agreement for the Disaster	
		Set-Aside Program	
1955-A, Exhibit D	5-FLP,	Notice of Acceleration of FLP Accounts	
	Exhibit 49	Secured by Real Estate and/or Chattels in	
		Cases Not Involving Bankruptcy	
1955-A, Exhibit E	5-FLP,	Notice of Intent to Foreclose on Your Property	
	Exhibit 50	6 3	
		America and Acceleration of Your Loan	
	- EL D	Accounts	
1955-A, Exhibit E-1	5-FLP,	Notice of Acceleration of Your Debt to the	
	Exhibit 51		
		Bankruptcy Plan and Demand for Payment of	
1055 A E-hibit E	5 ELD	That Debt	
1955-A, Exhibit F	5-FLP,	Notice Advising of Potential for Referral to	
	Exhibit 44	5 6	
1955-A, Exhibit G	5-FLP,	Availability of Debt Settlement Worksheet for Accepting a Voluntary	
1955-A, Exhibit O	Exhibit 37	Conveyance of FLP Security Property Into	
	Exhibit 57	Inventory	
1955-A, Exhibit G-1	5-FLP,	Worksheet for Determining FLP Maximum	
1755-A, Exilibit 0-1	,	Bid on Real Estate Property	
1955-B, Exhibit B	5-FLP,	Notification of Tribe of Availability of Farm	
1955 D, Exhibit D	Exhibit 71	•	
1955-C, Exhibit A	5-FLP,	Notice of Special Flood, Mudslide, or	
	,	Earthquake Hazard Area	
1955-C, Exhibit E		Notice that inventory property bid has been	12-31-07
		accepted/not accepted for specific reason	
1955-C, Exhibit I	5-FLP,	Conservation Easement for Wetlands	
	Exhibit 74		

	New		Date Made
Old Number	Number	Title	Obsolete
1962-A, Exhibit D	5-FLP,	Notice to Borrower's Attorney Regarding	
	Exhibit 34	Loan Servicing Options	
1962-A, Exhibit D-1		Notice to Borrower Regarding Loan Service	12-31-07
		Options (B/no longer under the jurisdiction of	
		Bankruptcy)	
1965-A, Exhibit B		Notification of Other Lienholders Intent to	12-31-07
		Foreclose	
1965-A, Exhibit D		Equity Recapture Agreement (RH loan when	12-31-07
		liquidating the FP loans)	
1980-B, Exhibit A,		FmHA Approved Lender Program Lender's	2-17-99
Attachment 1		Agreement for OL, FO, SW	
1980-B, Exhibit A,		FmHA Approved Lender Program Lender's	2-17-99
Attachment 2		Agreement for OL Line of Credit Guarantee	
1980-B, Exhibit A,		Request for Loan Note Guarantee under ALP	2-17-99
Attachment 3		Agreement Applicable to Loan Note	
		Guarantee Cases	
1980-B, Exhibit D,		Request for Interest Assistance	2-17-99
Attachment 1			
1980-B, Exhibit D,		Interest Assistance Worksheet/Needs Test	2-17-99
Attachment 2			
1980-B, Exhibit D,		Interest Assistance Information Letter	2-17-99
Attachment 3			

# **E** Items and Publications

The following lists all FmHA and FSA items or publications used for FLP delivery.

**Notes:** The "Old Number" column provides the prefix and number of the item or publication before December 2007. If the item will be used after December 31, 2007, the new number and title are listed in the second and third column, respectively.

Items that will continue to be used after December 31, 2007, may be obtained from MSD Warehouse. To request items or publications, complete FSA-159, available at **http://intranet.fsa.usda.gov/dam/ffasforms/forms.html**, and submit by 1 of the following methods:

- FAX to 816-823-4740 or 816-823-4741
- e-mail to **ra.mokansasc2.kcasbwhse**
- mail to:

USDA/FSA/Kansas City Warehouse \*--2312 East Bannister Road Kansas City MO 64131-3011.--\*

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA Item 219		Instruction for form FmHA 431-2	12-9-03
FmHA Item 221	FSA-2008	Recorded security instrument envelope, 9x12"	
		with 11/2 " expansion	
		Notes: When completing FSA-159 to order FSA-2008 from MSD Warehouse in item 12 include:	
		<ul><li>FSA-2008-N for not expandable</li><li>FSA-2008-E for expandable.</li></ul>	
		A large supply of not expandable	
		FSA-2008 is currently available. When	
		possible, order the not expandable version of FSA-2008.	
FmHA Item 246		Farm assessment and supervision reference (Includes quick reference laminated card on field visits and farm planning and analysis and farm	12-9-03
		assessment market placement, and graduation videoconference training event questionnaire.)	
FmHA Item 246-A		Quick reference (Guide to Item No. 246.)	12-9-03

# **E** Items and Publications (Continued)

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA Item 256		National Office/Finance Office Focus users manual (Training guide)	12-9-03
FmHA Item 256A		Replacement pages - NO/FO focus users manual	12-9-03
FmHA Item 256B		Cover and spine - NO/FO focus users manual	12-9-03
FmHA Item 256C		Tabs for NO/FO focus users manual	12-9-03
FmHA Item 257 <u>1</u> /	(*)	USDA focus ad hoc reporting system manual - Field Office users manual	
FmHA Item 258		Learning to use SQL (*)CALC spreadsheet (Training manual)	12-9-03
FmHA Item 261		Guaranteed lending resource handbook (Cover insert and spine)	12-9-03
FmHA Item 262		Guaranteed lending resource handbook	12-9-03
FmHA Item 263		Guaranteed lending resource handbook (Tabs)	12-9-03
FmHA Item 277 and 277A and B		Farm and home plan job aids, cover insert, spine and tabs	12-9-03
FmHA Item 278		FmHA Executive information system (EIS) users guide – System	12-9-03
FmHA Item 278A		FmHA Executive information system (EIS) users guide - farmer programs	12-9-03
FmHA Item 406		Farmer programs application package	12-9-03

1/ FmHA Item 257 will continue to be used after December 31, 2007. However, it is not being renumbered.

# **E** Items and Publications (Continued)

	New		Date Made	
Old Number	Number	Title	Obsolete	
FmHA Item 434		Farm and home plan data transfer users manual,	12-9-03	
		cover insert, spine and tabs		
FmHA Item 434A		Farm and home plan data transfer utility diskette	12-9-03	
FmHA Item 434B		Farm and home plan information sheet and	12-9-03	
		installation/deinstallation instructions for FHP		
		data transfer utility software, version 1.1		
FmHA Item 436		Contents of loan servicing application package	12-31-07	
FmHA Item 437		FmHA AG credit flowcharts - definition: AG87	12-9-03	
FmHA Item 438		FmHA AG credit flowcharts - definition: AG90	12-31-07	
FmHA Item 440		FmHA AG credit version 3.0 users manual	12-9-03	
FmHA Item 441		At least part of the tabs in this packet pertain to	12-9-03	
		AG87 and AG90 charts		
FmHA Item 450		Equipment maintenance handbook - IBM (Rural	12-9-03	
		Development)		
FmHA Item 487		Environmental site assessment: transaction screen	12-9-03	
		questionnaire process (student manual)		
FmHA Item 490		Special assistance for beginning farmers and	12-9-03	
		ranchers (fact sheet)		
FmHA Item 512		Blue alpha index cards	12-9-03	
FmHA Item 514		Yellow index cards, various headings (indicator 12-		
		cards)		
Publication 622	622	Amortization Tables		

# F New Forms

The following lists new forms used for FLP delivery.

Form Number	Title
FSA-2002	Three Year Financial History
FSA-2003	Three Year Production History
FSA-2004	Authorization to Release Information
FSA-2005	Creditor List
FSA-2006	Property Owned or Leased
FSA-2123	Farm Loan Programs Testing Certification
FSA-2139	Financial Institution Notification of Social Security Number Requirement
FSA-2145	Demand for Withdrawal of Supervised Bank Account Funds
FSA-2302	Description of Farm Training and Experience
FSA-2306	Notice of Application Withdrawal/Pending Withdrawal
FSA-2308	Notice of Eligibility for FSA Assistance
FSA-2340	Selection of Attorney/Title Agent and Legal Services
FSA-2516	30 Day Reminder of the Notice of Availability of Loan Servicing
FSA-2523	Denial - No Feasible Plan - Current/Financially Distressed
FSA-2524	Borrower Response to Denial of PLS (Current/Financially Distressed)
FSA-2544	SAA 6 Month Contact Letter
FSA-2545	SA Due - Notification

# G New Exhibits

The following lists new exhibits used for FLP delivery.

	Handbook and	
Required Under	Exhibit	Title
FmHA GL 1943-A-1	3-FLP, Exhibit 16	Memorandum of Understanding Between FSA
		and [Enter Name of State Beginning Farmer
		Program]
Notice FLP-469, Exhibit 1	4-FLP, Exhibit 52	Borrowers Entering Active Duty
Notice FLP-469, Exhibit 2	4-FLP, Exhibit 53	Borrowers Leaving Active Duty
*Notice FLP-128,	5-FLP, Exhibit 13	Third Party Pledge of Security Notification
Exhibit 1		Letter
Notice FLP-128, Exhibit 1	5-FLP, Exhibit 14	Youth Loan Notification Letter*
FmHA Instruction 1951-J,	5-FLP, Exhibit 38	10-Day Notice of Non-Program Delinquency
Section 1951.457(b)		
FmHA Instruction 1951-J,	5-FLP, Exhibit 39	30-Day Reminder of Non-Program
Section 1951.457(b)		Delinquency
Notice FLP-467, Exhibit 2	5-FLP, Exhibit 52	Notice of Acceleration for FLP Accounts Held
		by Native American Borrowers and Secured
		by Real Estate Located Within a Recognized
		Reservation and Borrower Rights
Notice FLP-467, Exhibit 3	5-FLP, Exhibit 53	Notification of Options Available to the Tribe
Notice FLP-467, Exhibit 4	5-FLP, Exhibit 54	Information on Native American Borrower
		Rights Under the Consolidated Farm and
		Rural Development Act
Notice FLP-468, Exhibit 1	5-FLP, Exhibit 55	Notification to a Tribe of an American Indian
		Borrower's Request to Have a Loan Assigned
		to the Tribe (With Example Information)
Notice FLP-468, Exhibit 2	5-FLP, Exhibit 56	Notification to an American Indian Borrower
		of Acceptance of an Assignment Request
Notice FLP-468, Exhibit 3	5-FLP, Exhibit 57	Notification to an American Indian Borrower
		of Denial of an Assignment Request
RD Instruction 1955-B,	5-FLP, Exhibit 65	Notification of Personal Property
Section 1955.62(a)		
RD Instruction 1955-B,	5-FLP, Exhibit 71	Notification of Tribe of Availability of Farm
Exhibit B		Property for Purchase
RD Instruction 1955-C,	5-FLP, Exhibit 74	Conservation Easement for Wetlands
Exhibit H		
RD Instruction 1955-C,	5-FLP, Exhibit 75	Conservation Easement for Floodplains
Exhibit I		

#### **Delegating FLP Authority**

#### **A SED Delegations**

SED may delegate the following authorities to employees who have experience and completed the required training:

- authority to prepare chattel appraisals
- authority to prepare real estate appraisals when the total credit transaction is less than \$100,000
- authority to complete administrative appraisal reviews
- loan approval authority
- authority to establish and document the estimated value of real estate security when an appraisal has been waived for an EM according to 3-FLP, subparagraph 248 A.

#### \*--B FLC/FLM/SFLO Delegations--\*

The following is a list of authorities that may be delegated to employees who have experience and have completed any required training according to subparagraph 23 C.

Authority	AS	FLO	LOA	LRS	РТ
Sign correspondence as regular signing official.		X	X	Х	
Sign correspondence "for".	Х	X	X	Х	Х
Establish supervised bank account and deposit loan	Х	X	X	Х	Х
checks.					
Countersign supervised bank account	Х	X	Х	Х	Х
checks/withdrawals.					
Input pre-note information for EFT.	Х	Х	Х	Х	Х
Plan and inspect site development work.	Х	X			
Check preliminary title opinion for exceptions.	Х	X	X	Х	Х
Check final title opinion or mortgage policy for proper	Х	X	X	Х	Х
lien position.					
Review loan closing statement for proper funds	Х	X	X	Х	Х
disbursement.					
Execute financing statements or other legal instruments to	Х	Х	X	Х	Х
obtain and preserve security on chattel loans.					
Approve FSA-2242.	Х	X	X	Х	Х

# **Delegating FLP Authority (Continued)**

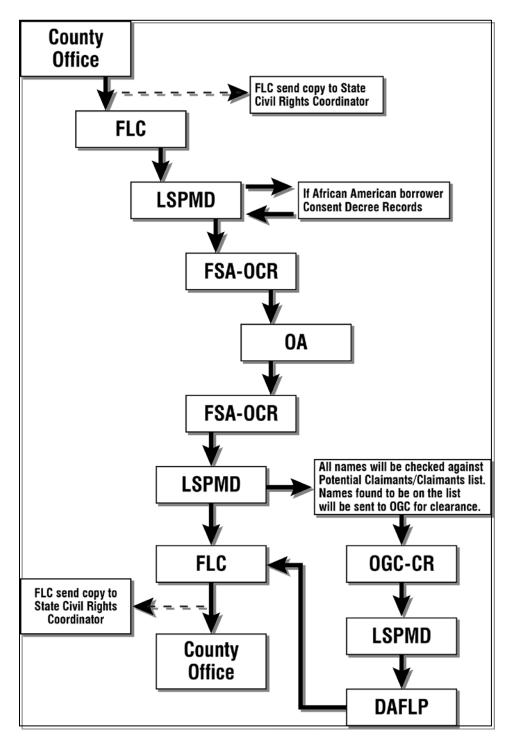
#### \*--B FLC/FLM/SFLO Delegations (Continued)

Authority	AS	FLO	LOA	LRS	РТ
Review loan closing and issue FSA-2235.		X			
Approve satisfaction/release of security instruments.	Х	X	X	Х	Х
Prepare FSA-2040.	Х	X	X	Х	
Release chattel/crop security per approved FSA-2040.	Х	X	Х	Х	Х
Revise Farm Business Plan and FSA-2040 when	X	X	Х	Х	
necessary.					
Approve replacement/development - use of insurance	X	Х			
proceeds.					
Approve servicing actions, including liquidation plans	Х	X			
submitted by lenders.					
Requests for PLCE goods and services.	Х	Х	Х	Х	Х
Approve loan restructuring.	Х	X			
Approve emergency advance requests.	X	Х	X	Х	
Complete lender reviews.	Х	X	Х	Х	
Ordering credit reports.	X	X	Х	Х	Х
Execute FSA-2232.		X			
Execute FSA-2235.		X			
					*

**Note:** Delegated authorities for agency officials that were granted before December 31, 2007, using previous form numbers or regulation citation will not have to be reissued. These delegations remain valid and it is not necessary to modify them if the reason is only to change references to the new streamlining handbooks.

# **Discrimination Complaint E-Mail Clearance System**

\*--The following illustrates the clearance process used before acceleration, foreclosure, and CNC for all accounts.



**Note:** When a review has been completed through this process for pre-acceleration, the Consent Decree Record for African American borrowers, OGC CR, and DAFLP reviews will not be completed again for the pre-foreclosures and CNC clearances.--\*

#### Instructions for E-Mail to the National Office for Discrimination Complaint Status

# A E-Mail Recipients

FLC or designee shall provide an e-mail to the National Office at **FSA-DIRECTLOANS@wdc.usda.gov**.

#### **B** E-Mail Subject

The e-mail subject block should read, "Civil Rights Complaint Clearance - Borrower's Name and State".

# C E-Mail Attachment

\*--The e-mail attachment shall:

- be encrypted using the current FY national DAFLP password--\*
- include the following information for the primary borrower:
  - name and 12-digit account number (State and county code and SSN/TIN)
  - complete residence address
  - race
  - gender
  - ethnicity (Hispanic or not Hispanic)
  - youth loan only (yes or N/A)
  - include the following information for **all liable parties**:
    - name
    - SSN
    - race
    - gender
    - ethnicity (Hispanic or not Hispanic)
  - provide the type of request (pre-acceleration, pre-foreclosure, or CNC)
  - include prior review history including the following information:
    - previously cleared for acceleration by memo or e-mail on (specific date)
    - case review (specific date) and returned for additional servicing
  - include prior civil rights complaint information, including complaint number if known.

**Note:** The prior civil rights complaint information will help to clarify complaints that may have been previously closed or to further identify the race or involvement in pending suits against the government. That is, possible Keepseagle, Pigford, Love, or Garcia; ALJ Case #XXXXXXX, last contact (specific date).

# C E-Mail Attachment (Continued)

If the case involves a borrower who is a claimant under a Class Action or USDA Settlement \*--Agreement, follow guidance in Exhibit 13.5.--\*

#### \*--Servicing Settlement Claimants and National Office FLP Programmatic Review

# A Background

The *Pigford, Keepseagle, and Pigford II* legal settlements and USDA's initiative to settle outstanding group actions (Women and Hispanic) have affected the way FSA services delinquent loan accounts of claimants in these cases.

#### **B** Closed Settlement Claims

A claim is considered closed when a final decision has been issued.

State Offices:

- are advised by CDAT when a *Pigford* claim is closed
- will be advised by memorandum from DAFLP when *Keepseagle*, *Pigford II*, Women, and Hispanic claims are closed.

All closed claims will fall into 1 of the following 2 categories.

- Category 1 individuals:
  - whose settlement claims have been closed and were **not** delinquent on their FLP debt at that time; or
  - who had no FLP loans.
- Category 2 individuals whose settlement claims have been closed and were delinquent on their FLP debt at that time.--\*

#### Servicing Settlement Claimants and National Office FLP Programmatic Review (Continued)

#### **C** County Office Servicing Actions

Upon receiving notification that the claim of a settlement claimant has been closed, the County Office will service the account according to the following.

- Category 1 cases require no special servicing.
- Category 2 cases.
  - Delinquent borrowers with outstanding servicing applications that have not been concluded. Contact the borrowers to determine whether they want to continue with the existing loan servicing application or receive a new notification of the availability of loan servicing.

Note: Use FSA-2198 or FSA-2199, as appropriate, to contact these borrowers.

- For borrowers who return FSA-2198 or FSA-2199, as appropriate, within 15 calendar days, begin the loan servicing process again by sending a new notification of the availability of loan servicing according to 5-FLP, Part 3.
- For borrowers who do not return FSA-2198 or FSA-2199, as appropriate, within 15 calendar days, continue processing the pending application.
- **Note:** Claimants may have an appeal hearing in suspension, pending closure of their claim. When the authorized agency official is notified that the claim has been closed, the official should notify the Appeal Hearing Officer of the closure.
- •\*--Delinquent borrowers with no pending servicing request. For delinquent borrowers where the special servicing application has been concluded and the account has not been accelerated, send a new notification of the availability of loan servicing according to--\* 5-FLP, Part 3. The decision on the settlement claim may have improved borrowers' financial conditions and could affect their ability to qualify for FSA assistance.
  - **Note:** When all loan servicing rights have been concluded for Category 2 borrowers, without resolving the delinquency, submit the completed FSA-2580 and FSA-2581, to the State Office, as required by 5-FLP, subparagraph 533 B.

\*--Servicing Settlement Claimants and National Office FLP Programmatic Review (Continued)

- C County Office Servicing Action (Continued)
  - Delinquent borrowers whose accounts have already been accelerated. Except for cases already held by DOJ, submit the completed FSA-2580 and FSA-2581 to the State Office requesting civil rights clearance review required by subparagraph 41 H or pre-CNC if liquidation has already occurred. If DOJ is holding a case, the U.S. Attorney's office should be advised when the claim is closed.

If a Category 2 borrower's delinquency is cured by payment, rescheduling, writedown, or any other resolution, and a new delinquency occurs at a later date, the normal pre-acceleration review required by Exhibits 12 and 13 will be performed. Likewise, Category 1 individuals who later become delinquent on any FLP debt will be subject to the same review process.

# **D** State Office Servicing Action

For Category 2 borrowers, when requesting the National Office civil rights clearance required by subparagraph 41 H, in addition to the documentation required by Exhibit 13, the State Office will include FSA-2580 and FSA-2581 documenting the findings of the State Civil Rights Review Group.

**Note:** FSA-2580 and FSA-2581 only need to be submitted once. If FSA-2580 and FSA-2581 are submitted for pre-acceleration clearance of a Category 2 borrower, FSA-2580 and FSA-2581 will not need to be submitted for subsequent pre-foreclosure and/or pre-CNC clearance.

#### **E** National Office Action

The National Office shall:

- review FSA-2580 and FSA-2581, other documentation provided according to Exhibit 13 and supporting documentation found in DLS-Special Servicing, FBP, and eDALR\$ to ensure that all servicing and appeal rights were properly administered before further consideration of acceleration, foreclosure, or CNC
- provide written guidance to the State Office for each case after completing the review.--\*

#### Exhibit 13.5 (Par. 41, Ex. 13) \*--Servicing Settlement Claimants and National Office FLP Programmatic Review (Continued)

# F Servicing Actions for Pending Settlement Claimants

Until individual claims are closed through the respective settlement processes, the policy of not accelerating or foreclosing against claimants remains in effect. Do not take acceleration or foreclosure action until a claim has been closed, and for Category 2 borrowers, the National Office has provided written guidance according to subparagraph E.

Where there is a potential fraud in borrowers' loan relationships with FSA, for example, conversion, the cases would generally be referred to OIG with copies to OGC. In cases where the borrowers are claimants, continue to refer the particulars of the situations to OIG with copies to OGC, including any applicable information about the claimant's under the respective settlement.--\*

# \*--SCIMS-PLAS ORACLE Hyperion Reports

#### A Accessing Reports

Access the SCIMS-PLAS reports as follows.

From the FSA Intranet Home Page, Under "Resources", CLICK "FSA Applications".

Search	FSA Intranet
Resources	In the Spotlight Archive 🕑
FSA Applications FSA Releases FSA Infrastructures and	ations and programs rmation Security Program Policies Now Available Online
Unapproved Software FSA Employee	(5/12/11)
Directory Supporting Military	<ul> <li>Human Resources Division Launches Hiring Reform Website to Help Hiring Managers (5/11/11)</li> </ul>
Families Organization	<ul> <li>FSA Electronic Suggestion Box Receives Nearly 400 Suggestions in First Month (5/11/11)</li> </ul>

Under "Common Applications", CLICK "FSA Data Marts".

Search	FSA Applications	
Go Links	Common Applications	Conservation
FSA Applications FSA Releases FSA Infrastructure Service Center Agencies Online Unapproved Software FSA Employee Directory Supporting Military Families Other Related Links ITSM Project (Magic Replacement) BPMS CCE DACO	<ul> <li>CARS - Crop Acreage Reporting System</li> <li>Common Payment Reports System</li> <li>eForm (Employee site to process eForms)</li> <li>Fiduciary</li> <li>Comprehensive Information Management Systems (CIMS)</li> <li>RLMS (eRep)</li> <li>RLMS Report (eRep)</li> <li>Farm Records</li> <li>ICAMS</li> </ul>	<ul> <li>Program Provisioning</li> <li>Conservation Funds Ledger System (CFLS)</li> <li>Conservation On-Line</li> </ul>
DACO DAFO Training FFAS	Fed Traveler     FSA Data Marts	Farm Loan Programs
ITS Website KC & STL	<ul> <li>LRA Site(Identity Proof a customer)</li> </ul>	• Farm Loan Programs Systems
NITC	• OTIS	Price Support

# \*--SCIMS-PLAS ORACLE Hyperion Reports (Continued)

# A Accessing Reports (Continued)

On FSA Data Warehouse Home Page, CLICK "Oracle EPM 11 Data Marts".

USDA In		ata Warehouse ome Page		
<u>Help Desk for Non-</u> <u>Report Issues</u>	Data Warehouse N	•		
Data Security Access Authorization Form	ITS <u>Alerts</u> <u>Click here to view planned or unexpected changes/outages/alerts</u>			
(FSA-13)	FSA has now completely upgraded to the Hyperion	Read Important Information for:		
<u>Obtain E-Auth ID</u>	reporting too. Brio has been disabled. Hyperion software should have been installed on your PCs. Please click on the link titled 'Navigation through Hyperion' on the right for	<u>States that use FSA State County Data Mart</u> Federal Non-Federal Financial Reports		
Hyperion Training	instructions to access a data mart. Hyperion will have a different look from the Brio Web page	<u>States and Large Offices using all other Data Mart</u> <u>Reports</u>		
NOTICE! You are entering an Official	data marts, the reports themselves have not changed. General information that applies to all data marts may be displayed in this area from time to time. Please refer to this screen often.	Navigating through Hyperion		
United States Government System, which may be used only for authorized purposes. Unauthorized modification of	Click on the link to the right titled 'Hyperion Data Marts' and provide your Eauth Id and password to enter Hyperion.	Hyperion Data Marts		
any information stored on this system may result in oriminal prosecution. The Government may monitor and audit usage of	provide your Lauth in and password to enter Hypenon.	Oracle EPM 11 Data Marts		

Under "Link", CLICK "EPM Workspace".

Link EPM Workspace	ESA Data Warehouse Production Home Page
Informational Link	space Velcome to the home page for the FSA Data Warehouse Production Home Page.
Automated Systems Alerts Help Desk Support	This site is your portal to the FSA Production Data Warehouse. Use the EPM Workspace link on the left to proceed.
Data Security Access Authorization Form Obtain E-Auth Id	This site and the related web pages will be evolving as we develop and expand with new features and new software capabilities.
	If you have any technical issues, please contact the ITS Help Desk at <b>1-800-457-</b> <b>3642</b>
	The white links retrieve the informational pages that provide you with the status of the systems, how to obtain Help desk support, obtain FSA 13a for access, and how to obtain an E-Auth Id.

--\*

# \*--SCIMS-PLAS ORACLE Hyperion Reports (Continued)

#### A Accessing Reports (Continued)

After logging in with eAuthentication user ID and password, the following screen will be displayed. CLICK "**Explore**".

*	\$	Oracle Enterprise Performance Management System		🏠 🔹 🗟 📩 🖶 🖓 Pagi	e 🕶 🕥 Tools 🔹 »
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-		n 🎓 🏕 Explore		Search	2
/Shar	red W	orkspace Pages/HomePage			×
		Explore			<u></u>
	(	Recently Opened	Quick Links		
		Copen	Favorites		
			My Personal Page		
			Applications		
	(	Workspace Pages			

User can CLICK"+" or "–" to expand the menu options on the screen. The SCIMS-PLAS reports are located under the Program Loan Accounting Section.

File View Favorites Tool	ls <u>H</u> elp	Welcom	e - Production Tammy P. Phel	ps   Log Off ORACLE
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Folders	! * Name A	Туре	Modified	Description
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🖃 💋 Farm Loan Programs Data Ma	📁 Shared Workspace Pages	Folder	6/3/10 10:43 AM	
±				
👸 Goal OnDemand Reports				
📁 Information				
📁 OnDemand Reports				
	1			
SCIMS to PLAS				
📁 Reports				
💋 Scheduled Jobs				
Scheduled 2008				

# \*--SCIMS-PLAS ORACLE Hyperion Reports (Continued)

#### A Accessing Reports (Continued)

To open options to select the appropriate report, Under "Folders", DOUBLE-CLICK "SCIMS to PLAS".

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		Accounting System (PLAS) OnDemand Reports/SCIMS to PLAS	20	in the posterior	W.	
Folders	1 *	Name 🔺	Туре	Modified	Description	
-j 📁 Root		SCIMS to PLAS Discrepancy	Interactive Reporting Do	11/18/10 8:42 AM		
🖃 📁 Farm Loan Programs Data Ma		SCIMS to PLAS Exception	Interactive Reporting Do	11/18/10 8:42 AM		
🗄 📁 Direct Loan System (DLS		SCIMS to PLAS Update	Interactive Reporting Do	11/18/10 8:42 AM		
📁 Goal OnDemand Reports						
📁 Information						
📁 OnDemand Reports						
🖃 📁 Program Loan Accounting						
💋 SCIMS to PLAS 🥌						
📁 Reports						
💋 Scheduled Jobs						
👸 Shared Workspace Pages						

The following is an example of the selected report that will be displayed, if available. The user shall select the applicable State and other filter information.

USDA	
Farm Service Agency	
SCIMS to PLAS U	Update
Date Selection:	State Selection:
05/19/11 🛛 👻	KENTUCKY 🗸
Drill Down Selection:         District:       Servicing Office:         All Districts       All Service Office         District 504       District 505         District 505       District 505         Very NE       Very NE         Hold the CNTL or SHIFT key down for N         SCIMS-PLAS Update State Report         SCIMS-PLAS Update District Report         SCIMS-PLAS Update Service Office within State Report	MASSACHOSETTS MICHIGAN MINNESOTA MISSISSIPPI MISSOURI MONTANA NEBRASKA

**Note:** Users who do not currently have access to the Hyperion Data Mart should contact the State SLR for assistance in obtaining access.--\*

# **SCIMS-PLAS ORACLE Hyperion Reports (Continued)**

# **B** SCIMS-PLAS Exception Report

Exceptions found between current PLAS borrower information and current SCIMS borrower information prevent updating name and address information in PLAS from SCIMS. The SCIMS-PLAS Exception Report provides the current PLAS borrower case number, name, and address information, the current SCIMS name and address information, and a descriptive exception type message that allows the County Office to make corrections.

\*--If the correction is made in BP, the SCIMS-PLAS update process will correct PLAS, allowing--\* for 2 workdays. If the correction is made in PLAS, users need to process the appropriate ADPS transaction or make the appropriate contact for assistance.

The SCIMS-PLAS Exception Report is a **cumulative** report; therefore, only the most recent report is viewable each day. The following is an example format.

Case Number	Exception Type	Borrower Information (P=PLAS, S=SCIMS)
XX-XXX-XXXX	SCIMS TAXID INACTIVE	(P) SMITH, MARIA A 246 ELM HWY MONROE, AL 12345
		(S) SMITH, MARIA A 123 COUNTY RD MONROE, AL 12345

Exception Type	Description	<b>Corrective Action</b>
NO SCIMS BUSINESS NAME	Business name is missing in SCIMS.	Add the missing
NO SCIMS LAST NAME	Last name is missing in SCIMS.	*information to BP*
NO SCIMS FIRST NAME	First name is missing in SCIMS.	
NO SCIMS DELIVERY	Delivery address is missing in SCIMS.	
ADDRESS		
NO SCIMS CITY	City is missing in SCIMS.	
NO SCIMS STATE	State is missing in SCIMS.	
NO SCIMS ZIP CODE	ZIP Code is missing in SCIMS.	
SCIMS CONTAINS	Invalid information is in the SCIMS	Modify borrower
"DECEASED"	name or address fields.	*information in BP*
SCIMS CONTAINS		to correct invalid
"INVALID"		information.
SCIMS CONTAINS		
"DELETED"		
SCIMS CONTAINS		
"UNKNOWN"		
SCIMS CONTAINS		
"INACTIVE"		
NO SCIMS CURR-MAILING-	The borrower is in SCIMS, but the	*Set the BP current*
INDICATOR	current mailing indicator has not been	mailing indicator.
	set.	

The following table provides the description and corrective action for each exception type.

#### SCIMS-PLAS ORACLE Hyperion Reports (Continued)

#### **B** SCIMS-PLAS Exception Report (Continued)

Exception Type	Description	Corrective Action
NO SCIMS MATCH FOR	The borrower is present in both	*Change BP to reflect
PLAS BUSINESS	SCIMS and PLAS, but the Type of	the correct type.
NO SCIMS MATCH FOR	Applicant code in PLAS does not	
PLAS PERSON	correspond to the customer type/tax	
	ID type combination in SCIMS.	
SCIMS TAXID INACTIVE	Tax ID code in SCIMS is set to	Contact the State Office.
	"Inactive".	
NO SCIMS INFORMATION	Borrower is not present in SCIMS.	Research and determine
FOR TAXID		whether BP input is
		required. Input should
		be justified by more than
		clearing the exception.
SCIMS ADDRESS EXCEEDS	The borrower's delivery address in	Modify address
38 CHARACTERS	SCIMS exceeds the characters	information in BP to*
	accommodated in PLAS address fields	condense it, using
	(2 address fields of 19 characters	standard USPS
	each). In this case, delivery address	abbreviations.
	information is truncated during the	
	nightly update process.	

**Notes:** Users must exercise caution when entering/modifying information for "Delivery

\*--Address" in BP, as there is no exception type provided for invalid name/address. Misspelling a name or an invalid address in BP will result in an update from SCIMS to--\* PLAS that is inaccurate and may not be detected until mail is returned as undeliverable.

A triple space between characters is used systematically to terminate the collection of SCIMS address information during the nightly PLAS update process. Erroneous spacing in SCIMS:

- will decrease the information input to PLAS
- will likely update PLAS with an incomplete address
- may sometimes create an exception for "SCIMS address exceeds 38 characters".

The SCIMS-PLAS update process does not update PLAS for a borrower that has only guaranteed loans. \*\*\*

# SCIMS-PLAS ORACLE Hyperion Reports (Continued)

# C SCIMS-PLAS Update Report

The SCIMS-PLAS Update Report displays the current PLAS case number, TC, "PLAS" field, information in PLAS before the update, and information now in SCIMS that has most recently updated PLAS. This is a daily report and users have the option to view reports from the past 30 calendar days. The following is an example of the SCIMS-PLAS Update Report's format.

		PLAS		
Case Number	<b>Date</b>	Tran Code	(PLAS) Field	Borrower Information (P=PLAS, S=SCIMS)
XX-XXX-XXXX	XX/XX/XX	4C	NAME/ADDRESS	(P) SMITH, MARIA A 246 ELM HWY MONROE, AL 12345
				(S) SMITH, MARIA A 123 COUNTY RD MONROE, AL 12345

Validation Action: Users review each item on the report to verify the accuracy of borrower information. If an error is detected for the information submitted in
 \*--SCIMS, users shall make the necessary modification in BP. A new--\* TC 4C will then be generated as part of the nightly update process.

#### **D** SCIMS-PLAS Discrepancy Report

The SCIMS-PLAS Discrepancy Report lists TC 4C discrepancies that resulted from the previous night's update. These discrepancies are the same as ADPS discrepancies on PLAS; however, \*--they will **not** appear on ADPS. These discrepancies must be corrected by NFAOC. Users shall contact NFAOC according to paragraph 5 for assistance.--\*

This is a daily report and users have the option to view reports from the past 30 calendar days.

**Note:** The SCIMS-PLAS Discrepancy Report should generally remain empty.

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# Farm Business Plan System

# with Web EQUITY MANAGER®

A component of *eLoans* 

# FSA User Guide



USDA... electronically available any place, any time.



Farm Service Agency

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#### **A** Overview

#### **1** Farm Business Planning

FSA uses the FBP system to perform farm planning and analysis, loan origination and servicing functions, and manage the FLP loan portfolio. This will allow FSA to:

- assist customers in planning their business operations, either online or through traditional business methods
- improve the timeliness and quality of service
- thoroughly analyze credit actions with an improved, yet consistent process
- use accrual analysis, when appropriate, in analyzing credit decisions and preparing plans
- improve loan documentation and compliance with audits
- empower States to proactively manage their loan portfolio by providing access to a data mart of financial information.

Because the FBP system is flexible, there are many ways to deal with different circumstances. This user guide is designed as a starting point to provide overall FSA policy in farm planning and analysis, and discuss policies and business practices FSA has implemented in FBP. Additional information about actual software usage is available through the online eHelp.

.\*--See Getting Help (Section L).--\*

The term "FBP" is used in the following 2 contexts:

- collecting documents that compose FBP
- the system used to create the document FBP.

A Overview (Continued)

#### 2 System Access and Security

FSA authorized users can access the system using Microsoft Internet Explorer 7.0+ directly through the Internet at **https://wem.sc.egov.usda.gov/fem\_web\_webcaaf.asp** or through the FSA Intranet at **http://intranet.fsa.usda.gov/fsa**, under "FSA Applications":

- CLICK "Farm Loan Programs Systems"
- CLICK "Logon"
- enter eAuthentication credentials
- under "Applications", CLICK "Farm Business Plan".

The authentication and authorization of users is made using USDA's eAuthentication application. To use FBP, users must have both of the following:

- valid eAuthentication ID and password
- access authorized by the State FBP Coordinator.

Notes: For problems logging in, see Getting Help (Section L).

\*--Do not open 2 sessions of Web Equity at the same time as this may cause data corruption.--\*

#### a User Access to the FBP System

Unless otherwise determined by the FBP Coordinator or FLC, the following employees will be provided with access to FBP after their eAuthentication ID has been obtained:

- FLM's
- SFLO's
- FLO's
- FLOT's
- FLP technicians
- DD's
- COR's
- FLC and staff
- CED's with loan approval authority.

User access requests, which include "Add", "Delete", or "Modify", must be submitted and processed as follows.

- **A Overview** (Continued)
  - 2 System Access and Security (Continued)
    - a User Access to the FBP System (Continued)

#### For FSA State Office and Service Center Employees.

- •\*--The immediate supervisor or FLM is responsible for completing the following sections on FSA-13-A for all FBP user requests:
  - Items 1-11, as applicable
  - Other/Comments
  - Justification
  - Print User's Approving Official Name and Title
  - Signature
  - Date.
- A request to "Add" a user to FBP should be completed as soon as an employee has obtained an eAuthentication ID.

Other/Comments:	Section is completed to "Add" or
Add FBP Access	"Delete" a user from FBP.
Justification: Per 1-FLP, Exhibit 15, Section A 2 a	Delete a user from FBF.

- A request to "Delete" a user from FBP should be completed as soon as the supervisor determines the employee no longer requires access.
- A request to "Modify" (name change) a user in FBP should be completed as soon as the employee notifies the supervisor of the change.

Other/Comments:		
Modify FBP Access – last name has been changed from (previous name) to (current name).		
Justification:		
Per 1-FLP, Exhibit 15, Section A 2 a	Section is completed to "Modify" (example:	
	last name change) a user in FBP.	

- **Note:** A request for FBP access may be combined with multiple system requests on a single FSA-13-A as long as the "Other/Comments" and "Justification" sections are completed as instructed.
- Submit completed FSA-13-A to the State Office according to State-established procedures.--\*

- A Overview (Continued)
  - 2 System Access and Security (Continued)
    - a User Access to the FBP System (Continued)
      - FLC or FBP Coordinator will:
        - ensure that a completed/signed FSA-13-A has been received before FBP user access request is processed
        - process FSA-13-A according to FBP State FBP Coordinator User Guide, Section C1 or C2
        - •\*--after the request has been processed, complete, sign, and date the "ASA / Application Approver Name & Title" line located beneath the "Justification"

ASA / Application Approver Name & Title:	For Application(s):	Signature:	Date:
—			
Figure 0, FLC or FBP Coo		*	

- send the processed FSA-13-A to the SLR, with a request that the form be e-mailed or FAXed to ISO at 877-828-2051
- notify the immediate supervisor and employee when FSA-13-A has been processed
- monitor emails received from ISO when an employee has left FSA. If FSA-13-A has not already been received, then notify the employee's supervisor that FSA-13-A needs to be completed

**Note:** The ERSR online system cannot be used for FBP access requests.

• ISO will send a confirmation email when FSA-13-A is received.

### FSA National Office and Other Employees

FSA-13-A's for National Office, KCMO, contractors, and other employees will be completed by the immediate supervisor and submitted to Pixie Greer, FBP Program Sponsor by e-mail to **pixie.greer@wdc.usda.gov** or by FAX to 202-720-8474.

# A Overview (Continued)

# 2 System Access and Security (Continued)

### **b** Exiting the FBP System

FSA users **must** always exit FBP by clicking "Log Out" at the top of the page.

### c Customers Obtaining Access to the FBP System

Customer access to FBP is **not** currently available.

## **3** Privacy of Information

All data communications between the client web browser and server, including user ID's, passwords, and all financial information, is protected by industry standard 128-bit SSL encryption. For more information on eSignatures, see **Electronic File Maintenance, Reports, and Signatures** (Section B).

## **A** Overview (Continued)

## 4 Defaults

Most system defaults are controlled at either the national or State level; however, the following defaults listed may be modified by Service Center users.

## a Creditors

Commonly used creditors have been established for each service center and appear as defaults in the customer's balance sheet loan schedules. New creditors can be added to the "Service Center Creditors" list as needed, however changes will only be available in new customers added after the change is made. For existing customers, changes to the creditor list will need to be made in the individual customer's creditor list.

To access the Service Center creditor list:

- CLICK "Defaults", "Creditors" from the toolbar
- enter the new creditor information; example "Bank of Hope", then CLICK "Add".
- \*--Note: FSA has already been added as a default and is tied to the collateral analysis. Do not add FSA as a creditor because the duplicate will not be tied to the collateral analysis.--\*

File	Defaults	DecisionMgr								
Hilo	Service Center, HI				Creditors			•	Summary	• Detail
	Name	Abrv.	Ours?	Туре	ID	City	State/Province		Print on Report Foot	ter
	Bank of Hope	BOH		Bank	~		Hawaii	*		Add
Use?					Save & Stay					<b></b>
	Ag Star Finanacial Services	Ag Star Finanac		Farm Credit					0	

Figure 0a, Adding creditor to Service Center Default List

The new creditor will be added with a check ( $\checkmark$ ) in the "Use?" column. The new creditor will automatically be available for selection in all new customers added to the FBP.

If users uncheck ( $\checkmark$ ) the "Use?" box, the creditors will no longer be available for selection.

Γ	Bank of Hope	BOH	Bank	Hawaii	0	Edit 🗙
	Bureau of Indian Affairs	BIA	Govt - Other		0	
	Case IH Credit	Case IH Credit	Mach/Equip. Co.		0	

Figure 0b

- A Overview (Continued)
  - 4 Defaults (Continued)
    - a Creditors (Continued)
    - \*--For existing customers, users will need to access the individual customer record and "Copy" the new creditor into the Creditor List, as follows:
      - access the existing customer's Loan Schedule or Loan Detail Screen
      - CLICK "Creditor".

11/20/2011 Test	Existing Loan Detail	<u>Select</u>
Save & Stay	<u>Save &amp; Add New</u>   <u>Save &amp;</u> <b>1</b>   <u>Save &amp; Menu</u>	
* Indicates Required		
Account Type	Ag. 🗸	
Creditor	Select 💉	
Loan Number		

Figure 0c, Adding Creditor to Customer Creditor List

• CLICK "Copy Location Creditor"

11/20	1/20/2011 Customer Creditors C						• s	Summary ODetail	
	Name	Abrv.	Our ?	Туре	D	City	State/Province		Print on Report Footer
	Bank of Hope	BOH		Bank 🗸			Hawaii	*	Add
×	Copy Location Creditor			Save & Stay	<u>Save &amp;</u>	Save & Menu			
	FSA	FSA		Govt - Other					•
	Case IH Credit	Case IH Credit		Mach/Equip. Co.					0

Figure 0d, Copy Creditor--\*

# Exhibit 15 (Par. 48, 242)

# Farm Business Plan - FSA User Guide (Continued)

- A Overview (Continued)
  - 4 Defaults (Continued)
    - a Creditors (Continued)
      - •\*--CHECK (✓) next to the creditors from the Service Center Creditors List to be copied to the existing Customer Creditors List
      - CLICK "Copy"
      - creditor will be copied into the Customer Creditors List.

<b>Copy Location Creditors</b>	<b>To Customer Creditors</b>
Check All	Uncheck All
Copy	
Hilo Service Center, HI Creditors	Customer Creditors
FSA ()	FSA
Bank of Hope ()	Case IH Credit
Case IH Credit ()	CENTRAL PACIFIC BANK
	Commodity Credit Corp.
CENTRAL PACIFIC BANK ()	FEDERAL LAND BANK ASSN
Commodity Credit Corp. ()	FIRST HAWAIIAN BANK
FEDERAL LAND BANK ASSN ()	Ford Motor Credit GMAC
FIRST HAWAIIAN BANK ()	HAWAII NATIONAL BANK
Ford Motor Credit ()	HAWAII PCA
GMAC ()	John Deere Credit
	New Holland Credit
HAWAII NATIONAL BANK ()	Rural Development
HAWAII PCA ()	
John Deere Credit ()	
New Holland Credit ()	
Rural Development ()	
Top Of	Page

**Figure 0e, Select Creditor** 

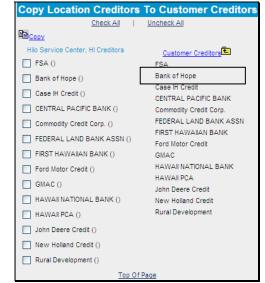


Figure 0f, Copied to Customer Creditors List--\*

•

- A Overview (Continued)
  - 4 Defaults (Continued)

## b Crop and Livestock NAICS Codes

Commonly used crop and livestock categories have been established and will appear as defaults on Income/Expense drop-down menus. Users cannot add additional crop or livestock categories to the commonly used list for a Service Center or State; however, users can add additional defaults for individual customers. Additional categories can be added when actual or projected income/expenses are entered on the crop or livestock schedules or when inventories are entered on balance sheet schedules.

\*--After accessing the Livestock & Poultry Sales schedule, CLICK "Description Per Unit Defaults" in the left corner to add a new category.



Figure 1

Select the needed category from the "Description" drop-down menu, enter "Type" and "Measure" information, and CLICK "**Add**". This category will now be available in the defaults whenever this customer is selected.

	Custom	er NAICS	Livestock	
Description	Туре	Measure	Proj. Per U.	Code
Livestock-Other-	💙 Buffalo	HD	* 0	11299-99 Add

Figure 2

## A Overview (Continued)

## 5 Adding and Accessing Customers in FBP

The Locator Screen is where the user will manage their list of customer records and is also the first screen that displays when you log in to FBP.

#### a Adding a New Customer

\*-- All customers who submit an application will be added to the FBP. Before attempting to add a new customer to FBP, ensure that the customer and all related entity members have been added in BP, have an "Active" status record, and have not been duplicated.--\*

To add a new customer record, CLICK "Add New" on the Locator Screen.

Add New		Locator Sci	een					
	<u>A B C D E E G H I J</u>	First Letter of Last Name or Entity						
CLICK "Add New" to add a	Er	Enter Any Combination of Search Criteria						
record.	Last Name / Bus. Name	First Name	Tax ID	Credit Relationship Status				
		Q	<u>ear</u>					



Complete the New Customer Setup Screen according to the following: \*\_-

Tax ID:	222222222 Social Security N	lumber 🔽
.ocation / Dept.	Lookup VVeb Equity Manager Administration	
ender Staff:	Lookup	
Seneral Information Model:	General Information	~
Balance Sheet Model:	Bal. Sheet Market Value	Complete required fields,
ncome/Expense Model:	Income & Expense	and then CLICK "Save &
DO NOT check	Sample	Continue".
the "Sample" box.	Save & Continue Cancel &	

Figure 4

• enter "Tax ID" of the new customer that must match the tax ID that is entered into BP

**Note:** For FLP, tax ID will usually be described as either of the following:

- "Social Security Number" for individuals
- "Employer Identification Number" for entities.

- A Overview (Continued)
  - 5 Adding and Accessing Customers in FBP (Continued)
    - a Adding a New Customer (Continued)
      - "Location/Dept" defaults to the location of the user adding the new customer; the location/department is where the customer will receive FLP services

Note: If incorrect, CLICK "Lookup" link and select the correct location/department.

- **"Lender Staff**" defaults to the user adding the new customer; if a different user will be servicing the customer's loans, CLICK "**Lookup**" link and select the correct lender staff
- "General Information Model" defaults to "General Information"
- select 1 "Balance Sheet Model" from the following:
  - "Market Value" is used when the balance sheet is based upon market values; this option will be selected for the majority of customers
  - "Costs Basis" is used typically for entities who keep records on a cost basis
  - •\*--"**Personal**" is only used when a customer record has been added for an individual--\* entity member to collect personal financial statements
  - **Note:** New customer records will **not** be added for individual entity members unless approved by the State FBP Coordinator.
- "Income/Expense Model" defaults to "Income & Expense"
- •\*--"Sample" box Do not check.--\*

CLICK "Save & Continue" to add the new customer.

If a customer record with the same tax ID already exists in the system, the warning "Customer(s) With same Tax ID:" will be displayed. The red "A" or "R" after the customer's name indicates if the record is located in the "Recycle Bin" or "Archive". CLICK "**Cancel and Return to Locator**".

	Customer(s) With s	ame Tax ID:
Name	Cust. #	Tax ID
CAR	A PIF 8/18/2000	
	Canadi and Bature 1	
<b>-</b>	<u>Cancel and Return t</u>	CLICK "Cancel and Return to Locator".

Figure 5, Customer(s) With same Tax ID

## **A Overview** (Continued)

## 5 Adding and Accessing Customers in FBP (Continued)

#### a Adding a New Customer (Continued)

Contact the State FBP Coordinator for help in locating the existing customer record.

### **b** Accessing an Existing Customer

Existing customer records are accessed through the Locator Screen or the File Menu. To be able to access the customer in FBP, the customer and any related entity members **must** be in BP and maintain an "Active" record status.

To access a customer through the Locator Screen, enter any combination of search criteria and CLICK "GO".

Add New		Locator S	creen		
	ABCDEEGHI		Last Name or Ent RSTUVWXY	lity : Z 0 1 2 3 4 5 6 7 8 9 ~	
	Last Name / Bus. Name ~Greer	Enter Any Combin	nation of Search C Tax ID	riteria Credit Relationship Status	Enter search criteria and CLICK " <b>GO</b> ".
			<u>Clear</u>		

### Figure 6

A list of customer records meeting the search criteria entered will be displayed. Click the appropriate name to access the customer record.

Add New	Locator Screen	Search By
CLICK "customer	First Letter of Last Name or Entity	
name" to access	<u>A B C D E E G H I J K L M N O P O R S T U V W X Y Z O 1 2 3 4 5 6 7 8 9 -</u>	
the record.	Search Results	
2 V 11	ame Analysis Credit Relationship Status Phone Address Email	
	<u>Greer</u> Ultra 99-99-99999999	
Figure '	7a	

The File Menu provides additional options to access a limited number of customer records. CLICK "**File**" and then choose either of the following lists from the drop-down menu:

- "My Last 10 Selected" provides a list of the last 10 customers selected by the user
- "View All My Customers" provides an alphabetical list of all the user's customers. For the customer to be listed, the user must have been added to the customer's "Lender Staff".

A Overview (Continued)

# 5 Adding and Accessing Customers in FBP (Continued)

#### **b** Accessing an Existing Customer (Continued)

From the customer list, click the appropriate name to access the customer record.

F	ile Defaults	Decisi	ionMgr	
1	Locator - Search By	<b>_</b>		Locator Screen
l	My Last 10 Selected View All My Customers	J	ARCDE	First Letter of Last Na
	Add New Customer	T	ADCDL	
	Import/Export			Enter Any Combination of
	Licensing >			

**Figure 7b, File Menu Options** 

```
* * *
```

# 6 Navigating FBP

FBP is menu driven. Everything needed to originate, analyze, print, make, and service loans can be accessed using the menu bar. After users select a customer from the Locator Screen, the first screen displayed will contain the full menu bar. Click any menu item and a drop-down menu of available forms or reports will be displayed. Click the individual form or report to open.

File	General	Credit Action	Bal. Sheet Inc / Exp Balance Sheet Trends Balance Sheet Summary As Of 6/1/2008 Assets Loan Schedule Other Liabilities & Equity Collateral Analysis Credit Relationship Chattel Appraisal Earned Equity Chart of Accounts	•	Notes 1/5/2010 chatt 7/20/2009 DLS 12/31/2008 cure 6/1/2008 curre 6/1/2008 curre 1/1/2008 Befor 1/1/2008 Befor 1/1/2008 FFE- 4dd / Moo	rrent 2009 close int - Duplicate int < re DALR\$ : DALR\$	Reports	et from a bar.	
------	---------	---------------	---	---	---	--	---------	-------------------	--

Figure 8a

**A** Overview (Continued)

# 6 Navigating FBP (Continued)

Another way to navigate through FBP is by using the "Dashboard" feature. CLICK "**small chart icon**" ("**Dashboard**") on the top of the screen. The "Dashboard" feature provides users with quick and easy access to forms and frequently used reports by clicking 1 of the following tabs:

- "Navigation" provides quick and easy access to forms within the system
- "Balance Sheet Trends" provides quick access to view and print the report
- "I/E Trends" provides quick access to view and print the report
- "Ratios & Indicators" provides quick access to view and print the report
- "Repayment Capacity/Sensitivity" provides quick access to view and print the report.



Figure 8b

### a Functionality Features

Most of the data entry in FBP is completed by using text input fields, check boxes, radio buttons, drop –down menus, and hypertext links.

Loan Type	Int. 💌 =
Requested Amount	143,000      To Collateral Analysis
Payment to Inc / Exp?	
Eligibility Determination:	

Figure 8c

- **A Overview** (Continued)
  - 6 Navigating FBP (Continued)
    - a Functionality Features (Continued)

Some additional functionality features include the following:

- vertical and horizontal "**scroll bars**" that are automatically displayed when the on-screen content is larger than the size of the window it occupies
- because there can be several screens to a customer record, each screen provides users the opportunity to **save** the information before continuing their data entry

**Note:** There are several types of data saving features as follows:

- "Save & Stay", to save changes while working on the screen
- "Save & Menu", to save user's work and return the menu bar
- "Save & 🖆" to save user's work and return to the previous screen
- "Cancel & "" to cancel any changes and return to the previous screen
- •\*--"Cancel", to not save changes and refresh page with the original data
- "Automatic Save", to automatically save changes when navigating away from the screen by using the toolbar menu or any hyperlink.
  - **Note:** This feature is **only** available on Balance Sheet and Income/Expense Summary Level screens.--\*
- **deleting data**; to delete an item, depending on the screen, either:
  - check ( $\checkmark$ ) the box next to the item you want to delete and CLICK " $\times$ "
  - only CLICK "X".

# 7 Importing/Exporting Data

Financial customer data can be imported from other lenders that use WEM, in addition to being exported in a form that other lenders using WEM can import. The data file is created in XML format and is contained within a .WEM file. As a security precaution, the system will ensure that only recognized data files are accepted. All other files will be rejected.

- **A Overview** (Continued)
  - 7 Importing/Exporting Data (Continued)
    - a Exporting Files to Other Lenders

To export customer data, the customer's record **must** be open within FBP.

- CLICK "File" and "Export Selected Data".
- The Select Data to Export Screen will be displayed.
- CLICK "Uncheck All" for each section on the screen.
- Use the checkboxes ( $\checkmark$ ) to select the specific financial data to be exported.

**Note:** Carefully select and export **only** the data that is needed. Exporting excess data can slow down the export, or cause the system to time out.

- Select and enter password information.
- CLICK "Export Selected Data".

Select Data to Exp Export Selected Data		K to export selected data.	]						
General Information, Empl	General Information, Employment, Related Entities, and Consolidation Setup are exported automatically.								
Password Protect									
Entering a unique password. Password	2. Select and enter password								
Repeat Password			J <b>ncheck</b> A	All" and then select s	pecific infor	mation to export.			
Credit Action	<u>Check All</u> / <u>Uncl</u>	neck All							
Description	Application	Environmental Farm Assmt.	Other	Credit Presentation	FSA / SBA	Security Agreement			
test		Environmental Checklist Farm Assmt.		Cred. Pres. / Borr. Class.					
7.4 test		Environmental Checklist Farm Assmt.		Cred. Pres. / Borr. Class.					

Figure 8d, Select Data to Export Screen

- The Export Status Screen will be displayed while the download is being processed.
- Once the customer data is ready for download, the confirmation message "Export Ready For Download" will be displayed. CLICK "**Download**".



Figure 8e, Export Status Screen

- A Overview (Continued)
  - 7 Importing/Exporting Data (Continued)

## a Exporting Files to Other Lenders (Continued)

- •\*--CLICK "Save" in the "File Download" dialog box.
- In the "Save As" dialog box, select a destination file on the local computer or network and CLICK "Save". Customer data is saved as a .wem document.

	Save As	<u> </u>
	Save in:	🕜 Desktop 💽 🕜 🎓 🛄
	My Recent Documents	My Documents     My Computer     My Network Places     2011-06 (Jun)     ComputerAccess_UserGuide
File Download 🛛 🔀		My Drives
Do you want to open or save this file?	Desktop	2. Select destination for the .WEM document
21021491_1Pixie.wem Type: wem_auto_file, 95.4KB From: wem.sc.egov.usda.gov 1. CLICK "Save"	My Documents	Building Contract of F2011 Building Shortcut to Profiles Building Shortcut to Profiles Backup
Dpen Save Cancel	My Computer	3. CLICK "Save"
While files from the Internet can be useful, some files can potentially harm your computer. If you do not trust the source, do not open or save this file. <u>What's the risk?</u>	My Network	File name:     example     Save       Save as type:     .wem Document     Cancel

**Figure 8f - Select Document Destination** 

• The saved .wem document can be attached to an outgoing e-mail for import by another lender using WEM.



Figure 8g - Saved .wem Document--\*

- **A Overview** (Continued)
  - 7 Importing/Exporting Data (Continued)
    - **b** Importing Files From Other Lenders
    - \*--Customer data received from other lenders must first be saved to a destination file on the local computer or network. To import the data, the customer's record **must** already exist in FBP. If the customer record does not exist, see Adding a New Customer (Section A 5 a) to add a new customer record.
      - With the customer's record open, CLICK "File" and "Import Selected Data".
      - The "Select Customer File to Import" dialog box will be displayed.
      - CLICK "**Browse**" to locate the customer data file, which had been saved on the local computer or network.
      - If password protected, enter password information.
      - CLICK "Continue".

Select Customer File to Import					
Password	•••••				
<ul> <li>From My Computer</li> <li>From WebEquity Locator</li> </ul>	C:\Documents and Settings\Desktop\example.wem Browse				
	Continue Cancel & 🖻				

Figure 8h - Select Customer File to Import

- The Select Data to Import Screen will be displayed.
- CLICK "Uncheck All" for each section on the screen.
- Use the checkboxes ( $\checkmark$ ) to select the specific financial data to be imported.
  - **Note:** Carefully select and import **only** the data that is needed. Importing excess data can slow down the import, or cause the system to time out.--\*

- **A** Overview (Continued)
  - 7 Importing/Exporting Data (Continued)
    - **b** Importing Files From Other Lenders (Continued)
      - •\*--CLICK "Import Selected Data".

Select Data to Imp Import Selected Data		2. CLICK to import selected data.
The data you select below	will be imported.	
Credit Action	Check All / Uncheck Al	Ů.
DescriptionApplicatio	n Environmental Farm A	Assmt.OtherCredit PresentationFSA / SBASecurity Agreement <ol> <li>CLICK "Uncheck All" then select specific</li> </ol>
Balance Sheets	Check All / Uncheck A	information to import.
2/31/2010 - Bremer-Pr	roforma	information to import.
🔲 11/19/2010 - Bremer		Collateral Analysis Credit Relationship Deposit Relationship Earned Equity
12/31/2009 - Bremer		Collateral Analysis Credit Relationship Deposit Relationship Earned Equity

Figure 8i, Select Data to Import Screen

- On the **Import Status** Screen, the "**Processing**" status will change to "**Finished**" when the import process is complete.
- A confirmation message "Import Finished" will be displayed. CLICK "Close Window".

You have	been returned to	the Locator automatically. A popup window	will appear with the import state	us.		
Position	Start Time		Finished	Size	Status	
1	1/15/2009	WebEquity Manager Im 💶 🗖		1.80 MB	Pending	
2	1/15/2009			1.80 MB	Pending	
3	1/15/2009	Import Finished		1.80 MB	Pending	
4	1/15/2009	import rinished		1.80 MB	Pending	
5	1/15/2009			1.80 MB	Pending	
6	1/15/2009 :			1.80 MB	Pending	
	7/18/2011	Close Window	7/18/2011 9:47:36 AM	9.69 MB	Finished	Remove

Figure 8j - Import Status Screen

• Return to the Locator Screen and select the customer to view the imported data.--\*

# c Exporting Reports

Reports:

- can be exported into multiple formats for further analysis and use
- can be exported into the following formats:
  - Crystal Reports
  - Microsoft Excel (formatted or data only)

- A Overview (Continued)
  - 7 Importing/Exporting Data (Continued)
    - c Exporting Reports (Continued)
      - Microsoft Word
      - Rich Text Format (RTF)
      - Adobe Acrobat (PDF)
      - **cannot** be imported into FBP.

See **Electronic File Maintenance, Reports, and Signatures** (Section B) for more information on how to export reports.

### \*--8 Transfer of Data Within FBP--\*

#### a Transfers and Assumptions

When an existing or new customer (transferee) applies to assume the existing debt of another FSA customer (transferor), the FSA loan official may determine that the transferor's historical financial records may be used to develop a projection. According to the agency's policy, the records may be imported into the transferee's FBP customer record.

Perform transfers and assumptions according to the following.

- The transferee's customer record must already exist in FBP. If the customer record does not exist, see **Adding a New Customer** (Section A 5 a) to add a new customer record.
- Access the transferee in FBP and CLICK "File" and "Import Selected Data".
- On the Select Customer File to Import Screen, select the "From WebEquity Locator" radio button and CLICK "Search Locator".

	Select Customer File to Import					
Password						
O From My Computer						
From WebEquity Locator	Search Locator					
	Continue Cancel & 🖻					

Figure 8k, Select Customer File to Import Screen

A Overview (Continued)

# \*--8 Transfer of Data Within FBP (Continued)--\*

### a Transfers and Assumptions (Continued)

• Enter the search criteria for the transferor on the Customer Lookup Screen, and CLICK "GO". Click on the "Customer Name" from the list of names displayed.

	Cus	tomer Lookup			
ABCDE	EGHIJKLMNOF	Search By: QRSIUVWXY	Z 1 2 3 4 5 6 7 8 9 0 :	≃ ∫	Enter search criteria for "Transferor"
Last / Bus. Name	First Name	Case #	Tax ID	<u> </u>	
	<u>CI</u>	ear Search Criteria			
		Cancel & 🔁			

Figure 8l, Customer Lookup Screen

• When returned to the Select Customer File to Import Screen, the selected customer's name will be displayed. CLICK "**Continue**".

	Select Customer	File to Import	
Password			Customer's name "Transfero
O From My Computer			will be displayed.
From WebEquity Locator	Search Locator	DOE: JOHN	
	Continue Cano	<u>el 8</u>	

Figure 8m, Select Customer File to Import Screen

- The Select Data to Import Screen will be displayed.
- CLICK "Uncheck All" for each section on the screen.
- Use the checkboxes ( $\checkmark$ ) to select the specific financial data to be imported.

**Note:** Carefully select and import **only** the data that is needed. Importing excess data can slow down the import, or cause the system to time out.

A Overview (Continued)

# \*--8 Transfer of Data Within FBP (Continued)--\*

- a Transfers and Assumptions (Continued)
  - CLICK "**Import Selected Data**" to complete the import of financial data into the transferee's customer record.



Figure 8n, Select Data to Import Screen

- On the **Import Status** Screen, the "**Processing**" status will change to "**Finished**" when the import process is complete.
- A confirmation message "Import Finished" will be displayed. CLICK "Close Window".

		Import Statu	S			
You have	been returne	d to the Locator automatically. A popup window will a	ppear with the import stat	us.		
Position	Start Time		Finished	Size	Status	
1	1/15/2009	🖉 WebEquity Manager Im 🔳 🗖 🔀		1.80 MB	Pending	
2	1/15/2009		;	1.80 MB	Pending	
3	1/15/2009 9	Import Finished		1.80 MB	Pending	
4	1/15/2009	import Pinished		1.80 MB	Pending	
5	1/15/2009		5	1.80 MB	Pending	
6	1/15/2009 :			1.80 MB	Pending	
	7/18/2011	Close Window	7/18/2011 9:47:36 AM	9.69 MB	Finished	Remove

**Figure 80, Import Status Screen** 

- Return to the Locator Screen and select the transferee's customer record to view imported data.
- Remove the transferor's customer record from the Locator Screen. See Moving FBP Customer Records to the Recycle Bin (Section B 6 a).

# A Overview (Continued)

### **\*--8** Transfer of Data Within FBP (Continued)

#### b Change SCIMS Customer

Occasionally, a user may select the incorrect customer from SCIMS as the primary customer in FBP. As soon as it is determined that the record in FBP has the incorrect primary customer, the user may use the "**Change SCIMS Customer**" feature to point the record at the correct customer, as follows.

- on the Locator Screen, access the primary customer's record
- CLICK "General" and "General Information" and the General Information Screen will be displayed
- at the bottom of the General Information Screen, CLICK "Change SCIMS Customer"
- enter tax ID of the customer that should now be associated with the record and select the ID type.

### c Deceased or Released of Liability Borrowers

When the primary customer in FBP, who is jointly liable with another, becomes deceased or is released of liability, the customer record **must** be pointed to the other customer's SCIMS by using the **Change SCIMS Customer** feature.

For instructions see Change SCIMS Customer (Section A 8 b).--\*

### d Copy Data Between FBP Customer Records

Sometimes it becomes necessary to import or copy financial information from 1 customer record to another. Information can be imported between duplicate records of the same customer or between different customers.

See **Transfers and Assumptions** (Section A 8 a) for instructions on importing information between customer records.

# **A** Overview (Continued)

### **9** Calculators

Several loan and amortization table calculators are available online. To access calculators, CLICK "**Calculators**" at the top of the screen.

The results of the calculations, which is the amortization table. To print, **right**-click in the pop-up calculator window and CLICK "**Print**" from the menu.

### 10 Customer Worksheets and Providing Data to FSA

Customers can provide balance sheet or projected and actual income/expense data to FSA with either of the following 2 types of FBP worksheets.

Type of Worksheet	How to Access	Description
		Description
FSA-2037	<ul> <li>USDA eForms web site</li> </ul>	These worksheets are useful to provide to
and	• FFAS Employee Forms web site	new customers where existing financial
FSA-2038		information in FBP is not available, and to
		place in application packages.
Existing	CLICK "Reports" and "Customer	The existing customer worksheets provide an
Customer	Worksheets".	easy way for customers to supply
Worksheets		information needed to complete FBP. These
		worksheets allow customers to make manual
		entries and compare to what was entered in
		the previous year.

**Note:** Customers may also provide signed balance sheets, actuals, and projections, in alternative formats, provided it contains substantially similar information as the worksheets.

# **11 Credit Reports**

### a General Information

Credit Reports for FLP customers should be requested using FBP. Before ordering a \*--Credit Report, a customer record **must** be established in FBP and the General Information--\* Screen needs to be completed. See **General Information** (Section C). Complete the "Related Entities" information, if applicable.

**For new customers**, on the General Information Screen, CLICK "**Credit Rpt./Elig. Only Act**" as the FBP account type. After the Credit Report is received, if the customer is determined ineligible, complete the eligibility only credit action to document eligibility. Do **not** create a balance sheet or income/expense in FBP. Accounts developed for Credit Reports and eligibility purposes only do **not** count toward FSA's active FBP accounts.

A Overview (Continued)

### **11** Credit Reports (Continued)

#### a General Information (Continued)

If the customer is determined eligible, a balance sheet and income/expense will be completed to document feasibility/security. At this point of the process, the FBP account type on the General Information Screen will automatically change to an "Active Account".

**Exception:** For all youth loans, CLICK "Active Account" as the FBP account type.

\*--Notes: Do not use FBP to order credit reports for FSFL's.--\*

Do **not** change the FBP account type from "Active Account" to "Credit Rpt./Elig. Only Act" when ordering Credit Reports for subsequent loans.

#### **b** Accessing Credit Reports Feature

Access Credit Reports options according to the following.

- Select a customer record.
- CLICK "General", "Credit Reports", and [*name of applicant*]. All applicants needing a Credit Report for an account must be listed as "Related Entities" on the General Information Screen. The primary applicant of the account, as well as the related entities, will be listed on the "Credit Reports" options.
- CLICK [*name of applicant*] for which a Credit Report is being requested. Any Credit Reports that were previously obtained will be listed and "Add/Delete" will be displayed.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
	Snapshot Sum	mary					
	General Inform	nation					
	Contact	Management	on Menu above t	o navigate th	rough		
	Employment	•	WebEqu		lough		
	Related Entitie	s 🕨					
	Credit R	eports 🔹 🕨	Alphonso Aeacommon	12/10/2	009 TU Jnt		
	Consolidation	•	Kelly Aeacommon	▶ 2/6/200 <sup>4</sup>	9 EX TU EQ Mgd		
				5/14/20	07 TU		
	Lender Staff			9/28/20	06 EX TU EQ Mgd		
	Location / Dep	artment		9/27/20	D6 EQ		
				9/27/20	D6 EX TU EQ Mgd		
				9/27/20	D6 TU		
				Add / Delete			

## Figure 9a

- A Overview (Continued)
  - 11 Credit Reports (Continued)

## c Ordering Credit Reports for Individuals

Order a Credit Report for an individual according to the following.

- CLICK "Add/Delete" for the individual for whom a Credit Report is needed. The Credit Report Information Screen will be displayed with the applicant's name, address, and tax ID from General Information \* \* \*.
- FBP defaults to a Merged Report, automatically requesting information for the Get New Report from all 3 credit bureaus. Ordering the Merged Report ensures that full and complete information on the applicant's credit is received.
- **Note:** For individual type accounts, a joint report that includes a spouse can be ordered according to the following.
  - The spouse **must** be identified as a "Spouse" and "Co-Applicant" in the "Related Entities" Section on the General Information Screen **before** ordering the report for the primary applicant.
  - CLICK "**Yes**" for the "Joint Report" radio button, if applicable. The name and tax ID of the spouse/co-applicant will be displayed.

# • CLICK "GET CREDIT REPORT NOW".

	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Repo
	GET CR	EDIT REPORT NOW	Credit Repor	<mark>t Information</mark> ator Save O	<u>inly</u>		
	Expe Get New	erian Report 💌	Trans Get New	Union Report 💌	Get	Equifax New Report 💌	
±	e: ~Greer ress: Report?		Suffix :	Tax ID :	report. The	es" to order a j related entity as " <b>Spouse</b> " an cant".	must
	use Name :	~Greer	Suffix		Tax ID : 444-44	1-4444	
			Existing	Reports			
Note	and a second	rian Trans Union Equifa HErr Jnt NH Err Jnt NH			Retrieved By		Туре
Note	es 11/4/2008						STD

Figure 9b

A Overview (Continued)

# 11 Credit Reports (Continued)

## c Ordering Credit Reports for Individuals (Continued)

After a short interval, the Credit Report Information Screen will be redisplayed with the "Existing Reports" Section. A date link will be displayed under the Credit Reporting company names, indicating there is a Credit Report that was obtained on that date from that company. Click the date to see a copy of the report.

# d Ordering Credit Reports for Entities

To order a Credit Report for an entity, click the name of the entity applicant and CLICK "Add/Delete".

On the Credit Report Information Screen:

- CLICK "Experian Business" radio button
- CLICK "Business Profile" from the "Product" drop-down menu
- CLICK "GET CREDIT REPORT NOW".

	Cree	dit Report In	formation		
GET CRED	IT REPORT NOW	Copy From	<u>Locator</u>	Save Only	
Select Bureau 💿 Experia	n Business 🔿 Dun &	Bradstreet	Product :	Business Profile	
Name : A-1 Auto Glass Inc. Address : 27061 Mill Seat File Number : 031801725	Mechanicsville, MD	Tax ID : 20659	00-0000000		ך Phone :
Credit Bure	eaus use a very sp	ecific address fo	rmat. Please er	ter all applical	ole data.
Street, R.R., or P.O. Box # :	27061	Street Direction :	~	Street Name :	Mill Seat
Street Type :	*	Address Type :	Standard 💌	Suite # :	

Figure 9c

\*--If no similars are found, the error "No Record Found" will be displayed. Exit the screen and there will be no charge to the customer.

Error
No Record Found
EBSIMILARS False False True NO RECORD 11/27/2012 15:16:50 N/A 467830 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
*

**A Overview** (Continued)

# **11** Credit Reports (Continued)

# d Ordering Credit Reports for Entities (Continued)

\*--If similars are found, a "List of Similars" will be displayed. Review the information carefully before choosing a similar. If there is no match in the "List of Similars", exit the screen and there will be no charge to the customer.

If a match is available CLICK "Select" next to the entity name.--\*

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports	
	CLICK "Select" for the entity.							
	7	Company Name		Address	City, State Zip			
Select	031801725	A-1 AUTO GLASS INC		27061 MILL SEAT	MECHANICSV	LL,MD 2065957	02	
Select	<u>t</u> 000000000	REGINA'S BEAUTY SALO	N	501 FRAZER	ASTON,PA 19	0143655		

#### Figure 9d

The Credit Report Information Screen will be redisplayed. Click the date to view a copy of the Business Report.

To order Credit Reports for each entity member, they must first be added to the "Related Entities" Section on the General Information Screen. Credit Reports can then be ordered on each individual entity member according to **Ordering Credit Reports for Individuals** (Section A 11 c).

**Note:** A husband and wife, who are members of an entity, **will** be charged a joint Credit Report fee even though individual Credit Reports will be obtained for each.

### e To Print a Report

With the report displayed, right-click and CLICK "Print".

### f Failed Attempt

On rare occasions, an attempt to pull a Credit Report will not be successful and will generate an error. If an error occurs, the pull process will stop and the screen will be displayed with a cryptic error message. When this happens, it is important to navigate back to the Credit Report Information Screen to investigate the cause of the error.

As displayed on the following screen print, the attempted pull event will display the word "Error" after the pull date. CLICK "**Error**" to see a more descriptive message.

If the message refers to a problem with address information, it is possible that the credit bureau did not recognize the address that was populated here from the General Information Screen.

**A** Overview (Continued)

## **11** Credit Reports (Continued)

## f Failed Attempt (Continued)

To resolve an address format problem, CLICK " $\pm$ " above "Joint Report?" and additional address fields will be displayed.

Note: Clicking "<u>+</u>" to display additional address fields is only required when requesting consumer bureau reports. The additional address fields are always viewable when requesting business bureau reports.

			Credit Report Information		
	GET CRE	EDIT REPORT NOW	Copy From Locator Save O	<u>2nly</u>	
O Single		Merged			
-	Experian		Trans Union	Equifax	
	Get New Report 💌		Get New Report 💌	Get New Report	*
lame: Alp Address: 5 Complia	Suffix:		CLICK " <u>+</u> "to display additional address fields.		
	0				
	s ONo Kel	Suffix :	×	Tax ID :	
pouse Name :	Kel	Suffix :	<ul> <li>Existing Reports</li> </ul>	Tax ID :	Type
pouse Name :		Suffix :	×		Туре
pouse Name :	Kel Experian Unt NH E	Suffix :	Existing Reports Equifax NoHtError JntNHErr	Tax ID : Retrieved By	Тура
pouse Name :	Kel Experian Jut NH E	Suffix :	Existing Reports Equifex NoHtError JntNHErr Port link to obtain informat	Tax ID : Retrieved By	
Notes Merged	Kel Experian Jut NH E	Suffix :	Existing Reports Equifax NoHtError JntNHErr	Tax ID : Retrieved By	্যা
	Kel Experian Jint NH E 2/6/2009	Suffix :	Existing Reports Equifex NoHtError JntNHErr Port link to obtain informat	Tax ID : Retrieved By	। ऽग ऽग



			Credit Report I	nformation		
	GET	CREDIT REPORT NOW	Copy From Locator	Save Only	$\supset$	
Single		⊙ Mer	ged			
	Experian		Trans Unio	n		Equifax
G	et New Report 🔽	]	Get New Rep	ort 💌		Get New Report 💌
		120223				
	Suffix			Γax ID :		
		•		Γax ID :		
		•		Γax ID :		
		island, IL 60750	se a very specific address fo		ll applicable data.	
ldress: 5 Compliar	nt Ave Fantasy I	island, IL 60750			Il applicable data. Street Name :	Compliant Ave
House #, R.R., or P.C	nt Ave Fantasy I	island, IL 60750	e a very specific address f			Compliant Ave
ime: Alp Idress: 5 Complian House #, R.R., or P.O Street Type:	nt Ave Fantasy I	Credit Bureaus us	se a very specific address fo Street Direction :	ormat. Please enter a	Street Name :	Compliant Ave
Idress: 5 Complian	nt Ave Fantasy I	Credit Bureaus us	se a very specific address fo Street Direction :	ormat. Please enter a	Street Name :	Compliant Ave
House #, R.R., or P.C	nt Ave Fantasy I	Credit Bureaus us	se a very specific address fo Street Direction :	ormat. Please enter a	Street Name :	Compliant Ave



These additional input fields allow the user to provide the street address in a format that is standard to the credit bureau.

Note: These fields pertain only to the street address, **not** to the city, State, or ZIP Code.

**A** Overview (Continued)

## 11 Credit Reports (Continued)

## f Failed Attempt (Continued)

After the address has been re-entered in the fields, CLICK "**GET CREDIT REPORT NOW**" to obtain the report. If this does not resolve the error, or if the original error does not refer to an address issue, contact the State FBP Coordinators.

**Note:** The additional information provided in the Credit Report address fields will be stored on the Credit Report Information Screen. After the initial Credit Report is pulled, the address will **not** repopulate from General Information on any subsequent visits to the Credit Report Information Screen.

If the borrower does have a change of address, the new address will need to be entered in the fields and saved by clicking "Save Only". This pertains only to the street address or post office box information, **not** to the name, tax ID, city, State, or ZIP Code.

\*--Changes to the name, tax ID, city, State, and ZIP Code should be entered in BP and will--\* repopulate FBP each time the Credit Report Information Screen is accessed.

#### g Error Messages

Occasionally, reports may display an error message in the upper-left corner of the report, as follows.

• "Time Out Error" message may occur for several reasons, including lag-time on the Internet. This is considered an error and FSA will not be charged for the report. A second report will need to be pulled within 24 hours to prevent duplicate hits from registering with the bureau against the customer.

🗢 WebEquity Lookup Window - Windows Internet Explorer		×
Time Out Error		*
	MicroMerge Credit Profile	=
Example of a report with a "Time Out Error" message displayed.	PROVIDED FOR	
	DATE SOURCES	
PERSONAL INFORMATION		
PUBLIC RECORDS		
SCORE MODELS		
¢ APPIICANT	3	×

Figure 9g1

- **A Overview** (Continued)
  - **11** Credit Reports (Continued)

## g Error Messages (Continued)

•\*--"No Hit" message will be displayed when a credit bureau does not have a file on the customer. The report may still be considered an acceptable report if even 1 of the credit bureaus provides information and a new credit report does not need to be pulled.--\*

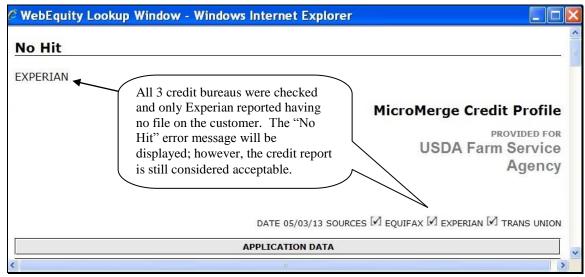


Figure 9g2

- A Overview (Continued)
  - **11** Credit Reports (Continued)

## g Error Messages (Continued)

•\*--"Bureau Error" message will be displayed when the information submitted does not match information on file at the credit bureau. The report may still be considered an acceptable report if even 1 of the credit bureaus provides information and a new credit report does not need to be pulled. Information on the error is provided at the bottom of the report.

Bureau Error	
All 3 credit bureaus were checked and only Experian reported an error. The "Bureau Error" message will be displayed; however, the credit report is still considered acceptable.	MicroMerge Credit Profile PROVIDED FOR USDA Farm Service Agency
DATE 11/05/13 SOURC	CES [4] EQUIFAX [4] EXPERIAN [4] TRANS UNION

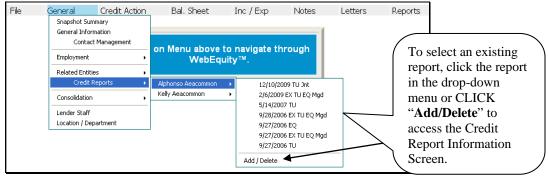
Figure 9g3--\*

- **A Overview** (Continued)
  - 11 Credit Reports (Continued)

# h Accessing Existing Reports

\*--Current and historical Credit Reports for the customer and all related entities are stored in the customer's record. To access an existing Credit Report, do the following:

- select a customer record
- CLICK "General", "Credit Reports", [name of customer]
- click date of report from the drop-down menu or and CLICK "Add/Delete"; the Credit Report Information Screen will be displayed



# Figure 9h

• CLICK date to select and view any existing Credit Report.

			Cr	edit Re	eport Inf	ormation	
	GET	T CREDIT REPORT	NOW	Copy From	m Locator	Save Only	
<ul> <li>Single</li> <li>Expe</li> </ul>		( Report 🗸	Merged	○ Trans	: Union	Select to copy Credit Report from ano customer record with the same tax ID.	
ame: Alphonso P A ddress: 5 Complia		×:   Island, IL 6075	0		Tax	ID : 133-40-5381	
					Т	o select a report for viewing, click the re	por
oint Report? 💿 Yes	s 🔘 No				$\sim$	7	
pouse Name :	Kelly A	Aeacommon Suffi	×: 💌			T8X ID : 050-60-5998	
pouse Name :	Kelly A	Aeacommon Suffi	x:	Exis	ting Rep		
	Experian	Trans	···	Equifax	ting Rep	orts	Туре
X Notes Merged	Experian	Trans tNH Err	Union I Unt NH Err		NoHit Erro	orts r Retrieved By	
Notes Merged	Experian	Trans	Union I Unt NH Err	Equifax	NoHit Erro	orts	Type STD
Notes Merged	Experian	Trans tNH Err	Union I Unt NH Err	Equifax Jnt NH	NoHit Erro	orts r Retrieved By	
Notes Merged	Experian Jnt	Trans   t NH Err 12/10/2009	Union I Jint NH Err	Equifax Jnt NH	NoHit Erro	orts r Retrieved By Mindy Probst-Test - Web Equity Manager Administration	STD
Notes         Merged           Notes	Experian Jnt	Trans I t NH Err 2/6/2009	Union I Jint NH Err	Equifax Jnt NH	NoHit Erro	orts r Retrieved By Mindy Probst-Test - Web Equity Manager Administration Mindy Probst-Test - Web Equity Manager Administration	STD STD
Notes Merged	Experian Unt 2/6/2009 5/14/2007 Error	Trans I tNH Err 12/10/2009 2/6/2009 5/14/2007	Union I Jint NH Err	Equifax Jnt NH 009	NoHit Erro	orts r Retrieved By Mindy Probst-Test - Web Equity Manager Administration Mindy Probst-Test - Web Equity Manager Administration Kevin A. Britten VP Sales - Web Equity Manager Administration	STD STD STD STD
Notes Merged Notes	Experian Unt 2/6/2009 5/14/2007 Error	Trans   tNHErr 2/6/2009 5/14/2007 X	Union I Jnt NH Err X 2/6/20	Equifax Jnt NH 009	NoHit Erro	orts r Retrieved By Mindy Probst-Test - Web Equity Manager Administration Mindy Probst-Test - Web Equity Manager Administration Kevin A. Britten VP Sales - Web Equity Manager Administration Kevin A. Britten VP Sales - Web Equity Manager Administration	STD STD STD STD
Notes         Merged           Notes         Notes           Notes         2/6/2009           Notes         Notes	Experian Unt 2/6/2009 5/14/2007 Error 9/28/2006	Trans   tNHErr 2/6/2009 5/14/2007 X	Union I Jut NH Err X 2/6/20	Equifax Jnt NH 009 0 000 006 0 000	NoHit Erro	orts r Retrieved By Mindy Probst-Test - Web Equity Manager Administration Mindy Probst-Test - Web Equity Manager Administration Kevin A. Britten VP Sales - Web Equity Manager Administration Kevin A. Britten VP Sales - Web Equity Manager Administration Steven Rubin USDA Program Sponsor - Web Equity Manager Administration	STD STD STD STD STD



--\*

## **A** Overview (Continued)

### 11 Credit Reports (Continued)

#### i Copy from Locator

"Copy from Locator" is used to copy Credit Reports from an existing customer or related entity into another customer record with the same "tax ID".

**Example:** New customer record was created and a Credit Report was ordered. Subsequently, the customer was added as a related entity to another customer's record. The Credit Report could be copied into the new customer record using the "Copy from Locator" option.

Notes: Only Credit Reports less than 60 calendar days old are available for copying.

\*--If report contains a no-hit or error message, it is not available to copy.--\*

#### j Notes and Deleting Reports

There is a NotePad attached to each Credit Report date that will allow users to enter additional notes and messages about that report. To access the NotePad, CLICK "General", "Credit Reports", [*name of customer*], and "Add/Delete". On the Credit Report Information Screen, under "Existing Reports", CLICK "Notes".

Note: Credit Reports will not be deleted from FBP.

#### k Reading the Credit Report

A Credit Report is divided into sections, starting with the header. In each section, all of the possible fields that could be returned will be included on the report.

### **Example of Header Section**

Toontown Credit Services 1123 Disney Ave Toontown, CA 90010 210.555.1212

ROVIDED FOR

The "Header" Section will display the company that requested the report, date the report was created, and the list of bureau sources for the report requested.

MicroMerge Credit Profile

SOURCES 🗹 EQUIFAX 🗹 EXPERIAN 🗹 TRANS UNION

# **Example of Application Data Section**

APPLICATION DATA									
	NAME	AEACOMMON, ALFONSO	SOCIAL	133-40-5381	DEPENDENTS				
APPLICANT	ADDRESS PREV ADDRESS	5 COMPLIANT , TOMORROW IL 60750			LENGTH LENGTH				
	EMPLOYER POSITION VERIFIED BY		SINCE PHONE INCOME						
	NAME	AEACOMMON, KELLY	SOCIAL	050-60-5998					
CO-APPLICANT	EMPLOYER POSITION		SINCE PHONE						

## A Overview (Continued)

# 11 Credit Reports (Continued)

# k Reading the Credit Report (Continued)

The "Application Data" Section will display all available applicant personal data from the selected bureaus.

# **Example of Public Records Section**

PUBLIC RECORDS						
COURT	COURT UNKNOWN	AMOUNT Filed	12/03			
TYPE	Civil judgement	PAID	12/03			
REF NO.	98643314	REPORTED BY	Trans Union			

The "Public Records" Section will include the name of the reporting court, plaintiff, type of record, court reference number, amount associated with the record, date filed (MM/YY), if the record has been paid, and which credit bureau the public record was reported by.

# **Score Models**

The "Score Models" Section is for information purposes only. FSA does **not** consider Credit Report scores when evaluating Credit Reports for creditworthiness determination.

# **Example of Credit Section**

		CREDIT						
	CREDITOR ACCOUNT NUMBER	REPORT			MO PAYM TERMS	MONS RATED	30   60   90+ PAYMENT PATTERN	TYPE
	0	PEN ACCOU	NTS					
(¥) (	<sup>D</sup> wach BKCRD 43272	03/00 03/00		000 <b>\$188</b>	5 \$10 - MIN	19	0x30 0x60 0x90 -1111-1111-1 -111	R1
	AT:Revolving or Option (open-end account). KB:Banks and S and Ls SD:Pays account as agreed OD:Co Maker							
***	TRANS UNION *** WACH BKCRD 43272	03/00 03/00		000 \$188)	6 \$10 - MIN	19	0x30 0x60 0x90 1111X1111X1X 111	R01
۲	C <sub>GMAC</sub> 5555555555	06/02 06/97	\$68000	CLOSED - 3	- 60 Mth	20 -	3x30 1x60 3x90 222-222 21-554311	13
	02/02 - I2, 01/02 - I2, 12/01 - I2, 10/01 - I2, 09/01 - I2							
***	TRANS UNION *** C GMAC SSSSSSSSSS	06/02 06/97	\$68000		\$758 60 Mth	20 >	3x30 1x60 3x90 (XX222X22222 .X554311	103

Accounts in the "Credit" Section are sorted by account balance. This section also includes information for open accounts, collections, and other derogatory and closed accounts. Each section type is comprised of several fields described in the following.

**Note:** Optional fields are chosen in the "Access Code" setup.

- A Overview (Continued)
  - 11 Credit Reports (Continued)

# k Reading the Credit Report (Continued)

\*\_\_

Field	Description							
ECOA – Account	Applicable codes are the following:							
Designator Code								
	• "A", Authorized User (does not have financial responsibility)							
	• "B", On behalf of another (has financial responsibility)							
	• "C", CoMaker (contractual liability)							
	• "I", Individual (sole use of customer)							
	• "J", Joint (joint contractual liability)							
	• "M", Maker (subject liable, co-signer liable in case of default)							
	• "O", Undesignated							
	• "P", Participant (participant in shared account)							
	• "S", Shared (subject is co-signer, liable in case of default)							
	• "T", Terminated (relationship with account terminated)							
	• "U", Undesignated (undesignated or unknown)							
	• "X", Consumer Deceased							
	• "Z", Creditor reports as included in a bankruptcy.							
Creditor	Name of the tradeline reporting.							
Account Number	Account number as reported by creditor.							
Reported	Date this tradeline last reported to the bureau.							
Opened	Date this tradeline opened.							
High Credit	Amount of high credit on account.							
Balance	Balance on account as reported by tradeline.							
Past Due	Amount of payments past due.							
Mo Paym	Amount of monthly payment for tradeline.							
Terms	Terms of the account.							
Mons Rated	Number of months this tradeline has been rated.							
30   60   90+	Number of 30, 60, and 90 or more calendar days late for tradeline.							
Payment Pattern	Consumer payment history for the past 24 months, beginning with							
	Reported Date:							
	• "-", no rating • "1" aureant							
	• "1", current • "2" 20 colondor days late							
	• "2", 30 calendar days late "3" 60 calendar days late							
	• "3", 60 calendar days late							
	• "4", 90 calendar days late • "5", 120 - calendar days late							
	<ul> <li>"5", 120+ calendar days late</li> <li>"7" molying payments in Wage Former Plan</li> </ul>							
	• "7", making payments in Wage Earner Plan							
	• "8", repossession/foreclosure "0", sharps off							
	• "9", charge off.							

- A Overview (Continued)
  - 11 Credit Reports (Continued)

# k Reading the Credit Report (Continued)

Field	Description							
Туре	The following are types of accounts:							
	• "C", Check Credit (line of credit)							
	• "I", Installment (fixed number of payments)							
	• "M", Mortgage Installments							
	• "O", Open Account (30, 60, or 90 calendar day account)							
	• "R", Revolving or Option (open-end account)							
	• "Z", Reported as included in bankruptcy.							
	The following are types of status:							
	• "0", Too new to rate.							
	• "1", pays account as agreed							
	• "2", 30 calendar days past due							
	• "3", 60 calendar days past due							
	• "4", 90 calendar days past due							
	• "5", 120 calendar days past due							
	• "6", Wage Earner or similar plan							
	• "7", Repossession							
	• "8", Collection/Bad Debt/Charge Off							
	• "9", Bad Debt, Place for Collection.							
Codes	"OD", Show Ownership Description							
	"AT", Show Account Type Description							
	"SD", Show Account Status Description							
	• "TT", Show Trade Type Description							
	• "KB", Show Kind of Business Description							
	• "N1", Show Narrative Description 1							
	• "N2", Show Narrative Description 2.							
Late Dates Format = MM/YY – Type & Status, multiples are delimit								
	comma, options include from "None" to 5 dates.							

# Example of Credit Summary Section

		CRED	IT SUMMARY						
MORTGAGE INSTALLMENT REVOLVING COLLECTION OTHER <b>TOTAL</b>	COUNT 0 2 7 1 0 10	W/BAL 0 2 3 0 0 5	BALANCE 0 27,860 2,594 0 0 <b>\$30,454</b>	PAYMENTS 0 796 40 0 0 <b>\$836</b>	PASTDUE 0 0 0 0 <b>0</b> <b>\$0</b>	0 0 0 0	60 0 0 0 0 0	90 0 0 0 0 0	LAST LATE
PAID AS AGREED CURR DELINQUENT TOTAL DELINQUENT NIQUIRES PUBLIC RECORDS	9 1 1 1		LIENS JUDGEMENTS FORECLOSURES BANKRUPTCIES BARNISHMENTS	0 1 0 0 0			64%	6 Av	ailable

The "Credit Summary" Section summarizes all of the tradelines in the "Credit Summary" Section by trade type.

--\*

A Overview (Continued)

# 11 Credit Reports (Continued)

# k Reading the Credit Report (Continued)

Field	Description							
Type of Tradeline	Mortgage							
	• Installment							
	Revolving							
	• Collection							
	• Other							
Count	Count of trades by type.							
W/Bal	Count of trades that have a balance.							
Balance	Sum of trade balance by type.							
Payments	Sum of payments by type.							
Pastdue	Sum of payments that are past due by type.							
30	Count of trades by type that are currently past due.							
60	Count of trades by type that are 60 calendar days past due.							
90	Count of trades by type that are 90 calendar days past due.							
Last Late	Date the account was last reported late.							
Paid as agreed	Count of satisfactory trades.							
Curr Delinquent	Count of trades that are currently past due.							
Total Delinquent	Count of trades that have ever been delinquent.							
Inquiries	Number of inquiries.							
Public Records	Count of public records.							
Liens	Count of liens.							
Judgements	Count of judgments.							
Foreclosures Count of foreclosures.								
Bankruptcies	Count of bankruptcies.							
Garnishments	Count of payroll garnishments.							
Other Public Records	Count of other public records.							
% Available	Percentage of revolving credit available for all open trades.							
	((High Credit minus Balance) divided by High Credit)							

- A Overview (Continued)
  - **11** Credit Reports (Continued)

### k Reading the Credit Report (Continued)

## **Example of Employment Section**

In the case of a joint application, the "Employment" Section will include a section for the "Applicant" and "Co-Applicant".

		EMPLOYMENT	
		APPLICANT	
COMPANY NAME DATE HIRED INCOME	BANK	OCCUPATION SEPARATION DATE	
COMPANY NAME DATE HIRED INCOME	HAL	OCCUPATION SEPARATION DATE	MGR
		CO-APPLICANT	
COMPANY NAME DATE HIRED INCOME	QSASF	OCCUPATION SEPARATION DATE	ASFD
COMPANY NAME DATE HIRED INCOME	ASDAS	OCCUPATION SEPARATION DATE	ADASDA

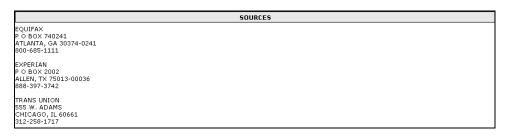
The "Employment" Section includes known current and former employers and status of employment for each.

## **Example of Inquiries Section**

	INQUIRIES								
DATE	SUBSCRIBER NAME	TYPE	SUBSCRIBER NO.	AMOUNT					
04/26/05	CENTRIX FINA	Miscellaneous and public record	01000725						

The "Inquiries" Section provides a list of the inquiries by the bureaus requested and is restricted to only the inquiries in the last 90 calendar days.

#### **Example of Sources Section**



The "Sources" Section provides a list of the bureaus that are included in the Credit Report.

- A Overview (Continued)
  - **11** Credit Reports (Continued)

## k Reading the Credit Report (Continued)

## **Example of Messages Section**

	MESSAGES			
	APPLICANT			
SAFESCAN Warning: Social Security number is issued to pe INQR Subject's SSN is Year Issued: 1965; State OFAC: No match found in OFAC Database.				
FACS+ Message: Inquiry Address Message - CKPT: BUSINI 60750/847.555.1336 FACS+ SOCIAL COUNTER: Social has been used 2 times si FACS+ SOCIAL ERROR: Indicates that no error conditions FACS+ ADDRESS COUNTER: Address has been used 6 tim FACS+ ADDRESS ERROR: Indicates that no error condition FACS+ POSSIBLE YEARS SSN ISSUED: 1994 - 1996 FACS+ Fraud Services Indicator:	ince 02/01/03 occur. es since 02/01/03	LANDSCAPING/	AVE/	IL
FACS+ Fraud Services Indicator: FACS+ Message: Onfile Address Message - CKPT: TRADE ( AVE/ IL FACS+ Message: Onfile Address Message - CKPT:	CONTRACTOR-SPECIAL TRADE ON FACS- SERVICE ON FACS+ FILE/	+ FILE/ SE SERVICES INC./	RVICE/ AVE/	
IL /				
SSN Match: Exact match between SSN on input and SSN or Phone Append: Default product delivered; Search Status - is returned. HAWK: Requested product delivered HAWK: File SSN issued:1965-1967; state: NY; (est. Age of HAWK: File SSN issued:1965-1967; state: NY; (est. Age of Add-on Product Code - 00P02: Default product delivered Geo Code: Requested product delivered; Search Status - I Geo Code: Requested product delivered; Search Status - N OFAC Advisor: Default product delivered; Search Status - N	Area code and phone number not found o obtained: 00 to 00) tained: 00 to 00) Insufficient Current Address No Future Address Entered OFAC Advisor Clear.	on new source. Phone numbe	er on CRONUS	database
SAFESCANNED: Your inquiry has gone through our SAFESC Subject Former Name: H L INQR Subject's SSN is Year Issued: 1976; State OFAC: No match found in OFAC Database.				
SSN Match: Exact match between SSN on input and SSN or Phone Append: Default product delivered; Search Status - is returned. HAWK: Requested product delivered HAWK: Input SSN issued:1976-1978; state: NY; (est. Age ob HAWK: File SSN issued:1976-1978; state: NY; (est. Age ob	Area code and phone number not found o	on new source. Phone numbe	er on CRONUS	database

The "Message" Section includes the warning messages from each of the bureaus requested, for both the applicant and the co-applicant, when requesting a joint application.

\* \* \*

- A Overview (Continued)
  - **11** Credit Reports (Continued)

## 1 When Mortgage and Commercial Credit Reports Are Not Acceptable

See 1-FLP, subparagraph 48 G.

#### m When the Applicant Disputes Information on the Credit Report

See 1-FLP, subparagraph 48 H.

#### **B** Electronic File Maintenance, Reports, and Signatures

## 1 Customer Record

All electronic information stored within FBP is considered part of the customer file and record as if it were in written form.

### 2 Running Record

\*--The "Notes", "Running Record" feature of FBP will be used to record all comments or notes that would have traditionally been written in the paper based loan file, **except** for the following:

- comments or notes from customers that:
  - have never been added to the FBP
  - no longer have a credit relationship with FSA--\*

## **B** Electronic File Maintenance, Reports, and Signatures (Continued)

#### 2 Running Record (Continued)

•\*--narratives and comments about loan making or servicing actions that **must** be documented in:

- the applicable FBP Credit Presentation
- footnotes or comment notepads
- **Note:** The Credit Presentation is designed to encompass the entire loan narrative and analysis documentation of loan making or servicing actions. Therefore, it is **not** expected that the "Notes", "Running Record" will be used to store narrative comments about a loan making or servicing action when a Credit Presentation is prepared.
- comments and entries that are exempt from disclosure according to FOIA, see FOIA Running Record (Section B 2 a).

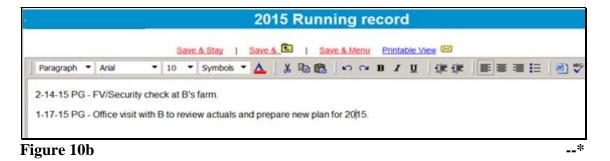
Note: No running records will be deleted from FBP.

A new Running Record will be created for each calendar year. CLICK "**Notes**", "**Running Record**", "**Add/Modify/Delete**", and type the description in the "**Note Title/Description**" box; for example, "**2016 Running Record**" and then CLICK "**Add**".

	Notes									
	Note Title / Description									
	2016 Running Record				Add					
×		Save & Stay	I.	Save & Menu 🖾						
	2013 Running Record				View Duplicate Lock					
	2014 Running Record		_		View Duplicate Lock					
	2015 Running record				View Duplicate Lock					

#### Figure 10a

The most recent entries will be made at the top of the page with the date, initials, and comments of the user.



## **B** Electronic File Maintenance, Reports, and Signatures (Continued)

#### 2 Running Record (Continued)

#### a FOIA Running Record

All comments and entries that are exempt from disclosure according to FOIA should be documented in a running record separate from the customer's standard running record. To create the new running record, CLICK "Notes" and "Add/Modify/Delete". The suggested Note Title/Description of the new running record should be "FOIA Running Record" or something similar.

#### b Printing Running Records

- \*--Running records should always be printed using the "Print Manager" option. Running--\* case records will be printed and placed in the County Office file under the following circumstances:
  - preparation for NAD appeals
  - preparation for civil and criminal inquiries, investigations, audits, and litigations in conjunction with OIG, OGC, OCR, and GAO.

#### c Copying From Word Documents

Microsoft Word applies special formatting to word documents so that the text appears correctly. When copying to a WordPad in FBP, the text must be stripped of the formatting for the text to print correctly using the Microsoft Reporting Service (MRS) feature.

Copy text from Microsoft Word to the WordPad located in "Notes" according to the following:

- highlight desired text in MS Word
- copy and paste in the appropriate WordPad block
- CLICK "Word" icon on the right side of the WordPad.

<u>Save &amp; Stav</u>   <u>Save &amp;</u>   <u>Save &amp; Menu</u>	Printable View 🖂
Paragraph 💌 Times 💌 12 💌 Symbols 🔍 📥 🛛 🐰 🖹 🖺 🖺 🗠 🖙 B	◢▯▯;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;
4-8-10 FV/Security check at B's farm. PG	

Figure 10c

Note: Bolding, tables, and bullet points will be removed during the "cleaning" process.

## **B** Electronic File Maintenance, Reports, and Signatures (Continued)

#### \*--3 Footnotes and Comments--\*

Footnotes are narrative comments which can be added in the WordPad block located at the bottom of the balance sheet, income and expense summary, and other documents.

Comment NotePads provide the capability to add comments on the balance sheet or income and expense schedules, as well as other areas of the applications. What looks like a small piece of paper next to a field indicates that comments can be entered in small text boxes after the indicator is clicked. After entering a comment, this same indicator will look like a sheet of paper with writing. The information entered in the text boxes will be saved and linked to the respective field.

## \*--a Printing Footnotes and Comments

To print footnotes and/or comments on a selected report, CLICK "**Reports**" and the "**Print Manager**" or "**Reports Setup**" options will be displayed, as follows.

File General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
				-		Reports Setup Print Manager

#### Figure 11a

**Option 1:** If users click "**Print Manager**" and click the "**Report Options**" tab, users can add comments or footnotes using the "Comments" or "Footers" drop-down menus. If users click "Comments", the following "Comments" section will be displayed. CHECK (✓) the appropriate boxes to select the reports.

Print Reports Report Option	Analysis Rules								
<ul> <li>Comments</li> </ul>									
General General Information Related Entities Consolidations	Credit Action Borrowing Base Covenant Tracking Application Farm Assmt. Environmental Other Credit Presentation	Balance Sheet Summary Schedules Collateral Analys Earned Equity	Income / Expense Summary Schedules Accrual Adjustments CHECK (✓) each document that user wants to print with comments.						
<ul> <li>► Footers</li> <li>► Footers</li> <li>► Formatting</li> </ul>									

Figure 11b, Using "Print Manager"--\*

## **B** Electronic File Maintenance, Reports, and Signatures (Continued)

## \*--3 Footnotes and Comments

## a Printing Footnotes and Comments (Continued)

**Option 2:** Using **"Reports Setup"**, CHECK (✓) the appropriate boxes under "Print Footnotes on:" and "Print Comments" to select the reports.

	Balance Sheet Summary Balance Sheet Trends Balance Sheet Schedules Income / Expense Schedules	Print Footnotes on : Annual Cash Flow Income Statement Income Statement Inc / Exp Trends Print Disclosures on : None Print e-Signatures on :	Borrowing Base Covenant Tracking Collateral Analysis	use	ECK $(\checkmark)$ each document that or wants to print with thotes.
	Balance Sheet		Income / Expense		
	Borrowing Base / Inspection	n Certificate			
			Print Comme	inte	
	General	Credit Action	Balance		Inc / Exp
	General Information				Summary
		Borrowing Ba		mmary	
	Related Entities	Covenant Tra		hedules	Schedules
	Consolidations	Form 1		llateral Analysis	Accrual Adjustments
			Ea	rned Equity	Enterprise Analysis
		Form 3			
CHECK ( $\checkmark$ ) each wants to print wit	h document that user h comments.	Form 4	ement		

Figure 11c, Using "Reports Setup"--\*

## **B** Electronic File Maintenance, Reports, and Signatures (Continued)

### **4** Reports and Forms – Signature and Filing Requirements

#### \*--a Report Packages

The **Report Package** feature in FBP provides users several options for packaging and printing reports, as follows.

- Accessing and printing report packages that have been created by the State Office.
- Creating Service Center Report Packages that will be available for all users within that location.
- Creating User Report Packages that will only be available to that user.
- Selecting multiple reports in an individual customer for printing.

#### **1** State Office Report Packages

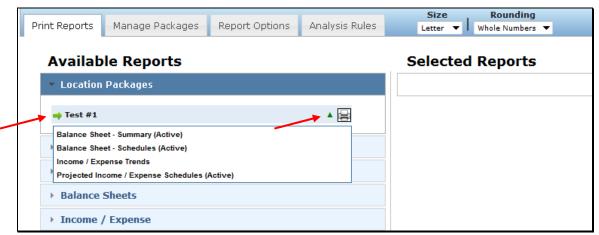
Reports created by the State Office are available for all users in the State. Reports are located on the "**Print Reports**" tab and can be accessed under the "Available Reports" column by clicking the arrow next to "**Location Packages**".

Prir	nt Reports	Manage Packages	Report Options	Analysis Rules	Size Rounding Letter V Whole Numbers V	0
	Availab	le Reports			Selected Reports	
	<ul> <li>Location</li> </ul>	Packages				
	📫 Test #1			▼ 📑		
	► General	Information				
	Credit Ad	ction				

Figure 11d, Location Packages --\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)
    - \*--a Report Packages (Continued)
      - **1** State Office Report Packages (Continued)

CLICK "**Up Arrow**" next to the "Printer" icon to hide the contents of the package and the arrow will be displayed as a down arrow. CLICK "**Down Arrow**" next to the "Printer" icon to view the contents of the package.



**Figure 11e, View Package Reports** 

To print the report package, under "Location Packages", next to the report title, CLICK "Green Arrow" to automatically move the report from the "Available Reports" column to the "Selected Reports" column. The "Green Arrow" will be displayed as a blue checkmark "✓" after the move to indicate the selection is no longer available.

**Note**: Only reports with a "Green Arrow" displayed can be moved to the "Selected Reports" column.--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)
    - \*--a Report Packages (Continued)
      - **1** State Office Report Packages (Continued)

Print Reports	Manage Packages	Report Options	Analysis Rules	Size Letter 🔻	Rounding Whole Numbers	•		0
Availab	le Reports			Selected	Reports	Print Reports	Clear	
<ul> <li>Location</li> </ul>	Packages			Test #1			X	
✓ Test #1			▼ 🚍					
→ General	Information							
Credit A	ction							
→ Balance	Sheets							

Figure 11f, Add to Selected Reports

Additional reports can be added to the "**Selected Reports**" column and printed at the same time. The following options are available in the "**Selected Reports**" column:

- click within the list to drag-and-drop a selection to rearrange the order of the reports
- CLICK "X" (red) to delete a selection from "Selected Reports" column and return the selection to the "Available Reports" column
- CLICK "Print Reports" to generate the selection in ReportViewer
- CLICK "Clear" to remove all reports from the column
- to the left of the report title, CLICK "+" to see the reports included within a package.

Print Reports	Manage Packages	Report Options	Analysis Rules	Size Rounding	-	0
Availabl	e Reports			Selected Reports	Print Reports Clear	
→ Location I	Packages			. Test #1	X	
→ General I	nformation			Income Statement	X	
Credit Act	tion					
→ Balance S	sheets					
▼ Income /	Expense					
- Income	e / Expense Trends					
🛶 Income	e / Expense Trends					
Income	e / Expense Trends - Cha	arts	72			
🔿 Income	e / Expense Trends: Con	imon-Size				
Income	e / Expense Trends: Con	mon-Size - Charts	72			
🔿 Income	e / Expense Trends: Con	parative				
✓ Income	e Statement					

Figure 11g, Selected Reports Options--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 **Reports and Forms Signature and Filing Requirements (Continued)** 
    - \*--a Report Packages (Continued)
      - 2 Service Center Report Packages

When created, Service Center Report Packages are available for all users at that location. To create a report, from the Locator, do the following:

• CLICK "Defaults", "Report Setup", "Manage Packages"

WebE	quity				Locator	📷 Calculators 🛃 Logout
File	Defaults	Po	rtfolio	Management		
Add New	Creditors	1			Locator S	creen
	Report Se	etup	$\rightarrow$	Manage Packages	First Letter of La	ast Name or Entit
				Report Options Analysis Rules	JKLMNOPQE	<u>R S T U V W X Y Z</u>

Figure 11h, Access Manage Packages

- CLICK "Manage Packages" tab
- CLICK "New"
- in the "Package Name" block, type the title for the new report package.

Manage Packages Rec	ort Options Analysis Rules			
Report Package	View New	Package Name	Service Center Package	Save Cancel
Balance Sheets				
+ Balance Sheet Trent	k			
Multi-Term Balance	Sheet Projections - Most Recent			

Figure 11i, Adding a New User Package--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 **Reports and Forms Signature and Filing Requirements (Continued)**

#### \*--a Report Packages (Continued)

2 Service Center Report Packages (Continued)

A package can consist of 1 to 50 reports. To select the reports to include in a package:

- only reports with a green arrow can be moved to the "Selected Reports" column
- CLICK "Green Arrow" to automatically move the report from the "Available Reports" column to the "Selected Reports" column

Note: The "Green Arrow" will be displayed as a blue checkmark "✓" after the move to indicate the selection is no longer available.

- CLICK "Save" and the new report package will be displayed in the "Report Package" list
- CLICK "Edit" to change the package contents
- to remove a report from a package, CLICK "X" (red)
- CLICK "Delete" to remove the entire package.

**Note:** When selecting Balance Sheets and Income/Expense reports, options include:

- "Active" that references the last report accessed by the user
- "Most Recent" that references the last report created in the system.

Manage Packages Report Options Analysis Rules	
Report Package Service Center Package View New	Package Name Service Center Package Save Cancel
▼ Balance Sheets	Balance Sheet - Summary: Active
▶ Balance Sheet Trends	Balance Sheet - Schedules: Active
Multi-Term Balance Sheet Projections - Most Recent	
- Balance Sheet - Active	
✓ Balance Sheet - Summary ✓ Balance Sheet - Schedules	"Active" references the last report accessed by the user.
Balance Sheet - Machinery and Equipment Only	"Most Recent" references the
➡ Balance Sheet - Collateral Only	last report created in the system.
<ul> <li>Balance Sheet - Value Only</li> <li>Balance Sheet Schedule - Value Only</li> </ul>	
▶ Balance Sheet - Most Recent	

Figure 11j, Creating User Package--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)
    - \*--a Report Packages (Continued)
      - 2 Service Center Report Packages (Continued)

After user clicks "**Save**" for the final time, the **Service Center Report Package** will be available on the "Print Reports" tab, under the "Available Reports" column, from the "**Location Packages**" list. Report can be printed by moving it to "**Selected Reports**" column.

Print Reports	Manage Packages	Report Options	Analysis Rules	Size         Rounding           Letter         ▼         Whole Numbers         ▼	
Availab	le Reports			Selected Reports	
- Location	Packages				
📦 Service (	Center Package		▼ 📑		

**Figure 11k1, Location Packages** 

## **3** User Report Package

A User Report Package is only available to the user that created the package. To create a report, select a customer record, then from the toolbar:

- CLICK "Reports", "Print Manager"
- CLICK "Manage Packages" tab
- CLICK "New"
- in the "**Package Name**" block, type the title for the new report package.

Print Reports	Manage Packages	Report Options	Analysis Rules			
Report Package		- Edit N	ew Delete	Package Name	Test Package	Save Cancel
<ul> <li>Balance She</li> </ul>	ets					
→ Balance S	heet Trends					
→ Multi-Tern	n Balance Sheet Proje	ections - Most Rece	ent			

Figure 11k2, Adding a New User Package--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)

#### \*--a Report Packages (Continued)

## **3** User Report Package (Continued)

Select and add the individual reports to the package.

Print Reports Manage Packages	Report Options	Analysis Rules	
Report Package Test Package   Balance Sheets  Balance Sheet Trends	▼ Edit N	ew Delete	Package Name Test Package Save Cancel Balance Sheet - Summary: Active X Balance Sheet - Schedules: Active X
<ul> <li>Multi-Term Balance Sheet Proj</li> <li>Balance Sheet - Active</li> <li>Balance Sheet - Summary</li> </ul>	ections - Most Reco	ent	"Active" references the last report accessed by the user.
<ul> <li>Balance Sheet - Schedules</li> <li>Balance Sheet - Machinery and Equ</li> <li>Balance Sheet - Collateral Only</li> <li>Balance Sheet - Value Only</li> <li>Balance Sheet Schedule - Value On</li> </ul>			" <b>Most Recent</b> " references the last report created in the system.
Balance Sheet - Most Recent			

Figure 11k3, Creating User Package

After user clicks "**Save**" for the final time, the user report package will be displayed on the "**Print Reports**" tab, in the "Available Reports" column, under "User Packages". The report can be printed by moving it to the "**Selected Reports**" column.

Print Reports	Manage Packages	Report Options	Analysis Rules	Size Rounding Letter V Whole Numbers V
Availab	le Reports			Selected Reports
→ Location	Packages			
🔹 User Pac	kages			
📫 Test Pack	age		▼ 📑	
General I	Information			
Credit Ac	tion			

Figure 11k4, User Packages--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)
    - a Report Packages (Continued)
      - 4 Customer Multiple Report Selection

Users have the option of individually selecting multiple reports for printing at 1 time. To select the reports to print, CLICK "**Green Arrow**" to automatically move the report from the "**Available Reports**" column to the "**Selected Reports**" column.

Note: The "Green Arrow" will be displayed as a blue checkmark "✓" after the move to indicate the selection is no longer available.

CLICK "Print Reports" to generate the selection in ReportViewer.

**Note:** The reports selected will **not** be saved as a package. Users will need to reselect the reports needed for printing each time.



Figure 11k5, Customer Multiple Report Selection

## **B** Electronic File Maintenance, Reports, and Signatures (Continued)

## 4 Reports and Forms – Signature and Filing Requirements (Continued)

#### \*--b Generating and Printing Reports

To generate and print a report, CLICK "**Reports**" "**Print Manager**". "**Print Manager**" may also be accessed from "Bal. Sheet" and "Inc / Exp" trends.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
							Reports Setup Print Manager
Figu	re 11k6						

CLICK "**Print Reports**" tab and a list of all the available reports will be displayed. CLICK "Drop-Down Arrow" next to a report title to display the list of reports that are available to view and/or print. Reports are displayed with either "**Printer**" or "**PDF**" icon.

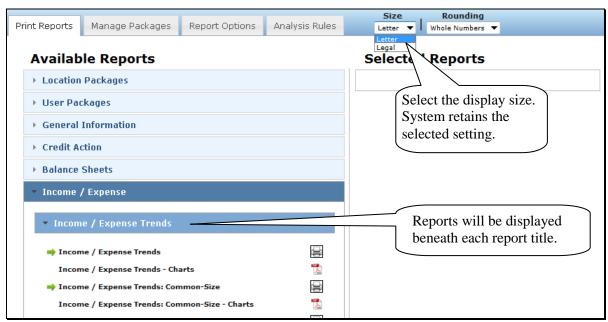


Figure 11k7, Available Reports Screen--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)

#### \*--b Generating and Printing Reports (Continued)

Some reports listed on the Available Reports Screen are only available in PDF format. CLICK "**PDF**" icon to open a report in PDF.

Print Reports Manage Packages	Report Options	Analysis Rules	Size Rounding Letter V Whole Numbers V
Available Reports			Selected Reports
Location Packages			
User Packages			
► General Information			
Credit Action			
<ul> <li>Balance Sheets</li> </ul>			
<ul> <li>Balance Sheet Trends</li> </ul>			
Balance Sheet Trends Balance Sheet Trends - Charts		<u>∎</u> ₹ ←	

Figure 11k8, Select PDF

Depending on the browser, a "File Download" dialog box may be displayed that allows users to open, save, or cancel the download. CLICK "**Open**" to view and/or print the report or "**Save**" to rename the report and save to another location.

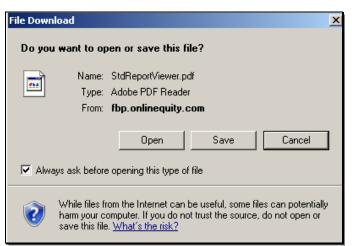


Figure 11k9, Open or Save Report--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)

## \*--b Generating and Printing Reports (Continued)

CLICK "Printer" icon to print the report.

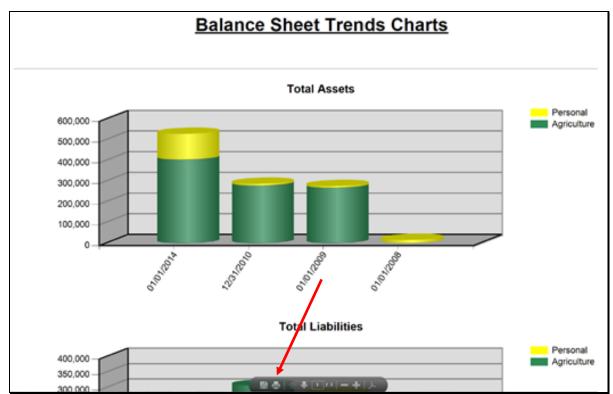


Figure 11k10, Print PDF Report--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)
  - \*--b Generating and Printing Reports (Continued)

Other reports listed under the "**Available Reports**" column are available in multiple formats in ReportViewer. CLICK "**Printer**" icon to open a single report in ReportViewer.

**Note:** Do **not** click multiple times because this may open multiple windows and slow performance.

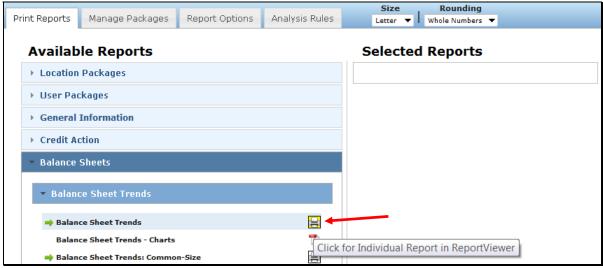


Figure 11k11, CLICK "Printer" Icon

CLICK "Print Reports" to open multiple reports or report packages in ReportViewer.

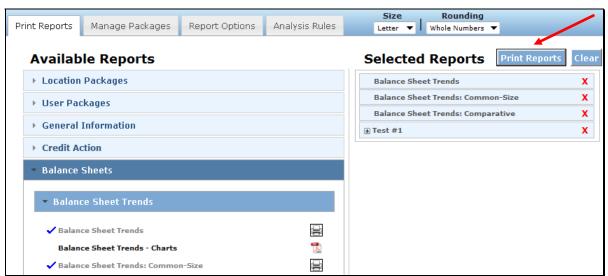


Figure 11k12, CLICK "Print Reports"--\*

**B** Electronic File Maintenance, Reports, and Signatures (Continued)

## 4 Reports and Forms – Signature and Filing Requirements (Continued)

#### \*--b Generating and Printing Reports (Continued)

In ReportViewer, navigation and printing options are available from the Menu Bar. To:

- **export** in a different format, from the "**Export to the selected format**" drop-down menu, select a format for the report
  - **Note:** To export the report in the displayed format, CLICK "**Export**" icon. After a format is selected, that format will remain as the system default until a different format is selected.
- update information on a report, CLICK "Refresh" icon
  - **Note:** A report can be kept open, changes made to information on a document, and when users click "**Refresh**" icon, the report and the new changes will be displayed. "Refresh" does **not** work with **Report Packages**.
- print reports in PDF format, CLICK "**Printer**" icon
- hide document map, CLICK "□" to hide left report column.

In the left hand column, titles of individual reports from **Report Packages** are listed. Click on the title to view the individual report.

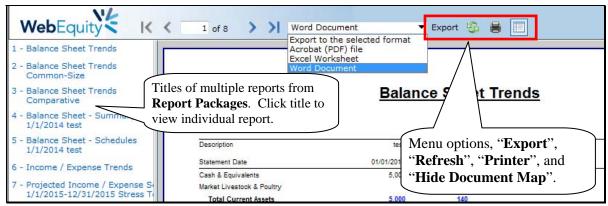


Figure 11k13, Select the Report Format--\*

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)

## \*--b Generating and Printing Reports (Continued)

Depending on the version of user's browser, a "File Download" dialog box may be displayed that allows users to open, save, or cancel the download. CLICK "**Open**" to view and/or print the report, or CLICK "**Save**" to rename the report and save to a preferred location.

File Download 🛛 🔀
Do you want to open or save this file?
Name: IE Trends.docx Type: Microsoft Office Word Document, 8.70KB From: <b>wesreportsg.onlinequity.com</b> Open Save Cancel
While files from the Internet can be useful, some files can potentially harm your computer. If you do not trust the source, do not open or save this file. <u>What's the risk?</u>

Figure 11l, Open or Save the Report--\*

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## **B** Electronic File Maintenance, Reports, and Signatures (Continued)

# 4 Reports and Forms – Signature and Filing Requirements (Continued)

## c Reports and Signature Requirements

The following table provides a list of forms or reports with signature, locking, and printing requirements.

	Customer Signature	FSA Signature	Must be	Report Must
<b>Report or Form Name</b>	Required <u>1</u> /	Required <u>1</u> /	Locked	be Printed <u>2</u> /
Balance Sheet Summary	Yes	No	Yes	Yes
Balance Sheet Schedules	No	No	N/A	Yes
Income & Expense Trends	Yes	No	N/A	Yes
Projected Income &	No	No	N/A	Yes
Expense Schedules				
Income & Expense	No	No	Yes	See Cash
Summaries				Flow Reports
Projected Annual Cash	Optional	No	N/A	Optional
Flow				
Monthly Cash Flow	Optional	No	N/A	Optional
Production Trends	No	No	N/A	Optional
Farm Assessment	Yes	Yes	Yes	Yes
Credit Presentations	No	Yes, eSigned.	Yes, see	Optional,
			Locking	*except for
			<b>Credit Action</b>	FSFL*
			Forms	
			(Section J 3).	
Eligibility Only	No	Yes, eSigned.	Yes	Optional
DALR\$ Input Report	No	Yes, eSigned.	Yes	Optional
Environmental Checklist (RD 1940-22)	No	Yes, eSigned.	Yes	Optional
Emergency Loan	No	Yes, eSigned.	Yes	Optional
Calculations (FSA-2311A)		-		-
Security Agreement	Yes	No	No	Yes
Chattel Appraisal	No	Yes or notation	N/A	Optional
		made in the		-
		Credit		
		Presentation.		
		See Credit		
		Actions,		
		"Collateral"		
		(Section J 7 b).	<u> </u>	

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)
    - c Reports and Signature Requirements (Continued)

Report or Form Name	Customer Signature Required <u>1</u> /	FSA Signature Required <u>1</u> /	Must be Locked	Report Must be Printed <u>2</u> /
Analysis Reports & Charts	No	No	N/A	Optional
Running Record	No	No	N/A	Optional, see
				Running Record
				(Section B 2).

- 1/ The term "Signature" includes "eSignature", if available.
- 2/ When the printing of certain credit actions and reports is optional, the electronic versions stored in FBP are considered to be the equivalent of a paper version for all purposes, including source documents for ADPS and DLS transactions.
- **Note:** When a loan approval decision is made, the case file **must** contain the Assessment, Balance Sheet Summary, and Income & Expense Trends on which the decision was based. These 3 documents **must** be signed by the applicant.

## d Reports Setup

There are many options to control the appearance of reports and what records are included in the generated analysis. Up to 6 balance sheets and 6 projections/actuals can be included in reports. Options selected will affect what balance sheets and projections/actual are available or "will be used" in credit actions. Changes to the report order can be made on either the Reports Setup or Balance Sheet Trends & Income/Expense Trends Manager Screens.

Reports should be set-up from left to right with the most current to least current information, respectively. At a minimum, the following will be included:

- income/expenses:
  - Column 1, current year's or After eDALR\$ plan, if completed
  - Columns 2 through 4, preceding years using actual history, if available
  - Columns 5 and 6, may be used as needed
  - **Note:** The loan official will select which years are most relevant to include in the average by checking the box above the year on either the Reports Setup or Income/Expense Trends Screen.

**B** Electronic File Maintenance, Reports, and Signatures (Continued)

## 4 **Reports and Forms – Signature and Filing Requirements (Continued)**

### d Reports Setup (Continued)

- balance sheets:
  - Column 1, current or post-close/After eDALR\$ plan, if completed
  - Columns 2 through 4, preceding years
  - Columns 5 and 6 may be used as needed.

The options displayed on the Reports Setup Screen and the "Print Manager", "Analysis Rules" tab will automatically default to the National Office recommendations. CLICK "**Value Farm Prod**" or "**Gross Revenues**" radio button for the values to be used in all ratios.

By selecting options from the "Balance Sheet Columns" section, users can establish 2 columns to show comparisons of 2 types of calculations. See When Customer and FSA Balance Sheet Values/Amounts Differ (Section D 6) for more information.

**Notes:** The "Agriculture" check ( $\checkmark$ ) boxes should **not** be changed.

Any changes made to either the Reports Setup Screen or the "Print Manager", "Analysis Rules" tab will automatically reflect on the other.

Ba	alance Sheet I	Report Format	Analy	sis Based on:
Optional 2 Column E	Balance Sheet	Print on Schedules:	Balance Sheet:	Income Statement
Secondary Column:	Primary Column:	Collateral & Prior Lien Indicator	Agriculture	Agriculture
O Value	<ul> <li>Value</li> </ul>	Adj. Value	Commercial	Ag. Ratios based on: Gross Revenues
O Adj. Value	O Adj. Value	Cost	Persona	<ul> <li>Oldss Revendes</li> <li>Value Farm Prod.</li> </ul>
O Cost	O Cost	Machinery Condition	Do not	
<ul> <li>None</li> </ul>		Loan Terms & Comments on Loan Sch		sonal
		Print on Mach / Equip only report	Stmt. of Cash Flows / Stmt. of Owner Equity based of	n. Avg iance : ⊙ Left ◯ Right
		Machinery Condition	<ul> <li>Market Value BS / Cash IE</li> </ul>	disates Madanaa
Print on Customer Input	Worksheet	Machinery Value	Cost Basis BS / Accrual IE	
💿 Value 🗢 Adj. Valu	ie 🔿 Cost	Machinery Disclosure	Do not display Column 1	
		-		
	Print Footn	otes on :	Print Non-Financials	System defaults to
Balance Sheet Sun	mmary 🔲 Annual	Cash Flow 🔲 Borrowing Base		"Value Farm Prod."
_	· _	_ `	Growth Ratios	
Balance Sheet Trer	nds 🛄 Income	Statement Covenant Tracking	● By Trends Order ● By Ce	omplete Year

Figure 11m, Reports Setup Screen

- **B** Electronic File Maintenance, Reports, and Signatures (Continued)
  - 4 Reports and Forms Signature and Filing Requirements (Continued)
    - d Reports Setup (Continued)

Print Reports	Report Options	Analysis Rules		
Balance Shee Secondary Value Adjusted Val Cost None	Prima ry Value	<ul> <li>Value</li> </ul>		Average / Variance: <ul> <li>Left</li> <li>Do not display Variance</li> <li>Do not display Average</li> </ul> <li>Statement of Cash Flows / Statement of Cash Flows / Statement of Cash IE</li> <li>Market Value BS / Cash IE</li> <li>Do not display Column 1</li>
	Analysis Based On:		Do <b>not</b> change.	Agriculture Ratios Bared On: © Gross Revenues © Value Farm Production
	ense Analysis Based Commercial Person			Growth Ratios:

Figure 11n, "Print Manager", "Analysis Rules" Tab

## **B** Electronic File Maintenance, Reports, and Signatures (Continued)

#### 5 eSignature Policy

The electronic signatures ("eSigned") used for some documents complies with the Federal ESIGN act. An eSignature involves electronically authenticating the user, and using an unalterable signature that contains a date and time stamp.

FSA considers a locked eSignature within FBP to be the equivalent of a written signature.

**Important:** Never share user eAuthentication passwords With anyone. The eAuthentication user ID and password combination represents an eSignature, which is equivalent to a written signature. Sharing of the password has the same effect as authorizing someone else to sign your name. Users are responsible for maintaining the authenticity of their own credentials.

See **System Access and Security** (Section A 2) for more information on system access and security.

## **B** Electronic File Maintenance, Reports, and Signatures (Continued)

#### 6 Maintaining FBP Customer Records

#### a Moving FBP Customer Records to the Recycle Bin

When a customer record no longer has a credit relationship with FSA, the record should be removed from the Locator Screen. **Before** removing the customer from the Locator Screen, change the information in the Credit Relationship Status field on the General Information Screen. Remove customer records as follows:

- access the General Information Screen in the customer record:
  - remove all information from the "Credit Relationship Status" field
  - enter an account description and date, such as "Paid in Full, XX/XX/XXXX", "Application Rejected, XX/XX/XXXX"
- from the Locator Screen:
  - select the record to be moved to the recycle bin by checking (✓) the box in front of the name

**Note:** Individual or multiple records may be moved at 1 time.

•\*--CLICK "Send To" located above the list of names--\*

- verify the radio button for "Recycle Bin" is clicked
- CLICK "Send".

**Note:** Do **not** click the "Archive" radio button.

#### b Moving FBP Duplicate Customer Records to the Recycle Bin

Duplicate customer records shall not reside in the FBP active database. These records will be labeled "Duplicate File, XX/XX/XXXX" in the "Credit Relationship Status" field on the General Information Screen. Remove the account from the Locator Screen according to **Moving FBP Customer Accounts to the Recycle Bin** (Section B 6 a).

## **C** General Information

General Information includes basic information about the customer, borrower training, employment, associated persons or entities, and farm assessment details.

The following information is populated from SCIMS:

- entity type
- name, address, city, State, ZIP+4
- tax ID
- e-mail, phone number, FAX, and date of birth.

Data that is populated from SCIMS **cannot** be changed within FBP. Each time a customer record is selected, the relevant SCIMS data is transferred to General Information. Any changes to this data **\*--must** be made in BP, not in FBP.--\*

Enter the following on the General Information Screen. There are 4 **required** fields that must be completed before exiting the General Information Screen.

Credit Relationship Status       Each State may provide guidance on using the field. Entries may be text or numerical, but will <b>not</b> contain "SS#" or "TaxID#". When a customer no longer has a credit relationship with FSA, the fiel will be completed according to <b>Maintaining FBP Customer Records</b> (Section B 6).         Type of Operation – Primary <b>Required</b> . Select the customer's predominant agricultural enterprise. Use best available informatio for FSFL customers.         Click "Select" and choose from the list in the pop-up menu.       Optional. Enter the customer's county of residence.         Borrower Type <b>Required</b> . Use the radio buttons to select "Direct", "Guaranteed", or "Both" to designate the customer's FLP assistance. Use the "Direct" radio button to designate customer swith FSFL's.         Year Started Farming <b>Required</b> . Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.         FBP Account Type <b>Required</b> . Click the link to select 1 of the following FBP account types.         • "Active Account" will be selected for the majority of customers. <b>Note:</b> Select "Active Account" for all Youth Loans.		
Status       contain "SS#" or "TaxID#". When a customer no longer has a credit relationship with FSA, the fiel will be completed according to Maintaining FBP Customer Records (Section B 6).         Type of Operation – Primary       Required. Select the customer's predominant agricultural enterprise. Use best available informatio for FSFL customers.         Click "Select" and choose from the list in the pop-up menu.       Click "Select" and choose from the list in the pop-up menu.         County       Optional. Enter the customer's county of residence.         Borrower Type       Required. Use the radio buttons to select "Direct", "Guaranteed", or "Both" to designate the customer's FLP assistance. Use the "Direct" radio button to designate customer swith FSFL's.         Year Started Farming       Required. Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.         FBP Account Type       Required. Click the link to select 1 of the following FBP account types.         • "Active Account" will be selected for the majority of customers.         Note:       Select "Active Account" for all Youth Loans.         • "Credit Rpt./Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".         Note:       Do not select the "Credit Rpt./Elig. Only Act" account type if BS or IE information has already been added to the customer's account.	Field	Notes
will be completed according to Maintaining FBP Customer Records (Section B 6).         Type of Operation –       Required. Select the customer's predominant agricultural enterprise. Use best available information for FSFL customers.         Click "Select" and choose from the list in the pop-up menu.       Optional. Enter the customer's county of residence.         Borrower Type       Required. Use the radio buttons to select "Direct", "Guaranteed", or "Both" to designate the customer's FLP assistance. Use the "Direct" radio button to designate customers with FSFL's.         Year Started Farming       Required. Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.         FBP Account Type       Required. Click the link to select 1 of the following FBP account types.         • "Active Account" will be selected for the majority of customers.         Note:       Select "Active Account" for all Youth Loans.         • "Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".         Note:       Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.         • "Special Classification Act" is selected for customers with only CNC or Judgment accounts         • "Guaranteed Loan Import" is used to identify files imported from guaranteed lenders.		
Type of Operation –       Required. Select the customer's predominant agricultural enterprise. Use best available informatio for FSFL customers.         Click "Select" and choose from the list in the pop-up menu.       Optional. Enter the customer's county of residence.         Borrower Type       Required. Use the radio buttons to select "Direct", "Guaranteed", or "Both" to designate the customer's FLP assistance. Use the "Direct" radio button to designate customers with FSFL's.         Year Started Farming       Required. Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.         FBP Account Type       Required. Click the link to select 1 of the following FBP account types.         • "Active Account" will be selected for the majority of customers.         Note:       Select "Active Account" for all Youth Loans.         • "Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".         Note:       Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.         • "Special Classification Act" is selected for customers with only CNC or Judgment accounts         • "FSFL Only" is selected for customers with only FSFL's.	Status	
Primary       for FSFL customers.         Click "Select" and choose from the list in the pop-up menu.         County       Optional. Enter the customer's county of residence.         Borrower Type       Required. Use the radio buttons to select "Direct", "Guaranteed", or "Both" to designate the customer's FLP assistance. Use the "Direct" radio button to designate customers with FSFL's.         Year Started Farming       Required. Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.         FBP Account Type       Required. Click the link to select 1 of the following FBP account types.         • "Active Account" will be selected for the majority of customers.       Note: Select "Active Account" for all Youth Loans.         • "Credit Rpt./Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".         Note:       Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.         • "Special Classification Act" is used to identify files imported from guaranteed lenders.         • "FSFL Only" is selected for customers with only CNC or Judgment accounts		
Click "Select" and choose from the list in the pop-up menu.         County       Optional. Enter the customer's county of residence.         Borrower Type       Required. Use the radio buttons to select "Direct", "Guaranteed", or "Both" to designate the customer's FLP assistance. Use the "Direct" radio button to designate customers with FSFL's.         Year Started Farming       Required. Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.         FBP Account Type       Required. Click the link to select 1 of the following FBP account types.         • "Active Account" will be selected for the majority of customers.         Note:       Select "Active Account" for all Youth Loans.         • "Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".         Note:       Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.         • "Special Classification Act" is selected for customers with only CNC or Judgment accounts         • "Guaranteed Loan Import" is used to identify files imported from guaranteed lenders.	Type of Operation –	Required. Select the customer's predominant agricultural enterprise. Use best available information
County         Optional. Enter the customer's county of residence.           Borrower Type         Required. Use the radio buttons to select "Direct", "Guaranteed", or "Both" to designate the customer's FLP assistance. Use the "Direct" radio button to designate customers with FSFL's.           Year Started Farming         Required. Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.           FBP Account Type         Required. Click the link to select 1 of the following FBP account types.           • "Active Account" will be selected for the majority of customers. Note: Select "Active Account" for all Youth Loans.           • "Credit Rpt./Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account". Note: Do not select the "Credit Rpt./Elig. Only Act" account type if BS or IE information has already been added to the customer's account.           • "Guaranteed Loan Import" is used to identify files imported from guaranteed lenders.           • "FSFL Only" is selected for customers with only FSFL's.	Primary	for FSFL customers.
Borrower Type         Required. Use the radio buttons to select "Direct", "Guaranteed", or "Both" to designate the customer's FLP assistance. Use the "Direct" radio button to designate customers with FSFL's.           Year Started Farming         Required. Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.           FBP Account Type         Required. Click the link to select 1 of the following FBP account types.           •         "Active Account" will be selected for the majority of customers.           Note:         Select "Active Account" for all Youth Loans.           •         "Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".           Note:         Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.           •         "Special Classification Act" is selected for customers with only CNC or Judgment accounts           •         "FSFL Only" is selected for customers with only FSFL's.		Click "Select" and choose from the list in the pop-up menu.
customer's FLP assistance. Use the "Direct" radio button to designate customers with FSFL's.         Year Started Farming       Required. Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.         FBP Account Type       Required. Click the link to select 1 of the following FBP account types.         • "Active Account" will be selected for the majority of customers.         Note:       Select "Active Account" for all Youth Loans.         • "Credit Rpt./Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".         Note:       Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.         • "Special Classification Act" is selected for customers with only CNC or Judgment accounts         • "FSFL Only" is selected for customers with only FSFL's.	County	Optional. Enter the customer's county of residence.
Year Started Farming       Required. Use the drop-down menu to indicate the year the customer started farming. For FSFL customers, if the year is unknown use the year the application is submitted.         FBP Account Type       Required. Click the link to select 1 of the following FBP account types.         • "Active Account" will be selected for the majority of customers. Note: Select "Active Account" for all Youth Loans.         • "Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".         Note:       Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.         • "Special Classification Act" is selected for customers with only CNC or Judgment accounts         • "FSFL Only" is selected for customers with only FSFL's.	Borrower Type	<b>Required</b> . Use the radio buttons to select "Direct", "Guaranteed", or "Both" to designate the
customers, if the year is unknown use the year the application is submitted.         FBP Account Type       Required. Click the link to select 1 of the following FBP account types.         • "Active Account" will be selected for the majority of customers.         Note:       Select "Active Account" for all Youth Loans.         • "Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".         Note:       Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.         • "Special Classification Act" is selected for customers with only CNC or Judgment accounts         • "FSFL Only" is selected for customers with only FSFL's.		customer's FLP assistance. Use the "Direct" radio button to designate customers with FSFL's.
<ul> <li>FBP Account Type</li> <li>Required. Click the link to select 1 of the following FBP account types.</li> <li>"Active Account" will be selected for the majority of customers. Note: Select "Active Account" for all Youth Loans.</li> <li>"Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account". Note: Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.</li> <li>"Special Classification Act" is selected for customers with only CNC or Judgment accounts</li> <li>"FSFL Only" is selected for customers with only FSFL's.</li> </ul>	Year Started Farming	<b>Required</b> . Use the drop-down menu to indicate the year the customer started farming. For FSFL
<ul> <li>"Active Account" will be selected for the majority of customers.</li> <li>"Active Account" will be selected for the majority of customers.</li> <li>Note: Select "Active Account" for all Youth Loans.</li> <li>"Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".</li> <li>Note: Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.</li> <li>"Special Classification Act" is selected for customers with only CNC or Judgment accounts</li> <li>"Guaranteed Loan Import" is used to identify files imported from guaranteed lenders.</li> <li>"FSFL Only" is selected for customers with only FSFL's.</li> </ul>		customers, if the year is unknown use the year the application is submitted.
<ul> <li>Note: Select "Active Account" for all Youth Loans.</li> <li>"Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".</li> <li>Note: Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.</li> <li>"Special Classification Act" is selected for customers with only CNC or Judgment accounts</li> <li>"Guaranteed Loan Import" is used to identify files imported from guaranteed lenders.</li> <li>"FSFL Only" is selected for customers with only FSFL's.</li> </ul>	FBP Account Type	<b>Required</b> . Click the link to select 1 of the following FBP account types.
		<ul> <li>Note: Select "Active Account" for all Youth Loans.</li> <li>"Credit Rpt. /Elig. Only Act" is only selected for new customers when ordering a Credit Report or when completing a "D-Loan/Eligibility Only" credit action. If BS or IE information is subsequently added, the "FBP Account Type" will automatically change to "Active Account".</li> <li>Note: Do not select the "Credit Rpt. /Elig. Only Act" account type if BS or IE information has already been added to the customer's account.</li> <li>"Special Classification Act" is selected for customers with only CNC or Judgment accounts</li> <li>"Guaranteed Loan Import" is used to identify files imported from guaranteed lenders.</li> </ul>
	D&B D-U-N-S# /	
Experian File #		optional

## **C** General Information (Continued)

### **1** Borrower Training

When a new Credit Presentation is prepared for existing customers, the date borrower training is to be or was completed or waived should be entered and/or updated. For new customers, enter the applicable dates when known.

**Caution:** Borrower training dates should **always** be entered into General Information. The Credit Presentation is updated from General Information; changing the dates in other parts of FBP will **not** change the information in General Information.

## 2 Related Entities

All related entities associated with the customer should be added to FBP, and include spouses, co-applicants, co-owners of the business, co-signors, and any other entities of which the customer is a member or owner. To add related entities, CLICK "**Related Entities**" link.

\*--Note: All persons or entity members must be active in BP before being entered as a related--\* entity.

#### **3** Employment Information

To add employment information for the primary customer and each related entity member, CLICK "**Employment**" link. Employment information should be added or updated whenever a Credit Presentation is prepared.

**Note:** Employment information added for entity members will **not** be displayed on the General Information Screen; however, it will display in the "Employment Information" Section of any Credit Presentation that is prepared.

#### 4 Lender Information

#### a Lender Staff

Each customer should have 1 or more FSA loan officials designated as the customer's lender. This item is informational and will assist in preparing reports and future loan servicing functions. It will usually be the primary FSA loan official who services the account, which is FLM, SFLO, or FLO. There is **no** limit to number of lenders identified with each account.

**For new customers**. The user adding a new customer will automatically be displayed as the lender staff. To change the lender staff, on the General Information Screen, CLICK "**Lender Staff**" and "**Add New**".

\* \* \*

## **C** General Information (Continued)

### 4 Lender Information (Continued)

#### **b** Location/Department

The "Location/Department" on the General Information Screen is the Service Center where the customer currently receives FLP services.

- When a new customer is added, the "Location/Department" defaults to the Service Center location of the user adding the customer. If the location is **not** correct, it should be changed. CLICK "**Location/Department**" link and selecting the correct Service Center from the drop-down menu.
- "Restricted Loans" location, visible only to administrative users, is reserved for employee relationship and sensitive accounts. After an account has its location designated as "restricted loans," only FLC, FBP Coordinator, and employees specifically designated by the FBP Coordinator as the customer's "Lender Staff" can access the account.

## c Special Handling of Employee Relationship Records

Any existing or new customer defined according to 3-PM, paragraph 141, as an FSA employee, or related to or closely associated with an FSA employee, will have their location/department designated as "restricted loans".

**For new customers**, the \*\*\* Service Center **must** immediately notify the FBP Coordinator after receiving an application and provide the applicant's tax ID. Unless otherwise determined by \*\*\* FLC, the FBP Coordinator will:

- create the customer record
- designate the customer's "Location/Department" as "Restricted Loans"
- add the necessary FLP employees to the customer's lender staff \* \* \*
- notify the designated Service Center when the record is created and restricted.

**For existing customers**, the FBP Coordinator will place FSA employee or employee \*--relationship records into the restricted loan area. In addition, the lender staff designated--\* by SED or DD to service this record will be associated by the FBP Coordinator as the customers' "Lender Staff".

## **C** General Information (Continued)

#### 5 Farm Assessment Information

Initial farm assessments and updates must always be entered on the General Information Screen. Use the WordPad below each topic of the assessment to enter the information and make changes. \*--Text font size should not exceed 10 pt, to ensure that the assessment will print properly.--\*

Farm assessments do **not** document loan feasibility. The farm assessment is intended to summarize and describe the operational business, resources, and assets of the business, and not to duplicate those areas addressed in the Credit Presentation.

#### a New Customers

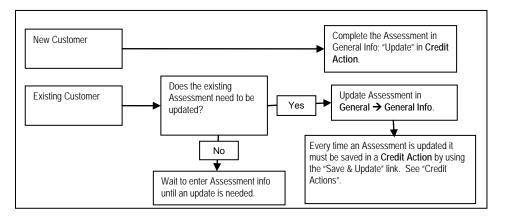
See 1-FLP, paragraph 222 for instructions on the documentation required for an initial assessment. Enter the information in the WordPad below each topic of the Farm Assessment Narrative on the General Information Screen.

#### **b** Assessment Review and Updates

See 1-FLP, paragraph 223 for instructions on the documentation required for updates to the assessment. Enter the information in the WordPad below each topic of the Farm Assessment Narrative on the General Information Screen.

**Note:** Farm assessments, if completed or updated, will be printed, signed, and dated by the customer to acknowledge participating in completing the document.

See **Credit Actions** (Section J) for information on printing, locking, and associating a farm assessment update with a "Credit Presentation". The following is an example of a farm assessment workflow.



**Note:** Assessment must be "Save & Updated" in a Credit Action for the date to transfer to the Customer Profile Screen in DLS. A credit action need only be created; the Credit Presentation does not have to be approved.

- **C** General Information (Continued)
  - **5** Farm Assessment Information (Continued)

## c Copying Data Into WordPad

See **Copying Data Into WordPad** (Section J 3 b) for instructions on copying Word or Excel information into the Assessment WordPad.

#### 6 Change General Information Model

\*--On the General Information Screen, when updating the assessment information, always ensure that the most current General Information model is displayed.

New customers added to FBP will automatically have the most current General Information model displayed. Existing customers will need to have the General Information model changed, if a red alert is displayed in the upper-left corner of the General Information Screen stating, "**Default Model changed**".

		General Information	
Default Model changed			
	If alert is	displayed, customer does <b>not</b> have the most	
Entity Type		General Information model.	
Case #			
Type of Operation - Primary	Select	Description: Beef Cattle Ranching and SIC: 0212, 02 NAICS: 112111	

Figure 12a, Alert Message "Default Model changed"--\*

## **C** General Information (Continued)

### 6 Change General Information Model (Continued)

Change the General Information model on existing customers as follows:

- select the customer account record
- CLICK "General"
- CLICK "Related Entities" from drop-down menu
- from fly–out menu, CLICK "Add/Modify/Delete"

Gr	Equity		~Greer 2,	Pixie			C Locator	Calculators	2 Logout	C enerp	Section 1997
e	General	Credit	Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports			
	Snapshot Su General Info									_	
	Employment		• lick o	on Menu above		nrou CL	ICK "Ad	ld/Modify/	Delete".		
	Related Enti	ties	•	Add / Modify / Delete	<sup></sup> y™-			-			
	and the second	ties : Reports	•	Add / Modify / Delete	<sup></sup> Υ <sup>™</sup> -						
	and the second	Reports	• • •	Add / Modify / Delete							

#### Figure 13a

• CLICK "General Information" for the applicable customer's name

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes Let	ters Reports	
Add N	ew			Related Entity	y Information		ral Information" to
					L N	change the Gen	eral Information model.
×	Entity	Entity Type	Tax ID	City State Zip	Scored Principals	Credit	Change Model
	<u>P</u>	Individual	<u>111-11-1111</u>		Principal 1	View	General Information

Figure 13b

- the "Change General Information Model" box will be displayed
- use the drop-down arrow and select "General Information"
- CLICK "Change"
- the New General Information model will be displayed.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports	
		Cha	inge General Ir	nformation Mo	del			
			Cancel 8	<u>t</u>				'General Information",
		Change Gen	eral Information to Ger	neral Information 💌	Change		then CI	LICK "Change".
		(Existing Model will be	replaced with new set	lection, matching infor	nation will be copie	d)		
			Existing e-signature	es will be deleted.				
		Changes to the S	SN/Federal Tax ID must	t be made using the S	CIMS application.			

Figure 13c

## **D** Balance Sheet

A balance sheet is a financial statement that reflects the values of an individual or entities assets, liabilities and capital at a specific point in time. Balance sheets can be created for a current date, future date, or even a previous date, if necessary, to reconstruct a customer's historical financial position. Obtaining balance sheets at the end of each business year is preferable, if possible.

There is no limit to the number of balance sheets that can be created or maintained in FBP.

\*--Notes: The source or basis of the assets and liabilities must be fully documented in the schedules, footnotes, or comment notepads.

There is no limit to the number of balance sheets that can be created or maintained in FBP.

The balance sheet summary **must be** printed and signed by the customer for all loan making and servicing actions.--\*

### **1** Types of Balance Sheets

A meaningful description, such as "FYE 12/31/10" or "After eDALR\$ 2011", should be used when a balance sheet is created. The description becomes especially important in years where multiple balance sheets are created and will appear on all reports.

Type of									
Balance									
Sheet	Additional Details								
Current	A balance sheet prepared as of the current date. It is generally a snap-shot of the								
	customer's assets and debts as of a certain date, assuming no credit action will take place.								
Post-Close	A balance sheet prepared assuming that the planned loanmaking or loan servicing action								
	has just taken place.								
	Note: The credit action does not have to be closed before a post-close balance sheet is								
	created to classify the account.								
	A post-close balance sheet must be completed for the following credit actions:								
	• D-Loan Making (for term loans only)								
	D-Loan Regular Servicing								
	D-Loan Special Servicing								
	• Microloan (for term loans only).								
Pro-Forma	A balance sheet prepared assuming that the projected income/expenses have occurred								
	during the plan period. A pro-forma balance sheet can be prepared to analyze what a								
	customer's financial position would be in the future, i.e. after a 1 year period.								

**D** Balance Sheet (Continued)

## 2 Adding New Balance Sheets

- \*--To add a new balance sheet, CLICK "**Bal. Sheet**" on the toolbar. A balance sheet may be added using either the "Trends Manager" or "Add Balance Sheet" option selected from the drop-down menu.
  - **Option 1:** CLICK "**Trends Manager**" to access the Balance Sheet & Income/Expense Trends Manager Screen. "Trends Manager" may also be accessed through the Dashboard Navigation Screen.



Figure 14a, Balance Sheet Trends Manager Using the Toolbar

To add a new balance sheet report, in a column CLICK "**Create New**" link in an empty cell. Any changes made to the selection and the order of the reports will be reflected on the Reports Setup Screen. To create a report that would be available to add to the Reports Setup Screen at a later date, click the link found under the "Balance Sheet" tab.

Balance Sheet & Income/Expense Trends Manager										
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6				
Balance Sheet	t Create New	12/31/2012 FYE 2012	12/31/2011 FYE 2011	Create New	Create New	Create New	Pin All			
							Unpin All			
Income/Expen	ISE Create New	Addron	ort directly	Create New	Create New	Create New	<b>1 1 1</b>			
		-	ort directly ort column.				Elp.All			
			nt column.	y I <u>Cancel</u>						
Balance Sheet	Income/Expense									
Create New - Balance								8 ^		
- Actuals	eet Description									
2 12/31/201	12 FYE 2012		Add to the							
3 12/31/201	11 FYE 2011		available	reports.						
- Pro Forma			$\sim$							

Figure 14b, Balance Sheet & Income/Expense Trends Manager--\*

# **D** Balance Sheet (Continued)

## 2 Adding New Balance Sheets (Continued)

\*--On the "Balance Sheet Setup" dialog box, complete the required information and CLICK "**Save**" to add the report to the Balance Sheet & Income/Expense Trends Manager Screen.

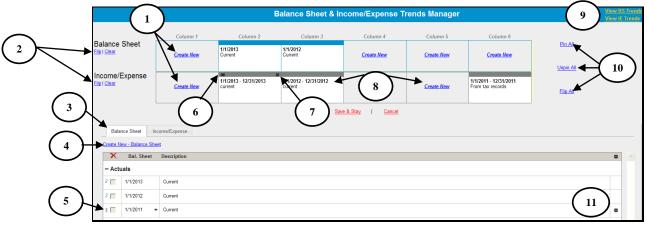
Balance Sheet Set	up
* Balance Sheet Date:	06/10/2013 🗵
Description:	New Tractor Loan
	Save Cancel

Figure 14c--\*

## **D** Balance Sheet (Continued)

## 2 Adding New Balance Sheets (Continued)

\*--Additional features that are available on the Balance Sheet & Income/Expense Trends Manager Screen include the following.





Item	Feature
1	CLICK "Create New" to add a new balance sheet or income/expense.
2	CLICK "Flip" or "Clear" link to flip or clear all balance sheets or income/expenses
	separately.
3	CLICK "Balance Sheet" or "Income/Expense" tab to display list of available balance sheet
	or income/expenses.
4	CLICK "Create New - Balance Sheet" or "Create New - Income/Expense" link, as
	applicable, to add a new balance sheet or income/expense to the available list.
5	Click and hold " (double-bar) to select a balance sheet or income/expense from the
	available list and drag and drop it into a column to add to the Reports Setup Screen.
6	CLICK " <b>Pin</b> " icon to pin a single balance sheet to the income/expense underneath. Displays
	when hovering over a single balance sheet or income/expense.
7	CLICK "X" to delete a balance sheet or income/expense individually. Displays when
	hovering over a single balance sheet or income/expense.
8	Click and hold any column, pinned or unpinned, and drag and drop the content from
	1 column to another column.
9	CLICK "View BS Trends" or "View IE Trends" link to go to the balance sheet or
	income/expense trends.
10	CLICK:
	• "Pin All" to attach all balance sheets to the income/expense underneath
	• "Unpin All" to detach all balance sheets from the income/expense underneath
	<ul> <li>"Flip All" to flip all balance sheets and income/expense at the same time.</li> </ul>
11	
11	To edit rows of balance sheets or income/expenses, CLICK "*" (sprocket) to duplicate, lock,
	or move; use drop-down menus; or type directly into description fields.

- **D** Balance Sheet (Continued)
  - 2 Adding New Balance Sheets (Continued)
  - \*--Option 2: CLICK "Add Balance Sheet". If the customer has existing balance sheets, CLICK "Add/Modify/Delete" from the fly-out window. "Add/Modify/Delete" may also be accessed through the Dashboard Navigation Screen.



Figure 14e, Customer With No Existing Records

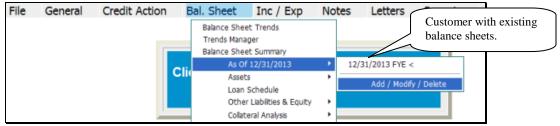


Figure 14f, Customer With Existing Records

Complete the following fields on the Balance Sheet Screen:

- "Bal. Sht. Date", manually enter the date or click the calendar button
- "Description", enter a meaningful description of the record.
  - **Note:** The "Description" field will be displayed on all printed reports and becomes especially important in years where multiple balance sheets are created.
- CLICK "Add" to display this entry in the list of balance sheet summaries.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
				Balance	Sheets		
	Bal. S	Sht. Date	Des	scription		Use	
		12/31/	/2013 🧕	FYE			Add

Figure 14g--\*

## **D** Balance Sheet (Continued)

#### **3** Additional Links on the Balance Sheets Screen

In addition to the list of balance sheet summaries displayed on the screen, users will see additional features and hypertext links on the right side of the screen, as follows:

Greer	2 , Pixie	Balance Sh	neets		<u>View Trenc</u>	19	Additional hypertext links and "Use"
	Bal. Sht. Date	Description			U	se	blocks, note that 4 reports have been selected to display in fly-out window
	0						
×		Save & Stay	Save & Menu 🔤		/	1	Red * denotes the last summary
	8/1/2010 🔀	New Tractor Loan	View	Duplicate 1	Track		selected for viewing.
	8/1/2010	New Tractor Loan - Post (	View *	Duplicate L	Track		
	12/31/2009	Current FYE	View	Duplicate L	Track	2	
	9/1/2009	Before Dair\$	View	Duplicate L	Track [		
	9/1/2009	After Dair\$	View	Duplicate L	Track	2	
	12/31/2008 🛛 🗟	Current FYE	View	Duplicate L	Track		
	1 41 - 44						

\*--Figure 14h--\*

- CLICK "View", for quick access to the Balance Sheet Trends Screen
- CLICK "Use" blocks, to select which reports to display in the fly-out window or for use in the "Reports Setup"

**Note:** If box is grayed out, the report is currently in use in "Reports Setup", or was the last report selected for viewing.

								Note that only the
File	General	Credit Action	Bal. Sheet In	c / Exp	Notes	Letters	Reports	4 balance sheet
			Balance Sheet Trends					reports that were
			Balance Sheet Summar	y	1			selected in the
		Click on	As Of 8/1/2010	•	8/1/2010 New	Tractor Loan - Pos	st Close <	"Use" column are
		Click off	Assets	•	12/31/2009 C	urrent FYE		displayed in the
			Loan Schedule		9/1/2009 Afte	r Dalr\$		1 2
			Other Liabilities		12/31/2008 C	urrent FYE		
			Collateral Analys Credit Relations		Add / Mo	odify / Delete		

#### \*--Figure 14i--\*

11-14-13

- CLICK "View", to display the Balance Sheet Summary Screen
- CLICK "**Duplicate Link**", to duplicate a specific report. The duplicate report will be listed on the screen immediately below the original
- CLICK "Lock" to lock the selected balance sheet.

## **D** Balance Sheet (Continued)

#### **4** Balance Sheet Summary - Entering Data

Using this option allows the user to select and display a single balance sheet on the screen.

• CLICK "**Bal. Sheet**" on the toolbar and select a summary description from the fly-out window. A balance sheet summary may also be accessed by clicking "Add/Modify/Delete" or through the Dashboard Navigation Screen.



Figure 15a, Balance Sheet Summary Using the Toolbar

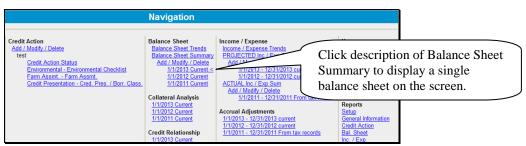


Figure 15b, Dashboard Navigation Screen--\*

Financial data can be entered as a summary dollar value or on schedules where the calculated value transfers to the Balance Sheet Summary. Sometimes a mix of summary and scheduled input is appropriate.

- To input data at the summary level, click in the applicable numeric input field and enter the total value amount.
- CLICK "Save & Stay" to save data; or navigate away from the screen by use of the toolbar menu or any hyperlink and data is automatically saved.
- CLICK "Cancel" and the data will not be saved and the page will refresh with the original data.

~Greer 28200310160021021491 1 , Pixie Test As Of 3/1/2012		Balance S	heet	Display Secondary Column Add / Modify / Delete		
<u>Ratios</u>		<u>Save &amp; Stav</u>   Primary: <u>Value</u>	Cancel 🖂			
	Current Ass	ets	Curren	t Liabilities		
	Cash & Equivalents	26,500 7-	Accounts Payable	2,500		
	Marketable Bonds & Securities	0	Income Taxes Pays	able 0		
	Accounts Receivable	0	Real Estate Taxes	Payable 0		

Figure 15c, Financial Data Input at the Summary Level

## **D** Balance Sheet (Continued)

## **4** Balance Sheet Summary - Entering Data (Continued)

An option available in summary level entry is "Math in a Cell". Enter math formulas including addition, subtraction, multiplication, division calculations, and parenthesis, in user-defined cells to perform math calculations.

• To enter a math formula, click in the cell and begin entering the values. Some basic formula examples: 10+2=12, 10-2=8, 10\*2=20, 10/2=5, (10+2)/2=6

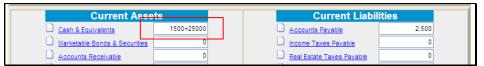


Figure 15d, Enter a Math Formula

• To view a math formula, place the cursor over the plus/minus (+/-) symbol next to a cell that contains a math formula. Any new formula entered in a cell will overwrite the original calculation. Calculations are stored when screens are saved.

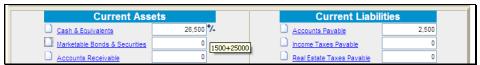


Figure 15e, View a Math Formula

• To edit a math formula, click the plus/minus (+/-) symbol next to a cell that contains a math formula. In the **Edit Formula** dialog box that is displayed, type any changes and CLICK "**Save**".



Figure 15f, Edit Formula Window

## **D** Balance Sheet (Continued)

#### **4** Balance Sheet Summary - Entering Data (Continued)

To add information at the schedule level, click the hypertext link for the desired balance sheet item (example: Cash & Equivalents). On the Schedule Screen, enter applicable information and CLICK "Add".

**Caution:** Do **not** use double (") or single (') quotes in the schedule description fields, because this may generate error messages and prevent information from saving.



Figure 15g, Adding Line Items to Detail Schedule

~Greer 28200310160021021491 1 , Pixie 3/1/2012 Test	Cash & Equ	uivalents	<ul> <li>Summ</li> </ul>	nary 🔵 Detail	
Description	Value	Col ?	Inc / Exp?		
	0		None 🗸	• <u>Add</u>	
×	Save & Stay   Save	<u>a 🖻   s</u>	Save & Menu 🖂		
Cash in checking	1,500		Beg. Cash on Hand 🔽		
Savings	25,000		Beg. Cash on Hand 🗸	Total value will tr	cansfer to t
Total	26,500			balance sheet Sun	nmarv Scr

Figure 15h, View Total Value

• When the value displayed on the Summary Screen is populated from a schedule, the numeric input field will no longer be available at the summary level. Any changes to the value **must** be made on the Schedule Screen.

Current Assets	Current Liabilities	
Cash & Equivalents 20,500	Accounts Payable 2,50	0
Marketable Bonds & Securities	Income Taxes Payable	0

Figure 15i, Financial Data Input at the Detail Schedule Level

**Note:** When editing information in the schedule, if **all** line items are deleted, the value will **not** automatically be deleted from the Summary Screen. Access the Summary Screen to delete the value amount from the field.

#### **5** Balance Sheet Trends - Entering Data

Using this option allows multiple balance sheets to be displayed and accessed. CLICK "**Bal. Sheet**" on the toolbar and CLICK "**Balance Sheet Trends**" from the drop-down menu. \*\*\*

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports	
			Balance Sheet 1 Trends Manage					
			Balance Sheet S					

**Figure 16a, Balance Sheet Trends Using the Toolbar** 

## **D** Balance Sheet (Continued)

## 5 Balance Sheet Trends - Entering Data (Continued)

\*--Trends may also be accessed through the Dashboard Navigation Screen.

File Gen	eral Credit Act	ion Bal. Shee	et Inc / Exp	Notes L	etters Reports
Navigation	Balance Sheet Trends	I/E Trends Rat	ios & Indicators	Repayment Capacity/Se	ensitivity
			Navigation		
General Snapshot Sum General Inform		Balance Sheet Balance Sheet Trend Balance Sheet Sum Add / Modify / Delete	hary	Income / Expense Income / Expense Tre Add Projected Incom Add Actual Income/Ex	me/Expense Add / Modify / Delet

Figure 16b, Dashboard Navigation Screen

Financial data can be entered as a summary dollar value or on schedules where the calculated total value transfers to the Balance Sheet Summary. Sometimes a mix of summary and scheduled input is appropriate. Features that are available on the Balance Sheet Trends screen include the following.

	Balanc	e Sheet Tre	nds			Page Actions 🔺	<b>←</b> (3)
Ratios	Bottom Of Page   None	Save & Stay	Cancel ⊠ ⊙ <u>1/1/2012</u> Current	None	<ul> <li>Add / Modify / D</li> <li>Trends Manage</li> <li>Primary / Secon</li> <li>Print Reports</li> </ul>	r Idary: Value / None	4
	A	griculture			Enter Key: Fixed Header:	DOWN V	(5)
Current Assets							
Cash & Equivalents	0	0	0 🔺	0	Show Notes:	☑ ◀	- /
Marketable Bonds & Securities	Scher	dule		0	0	0	
Accounts Receivable	Comr	nents	$\sim$	0	0	■	
Crop Inventory	1	· · · ·	2	0	0	0	
Growing Crops	Form	la Editor	"ノー	0	0	0	
Market Livestock & Poultry	- Form			0	0	0	
Livestock Products				0	0	0	
Prepaid Expenses & Supplies	0	0	0	0	0	0	
Other Current Assets	0	0	0	0	0	0	
Total Current Assets	0	0	0	0	0	0	



Item	Feature
1	CLICK "Date" link to go directly into the individual year balance sheet.
2	Use cell drop-down menus to access additional features for an individual cell to enter:
	<ul><li>schedule level detail</li><li>or edit comments</li></ul>
	• or edit formulas (formulas can also be entered directly into the cell).
3	Use "Page Actions" drop-down menu to access additional features, as follow:
	<ul> <li>Add/Modify/Delete Screen</li> <li>Trends Manager</li> <li>Primary &amp; Secondary settings (Value/Adj. Value/Cost)</li> <li>Print Reports.</li> </ul>
4	CLICK "Enter Key" drop-down menu to select cursor movement direction when users press "Enter".
5	CHECK ( $\checkmark$ ) "Fixed Header" to "freeze" column headings while scrolling up and down pages.
6	The triangular marker indicates that notes, schedules, or formulas exist for a cell. CHECK ( $\checkmark$ ) "Show
	Notes" to display a "Page" icon, instead of the triangle, when notes exist.

## **D** Balance Sheet (Continued)

## **5** Balance Sheet Trends - Entering Data (Continued)

\*--Before adding documentation to the footnotes, ensure that the correct balance sheet is selected by clicking the applicable tab at the bottom of the screen.

		Footnotes	s			
Paragraph V Arial	None 10 Select the	1/1/2013 Current	1/1/2012 Current	None BZU	None	1/1/2011 Current

#### Figure 16d

**Notes:** When editing information in the schedule, if **all** line items are deleted the value will not automatically be deleted from the Summary Screen. Access the Summary Screen to delete the value amount from the field.

For more complex operations requiring multiple schedule entries, it is recommended that users select the single "Balance Sheet Summary" option when entering the initial data. This will increase performance speed. See **Balance Sheet Summary – Adding Data** (Section D 4).--\*

## 6 When Customer and FSA Balance Sheet Values/Amounts Differ

Balance Sheets are sometimes submitted with values that FSA may disagree with. This situation can be handled different ways in FBP.

Method	Additional Details
Revised Balance	Revise the balance sheet the customer submitted, using FSA values.
Sheet	
Dual Value Balance	This option will allow dual values to be entered on one Balance Sheet
Sheet	summary; the customer's values and FSA adjusted values. FSA
	adjusted values will be entered into the primary column and the
	customer's values into the secondary column. The value and adjusted
	values can be entered as a summary value or on schedules.

.

## **D** Balance Sheet (Continued)

6 When Customer and FSA Balance Sheet Values/Amounts Differ (Continued)

#### **Create a Dual Value Balance Sheet, as follows:**

- on the Balance Sheet Summary, CHECK (✓) "**Display Secondary Column**" in the upper-right corner of the screen
- CLICK "Adj Value" for the "Primary" column and use this column for FSA adjusted values
- CLICK "Value" for the "Secondary" column and use this column for customers' values
- "Copy" arrows may be used to copy summary information from 1 column to another

Test As Of 3/1/2012		Balance S	heet	☑ Display Secondary Column         Check (✓) box to "Di Secondary Column".	splay
Ratios		Reset   S nary: <u>Adi Value</u>	Save & Stay	Click hyperlinks to select the "Primary" column to contain	
Intermed	liate Assets		Tot	the FSA adjusted values. The secondary column will	
Machinery & Equipment	100,000	85,000		contain the customer values. Use the "copy" arrows to copy	
E Farm Vehicles	85,000	50,000	Intermedia	summarv data from 1 column to another.	

- \*--Figure 16e, Dual Value Balance Sheet Summary
- changes in the type of value and order of the columns on the Balance Sheet Summary will be reflected in the "Reports Setup" and on the Analysis Rules Screen.
- **Note:** When using a dual value Balance Sheet for any loan making or servicing decision, the "Adjusted Values" option must be selected in the "Primary" column. This will ensure--\* that the correct values are transferred to the Credit Presentation, collateral analysis, and chattel appraisal.

\* \* \*

## 7 Locking Balance Sheets

Balance sheets should be locked after completion to prevent further modification of the data. To lock the balance sheet, CLICK "**Add/Modify/Delete**". The lock link can be found to the right of the list of balance sheets.

## **D** Balance Sheet (Continued)

#### 8 Assets

The asset accounts used on the balance sheet are standardized and are similar to the categories that most lenders use. However, for each asset grouping there is always the option of adding "other" assets at the summary or schedule level.

Asset values can be entered on the balance sheet as a summary dollar value for each asset type, or on \*\*\* schedules where the calculated total transfers to the balance sheet. Frequently, a mix of summary and scheduled input is appropriate.

-Greer 2 , P 4/14/2014 20		Machiner	y & Equip	ment o	Summany O Detai		di Value		
Use the '*' for items subject to Purchase Money Security Interest. Adj. Value Col? 0 □ Decrease by 0 □ 0 □ 0 □ 0 □ 0 □ 0 □ 0 □ 0 □									
X	7			Save & St	Save &	Save & M	lenu 🖂		
m 🗋 🗌	1 *Sq. baler	7,000	0	7,000 📝	John Deere	328	good	2003	X000000000X
D	1 *Rotary Mower	5,000	0	5,000 🔽	John Deere	MX8	good	2001	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
<b>—</b>	1 Tractor	7,000	0	7,000 🔽	H	3088	Fair	1985	X0000000X
	Total	19,000		19,000					

#### Figure 16f

All assets used to secure FSA loans should be entered at the schedule level with the "Detail" radio button selected. The "Col?" box must be checked ( $\checkmark$ ) to ensure that the asset descriptions and values are available for use in the collateral analysis, chattel appraisal, and security agreement. Enter an "\*" asterisk before each line item subject to Purchase Money Security Interest.--\*

**Note:** Breeding livestock must be categorized as either "Raised" or "Purchased". FBP makes this distinction for accrual analysis; changes in raised breeding livestock will affect accrual-adjusted income, while purchased livestock will not.

#### a Relationship of Asset Values for Chattel Appraisals/Collateral Analysis

The asset values entered into the balance sheet also populate the chattel appraisal and collateral analysis. See **When Customer and FSA Balance Sheet Values/Amounts Differ** (Section D 6) for information about how to enter dual values.

#### 9 Liabilities

All liabilities are categorized as either "Farm" or "Personal".

#### a Unpaid and/or Accrued Expenses

Unpaid or accrued farm expenses are expenses incurred by the farm business, but have not yet been paid. These expenses will be entered on the balance sheet as accounts payable; however, they should not be transferred to the projected loan schedules.

**Caution:** Do **not** include any unpaid or accrued expenses in the loan schedules, as that will distort the capacity analysis and feasibility determination.

## **D** Balance Sheet (Continued)

## **9** Liabilities (Continued)

#### **b** Farm Liabilities

Farm related loans and notes should be input into the "Loan Schedule" so that the proper accounting and calculation of interest, principal reduction, and capacity and feasibility analysis can occur.

#### c Personal Liabilities

Personal loans and debts should always be entered on the balance sheet in the "Personal" \*--section. Payments for "Personal Current and Non-Current Liabilities" should be included in "Owner Withdrawals". Use the drop-down menu to have the total payments automatically flow over to "Owner Withdrawals" on the income/expense record.

1/1/2013	Current	Personal Cu	urrent Liabilities	Select "Owner Withdrawal" from the				
	Description	Amount	Proj. I/E ? Interest # Pmts / Yr. Annua Rate - %					
	l.	0	None 🖌 0 0	automatically flow over to the				
×		Save & Stay	Save & 🛍   Save & Menu 🖂	income/expense record.				
	credit card -	2,500	None 🛩 12 12	2,500				
	khols credit card	3,500	None 🖌 12 12	3,500				
	Total	6,000		6.000 Owner Withdrawal 👻				



Caution: Do not include:

- personal debt payments in the loan schedules, as that will distort the capacity analysis and feasibility determination
- FSA debt under the "Personal Debts" Section.

See **Income/Expense - Projected** (Section H) for more information on how debt repayment is handled in FBP and if certain debt payments should be designated to appear in the projection.

## **10** Additional Information about Liabilities

Type of Liability	Includes		Additional Details
Accounts Payable	Unpaid expenses, payables, bills, accrued	•	Use summary input or scheduled
	leases, etc.		input, depending upon the
Income Taxes Payable	Accrued or owing Federal and State income		number of debts in each category
	tax, FICA tax, employment taxes, etc.		or if more detail is needed.
Real Estate Taxes Payable	Accrued or billed real estate taxes.		
Other Current Liabilities	Judgments, liens, etc.	٠	Do not include loans or notes in
	-		any of these categories.

# **D** Balance Sheet (Continued)

# **10** Additional Information about Liabilities (Continued)

Type of Liability	Includes	Additional Details
	Farı	m Business or Ag Liabilities (Continued)
		Note: It is recommended that the "Edit Mode" on the Loan
		Schedule be unchecked.
FSA Direct Loans	Principal and accrued interest, including the principal portion of Disaster Set-Aside, also called ISA	<ul> <li>Use of the loan schedule detail input option is recommended.</li> <li>Add any principal ISA to the principal balance of the loan. Enter the resulting total as the principal balance for that loan.</li> <li>"Interest Rate" drop-down menu: <ul> <li>Limited Resource loans should be designated as "Variable"</li> <li>"Regular Rate" and all other loans should be designated as "Fixed".</li> </ul> </li> <li>Enter either LR or REG, or similar identifier in the text box to the right of the "Interest Rate" drop-down menu.</li> <li>CLICK "<b>Pmt. Method</b>".</li> <li>"Purpose of Loan" may be completed including relevant information, i.e. purchase tractor, refinance, chattel loan, reamortized, rescheduled, deferred, etc.</li> <li>"To Credit Relationship" is checked by default for FSA loans.</li> </ul> <li>Enter as much other additional information as necessary.</li>
		• For past due loan payments, see "All Loans".

# **D** Balance Sheet (Continued)

# **10** Additional Information about Liabilities (Continued)

Type of		
Liability	Includes	Additional Details
	Fa	rm Business or Ag Liabilities (Continued)
FSA Direct Loans	RCI not already rolled into FSA	• Using the loan schedule detail input option is recommended.
(Continued)	loan balances.	• "Loan Type" should be "Cur".
		• "Interest Rate" drop-down menu:
		• "Limited Resource" loans should be designated as "Variable"
		• "Regular Rate" and all other loans should be designated as "Fixed".
		• Enter either LR or REG, or similar identifier in the text box to the right of the "Interest Rate" drop-down menu.
		• "Pmt. Method" should be "Non Rev".
		• The payment amount should include the entire principal and interest balance, as RCI is immediately due.
		• "Purpose of Loan" may be used to indicate that it is RCI, for example, "41-99 RCI".
		• "To Credit Relationship" is checked by default for FSA loans.
		• Enter as much other additional information as necessary.

# **D** Balance Sheet (Continued)

# **10** Additional Information about Liabilities (Continued)

Type of		
Liability	Includes	Additional Details
	Farm	n Business or Ag Liabilities (Continued)
FSA Direct Loans (Continued)	FSA deferred interest, noncap interest, deferred noncap interest, interest on ISA.	• Using the loan schedule detail input option is recommended.
Other Loans	Other notes,	<ul> <li>"To Credit Relationship" is checked by default for FSA loans.</li> <li>Enter as much other additional information as necessary.</li> <li>Use the loan schedule summary or detail input option.</li> </ul>
	intermediate and long-term financing.	
All Loans		<b>Caution:</b> The "Past-Due" box is informational only and is not added to any payment amount. Add past due loan payments to the normal payments for the year, and enter the total as the payment due for the year.
	1	Personal Liabilities
All personal debts	Credit cards, personal vehicle loans, home loans, student loans, personal loans, etc.	<ul> <li>Do not use the loan schedule.</li> <li>Enter principal balances under the categories "Personal Current Liabilities" if the debt is short-term, or "Personal Non-Current Liabilities" if it is intermediate or long-term.</li> </ul>
		•*Select the option to have the total payments appear in "Owner Withdrawals" on the income/expense record*

## **D** Balance Sheet (Continued)

\*\_\_

#### 10 Additional Information about Liabilities (Continued)

#### **Example of Loan With Disaster Set-Aside** a

The following is an example of how an FSA loan with Disaster Set-Aside, also called "ISA" in FSA accounting transactions and records, would be entered. The same concept applies to loans with deferred, deferred noncap, and noncap interest.

		Interest	Principal	Scheduled Annual Installment
0101	41 17	219	162,987	12,413
ISA	41 17	15,954	5,059	
	Total	16,173	168,046	

Greer 28200		1491 1 , Pixi	e	Lo	an Sch	edule -	Existing	Loar	าร	<b>—</b> 1	dit Mode	Copy From Credit Report	
	Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	PmtAmt P&I	Pmts /Yr	Int. Pmt./Yr.	Prin. To Pmt./Yr.I/E?	Loan #	Add New	
×							£ 🖂						
🔲 🗋 FSA		L.T.	168,046	5	219	Equal	12,413	1	8,402	4,011 X	41-17	Detail	А
🔲 🗋 FSA		L.T.	15,954	0	0	Equal	0	1	0	0		Detail	Ą
т	otals:		184,000		219		12,413		8,402	4,011			
Greer 28200		1491 1 , Pixi	e		Loan S	Schedul	e - New L	oan	s				
Cred	tor	Loan Type	Adv. Amt.	To I/E ?	Int. %	Pmt. Method	PmtAmt P&I	Pmts /Yr	Int. Pmt./Yr.	Prin. To Prnt./Yr.I/E?	Loan #	Add New	Post Cls?
							<b>E</b> 🖂						

Figure 17, How FSA Loan With DSA Will Appear in FBP

11 Copying Liabilities from the Credit Report (Optional Feature)





Liabilities from the Credit Report may be copied directly into the loan schedules by clicking "Copy from Credit Report". This option is only available with new Credit Reports (less than 60 calendar days old).

**Caution:** All debts including personal will be copied to the loan schedules. Personal debts would than need to be deleted and added to the "Personal" Section of the balance sheet.

#### **D** Balance Sheet (Continued)

#### **12 Reports**

\*--The following reports are available for viewing/printing: CLICK "**Reports**" on the toolbar and select a report description from the fly-out window.--\*

- Balance Sheet Trends:
  - Trends: Common Size
  - Trends: Comparative
- Balance Sheet Summary:
  - Schedules
  - Machinery & Equipment Only
  - Collateral Only
- Balance Sheet Value Only:
  - Schedules Value Only
- Collateral Analysis
- Chattel Appraisal
- Earned Equipment Statement:
  - Earned Equity Reconciliation
- Analysis reports about capital:
  - Ratios & Indicators
  - Statement of Owner Equity.

## **E** Refinancing and Restructuring

Refinancing and restructuring requires the special handling of debts within the balance sheet loan schedule.

#### 1 Refinancing

Cash flow plans and balance sheets sometimes must reflect proposed refinance scenarios. The following are 2 options of showing a refinance within FBP:

- the current balance sheet method
- the balance sheet accounting method.

The choice of either option depends upon the needs of the plan.

In both of the following examples, assume the following debts are going to be refinanced by a term FSA loan of \$143,000:

- Imperial Bank crop loan of \$18,000 with \$1,000 of accrued interest
- Ford Credit term loan of \$41,000 with \$600 of accrued interest
- JD Credit term loan of \$80,000 with \$1,400 of accrued interest
- Repair Bill of \$1,000.

## **E** Refinancing and Restructuring (Continued)

#### **1** Refinancing (Continued)

## a Example 1, Current Balance Sheet Method

The current balance sheet method:

- does not show the refinancing sources and uses of funds in the cash flow
- requires the user to document the sources and uses of funds in the Credit Presentation
- requires an "as is" and "post-close" balance sheet
- cannot be used if using an accrual-adjusted projected income/expense statement
- is the least complicated.

**Step 1**. Create the existing "as is" balance sheet loan schedule without the new loan. It is helpful when creating the balance sheet to include a meaningful description such as

\*--"1/1/2010 – Before". Do **not** attach this "as is" balance sheet as the beginning balance sheet for the projection. This balance sheet is for informational purposes only and will be the balance sheet that the customer signs.

~Greer 28200310160021021491 1 , Pixie 1/1/2010 Before Refinancing				Loan Schedule - Existing Loans						🗖 Ed	lit Mode	Copy From Credit Report	
	Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	PmtAmt P&I	Pmts /Yr	Int. Pmt./Yr.	Prin. To Pmrt./Yr.I/E?	Loan #	<u>Add</u> <u>New</u>	
×							£ 🖂						
	Imperial Bank	Cur.	18,000	9	1,000	Non Rev	19,000	1	1,000	18,000 X		<u>Detail</u>	Ag.
	Ford Motor Credit	Int.	41,000	5	600	Equal	11,400	1	2,050	9,350 X		<u>Detail</u>	Ag.
	John Deere Credit	Int.	80,000	6	1,400	Equal	26,900	1	4,800	22,100 X		Detail	Ag.
	Totals:		139,000		3,000		57,300		7,850	49,450			
	28200310160021021 Before Refinancing				Loan S	Schedul	e - New I	oan	S				
	Creditor	Loan Type	Adv. Amt.	To I/E ?	Int. %	Pmt. Method	PmtAmt P&I	Pmts /Yr	Int. Pmt./Yr.	Prin. To Pmrt./Yr.I/E?	Loan #	<u>Add</u> <u>New</u>	Post Cls?
							<b>t</b> 🖂						

Figure 19, "As Is" Balance Sheet Loan Schedule

CLICK "Bal. Sheet", "Other Liabilities", and "Accounts Payable" and ENTER "Repair Bill" and "1,000" and leave the drop-down menu set to "None".

~Greer 2820031016002102 Pixie 1/1/2010 Before Refinanci	A	counts Pay	able	
Desc	cription	Amount	Proj. I/E ?	
		0	None	*
×	Save & Stay	Save & 🗈	Save & Menu 🖂	
🔲 🗋 Repair Bill		1,000	None	~
Total		1,000		

Figure 20, Accounts Payable Schedule

#### **E** Refinancing and Restructuring (Continued)

#### **1** Refinancing (Continued)

#### a Example 1, Current Balance Sheet Method (Continued)

**Step 2**. Duplicate the balance sheet and create a "post close" balance sheet. Attach this balance sheet to the projection. On this duplicated balance sheet, make the following changes to make it appear as if the refinance transaction has taken place.

On the loan schedule:

- for existing loans being refinanced:
  - change "Pmt. Method" to "Refi."

Note: The "Refi" payment method removes the loan from the balance sheet.

- uncheck "To I/E" so that the P&I payments do not appear on the projection.
- for new loans:
  - **uncheck** the advance amount "To I/E" so that the advance does **not** appear on the projection

**Note:** However, keep the second payment "To I/E" checked so that the new loan payment will appear on the projection.

- check ( $\checkmark$ ) "Post Close?" so that the loan now appears on this balance sheet.
- CLICK "Bal. Sheet", "Other Liabilities", and "Accounts Payable" to delete the repair bill.

	28200310160021021 After Refinancing	491 1 , Pixie		Lo	an Sch	edule -	Existing	Loar	าร	Ed	lit Mode	<u>Copy From</u> Credit Report	
	Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	PmtAmt P&I	Pmts /Yr	Int. Pmt./Yr.	Prin. To Pmt./Yr.I/E?	Loan #	Add New	
×						$\frown$	<b>È</b> 🖂						
	Imperial Bank	Cur.	18,000	9	1,000	Refi.	19,000	1	1,000	18,000		<u>Detail</u>	Ag.
	Ford Motor Credit	Int.	41,000	5	600	Refi.	41,600	1	600	41,000		<u>Detail</u>	Ag.
	John Deere Credit	Int.	80,000	6	1,400	Refi.	81,400	1	1,400	80,000		Detail	Ag.
	Totals:		139,000		3,000	$\bigcirc$	142,000		3,000	139,000			
	28200310160021021 After Refinancing	491 1 , Pixie			Loan S	Schedul	le - New L	oan	s				
	Creditor	Loan Type	Adv. Amt.	To I/E?	Int. %	Pmt. Method	PmtAmt P&I	Pmts /Yr	Int. Pmt./Yr.	Prin. To Pmt./Yr.I/E?	Loan #	Add New	Post Cls?
x							<b>È</b> 🖂			K	/		
	FSA	Int.	143,000		4	Equal	23,825	1	5,720	18,105 X		Detail	X Ag.
	Totals:		143,000				23,825		5,720	18,105			

Figure 21, "Post Close" Balance Sheet Loan Schedule

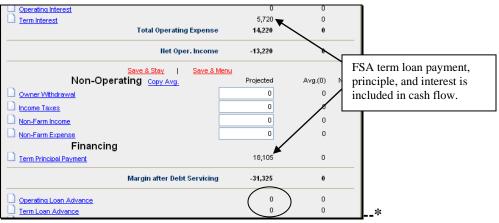
#### **E** Refinancing and Restructuring (Continued)

**1** Refinancing (Continued)

#### a Example 1, Current Balance Sheet Method (Continued)

**Step 3**. Verify that the new FSA term loan payment is included in the cash flow. Note; however, that the sources and uses of funds of the refinancing are **not** included in the cash flow.

\*\_\_



**Figure 22, Verify Projection** 

**Step 4**. CLICK "**Credit Action**", [*name*], and "**Credit Presentation**" to complete the "Credit Relationship" Section with the sources and uses of funds. Note that when the loan was added to the loan schedules using the "Detail" mode, the loan purposes could also be entered.

\*\_\_

Loan Amo	unt Requested for Approval Credit Relatio	nship		143,000									
Loan #	Purpose	Loan Type	Principal Balance	Present Commit.	Incr./ Decr.	Fees Financed	Proposed Commit.	Int.%	PmtAmt P&I	#Pmnts /Yr	Term		ig. Maturity te Date
~Greer 2820	0310160021021491 1 , Pixie	Total:	0	0	143,000	0	143,000		23,825				
~Greer 2820	0310160021021491 1 , Pixie New												
	Ref Imp Bank 19K, Ford 41.6K, JD 81.4K, Repairs 1K	Int.	0	0	143,000	0	143,000	4.000	23,825	1	0	0	
		Totals:	0	0	143,000	0	143,000		23,825				
	~Greer 2820031016003	21021491			4 40 000		4 40 000		00.005				

Figure 23a, Complete Credit Relationship Section

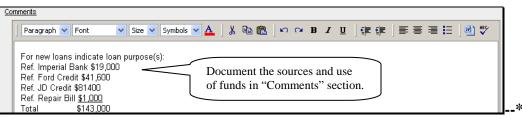


Figure 23b

#### **E** Refinancing and Restructuring (Continued)

#### **1** Refinancing (Continued)

#### b Example 2, Balance Sheet Accounting Method

The balance sheet accounting method has the following features:

• shows all refinancing sources and uses of funds in the cash flow

- requires that the user document the sources and uses of funds in the Credit Presentation
- an "as is" and a quasi "post-close" balance sheet must be prepared
- creates a "current" projection, and also requires a "typical" year projection if accrual adjustments aren't being made to the current year projection to substantiate feasibility
- is required to complete an accrual-adjusted projected income/expense statement
- the "old money" and "new money" portions of the new loan must be treated differently.

Note: The balance sheet accounting method is more complicated.

**Step** 1. Create the existing "as is" balance sheet loan schedule, before any new loans. It is helpful, when creating the balance sheet, to include a meaningful description such as

\*--"1/1/2010 – Before Refi." Note that the existing loans will appear on the balance sheet. At this point, do **not** enter the new FSA loan in the loan schedule. This balance sheet is for informational purposes only and will be the balance sheet that the customer signs.

	28200310160021021 Before Refinancin			Lo	an Sch	edule -	Existing	Loar	ıs		Ed	it Mode	<u>Copy From</u> Credit Report	
	Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	PmtAmt P&I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To I/E?	Loan #	Add New	
×							<b>t</b> 🖂							
	Imperial Bank	Cur.	18,000	9	1,000	Non Rev	19,000	1	1,000	18,000	х		Detail	Ag.
	Ford Motor Credit	Int.	41,000	5	600	Equal	11,400	1	2,050	9,350	х		<u>Detail</u>	Ag.
	John Deere Credit	Int.	80,000	6	1,400	Equal	26,900	1	4,800	22,100	х		Detail	Ag.
	Totals:		139,000		3,000		57,300		7,850	49,450				
	28200310160021021 Before Refinancin		:		Loan S	chedul	e - New L	oan	s					
	Creditor	Loan Type	Ad∨. Amt.	To I/E?	Int. %	Pmt. Method	Pmt Amt P&I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To I/E ?	Loan #	Add New	Post Cls?
							<b>t</b> 🖂							

Figure 24, Entering "As Is" Loan Schedules

**Note:** All cash flow transactions are included in the projection in the appropriate categories for proper accounting when using accrual analysis and when comparing projections to actual income tax records.

## **E** Refinancing and Restructuring (Continued)

**1** Refinancing (Continued)

## **b** Example 2, Balance Sheet Accounting Method (Continued)

Also, ENTER "**1,000**" for "Repair Bill" by clicking "**Bal. Sheet**", "**Other Liabilities**", and "**Accounts Payable**" and use the drop-down menu to send the payable to projected I/E as "**Repairs & Maintenance**".

*					
~Greer 2820031016 Pixie 1/1/2010 Before Ref		Accounts Pay	able		
	Description	Amount	Proj. I/E ?		
		0	None	✓ Add	
×	Save & Stay	<u>Save &amp;</u>	Save & Menu		Select Repairs & Maintenance
🔲 🗋 Repair Bil	I	1,000	Repairs & Maintenance		
Total		1,000			*

Figure 25, Entering "As Is" Accounts Payable

Step 2. Duplicate the balance sheet and create a quasi "post close" balance sheet by clicking "Bal. Sheet", "As of [*date*]", and "Add/Modify/Delete", then CLICK "Duplicate". It is helpful, when duplicating the balance sheet, to rename with a meaningful description such as \*--"1/1/2010 – After Refi".--\*

**Step 3**. Create the refinance scenario in the quasi post close balance sheet loan schedules. For loans that are going to be refinanced, change "Pmt. Method" to "Refi." The "Refi" function removes these loans from the balance sheet.

Also, include the new term loan advance. To correctly indicate the sources and uses of funds, the new \$143,000 term loan must be divided into 2 loans, even though it will be closed as 1 loan.

**Note:** Add the 2 parts of the loan together when completing the note.

- A term loan of \$142,000, which includes refinancing all of the "old money," or refinancing of old loans. Check (✓) "Post Close". The loan will now appear on the balance sheet.
- A term loan of \$1,000, which includes "new money" to pay off the accounts payable repair bill. Do **not** check "Post Close" to ensure that the loan does **not** appear on the balance sheet. The accounts payable must continue to appear on the balance sheet so that the accrual adjustments can be calculated. Note that the \$1,000 portion of the loan being used to refinance the payable should **not** appear on the balance sheet because it would double-count the liability.

## **E** Refinancing and Restructuring (Continued)

- **1** Refinancing (Continued)
  - b Example 2, Balance Sheet Accounting Method (Continued) \*--

1/2010 Af	ter Ref- Ex. 2						- Existing					lit Mode		
	Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To VE ?	Loan #	<u>Add</u> <u>New</u>	
×					Г		٤ 🖂		▼					
🔲 🗋 Im	perial Bank	Cur.	18,000	9	1,000	Refi.	19,000	1	1,000	18,000	х		<u>Detail</u>	Ag.
🗌 🗋 Fa	rd Motor Credit	Int.	41,000	5	600	Refi.	41,600	1	600	41,000	х		<u>Detail</u>	Ag.
ol 🗋 🔲	hn Deere Credit	Int.	80,000	e	1,400	Refi.	81,400	1	1,400	80,000	х		<u>Detail</u>	Ag.
	Totals:		139,000		3,000		142,000		3,000	139,000	)			
	00310160021021 ter Ref- Ex. 2	491 1 , Pixie	e		Loan So	hedule -	New Loar	ıs						
I/1/2010 Af		491 1 , Pixie Loan Type	e Adv. Amt.	To VE ?	Loan So Int. %	Pmt. Method	New Loar Pmt Amt P & I	1S Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To VE ?	Loan #	Add <u>New</u>	Post Cis?
I/1/2010 Af	ter Ref- Ex. 2	Loan	Adv.		Int.	Pmt.	Pmt Amt	Pmts				Loan #		
1/1/2010 Af	ter Ref- Ex. 2 editor	Loan	Adv.	VE ?	Int.	Pmt.	Pmt Amt P & I	Pmts			VE ?	Loan #		Cls?
Cr	ter Ref- Ex. 2 editor	Loan Type	Adv. Amt.	VE ?	Int. %	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Pmt./Yr.	Pmt./Yr.	VE?	Loan #	New	Cls?

Figure 26, Creating Refi Scenario With Quasi-Post Close Balance Sheet

**Step 4**. Create the income/expense projection, ensuring that the beginning balance sheet is the after refi or quasi-post close balance sheet.

~Gr	eer 282003101	60021021491 1	, Pixie		Income / Expense	Ľ	<u>lew Trends</u>	
	Projected Actual	Beg. Date	End. Date	Description	Beg. Bal. Sht. End. Bal. Sht.	Monthly CF Setup <u># Mths</u>		Use
	Select 💌	Ø	Ø		$\frown$			Add
×	Proj.	1/1/2010 🛃	12/31/2010 🗔	Save & Stay	I Save & Menu X 1/5/2010 After Refinancing	None 💙	View * Accrual PF	Dupl. Move Lock Track 🗸

Figure 27, Creating Income/Expense Projection

**Step 5**. Complete the projected cash flow plan. When the repairs expense schedule is accessed, the accounts payable is listed as available to be paid in the projection. ENTER "\$1,000" for "Pmt." as the amount of the repair bill to be paid. In addition, be sure to include the "typical year" amount of expenses as another line item in the expense schedule.



Figure 28, Completing the Cash Flow Projection

## **E** Refinancing and Restructuring (Continued)

**1** Refinancing (Continued)

## **b** Example 2, Balance Sheet Accounting Method (Continued)

**Step 6**. Verify that the refinance transactions are included in the cash flow projection properly. Note the following in the projected cash flow summary.

**A.** The \$1,000 repair bill being refinanced is included in the expenses to be paid.

Rent - Mach / Equip / Vehicle	0	0	
Rent - Land / Animals	0	0	
Repairs & Maintenance	1,000	0	
Seeds & Plants	-	0	
Supplies	0	0	

Figure 29, Verifying Expense and Payable Are Properly Included

**B.** The operating interest being paid represents the sum of the interest on the loans being refinanced. The term interest and term principal payment amounts represent the interest and principal on the new FSA term loan.

Operating Interest		3,000	0	
Total O	perating Expense	5,720 9,720	0	
I	Net Oper, Income	-8,720	0	
Save & Sta				
Non-Operating <u>copy</u>	/ Avg.	Projected	Avg.(0)	None
Owner Withdrawal		0	0	
Income Taxes		0	0	
Non-Farm Income		0	0	
Non-Farm Expense		0	0	
Financing		$\frown$		
Term Principal Payment		(18,105)	0	

Figure 30, Verify Operating and Term Interest, and Term Principal Payments are Properly Shown

## **E** Refinancing and Restructuring (Continued)

#### **1** Refinancing (Continued)

## **b** Example 2, Balance Sheet Accounting Method (Continued)

**C.** The sum of the new FSA term loan advance of \$143,000 is included in the cash flow as a source of funds, and the sum of the principal being refinanced is shown as a use of funds. \*--



Figure 31, Verify Term Loan Advance and Principal Amount Being Refinanced is Properly Shown

**Step 7.** For a loanmaking action involving term loans, create a typical year income/expense projection if accrual adjustments are not being made to the current year projection to substantiate feasibility.

## **E** Refinancing and Restructuring (Continued)

**1** Refinancing (Continued)

## **b** Example 2, Balance Sheet Accounting Method (Continued)

**Summary**. In the balance sheet accounting method, the sources and uses of funds were as follows.

	Shown on "As Is"			
	Balance	Shown on Quasi "Post Close"		
Loan Type	Sheet	Balance Sheet	Appears on Pr	ojection As
	Source	of Funds	Principal	Interest
FSA Term Loan	Not shown	Advances of \$142K + 1K = \$143,000	Advance \$143,000	
		\$142,000 loan – "Old money" will show on post close bal sheet; pmts appear on inc/exp	Payments: Term \$17,979	Term 5,680
		\$1,000 loan – "New money" not shown on post close balance sheet; pmts appears on inc/exp	<u>Term 126</u>	<u>Term 40</u>
		Total	18,105	5,720
	Use of	f Funds	Principal Pmt	Interest Pmt
Imperial Bank crop loan	18,000 + 1,000 Pmt Method is Non Rev	P: 18,000 + I: 1,000 Pmt Method is "Refi" Does not appear on balance sheet	Oper Loan Pmt & Refi: \$18,000	Op \$1,000
Ford Credit term loan of \$41,000 with \$600 of accrued interest	\$41,000 + 600	P: \$41,000 + I: \$600 Pmt Method is "Refi" Does not appear on balance sheet	Oper Loan Pmt & Refi: \$41,000	Op 600
JD Credit term loan of \$80,000 with \$1,400 of accrued interest	\$80,000 + 1,400 Pmt Method is Equal	P: \$80,000 + I: \$1,400 Pmt Method is "Refi" Does not appear on balance sheet	Oper Loan Pmt & Refi: \$80,000	Op 1,400
	· - 1····	Subtotal "Old Money" Being Refinanced	139,000	3,000
			Expenses	
Repair Bill of \$1,000	Accounts payable: \$1,000	Accounts payable: \$1,000	Repairs & Maint. expense: 1,000	
		Subtotal of "New Money" Being Refinanced	1,000	

## **E** Refinancing and Restructuring (Continued)

## 2 Direct Loan Servicing

In connection with any direct loan servicing action, an "as is" balance sheet will need to be prepared and attached to an income/expense summary for the customer. It is helpful when \*--creating the documents to include a meaningful description such as "1/1/2015 Before DALR\$". The "1/1/2015 Before DALR\$" balance sheet should be entered in the first column of the Reports Setup Menu and will be selected to update the "DALR\$ Input Report".

**Note:** Before a deferral can be approved, a "Post-deferral" plan would also need to be prepared according to 5-FLP, paragraph 159. The "Post-deferral" plan may be entered in Report Setup Menu, column 5.--\*

The DALR\$ report, according to 5-FLP, subparagraph 103 A, determines the servicing options that may be available to the customer and will be used to create a "post close" balance sheet with \*--the DALR\$ results. Duplicate the "1/1/2015 Before DALR\$" balance sheet and attach this balance sheet to a duplicated income/expense summary, and give both documents a meaningful description, such as "1/1/2015 After DALR\$". The "1/1/2015 After DALR\$" should be entered in the first column of the Reports Setup Menu and will be selected to update the Credit Presentation.--\*

\* \* \*

The following example can be applied to all loan servicing authorities or combination of authorities.

- **Example:** Make the following assumptions and also assume that the customer cannot make the existing debt payments and that FSA will use DALR\$ to restructure the debt.
  - FSA 44-01 loan was for annual operating purposes, and has a balance of \$20,000 with \$2,000 of accrued interest. DALR\$ indicated rescheduling the loan over 15 years with equal payments, which turns the loan into an intermediate loan.
  - FSA 44-02 loan was for term loan purposes, and has a principal balance of \$100,000 with \$1,000 of accrued interest. DALR\$ indicated rescheduling the loan with a 15 year term and equal payments.
  - FSA 41-03 loan was for a real estate purchase, and has a principal balance of \$150,000 and no accrued interest. DALR\$ indicated reamortizing the loan with a 30 year amortization and equal payments.
- \*--Step 1. Create the "as is" balance sheet and income/expense summary named "1/1/2015--\* Before DALR\$" for use in the DALR\$ Input Report. The loan schedule should reflect the "Before DALR\$" balances and payments due.

## **E** Refinancing and Restructuring (Continued)

2 Direct Loan Servicing (Continued) \*--

1/1/2015 Befor	e DALR\$				Loan	Schedule	e - Existing	Loan	S			Edit Mode		
	Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To I/E ?	, Loan #	Add New	
×							<b>E</b> 🖂							
🗖 🗋 FSA		Cur.	20,000	2.25	2,000	Non Rev	22,000	1	2,000	20,000	Х	44-01	Detail	Ag.
🗆 🗋 FSA		Int.	100,000	2.25	1,000	Equal	15,601	1	2,250	13,351	х	44-02	Detail	Ag.
🗖 🗋 FSA		L.T.	150,000	2	0	Equal	6,727	1	3,000	3,727	Х	44-03	Detail	Ag.
Тс	otals:		270,000		3,000		44,328		7,250	37,078	3			

Figure 32, "Before DALR\$" Loan Schedule

**Step 2**: Create the "D-Loan/Special Serv." credit action. Access and CLICK "**Save & Update**" the DALR\$ Input Report. Use the results to run DALR\$.

- \*--Step 3. Duplicate the "1/1/2015 Before DALR\$" balance sheet and income/expense summary and rename both documents "1/1/2015 After DALR\$". Update the loan schedule with the--\* DALR\$ results.
  - "Loan Type" of the current loan to intermediate, to reflect that the account has been rescheduled and it now has a term of greater than 1 year. Change the "Pmt. Method" to "Equal".
  - Principal balance will reflect any capitalized interest, if any.
  - "Pmt. Amount" will reflect the new restructured payment according to DALR\$.
  - "Loan #" will be a description that reflects the restructure action.

1/1/2015 Afte	r DALR\$				Loan S	Schedule	e - Existing	Loan	s			Edit Mode	
-	Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To I/E ?		idd Iew
×							<b>È</b> 🖂						
🗖 🗋 FSA	4	Int.	22,000	2.25	0	Equal	1,745	1	495	1,250	Х	Old 44-01Rest	Detail Ag.
🗖 🗋 FSA	A.	Int.	101,000	2.25	0	Equal	8,009	1	2,273	5,737	Х	Old 44-02 Res	oetail Ag.
🗖 🗋 FSA	A	L.T.	150,000	2	0	Equal	6,698	1	3,000	3,698	Х	Old 41-03 Rea	etail Ag.
	Totals:		273,000		0		16,453		5,768	10,685	5		

Figure 33, "After DALR\$" Loan Schedule

\*\_\_

#### **E** Refinancing and Restructuring (Continued)

## 2 Direct Loan Servicing (Continued)

\*--Step 4. Use "1/1/2015 After DALR\$" to "Save & Update" the Credit Presentation in the--\* "D-Loan/Special Serv." credit action. See Income/Expenses – Projected – Feasibility (Section H 1) for information on feasibility of restructured plans.

#### F Income/Expense

This section allows the user to add new actual or projected income/expense (cash flow) information for a customer or access income/expense records currently residing in FBP. There is no limit to the number of projected or actual income/expense records that can be created or maintained for each customer.

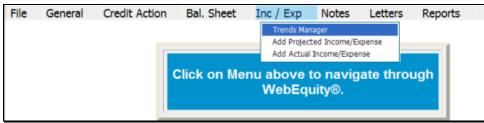
**Note:** Income/expense (cash flow) information is **not** required for Streamlined CL's according to 3-FLP.

The Income/Expense Trends **must be** printed and signed by the customer for all loan making and servicing actions.

#### **1** Adding a New Income/Expense

To add a new projected or actual income/expense record CLICK "**Inc/Exp**" on the toolbar. An income/expense may be added using either the "**Trends Manager**" or "**Add Income/Expense**" option selected from the drop-down menu, as follows.

**Option 1:** CLICK "**Trends Manager**" to access the Balance Sheet & Income/Expense Trends Manager Screen. "Trends Manager" may also be accessed through the Dashboard Navigation Screen.





## **F** Income/Expense (Continued)

#### **1** Adding a New Income/Expense (Continued)

\*--To add a new income/expense report in a column, CLICK "**Create New**" link in an empty cell. Any changes made to the selection and order of the reports will be reflected on the Reports Setup Screen. To create a report that will be available to add to the Reports Setup Screen at a later date, CLICK "**Create New-Income/Expense**" link under the "Income/Expense" tab.

File General Credit	Action Bal. Sheet	Inc / Exp Not	es Letters Report	5				
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6		
Balance Sheet	Create New	1/1/2013 Current	1/1/2012 Current	Create New	Create New	1/1/2011 Current	Pin All	
							Unpin All	
Income/Expense Flip I <u>Clear</u> Create New 1/1/2013 - 1: current		1/1/2013 - 12/31/2013 current	Create New	Create New	<u>Create New</u>	Create New	Elip All	
Balance Sheet Inco	ne/Expense		<u>s</u>	Add report the Report	t directly to s columns.			
X Beg Date	End Date Description					End Bal. Sheet	# Mths	ø
- Projections			Add to the list	st of				
2 Image: 1/1/2013     1/2/31/2013     current     available reports.     1/2/31/2013     None								

#### Figure 34b

Complete the required information in the "Income/Expense Setup" dialog box and CLICK "**Save**" to add the report to the Balance Sheet & Income/Expense Trends Manager Screen.

Income/Expense Set	tup
* Projected/Actual:	Projected 💌
* I/E Beginning Date:	1/1/2013
* I/E Ending Date:	12/31/2013 🔯
Description:	current
# Mths :	None 💌
Beginning Balance Sheet :	1/1/2013 :Current
Ending Balance Sheet :	None
	Save Cancel

Figure 34c, Income/Expense Setup--\*

## **F** Income/Expense (Continued)

## 1 Adding a New Income/Expense (Continued)

\*--Additional features that are available on the Balance Sheet & Income/Expense Trends Manager Screen include the following.

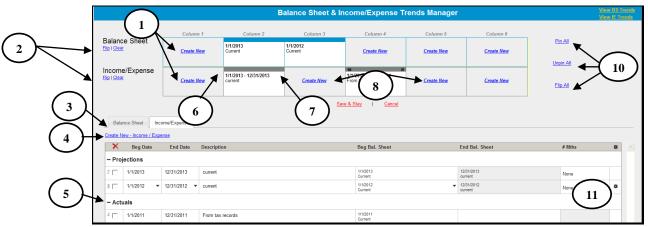


Figure 34d, Balance Sheet & Income/Expense Trends Manager

T4	
Item	Feature
1	CLICK "Create New" to add a new balance sheet or income/expense.
2	CLICK "Flip" or "Clear" link to flip or clear all balance sheets or income/expenses
	separately.
3	CLICK "Balance Sheet" or "Income/Expense" tab to display list of available balance sheet
	or income/expenses.
4	CLICK "Create New - Balance Sheet" or "Create New - Income/Expense" link, as
	applicable, to add a new balance sheet or income/expense to the available list.
5	Click and hold " " (double-bar) to select a balance sheet or income/expense from the
	available list and drag and drop it into a column to add to the Reports Setup Screen.
6	CLICK " <b>Pin</b> " icon to pin a single balance sheet to the income/expense underneath. Displays
0	when hovering over a single balance sheet or income/expense.
7	CLICK <b>"X</b> " to delete a balance sheet or income/expense individually. Displays when
/	
8	hovering over a single balance sheet or income/expense.
8	Click and hold any column, pinned or unpinned, and drag and drop the content from
	1 column to another column.
9	CLICK "View BS Trends" or "View IE Trends" link to go to the balance sheet or
	income/expense trends.
10	CLICK:
	• "Pin All" to attach all balance sheets to the income/expense underneath
	• "Unpin All" to detach all balance sheets from the income/expense underneath
	• "Flip All" to flip all balance sheets and income/expenses at the same time.
11	To edit rows of balance sheets or income/expenses, CLICK "*" (sprocket) to duplicate, lock,
	or move; use drop-down menus; or type directly into description fields.

--\*

**F** Income/Expense (Continued)

## 1 Adding a New Income/Expense (Continued)

\*--Option 2: CLICK "Add Income/Expense". If the customer has existing records CLICK "Add/Modify/Delete" on the fly-out window. The "Add/Modify/Delete" option may also be accessed through the Dashboard.



Figure 34e, Customer with No Existing Records

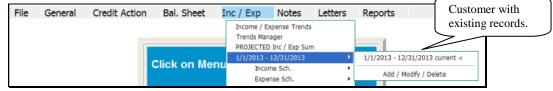


Figure 34f, Customer with Existing Records--\*

Complete the following fields on the Income/Expense Screen.

Field	Action
Projected Actual	From the drop-down menu, select either "Proj." or "Actual".
Beg. Date	Manually enter the date or CLICK "Calendar Icon".
End. Date	Manually enter the date or CLICK "Calendar Icon".
Description	Manually enter a description of the record.
	<ul> <li>Note: The "Description" field appears on all printed reports and should contain a meaningful description of the income/expense being added.</li> <li>*Example: "Before eDALR\$ 2010" or "OL loan 2010."*</li> </ul>
Beg. Bal. Sht	CLICK "None Selected" link and select a balance sheet date that is displayed in the
C	pop-up window.
End. Bal. Sht	CLICK "None Selected" link and select a balance sheet date that is displayed in the
	pop-up window. This field is only displayed for actual income/expense.
Monthly CF	This is an Optional field. Select number of months for the monthly cash flow. See
Setup	Using Income/Expense Categories (Section F 5).
Add	CLICK "Add" to display in the list of income/expense summaries.
	Note: When a record is created, a balance sheet should be associated with it, if
	possible, so that certain ratios are correctly calculated. For an actual
	income/expense record, if beginning and ending balance sheets cannot be
	matched, then select the same balance sheet for both the beginning and
	ending.

## **F** Income/Expense (Continued)

- 1 Adding a New Income/Expense (Continued)
  - \*\_\_

1					Income / Expense	View Trends
	Projected Actual	Beg. Date	End. Date	Description	Beg. Bal. Sht. End. Bal. Sht.	Monthly Complete all fields,
	Proj. 💌	1/1/2010 🐱	12/31/2010 🐱	current	None Selected	None v then CLICK "Add" to
×	Select Proj.			<u>Save &amp; Stay</u>	Save & Menu	display entry in the list.

Figure 34g, Income/Expense Screen--\*

## 2 Additional Links on the Income/Expense Screen

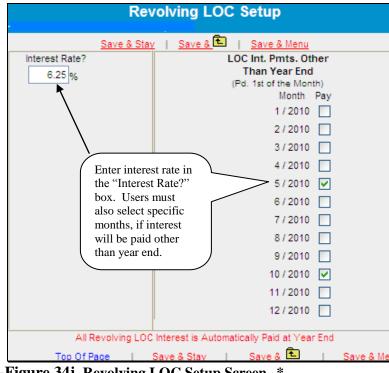
In addition to the list of income/expense summaries displayed on the screen, users will see additional features and hypertext links on the right side of the screen.

^					Income / Ex	pense	7	<u>liew Tren</u>	<u>ds</u>			
	Projected Actual	Beg. Date	End. Date	Description	Beg. Bal. Sht.	End. Bal. Sht.	Monthly CF Setup # Mths	Ť				Use
	Select 💙	Ø	0					I			Add	
×				<u>Save &amp; Stay</u>	Save & Men	<u>u</u> 🖂						1
	Proj.	1/1/2010	12/31/2010 🔀	After Refinancing	<u>1/1/2010</u> After Refinancing		None 💙	<u>View</u>	Accrual PF	Dupl.	Move Lock Track	<u>k</u> 💌
	Proj.	1/1/2010 🐱	12/31/2010 🛃	Before DALR\$	1/1/2010 Before DALR\$		None 💌	View	Accrual PF	Dupl.	Move Lock Track	<u>k</u>
	Proi.	1/1/2010	12/31/2010	ourrent	<u>1/1/2010</u>			100	Accrual PF	Dupl.	Move Lock Track	<u>k</u> 💌
$\left[ \right]$	Addit	ional hyperte	ext links and	use blocks.								
										upl.	Move Lock Track	<u>k</u> 🖂
	Note:	-	s have been s y selected for	elected to displa r viewing.	ay in the fly-ou	ıt window	. Red* denot	es last		upl.	Move Lock Track	<u>k</u> 💌
	Proi.	1/1/2008 🗔	12/31/2008 🗔	current	0/1/2000		None 🗸	View	Accrual PF	Dupl.	Move Lock Track	k 🗖

# \*--Figure 34h, Income/Expense Screen--\*

Field	Action									
View Trends	CLICK "View Trends" for quick access to Income/Expense Trends Screen.									
Use	Check $(\checkmark)$ "Use" blocks to select which reports to display in the fly-out window or for use in "Reports Setup". If box is grayed out, the report is currently in use in "Reports Setup", or was the last report selected for viewing.									
	File       General       Credit Action       Bal. Sheet       Inc / Exp       Notes       Letters       Reports         Income / Expense Trends       PROJECTED Inc / Exp Sum       Income / Expense Trends       PROJECTED Inc / Exp Sum       1/1/2010 - 12/31/2010 After Refinancing									
	Only the S income/expense reports that were selected in the "Use" column, display in the fly-out window.       in above to WebEquity       income Sch. Expense Sch.       inf(2010 + 12)31/2010 drifter Relinancing 1/1/2010 + 12/31/2010 drifter Relinancing 1/1/2010 + 1									
	*Figure 34i*									
Rev Loc	Will only be displayed if users choose the Monthly CF Setup. CLICK " <b>RevLoc</b> " to display the "Revolving LOC Setup" box if customer has a loan with a Rev. LOC. Enter the interest rate for the LOC loan in the field on the left and click boxes next to the months on the right if users want interest paid other than year end. Save and return.									

F **Income/Expense (Continued)** 



2 Additional Links on the Income/Expense Screen (Continued)

\*--Figure 34j, Revolving LOC Setup Screen--\*

Field	Action
View	CLICK "View" to display the Income/Expense Summary Screen.
Accrual	<b>Optional</b> . May be used for customers who use an accrual recordkeeping system.
PF	Will only be displayed after a beginning balance sheet date is selected.
	CLICK "PF" to display the pro forma (projected) information for that year.
Dupl.	CLICK "Dupl." to duplicate that particular year's information. The duplicate
	will be displayed under the year user wanted to duplicate.
Move	CLICK "Move" to move a projected income/expense year down to an actual
	year and vice versa. CLICK "Move" for the year user wants to move and the
	system will automatically move the year.
Lock	CLICK "Lock" to lock the selected income/expense screen.

# **F** Income/Expense (Continued)

\*\_\_

#### **3** Income/Expense Summary – Entering Data

Using this option allows the user to select and display a single projected or actual income/expense summary on the screen.

CLICK "**Inc/Exp**" on the toolbar, highlight "Projected Inc/Exp Sum" or "Actual Inc/Exp Sum", and select a summary description from the fly out window. The summary may also be accessed through the Dashboard Navigation Screen.

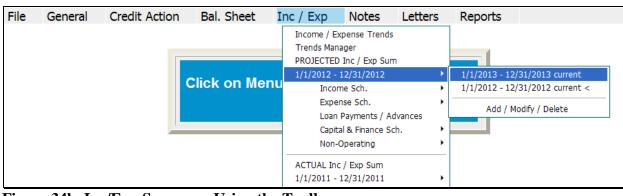


Figure 34k, Inc/Exp Summary Using the Toolbar

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports				
Navi	gation Baland	ce Sheet Trends	I/E Trends	Ratios & Indic	ators R	epayment Ca	pacity/Sensitivity	]			
	Navigation										
General Credit Action Balance Sheet Income / Expe									/	Notes	
	napshot Summary eneral Information	Add / Modify / De test Credit Actio			Balance	<u>Sheet Trends</u> <u>Sheet Summary</u> Iodify / Delete	<u>PROJECTED Inc</u> Add / Modify / I	/ Exp Sum	×	Add / Modify / Dele Running Record	
	ployment dd / Modify / Delete	Environmer Farm Assn	ital - Environmenta ht Farm Assmt.	<u>al Checklist</u> res. / Borr. Class.	<u>1/1</u> <u>1/1</u>	/2013 Current  /2012 Current /2011 Current		<u>12/31/2013 ст 12/31/2012 ст</u> р. Sum		Letters General Letter Related Entity	
	lated Entities dd / Modify / Delete			<u>100.7 001. 01835.</u>	Collateral		Add / Modify /	Delete	om tax records	Batch Letter	

Figure 34l, Dashboard Navigation Screen--\*

Projected and actual amounts can be entered as a summary dollar value or on schedules where the calculated total transfers to the income/expense summary. Sometimes a mix of summary and scheduled input is appropriate. Scheduled information is especially appropriate when planning with production and yields.

## **F** Income/Expense (Continued)

# **3** Income/Expense Summary – Entering Data (Continued)

- To input data at the summary level, click in the applicable numeric input field and enter the total value amount.
- CLICK "Save & Stay" to save data; or navigate away from the screen by use of the toolbar menu or any hyperlink and data is automatically saved.
- CLICK "**Cancel**" and the data will not be saved and the page will refresh with the original data.

Current 1/1/2012 To 12/31/2012	Proj. Inc/Exp Summary	Add / Modil	iy / Delete
			Enter amounts directly into
Ratios			the text input fields for
	<u>Save &amp; Stav</u>   <u>Cance</u> ] 🖂		summary level data.
Operating Income	Pr	rojected Avg.(3)	None
Crop Sales	1	00,000 75,500	
Livestock & Poultry Sales		35,000 26,044	

#### \*--Figure 34m, Financial Data input at the Summary Level--\*

Field	Action								
Copy Avg.	Will copy the average of the previously selected years to the summary input								
	column. Using this feature can be a time-saving tool for preparing a projection;								
	however, it should <b>not</b> be used when creating actual records.								
Avg.	Will display in parentheses, the number of years included in the average (in this example, 3). To modify the number of years represented in the average, CLICK " <b>Avg.</b> ". This will display the Report Setup Screen where users can select the number of years they want in the average.								
	<b>Caution:</b> Be careful when selecting the years to be included so that atypical years, or years that include different enterprises compared to the projection, are not included.								

Current Proj. Inc/Exp Summ 1/1/2010 To 12/31/2010	nary		CLICK " <b>Copy Avg.</b> " to automatically copy the amounts from the "Avg."			
Ratios Save & Stay   Save & Menu Operating Income Copy Avg.	Projected			o the "Projected" Column.		
	108,333	108,333	ivone			
Livestock & Poultry Sales	40,877	40,877				

\*--Figure 34n, Copy Average to Projection--\*

#### **F** Income/Expense (Continued)

#### **3** Income/Expense Summary – Entering Data (Continued)

An option available in summary level entry is "Math in a Cell". Enter math formulas including addition, subtraction, multiplication, division calculations, and parenthesis, in user-defined cells to perform math calculations.

• To enter a math formula, click in the cell and begin entering the values. Some basic formula examples: 10+2=12, 10-2=8, 10\*2=20, 10/2=5, (10+2)/2=6.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports		
	Freight & Truck	king						0	
	Gas / Fuel / Oil					(750+333)*12	2	0	
	Insurance Exp.					(		0	

# \*--Figure 340, Enter a Math Formula--\*

• To view a math formula, place the cursor over the plus/minus (+/-) symbol next to a cell that contains a math formula. Any new formula entered in a cell will overwrite the original calculation. Calculations are stored when screens are saved.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports	
	Freight & Truck	ling				0		0
	Gas / Fuel / Oil					12,996	*/-	0
	Insurance Exp.					0		0
	Labor Hired					0	(750+333)*12	0

# \*--Figure 34p, View a Math Formula--\*

• To edit a math formula, click the plus/minus (+/-) symbol next to a cell that contains a math formula. An **Edit Formula** dialog box will be displayed, type any changes and CLICK "Save".

Edit Form	ula
(750+333)*12	~
	~

\*--Figure 34q, Edit Formula Window--\*

# **F** Income/Expense (Continued)

#### **3** Income/Expense Summary – Entering Data (Continued)

To add information at the schedule level, click on the hypertext link for the desired income/expense item. This will open up the schedule for that line item.

\*--Caution: Do not use double (") or single (') quotes in the schedule description fields, because this may generate error messages and prevent information from saving.--\*

Current 1/1/2012 To 12/31/2012	Proj. Inc/Exp Summary	Add / Modify / Delete
Ratios CLICK "Crop Sales open detailed schedu	ule Save & Stay Cancel Can	
	sopy Avg. Projected	Avg.(0) None
Crop Sales	0	0
Livestock & Poultry Sales	0	0

#### Figure 34r, Opening Schedule

Using crop sales as the example, enter the applicable information in each field from left to right, and then CLICK "**Add**" on the far right side of the schedule to add the crop. After all crops have been added, the "Total Sales" amount will be displayed on the Inc/Exp Summary Screen.

Add information for each "Add" link on the far righ			Сгор	o Sale	S		<u>Print</u> E	<u>Word</u> xcel	<ul><li>Summary</li><li>Detail</li></ul>		Group By Crop Land Owr
			Yield	%	Prod. U.	Farm Use	Sale U.	Per Unit	Sales	End U.	Db
- Add New -	×	0	0	100	0	0	0	0	0	1	0
×	Save & Stay	Save &	Sa	ve & Me	nu 🖂						
🗖 🗋 Corn-	Bu.	500	125	100	62,500	0	62,500	4.85	303,125		0 <u>Ent.</u> [
Corn-		500			62,500	0	62,500		303,125		0
Soybeans-	Bu.	200	35	100	7,000	0	7,000	10.75	75,250		0 <u>Ent.</u> [
Soybeans-		200			7,000	0	7,000		75,250		0
Total Production		700			69,500	0	69,500		378,375		0
Total to Inc/Exp Summary									378,375	$\sum$	

Figure 34s, Financial Data Input at the Schedule Level

Current 1/1/2012 To 12/31/2012	Proj. Inc/Exp Su	schedule	ales" amount from e is displayed on the Summary Screen.
Ratios	Save & Stay   C	ancel 🖂	
Operating In	Copy Avg.	Projected	Avg.(0) None
Crop Sales		378,375	0
Livestock & Poultry Sales		0	0

**Figure 34t, Total Sales Amount** 

**Note:** When editing information in the schedule, if **all** line items are deleted, the value will not automatically be deleted from the Proj. Inc/Exp Summary Screen. Access the Proj. Inc/Exp Summary Screen to delete the value amount from the field.

# **F** Income/Expense (Continued)

#### **3** Income/Expense Summary – Entering Data (Continued)

The crop sales schedule also includes a "Land Owner" link where information is entered about the customer's land owners. CLICK "**Land Owner**" to access the "Land Owners" dialog box.

1021491	Land Owner		Сгор	Sales			Print		<ul> <li>Summary</li> <li>Detail</li> </ul>	Group Crop Land		<ul> <li>Minimize</li> <li>Maximize</li> </ul>	
(ICS) Defaults	CLICK "	Land Owner".	Yield	%	Prod. U.	Farm Use	Sale U.	Per Unit	Sales	End U.	Dbl C	Crop Land Owner	
	~	Bu.	100 125	100	12,500	0	12500	4.85	60.625	0		Select Land	Add
		Save & Stay   Sav	<u>e &amp;</u> 🔁   S	ave & M	enu 🖂			Sele	ct the land o	wner for	~ 7		
		Bu.	500 125	100	62,500	0	62,50	each	crop.			Sam Beets	
			500		62,500	0	62,500		<u>303,125</u>	0	_		
		Bu.	200 35	100	7,000	0	7,000	10.75	75,250	0	Ent.	Jesse James	<u>s</u>
			200		7,000	0	7,000		75.250				
ction Exp Summary			700		69,500	0	69,500		3 Oj	ptional ei	nterprise	e analysis.	

\*--Figure 34u, Crop Sales Schedule--\*

- Type the land owner's name in the "Description" field and CLICK "Add".
- CLICK "Detail" to enter additional demographic information about the land owner.
- CLICK "**Print**" to print a Land Owner Information Report.

		Land	Owners	<u>Print</u> • <u>W</u>	ord <u>Excel</u>	
	Description					Add as many land owners
	Frank James				Add	as needed.
×		Save & Stay	Save & 🔁 👔	Save & Menu		
	Sam Beets				Detail	
	Jesse James				<u>Detail</u>	

- \*--Figure 34v, Land Owners Dialog Box--\*
- Return to the crop sales schedule, CLICK "Select Land Owner" to select a land owner for each crop listed.
- Use the "Group By" option to group crops by either land owner or crop.
- CLICK "**Print**" to print a Crop Sales Report.

#### **F** Income/Expense (Continued)

#### \*--4 Enterprise Analysis

One option on the Income/Expense schedule is the **optional** "**Ent**" link where a user can enter information needed for crop and livestock enterprise analysis. Break-even analysis is a useful farm management tool because it allows calculation of various combinations of prices and yields. States may decide to setup new Enterprise Analysis models containing benchmark values for expenses for some of the NAICS crop and livestock codes. If new Enterprise Analysis models were setup, they are automatically available for all new customers added to FBP; however, for existing customers the user will need to copy the new model into the existing customer's record.

**Note:** Check with FBP coordinator to determine if models have been setup for user's State. If models are **not** setup, users will need to manually enter expenses.

To copy a new Enterprise Analysis model into an existing customer:

- access the Crop Sales Schedule
- CLICK "Description" link in the upper-left of the Crop Sales Schedule Screen.

These instructions are for the "Barley-Enterprise-Seed" model, but the steps are the same for all other NAICS codes.

	Land Own	E.		G	rop S	ales			Enni Ho Lacel	0 0 sa	mmary tail	Crop Land		<ul><li>Minimiz</li><li>Maximiz</li></ul>	
Description (NAICS) Yield & Per Unit Defaults		Туре	Meas	Acres	Yield	5	Prod. U.	Farm Use	Sale U.	Per Unit	Sales	End U.	De	Crop Land Ow	ner
- Add liens	•			.0	0	100		0	0	0		0. (		Select Lend Owner	Áđ
				<b>E e</b>	3									1.1	

Figure 34w, Crop Sales Schedule Screen

On the Customer NAICS Crop Screen that will be displayed, CLICK "Copy Location NAICS to Client NAICS" link.

		Custo	mer NA	<b>IC</b>	S Crop			
-	Description	Туре	Measure		Proj. Yield	Proj. Per U.	Code	
				•	0	0		Add
×	Copy Location NAICS to Client NAICS Save & Stay	Save &			& Per Unit	Defaults		
	Barley	Barley Seed	Bu.	•	0	0	111199-01	Ent.
	Barley	Feed	Bu.		0	0	111199-01	Ent.

Figure 34x, Customer NAICS Crop Screen--\*

## **F** Income/Expense (Continued)

#### \*--4 Enterprise Analysis (Continued)

On the Copy Location NAICS to Customer NAICS Screen, left column displays codes available for that location and the right column displays codes currently in use by that customer. The crop entry with "Enterprise" in the title contains the Enterprise Analysis model. To copy "Barley - Enterprise-Seed" into the customer list, do the following:

- CHECK ( $\checkmark$ ) the box to the left of the crop to select the crop
- CLICK "Copy" link at the top of the left column
- CLICK "Customer NAICS" link to return to the previous screen.

Сор	y Location NAIC	CS To Customer NAICS
	Check All	Uncheck All
₽ <mark>Copy</mark>		
Ashland Service	e Center, WI NAICS Codes	S Customer NAICS
Barley-Straw		Barley-Barley Seed
Barley-Barley	Seed	Barley-Feed
Barley-Feed		Barley-Feed
		Barley-Malt
Barley-Enterp	rise-Seed	Barley-Straw
Barley-Malt		Barley-Straw

Figure 34y, Copy Location NAICS to Customer NAICS Screen

The "Barley-Enterprise-Seed" is now available on the Customer NAICS Crop Screen. CLICK "Save & 1".

		Custo	mer NA	AICS	Сгор	)		
	Description	Туре	Measure	Proj	Yield	Proj. Per U.	Code	
					0	0		Add
×	Copy Location NAICS to Client NAICS			Yield & P	er Unit	Defaults		
	Save & Stay	Save 8	۱ 🗈	Save &	S Menu			
	Barley	Barley Seed	Bu.		0	0	111199-01	Ent.
	Barley	Enterprise-Seed	Bu.		0	0	111199-01	Ent. **

Figure 34z, Customer NAICS Crop Screen--\*

# **F** Income/Expense (Continued)

#### \*--4 Enterprise Analysis (Continued)

On the Crop Sales Schedule Screen, CLICK "--Add New--" drop-down menu and select the applicable crop. For this example, select "Barley-Enterprise-Seed". Enter a Crop Sale for this crop.

# **Note:** To add a crop with the Enterprise Analysis model available, select the crop with "Enterprise" in the description.

R.	Land Ow	867		C	rop S	ales			Real Mar	i O Se O De	mmary Lail	Group B Crop Land Ov		O Minimize O Maximize	
lescription (NAICS) rield & Per Unit Defaults		Туре	liess	Acres	Yield	8	Prod. U.	FarmUse	Sale U	PerUnit	Sales	End U.	Dei	Crop Land Own	er /
Add New	•		1	0	0	100		0 0	0	0		0 0		Select Land	64
- Add New Barley-Barley Seed	i.			•	)	100000						1.6 1.6		Owner	

Figure 34aa, Select "Enterprise" Crop

CLICK "Ent" link to the right of the crop entry to access the Enterprise Analysis Screen.

	Land Owner	Ċ.			Cro	o Sale	15			+ Word Annel	Summary     Detail		Group Crep	
Description (NAICS) Yield & Per Unit Defaults		Туре	Meas	Acres	Yield	8	Prod. U.	FarmUse	Sale U.	Per Unit	Sales	End U.		Dbl Cro
- Add New -	-			0	0	100	0	0	0	0	0	0		
×		5	and A Stay 1	Save & C	1 54	ve à Me	-				_	_		
Darley-Enterprise-Seed			Bu.	100	140	100	14,000	0	14,000	4.85	67,900	0	Ent.	D
Darley-Enterprise-Seed				100			14,000	0	14,000		67,900	0		
Total Production				100			14,000	0	14,000		67,900	0		
Total to Inc/Exp Summary											67,900			

Figure 34bb, Access Enterprise Analysis--\*

- **F** Income/Expense (Continued)
- \*--4 Enterprise Analysis (Continued)

CLICK "**Copy Enterprise Defaults**" link in the upper, left to access the Enterprise Analysis model.

			e Analysis rprise-Seed-						
Copy Enterprise Defaults	Save & Income 67,900		100 C	rgin B	ГЕ 0				
	Acres	Yield	% Share	Units	Per Unit	Sal			
Projected	100	140	100	14,000	4.85	67	,900		
O What-If	0	0	0	0	0		0		
🗇 What-If	0	0	0	0	0		0		
Туре	Description	Calc Basis E	p. U. Per Exp. U	Per A. or U.	%	Total	% C.F.	C.F.	
- Add New				0	100	0	100	0	A

**Figure 34cc, Copy Enterprise Defaults** 

Click link to applicable Enterprise Analysis model. For this example, CLICK "Barley-Enterprise-Seed Barley 2014".



**Figure 34dd, Select Enterprise Model--\*** 

# **F** Income/Expense (Continued)

#### \*--4 Enterprise Analysis (Continued)

At the top of the Enterprise Analysis Screen, is a "Break-Even" calculation. Users can set up 2 different "What If" scenarios to make adjustments to the "Break-Even" calculation. In the Enterprise Analysis Screen lower portion, the expense defaults will be displayed. The values setup in defaults will be used to calculate the expenses using the "Acres/Production" units that were entered for the crop.

To print the document, right-click on the screen, select "Landscape View" and then print.

**Note:** User **must** zero out the "% **CF**" column to prevent the expense calculation from flowing into the projected income/expense.

			se Analysis terprise-Seed-					
Copy Enterprise Defaults	Save 5 . Income 67,900	Stay   Save Prchs. 0	<u>a</u> Exp. Mary 13,500 54,4	gin B/E		From C	Crop Ent	ry
	Acres	Yield	% Share	Units	er Unit	Sales		
Projected	100	140	100	14,000	4.85	67,9	00	
O What-If	100	125	100	12,500	5.75	71,8	875	
O what if	100	110	100	11,000	4.25	46,3	750	
Туре	Description	Calc Basis	Exp. U. Per Exp. U	. Per A. or U.	%	Total	% C.F.	C.F.
Add New	+	•		0	100	0	100	0
X Check All   Uncheck All					+		_	
Chemicals	•		From	10	100	1,000	0	0
Fertilizers & Lime	-	Acre 🔻	Defaults	125	100	12,500	0	0

Figure 34ee, Enterprise Analysis Screen--\*

# **F** Income/Expense (Continued)

# \*--4 Enterprise Analysis (Continued)

The Enterprise Analysis tool can be used without a State enterprise model being created. To access the Enterprise Analysis Screen, on the Crop Sales Schedule Screen, CLICK "**Ent.**" link. The Enterprise Analysis Screen will be displayed. Manually enter the anticipated total expenses for that particular crop.

	E		e Analysis n		
	Save & Sta	193 V.		<u>&amp; Menu</u>	
Copy Enterprise Defaults	100,000	Prchs. 0	2005 C.C. 1993	argin B 0,000	0 0
	Acres	Yield	% Share	Units	Per Unit Sales
Projected	200	125	100	25,000	CLICK "Add" to add
O What-If	0	0	0	0	anticipated expenses.
O What-If	0	0	0	0	
Туре	Description Ca	lc Basis Ex	p. U. Per Exp. U	. P <mark>e</mark> r A. or U.	% Total % C.F. C.F.
- Add New	- 1	~		0	100 0 100 0 2

Figure 34ff, Enterprise Analysis Adding Expenses Manually--\*

.

# **F** Income/Expense (Continued)

# 5 Income/Expense Trends - Entering Data

Using this option allows multiple income/expense summaries to be displayed and accessed. CLICK "**Inc/Exp**" on the toolbar and select "**Income/Expense Trends**" from the drop-down menu.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
					pense Trends		]
				Trends Man	-		1
					Inc / Exp Sum	1	
				1/1/2013 -	12/31/2013	•	and a second sec

Figure 35a, Income/Expense Trends Using the Toolbar

Trends may also be accessed through the Dashboard Navigation Screen.

	N	avigation		
General	Credit Action	Balance Sheet	Income / Expense	Notes
Snapshot Summary	Add / Modify / Delete	Balance Sheet Trends	Income / Expense Trends	Add / Modify / Delete
General Information	test	Balance Sheet Summary	PROJECTED Inc / Exp Sum	Running Record
	Credit Action Status	Add / Modify / Delete	Add / Modify / Delete	
Employment	Environmental - Environmental Checklist	1/1/2013 Current <	1/1/2013 - 12/31/2013 current <	Letters
Add / Modify / Delete	Farm Assmt Farm Assmt.	1/1/2012 Current	Add Actual Income/Expense	General Letter
	Credit Presentation - Cred. Pres. / Borr. Class.	1/1/2011 Current		Related Entity

Figure 35b, Dashboard Navigation Screen

# **F** Income/Expense (Continued)

#### 5 Income/Expense Trends - Entering Data (Continued)

Projected and actual amounts can be entered as a summary dollar value or on schedules where the calculated total transfers to the income/expense summary. Sometimes a mix of summary and scheduled input is appropriate. Scheduled information is especially appropriate when planning with production and yields. Features that are available on the Income/Expense Trends Screen include the following.

	Inc	ome / Expe	nse Trends			A Add (Made (D	Page Actions	
Ratios Use in Average.	Battom of Pa None	(1)	O 1/1/2013	ei 🖂 0 1/1/2012 12/31/2012 current	None	Add / Modify / De     Trends Manager     Copy Average     Print Reports     Enter Key:	Down v	
ose in Average.		Agricul	D turo			Fixed Header:		
Operating Income		Agricul	ture			Show Notes:	☑ ◀	
Crop Sales	0	0	0	0				>
Livestock & Poultry Sales	0	0	4.4	0	0	0	A	
Dairy Livestock Sales	( @ Comm	489	~	0	0	0	0 -	
Milk Sales	( Add a co		. )	0	0	0	0	
Livestock Product Sales			2)	0	0	0	0	
Ag Program Prints	Formu	la Editor		0	0	0	0	
Crop Insurance Proceeds	12			0	0	0	0	
Custom Hire Income	100			0	0	0	0	
Other Income	0	0	0	0	0	0	0	
Total Operating Income	0	0	4	0	0	0	0	
					0	0	0	
Purchases for Resale	0	0	0	0		, in the second s	, in the second s	
Gross Margin	0	0	4	0	0	0	0	
					0	0	0	

Figure 36a, Income/Expense Trends Screen

Item	Feature
1	Use "Date" link to go directly into the individual year income/expense.
2	Use drop-down menu to access additional features for an individual cell to enter:
	<ul> <li>schedule level detail</li> <li>or edit comments</li> <li>or edit formulas (formulas can also be entered directly into the cell).</li> </ul>
3	• "Or earl formulas (formulas can also be entered directly into the cen). Use "Page Actions" drop-down to access additional features, as follow:
	<ul> <li>Add/Modify/Delete Screen</li> <li>Trends Manager</li> <li>Copy Average</li> <li>Print Reports.</li> </ul>
4	CLICK "Enter Key" drop-down menu to select cursor movement direction when users press
	"Enter".
5	CHECK ( $\checkmark$ ) " <b>Fixed Header</b> " to "freeze" column headings while scrolling up and down pages.
6	The triangular marker indicates that notes, schedules, or formulas exist for a cell. CHECK ( $\checkmark$ ) "Show Notes" to display a "Page" icon, instead of the triangle, when notes exist.

#### **F** Income/Expense (Continued)

#### 5 Income/Expense Trends - Entering Data (Continued)

Before adding documentation to the footnotes, ensure that the correct income/expense record is selected by clicking the tab at the bottom of the screen.

			Foo	otnotes						
							None		1/1/2013 12/31/2013 current	None None None
Parag	aph 🗸 Arial 🗸	8 🗸 Symbols 🗸 🚣	🖁 🖧 🖻	l n a B	ZU	律律			1	
Be sure	correct tab is selected before en	tering any documentation.		Select in	ncome/	expens	e recoi	d.	]	

Figure 36b, Footnotes

**Notes:** When editing information in the schedule, if **all** line items are deleted, the value will not automatically be deleted from the Summary Screen. Access the Summary Screen to delete the value amount from the field.

For more complex operations requiring multiple schedule entries, it is recommended that the user select the single "Income/Expense Summary" option when entering the initial data. This will increase performance speed. See **Income/Expense Summary** – **Entering Data** (Section F 3).

# **F** Income/Expense (Continued)

#### 6 Using Income/Expense Categories

The income/expense categories have been standardized and are similar to the categories that most commercial lenders use and similar to Schedule F. However, for each income or expense grouping, other categories can be added to fit the needs of the operation by using the schedule under "Other Income" or "Other Expense".

Income/expenses are categorized into the following 4 parts:

- Operating Income and Expenses
- Nonoperating Income and Expense (including owner withdrawals, income and Social Security taxes, nonfarm income, and expenses)
- Financing (including term and operating advances and operating principal repayments)
- Capital Sales, Expenditures, Contributions, and Withdrawals.

#### 7 Reports

See **Electronic File Maintenance, Reports, and Signatures** (Section B) for more information on what reports require signatures or need to be printed.

The following income/expense reports are available:

- Actual Cash Flow
- Actual Inc/Exp Schedules
- Cash Flow Monthly Detail
- Enterprise Analysis
- Inc/Exp Common-Size
- Inc/Exp Comparative
- Inc/Exp Schedules
- Income Statement
- Monthly Cash Flow
- Production Trends
- Projected Annual Cash Flow
- Trends Inc/Exp.

The following Analysis Reports about capacity are available:

- Ratios & Indicators
- Repayment Capacity/Sensitivity
- Statement of Cash Flows.

# **F** Income/Expense (Continued)

#### 8 Locking Income/Expense Summaries

Income/expense summaries should be locked after completing to prevent further modification of the data. To lock income/expense summaries, CLICK "Add/Modify/Delete". The lock link can be found to the right of the selected summary.

#### **G** Income/Expenses - Actuals

#### 1 General

Actual income and expenses, together with production information ("actuals") contain important information with which future plans can be developed. The following are suggestions for handling categories of actual income/expenses.

Category	What to Do
	Operating
Crop/Livestock Production and Sales	Crop/livestock sales can be entered as a summary dollar amount when the production details are not known, or on schedules to record the production and the details of each crop/livestock production category and its sale.
	Yield and production can be recorded even if dollar sales for each scheduled item are not broken down. If the total crop or livestock production does not correspond to the dollar sales shown on income tax returns or farm records, users can still preserve the actual production on a per-crop level. Enter the crop production information on the schedule, but uncheck "To I/E". Then enter the total dollar sales for all crops on the actual summary page. This will preserve production on a scheduled per-crop level, but not require a breakdown of income on a per-crop level.
	The purchase section that is available on the detail view of the crop schedule is only to be used when purchasing a crop for feeding purposes. The purchase price will be transferred to the "Feed Grain & Roughage (Sch.)" under "Operating Expenses". The purchase cost for other crops or vegetables being purchased for resale should be entered under "Purchases for Resale".
	The purchase cost for livestock, if entered on the detail view of the livestock schedule, will be transferred to the "Purch. for Resale Livestock & Poultry Sales" schedule under "Purchases for Resale.
Crop Production	Crop production/yields can be tracked on a per-farm basis. To do so, enter the farm name or FSA farm number under "Type" each year. FBP will combine the yields and production in the production trends report for each like-identified farm. "Type" is name and case sensitive, should be the same each year to take advantage of that option.
Purchases for Resale	Enter detailed purchases for resale within the "Purchases for Resale" schedule. If no
(i.e. market	detail of purchases is needed, a summary dollar amount of purchases can be entered
livestock, poultry,	on the summary page.
and crops/veg.)	

# **G** Income/Expenses - Actuals (Continued)

# 1 General (Continued)

Category	What to Do
	Operating (Continued)
Operating Expenses (except depreciation and interest)	Enter operating expenses as summary amounts for each expense category, or as details for separate enterprises in the schedules. Summary input is recommended.
Depreciation	Enter actual depreciation from the income tax return, if known, or estimate if it is unknown.
	<b>Caution:</b> Do <b>not</b> ignore depreciation, as it will be used in the accrual adjusted income statement later. It does not affect MADS, ending cash, or loan feasibility.
Interest	See Financing.
	Nonoperating
Owner Withdrawals	Include living expenses and personal debt payments, i.e. credit cards, personal vehicle payments, home mortgage payments, student loans, personal loans, etc, in this category. Entries can be made on the schedules or as 1 summary entry. No itemization is required.
Income Taxes	Enter actual income and social security taxes paid during the year, unless net wages after taxes are entered in nonfarm income.
Nonfarm Income and Expense	Include gross wages, or net wages if no income taxes are entered, net business income, other nonfarm income or expense. Enter either as summary amounts or enter the details of the source or use of each type of funds in the schedule. Do <b>not</b> enter personal debt payments here. Generally, the nonfarm expense category
	will not be used.
T A 1	Financing
Loan Advances, Repayments, Interest Expense – Operating and Term	Loan advances, repayments, and interest payments can either be entered as summary amounts or as details in the "Loan Payments" schedule. Interest Expense. If the breakdown:
	• between operating and term interest is known, enter both in their respective expense category
	Note: This is the preferred method.
	• is <b>not</b> known, enter the estimate of operating interest, deduct the estimate from the total actual interest, and enter the balance as term interest
	• is not known and cannot be estimated, enter all actual interest as <b>term</b> interest.
	<b>Note:</b> This will allow a conservative analysis of MADS.
	<b>Caution:</b> It is <b>never</b> recommended to enter all actual interest as operating interest, unless it actually is.

# **G** Income/Expenses - Actuals (Continued)

# 1 General (Continued)

Category	What to Do
	Capital
Capital	Enter as summary amounts or as details in the schedule. If entered on the schedule,
Expenditures and	ensure that the correct asset description is used from the drop-down menu.
Sales	
	<b>Caution:</b> If collateral was sold or purchased, using the actual capital expenditure
	or sales schedules will <b>not</b> automatically add or subtract those items
	from the balance sheet schedules, appraisals, or security agreements.
Capital Gains and	Enter capital gains and losses, if applicable. Entries are optional and do not affect
Losses	the cash flow or the income/expense trends, but do affect an accrual-adjusted
	income statement.
Capital	Capital contributions are inflows of capital that are <b>not</b> the result of business
Contributions and	operations or other income. Capital contributions usually include gifts, inheritance,
Withdrawals	lottery winnings, the gift-value of substantial asset purchases for less than market value, and the capital contributions of partners or stockholders to an entity.
	value, and the capital contributions of particles of stockholders to an entry.
	Capital withdrawals are outflows of capital that are not the result of business operations or owner withdrawals. Capital withdrawals usually include gifts, the gift-value of substantial sales of assets for less than market value, and withdrawals of capital by partners or stockholders of an entity.
	Entering capital contributions and withdrawals is important to correctly construct a pro-forma balance sheet, if accrual analysis is completed.
	<b>Caution:</b> Ensure that capital contributions and withdrawals are <b>not</b> double-counted in capital sales and purchases.

# H Income/Expenses - Projected

The projected farm income and expenses, nonoperating income and expenses, financing, and capital plans for a future period are the components of FBP that determine feasibility.

#### **1** Feasibility

#### \*--a Loan Making and Servicing Actions, Except Primary Loan Servicing

When making or servicing loans, FSA uses current year projections (plans) that have been developed for a specified time period. For some operations, a projected plan for the current production cycle and typical plans for additional production cycles may be needed if further analysis of long-term repayment ability is in question.

**Examples:**A start-up operation with interest only payments in the first year.

An operation transitioning from traditional crops to organic.

See Feasibility Definition (Section H 1 c) for more information.

Consider the following.

- **Term loans**; long term feasibility must be considered. On-going farm business operations and reliable nonfarm income must be sufficient in the projected plan to pay on-going farm and nonfarm expenses, and term debts (**positive** MADS). It is not acceptable to use the liquidation of inventory, other assets, cash reserves, or atypical income sources to demonstrate log-run feasibility.
- **Annual operating loans**; short-term feasibility must be considered. The projected plan must provide the ability to repay the annual operating loan during the production cycle (**positive** ending cash).
- **Both term and annual operating loans**; both long and short-term feasibility must be considered. For both loans to be approved, the projected plan must provide the ability to repay the annual portion of the loan during the production cycle (**positive** ending cash) as well as the ability to pay on-going farm and nonfarm expenses, and term debts (**positive** MADS).
- **Note:** If the projected plan shows that only the annual operating portion of the loan can be repaid (**negative** MADS, **positive** ending cash), the annual loan can be approved; however, the term loan would need to be denied.--\*

# H Income/Expenses - Projected (Continued)

# **1** Feasibility (Continued)

# b Special Loan Servicing Actions (Primary Loan Servicing Only)

Feasibility for primary loan servicing actions is determined by DALR\$. See **Feasibility Definition** (Section H 1 c) for more information about feasibility.

#### c Feasibility Definition

A feasible plan or projection is demonstrated by the following.

Note: See 3-FLP, 4-FLP, or 5-FLP, as applicable, for additional information on feasibility.

Loan Type	MADS <u>1</u> /	Ending Cash
Loan Making and Servicing A	ctions, Except Primary Loan	Servicing
Term Loans, long term feasibility.	Must be positive.	Must be positive
Annual Operating Loans, short term	May be positive or negative.	Must be positive
feasibility.		
Youth Loans.	Is not applicable.	Must be positive
Primar	y Loan Servicing	
All loan types.	e-DALR\$ determination.	Must be positive

1/ A positive (zero or greater) MADS is equivalent to TDCLCR of 1.00 or greater. The terms can be used interchangeably.

# 2 Creating Current Year Projections

A projected plan for the current production cycle can be created for both short and long-run feasibility decisions. Projections can be entered using summary dollar values for each category or on schedules where the calculated total transfers to the income/expense summary. Sometimes a mix of summary and scheduled input is appropriate. Scheduled information is especially appropriate when planning with production and yields. See **Income/Expenses – Actuals** (Section G) for a description of each category and suggestions for the types of information that should be included.

# H Income/Expenses - Projected (Continued)

# 2 Creating Current Year Projections (Continued)

- \*--The following information must be fully documented in the schedules, footnotes, or comment notepads.
  - Source of prices and yields used to develop the farm operating plan.
  - Operating expenses based on accurate and verifiable information.
  - Other farm income verified by written or verbal projection of FP benefits, tax records, historical records, etc.
  - Verification of non-farm income.
  - Owner withdrawals with documentation supporting the amount used for family living expenses and verification of the source for payments of personal debt.
  - Document how the income and expenses for any household members was taken into consideration and how this affects cash flow.--\*

The income/expense projection is categorized into the following 4 parts.

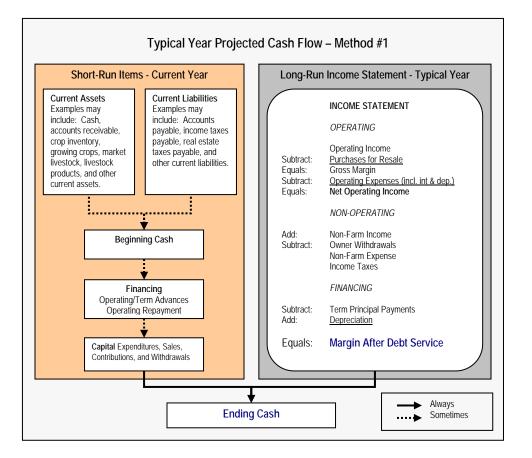
- Operating Income and Expenses (including current assets, current liabilities, crop and livestock sales, other farming income, purchases for resale, all farming expenses including interest, and depreciation).
  - **Note:** Income and expenses from current assets and current liabilities can generally be handled by making 1 of the following selections in the beginning balance sheet schedule:
    - "None", do not send to the income/expense projection
    - "Beg. Cash on Hand", send to schedule on income/expense projection
    - send to selected income and expense schedule on income/expense projection.
- Nonoperating Income and Expenses (including owner withdrawals, income and Social Security taxes, nonfarm income and expenses).
  - **Caution:** Projected owner withdrawals must include family living expenses and personal debt payments, such as, credit cards, personal vehicle payments, home mortgage payments, student loans, personal loans, etc. The total amount of payments due during the planning period will be entered on the schedules or as 1 summary entry, no itemization is necessary.
- Financing (including term and operating advances and operating principal repayments).
- Capital Sales, Expenditures, Contributions, and Withdrawals.

# H Income/Expenses - Projected (Continued)

#### \*--3 Creating Typical Projections

A typical projection can be created for both short and long-run feasibility decisions. There are generally 2 methods of creating a projection for a typical year.--\*

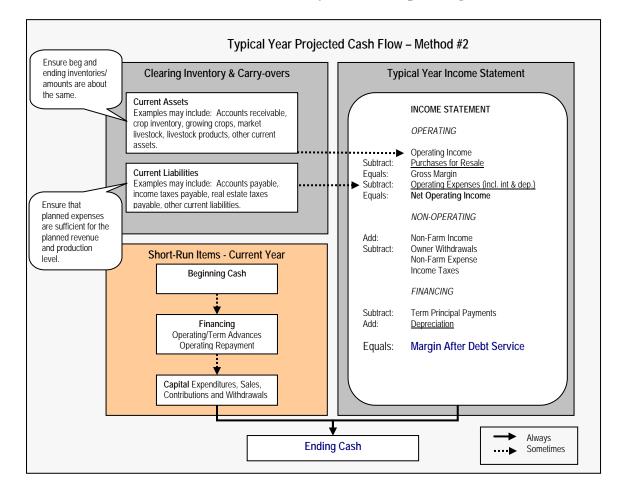
#### a Method 1, Separate Short-Run Items from Typical Year



Method 1 has the following features.

- The cash flow categories included in MADS are derived from long-run operations and/or a typical year. If a projection is developed with the income and expenses representing a typical year, a positive MADS means feasibility has been demonstrated in a typical year. For the business to be viable in the long-run, it must have a positive MADS.
- The categories contributing to "Ending Cash" may include current assets and inventories, current liabilities and unpaid expenses, current year financing activity, and any net residual from MADS. A positive ending cash position means that the projection is feasible in the current year as well.

- H Income/Expenses Projected (Continued)
- \*--3 Creating Typical Projections (Continued)--\*
  - a Method 1, Separate Short-Run Items from Typical Year (Continued)
    - \*\*\* When including sales of inventory in beginning cash, ensure that those sales are not double counted in operating income.
  - b Method 2, Transfer Current Assets and Payables into Operating



Method 2 has the following features.

• Current asset inventories may be sent to the projected operating income. However, because this is a typical year projection, ensure that the beginning and ending inventories/amounts are about the same.

#### H Income/Expenses - Projected (Continued)

#### \*--3 Creating Typical Projections (Continued)--\*

# b Method 2, Transfer Current Assets and Payables into Operating (Continued)

- Accounts payable, income taxes payable, real estate taxes payable, and other current liabilities may be included in operating expenses. However, ensure that planned expenses are sufficient for the planned revenue and production level.
- Like Method 1, a positive MADS means feasibility has been demonstrated in a typical year because the projection was developed with the income and expense levels representing a typical year. In addition, a positive ending cash position means that the projection is feasible in the current year as well.

\* \* \*

## H Income/Expenses - Projected (Continued)

#### \*--4 Monthly Cash Flow

Monthly cash flows are sometimes completed to assist in determining the annual operating credit needs from FSA, or revolving line of credit needs from another lender. The Projected Annual Cash Flow Report and Projected Monthly Cash Flow Reports may help the user determine the amount of borrower needs in these circumstances. The reports, by themselves, are not intended to be used to determine feasibility. Using monthly cash flows is optional.

If a user determines that a monthly cash flow is needed, the user must designate in the "Monthly CF Setup" drop-down menu, how many months the projection will cover when the income/expense is added or duplicated. Options include a 12-, 18-, or 24-month projection.

					Income / E	xpense	View	Trends
	Projected Actual	Beg. Date	End. Date	Description	Beg. Bal. Sht.	End. Bal. Sht.	Monthly CF Setup # Mths	
3	Proj. 🗸	1/1/2010	12/31/2010 👿	current	1/1/2010 current		None 💌	Select "# Mths" needed for the cash flow from
×				Save & Stay	<u>Save &amp; Me</u>	nu 🖂	None 12	the Monthly CF Setup.
	Proj.	1/1/2010	12/31/2010 🛃	After Refinancing	<u>1/1/2010</u> After		18 24 <u>Rev Loc Vi</u>	ew Accrual PF Dupl. Move Lock Track

Figure 37a, Selecting Months for Projection

After the projection is created, monthly cash flow allocations may be added at the summary or schedule level. Both methods achieve the same result of having the cash inflow or outflow categories allocated in designated month or months, in addition to the overall total.--\*

#### a Summary Level

**Step 1.** All inflow or outflow categories may have a monthly cash flow allocation entered at the summary level. CLICK blue "\$" next to the category amount.

**Example:** For "Fertilizers & Lime", \$25,000 was entered as a summary dollar value. For "Gas/Fuel/Oil", \$31,000 is a total from the detailed schedule. However, both can be allocated in the monthly cash flow by clicking the blue "**\$**".

Feed Supplement	<u>s</u> 0	0
Feed Grain & Roughage	<u>s</u> 15,000	0
Fertilizers & Lime	25,000	0
Freight & Trucking	<u>s</u> 0	0
Gas / Fuel / Oil	31,000	0
D Incurrence Even	s 0	0

Figure 37b, Entering Monthly Cash Flow Projections--\*

# H Income/Expenses - Projected (Continued)

# \*--4 Monthly Cash Flow (Continued)--\*

#### a Summary Level (Continued)

**Step 2**. User has the option of custom entries or selecting from the default "Monthly Codes" provided.

**Example:** On the Fertilizers & Lime Monthly Allocation Screen, user clicked "Monthly Code" drop-down menu and selected "Bi-Monthly-Start 2".

		ilizers & Lim hly Allocatio	
3	Save & Stay   Save & 🔁	Save & Menu	
Monthly Code		Month	Amt
Bi-Monthly-Start 2		1/2010	0
All Mths Open		2/2010	4,167
All in Quarter 2	∫ CLICK	3/2010	0
All in Quarter 3 All in Quarter 4	"Monthly Code"	4 / 2010	4,167
All Months-Equal	drop-down	5/2010	0
Bi-Monthly-Start 1 Bi-Monthly-Start 2	menu to select from	6/2010	4,167
Month 1	the list of	7/2010	0
Month 2 Month 3	default	8/2010	4,167
Month 4	codes.	9/2010	0
Month 5 Month 6	Louis.	10/2010	4,167
Month 7		11/2010	0
Month 8		12/2010	4,165
Month 10		Totals	25,000
Month 11 Month 12 age	Save & Stay	Save & 🔁	I Save & Menu

# Figure 38

If the amount for any category on the projection is altered, the monthly allocation will automatically recalculate based on the monthly code selected. "Monthly Code" may be changed at any time.

#### H Income/Expenses - Projected (Continued)

# \*--4 Monthly Cash Flow (Continued)--\*

#### **b** Schedule Level

**Step 1.** Select the category and enter the total amount for the projected plan period in the detailed schedule. More than 1 entry may be added. CLICK "**Mth**" next to each entry to allocate the amount in the monthly cash flow.

#### Example: For "Gas/Fuel/Oil", total of \$31,000.

2010 After Refinancing		Gas / Fuel / Oil		
Description	Amount	Pro Forn	na?	P.F.
	0	None	~	Ad
	Save & Stay   Save &	🔁   Save & Menu 🖂		
Gas	30,000 Mth	None	~	
Оі	1,000 Mth	None	~	
Total Gas / Fuel / Oil	31,000	N.	12	
Total to Inc/Exp Summary	31,000			

**Step 2.** User has the option of custom entries or selection from the default monthly codes provided.

Example: For "Gas" entry of "\$30,000", user clicked the "Monthly Code" drop-down menu and selected "All Months-Equal".

	Monthly	Fuel / Oil Allocatio Gas	
	Save & Stay   Save & 🔁	Save & Menu	
Monthly Code		Month	Amt
All Months-Equal		1/2010	2,500
All Mths Open		2/2010	2,500
All in Quarter 2	СЫСК	3/2010	2,500
All in Quarter 3	"Monthly-Code"	4/2010	2,500
All in Quarter 4 All Months-Equal	drop-down menu	5/2010	2,500
Bi-Monthly-Start 1	and select from	2.2512	
Bi-Monthly-Start 2	the list of default	6/2010	2,500
Month 1		7/2010	2,500
Month 2 Month 3	monthly codes.	8/2010	2,500
Month 4		9/2010	2,500
Month 5 Month 6		10/2010	2,500
Month 7		11/2010	2,500
Month 8			2 500
Month 9 Month 10		12/2010	2,500
Month 10 Month 11		Totals	30,000
	ge Save & Stay	Save & 🕒	Save & Menu

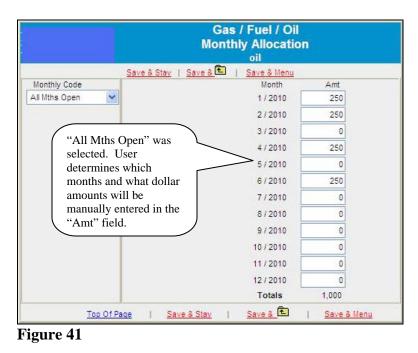
Figure 40

#### H Income/Expenses - Projected (Continued)

#### \*--4 Monthly Cash Flow (Continued)--\*

#### **b** Schedule Level (Continued)

\*--Example: For "Oil" entry of "\$1,000", the user clicked "Monthly Code" drop-menu and selected "All Mths Open". Dollar amounts were manually entered in the "Amt" fields.



**Note:** The blue "\$" on the summary page will change to italicized when the monthly cash flow allocation is added at the schedule level.

	-	,	-	
Freight & Trucking	<u>s</u>	0	0	
Gas / Fuel / Oil		31,000	0	
Insurance Exp.	<u>s</u>	0	0	
Labor Hired	<u>s</u>	0	0	*

Figure 42

# H Income/Expenses - Projected (Continued)

#### \*--4 Monthly Cash Flow (Continued)

#### c Warnings

If the monthly cash flow allocation was added at the summary level and the user decides to add the amount at the schedule level, when the user clicks "**Mth**", a warning message will be displayed. Take appropriate action, as follows:

- CLICK "Cancel", to keep the current monthly cash flow allocation information
- CLICK "**OK**", and the monthly cash flow allocation for the category will be deleted and the Monthly Allocation Screen will be displayed with the option of re-entering the information at the schedule level.

	Fe	ertilizers & Lime		
Description	Amount 0 <u>Save &amp; Stay</u>   <u>Save &amp;</u> 25,000 <u>Mth</u> 25,000	Pro Forma? None   <u>Save &amp; Menu</u>	~	If user clicks " <b>Mth</b> ", a warning message will be displayed.
Tor Windows Internet Explor	er ummary monthly allocations for this OK Cancel	s chart of account will be delete	<b>≥</b> d.	

#### Figure 43

If monthly cash flow was added at the schedule level, and then the user clicks on the italicized "\$" on the summary page, a warning message will be displayed. Take appropriate action, as follows:

- CLICK "Cancel", to keep the current monthly cash flow allocation information.
- CLICK "**OK**", and the monthly cash flow allocation for the category will be deleted, and the Monthly Allocation Screen will be displayed with the option of re-entering the information at the summary level.

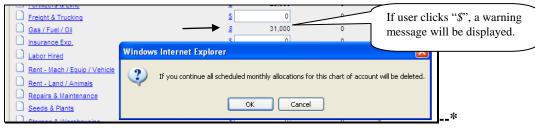


Figure 44

# H Income/Expenses - Projected (Continued)

#### \*--5 Assumptions or Stress Testing

Assumptions:

- allow a user to build new projected income and expense information based on existing historical or projected income and expense data
- use user-defined assumptions about expected changes in income and expense levels, along with the common size calculations, to extrapolate new projected income and expense information
- can be used by loan officials to demonstrate to customers how changes in income/expenses may affect their operations.

Step	Action								
1	Create a new Projected Income/Expense to use in the Assumption process.								
	<b>Caution:</b> Only use a plan created specifically for the assumption/stress test. All data saved in the assumption will automatically update the projected income/expense "summary" data only and not the scheduled information.								
2	After new projection has been created, CLICK "Assumptions" link.								
	Proj. Inc/Exp Summary Add / Modily / Delete								
	Assumptions Save & Stay   Cancel								
-	Figure 44a								
3	CLICK "Select" link to access the Lookup Window, Select Date Screen. Assumptions								
	Use for Select Common % # Inc/Decr Calc. Amt. Calc. Common Size								
	Figure 44b								

#### H Income/Expenses - Projected (Continued)

#### \*--5 Assumptions or Stress Testing (Continued)

Step		Action	
4	On the Lookup	Window, Select Date Screen, click either "Average" or "mm/dd/y	ууу"
	link for which to	base the assumptions.	
		™ Lookup Windo 🕒 💷 💌 🔀	
		Select Date	
	Date	Description	
	Average	Average	
		Projections	
	12/31/2014	FY2014	
	12/31/2014	2014	
	12/31/2014	Stress Test 1	
	Figure 44c		

The "Select" link is replaced by whichever date was selected on the Lookup Window, Select Date Screen ("Average" or "mm/dd/yyyy"). Data in the assumptions can be changed by clicking on the selected link and choosing another plan.

- **Example:** For this example, user clicked the "**Average**" link and will populate the Assumptions Screen with that data. Income line items will have open text fields where adjustments can be made to the data depending on the radio button selected (1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup>). Users can choose multiple options for the calculations.
  - 1st radio button, "Input +/- Percent Change".

~Greer 2 , Pixie Stress Test 1 1/1/2014 To 12/31/2014	Assum	ptions	;				
Operating	Use for Percentage of Sales	Save & 1 Average Amt.	]   Common Size	<u>Cancel &amp;</u> 🗈 🗋	Inc/Decr	Calc. Amt.	Calc. Common Size
Crop Sales		58,333	41.0	00	-10	52,500	38.5
CCC Loans as Income		0	0	<u> </u>		0	0
Livestock & Poultry Sales		80,623	56.7	Input +/	- Percent	Change 3	59.1

Figure 44d--\*

# H Income/Expenses - Projected (Continued)

#### \*--5 Assumptions or Stress Testing (Continued)

• 2nd radio button, "Input +/- Number Change".

~Greer 2 , Pixie Stress Test 1 1/1/2014 To 12/31/2014	Assumptions							
Operating	Use for Percentage of Sales		 mmon Size	<u>Cancel &amp;</u> 🗈 🗋	Inc/Decr	Calc. Amt.	Calc. Common Size	
Crop Sales		58,333	41.0	0 0 0	3,000	61,333	41.0	
CCC Loans as Income		0	0	0.0	0	0		
Livestock & Poultry Sales		80,623	56.7	Inpu	t +/- Num	ber Change	56.0	

# Figure 44e

• 3rd radio button, "Input Whole Number".

~Greer 2 , Pixie Stress Test 1 1/1/2014 To 12/31/2014	Assumptions							
Operating	Save & Stay Use for Percentage of Sales	Save & 🔁 Average Amt.	]   Common Size	<u>Cancel &amp;</u> € □	Inc/Decr	Calc. Amt.	Calc. Common Size	
Crop Sales		58,333	41.0	$\bigcirc \bigcirc \bigcirc$		61,333	41.9	
CCC Loans as Income		0	0	0 O (			0	
Livestock & Poultry Sales		80,623	56.7	• • 💾		e Number	55.0	

# Figure 44f

There are radio buttons for "Auto/Manual" calculations for expenses. Activating the "Manual" radio button will open a text field where users can make adjustments. Click "**Mark All**" link to select the same option for the expense calculations, or users can select multiple options for the calculations.

• 1st radio button, "Auto Calc common Size Number". Expenses will automatically adjust as income totals are recalculated.

		•		
Operating Expenses	→ <u>Ma</u>	<u>rk Al</u> 🔘 🔘 🔘 🔘 🔘	,	
Car & Truck	5,833	4.1 🥥 🔘 🔘 🔘	5,769	4.1
Chemicals	11,500	8.1	11 272	8.1
Conservation	0	Auto Calc Commo	n Size Number	0

Figure 44g--\*

# H Income/Expenses - Projected (Continued)

# \*--5 Assumptions or Stress Testing (Continued)

2nd radio button, "Input Percent of Sales". Only use when a "Use in Percentage of Sales" box is checked (✓) to select the income line items to be used in calculations.

~Greer 2 , Pixie Stress Test 1 1/1/2014 To 12/31/2014		Assum	ptions	}					
Operating		<u>&amp; Stav</u> Use for Percentage of Sales	Save & <b>E</b> Average Amt.	Common Size	Cancel & E	∎ [] #	Inc/Decr	Calc. Amt.	Calc. Common Size
Crop Sales		<b>V</b>	58,333	41.0	۲	$\odot$	-10	52,500	37.8
CCC Loans as Income			0	0	۲	$\odot$	0	0	0
Livestock & Poultry Sales		<b>V</b>	80,623	56.7	۲	$\odot$	3	83,041	59.8
Dairy Livestock Sales			0	0	۲	$\odot$	0	0	0
Milk Sales			0	0	۲	$\odot$	0	0	0
Livestock Product Sales			0	0	۲	$\odot$	0	0	0
Cull Breeding Stock Sales		<b>V</b>	3,233	2.3	۲	$\odot$	0	3,233	2.3
Ag Program Pmts			0	0	۲	$\odot$	0	0	0
Crop Insurance Proceeds			0	0	۲	$\odot$	0	0	0
Custom Hire Income			0	0	۲	$\odot$	0	0	0
Farm Rental Income			0	0	۲	$\odot$	0	0	0
Other Income			0	0	۲	$\odot$	0	0	0
Total Operating Income			142,189	100				138,774	100
Purchases for Resale			0	0	0 0 0	$\odot$		0	0
Purch. For Resale Livestock & Poultry	y Sales		0	0					
Gross Margin	_		142,189	100	~ ~ ~	~ ~		138,774	100
Operating	Expense	s	-	Mark All	0 0 0	$\odot$			
Car & Truck			5,833	4.1	0 0 0	$\odot$	5	6,939	
Chemicals			11,500	8.1	00	$\odot$	7	9,714	7.0
Conservation			0	0	O TINN	It Perc	ent of Sales	0	0
Custom Hire Exp.			0	0	O CIIPO	NUT OF	ent of Sales	2 0	0

Figure 44h

• 3rd radio button, "Input +/- Percent Change".

	♥	
Operating Expens	es <u>Mark All</u> O O O O	
Car & Truck	5,833 4.1 🔘 🔘 🔘 🔘 🖉 2 5,950	4.3
Chemicals	11,500 8.1 🔘 🔘 🔘 🔘 🦳 -2 11,270	8.1
Conservation	0 0 C Input +/- Percent Change	0
Custom Hire Exp.		0

T

Figure 44i--\*

# H Income/Expenses - Projected (Continued)

# \*--5 Assumptions or Stress Testing (Continued)

• 4th radio button, "Input +/- Number Change"

					ŧ			
Operating Expenses	Mark	<u>AI</u> (	) (	۲	٢	$\bigcirc$		
Car & Truck	5,833	4.1	) (	۲	٢	50	0 6,333	4.6
Chemicals	11,500	8.1 🤘	) (	۲	0	-1,00	0 10,500	7.6
Conservation	0	0 🥘						0
Custom Hire Exp.	0	0 🤇	) ()	۲	¢,	nput +/- Nul	mber Change	0

T

L

# Figure 44j

• 5th radio button, "Input Whole Number".

	•	
Operating Expenses	<u>Mark All</u> 🔘 🔘 🔘 🔘 🔘	
Car & Truck	5,833 4.1 🔘 🔘 🔘 🔘 🔘 6,333	4.6
Chemicals	11,500 8.1 🔘 🔘 🔘 🔘 🔕 10,500	7.6
Conservation		0
Custom Hire Exp.	0 0 0 0 0 Input Whole Number	0

Figure 44k--\*

.

#### I Collateral Analysis/Chattel Appraisals

Collateral analysis involves assessing the adequacy of collateral pledged for a loan and must be completed when a Credit Presentation is prepared for a loanmaking or loan servicing action.

In addition to populating the Credit Presentation, a separate collateral analysis report can be printed that shows the calculations involved in the analysis.

For all direct FSA loans, the default collateral discount factor is 100 percent. **This must not be changed**.

#### **1** Describing the Collateral Position

The collateral position is usually described in the following 2 ways.

Description	Calculation
Margin of Collateral to Loan	(Amount of collateral minus prior liens) divided by total FSA
	loans.
Percent Loan to Collateral	(Total FSA loans divided by (amount of collateral minus prior
	liens)) multiplied times 100.

For new chattel loans, use the "Margin of Collateral to Loan" to determine if the 150 percent (1.50) security requirement is met.

#### 2 Completing the Chattel Appraisal

The descriptions and values in the chattel appraisal are derived from the balance sheet schedules. After a loan official has visited the farm and completed an appraisal of the chattel, the appraised values will need to be entered in the corresponding schedules. After the Balance Sheet has been updated, CLICK "**Balance Sheet**" and "**Chattel Appraisal**" to update the chattel appraisal information.

\*\_-

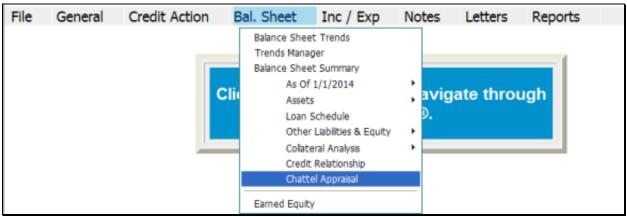


Figure 45a--\*

I Collateral Analysis/Chattel Appraisals (Continued

# \*--2 Completing the Chattel Appraisal (Continued)

Complete the Chattel Appraisal Screen. Use the Footnote Section for any additional information as needed.

1/1/2010 - Current	Appraisal	Defaults to " <b>FSA</b> ". Ensure that it is changed if chattel appraisal
Save & Stay   Save &	I <u>Save &amp; Menu</u> I 🖂	was completed by someone other than an FSA employee. Manually enter or use the
Date of Chattel Appraisal? 6/10/20	10 🖸	calendar to select the date the chattel appraisal was completed.
Schedule	Value	
Market Livestock & Poultry	25,000	Use Footnotes Section for any additional information as needed.
Machinery & Equipment	100,000	additional information as needed.
Farm Vehicles	10,000	
Raised Breeding Stock	10,000	
Total value of Appraised Property	145,000	
Paragraph       Arial       10       S         い       い       B       I       II       II       II         Add any additional information as needed		

Figure 45b--\*

### I Collateral Analysis/Chattel Appraisals (Continued

#### \*--2 Completing the Chattel Appraisal (Continued)

If the chattel appraisal is completed by the same official who recommends or approves the Credit Presentation, the Appraisal form does not need to be printed or signed. If not printed, there **must** be a notation in the Collateral Section of the Credit Presentation that a chattel appraisal was completed, date of appraisal, and that the eSignature stamp of the recommending or approving official represents the person who completed the appraisal.

In all adverse actions, or if the appraisal was completed by someone other than the recommending/approving official, the chattel appraisal will need to be printed and signed.

To generate the printed chattel appraisal CLICK "**Reports**", "**Balance Sheet**", "**Chattel Appraisal**", and select the chattel appraisal to be printed from the list provided.

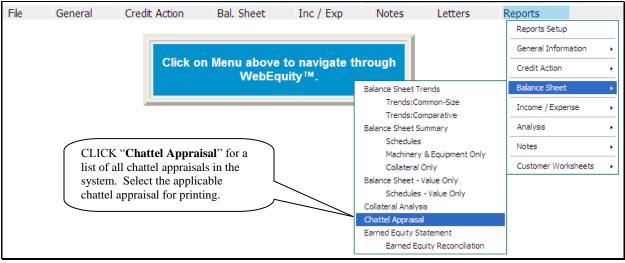


Figure 45c--\*

### I Collateral Analysis/Chattel Appraisals (Continued)

#### **3** Building the Collateral Analysis

The collateral analysis is where a user can access, view, add, modify, or delete information specific to any collateral value for loans held by FSA and any prior lien holders. The values in the collateral analysis are derived from the associated balance sheet summary and schedules.

When building the collateral analysis, loans and the collateral used to secure the loan can be grouped together by creditors. For example, if all the FSA loans are secured by the same collateral, the loans and collateral could be grouped together. Separate FSA loan groups may be created when different collateral is used to secure different FSA loan types.

For prior lienholders, there can be a loan group for each creditor; or all prior lienholders can be grouped together. If there are prior liens, they **must** be added to the collateral analysis **before** adding any FSA loan group.

#### a Customer With No Prior Liens

Assume in this example that there are no prior liens on the collateral used to secure the FSA loans. Use the following steps to build the collateral analysis for the FSA loan group.

Step				Ac	tion						
1	Verif	y the corre	ect balance she	et is selected	l to use in bu	uilding the	he collate	ral analysis.			
2	user f " <b>Add</b>	LICK " <b>Bal. Sheet</b> ", " <b>Collateral Analysis</b> ", and " <b>Add/Modify/Delete</b> ". When ser first clicks this menu item, the only submenu item displayed is the <b>Add/Modify/Delete</b> ". As users add loan groups, they will automatically be splayed in the submenu and be available for selection.									
	File	General	Credit Action	Clir Asse Loan Othe Cola Cred	ager et Summary f 1/1/2014 ts Schedule r Liabilities & Equity teral Analysis t Relationship tel Appraisal	Notes	Letters ate throu Add / Modifi				

# I Collateral Analysis/Chattel Appraisals (Continued)

**3** Building the Collateral Analysis (Continued)

# \*--a Customer With No Prior Liens (Continued)

Step	Action										
3	Complete the following fields to add the new FSA loan group:										
	<ul> <li>"Loan(s) Description", enter a description of loans associated with the collateral</li> <li>"Lien?", select "Ours" for FSA</li> <li>"Scoring &amp; Rating", checked by default</li> <li>"Amt to Use: Select", "As Marked On Schedule".</li> </ul>										
	1/1/2010 Current Collateral Analysis										
	Loan(s) Description Lien? Scoring Amt to Use # Of Amt Collateral Margin % Loan Use ?										
	FSA Loans Ours V As Marked On Schedule V Adde Coll/Lift to Coll.										
	After all the fields are completed										
	CLICK "Add". 0 0 0 0% 🗹										
	Figure 46										
4	CLICK "Add from Loan Schedule" to choose the loans.										
	1/1/2010 Current FSA Loans Credit Relationship										
	Add From Loan Schedule										
	Loan # Creditor CLICK "Add From Loan Schedule" to link to add loans.										
	Totais 0 0 0										
	Total Of Loans For Collateral Analysis: 0										
5	Figure 47 Select all the loans, existing and new, that need to be included in the loan group										
5	being built and CLICK "Add Loans".										
	oung ount and official found i										
	Select Loan										
	Add Loans   Cancel & Select all loans for the loan group being built and CLICK "Add										
	Add Loan # Creditor Type Prin.Bal/ Loans". RequestAmt Commun.										
	✓ 44-01 FSA Int. 90000 90000										
	** 🗹 44-02 FSA Int. 10000 0 10000										
	**Denotes "New" Loans										
	Add Loans   Cancel & 🔁										
	Figure 48										

# I Collateral Analysis/Chattel Appraisals (Continued)

**3** Building the Collateral Analysis (Continued)

# \*--a Customer With No Prior Liens (Continued)

Step											
6 C	CLICK "Add Collateral" to choose the collateral for the loan group being built.										
								Loan Sched			
1/1	/1/2010 Current			SA Loans				Credit Relations			
Ad	dd From Loan Schedule Loan #	Creditor	T	Loans pe F	Prin. Bal /	Present	Proposed	Purpose			
	× 🗋 44-01	FSA	ر ا Int	ке	quest Amt. 90.000*	Commit. 90,000	Commit. 90.000	Pulpose			
	× · · · · · · · · · · · · · · · · · · ·		1.1		10,000*	0	10,000				
	j	CLICK "Add			100,000	90,000	100,000				
	**Denotes "M	to add collater	al.	J	*Total	Of Loans For C	ollateral Analysis:	100,000			
Ad	dd Collateral			Collateral Disc	Prior	Auto Coll	Auto	Copy Defaul			
	Description	Туре	Value	% Value	Lien	Calc Am	1990	d Available			
			0 1	00 0	0		0 🔽	A			
7 Se	' <b>igure 49a</b> elect all collat C <b>ollateral</b> ''.	teral to be inc				ing built	and CLICI	K "Add			
7 Se	elect all colla	teral to be inc		t Collate	ral	ing built	and CLICI	K "Add			
7 Se	elect all collat Collateral".			t Collate	e <mark>ral</mark> el & È						
7 Se	elect all collar Collateral".	teral to be inc	Selec	t Collate	ral	om Disc %	Discounted				
7 So C	elect all collat Collateral".	ets From	Selec	t Collate (al   <u>Canc</u> Summary	e <mark>ral</mark> el <u>&amp;</u> 🔁 Coll. Fro	om Disc %	Discounted Value	Available			
7 SC	elect all collat Collateral''. Add Ass Balar Ag. Cash &	ets From nce Sheet	Selec	t Collate	e <mark>ral</mark> el <u>&amp;</u> 🔁 Coll. Fro	om Disc. %	Discounted Value 6,500	Available 6,500			
7 SC	Add Ass Add Ass Add Ass Ag. Cash & Ag. Accour	ets From nce Sheet Equivalents	Selec	ct Collate	e <mark>ral</mark> el <u>&amp;</u> 🔁 Coll. Fro	om Disc. % 100 100	Discounted Value 0 6,500 0 10,000	Available 6,500 10,000			
7 So C	Add Ass Add Ass Balar Ag. Cash & Ag. Crop In	ets From nce Sheet Equivalents nts Receivable	Selec	ct Collate	ral el & 🔁 Coll. Fro B.S. Sch	om Disc. % 100 100	Discounted Value 6,500	Available 6,500 10,000 eral for			
7 SC C	Add Ass Add Ass Add Balar Ag. Cash & Ag. Corop Inv Ag. Growin	ets From nce Sheet Equivalents nts Receivable ventory	Selec	ct Collate	e <b>ral</b> el & Coll. Fro B.S. Sch	0m Disc. % 100 100 000 Se 000 th 500	Discounted Value 6,500 10,000 elect all collate e loan group b uilt and CLICF	Available 6,500 10,000 eral for being			
7 SC C	Add Ass Add Ass Balar Ag. Cash & Ag. Cash & Ag. Crop In Ag. Growin Ag. Market	ets From nce Sheet Equivalents nts Receivable ventory ng Crops	Selec	ct Collate	Coll. Frc B.S. Sch Sb, 25,1 25,1	0m Disc. % 100 100 000 Se 000 th 500	Discounted Value 0 6,500 0 10,000 elect all collate e loan group b	Available 6,500 10,000 eral for being			
	Add Ass Add Ass Balar Ag. Cash & Ag. Cash & Ag. Crop In Ag. Growin Ag. Growin Ag. Market Ag. Livesto	ets From nce Sheet Equivalents nts Receivable ventory ng Crops Livestock & Poultry	Selec	t Collate al   Canc Summary falue 6,50 10,000 50,000 25,000 25,000	Coll. Frc B.S. Sch Sb, 25,1 25,1	0m Disc. % 100 100 000 th 000 b	Discounted Value 0 6,500 0 10,000 elect all collate e loan group b nilt and CLICH ollateral''/	Available 6,500 10,000 eral for being K "Add			
	Add Ass Add Ass Add Cash & Ag. Cash & Ag. Cash & Ag. Crop In Ag. Growin Ag. Market Ag. Livesto Ag. Other C	ets From nce Sheet Equivalents nts Receivable ventory Ig Crops Livestock & Poultry ck Products	Selec	ct Collate	Coll. Frc B.S. Sch Sb, 25,1 25,1	0m Disc. % 100 100 000 C 000 C	Discounted Value 0 6,500 0 10,000 elect all collate e loan group b nilt and CLICF <b>ollateral</b> "/	Available 6,500 10,000 eral for being X "Add 25,000			
7 SC C	Add Ass Add Ass Add Cash & Ag. Cash & Ag. Cash & Ag. Crop In Ag. Growin Ag. Market Ag. Livesto Ag. Other C	ets From nce Sheet Equivalents nts Receivable ventory Ig Crops Livestock & Poultry Ick Products Current Assets ery & Equipment	Selec	ct Collate	eral el & E Coll. Fro B.S. Sch Sb, 25,1 25,1 6,1	0m Disc. % 100 100 000 C 000 C	Discounted Value 0 6,500 0 10,000 elect all collate e loan group b hilt and CLICH ollateral"/ 0 25,000	Available 6,500 10,000 eral for being K "Add 25,000 150,000			

# I Collateral Analysis/Chattel Appraisals (Continued)

**3** Building the Collateral Analysis (Continued)

# a Customer With No Prior Liens (Continued)

p V				Α	ctior	1					
	Verify that the correct loans and collateral have been added for the loan group. If										
	additional documentation is needed, it can be added to the Notes Section.										1
	*										
					A Loai					Cr	Loan Sched edit Relations
A	dd From Loan Schedule				Loans				_		
	Loan # Creditor			Туре		Prin. Bal / Request Amt.		esent nmit.		posed mmit.	Purpose
	🗙 🗋 44-01	FSA		Int.		90,000*	90	,000	9	90,000	
	🗙 🗋 🛛 **44-02	FSA		Int.		10,000*		0		10,000	
				Totals		100,000	90	,000	1(	00,000	
	**Denotes "New	/" Loans				*T	otal Of Loans	For Colla	teral An	alysis:	100,000
A	Add Collateral Add Appraisal				Collateral						Copy Defau
	Descriptio	'n	Туре	Value <sup>4</sup>	Adv Rate (%)	Disc Value	Prior Auto Lien Calc		Auto Calc	Used	Available
				0	100	0	0 🔽		0 🗹		
			Save & Star	¥ 1	Save &	🔁   S	Save & Menu				
3	🗙 🗋 <u>Machinery &amp; Equipn</u>	nent		150,000	100	150,000	0 🔽	150,00	00 🔽	99,338	50,662
3	K D Farm Vehicles			1,000	100	1,000	0 🔽	1,00	00 🔽	662	338
	Totals			151.000		151.000		151.00	00	100,000	51,000
				3.8.4	nalysis						
Т	otal Loan Amount		100,000				Discounted Ma	argin of C	ollateral	to Loan	1.51
D	iscounted Collateral Val	ue	151 <mark>,0</mark> 00				Discounted LT	v			66.23
	Notes										
	Paragraph 🗸 Arial	✓ 10 ✓	Symbols 🗸 🔥	L M I	<b>h A</b>	10 O B	zσk	de de	-		🗐 🎔
	Anar	10		00		1			1		· · · · · · · · · · · · · · · · · · ·

## I Collateral Analysis/Chattel Appraisals (Continued)

#### **3** Building the Collateral Analysis (Continued)

#### \*--b Customer With Prior Liens

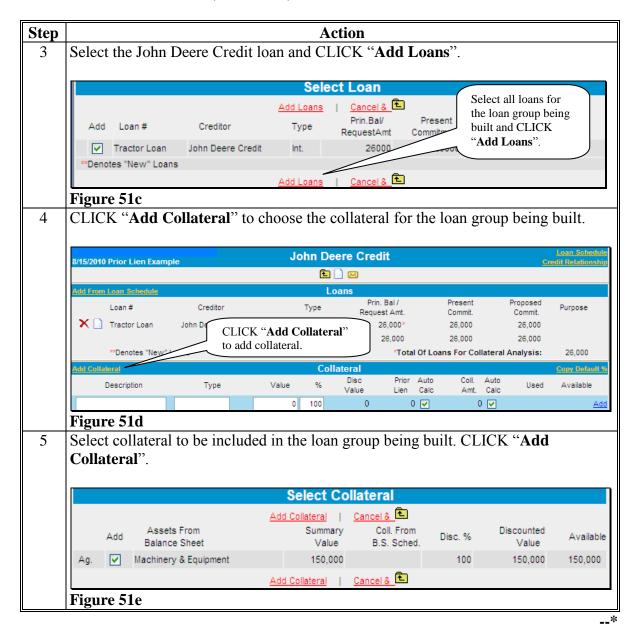
When the customer has loans with creditors who have prior liens on the collateral used to secure the FSA loan, those creditors **must** be added to the collateral analysis **before** the FSA loan group.

**Example:** Assume in this example that the customer owes John Deere Credit \$26,000, secured by a first lien on a tractor worth \$35,000. The customer also has an FSA OL with a balance of \$90,000, secured by a lien on all machinery and equipment worth \$150,000, including the tractor.

Step	Action									
1	Complete the following fields to add the John Deere Credit loan group:									
	<ul> <li>"Loans Description", enter a description of loans associated with the collateral</li> <li>"Lien?", select "<b>Prior</b>" for all prior loans</li> <li>"Amt to Use", select "<b>As Marked On Schedule</b>".</li> <li>CLICK "<b>Add</b>" to begin building the collateral analysis.</li> </ul>									
	Collateral Analysis									
	B/15/2010 Prior Lien Example     Control of Analysis       Loan(s) Description     Lien?       Scoring     Amt to Use       # Of     Loans       John Deere Credit     Prior       As Marked On Schedule									
	Total Scoring & Rating0000%Image: Constraint of the second s									
2	Figure 51a         CLICK "Add from Loan Schedule" to choose the loans.									
	FSA Loans         Loan Schedu           1/1/2010 Current         Credit Relationsh									
	And From Loan         Construction         Proposed         Purpose           Loan #         Cret         CLICK "Add From Loan         Commit.         Commit.         Purpose           **Denotes "New" Loans         0         0         0         0         0									
	Figure 51b									

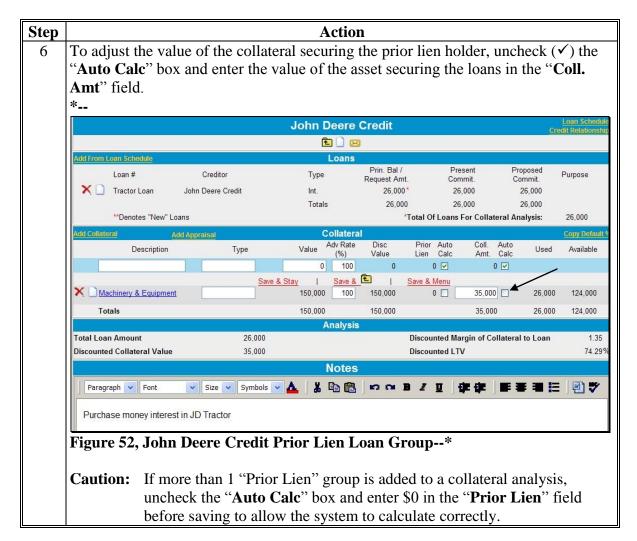
### I Collateral Analysis/Chattel Appraisals (Continued)

- **3** Building the Collateral Analysis (Continued)
- \*--b Customer With Prior Liens (Continued)



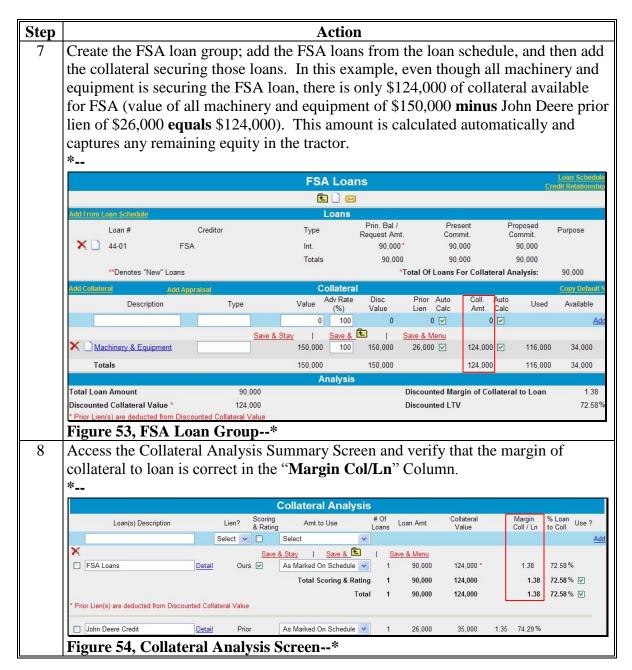
## I Collateral Analysis/Chattel Appraisals (Continued)

- **3** Building the Collateral Analysis (Continued)
  - **b** Customer With Prior Liens (Continued)



### I Collateral Analysis/Chattel Appraisals (Continued)

- **3** Building the Collateral Analysis (Continued)
  - **b** Customer With Prior Liens (Continued)



## I Collateral Analysis/Chattel Appraisals (Continued)

**3** Building the Collateral Analysis (Continued)

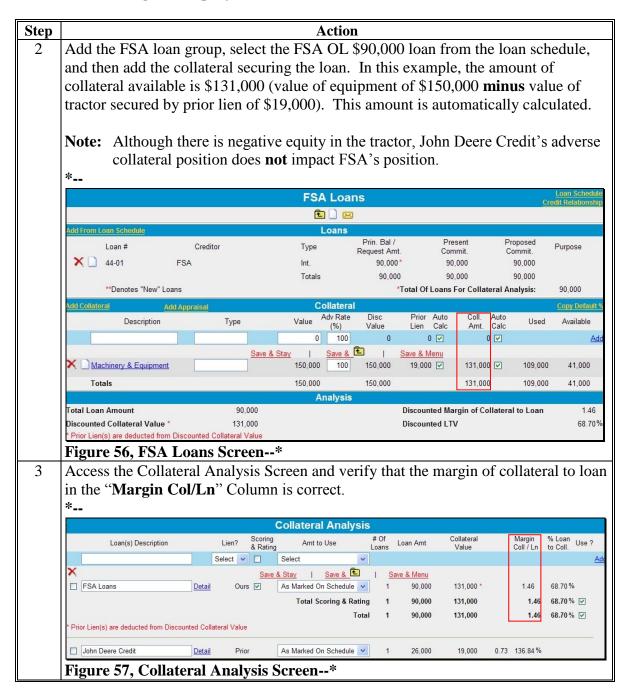
### c Customer With Negative Equity Prior Liens

When the customer has loans with creditors who have prior liens on the collateral used to secure the FSA loan, those creditors **must** be added to the collateral analysis **before** the FSA loan group. These prior liens may be under secured and are sometimes referred to as "upside-down" or negative equity loans.

**Example:** Assume in this example that the customer owes John Deere Credit \$26,000, secured by a first lien on a tractor worth only \$19,000. The customer also has an FSA OL with a balance of \$90,000, secured by a lien on all machinery and equipment worth \$150,000, including the tractor. FSA is secured; however, John Deere Credit is under secured by \$7,000 (tractor value of \$19,000 minus loan balance of \$26,000).

			Actio	n							
	Add the John Deere Credit loan group, select the John Deere Credit \$26,000 loan from the										
	loan schedule, and then add <b>all</b> the machinery and equipment as collateral, even though on										
	the John Deere tractor is collateral for this loan.										
Тс	adjust the val	ue of the collate	ral securing the	prior lien	holder, unch	eck ( $\checkmark$ ) the	"Auto				
	5	nter the value of	0	•		. ,					
		tractor is worth									
*_	-		<i> </i>								
	John Deere Credit Loan Sci Credit Relativ										
Add	I From Loan Schedule		Loans								
	Loan #	Туре	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose					
3	🗙 🗋 🛛 Tractor Loan	John Deere Credit	Int.	26,000*	26,000	26,000					
			Totals	26,000	26,000	26,000					
-	**Denotes "New"	Loans			tal Of Loans For Col	lateral Analysis:	26,000				
Add	Collateral	Add Appraisal	Collate		Prior Auto Coll	. Auto	Copy Defa				
	Description	Туре	Value (%)	Value	Lien Calc Am	t. Calc Used	Available				
			0 100 ave & Stay   Save	_	0 🗹	0 🗹					
×	Machinery & Equipme		ave & Stay   Save 150,000 100	1 Contraction of the second	ave & Menu 0 🔲 19,0	26,000	124,000				
	Totals		150,000	150,000	19,1	000 26,000	124,000				
			Analys	is							
	al Loan Amount	26,00		Discounted Margin of Collateral to Loan 0.7							
	counted Collateral Valu	e 19.00	U	U	iscounted LTV		136.				

- I Collateral Analysis/Chattel Appraisals (Continued)
  - **3** Building the Collateral Analysis (Continued)
    - c Customer With Negative Equity Prior Liens (Continued)



## I Collateral Analysis/Chattel Appraisals (Continued)

**3** Building the Collateral Analysis (Continued)

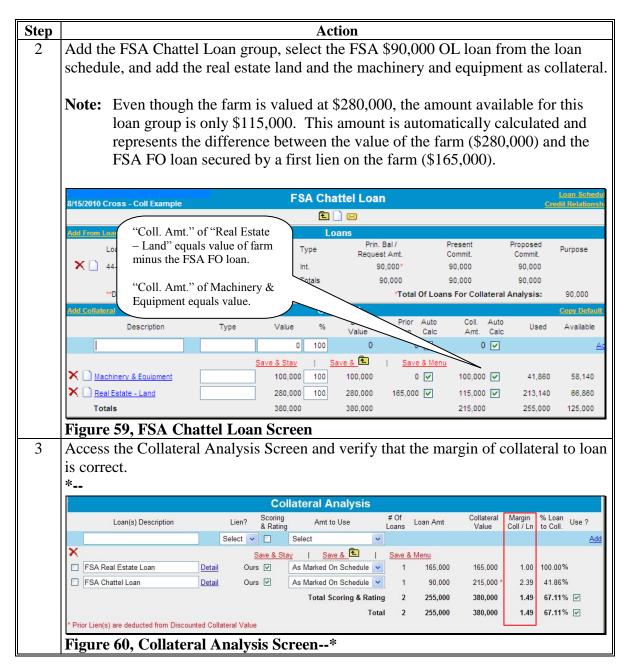
#### d Customer With FSA Cross-Collateralized Loans

Sometimes the same asset may be used as collateral for multiple FSA loans. This is called, "cross-collateralization". To correctly display the available collateral, the loan group that has the primary security interest in that asset must be added first.

**Example:** Assume that the customer has an FSA FO loan with a balance of \$165,000, secured by a first mortgage on a farm worth \$280,000. The farm also serves as additional collateral for the FSA OL loan, with a loan balance of \$90,000. The FSA OL is also secured by all machinery and equipment, valued at \$100,000.

)		Ac	ction								
	Add the FSA Real Estate the loan schedule and the To ensure that the real es box must be unchecked ( "Total of Loans for Colla loan is secured on a 1.1 l	n add the real es tate security valu ✓). In the "Col teral Analysis".	tate land, va ie is not dou <b>Amt.</b> " field	alued at \$280 able counted, , enter an am	,000, as co the " <b>Auto</b> ount equal	ollateral Calc" to the					
	*										
	FSA Real Estate Loan Crediti										
	Add From Loan Schedule		oans								
	Loan # Creditor	Туре	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose					
	🗙 🗋 41-01 FSA	L.T. Totals	165,000* 165,000	165,000 165,000	165,000 165,000						
	**Denotes "New" Loans	Totais		fotal Of Loans For Colla		165.000					
	Add Collateral Add Appraisal	Col	llateral		,	Copy Defau					
	Description	Type Value <sup>Ad</sup>	v Rate Disc (%) Value		Auto Used Calc	Available					
		0	100 0		0 🗹						
	Real Estate - Land	Save & Stay   2 280,000	Save & 🔁   S	Save & Menu 0 🔲 165,00	165,000	115,000					
	Totals	280,000	280,000	165,00	00 165,000	115,000					
		An	alysis								
	Total Loan Amount	165,000		Discounted Margin of C	ollateral to Loan	1.0					

- I Collateral Analysis/Chattel Appraisals (Continued)
  - **3** Building the Collateral Analysis (Continued)
    - d Customer With FSA Cross-Collateralized Loans (Continued)



## I Collateral Analysis/Chattel Appraisals (Continued)

**3** Building the Collateral Analysis (Continued)

### e Customer With Third-Party Pledge of Security

Sometimes, outside individuals or entities may provide third-party pledges of collateral. Because the customer does not own the collateral, it does not appear on their balance sheet and is; therefore, not available to be selected on the Select Collateral Detail Screen when building the collateral analysis. In these circumstances, the collateral pledged by the third party must be manually entered in the loan group.

**Example:** Assume that Dad pledged a tractor worth \$15,000 as additional security for a FSA OL loan in the amount of \$65,000. The FSA OL is also secured by all machinery and equipment valued at \$63,000.

1111 EGA OT	Action									
Add the FSA OL loan group, select the FSA \$65,000 OL loan from the loan schedule, and then add the machinery and equipment valued at \$63,000, as collateral. Manually add the third-party additional collateral to the "Collateral" Section and CLICK " <b>Add</b> ".										
*										
Credit N										
Add From Loan Schedule										
Loan # Creditor		Туре	Prin. Bal / Request Amt.			Proposed Commit.	Purpose			
× 🗋 😁	FSA	Int.	65,000*		0	65,000				
**Denotes "New" Lo:	ans	lotals		65,000 0 65,000 *Total Of Loans For Collateral Analysis:						
Add Collateral Ad	ld Appraisal	Collater	Collateral				Copy Default			
Description	Туре	Value Adv Rat (%)	e Disc Value	Prior Auto Lien Calc			Available			
Dad's JD Tractor	3rd party pledge			0 🔽	15,000 💌		A			
X Machinery & Equipment	Save &			Save & Menu 0 🔽	63,000 🔽	63,000	0			
		63.000	63,000		63,000	63.000	0			
	Add From Loan Schedule Loan # Loan # Collisteral Add Collisteral Coscription Dad's JD Tractor Machinery & Equipment Totals	Add From Loan Schedule  Add From Loan Schedule  Loan # Creditor  Creditor  Constrained  Creditor  Constrained  Creditor  Constrained  Creditor  Constrained  Creditor  Save &  Save &	collateral. Manually add the third-party add Section and CLICK "Add". * FSA OL I Collateral Construction Loan # Creditor Type Loan # Creditor Type Loan # FSA int. Totals **Denotes "New" Loans Add Collateral Add Appraisal Collatera Description Type Value Adv Rat (%) Dad's JD Tractor 3rd party pledge 15,000 100 Machinery & Equipment 63,000 100 Totals 63,000 100	collateral. Manually add the third-party additional co Section and CLICK "Add". * FSA OL Loan Coans Add From Loan Schedule Loan # Creditor Creditor Type Prin. Bal / Request Art. Totals Collateral Add Collateral Description Type Value Dad's JD Tractor Machinery & Equipment Collateral Save & Stay Save & Stay Collateral Save & Stay Collateral Save & Stay Collateral Save & Stay Collateral Collateral Save & Stay Collateral Colla	collateral. Manually add the third-party additional collateral to Section and CLICK "Add". * FSA OL Loan * Coans Add From Loan Schedule Loan # Creditor Creditor * FSA Int. 65.000 * Totals Collateral Mdd Collateral	collateral. Manually add the third-party additional collateral to the " Section and CLICK "Add". * FSA OL Loan	collateral. Manually add the third-party additional collateral to the "Collate Section and CLICK "Add". *			

- I Collateral Analysis/Chattel Appraisals (Continued)
  - **3** Building the Collateral Analysis (Continued)
    - e Customer With Third-Party Pledge of Security (Continued)

Step	Action											
2	The \$15,000 will now be displayed in the " <b>Coll. Amt.</b> " Column.											
	FSA OL Loan											
				£ 🗋 🖂					crean	Relationship		
	Add From Loan Schedule			Loans								
	Loan #	Creditor	Т	уре	Prin. Bal / Request Amt.	Prese Comm		Proposed Commit.	l Pu	rpose		
	× 🗋 🚥	FSA		nt. otals	65,000* 65,000		0	65,000 65,000				
	**Denotes "New	" Loans	1	otais	1222020	otal Of Loans Fo	Ŭ.	1000		5,000		
	Add Collateral	Add Appraisal		Collatera	1				C	py Default %		
	Descripti	ion Ty	pe	Value	Adv Rate(%)	Disc Value	Prior Lien	Auto Calc	Coll. Amt.	Auto Calc		
				0		0	0		0			
	X Dad's JD Tractor	3rd party pl	Save & Stay edge	Save &		ave & Menu 15.000	0		15,000			
	X D Machinery & Equip			63,000	100	63,000	0		63,000	~		
	Totals			78,000		78,000			78,000			
	Analysis											
	Total Loan Amount		55,000	Discounted Margin of Collateral to Lo						1.20		
	Discounted Collateral Val		78,000	*	L	iscounted LTV				83.33%		
3	<b>Figure 61b, FSA OL Loan Group*</b> Access the Collateral Analysis Screen and verify that the margin of collateral to loan											
3		nateral Analy	sis Screen	and ve	my mai	the marg	gin oi	conat	erai	to loan		
	is correct.											
			Col	lateral An	alvsis							
	8/15/2010 Collateral Exam Loan(s) Desc		Lien? Scoring & Rating	Amt to	lise	#Of Loans '	Amt (	Collateral Value (	Margin Coll / Ln	% Loan to Coll. U		
		s	Select 👻 📃	Select	~							
	×		Save & Sta	<u>v I Save</u>	<u></u> 1	Save & Menu						
	FSA OL Loan	Detail	Ours 🔽	As Marked O	n Schedule 🔽	1 6	5,000	78,000	1.2	83.33%		
				Total Sc	oring & Rating	1 6	5,000	78,000	1.2	83.33% [		
					Total	1 6	5,000	78,000	1.2	83.33% [		
	Figure 61c, C	ollateral An	alysis Scro	een								

## I Collateral Analysis/Chattel Appraisals (Continued)

**3** Building the Collateral Analysis (Continued)

### f Customer With Personal Property Used for Security

Sometimes a customer's personal property is needed as additional security. There are 2 methods that can be used to add the personal property as security to the collateral analysis. If additional documentation is needed, it can be added to the attached WordPad.

Method 1: Assume that a customer has nonfarm real estate valued at \$125,000, with a prior lien of \$85,000. The customer wants to use the equity in the property, \$40,000, as additional security for a FSA OL loan in the amount of \$65,000. The FSA OL is also secured by all machinery and equipment, valued at \$63,000.

Add the FSA OL loan group, select the FSA \$65,000 OL loan from the loan schedule, and add "Machinery & Equipment" and "Nonfarm Real Estate" as collateral. To adjust the value of the "Nonfarm Real Estate", uncheck (✓) the "**Auto Calc**" box and enter the equity value (\$40,000) in the "**Coll. Amt**" field. "Total Collateral Amount" equals \$103,000 (Machinery & Equipment **plus** equity in Nonfarm Real Estate).

			F	SA Lo	an				Cr	Loan Schedu edit Relationsh
			1	t 🗋 🖂	3					
dd From Loan Schedu	le			Loans	4					
Loan #		Creditor	Туре		Prin. Bal Request Ar		Present Commit.		posed mmit.	Purpose
X 🗋 😁	FS	6A	Int. 63,000 * 0 63,0			53,000				
			Total	Is	63,0	00	0	(	63,000	
**Denotes	"New" Loans					*Total Of Loa	ns For Coll	ateral An	alysis:	<mark>63,000</mark>
ld Collateral	Add Ap	opraisal		Collatera	al					Copy Defaul
Desc	ription	Туре	Value	Adv Rate (%)	Disc Value	Prior Auto Lien Calo		Auto Calc	Used	Available
			0	100	0	0 🔽		0 🔽		
			Save & Stay	Save &	Ê I	Save & Menu			/	
Machinery & E	<u>quipment</u>		63,000		63,000	0 🗹	63,0	00 🗹 🖌	21,112	41,888
🕻 🗋 <u>Nonfarm Real E</u>	<u>Estate</u>	Equity	125,000	100	125,000	0	40,0	00 🗆	41,888	83,112
Totals			188,000		188,000		103,0	00	63,000	125,000
				Analysis	5					
otal Loan Amount		63,	000			Discounted	Margin of (	Collateral	to Loan	1.63
iscounted Collatera	l Value	103.	000			Discounted	TV			61.17

Figure 61d, Personal Property for Additional Security --\*

## I Collateral Analysis/Chattel Appraisals (Continued)

**3** Building the Collateral Analysis (Continued)

## f Customer With Personal Property Used for Security (Continued)

Method 2: Assume that a customer has nonfarm real estate valued at \$125,000, with a prior lien of \$85,000. The customer wants to use the equity in the property, \$40,000, as additional security for a FSA OL loan in the amount of \$65,000. The FSA OL is also secured by **all** machinery and equipment, valued at \$63,000.

Add the FSA OL loan group, select the FSA \$65,000 OL loan from the loan schedule, and add "Machinery & Equipment" as collateral. Manually add the nonfarm real estate description, type (equity), and equity value (\$40,000) to the Collateral Section and CLICK "**Add**". "Total Collateral Amount" equals \$103,000 (Machinery & Equipment **plus** equity in Nonfarm Real Estate).

			FS.	A Loa	in						Loan Schedu edit Relationsh
			Ē	000	)						
dd From Loan Schedule			1	Loans							
Loan #	Creditor		Туре		Prin. Bal / Request Amt	L.	Pre: Com			posed mmit.	Purpose
X 🗋 🖷 👘 👘	FSA		Int.		63,000	*		0	6	53,000	
			Totals		63,000	)		0	(	63,000	
**Denotes "New" Loan	s					Total Of I	Loans F	or Colla	teral An	alysis:	63,000
dd Collateral Add	Appraisal		С	ollatera	l.						Copy Defaul
Description	Туре		Value <sup>4</sup>	Adv Rate (%)	Disc Value		Auto Calc	Coll. Amt.	Auto Calc	Used	Available
<			0	100	0	0	<b>V</b>		0 🗹		A
		Save & Stay	-	Save &	<u>E</u>	Save & M	enu				
SF rental property	equity		40,000	100	40,000	0		40,00	0 🔽	24,466	15,534
K 🗋 Machinery & Equipment		]	<mark>63,000</mark>	100	63,000	0	<b>V</b>	63,00	0 🗹	38,534	24,466
Totals			103,000		103,000			103,00	0	63,000	40,000
			Α	nalysis							
otal Loan Amount	63,	000				Discount	ted Mai	rgin of Co	ollateral	to Loan	1.63
iscounted Collateral Value	103,	000				Discount	ted LT	1			61.17

Figure 61e, Personal Property for Additional Security --\*

### J Credit Actions

In FBP, a credit action generates forms and other documentation containing the information necessary to approve, decline, and support a loanmaking or loan servicing decision.

# J Credit Actions (Continued)

\*--The following are the 11 credit action models that are available.--\*

		Type of Forms									
		<b>Environ-</b>	Farm								
<b>Credit Action</b>		mental	Assess-		Credit	Security					
Туре	<b>Used For</b>	Checklist	ment	Other	Presentation	Agreement					
D-Loan Making <u>1</u> /	Direct loan applications.	Available	Available	N/A	Cred. Pres/Borr. Class.	Available					
D-Loan/Security Agreement Only	When only a security agreement is needed.	N/A	N/A	N/A	N/A	Available					
D-Loan/Class/ LR/YEA Only	When action is not included in another credit action.	N/A	Available	N/A	Classification/ YEA/LR Review	Available					
D-Loan/Special Serv. <u>1</u> /	Primary and preservation loan servicing, DSA.	Available	Available	DALR\$ Input Report	Cred. Pres/Borr. Class.	Available					
D-Loan/ Regular Serv. <u>1</u> /	Partial releases, subordinations, transfer, and assumptions.	Available	Available	N/A	Cred. Pres/Borr. Class.	Available					
D-Loan/ Eligibility Only	Used when eligibility is not included in another credit action.	N/A	N/A	Eligibility Only	N/A	N/A					
Youth Loans	Processing and approval of applications.	Available	N/A	Eligibility Only	Youth Loan	Complete Form Manually					
D-Loan/ Special Classification	Classify select accounts.	N/A	N/A	N/A	Special Classification	N/A					
Emergency Loan Calculations	Calculate qualifying losses.	N/A	N/A	Emergency Loan Calculations	N/A	N/A					
Microloan	ML applications	Available	Available	N/A	ML	Available					
*FSFL	FSFL applications	N/A	N/A	N/A	FSFL	N/A*					

1/ In cases where a direct loan is being made in conjunction with a servicing request (special or regular), use the applicable servicing credit action.

#### J Credit Actions (Continued)

### \*--1 Credit Action Menu

The Credit Action Menu allows a user to quickly generate a new credit action or to access an existing credit action. It is recommended that only **1** credit action be added per loan or servicing application.

**Note:** When an "Emergency Loan Calculations" credit action is used, an additional credit action must be added to support the loanmaking or loan servicing decision.

To add a new credit action, CLICK "**Credit Action**", "**Add/Modify/Delete**", to access the Credit Action Screen. The "Add/Modify/Delete" option may also be accessed through the Dashboard.

File	General	Credit Action Add / Modify	Bal. Sheet /Delete	Inc / Exp	Notes	Letters	Reports
		Click of	n Menu above WebEq		hrough		

Figure 61f, Credit Action Menu

Complete the following fields on the Credit Action Screen:

- "Description", enter a meaningful description for the specific credit action
- "Credit Action Model", CLICK "arrow" drop-down menu to choose a credit action model
- CLICK "Add".

	Credit Action						
Description	Credit Action Model						
2011 Tractor Loan	D-Loan Making 🛛 🖌 Add						
	Select D-Loan Making						
	D-Loan/Sec. Agr. Only D-Loan/Class/LR/YEA Only D-Loan/Special Serv. D-Loan/Regular Serv. D-Loan/Eigibility Only D-Loan Special Classification Youth Loan Emergency Loan Calculations						

Figure 61g, Add Credit Action Model--\*

### J Credit Actions (Continued)

### 1 Credit Action Menu (Continued)

The new credit action will be added and contain all the forms necessary for a particular loan or servicing request. Click each individual form to access and complete.

Credit Action									
Desc	ription		Crea	dit Action Model					
			Select		× Add				
				Save & Stay					
Description	Status		Environmental	Farm Assmt.	Other	Credit Presentation	Security Agreement		
2009 Restructuring	Select	🗋 🖂	Environmental Checklist	Farm Assmt.	DALR\$ Input Rpt.	Cred. Pres. / Borr. Class.	Select	Track	
2011 Tractor Loan	Select	🗋 🖂	Environmental Checklist	Farm Assmt.	None	Cred. Pres. / Borr. Class.	Select	Track	

Figure 61h, Credit Action Screen

To quickly access an existing credit action, CLICK "**Credit Action**" [*Credit Action Name*], from the drop-down menu. All forms needed for that particular credit action will be displayed in the fly-out menu. Click the form link to access.

File	General	Credit Action	Bal. Shee	et Inc / Exp	Notes	Let	ters	Reports
		2009 Restructuring	•				_	
		2011 Tractor Loan	•	Credit Action Status				
		Add / Modify / D	Delete	Environmental - Environm	ental Checklist			
			We	Farm Assmt Farm Assm	t.			
				Credit Presentation - Cred	d. Pres. / Borr. Clas	s.		
				Lock Forms		•		

**Figure 61i, Existing Credit Actions** 

- \*--Note: FBP coordinators have the ability to add additional forms to an existing Credit Action when needed.
  - **Example:** Loan official creates a "D-Loan Making" credit action and completes most of the form and then realizes that the "DALR\$ Input Report" is needed for a restructuring action. The form can be added to the existing credit action in place of creating a new "D-Loan/Special Serv." credit action.--\*

J Credit Actions (Continued)

#### 2 Credit Action Status

The "Status" column is an eSignature feature on the Credit Action Screen that helps track the progress of the credit action. When a Credit Presentation that requires "Plan Approval" is acted on by a loan official, the "Status" on the Credit Action Screen will automatically be updated to indicate if it was:

- "Approved" or "Declined"
- "Recommend Approval" or "Recommend Decline"
- "Withdrawn"
- "End", to be used **only** by the FBP coordinator.

			Cree	dit Action			
Description		-	Credit Action	Model			
		Sele	ect	-	Add		
			Sa	ve & Stay			
Description	Status		Farm Assmt.	Cre	dit Presentation	Security Agreement	[
2012 CR, GR & S/A	Approved		S Farm Assmt.	<u>Classification</u>	n / LR Review/ YEA	Security Agreement	Track
2011 Security Inspection	Select		None	None		Security Agreement	Track
2009 YEA	Approved		a Farm Assmt.	Classification	n / LR Review/ YEA	Security Agreement	Track

Figure 61j, Credit Action Status

#### **3** Credit Action Forms

a Locking Forms

As soon as a credit action has been completed and eSigned, lock all the forms used in the credit action. See **Reports and Signature Requirements** (Section B 4 b) for a list of forms and locking requirements.

\*--Exceptions: Direct Loan Making – If a delay in loan closing is anticipated, such as when funding is limited, the forms do not need to be locked until loan closing. This allows for the input of any changes in the financial or farming situation that have occurred since loan approval.

FSFL – May be locked at loan closing to allow for the input of any additional documentation that may be needed to support changes in the loan amount.

In no situation will a loan be closed without locking the forms used in the credit action. Do **not** delete any of the documentation that was used to make the original credit decision.--\*

- J Credit Actions (Continued)
  - **3** Credit Action Forms (Continued)

## a Locking Forms (Continued)

To lock the forms in a credit action:

- CLICK "Credit Action" [Credit Action Name]
- from the fly-out menu, select "Lock Forms"
- click the form to lock
- a small lock will be displayed on the Credit Action Screen next to the "Locked" form.

*							
File	General C	redit Action Bal. Sheet Inc ,	/ Ex	p Notes Letters Reports			
		2012 CR, GR & S/A		dit Action			1
	De	2011 Security Inspection		Credit Action Status			
	2009 YEA		▶ -	ecurity Agreement - Security Agreement			
		2009 Sec Agree	▶  _	Security Agreement - Security A	greement		
	Descripti	2007YEA		Lock Forms	•	Security	Agreement - Security Agreement
	2012 CR, GR & S/	OCT 19 2007 S/A	•	Classification / LR Review/ YEA	Security Agreeme	nt <u>Track</u>	
	2011 Security Insp	S/A & CLASSIFICATION		None	Security Agreement	Track	
	2009 YEA	Add / Modify / Delete	t.	Classification / LR Review / YEA	Security Agreeme	nt <u>Track</u>	
	2000 See Aarea	ridd / modily / Delete		Nees	Courts Agreement	Treat	

Figure 61k, Locking Forms--\*

- J Credit Actions (Continued)
  - **3** Credit Action Forms (Continued)

#### b Copying Data Into WordPad

\*--The WordPad on a Credit Action form has additional features that are not available on WordPad's located in other parts of FBP. This allows tables and spreadsheets to retain the Microsoft formatting.

When copying text only from Microsoft Word to a WordPad in FBP, the text must be stripped of the formatting for the text to print correctly using the Microsoft Reporting Service (MRS) feature. To copy text, do the following:

- highlight desired text in Microsoft Word and copy
- paste in the appropriate WordPad block
- CLICK "Clean MS Word HTML" on the right side of the WordPad.
- **Note:** Any formatting, bolding, bullets, etc. will be removed during the "cleaning" process. Formatting can be re-added by using the WordPad toolbar.



#### Figure 61la

Microsoft Word and Excel **tables and spreadsheets** can be copied and pasted in the WordPad and the data will retain the Microsoft formatting if, under the WordPad, users CHECK ( $\checkmark$ ) "Includes imported images and/or pasted data" box.

**Caution:** Only use when copying Microsoft Word and Excel tables and spreadsheets. Using this feature will decrease performance speed.--\*

- J Credit Actions (Continued)
  - **3** Credit Action Forms (Continued)

# b Copying Data Into WordPad (Continued)

\*--Additional features available on the WordPad include the following.--\*

Environmental Farm Assmt. Crec Capacity	lit Presentation							
Paragraph  Font  Size	🗸 Symbols 👻 📥	📕 🖻 🛍	ျပာလျ	8 Z U	律律		≡∣⊠♥	
Description	Туре	Measure	Code	]				[
Crops Other Crops	Guar Farming	lb	111998					
Oilseed (except Soybean) Farming	Sesame	lb	111120					
Oilseed (except Soybean) Farming		lb	111120				_	
Livestock & Poultry			(4)	5			6	)
☑ Includes imported images and/or paster	d data Save &	Stay   Selec	t Image (inser	t above)		Wordpad Heig	ht: Quarter	,
Report Appearance: (if content is beyond N	Nordpad border):	Crop conter	it (size can be	changed with	N Wordpad H	Height) O Wrap	content	

\*--Figure 61lb, Credit Action WordPad--\*

Item	Feature							
1	Word processing options are available to customize entries, including a "Spell Check"							
	feature.							
2	*CHECK ( $\checkmark$ ) the box when including tables or spreadsheets copied from Microsoft Word							
	or Excel and the WordPad will retain the Microsoft formatting*							
3	CLICK "Save & Stay" link to refresh the screen after each step.							
4	Do not use. FCAO and International Technology Services have requested that pictures and							
	images <b>not</b> be uploaded because of performance, storage space, and bandwidth concerns.							
5	"Report Appearance" radio buttons can be used to determine how information on the report							
	will be printed. If users click:							
	• "Crop content", WordPad will only print what is visible on the screen; however, size							
	can be changed with WordPad Height (item 6)							
	• "Wrap content", WordPad will print the entire WordPad content.							
	<b>Note:</b> Ensure that horizontal information can be seen without scrolling to prevent							
	report from displaying excess information on second page.							
6	Use "Wordpad Height" drop-down menu to select the height for the WordPad.							

#### J Credit Actions (Continued)

#### 4 Farm Assessment

Initial farm assessments and updates must always be entered on the General Information Screen. However, because the farm assessment is a living document that will change over time, it is important that changes and updates get "frozen" in time on the Farm Assessment form when a credit action is completed. This serves the following 2 important purposes:

- a snap-shot of the farm assessment is taken, recorded, and cannot be changed when locked
- farm assessment will be associated with the credit action that was completed at that point in time.
- **Notes:** Any changes to the assessment **must** be entered on the General Information Screen and then updated to the credit action Assessment form. Do **not** make changes directly to the credit action Assessment form.

ENTER "N/A" in the text box of those assessment elements not completed according to paragraph 222.

CLICK "**Credit Action**" [*Credit Action Name*], to be completed. To update the form with the most current assessment information from the General Information Screen, CLICK "**Save & Update**" link in the top-left corner of the screen.

The "Update Farm Assmt." dialog box will be displayed. CHECK ( $\checkmark$ ) only the "General Information" box, and CLICK "Update &  $\blacksquare$ ".

Update I	Farm Assmt.								
Update & 🔁	Cancel &								
Select Financials a	Select Financials and Forms to copy from:								
Copy From	Last Updated								
Forms									
Environmental - Environmental Cher	cklist -								
Other - DALR\$ Input Rpt.									
General Information - General Infor	mation 7/22/2011-8:48:31 AM								
Update & 🗈	Cancel & 🖻								

Figure 61m, Update Farm Assmt.

**Notes:** If assessment information is changed on the General Information Screen before plan approval of the credit action, the credit action Farm Asst. form must be updated.

**Signature requirement:** The Farm Assessment form **must** be printed and signed by the loan official and the customer's signature **must be** obtained acknowledging participation in completing the document.

### J Credit Actions (Continued)

#### 5 RD 1940-22, Environmental Checklist for Categorical Exclusions

RD 1940-22 is prepared to document the environmental review. CLICK "**Credit Action**" [*Credit Action Name*], "Environmental Checklist". The first time RD 1940-22 is accessed the "Individual and Company Name" fields are automatically updated with the most current information from the General Information Screen.

- Use the "Save & Update" link in the top-left of the screen, if needed, to update customer name information from the General Information Screen.
- Fill-in the text field questions and CLICK "**radio buttons**" to complete RD 1940-22. CLICK "**Save**" to save all changes to RD 1940-22.
- •\*--Use the "Attached Comments for Environmental Checklist" wordpad at the bottom of the page to enter any additional environmental related information.--\*
- CLICK "Signature of Preparer" to eSign RD 1940-22.
- If RD 1940-22 requires concurrence, CLICK "Signature of Concurring Official" to eSign.

Note: Signature requirement: eSignature for preparer and concurring official, if required.

#### 6 DALR\$ Input Report

A DALR\$ Input Report is prepared to calculate the financial categories needed for input into the eDALR\$ program. It also includes the relevant collateral description from the collateral analysis completed in conjunction with a balance sheet. The DALR\$ Input Report is 1 of the forms in the "D-Loan/Special Serv." credit action model.

All financial information flows from selected balance sheets and income/expense projections to the DALR\$ Input Report. CLICK "**Reports**" and "**Reports Setup**" to control which balance sheets and income/expense projections will appear in the DALR\$ Input Report.

CLICK "**Credit Action**" [*Credit Action Name*], and "**DALR\$ Input Rpt.**" to be completed. To update the DALR\$ Input Report Screen with selected financial information, CLICK "**Save & Update**" link in the top-left corner of the screen.

J Credit Actions (Continued)

### 6 DALR\$ Input Report (Continued)

The "Update Other" dialog box will be displayed. CHECK ( $\checkmark$ ) only the following boxes:

- "Ultra Financials"
- "Collateral Analysis" select balance sheet from the drop-down menu
- "General Information".

CLICK "Update & 🖭".

Update Other									
Update & 🔁   Cancel & 主									
Select Financials and Forms to copy from:									
Copy From	Last Updated								
Ultra Financials	-								
Collateral Analysis 1/1/2010 Before DALRS	] -								
Forms									
Environmental - Environmental Checklist	-								
Farm Assmt Farm Assmt.	-								
General Information - General Information	5/3/2010-3:18:19 PM								
Update & 🔁   Cancel & 🖻									

\*--Figure 61n, Update Other--\*

Complete the DALR\$ Input Report by filling-in the following date fields located at the top of the form:

- "Proposed Loan Servicing Date"
- "Plan Approval Date".

CLICK "Completed By" link at the bottom of the form to eSign.

Note: Signature requirement: eSignature required.

#### J Credit Actions (Continued)

#### 7 Credit Presentation

\*--A Credit Presentation is the primary document in a credit action that is prepared to communicate and document a loan making or loan servicing decision. The Credit Presentation encompasses the various aspects of analyzing the financial information, collateral position, eligibility, classification, and the loan narrative. The Credit Presentation should contain all relevant information involved in a loan decision and should contain sufficient detail to show a third-party reviewer why a specific action was taken. The Credit Presentation form will differ depending on the credit action model selected.--\*

A Credit Presentation **must** be prepared and eSigned for all loanmaking and loan servicing actions. It is recommended when multiple actions are being completed at the same time, that they be combined on the same Credit Presentation.

#### a Approval Decision

Each Credit Presentation that is prepared **must** have an approval decision. CLICK "**Plan Approval**" link located at the bottom of the Credit Presentation to select the appropriate approval status. Only Credit Presentations with an "Approved" status will be available for selection in DLS.

**Note:** For instructions on completing the Credit Action Status Screen for FSFL's, see **FSFL** (Section J 15 a).

Plan Approval			
Save & Update	Top Of Page	<u>Save &amp; Stav</u>   <u>Save &amp;</u> 🔁   <u>Save &amp; Menu</u>	

CLICK "Select Status" link to access the "Select Status" dialog box. Click on the description of the status to select.

2010 OL - Loan	Credit Action	n Status	Select Status
User: Time: 7/25/2011 3:1 ID: Status: <u>Select Status</u>	0:51 PM 1. CLICK "Select Status". Add Add 3	Score: 2.05 REVIEW Overall Score: 2 Standard 2. Select status.	Description Recommend Approval Recommend Decline Approved Declined Withdrawn End Cancel &

Figure 61p, Select Status

Note: Limit comments in the text field; should not include loan closing requirements, etc.

**Figure 610, Plan Approval** 

- J Credit Actions (Continued)
  - 7 Credit Presentation (Continued)

#### a Approval Decision (Continued)

To eSign the approval decision, CLICK "Add" or "Add & ...".

OL - Loan	Credit Action Status	
User: Time: 7/25/2011 3:10:51 PM ID: Status: Approved	If documenation is needed, add to the text field.	
Status: Approved	Add   Add & E	

Figure 61q, Add to eSign

When both a recommending official and approving official status is needed, the following steps will be used.

- The recommending official will CLICK "**Plan Approval**" to recommend approval or denial of the credit decision. The user's eSignature and the date/time stamp will appear on the Credit Presentation.
- The recommending official will notify the approval official to review the Credit Presentation.
- The approving official will review the Credit Presentation and CLICK "**Plan Approval**" to select the approval or declined decision. Include any additional approval requirements in the "**Loan Closing Requirements**" text box in the Credit Presentation.
- \*--Note: When an incorrect credit status is selected, user should immediately select the correct status and document in the text box the reason for the correction. Status needs to be corrected before status is selected in DLS.

Example: FLOT selects "Approved" and should have selected "Recommend Approval".

×	Status	ID	User	Time
	Recommend Approval		lames, FLOT to status due to loan approval limitations. Sub	3/17/2015 9:10:30 AM mitted for "Approval' to FLM.
	Approved	Jesse	lames, FLOT	3/17/2015 9:03:39 AM
				*

- J Credit Actions (Continued)
  - 7 Credit Presentation (Continued)

#### **b** Completing the Credit Presentation/Borrower Classification

One of the Credit Presentation forms that is used in FBP is the "Cred. Pres./Borr. Class.". This same form is used in the following 3 credit action models:

- "D-Loan Making"
- "D-Loan/Special Serv."
- "D-Loan/Regular Serv.".

To complete the Credit Presentation, CLICK "**Credit Action**" [*Credit Action Name*], "Cred. Pres./Borr. Class.". After the Cred. Pres./Borr. Class. form is accessed, it must be updated with information from other parts of the FBP system. To update CLICK "**Save & Update**" link in the top-left corner of the screen.

In the "Update Credit Presentation" dialog box CHECK ( $\checkmark$ ) only the following boxes:

- "Ultra Financials/Customized Ratios"
- "Collateral Analysis", select the balance sheet from which the collateral analysis will be calculated
- "Credit Relationship", select the balance sheet from which the credit relationship information will come.
- "General Information".

- J Credit Actions (Continued)
  - 7 Credit Presentation (Continued)

### **b** Completing the Credit Presentation/Borrower Classification (Continued)

CLICK "**Update & D**" to update the Credit Presentation.

Caution: Do not check "Farm Assmt" or "Environmental".

Update	<b>Credit Presentation</b>	n	
Update 8	E   <u>Cancel &amp;</u> E		
Select Finance	ials and Forms to copy fro	m:	
Copy Fre	om		Last Updated
Ultra Financials / Customized Ratios			-
Collateral Analysis	1/1/2010 current	~	-
Credit Relationship	1/1/2010 current	~	-
Forms			
Environmental - Environmental Check		-	
Farm Assmt Farm Assmt.	-		
General Information - General Informa		6/22/2010-10:14:33 AM	
Update 8	E   <u>Cancel &amp;</u>		

- \*--Figure 61r, Update Credit Presentation--\*
  - **Notes:** Anytime information is changed in other parts of FBP that affect the credit action being taken, the Credit Presentation **must** be updated.

The documentation requirements for Streamlined OL's and CL's are very low. Minimal completion of the Credit Presentation is expected according to 3-FLP.

When a credit presentation is updated after scoring, a red alert, "Form Update Date, Score Date Mismatch", will be displayed in the upper right hand corner of the credit presentation. This alert does not apply to FSA, and can be ignored.

	Credit Presentation	
<u>Save &amp; Update</u>	Save & Stav   Save & 🖻   Save & Henu 🗋 🖾 Score How	*Form Update Date, Score Date Mismatch

#### \*--Figure 61s, Credit Presentation--\*

- J Credit Actions (Continued)
  - 7 Credit Presentation (Continued)

# **b** Completing the Credit Presentation/Borrower Classification (Continued)

The following are components of the "Cred. Pres./Borr. Class." Credit Presentation.

Component	Details
General Information	<ul> <li>Most of this information will be pre-filled and not need further completion.</li> </ul>
	• Select the radio button to designate whether the farm assessment was completed, updated, or no update is required.
Credit Relationship	• Loan Amount Requested For Approval. For new loans, indicate the total amount of new loans being requested. For subordinations, indicate the total amount of subordination being requested. For all other purposes, leave blank.
	• Ensure that the updated credit relationship information is correct.
	• In the text box indicate:
	• loan purposes and use of loan funds for:
	• direct loanmaking, transfer this information to FSA-2140 when a supervised bank account will be used to disburse loan funds
	• subordinations, transfer this information to the applicable subordination agreement
	• any other information relevant to FSA's credit relationship with the customer.
Collateral Analysis	Ensure that the updated collateral and loan information is correct.
Employment Information, Related Entities,	• CLICK "Reports" and "Reports Setup" to select which balance sheets and income/expense statements appear in the Credit Presentation.
Balance Sheet, Income Statement,	• See <b>Reports Setup</b> (Section B 4 d) for information on what financial data should be included.
Repayment Capacity	• Ensure that the updated information in these sections is correct.

J Credit Actions (Continued)

# \*--7 Credit Presentation (Continued)

# **b** Completing the Credit Presentation/Borrower Classification (Continued)

Component		Deta	ils			
Classification	•	CLICK " <b>Score Now</b> " to calculate the classification score.				
Clussification	•	CLICK Score Now to calculate the classification score.				
	•	An " <b>Update</b> " dialog box will be displayed. Select the balance sheet and income/expense projection from which the classification score will be calculated.				
	•	Select the current or post-close balance sheet according to the following type of credit action.				
			T	ype of Balance Sheet for		
		Type of Credit Action	Classification			
		Classification/LR/Review/YEA	Current.			
		Credit Presentation.				
		Credit Presentation prepared for	Current.			
		D-Loan Making (annual operating				
		loans, excludes youth loans).				
		Credit Presentation prepared for:	Post-close.			
		• D-Loan Making (term loans and combination term and annual loans, excludes youth loans)	Note:	Classification section may be scored at the time of credit action approval based upon a post-close balance sheet. The credit action does		
		D-Loan Regular Servicing	not have to be closed before the account is classified.			
		D-Loan Special Servicing.				

--\*

- J Credit Actions (Continued)
  - 7 Credit Presentation (Continued)
    - **b** Completing the Credit Presentation/Borrower Classification (Continued)

Component				Deta	ils			
Classification	•	• Select the appropriate income/expense projection.						
(Continued)								
Ň,	•	CLICK "Update & Score".						
	-	CLICK Opuale & Score .						
	Update Cred. Pres. / Borr. Class.							
		Update & Score 🔁 Cancel & 🔁						
		Select	Financial Statements a	nd Forms to	copy from:			
			Copy From		Last U	pdated		
		Balance Sheet	1/1/2010 After DALR	s 🗸	-			
		Income & Expense	1/15/2010-12/31/201	0 After DAI	DC 🗸			
		income & Expense	1/13/2010-12/31/201	U AILEI DAI				
			_		_			
			Update & Score 🖻	Cancel &	Ł			
	*	Figure 61t, U	Jpdate Cred. P	res./Bo	rr. Class	_*		
		8 /	1					
	•	Classification	n displays eSign	ature a	nd date/tim	e stamp of the loan		
		official.	1 9 8			I I I I I I I I I I I I I I I I I I I		
		Model Used: Cred. Pres. / Borr. Cla	888.	Score	e Now	Last Scored : 7/25/2011 11:00:19 A		
					2 Standard			
			A RE	REVIEW	IAS BEEN MET Details			
		Financial Statements and Forms Balance Sheet:	calculated from:	loc	. / Exp.:			
		01/01/2010 After DALRS			31/2010 After DALRS			
			Criteria		Criteria Score Wt % We	sighted Criteria Review Score		
			Liquidity Ratio Debt to Assets	6.46 248.18%	1.00 15.00 4.00 30.00	0.150 V 1.200 Review >75.00%		
			Return on Assets	6.75%	2.00 15.00	0.300 🖌		
			Term Debt & Cap. Lease Coverage Ratio	1.33	1.00 40.00	0.400 🖌		
	*	Figure 61u, S	Scored Classifi	cation-	_*			
	•	Use "Comme	ents" area below	score f	for discussi	on of "Review" criteria.		
	• Classification section must be scored before using the credit					ing the credit action		
		approval date		2 30010				

- J Credit Actions (Continued)
  - 7 Credit Presentation (Continued)

# **b** Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details							
Eligibility	• Answer the applicable eligibility	ity questions with the radio buttons.						
	General Loan Making Eli	igibility						
	Does customer meet the eligibility requirements	s of 3-FLP?						
	Controlled substances?	O Yes O No						
	Legal capacity?	○Yes ○No						
	Citizenship?	○Yes ○No						
	Credit history?	○Yes ○No						
	Credit elsewhere?	○Yes ○No ○NA						
	Delinquent Federal Debt and unpaid Federal Judgments?	? O Yes O No						
	Federal Crop Insurance violations?	○Yes ○No						
	Managerial ability?	○Yes ○No ○NA						
	Borrower training?	○Yes ○No ○NA						
	Owner/Operator of a Family Farm?	○Yes ○No ○NA						
	Entity composition?	○Yes ○No ○NA						
	Loan Servicing Eligibility	//Conditions						
	Does customer meet the following eligibility and	l/or conditions as outlined						
	Subordination as per 4-FLP?	OYes ONO ONA						
	Consent to Junior Lienholders as per 4-FLP?	OYes ONO ONA						
	Severance Agreement as per 4-FLP?	○Yes ○No ○NA						
	Real Estate Partial Release as per 4-FLP?	○Yes ○No ○NA						
	Transfer/Assumption as per 4-FLP?	○Yes ○No ○NA						
	Primary and Preservation Loan Servicing as per 5-FLP?	Yes ONO ONA						
	Disaster Set Aside as per 5-FLP?	○Yes ○No ○NA						
	Special Loan Programs Servicing Actions as per 6-FLP?	? O'Yes O'No O'NA						
	*Figure 61v*							
	• When making these determina	tions, the loan official is certifying that						
		ements for the eligibility criteria and/or						
	11 1	<b>e</b> .						
	conditions as outlined in the re	espective FSA handbook.						

- J Credit Actions (Continued)
  - 7 Credit Presentation (Continued)
    - **b** Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details							
Eligibility (Continued)	Use the text box to address any additional program specific eligibility issues and/or conditions, such as qualifying for EM loans. States will issue guidance on amount of detail needed and format required.							
	• The FSA loan official must CLICK "Eligibility Determination" to determine or recommend eligibility.							
	Eligibility Determination:							
	Loan Narrative							
	*Figure 61w*							
	• CLICK "Select" to display the "Select-Eligibility Determination" lookup window.							
	• Click the appropriate eligibility determination.							
	• Add any needed documentation to the text field.							
	Select       Eligibility Determination:         Select       Fligibility         Determination:       7/25/2011 12:55:50 PM         Select       Select         Recommed lexible       Cancel &							

- J Credit Actions (Continued)
  - 7 Credit Presentation (Continued)
    - **b** Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details						
Eligibility	•*CLICK "Add & "" to eSign the eligibility determination. If an						
(Continued)	incorrect eligibility determination is selected, user should immediately						
	select the correct determination and document in the text box the reason						
	for the correction*						
	Eligibility Determination:						
	er 7/25/2011 12:55:50 PM Determined Eligible						
	Figure 61y						
	• Credit Presentation will be displayed with the eligibility determination						
	with eSignature and date/time stamp of the loan official.						
	Eligibility Determination:						
	Determined Eligible System Administrator 7/25/2011 1:09:22 PM						
	Figure 61z						
Collateral	What is collateral? Collateral or guarantees are forms of security the						
	customer can provide to secure an FSA loan. If for some reason, the						
	business cannot repay its loan through business operations, there needs to be						
	a second source of repayment. Assets such as equipment, livestock, real						
	estate and in some cases, inventory, are considered possible sources of						
	repayment if they are liquidated and sold for cash. Both business and						
	personal assets can be sources of collateral for a loan according to FSA						
	handbooks.						
	• In the WordPad, describe the adequacy of the collateral.						
	• If the chattel was appraised by the same official						
	recommending/approving the Credit Presentation, the Appraisal form						
	does not need to be printed or signed if the "Collateral" Section of the						
	Credit Presentation contains a notation that it was appraised, date of						
	appraisal, and that the eSignature stamp of the recommending or						
	approving official represents the person who appraised it.						
	• Answer the security questions with the radio button.						
	- Answer the security questions with the radio button.						

- J Credit Actions (Continued)
- \*--7 Credit Presentation (Continued)

# **b** Completing the Credit Presentation/Borrower Classification (Continued)--\*

Component	Details
Capacity	<ul> <li>What is capacity? FSA must know how the customer intends to repay the loan. Consider the cash flow from the business, the timing of the repayment, and the probability of successful repayment of the loan. Discuss all the assumptions, marketing, pricing, income, production, expenses, withdrawals, etc., in preparing FBP, the basis for the assumptions, and comparisons to the financial history. Payment history on existing credit relationships, personal and business, is considered an indicator of future payment performance. Also consider contingent sources of repayment, if available.</li> <li>In the WordPad, discuss the repayment capacity of the borrower, and any assumptions used in the income/expense projection.</li> <li>*Answer the LR rate question with the radio button. See 4-FLP, Part 3</li> </ul>
Capital	<ul> <li>What is capital? Capital is the money the customer has personally invested in the business and is an indication of how much is at risk should the business fail. Most lenders generally expect some contribution of the customer's own assets and that they have undertaken personal financial risk to establish the business before asking a lender to commit any funding. In addition, many lenders believe if the customer has a significant personal investment in the business, the customer is more likely to do everything in their power to make the business successful. Lack of accumulated net worth could be a danger signal unless the applicant is fairly new. Consider that capital also can:</li> </ul>
	<ul> <li>provide a cushion for repayment in the event of having a financial setback</li> <li>indicate an ability and willingness of the customer to save and accumulate assets</li> </ul>
	<ul> <li>confirm that the borrower manages his/her financial affairs adequately and within his/her income.</li> <li>In the WordPad, discuss the customer's capital position which may include</li> </ul>
	working capital, debt to asset level, and other elements of available capita

- J Credit Actions (Continued)
- \*--7 Credit Presentation (Continued)
  - **b** Completing the Credit Presentation/Borrower Classification (Continued)--\*

Component	Details					
Conditions	What are conditions? Conditions are loan covenants and conditions that					
	are placed upon approval and/or closing. Conditions may also include					
	observations about local and general economic conditions affecting the					
	business.					
	*Enter the approval conditions into the WordPad. Answer the SBA					
	Account and Hazard Insurance questions with the radio buttons*					
Loan Closing	<b>Optional</b> . Can be used for any additional loan closing requirements					
Requirements	imposed by the approval official after reviewing the recommending					
	official's requirements.					

\*--Notes: Plan approval: Each Credit Presentation must have an approval decision. Only Credit Presentations with an "Approved" status will be available for selection in DLS. See Credit Presentation "Approval Decision" (Section J 7 a) for instruction on completing the approval decision.

Signature requirement: eSignature required.--\*

#### J Credit Actions (Continued)

#### **\*--7** Credit Presentation (Continued)

#### c Classification Scores

Accounts will be classified according to 1-FLP, Part 8, Section 4. The classification process generates the following ratios:

- Current Ratio (Liquidity)
- Debt to Asset Ratio (Solvency)
- Return on Assets Ratio (Profitability)
- TDCLC Ratio (Repayment Capacity).

**Note:** CLICK "Detail" of the borrower classification within FBP for an explanation of how the system calculates scores for each of these ratios.

Classification	
Score	Description of Score
1 - Commercial	Commercial classified accounts are FSA's highest rated direct loan accounts. The debt/asset ratio, cash flow, and general financial health of
	a commercial-grade farming operation allow it to withstand adverse
	farming conditions while maintaining loan payments.
2 - Standard	Standard classified accounts are financially sound, cash flow is
	adequate, and on-time loan repayment is probable.
3 - Acceptable	Acceptable classified accounts are those that present some degree of
	financial risk. These loans have adequate to marginal security and are
	generally experiencing some financial stress.
4 - Marginal	A marginal account is 1 that poses a high degree of financial risk. These
	loans may or may not be secured and repayment ability is marginal.
5 - Not Classified	See Special Classification (Section J 12).

FBP will generate the following account classification codes.

--\*

J Credit Actions (Continued)

### 8 Classification/LR Review/YEA

The "D-Loan/Class/LR/YEA Only" credit action should be completed to document and perform any or all of the following business processes when the action is not already documented within a direct loan-making, regular loan servicing, or special loan servicing credit action:

- "Classification"
- "YEA"
- "LR Reviews"
- "Graduation Reviews".

To complete the Credit Presentation form, CLICK "**Credit Action**" [*Credit Action Name*], "Classification/LR Review/YEA". After the form is accessed, it must be updated with information from other parts of the FBP system. To update CLICK "**Save & Update**" link in the top-left corner of the screen.

Cours & Underte	Credit Presentation	De
	te the credit presentation, <b>'Save &amp; Update</b> ".	
Model Used: Classification / LR Review/ YEA	Score Now	Last Scored : 12:00:00 AM

\*--Figure 61aa, Credit Presentation--\*

In the "Update Credit Presentation" dialog box CHECK ( $\checkmark$ ) the following boxes:

- "Ultra Financials/Customized Ratios"
- "General Information".

CLICK "**Update & t**" to update the Credit Presentation.

Caution: Do not check "Farm Assmt".

#### J Credit Actions (Continued)

### 8 Classification/LR Review/YEA (Continued)

\*--Use the instructions in the following table to complete the sections in the Credit Presentation.

Component	Details			
Balance Sheet, Income Statement, Repayment Capacity	<ul> <li>CLICK "Reports" and "Reports Setup" to select which balance sheets and income/expense statements will be displayed in the Credit Presentation.</li> <li>CLICK "Save &amp; Update" to transfer in the financials. Anytime information is changed in other parts of the FBP that are related to the credit action being taken, the Credit Presentation must be updated.</li> </ul>			
	• Ensure that the correct information was transferred into these sections.			
Classification	See <b>Classification Component</b> (Section J 7 b) for instruction on completing the classification.			
LR Review/ YEA Narrative	The WordPad should be used to document the assumptions about the year-end analysis, classification, graduation, and/or limited resource review, as applicable.			
Graduation Review	Answer the graduation review question, if applicable.			
Limited Resource Rates	Answer the limited resource rate question, if applicable. See 4-FLP, Part 3 for more information on determining if rates are justified.			
Year End Analysis	Answer the question related to completion of the year-end analysis, if applicable.			
Farm Assessment Status	Select the radio button to designate whether the farm assessment was completed/updated or no update is required.			

**Notes: Plan Approval**: Each Credit Presentation **must** have an approval decision. Only Credit Presentations with an "Approved" status will be available for selection in DLS. See **Credit Presentation "Approval Decision"** (Section J 7 a) for instruction on completing the approval decision.

Signature requirement: eSignature required.--\*

J Credit Actions (Continued)

### 9 Eligibility Only

\*--The "D-Loan Eligibility Only" credit action should be used when **both of the following apply**:

- to document that an applicant is **ineligible** for FSA loan assistance
- when another type of credit action will **not** be prepared.

To complete the "D-Loan Eligibility Only" credit action:

- CLICK "Credit Action" [Credit Action Name], and "Eligibility Only"
- CLICK "Save & Update" and an "Update" dialog box will be displayed
- CHECK (✓) "General Information" only and CLICK "Update"
- complete "Application Date" by selecting the appropriate date.

**Notes:** See **Eligibility Component** (Section J 7 b) for instruction on completing the eligibility determination.

Signature requirement: eSignature required.

#### **10** Youth Loans

The "Youth Loan" credit action should be used to process all application requests for youth loans.

### a Eligibility Determination

The Eligibility Only form in the "Youth Loan" credit action must be completed to determine if the applicant meets the eligibility requirements for a youth loan.

**Note:** See **Eligibility Component** (Section J 7 b) for instruction on completing the eligibility determination.--\*

### **b** Credit Presentation \* \* \*

Most youth loans are simple enterprises; the "Youth Loan" Credit Presentation will collect all financial information and will not require completion of additional balance sheets or income/expense projections.

- Open the form by clicking "Credit Action" [*Credit Action Name*], "Credit Presentation Youth Loan".
- CLICK "Save & Update". An "Update" box will be displayed. CHECK (✓) "General Information" only and CLICK "Update".

- J Credit Actions (Continued)
  - **10** Youth Loans (Continued)
    - **b** Credit Presentation (Continued)
      - Complete the "Amount of Loan Request".
      - Complete all radio buttons and text boxes.
      - CLICK "Annual Income and Expenses" and "Assets and Debts" to add information from FSA-2301.

**Note:** All description fields are limited to 29 spaces. When report is printed, if "Ending Cash on Hand" fails to print, abbreviate 1 of the description fields.

- Assign classification level of "3 Acceptable"
- CLICK "Score Now" to update the classification score.

Score = 3.00	Now 3 Accepta	Last Scored : 10/25/2011 10:37:36 AM able
	3 Accepta	able
De	Note:	User <b>must</b> select the "Assigned classification level" and then CLICK " <b>Score Now</b> ".
Criteria		
ne	Criteria ed classification level:	Criteria

\*--Figure 61ab, Score Now--\*

Add any additional documentation to the "Comments" Section and complete the Loan Closing Requirements in the text boxes provided.

**Notes:** Farm assessments are **not** required for youth loans according to 3-FLP, subparagraph 226 B. However, some discussion of strengths, potential problems, and goals should be included in the "Comments" Section.

**Plan Approval:** Each Credit Presentation **must** have an approval decision. Only Credit Presentations with an "Approved" status will be available for selection in DLS. See **Credit Presentation "Approval Decision"** (Section J 7 a) for instruction on completing the approval decision.

Signature requirement: eSignature required.

J Credit Actions (Continued)

#### **10** Youth Loans (Continued)

#### c Security Agreement – Youth Loans

The "Youth Loan" Credit Presentation does not capture the information needed to complete the FBP automated FSA-2028; therefore, FSA-2028 may be completed manually.

#### d Classification of Youth Loans

See 1-FLP, subparagraph 251 D for instructions on completing youth loan classifications.

#### **11 Security Agreement**

A new security agreement can be generated from within any credit action model, except youth loans and D-Loan/Special Classification. In addition, a separate credit action called "D-Loan/Sec Agr. Only" can be added when only a security agreement is desired and no other credit action is required.

Once the Security Agreement Screen is displayed, CLICK "Save & Update".

In the "Update" dialog box, select the following sources of information:

- current income/expense projection
  - Notes: Chattel description information is populated from the \* \* \* schedules of the balance sheet associated with the selected income/expense projection. The "Col?" box (✓) on
    - \*--the schedule must be checked for the information to transfer. Enter an "\*" asterisk before each line item subject to Purchase Money Security Interest.--\*

By default, all real estate descriptions on the security agreement will be populated from the "Balance Sheet", "Assets", "Real Estate-Land"; and "Inc/Exp", "Operating Expenses", "Rent–Land/Animals" \* \* \* schedules. "To SA" may be unchecked to stop the transfer of real estate descriptions to the security agreement.

J Credit Actions (Continued)

#### **11** Security Agreement (Continued)

- general information.
  - **Note:** The name and address of the primary customer will always appear on the security agreement. The names and addresses of related entities and entities that pledge third-party security will also appear on the security if any 1 of the following are checked in "General", "Related Entities", and [*Entity Name*]:
    - "Spouse"
    - "Co-Applicant"
    - "Co-Owner".

Caution: Do not check "Farm Assmt".

\*--The following table provides information on additional fields that would be manually entered onto the form, if applicable.

Field	Details
Security Agreement Date	Effective date of the Security Agreement.
(c) State Information	List States where equipment is located.
(10) Fixtures	Enter a description of fixtures, etc. taken as collateral.
(d) State Information	List States where livestock is located.
(e) Accounts, deposit	Enter additional information about specific accounts, contract
agreements, general	rights, general intangibles, etc., as required by State supplements, if
intangibles, etc.	any.
Additional Security	Add any additional information as needed. Information added to
Agreement Verbiage	this section will print on the report before the signature lines.

- **Notes:** The Security Agreement may be printed by clicking "Print Security Agreement" located in the upper right hand corner of the document or "Reports Setup".
  - \*--Signature requirement: The security agreement must be printed and the customers' signatures obtained.--\*

J Credit Actions (Continued)

### **12** Special Classification

The D-Loan Special Classification Credit Action will be used to classify the following:

- flagged accounts where FSA cannot obtain current financial or production information for a customer
- accounts identified as CNC according to subparagraph 251 C
- youth loans according to subparagraph 251 D
- streamlined CL's unless they become delinquent or distressed (subparagraph 251 E).

Before completing a classification, the General Information Screen must be completed. See **General Information** (Section C) for more information on what fields are required.

Complete a special classification credit action according to the following.

- Open the form by clicking "Credit Action" [*Credit Action Name*], and "Credit Presentation Special Classification".
- CLICK "Save & Update". An "Update" box will be displayed. CHECK (✓) "General Information" only and CLICK "Update".
- Manually calculate the FSA security margin by estimating the value of FSA's total collateral **minus** prior liens **minus** FSA's total loans. This value shall be entered in the provided field as either a positive or negative number.
- To calculate the percent of FSA loss take the FSA security margin (if negative) **divided by** FSA total loans.
- Select the "Assigned Classification Level" from the drop-down menu. All nonactive flagged accounts will be classified as "5". Youth loans will be classified according to subparagraph 251 D.
- CLICK "Score Now" to complete the process.
- Any documentation to support the calculations may be added in "Comments".
- \*--Notes: Plan Approval: Each Credit Presentation must have an approval decision. Only Credit Presentations with an "Approved" status will be available for selection in DLS. See Credit Presentation "Approval Decision" (Section J 7 a) for instruction on completing the approval decision.

Signature requirement: eSignature required.--\*

J Credit Actions (Continued)

#### **13 Emergency Loan Calculations**

FSA-2311A is used to determine the applicant's actual production and/or physical losses, and to calculate the "Available Loan Amount". Instructions for completing FSA-2311A are as follows:

- open FSA-2311A and complete the disaster designation information
- CLICK "Crop Enterprises" link to add crop information for production losses

	Sare & Stay   Save	8 🖻   Save & Menu 🗋 🖂	<u>FSA Form 2</u>	2 <u>311 A</u>
Year of Disaster County	2010 V Somewhere	Qualifying Crop Loss Qualifying Physical Loss	No No Physical	Prod.
Disaster No. Nature of Disaster	S2222 drought and rain	Total Loss Amount <u>Disaster Compensation / Insurance</u> Net Loss	0 0 0	0 0 0
Period of Disaster Existing EM Loan Balance	3/1/2010 TO 11/15/2010	Available Loan Amount Existing EM Loan Balance Total EM Loan at Closing	0 0 0	
Crop Enterprises Physical Losses Disaster Compensation / Insurance Completed By		Four Lin Loan at crosing		

- \*--Figure 61ac, FSA-2311A--\*
- CLICK "Add" on the Crop Enterprises Screen to display fields to enter the individual crop disaster information

**Note:** There is no limit to the number of rows of crop information that can be entered into the system.

	Crop Enterprises									
×			Sav	e & Stay	Save & 🔁 👔	1				
Crop Enterprises	Units	Disaster Year	STO A	PH Override	-1 Year	-2 Year	-3 Year	Normal L	% Tota .oss	I
Add	(bin,ton,etc.)	Acres Yield per Acre	Price Yi	eld	Yield per Sourc Acre	e Yield per Source Acre	Yield per Source Acre	Year Yield	Loss	5
								т	otal	0

\*--Figure 61ad, Crop Enterprises--\*

#### J Credit Actions (Continued)

#### **13** Emergency Loan Calculations (Continued)

• use APH yield when available, system will automatically calculate "% Loss" and "Total Loss" amount and CLICK "**Save**" to save the data

Note: If APH yield is not available, CHECK (✓) "Override" and manually complete the "Yield per Acre" and "Source" fields. System will automatically calculate "Normal Year Yield", "% Loss", and "Total Loss" amount.

						Crop E	nterpris	ses			
×					Save & Sta	<u>v   Save</u>	<u></u>	£			
	Crop Enterprises	Units	Disaste	er Year	STO	APH	Override	-1 Year	Normal	% Loss	Total
<u>Add</u>		(bin,ton,etc.)	Acres	Yield per Acre	Price	Yield		Yield per Source Acre	Year Yield		Loss
	Soybeans	bu	642.80	26.90	8.75	39.73			39.73	32.29	72,162.33
										Total	72,162.33

\*--Figure 61ae, Crop Enterprises Using APH Yield--\*

							Cro	p Enterpr	ises			
×						Save	& Stay	Save & 🔁 🛛	<b>£</b>			
	Crop Enterprises	Units	Disaste	er Year	STO	APH	Override	-1 Y	ear	-2 ነ	'ear	-3 Ye
Add		(bin,ton,etc.)	Acres	Yield per Acre	Price	Yield		Yield per Acre	Source	Yield per Acre	Source	Yield per Acre
	Alfalfa	Ton	100.00	1.50	80.00	(	) 🗹	3.50	Applicant 💌	4.00	Applicant 💌	3.50 /
	Soybeans	bu	642.80	27.90	8.75	39.73	3					

\*--Figure 61af, Multiple Crop Enterprises Using APH Yield and Applicant Records--\*

				Crop	o Enterprise	S							
			Save 8	<u>Stav</u>	Save & 🗈 📊 🖪								
)isaste	r Year	STO	APH	Override	-1 Year		-2 \	/ear	-3 Y	ear	Normal	% Loss	Total
BS	Yield per Acre	Price	Yield		Yield per S Acre	ource	Yield per Acre	Source	Yield per Acre	Source	Year Yield		Loss
100	1.5	80	0	☑ [	3.5 Ap;	olicant 💌	4	Applicant 💌	3.5	Applicant 💌	3.67	59.09	17,349.09
42.80	27.90	8.75	39.73								39.73	29.78	66,537.8
												Total	83,886.9

\*--Figure 61ag, Multiple Crop Enterprises Total Loss Calculations--\*

• CLICK "Physical Losses" link to add information for all physical losses

**Credit Actions (Continued)** J

#### **13** Emergency Loan Calculations (Continued)

CLICK "Add" to display fields to enter loss information and CLICK "Save" to save the data •



	Physical Losses	
×	<u>Save &amp; Stav</u>   <u>Save &amp;</u>	Amt
	Harvested / Stored Crops	Add
	Replanting Alfalfa	5,000
	Total	5,000
	Farm Buildings and Other Total	<u>Add</u> 0
	Livestock	Add 0
	Total Losses	5,000

\*--Figure 61ah, Physical Losses

- Figure 61ai, Add Physical Loss Information--\*
- CLICK "Disaster Compensation/Insurance" link to add information •
- CLICK "Add" to display fields to enter information and CLICK "Save to save the data



	Disaster Compensation / Insurance	•
X	<u>Save &amp; Stay</u>   <u>Save &amp;</u> 🔁   🛍	
	Production Loss	Add
	Crop Insurance	10,000
	Total	10,000
	Physical Loss	Add
	Total	0

\*--Figure 61aj, Disaster Compensation/Insurance Figure 61ak, Adding Information--\*

CLICK "Completed By" link at the bottom of FSA-2311A to eSign.

To print FSA-2311A, CLICK "FSA Form 2311A" in the upper-right corner or from the Reports Setup Menu on the toolbar.

	Save & Stay	Save & 🖻   Save & Menu 🗋 🖂	FSA Form	<u>m 2311 A</u>
Year of Disaster	2010 💌	Qualifying Crop Loss Qualifying Physical Loss	Yes Yes	
County	Somewhere	· · · · · · · · · · · · · · · · · · ·	Physical	Prod
Disaster No.	SXXXX	Total Loss Amount Disaster Compensation / Insurance	5,000 <u>0</u>	83,887 <u>10,000</u>
Nature of Disaster	Drought	Net Loss	5,000	73,89
Period of Disaster	3/1/2010 TO 11/15/2010	Available Loan Amount	78,890	
Existing EM Loan Balance	50,000	Existing EM Loan Balance Total EM Loan at Closing	50,000 128,890	

\*--Figure 61al, Completed FSA-2311A--\*

Notes: The Farm Loan Programs Systems, "FLPS", web site contains several examples of completed FSA-2311A. Select "Manuals", "Training Manuals", and "EM Loss Loan Calculation Examples" to view the completed FSA-2311A's.

Signature requirement: eSignature required.

#### J Credit Actions (Continued)

#### 14 Microloan

The "Microloan" credit action model should be used to process all application requests for a Microloan. For the documentation requirements, refer to 3-FLP.

To complete the Credit Presentation; CLICK "**Credit Action**" [*Credit Action Name*], and "**Credit Presentation - Microloan**". After the form is accessed, it must be updated with information from other parts of the FBP system. To update CLICK "**Save & Update**" link in the top-left corner of the screen.

In the "Update Credit Presentation" dialog box CHECK ( $\checkmark$ ) only the following boxes:

- "Ultra Financials/Customized Ratios"
- "Collateral Analysis", select the balance sheet from which the collateral analysis will be calculated
- "Credit Relationship", select the balance sheet from which the credit relationship information will come.
- "General Information".
- CLICK "**Update & D**" to update the Credit Presentation.

Complete the Credit Presentation according to the following.

Component	Details
General Information,	See <b>paragraph J 7 b</b> for instruction on completing these components.
Credit Relationship	
Loan Narrative	*Required documentation for the narrative should be completed in the
	Assessment. See paragraph 222 to determine which elements need to be completed.
	ENTER "Refer to Assessment" in the narrative text box.
	Use the text box to address any additional documentation that may be needed*
Collateral Analysis,	See <b>paragraph J 7 b</b> for instruction on completing these components.
Classification,	
Employment	
Information, Related	
Entities, Balance Sheet,	
Income Statement,	
Repayment Capacity	

# J Credit Actions (Continued)

# 14 Microloan (Continued)

Component		Details					
Eligibility	• Answer the applicable	eligibility questions with the radio buttor	ıs.				
	General Loan Mak	ng Eligibility					
	Does customer meet the eligibility requ						
	Controlled substances?						
	Legal capacity?						
	Citizenship?						
	Credit history?						
	Credit elsewhere?						
	Delinquent Federal Debt and unpaid Federal Ju						
	Federal Crop Insurance violations?	O Yes O No					
	Managerial ability?						
	Borrower training?	Yes ONO ONA					
	Owner/Operator of a Family Farm?	O Yes O No O NA					
	Entity composition?	OYes ONO ONA					
	Microloan Specific	Eligibility					
	Does customer meet the Microloan elig	pility and/or conditions?					
	ML managerial ability requirements?	○Yes ○No					
	Total OL indebtedness within ML maximum lim	? OYes ONo					
	*Figure 61am*						
	• When making these determinations, the loan official is certifying that the applicant <b>meets</b> the requirements for the eligibility criteria and/or conditions as outlined in the respective FSA handbook.						
	• Use the text box to addissues and/or condition	lress any additional program specific elig	ibility				
	• The FSA loan official must CLICK " <b>Eligibility Determination</b> " to determine or recommend eligibility. See <b>paragraph J 7 b</b> for instruction on completing.						
	Eligibility Determination:						
		Loan Narrative					
	*Figure 61an*						

### J Credit Actions (Continued)

### 14 Microloan (Continued)

Component	Details
Security, LR, SBA	Answer the applicable questions with the radio button.
Account, and	
Hazard Insurance	
Questions	
Loan Closing	Use the word pad to document all approval conditions or loan closing
Requirements	requirements.

**Notes: Plan Approval**: Each Credit Presentation **must** have an approval decision. Only Credit Presentations with an "Approved" status will be available for selection in DLS. See **Credit Presentation "Approval Decision"** (paragraph. J 7 a) for instruction on completing the approval decision.

Signature requirement: eSignature required.

### 15 FSFL

The FSFL Credit Action model should be used for all loan making and servicing requests. After the information submitted by an applicant for an FSFL is reviewed, the Loan Official will use the FSFL Credit Presentation to document the financial analysis decision. The Loan Official will print the Credit Presentation to use as their recommendation document. According to 1-FSFL, subparagraph 53 G, the written recommendation will **not** contain any specific financial information.

Notes: When adding the FSFL Credit Action, see Credit Action Menu (Section J 1). The description must contain FSFL; for example "FSFL Grain Bin".

Do not use FBP to order credit reports for FSFL's.

\*--The FBP, "Balance Sheet" and "Income/Expense" sections do **not** need to be completed if the statements provided by the customer are sufficient for the approval decision.--\*

See 1-FSFL, paragraphs 53 and 54 for additional information on analysis requirements.

To complete the Credit Presentation, do the following:

- CLICK "Credit Action", "[Credit Action Name]", and "Credit Presentation FSFL"
- CLICK "Save & Update" link in the top-left corner of the screen. An "Update" box will be displayed. CHECK (✓) "General Information" and CLICK "Update & <sup>1</sup>/<sub>1</sub>.
- Complete all questions, radio buttons and applicable text boxes.

#### J **Credit Actions (Continued)**

#### **15 FSFL (Continued)**

- **Recommendation:** The Loan Official **must** provide a written recommendation for approval or disapproval, based on the applicant's credit history and financial information. The recommendation should include FSFL amount and FSFL terms.
- **Note:** A recommendation example that may be used is provided, as displayed in the following text box, or the Loan Official may delete the example and type their recommendation. \*\_\_

Based on the FSFL applicant's credit history and financial information, I recommend approval of the FSFL in the amount of \$\_ , with a loan term of \_\_\_\_\_ years. The information provided demonstrates the applicant is creditworthy and has the ability to make the down payment and timely repay future installments.

#### **Approval Decision** a

After the Loan Official has documented the decision, on the Credit Action Status Screen CLICK "Recommend Approval" or "Recommend Decline".

	Cr	redit Action Status	
User: Time: 10/6/2014 2:50:17 PM ID: Status: <u>Select Status</u>		*	
Status	<u>Add</u> ID	Add & Cancel &	Time
Recommend Approval			10/6/2014 2:42:57 PM



The Loan Official will print the Credit Presentation and provide it to COC or STC, as appropriate, depending on the amount of FSFL request.

After COC or STC, as applicable, decides to "Approve" or "Decline", the decision must be provided to a Loan Official as soon as possible. A Loan Official will access the Credit Presentation, Credit Action Status Screen and enter the decision as provided, according to this subparagraph. In the text box, the Loan Official will insert COC or STC's name that made the decision, along with the date of the decision.

J Credit Actions (Continued)

#### **15 FSFL (Continued)**

#### a Approval Decision (Continued)

Any user with loan approval authority may update the credit presentation with the COC/STC approval date. The approval date **must** be entered into the credit presentation on the same day if possible but no later than the next business day.

**Note:** The electronic signature/date **may not** be entered into FBP later than the last business day of the month.

If approved, the electronic decision date will be available for selection in the FSFL DLS system.

Cre	dit Action Status	
	* *	
Add ID	Add &   Cancel & User	Time
		10/6/2014 2:51:00 PM
Approved by	Asnuand County Committee on Ture/14.	
		10/6/2014 2:42:57 PM
	Add ID	Add I Add & I Cancel &

Figure 61ap

Signature requirement: eSignature required.

\*--After loan approval, if the producer requests an increase in the loan amount, the loan official will use the same credit presentation to document any increases. An increase over 10 percent will require another recommendation and approval from COC/STC. If increase is 10 percent or less a new recommendation is not required, unless it is required by STC.--\*

#### **K** Special Features

#### **1** eNotice

The eNotice feature allows users to e-mail other FBP users from within specific areas of FBP. The e-mail that is generated will contain a link that will take the e-mail recipient directly to that same specific area within FBP. This feature can be especially helpful when requesting a review from other users during the development of FBP.

Current	As Of 1/1/2011	Balance	Sheet	Display Secondary Column Add / Modify / Delete
<u>Ratios</u>		<u>Save &amp; Stav</u>   Primary: <u>Value</u>	Save & Menu	CLICK icon to start the
	Current As	sets		eNotice feature.
	Cash & Equivalents	15,000		unts Payable 0

#### Figure 62

The first time the eNotice feature is accessed, the following prompt will be displayed. Ensure that the e-mail address is correct and CLICK "OK" to continue the validation process.

🖉 E-Mail Update Webpage Dialog	
You must have a valid e-mail address listed in y 'user@subdomain.domain' to use this functiona	
Please enter your e-mail address below for vali	dation.
E-Mail address	×O
	OK Cancel

Figure 63

The following series of messages will be displayed.

Window	Internet Explorer
2	Send a confirmation message to <b>second second provide the second provide second second second second second second</b> for validation? (If this address is not validated you will be unable to use the eNotice feature within the application)
	OK Cancel
Figure	54

rigure 64

Window	rs Internet Explorer	X
⚠	A confirmation message has been sent to	<b>.</b>
	ОК	

Figure 65

#### **K** Special Features (Continued)

#### **1** eNotice (Continued)

\*--After clicking "OK", close the eNotice window, log out of FBP, and close browser window.

**Note:** This is a 1-time process for the user to validate the e-mail and provide access to the eNotice feature of FBP. The validation process will be repeated if the user's e-mail address is changed.

After closing the eNotice and browser windows, the user will need to access their e-mail to view the confirmation e-mail message that has been sent. The following e-mail message will be displayed. CLICK "**Click here to validate**".

Subject: WebEquity™ email validation Importance: High
After you click on the link below to validate the email address, you may close this email message and return to the WebEquity™ application.
Click here to validate

#### Figure 66

This will automatically open a browser window to log into FBP. Return to the previous customer record where the "eNotice" icon was clicked the first time. CLICK "eNotice" icon to re-enter the eNotice feature.

When the user enters eNotice, a standard e-mail window will automatically be displayed. The message will contain a link to the selected section of FBP. Edit the "Subject" line and message content, as needed. CLICK "**To...**" or "**Cc...**" to add the recipients e-mail address.

🖉 Mail Webpage Dialog	
P New message	
Priority: Normal	
From:	
[To]	
Cc	
Subject: WebEquity eNotice	
Paragraph ♥ Font ♥ Size ♥ Symbols ♥ ▲   )   ■ ■ ■ = = :=   •:! **	《 陶 ⑱ │ ∽ ∝ Β Ι 및 │ 律 律
Click below to view customer data (you must have a valid General Information - Balance Sheet	
	Send Print Cancel

Figure 67--\*

### **K** Special Features (Continued)

#### **1** eNotice (Continued)

\*--On the "Address List" dialog box, CLICK "**magnifying glass**" icon and a list of valid e-mail addresses in FBP will be displayed. Select the appropriate e-mail recipient and use the arrows to add them to either the "**To...**", "**Cc...**", or "**Bcc...**" box. CLICK "**OK**" to add the selected e-mail address to the e-mail message.

🖉 Address list Webpage Dialog				×
👰 Select name				
Login Users Search for name (up to 100 entries displayed):	>>	To:		
		Cc:		
	>>	Bcc:		
Add New Delete			ок	Cancel



Review e-mail information, CLICK "Send".

🖉 Mail 🛛	Webpage Dialog	X
P New mes	sage	
Priority:	Normal	
From:		
То		
Cc		
Subject:	WebEquity eNotice - Need review of I/E Trends	
	ah ▼ Font ▼ Size ▼ Symbols ▼ <mark>人</mark>   从 凾 凾   ∽ ∝ B Z U   律 律 憲 臣   凾 ♥	
	low to view customer data (you must have a valid Web Equity login) Information - <u>&gt; Income / Expense &gt; Trends</u>	
Can you	please review the prices used in the crop sales section.	
Thanks		
	Send Print Cancel	

Figure 69--\*

#### **K** Special Features (Continued)

#### 2 DecisionMgr

DecisionMgr is a management tool that is available on the toolbar and provides users with the ability to track credit action status or view credit report activity.

#### a Credit Action Status

On the Credit Action Status Screen a user can view the status of every credit action that has

\*--been generated. To access the screen, CLICK "Portfolio Management", "Decision Mgr", "Credit Action", "Status".

File	Defaults	Portfolio Manage	ment	
Add New		DecisionMgr →	Credit Action	Dr Screen
			Credit Repor	First Letter of Last Name or Entity
		<u>A</u> B	<u>DEEGH</u>	<u>1 I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5 6 7 8 9 ~</u>

Figure 70

Before using the search feature, users choose the information to be displayed on the screen. CLICK "Column Select" in the upper left corner of the screen.

		Credit A	ction Status		
Column Select	Print Location	Status Descr.	Status Type	From Date	To Date
	Honolulu Service Center, HI		All 💌		GO

Figure 71

CHECK ( $\checkmark$ ) columns of information to be displayed.

	Select Columns				
Display					
Customer Name	Credit Relationship Status	Model Description	Scoring & Rating Model	S & R Model Type	
Status Descr	Status Type	Override Reason	Performance	Status Date	
Time in Progress	Time Since Last Change	Location	✔ User	D #	
		Print (8 Max)			
Customer Name	Credit Relationship Status	Model Description	Scoring & Rating Model	S & R Model Type	
Status Descr	Status Type	Override Reason	Performance	Status Date	
Time in Progress	Time Since Last Change	Location	✔ User	🔲 ID #	
		Save Cancel			

Figure 72

### **K** Special Features (Continued)

### 2 DecisionMgr (Continued)

#### a Credit Action Status (Continued)

\*--Select search criteria from any of the following fields:

- "Last Name", to search by a specific user
- "Location", to search by a specific location
- "Status Descr.", to search by a specific Status Description, from the following:
  - "Recommend Approval"
  - "Recommend Decline"
  - "Approved"
  - "Declined"
  - "Withdrawn"
  - "End"
  - leave blank for all
- "Status Type", defaults to "All"
- "From Date", to choose a starting date
- "To Date", to choose an ending date.

In the following example, only "Location" and the date range search criteria were used. CLICK "**Go**" to complete search.

		Cred	it Action Sta	tus	
<u>Column Select</u> Last Name	Print Location	Status Descr.	Status Type	From Date	To Date
	Hilo Service Center, HI		All	11/21/2010 🔯	11/22/2011 🔯 GO 🖌

### Figure 73

The following Credit Action Status Screen displays the example search results. To print the information, CLICK "**Print**" hyperlink.

Credit Action Status					
Column Select Print Last Name Location	Status Descr. Statu	s Type From Date	To Date		
Hilo Service Center, HI	All	11/21/2010	3 11/22/2011	GO	
# Customer Name શ	Status Descr. 😰	Status Date 😰	Time In Progress શ Use	r 🖭	
1	Approved	1/4/2011	0D-0H-0M		
2	Approved	1/11/2011	5D-22H-45M		
3	Approved	1/25/2011	0D-0H-0M		

### **K** Special Features (Continued)

2 DecisionMgr (Continued)

#### a Credit Action Status (Continued)

\*--The following Credit Action Status Screen displays the example search results. To print the information, CLICK "**Print**" hyperlink.

	Credit Action Status										
2	Column Select Print Last Name Location Status	Descr. Status Typ	e From Date	To Date	•						
	Hilo Service Center, HI	All	11/21/2010	11/22/2011	GO						
#	Customer Name 😰	Status Descr. 😰	Status Date 😰	Time In Progress 외	User 💵						
1		Approved	1/4/2011	0D-0H-0M							
2		Approved	1/11/2011	5D-22H-45M							
3		Approved	1/25/2011	0D-0H-0M							

Figure 74

Print the report in the format displayed or if the information displayed on the printed report needs to be exported to a different format, such as Microsoft Excel, CLICK "**Export Report**" icon.

	× 8		I I of 1	• •	=   #						crystal	
	Preview	Export Report										
/												
	<b>Decision Manager - Credit Action Status</b>											
		Last Name :	Location : Hilo Service Center, HI,	Status Descr.:	Status Type: All		From Date: 11/21/2010	To Date: 11/22/2011				
		Customer Name	Status Descr.	Status Date	Time in Progress	User						
		1	Approved	01/04/2011	OD-OH-OM							
			Approved	01/05/2011	5D-22H-45M							
			Approved	01/25/2011	OD-OH-OM							

Figure 75

To export the report, select the file format using the "File Format" drop-down menu, and enter a file name. In this example "Microsoft Excel" has been selected. CLICK "**OK**".

Export Report	×
File Format :	
Microsoft Excel	
Crystal Reports	
Microsoft Excel	
Microsoft Excel (Data Only)	
Microsoft Word	
Rich Text Format	
Adobe Acrobat	
From: 1 To: 1	
File name:	
Credit Action Status	
OK Cancel Brows	e



### **K** Special Features (Continued)

2 DecisionMgr (Continued)

### a Credit Action Status (Continued)

\*--After the export has completed, the "Report Viewer Export" dialog box will be displayed. CLICK "**Yes**" to open the report.

Report \	/iewer Export
?	The report has been exported. Would you like to open it?
	Yes No

Figure 77

The report will be displayed in the selected format.

8	1 .	~ (° ~ ) ;	;		Credit Actio	on Status.:	xls [Comp	atibility I	Mode]	- Microsof	t Excel		
0	Home	Insert	Page Layout	Formulas	Data	Review	View	Add-Ins	Ac	robat			
Pa		ARIAL <b>IB <u>I</u> <u>U</u></b>	• 10 • A • • • • • • •		E ■ ≫·· E ■ E F		General \$ - % Num			Conditional Formatting *	Format as Table S Styles	Cell Styles *	
	T1	5	- (0	f <sub>x</sub>									
4	A	E	B C D	E	FG H	1	JKL	MN	0	PQ	R	S T	U
1				Dec	cision	Mana	ager -	Cre	dit /	Action	n Sta	tus	
2 3 4	Last Name:		Location: Hilo Service Cer	nter, HI ,	Status Des	scr.:	Sta All	itus Type:		2.25	m Date: 1/2010	To Da 11/22	ate: 2/2011
	Customer I	lame	Status D	escr.	Status Date	Ti	me in Prog	ress U	lser				
9			Approved	i	01/04/2011	00	-OH-OM						
11			Approved	i	01/05/2011	5D	-22H-45M			1			
13			Approved	j	01/25/2011	0D	-OH-OM	1					

**Figure 78--\*** 

### **K** Special Features (Continued)

### 2 DecisionMgr (Continued)

### b Credit Report Activity Log

The Credit Report Activity Log allows users to view all the credit bureau reports that have been pulled within FBP. To access the Credit Report Activity Log Screen, CLICK \*--"Portfolio Management", "Decision Mgr", "Credit Report", "Activity Log".

File	Defaults	Portfolio Manage	ment			
Add New		DecisionMgr +	Credit Action	•	Logator Caroon	
			Credit Repor	t 🔸	Activity Log	
				FI	, ice int, rog ( ici ge oin))	he or Entity
		<u>A B 9</u>	<u>C D E E G H</u>	<u>  </u> ]	<u>CLMNOPQRSIU</u>	<u>V W X Y Z 0 1 2 3 4 5 6 7 8 9 ~</u>

### Figure 79

Select search criteria from any of the following fields.

- "Location", to search by a specific location
- "From" and "To" dates, to search by specific time spans.

CLICK "Go" to complete search.

Credit Report Activity Log										
Location	Bureau	Merged	Joint	No Hit	Error	Туре		Date		
Hile Service Center, H. Service Office: HILO HI	A.II.	All 🗸	Al 🗸		All 🗸		From:	10/1/2009	3	GO
Hilo Service Center, HI Service Office: HILO HI	<u>Al</u>	All	All	AI	All 💙	<u>All</u>	To:	11/22/2011	] 🗟 🎽	50
Figure 80									/	

#### Figure 80

The Credit Report Activity Log can be sorted by clicking the sort icon preceding the applicable column. To view a copy of the credit report, under the "Bureau" column, CLICK "credit bureau" link.

				Credit Rep	ort Activ	ity Log					
	Lo	cation	Bureau	Merged	Joint	No Hit	Error	Туре	Date		
Hilo Service	Center, HI	Service Office: HILC	<u>HI Al</u>	All	All 💙	All 💌	All 💙	All	From:  10/1/20 To: 11/22/20		GO
nquiries :	116	Per Bureau :	Experian 36	Trans Union 36		Equifax 36	D & B	0	Exp. Business 8		
Add - Joint Pulls:	30		10	10		10		-	-		
Less - No Hits :	3		1	1		1		0	0		
Less - Errors :	0		0	0		0		0	0		
otal Hits :	143	/	45	45		45		0	8		
eleted :	0		0	0		0		0	0		
				Existin	ig Repoi	rts					
Custon	ner 😣	Date 24	Bureau 🖭 Merge	ed 🖭 Joint 🖭 NoH			1	Retri	eved By શ	Locatio	on 🛃
		10/22/2009 E	quifax -	vivi		STD		Farm	n Loan Program Technicia	n Hilo Service	e Center, H
		Customer 2/2009 E	xperian	CLICK "c	radit k			Farm	n Loan Program Technicia	n Hilo Service	e Center, H
		10/22/2009	rans Union					Farm	n Loan Program Technicia	n Hilo Service	e Center, I
		11/29/2010 E	xperian	link to vie	w cred	it report.		Farm	n Loan Program Technicia	n Hilo Service	e Center, H
		11/29/2010	rans Union			1		Farm	n Loan Program Technicia	n Hilo Service	e Center, I
		11/29/2010 E	<u>quifax</u>					Farm	n Loan Program Technicia	n Hilo Service	e Center,
		10/16/2009 E	ouifax	X		STD		Farm	Loan Program Technicia	n Hilo Service	Center.



### **K** Special Features (Continued)

### 3 Tracking

\*--The tracking feature in the "Credit Action" menu allows users to view information about the selected credit action. From within the individual customer's record, CLICK "Credit Action" and "Add/Modify/Delete", to access the tracking features.

Each credit action that has been created will have a blue "Track" hyperlink on the far right of the Credit Action Screen. CLICK "**Track**" to view the information about the selected credit action.

					Credit Acti	on		
	Description			Credit Action	Model			
			Sei	ect	*	Add		
				Save & S	tay_			
Description	Status		Environmental	Farm Assmt.	Other	Credit Presentation	Security Agreement	
2010 PLS & \$15K OL	Approved	) 🖂	Environmental Checklist	Farm Assmt.	DALRS Input Rpt.	Cred. Pres. / Borr. Class.	Security Agreement	Track
2010 YEA	Approved	) 🖂	None	Farm Assmt.	None	Classification / LR Review/ YEA	<u>Select</u>	Track
2010 PLS	Approved	) 🖂	Environmental Checklist	Farm Assmt.	DALR\$ Input Rpt.	Cred. Pres. / Borr. Class.	Security Agreement	Track
2009 PLS & \$30K OL	Approved	) 🖂	<u>Environmental Checklis</u>	at 🛚 <u>Farm Assmt.</u>	DALR\$ Input Rpt.	Cred. Pres. / Borr. Class.	Security Agreement	Track
YEA for 2009	Approved	) 🖂	None	Farm Assmt.	None	Classification / LR Review/ YEA	Security Agreement	Track
2006 restructure	Approved	) 🖂	Environmental Checklist	Farm Assmt.	DALRS Input Rpt.	Cred. Pres. / Borr. Class.	Security Agreement	Track
YEA FY 2005	Approved	) 🖂	None	Farm Assmt.	None	Classification / LR Review/ YEA	Select	Track
Crop year 2005-2006	Approved	) 🖂	None	Farm Assmt.	None	Cred. Pres. / Borr. Class.	Security Agreement	Track
OL crop year 2005	Select	) 🖂	None	None	Eligibility Only	None	Select	Track
				Save & Sta	ay			

Figure 82--\*

### **K** Special Features (Continued)

### **3** Tracking (Continued)

\*--The Credit Action Tracking Screen will be displayed with information on each event that occurred in the selected credit action, along with the user that completed the event.

Note: Credit action tracking does not track saves. It only tracks the following events:

- add
- lock
- replace
- score now
- unlock
- update.

		Credit Action Trackin	ıg		
Form Up	odate Date, Score Date	Mismatch			
Forms F	Pkg. : D-Loan/Special Se	rv. Description : 2010 PLS Date Create	d : 4/22/2010		
Event	Date / Time	Form	User Name	Title	Org ID
			<u> </u>		
Lock	6/9/2010-10:02:49 PM	Credit Presentation-Cred. Pres. / Borr. Class.		Farm Loan Officer	
Score	5/10/2010-4:39:16 PM	Credit Presentation-Cred. Pres. / Borr. Class.		Farm Loan Officer	
Update	5/10/2010-4:33:30 PM	Credit Presentation-Cred. Pres. / Borr. Class.		Farm Loan Officer	
Update	5/10/2010-4:32:51 PM	Credit Presentation-Cred. Pres. / Borr. Class.		Farm Loan Officer	
Update	5/10/2010-4:32:11 PM	Credit Presentation-Cred. Pres. / Borr. Class.		Farm Loan Officer	
Update	5/10/2010-4:31:43 PM	Credit Presentation-Cred. Pres. / Borr. Class.		Farm Loan Officer	
Update	5/6/2010-11:04:15 PM	Security Agreement-Security Agreement		Farm Loan Officer	

**Figure 83--\*** 

#### **K** Special Features (Continued)

#### 4 Letters

\*--The "Letters" feature allows users to generate ad hoc letters to customers. These letters are **not** to be used as a substitute for specific letters to customers required by other applicable directives.

From the customer's FBP account, CLICK "Letters", "General Letter or Related Entity". The General Letter Screen will be displayed. From the "Letter" drop-down menu select "General Correspondence".

**Note:** Disregard the "Balance Sheet Date", "Income & Expense Date", and "Credit Report Date" drop-down menus, because they are **not** available for FSA use.

General Letter											
			20								
Letter	Bal	ance Sheet Date	Inc & Exp Date		Credit Report	Work Flow					
Select Select	✓ None	♥ No	ne	✓ None		V None V					
General Correspon	ndence										

Figure 84

A "General Letter" dialog box will be displayed. CLICK "**Add**" and the letter will be added to the list of letters available on the General Letter Screen.



#### Figure 85

The letter is now available with the user's information for the signature. CLICK "**View/Modify**" hyperlink and a text box will be provided to type the body of the letter. The name and address will populate from the General Information Screen.

			General Lette	r			
	Letter	Balance Sheet Date	Inc & Exp	Date	Credit Report	Work Flow	
Select	~	None 🗸	None	✓ None		V None V	Add
×	Letter	Bal.Sht. Date	Inc & Exp Date	Credit Report	Work Flow 💿 Le	etter 🔿 Legal	<u>Print</u>
Gene	eral Correspondence	Manager, Farm L	.oan Programs	11/22/2011 3:04:08 PM	View	/ Modify Status	

Figure 86--\*

#### **K** Special Features (Continued)

#### 4 Letters (Continued)

After the body of the letter has been completed, CLICK "**Printable View**" hyperlink to print the letter. Letters shall be printed on paper with appropriate letterhead. The letter will remain available on the General Letter Screen and can be edited as needed.

General Correspondence					
Save & Stay   Save & 🖻   Print   Printable View					
Paragraph 💙 Font 🔍 Size 💙 Symbols 🔍 🛕   🐰 🗈 🛍   🗠 🖙 🖪 .	ℤŬ¢∉∉∣≣≣≣≣⊨∣∰♥				
11/22/2011					
I I I I I I I I I I I I I I I I I I I					
RD WAIANAE, Hawaii 96792-2801					
Dear ,					
Sincerely,					
Manager, Farm Loan Programs					
E' OF					

Figure 87

### L Getting Help

For help using the FBP software, CLICK "**eHelp**" from the Web Navigation Manager main navigation bar or consult this user guide. For questions about issues not available online or in this user guide, State and County Offices should contact the FBP Coordinator. References to "FBP Coordinator" include FBP State Coordinators, as appropriate.

\* \* \*

# M Glossary of Terms

Term	Definition
Ag or Farm Debt	Any debt incurred for which the majority was for farm or agricultural related purposes.
eAuthentication	The system used to authenticate and authorize users of USDA web-based applications. Previously referred to as "WebCAAF".
Ending Cash	MADS <b>plus</b> beginning cash <b>plus</b> operating and term loan advances <b>minus</b> operating principal repayment <b>minus</b> capital expenditures <b>plus</b> capital sales <b>plus</b> capital contributions <b>minus</b> capital withdrawals.
eSignature	An electronic signature that conforms to the ESIGN act. An eSignature requires electronically authenticating the user, and using an unalterable signature that contains a date and time stamp.
FBP	Farm Business Plan. The FBP document, at a minimum consists of a balance sheet with schedules, and income/expense trends with projected cash flow schedules.
Loan Group	A term used in collateral analysis. A group of loans grouped together by creditor and the collateral that secures those loans.
MADS	Operating income <b>minus</b> purchases for resale <b>minus</b> operating expenses including interest and depreciation <b>plus</b> nonfarm income <b>minus</b> owner withdrawals <b>minus</b> nonfarm expense <b>minus</b> income taxes <b>minus</b> term principal payments <b>plus</b> depreciation.
NAICS	North American Industry Classification System. Most government and commercial businesses have moved toward NAICS as a way of classifying U.S. and Canadian businesses based upon a standardized coding system.
Personal or Nonfarm Debt	Any debt incurred for which the majority was for nonfarm purposes.
PLAS	Program Loan Accounting System.
Post Close Balance Sheet	A balance sheet prepared assuming that the planned loanmaking or loan servicing transaction has just taken place.
Pro-Forma Balance Sheet	A balance sheet prepared assuming that the projected plan year has taken place and all assumptions in that plan occurred.
Regular Loan Servicing	Loan servicing actions including subordinations, partial releases of real estate, transfer and assumptions, etc.
Scheduled Input	A method of inputting data into FBP where details are entered and the total of the details are transferred to the summary.
SIC	Standard Industry Classification. This classification system is being phased out in favor of NAICS.
Special Loan Servicing	Loan servicing actions that are identified as 1951-S primary and preservation loan servicing, and Disaster Set-Aside.
Summary Input	A method of inputting data into FBP where detailed information is not used.
TDCLCR	(Net farm income from operations <b>plus</b> nonfarm income <b>plus</b> depreciation <b>plus</b> interest on term debt <b>minus</b> income taxes <b>minus</b> owner withdrawals <b>minus</b> nonfarm expense) <b>divided by</b> total principal and interest on term debts. TDCLCR is sometimes referred to as "Capital Debt Repayment Capacity" or "CDRC" by FSA and other lenders.
WEM	Web Equity Manager. Software used to generate FBP.

# \*--Type of Assistance, Fund, and Kind Codes

These tables list all types of assistance, fund, and kind codes used in DLS, GLS and ADPS.

# A Direct Farm OL's

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
050	OL - Limited Resource - 7 year	44	03
051	OL - Regular (Except Youth) - 7 year	44	01
052	OL - Youth - 7 year	44	02
104	OL - Regular (Except Youth) - 1 year - SDA	44	05
105	OL - Limited Resource - 7 year - SDA	44	15
106	OL - Regular (Except Youth) - 7 year - SDA	44	05
107	OL- Youth - 7 year - SDA	44	55
112	OL - Regular (Except Youth) - 1 year	44	01
117	OL - Limited Resource - 1 year	44	03
119	OL - Limited Resource - 1 year - SDA	44	15
151	OL - Youth - 1 year	44	02
152	OL - Youth - 1 year - SDA	44	55
209	OL - Beginning Farmer - Regular - 1 year	44	01
210	OL - Beginning Farmer - SDA - Regular - 1 year	44	05
211	OL - Beginning Farmer - Regular - 7 year	44	01
212	OL - Beginning Farmer - SDA - Regular - 7 year	44	05
217	OL - Beginning Farmer - Limited Resource - 1 year	44	03
218	OL - Beginning Farmer - SDA - Limited Resource - 1 year	44	15
219	OL - Beginning Farmer - Limited Resource - 7 year	44	03
220	OL - Beginning Farmer - SDA - Limited Resource - 7 year	44	15

--\*

# Type of Assistance, Fund, and Kind Codes (Continued)

# \*--B Direct Farm OL - ML's

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
657	OL - Limited Resource - 7 year - Micro	44	03
658	OL - Regular (Except Youth) - 7 year - Micro	44	01
659	OL - Regular (Except Youth) - 1 year - Micro	44	01
660	OL - Limited Resource - 1 year - Micro	44	03
661	OL - Regular (Except Youth) - 1 year - SDA Micro	44	05
662	OL - Limited Resource - 7 year - SDA Micro	44	15
663	OL - Regular (Except Youth) - 7 year - SDA Micro	44	05
664	OL - Limited Resource - 1 year - SDA Micro	44	15
665	OL - Beginning Farmer - Regular - 1 year - Micro	44	01
666	OL - Beginning Farmer - Regular - 7 year - Micro	44	01
667	OL - Beginning Farmer - Limited Resource - 1 year - Micro	44	03
668	OL - Beginning Farmer - Limited Resource - 7 year - Micro	44	03
669	OL - Beginning Farmer - SDA - Regular - 1 year - Micro	44	05
670	OL - Beginning Farmer - SDA - Regular - 7 year - Micro	44	05
671	OL - Beginning Farmer - SDA - Limited Resource - 1 year -	44	15
	Micro		
672	OL - Beginning Farmer - SDA - Limited Resource - 7 year - Micro	44	15

--\*

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
046	OL – Disaster Assistance	44	01
048	OL – Line of Credit	44	01
051	OL – Regular (Except Youth) – 7 year	44	01
103	OL – Line of Credit – SDA	44	01
108	OL – Regular (Except Youth) – 7 year – SDA	44	01
153	OL – Regular (Except Youth) – 1 year	44	01
154	OL – Regular (Except Youth) – 1 year – SDA	44	01
209	OL – Beginning Farmer – Regular – 1 year	44	01
210	OL – Beginning Farmer – Regular – 1 year – SDA	44	01
211	OL – Beginning Farmer – Regular – 7 year	44	01
212	OL – Beginning Farmer – Regular – 7 year – SDA	44	01
225	OL – Beginning Farmer – Line of Credit	44	01
226	OL – Beginning Farmer – Line of Credit - SDA	44	01

### C Guaranteed Farm OL's (Both Subsidized and Nonsubsidized) (G-OL)

**D** Direct FO's

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
030	FO – Limited Resource – SDA – Ethnic	41	15
031	FO – Regular – SDA – Ethnic	41	05
034	FO - Limited Resource	41	03
036	FO - Regular	41	00
124	FO – Regular – SDA – Gender	41	05
125	FO – Limited Resource – SDA – Gender	41	15
200	FO – Beginning Farmer Down Payment	41	22
201	FO – Beginning Farmer Down Payment – SDA – Ethnic	41	23
202	FO – Beginning Farmer Down Payment – SDA – Gender	41	23
203	FO - Beginning Farmer – Regular	41	00
204	FO - Beginning Farmer – Limited Resource	41	03
205	FO – Beginning Farmer – Regular – SDA – Ethnic	41	05
206	FO – Beginning Farmer – Regular – SDA – Gender	41	05
207	FO – Beginning Farmer – Limited Resource – SDA – Ethnic	41	15
208	FO – Beginning Farmer – Limited Resource – SDA – Gender	41	15
231	FO - Participation	41	00
232	FO – Participation – SDA – Ethnic	41	05
233	FO – Participation – SDA – Gender	41	05
234	FO – Beginning Farmer – Participation	41	00
235	FO – Beginning Farmer – Participation – SDA – Ethnic	41	05
236	FO – Beginning Farmer – Participation – SDA – Gender	41	05
485	*FO – Non-Beginning Farmer Down Payment – Ethnic*	41	15
486	FO – Non-Beginning Farmer Down Payment – Gender	41	15
035	FO – Non-Farm Enterprise – Limited Resource	49	03
037	FO – Non-Farm Enterprise – Regular	49	00
044	FO – Non-Farm Enterprise – SDA – Ethnic	49	00
126	FO – Non-Farm Enterprise – SDA – Gender	49	00

### E Direct FO CL's

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
	-		
590	FO - CL - Regular	30	00
591	FO - CL - Non-Beginning Farmer - SDA - Gender	30	05
592	FO - CL - Non-Beginning Farmer - SDA - Ethnic	30	05
593	FO - CL - Priority - Beginning Farmer	30	01
631	FO - CL - Priority - Beginning Farmer - SDA	30	01
632	FO - CL - Priority - Convert to Organic and Sustainable	30	01
	Operation		
633	FO - CL - Priority - Highly Erodible Land Protection	30	01

### **F** Guaranteed FO's (G-FO)

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
031	FO - Farm Enterprise - Regular - SDA - Ethnic	41	05
036	FO - Farm Enterprise - Regular	41	00
124	FO - Farm Enterprise - Regular - SDA - Gender	41	05
203	FO - Farm Enterprise - Beginning Farmer - Regular	41	00
205	FO - Farm Enterprise - Beginning Farmer - Regular - SDA -	41	05
	Ethnic		
206	FO - Farm Enterprise - Beginning Farmer - Regular - SDA -	41	05
	Gender		

## G Guaranteed FO CL's (G-CL)

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
596	FO - CL - Regular	30	00
597	FO - CL - Non-Beginning Farmer - SDA - Gender	30	05
598	FO - CL - Non-Beginning Farmer - SDA - Ethnic	30	05
599	FO - CL - Priority - Beginning Farmer	30	01
634	FO - CL - Priority - SDA	30	01
635	FO - CL - Priority - Convert to Organic and Sustainable	30	01
	Operation		
636	FO - CL - Priority - Highly Erodible Land Protection	30	01

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
	<b>Contract Land Sales - Prompt Pay</b>		
601	Guar - NBF - SDA- Gender	41	05
595	Guar - NBF - SDA- Ethnic	41	05
397	Guar - Begin Farmer	41	00
604	Guar - Beg Farmer - SDA - Gender	41	05
603	Guar - Beg Farmer - SDA - Ethnic	41	05
	<b>Contract Land Sales - Standard</b>		
602	Guar - NBF - SDA- Gender	41	05
600	Guar - NBF - SDA- Ethnic	41	05
608	Guar - Begin Farmer	41	00
607	Guar - Beg Farmer - SDA - Gender	41	05
606	Guar - Beg Farmer - SDA - Ethnic	41	05

#### H Land Contract Guarantee Program

#### I EM's

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
056	EM - Actual Loss - Real Estate Purpose	43	61
060	EM - Citrus Grove Rehabilitation/Re-Establishment	43	21
092	EM - Actual Loss - Operating Purposes	43	62

### J ITLAP's

\*\_\_

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
042	Indian Land Acquisition	98	
043	Indian Land Acquisition - Limited Resource	98	

--\*

#### K Boll Weevil Eradication Loan

Type of	Description	Fund Code	
Assistance	Description	(2-Digit)	Code
198	Boll Weevil Eradication	44	22

#### L Inactive or Expired Loan Programs

The types of assistance codes in the following table reflect inactive (currently not funded) loan programs. New loan obligations may not occur using these fund codes; however, they may be applicable for a loan servicing activity, such as an assumption.

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
033	FO - Farm Enterprise - Debt Adjusted	41	07
055		71	07
038	Soil and Water - Direct Conservation	35 & 45	00
109	Soil and Water - Limited Resource	45	03
130	Soil and Water - Dire Emergency - Secured with Real Estate	45	00
039	Recreation Land	48	00
040	Grazing Loan - Association	74 & 94	00
046	OL - Disaster Assistance	44	01
040	OL - Limited Resource - Delinquent Borrower	44	04
047	OL - Debt Adjusted	44	07
102	OL - Debt Adjusted OL - Limited Resource - Delinquent Borrower - SDA	44	45
102	OL - Linned Resource - Demiguent Borrower - SDA		45
053	Economic Emergency - Operating	29	11
054	Emergency Livestock	15	00
055	Economic Emergency - Real Estate	29	21
110	Homestead Protection - Credit Sales	41, 43, 44, and 45	All
118	Homestead Protection - Credit Sales- Limited Resource	41, 43, 44	All
		and 45	
180	Emergency - Natural Disaster	43	61
213	OL - Beginning Farmer - Regular - Special Assistance - 1 year	44	33
214	OL - Beginning Farmer - Regular - Special Assistance - SDA - 1 year	44	34
215	OL - Beginning Farmer - Regular - Special Assistance - 7 year	44	33
216	OL - Beginning Farmer - Regular - Special Assistance - SDA - 7 year	44	34
221	OL - Beginning Farmer - Limited Resource - Special Assistance - 1 year	44	43

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
222	OL - Beginning Farmer - Limited Resource - Special Assistance - SDA - 1 year	44	44
223	OL - Beginning Farmer - Limited Resource - Special Assistance - 7 year	44	43
224	OL - Beginning Farmer - Limited Resource - Special Assistance - SDA - 7 year	44	44
298	Emergency Loan for Seed Producers Program	44	23
299	Special Apple Loan Program	39	01
327	Horse Breeder Loan Program	43	71

#### L Inactive or Expired Loan Programs (Continued)

#### \*--M Direct Farm OL's - ARRA ("Stimulus")

**Note:** All loans with types of assistance codes shown in this table were obligated with appropriated funding received under ARRA ("Stimulus"). These types of assistance codes are not available for new loan applications; however, they are applicable for loan servicing activity.

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
564	OL - Regular (Except Youth ) - 1 year	44	01
565	OL - Youth - 1 year	44	02
566	OL - Regular (Except Youth) - SDA - 1 year	44	05
567	OL - Youth - 1 year - SDA	44	55
568	OL - Beginning Farmer - Regular - 1 year	44	01
569	OL - Beginning Farmer - Regular - 1 year - SDA	44	05
570	OL - Regular (Except Youth) - 7 year	44	01
571	OL - Youth - 7 year	44	02
572	OL - Regular (Except Youth) - 7 year - SDA	44	05
573	OL - Youth - 7 year - SDA	44	55
574	OL - Beginning Farmer - Regular - 7 year	44	01
575	OL - Beginning Farmer - Regular - 7 year - SDA	44	05
576	OL - Limited Resource - 1 year	44	03
577	OL - Limited Resource - 1 year - SDA	44	15
578	OL - Beginning Farmer - Limited Resource - 1 year	44	03
579	OL - Beginning Farmer - Limited Resource - 1 year - SDA	44	15
580	OL - Limited Resource - 7 year	44	03
581	OL - Limited Resource - 7 year - SDA	44	15
582	OL - Beginning Farmer - Limited Resource - 7 year	44	03
583	OL - Beginning Farmer - Limited Resource - 7 year - SDA	44	15
			*

#### **FLP Rates**

#### A Interest Rates for FLP's

\*--The following provides interest rates for FLP's as of November 1, 2015.--\*

Loan Type	Current Rate (%)	Date Set
Rural Housing - Farm Loan Purposes		
<b>Note:</b> For the current interest rate, contact the National Office.		
Operating	*2.500	11/1/15*
Operating - Limited Resource	5.000	12/1/90
Operating - Microloan - "Special Interest Rate"	5.000	2/7/14
Farm Ownership and Conservation Loans	*3.875	11/1/15*
Farm Ownership - Limited Resource	5.000	4/1/86
Farm Ownership - Down Payment	1.500	5/22/08
Farm Ownership - Joint Financing	2.500	2/7/14
Soil and Water	*3.875	11/1/15*
Soil and Water - Limited Resource	5.000	7/1/92
Recreation - Individual	*3.875	11/1/15
Farmer Program - Homestead Protection	3.875	11/1/15
Shared Appreciation Amortization	2.875	11/1/15
Softwood Timber Loans	3.875	11/1/15
Economic Emergency - Operating	2.500	11/1/15
Economic Emergency - Real Estate	3.875	11/1/15
Emergency - Amount of Actual Loss	3.500	11/1/15
Emergency - Major Adjustment: Subtitle A Purpose (Excess of Loss)	6.000	11/1/15*
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	4.625	9/1/15
Emergency – Annual Production	4.625	9/1/15
Nonprogram – Chattel Property	4.625	9/1/15
Nonprogram – Real Property	*6.000	11/1/15*
Apple Loans	1.000	7/1/15
Association - Grazing	*3.875	11/1/15
Association - Irrigation and Drainage	3.875	11/1/15*
Indian Land Acquisition	5.000	2/1/91

Publication 622, which provides amortization tables and financial basic payment tables, is available from MSD Warehouse. To request Publication 622, complete FSA-159, available at **http://intranet.fsa.usda.gov/dam/ffasforms/forms.html**, and submit it by 1 of the following methods:

- FAX to 816-823-4740 or 816-823-4741
- e-mail to **ra.mokansasc2.kcasbwhse**
- mail to:

USDA/FSA/Kansas City Warehouse 2312 East Bannister Road Kansas City MO 64131-3011.

#### **FLP Rates (Continued)**

#### **B** Treasury Rates

The following table provides the applicable Treasury rates.

Treasury Rates	Current Rate (%)	Date Set
90-Day Treasury Bill	0.125	10/1/09
Treasury Judgment Rate (see Note)	*0.310	11/1/15*

**Notes:** The 90-Day Treasury Bill rate is entered in eDALR\$ as the "Discount Rate" and is used to calculate present value and net recovery value.

The <u>treasury judgment rate</u> is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961). The rate is based on the weekly average 1-year CMT yield published by the Federal Reserve System, Board of Governors. The rate shown is the most current rate posted to the Federal Reserve web site and is dated the

\*--week ending October 2, 2015. The actual judgment rate is the rate for the calendar--\* week preceding the date the defendant becomes liable for interest. Access the Federal Reserve web site **www.federalreserve.gov/releases/H15/current** for the weekly average 1-year CMT yield.

#### C Historical 90-Day Treasury Bill Rates

The following table provides the historical 90-day Treasury bill rates.

Effective Date	Rate (%)	Effective Date	Rate (%)
December 1, 1988	7.500	December 1, 1990	7.500
January 1, 1989	7.875	January 1, 1991	7.375
February 1, 1989	8.250	February 1, 1991	7.125
March 1, 1989	8.500	March 1, 1991	6.500
April 1, 1989	8.750	April 1, 1991	6.250
May 1, 1989	9.000	May 1, 1991	6.125
June 1, 1989	9.150	June 1, 1991	5.875
July 1, 1989	8.750	July 1, 1991	5.750
August 1, 1989	8.625	October 1, 1991	5.625
September 1, 1989	8.250	November 1, 1991	5.375
October 1, 1989	8.125	December 1, 1991	5.250
December 1, 1989	8.000	January 1, 1992	4.875
February 1, 1990	7.875	February 1, 1992	4.375
April 1, 1990	8.000	March 1, 1992	3.875
May 1, 1990	8.125	May 1, 1992	4.125
July 1, 1990	8.000	June 1, 1992	4.000
October 1, 1990	7.750	July 1, 1992	3.750
November 1, 1990	7.625	September 1, 1992	3.500

## FLP Rates (Continued)

## C Historical 90-Day Treasury Bill Rates (Continued)

Effective Date	<b>Rate (%)</b>	Effective Date	<b>Rate (%)</b>
October 1, 1992	3.250	November 1, 1997	4.875
November 1, 1992	3.125	December 1, 1997	5.000
December 1, 1992	2.875	January 1, 1998	5.250
January 1, 1993	3.125	June 1, 1998	4.875
February 1, 1993	3.375	November 1, 1998	4.875
March 1, 1993	3.125	December 1, 1998	4.250
April 1, 1993	3.000	January 1, 1999	4.375
August 1, 1993	3.125	February 1, 1999	4.500
November 1, 1993	3.000	May 1, 1999	4.625
January 1, 1994	3.125	June 1, 1999	4.375
April 1, 1994	3.250	July 1, 1999	4.625
May 1, 1994	3.500	September 1, 1999	4.750
June 1, 1994	3.625	November 1, 1999	4.875
July 1, 1994	4.125	January 1, 2000	4.875
August 1, 1994	4.250	February 1, 2000	5.375
September 1, 1994	4.375	April 1, 2000	5.625
October 1, 1994	4.500	May 1, 2000	5.875
November 1, 1994	4.750	July 1, 2000	6.000
December 1, 1994	5.000	August 1, 2000	5.875
January 1, 1995	5.250	September 1, 2000	6.000
February 1, 1995	5.750	October 1, 2000	6.250
April 1, 1995	6.000	January 1, 2001	6.375
May 1, 1995	5.875	February 1, 2001	6.125
August 1, 1995	5.750	March 1, 2001	5.500
September 1, 1995	5.625	April 1, 2001	4.875
November 1, 1995	5.500	May 1, 2001	4.750
February 1, 1996	5.375	June 1, 2001	4.125
March 1, 1996	4.875	July 1, 2001	3.750
April 1, 1996	5.000	August 1, 2001	3.625
June 1, 1996	4.875	October 1, 2001	3.500
August 1, 1996	5.250	November 1, 2001	3.125
December 1, 1996	4.875	December 1, 2001	2.250
February 1, 1997	5.000	January 1, 2002	2.000
March 1, 1997	4.875	February 1, 2002	1.750
May 1, 1997	5.250	March 1, 2002	1.625
June 1, 1997	5.375	April 1, 2002	1.750
July 1, 1997	5.250	October 1, 2002	1.625
August 1, 1997	4.875	January 1, 2003	1.375
October 1, 1997	5.250	February 1, 2003	1.250

## FLP Rates (Continued)

Effective Date	<b>Rate (%)</b>	Effective Date	<b>Rate (%)</b>
April 1, 2003	1.125	October 1, 2006	5.125
August 1, 2003	1.000	November 1, 2006	5.00
September 1, 2003	0.875	January 1, 2007	5.125
October 1, 2003	1.000	February 1, 2007	5.00
December 1, 2003	0.875	April 1, 2007	5.125
January 1, 2004	1.000	June 1, 2007	5.00
February 1, 2004	0.875	July 1, 2007	4.875
May 1, 2004	1.000	August 1, 2007	4.75
August 1, 2004	1.250	September 1, 2007	4.875
September 1, 2004	1.375	October 1, 2007	4.625
October 1, 2004	1.500	November 1, 2007	4.125
November 1, 2004	1.625	December 1, 2007	4.000
December 1, 2004	1.750	January 1, 2008	3.625
January 1, 2005	2.000	February 1, 2008	3.000
February 1, 2005	2.250	March 1, 2008	3.125
April 1, 2005	2.50	April 1, 2008	2.25
May 1, 2005	2.75	May 1, 2008	1.50
June 1, 2005	2.875	June 1, 2008	1.250
July 1, 2005	2.875	July 1, 2008	1.625
August 1, 2005	3.000	August 1, 2008	1.875
September 1, 2005	3.125	September 1, 2008	1.75
October 1, 2005	3.50	November 1, 2008	1.375
December 1, 2005	3.625	December 1, 2008	0.750
January 1, 2006	4.00	January 1, 2009	0.500
March 1, 2006	4.125	February 1, 2009	0.125
April 1, 2006	4.500	April 1, 2009	0.250
May 1, 2006	4.625	June 1, 2009	0.125
July 1, 2006	4.875	September 1, 2009	0.250
September 1, 2006	5.00	*October 1, 2009	0.125*

### C Historical 90-Day Treasury Bill Rates (Continued)

## **D** Current Percentage – Cash Preference

The following table provides the current percentage for cash offers in purchasing inventory property.

Property Type	Percentage
Real Property	97
Chattel Property	96

### List of Available Reports

### A Farm Loan Programs Data Mart

### 1 DLS OnDemand Reports, Loan Making Reports, Direct Applications

The following are the available Direct Application Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Borrower Training Report	<ul> <li>Provides detailed information on borrower training requirements and completions as displayed on Customer Profile.</li> <li>User must specify a date range for Effective Date, Completion Date, Cancellation Date, Expiration Date or Waived Date.</li> </ul>	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Ethnicity</li> <li>Race</li> <li>Gender</li> <li>Effective Date</li> <li>Completion Date</li> <li>Cancellation Date</li> <li>Expiration Date</li> <li>Waived Date</li> </ul>	7/16/2013
Direct Application Disposition	<ul> <li>Provides the number of applications for a variety of statuses:</li> <li>Received-Approved Disposition; Received-Completed-Withdrawn; Received-Not Complete-Withdrawn; Received-Rejected Disposition; Received-No Status; Complete-Approved w/in 60 Days; Complete-Approved w/in 60 Days; Complete-Rejected w/in 60 Days; Complete-Rejected w/in 60 Days; Complete-Rejected After 60 Days; Complete-Rejected After 60 Days; Complete-Rejected After 60 Days.</li> <li>Results may be summarized by State, District, Office, County, Race, or Gender.</li> <li>Report initially defaults to applications received during the current FY.</li> </ul>	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Application Received Date</li> <li>Ethnicity</li> <li>Race</li> <li>Gender</li> <li>Borrower</li> </ul>	*5/11/2015*

### A Farm Loan Programs Data Mart (Continued)

### 1 DLS OnDemand Reports, Loan Making Reports, Direct Applications (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Direct Application Report	Provides comprehensive information on the loan application process from Application Received Date through Loan Closing Date. Includes both FLP and FSFL applications. Carryover applications received in prior FY will be displayed until withdrawn, rejected or closed. Includes Veteran code.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Pgm Type</li> <li>Loan Type</li> <li>Race</li> <li>Gender</li> <li>Ethnicity</li> <li>Status</li> <li>Application Received Date</li> <li>Borrower</li> </ul>	*8/17/2015*
Direct Applications 60 Day Tracking	Provides number of complete applications for the following statuses: Pending Final Disposition; Disposition within 60 Days; Disposition After 60 Days. Results may be summarized by State, District, Office, or County. Report initially defaults to applications received during current FY.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Application Received Date</li> <li>Ethnicity</li> <li>Race</li> <li>Gender</li> <li>Borrower</li> </ul>	3/9/2015
Direct Applications by Status	Provides number of applications by loan type for a variety of statuses: Received; Completed; Approved; Rejected; Withdrawn; Closed. Report initially defaults to applications received during current FY.	<ul><li>State</li><li>Application Received Date</li></ul>	3/20/2014

### A Farm Loan Programs Data Mart (Continued)

### 1 DLS OnDemand Reports, Loan Making Reports, Direct Applications (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Direct Applications by Type	Provides number of applications by loan type. Results may be summarized by State, District, Office, County, Race, or Gender. Report initially defaults to applications received during current FY.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Application Received Date</li> <li>Ethnicity</li> <li>Race</li> <li>Gender</li> <li>Borrower</li> </ul>	5/2/2013
Direct Applications Disposition by Race and Gender	Provides number of applications Received, Completed, Approved, Rejected and Withdrawn. Results may be summarized by State, District, Office, County, Race, or Gender. Report initially defaults to applications received during current FY.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Application Received Date</li> <li>Ethnicity</li> <li>Race</li> <li>Gender</li> <li>Borrower</li> </ul>	5/2/2013
Direct Applications on Hand	Provides number of applications by loan type for the following statuses: Applications In Process; Applications Unprocessed; Approved Not Closed; Approved Not Obligated; Obligated Not Closed. Report initially defaults to applications received during current FY.	• State	*6/5/2015*

## A Farm Loan Programs Data Mart (Continued)

1 DLS OnDemand Reports, Loan Making Reports, Direct Applications (Continued)	)
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Report Name	Report Description		User Selection Criteria	Date Last Modified
Direct Applications Received by Race and Gender	Provides information on applications received. National Report provides the average number of days from receipt to decision and the total loan amount requested. State, District, Office, and County reports list applications.	• • • • •	State District Servicing Office County Application Received Date Ethnicity Race Gender Borrower	5/2/2013
	Report initially defaults to applications received during current FY.			
Loan Limitation Report	Provides information on outstanding direct and guaranteed loan debt to assist in monitoring loan limits.	•	Tax ID Loan Type	5/2/2013
	User must enter a tax identification number.			
No Decision Report	Lists complete direct loan *applications where no* decision has been made. User may limit results to those complete applications where	•	State District Servicing Office County Ethnicity Race	3/2/2015
	more than 45 days has passed.	• • •	Gender Application Completion Date Borrower	

## A Farm Loan Programs Data Mart (Continued)

1	1 DLS OnDemand Reports, Loan Making Reports, Direct Applications	(Continued)
		()

			Date Last
Report Name	<b>Report Description</b>	User Selection Criteria	Modified
Office	Lists specific work tasks from the	• State	*8/17/2015*
Management	DLS loan making application	• District	
Report	checklist. (Specific tasks are	Servicing Office	
	listed on the report dashboard.)	• County	
		• Program Type	
	User may ask for Incomplete or	• Ethnicity	
	Complete work tasks.	• Race	
	Report defaults to work tasks for	• Gender	
	applications received during current FY.	Task Status	
		• Task	
		• Application Received Date	
		Task Completion Date	
		• Borrower	
Rejected	Lists rejected applications,	• State	5/2/2013
Application	includes reasons for rejection.	• District	
Report		Servicing Office	
	Report defaults to applications	• County	
	rejected during current FY.	• Ethnicity	
		• Race	
		• Gender	
		Rejection Date	
		• Borrower	

#### A Farm Loan Programs Data Mart (Continued)

### 1 DLS OnDemand Reports, Loan Making Reports, Direct Applications (Continued)

Report Name	Report Description		User Selection Criteria	Date Last Modified
Related Entity	Lists all related entities identified	•	State	5/2/2013
Report	during the loan application process.	•	District	
		•	Servicing Office	
	<b>Note:</b> For a list of parties	•	County	
	currently liable for a loan,	•	Ethnicity	
	use the Related Entities	•	Race	
	Report located in the Loan Servicing Reports, Routine		Gender	
	Servicing folder.	•	Status	
	Servicing folder.	•	Borrower Type	
		•	Application Received Date	
		•	Borrower	
Term Limit	Provides current term limits	•	State	5/2/2013
Report	*for existing borrowers as*	•	District	
	provided on the Customer Profile.	•	Servicing Office	
		•	County	
		•	Ethnicity	
		•	Race	
		•	Gender	
		•	Borrower	

#### 2 DLS OnDemand Reports, Loan Making Reports, Obligations

The following are the available Obligation Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Obligation Transaction Report	Provides a list of transactions that affect the obligated loan amount. This includes obligations (1A & 1B transactions) and deobligations (1D & 1Y transactions). This report replaces the PLDATA FOCUS Report.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Transaction Date</li> </ul>	5/27/2014

#### A Farm Loan Programs Data Mart (Continued)

#### 2 DLS OnDemand Reports, Loan Making Reports, Obligations (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Undisbursed Obligations Report	Lists obligations where there is an undisbursed balance.	<ul><li>State</li><li>District</li><li>Servicing Office</li></ul>	5/2/2013
		• County	

### 3 DLS OnDemand Reports, Loan Servicing Reports, Routine Servicing

The following are the available Routine Servicing Reports.

			Date Last
<b>Report Name</b>	Report Description	User Selection Criteria	Modified
Active FLP	Lists all active FLP borrowers,	• State	5/2/2013
Borrowers	along with the most recent	• District	
Report	classification.	Servicing Office	
		• County	
		Classification Code	
		• 2+ Years Old	
		• Detail or Summary	
Analysis of	541A Report summarizes status	• State	9/10/2013
FLP	information for all outstanding FLP	• District	
Delinquency	loans.	Servicing Office	
Report		• 541A or 541C	
(541A_541C)	541C Report summarizes the change	Report Date	
	in the number of delinquent	Report Type	
	borrowers since the prior month.		
Borrower	Provides addresses for active FLP	• State	5/2/2013
Address	borrowers. User may select all	• District	
Report	borrowers, primary borrowers, co-	Servicing Office	
	borrowers, co-signers and	• County	
	guarantors.	Borrower Type	

### A Farm Loan Programs Data Mart (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Borrower	Allows users to monitor current	• State	*3/2/2015*
Financing	status of Financing Statements and	• District	
Statement	provides detailed information on	Servicing Office	
Combined	Financing Statements.	• County	
Report	T 1 1 A 1 /	•*Program Type*	
	Includes Amendments,	• Status	
	Continuations, and Terminations.	Alert Date	
	*Includes both FLP and FSFL	Expiration Date	
	information*	• Borrower	
		• Detail or Summary	
Borrower	Provides a list of all recorded	• State	1/20/2015
Mortgage	mortgages. User can select All,	• District	
Monitoring	Active or Released mortgage	Servicing Office	
Report	instruments.	• County	
		Program Type	
	Includes both FLP and FSFL	• Status	
	information.		
Classification	Provides information for monitoring	• State	*3/2/2015*
Review	Classification Reviews. User can	• District	
Workflow	search on Due Date, Credit Action	Servicing Office	
Report	Date, or Completed Date.	• County	
		• Status	
		Scheduled Date	
		Credit Action Date	
		Completed Date	
		Reason for Review	
Disaster	Provides information for tracking	• State	*3/9/2015*
Set-Aside	requests for Disaster Set-Aside.	• District	
Processing	User can search by Request Date or	Servicing Office	
Report	Final Disposition Date.	• County	
		• Status	
		Request Date	
		• Final Disposition Date	

### A Farm Loan Programs Data Mart (Continued)

Report Name	Report Description		User Selection Criteria	Date Last Modified
Farm	Provides information for tracking	•	State	5/2/2013
Assessment	Farm Assessments. User can	•	District	
Workflow	search on Due Date, Credit Action	•	Servicing Office	
Report	Date, or Completed Date.	•	County	
		•	Status	
		•	Scheduled Date	
		•	Credit Action Date	
		•	Completed Date	
		•	No Significant Changes	
Farm Visit	Provides information for tracking	•	State	12/22/2014
Workflow	Farm Visits. User can search on	•	District	
Report	Scheduled Date or Completed Date	•	Servicing Office	
	and Visit Type.	•	County	
		•	Program Type	
	Includes both FLP and FSFL	•	Status	
	information.	•	Visit Type	
		•	Scheduled Date	
		•	Completed Date	
		•	Completed by Contractor	
Graduation	Provides status of pending and	•	State	5/2/2013
Review	completed Graduation Reviews.	•	District	
Monitoring	User can search by Due Date or	•	Servicing Office	
Report	Completed Date.	•	County	
		•	Status	
		•	Scheduled Date	
		•	Completed Date	
Limited	Provides status of pending and	•	State	*3/9/2015*
Resource	completed Limited Resource	•	District	
Review	Reviews. User can search by Due	•	Servicing Office	
Monitoring	Date or Completed Date.	•	County	
Report		•	Status	
		•	Scheduled Date	
		•	Completed Date	

### A Farm Loan Programs Data Mart (Continued)

			Date Last
Report Name	Report Description	User Selection Criteria	Modified
Outstanding Subordinations Report	Provides information on approved subordination requests that have not been paid in full or settled.	<ul><li>State</li><li>District</li><li>Servicing Office</li><li>County</li></ul>	10/21/2013
Payment Reminder Report	Provides information used to generate payment reminder letters for both FLP and FSFL loans. User must specify an installment due date range.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Program Type</li> <li>Installment Due Date</li> </ul>	12/22/2014
Potential Purchaser Report	Lists potential purchasers as entered in DLS.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Borrower</li> <li>Purchaser</li> </ul>	*5/11/2015*
Related Entities Report	Identifies all related entities currently liable for direct loans, based on Related Entities linked on Customer Profile. <b>Note:</b> For a list of parties identified as liable at the time of application, use the Related Entity Report located in the Loan Making Reports, Direct Applications folder.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Loan Status</li> <li>Borrower</li> </ul>	5/2/2013

### A Farm Loan Programs Data Mart (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Reminder	Provides information on all routine	State	1/20/2015
Report	loan servicing workflows.	District	
		Servicing Office	
	User can select pending, postponed,	County	
	closed, or all reminders.	• Status	
		• Program Type	
	User can search based on Alert	Workflow	
	Date, Due Date, or Closed Date.	Reminder Type	
	Includes both FLP and FSFL	Alert Date	
	reminders.	• Due Date	
		Closed Date	
		• Borrower	
Security	Provides tracking information for	• State	4/7/2015
Instrument	activities within the Security	• District	
Processing	Instrument - Other workflow.	Servicing Office	
Report	User son someh en De meset terre	• County	
(SI-Other)	User can search on Request type, Request Date, Final Disposition	Request Type	
	Date, or Date Security Action	Request Date	
	Completed.	• Final Disposition Date	
	completed.	Date Security Action	
<u> </u>		Completed	
Shared	Provides information for tracking	• State	4/7/2015
Appreciation	requests for Shared Appreciation.	• District	
Workflow Deport	User can search by Request Date and Amortization Date.	• Servicing Office	
Report	and Amortization Date.	• County	
		• Status	
		Request Date	
		• Final Disposition Date	
		Amortization Date	* 7/12/2015 *
Status of Farm	Provides status information for all outstanding FLP loans.		*7/13/2015*
Loan Program (540)		District     Servicing Office	
		<ul> <li>Servicing Office</li> <li>Beport Data</li> </ul>	
		<ul> <li>Report Date</li> <li>*Program Type*</li> </ul>	
		<ul> <li>Report Type</li> </ul>	
		- Kepon Type	

### A Farm Loan Programs Data Mart (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Subordination Request Report	Provides information for tracking requests for Subordinations, as well as monitoring approved Subordinations. User can search on Request Date, Final Disposition Date, or Expiration Date.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Status</li> <li>Security Type</li> <li>Request Date</li> <li>Final Disposition Date</li> <li>Expiration Date</li> </ul>	4/7/2015
Terminated Workflows Report	Provides a list of terminated routine servicing workflows	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Termination Date</li> <li>Borrower</li> </ul>	8/17/2015
*Transfer Assumption Application Processing Report	Provides information for tracking Assumption requests.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Status</li> <li>Received Date</li> <li>Final Disposition Date</li> </ul>	9/2/2015
Transfer Assumption Completed Actions Report	Provides a list of transfer and/or assumption actions that have been completed. This includes actions with or without an application package.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Status Date</li> </ul>	9/3/2015*
Year End Analysis Workflow Report	Provides information for tracking YEA reviews. User can search on Due Date, Credit Action Date or Completed Date.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Status</li> <li>Scheduled Date</li> <li>Credit Action Date</li> <li>Completed Date</li> <li>Reason for Review</li> <li>Complete by Contractor</li> </ul>	5/11/2015

### A Farm Loan Programs Data Mart (Continued)

### 4 DLS OnDemand Reports, Loan Servicing Reports, Special Servicing

The following are the available Special Servicing Reports.

Report Name	Report Description		User Selection Criteria	Date Last Modified
5-FLP Servicing Application Timeclock Report	Provides information on the Timeclock Deadline for FSA to process loan servicing applications. Report should be used to ensure applications are processed within the 60-day regulatory timeframe.	• • • • •	State District Servicing Office County Summary or Detail All or Open Applications Race Gender Date Complete Application Received Category Name	3/9/2015
Open Activities Report	Provides a list of open Special Servicing activities. User can select to view all open activities or just those that are past due.	• • •	State District Servicing Office County Status Hold Reason	5/2/2013

### 5 Goal OnDemand Reports

The following are the available Goal Reports.

Report Name	Report Description		User Selection Criteria	Date Last Modified
Lending to Beginning Farmers and Ranchers Goal 4	Provides the current year percentage of direct and guaranteed borrowers who were provided loan assistance as beginning farmers. Results are based on obligation date for FO and OL loans.	• • • • •	State District Servicing Office County Ethnicity Race Gender Date Range/Fiscal Year Borrower	*5/11/2015*

### A Farm Loan Programs Data Mart (Continued)

### 5 Goal OnDemand Reports (Continued)

			Date Last
Report Name	Report Description	User Selection Criteria	Modified
Lending to	Lists current year direct and	• State	*4/24/2015*
Beginning Farmers	guaranteed borrowers who were	• District	
and Ranchers	provided loan assistance as	Servicing Office	
Goal 4 - Detail	beginning farmers. Results are	• County	
	based on obligation date for FO	• Ethnicity	
	and OL loans.	• Race	
		• Gender	
		• Date Range/Fiscal Year	
		• Borrower	
Lending to	Provides the current year	• State	*5/11/2015*
Socially	percentage of direct and	• District	
Disadvantaged	guaranteed borrowers who were	Servicing Office	
Farmers and	provided loan assistance as	County	
Ranchers Goal 5	SDA. Results are based on	• Ethnicity	
	obligation date for FO and OL	• Race	
	loans.	• Gender	
		• Date Range/Fiscal Year	
		• Borrower	
Lending to	Lists current year direct and	• State	*4/24/2015*
Socially	guaranteed borrowers who were	• District	
Disadvantaged	provided loan assistance as	Servicing Office	
Farmers and	SDA. Results are based on	• County	
Ranchers Goal 5 -	obligation date for FO and OL	• Ethnicity	
Detail	loans.	• Race	
		• Gender	
		• Date Range/Fiscal Year	
		• Borrower	

# A Farm Loan Programs Data Mart (Continued)

## 5 Goal OnDemand Reports (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Loan Servicing Goal 3 Special Servicing Processing Times	Provides benchmarks and accomplishments for FY 2012 through 2016 FLP Loan Servicing Goal 3. Measures the percentage of special servicing applications that are processed within the 60-day regulatory timeframe.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> </ul>	12/8/2014
Reduce 1st Year Delinquency Rates on New Loans Goal 1	Provides the current percentage of first year loans that have been restructured or are now delinquent. A first year loan is a new loan that was closed in the previous calendar year.	<ul><li>State</li><li>District</li><li>Servicing Office</li></ul>	5/2/2013
Reduce Average Processing Times for Direct Loans Goal 2	Provides the average number of days from application receipt to first disposition. EM loans and applications with a Class I or Class II environmental assessment are excluded.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Ethnicity</li> <li>Race</li> <li>Gender</li> <li>Date Range/Fiscal Year</li> <li>Borrower</li> </ul>	1/20/2015
Reduce Average Processing Times for Direct Loans Goal 2 - Detail	Lists applications used to calculate Goal 2. EM loans and applications with a Class I or Class II environmental assessment are excluded.	<ul> <li>State</li> <li>District</li> <li>Servicing Office</li> <li>County</li> <li>Ethnicity</li> <li>Race</li> <li>Gender</li> <li>Date Range/Fiscal Year</li> <li>Borrower</li> </ul>	*4/24/2015*

#### A Farm Loan Programs Data Mart (Continued)

#### 6 PLAS OnDemand Reports

The following are the available PLAS Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Office Reporting Lookup	This report provides State, district, servicing office and county information based on existing alignments. The information is provided only as an aid during office realignments. To request changes, FSA-2125 must be completed and provided to NFAOC.	• State	5/16/2013

### 7 PLAS OnDemand Reports, SCIMS to PLAS

The following are the available SCIMS to PLAS Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
SCIMS to	Daily report that lists PLAS 4C Transaction	• State	5/2/2013
PLAS	discrepancies resulting from the previous	• District	
Discrepancy	night's update. These discrepancies do not	Servicing Office	
	appear in ADPS, and must be corrected by	_	
	NFAOC. Users have the option to view		
	reports from the past 30 calendar days.		
SCIMS to	Provides information on exceptions between	• State	5/2/2013
PLAS	current PLAS borrower information and	• District	
Exception	current SCIMS borrower information that	Servicing Office	
	prevents updating name and address	U	
	information in PLAS from SCIMS.		
SCIMS to	Daily report that shows the transactions that	• State	5/2/2013
PLAS Update	have updated PLAS using information in	• District	
	SCIMS. Users have the option to view reports	Servicing Office	
	from the past 30 calendar days.		

### **B** GLS

## **1** Application Reports

The following are the available Application Reports.

Report Number	Report Name	Report Description
GLSAPP02	Guaranteed Loan Applications Detail Report	Displays lender, borrower and application information for each application that matches the specified search criteria.
GLSAPP01	Guaranteed Loan Applications Summary Report	Displays the number of applications and total dollar amount for user specified breakpoints.
GLS2208	Guaranteed Loan Average Processing Times	Summarizes the number of applications received, completed, average number of days between application received and completed, average number of days from completed to final disposition, and the total of the two averages. The primary sort is State and secondary sort options are borrower race, lender status, or loan type. A drill-down to detail by mail code is also available. Report can be used to monitor Loan Making Goal 3 by selecting Environmental Review Type of CATEX.
GLS2209	Guaranteed Loan Application Tracking Summary Report	Tracks applications from received date to final disposition by State.
GLS2209A	Guaranteed Loan Application Tracking Detail Report	Tracks applications from received date to final disposition.

## **B GLS** (Continued)

### 2 Activity Reports

The following are the available Activity Reports.

Report Number	Report Name	Report Description
GLS4290	Application Activity Summary	Summarizes the following activities:
		Applications received; applications completed; eligibility determinations; final dispositions; obligations; loans closed; environmental reviews; real estate appraisal reviews; and chattel appraisal reviews.
		User must specify a date range.
GLS4291	Application Activity Detail	Validates the counts from the GLS4290 report displaying the following information:
		Applications received; applications completed; eligibility determinations; final dispositions; obligations; loans closed; environmental reviews; real estate appraisal reviews; and chattel appraisal reviews.
		User must specify a date range.

## **B GLS** (Continued)

## 2 Activity Reports (Continued)

Report		
Number	Report Name	Report Description
GLS4292	Servicing Activity Summary	Summarizes the following activities:
		SEL File Reviews; CLP File Reviews; PLP File
		Reviews; Chattel Appraisal Reviews; Real Estate Appraisal Reviews; SEL Annual Analysis
		Reviews; CLP Annual Analysis Reviews, PLP
		Annual Analysis Reviews; Line of Credit
		Reviews; Restructure Pre Reviews; or
		Restructure Post Reviews.
		User must specify a date range.
GLS4293	Servicing Activity Detail	Validates the counts from the GLS4292 report
		displaying the following information:
		SEL File Reviews; CLP File Reviews; PLP File
		Reviews; Chattel Appraisal Reviews; Real Estate
		Appraisal Reviews; SEL Annual Analysis
		Reviews; CLP Annual Analysis Reviews; PLP
		Annual Analysis Reviews; Line of Credit
		Reviews; Restructure Pre Reviews; or Restructure Post Reviews.
		Restructure Post Reviews.
		User must specify a date range.
GLS4294	Servicing Review Activity	Lists active loans and displays the most recent
	Needed	review date for the specified review activity. This
		allows the user to identify loans where review
		activity has not been completed.
		Includes additional information to assist the user
		in prioritizing loans for review.

### **B GLS** (Continued)

### 3 GLS Status Reports

The following are the available Status Reports.

Report Number	Report Name	Report Description
GLSSR02	Past Due Status and Default Status Report	Displays status reports and default status reports that were due and have not been recorded in GLS.
GLSSR04	Past Due Status and Default Status Summary Report	Summarizes the total number of lender branches/loans with past due status reports or default status reports.
GLS4265	Submitted Status Reports	Lists lenders who have submitted a status report. *Displays all data collected on Semi-Annual and Default Status Reports, including advanced amounts. Excel version includes delinquency code description and comments*

### **4** Delinquency Reports

The following are the available Delinquency Reports.

Report Number	Report Name	Report Description
GLS2001	List of Delinquent Borrowers	Displays delinquent loan information by mail code for all loans past due.
GLS2002	Guaranteed Loans Behind Schedule	Summarizes loans that are not yet considered delinquent, but payment is behind schedule. Used to investigate and resolve issues to prevent loans from becoming delinquent.
GLS4067	Analysis of Delinquencies	On-request report provides a summary of borrower and loan counts, amount unpaid principal, delinquency counts, amount past due and delinquency percentages by State or loan type for active guaranteed loans.
GLS4067	Analysis of Delinquencies National Summary	On-request report provides a national summary of borrower and loan counts, amount unpaid principal, delinquency counts, amount past due and delinquency percentages for active guaranteed loans.

### **B GLS** (Continued)

### **5** Borrower Reports

The following are the available Borrower Reports.

Report Number	Report Name	Report Description
GLSLN01	Overdue Guaranteed Loan Closing Fees	Weekly report will list all borrower loans with a Suspend Code equal to 4 and a Date of Loan Closing or a Date of Last Register greater than 30 days from the Run Date of the Report.
		Provides a listing by Borrower ID Number within State and County codes. The primary purpose of this report is to provide Finance Office users with a list of borrower loans that have unpaid Guaranteed Loan Closing Fees outstanding for more than 30 days.
GLSLN03	Parties Liable for GLS Loans	Weekly report will list all borrowers and co-borrowers responsible for GLS loans.

### 6 Loan Reports

The following are the available Loan Reports.

Report Number	Report Name	Report Description
GLSLN02	Trial Balance Guaranteed Loan Lender	On-request report provides a listing of all active guaranteed loans for a lender.
		The primary purpose of this report is to provide user with information concerning a lender's active portfolio.
GLS2212	Borrowers Having Direct & Guaranteed Loans Summary	Provides a total of unduplicated borrowers having both direct and guaranteed loans by State.
GLS2213	Borrowers Having Direct & Guaranteed Loans Detail	Provides list of Borrower's ID and name of unduplicated borrowers having both direct and guaranteed loans for selected State.
GLSREAM1	Reamortized Loans Summary	Provides a summary of loans reamortized.

### **B GLS** (Continued)

### 6 Loan Reports (Continued)

Report		
Number	Report Name	<b>Report Description</b>
GLSREAM2	Reamortized Loans	Provides a detail listing of loans reamortized.
	Detail	
GLS4263	Lender Loans Closed -	Lists all loans that are closed by the lender but are
	Pending Closing in	waiting for approval to be closed in GLS.
	GLS Report	
GLSIA06	Guaranteed Loans That	Provides a list of loans that are delinquent, past due, or
	Require Attention	past the maturity date.

#### 7 Loan Reports - A/R

The following are the available Loan Reports - A/R.

Report		
Number	Report Name	Report Description
GLS4011	Accounts Receivable	Summarizes the number of claims and unpaid
	Summary	principal and interest by geographic State for the loan
		types selected.
GLS4010	Accounts Receivable	Provides a detailed listing of accounts receivable along
	Listing	with unpaid principal and interest amounts.
GLS2113	Guaranteed Loan	Provides a national summary of counts of guaranteed
	Repurchases Summary	loan repurchases by State across FY. A drill-down to
	by Fiscal Year	detail is also available.
GLS2113	Guaranteed Loan	Provides detailed information for guaranteed loan
	Repurchases Detail	repurchases for the selected State.

## **B GLS** (Continued)

### 8 Lender Notices

The following are the available Lender Notices Reports.

Report Number	Report Name	Report Description
GLSNT01	Guaranteed Loan	Notifies the lender and field offices that USDA has
	Holder Purchase Report	
		also provides instructions for lenders to submit
CL CL TOO		payments applicable to the guaranteed portion to USDA.
GLSNT02	Notice of Pending	System-generated report listing the Borrower ID, Loan
	Interest Assistance Review Date	Number, Loan Amount, Date of Annual Review for
	Review Date	Interest Assistance, and Current Interest Assistance Rate.
		Kate.
		The primary purpose of this report is to notify the
		Lender that in order to keep Interest Assistance active on
		the Loan, they must submit FSA-2222 Form 1980-24,
		within 60 days prior to Annual Review Date.
GLSNT05	Notice of Loan	This report is a notice to lender of Loan Note
	Maturing	Guarantees maturing within 30 days and notice to lender
		of Contract of Guarantee expiring within 30 days.
		System generated within 30 days of guaranteed
		expiration date.
GLSNT03	Notice of Termination	Provides identification information for each guaranteed
	of a Guaranteed Loan	loan account, which the lender informs USDA has been
		terminated, paid off, etc.
		The primary purpose of this report is to confirm to the
		lender that USDA's records show the loan as
		"terminated" and to inform the State and County Offices
		that a guaranteed loan account within their jurisdiction
		has been closed. Processing of TC 4031, TC 4033,
		TC 4041, and TC 4048 generates report.

### **B GLS** (Continued)

#### 8 Lender Notices (Continued)

Report Number	Bonort Nomo	<b>Bonovt Description</b>
	Report Name	Report Description
GLSNT06	Notice of Final Maturity	Same as Report 4072. Serves as notification to a lender,
	Date of Guaranteed	and to the State and County Offices, on each loan
	Loan	guarantee that has expired due to final maturity. The
		guarantee will expire and therefore this report will be
		generated when the loan is 45 days past its expiration
		date.
		The primary purpose of this report is to notify a lender
		that guarantee has expired. System generated.
GLSNT04	Notice of Loss	This report is similar to the notice that is generated in
	Settlement	batch and distributed to the servicing lender who has a
		borrower with either an estimated or final loss or a loss
		refund.

### 9 Caseload Reports

The following are the available Caseload Reports.

Report Number	Report Name	Report Description
GLS2003	Guaranteed Loans by	Lists guaranteed loan information by lender ID within
	Lender Caseload	lender name, giving a total amount by lender name.
GLS2085	Guaranteed	Contains a summary with drill-down capabilities to a
	Caseload/Delinquency	detail report.
	Summary	
		The summary report displays counts of borrowers,
		loans, delinquent loans, unpaid principal, dollar amount
		delinquent, percent of delinquent loans, and percent of
		delinquent amount listed by State name.
		The drill-down capability is on the State name, which
		takes user to a detail report identical to the summary,
		but it will be listed by county name for the State that
		was drilled on.

## **B GLS** (Continued)

## 9 Caseload Reports (Continued)

Report Number	Report Name	Report Description
GLS2091	Borrowers Owing More than a Specified Amount by State	Provides a summary of borrower counts, delinquency counts, unpaid principal, P & I outstanding and P & I delinquent by State for active guaranteed borrowers owing over a specified amount. Summary by county is available as a drill-down on State.
GLS2120	Total Amount of Loans Outstanding by Gender and Race	Provides a breakout by gender and race of the guaranteed unpaid principal balance.
GLS2121	Count of Borrowers with Guaranteed Loans Outstanding by Gender and Race	Displays a count of borrowers with guaranteed loans outstanding by gender and race.
GLS4051	Assistance to Employees, Relatives and Associates	Summarizes loan statuses for employees, relatives and associates.
GLS4105	Loan Caseload Summary Report	Summarizes borrowers and loans by servicing State and loan type.
GLS4110	Loan Caseload Detail Report	Provides loan detail information for each borrower by loan type and servicing State and county.
GLS4115	Analysis by Interest Rate Summary Report	Displays number of loans and principal outstanding by sort options selected by interest rate category for all active FSA loans.
GLS4115A	Analysis by Interest Rate Detail Report	Displays detail information to analyze interest rates by sort options selected for all active FSA loans.
GLS4120	Conservation Loan Summary Report	Summarizes CL's by TOA code, either Active loans only or all loans made. Data can be sorted by State, Lender ID, Lender Status or Lender Type.

### **B GLS** (Continued)

### **10 Lender Reports**

The following are the available Lender Reports.

Report Number	Report Name	Report Description
GLS4023	Current Lender Designation Report	Lists lenders that meet the lender designation requested on the criteria page. The lender's current designation is provided by State for each lender that meets the
GLS4103	Lender Listing	selection criteria. Provides the name and address of every lender with an active loan by loan type, servicing State, and lender name.
GLS4103I	Lender Listing - Internal Use Only	Provides the Lender ID and Branch, name and address, Loan Amt and Outstanding Principal of every lender with an active loan by loan type, servicing State, and lender name. <b>Note:</b> Do <b>not</b> distribute to outside sources.
GLS2009	Loans Made by Lender Summary Report	Summarizes the total number of loans made by a lender distinguishing between those made in the last 5 years and the last 2 years along with the loss percent. The ability to drill-down to the detail report is also available.
GLS2009A	Loans Made by Lender Detail Report	Details each loan made by a lender providing borrower ID, name and address along with the loan amount, closing date, loan status and loss paid.
GLSIA05	Top Lenders	Provides a list of the top lenders based on the number of active loans or amount of outstanding principal.

#### **B GLS** (Continued)

#### **11 Activity Register Reports**

The following are the available Activity Register Reports.

Report		
Number	Report Name	Report Description
GLSBR01	Borrower Register	System generated from each update, daily listing of the results of all borrower transactions processed by the system during the processing cycle. The report is produced in geographic State, county, borrower ID, loan number, and transaction code sequence.
		Detail transaction and loan/borrower record data will be displayed in a free format, depending on the transaction code. The primary purpose of this report is to serve, as a detail record of all processing for reference, discrepancy, and audit trail purposes.
GLSLR01	Lender Register	Daily listing of the results of all lender transactions and borrower transactions updating lender records processed by the system during the processing cycle. The report will be in Lender ID Number, Branch Number, and transaction sequence.
		Detail transaction and lender record data will be displayed in a free format, depending on the transaction. The primary purpose of this report is to serve as a detail record of all processing for reference, discrepancies, and audit trail purposes.

#### **B GLS** (Continued)

#### 12 Paid Loss Reports

The following are the available Paid Loss Reports.

Report	D (N	
Number	Report Name	Report Description
GLS2095	Completed Loss Paid Data	Counts loans, loans with losses and loss percent.
	on Loans Guaranteed	
GLS2101	Status of Completed	Counts and totals losses, recoveries and liquidation
	Guaranteed Losses Paid by	costs by FY of the loss.
	Fiscal Year	
GLS2111	Estimated Guaranteed	National summary of type 1 guaranteed loan losses
	Loan Losses Where Final	by State across FY. Either loss counts or dollar
	Loss Has Not Been Paid	amounts are summarized based on selection from
		criteria screen.
GLS4131	Summary of Completed	Provides numbers and totals for each loss type by
	Losses by State	State.
GLS4130	Completed Loss Listing	Lists loss information for borrowers in State and loan
		type order. Information will either be summarized
		into the last loss type and amount or detail
		information based on user selection.

#### **B GLS** (Continued)

#### **13 Loss Review Reports**

The following are the available Loss Review Reports.

Report Number	Report Name	Report Description
GLS5101	Loss Claim Status	Summary report provides information on the claim
GLS5101A	Summary Report Loss Claim Status Detail Report	status of losses initiated in GLS. Detail report provides information on the claim status of losses initiated in GLS.
GLS5102	Key Liquidation Dates Summary Report	Summary report calculates the average number of days between the date the loan became delinquent and the Interest Accrual Termination Date, as well as the average number of days between the Liquidation Decision Date and the Interest Accrual Termination Date (final liquidation losses only).
GLS5102A	Key Liquidation Dates Detail Report	Detail report displays the date the loan became delinquent, the Liquidation Decision Date, and Interest Accrual Termination Date (final liquidation losses only).
GLS5103	Emergency Advances, Protective Advances and Legal Expenses Summary Report	Summary report provides information on Emergency Advances, Protective Advances and Legal Expenses.
GLS5103A	Emergency Advances, Protective Advances and Legal Expenses Detail Report	Detail report provides information on Emergency Advances, Protective Advances and Legal Expenses.

#### **B GLS** (Continued)

#### 13 Loss Review Reports (Continued)

Report		
Number	Report Name	Report Description
GLS5104	Liquidation Costs	Summary report provides information on Liquidation
	Summary Report	Costs.
GLS5104A	Liquidation Costs Detail	Detail report provides information on Liquidation
	Report	Costs.
GLS5105	Deductions to Final	Summary report compares the loss amount requested
	Liquidation Loss Claim	by the lender to the amount approved by the Agency
	Summary Report	(final liquidation losses only).
GLS5105A	Deductions to Final	Detail report compares the loss amount requested by
	Liquidation Loss Claim	the lender to the amount approved by the Agency
	Detail Report	(final liquidation losses only).
GLS5106	Losses with Additional	Summary report provides information on Additional
	Interest Summary Report	Interest paid (all loss types).
GLS5106A	Losses with Additional	Detail report provides information on Additional
	Interest Detail Report	Interest paid (all loss types).
GLS5107	Loss Claim Processing	Summary report calculates the number of days
	Times Summary Report	between the lender's submission of the claim to the
		Agency's approval (only includes loss types 01, 02,
		05, 06, or 07).
GLS5107A	Loss Claim Processing	Detail report calculates the number of days between
	Times Detail Report	the lender's submission of the claim to the Agency's
		approval (only includes loss types 01, 02, 05, 06,
		or 07).

#### **B GLS** (Continued)

#### **14 Interest Assistance Reports**

The following are the available Interest Assistance Reports.

Report		
Number	Report Name	<b>Report Description</b>
GLS2094	Guaranteed Interest	Provides a summary of borrower counts, loan counts,
	Assistance Summary	and loan counts broken into various categories for
	Report	active guaranteed interest assistance by State.
		Summary by count is available as a drill-down on State.
GLS4235	Unliquidated Interest	Totals loan balance, buydown obligated amount,
	Assistance Obligations	interest assistance paid, and unliquidated obligated
		buydown amount by borrower.
GLSIA01	List of Guaranteed	Provides a list of all guaranteed loans with active
	Loans with IA	Interest Assistance Agreements.
	Agreements	
GLSIA02	Interest Assistance	Provides a list of paid Interest Assistance Claims.
	Claims Processed	
GLSIA03	Oldest IA Agreements	Provides information on a borrower's first Interest
		Assistance Agreement.
GLSIA04	IA Claims Not Yet	Lists all Interest Assistance Claims coming due within
	Processed	the next 30 days, or those that are past due.

#### **B GLS** (Continued)

#### **15 Obligation and Closing Reports**

The following are the available Obligation and Closing Reports.

Report Number	Report Name	Report Description
GLS2006	Guaranteed Obligated Loans by Mail Code	Displays guaranteed loans that are obligated for the specified obligated FY by mail code, lender name and borrower name.
GLS2210	Farm Loan Program Obligations Report	Shows all loan obligations for the date range selected with the ability to limit the data by SDA, Beginning Farmer, Lender Status or Assistance Type.
GLS2008	Farmer Programs Guaranteed Unclosed Loans Obligated	Displays guaranteed loans that are obligated, but not yet closed. It is broken out by borrower name and borrower ID.

#### 16 CLP/PLP Reports

The following are the available CLP/PLP Reports.

Report		
Number	Report Name	<b>Report Description</b>
GLS2010	Lenders Eligible for	Shows all loan providers who meet requirements for
	Certified Status Report	status of Certified Lender.
GLS2011	Lenders Eligible for	Shows all loan providers who meet requirements for
	Preferred Status Report	status of Preferred Lender.
GLS2014	Certified Loan	Shows only the loan providers who already have the
	Providers Report	status of Certified Lender.
GLS2015	Preferred Loan	Shows only the loan providers who already have the
	Providers Report	status of Preferred Lender.
GLS2012	Certified Loan	Shows all loan providers who currently have a status of
	Providers Not Meeting	Certified and no longer meet the specified criteria for
	CLP Criteria	that status.
GLS2013	Preferred Loan	Shows all loan providers who currently have a status of
	Providers Not Meeting	Preferred and no longer meet the specified criteria for
	PLP Criteria	that status.

#### **B GLS** (Continued)

#### **17 Debt Offset Receivable Reports**

The following are the available Debt Offset Receivable Reports.

Report Number	Report Name	Report Description
GLSDC20	Loans Eligible for Offset - National Summary	National office report is used to summarize all loans eligible for offset.
GLSDC21	Loans Eligible for Offset - State Summary	State office report is used to summarize all loans eligible for offset for a specific State.
GLSDC22	Loans Eligible for Offset - Servicing Office Summary	Field office report is used to summarize all loans eligible for offset for a specific servicing office.
GLSDC22A	Loans Eligible for Offset - Detail	Provides a list of all loans where the offset eligibility indicator equals Y, and provides information on the current status of the loan.
GLSDC05	Debts Eligible for Offset Where No Receivable Has Been Established - Summary	Summarizes debts where a final loss has been paid, but a receivable has not yet been established.
GLSDC05A	Debts Eligible for Offset Where No Receivable Has Been Established - Detail	Lists debts where a final loss has been paid, but a receivable has not yet been established.
GLSDC53	Offset Status Detail Report	Provides detail information on all offset receivables within a State or servicing office.
*GLSDC54	Inactive Receivables List	Lists all receivables with no collections greater than the number of years specified on the selection criteria page*
GLSDC12	Debts Eligible for IAO But Not Yet Referred - Summary	Summarizes loans where the debt has not yet been referred for IAO. User may limit the data to loans which should have already been referred.
GLSDC12A	Debts Eligible for IAO But Not Yet Referred - Detail	Identifies loans where the debt has not yet been referred for IAO. User may limit the data to loans which should have already been referred.

#### **B GLS** (Continued)

#### **17 Debt Offset Receivable Reports (Continued)**

Report		
Number	Report Name	<b>Report Description</b>
GLSDC06	Debts Eligible for TOP But	Summarizes loans where the debt has not yet been
	Not Yet Referred -	referred to TOP. User may limit the data to loans
	Summary	which should have already been referred.
GLSDC06A	Debts Eligible for TOP But	Identifies loans where the debt has not yet been
	Not Yet Referred - Detail	referred to TOP. User may limit the data to loans
		which should have already been referred.
GLSDC07	Debts Which Will Not Be	Summarizes debts where FSA has identified the
	Referred for IAO/TOP	reason why the debt will not be referred for offset.
	Offset - Summary	User is required to specify IAO or TOP offset.
GLSDC07A	Debts Which Will Not Be	Lists debts where FSA has identified the reason
	Referred for IAO/TOP	why the debt will not be referred for offset. User
	Offset - Detail	is required to specify IAO or TOP offset.
GLSDC08	Debts Referred for	Summarizes debts that are currently referred for a
	IAO/TOP Offset - Summary	specified type offset.
GLSDC08A	Debts Referred for	Identifies debts that are currently referred for a
	IAO/TOP Offset - Detail	specified type offset.
GLSDC09	Debts Deleted from	Summarizes debts that have been deleted from a
	IAO/TOP Offset - Summary	specified type of offset referral.
GLSDC09A	Debts Deleted from	Identifies debts that have been deleted from a
	IAO/TOP Offset - Detail	specified type of offset referral.

#### **B GLS** (Continued)

#### 17 Debt Offset Receivable Reports (Continued)

Report		
Number	Report Name	Report Description
GLSDC10	Offset Collections - Summary	Summarizes information on DCIA collections
		made through offset.
GLSDC10A	Offset Collections - Detail	Provides detailed information on DCIA
		collections made through offset.
GLSDC13	Internal Administrative Offset	Summarizes DCIA collections made through
	Collections - Summary	IAO offset.
GLSDC14	Offset Collections/Refund -	Provides financial data related to offset
	Summary	collections and refunds for FSA Guaranteed Loan
		receivables in summary format.
GLSDC14A	Offset Collections/Refund -	Provides financial data related to offset
	Detail	collections and refunds for FSA Guaranteed Loan
		receivables in detail format.
GLSDC19	360-6 Refunds	Displays detail refund information for 4062 and
		4962 transactions.
GLSDC15	Debts Written Off from	Provides financial data related to Debts Written
	IAO/TOP Offset - Summary	Off for FSA guaranteed loan receivables in
		summary format.
GLSDC15A	Debts Written Off from	Provides financial data related to Debts Written
	IAO/TOP Offset - Detail	Off for FSA guaranteed loan receivables in detail
		format.
GLSDC11	Annual Lender Notifications	Provides detailed information on recoveries
		processed through DCIA. Report will be
		provided to lenders on an annual basis.
GLSDC18	Unpaid Principal Balance	Displays daily balancing file activity against GL
		activity for the prior day. Account 850065 only.

#### **B GLS** (Continued)

#### **18** Application Authorization Security Management (AASM)

The following are the available AASM Reports.

Report Number	Report Name	Report Description
GLS4264	List of Lenders Not Established as Security Administrators in AASM	Summarizes number of lenders, applications, obligations, and loans by servicing State where the lender has no security administrators for GLS
GLS4264A	Summary Report List of Lenders Not Established as Security Administrators in AASM Detail Report	Level 1 or Level 2 under AASM. Lists lenders with active applications, obligations, or loans for FSA that have no security administrators for GLS Level 1 or Level 2 under AASM.
GLS4266	List of Lenders Established as Security Administrators in AASM Summary Report	Summarizes number of lenders, applications, obligations, and loans by servicing State where the lender has security administrators for GLS Level 1 or Level 2 under AASM.
GLS4266A	List of Lenders Established as Security Administrators in AASM Detail Report	Lists lenders with active applications, obligations, or loans for FSA that have security administrators for GLS Level 1 or Level 2 under AASM.
GLS4267	AASM User List Report	Lists users in AASM along with their status, system, role, intermediary/lender ID, branch, State, and program.
GLS4268	AASM User Maintenance Register Report	Lists all data from the user maintenance register.

#### **B GLS** (Continued)

#### **19 Program Reporting Group**

The following are the available Program Reporting Group Reports.

Report Number	Report Name	Report Description
	*	· ·
GLSDC48	Debts Written Off from	Provides financial data related to Debts Written
	IAO/TOP Offset - Summary	Off for FSA guaranteed loan receivables in
		summary format.
GLSDC48A	Debts Written Off from	Provides financial data related to Debts Written
	IAO/TOP Offset - Detail	Off for FSA guaranteed loan receivables in detail
		format.

#### 20 MRE Reports for State Office Usage

The following are the available MRE Reports for State Office usage.

Report Name	Report Description						
Alternate - Guaranteed Loss	Provides the current loss rate, which is calculated by dividing						
Rate - FY 2015	the amount of losses during the current FY by the unpaid						
	principal at the beginning of the FY.						
Borrower Maintenance Report	Displays data from the Borrower Maintenance screen. User						
by Servicing Office	may specify State, Office, or Borrower ID Number.						
Borrowers Who Have Loans	Provides a list of borrowers who have active guaranteed						
with Both PCA (ACA) & FLB	loans with both PCA and FLB.						
(FLCA) Lenders							
Breakout of Loans Made by	Provides the number and percentage of loans closed for						
Lender Status	specified FY by lender status.						
Caseload/Delq with County and	Modified from GLS2085. Includes servicing office and						
Office Names	county names.						
Final Losses Paid Within the	Lists loans where a final loss claim has been processed						
Past Three Years	within three years of the current date.						

#### **B GLS** (Continued)

#### 20 MRE Reports for State Office Use (Continued)

Report Name	Report Description
FLPRA - Guaranteed Average	Provides the net loss amount and original loan amount for
Loan Loss Rate	loans used to calculate the Guaranteed Average Loan Loss
	Rate FLPRA element.
FLPRAOBL MRE - Guaranteed	Provides list of obligations used to calculate the various
Obligations Only	guaranteed obligation FLPRA elements.
GLS2120 - Specific State by	GLS2120, Total Amount of Loans Outstanding by Gender
Mail Code	and Race, modified to allow user to select a specific State.
GLS2121 - Specific State by	GLS2121, Count of Borrowers with Guaranteed Loans
Mail Code	Outstanding by Gender and Race, modified to allow user to
	select a specific State.
GLS4023 Modified to Include	GLS4023, Current Lender Designation Report, modified to
Effective Date of Agreement	include effective date of designation agreement.
GLS4110 Modified to add	GLS4110, Loan Caseload Detail Report, modified to add
several fields for LMD &	lender type, primary loan purpose, IA indicator, beginning
LSPMD	farmer indicator, SDA indicator, race, gender, ethnicity,
	borrower address, and lender designation
GOAL2 - Guaranteed	Provides guaranteed delinquency rates for the current goal
Delinquency Rate - FY 2015	period. Works best for States that have <b>not</b> had significant
	office realignments during goal period.
GOAL2 Alternate - Guaranteed	Provides current guaranteed delinquency rate for goal
Delinquency Rate - FY 2015	monitoring purposes. Useful for States who have had office
	realignments during goal period.
Guaranteed Fees	Summarizes the amount of guaranteed fees collected by
	deposit date. User must specify date deposit date range.

### **B** GLS (Continued)

#### 20 MRE Reports for State Office Use (Continued)

Report Name	Report Description
Lender Representative List	Provides information from Lender Representative screen for all lenders with active loans within a State.
List of Active Guaranteed Loan Borrowers with Race, Ethnicity & Gender	Provides a list of active borrowers for specified State. Includes race, gender, ethnicity and unpaid principal balance.
Loan Purpose Breakout	Provides the amount of loan funds approved for the various loan purposes. User must specify closing date range.
Loans Made by Lenders	Summarizes the number and amount of loans closed by lender. User may specify State, lender and/or closing date range.
Loans Made to Refinance Lender's Own Debt - for specific Lender	Provides a list of loans made for the purpose of refinancing debt with the same lender. User must specify FY and Lender ID.
Loans Made to Refinance Lender's Own Debt - for specific Service Center	Provides a list of loans made for the purpose of refinancing debt with the same lender. User must specify FY and 5-digit mail code.
Loans Made to Refinance Lender's Own Debt - for specific State	Provides a list of loans made for the purpose of refinancing debt with the same lender. User must specify a FY and State abbreviation.
Loans Sold on Secondary Market	Modified from GLS4110, Loan Caseload Detail Report. Limits output to loans that have been sold on the secondary market.
OCR Race Request	Summarizes the number and amount of loans closed by race and gender. User must specify race and closing date range.
PLDATA MRE - Replaces FOCUS PLDATA Report	Provides obligation and deobligation transaction activity for both direct and guaranteed loans for specified date range. Report is useful to monitor funds usage.
PLP Review Report - List of Active Loans - State Summary	Provides a list of loans for specified State and lender. Report is used to plan PLP Review activity.
Unmatched Lender Designations	Provides a list of lender branches where designation information does not match for all branches.

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Contract PurposeDetailInspectionReal EstateAppraisalsReal EstateAppraisalsReal EstateAnalysisReal EstateAnalysisFarm Business PlanningAnalysisFarm Business PlanningInformation ServicesData Processing/Info GatheringInformation ServicesData Processing/Info GatheringProfessional ServicesData Processing/Info GatheringProfessional ServicesBata Processing/Info GatheringProfessional ServicesInterpreter ServicesProfessional ServicesInterpreter ServicesEnvironmentalNEPA Compliance	Comment Note 10 Note 10 Note 6 Note 6 Note 7	PAC Code           1A1           1A1           1A2           1A2           1A2           1A2           1A2           1B1           1B2           1B2           1B2           1B2           1D3           1D4	Authority S S S S S S S S S S S S S S S S S S S	Recoverable/Nonrecoverable Nonrecoverable Nonrecoverable Nonrecoverable
on tion Services onal Services mental		1A1 1A2 1A2 1B1 1B2 1B2 1C4 1C4 1C7 1C7 1D2 1D3 1D4 1D8	ν ν ν ν ν ν ν	Nonrecoverable Nonrecoverable Nonrecoverable
als tion Services onal Services mental		1A2 1B1 1B2 1B2 1B2 1C7 1C7 1C7 1D2 1D3 1D4 1D8	v v v v v v	Nonrecoverable Nonrecoverable
als tion Services onal Services mental		181 182 164 164 167 102 102 103 104 108	ννννν	Nonrecoverable
tion Services onal Services		182 1C4 1C7 1D2 1D2 1D3 1D4 1D8	νννν	
tion Services onal Services		1C4 1C7 1D2 1D2 1D3 1D4 1D8	ννν	Nonrecoverable
		1C7 1D2 1D3 1D4 1D4 1DA 1DB	s s s	Nonrecoverable
		1D2 1D3 1D4 1D4 1D8	s s	Nonrecoverable
	Note	1D3 1D4 1DA 1DB	S	Nonrecoverable
	Note	1D4 1DA 1DB	•	Nonrecoverable
	Note	1DA 1DB	SC	Nonrecoverable
	Access	1DB	S	Nonrecoverable
			S	Nonrecoverable
		1E9	SC	Nonrecoverable
		1EA	S	Nonrecoverable
	C etoN	11	v	Monracovarahla
NEPA Environmental Impact Statements		112	n 4	Nonrecoverable
Archaeological Surveys		1)4	S	Nonrecoverable
Miscellaneous Historical Preservation Activities	ctivities	115	S	Nonrecoverable
Endangered Species Studies		116	S	Nonrecoverable
Wetland Delineations		117	S	Nonrecoverable
Phase 1 Environmental Site Assessments	ts Note 3	1JI	S	Nonrecoverable
Phase II Environmental Site Assessments	ts Note 3	1JJ	S	Nonrecoverable
Loan Account Maintenance Legal Documentation Expenses	Note 4	1N5	SC	Nonrecoverable
Mediation (State Certified Program)		1N6	S	Nonrecoverable
Electronic UCC Recording and Filing	Notes 5 & 6	1NE	sc	Recoverable
Managerial Credit Reports		1/1	sc	Recoverable
Other Miscellaneous	Note 1	1Z1	A	Recoverable/Nonrecoverable
Author	Authorities: A=Adminstrator: S=State Office: C=FLM		-	

## \*--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010--\*

Exhibit 25 (Par. 161, 164, 166)

LOAN SERVICING					
Contract Purpose	Detail	Comment	PAC Code	Authority	Recoverable/Nonrecoverable
Inspection	Real Estate		2A1	S	Nonrecoverable
	Real Estate - Foreclosure Only		4A1	S	Recoverable
	Chattel/Crop		2A2	S	Nonrecoverable
	Chattel/Crop - Foreclosure Only		4A2	S	Recoverable
Appraisals	Real Estate	Note 10	2B1	s	Nonrecoverable
	Real Estate - Foreclosure Only		481	S	Recoverable
	Chattel/Crop		2B2	S	Nonrecoverable
	Chattel/Crop - Foreclosure Only		4B2	S	Recoverable
Analysis	Year-end Analysis		2C1	s	Nonrecoverable
	Farm Business Planning		2C4	S	Nonrecoverable
	Financial Analysis		2C7	S	Nonrecoverable
Information Services	Data Processing/Info Gathering	Note 6	2D2	S	Nonrecoverable
	Comparable and Market Studies		2D3	S	Nonrecoverable
	Advertising		2D4	sc	Nonrecoverable
	Advertising - Foreclosure Only		4D4	sc	Recoverable
	State Database Access Fees	Note 7	2DA	S	Nonrecoverable
	SAVE Citizenship Verification Database Access		2DB	S	Nonrecoverable
Professional Services	Surveying		4E2	S	Recoverable
	Investigation		4E3	s	Recoverable
-	Bankruptcy		2E4	S	Nonrecoverable
	Foreclosure (Non-Judicial State)		4E5	S	Recoverable
	Title Search/Title Opinion		2E6	sc	Nonrecoverable
	Title Search/Title Opinion - Foreclosure Only		4E6	sc	Recoverable
	Trustee Agency (Foreclosure Actions)		4E7	S	Recoverable
	Auction Costs/Auctioneer/Master-in-Equity	Note 9	4E8	S	Recoverable
	Interpreter Services		2E9	sc	Nonrecoverable
	Mediation (No State Program)		2EA	S	Nonrecoverable
	Mediation (No State Program) - Foreclosure Only		4EA	S	Recoverable
	Attorney Serv. Foreclosure (Judicial)	Note 17	4EB	S	Recoverable
-	Litigation Guarantee		2EG	sc	Nonrecoverable
	Litigation Guarantee - Foreclosure Only		4EG	sc	Recoverable
	Abstract/Stub Abstract		2EH	sc	Nonrecoverable

## \*--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)--\*

LOAN SERVICING - continued					
Contract Purpose	Detail	Comment	PAC Code	Authority	Recoverable/Nonrecoverable
<b>Professional Services</b>	Abstract/Stub Abstract - Foreclosure Only		4EH	SC	Recoverable
(continued)	Law Enforcement Services	Note 15	4EJ	S	Recoverable
	Real Estate Broker		4H1	SC	Recoverable
Maintenance/Management	Property Management /Caretaking		4F1	SC	Recoverable
	Hauling		4F2	sc	Recoverable
	Temporary Custodial	Note 14	4F3	sc	Recoverable
	Ground Rents		4F5	sc	Recoverable
	Harvesting Costs		4F6	sc	Recoverable
	Repairs	Note 14	4G1	SC	Recoverable
Environmental	NEPA Compliance	Note 2	2J1	S	Nonrecoverable
	NEPA Environmental Impact Statements		212	A	Nonrecoverable
	Archaeological Surveys		2)4	S	Nonrecoverable
	Miscellaneous Historical Preservation Activities		215	S	Nonrecoverable
	Endangered Species Studies		216	S	Nonrecoverable
	Wetland Delineations		2J7	S	Nonrecoverable
	Phase 1 Environmental Site Assessments	Note 3	2)	S	Nonrecoverable
	Phase 1 Environmental Site Assessments - Foreclosure Only	Note 3	4JI	S	Recoverable
	Phase II Environmental Site Assessments	Note 3	2JJ	S	Nonrecoverable
	Phase II Environmental Site Assessments - Foreclosure Only	Note 3	4JJ	S	Recoverable
	Water Testing/Sewer Inspection		4JK	S	Recoverable
Loon Account Maintonaco	Dool Estato Tovos		LINC	ر در	Docovorablo
	Personal Property Taxes		2N2	S S	Recoverable
	Insurance	Note 1	2N3	A	Recoverable
	Prior, Junior, & Judgment Liens		2N4	S	Recoverable
	Legal Documenation Expenses	Notes 4 & 13	2N5	sc	Recoverable/Nonrecoverable
	Mediation (State Certified Program)		2N6	S	Nonrecoverable
	Mediation (State Certified Program) - Foreclosure Only		4N6	S	Recoverable
	Utilities - Foreclosure Only	Note 16	4NA	sc	Recoverable
	Co-Pay/Homestead Appraisals	Note 10	2ND	S	Nonrecoverable
-	Electronic UCC Recording and Filing	Notes 5 & 6	2NE	sc	Recoverable
	<b>Online Bidding Registration Fees - Foreclosure Only</b>		4NG	sc	Recoverable
	State Lease	Note 18	4NH	SC	Recoverable

#### \*--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)--\*

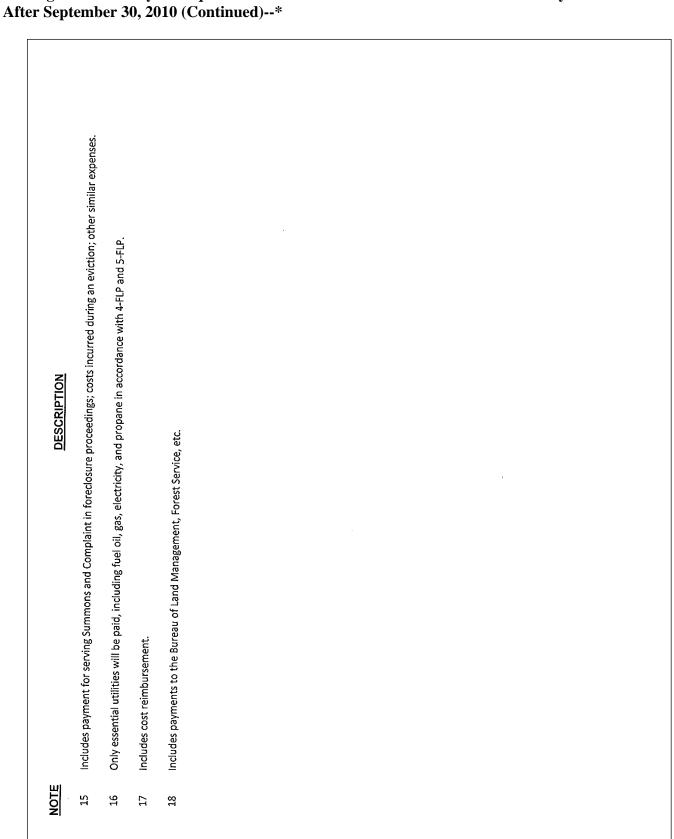
LOAN SERVICING - continued	ed				
Contract Purpose	Detail	Comment	PAC Code	Authority	<b>Recoverable/Nonrecoverable</b>
Managerial	Credit Reports		2Y1	S	Nonrecoverable
Other	Miscellaneous	Note 1	221	A	Recoverable/Nonrecoverable
INVENTORY PROPERTY					
Contract Purpose	Detail	Comment	PAC Code	Authority	Nonrecoverable/Recoverable
Inspection	Real Estate		5A1	S	Nonrecoverable
	Chattels/Crops		5A2	S	Nonrecoverable
Appraisals	Real Estate	Note 10	581	S	Nonrecoverable
	Chattel/Crop		582	S	Nonrecoverable
Information Sarvicas	Advarticing		EDA	J V	Recoverable
	0		-	}	
Professional Services	Surveying		5E2	S	Nonrecoverable
-	Investigation		5E3	S	Nonrecoverable
	Title Search/Title Opinion		5E6	SC	Nonrecoverable
	Auction Costs/Auctioneer	Note 9	5E8	S	Recoverable
	Interpreter Services		5E9	SC	Nonrecoverable
	Mediation (No State Program)		SEA	S	Nonrecoverable
-	Attorney Serv. Foreclosure (Judicial)	Note 17	5EB	S	Nonrecoverable
	Law Enforcement Services	Note 15	5EJ	S	Nonrecoverable
	Real Estate Broker		5H1	sc	Recoverable
Maintenance/Management	t Property Management /Caretaking		5F1	SC	Nonrecoverable
			5F2	SC	Nonrecoverable
	Ground Rents		5F5	SC	Nonrecoverable
	Harvesting Costs		5F6	SC	Nonrecoverable
	Repairs	Note 13	5G1	SC	Recoverable
Environmental	NEPA Compliance	Note 2	5J1	S	Nonrecoverable
	NEPA Environmental Impact Statements		5J2	A	Nonrecoverable
	Archaeological Surveys		514	S	Nonrecoverable
	Miscellaneous Historical Preservation Activities		515	S	Nonrecoverable

## \*--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)--\*

<b>INVENTORY PROPERTY - continued</b>	inued				
Contract Purpose	Detail	Comment	PAC Code	<u>Authority</u>	Nonrecoverable/Recoverable
Environmental - continued	Endangered Species Studies		516	S	Nonrecoverable
	Wetland Delineations		517	S	Nonrecoverable
-	Preliminary Assessments		5J8	S	Recoverable
	Site Inspections/Remedial Investigations	Note 11	5J9	S	Recoverable
	Remedial Actions	Note 11	5JA	S	Recoverable
	Removal Actions	Note 11	5JB	S	Recoverable
	<b>Emergency Response Activities</b>	Notes 11 & 12	5JC	S	Recoverable
	Underground Storage Tank Actions	Notes 11 & 12	5JD	S	Recoverable
	Lead Based Paint Testing/Inspections	Notes 11 & 12	5JF	S	Nonrecoverable
	Lead Based Paint Abatement Activities	Note 11	5JG	S	Recoverable
	Phase 1 Environmental Site Assessments	Note 11	5JI	S	Nonrecoverable
	Phase II Environmental Site Assessments	Note 3	5JJ	S	Nonrecoverable
	Water Testing/Sewer Inspection	Note 3	5JK	S	Nonrecoverable
				( L	
Loan Account Maintenance	keal Estate laxes		INC	ر م	Kecoverable
	Personal Property Taxes		5N2	sc	Recoverable
	Insurance		5N3	A	Recoverable
	Prior, Junior & Judgment Liens		5N4	S	Recoverable
	Legal Documentation Expenses	Note 4	5N5	S	Nonrecoverable
	Mediation (State Certified Program)		5N6	S	Nonrecoverable
	Utilities		5NA	SC	Nonrecoverable
	Selling Points	Note 16	5NC	S	Recoverable
	Right of Way Access	Note 8	SNF	S	Recoverable
	State Lease	Note 18	5NG	S	Recoverable
	=		Ì		:
Other	Miscellaneous	Note 1	5Z1	A	Nonrecoverable

#### (Par. 161, 164, 166) \*--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)--\*

NOTE	DESCRIPTION
ч	Requires written permission to use from the Administrator or Administrator's designee; contact LMD or LSPMD, as applicable.
2	Includes NEPA Environmental Assessments and Miscellaneous NEPA Studies.
ო	These activities refer to due diligence investigations conducted to evaluate real property for the presence of contamination in loan making and loan servicing activities according to 1-EQ.
4	Includes recording and filing fees; obtaining copies of plats, mortgages, judgments, etc.; other similarly related expenses at offices such as Clerk of Court, Register of Mesne Conveyance, Register of Deeds, Department of Motor Vehicles, etc.
Ŋ	Use for UCC recording and filing in situations when funds have been collected from the applicant and remitted with Miscellaneous code 36 or 38 (Ref. 3-Fl, Exhibit 5) to pay Secretary of State, to replenish prepaid accounts or to pay monthly invoices from third party processors for Secretary of State fees only. Use Data Processing code (Information Services/Data Processing) to pay third party processing fees charged FSA to process UCC filings and conduct searches; see Note 6.
9	Includes fees charged by third party processors to process UCC filings and searches.
7	Process as a single source financial transaction; includes access to PACER, state databases for real estate and/or equipment appraisals, etc.
ø	Use in the acquisition of real estate or property rights necessary only to sell inventory real property, not for the purpose of increasing the financial return to FSA. Includes easement, right-of-way, ingress/egress.
6	Includes online auction fees, auction storage fees, auction rental fees, auctioneer fees/commission, and other similarly related costs.
10	For appraisals completed for Homestead Protection, use ND, "Co-Pay/Homestead Appraisals." Co-Pay appraisals are not authorized for Government Inventory Property.
11	Activities may be conducted on custodial property if necessary to protect the Agency's security interest.
12	These activities are applicable for pre-remedial and remedial response actions conducted pursuant to the Comprehensive Environmental Response Compensation and Liability Act, Resource Conservation and Recovery Act, and Toxic Substance Control Act or State laws governed by these statutes. All response actions shall be conducted by environmental professionals.
13	Servicing activities should be charged as a recoverable cost, except when State law, supported by an opinion from the Regional Attorney, provides otherwise.
14	Expenditures in excess of an aggregate amount of \$1,000 per property as outlined in 4-FLP and 5-FLP must have the prior written approval of SED.



(Par. 161, 164, 166) \*--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)--\*

Exhibit 25

.

\*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--\*

**Program Activity** 

Third Character: Purpose Fourth Character: Detail

			1-Pro	1-Processing	2-Servicing	icing	3-Custodial	odial	4-Acquired	uired	5-Inventory	ntory
Code Contract Purpose	Code	Detail	(a)	(q)	(a)	(q)	(a)	(q)	(a)	(q)	(a)	(q)
A Inspection	1	Real Estate	S	N	S	z	S	R	S	R	S	N
	2	Chattel	S	Ν	S	N	S	R	S	R	S	Ν
	3	Crop	S	Ν	S	N	S	R	S	R	S	Ν
	4	Repairs										
	5	Construction										
	9	Supervisory										
B Appraisals	1	Real Estate (Note 11)	S	Ν	S	N	S	R	S	R	S	Ν
	2	Chattel (Note 11)	S	Ν	S	Z	S	R	S	R	S	N
	3	Crop (Note 11)	S	N	S	Z	S	R	S	R	S	Ν
C Analysis & Audits	1	Year-end Analysis/Reports/Audits			S	Z						
	2	Subordination			S	Z						
	3	Graduation			S	Z						
	4	Farm Management Specialist	S	N	S	Z	S	R	S	R		
	5	Debt Settlement			S	Z	S	R	S	R		
	9	Budget Plan	S	N	S	Z	S	R	S	R	S	Ν
	L	Financial Analysis	S	N	S	Z	S	R	S	R		
	8	Interest Credit Renewal										
	6	Account Auditing/CPA Studies										
	А	Other Than Above	S	N	S	Z	S	R	S	R	S	Ν

> \*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--\*

Third Character: Purpose

Fourth Character: Detail

5-Inventory z z <u>e</u> ΖZ Ч Z R z z z SDC SDC SDC SDC SDC (a) S S S  $\boldsymbol{\mathcal{O}}$  $\boldsymbol{\mathcal{O}}$ **4-Acquired** 9 22 Ц К К К z К К К К Ъ 2 SDC SDC SDC SDC (a) SN  $\mathbf{v}$ S S Ω  $\boldsymbol{\mathcal{O}}$ S S **Program Activity 3-Custodial** (q)  $\mathbf{z}$ Ц Ľ  $\mathbf{R}$ Ľ R К К К К z Ч К SDC SDC SDC SDC (a) S  $\boldsymbol{\mathcal{S}}$ S S S  $\mathbf{v}$ S S Ω **2-Servicing** N/R e z z Z z z z Ľ Ν Z z Z К SDC SDC SDC (a) S  $\boldsymbol{\mathcal{O}}$  $\boldsymbol{\mathcal{O}}$ S  $\boldsymbol{\Omega}$  $\boldsymbol{\mathcal{O}}$  $\boldsymbol{\Omega}$ S S  $\boldsymbol{\mathcal{O}}$ 1-Processing 9 zz  $\mathbf{Z}$ Z Z Z SDC SDC (a) S  $\mathbf{v}$ S  $\boldsymbol{\mathcal{O}}$ Foreclosure (Non-Judicial State) (Note 1) Trustee Agency (Foreclosure Actions) Tax Report & Record Documentation Attorney Serv. Foreclosure (Judicial) Comparable and Market Studies Data Processing/Info Gathering Mediation (No State Program) Review of Annual Reports Architect & Engineering Auctioneer (Note 7) Interpreter Services Supervisory Visits Cost Certification Cost Estimators Spec. Writing Wage Match Investigation Title Search Advertising Bankruptcy Surveying Evictions (Note 1) Detail Code Ω 9 9 В C 2  $\mathfrak{c}$ 4 Ś  $\infty$ 2 4  $\infty$ 6 4 Щ Ś Information Services **Contract Purpose** E Other Services Code D

> \*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--\*

Fourth Character: Detail Third Character: Purpose

5-Inventory <u>e</u> z zz z z z z Ч Ъ R Ц Ζ  $\mathbf{z}$ К Z К К Z SDC SDC SDC SDC SDC SDC (a) S S S  $\boldsymbol{\Omega}$ ∢  $\infty \infty$  $\mathbf{S}$  $\boldsymbol{\mathcal{O}}$  $\mathbf{S}$  $\boldsymbol{\Sigma}$  $\mathbf{S}$ **4-Acquired** (q) К 22  $\mathbb{R}$ Ъ К R К К SDC SDC SDC SDC SDC SDC SDC (a S S S **Program Activity 3-Custodial** (q) К 22 К Ъ Ц 22 R К SDC SDC SDC SDC SDC SDC SDC (a)  $\mathbf{S}$ S S 2-Servicing **(**9 z z z z Z z Ζ (a) ∢  $\boldsymbol{\mathcal{O}}$  $\boldsymbol{\mathcal{O}}$  $\infty \infty$  $\boldsymbol{\mathcal{S}}$ S **1-Processing** 9 z z z zΖ  $\mathbf{Z}$ Z (a) s S ∢  $\infty \propto \infty$  $\boldsymbol{\Omega}$ Preliminary Assessments (Notes 3 & 5) Miscellaneous Historical Preservation NEPA - Environmental Assessments Property Management/Caretaking Investigations/Feasibility Studies NEPA - Environmental Impact Site Inspections and Remedial **Miscellaneous NEPA Studies** Endangered Species Studies Archaeological Surveys Wetland Delineations Temporary Custodial Onsite (Note 3) Commission Commission Statements Activities Hauling Offsite Bonus Bonus Detail Other Code 2 Ś 8 6 2 ς 4 2 2 2  $\mathfrak{c}$ 4 9 **Contract Purpose Real Estate Broker Real Estate Broker** (Exclusive Listing) Noncontractual) (Contractual or Environmental (Open Listing) Improvements Maintenance/ Management Repairs/ (Note 2) Code Ċ Η Ľ

(Notes 3 & 5)

1-14-11

\*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--\*

	5-Inventory	(q)	R	R	R	R	R	Z	R	Z	z	Z				R	R	R	R	Z	Z	R	A V	
	5-In	(a)	S	S	S	Ś	S	S	S	S	S	S				SDC	SDC	SDC	SDC	SDC	SDC	S	UUS.	
	4-Acquired	(q)								R	R	R				R	R	R	R	R	R		R	
ty	4-Acq	(a)								S	S	S				SDC	SDC	SDC	SDC	SDC	SDC		SDC	
<b>Program Activity</b>	todial	(q)		Я	Я	R				R	R	R				R	R	Я	R	R	R		Я	
Prograi	3-Custodial	(a)		S	S	S				S	S	S				SDC	SDC	SDC	SDC	SDC	SDC		SDC	
	2-Servicing	(q)								Z	z	Z	z	z		R	R	R	N/R	N/R	z		Я	
	2-Ser	(a)								S	S	S	s	S		SDC	SDC	SDC	SDC	SDC	SDC		UUS.	
	1-Processing	(q)								Z	z	Z								Z	z			
	1-Proc	(a)								S	S	S								SDC	SDC			
Fourth Character: Detail		Detail	Remedial Actions (Notes 3 & 5)	Removal Actions (Notes 3, 5, & 6)	Emergency Response Activities (Notes 3, 5, & 6)	Underground Storage Tank Removals (Notes 3, 5, & 6)	Underground Storage Tank Corrective Actions (Notes $3 \& 5$ )	Lead Based Paint Testing and Inspections (Note 5)	Lead Based Paint Abatement Activities (Note 5)	Transaction Screen Questionnaire (Note 4)	Phase I Environmental Site Assessments (Note 4)	Phase II Environmental Site Assessments (Note 4)	Large Debt Settlement	Debt Settlement		Real Estate Taxes	Personal Property Taxes	Insurance	Prior and Junior Liens (Note 8)	Recording, Filing (Notes 8 & 10)	Mediation (State Certified Program)	Land Acquisition	Authorized Selling Exnenses	Controller Summe position D
Fourth (		Code	А	В	С	D	Е	Ч	IJ	Н	Ι	ſ	1	2		1	2	3	4	5	9	L	8	D
Third Character: Purpose	1	Code Contract Purpose	J Environmental	(Contractual or	Noncontractual) (Note 2)	(Continued)							K Asset Investigation		L-M Reserved	N Noncontractual	Payments (Note 2)							

\*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--\*

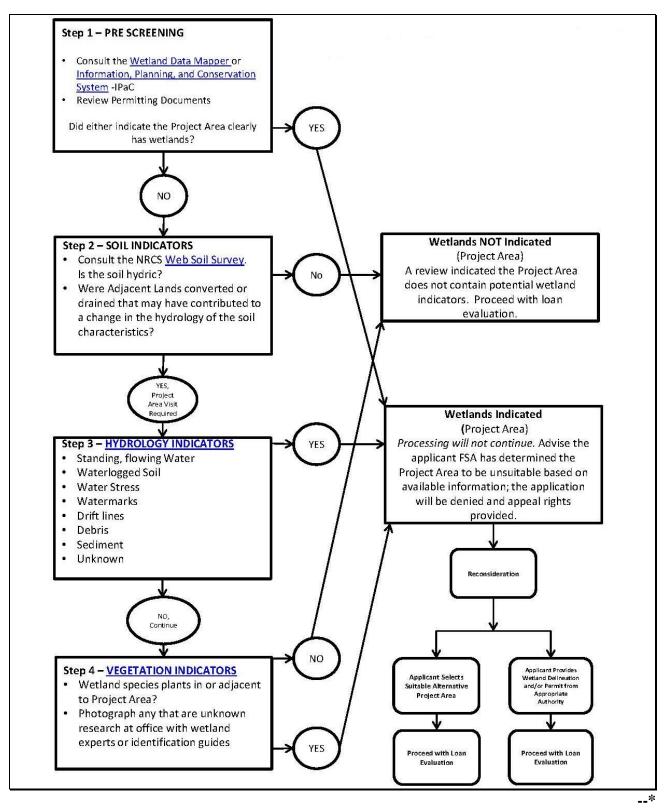
I					_					
	ntory	(q)	N		R					Z
	5-Inventory	(a)	SDC		S					Α
	uired	(q)	R							R
Ŋ	4-Acq	(a)	SDC							А
Activit	dial	(q)	R							R
<b>Program Activity</b>	3-Custodial 4-Acquired	(a)	SDC							А
Ρ	1-Processing 2-Servicing	(q)				N	R		N	N/R
	2-Serv	(a)				S	SDC		S	А
	cessing	(q)					R		R	N/R
	1-Proc	(a)					SDC		S	Α
Fourth Character: Detail		Detail	Utilities	Other	Selling Points	Co-Pay/Homestead Appraisals (Note 11)	UCC Recording and Filing (Note 9)		Credit Reports	Miscellaneous
Fourth C		Code	А	В	С	D	ц		1	1
Third Character: Purpose		Code Contract Purpose	Noncontractual	Payments (Note 2) (Continued)				Reserved	Managerial	Other
Third Cl		Code	N					N-0	Υ	Ζ

Notes:	tes: 1) Includes cost reimbursement.	
	2) An employee does not need a Contracting Officer warrant to process noncontractual payments.	it to process noncontractual payments.
	<ol> <li>These activities are applicable for response actions condu Resource Conservation and Recovery Act, and Toxic Sub conducted by environmental professionals.</li> </ol>	These activities are applicable for response actions conducted pursuant to the Comprehensive Environmental Response Compensation and Liability Act, Resource Conservation and Recovery Act, and Toxic Substance Control Act or State laws governed by these statutes. All response actions shall be conducted by environmental professionals.
	4) These activities refer to due diligence investigations conc activities.	These activities refer to due diligence investigations conducted to evaluate real property for the presence of contamination in loan processing/servicing activities.
	5) These activities are conducted on inventory properties an Note 3.	These activities are conducted on inventory properties and refer to pre-remedial and remedial actions conducted pursuant to environmental statutes listed in Note 3.
	6) These activities may be conducted on custodial property to protect the Agency's security interest.	to protect the Agency's security interest.
	7) For auctioneer services District (D) and County (C) progree Executive Director (S) have no limit.	(C) program authority is limited to \$15,000 per property for auctioneer services; Administrator (A) and State
	8) Servicing activities should be charged as a recoverable co Attorney provides otherwise.	Servicing activities should be charged as a recoverable cost, except when a State supplement based on the State law and an opinion from the Regional Attorney provides otherwise.
	9) Use for UCC recording and filing in situations when func or 38 (Ref 3-FI, Exhibit 5), to pay the Secretary of State of	Use for UCC recording and filing in situations when funds have been collected from the applicant or borrower and remitted with Miscellaneous Code 36 or 38 (Ref 3-FI, Exhibit 5), to pay the Secretary of State or third party processors monthly invoices, or to replenish prepaid accounts. (F1NE, F2NE)
	10) Use for UCC recording and filing in situations when funds monthly invoices, or to replenish prepaid accounts. (F2N5)	10) Use for UCC recording and filing in situations when funds have not been collected from the borrower, to pay the Secretary of State or third party processors monthly invoices, or to replenish prepaid accounts. (F2N5)
	11) For appraisals completed in homestead servicing use (F2) property use F5B1.)	use (F2ND). Co-Pay/Homestead appraisals are not authorized for inventory property. (For inventory
olumn olumn	Column (a) - Authorities: A = Administrator; S = State Executive Director; D = District Dir Column (b) - Recoverability: N = Nonrecoverable; R = Recoverable; Blank = No Authority	Column (a) - Authorities: A = Administrator; S = State Executive Director; D = District Director; C = Farm Loan Manager; Blank = No Authority Column (b) - Recoverability: N = Nonrecoverable; R = Recoverable; Blank = No Authority

Page 6

#### \*--Flow Chart to Determine if a Wetland May Be Present

The responsible Agency official shall follow this flow chart and complete FSA-858 to determine if a wetland maybe present.



•

#### \*--Language for FLP Denial Letter for Potential Wetland Impact or Presence

When processing may **not** continue because of a potential wetland impact or presence, the responsible Agency official shall prepare a denial letter to notify the applicant, as specified in 1-APP, and insert the following language in the appropriate 1-APP denial letter. To access the following template, go to http://intranet.fsa.usda.gov/dam/ffasforms/forms.html, CLICK "Find Current Forms Using Our Form Number Search", in the "Form Number" block, ENTER "1-FLP, Exhibit 27.5", and CLICK "Submit".

 1-FLP, Exhibit 27.5

 (Use Agency Letterhead format with local return address.)

 This responds to your request for Farm Service Agency (FSA) loan assistance based on your application of \_\_\_\_\_\_\_, for a \$\_\_\_\_\_\_ loan for \_\_\_\_\_\_. After careful consideration, we regret that your request can not be approved at this time. The specific reason for our decision is:

 All applicants for FSA Direct or Guaranteed loan assistance are required to meet the environmental requirements found in 7 CFR part 1940 subpart G, and as specified by 7 CFR 1940.309(b) "required to provide information ... to evaluate their proposal's potential environmental impacts..."

 More specifically, 7 CFR 1940.304 references Executive Order 11990 requiring the "Protection of

More specifically, 7 CFR 1940.304 references Executive Order 11990 requiring the "Protection of Wetlands," and states it is FSA's policy "... not to approve or fund any proposals that, as a result of their identifiable impacts, direct or indirect, would lead to or accommodate either the conversion of these land uses or encroachment upon them."

Based on available information the FLP project and area you selected is likely to affect or include a wetland; therefore the request must be denied. FSA will reconsider this denial if during the reconsideration process as provided below you 1) identify a suitable alternative site or 2) provide an applicable wetland delineation determination and /or permits from the United States Army Corp of Engineers or appropriate authority. Alternatively, you may reapply for assistance if and when such documentation can be provided.

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#### \*--Alternative Production and Marketing Price Determination Guide

#### A Overview

Agriculture is an evolving business and the recent surge in consumer demand for organic and locally-produced food is creating jobs and agricultural opportunities throughout rural America. Beginning farmers are finding an entry point into agriculture through local markets, while many existing businesses are diversifying into high-value, locally-branded products. With the increasing number of "buy local", organic, urban agriculture and specialty crop awareness campaigns; there has been an increase in request for assistance for operations unfamiliar to some local offices. The following methodologies can be used in developing prices and other forms of valuation for crops and evaluating local or regional marketing methods. The same methodologies can be applied to organic crops and pricing.

Four basic methodologies are discussed in this exhibit. In addition, there is also information on considering alternative enterprises.

**Note:** DAFLP maintains a library of web-based resources that includes a variety of information on nontraditional and niche-type farm enterprises. This information includes sample enterprise budgets, marketing models, how-to and start-up guides, organics, hydroponics, Community Supported Agriculture, and more. The DAFLP community found within USDA Connect at **https://connections.usda.gov** provides an additional source of information and the opportunity to network with other USDA Agencies and topic-specific communities that provide equally valuable resources and information.

#### **B** Prices for Enterprises Not Available on Published State Price Lists

When actual records data is not available, prices may be found by using NASS data, terminal price information, RMA data, AMS Market News, or the price list from an adjoining or nearby State. This may be helpful in cases where a significant amount of land is dedicated to growing a specific crop. USDA-AMS Market News also has a local food price-gathering effort underway and is starting to publish datasets online at

http://www.ams.usda.gov/AMSv1.0/MarketNewsLocalRegional. This data will be enhanced significantly over the next year. Additional information may also be available by researching cooperative extension sites at http://www.csrees.usda.gov/Extension. Many cooperative extension sites have enterprise budgets that can assist applicants in developing their farm plan.

**Example 1:** An office receives a request for assistance from a new producer who wants to grow basil. The proposal is for 20,000 square feet of basil production. The applicant provides a letter from the local grocery store agreeing to purchase basil not less than wholesale price. The applicant submits the latest Detroit terminal price of \$6 per pound for basil and obtains an enterprise budget from the local university. Using this analysis, the applicant substantiates a feasible plan and assistance can be approved. In the following year, this applicant will have actual price history and income and expense data.--\*

#### \*--Alternative Production and Marketing Price Determination Guide (Continued)

#### **B** Prices for Enterprises Not Available on Published State Price Lists (Continued)

**Example 2:** An applicant comes into the office with the intention to grow an organic crop. Deciding how to price organic products is difficult, particularly when markets often are not well-established. Prices need to be high enough to make a profit, but reasonable based on competition and how customers value (or establish a price on) the product. Many enterprise budgets may be available, but the applicant should choose an enterprise budget that suits the business they are proposing. The applicant should review the scale that is being proposed, the production method proposed (organic or conventional), and geographic region from which the sample budget is created. Still, there are numerous resources to assist even if the State's extension service or the land grant college does not have specific information for a particular enterprise. The National Sustainable Agricultural Service provides numerous resources for organic enterprise budgets at

https://attra.ncat.org/organic.html#vegetable, and the USDA Economic Research Service at http://ers.usda.gov/data-products/organic-prices.aspx

is a useful resource for organic pricing.

#### C Applicants With Actual Income and Expense Records, Not Specific to a Commodity

It is not always practicable to valuate crop income and expenses on an individual crop basis. This is especially true for small acreage operations, high tunnel production, highly diverse operations, CSA, and operations where product choice is driven by market demands. When product choice is driven by market demands, the applicant's actual historical income and expense records may be used to establish trends and projections.

Example: In 2012, an applicant grew 12 different vegetables and herbs on 21,000 square feet. The operation grossed \$9,000 income by using a variety of marketing methods. In 2013, the applicant improved selling techniques and grossed \$10,800 in income, a 20 percent increase. In 2014, the operation proposes to grow to 35,000 square feet. An acceptable estimate of the proposed gross income for 2014 would be calculated as 10,800 ÷ 21,000 square feet (former lot size) x 35,000 square feet (new lot size) = \$18,000. The same methodology would be used to estimate expenses.--\*

#### \*--Alternative Production and Marketing Price Determination Guide (Continued)

#### D Small Acreage, Square Footage Operations With a Variety of Commodities

An applicant's actual records will be most reliable. It is an acceptable practice to use the actual gross income divided by the square footage of the plot to estimate the potential income per square foot (see paragraph C). If there are no actual records to estimate net income, or when price and yield information usage is not practicable because of multiple crops and small plot areas, other methods of income and expenses may be used. Many State universities publish enterprise budgets for small scale and fractional acreage. ALMOST ALL CROPS CAN BE IDENTIFIED IN A SEARCH. In addition, many local lending institutions and universities, including the farm credit system, have conducted benchmarking studies. ERS publishes organic costs and returns for organic corn, wheat, soybeans, and milk. Information is available **at http://ers.usda.gov/Data-products/organic-production.aspx**.

Example: In 2012, the Farm Credit Council and Farm Credit East conducted a CSA-benchmark study to establish a performance metrics and expectations for usage in making informed lending decisions. A review of this study can be found at http://www.ngfn.org/resources/ngfn-cluster-calls/csa-benchmark-project/CSA%20benchmark%20slides.pdf. This study set a general guide of \$18,000 to \$20,000 sales average per acre or \$.41 to \$.46 per square foot.

#### **E** Alternative Marketing Methods

The following provides details on 2 alternative marketing methods:

• **CSA** is a direct marketing channel by which farmers sell shares or subscriptions for farm products to customers. CSA operation occurs when consumers provide upfront funds (buy a share) for a portion of the expected harvest from the farm, typically in the form of weekly harvest deliveries. A diverse selection of products is delivered regularly, for a specified time during the harvest period, to customers at designated pickup sites. CSA is typically used to market fresh produce, but can also be used to market meat, eggs, honey, flowers, and other products.

For existing operations, actual historical records should be available to demonstrate share price and number of subscriptions. Because a CSA farm effectively sells produce before the growing season begins, the farm's gross CSA income can be easily calculated. CSA farmers should determine the breakeven point when establishing membership income.--\*

#### \*--Alternative Production and Marketing Price Determination Guide (Continued)

#### **E** Alternative Marketing Methods (Continued)

Applicants establishing new CSA operations should research target market and be able to answer general questions, such as:

- How many competitors are there in the target marketing area?
- What is the average share price?
- How does your CSA product differ from your competitors?
- Can your market support another CSA?
- How did you determine your share price and the number of shares you plan to sell?

Numerous resources are available to assist farmers with marketing methods, share pricing, and breakeven analysis. Many farms combine CSA with other forms of marketing, such as selling at a farmers market, farm to institution or restaurants, and retail stores.

• **Farmers Markets**, as with CSA, should be researched by the applicants in the area where they expect to market their product. Many State Departments of Agriculture maintain an average price list for farmers markets in their jurisdiction and AMS Market News is beginning to gather this information as well (see link in subparagraph B). Also many States have farmers market associations that may track average prices.

#### **F** Alternative Enterprises

Prices, farm programs, trade policies, technology, markets, and consumer preferences change continuously. Some enterprises previously believed to be speculative or without an established or steady market are now proving, through consumer demand, to be main stream in some regions. Loan officers are often faced with request for assistance from operations, either wholly or in part, producing income through production of alternative enterprise. To find out more about alternative enterprises suited to each area, the National Agricultural Library has many examples and helpful publications at http://www.nal.usda.gov/afsic/pubs/altlist.shtml. Examples of alternative enterprises include the following.

- Wetland plants grown for environmental restoration. Contracts are often available from State agencies to raise plants for environmental restoration. If plants are raised as seedlings or rooted cuttings for sale and not "wild harvested", this operation may be considered an eligible enterprise.
- **Bison**. When an operation can provide documentation of an established meat market, bison may be considered an eligible enterprise. The USDA's National Animal Health Monitoring System launched Bison 2014, the first-ever national study of the U.S. ranched-bison industry. This initiative is intended to increase knowledge and understanding about the characteristics, health, management practices, and challenges facing bison operations in the U.S.

If the operation's main enterprise is production for heads and skulls, this would be considered a non-eligible enterprise.--\*

1-FLP (Rev. 1) Amend. 107

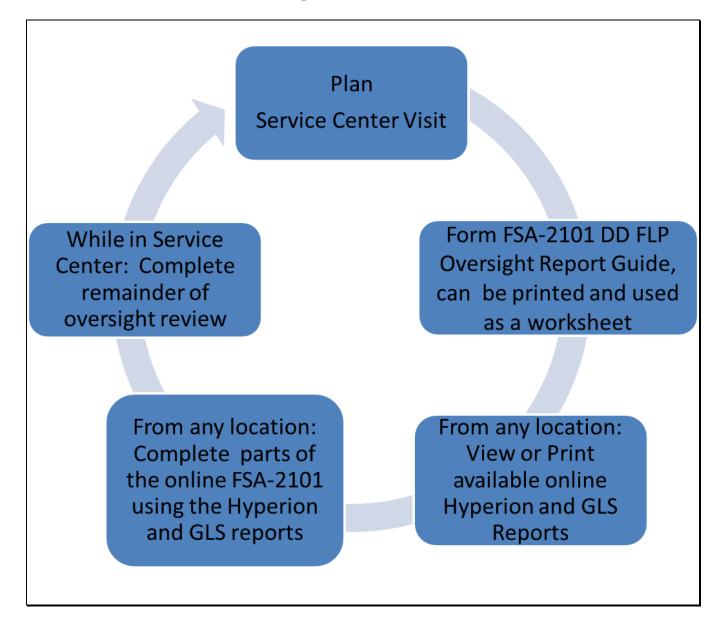
## \*--Alternative Production and Marketing Price Determination Guide (Continued)

## **F** Alternative Enterprise (Continued)

- Alpaca. Alpaca's have generally been considered non-eligible enterprises because of the speculative nature of the industry. During the height of the industry, it was not uncommon to see breeding stock sell for \$35,000. Animals were subsequently raised and bred with the hope that the offspring would sell to another breeder to perpetuate the cycle. This speculative market is considered a non-eligible enterprise. However, each year it is estimated that alpaca fiber can be worth \$500 to \$1,000 per animal, depending on the market. In addition to this, alpaca can be used as guard animals for livestock. An alpaca operation whose primary enterprise is to produce fiber and sell alpacas as guard animals for livestock farmers may be considered eligible.
- **Goats**. A goat operation for milk, meat, and fiber offers many opportunities. The 2 most common fibers produced are mohair and cashmere. Fiber markets should be evaluated for reliability, but can often produce a marketing alternative to strictly meat production. In many areas of the country, goat meat and milk are highly sought after by many immigrant communities, providing marketing options for products. According to NASS, meat goats account for over 80 percent of the total of goats produced in the U.S.
- **Rabbits**. Rabbits grown for fiber, such as angora, and rabbits grown for food can be considered an eligible enterprise, if a reliable market exists for the product. Rabbits raised primarily for pet purposes would be considered a non-eligible enterprise.
- **Timber**. Forestry products may be eligible, depending on the manner in which the forestry is managed and harvested. The operation must follow a Timber Management Plan. Purchasing property with the intention of clear cutting and selling the timber and firewood is not considered managed agriculture and; therefore, not an eligible enterprise. In contrast, a request for assistance to purchase real estate and actively manage the timber with a forestry plan may be considered an eligible enterprise. Each request for assistance and Timber Management Plan should be reviewed and determined eligible or ineligible on its own merit.
- Aquaculture. Aquaculture is the husbandry of any aquatic organisms, including fish, mollusks, crustaceans, or other invertebrates, amphibians, reptiles, or aquatic plants, raised in a controlled or selected environment of which the applicant has exclusive rights to use. As with other agricultural enterprises, the requirements under non-eligible enterprise still apply, but in some cases these enterprises may be eligible for FSA financing. The USDA National Agricultural Library web site, alternative farming systems information center, at http://www.nal.usda.gov/afsic/pubs/altlist.shtml, has several resources available for aquaculture, among other alternative enterprises.--\*

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# DD FLP Oversight Review User Guide



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	2 "County Operations Reviews"	
Η	Part E: Certification District Director Signature	
Ι		

This guide:

- is a resource to assist in completing the online oversight report
- identifies the electronic direct loan making and servicing reports available from Data Mart, along with the guaranteed loan making and servicing reports available in GLS
- follows the order of the online oversight report
- provides step-by-step instructions when deemed necessary.

Paragraphs 441 through 444 address all issues of reporting timeframes, user roles and responsibilities, and distribution of reports.

#### A DDORS Access

#### 1 Web Access

DDORS authorized users can access DDORS using Microsoft Internet Explorer 7.0+ by either of the following:

- Internet at https://wdcprod80.sc.egov.usda.gov/ddors/homepage.aspx
- Intranet, as follows.



# A DDORS Access (Continued)

1 Web Access (Continued)

Step	Action							
2	From the FSA Applications Screen, under "Farm Loan Programs", CLICK "Farm							
	Loan Programs Systems". Log in with eAuthentication user ID and password, or							
	LincPass and PIN.							
		SA Applications						
		Preview the new Personalized Applications Page						
	FSA Applications FSA Releases CO FSA II FSA Applications and program	mmon Applications Conservation						
	Service Center Agencies Online Unapproved Software FSA Employee Directory Supporting Military Families Other Related Links FSA OCIO ITSM Project (Magic Replacement) BPMS CCE DAFO Training FFAS ITS Website KC & STL NITC	<ul> <li>CARS - Crop Acreage Reporting System</li> <li>Common Payment Reports System</li> <li>eForm (Employee site to process eForms)</li> <li>Fiduciary</li> <li>Comprehensive Information Management Systems (CIMS)</li> <li>RLMS (eRep)</li> <li>RLMS Report (eRep)</li> <li>Farm Records</li> <li>ICAMS</li> <li>Fed Traveler</li> <li>FSA Data Marts</li> <li>LRA Site[Identity Proof a</li> <li>Biomass Crop Assistance Program (BCAP)</li> <li>Cost Share Software (CSS)</li> <li>Program Provisioning</li> <li>Conservation Funds Ledger System</li> <li>Conservation On-Line System</li> <li>Conservation Payments</li> <li>Conservation Payments</li> <li>Canservation Payments</li> <li>CRP Soils Database Management System</li> <li>Grassland Reserve Program (GRP)</li> <li>HELC/Wetlands Program</li> <li>TIP Payment Process</li> </ul>						
	NRCS OCIO	customer) Farm Loan Programs						
	PAS RD	Modernize and innovate the Delivery of Agricultural Systems (MIDAS)     Farm Loan Programs Systems						
3	3 From the Farm Loan Programs Systems Main Menu, under "Other FLP Systems", CLICK " <b>District Director Oversight Reporting System (DDORS</b> )".							
	Applications	Farm Loan Programs Systems Main Menu						
	Direct Loan System eDALR\$ Farm Business Plan Guaranteed Loan System Reports Risk Assessment (FLPRA) Other FLP Systems State Directive Management System (SDMS) GLS Electronic Funds Transfer Block (GEFTB) Farm Loan Officer Trainee Tracking System (FLOTRACK) District Director	Welcome to the Farm Loan Programs (FLP) Systems. This is your centralized Farm Loan Programs (FLP) Systems. After all s operational, you will be able to make and service your clients' applicat this site. It has been designed to streamline the overall process of ma portfolios by eliminating the need to input the same data into multiple incorporate direct links and system interfaces into other systems to re errors. It will allow for all levels of reporting from a central location. Questions and comments about the site can be referred to the FLPS V If you have any issues with the performance of these applications, the to the Help Desk.						
	Oversight Reporting System (DDORS)							

## A DDORS Access (Continued)

# 2 Accessing DDORS Online Report

DD's can access the online report DDORS for the Service Center being reviewed, from the DDORS Home Page, by selecting the Service Center name.

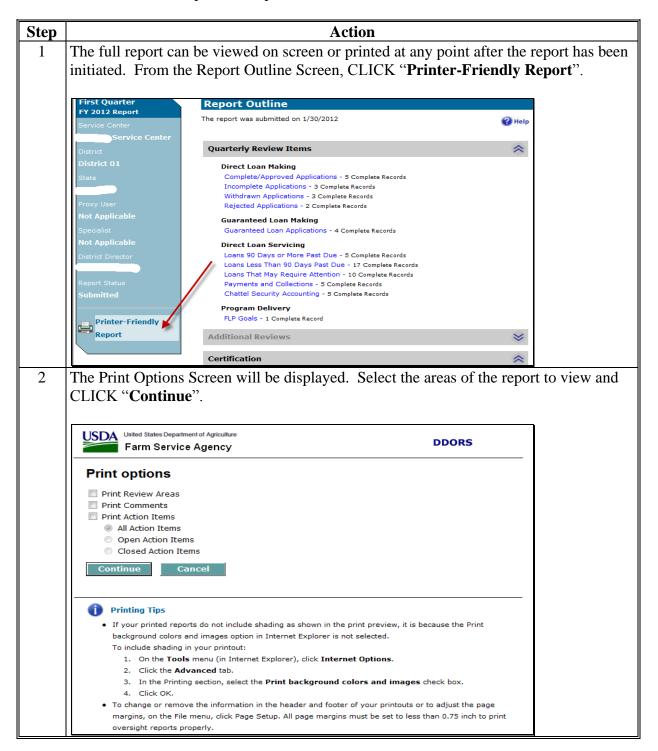
Oversight reports can be viewed by authorized users as soon as the DD or proxy begins adding information. Follow this table to view previously submitted reports.

Step	Action				
1	Select Home in the menu at the top of the page, if not already on the Home Page.				
2	In the menu on the left, indicate the reporting period by using the "Fiscal Year" and				
	"Quarter" drop-down lists. Use the "State" drop-down list to select the applicable State,				
	if user has access to more than 1 State. CLICK "Go".				
	Oversight Reports				
	Fiscal Year:				
	2013 💌				
	Quarter:				
	Third Quarter 🛛 👻				
	State:				
	Alabama 👻				
	Go				
3	From the list of all Service Centers that will be displayed, select a Service Center with a				
5	report status of "In Progress", "Submitted", or "Auto-Submitted" and select the				
	"Service Center" name.				

#### A DDORS Access (Continued)

#### **3** Print Report Access

Follow this table to view or print the report.



#### A DDORS Access (Continued)

#### **3 Print Report Access (Continued)**



#### 4 Help Access

DDORS has a "Help" function that is available throughout the online report, as displayed on this example DDORS Home Page.



# A DDORS Access (Continued)

# 4 Help Access (Continued)

The following is an example of the screen that will be displayed with topics for assistance.

Contents 🖓 Search	- Search - GO	
×     ✓	What's New?         This topic provides an overview of features added to the District Director Oversight Reporting System (DDORS).         Version 1.6         Importing (Copying) Record Names from Previous Reporting Periods         When filling out reports, in some review areas you can import record names from	III >
<ul> <li>In the first of t</li></ul>	FLP Goals Data Pre-Filled In the second, third, and fourth quarter reports, the Service Center Goal values in the	

#### **B** Online Guides and Reports

#### 1 User Guides

On the Farm Loan Program Systems Home Page, under "Information Links", if users CLICK "**Manual**", the following user guides will be available:

- DLS-Loan Making User's Guide
- DLS-Loan Servicing User's Guide, that includes:
  - Direct Loan System training
  - Special Servicing Reference and User Guide
  - Hyperion Reports User Guide
- GLS-Guaranteed Loan System User Guide.



Exhibit 14 provides details about how to create SCIMS-PLAS ORACLE Hyperion Reports.

## **B** Online Guides and Reports (Continued)

## 2 FLP Data Mart (Data Mart)

Hyperion access is **required** to have Data Mart access. Users who do not already have access to Data Mart must complete FSA-13-A and submit it to the appropriate Security Liaison Representative.

The following example displays how, on FSA-13-A, users should complete the "Hyperion" and "Other/Comments" sections, as highlighted, to request access to Data Mart.



**Note:** In the "Other/Comments" block, ENTER "**Please grant access to environment: Production Oracle Hyperion EPM for the requested user with authorization to Hyperion Group "FLP Data Mart**".

# **3** Hyperion Database

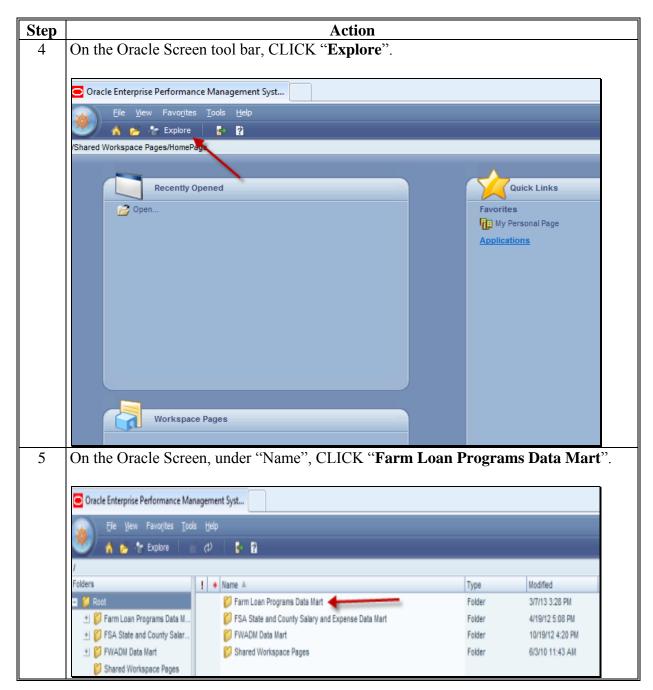
The following is a quick review of how to access Data Mart reports needed for completing DDORS. This information can also be found in the Hyperion Reports User Guide.

Step	Action						
1	From the FSA Intranet Home Page, under "Links", CLICK " <b>FSA Applications</b> " and the FSA Applications Screen will be displayed. Under "Common Applications", CLICK " <b>FSA Data Marts</b> ".						
	Home About F		Offices   Phone   Employee Information				
	FSA Home > FSA Applications         FSA Applications         FSA Applications         Image: Search         FSA Applications         * Preview the new Personalized Applications Page						
	FSA Applications FSA Releases FSA Infrastructure	Common Applications	Conservation				
	FSA Infrastructure Service Center Agencies Online Unapproved Software FSA Employee Directory Supporting Military Families Other Related Links FSA OCIO ITSM Project (Magic Replacement) BPMS CCE DACO DAFO Training FFAS ITS Website KC & STL NITC NRCS OCIO	<ul> <li>CARS - Crop Acreage Reporting System</li> <li>Common Payment Reports System</li> <li>eForm (Employee site to process eForms)</li> <li>Fiduciary</li> <li>Comprehensive Information Management Systems (CIMS)</li> <li>RLMS (eRep)</li> <li>RLMS Report (eRep)</li> <li>Farm Records</li> <li>ICAMS</li> <li>Fed Traveler</li> <li>FSA Data Marts</li> <li>LRA Site(Identity Proof a customer)</li> </ul>	<ul> <li>Biomass Crop Assistance Program (BCAP)</li> <li>Cost Share Software (CSS)</li> <li>Program Provisioning</li> <li>Conservation Funds Ledger System (CFLS)</li> <li>Conservation On-Line System</li> <li>Conservation Payments</li> <li>CRP Soils Database Management System</li> <li>Emergency Forestry CRP</li> <li>Grassland Reserve Program (GRP)</li> <li>HELC/Wetlands Program</li> <li>TIP Payment Process</li> </ul>				

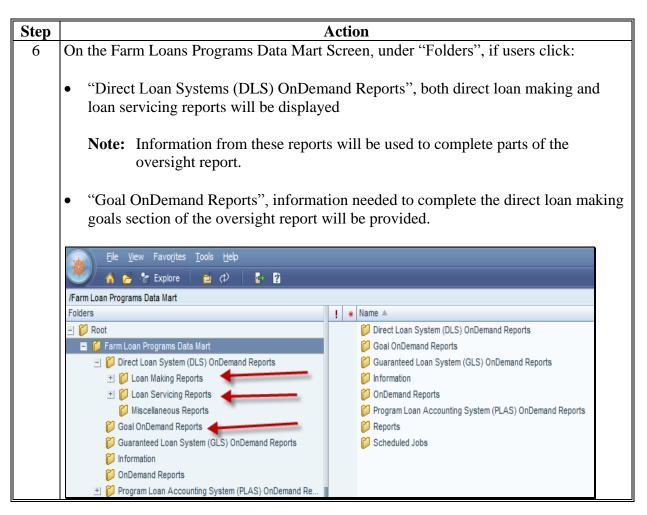
# **3** Hyperion Database (Continued)

Step		Action						
2	On the FSA Data	Warehouse Home Page, CLICK "	'Oracle EPM 11 Data Marts".					
	Log in with eAuthentication user id and password, or LincPass and PIN to proceed.							
		ne Page						
	Help Desk for Non- Report Issues	Data Warehouse Ne	ews and Opdates					
	Data Security Access Authorization Form	Alerts Click here to view planned o	r unexpected changes/outages/alerts					
	(FSA-13)	FSA has now completely upgraded to the Hyperion reporting too. Brio has been disabled. Hyperion software should have	Read Important Information for:					
	<u>Obtain E-Auth ID</u> Hyperion Training	been installed on your PCs. Please click on the link titled Navigation through Hyperion' on the right for instructions to access a data mart.	States that use FSA State/County Data Mart Federal/Non-Federal Financial Reports					
	NOTICE! You are entering an Official United States Government System, which may be used only for authorized proposes. Unauthorized modification of any information stored on this system may result in criminal prosecution. The Government may monitor and audit usage of this system, and all persons are	Hyperion will have a different look from the Brio Web page data marts, the reports themselves have not changed. General information that applies to all data marts may be displayed in this area from time to time. Please refer to this screen often. Click on the link to the right titled 'Hyperion Data Marts' and provide your Eauth Id and password to enter Hyperion.	States and Large Offices using all other Data Mart         Reports       Navigating through Hyperion         Image: Hyperion Data Marts       Image: Hyperion Data Marts         Oracle EPM 11 Data Marts					
3	hereby notified that use of this On the ESA Data	Warehouse Production Home Pag	e under "Links" CLICK " <b>EPM</b>					
5	Workspace".							
		FSA I	ntranet Home   About USDA   Help   Contact Us					
	Link EPM Workspace	FSA Data Warehouse Production	Home Page					
	OBIEE Publisher OBIEE Server	Welcome to the home page for the FSA Data	Warehouse Production Home Page.					
	OBIEE Enterprise Manager	This site is your portal to the FSA Production link on the left to proceed.	n Data Warehouse. Use the EPM Workspace					
	Informational Links Automated Systems Alerts	This site and the related web pages will be end of the new features and new software capabilities.						
	Help Desk Support Data Security Access Authorization Form	If you have any technical issues, please cor 3642	itact the ITS Help Desk at <b>1-800-457-</b>					

**3** Hyperion Database (Continued)



#### **3** Hyperion Database (Continued)



## C Oversight Review General Information

Online Data Mart and GLS reports should be created in advance of the Service Center visit. DD can begin the oversight review by using the reports to complete sections of the online report in DDORS, from any location, to maximize time spent in the Service Center.

# C Oversight Review General Information (Continued)

# 1 Accessing DDORS Online Report

Access the online report from the DDORS Home Page and select the Service Center name.

Step		Action					
1	On the Report Outline Screen, select the hyperlink for the desired section of the report.						
	Home About DDORS Help Contact Us Exit DDORS Logout of eAut						
	Second Quarter FY 2013 Report	Report Outline					
	Service Center	Sections denoted with 🛠 are included with the Second Quarter report.					
	District	* Quarterly Review Items					
	District 01	Direct Loan Making					
	State	Complete/Approved Applications - 6 Complete Records					
		Incomplete Applications - 0 Records					
	Proxy User	Withdrawn Applications - 4 Complete Records Rejected Applications - 4 Complete Records					
	Not Applicable	Guaranteed Loan Making					
	Specialist	Guaranteed Loan Applications - 1 Complete Record					
	Not Applicable	Direct Loan Servicing					
	District Director	Loans 90 Days or More Past Due - 0 Records					
	Home About DDORS Help Contact Us Exit DDORS Logout of eAut						
	Second Quarter	Complete/Approved Application file reviews					
	Quarterly Review → Direct Loan Making → Direct Loan Applications						
	iervice Center Complete/Approved Application file reviews						
	Service Center	< Review Area Record: 1. Go					
	Applicant Name (Required)						
		Applicant representation is consistent within all FSA programs (Applicant has not applied for or					
	roxy User	received Agency benefits under any other name, entity or identification number)					
	lot Applicable	✓ Yes No					
	ipecialist						
	lot Applicable	Applicant was notified of receipt of complete application					
	District Director	✓ Yes No					
	eport Status	Applicants were notified within 5 days of an eligibility determination					
	n Progress	✓ Yes No					
	Printer-Friendly Report	Appropriate environmental assessment completed					
		✓ <sub>Yes</sub>					
	1_	No					

## C Oversight Review General Information (Continued)

# 2 Accessing Direct Loan Reports

Access the direct loan reports from Data Mart. This following report will provide information needed for all 4 direct loan making review items.

Step	Action							
1	On the Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports							
	Screen, under "Name", CLICK "Loan Making Reports".							
	Ele View Favorites Iools Help							
	🥙 🔥 🏂 🏕 Explore 🛛 🎽 📣 👘 🛃							
	/Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports							
	Folders I * Name 🔺 Type Modified							
	- 1 Root Claan Making Reports - Folder 1/30/13 3:09 PM							
	🗉 🎁 Farm Loan Programs Data Mar 🧊 Loan Servicing Reports	Folder	3/7/13 3:28 PM					
2	On the Farm Loan Programs Data Mart/Direct Loan System	n (DLS) C	DnDemand					
	Reports/Loan Making Reports Screen, under "Name", CLI	. ,		ns".				
File View Favorites Tools Help								
	/Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports/Loan Making Reports							
	Folders I * Name A Type Modified D							
	- 👔 Root	Folder	4/8/13 9:01 AM					
	😑 🎁 Farm Loan Programs Data Mar 👔 Obligations	Folder	10/4/12 2:55 PM					
3	On the Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand							
	Reports/Loan Making Reports/Direct Applications Screen,			OY				
	FLPDM Direct Application Report.		<i>,</i>					
	Eile <u>Vi</u> ew Favorites <u>T</u> ools <u>H</u> elp							
	🥮 🐴 📂 🍖 Explore 🝵 (2) 📑 🖬							
	/Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports/Loan Making Reports/Direct Applications		1					
	Folders ! * Name A	Type	Modified Des	30				
	COMPARIANCE OF LPDM Borrower Training Report     OV FLPDM Borrower Training Report     OV FLPDM Direct Application Disposition	Interactive Report.						
	C F F LPDM Direct Application Disposition		. 11/22/11 4:17 PM . 11/22/11 4:17 PM					
	Construction (Second (Sec		. 11/22/11 4:17 PM					

# C Oversight Review General Information (Continued)

2 Accessing Direct Loan Reports (Continued)

Step	Action
4	On the Direct Application Report Selection Page, select:
	• State
	• district
	<ul> <li>servicing office</li> </ul>
	•
	• county, as follows:
	• all counties
	• specific county.
	The report can be run by FY or by specific date range. There are numerous sort options
	for the report, with up to 4 sort criteria possible, and the report can be run in 4 different
	formats. Excel format allows further sorting capability.
	Direct Application Report Selection Page
	Selection Criteria: Hold the CTRL or SHIFT key down for Multiple Selections
	State: District Servicing Office: County: County: All Districts All Service Offices All Counties
	Alabama     501     01-305 Tuscaloosa     01-001 Autauga       Alaska     502     01-308 Elmore     01-002 Baldwin
	Arizona 503 01-309 Coffee 01-003 Barbour 01-003 Barbour 01-004 Bibb
	Ethnicity: Status: Race: Gender:
	Hispanic Approved Ameriladiv/Alsk Natv Female
	Non-Hispanic Rejected - Asian - Male -
	2013    Date by Fiscal Year List Borrowers
	O Date by Range
	Report Selection: Report Format:
	Sort Selection:
	by SS# ID#
	by SS# ID# O Ascending Hyperion Format
	by Race/Ethniticy Descending Pup Boast
	by Centrol
	by App Recv Date
	by App Cmp Date
	by Elig Date
	by Elig Det by Days Rcv/Elig
	by 1st Disp Date
	by Days Cmp/1st Disp by Final Disp Date
	by Final Disp 🚽
	by Oblig Date by Close Date
	by Days Oblig/Close
	by Loan Amt Reg by Loan Amt Apr
	by Loan Type
	by TOA

## C Oversight Review General Information (Continued)

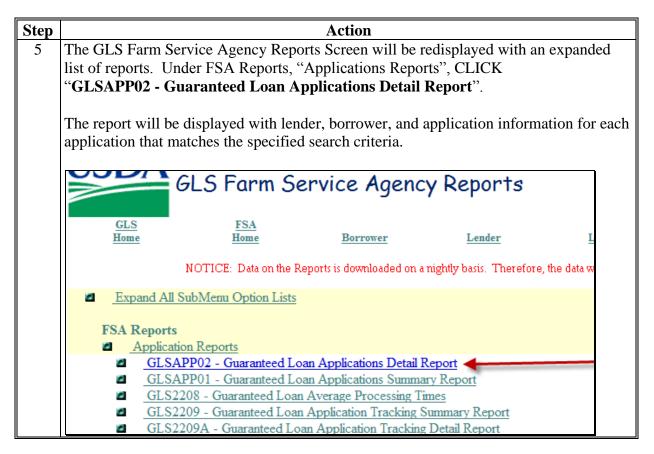
# **3** Accessing Guaranteed Loan Reports

Access guarantee loan reports from GLS. The following report will provide a portion of the information necessary to complete the guaranteed loan making review items.

Step				Action			
1	On the Farm Loa	an Programs	Systems	Main Menu, u	under "Applic	ations", CLIC	Ϋ́K
	"Guaranteed L	oan System					
				FLPS Home	About USDA   Help	Contact Us   Logout	t of eAuth
		_					
	Applications Direct Loan System - Direct Loan Making	Farm L	oan Progra	ams Systems M	lain Menu		
	- Direct Loan Servicin	9 Welcome t	to the Farm Lo	an Programs (FLP)	Systems.		
	eDALR\$ Farm Business Plan Guaranteed Loan Sys Reports Risk Assessment (FLPRA)	you will be been desig eliminating links and sy	able to make a ned to streaml the need to in stem interface	ind service your clier ine the overall proce put the same data in	nts' applications and ess of managing you nto multiple systems	all systems are oper d loans from this site Ir clients' portfolios b s. It will incorporate Ince of errors. It will a	. It has y direct
	Other FLP System	s Questions	and comments	about the site can b	e referred to the FL	PS Web Team.	
	State Directive Management System (SDMS)	If you have the Help De		h the performance o	of these applications	s, they must be refer	rred to
	Service Agency" icon on the GLS Guaranteed Loan System & CBP Direct Loans Grants Screen.						ans and
	GLS Home	FSA Home	RBS Home	RHS Home	RUS Home	Borrower	Lend
		analas.	interation.		Editor Control of Cont		. And the second
		<u>e Board</u>		Litelet.	4	r. Marine	and the
		Board link above.		Farm Sarr	lice Agency		
	Expected	<u>Downtinne:</u>					
	the second s	wntime link above.	Constanting of the second s	Farm Serv	vice Agency	Rural Hous	ing Service
	Last Updated: Monday, Deco	mber 31, 2012 7:10:00	) AM	1-1-1-			
	Guaranteed Loan Syste Monday through Satury Central Daylight Time to 4pm.	day from 6am to 7pm		Rural Business-C	ooperative Service	Rural Utilit	ies Service

# C Oversight Review General Information (Continued)

3 On the GLS Guaranteed Loan System Screen, CLICK "Reports". GLS GLS Guaranteed Loan System GLS FSA Home Borrower Lender Loans Reports					
GLS FSA					
GLS FSA					
GLS FSA					
	_				
Application Package List					
Application Package Add     Loan Guarantee Request Add					
Loan Guarantee Request Update					
Loan List     Administrative Fee/Treasury Rate List					
Administrative Fee/Treasury Rate List     FSA NAICS List					
FSA Integrator/Contractor List					
Reference Table List     GLS 1099C Control Dates	-				
GLS 1099C Control Dates       Reports					
Forms					
GLS MRE					
4 On the GLS Farm Service Agency Reports Screen, CLICK " <b>Expand All SubMenu</b>					
<b>Option Lists</b> " link and the list will expand to show all the available GLS report	S.				
GLS Farm Service Agency Report	s				
	~				
GLS FSA					
Home Home Borrower Lend	er				
NOTICE: Data on the Reports is downloaded on a nightly basis.	ጉ				
Expand All SubMenu Option Lists					
FSA Reports					
Application Reports					
Activity Reports					



Step	Action											
6	To create the report, from the GLS FSA GLSAPP02 - Guaranteed Loan Applications											
	Detail Screen, do the following:											
	• for a specific county, from the:											
	"Geographic State" drop-down list, select State											
	• CLICK "List Counties" and from "List Counties" drop-down list, select a specific county											
	• by Service Center select:											
	• "Servicing State" drop-down list, select State											
	• CLICK "List Offices" and from "All Offices" drop-down list, select applicable Service Center											
	• make a selection from the "Process Date" drop-down list											
	GLS FSA GLSAPPO2 - Guaranteed Loan Applications Detail											
	GLS         FSA           Home         Home         Add Application         Borrower         Lender         Loans         Reports         Forms											
	Search Criteria											
	Specify Search Criteria to restrict the contents of the report to entries which match your specifications.											
	Lender ID Branch List											
	Integrator Lookup											
	Integrator List Select -											
	NAICS Code											
	Category Select											
	Description Select -											
	Type Select 🗸											
	Geographic State ALABAMA    All Counties   List Counties											
	Servicing State ALABAMA   All Offices  List Offices											
	All Offices Process Date Applications Received MONROEVILLE 01 317 MONTGOWNERY 01 300											

Step	Action											
6	• select the date range for the report with the "From" and "To" options											
(Cntd)												
(,												
	• use "Sort" drop-down lists to select the way the report will display.											
	<b>Note:</b> To view the report by oldest guaranteed applications, sort by											
	"Date Application Received". CLICK "Submit Query".											
	eller busine query .											
	From January V 01 V 2013 (e.g.,2000) To March V 31 V 2013 (e.g.,2000)											
	Environmental Review Type All											
	Sort Options											
	Specify Sort Option to control the order in which selected entries are displayed on output rep											
	Sort Applicant/Borrower Name   Ascending Order											
	Applicant/Borrower Name Approved Lender ID and Branch											
	Date Application Received											
	Date of Obligation											
	rt Format" from the drop down list; Select a delivery Geographic State and County ribution is selected.); Select "Subr											
	Loan Type											
	Race											
	Servicing State and Office											
	Report Formatt Formatted Environmental Review Type ne 🔹											
	Lender Status											
	Integrator Submit Query Reset Form											
	Sumi yetr Robo form											

t	o review. The fol	lowing example ge and name.		-				igation											
	sorted by date rang	ge and name.	e was sel	ected by	State and	d a Service	Center a	The Guaranteed Loan Applications Detail Report will be used to select the applications											
s	CAC204						to review. The following example was selected by State and a Service Center, and was												
	CALCULATION OF THE OWNER OF THE O	Ini			sorted by date range and name.														
	CALCULATION OF THE OWNER OF THE O	CAC204 United States Department of Agriculture																	
	1	GLSAPP02 FARM SERVICE AGENCY																	
		Guar	anteed Loan	Application	s Detail Rep	ort		5.16.55 age: 2											
	Applicant Name	ame Geo St Cnty																	
	Approved Lender Integrator	Borrower ID Race		Date Rec'd Date Cplt		Final Action Date	Envr Review Date Cmpl	Amount											
	WHITE, JOE LOCAL FARMCREDIT	01 056 11111111 WHITE	01-308 FO	01/07/2013 01/10/2013	APPROVED 01/10/2013	OBLIGATED 01/14/2013	CATEX 01/10/2013 CATEX 01/10/2013	\$450,000.00											
	BLUE, SAM SMALL TOWN BANK LOCAL FOODS	01 056 22222222 WHITE	01-308 OL	01/07/2013 01/10/2013	APPROVED 01/10/2013	OBLIGATED 01/14/2013		\$9,546.00											
		CIS	Cua	want	ad I	0.011 0	luctor												
	GLS	<b>GLS</b>	Gua	rante	eed L	oan S	ysten	n											

Step	Action		
9	The GLS Farm Loan Application Package List Screen will be displayed. Access the GLS Farm Loan Guarantee Request View Screen for a specific application by either of the following and CLICK " <b>Submit</b> ":	,	
	<ul><li> "applicant ID"</li><li> "applicant name" and "State".</li></ul>		
	<ul> <li>9 The GLS Farm Loan Application Package List Screen will be displayed. Access the GLS Farm Loan Guarantee Request View Screen for a specific application by either of the following and CLICK "Submit":</li> <li>"applicant ID"</li> <li>"applicant name" and "State".</li> </ul> Image: Search by Search by Search by Search Borrower Lender Leader Leader State Screen will be redisplayed with an "Action" drop-down list. To view applications, using the "Action" drop-down list, select "View Application Package" and CLICK "Submit". The GLS Farm Loan		
	Applicant ID     (Random ID/Account Number)     Applicant Name/State     Lender		
10	"Action" drop-down list. To view applications, using the "Action" drop-down list, select " <b>View Application Package</b> " and CLICK " <b>Submit</b> ". The GLS Farm Loan Application Package List Screen will be redisplayed with a list of applications. CLICK " <b>Received Date</b> " link for the appropriate loan.		
	The GLS Farm Loan Application Package List Screen will be displayed. Access the GLS Farm Loan Guarantee Request View Screen for a specific application by either of the following and CLICK "Submit":		
	Applicant ID     (Random ID/Account Number)     Applicant Name/State     Lender		
	The GLS Farm Loan Application Package List Screen will be displayed. Access the GLS Farm Loan Guarantee Request View Screen for a specific application by either of the following and CLICK "Submit":		
	Nbr ID Applicant Name Date ID/Branch Lender Name Nbr Type		
	001 001 FO 02 0L		

# C Oversight Review General Information (Continued)

Step			A	ction	
11		ing information view Screen:	will be displaye	d on the GLS Farm L	oan Application
	• receive	name and type d date ction date			
				ckage View	s   Forms   Help
	Update Applic	ation Package			
	Loan Applica	ant Information			
	Applicant			Phone: Fax: None	
	Spouse/Other ID Number	Farming or Ranching Now: 1	Yes	Years of Farming Experience: 25 Phone: Fax: None	
	Lender Info	ormation			
	Lender ID Branch	/	der Type:	Phone: Fax: None	
	Lender Contact Position Cert/Pref Lender	COMMERCIAL LOAN OFFI PREFERRED	CER	Phone: Fax: None	
	Status/Age	ncy Information - A	pplication Package	8	
	Received Date Completion Date	01/29/2013	Geographic State Geographic County Servicing State Servicing Office	ALABAMA DE KALB ALABAMA RAINSVILLE	
	CAIVRS Verified	Date 01/29/2013			

# C Oversight Review General Information (Continued)

Step	Action
11	• environmental review type and date completed
Cntd)	• approval date
	• incomplete letter dates
	• closing date.
	Environmental Review Information - Application Package
	Environmental Review CATEX Date Completed 02/27/2013 Consultation Required No Date Completed None
	Environmental Comments
	Guarantee Requests Application Package Number 2
	Number of Guarantee Requests: 1 Total of All Guarantee Requests: \$52,000.00
	Sequence Completion Number Date Loan Type Loan Amount Status
	01 02/15/2013 Operating Loans \$52,000.00 Obligated
	Application Package Status and History
	Application Package Status and History
	Current Application Package StatusApplication Package HistoryAPPROVEDAPPROVED02/27/2013COMPLETED02/15/2013PENDING01/29/2013RECEIVED01/29/2013
	Application Package Letter/Review Information
	Incomplete Letter 1 Date Sent 01/30/2013
	Incomplete Letter 2 Date Sent
	Real Estate Appraisal Review Date Chattel Appraisal Review Date

## **D** Part A: Quarterly Review

**Note:** Use the "**Review Area Comments**" section to note issues on which to followup or other comments relevant to the review.

## 1 "Direct Loan Making: Review Of Direct Loan Applications"

## A "Complete/Approved Application File Reviews"

Review 5 applications received since last review; review all if less than 5. Information sources include the following:

- 1940-G-1 Letter
- DLS Loan Making Checklist
- DLS Loan Request Detail Screen
- FSA-851
- FSA-2307
- FSA-2308
- OY FLPDM Direct Application Report
- RD 1940-22 in FBP.

	Question	Source
1:	Applicant Name	Select 5 applications from DLS Reports, Loan Making Reports, Direct Applications, and OY FLPDM Direct Application Report.
2:	Applicant representation is consistent within all FSA programs (Applicant has not applied for or received Agency benefits under any other name, entity or identification number)	Compare the application against the Farm Program Eligibility report.
3:	Applicant was notified of receipt of complete application	Check the date on FSA-2307 from the borrower case file and DLS Loan Making Checklist.
4:	Applicants were notified within 5 days of an eligibility determination	Check the date on FSA-2308 from the borrower case file and on DLS Loan Making Checklist.
5:	Appropriate environmental assessment completed	RD 1940-22 is online under the credit action used to approve this loan in FBP. Also check FSA-851 and the date of the RD-1940-G-1 Letter.
6:	If application was held over 45 days without a loan decision, was a reason entered in DLS?	Review the DLS Loan Request Detail Screen. This will also print out on the Data Mart Application Report if comments have been inserted.
7:	Credit decision (approval/rejected) was made within 60 days of receipt of complete loan application	DLS FLP Application Report. Information should be *in FBP Credit Action*

#### **D** Part A: Quarterly Review (Continued)

# 1 "Direct Loan Making: Review Of Direct Loan Applications" (Continued)

# **B** "Incomplete Application File Reviews"

Review 3 applications received since last review; review all if less than 3. Information sources include the following:

- borrower case file
- DLS Loan Making Checklist
- FSA-2304
- FSA-2305
- OY FLPDM Direct Application Report.

	Question	Source
1:	Applicant Name	Select 3 applications from DLS reports, Loan
		Making Reports, Direct Applications, and OY
		FLPDM Direct Application Report.
2:	Required notifications were sent to	DLS Application Report will show the date that
	applicants within required timeframes	the decision was made. Borrower case files will
		have copies of FSA-2304 and FSA-2305.
3:	Items needed for a complete application	FSA-2304 and FSA-2305.
	are clearly identified in notifications	
		DLS Loan Making Checklist may have
		information if it was entered into DLS "Loan
		Processing" section.
4:	Applicants are notified of required due	FSA-2304 and FSA-2305.
	dates for items needed for complete	
	application	

#### **D** Part A: Quarterly Review (Continued)

# 1 "Direct Loan Making: Review Of Direct Loan Applications" (Continued)

# C "Withdrawn Application File Reviews"

Review 3 applications received since last review; review all if less than 3. Information sources include the following:

- borrower case file
- FSA-2304
- FSA-2305
- FSA-2306
- OY FLPDM Direct Application Report.

	Question	Source
1:	Applicant Name	Select 3 applications from DLS reports, Loan
		Making Reports, Direct Applications, and
		OY FLPDM Direct Application Report.
2:	SDA	Application report.
3:	Reason for the withdrawal of application	*FSA-2306 and FBP should be clearly*
	is clearly documented	documented. * * *
4:	A complete application was received	Documented in DLS and on FSA-2001.
5:	If a complete application was not	FSA-2304 and FSA-2305.
	received, an effort was made to obtain a	
	complete application	
6:	ECOA and non-discrimination	FSA-2306 and the borrower case file.
	statements have been included in	
	correspondence to applicant	

#### **D** Part A: Quarterly Review (Continued)

# 1 "Direct Loan Making: Review Of Direct Loan Applications" (Continued)

# **D** "Rejected Application File Reviews"

Review 3 applications rejected since last review; review all if less than 3. Information sources include the following:

- borrower case file
- OY FLPDM Direct Application Report
- rejection letter.

	Question	Source
1:	Applicant Name	Select 3 applications from DLS reports, Loan
		Making Reports, Direct Applications, and
		OY FLPDM Direct Application Report.
2:	SDA	Application report
3:	Reasons for denial including applicable	DLS has a drop-down list to select the
	citations of requirements from CFR are	reasons for denial. This is just a summary, to
	clearly documented in the notification	determine the reason. Review the rejection
	letter to the applicant	letter, if necessary.
4:	Appropriate review/appeal rights were	Review the rejection letter.
	included in the notification letter to the	
	applicant according to 1-APP	
5:	ECOA and non-discrimination	
	statements were included in the	
	notification letter to the applicant	
	according to 1-FLP	

## **D** Part A: Quarterly Review (Continued)

# 2 "Guaranteed Loan Making: Review Of Guaranteed Loan Applications"

Review 5 applications received since last review; review all if less than 5. Information sources include the following:

- Farm Program Eligibility Report
- FSA-851
- FSA-2292
- GLS 2209A report
- GLS Farm Loan Application Package View Screen
- GLSAPP02 Guaranteed Loan Applications Detail Report
- RD 1940-22.

	Question	Source
1:	Applicant Name	GLSAPP02.
2:	Lender Name	GLSAPP02, GLS2209A, and GLS Farm
		Loan Guarantee Request View Screen.
3:	Lender Type: 1-SEL, 2-CLP, 3-PLP	GLS2209A and GLS Farm Loan
		Guarantee Request View Screen for each
		applicant.
4:	Applicant representation is consistent within all	
	FSA programs (Applicant has not applied for or	Program Eligibility report.
	received Agency benefits under any other	
	name, entity or identification number)	
5:	Lender was notified of incomplete and/or	GLS Farm Loan Guarantee Request View
	complete application within timeframes	Screen for each applicant.
	prescribed in 2-FLP (2-FLP, paragraph 95)	
6:	Eligibility of borrower and loan purposes have	Borrower case file documentation and
	been evaluated; denial/withdrawal are	correspondence and FSA-2292.
	thoroughly documented and appropriate	
	appeal/review rights were provided	
7	(2-FLP, paragraph 108)	
7:	Processing times are within timeframes	GLS2209A.
	prescribed in 2-FLP for lender type	
0.	(2-FLP, paragraph 83)	DD 1040 22 ESA 951 and CLS E-
8:	Appropriate environmental assessment	RD 1940-22, FSA-851, and GLS Farm
	completed	Loan Application Package View Screen.
	(1940-G and 2-FLP, paragraph 208)	

## **D** Part A: Quarterly Review (Continued)

- 3 "Direct Loan Servicing"
  - A "Delinquent Account Servicing"

# I "Borrowers With Loans 90 Days Or More Past Due"

Review all accounts in this category. Information sources include the following:

- borrower case file
- discussions with Service Center
- DLS Special Servicing (SS) Borrower History Report
- OY FLPDM Status of Farm Loan Programs 540 (Routine Servicing).

	Question						So	urce						
1:	Borrower	Status of Farm Loan Programs 540, available from Data Mart, lists all												
	Name	borrow	ers w	ho	are	90 days	or mo	re na	st du	e All	borroy	wers	s listed i	in
	1 (unite					•		re pu	or aa	••••	00110		115000	
		this see	ction v	V1II	be	reviewe	a.							
		Farm Loans 540 Status of Farm Loan Programs As of: 06/30/2013												
						SERVICING O	FFICE LOCATION -	<u> </u>	COUNTY	FSA ( )				
		BORROW	ER NAME			CASE NUMBER ST CO BORR-IE								
		LOAN SERVIC	ING	FD	LN	UNPAID B	ALANCES	DAILY	INTEREST	DATE OF	PAYMENT ST A - AHEA		SCHEDULED ANNUAL	FY
		INFORMATION	CODES	CD	NO	INTEREST	PRINCIPAL	ACCRUAL	RATE	PAYMENT	B - BEHIN	D	INSTALLMENT	LN
		BORROWERS W	ITH LOANS 90 D	AYS OF	MORE PA	ST DUE :								
						01 60	AA MALE	NON		PLS				
		202 PDD	1211	41	01	\$4,669.13	\$50,540.62	8.3080	6.0000	12/15/2011	\$3,626.00	В	\$3,713.00	41
			TOTAL			\$4,669.13	\$50,540.62	8.3080					\$3,713.00	
		(and the second s				01 32	AA MALE	NON		PLS	1M	08/07		
		307 PDD	0828	41	03	\$6,057.85	\$141,893.66	18.9516	4.8750	06/03/2013	\$7,042.10	В	\$8,274.00	45
		307 PDD	0828	44	04	\$2,860.18	\$78,228.86	9.1088	4.2500	08/20/2012	\$8,573.70	В	\$8,574.00	22
			TOTAL			\$8,918.03	\$220,122.52	28.0604					\$16,848.00	

- **D** Part A: Quarterly Review (Continued)
  - **3** "Direct Loan Servicing" (Continued)

# A "Delinquent Account Servicing" (Continued)

I "Borrowers With Loans 90 Days Or More Past Due" (Continued)

	Question	Source
2:	PLS history	Navigate to the DLS SS Borrower History Report as follows:
	report	
	indicates a	Step 1: CLICK "SS" icon from the DLS dashboard for the borrower.
	PLS notice	
	was sent	Borrowers (1 of 1)
	within	Borrower FL OM CR GR LR YA FV TA SI SS LM TR
	15 calendar	KIM, O 🖓 🖓 🖓 🖓 🖓 🖓 🖓 🖓 🖓 🖕 🖕
	days of borrower's	
	account	Star 2. CLICK "Sa a dal Samataka a" tak
	becoming	Step 2: CLICK "Special Servicing" tab.
	90 days	National Office Caster Caster Barroway
	past due	National Office State Office Service Center Borrower
	(the receipt	Borrower FL OM CR GR LR YA FV TA SI SS LM TR
	of the	KIM, O V O O - O V V O O V -
	Report	Reminders Special Servicing
	Code 540)	Reminders 4
		Step 3: CLICK "Open Categories Borrower History".
		Customer Management Open Categories
		LS - T&A
		LS - Dashboard         Category Name:         90 DAYS PAST DUE           Special Servicing         Initialized Date:         09/03/2012         Version:         1.4         Status:         Open
		Open Categories         Default Date:         09/03/2012           Borrower History         Days in Default:         234
		Transactions Function Activities Time Clocks Transactions
		Open Activity Paths         Image: Contemport of the second s
		DLS SS Borrower History Report will indicate an initialization date
		that is the date that borrower becomes 90 days past due:
		<ul> <li>locate the activity description indicating that the borrower was sent Primary Loan Servicing notifications</li> </ul>
		• ensure that this date is within 15 days of initialization.

## **D** Part A: Quarterly Review (Continued)

3 "Direct Loan Servicing" (Continued)

## A "Delinquent Account Servicing" (Continued)

## I "Borrowers With Loans 90 Days Or More Past Due" (Continued)

	Question		Source						
3:	Offset notice was sent at the same time as the PLS notice (required	sent Offs After obt review th	g the steps in Question 2 to determin et Notifications. caining the information required for Quese items with the Service Center.						
	when	Borrower							
	account is in	Select on	e of the following Category Assignment(s)						
	monetary	Open Catego	and the second		Date of				
	default)	Select	Category Name	Initiation Date	Default				
		90 DAYS PAST DUE     09/03/2012 09/							
		Closed Categories							
		Select	Category Name	Initiation Date	Completion Date				
		0	CURRENT/FINANCIALLY DISTRESSED BORROWER	06/15/2009	06/16/2009				
		<ul> <li>Borrow</li> <li>Borrow</li> <li>Borrow</li> <li>Submit</li> </ul>	e desired version of the Borrower History er History by Branch er History by Branch with Comments er History, Chronological by Activity ] Open Categories", CLICK " <b>Select</b> " fo <b>'Submit</b> " to open the Borrower Histo		ver and				

## **D** Part A: Quarterly Review (Continued)

3 "Direct Loan Servicing" (Continued)

## A "Delinquent Account Servicing" (Continued)

# I "Borrowers With Loans 90 Days Or More Past Due" (Continued)

	Question		Source									
4:	Enter	Discuss with Service Center the anticipated resolution for the account										
	anticipated											
	resolution	1. Borrower to pay current: enter source of funds in con										
		2. Re	estructuring of account will be necess	sary.								
		3. Bo	prrower will voluntarily liquidate.	•								
			count will be accelerated.									
		5. Other: enter explanation in comments.										
		for this	NTITIES: Yes Nei OFFICE: RARM SERVICE AGENCY		CENG CATE	DORY: SO DA OPEN ACT OF DEFAULT	ons 2 a					
		Contraction		DUE DATE		DATE	ELAPSED DAYS					
		1										
		OPEN TIME										
		TIME CLOC	CK DESCRIPTION			DUE DAT	nt					
		PRIMARY I				DUE DAT	n					
		PRIMARY I	CK DESCRIPTION BORROWER BRANCHI KIM PATH A - Initialized KIM.		MPLETION/	DUE DAT	CHART/ ACTIVITY					
	(	PRIMARY I ACTIVITY	CK DESCRIPTION BORROWER BRANCH: KIN PATH A - Entiplized KIM.	c		ELAPSED	CHART/					
	(	TIME CLOC PRIMARY I ACTIVITY I NBR	CK DESCRIPTION BORROWER BRANCH: KIN PATH A - Initialized KIM OFFICE INTO 90 DAYS PAST DUE on 08-03-2012 DESCRIPTION DETERMINE IF BORROWER HAS BEEN DISCHARGED OF PLP DEET	Of MAIL	OUE DATE	ELAPSED DAYS	CHART/ ACTIVITY					
	(	TIME CLOC PRIMARY I ACTIVITY I ACTIVITY NBR	CK DESCRIPTION BORROWER BRANCH: KIM PATH A - Distallabed KIM, Toto 90 DAYS PAST DUE on 08-03-2012 DETERMINE IF BORROWER HAS BEEN DISCHARGED OF PLP DEET  BORROWER HAS NOT PREVIOUSLY FILED BANKRUPTCY (Instead administry KIM SEND F5A 2510, 2511, AND 1951-C OFFSET LTR TO ALL 5 BY SEP CERT Centified Mail Tracking Number: 70111150000701317268 Offset Letter Tracking Number: 70111150000701317268  F5A 2510, 2511, 51951-C-1 OFFSET LTR SENT TO 8 BY SEPARAT	Of MAIL	HOE DATE 9-03-2012	ELAPSED DAYS	OMART/ ACTIVITY 3.1					
	(	TIME CLOC PRIMARY I ACTIVITY I ACTIVITY NBR	CK DESCRIPTION BORROWER BRANCH: KIN PATH A - Initialized KIM. DETERMINE IF BORROWER HAS BEEN DISCHARGED OF FLP DEET DETERMINE IF BORROWER HAS BEEN DISCHARGED OF FLP DEET  BORROWER HAS NOT PREVIOUSLY FLED BANKBUSTOY (oreafied admittee: KIM. SEND FSA 2510, 2511, AND 1951-C OFFSET LTR TO ALL & BY SEP CERT Centred Mail Tracking Number: 7011115000070137248 Offset Latter Tracking Number: 7011115000070137248 Offset Latter Tracking Number: 7011115000070137248 PEA 2510, 2511, A1951-C-1 OFFSET LTR SENT TO & BY SEPARAT (Dested activities: KIM. DE1	MAIL CI	HOE DATE 9-03-2012	ELAPSED DAYS	OMART/ ACTIVITY 3.1					
	(	TIME CLOC PRIMARY I ACTIVITY ACTIVITY NOR AL	CK DESCRIPTION BORROWER BRANCH: KIN PATH A - Extended KEM. DESCRIPTION DESCRIPTION DETERMONE IF EDRACHMER HAS BEEN DISCHARGED OF PLP DEET  BORROWER HAS NOT PREVIOUSLY FILED BANKRUSTCY (Invested adlivities: KIM Control of the State of the S	MAIL CI	9-03-2012 9-04-2012	ELAPSED DAYS 0	CHART/ ACTIVITY 3.1 3.2					
	¢	TIME CLOC PRIMARY I ACTIVITY ACTIVITY NOR AL	CK DESCRIPTION BORROWER BRANCH: KIM DATH & - Initialized KIM DETERMINE IF BORROWER HAS BEEN DISCHARGED OF FUP DEET DETERMINE IF BORROWER HAS BEEN DISCHARGED OF FUP DEET BORROWER HAS NOT PREVIOUSLY FILED BANKRUBTCY (mashed administration (Number: 7011115000070137268) SEND FSA 2510, 2511, AND 1951-C OFFSET LTR TO ALL 5 BY SEPARAT CERTIFIC MAIL, 1951-C OFFSET LTR TO ALL 5 BY SEPARAT (DETERMINE IN TRACINg Number: 7011115000070137268) PSA 2510, 2511, 51951-C-1 OFFSET LTR SENT TO 8 BY SEPARAT (DETERMINE LITHE TRACINg Number: 7011115000070137268) PSA 2510, 2511, 51951-C-1 OFFSET LTR SENT TO 8 BY SEPARAT (DETERMINE LITHE TRACING NUMBER: CONSET LITE SENT TO 8 BY SEPARAT (DETERMINE INFORMALL UNCLAIMED OR UNDELIVERABLE ERTH 8 - Denumbed by KIM. A 2 on 09-04-2012	MAIL TE 01	9-03-2012 9-04-2012 9-19-3013	ELAPSED DAYS 0	CHART/ ACTIVITY 3.1 3.2					
	¢	TIME CLOC           PRIMARY I           ACTIVITY I	CK DESCRIPTION BORROWER BRANCH: KIM PATH A - Initialized KIM DETERMINE IF BORROWER HAS BEEN DISCHARGED OF PLP DEET  BORROWER HAS NOT PREVIOUSLY FILED BANKRUPTOY (Initialized KIM) SEND FSA 2510, 2511, AND 1951-C OFFSET LET TO ALL B BY SEPARAT Control Multi Tacking Number: 7011115000070137268  FSA 2510, 2511, 51951-C-1 OFFSET LETTER  FSA 2510, 2511, 51951-C OFFSET LETTER  MAIL ACCEPTED CENTRAL LETTER ALL COFFSET LETTER  A 2 00 09-04-2012	MAIL TE 01	P-03-2012 P-04-2012 P-19-3013 MPLETION/	ELAPSED DAYS 0 1 227 ELAPSED	CHART/ ACTIVITY 3.1 3.2 3.3 OHART/					

- **D** Part A: Quarterly Review (Continued)
  - 3 "Direct Loan Servicing" (Continued)
    - A "Delinquent Account Servicing" (Continued)
      - I "Borrowers With Loans 90 Days Or More Past Due" (Continued)

	Question	Source
5:	Enter target date	Together, create a target date for when delinquent account may
	for resolution of	be resolved.
	delinquency	

#### **D** Part A: Quarterly Review (Continued)

3 "Direct Loan Servicing" (Continued)

#### A "Delinquent Account Servicing" (Continued)

#### II "Borrowers With Loans Less Than 90 Days Past Due"

Review all accounts in this category. Information sources include the following:

• borrower case file

#### •\*--FBP--\*

- DLS Special Servicing (SS) Borrower History Report
- discussions with Service Center
- OY FLPDM Status of Farm Loan Programs 540 (Routine Servicing).

	Question						Se	ource	e					
1:	Borrower	Status of	tatus of Farm Loan Programs 540, available from Data Mart,											
	Name	contain	ontains a section listing all borrowers who are 90 calendar days or											
	- (		nore past due. All borrowers listed in this section will be reviewed.											
		more pa	note past due. All borrowers listed in this section will be reviewed.											
		Farm Loans 54	)			Sta	tus of Farm Lo As of: 06/30		s					
						SERVICING OFF	ICE LOCATION		COUNTY ESA ( )					
						CASE NUMBER								
		BORROW	ER NAME			ST CO BORR-ID								
		LOAN SERVIC	NG	FD	LN	UNPAID BAL	ANCES	DAILY	DATE OF INTEREST LAST CASH	PAYMENT STATUS A - AHEAD	SCHEDULED ANNUAL	FY		
		INFORMATION C	ODES	CD	NO	INTEREST	PRINCIPAL	ACCRUAL	RATE PAYMENT	B - BEHIND	INSTALLMENT	LN		
		BORROWERS WIT	TH LOANS I	ESS THAN	90 DAY:	S PAST DUE :								
		P. 1.	ND				AA MAU	NON						
		79 PDD		FM 44	01	\$3.53	\$400.36	0.0642	4.8750 05/06/2013	\$403.09 B	\$0.00	13		
			TOTAL			\$3.53	\$480.36	0.0642						
		M	'R			* 3	WH MALE	NON		1M 04/10				
		61 PDD	EYEN,	44	23	\$588.26	\$15,624.40	0.9631	2 2500 11/17/2011	\$8,222.00 B	\$0.00	14		
			TOTAL			\$563.26	\$15,624.40	0.9631						

- **D** Part A: Quarterly Review (Continued)
  - 3 "Direct Loan Servicing" (Continued)

## A "Delinquent Account Servicing" (Continued)

II "Borrowers With Loans Less Than 90 Days Past Due" (Continued)

	Question	Source								
2:	Delinquency	Navigate to the DLS SS Borrower History Report as follows:								
	can be									
	resolved	Step 1: CLICK "SS" icon from the DLS dashboard for the borrower.								
	before									
	account	Borrowers (1 of 1) 🔠 🔞 🔞 🕅 📢 🕨 🖣								
	enters	Borrower FL OM CR GR LR YA FV TA SI SS LM TR								
	90 days past due	KIM, 🛛 🔞 🖓 🙆 😥 . 🙆 🖓 🖗 🚱 🖓 . 🗎								
	uue									
	Step 2: CLICK "Special Servicing" tab.									
		National Office State Office Service Center Borrower								
		Borrower FL OM CR GR LR YA FV TA SI SS LM TR								
		КІМ, О 9 0 0 - 0 9 9 0 0 9 -								
		Reminders Special Servicing								
		Reminders								
		Step 3: CLICK "Open Categories Borrower History".								
		Customer Management Open Categories								
		Loan Making 90 Days Past Due								
		LS - T&A LS - Dashboard Category Name: 90 DAYS PAST DUE								
		Special Servicing         Initialized Date:         09/03/2012         Version:         1.4         Status:         Open           Open Categories         Default Date:         09/03/2012         Version:         1.4         Status:         Open								
		Borrower History								
		Transactions         Function         Activities         Time Clocks         Transactions           Reports								
		Open Activity Paths								
		Determine if Primary Loan Servicing notifications have been sent.								
		<b>Notes:</b> Servicing notification is not required for borrowers less than								
		90 days past due								
		Borrowers may not have been initiated into DLS SS.								

- **D** Part A: Quarterly Review (Continued)
  - 3 "Direct Loan Servicing" (Continued)

## A "Delinquent Account Servicing" (Continued)

## II "Borrowers With Loans Less Than 90 Days Past Due" (Continued)

	Question		Source
2:	Delinquency	IF notifications have	THEN
	can be	been sent	use the Borrower History Chart to
	resolved		determine the following:
	before		
	account		• borrower's response
	enters		-
	90 days past		• whether resolution appears likely before
	due		the borrower becomes 90 calendar days
	(Continued)		past due.
		not been sent	*review case file FBP and discuss with*
			the Service Center to complete this
			question.

## **D** Part A: Quarterly Review (Continued)

3 "Direct Loan Servicing" (Continued)

## A "Delinquent Account Servicing" (Continued)

## II "Borrowers With Loans Less Than 90 Days Past Due" (Continued)

	Question		Source							
3:	Anticipated	Discus	ss with Service Center the anticipated re	solution t	for the	account.				
	resolution									
			prrower to pay account current.							
		• Re	estructuring of account will be necessary	•						
		• Ot	her, restructuring not possible.							
		CUSTOMER RELATED STATE: SERVICING LAST UPCA	NTITIES: No OFFICE: FARM SERVICE AGENCY	USCENG CATEGOR	OPEN AC	VFINANCIALLY D BORROWER TEVITIES: Yes I OF DEFAULTI EI 04-19-2013				
			TIME CLOCKS	DATE CO	DATE	ELAPSED				
		OPEN TIM	F CLOCKS		DATE	UATS				
		TIME CLOC	CK DESCRIPTION		DUE DA	TE				
			BORROWER BRANCH: TAMASHIRO, PATH A - Enitialized CURRENT/FENANCIALLY DISTRES	SED BORROWER	en 02-05-20	13				
		ACTIVITY		COMPLETION DUE DATE		CHART/ ACTIVITY				
		Al	DETERMINE IF BORROWER IS REQUESTING CONSERVATION CONTRACT ON NO (created activities: )	02-15-2013	10	1.1				
		A2	SEND OR PROVIDE & WITH FSA 2512 & 2513 • FSA 2512 & 2513 SENT OR HAND DELIVERED AND SENT TO CURRENT ORACOVER (created activities)	02-15-2013	0	1.2				
		A3	WAIT FOR B'S RESPONSE TO FSA 2312 & 2313 B PROVIDES COMP APPLN FOR SERVICES W/IN 60 DAYS B DOES NOT PROV COMPL APPLN W/IN 60 DAYS B BECOMES 90 DAYS PAST DUE B DORNOWER REQUESTS OF LEMENT B DORNOWER PAYS CURRENT OR IN FULL	04-16-2013	63					
		reques place. resolv	te Borrower History Report to determine sted loan servicing and whether any serv This will help determine if the account ed before it becomes 90 calendar days p See DLS User Guide for additional ins	icing acti is anticip ast due.	ions ha	ve taken be				
		Note.	to a borrower and accessing the Specia History Report.							
4:	Target Date	Togetl	her with Service Center, create a target of	late for w	hen de	elinquent				
	for resolution		nt may be resolved.							
	of delinquency									

#### **D** Part A: Quarterly Review (Continued)

3 "Direct Loan Servicing" (Continued)

#### A "Delinquent Account Servicing" (Continued)

## III "Borrowers With Loans That May Require Attention"

Review all accounts in this category. Information sources include the following:

- 4-FLP
- 5-FLP
- borrower case file
- CCC-257
- discussions with Service Center
- FSA-603
- OY FLPDM Status of Farm Loan Programs 540 (Routine Servicing).

	Question	Source					
1:	Borrower Name	Status of Farm Loan Programs 540, available from Data Mart, lists borrowers with loans that may require attention as well as the flags present on the accounts.					
		Farm Loans 540         Status of Farm Loan Programs As of: 0630/2013           SERVICING OFFICE LOCATION         SOLIN'T FSN           CASE NUMBER BORROWER NAME         STC O BORRID         SOLIN'T FSN           LOAN SERVICING NORMATION CODES         CD         NO         INTEREST           J         INTEREST         PRINCIPAL         ACRUAL         RATE           1054 PED         FM         UNPAID BALANCES         INTEREST         NTEREST           NOROWERS WITH LOAKS THAT MAY REQUIRE ATTENTION (OTHER):         ACRUAL         RATE         PAYMENT         B - BEHIND         INSTALLMENT         LN           1054 PED         FM         44         01         \$168         \$173.31         8.0222         4.2000         \$174.49         B         \$80.00         10           1054 PED         FM         44         01         \$168         \$173.31         8.0222         4.2000         \$174.49         B         \$80.00         10           1054 PED         FM         44         01         \$168         \$173.31         8.0222         4.2000         \$170.49         B         \$80.00         10           1054 PED         FM         44         25         \$250.94         \$14.006.12         2.3073         6.0000					
2:	Account Flag	See to 5-FLP, Exhibit 11 for more information about account flags.					
	Payments are being made and are current according to an approved plan or agreement Accounts are serviced according to applicable regulations and/or handbook	<ul> <li>Questions 3 and 4 can be answered after the following:</li> <li>discussing each account with the Service Center</li> <li>*reviewing the borrower's case file, and FBP* correspondence</li> <li>reviewing FSA-603 and CCC-257, if necessary.</li> </ul>					
	instructions	<b>Note:</b> Use 4-FLP and 5-FLP as sources for any regulations or handbook questions.					

#### **D** Part A: Quarterly Review (Continued)

## 3 "Direct Loan Servicing" (Continued)

# **B** "Payments and Collections"

Review a sample of 5 accounts in this category; review all if less than 5. Information sources include the following:

- 3-FI
- 4-FLP
- borrower case file
- CCC-257
- discussions with Service Center
- FSA-603
- OY FLPDM Status of Farm Loan Programs 540 (Routine Servicing).

	Question			Source							
1:	Borrower/Account Name	Select 5 accounts from FSA-603 to review. If collection was not made at this Service Center, add the county name where collection was made.									
		borrowe	FSA-603 provides information about payments received from borrower accounts. This will be used for comparison to other forms/reports to ensure payments are applied correctly.								
		A. DATE RECEIVED (MM-DD-YYYY)	B. NAME OR I.D. NO. OF REMITTER	C. REMITTANCE INFO ENTER CHECK NO.	IF CASH	D. AMOUNT COLLECTED	E. SCHEDULE NO. FROM FORM CCC-257				
		03/29/2013	Doe, John	1754	Î	s 12,671.19	123				
		03/29/2013	Smith, Borrower	1562		s <sup>8,764.12</sup>	123				
		03/29/2013	3/29/2013 Happy Hills Farms 2468 58.41 123								
		03/29/2013	Jones, Michael	1313		s 874.55	123				
		03/29/2013	Hillshire Farmland	3999		s 27,894.73	123				

# **D** Part A: Quarterly Review (Continued)

# **3** "Direct Loan Servicing" (Continued)

# **B** "Payments and Collections" (Continued)

	Question			Sou	rce					
	Payment(s) and collections are applied within prescribed time frames Payment(s) are credited to the	<ul> <li>and CO and pa timely</li> <li>"Date 1</li> </ul>	<ul> <li>and payment amounts match and that deposit is being made timely</li> <li>"Date Received" column and Status of Farm Loan</li> </ul>							
	account(s) of the correct borrower	ensure Note: 3-F	<ul><li>Programs 540, "Date of Last Cash Payment" column to ensure that the dates match.</li><li>Note: 3-FI, paragraph 37 provides additional information about timeframes for making deposits.</li></ul>							
		P.O. BO	SCHE		y POSIT	1A. Schedule Date <u>8/29/2013</u> 1B. Page <u>1</u> of <u>1</u>				
		A. RECEIPT ID (N/A for Manual CCC-257's)	B. CHECK/ITEM NO.		C. IITTER IDENTIFICATION	D. AMOUNT \$				
		N/A	1754	Doe, John		12,671.19				
		N/A	1562	Smith, Borrow	er	8,764.12				
		N/A	2468	Happy Hills F	Tarms	58.41				
		N/A	1313	Jones, Michae	1	874.55				
		N/A	3999	Hillshire Far	mland	27,894.73				
4:	Payment(s) are applied to the borrower's loan(s) according to 4-FLP	determine	if reviewed ac	count pay	payments receivy ments were Reg were applied con	gular or Extra				
5:	There is a proper separation of duties among employees handling transactions				rvice Center em s outlined exists					

#### **D** Part A: Quarterly Review (Continued)

## 3 "Direct Loan Servicing" (Continued)

#### C "Chattel Security Accounting"

Review a sample of 5 accounts in this category; review all if less than 5. Review additional files if deficiencies are found. Information sources include the following:

- 4-FLP
- borrower case file and/or FBP
- discussions with Service Center
   \* \*
- FSA-2028
- FSA-2040
- •\*--FSA-2045.--\*

So	ource										
View 5 borrower accounts that h *quarter. Review FSA-2040 at planned sales match actual sales in FBP.											
(12-31-07) Farm Se AGREEMENT FOR THE U											
1. NAME       2. CROP YEAR         Farmer Smith       2012         3. DATE OF SECURITY INSTRUMENT:       1/1/2012         4. BEGINNING DATE OF THIS AGREEMENT:       1/1/2012         5. Are any listed items in the property descriptions below from a previous Form FSA-2040 (or FSA-1962-01)? If so, indicate below with an asterisk (*), and         relative behaviorised at a difficult of the difficult of the second difficult of the difficul											
6. PROPERTY DESCRIPTION: Grass Hay PLANNED	ACTUAL										
Disposition         D.         E.         Dispo-           A.         B.         C.         Amount of Proceeds         Use of Proceeds         F.         G.           Quantity         How         Month         Proceeds         Proceeds         Quantity         How	H. Proceeds V. N. Date Unitial										
133 Tons Sell Various 541,500 FSA - 515,245 35 Tons Sell	Juna 810,921 723 X    05-22-12 515										
<ul><li>dispositions:</li><li>occurred as planned</li><li>were accounted for</li><li>were approved.</li></ul>											
	View 5 borrower accounts that h         *quarter. Review FSA-2040 at planned sales match actual sales in FBP.         FSA-2040       U.S. DEPARTME (12-31-07)         FSA-2040       U.S. DEPARTME (12-31-07)         Farmes       AGREEMENT FOR THE U OF CHATT         1. NAME       Farmes         Barnest Smith       3. DATE OF SECURITY INSTRUMENT: 1/1/2012         5. Are any listed items in the property descriptions below from a previous For enter the beginning date of that Agreement.         B. PROPERTY DESCRIPTION:       Grass Hay         PLANNED       Uise of Froceeds         Quantity       How         Month       Proceeds         Quantity       How         States       States         Review FSA-2040, FSA-2045, a dispositions:         • occurred as planned         • were accounted for										

## **D** Part A: Quarterly Review (Continued)

# 3 "Direct Loan Servicing" (Continued)

# C "Chattel Security Accounting" (Continued)

	Question				(	Source							
3:	Funds are released	Review 4-FLP, paragraph 163 and ensure that proceeds are applied											
	in accordance	corre	correctly and released when appropriate. Discuss any discrepancies										
	with the FBP and		vith loan officers.										
	FSA regulations												
	as applicable												
4:	Work copy of	Review the most recent work copy of FSA-2028 to verify that it											
	Security				s to FSA-2	1.	_		<b>)</b>				
	Agreement has												
	been notated for	Item	s of s	ecurity the	t have been	n sold, iun	ked. tr	aded. e	etc.:				
	any changes in												
	collateral	• •	hould	the lined o	off of the w	ork conv	of FSA	-2028					
	(FSA-2028)				manner an								
	(15112020)	• 1	iotate		manner an		aisposi						
		Disc	1100 0	ny discron	ancies with	loan offic	ore						
		Disc	uss a	ily uiscrep	ancies with								
		ESA-202	09-03-1	0)					Page 3 of 9				
		FSA-2028 (08-03-10) Page 3 of 9 (c) All farm and other equipment (except small tools and small equipment such as hand tools, power lawn mowers and other											
			items of like type unless described below), and inventory, now owned or hereafter acquired by Debtor, together with all replacements, substitutions, additions, and accessions thereto, including but not limited to the following which are located										
			ne State(s) o			477							
		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				
		Line No.	Quantity	Kind	Manufacturer	Size and Type	Condition	Year	Serial or Model No.				
		1	1	DISC	KEWANEE	20 FT	FAIR						
		2	1	TRACTOR	JD	4640	FAIR	1982					
		3	1	LISTER	R & J	8-ROW	GOOD						
		4	1	SPRING TOOTH HARROW	NOBLE	40 FT	FAIR						
		5	1	ROTARY HOE	л	E0400	FAIR		-				
		6	1	PITCHOUT RIG	R & J	8-ROW	FAIR						
		7	1	PLOW	JD	ROLLOVER	FAIR						
		8	2	FERT. INJ. PUMPS	BALDOR	1/3 HP	GOOD						
		9	2	FERT. TANK		1250 GAL	FAIR						
		10	3	IRRIGATION ENGINES	CHEV	292	GOOD						
		11	1	TRAILER UTILITY		16 FT.	FAIR						
		12	1	TANK MOBILE W/PUMP		500 GAL	FAIR						
11		13	1	SHREDDER	WOODS	6-ROW	FAIR						

## **D** Part A: Quarterly Review (Continued)

# 3 "Direct Loan Servicing" (Continued)

# C "Chattel Security Accounting" (Continued)

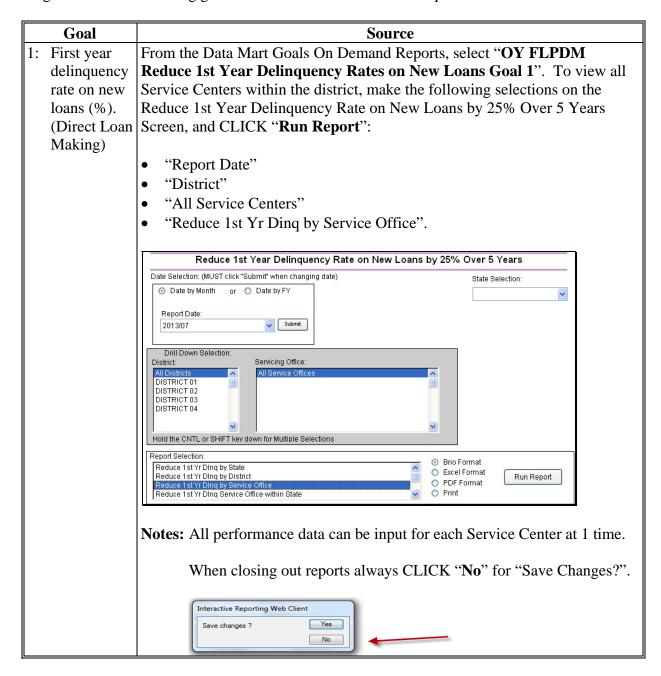
Question	Source
5: FLM follows up	For any unapproved disposition:
on all apparent	
unauthorized	•*review borrower case file and FBP*
dispositions; using	• discuss with loan officer to determine anticipated resolution.
5-FLP, Exhibit 31	
to notify	
borrowers in all	
cases and obtains	
adequate	
documentation to	
enable post	
approval where	
applicable	

#### **D** Part A: Quarterly Review (Continued)

# 4 "Program Delivery FLP Goals: From FLP goals established by the National Office for your state"

For all goals, enter State goal, Service Center goal, and FLP staff progress. Information sources include the following:

- direct loan making goals are available from Data Mart and Goals OnDemand reports
- guaranteed loan making goals are available from the GLS Reports.



#### **D** Part A: Quarterly Review (Continued)

	Goal	Source
2:	Direct loan	From the Data Mart Goals On Demand Reports, select <b>"OY FLPDM</b>
2.	processing	<b>Reduce Average Processing Times for Direct Loans Goal 2</b> ". To view all
	1 0	
		Service Centers within the district, make the following selections on the
		Reduce Average Processing Times for Direct Loans - Goal 2 Screen, and
	Making)	CLICK " <b>Run Report</b> ":
		• "All Races" and "All Genders"
		"District" and "All Service Offices"
		"All County Offices" and "All Borrowers"
		<ul> <li>"Reduce Average Processing Times by Service Office".</li> </ul>
		• Reduce Average Processing Times by Service Office.
		Duduu Auron Durantin Time (a Direct Lange Carl C
		Reduce Average Processing Times for Direct Loans - Goal 2 Date Selection: (MUST click "Submit" when changing date) State Selection:
		Date by Range or O Date by FY
		Fiscal Year:
		Drill Down Selection: O All O Hispanic Non-Hispanic Race: Gender:
		All Races All Genders
		AMER INDIVIALSK NATV
		District:         Servicing Office:         County:         Borrower:           All Districts         All Service Offices         All County Offices         All Borrowers
		501 <b>3</b> 0023 <b>3</b> 0037
		503 504 0079
		🛛 🔍 🔍 💽 🖸
		Hold the CNTL or SHIFT key down for Multiple Selections  Report Selection:
		Reduce Average Processing Times by District Race/Gender
		Reduce Average Processing Times by Service Office Race/Gender
		Reduce Average Processing Times by County Office

#### **D** Part A: Quarterly Review (Continued)

	Goal				Source			
3:	Guaranteed	On the GL	On the GLS Guaranteed Loan System Screen, CLICK "Reports". From the					
	loan	GLS Appli	GLS Application Reports Screen, CLICK "GLS2208 – Guaranteed Loan			teed Loan		
	processing		Average Processing Times".					
	time (Days)	g	average a roceboning anneo.					
	time (Duys)		United S	tates Dep	artment c	of Agricul	ture	
		USDA	USDA United States Department of Agriculture					
		<b>GLS</b> Guaranteed Loan System						
		<u>GLS</u> FSA <u>Home</u> Home <u>Borrower</u> <u>Lender</u> <u>Loans</u> <u>Reports</u>		Help				
		Application Package List						
			on Package Add					
			rantee Request Add					
		Loan Lis		are .				
		Administ	rative Fee/Treasury	Rate List				
		FSA NAI	CS List					
			grator/Contractor L	ist				
			<u>e Table List</u> 9C Control Dates					
		Reports						
		Forms						

## **D** Part A: Quarterly Review (Continued)

	Goal	Source
3:	Guaranteed	The goal is calculated using "Environmental Review Type", "CATEX". On
	loan	the Search Criteria Screen, select timeframe for the quarter being reviewed.
	processing time (Days) (Continued)	• From the "Sort Options" drop-down lists, selecting:
	· · · ·	• "Servicing State", allows drilldown to Service Centers
		"Geographic State", allows drilldown to counties.
		• "Report Options" drop-down lists allow drilldown to detail.
		From the online report, all States are visible. Select State to see the breakdown between Service Centers, and then select additional options to drilldown to detail.
		Search Criteria
		Specify Search Criteria to restrict the contents of the report to entries which match your specifications.
		Process Date Applications Received
		From October • 01 • 2012 (e.g.,2000) To May • 09 • 2013 (e.g.,2000)
		Environmental Review Type CATEX -
		Loan Type 🗸 EE 🖉 EL 🖉 EM 🖉 FO 🖉 CL
		V OL-LOC V OL V SW V LCPP V LCSG
		Sort Options
		Specify Sort Option to control the order in which selected entries are displayed on output report.
		Major Sort Servicing State 🔹 Ascending Order 👻
		Minor Sort Race   Ascending Order
		Report Options
		Select a "Report Format" from the drop down list; Select a delivery route;(fill in an email address if email distribution is selected.); Select "Submit Query" to generate the report; or Select "Reset" to clear the form;
		Report Format Allow Drilldown to Detail - View report online -

## **D** Part A: Quarterly Review (Continued)

Guaranteed loan processing time (Days) (Continued)	State name	e, the report e average j informati	United States	down i nes. Th Departm RM SERVIC N AVERAGE	nto Ser ne repor	vice Cent t <b>must</b> dr	ters that writers	vill
processing time (Days)	provide the access this	average j informati	United States GUARANTEED LOA plication Received	Departm M SERVIC	ent of A	t <b>must</b> dr	rilldown t	o detail to
time (Days)	access this	informati <sub>Ap</sub>	ON. United States FA GUARANTEED LOA plication Received	Departm RM SERVIC N AVERAGE	ent of A E AGENCY	griculture		Page 1
• •		Ар	United States FA GUARANTEED LOA plication Received	RM SERVIC N AVERAGE	E AGENCY			Page : 05/13/13
(Continued)	gls2208A	324752	FA GUARANTEED LOA plication Received	RM SERVIC N AVERAGE	E AGENCY		•	Page : 05/13/13
	GLS2208A	324752	FA GUARANTEED LOA plication Received	RM SERVIC N AVERAGE	E AGENCY		1	Page 1 05/13/13
		324752		FROM 10		NO IIPED		07.39.36
		Toan .1bei	EE EL EM FO	ntal Revi	ew: CATE			
	SVC ST	FSA MAIL CODE	BORR	# APPL RCVD	# APPL COMP	AVG # DAYS RCVD COMP	AVG # DAYS COMP DISP	TOTAL RCVD DISP
		305	WHITE					913 - 1917
		308	WHITE					
			0.0000000					
			WHITE					2
	** TOTAL 311	1						
	-	313	AMER IND/ALASK NAT WHITE	- ii				
	** TOTAL 313	3						
		317	AMER IND/ALASK NAT WHITE					
	** TOTAL 317	7						
	** TOTAL			38	36	5.61	2.86	8.47
		** TOTAL 31:	308 309 311 ** TOTAL 311 ** TOTAL 313 ** TOTAL 313 ** TOTAL 317	** TOTAL 311 ** TOTAL 313 ** TOTAL 313 ** TOTAL 313 ** TOTAL 313 ** TOTAL 313 ** TOTAL 317 ** TOTAL 317	** TOTAL 313 ** TOTAL 317 ** TOTAL 317 ** TOTAL 317	** TOTAL 311 ** TOTAL 313 ** TOTAL 313 ** TOTAL 317 ** TOTAL 317	** TOTAL 311 ** TOTAL 313 ** TOTAL 313 ** TOTAL 317 ** TOTAL 317	** TOTAL 311 ** TOTAL 313 ** TOTAL 313 ** TOTAL 313 ** TOTAL 317 ** TOTAL 317

## **D** Part A: Quarterly Review (Continued)

	Goal	Source					
4:	Lending to	From the Data Mart Goals On Demand Reports, select "OY FLPDM					
	beginning	Lending To Beginning Farmers and Ranchers Goal 4". To view all					
	farmers and	Service Centers within the district, make the following selections on the					
		Lending to Beginning Farmers and Ranchers - Goal 4 Screen, and CLICK					
		"Run Report":					
	Making)						
	8,	• applicable State					
		• "All Races"					
		• "All Genders"					
		<ul><li>"District"</li></ul>					
		"All Service Offices"					
		<ul><li> "All County Offices"</li></ul>					
		• "All Borrowers"					
		<ul> <li>"Lending to BF and Ranchers by Service Office".</li> </ul>					
		Lending To Beginning Farmers and Ranchers - Goal 4					
		Date Selection: (MUST click "Submit" when changing date) State Selection:					
		○ Date by Range or ⊙ Date by FY					
		Fiscal Year:					
		2013 Submit					
		Drill Down Selection: O All O Hispanic O Non-Hispanic					
		Race: Gender:					
		All Races All Genders FEMALE					
		ASIAN MALE BLACK ORG/FEMALE					
		District: Servicing Office: County: Borrower:					
		All Districts All Service Offices All County Offices All Borrowers					
		504					
		Hold the CNTL or SHIFT key down for Multiple Selections					
		Report Selection:					
		Lending to BF and Ranchers by District Lending to BF and Ranchers by District Race/Gender					
		Lending to BF and Ranchers by Service Office Control C					

## **D** Part A: Quarterly Review (Continued)

	Goal	Source				
5:	Lending to	From the Data Mart Goals On Demand Reports, select "OY FLPDM				
	SDA	Lending To Socially Disadvantaged Farmers and Ranchers Goal 5". To				
	farmers and	view all Service Centers within the district, make the following selections on				
	ranchers (%)	the Lending to Socially Disadvantaged Farmers and Ranchers - Goal 5				
	(Direct Loan	Screen, and CLICK "Run Report":				
	Making)					
		• applicable State				
		• "All Races"				
		• "All Genders"				
		• "District"				
		"All Service Offices"				
		"All County Offices"				
		• "All Borrowers"				
		<ul> <li>"Lending to SDA Farmers and Ranchers by Service Office within State"</li> </ul>				
		Lending To Socially Disadvantaged Farmers and Ranchers - Goal 5				
		Date Selection: (MUST click "Submit" when changing date) State Selection:				
		Date by Range or      Date by FY				
		Fiscal Year:				
		2013				
		Drill Down Selection:   All  Hispanic  Non-Hispanic				
		Race: Gender:				
		All Genders All Genders				
		ASIAN MALE BLACK T ORG/FEMALE T				
		District: Servicing Office: County: Borrower:				
		All Districts All Service Offices All County Offices All Borrowers 501 01-305 TUSCALOOSA 014UTAUGA 0022 C				
		502         01-308 ELMORE         02 BALDWIN         0023           503         01-309 COFFEE         05 BLOUNT         0037				
		504 01-311 LAWRENCE 06 BULLOCK 0037 • 01-313 DEKALB • 07 BUTLER • 0090 •				
		Hold the CNTL or SHIFT key down for Multiple Selections				
		Report Selection:				
		Lending to SDAFarmers and Ranchers by Borrower  Lending to SDAFarmers and Ranchers by Service Office within State  PDF Format  PDF Format PDF For				
		Lending to SDAFarmers and Ranchers by Service Office Race/Gender within St				

#### **D** Part A: Quarterly Review (Continued)

	Goal	Source
6:	Direct loan delinquency rate (%) (Direct Loan Servicing)	Provided by the State Office.
7:	Guaranteed loan delinquency rate (%)	Select from the GLS Caseload Reports, "GLS2085 – Guaranteed Caseload/Delinquency Summary". Select "Allow Drilldown to Detail" to break data down by county. The only option available is "Geographical State"; therefore, the data is represented by counties. Add all the information for each county within the Service Center to obtain the Service Center delinquency.
		Summary <u>GLS</u> <u>FSA</u> <u>Add Application</u> <u>Borrower</u> <u>Lender</u> <u>Loans</u>
		Search Criteria
		Specify Search Criteria to restrict the contents of the report to entries which match yo Geographic State CONNECTICUT Loan Type All Types Beginning Farmer/SDA  No Selection Socially Disadvantaged Only
		© Beginning Farmer Only ◎ Both Assistance Type Codes hold Crtl for multiple select 031 FO FE SDA E 032 FO DEMONSTRATION LNS ▼
		<b>Report Options</b> ielect a "Report Format" from the drop down list; Select a delivery route;(fill in an email address if email distribution is sel or Select "Reset" to clear the form;
		Report Format: Formatted for printing View report online Formatted for printing Allow Drilldown to Detail Excel Spreadsheet Query Reset Form

#### **D** Part A: Quarterly Review (Continued)

	Goal	Source
8:	Primary loan	Provided by the National Office to each State.
	servicing	
	processing	
	times (days).	
	(Direct Loan	
	Servicing)	

#### **E** Part B: Semiannual Reviews

Semi-annual review items shall be completed for the 2nd and 4th quarters of each FY.

**Note:** Use the "**Review Area Comments**" section to note issues on which to followup or other comments relevant to the review.

#### 1 Direct Loan Making: Loan Security Instruments

Review 5 new chattel or crop loans; review all if less than 5. Information sources include the following:

- FBP Credit Action Report
- OL FLPDM Borrower Financing Statement Combined Report.

	Question	Source			
1:	Borrower Name	FBP Credit Action Report.			
2:	Proper UCC Filed	Check the borrower case file to verify the proper UCC filing.			
		The offsite option is to create the report from Data Mart Direct Loan			
		Servicing/Routine Servicing, OL FLPDM Borrower Financing			
		Statement Combined Report.			
		UNITED STATES DEPARTMENT OF AGRICULTURE Page 1 08/13/20/13 FARM SERVICE AGENCY 02:55 PM DIRECT LOAN SERVICING Borrower Financing Statement Detail Report Status: Active State: Distric: 01-501 Service Office: Al Servicing Offices County: Al Counties			
		No Date Selected           StiCty         Sec           FLP         StiCty         Sec           Mail         Security         Filing         Filing         Alert         Expiration         Associated <u>Code</u> Servicing Office         Borrower Name         Case Nbr         Instrument         Number         Date         Date         Loans           Original         A09-0039571 FS         01/202009         01-000         CFS         07/202013         01/2020014         44-02			
		- , Original A 12-0195303 FS 04/09/2012 01-000 CFS 10/09/2016 04/09/2017 44-01, 44-02			

## **E** Part B: Semiannual Reviews (Continued)

## 1 Direct Loan Making: Loan Security Instruments (Continued)

	Question	Source
3:	Security agreement and	Verify, while in the Service Center, that the promissory note is
	promissory note in safe	filed in the Service Center fire proof safe.
4:	Agreement for Disposition	If applicable, while in Service Center, review agreement from
	of Jointly Owned Property	the borrower case file.
	Obtained	
5:	CCC-10 has been executed	Offsite option is the Service Center scans and e-mails the
	and is in the borrower case	agreement.
	file (3-FLP)	

## **E** Part B: Semiannual Reviews (Continued)

#### 2 Direct Loan Servicing

#### **A** Shared Appreciation Agreements

Review all accounts listed. Information sources include the following:

- 5-FLP
- borrower case file
- FLM discussion
- operational file
- Report Code 565-A, "Borrowers with Expiring Equity Recapture Agreements".

	Question	Source
1:	Borrower Name	View current and past Reports 565-A sent to Service Centers monthly *by DCIB*
		Review all borrowers with upcoming expirations or Shared Appreciation Agreements that have expired since the last review. Agreement may have matured for a reason other than time.
		This form is available electronically.         Position 4           FSA-2544         U.S. DEPARTMENT OF AGRICULTURE         Position 4           (04-03-12)         Farm Service Agency         Position 4           REQUEST FOR INFORMATION ON CAPITAL IMPROVEMENTS         Position 4         Position 4
		Mr. John Farmer Date Mrs. Jane Farmer Certified 12123 County Road Four 48151623424815462342 Washington, DC 20250
		Our records show that you have a Shared Appreciation Agreement with the Farm Service Agency (FSA) that has or will soon be coming due. FSA regulations (7 CFR Part 766) allow the value of certain improvements to be deducted from the current market value of your property to determine any shared appreciation due. The improvement has to have been added to the property since you received your writedown from FSA and capitalized on your income taxes. The capital improvements must also meet at least the set of the full writes retrieve.
		<ul> <li>least one of the following criteria:</li> <li>A. It is your primary residence. If a new residence is affixed to the real estate security for a home which existed on the security property when the SAA was originally executed, or the living area square footage of the original dwelling expanded, only the value added to the real property by the new or expanded portion of the original dwelling (if it added value) will be deducted from the current market value. Living area square footage will not include square footage of patios, porches, garages, and similar additions.</li> </ul>
		B. The item is an improvement to the real estate with a useful life of over 1 year and is affixed to the property. The item must have been capitalized and not taken as an annual operating expense on Federal income tax records. You must provide copies of appropriate tax documentation to verify the capital improvements claimed.
		A copy of FSA-2544 sent to the borrower should be located in the borrower case file.

# **E** Part B: Semiannual Reviews (Continued)

# 2 Direct Loan Servicing (Continued)

## A Shared Appreciation Agreements (Continued)

	Question	Source
2:	Expiration dates of agreements are monitored	Discuss with FLM how expiration dates are monitored and review Service Center operational file if necessary.
3:	Proper notifications are sent to borrowers	Borrowers who have Shared Appreciation Agreements expiring within 6 months are sent FSA-2544 notifying the borrower of the upcoming expiration and requesting information about improvements made to the property. This form is available electronically. FSA2545 U.S. DEPARTMENT OF AGRICULTURE Position 4 (04-25-12) Parm Service Agency Position 4 BORROWER NOTIFICATION OF SHARED APPRECIATION DUE 05/12/2013 Farmer Brown CERTIFIED 123 Any Street 1001001110001100100 Farmville, CO 25810 CERTIFIED 10010011100011001010 This notice is to inform you that the Shared Appreciation Agreement (SAA) you executed on 05/09/2008 has or will soon become due for the following reason: • The Shared Appreciation Agreement will mature on 05/09/2013. The Agency has completed a current appraisal on the real estate that secured the Shared Appreciation Agreement and considered any capital improvements that you reported. Based on this information, we have determined that you owe \$12,333.00 in SAA recapture. FSA-2545 should be sent to all borrowers who have expired Shared
4:	Expiring agreements are serviced according to 5-FLP	Appreciation Agreements. Borrowers with expired Shared Appreciation Agreements must be notified of the recapture due using FSA-2545. Review borrower case-file documentation and discuss with FLM to determine borrower's response to notification.

#### **E** Part B: Semiannual Reviews (Continued)

## 2 Direct Loan Servicing (Continued)

## **B** Classification of Borrower Accounts

Review requires a count of all accounts that should be classified during the current FY. Information sources include the following:

- borrower case file
- discussions with Service Center
- OY FLPDM Classification Review Workflow Report
- OY FLPDM Direct Application Report.

(	Question	Source
1:	New	Verify borrowers approved for new loans had classification reviews
	Borrower	performed on their accounts.
	accounts	
	are	Compare Data Mart Direct Loan Making, OY FLPDM Direct Loan
	classified	Application Report with the Direct Loan Servicing/Routine Servicing,
		<b>OY FLPDM Classification Review Workflow Report</b> . Select the report
		to cover the Service Center and specific review period dates. Save or print
		both reports to use for comparison.
		When pulling the Classification Review Workflow Report, select " <b>In</b> <b>Conjunction with a Loan Closing</b> " to limit the search to Classification Reviews only.
		<b>Note:</b> Some borrowers may be listed on the Direct Loan Application Report, but their loans may not have closed by the end of the period covered by the report and may not; therefore, show up on the Classification Review Workflow Report.
		Discuss borrowers who were not classified with the Service Center.

# E Part B: Semiannual Reviews (Continued)

2 Direct Loan Servicing (Continued)

(	Question	Source							
1: New Borrower accounts are classified (Cntd)		On the Direct Application Report Selection Page, using the drop-down lists, select the following and CLICK " <b>Run Report</b> ": • "State", select applicable State • "District", " <b>All Districts</b> " • "County", " <b>All Counties</b> " • "Ethnicity" and CLICK " <b>All</b> " radio button • "Status", " <b>Approved</b> " • "Race", " <b>All Races</b> " • "Gender", " <b>All Genders</b> " • "From" and "TO" dates and CLICK " <b>Date by Range</b> " radio button • "Sort Selection": • " <b>by Final Disp</b> " • " <b>by Name</b> ".							
		Direct Application Report Selection Page							
		Selection Criteria:       Hold the CTRL or SHIFT key down for Multiple Selections         State:       District:       Servicing Office:       County:         Alabama       All Districts       All Service Offices       O1-004 Bibb         Alaska       501       01-305 Tuscaloosa       01-004 Bibb         Arizona       503       01-309 Coffee       01-032 Greene         Arkansas       504       01-311 Lawrence       01-033 Hale         Ethnicity:       Status:       Race:       Gender:         All       All Races       All Genders         All       Approved       Amer Indn/Alsk Natv       All Genders         Maian       W       Alian       W       Male							
		From:     October     I     I     O Date by Fiscal Year       To:     March     31     2013							
		Report Selection:       Image: Constraint of the second seco							

# **E** Part B: Semiannual Reviews (Continued)

2 Direct Loan Servicing (Continued)

Question	Source
1: New Borrower accounts are classified (Cntd)	<ul> <li>On the Classification Review Workflow Report Page, using the drop-down lists, select the following and CLICK "Run Report":</li> <li>"Status", "All"</li> <li>"Sort Selection":</li> <li>"by Service Office:</li> <li>"by Borrower Name".</li> </ul>
	Classification Review Workflow Report
	Selection Criteria:       District:       Servicing Office:       County:         Alabama       All Districts       All Service Offices       All Counties         Alabama       01-501       01-305 Tuscaloosa       01-004 Bibb         Alaska       01-502       01-308 Coffee       01-029 Fayette         O1-308 Coffee       01-311 Lawrence       01-033 Hale       01-038 Lamar         Colorado       V       V       01-317 Monroe       01-053 Perry         Status:       Date:       October       01 V 2012       Scheduled Date         Completed       Image:       To:       March       31 V 2013       Completed Date         All       V       Image:       V       V       Status:       Colorado         Not Completed       Image:       To:       March       31 V 2013       Completed Date         All       V       V       V       V       V       Completed Date         All       V       V       V       V       V       V         All       V       V       V       V       V       V         All       V       V       V       V       V       V         Hold the CTRL or SHIFT key down fo
	Sort Selection: <ul> <li>Ascending</li> <li>Descending</li> <li>Excel Format</li> <li>Excel Format</li> <li>Print</li> <li>Descending</li> <li>Hyperion Format</li> </ul>
	None   Ascending  Run Report  Reset All

# **E** Part B: Semiannual Reviews (Continued)

2 Direct Loan Servicing (Continued)

	Question				Source					
2:	FBP	Bor	Borrower accounts may be accessed in DLS to view their specific							
	Updated/		classification review, determine that it has processed, and verify any							
	Transactions		questions or concerns about the borrower's classification.							
	Processed	1								
		Wh	ile on Service	Center Dashb	oard, CLI	CK "Icon"	under "C	CR He	ader"	
				lassification F						
							1	5		
				tion Review						
		R	eminders						٩	
			Pending Reminde Complete CR		ue	Alert	<b>1</b> 2	10	4	
		×	Postponed Remi		9/30/2010	.0 02/02/2010			-0 -0	
		Closed Reminder			Due Closed					
		Ciosea Reminaer Dae Ci								
		CLICK "Classification Device" to be access the Classifier						ion P	aviou	
		CLICK " <b>Classification Review</b> " tab to access the Classification Reprocess, allowing a more detailed view of the classification activities								
		-	Formed on that							
		pen		i account.						
		Dom	inders Classificat	ion Paview						
		Reminders Classification Review Active Reviews								
			Creation Date	Activity	Summ	iary	5			
		Ø	07/17/2009	Classification Revie				~	٩	
		D	revious Reviews	Classification Re	view		Ş 🖬		e .	
			Completion Date	Activity	Summ	ary				
		-	06/12/2009	Classification Revie	****			5	٩	

# **E** Part B: Semiannual Reviews (Continued)

# 2 Direct Loan Servicing (Continued)

	Question	Source			
3:	Annual classification of existing borrower accounts	<ul> <li>From the Classification Review Workflow Report Screen, create a report for the review time period. Using the drop-down lists, select the following and CLICK "Run Report":</li> <li>"Status", "All"</li> </ul>			
		<ul> <li>"Date", "From" and "To", select date range for Classification Reviews that have not been completed and CLICK "Scheduled Date" radio button</li> </ul>			
		• "Reason for Review", "All"			
		• "Sort Selection":			
		<ul> <li>"by Service Office"</li> <li>"by Borrower Name"</li> <li>"by Workflow Completion Date".</li> </ul>			
		Document the number of classification reviews that need to be completed by the end of review period. Discuss with Service Center the plan to complete any reviews that will need to be completed by the end of the year.			
	<b>Notes:</b> For questions about classifying borrower accounts, see Section 4.				
		These instructions demonstrate pulling reviews scheduled for the current review period. To include all reviews that should have been completed before the current timeframe, change the From date to further in the past and select a status of "not completed".			

# **E** Part B: Semiannual Reviews (Continued)

2 Direct Loan Servicing (Continued)

	Question	Source									
3:	Annual	Classification Review Workflow Report									
	classification	· · ·	-								
	of existing	Selection Criteria: State: District: Servicing Office: County:									
	borrower		H								
	accounts	Alabama 01-501 01-305 Tuscaloosa 01-004 Bibb	l								
	(Continued)	Alaska 01-502 01-308 Elmore 01-029 Fayette 01-029 Fayette 01-029 Greene									
		Arkansas 01-504 01-311 Lawrence 01-033 Hale	l								
		California         01-313 Dekalb         01-038 Lamar           Colorado         V         01-317 Monroe         V	l								
		Completed Credit Action Date									
		All To March y 21 y 2013 Completed Date									
		Reason for Review:									
		Every Two Years									
		In Conjunction with a Loan Closing									
		Hold the CTRL or SHIFT key down for Multiple Selections	l,								
		Sort Selection: Report Selection:	1								
		by Service Office OFF Format									
		O Descending O Excel Format									
		O Print									
		by Borrower Name O Recending O Hyperion Format									
		Run Report									
		by Workflow Completion Date   Ascending  Beset All  Reset All									

#### **E** Part B: Semiannual Reviews (Continued)

## 2 Direct Loan Servicing (Continued)

## C Year End Analysis

Review requires a count of all accounts that will require YEA during the current FY. Information sources include the following:

- discussions with Service Center
- OY FLPDM Year End Analysis Workflow Report.

	Question	Source
1:	Number of	YEA's are required for all accounts with:
	analyses	
	required this	• new loans
	FY	chattel subordinations
		PLS or DSA in the previous FY
		financially distressed or delinquent accounts
		• accounts with limited resource loans.
		Access from Data Mart, <b>OY FLPDM Year End Analysis Workflow</b> <b>Report</b> for the review time period, to determine if reviews are being completed as required.
		Note: See to Part 8, Section 5, for questions about YEA's.

# **E** Part B: Semiannual Reviews (Continued)

# 2 Direct Loan Servicing (Continued)

## C Year End Analysis (Continued)

Question	Source
1: Number of analyses required this FY	<ul> <li>On the Year End Analysis Workflow Report Screen, from the drop-down lists, select the following and CLICK "Run Report":</li> <li>"Status", "All"</li> </ul>
(Continued)	
	<ul> <li>"by Service Office"</li> <li>"by Workflow Completion Date"</li> <li>"by Borrower Name".</li> </ul>
	Year End Analysis Workflow Report
	Selection Criteria:       District:       Servicing Office:       County:         State:       All Districts       All Service Offices       All Counties         Alabama       Image: Servicing Office:       Image: Servicing Office:       All Counties         Alabama       Image: Servicing Office:       Image: Servicing Office:       All Counties         Alabama       Image: Servicing Office:       Image: Office:       Image: Office:         Alaska       Image: Office:       Image: Office:       Image: Office:
	Not Completed     Image: Completed completed       All     Image: Completed completed completed       All     Image: Completed c
	All In Conjunction with Loan Closing In Conjunction with Loan(s) Has Limited Resource Loan(s) Received Primary Loan Servicing in the Past Year
	Hold the CTRL or SHIFT key down for Multiple Selections
	Sort Selection:     Image: Selection and the selection and
	by Workflow Completion Date Scending Hyperion Format by Borrower Name Ascending Run Report Descending Reset All

# **E** Part B: Semiannual Reviews (Continued)

2 Direct Loan Servicing (Continued)

# C Year End Analysis (Continued)

	Question				S	ource					
2:	Number of	When reviewing the Year End Analysis Workflow Report, count the									
	Analysis	number of	0			•			- ·		
	completed	the total n				-					
	year to date	to be com				1				2	
3:	Number of		•								
	Analysis	Discuss a	plan to co	mplete a	all requ	ired Y	'EA's	with t	he Serv	vice C	Center.
	needed to be										$\frown$
	completed	FLP				Customer	Response	Credit	Credit		Workflow
	prior to the	Mail Code Svc Office	Borrower Name	Case Nbr	Scheduled Date	Contacted Date	Received Date	Action Date	Action Description	Completed By Contractor	Completion Date
	end of the FY	01-305 Tuscaloosa			D8/29/2013					N	
		01-305 Tuscaloosa			02/13/2013	02/13/2013	02/13/2013	02/13/2013	2012 Crop Year YEA	N	02/15/2013
		01-305 Tuscaloosa			03/13/2013	03/15/2013	03/15/2013	03/15/2013	2013 5-FLP and OL-Term	N	03/20/2013
		01-305 Tuscaloosa			11/15/2012	11/15/2012	11/15/2012	11/15/2012	2013 Winter Wheat - Post Clo	N	04/19/2013
		cu	umber of o	A's that	ed/nonc should hange	comple	eted w	orkflo comple	YEA w w item	workf s to a fore t	nswer he

#### **E** Part B: Semiannual Reviews (Continued)

#### **3** Guaranteed Loan Servicing

#### A Semiannual and Default Status Reports and Delinquent Loan Accounts

Review and discuss the reports with the FLM, FLO, and/or SFLO to complete review items. Information sources include the following:

- 2-FLP, paragraphs 266 and 300
- discussions with the Service Center
- GLS Report Code GLS-2001
- GLS Report Code GLS4265
- GLS Report Code GLSSR02
- GLS Report Code GLSSR04.

	Question	Source
1:	Status reports and default status reports are received	GLS4265, Submitted Status Reports, displays the list of lenders who have submitted a status report.
	from the lenders	Access from GLS Reports, GLS Status Reports, GLS4265 Submitted Status Reports.
2:	Status reports and default status reports are reviewed by FLM	Discuss the office procedure for reviewing of status reports and default status reports with FLM.

#### **E** Part B: Semiannual Reviews (Continued)

**3** Guaranteed Loan Servicing (Continued)

#### A Semiannual and Default Status Reports and Delinquent Loan Accounts (Continued)

	Question		Source		
3:	Status reports and default status reports are input into GLS when they are received	Report Code <b>GLSSR02</b> , <b>I</b> <b>Reports</b> , displays status r were due and have not bee past reports due by borrow	eports and default en recorded in GL	status repor	ts that
		Report Code GLSSR04, F Summary Report, summar branches/loans with past of	rizes the total num		
		Discuss any reports that h Service Center.	-		
		The following GLS Report	rt GLSSR04 sumn	narizes repor	rts due.
		CAA172 Uni GLSSR02	ted States Department of FARM SERVICE AGENCY PAST DUE STATUS AND DEFAULT :	•	
			F LENDER BRANCHES WITH STATUS ER OF LOANS WITH STATUS REPOR		9
			SERVICING STATE:		
		SVC GEO BORR ID/ LOAN/ BORROWE ST/CNTY ST/CNTY LNDR ID BRCH LENDER I		REPORT TYPE	REPORT LOAN DUE DATE TYPE
		2 001,	D 11/10/200 BANK	09 DEFAULT STATUS	06/07/2013 FO
		GLSSR04 FA Past Due Status Total Number of Lender Br	es Department of Agricul RM SERVICE AGENCY and Default Status Summa anches with Status Repor as with Status Reports Pa	ry Report ts Past Due	PAGE 2 07/17/2013 13.27.15 9
		Servicing State	Number of Past Due Status Reports	Number of Past Due Default Status Repo	rts
		L	2		13

#### **E** Part B: Semiannual Reviews (Continued)

#### **3** Guaranteed Loan Servicing (Continued)

#### A Semiannual and Default Status Reports and Delinquent Loan Accounts (Continued)

	Question	Source
4:	FLP staff is following-	Discuss the follow-up actions being taken on each account that
	up on servicing actions	is delinquent and/or has an anticipated loss claim with Service
	for delinquent	Center. List all delinquent accounts on this report.
	accounts. FLM is	
	reviewing loss claims	Access from GLS reports, GLS2001, Lists of Delinquent
5:	List delinquent	Borrowers report. The report displays delinquent loan
	accounts	information by mail code for all loans past due.

#### **E** Part B: Semiannual Reviews (Continued)

### **3** Guaranteed Loan Servicing (Continued)

#### **B** Lender Reviews

Review requires a count of loans or accounts for each type of lender. Information sources include the following:

- 2-FLP, paragraph 267
- discussions with Service Center
- GLS Report Code GLS2003
- record count from Operational Files.

	Question	Source
1:	Required Number of	Access from GLS Reports, GLS Status Reports Code
	SEL borrower files to be	GLS2003, Guaranteed Loans by Lender Caseload.
	reviewed for FY	
2:	Number of SEL	Report lists guaranteed loan information by lender ID within
	borrower files reviewed	lender name, giving a total amount by lender.
	year to date	
3:	Required number of CLP	Review and discuss the report with FLM, FLO, and/or
	borrower files to be	SFLO.
	reviewed for FY	
4:	Number of CLP	Review items:
	borrower files reviewed	
	year to date	• (1), (3), and (5) will be determined by the number of
5:	Required number of PLP	borrowers for each lender, and the percentage required to
	borrower files to be	be reviewed based on lender status according to 2-FLP,
	reviewed for FY	subparagraph 267 B.
6:	Number of PLP	
	borrower files reviewed	• (2), (4), and (6) will be determined through discussion
	year to date	with FLM, FLO, and/or SFLO.

#### **F** Part C: Annual Reviews

**Note:** Use the "**Review Area Comments**" section to note issues on which to followup or other comments relevant to the review.

### 1 Direct Loan Servicing

#### **A** Borrower Graduation

Review required for all borrower accounts classified as a "1" or "2". Information sources include the following:

- 4-FLP Part 4
- discussions with the Service Center
- DLS Graduation Review Monitoring Report
- Operational Files.

	Question			Source				
1:	Lender	Each October, an authoriz	ed agend	cy officia	al shall c	ontact lo	cal lender	rs to
	surveys are	0						
	completed	summary of this informati					nal Files.	
	annually	Review to determine if the	is inform	ation wa	is obtain	ed.		
		For information about bor Part 4.	rower gr	aduatior	ı require	ments, se	ee 4-FLP,	
		Lender Agricult	tural Loan U	Jnderwritin	g Standards			]
			Short-Te	rm Credit				
			Lender	Lender	Lender	Lender	Applicant	
		Date Completed						
		Name						
		Lending Limit					N/A	
		Minimum Loan Size					N/A	
		Percent Equity						
		Percent Repayment Margin						
		Types of Security Required						
		Maximum Loan to Security Value					N/A	
		Maximum Term of Loan					N/A	4
		Information gathered fron such as 4-FLP, Exhibit 22 and Long Term Credit.						

# F Part C: Annual Reviews (Continued)

# 1 Direct Loan Servicing (Continued)

### A Borrower Graduation (Continued)

2: Graduation Graduation reviews should be conducted fo potential for as a "1" or "2".	
potential for as a "1" or "2".	r all borrowers who classify
±	
borrowers is	
documented From the Data Mart DLS Loan Servicing, F	ê î ș
in each select "OY FLPDM Graduation Review I	<b>U</b>
borrower's the Graduation Review Monitoring Report	
*FBP file* determine borrowers who classify as "1" an graduation review. Discuss with the Service	
operational graduation reviews will be completed for th	
file as	lese bollowers.
appropriate Notes: Answer "Yes" only if all required re	eviews have been completed
for the FY, and explain the Service	Center plan of action to
complete the reviews.	
Deport can be get up to pull all Cred	ustion Deviews "Not
Report can be set up to pull all Grad Completed" (CLICK " <b>Scheduled D</b>	
(CLICK " <b>Completion Date</b> ") for th	, <b>1</b>
current FY.	the betwee Center during the
Graduation Review Monitori	ng Report
Selection Criteria:	
State: District: Servicing Office:	County:
Alabama 01-501 01-305 Tuscaloos Alaska 01-502 01-308 Elmore	
Arizona 01-503 01-309 Coffee Arkansas 01-504 01-311 Lawrence	01-032 Greene 01-033 Hale
California Colorado	01-038 Lamar 01-038 Perry
Status: Date:	
Not Completed From: October V 01	2012 O Scheduled Date     Completed Date
Completed To: September V 30	✓ 2013
	Report Selection:
Sort Selection: by Service Office	PDF Format
Dy Service Onice O Descending	O Excel Format
by Scheduled Date	<ul> <li>Print</li> <li>Hyperion Format</li> </ul>
	Run Report
by Borrower Name O Ascending Descending	Reset All

# **F** Part C: Annual Reviews (Continued)

# 1 Direct Loan Servicing (Continued)

### A Borrower Graduation (Continued)

	0	g
	Question	Source
3:	Follow-up is	Borrower accounts that are determined eligible for graduation will be
	completed	submitted to local lenders using a borrower prospectus similar to 4-FLP,
	for	Exhibit 24.
	borrowers	
	who are	4-FLP, Exhibit 24 is used to determine local lender interest in refinancing
	asked to	a specific operation.
	graduate	
		Discuss the status of any borrower that has been asked to graduate with
		the Service Center.
		4-FLP, Exhibit 24
		(Use Agency Letterhead format with local return address.)
		BORROWER PROSPECTUS
		Dear:
		TOA is a missive deside the second
		FSA is required to determine if direct loan applicants can obtain commercial credit with an FSA loan guarantee. Also, FSA direct loan borrowers must be referred to commercial lenders for guaranteed or nonguaranteed
		financing when they appear to meet the lending criteria of a cross-section of local lenders.
		Your institution is among those that asked to receive prospectus information on all such FSA applicants and
		borrowers. Therefore, we have attached financial summary information on the following borrower for your review
		and consideration:
		Name Eligible for Total Amount Estimated Lender Use
		FSA Loan Existing FSA Term Production Loan Do Not Guar. Loan(s) Needed Refer Refer
		YES NO

# **F** Part C: Annual Reviews (Continued)

# 1 Direct Loan Servicing (Continued)

### A Borrower Graduation (Continued)

	Question	Source
3:	Follow-up is	If lenders exhibit interest in refinancing, the borrower is provided with a
	completed	letter similar to 4-FLP, Exhibit 25, instructing them to begin the process
	for	of refinancing the FSA debt.
	borrowers	
	who are	4-FLP, Exhibit 25 is used to notify borrowers that lenders are interested
	asked to	in refinancing their FSA debt. Borrower responses to this letter should
	graduate	*be documented in FBP*
	(Continued)	
		4-FLP, Exhibit 25
		(Use Agency Letterhead format with local return address.)
		LETTER TO NOTIFY BORROWERS TO REFINANCE THEIR FSA INDEBTEDNESS
		Dear:
		The financial progress you have made since receiving your Farm Service Agency (FSA) loan(s) has been reviewed. You should take pride in the progress you have made. We share that pride with you and are pleased that we may have been of service.
		Your FSA loan and security instruments require you to refinance the unpaid balance of your loan(s), when you have progressed to the extent that you can obtain credit from responsible cooperative or commercial lenders.
		Lenders have been contacted to determine their requirements and the availability of credit to new customers. We have evaluated your financial progress, together with the lender requirements, and find that you should now be able to secure satisfactory credit to pay your FSA loan(s). Therefore, we request that you refinance your [Enter type of loan, FO, OL, etc] loan(s) in full.
		This approximate balance is \$

#### F Part C: Annual Reviews (Continued)

### **1** Direct Loan Servicing (Continued)

#### **B** Subordinations

Review all accounts with outstanding subordinations. Information sources include the following:

- 4-FLP Part 6
- borrower case files
- discussions with Service Center
- DLS Outstanding Subordination Report
- DLS Subordination Request Report.

	Question	Source		
1:	Borrower Name	From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select " <b>OY FLPDM Outstanding Subordinations Report</b> ". From the		
2:	FLP staff is monitoring outstanding subordination	<ul> <li>Outstanding Subordination Report Screen, create the report to generate list of all borrowers with outstanding subordinations.</li> <li>Discuss all outstanding subordinations with the Service Center to ensurt that the accounts are being monitored and serviced.</li> <li>Note: The following example report is set to provide information for a single Service Center. The report will contain information for a single Service Center.</li> </ul>		
		Outstanding subordinations.		
		Selection Criteria: Hold the CTRL or SHIFT key down for Multiple Selections		
		State:     District:     Servicing Office:     County:       Alla State:     All Districts     All Service Offices     All Counties       Alabama     Image: Servicing Office:     All Counties       Alabama     Image: Servicing Office:     All Counties       Alabama     Image: Servicing Office:     Image: Servicing Office:       Alabama     Image: Servicing Office:     Image: Servicing Office:       Alabama     Image: Servicing Office:     Image: Servicing Office:       Image: Office:     Image: Servicing Office:     Image: Servicing Office:       Image: Office: Office:     Image: Servicing Office:		
		Sort Selection: PDF Format		
		by Borrower Name		
		None   Ascending  Run Report  Reset All  Reset All		

# F Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

# **B** Subordinations (Continued)

	Question	Source
3:	Matured loans have been paid off and the original subordination document has been returned marked "paid-in-full"	<ul> <li>From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select "OY FLPDM Subornation Request Report". From the Subordination Request Report Screen, create the report for the current FY to determine any subordination that has been paid-in-full during the year. For all subordination requests made during the current FY select the following and CLICK "Run Report":</li> <li>"Status", "All"</li> <li>"Security Type", "All"</li> <li>"Date", "From" and "To", select all FY to date and CLICK "Request Date" radio button</li> <li>"Sort Selection":</li> <li>"by Service Office"</li> </ul>
		<ul> <li>"by Borrower Name".</li> <li>Subordination Request Report State: Stat</li></ul>

# F Part C: Annual Reviews (Continued)

### 1 Direct Loan Servicing (Continued)

# **B** Subordinations (Continued)

	Question	Source
3:	Matured loans	Ensure that the original subordination document was marked
	have been paid	paid-in-full and returned.
	off and the	
	original	The final column of the report indicates the date the subordination
	subordination	was paid-in-full.
	document has	
	been returned	
	marked	
	"paid-in-full"	
	(Continued)	

#### **F** Part C: Annual Reviews (Continued)

#### **1** Direct Loan Servicing (Continued)

#### C Chattel Security Accounting

Review a sample of 5 borrower accounts; review all if less than 5. Review more files if deficiencies are found. Information sources include the following:

- borrower case file
- •\*--FBP--\*
- discussion with Service Center officials
- DLS Borrower Financing Statement Combined Reports
- DLS Farm Visit Workflow Report
- OY FLPDM Status of Farm Loan Programs 540 (Routine Servicing).

	Question	Source
1:	Borrower	Select 5 chattel-secured borrowers at random from Data Mart Direct
	Name	Loan Servicing/Routine Servicing, OY FLPDM Status of Farm Loan
		Programs (540) Report.

# **F** Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

	Question	Source	
	UCC filings have been properly continued or amended as applicable and the	From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select " <b>OY FLPDM Borrower Financing Statement Combined</b> <b>Report</b> ". From the Borrower Financing Statement Detail/Monitoring Report Screen, create the report for a specific borrower selected from the 540 report. To create a report for a specific borrower select the following and CLICK " <b>Run Report</b> ":	
s t f	management system has been updated for correct follow-up date	<ul> <li>"Status", "All"</li> <li>"Date", "From" and "To", desired range and CLICK "No Date Selected" radio button</li> <li>"Report Selection", CLICK "Detail Report" radio button</li> </ul>	
		• "Borrower", locate and select the borrower.	
		Borrower Financing Statement Detail/Monitoring Report	
		Hold the CTRL or SHIFT key down for Multiple Selections	
		Selection Criteria:       District       Servicing Office:       County:         State:       District       Servicing Office:       County:         Alabama       01-501       01-305 Tuscaloosa       01-004 Bibb         Alaska       01-502       01-308 Elmore       01-029 Fayette         01-303 Coffice       01-309 Coffice       01-032 Greene         01-313 Dekalb       01-313 Dekalb       01-038 Lamar         Colorado       V       V       01-317 Monroe	
		Active     Date:       Terminated     From:       All     Value       To:     March       March     31         Output         No Date Selected       Alert Date         Expiration Date	
		Report Selection:     Borrowers       O Detail Report     O Detail Report       Monitoring Report     Image: Comparison of the selection of	
		Sort Selection: <ul> <li>Ascending</li> <li>PDF Format</li> <li>Descending</li> <li>Excel Format</li> <li>Report Selection:</li> <li>PDF Format</li> <li>Excel Format</li> <li>Report Selection:</li> <li>Point Selection:</li> <li>P</li></ul>	
		None <ul> <li>Ascending</li> <li>Descending</li> <li>Hyperion Format</li> <li>Run Report</li> <li>Reset All</li> <li>Reset Al</li></ul>	

# **F** Part C: Annual Reviews (Continued)

# 1 Direct Loan Servicing (Continued)

	Question	Source								
2:	UCC filings have been properly continued or amended as applicable and the	Review the resulting Borrower Financing Statement Detail Report to see af the borrower select has: financing statements that are in need of continuation expired financing statements								
	management system has been updated for correct follow-up date	<ul> <li>followup dates (displayed on the screen as "Alert Date") listed for the next action on the financing statement.</li> <li>Report will indicate the last filing/continuation date and the next expiration date.</li> </ul>								
	(Continued)	UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY DIRECT LOAN SERVICING Borrower Financing Statement Detail Report alus: All alo: All Districts synice Office: Date Selected Date Selected L Security Filing Filing Where Instr All Counties Date Selected L Security Filing Filing Where Instr Alert Expiration Original 06-0718251 08-152010 01-000 CFS 02/15/2016 08/15/2011								
		Continuation 06-0718251 08/02/2011 L Original 11-0355381 08/02/2011 01-000 CFS 02/02/2016 08/02/2016 SECURITY INSTRUMENT TYPE: UCC - Uniform Commercial Code CFS - Centralized Filing System EFS - Effective Filing System FFS - Fibture Filing Statement MVL - In-Lieu Financing Statement								

## **F** Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

inspections of chattels are completed as required select "OY FLPDM Farm Visit Workflow Report". From the Farm Visit Workflow Report for Chattel Inspection to determine if chattel security has been inspected this year. To creat the report for chattel inspections only, select the following and CLIC "Run Report": <ul> <li>"Status", "All"</li> <li>"Visit Type", "Chattel Inspection"</li> <li>"Date", "From" and "To", select desired range and CLICK "Scheduled Date" or "Completion Date" radio button.</li> </ul> Farm Visit Workflow Report Selection Criteria: Farm Visit Workflow Report Beledion Criteria: Beledion: <		Question	Source								
chattels are completed as required Visit Workflow Report Screen, create the report for Chattel Inspection to determine if chattel security has been inspected this year. To creat the report for chattel inspections only, select the following and CLICK "Run Report": <ul> <li>"Status", "All"</li> <li>"Visit Type", "Chattel Inspection"</li> <li>"Date", "From" and "To", select desired range and CLICK "Scheduled Date" or "Completion Date" radio button.</li> </ul> Farm Visit Workflow Report Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Hold the CTRL or SHFT lar, down for Hultple Selection Selection Citeria: Hold the CTRL or SHFT lar, down for Hultple Selection Hold the CTRL or SHFT lar, down for Hultple Selection Hold the CTRL or SHFT lar, down for Hultple Selection Hold the CTRL or SHFT lar, down for Hultple Selection Hold the CTRL or SHFT lar, down for Hultple Selection Hold the CTRL or SHFT lar, down for Hold the CTRL or SHFT lar, down for Hold the CTRL or SHFT lar,	3:	Annual	From the Data Mart DLS Loan Servicing, Routine Servicing Reports,								
completed as required       to determine if chattel security has been inspected this year. To creat the report for chattel inspections only, select the following and CLICC "Run Report":         • "Status", "All"       • "Visit Type", "Chattel Inspection"         • "Visit Type", "Chattel Inspection"       • "Date", "From" and "To", select desired range and CLICK "Scheduled Date" or "Completion Date" radio button.         Farm Visit Workflow Report         Selection Criteria:         Not Contraction Criteria         Selection Criteria         Not Completed Criteria         Selection Criteria         Selection Criteria         Selection Criteria         Selection:         Selection:         Selection:         Selection:         Selection:       Selection:		inspections of	select "OY FLPDM Farm Visit Workflow Report". From the Farm								
required the report for chattel inspections only, select the following and CLIC "Run Report": • "Status", "All" • "Visit Type", "Chattel Inspection" • "Date", "From" and "To", select desired range and CLICK "Scheduled Date" or "Completion Date" radio button. Farm Visit Workflow Report Selection Criteria: State: State: State: State: State: Hold the CTRL or SHIFT key down for Multiple Selections County: County: County: County: County: State: Not Completed Completed Completed Completed Main Dete: From October V 01 V 2012 Soft Selection: b; Sence Office Dete: From October V 01 V 2012 Sented inspection Dete: From October V 01 V 2012 Sented files Descending Descending Descending Descending Descending Descending Descending		chattels are	Visit Workflow Report Screen, create the report for Chattel Inspections								
<ul> <li>"Run Report":</li> <li>"Status", "All"</li> <li>"Visit Type", "Chattel Inspection"</li> <li>"Date", "From" and "To", select desired range and CLICK "Scheduled Date" or "Completion Date" radio button.</li> </ul> Farm Visit Workflow Report           Selection Criteria:           Hold the CTRL or Shift Type of th		completed as	to determine if chattel security has been inspected this year. To create								
<ul> <li>"Status", "All"</li> <li>"Visit Type", "Chattel Inspection"</li> <li>"Date", "From" and "To", select desired range and CLICK "Scheduled Date" or "Completion Date" radio button.</li> </ul> Farm Visit Workflow Report Selection Criteria: Holdhe CTRL or BHFT key downfor Multiple Selections State: Holdhe CTRL or BHFT key downfor Multiple Selections Or 502 Tuscaloosa Or 502 Tuscaloosa Of 504 Of 504 Of 504 Of 504 Of 303 Eleman Of 402 Repette Of 402 Repette Of 303 Lawrence Of 402 Repette Of 303 Lawrence Of 403 Beleding Of 504 Of 303 Lawrence Of 403 Beleding Of 403 Beleding Of 504 Of 304 Lawrence Of 403 Beleding Of 403 Beleding Of 403 Beleding Development Inspection Date: From: October © 01 © 2012 Scheduled Date Completed July 2013 Soft Selection: by Service Office Of 507 Selection: by Service Office Off		required	the report for chattel inspections <b>only</b> , select the following and CLICK								
<ul> <li>"Visit Type", "Chattel Inspection"</li> <li>"Date", "From" and "To", select desired range and CLICK "Scheduled Date" or "Completion Date" radio button.</li> </ul> Farm Visit Workflow Report           Selection Criteria           Selection Criteria           State:           Visit Type           Attoma           Attabama           Of-501           Of-502           Of-503           Of-504           Of-503           Of-1032 Graph           Of-1032 Graph           Of-1032 Graph			"Run Report":								
"Date", "From" and "To", select desired range and CLICK     "Scheduled Date" or "Completion Date" radio button.      Farm Visit Workflow Report      Selection Criteria:     Idd the CTRL or SHIFT key down for Multiple Selections     State:     Idd the CTRL or SHIFT key down for Multiple Selections     State:     Idd the CTRL or SHIFT key down for Multiple Selections     Arizona     A			• "Status", "All"								
"Scheduled Date" or "Completion Date" radio button.         Farm Visit Workflow Report         Holdhe CTRL or SHIFT key down for Multiple Selections         State:         State:         Servicing Office:         County:         All District:         Othorse:         Othore         Othor			• "Visit Type", "Chattel Inspection"								
Selection Criteria:       District       Servicing Office:       County:         Alabara       Ali Districts       II Service Offices       Ali Counties         Alabara       01-501       II Service Offices       Ali Counties         Alabara       01-501       II Service Offices       Ali Counties         Alabara       01-501       II Service Offices       Ali Counties         Alabara       01-503       01-305 Tuscaloosa       01-022 Fayette       01-022 Fayette         01-303 Coffee       01-311 Lawrence       01-032 Hale       01-032 Hale       01-032 Hale         01-031 Hale       01-317 Monroe       01-038 Lamar       01-038 Lamar       01-038 Lamar         Colorado       II       Completed       II       Crop Inspection       II         Date:       From:       October       01       Scheduled Date       Completed by Contractor         To:       Septembe       30       2013       Sort Selection:       PDF Format         by Service Office       I       O scending       O scending       Pirint         by Borrower Name       Ascending       O scending       Pirint											
State:       District:       Servicing Office:       County:         Alasha       III Districts       III Service Offices       III Counties         Alasha       01-501       01-305       Tuscaloosa       III Counties         Alasha       01-501       01-305       Tuscaloosa       III Counties       III Counties         Alasha       01-503       01-503       01-305       Tuscaloosa       III Counties       III Counties         Arkansas       01-504       01-305       Iuscaloosa       III Counties       III Counties       III Counties         Arkansas       01-503       01-504       01-305       Iuscaloosa       III Counties       IIII Counties <td< th=""><th></th><th></th><th>Farm Visit Workflow Report</th></td<>			Farm Visit Workflow Report								
Alabama       01-501       01-305 Tuscaloosa       01-004 Bibb         Alaska       01-502       01-308 Elmore       01-029 Fayette         Arizona       01-503       01-308 Ceffee       01-033 Hale         Ariansas       01-504       01-311 Lawrence       01-038 Lamar         Colorado       Image: Colorado       Image: Colorado       Image: Colorado       Image: Colorado         Status:       Visit Type:       All       Image: Colorado       Image: Colorado       Image: Colorado         All       Image: Colorado       Image: Colo											
Alaska 01-502 01-308 Elmore 01-029 Fayette   Arizona 01-503 01-309 Coffee 01-033 Coreene   Arkansas 01-514 01-311 Lawrence 01-033 Hale   Ol-003 Hale 01-313 Dekalb 01-038 Elmore   Ol-033 Hale 01-038 Harronce 01-038 Harronce   Ol-033 Hale 01-010 Fayette 01-038 Finance   Ol-033 Hale 01-010 Fayette 01-038 Harronce   Ol-033 Hale 01-010 Fayette 01-038 Harronce   Ol-033 Hale 01-010 Fayette 01-038 Finance   Ol-033 Hale 01-010 Fayette 01-038 Finance   Visit Type: All On-010 Fayette   Not Completed All Onesection   Completed Image: Onesection   All Image: Onesection   Date: Image: Image:   From: October Image:   Sort Selection: Image: Image:   Image: Image: Image: </th <th></th> <th></th> <th></th>											
Arkansas       01-504       01-311 Lawrence       01-033 Hale         California       01-313 Dekalb       01-313 Dekalb       01-038 Lamar         Colorado       v       visit Type:       01-63 Peny       v         Not Completed       All       All       Image: Colorado       Image: Colorad											
California       01-313 Dekalb       01-038 Lamar         Colorado       Image: Colorado       01-317 Monroe       01-038 Lamar         Status:       Visit Type:         Not Completed       All         Completed       All         Chattel Inspection       Image: Completed         All       Crop Inspection         Date:       Completed         From:       October       01         Date:       Completion Date       Completed by Contractor         To:       Septembe       30       2013         Sort Selection:       O scending       PDF Format         by Service Office       O Ascending       Excel Format         by Borrower Name       O Ascending       Print         Up Borrower Name       O Ascending       Hyperion Format											
Status:       Visit Type:         Not Completed       All         Completed       Chattel Inspection         All       Crop Inspection         Date:       From:       October       01       2012       Scheduled Date         From:       October       01       2012       Scheduled Date       Completed by Contractor         To:       Septembe       30       2013       Completion Date       Completed by Contractor         Sort Selection:        Ascending       Descending       PDF Format         by Service Office        Ascending       Print       Print         by Borrower Name        Ascending       Print       Hyperion Format			California 01-313 Dekalb 01-038 Lamar								
Not Completed       All         Completed       Chattel Inspection         All       Crop Inspection         Date:       Date:         From:       October       01         To:       Septembe       30       2013         Sort Selection:       Oracle       Completed by Contractor         by Service Office       Oracle       Percending         by Borrower Name       Oracle       Ascending         Oracle       Oracle       Print         Hyperion Format       Hyperion Format											
Completed   All   Date:   From:   October   1   2012   Sort Selection:   by Service Office   Image: Sort Selection:   by Service Office   Image: Sort Selection:			Net Completed								
All       Crop Inspection         Date:       Development Inspection         From:       October       01       2012       Scheduled Date         To:       Septembe       30       2013       Completion Date       Completed by Contractor         Sort Selection:        Service Office        Ascending       PDF Format       Excel Format         by Borrower Name        Ascending        Hyperion Format											
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From:       October       01       2012       Scheduled Date       Completion Date         To:       Septembe       30       2013       Report Selection:         Sort Selection:       Ascending       PDF Format       Excel Format         by Service Office       Ascending       Excel Format       Print         by Borrower Name       Descending       Hyperion Format											
To:       Septembe v 30 v 2013         Sort Selection:       Image: Ascending image: Ascendimage: Ascending image: Asc			From: October V 01 V 2012 O Scheduled Date								
by Service Office <ul> <li>Ascending</li> <li>Descending</li> <li>Excel Format</li> <li>Print</li> <li>Print</li> <li>Hyperion Format</li> </ul>											
by Borrower Name			Sort Selection: Report Selection:								
by Borrower Name   Ascending  Print  Hyperion Format			by service office								
C Descending			Ascending     Ascending								
Dila Dasar			O Descending Run Report								
None O Ascending Reset All			None O Ascending								

## **F** Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

	Question Source						
3:	Annual	The Chattel Inspection Report will indicate date of completed or					
	inspections of scheduled inspections, based on selection made on the Farm Visit						
	chattels are	Workflow Report Screen.					
	completed as						
	required Discuss with Service Center the plan for ensuring chattel security						
	(Continued)	accounted for on inspections that have not been completed.					

#### F Part C: Annual Reviews (Continued)

### 1 Direct Loan Servicing (Continued)

#### **D** Limited Resource Reviews

Review 5 limited resource borrower accounts; review all if there are less than 5.

Information sources include the following:

- 4-FLP, Part 3
- borrower case file
- DLS Limited Resource Review Monitoring Report
- documentation, discussion with Service Center officials.

	Question	Source
1:	Borrower Name	From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select " <b>OY FLPDM Limited Resource Review Monitoring Report</b> ". From the Limited Resource Review Monitoring Report Screen, create the report for all completed reviews. Report options can be changed to provide all "Status", "Completed", or "Not Completed" reviews.
		Limited Resource Review Monitoring Report
		Selection Criteria:       District:       Servicing Office:       County:         Alabarna       Image: County:       All Districts       Image: County:         Alabarna       Image: County:       All Counties       Image: County:         Alabarna       Image: County:       All Counties       Image: County:         Alabarna       Image: County:       All Service Offices       Image: County:         Alabarna       Image: County:       All Service Offices       Image: County:         Arkansas       Image: Colorado       Image: Colorado       Image: Colorado       Image: Colorado         Status:       Date:       Date:       Image: Colorado       Image: Colorado       Image: Colorado       Image: Colorado       Image: Colorado         Not Completed       Image: Colorado       Image: Colorado <td< td=""></td<>
		Sort Selection:       by Service Office <ul> <li>Ascending</li> <li>Descending</li> <li>Excel Format</li> <li>Print</li> <li>Print</li> <li>Housing Format</li> <li>Print</li> <li>P</li></ul>
		by Borrower Name

# **F** Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

#### **D** Limited Resource Reviews (Continued)

Question	Source								
2: Analysis is completed and continued need for LR rates is	Using the Limited Resource Review Monitoring Report, view all reviews that were completed or not completed during FY. After creating the report for "Completed" reviews, create a second report for reviews "Not Completed".								
documented *in FBP*	Discuss with Service Center any reviews that have not been completed.								
	Examine borrower case files to ensure that analysis documentation and imited resource rate determination has been made as part of all limited esource rate reviews. Review 4-FLP, Part 3 and discuss with Service Center if there are issues with their determination.								
	UNITED STATES DEPARTMENT OF AGRICULTURE Page 1 07/17/2013 FARM SERVICE AGENCY 03:43 PM DIRECT LOAN SERVICING Limited Resource Review Monitoring Report talus: Not Completed tale: lishict: All Districts envice Office: All Servicing Offices aunty: All Counties cheduled Date: 100/12012 - 09/30/2013								
	FLF Current Mail Fd Cd/ Date Loan Interest Scheduled Effective Completed <u>Code Svc Office Borrower Name Case Nbr Ln No Closed Loan Amount Rate Flags Date Date Date</u> Y 3 00/22/2013								
	т : ¬¬т :У 4 PLS 09/20/2013								

#### F Part C: Annual Reviews (Continued)

#### 2 **Program Delivery**

#### A Supervised Bank Accounts

Review all borrower files with supervised bank accounts. Information resources include the following:

- •\*--FBP--\*
- discussion with the Service Center
- FSA-2140
- FSA-2142
- notices.
- **Note:** SBA is an approved abbreviation in 1-CM, Exhibit 102 that stands for "Small Business Administration"; however, because of software programming, SBA in the following table stands for "Supervised Bank Accounts".

	Question	Source
1:	Borrower Name	FSA-2142.
2:	The need for an SBA is documented by FLM/FLO	Borrower case file running record and FBP credit presentation.
3:	Borrower has consented to continued use of the SBA	1-FLP, subparagraph 101 B and FSA-2140.
	DD or State Office has documented concurrence or non-concurrence with the use of an SBA and the reasons for concurrence or non-concurrence -in FBP*	1-FLP, subparagraph 101 C and DD *documentation in FBP*

#### **F** Part C: Annual Reviews (Continued)

### 2 **Program Delivery (Continued)**

#### **B** Program Promotion

Meet with 2 to 4 randomly selected borrowers and/or guaranteed lenders to ascertain the quality of program delivery in the Service Center.

	Question	Source
1:	Met with 2-4 randomly selected borrowers and/or	Discussion with borrowers and/or
	guaranteed lenders to ascertain the quality of	*lenders. FBP documentation*
	program delivery in the Service Center.	required.

#### **G** Part D: Additional Reviews

Note: This section is mandatory for all Service Centers that had FLPRA or COR reviews.

#### 1 "Farm Loan Program Risk Assessment (FLPRA) Reviews"

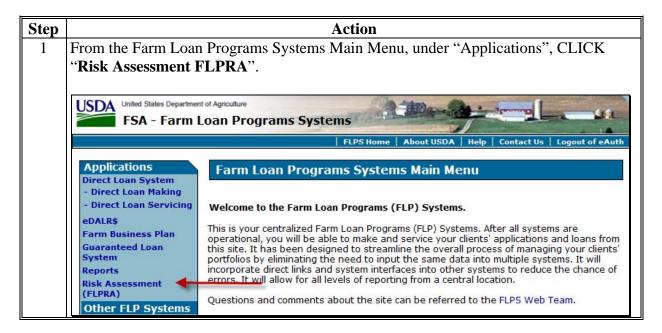
Mandatory to be completed within 1st quarter following the FLPRA review.

Question		Source
1:	Date of FLPRA Review	All review scores are entered in the FLPRA database along with
	by State Office	the review date.
2:	Date findings were	This date may or may not be the review date entered in FLPRA
	discussed with FLP	database. Check with the Service Center or State Office for this
	staff	date if not present when discussed.

DD should be a part of the State FLPRA process for Service Centers they oversee by:

- being present when reviews are conducted and the findings are discussed with the FLP office
- annually reviewing FLPRA scores to be aware of the risk and potential risk of these offices.

Follow these steps to access Service Center FLPRA scores.



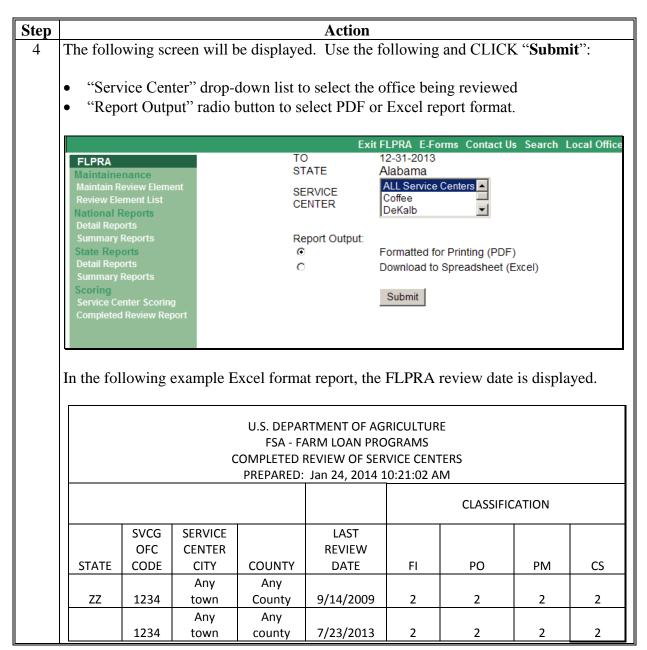
### **G** Part D: Additional Reviews (Continued)

1 "Farm Loan Program Risk Assessment (FLPRA) Reviews" (Continued)

Step		Action
2	The Welcome To	The FLPRA Reports Screen will be displayed. Under "FLPRA",
		K "Completed Review Report".
		Exit FLPRA E-Forms Contact Us Search Local Offices USDA Home Help Logout of eAuth
	FLPRA Maintainenance	Welcome To The FLPRA Reports
	Maintain Review Element Review Element List National Reports Detail Reports	Farm Loan Programs Risk Assessment: Please make a selection from the menu on the left.
	Summary Reports State Reports Detail Reports	
	Summary Reports Scoring Service Center Scoring	
	<u>Completed Review Report</u>	
3	-	Reviews of Service Centers – Selections Screen will be displayed. Use displayed. Use
	• "From" and "	To" drop-down lists to select dates
	• "State" drop-	down list to select applicable State.
	FLPRA	Exit FLPRA E-Forms Contact Us Search Local Offices USDA Home Help L Completed Reviews of Service Centers - Selections
	Maintainenance	·
	Maintain Review Element Review Element List	SELECT REVIEW DATES (optional) FROM Select V Select V TO Select V Select V
	National Reports Detail Reports	Month Day Year Month Day Year
	Summary Reports	STATE Alabama 💌
	State Reports Detail Reports	
	Summary Reports	Submit

#### **G** Part D: Additional Reviews (Continued)

1 "Farm Loan Program Risk Assessment (FLPRA) Reviews" (Continued)



#### **G** Part D: Additional Reviews (Continued)

Note: This section is mandatory for all Service Centers that had FLPRA or COR reviews.

#### 2 "County Operations Reviews"

#### Mandatory to be completed within 1st quarter following the COR review.

	Question	Source
1:	Date of COR Review	Check with the Service Center or State Office
		for the date if not present for review.
2:	Date findings were discussed with FLP	Check with the Service Center or State Office
	staff; strategy developed for correcting	for the date if not present when discussed.
	deficiencies and preventing further	
	occurrences of review findings	

DD should be:

- a part of the COR process for the Service Centers they oversee
- present when COR review is conducted and the findings discussed with the FLP office.

#### H Part E: Certification District Director Signature

Certify oversight reports by entering the following:

- DD's signature
- DD's name
- date signed.
- **Note:** Oversight reports are locked when DD or proxy submit the report or after the due date, whichever comes first, and does **not** allow anyone to add, modify, or delete review information.

# I Example of Completed Oversight Report

The following is an example of a completed oversight report.

Report Print Pag	e							Page 1 of 9
						Report	Generated (	On: 7/22/2013
FSA 2101	U.S.Depa Farr	<b>artment o</b> m Service			re			
l	DD FLP OVE	RSIGHT						
		st Quarter						
	For Reviews Completed for t							
1.STATE	(District Director should 2.DISTRICT NUMBER					)12)	4.5160	AL YEAR
1.STATE	D-01				CENTER			012
	erly Review 1. Direct Loan Making Approved Application File Review		v Of [	Direct	Loan Ap	plicatio	ns	
1. Applican	t Name							
	t representation is consistent within all	ESA progr	ams (	Applies	ant has not	applied	for or recei	
	under any other name, entity or identi				and has not	applica		Vou Agency
	t was notified of receipt of complete ap							
	ts were notified within 5 days of an elic		ermina	tion				
	ate environmental assessment comple							
	ation was held over 45 days without a		on. wa	as a rea	ason entere	ed in DLS	?	
	ecision (approval) was made within 60		-					
(1)		(2)	(3)		(4)	(5)	(6)	(7)
		Yes	Yes		Yes	Yes	NA	Yes
		Yes	Yes		Yes	Yes	NA	Yes
· _		Yes	Yes		Yes	Yes	NA	Yes
,		Yes	Yes		Yes	Yes	NA	Yes
		Yes	Yes		Yes	Yes	NA	Yes
	erly Review 1. Direct Loan Making Application File Reviews	g : Reviev	v Of I	Direct	Loan Ap	plicatio	ns	
1. Applican	t Name							
2. Required	notifications were sent to applicants v	within requ	ired tir	mefrar	nes			
<ol><li>Items ne</li></ol>	eded for a complete application are de	early identi	fied in	notifi	cations			
4. Applican	ts are notified of required due dates fo	or items nee	eded f	or com	plete appli	cation		
(1)				(2)		(3)	(	(4)
				Yes		Yes	Y	es
1.1				Yes		Yes	Y	es
				Yes		Yes	Y	es
	erly Review 1. Direct Loan Making Application File Reviews	g:Review	v Of [	Direct	Loan Ap	plicatio	ns	
1. Applican	t Name							
2. SDA								
3. Reason f	for the withdrawal of application is clea	arly docume	ented					

Report	Print Page								Page	2 of 9
4.	A complete applicatio	n was received?								
		tion was not received, an effor	t was made	to ob	otain a co	molete	applica	ation		
		nination statements have bee								
(1)			(2)	(3)	00000.000	(4)	·· ·	5)	(6)	
•••			Yes	Yes		No		es	Yes	
	•		Yes	Yes		No		es	Yes	
			Yes	Yes		No		es	Yes	
							-		165	
	A. Quarterly Review jected Application	/1. Direct Loan Making : I File Reviews	Review Of	Dire	ct Loan	Applic	ation	5		
1.	Applicant Name									
	SDA									
з.	Reasons for denial inc	cluding applicable citations of	requirement	s fror	m CFR se	ctions a	are dea	rly docu	mented	in th
	notification letter to t	he applicant								
4.	Appropriate review/ap	ppeal rights were included in t	he notificati	on let	ter to th	e applio	ant acc	cording t	o 1-APP	
5.	ECOA and non-discrin	nination statements were ind	uded in the i	notific	ation let	ter to t	he appli	icant ac	cording t	o 1-
(1)			(2)		(3)		(4)		(5)	
	-		No		Yes		Yes		Yes	
			No		Yes		Yes		Yes	
2. 3.		ion is consistent within all FS/	-		cant has	not ap	plied fo	r or rece	eived Ag	ency
		her name, entity or identificat								
		f incomplete and/or complete				-				
6.		and loan purposes have been	evaluated;	denia	al/withdra	awal are	e thoroi	ughly do	cumente	ed ar
7		view rights were provided within timeframes prescribed	in 2-ELD for	londe	ar ture					
	-	nental assessment completed		Tenue	a type					
(1)		(2)			(3)	(4)	(5)	(6)	(7)	(8)
		Federal Land Bank				Yes	Yes	Yes	Yes	Yes
		Federal Land Bank				Yes	Yes	Yes	Yes	Yes
,						Yes	Yes	Yes	Yes	Yes
		Farm Credit				Yes	Yes	Yes	Yes	Yes
								Tes	Tes	1 65
		3. Direct Loan Servicing		lent	Accoun	t Serv	icing			
. Bor	rowers with Loans	90 Days Or More Past Du	le							
1.	Borrower Name									
2.		licates a PLS notice was sent v	within 15 cal	lenda	r days of	borrow	/er's ac	count be	ecomina	90 d
	past due.									

# I Example of Completed Oversight Report (Continued)

Ceport Print Page					Page 3 of
3. Offset notice	e was ser	nt at tl	he same t	me as the PLS notice (required when accou	unt is in monetary default)
4. Enter anticip					
5. Entertarget				linquency	
(1)	(2)	(3)	(4)		(5)
	Yes	Yes	5- Other: e	enter explanation in comments	03/31/201
-	Yes	Yes	1- Borrow	er to pay current: enter source of funds in comme	ents 02/29/201
	Yes	Yes	1- Borrow	er to pay current: enter source of funds in comme	ents 01/18/201
	Yes	Yes	5- Other: e	nter explanation in comments	03/30/201
	No	NA	5- Other: e	enter explanation in comments	02/29/201
1. Borrowers Wit 1. Borrower Na 2. Delinquency	th Loan ame can be r	s Les	s Than 9	an Servicing A. Delinquent Account S 0 Days Past Due account enters 90 days past due	
<ol> <li>Anticipated I</li> <li>Target Date</li> </ol>			of delingu	20.07	
(1)	TOT TESOT	ution	(2)	(3)	(4)
			Yes	Borrower to pay account current.	01/04/2012
			Yes	Borrower to pay account current.	02/03/2012
-			Yes	Borrower to pay account current.	02/10/2012
			No	Borrower to pay account current.	03/30/2012
			Yes	Borrower to pay account current.	03/27/2012
			No	Borrower to pay account current.	05/25/2012
,			Yes	Borrower to payaccount current.	01/18/2012
			Yes	Borrower to payaccount current.	01/18/2012
12			Yes	Borrower to pay account current.	01/18/2012
			No	Borrower to pay account current.	06/29/2012
			No	Borrower to payaccount current.	09/07/2012
-			Yes	Borrower to payaccount current.	03/29/2012
· · ·			Yes	Borrower to pay account current.	03/01/2012
			Yes	Borrower to pay account current.	02/27/2012
			Yes	Borrower to pay account current.	03/01/2012
•			Yes	Borrower to pay account current.	02/17/2012
			No	Borrower to pay account current.	03/30/2012

1. Borrower Name

2. Account Flag

eport Print Page					Page	e4 of
-	re being made and are current according re serviced according to applicable regulat					
(1)	(2)				(3)	(4)
<del>-</del>	SAA (Subject to Appro	ved Adjustment)			Yes	Ye
	SAA (Subject to Appro	ved Adjustment)			Yes	Ye
	SAA (Subject to Appro	ved Adjustment)			Yes	Ye
	BAP (Bankruptcy Acti	on Pending)			Yes	Ye
	ACL (Accelerated)	-			No	Ye
	BAP (Bankruptcy Acti	on Pending)			Yes	Ye
	CAP (Court Action Per	-			No	Ye
	ACL (Accelerated)	5/			No	Ye
	ACL (Accelerated)				No	Ye
	BAP (Bankruptcy Acti	on Pending)			Yes	Ye
	y Review 3. Direct Loan Servicing B					
collection v 2. Payment(s 3. Payment(s 4. Payment(s	and collections are applied within prescril are credited to the account(s) of the corr are applied to the borrower's loans accor	bed time frames ect borrower ding to 4-FLP	5	d the county ha		-
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a	and collections are applied within prescril are credited to the account(s) of the corr	bed time frames ect borrower ding to 4-FLP	5	(4)		
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a	as made.) and collections are applied within prescri are credited to the account(s) of the corr are applied to the borrower's loans accor	bed time frames ect borrower ding to 4-FLP ees handling tra	ansactions	_	(5) Yes	
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a	as made.) and collections are applied within prescri are credited to the account(s) of the corr are applied to the borrower's loans accor	bed time frames ect borrower ding to 4-FLP ees handling tra (2)	ansactions (3)	(4)	(5)	
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a	as made.) and collections are applied within prescri are credited to the account(s) of the corr are applied to the borrower's loans accor	bed time frames ect borrower ding to 4-FLP ees handling tra (2) Yes	ansactions (3) Yes	(4) Yes	<b>(5)</b> Yes	
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a	as made.) and collections are applied within prescri are credited to the account(s) of the corr are applied to the borrower's loans accor	bed time frames ect borrower ding to 4-FLP ees handling tra (2) Yes Yes	ansactions (3) Yes Yes	<b>(4)</b> Yes Yes	<b>(5)</b> Yes Yes	
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a	as made.) and collections are applied within prescri are credited to the account(s) of the corr are applied to the borrower's loans accor	bed time frames ect borrower ding to 4-FLP ees handling tra (2) Yes Yes Yes	ansactions (3) Yes Yes Yes	(4) Yes Yes Yes	(5) Yes Yes Yes	
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a 1)	as made.) and collections are applied within prescri are credited to the account(s) of the corr are applied to the borrower's loans accor	bed time frames ect borrower ding to 4-FLP ees handling tra (2) Yes Yes Yes Yes Yes Yes	s (3) Yes Yes Yes Yes Yes Yes Yes	(4) Yes Yes Yes Yes Yes	(5) Yes Yes Yes Yes	
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a 1) Part A. Quarter 1. Borrower N 2. Disposition 3. Funds are 4. Work copy 5. FLM follows	and collections are applied within prescril are credited to the account(s) of the corr are applied to the borrower's loans accor proper separation of duties among employ y Review 3. Direct Loan Servicing C ame s and proceeds are recorded on FSA-2040 eleased in accordance with the FBP and FS Security Agreement has been notated for up on all apparent unauthorized dispositi	bed time frames ect borrower ding to 4-FLP ees handling tra (2) Yes Yes Yes Yes Yes Chattel Secu SA regulations a any changes in ons; using Exhib	ansactions (3) Yes Yes Yes Yes Urity Accou as applicable collateral pit 31 to notif	(4) Yes Yes Yes Yes Nting	(5) Yes Yes Yes Yes	
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a 1) Part A. Quarter 1. Borrower N 2. Disposition 3. Funds are 4. Work copy 5. FLM follows obtains ad	and collections are applied within prescril are credited to the account(s) of the corr are applied to the borrower's loans accor proper separation of duties among employ y Review 3. Direct Loan Servicing C ame s and proceeds are recorded on FSA-2040 eleased in accordance with the FBP and F Security Agreement has been notated for	bed time frames ect borrower ding to 4-FLP ees handling tra (2) Yes Yes Yes Yes Yes Chattel Secu SA regulations a any changes in ons; using Exhit oval where appli	ansactions (3) Yes Yes Yes Yes Yes urity Accou as applicable collateral bit 31 to notificable	(4) Yes Yes Yes Yes nting	(5) Yes Yes Yes Yes all cases a	
collection v 2. Payment(s 3. Payment(s 4. Payment(s 5. There is a 1) Part A. Quarter 1. Borrower N 2. Disposition 3. Funds are 4. Work copy 5. FLM follows obtains ad	and collections are applied within prescril are credited to the account(s) of the corr are applied to the borrower's loans accor proper separation of duties among employ y Review 3. Direct Loan Servicing C ame s and proceeds are recorded on FSA-2040 eleased in accordance with the FBP and FS Security Agreement has been notated for up on all apparent unauthorized dispositi	bed time frames ect borrower ding to 4-FLP ees handling tra (2) Yes Yes Yes Yes Yes Yes Chattel Secu SA regulations a any changes in ons; using Exhit oval where appli	ansactions (3) Yes Yes Yes Yes Urity Accou as applicable collateral pit 31 to notif	(4) Yes Yes Yes Yes Nting	(5) Yes Yes Yes Yes	and
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Report Print Page						Pag	ge 5 of
			Yes	Yes	Yes	N	Ą
			Yes	Yes	Yes	N/	
Part A. Quarterly Review 4. F Office for your state	<sup>o</sup> rogram Delivery I	FLP Goals	: From Fl	LP goals es	tablished b	y the Na	ational
<ol> <li>FLP Goal</li> <li>State Goal</li> <li>Service Center Goal</li> <li>FLP Staff Progress</li> </ol>							
(1)					(2)	(3)	(4)
First year delinquency rate on new lo	ans (%)				8.0	0	0
Direct loan processing time ( Days)					30	0	0
Guaranteed loan processing time ( Da	ays)				12	0	0
Lending to beginning farmers and rat	nchers (%)				27.60	0	0
Lending to SDA farmers and rancher	s (%)				31.90	0	0
					8.50	0	0
Direct loan delinquency rate (%)							_
Direct loan delinquency rate (%) Guaranteed loan delinquency rate (%	)				2.00	0	0
Guaranteed loan delinquency rate (% Primary loan servicing processing tin	ne (%)				60	0	0
Guaranteed loan delinquency rate (%	<sup>ne (%)</sup> VS (Mandatory to	RA) Reviev	ws		60 er following	0 J the rev	0 iew)
Guaranteed Ioan delinquency rate (% Primary Ioan servicing processing tin Part D. ADDITIONAL REVIEV 1. Farm Loan Program Risk	ne (%) WS (Mandatory to Assessment (FLP)	RA) Reviev	ws		60	0 J the rev	0 iew)
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Guaranteed Ioan delinquency rate (% Primary Ioan servicing processing tin Part D. ADDITIONAL REVIEW 1. Farm Loan Program Risk 1. Date of FLPRA Review by S	ne (%) WS (Mandatory to Assessment (FLP) State Office	RA) Reviev	WS This Revie	ew Area is not	60 er following	0 J the rev	0 iew)
Guaranteed Ioan delinquency rate (% Primary Ioan servicing processing tin Part D. ADDITIONAL REVIEV 1. Farm Loan Program Risk 1. Date of FLPRA Review by 9 2. Date findings were discuss	ne (%) WS (Mandatory to Assessment (FLP) State Office sed with FLP staff There are WS (Mandatory to	RA) Reviev	NS This Revie to revie	ew Area is not	60 er following applicable for	0 J the rev	iew)
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Guaranteed Ioan delinquency rate (% Primary Ioan servicing processing tin Part D. ADDITIONAL REVIEV 1. Farm Loan Program Risk 1. Date of FLPRA Review by S 2. Date findings were discuss Part D. ADDITIONAL REVIEV	ne (%) WS (Mandatory to Assessment (FLP) State Office sed with FLP staff There are WS (Mandatory to	RA) Reviev	vs This Revie to revie ted within	ew Area is not ew . n first quart	60 er following applicable for er following	the rev this repor	iew)
Guaranteed Ioan delinquency rate (% Primary Ioan servicing processing tin Part D. ADDITIONAL REVIEV 1. Farm Loan Program Risk 1. Date of FLPRA Review by S 2. Date findings were discuss Part D. ADDITIONAL REVIEV 2. County Operations Review	ne (%) WS (Mandatory to Assessment (FLP) State Office sed with FLP staff There are WS (Mandatory to ws (COR)	RA) Reviev	vs This Revie to revie ted within	ew Area is not ew . n first quart	60 er following applicable for er following	the rev this repor	iew)
Guaranteed Ioan delinquency rate (% Primary Ioan servicing processing tin Part D. ADDITIONAL REVIEV 1. Farm Loan Program Risk / 1. Date of FLPRA Review by 9 2. Date findings were discuss Part D. ADDITIONAL REVIEV 2. County Operations Review 1. Date of COR Review	ne (%) WS (Mandatory to Assessment (FLP) State Office sed with FLP staff There are WS (Mandatory to ws (COR)	RA) Reviev	vs This Revie to revie ted within This Revie	ew Area is not ew . n first quart ew Area is not	60 er following applicable for er following	the rev this repor	iew)
Guaranteed Ioan delinquency rate (% Primary Ioan servicing processing tin Part D. ADDITIONAL REVIEV 1. Farm Loan Program Risk / 1. Date of FLPRA Review by 9 2. Date findings were discuss Part D. ADDITIONAL REVIEV 2. County Operations Review 1. Date of COR Review	ne (%) WS (Mandatory to Assessment (FLP) State Office sed with FLP staff There are WS (Mandatory to ws (COR) sed with FLP staff There are	RA) Reviev	vs This Revie to revie ted within This Revie	ew Area is not ew . n first quart ew Area is not	60 er following applicable for er following	the rev this repor	iew)
Guaranteed Ioan delinquency rate (% Primary Ioan servicing processing tin Part D. ADDITIONAL REVIEW 1. Farm Loan Program Risk A 1. Date of FLPRA Review by S 2. Date findings were discuss Part D. ADDITIONAL REVIEW 2. County Operations Review 1. Date of COR Review 2. Date findings were discuss Part E. CERTIFICATION Dist 1. District Director Signature 2. Name of District Director	ne (%) WS (Mandatory to Assessment (FLP) State Office sed with FLP staff There are WS (Mandatory to ws (COR) sed with FLP staff There are rict Director Signa	RA) Reviev	vs This Revie to revie ted within This Revie	ew Area is not ew . n first quart ew Area is not	60 er following applicable for er following	the rev this repor	iew) ting per iew)
Guaranteed Ioan delinquency rate (% Primary Ioan servicing processing tin Part D. ADDITIONAL REVIEW 1. Farm Loan Program Risk 1. Date of FLPRA Review by S 2. Date findings were discuss Part D. ADDITIONAL REVIEW 2. County Operations Review 1. Date of COR Review 2. Date findings were discuss Part E. CERTIFICATION Dist 1. District Director Signature	ne (%) WS (Mandatory to Assessment (FLP) State Office sed with FLP staff There are WS (Mandatory to ws (COR) sed with FLP staff There are rict Director Signa	RA) Reviev	vs This Revie to revie ted within This Revie	ew Area is not ew . n first quart ew Area is not	60 er following applicable for er following applicable for	the rev this repor	iew)

		Rep	ort Generated On: 7/22/2013			
Comments and Action Items Report First Quarter Report						
1.STATE	2.DISTRICT NUMBER D-01	3.SERVICE CENTER Service Center	4.FISCAL YEAR 2012			
Quarterly Rev File Reviews		view Of Direct Loan Applications ►	Withdrawn Application			
Comment 2nd letter shoul	d have been dated and mailed on 11/2.	2. Actually dated 11/23. 1st letter dated 11	1/02.			
Quarterly Rev File Reviews		view Of Direct Loan Applications ► Application Was Received? (Review				
Response No Comment Application with	drawn.					
Quarterly Rev File Reviews		view Of Direct Loan Applications ▶ e Application Was Received? (Revi				
	cation was not received.					
Quarterly Rev File Reviews		view Of Direct Loan Applications ►	• Withdrawn Applicatio			
Comment Applicant is nov	v working on a new application.					
Quarterly Rev File Reviews		view Of Direct Loan Applications ► lete Application Was Received? (Re				
Response No Comment Applicant did no	ot provide all requested information.					
Quarterly Rev Days Or More		Delinquent Account Servicing  Bo Enter Anticipated Resolution (Rev				
Comment	explanation in comments ot return calls. Field visit planned.					
	riew ► Direct Loan Servicing ► [	Delinquent Account Servicing ► Bo Record)	prrowers With Loans 9			
Comment		·,				

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Borrower waiting on sales of wheat crop	stored in grain bin. Borrower should pay current.
Quarterly Review ► Direct Loan Se Days Or More Past Due ►	ervicing ► Delinquent Account Servicing ► Borrowers With Loans (Record)
Comment Paid current at time of review.	
Quarterly Review ► Direct Loan Se Days Or More Past Due ►	ervicing ► Delinquent Account Servicing ► Borrowers With Loans ► Enter Anticipated Resolution (Review Item)
Response 5- Other: enter explanation in comments Comment Borrower may request restructuring.	
Days Or More Past Due 🕨	<ul> <li>▶ Delinquent Account Servicing ▶ Borrowers With Loans</li> <li>▶ PLS History Report Indicates A PLS Notice Was Sent Within ount Becoming 90 Days Past Due. (Review Item)</li> </ul>
Response No Comment Payment recieved prior to past due. \$40. request to STO stating that this is non-re	00,UCC 1 filing fee to SOS. This is a no-monitary default. FLM is processing a coverable.
Quarterly Review ► Direct Loan Se Days Or More Past Due ►	ervicing ► Delinquent Account Servicing ► Borrowers With Loans ► Enter Anticipated Resolution (Review Item)
Response 5- Other: enter explanation in comments Comment Applicant paid loan off. UCC 1 filing fee of has been notified of payment due.	of 40.00 is owed due to filing with SOS taking place prior to payoff of Ioan. Applic
Quarterly Review ► Direct Loan Se Less Than 90 Days Past Due ►	ervicing ► Delinquent Account Servicing ► Borrowers With Loans ► Anticipated Resolution (Review Item)
Response Borrower to pay account current. Comment Paid Current	
Quarterly Review ► Direct Loan Se Less Than 90 Days Past Due ► Enters 90 Days Past Due (Review I	ervicing ► Delinquent Account Servicing ► Borrowers With Loans ► Delinquency Can Be Resolved Before Account tem)
Response	
No	
Comment Borrower pays late.	
Quarterly Review ► Direct Loan Se Less Than 90 Days Past Due ► Enters 90 Days Past Due (Review I	ervicing ► Delinquent Account Servicing ► Borrowers With Loans ► Delinquency Can Be Resolved Before Account tem)

eport Print Page Pa	age 8 of 9
Response No Comment Borrower pays late	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With L Less Than 90 Days Past Due ► ► Anticipated Resolution (Review Item)	Loans
Response Borrower to pay account current. Comment Paid Current	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With L Less Than 90 Days Past Due ► ► Anticipated Resolution (Review Item)	Loans
Response Borrower to pay account current. Comment Paid Current	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With L Less Than 90 Days Past Due ► _ ► Anticipated Resolution (Review Item)	Loans
Response Borrower to pay account current. C <b>omment</b> Paid Current	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With L Less Than 90 Days Past Due ► ► Delinquency Can Be Resolved Before A Enters 90 Days Past Due (Review Item)	
Response No Comment Borrower always pays late. FLO will follow up.	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With L ess Than 90 Days Past Due ► ► Delinquency Can Be Resolved Before Account inters 90 Days Past Due (Review Item)	
Response No Comment Borrower always pays late. Last year offset gov. travel.	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With L ess Than 90 Days Past Due ► ► Delinquency Can Be Resolved Before Account Servicing ► Borrowers With L inters 90 Days Past Due (Review Item)	
Response No Comment	

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FLO to follow up with borrower.	
Quarterly Review  Direct Loan Servicing  Delinquent Account Servicing  Borrowers Wit (Record)	h Loans
Comment	
Graham indicated payment had been mailed.	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers Wit That May Require Attention ► ► Payments Are Being Made And Are C According To An Approved Plan Or Agreement (Review Item)	
Response	
No	
Comment	
OIG conducting review.	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers Wit That May Require Attention ► ► Payments Are Being Made And Are Curr According To An Approved Plan Or Agreement (Review Item)	
Response	
No	
Comment	
Case referred to WDC.	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers Wit That May Require Attention ► ► Payments Are Being Made And Are Curren To An Approved Plan Or Agreement (Review Item)	
Response	
No	
Comment	
Collection actions underway. Cattle to be picked up.	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers Wit That May Require Attention ► ► Payments Are Being Made And Are Curre According To An Approved Plan Or Agreement (Review Item)	
Response No	
Comment	
Collection actions underway. Cattle to be picked up and sold.	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers Wit That May Require Attention ► (Record)	h Loans
Comment	
In process liquidating security.	
n process inquidating security.	