

# **FSA**

## **HANDBOOK**

### General Program Administration

To access the transmittal page click on the short reference

**For State and County Offices**

SHORT REFERENCE

**1-FLP (Revision 1)**

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



**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

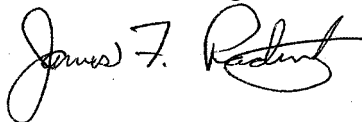
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**General Program Administration  
1-FLP (Revision 1)**

**Amendment 148**

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



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**Amendment Transmittal**

**A Reason for Amendment**

Subparagraph 4 D has been amended to update PDEED contacts.

Subparagraph 5 B has been amended to update NFAOC Direct Loan Servicing contacts.

Subparagraph 23 F has been amended for clarification and to reflect that SED may redelegate approval of serial restructuring.

Subparagraph 29 E has been removed because special apple loan program and emergency loans for seed producers are no longer being issued.

Subparagraph 54 B has been amended to update the websites for obtaining assistance.

Subparagraph 143 F has been amended to update the reference for 32-AS and File Maintenance and Disposition Manual.

Exhibit 5 has been amended to include the date FSA-2123 was made obsolete.

Exhibit 14 has been amended to update the website for accessing the user guide.

Exhibit 15 has been amended as follows, subparagraph:

- A 2 a to update guidance on completing FSA-13-A
- A 2 b to update options available for accessing FBP training modules
- D 1 to update uses for post-close balance sheet
- J 11 to clarify sources of information for the Security Agreement.

Exhibit 18 has been amended as follows subparagraph:

- A 1 to update the date last modified for the No Decision Report and Rejected Application Report
- A 4 to update the date last modified for Open Activities Report

## Amendment Transmittal (Continued)

### A Reason for Amendment (Continued)

- A 5 to:
  - update the date last modified for the Direct Application Report FSFL
  - add:
    - the FSFL Condensed Report
    - FSFL Congressional District Report
    - FSFA Original Report
- A 6 to add:
  - FSFL Outstanding Report
  - FSFL Repayment Report
- A 8 to :
  - add Historical Reduce First Year Delinquency Rates on New Loans Goal 1
  - update the date last modified for Lending to Beginning Farmers and Ranchers Goal 4, Lending to Socially Disadvantaged Farmers and Ranchers Goal 5, Reduce Average Processing Times for Direct Loans Goal 2, and Reduce First Year Delinquency Rates on New Loans Goal 1 NEW
- A 9 has been added to provide the list of GLS OnDemand Reports.

Exhibit 36, D Part A has been amended as follows:

- subparagraph 1 A to update environmental review requirements
- subparagraph 2 to update environmental review requirements.

Page Control Chart		
TC	Text	Exhibit
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## Part 1 Introduction and Purpose

### 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.

<b>IF the area of concern is about...</b>	<b>THEN see...</b>
State and county organization and administration policies, procedures, principles, and standards, such as work organization	16-AO.
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.--*
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.

\* \* \*

### B Helpful Links

\*--The Helpful Links web site at [https://fsaintranet.sc.egov.usda.gov/flp/links\\_0515.htm](https://fsaintranet.sc.egov.usda.gov/flp/links_0515.htm) 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.

<b>IF the form pertains to...</b>	<b>THEN the form number shall be...</b>
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.
*--7-FLP	FSA-2700-1 ST, FSA-2700-2 ST, FSA-2700-3 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.

Instrument	State Office Action	National Office Action
New State-modified and State-created forms.	<p>In SDMS, submit the following for prior approval:</p> <ul style="list-style-type: none"> <li>State supplement that requires using the form</li> </ul> <p><b>Note:</b> Submit separately all the State supplements for forms in the 2000 series.</p> <ul style="list-style-type: none"> <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> </ul> <p><b>Notes:</b> Include margins, font size, and any other specific requirements for forms that will be filed.</p> <p>State-obtained OGC approval of form may be requested during National Office review.</p>	<ul style="list-style-type: none"> <li>Coordinate the development of the form with the appropriate National Office area.</li> <li>Review and ensure nondiscrimination, privacy act, and public burden statements are included, as needed.</li> <li>Send proposal to State for approval.</li> <li>Coordinate uploading form and instructions for completion to <a href="http://intranet.fsa.usda.gov/dam/ffasforms/forms.html">http://intranet.fsa.usda.gov/dam/ffasforms/forms.html</a> when state supplement is approved.</li> </ul>
Existing State-modified and State-created forms	<p>In SDMS, submit the following for prior approval:</p> <ul style="list-style-type: none"> <li>electronic or scanned copy of form indicating needed changes</li> <li>electronic or scanned copy of instructions for completion, as needed</li> <li>State supplement that requires using the form, <b>only</b> if changes are needed.</li> </ul>	<ul style="list-style-type: none"> <li>Review and ensure that current nondiscrimination, privacy act, and public burden statements are included, as needed.</li> <li>Send proposal to State for approval.</li> <li>Coordinate uploading form and instructions for completion to <a href="http://intranet.fsa.usda.gov/dam/ffasforms/forms.html">http://intranet.fsa.usda.gov/dam/ffasforms/forms.html</a>.</li> </ul>

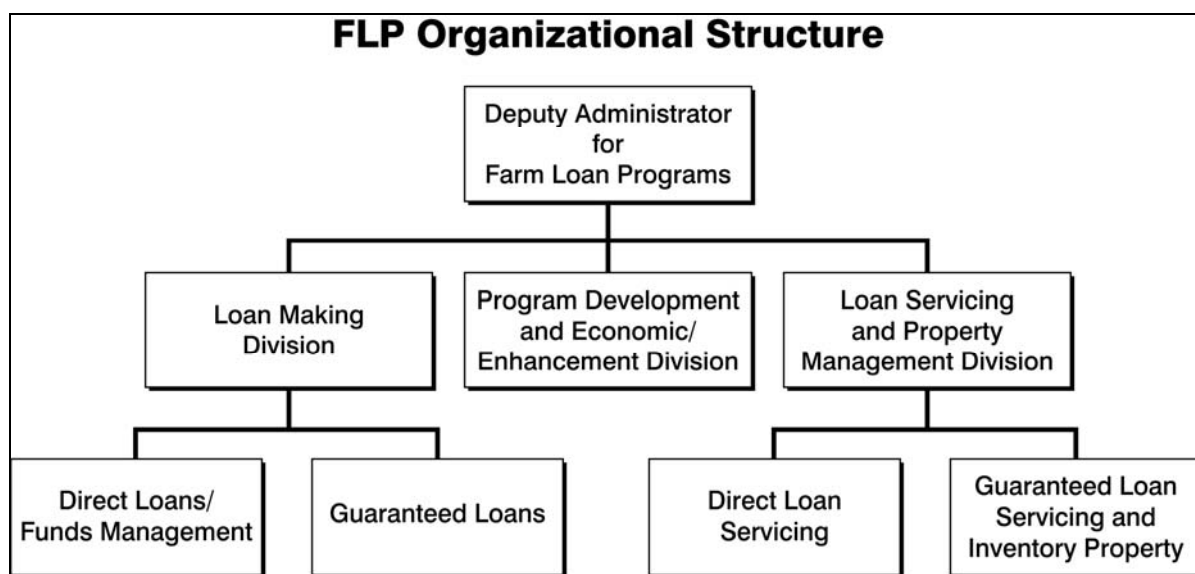
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## 4 FLP Organizational Structure

### 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 STOP 0520 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0520	USDA FSA DAFLP ROOM 3605 SOUTH BUILDING 1400 INDEPENDENCE AVE SW 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	*--Administrative Support Specialist	202-720-4671
William Cobb	Assistant Deputy Administrator	202-720-1059--*

## 4 FLP Organizational Structure (Continued)

## 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 STOP 0522 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0522	USDA FSA DAFLP LMD ROOM 3629 SOUTH BUILDING 1400 INDEPENDENCE AVE SW 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/Address
Connie Holman	Director	202-690-0756
John Tamashiro	Deputy Director	202-720-5199
Carrie Novak	Senior Loan Officer	202-720-1643
*--Fernando Pineiro	Program Analyst	202-720-2558--*
* * *	* * *	* * *
Direct 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
*--Joseph Scott	Senior Loan Officer	202-690-2854
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
Misty Crigger	Senior Loan Officer	202-690-5297
Steve Ford	Senior Loan Officer	202-304-7932
Matthew Henderson	Senior Loan Officer	202-720-5847
*--Heather Lutman	Senior Loan Officer	202-401-0143--*
* * *	* * *	* * *



4 **FLP Organizational Structure (Continued)****D PDEED Contacts**

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

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

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

<b>PDEED FAX Number 202-690-3573</b>		
<b>Office of the Director</b>		
<b>Name</b>	<b>Title</b>	<b>Phone Number/Address</b>
Courtney Dixon	Director	202-720-1360
* * *	* * *	* * *
Thomas Dobbin	Chief Appraiser	208-378-5671
Linda Baldwin	Program Analyst	202-720-5489
Lorraine Campbell	Senior Writer/Editor	202-690-2850
Niki Chavez	Senior Loan Officer	202-690-6129
Robert Fleming	*--LRA-Southeast--*	803-696-3410
	States covered:  AL, AR, FL/VI, GA, LA, MS, NC, PR, SC, and TN	Manning-Clarendon USDA Service Center 7 W Rigby St. Manning SC 29102
Pixie Greer	Senior Loan Officer	202-720-1652
Jennifer Haley	Program Analyst	202-720-9898
Donald Howard	LRA-West	503-404-1123
	States covered:  AK, AZ, CA, CO, ID, KS, HI-Guam, MT, ND, NE, NM, NV, OK, OR, SD, TX, UT, WA, and WY	Oregon FSA State Office 7620 SW Mohawk Tualatin, Oregon 97062
*--Shwe Htee	Program Assistant	202-690-2549--*
Mike Ittel	LRA-Midwest	320-251-7800, Ext. 117
	States covered:  IA, IL, IN, MI, MN, MO, and WI	Stearns USDA Service Center 110 2nd Street South, Suite 125 Waite Park, MN 56387



## 4 FLP Organizational Structure (Continued)

## D PDEED Contacts (Continued)

PDEED FAX Number 202-690-3573		
Office of the Director		
Name	Title	Phone Number/Address
Tracy Jones	Agricultural Loan and Grants Program Specialist	202-720-6771
Kristina Martorano	Program Analyst	202-690-2517
Dirk Nysveen	Senior Loan Officer	701-893-2239
Sheila Oellrich	Program Analyst	202-720-2990
Marquita Peoples	Program Analyst	202-720-8320
Chris Tarr	LRA-Northeast  States covered:  CT, DE, KY, MA, ME, MD, NH, NJ, NY, PA, OH, RI, VA, and WV	*--315-835-6034--*  Seneca Falls USDA Service Center 2041 US Route 20, Suite 1 Seneca Falls, NY 13148
Vernon Tesch	RRA-West  States covered:  AK, AZ, CA, CO, ID, KS, HI-Guam, MT, ND, NE, NM, NV, OK, OR, SD, TX, UT, WA, and WY	406-629-3226 Big Horn USDA Service Center 724 3rd ST W Hardin, MT 59034-1604
Gretchen Thomas	National Office FLP Training Coordinator	205-553-1733, Ext. 115

**Notes:** Regional Appraiser can refer to a LRA or RRA.

See Exhibit 6 for Regional Appraiser area of responsibility map.

## 4 FLP Organizational Structure (Continued)

## E LSPMD Contacts

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

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

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

<b>Office of the Director</b> <b>FAX Number 202-720-5804</b> <b>*--Branch E-mail: RA.dcwashing2.FSA-AdmException--*</b>		
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>
Michael R. Hinton	Director	202-720-1984
Craig Nehls	Deputy Director	202-720-1984
Michael Cumpton	Assistant to the Director	202-690-4014
*--Crystal Davis	Secretary	202-720-1984
Catrina Collins-Shultz	Program Support Assistant	202-720-4572--*
<b>Direct Loan Servicing Branch</b> <b>FAX Number 202-720-5804</b> <b>*--e-mail SM.FSA.DCWa2.AdmException or adminexception@usda.gov</b> <b>e-mail SM.FSA.DCWa2.DirectLoans or fsa-directloans@wdc.usda.gov--*</b>		
Bruce Mair	Branch Chief	202-720-1645
Jacqueline King	Program Analyst	202-720-2820
Theresa Correa	Senior Loan Officer	202-260-9470
Richard Cardona-Diaz	Senior Loan Officer	202-720-0078
Mary Durkin	Senior Loan Officer	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
* * *	* * *	* * *
*--Creg Ivison	Senior Loan Officer	202-720-1557
Susan (Sue) Eilertson	Program Analyst	202 690-9142--*

#### 4 FLP Organizational Structure (Continued)

##### 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
Patricia Elzinga	Senior Loan Officer	202-690-1729
Rebecca Minter	Senior Loan Officer	202-690-9200
Theresa Null	Senior Loan Officer	202-720-7862
Cynthia Pawlikowski	Senior Loan Officer	202-720-0900
Matthew Richter	Senior Loan Officer	202-720-8768
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 NFAOS, FaSB, Fc-1311 Building 104 4300 Goodfellow Blvd. #1321 St. Louis, MO 63120-1703	USDA Rural Development Attn: NFAOC FaSB, FC-1311 Building 105E - Dock Delivery 4300 Goodfellow Blvd. St. Louis, MO 63120-1703

--\*

## 5 NFAOC Contacts (Continued)

## B Direct Loan Servicing (Continued)

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

<b>Direct Loan, FaSB</b> <b>Telephone Number 314-457-6404</b> <b>ECM FAX Number 314-457-4539</b>			
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>	<b>State Assignment</b>
Cynthia Haas	Branch Chief	314-457-4121	
Shantaye Gladney	Lead Accountant	314-679-6716	PR
Sharon Maull	Lead Accountant	314-457-4146	
Betty Nunnery	Accountant	314-679-6850	
*--Joseph Council	Accountant	314-679-6837	
Samuel Kayser	Accountant, Intern	314-679-6734	
Susan Pennock	Finance Specialist	314-679-6835--*	
Tracy Bozzo	Accounting Technician	314-457-4193	AK, DE, GA, HI, IA, KY, MD, UT, VI
Kathleen Farid	Accounting Technician	314-679-6826	CO, FL, ME, NC, ND, OR, TN, VT, WY
Lawrence Mullen	Accounting Technician	314-679-6834	CA, KS, MA, MI, MO, MT, PA, RI, SC, WV, WI
Barbara Lee	Accounting Technician	314-679-6846	AL, AZ, CT, IL, IN, LA, NH, NM, OK, SD, VA
Byron Luster	Accounting Technician	314-679-6848	AR, ID, MS, NE, NV, NJ, OH, WA, GU, WP
Brenda Williamson	Accounting Technician	314-679-6829	NY, TX
*--Stephon Jenkins	Accounting Technician	314-457-4127	
Nora Nelson	Accounting Technician	314-457-4131--*	

--\*

## C Guaranteed Loan Servicing

The following provides the Guaranteed Loan Servicing address.

<b>For USPS, FedEx, or UPS Delivery</b>
USDA, Rural Development Farm and Community Services Branch, FC-1321 NFAOC, Building 104 4300 Goodfellow Blvd St. Louis, MO 63120

## 5 NFAOC Contacts (Continued)

## C Guaranteed Loan Servicing (Continued)

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

<b>Guaranteed Loan, FCSB</b> <b>Main Line 314-457-6402</b> <b>ECM FAX Number 314-457-4539</b>			
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>	<b>Assignments</b>
Sharon Sachs	Branch Chief	314-679-6804	
Christine Knecht	Lead Accountant	314-457-4301	*--IA, MS, NE, WI--*
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.
Mary Jordan	Accounting Technician	314-679-6831	AK, AZ, CO, CT, DE, FL, GA, HI, IL, KS, ME, MD, MA, MT, NV, ND, RI, SC, SD
Barbara Jungenberg	Financial Specialist	314-679-6805	AL, AR, ID, IN, KY, LA, MI, MO, NJ, OR, TX, UT, WA, WY
Linda Willman	Accounting Technician	314-679-6853	CA, MN, NC, NH, NM, NY, OH, OK PA, PR, TN, VA, VT, WP, WV, VI

## D Debt Collection

The following provides DCIB address.

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

## 5 NFAOC Contacts (Continued)

## D Debt Collection (Continued)

The following provides contact information for DCIB.

<b>DCIB</b> <b>Telephone Number 314-679-6870</b> <b>ECM FAX Number 314-457-4478</b> <b>FAX Number 314-679-6871</b>			
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>	<b>Assignments</b>
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 * * * Cash
*--Shanna Jones	Accountant	314-457-4027	Cross Servicing Referrals; FSA-2721--*
Katina Mims	Accountant	314-679-6833	TOP Referrals, Weekly Updates and Cash; Credit Bureau Reporting
Charles Spencer	Accountant	314-679-6868	*--TOP Refunds, FSA-2722--*
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.

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



## 5 NFAOC Contacts (Continued)

## E Program Reporting (Continued)

The following provides contact information for PRB.

<b>PRB</b> <b>Telephone Number 314-457-4310</b> <b>*--FAX Number 1-844-241-4641--*</b>			
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>	<b>Assignments</b>
Debra Deters	Branch Chief	314-457-4307	
Liz Ecker	Accountant	314-679-6704	RC 531, RC 533, RC 534, RC 535, RC 540, RC 541, RC 542, RC 543, RC 544, RC 547, RC 565, RC 606, RC 655, RC 676, RC 692, RC 830, RC 950; FSA-2065; IRS Form 1099-INT, IRS Form 1098
Jaemi Lovellette	Accountant	314-457-4321	RC 960/961; FSA-2585; IRS Form 1099-A
Jessica Ly	Accountant	314-457-4319	RC 970/971; County Information File; IRS Form 1099-C
Timothy Orf	Accountant	314-457-4256	RC 573, RC 593, RC 595, RC 597, RC 661
Eric Ray	Accountant	314-457-4323	RC 980/981; IRS Form 1099-G

## 5 NFAOC Contacts (Continued)

**F Cash Management Disbursement Branch**

The following provides CMDB address.

<b>Mailing Address</b>
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.

<b>Cash Management Disbursement Branch</b> <b>Main Line 314-457-4031</b> <b>ECM Fax Number 314-457-4371</b>		
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>
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

**\*--G Cash Management Collections Branch**

The following provides Cash Management Collections Branch address.

<b>Mailing Address</b>
USDA/RURAL DEVELOPMENT NFAOC, CMCB, FC-1411 4300 GOODFELLOW BLVD ST. LOUIS, MO. 63120-1703

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## 5 NFAOC Contacts (Continued)

## \*--G Cash Management Collections Branch (Continued)

The following provides contact information for Cash Management Collections Branch.

<b>Cash Management Collections Branch</b> <b>Main Line 314-457-4023</b> <b>ECM Fax Number 314-457-4370</b>			
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>	<b>State Assignment</b>
Edwin Henry	Branch Chief	314-457-4037	
Sharon Gotlieb	Accountant Team Leader	314-457-4026	
Janet Pearson	Financial Specialist	314-457-4004	PA
Alesha Fultz-Mitchell	Accountant	314-457-4038	GA
CeSandra Shumpert	Accountant	314-457-4035	ND
Candy Wall	Accountant	314-457-4017	AL
Lanita Blanks	Accounting Technician	314-457-4188	HI, IA, IL, MI, MS, NC, NY, TN, VA, WA, WV
Becky Crossin	Accounting Technician	314-457-4033	AK, CA, FL, GU, KS, KY, MN, MT, OH, OK, PR, SD, TX, UT, VI
Jacqueline Hackney	Accounting Technician	314-457-4013	AR, AZ, CO, CT, DE, ID, IN, LA, MA, MD, ME, MO, NE, NH, NJ, NM, NV, OR, RI, SC, VT, WI, WY
William Shelton	Lockbox Accounting Technician	314-457-4019	

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6-20 (Reserved)



**Part 2 FLP Authorities****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 et seq.) 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 DD’s” 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.

- \*--Delegated authority for procurement of appraisal services is obtained from the AMD Director. The AMD Director may revoke the delegation.--\*

## 22 General Delegation Requirements (Continued)

### B Sample Delegation Letter

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

<p>To: Name Title</p> <p>Subject: Delegation of Authority</p> <p>In my authority as <b>(Title of Delegator)</b>, I hereby delegate to you the following authority(ies):</p> <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> <li>• _____.</li> </ul> <p>This/these delegation(s) will continue until revoked or revised in writing.</p> <p><b>(Signature)</b></p> <p><b>(Title)</b></p> <p><b>(Date)</b></p> <p>cc: State Office (2 copies)</p>
---

### 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.

### \*--D Delegation of Authority for APOC

APOC delegation is provided according to subparagraph 141 J.--\*

## 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.

<p>To:    Name          Title</p> <p>Subject:    Delegation of Authority</p> <p>You are hereby designated to serve as Acting (<b>Title of Delegator</b>), from (<b>Starting Date</b>) to (<b>Ending Date</b>). I hereby delegate to you all rights, privileges, and powers of the position (except the following:</p> <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> <li>• _____.)</li> </ul> <p>(Signature)</p> <p>(Title)</p> <p>(Date)</p> <p>cc: State Office (2 copies)</p>
--

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 and refiling 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
- \*--authority to approve PLS where the borrower (or any entity member) has received PLS 2 or more times in the previous 5 years to FLC.--\*

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 because of mutual mistakes, valueless liens or without 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 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--\*

## 25 Delegating Loan Approval Authority (Continued)

### 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 FLOTTRACK 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 FLOTTRACK.

- 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.

## 25 Delegating Loan Approval Authority (Continued)

### 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"

## 25 Delegating Loan Approval Authority (Continued)

### 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.





## 25 Delegating Loan Approval Authority (Continued)

### 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 Gretchen Thomas, National Office FLOT Coordinator, at [gretchen.thomas@wdc.usda.gov](mailto:gretchen.thomas@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**

\*--Employees who deliver FLP are strongly encouraged to complete at least one continuing education training activity each year. The training activity may include completing FSA-developed courses available in AgLearn, participating in National Office FLP hot topics training, or any other available courses in financial analysis and production management such as:

- Extension Service webinars and workshops
- non-FSA developed AgLearn courses
- ABA or Farm Credit sponsored workshops and seminars
- local community college workshops.

FSA-developed courses in AgLearn include the following.

Course Title	Target Audience
Structuring Agricultural Loans (AgLearn ID# FSA-HQ-DAFLP-19)	<ul style="list-style-type: none"> <li>• Loan approval officials with less than 3 years' experience</li> <li>• FLOT's</li> </ul>
Problem Loan Identification and Workout (AgLearn ID # FSA-HQ_DAFLP-20)	Employees with loan approval authority
Financial Statement Consolidation (AgLearn ID# FSA-HQ-DAFLP-21)	
Lender File Reviews (AgLearn ID# FSA-HQ-DAFLP-LenderFileReview)	<ul style="list-style-type: none"> <li>• Employees currently enrolled in FLOT training</li> </ul>
Servicing Bankrupt Borrowers (AgLearn ID# FSA-HQ-DAFLP-ServicingBankrupt)	<ul style="list-style-type: none"> <li>• Loan approval officials, AS, loan analyst and LRS with less than 3 years' experience</li> </ul>

--\*



## 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 2017 loan limit is \$1,399,000.--\*

This limit includes land contract guarantees.

## 29 Maximum Loan Authorities (Continued)

## 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 2017 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 2017 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 2017 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 2017 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 2017 loan limit is \$1,699,000.--\*

This limit includes land contract guarantees.

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



## 29 Maximum Loan Authorities (Continued)

### 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 2017 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.

## 29 Maximum Loan Authorities (Continued)

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

Type of Loan	FLO			FLM, DD, FLS, FLC, or Senior FLO	SED
	GS-7	GS-9	GS-11	GS-11/12/13	
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 approval for combined assistance types – Limitation II					
OL Total Direct & Guaranteed	\$100,000	\$200,000	\$400,000	\$700,000	\$1,399,000
FO+CL+SW+ Land Contract Total Direct & Guaranteed	\$0	\$200,000	\$400,000	\$700,000	\$1,399,000
Total approval for multiple assistance types – Limitation III					
OL+FO+CL+SW+ Land Contract Total Direct and Guaranteed	\$0	\$400,000	\$550,000	\$850,000	\$1,699,000
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+ Land Contract Total Direct and Guaranteed	\$0	\$400,000	\$550,000	\$850,000	\$2,199,000--*

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.

**29 Maximum Loan Authorities (Continued)****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 Nonprogram Loans**

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

<b>Type of Loan</b>	<b>FLM, SFLO GS-11/12</b>	<b>DD, FLS, or FLC</b>	<b>SED</b>
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.

**29 Maximum Loan Authorities (Continued)****F 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 7-FLP Part 12.

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)**

**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.**

## 41 Nondiscrimination in FLP (Continued)

**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.*

*\*--In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.*

*To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.--\**

## 41 Nondiscrimination in FLP (Continued)

**D Nondiscrimination Statement on Advertisement of Sale for Inventory Property**

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

*\*--In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.*

*To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.*

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, employer, and lender."--\**





## 41 Nondiscrimination in FLP (Continued)

**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.

*\*--In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.*

*To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.*

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, employer, and lender."--\**

## 41 Nondiscrimination in FLP (Continued)

**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 discrimination complaint with FLP personnel, FLP personnel will immediately submit it according to 18-AO, Part 7.--\*

**[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.

\* \* \*

**41 Nondiscrimination in FLP (Continued)****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 Monitoring Discrimination Complaints**

State Offices will monitor accepted discrimination complaints to ensure compliance with subparagraphs G and I. LSPMD will maintain a file on all accepted discrimination complaints. LSPMD will notify the State Office when notified by the OCR:

- of an accepted discrimination complaint
- that a discrimination complaint has been closed.--\*

## 41 Nondiscrimination in FLP (Continued)

**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.

## 41 Nondiscrimination in FLP (Continued)

**\*--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.--\***

## 41 Nondiscrimination in FLP (Continued)

**\*--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.--\*

## 41 Nondiscrimination in FLP (Continued)

**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 any time **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.

**41 Nondiscrimination in FLP (Continued)**

**\*--J Obtaining Civil Rights Clearance Prior to Acceleration**

State Offices must contact the National Office for civil rights filing clearance prior to acceleration. Under no circumstance will FSA accelerate an account with an accepted civil rights complaint.

- See 5-FLP, subparagraph 533 B for requirements which must be met prior to submitting an account for civil rights filing clearance.
- See Exhibit 12 for an outline of the process to complete the civil rights filing clearance.
- See Exhibit 13 for information to be included in email to the National Office of civil rights clearance.
- See Exhibit 13.5 for instructions on servicing settlement claimants and National Office FLP programmatic reviews.--\*



## 41 Nondiscrimination in FLP (Continued)

### \*--K Discrimination Complaints Accepted After Acceleration

If a discrimination complaint is accepted after the amount has been accelerated (or classified CNC if not accelerated), the account will be serviced according to subparagraph I and as follows.

- Foreclosure: if a discrimination complaint is accepted after referral to DOJ, then DOJ will decide if the foreclosure will proceed. Otherwise, under no circumstance will FSA foreclose an account with an accepted civil rights complaint. Foreclosure action may resume on an accelerated account after the discrimination complaint is closed and then only with the consent of DAFLP.
- CNC: an accelerated, foreclosed, or fully mature account which has an accepted discrimination complaint will not be classified as CNC until the discrimination complaint is closed and then only with the consent of DAFLP.
- Cross-servicing: an account at cross-servicing will be recalled if a discrimination complaint is accepted subsequent to referral to the Department of Treasury. See 7-FLP, subparagraph 222 A. After the discrimination complaint is closed, the account may be returned to Treasury for cross-servicing with the consent of DAFLP. See 7-FLP subparagraph 223 D.

State Office requests for DAFLP consent should be sent to **fsa-directloans@wdc.usda.gov** in a format similar to that shown in Exhibit 13. The email subject block should read “Requested for DAFLP Consent to \_\_\_(enter “Foreclose,” “CNC,” or “Return to Cross-Servicing,” as appropriate) - Borrower’s Name and State.” The DAFLP Consent Clearance Process will be similar to Exhibit 12.--\*

## 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.

**42 Appeals (Continued)****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.

## 42 Appeals (Continued)

**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.*

**42 Appeals (Continued)****E Chattel Appraisals**

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.

## 42 Appeals (Continued)

**\*--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:** Adversely affect 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.--\*





## 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.

## 45 Allocating Loan Program Funds (Continued)

### 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:**

## 45 Allocating Loan Program Funds (Continued)

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

<b>CRITERIA</b>	<b>LOAN TYPE CRITERION IS USED FOR</b>	<b>DATA SOURCE</b>	<b>WEIGHT FOR *--FO AND CL (percent)</b>	<b>WEIGHT FOR OL LOANS--* (percent)</b>
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

- (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.

## 45 Allocating Loan Program Funds (Continued)

**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.**

## 45 Allocating Loan Program Funds (Continued)

### 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.--\***



## 45 Allocating Loan Program Funds (Continued)

### 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.



## 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)**

\*--

- (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.
- (f) 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 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.

**G 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.

**48 Credit Reports (Continued)****H Credit Report Fees - Cost to the Applicant**

Applicants will be charged for reports according to the following.

<b>Applicant</b>	<b>Cost</b>
Individual	*--\$16.00
Joint	\$24.50
Entity	\$50.00--*

**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.

\*--The credit report fee change is effective on October 17, 2016.--\*

**I Recording Fees**

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

**J Processing Credit Report Fees**

See 3-FI to process credit report fees.

**K 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.

## 49 DLS (Continued)

**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 2016 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	Date	
<b>Loan Activity Cutoff</b> – the last day that loan activity dated in calendar year 2016 can be processed to be reflected on FSA-2065 for 2016 and related IRS forms	Monday, January 9, 2017	
Transactions, Suspension, and Enabled Dates		
Transactions	Suspension Date	Enabled Date
<ul style="list-style-type: none"><li>• TC 4A</li><li>• TC 4D</li><li>• SCIMS to PLAS data upload to create TC 4C</li></ul> <p><b>Notes:</b> SCIMS data <b>must</b> be entered by December 28, 2016, to generate TC 4C on December 29, 2016.</p> <p>Until TC 4A and TC 4D are enabled, do <b>not</b> use the following DLS sections:</p> <ul style="list-style-type: none"><li>• Transfer and Assumption</li><li>• Manage case number under Customer Management.</li></ul>	December 29, 2016	January 12, 2017

--\*

**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 2016 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.

Action	Date	
<b>Loan Activity Cutoff</b> – the last day that loan activity dated in calendar year 2016 can be processed to be reflected on 2016 IRS forms.	Monday, January 9, 2017	
Transactions, Suspension, and Enabled Dates		
Transactions	Suspension Date	Enabled Date
<ul style="list-style-type: none"><li>• TC 4A</li><li>• TC 4C</li><li>• TC 4D</li></ul> <p><b>Note:</b> Transactions for Debt Offset Collection, Refund, and Write-off maintenance <b>cannot</b> be processed during this period.</p>	December 29, 2016	January 12, 2017

--\*

**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.



**52 ADPS (Continued)****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

**52 ADPS (Continued)****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.

**52 ADPS (Continued)****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.

<b>TC</b>	<b>Title</b>
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.

## 52 ADPS (Continued)

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

TC	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
1O <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.

## 52 ADPS (Continued)

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

TC	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
3O <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
4O <u>1/</u>	Deceleration of a Borrower Account

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

2/ Transactions processed through DLS to PLAS.

## 52 ADPS (Continued)

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

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

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

2/ Transactions processed through DLS to PLAS.

## 52 ADPS (Continued)

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

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

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

2/ Transactions processed through DLS to PLAS.

## 52 ADPS (Continued)

**\*--J Important Calendar 2016 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	Date	
<b>Loan Activity Cutoff</b> – the last day that loan activity dated in calendar year 2016 can be processed to be reflected on FSA-2065 for 2016 and related IRS forms.	Monday, January 9, 2017	
<b>Availability of ADPS Terminals</b>		
<b>Holiday Schedule:</b> Terminals available until 3 p.m. c.t. because of the holiday	Friday, December 23, 2016 (no update) Friday, December 30, 2016	
<b>Transaction Processing:</b> Terminals will be available to provide additional time for initial transaction entry and discrepancy correction before preparing the Annual Statements.	Saturday, December 31, 2016 and Saturday, January 7, 2017 Terminals available from 6 a.m. to 3 p.m. c.t.	
<b>Loan Activity Cutoff:</b> Transactions recorded through the terminals after the Loan Activity Cutoff, will be scheduled for update on the evening of January 9, 2017.	Monday, January 9, 2017 Terminals available from 6 a.m. to 7 p.m. c.t.	
<b>Transaction suspension/Enabled Dates</b>		
Transactions	Suspension Date	Enabled Date
TC 4A TC 4C TC 4D TC 4F TC 4G TC K4	December 29, 2016	January 12, 2017

--\*



## 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 <a href="https://entp.hud.gov/caivrs/public/home.html">https://entp.hud.gov/caivrs/public/home.html</a> .--*
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.



## 53 CAIVRS (Continued)

**B Using CAIVRS**

Perform a CAIVRS inquiry according to the following.

<b>Step</b>	<b>Action</b>
1	Access the CAIVRS web site at <b><a href="https://entp.hud.gov/caivrs/public/home.html">https://entp.hud.gov/caivrs/public/home.html</a></b> .
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://fsaintranet.sc.egov.usda.gov/fsa/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://inside.fsa.usda.gov/program-areas/daflp/index>--\*** by clicking “Software User Guides”, and then 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 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)**



## Part 4 Supervised Bank Accounts

## 101 Overview

## A Supervised Bank Account

A supervised bank account 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. See 3-FI and 64-FI.--\*

**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)**





**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.**

**122 Borrower Requirements for Preparing a Construction and Development Plan****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.

**122 Borrower Requirements for Preparing a Construction and Development Plan (Continued)****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.

**122 Borrower Requirements for Preparing a Construction and Development Plan (Continued)****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.--\***

**122 Borrower Requirements for Preparing a Construction and Development Plan (Continued)****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.

**122 Borrower Requirements for Preparing a Construction and Development Plan (Continued)**

**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 7 CFR 799.--\***

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.

**124 Inspections (Continued)****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)**



**Part 6 Appraisals****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**

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

FSA uses appraisals to determine the current market value of real and personal property or other security pledged, or to be pledged to support direct loans and loan servicing actions. The value of real estate is based on the highest and best use of the property determined through the appraisal process.

FSA requires a lender to obtain an appraisal in certain guaranteed loan making and servicing cases.

**C Appraisal Issues**

The State staff appraiser will provide support for appraisal issues, appraisal training, real estate appraisal and technical appraisal review requests. State staff appraisers will contact RA or CA for assistance or guidance.

States that do not have a State staff appraiser will refer their appraisal issues, appraisal training, real estate appraisal and technical appraisal review requests to RA or CA for assistance.--\*

**141 General Appraisal Requirements (Continued)****\*--D 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.

**E 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.--\*



**141 General Appraisal Requirements (Continued)****\*--F 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, other than a direct FO micro loan and EM loan according to 3-FLP, subparagraph 248 A, a real estate appraisal is obtained according to the following table.

<b>IF type of property is...</b>	<b>THEN appraisal can be completed by...</b>
residential properties; including 1 to 4 single family units or vacant parcel, rural residential properties, small agricultural property, or bare land  <b>Note:</b> Rural residential properties are properties located in rural area with highest and best use as residential property.	State-certified residential or State licensed appraiser, if within the scope of the appraiser's State appraisal license:  <ul style="list-style-type: none"> <li>• State-certified general contract appraiser, or</li> <li>• FSA full-time or part-time designated appraiser/reviewer.</li> </ul>
property <b>other</b> than residential, small agricultural property, or bare land	State-certified general contract appraiser or FSA full-time or part-time appraiser/reviewer.

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

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 or State licensed appraiser. If there are concerns whether the property under consideration may be appraised by a State-certified residential appraiser, consult a State 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.--\*

**141 General Appraisal Requirements (Continued)****\*--G 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.

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.--\*

**141 General Appraisal Requirements (Continued)****\*--H Using Third Party Appraisals**

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

- appraisal was completed within the previous 12 months
- administrative review is completed
- appraisal was signed and completed by a State-certified general, State-certified residential or State licensed appraiser, if within the scope of the appraiser's State appraisal license in the State where the property is located
- intended use stated in the report is consistent with FSA's need.

**Notes:** If the administrative review concludes the appraisal is not acceptable for FSA use, the reviewer will consult with the State staff appraiser or RA before rejecting the appraisal. A technical review should not be completed without consultation with the FLC. If the findings are not acceptable, the report will not be used and an FSA appraisal will be completed or ordered.

FSA does not need to be listed as an intended user in a third party appraisal report for any direct 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.

**I Sharing Appraisals with BIA**

Upon BIA's written request, FSA may provide a copy of the appraisal report, approved for FSA use after any applicable review, even if FSA is named as the only client, obtained for any direct loan transaction when the purpose, intended use, and scope of work are appropriate for the BIA transaction.--\*

## 141 General Appraisal Requirements (Continued)

### \*--J Contracts for Appraisal Services

FSA uses SAP, as described by FAR, to acquire appraisal services. Contracts for appraisal services may be obtained for real estate appraisals, technical reviews, or chattel appraisals.

**Note:** The procurement of a technical review for appraisal services can only be approved by the RA in consultation with CA. SED will consult with RA for guidance and, if appropriate, will submit the procurement request to RA.

FSA-2128 will be used for obtaining PLCE funding. Guidance on processing PLCE micropurchase at or below micropurchase threshold or above the micropurchase threshold is provided in Part 7.

Exhibits 41, 42, 43 and 44 provide guidance for SOW development for appraisal services. SED, after consulting with FLC, shall issue a State supplement establishing the method and standards needed to obtain appraisal services.

**Note:** States are encouraged to adopt the SOW Exhibits as provided. This will allow for consistency of standards and requirements for appraisal services between state boundaries and within an appraisal region.

The State supplement will:

- Define SOW for each appraisal service, i.e. real estate appraisal, and chattel appraisal. SOW should contain at a minimum the subparagraphs in Exhibits 41, 42, 43 and 44.

SOW may reference appraisal report guidelines as follows:

- Exhibit 50, Direct Loan Appraisal Assignment Guidelines
- Exhibit 51, Dairy Addendum To FSA Appraisal Guidelines
- Exhibit 52, Hog Addendum to FSA Appraisal Guidelines
- Exhibit 53 Poultry Addendum to FSA Appraisal Guidelines.

**Note:** Upon SED request, RA will provide:

- further guidance on work and reporting requirements for specialized properties
- technical assistance
- approval of additional SOWs and exhibits created for specialized properties.--\*

**141 General Appraisal Requirements (Continued)****\*--J Contracts for Appraisal Services (Continued)**

- Identify APOC.

SED, in consultation with the FLC, will select service center and/or state office employees to be the APOC.

APOC provides oversight of the micropurchase process for appraisal services. APOC has the authority to commit the Agency for purchasing appraisal services when the cost of services are less than or equal to the micro-purchase threshold. See Exhibit 2, for definition of micropurchase.

APOC will complete the required training according to Exhibit 60 and provide the self-certification using Exhibit 61. After completing the training, SED will submit Exhibit 62 by e-mail to:

Ernest Williams  
FFAS Acquisition Career Manager (ACM)  
**Ernest.Williams@wdc.usda.gov**

The Director, AMD will provide SED with the delegation of authority memorandum for APOC's.

- Establish and maintain a vendor registry as follows:
  - describe the process to establish a vendor list
  - provide criteria the vendor must meet to be on the registry
  - establish when a vendor may be removed from the registry
  - provide at a minimum business name, personal name, address, phone number, e-mail address, service area described by county(ies), licenses information, SAM number and registration date.

**Note:** FSA-2155 will be used for vendor registration.--\*

**141 General Appraisal Requirements (Continued)****\*--J Contracts for Appraisal Services (Continued)**

At a minimum, the vendor may remain on the FSA vendor registry if:

- registered in SAM and properly maintains information required by SAM
- provides and maintains vendor information as requested by FSA
- signs the SOW
- provides acceptable appraisal product that meets SOW requirements and consistently meets agreed upon timeframes
- attends required meetings with FSA.

**Notes:** Contact CO for guidance if a vendor is proposed to be removed from the registry. A vendor may request to be removed from the registry at any time.

FSA or a vendor may update the vendor registry information at any time. FSA should encourage that vendors update their information annually.

- Processing and acquiring appraisal services.

SED will determine if appraisal service requests will be processed at the Service Center, District or State Office level.

SED is encouraged to use the FAR Simple Acquisition authority for purchasing appraisal services that are at or below the micro-purchase threshold and are considered direct purchase.

**Note:** To minimize the contractual burden and to improve processing, BPA's or other contractual agreements are not encouraged.

SED will contact the CO for guidance on County Office procedure for processing contractual acquisition for services when the cost of the service exceeds the micro-purchase threshold.--\*

**141 General Appraisal Requirements (Continued)****\*--J Contracts for Appraisal Services (Continued)**

- At a minimum, establish work order request form and engagement letter for services.

SED will continue to use the appraisal ordering documents that the State has established for appraisal services for real estate or chattel. Further, SED is encouraged to adopt the appraisal service engagement letter as provided in Exhibit 64.

**Note:** Exhibit 64 may be modified to meet State specific needs with RA review and approval.

- Describe where, when and the acceptable method of delivery of the appraisal services product.

PDF with a digital signature or e-signature of the appraisal is acceptable for use by the Agency. The security of a PDF appraisal services product is the responsibility of the vendor.

SED is encouraged to adopt the following Exhibits.

- Exhibit 66, Applicant/Borrower Notification of Appraisal Services
- Exhibit 67, Appraisal Services Award Log
- Exhibit 68, Appraisal Services Rotation List
- Exhibit 69, Notice to Vendor For Cause.

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.--\*

**141 General Appraisal Requirements (Continued)****\*--K APOC Responsibilities**

APOC's:

- follow and ensure that SAP is met for purchases of appraisal services at or below the SAP threshold limit
- review FSA-2128, Part B, to ensure that there is adequate documentation and support and provide approval of the selected or recommended vendor
- assist field offices and vendors with basic procurement issues
- coordinate issues that need further clarification by either County Office or State staff appraisers
- provide oversight for appraisal services requests to ensure that requests for procurement are needed and meet the Agency's mission
- ensure that documentation and concerns are clarified to adequately obtain a quote from vendor
- ensure proper rotation of vendors within their service area and that the best value is the basis of selection of vendor.

**Note:** Best value is defined in Exhibit 2.

- issue work order and engagement letter to vendor to proceed with assignment as described by the work order.--\*



**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:

- documentation of the appraiser's physical on-site inspection of the chattel property

**Note:** Physical inspection of the chattel property is required unless a written exception is provided.

- 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 or wholesale values 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.--\*

**142 Appraisal Reports (Continued)****\*--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 and after RA or CA consultation. 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 within the appraisal report
- 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 without written consent from the LRA or CA. FLC may contact LRA or CA for guidance and written approval.--\*

**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 Real Estate Appraisals Completed by State Staff Appraiser**

Real estate appraisals completed by State staff appraisers must meet the same work and reporting requirements as provided in the State's SOW for contract appraisals.

If States without State staff appraiser are unable to obtain appraisal services through SAP, SED will request assistance from RA.

When a State staff appraiser determines, in consultation with the supervisor, that an appraisal request is beyond their position description, the assignment must be contracted out or conducted by a qualified State staff appraiser of a higher grade.

The State staff appraiser will:

- contact RA for guidance
- assist in developing the SOW if it is determined after consultation with RA that the appraisal assignment will be contracted out.

**D Approved Appraisal Formats**

Any appraisal format that meets USPAP requirements is acceptable. The preferred format for State staff appraiser appraisal report is the UAAR format.

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.--\*

**142 Appraisal Reports (Continued)****\*--E Real Estate Appraisal Software**

FSA has appraisal software available for full-time, part-time and State staff appraisers/reviewers. State staff appraisers use the software provided for appraisal reports and sales documentation and management.

Information on the most current version of software, source of software, installation instructions and user guides can be obtained from the appraisal SharePoint web site at **<https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx>**. The “Appraiser Software” section is located at the right side of the home page.

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](mailto: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 and/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 SOW 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.--\*

**143 FSA Review of Appraisal Reports (Continued)**

**\*--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
- during CLP and PLP lender reviews based on the loans selected for review
- 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
- before loan closing of guaranteed loans from CLP or PLP upon request of the loan approval official.--\*

**143 FSA Review of Appraisal Reports (Continued)****\*--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.--\*

**143 FSA Review of Appraisal Reports (Continued)****\*--D Technical Appraisal Reviews Overview (Continued)**

A technical field review involves an examination of all aspects of developing and reporting 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.

RA will be consulted and will provide assistance when:

- State staff appraiser receives a request for a technical appraisal review and determines, in consultation with their supervisor, that the appraisal assignment is beyond their position description
- the state does not have a State staff appraiser.

The appraiser completing the technical review will provide the SED a memorandum summarizing the findings.

<b>IF technical review...</b>	<b>AND...</b>	<b>THEN...</b>
finds appraisal acceptable		the memorandum will: <ul style="list-style-type: none"> <li>• state that the appraisal is acceptable</li> <li>• describe major and minimum areas of concern, if clarification is needed, and provide recommended corrective actions, if applicable or any modifications needed.</li> </ul>
Finds appraisal unacceptable		the memorandum will: <ul style="list-style-type: none"> <li>• itemize USPAP discrepancies</li> <li>• provide the USPAP standard rule, as well as state the standard</li> <li>• include explanation of the concern.</li> </ul>

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## 143 FSA Review of Appraisal Reports (Continued)

## \*--D Technical Appraisal Reviews Overview (Continued)

IF technical review...	AND...	THEN...
finds appraisal unacceptable (cntd)	appraisal was completed for a direct loan or servicing action	<ul style="list-style-type: none"> <li>• SED will notify the appraiser who conducted the appraisal of the discrepancies found</li> <li>• SED may contact the appraiser who conducted the appraisal and request the appraiser provide information correcting the discrepancies.</li> </ul> <p><b>Note:</b> SED may request the State staff appraiser or RA to provide technical support to explain discrepancies found to the appraiser who conducted the appraisal under review.</p>
	appraisal was completed for a guaranteed loan, before issuance of the guarantee, or for a servicing action	<ul style="list-style-type: none"> <li>• SED will notify the guaranteed lender about the findings as provided by the memorandum from the review appraiser</li> <li>• SED may request the review appraiser to assist in providing technical support to explain discrepancies found to the lender.</li> </ul> <p><b>Note:</b> An unacceptable appraisal is a determination that the guaranteed loan conditions have not been met. Therefore, if an acceptable appraisal report cannot be obtained, FSA will inform the lender that appraisal is unacceptable and provide the lender appeal rights, according to 2-FLP. The issue for appeal will be whether lender's appraisal is consistent with USPAP. The lender may only provide an independent technical appraisal review of the lender's appraisal.</p>
	appraisal was completed for a guaranteed loan, after the issuance of the guarantee, or for a servicing action	<ul style="list-style-type: none"> <li>• SED will notify the lender of the findings</li> <li>• SED may request the review appraiser to assist in providing technical support to explain discrepancies found to the lender</li> <li>• SED will advise and remind the lender of their responsibilities under the Lender's Agreement.</li> </ul>

**143 FSA Review of Appraisal Reports (Continued)****\*--D Technical Appraisal Reviews Overview (Continued)**

Technical appraisal reviews will be kept by the State staff appraiser that conducted the review. Technical review reports will not be released except with written consent of the State staff appraiser as required by an appeal according to 1-APP or as directed by RA or CA. The technical review memorandum will be filed in the applicant or borrower case file with the appraisal report according to 25-AS.

Technical appraisal reviews may be used to evaluate risk assessment of direct and guaranteed loans to ensure:

- quality necessary to support loan security and loan servicing needs, and
- compliance with USPAP standards and FSA's appraisal regulations.--\*

## 143 FSA Review of Appraisal Reports (Continued)

**\*--E Conducting Technical Appraisal Reviews**

FSA will complete a technical appraisal review:

- on direct or guaranteed loan appraisals when an administrative review detects serious problems
- upon request of the loan approval official after an administrative review is completed and before loan approval.

After loan closing technical appraisal reviews will be completed for 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 making action 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 State staff appraisers every 2 FY's

**Note:** The National Office will coordinate State staff appraiser desk type reviews and monitor completion and results. State staff appraiser reviewers and appraisal/technical reviews selected for review will be on a random basis.

- of appraisals conducted by contractors and State staff appraisers 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.--\*

**143 FSA Review of Appraisal Reports (Continued)****F Recordkeeping and Internal Management Controls**

Each State must maintain a recordkeeping system and internal management controls \*--according to 32-AS, and File Maintenance and Disposition Manual, to ensure that all--\* administrative, technical (desk and field) reviews, and compliance activities are accomplished.

**G USPAP Records Retention**

USPAP requires that appraisers retain documentation at a minimum about appraisal reports 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 State staff appraisers and RAs at their official duty station 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 unless authorized by RA
- be relinquished to FSA 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 if corrections are needed to the original appraisal report. If corrections are necessary, FSA will request the original appraisal be corrected. The authorized agency official will notify the applicant or borrower of the outcome of reconsideration according to 1-APP and provide a copy of the corrected appraisal report.--\*

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

**\*--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.**

**Notes:** The applicant or borrower does **not** have the right to provide a second independent appraisal for consideration.

The issue for review is the appraisal of the subject property's current market value based on the development of an opinion of the highest and best use of the real estate as required by USPAP.

- (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:** FSA will review the qualifications of the appraiser selected by the applicant or borrower.--\*

**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 State staff appraiser. The 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.--\*



**145 Appraiser Qualifications****\*--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.

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

Contract appraisers must meet any State licensing requirements if required by state law.

**B Real Estate Contract Appraisers**

Contract appraisers:

- must meet license requirements as described by subparagraph 141 F
- must be licensed 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.--\*

\* \* \*

**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.

<b>Category</b>	<b>Description</b>
1	220 hours of appraisal training, of which a majority must concentrate in farm real estate-related courses, in: <ul style="list-style-type: none"> <li>• sales comparison approach</li> <li>• cost approach</li> <li>• income approach.</li> </ul>
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.--\*

**146 Appraiser Training Requirements (Continued)****\*--C Payment of Training Fees**

By August 1 of each FY, each SED must request from the National Office appraisal training funds for the following FY for both basic and continuing education costs.

For State 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.

When claiming reimbursement of dues and fees, appraisers/reviewers must complete SF-1164 together with proof of payment and follow guidance in the appropriate FI directive.--\*

**146 Appraiser Training Requirements (Continued)****\*--D 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.--\*

## 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 Release of Appraisal Report****\*--A General**

An appraisal report, paid by FSA, is considered an administrative document for the purpose of collateral valuation and may not be released to the public or other parties except through FOIA, in accordance with subparagraph 141 I and this subparagraph.

**B Release to Applicant or Borrower**

According to CONACT, Section 333C, upon an applicant or borrower's request, FSA will provide a copy of the appraisal obtained for the loan.

An appraisal report that was completed for a loan servicing action is not released unless:

- the release meets the requirements in subparagraph 144 F
- there is foreclosure action pending on the real estate security
- it is in the best interest of the Government to facilitate alternative source of financing to satisfy all debts to FSA to avoid forbearance action.

**C Release to Lender**

An appraisal report may be released to a lender that is:

- an intended user stated in the report

**Note:** A lender that is listed as an intended user in the appraisal report may not request changes or add requirements to the appraisal assignment. FSA, as the client, is the only party that may request changes or add requirements to the appraisal assignment.

- participating in a loan transaction and has a participation arrangement with FSA.

**Note:** The participation arrangement will be in writing with the applicant or borrower's acknowledgement.--\*

**148 Release of Appraisal Report**

**\*--D Release to Peer Review Committee or Regulatory Authority**

A real estate appraisal report may be released to a peer review committee or regulatory authority upon written request with consultation with CA. The SED shall inform the review committee in writing that, appraisal information developed for USDA is protected from unauthorized use and unauthorized disclosure pursuant to the administrative and/or civil remedies/criminal penalties identified in applicable Federal statutes to include the Privacy Act of 1974 (5 U.S.C. 552a - as amended).

To ensure proper awareness, individuals/organizations granted access to federally protected information are advised that they may be held legally liable should they commit an unauthorized use/unauthorized disclosure of the protected information in violation of Federal statute.--\*

**149-160 (Reserved)**



## Part 7 PLCE's

## 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 Jerry Moseman (primary) Ann Smith	*--joe.marcoccia@wdc.usda.gov jerry.moseman@wdc.usda.gov <b>ann.smith@wdc.usda.gov</b>
User Access	Ann Smith (primary) Anne Steppe	anne.steppe@wdc.usda.gov--*
General Inquiries	Ann Smith Anne Steppe	
Vendor Inquiries	Ann Smith Anne Steppe (primary)	
Lost Payments	Ann Smith Anne Steppe	

**161 Overview (Continued)****C PLCE and FMMI Help Desk Information (Continued)**

<b>Point of Contact for PLCE and FMMI Inquiries</b>		
Emergency FMMI ZMY, TY, or PPA Approvals	Ann Smith Shanita Staten (primary) Anne Steppe (primary)	shanita.staten@wdc.usda.gov
Emergency PLCE Check Requests	Jerry Moseman Ann Smith (primary) Anne Steppe (primary)	
FMMI Remedy Tickets	Ann Smith Anne Steppe	

**Note:** When requesting PLCE funds, be sure to send an e-mail to all 3 points of contact according to the table.

**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
- \*--identifies APOC responsibilities for providing approval and oversight of appraisal services Micropurchase as described in subparagraph 141 K--\*
- 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

## 161 Overview (Continued)

## E State PLCE Monitor Responsibilities (Continued)

- creating and modifying non-SAM vendor records in FMFI
- oversees processing FMFI purchase orders (ZMY), invoices (TY), and modifications
- \*--except for appraisal services, acts as a liaison between FLP, and 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 inquiries, except for appraisal services.

**Note:** The APOC will provide assistance with appraisal vendor inquiries.\*--\*

## 162 Understanding PLCE

## A PLCE Spending Chain

The components of the PLCE spending chain are defined as follows.

Component	Action
1	<p><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.</p> <p><b>Note:</b> See paragraph 163 for funds explanation.</p>
2	<p><u>Internal Budget Pre-approval</u> 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.</p> <p><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.</p>
3	<p><u>Obligation</u> 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 FMFI.</p>
4	<p><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 PLCE spending chain.</p>
5	<p><u>Disbursement</u> is handled by the National Finance Center. This step is driven by the vendor record and invoice document.</p>

## 162 Understanding PLCE (Continued)

**B Definition of PLCE**

\*--PLCE are expenditures that relate to loan making, loan servicing, and inventory property activities and the provisions of the Promissory Note and Security Agreement 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.

- **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. Items in the “noncontractual” category include the following:--\*
  - 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)

\*--**Note:** If a cost item is not found in the list above, it is not considered a Routine Loan Account Maintenance or “noncontractual” item.--\*

- 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 - \$3,500--\*

The Maintenance and Management purpose category located in Exhibit 25 is the **only** area of PLCE under which supplies might be purchased.

## 162 Understanding PLCE (Continued)

### B Definition of PLCE (Continued)

- 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.

- **--Any PLCE cost item that *exceeds* the defined Micropurchase thresholds according to this subparagraph will be referred to as “*contractuals*” for purposes of this Part. Assistance from a warranted Contracting Officer is *required* for all “contractual” PLCE activity.**

FAR 13.1 should be consulted to ensure that offices use the current Micropurchase thresholds at the time of action. Consulting the FAR is not a function of the State PLCE Monitor; State PLCE Monitors should work with their State contracting staff.--\*

**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.

## 162 Understanding PLCE (Continued)

### \*--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:

- FA02**FL204**00000000: Loan Servicing “L” account
- FA02**FL214**00000000: 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. Obligorating 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 or FSA-2128 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 or FSA-2128.--\***

**Notes:** FSA employee records are already in FMFI. A Federal employee requesting reimbursement will **not** have a vendor record created using the FSA-2173.

See 3-PM, paragraph 131 for additional guidance about restrictions on outside employment and activities.

### B Former Employees as Vendors

For guidance on post-employment restrictions about using former FSA employees as PLCE vendors, see 3-PM, paragraph 139, and 18 U.S.C. 207.

Former FSA employees should contact the USDA ethics counselors for informal assistance with interpreting and applying the post-employment restrictions. FLP State Office staff may also contact the USDA ethics counselors for guidance before selecting a former FSA employee as a vendor, through the Administrative Officer or State Office ethics advisor. The Office of Ethics may be reached by e-mail at **Ethics-Farm-FSA-@oe.usda.gov**.

**Notes:** Additional post-employment information is available at **<http://www.ethics.usda.gov/rules/postemployment.htm>**.

Former FSA employees are not exempt from the SAM registration requirement and must be registered in SAM if working in a vendor capacity.

**164 Obtaining PLCE Items (Continued)****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.

\*--States with Secretary of State accounts must establish and use a tracking system to monitor that billing is accurate and ensure FLP UCC activity is not commingled with CCC or FP activity. PLCE funds may be used only for FLP applicants and borrowers.--\*

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 State 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 closed loan, 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 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.

**165 Processing Routine Loan Account Maintenance PLCE's****A Forms**

Forms associated with processing Routine Loan Account Maintenance PLCE's include the following.

- **FSA-2126**, which is the only form required to initiate PLCE requests for routine loan account maintenance, or “noncontractuals” as described in subparagraph 162 A.
- **\*--FSA-2128, used for appraisal services** and is the only form required to initiate PLCE requests for appraisal services for Micropurchase or “contractuals” as described in subparagraph 162 B.--\*
- **FSA-2171**, which is the substitute invoice and will be used only in instances where there is **no** existing vendor invoice; vendor invoice information is never transferred to FSA-2171.
- **FSA 2172**, see subparagraph 169 G for guidance on requesting Emergency PLCE vendor checks.
- **FSA 2173**, which is used when necessary to establish a vendor record (PVND) in FMMI. See the FMMI User Guide for guidance on PVND entries.

**B Filing Requirements**

- \*--FSA-2126 or FSA-2128 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.

## 165 Processing Routine Loan Account Maintenance PLCE's (Continued)

**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.

Authorized Agency Officials shall take the following steps for routine loan account maintenance PLCE items.

Step	With Invoice	Invoice Pending
1	<p>Authorized Agency Official is notified or receives notification of PLCE need and refers to Exhibit 25 for authorization and terms.</p> <p>If AAO is uncertain if or how to proceed, AAO will contact State PLCE Monitor for guidance.</p>	<p>Authorized Agency Official determines, or is notified of, PLCE need and refers to Exhibit 25 for authorization and terms.</p> <p>If AAO is uncertain if or how to proceed, AAO will contact State PLCE Monitor for guidance.</p> <p><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.</p>
2	Authorized Agency Official completes *--and signs FSA-2126 or FSA-2128 and attaches invoice, and any other necessary documentation related to the PLCE. Documents are sent to the State PLCE Monitor for further processing.	Authorized Agency Official completes FSA-2126 or FSA-2128 and, along with any other necessary documentation related to the PLCE, sends request to the State PLCE Monitor for processing.
3	State PLCE Monitor receives and reviews FSA-2126 or FSA-2128 for accuracy, completeness, and validity, consulting with the Farm Loan Chief, as necessary.	State PLCE Monitor receives and reviews FSA-2126 or FSA-2128 for accuracy,--* completeness, and validity, consulting with the Farm Loan Chief, as necessary.
4	State PLCE Monitor certifies budget availability. If approved, the PLCE process continues.	State PLCE Monitor certifies budget availability. If approved, the PLCE process continues.

## 165 Processing Routine Loan Account Maintenance PLCE's (Continued)

## E Workflow Process for "Noncontractual" Expenses (Continued)

Step	With Invoice	Invoice Pending
5	PLCE request is processed and posted in FMMI, creating a ZMY obligation using the FMMI User Guide as reference.  <b>Note:</b> National Office support is available for <b>approvals only</b> on an as-needed basis.	PLCE request is processed and posted in FMMI, creating a ZMY obligation using the FMMI User Guide as reference.  <b>Note:</b> National Office support is available for <b>approvals only</b> on an as-needed basis.
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 or FSA-2128 and associated FMMI transaction documents are returned to the requesting office.
7	A copy of the-approved and completed FSA-2126 or FSA-2128 and FMMI ZMY and TY transaction documents are returned to the requesting office for placement in file(s).  <b>Note:</b> National Office support is available for <b>approvals only</b> on an as-needed basis.	Once county office receives invoice, using FSA-2126 or FSA-2128 forwards invoice to the State PLCE Monitor with a signed request for payment and copy of the original FSA-2126 or FSA-2128.
8	<b>End.</b>	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 or FSA-2128 and FMMI TY invoice--* transaction document are returned to the requesting office for placement in file(s).
10		<b>End.</b>

## 166 Processing Micropurchase and “Contractual” PLCE

### A Forms

Forms associated with processing micropurchase and “contractual” PLCE cost items include the following.

- **\*--FSA-2126**, required for purchases except for appraisal services that PLCE requests are 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 CO or State contracting staff.
- **FSA-2128**, which is **only used for appraisal service purchases** and is the form required to initiate PLCE requests for Micropurchase or “contractuals” purchases as described in subparagraph 162 B--\*
- **FSA-2172**, see subparagraph 169 G for guidance on requesting Emergency PLCE vendor checks.

All vendors operating under this subpart are expected to provide their own invoice document; therefore, FSA-2171 should not be necessary.

FSA-2173 is **not** used in this process; all vendors operating under this subpart **must register in SAM**. Agency officials should **not** collect this information.

### B Additional Requirements

- \*--Additional documentation to FSA-2126 or FSA-2128 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.

**166 Processing Micropurchase and “Contractual” PLCE (Continued)****C Filing Requirements**

\*--FSA-2126 or FSA-2128, which is **only used for appraisal service purchases** and is the--\* form required to initiate PLCE requests for Micropurchase or “contractuals” purchases as described in subparagraph 166 A Bdocuments 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.



## 166 Processing Micropurchase and “Contractual” PLCE (Continued)

**D Vendor Selection**

\*--In addition to requesting PLCE obligations and disbursements, FSA-2126 or FSA-2128 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 or FSA-2128.--\*

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. Except for appraisal service purchases, the PLCE Monitor will work with the contract team, as necessary, to ensure that vendor selection is fair and equitable, and that the Government receives a fair and reasonable price. For appraisal service purchases, the APOC ensures that the vendor selection is fair and equitable and the Government receives the best value as defined by Exhibit 2.--\*

## 166 Processing Micropurchase and “Contractual” PLCE (Continued)

### 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.

### F Workflow for Micropurchases

\*--

Step	Below Threshold	Above Threshold
1	Authorized Agency Official determines PLCE need and refers to Exhibit 25 for authorization and terms. If AAO is uncertain if or how to proceed, AAO will contact State PLCE Monitor for guidance.	Authorized Agency Official determines PLCE need and refers to Exhibit 25 for authorization and terms. If AAO is uncertain if or how to proceed, AAO will contact State PLCE Monitor for guidance.
2	Authorized Agency Official calls or e-mails vendor(s) for price quote and availability. Vendor contacts are recorded on the FSA-2126 or FSA-2128.	Authorized Agency Official calls or e-mails vendor(s) for price quote and availability. Vendor contacts are recorded on the FSA-2126 or FSA-2128.
3	FSA-2126 or FSA-2128 is completed, signed, and forwarded to State PLCE Monitor for budget approval, along with supporting documentation as applicable.	FSA-2126 or FSA-2128 is completed, signed, and forwarded to State PLCE Monitor for budget approval, along with supporting documentation as applicable.
4	State PLCE Monitor receives and reviews FSA-2126 or FSA-2128 for accuracy, completeness, and validity, consulting with the Farm Loan Chief or other Agency Official as necessary.	State PLCE Monitor receives and reviews FSA-2126 or FSA-2128 for accuracy, completeness, and validity, consulting with the Farm Loan Chief or other Agency Official as necessary.

--\*

## 166 Processing Micropurchase and “Contractual” PLCE (Continued)

## F Workflow for Micropurchases (Continued)

\*--

Step	Below Threshold	Above Threshold
5	State Office certifies budget availability and approves FSA-2126 or FSA-2128.	State Office certifies budget availability and forwards the approved and signed FSA-2126 or FSA-2128, along with other required information, to the State’s Authorized Contracting Official according to procedures provided in paragraph 141 or subparagraph 161 D.
6	State Office inputs FMMI purchase order (ZMY), as provided in the FMMI User Guide, and annotates the ZMY document number on the FSA-2126 or FSA-2128.  <b>Note:</b> National Office support is available for <b>approvals only</b> on an as-needed basis.	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	Original signed and approved FSA-2126 or FSA-2128 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 and 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 or FSA-2128.  <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 or FSA-2128 and copy of the FMMI ZMY document are returned to the Service Center for placement in file(s) and to Contracting Official and 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.

--\*

## 166 Processing Micropurchase and “Contractual” PLCE (Continued)

## F Workflow for Micropurchases (Continued)

\*--

Step	Below Threshold	Above Threshold
11	Upon accepting PLCE goods or services, Authorized Agency Official will attach a copy of vendor invoice to FSA-2126 or FSA-2128 and request payment. FSA-2126 or FSA-2128 with invoice, is sent to PLCE Monitor for vendor payment.	Service Center Authorized Agency Official follows established State procedures as provided in paragraph 141 or subparagraph 161 D to certify receipt and acceptance of goods or services.
12	State Office inputs FMMI invoice document TY and annotates the TY document number on FSA-2126 or FSA-2128 as provided in the FMMI User Guide.  <b>Note:</b> National Office support is available for <b>approvals only</b> on an as-needed basis.	Upon completing the formal review process, FSA-2126 or FSA-2128 requesting payment to vendor and copy of vendor invoice is forwarded to the PLCE Monitor for entry into FMMI.
13	Completed FSA-2126 or FSA-2128 and copy of the FMMI TY document is returned to the Service Center for placement in file(s).	State Office inputs FMMI invoice document TY as provided in the FMMI User Guide and annotates the TY document number on FSA-2126 or FSA-2128.  <b>Note:</b> National Office support is available for <b>approvals only</b> on an as-needed basis.
14	<b>End.</b>	Completed FSA-2126 or FSA-2128 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		<b>End.</b>

--\*

\*--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

**[http://fsaintranet.sc.egov.usda.gov/fcad/Manuals/FMM\\_%20User\\_Guide\\_V109272012.pdf](http://fsaintranet.sc.egov.usda.gov/fcad/Manuals/FMM_%20User_Guide_V109272012.pdf)**.

CLICK "Manuals" located on the left navigation bar.

**C Requesting FMMI Access**

Access to FMMI is obtained by the following steps.

Step	Action
1	Log-in to the FMMI portal and complete the self-certification.
2	<p>Using secure e-mail procedures, submit the following documents:</p> <p>* * *</p> <ul style="list-style-type: none"> <li>• self-certification that the online training guides have been reviewed</li> <li>• completed and signed FSA 13-A</li> <li>• completed and signed FSA-FM1, which is obtained from the contacts listed in subparagraph 161 C.</li> </ul> <p>The documents shall be submitted to either of the following:</p> <ul style="list-style-type: none"> <li>• Anne Steppe at <b><a href="mailto:anne.steppe@wdc.usda.gov">anne.steppe@wdc.usda.gov</a></b></li> <li>• Ann Smith at <b><a href="mailto:ann.smith@wdc.usda.gov">ann.smith@wdc.usda.gov</a></b>.</li> </ul>
3	Upon receipt of the required documents, the National Office will process a user access request through the FMMI portal.
4	NFC completes the user access request and notifies employee.

**\*--167 FMMI (Continued)****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 an 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 only 3 exemptions to this requirement for PLCE transactions, as follows:

- PLCE "noncontractual" vendor
- "**Current**" Federal employees
- 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 \* \* \* 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 Disbursement – 1 Line Item.	Obligation Modification/Obligation Change.  If changing <b>Amount</b> , new line amount may not go below available balance.
Obligation (ZMY) with Partial Disbursement – Multiple Line Items.	If line item(s) have been paid and remaining line item(s) require change, process <b>Obligation Modification/Obligation Change</b> .  If line item to be changed has been paid in full, process <b>Post-Payment Modification</b> for that line item only.
Obligation (ZMY) with Full Disbursement of All Line Items.	Post-Payment Modification.
Invoice TY with No Treasury Activity.	Pre-Payment Modification/Invoice Change.
Invoice TY <b>with</b> Treasury- in-Transit (TI) or TC.	Post-Payment Modification.

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 e-mail 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 FMFI 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 FMFI. 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 FMFI 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 FMML. Both the invoice and obligation cancellations 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 FMML. 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 FMML.--\*

**\*--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 FMML. AFCB will notify the State Office of the cancellation so the State Office can cancel the obligation in FMML.

**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 FMML 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 (to protect FSA's interest, and **only** in States with **no** Right of Redemption)--\***
- FMML 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 4** 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 AFCEB at **RD.DCFO.FCB2@STL.USDA.GOV** for the manual input of the check request into FMML:
  - Shantaye Gladney - **shantaye.gladney@stl.usda.gov**
  - Kathryn White - **kathryn.white@stl.usda.gov**
  - Betty Nunnery - **betty.nunnery@stl.usda.gov**
  - \*--Sharon Maull - **sharon.maull@stl.usda.gov**--\*

**Note:** State Offices will **not** enter the TY transaction into FMML.

### 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 either of the following:

- e-mail to **1099helpdesk@usda.gov**
- telephone at 1-800-421-0323.

## 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)**

## Section 2 Farm Assessment

## 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
- \*--identifies the strategy to ensure that a borrower graduates to commercial credit before term limits are met, as well as provides for farm transition and estate planning.--\*

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.

## 221 Overview (Continued)

### A Objective (Continued)

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;**

**\*--For ML's made for FO purposes, the adequacy of resources must include an evaluation establishing the value of the real estate.--\***

## 222 Elements of an Initial Assessment (Continued)

**A Type of Farming Operation (Continued)****(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.

Production Levels. 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.

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.

**222 Elements of an Initial Assessment (Continued)****A Type of Farming Operation (Continued)**

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.

**222 Elements of an Initial Assessment (Continued)****A Type of Farming Operation (Continued)**

Timeliness of Operations. 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.

Appropriateness of Marketing Plan. 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.

## 222 Elements of an Initial Assessment (Continued)

**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.



## 222 Elements of an Initial Assessment (Continued)

**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 \*-1-EQ and complete FSA-858 to document their findings. When wetland indicators are found to be present notify the applicant as provided in 1-EQ.--\*

**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.

\* \* \*

- conservation practices and measures and implementation of conservation plans for program compliance

## 222 Elements of an Initial Assessment (Continued)

**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.

## 222 Elements of an Initial Assessment (Continued)

**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.

Production Data. 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.

## 222 Elements of an Initial Assessment (Continued)

**G Historical Performance (Continued)**

Financial Data. 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.

## 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.

<b>Financial Indicator</b>	<b>Potential Problem</b>	<b>Immediate Concern</b>
Expense-to-income ratio (without interest)	70 percent or more for several years	More than 80 percent with minimal off-farm income
Increased accounts payable	Sudden increase in accounts payable	Accounts payable extended over 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 expenses	Unsubstantiated estimates below \$20,000 for an average family	Unsubstantiated estimates below \$10,000 for an 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;--\***

**222 Elements of an Initial Assessment (Continued)****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.**

\* \* \*

## 222 Elements of an Initial Assessment (Continued)

**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.

**\*--K Farm Transition and Estate Planning**

Farm transition and estate planning involves many personal, and often complex, decisions and should be developed in conjunction with a will and the assistance of attorneys and accountants, as needed, who have knowledge and expertise in agricultural operations.

The authorized agency official will counsel applicants on the importance of establishing a farm transition and estate plan. Applicants should consider the vision, values, and expectations for the future of their farming operation. Identifying successors who will operate the farm, non-farm heirs, and others involved parties, location of important documents, distribution of assets, and resolution of liabilities are important considerations. In addition, a plan to transfer management, ownership, income and labor as part of retirement should be addressed.

The initial assessment may address the actions an applicant will take to develop the farm transition and estate plan. The assessment update documents that plans have been developed and are updated, as needed.

**Note:** The assessment will not address the actual contents nor include the actual documents of the farm transition and estate plans.--\*

**222 Elements of an Initial Assessment (Continued)****L Term Limits**

Term limits are part of the assessment and are recorded in FBP. The authorized agency official will complete the Term Limits Screen within the Farm Assessment Narrative each time the assessment is completed or updated.

\*--A more detailed reference with examples for term limits can be found in 3-FLP, subparagraphs 132 E and 202 D.--\*

**Notes:** Term limits for current borrowers are provided in the Customer Profile.

By signing the assessment report, applicants and borrowers indicate receipt and acknowledgement of the term limits.



## 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
- \*--term limits
- real estate evaluation, if a new FO ML is requested
- remind borrower to review farm transition and estate planning documents.

**Note:** The assessment update will not address the actual contents nor include the actual documents of the farm transition and estate planning.--\*

**223 Annual Review and Assessment Update (Continued)****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.

**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)**

## Section 3 Farm Operating Plan

### 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.--\*

## 242 Developing Farm Operating Plans (Continued)

**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.

## 242 Developing Farm Operating Plans (Continued)

### 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.**

## 242 Developing Farm Operating Plans (Continued)

## 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.--\***





## 242 Developing Farm Operating Plans (Continued)

## 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](http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/Organics/index.php)
- AMS:
  - grain and foodstuffs at <http://www.ams.usda.gov/mnreports/lbfnof.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.**

**242 Developing Farm Operating Plans (Continued)****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.

**\*--242 Developing Farm Operating Plans (Continued)**

**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.

$$\text{Current Ratio} = \text{Total current farm assets} \div \text{Total current farm liabilities.}$$

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

### 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.

$$\text{Debt to Asset Ratio} = \text{Total farm liabilities} \div \text{Total farm assets.}$$

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 =  $\frac{\text{Net farm income from operations} + \text{Farm interest expense} - \text{Owner withdrawals}}{\text{Total farm assets}}$

**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 =  $\frac{\text{Net farm income from operations} + \text{Non-farm income} + \text{Depreciation expense} + \text{Term debt/capital lease interest} - \text{Income tax expense} - \text{Owner withdrawals} - \text{Non-farm expense}}{\text{Term debt/capital lease annual principal/interest payments}}$

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.

<b>Total Overall Score</b>	<b>Classification</b>	<b>Classification Category</b>
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)**



**Section 5 Year-End Analysis****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****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.**

**263 Minimum Requirements of the Analysis (Continued)****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.

## 263 Minimum Requirements of the Analysis (Continued)

### 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's 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.

**263 Minimum Requirements of the Analysis (Continued)****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.



**263 Minimum Requirements of the Analysis (Continued)****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.

**263 Minimum Requirements of the Analysis (Continued)****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.

**263 Minimum Requirements of the Analysis (Continued)**

**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)**



**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 “ <b>FSA Applications</b> ”.
2	On the FSA Applications Page, CLICK “ <b>Farm Loan Programs Systems</b> ”.
3	On the Farm Loan Programs Systems Home Page, under “Informational Links”, CLICK “ <b>Manuals</b> ” and CLICK “ <b>FLPRA National Office Review Process Guide</b> ” or “ <b>FLPRA State Office Review Process Guide</b> ”, 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, Financial Integrity, and/or Composite Rating must have a follow-up review within 24 months to determine if the risk has been mitigated. The follow-up review will be scored in the FLPRA website.--\*

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 FLPR State Office Review Process Guide, Exhibit 2. Reports for each FLP Service Center will include FLPR State Office Review Process Guide, Exhibits 4 through 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 FLPR system within 30 calendar days of completing the review
- documented in the comment box provided to support the scores reported
- input in the automated FLPR 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  
\*--SM.FSA.DCWa2.FLPR.--\*



**404 National Office Reporting Requirements****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)**



## Section 2 DD FLP Oversight

### 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.--\*

**442 DDORS (Continued)****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.

**442 DDORS (Continued)****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

## 442 DDORS (Continued)

**\*--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 "  <a href="#">Follow up pending action item</a> ".
3	CLICK " <b>Add Follow-Up Comments</b> ".
4	Enter followup comments in the box.
5	CLICK " <b>Save Follow-Up</b> ".
6	CLICK " <b>Save Follow-Up</b> ".

--\*

**442 DDORS (Continued)****\*--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, FLPRAs 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.--\*

**442 DDORS (Continued)****\*--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.--\*



## 442 DDORS (Continued)

**\*--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.

**443 Responsibilities (Continued)****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 FLPPRA 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.

Number of Organization Updates			
Additions	Deletions	Moves	Name Changes
1	1	0	0

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**

Follow this table to review and accept organization updates changes.

Step	Action						
1	From DDORS Home Page, under “Menu”, CLICK “ <b>Organization Updates</b> ”.						
2	From “State” drop-down list, select a State if user has access to more than 1 State.						
	<table> <tr> <th>IF organizational updates are...</th><th>THEN the...</th></tr> <tr> <td>available</td><td>“<b>Available Updates</b>” section will be displayed.</td></tr> <tr> <td>not available</td><td>“<b>Current DDORS Organization Structure</b>” section will be displayed.</td></tr> </table>	IF organizational updates are...	THEN the...	available	“ <b>Available Updates</b> ” section will be displayed.	not available	“ <b>Current DDORS Organization Structure</b> ” section will be displayed.
IF organizational updates are...	THEN the...						
available	“ <b>Available Updates</b> ” section will be displayed.						
not available	“ <b>Current DDORS Organization Structure</b> ” section will be displayed.						
3	If “ <b>Available Updates</b> ” section is displayed, CLICK “ <b>Review &amp; Accept the Organization Updates</b> ” link.						
4	In the table, review the highlighted changes to Service Centers and districts.						
5	<p>If changes within a district require a new DD assignment:</p> <ul style="list-style-type: none"> <li>• in the second column, CLICK “<b>Change the DD</b>” link for the district</li> <li>• select another DD or the “Absent District Director” option and CLICK “<b>Save</b>”.</li> </ul>						
6	<p>If displayed, CLICK “<b>Users currently assigned to the Service Center</b>” link to determine which, if any, users are affected and need to be reassigned.</p> <p>If users need to be reassigned, do the following:</p> <ul style="list-style-type: none"> <li>• print the user assignment information on the “<b>Users currently assigned to the Service Center</b>” window</li> <li>• using the “User Management” module that is accessed by clicking “<b>Home</b>” button at the top of the page and then under “Menu”, clicking “<b>User Management</b>”, find and modify the user accounts.</li> </ul>						
7	CLICK “ <b>Accept Organization Updates</b> ” to accept the changes.						

**Important:** Users cannot undo organization changes after they have been accepted. DDORS cannot revert back to an earlier organization structure.--\*



## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

This table lists the required reports of this handbook.

Reports Control Number	Title	Reporting Period	Submission Date	Negative Reports	Reference
FLP4	FLPRA Annual Report	Annually	By February 1 each year	Required	403
FLP5	SBA Review Report	Annually	By October 31 each year	Required	103

### 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
FD-258	Fingerprint Chart		Ex. 41, 42, 43, 44
FM1	Data Security Access Authorization Form		167
Form-1004	Uniform Residential Appraisal Report (Fannie Mae)		Ex. 42
Form-1007	Square Foot Appraisal Form (RD or CoreLogic Marshall & Swift)		Ex. 41, 42
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-850	Environment Screening Worksheet		Ex. 15, 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-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

## Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation		169
FSA-2101	DD FLP Oversight Report Guide		Ex. 36
FSA-2103	Direct Loan Making File Review Questionnaire		28
FSA-2104	Guaranteed Loan Making File Review Questionnaire		28
FSA-2119	Delinquent Borrower Servicing File Review Questionnaire		28
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-2128	Appraisal Program Loan Cost Expense (PLCE) Request		141, 164, 165, 166
FSA-2129	Microloan Making File Review Questionnaire		28
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-2155	Vendor Appraiser Registration		141
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	Claimants With Closed Settlement Claims With No Appeal Hearing in Suspension		Ex. 13.5



## Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2199	Claimants With Closed Settlement Claims With Appeal Hearing in Suspension		Ex. 13.5
FSA-2201	Lender's Agreement		47
FSA-2211	Application for Guarantee		44, 47, Ex. 36
FSA-2212	Preferred Lender Application for Guarantee		44, 47, Ex. 36
FSA-2232	Conditional Commitment		43, Ex. 7
FSA-2235	Loan Guarantee		Ex. 7
FSA-2242	Assignment of Guarantee		Ex. 7
FSA-2292	Guaranteed Loan Processing Checklist		Ex. 36
FSA-2301	Request For Youth Loan		44, 47, 48, 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 Who Are 90 Days Past Due		3
FSA-2512	Notice of Availability of Loan Servicing to Borrowers Who Are Current, Financially Distressed, or Less Than 90 Days Past Due		3
FSA-2514	Notice of Availability of Loan Servicing to Borrowers Who Are in Non-Monetary Default		3
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
FSA-2585	Acquisition or Abandonment of Secured Property		5
FSA-2721	List of Currently Not Collectible (CNC) Debts Eligible to be Referred to Treasury for Cross-Servicing		5
FSA-2722	Update to TOP and Cross-Servicing Information		5

## Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
IRS 1098	Mortgage Interest Statement		5
IRS 1099-A	Acquisition or Abandonment of Secured Property		5
IRS 1099-C	Cancellation of Debt		5
IRS 1099-G	Statement for Recipient of Certain Government Payments		5
IRS 1099-INT	Interest Income		5
OF-347	Order for Supplies and Services		165
RD 1922-15	Administrative Appraisal Review for Single Family Housing		143
SF-87	Fingerprint Chart		Ex, 41-44
SF-1449	Solicitation/Contract/Order for Commercial Items		165

**Note:** SF-1449 is available on GSA's form web site at [www.gsa.gov/portal/forms/type/TOP](http://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
AASM	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
APOC	Appraisal Point of Contact	22, Ex. 2, 41-44, 60, 62
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
CA	Chief Appraiser	141-143, 148, Ex. 41, 42
CAFO	confined animal feed operation	Ex. 51
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	251, Ex. 5, 13, 13.5, 15
CO	Contracting Officer	141, 166, Ex. 41-44, 60, 69
CONACT	Consolidated Farm and Rural Development Act	1, 21, 29, 142, 251

## Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

## Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
CPA	Certified Public Accountant	Ex. 26
CSA	community supported agriculture	242, Ex. 28
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	Ex. 41-44
ECM	Enterprise Content Management	5, 52
EIN	employer identification number	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	141, 161, 162, 165, 166, Ex. 2, 61
FCSB	Farm and Community Services Branch, NFAOC	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
ISA	installment set-aside	Ex. 15
ITLAP	Indian Tribal Land Acquisition Program	2, Ex. 16
KZ	cancellation	169
LOA	Loan Analyst	23, 26, Ex. 7
LOC	line of credit	29, Ex. 15, 16
LR	limited resource	223, 261, 263, Ex. 15, 16
LRA	Lead Regional Appraiser	4, 141, 142, Ex. 41-43
LRS	Loan Resolution Specialist	23, 26, Ex. 7
MADS	margin after debt service	Ex. 15
ML	microloan	222, 242, Ex. 15, 16
MRT	Master Reference Table	444
NFAOC	National Financial Accounting and Operations Center	5, Ex. 14
OA	Office of Adjudication	41
OTI	Opportunity to Improve Plan	25
PAC	Program Authority Code	162, 164, 167
PARLC, LAO (FFIS Team)	Policy, Accounting, Reporting, and Loan Center, Loan Accounting Office	169
PCA	Production Credit Association	Ex. 18
PIP	Performance Improvement Plan	25
PLP	Preferred Lender Program	29, 43, 143, Ex. 5, 36

## Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

## Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
PLS	Primary Loan Servicing	23, 25, 27, 29, 42, 144, Ex. 5, 36
PPA	Post payment adjustment	161
PRB	Programs Report Branch, NFAOC	5
PVND	Term in the FMML User Guide representing the creation of a vendor record	165
RA	Regional Appraiser	141, 142, 143, Ex. 43
RCI	recoverable cost items	Ex. 15
RCN	replacement cost new	Ex. 51
RRA	Regional Review Appraiser	4
SALP	Special Apple Loan Program	2, 29
SAM	System for Award Management	43, 141, 161, 164-166, Ex. 41-44
SAP	Simplified Acquisition Procedure	60, 61, 141, 142, Ex. 60-62
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
SOW	Statement of Work	141, 142, 143, Ex. 41-44, 64, 69
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
UAAR	Uniform Agriculture Appraisal Report	142
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 FMML.	161, 163, 165-166, 168-169

## 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.

**Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)****Redelegations of Authority (Continued)**

- authority to approve subordinations, or release and refiling 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
- authority to approve PLS where the borrower (or any entity member) has received PLS 2 or more times in the previous 5 years to FLC.



**Definitions of Terms Used in This Handbook (7 CFR 761.2 (b))****Administrative Appraisal Review**

Administrative appraisal review 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**

Adversely affect 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 agency official is any employee with the agency. This term is used when the action does not require inherent or delegated authority.

**\*--Appraisal Point of Contact (APOC)**

The authorized agency official selected to be the point of contact for obtaining appraisal services under the micro purchase threshold and is authorized to complete micro-purchases for appraisal services within their delegated authority. This authorization will be provided by delegation per FAR 1.603-3 by AMD Director.

**Note:** Duties and responsibilities include reviewing requests for purchase of appraisal services that does not involve the use of a Government purchase card. APOC has the authority to commit the Agency to purchase a good or service.--\*

**Approval Official**

The approval official is the specific employee who has the authority to approve or deny the described action.

**Authorized Agency Official**

The authorized agency official 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.

## Definitions of Terms Used in This Handbook (7 CFR 761.2 (b)) (Continued)

**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)

### **\*--Best Value**

Best value involves selecting a vendor of whom the agency solicits a price for services through FAR based on the evaluation of the following factors:

- equitable selection of vendor on a rotational selection basis of all entity vendors in the service area
- the most reasonable price
- greatest competency to provide such service
- best education and experience to provide such service
- vendor past performance
- ability to meet requested time frames for the delivery of the product.

**Note:** Service area is the location of the subject property that is normally defined by county. Vendors identify counties in which they will provide services.--\*

### **Conservation Loan (CL)**

CL means a loan made to eligible applicants to cover the costs to the applicant of carrying out a qualified conservation project.

### **Conservation Plan**

Conservation plan 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**

Conservation practice 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).

**Definitions of Terms Used in This Handbook (7 CFR 761.2 (b)) (Continued)****Conservation Project**

Conservation project means **conservation measures that address provisions of a conservation plan or Forest Stewardship Management Plan.**

**Forest Stewardship Management Plan**

Forest Stewardship Management Plan 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.**

**FSA**

FSA means **Farm Service Agency, an Agency of the USDA, including its personnel and any successor Agency.**

**Graduation**

Graduation 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)**

ML 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.

**Definitions of Terms Used in This Handbook (7 CFR 761.2 (b)) (Continued)****Program Loans**

Program loans 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**

Streamlined conservation loan means a direct or guaranteed CL made to eligible applicants based on reduced documentation.

**Supervised Bank Account**

Supervised bank account is an account with a financial institution established through a deposit agreement entered into between the borrower, the Agency, and the financial institution.

**Technical Appraisal Review**

Technical appraisal review 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 treasury judgment rate 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**

Uniform standards of professional appraisal practice 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.



## Menu and Screen Index

The following menus and screens are displayed in this handbook.

Menu or Screen	Title	Reference
	Classification Review Workflow Report Screen	Ex. 36
	Complete/Approved Application file reviews Screen	Ex. 36
	DDORS Home Page	Ex. 36
	Direct Application Report Selection Page	Ex. 36
	Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports/Loan Making Reports/Direct Applications Screen	Ex. 36
	Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports/Loan Making Reports Screen	Ex. 36
	Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports Screen	Ex. 36
	Farm Loan Programs Systems Home Page	Ex. 36
	Farm Loan Programs Systems Main Menu	Ex. 36
	Farm Loans Programs Data Mart Screen	Ex. 36
	Farm Visit Workflow Report Screen	Ex. 36
	FLP - Risk Assessment Screen	Ex. 36
	FSA Applications Screen	Ex. 36
	FSA Data Warehouse Home Page	Ex. 36
	FSA Data Warehouse Production Home Page	Ex. 36
	FSA Intranet Home Page	Ex. 36
	GLS Farm Loan Application Package List Screen	Ex. 36
	GLS Farm Loan Application Package View Screen	Ex. 36
	GLS Farm Service Agency Reports Screen	Ex. 36
	GLS FSA GLSAPP02 - Guaranteed Loan Applications Detail Screen	Ex. 36
	GLS Guaranteed Loan System & CBP Direct Loans and Grants Screen	Ex. 36
	GLS Guaranteed Loan System Screen	Ex. 36
	Graduation Review Monitoring Report Screen	Ex. 36
	Lending To Beginning Farmers and Ranchers - Goal 4 Screen	Ex. 36
	Limited Resource Review Monitoring Report Screen	Ex. 36

## Menu and Screen Index (Continued)

<b>Menu or Screen</b>	<b>Title</b>	<b>Reference</b>
	Organization Updates Screen	444
	Outstanding Subordination Report Screen	Ex. 36
	Print Options Screen	Ex. 36
	Reduce 1st Year Delinquency Rate on New Loans by 25% Over 5 Years Screen	Ex. 36
	Reduce Average Processing Times for Direct Loans - Goal 2 Screen	Ex. 36
	Report Outline Screen	Ex. 36
	Search Criteria Screen	Ex. 36
	Service Center Review Scoring	Ex. 36
	Shared Workspace Pages/HomePage	Ex. 36
	Socially Disadvantaged Farmers and Ranchers - Goal 5 Screen	Ex. 36
	Subordination Request Report Screen	Ex. 36
	Year End Analysis Workflow Report Screen	Ex. 36

**State Supplements**

<b>Subparagraph</b>	<b>State Supplement</b>
3 C	Guidance on notary acknowledgement.
3 D	Guidance on signature requirements.
28 A	Guidance on completing Credit Quality Reviews.
* * *	* * *
29 D	<p>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.</p> <p><b>Note:</b> This State supplement must be submitted for preapproval.</p>
141 E	<p>Guidance on the process to request:</p> <ul style="list-style-type: none"> <li>• chattel appraisal from a contract appraiser</li> <li>• real estate appraisal.</li> </ul>
161	<p>Guidance on:</p> <ul style="list-style-type: none"> <li>• State PLCE monitor</li> <li>• fund availability</li> <li>• UCC filings and lien searches</li> <li>• Micropurchases.</li> </ul>
242 A	<ul style="list-style-type: none"> <li>• List of unit prices for all commodities produced in the State.</li> <li>• 3-year history of disaster declarations by: <ul style="list-style-type: none"> <li>• county</li> <li>• type of disaster</li> <li>• incident period.</li> </ul> </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.





## 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 Number	New Form Number	Title	Date Made 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 Year of the FHA, USDA	2-17-99
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

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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 Associations (FHA Borrowers)	12-31-07
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 Account	12-31-07
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 Information from Financial Institution	2-17-99
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

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA 432-1	FSA-2036	Farm Family Record Book	7-14-08
FmHA 432-1-, Supp 1		FHP Supplement 1 - Money Received	8-22-07
FmHA 432-1, Supp 2		FHP Supplement 2 - Expenses Paid	8-22-07
FmHA 432-1, Supp 3		FHP Supplement 3 - Expense Distribution Codes	8-22-07
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 Recommendation	7-24-02
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 Commencing	12-31-07
FmHA 440-12		Acknowledgement of Payment for Recording, Lien, Search, and Releasing Fees	12-31-07
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

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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, Case Number, or Loan Number	12-31-07
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 Collection --Only Accounts	12-31-07

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
RD 455-1 RD 455-22 RD 1955-2	FSA-2550	Report of Problem Case (Request for Foreclosure/Legal Action)	
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 Real Estate)	12-31-07
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 Liquidating Agent)	12-31-07
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 RD 455-22 RD 1955-2	FSA-2550	Report of Problem Case (Request for Foreclosure/Legal Action)	
FmHA 460-1		Partial Release	2-13-02
RD 460-1	FSA-2470	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, Exhibit 27	Notice of Termination of Security Interest in Farm Products	
FmHA 460-9		Assumption Agreement	12-23-96
FmHA 460-10		New Promise to Pay	12-31-07

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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  <b>Note:</b> Reinstated as Exhibit 30 to 4-FLP.	5-18-04
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 Card--Individual	12-31-07
RD 1905-12		Monthly Expirations	12-31-07

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
RD 1910-5	FSA-2014	Verification of Income	
FmHA 1910-11		Applicant Certificate Federal Collection Policies For Consumer or Commercial Debts	9-9-03
FmHA 1922-1		Appraisal Report - Farm Tract	10-99
FSA-1922-1 & Addendum	FSA-2161	Appraisal Report - Agricultural Tract	
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  <b>Note:</b> Reinstated as FSA-2166.	1-9-04
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  <b>Note:</b> Reinstated as FSA-2154.	7-26-04
RD 1924-10	FSA-2153	Release by Claimants	



**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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 FSA 1927-1M	FSA-2029-D FSA-2029-M	Real Estate Mortgage or Deed of Trust	
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 (State)	FSA-2569	Warranty Deed (Generic Version)	
FmHA 1927-12 (State)		Warranty Deed (Generic Version)	12-31-07
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	

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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	*--8-3-16--*
RD 1940-21	(*)	Environmental assessment for Class I Action	*--8-3-16--*
RD 1940-22	(*)	Environmental Checklist for Categorical Exclusions	*--8-3-16--*
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 Borrowers	12-31-07
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 Assistance Program (Evaluation)	7-26-04
RD 1944-3		Budget And/Or Financial Statement	12-31-07

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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, FmHA 455-1, FmHA 455-22	FSA-2550	Report of Problem Case (Request for 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	

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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 Custodial/Inventory Property or Program Services	12-31-07
*--RD 1956-1	FSA-2732	Debt Settlement Application (RD-1956-1 Application for Settlement of Indebtedness)	
FSA-1956-10	FSA-2733	Review, Certification and Recommendation on Debt Settlement Application	
FSA-1956-20	FSA-2720	Checklist for Currently Not Collectible Debt	
FSA-1956-21	FSA-2721	List of Currently Not Collectible (CNC) Debts Eligible to Be Referred to Treasury for Cross-Servicing	
FSA-1956-22	FSA-2722	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, Exhibit 29	List of FmHA Borrowers	
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 and 1962-21A	FSA-2574	Confirmed reorganization plan worksheet and 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 (Individual)	12-31-07
FmHA 1965-15		Assumption Agreement	12-23-96

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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 Lenders	12-31-07
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 of a Guaranteed Loan	7-26-04
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	

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FSA-1980-36	FSA-2242	Assignment of Guarantee	
FSA-1980-37	FSA-2250	FSA Purchase of a Guaranteed Loan Portion	
FSA-1980-38	FSA-2201	Lenders Agreement	
FmHA 1980-40		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

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA 1980-83		Request for Waiver of Borrower Training Requirements for Guaranteed Loan Applications	3-19-99
FmHA 1980-84		Modification of New Contract Relating to Farm Credit Programs Guaranteed loan/line of credit	2-17-99
FSA-1980-84	FSA-2245	Modification of Loan Guarantee	
FmHA 1980-85		Modification of Existing Contract Relating to Farm Credit Program Guaranteed loan/line of credit	3-19-99
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 Account	4-12-00
FSA-2006-20		Classification of Farmer Program Borrower Account	12-31-07
FmHA 2006-21	(*)	Information Systems Management (ISM) Request 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



**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA 2057-9		Executive-Management-Supervisory (E-M-S) Individual Development Plan	7-8-98
RD 2057-10		Executive-Management-Supervisory (E-M-S) Individual Development Planning Report	7-8-98
RD 2057-11		Individual Development Plan ADP Coordinator/ADPC Assistant	7-8-98
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 Oversight Reviews	12-31-07
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 file review questionnaire	3-3-06
FSA-2106		Guaranteed loan servicing file review questionnaire	3-6-06
FSA-2107		Collection and resolution of direct FLP debts file review questionnaire	3-6-06
FSA-2108		Guaranteed loan loss claims file review questionnaire	3-6-06
FSA-2109		Farm inventory property file review questionnaire	6-8-04

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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	*--3-10-17--*
	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

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FSA-2300	FSA-2303	Notice of Farm Loan Programs Application Received	
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--*	

**Forms List (Continued)**

**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.

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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	*--11-4-16--*
FmHA FL 1941-A-1		Advice to Borrower of Financial Condition	3-24-97
FmHA FL 1941-A-2		Conditional Commitment to Provide Special Operating Loan Assistance to Beginning Farmer or Ranchers	3-24-97

**Forms List (Continued)**

**C Form and Guide Letters (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA FL 1951-5		Refund Request of Offset	*--6-3-15--*
FmHA FL 1951-6		Certification of Indebtedness of Debtors to Non-USDA Agencies	*--4-10-14--*
FmHA FL 1951-7		Notification of Salary Offset From Non-USDA Credit Agency	*--4-10-14--*
FmHA FL 1951-8		Request From Employee for Different Repayment Schedule	10-8-03
RD FL 1951-8		Employee's Notice to the Agency Requesting a Different Repayment Schedule	*--6-3-15--*
FmHA FL 1951-C-1		Administrative Offset Notice	10-20-00
*--RD FL 1951-C-1	FSA-2701	Notice of Intent to Collect by Administrative Offset	
RD FL 1951-C-2	FSA-2703	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	4-10-14
RD FL 1951-C-4	FSA-2710	Notification of Salary Offset (RD Guide Letter 1951-C-4)	
RD FL 1951-C-8	FSA-2711	Alternative Repayment Agreement for Federal Employee Salary Offset (RD Form Letter 1951-8)	
FmHA FL 1951-C-9		Borrowers Notification of IRS Offset Review	6-3-15--*
FmHA FL 1951-F-3		Letter Providing Borrower Prospectus Information	12-31-07
FmHA FL 1951-F-9		Letter to request permission to provide prospectus to other lenders	3-14-97

**Forms List (Continued)**

**C Form and Guide Letters (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA FL 1951-J-3		Notice to Non-program applicants of adverse decision and their review rights	12-31-07
FSA FL 1951-S-2		Shared Appreciation Agreement opportunity to Suspend payment	12-31-07
FmHA FL 1951-T-1	5-FLP, Exhibit 10	Notification of the Availability of the Disaster Set-Aside Program	
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 Applicants/Borrowers in the Special Operating Loan Assistance Loan Program of the Availability of Equipment in FmHA Inventory	12-31-07
FmHA FL 1992-1		Report of Total Cash Payments in Excess of \$10,000	11-13-96
FmHA FL 1992-2	5-FLP, Exhibit 66	Notification of Transmittal to the Internal Revenue Service (IRS)	
RD FL 1992-E-1		Report of Total Cash Payments in Excess of \$10,000	12-31-07
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 Recipient of FmHA Assistance	7-8-98
FmHA GL 1900-D-2		Request to Review FmHA Assistance to an Employee, Relative or Associate	12-1-06
FmHA GL 1900-D-3		Requirements for FmHA Assistance to an Employee, Relative or Associate	12-1-06
FmHA GL 1900-D-4		Certification for FmHA Assistance to an Employee, Relative or Associate	12-1-06

**Forms List (Continued)**

**C Form and Guide Letters (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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 and Borrowers About Limited Resource Loans	7-8-98
FmHA GL 1927-B-1		Request for Title Opinion and Legal Services	12-31-07
FmHA GL 1943-A-1	3-FLP, Exhibit 16	Memorandum of Understanding Between FSA and [Enter Name of State Beginning Farmer Program]	
FmHA GL 1951-1		Notification to Borrower of Eligibility of Loan Graduation Review	12-31-07
FmHA GL 1951-2		Final Notice to Borrower to Provide Current	12-31-07
FmHA GL 1951-3	4-FLP, Exhibit 24	Borrower Prospectus	
FmHA GL 1951-5		To Notify a Borrower to Refinance the FmHA Indebtedness	7-9-96
FmHA GL 1951-6		Notification of Consequences Should Borrower Fail to Respond or Refinance the FmHA Indebtedness	12-31-07
FmHA GL 1951-7		To Notify a Borrower That FmHA will Continue With Loan(s)	12-31-07
FmHA GL 1951-C-4		Notice of Intent to Employee About Salary Offset	5-28-03
RD GL 1951-C-4	(*)	Notice of Intent to Employee About Salary Offset	



**Forms List (Continued)**

**C Form and Guide Letters (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA GL 1951-F-5	4-FLP, Exhibit 25	Notice to Borrower to Refinance FSA Indebtedness	
FmHA GL 1951-F-8		Letter Reminding Borrowers of Graduation Requirement and OL and FO Time Restrictions	9-28-00
FSA GL 1951-F-8	4-FLP, Exhibit 21	Notice of Time Restrictions on Eligibility for OL and FO Programs and the Graduation to Commercial Credit Requirement	
FSA GL 1951-F-9	4-FLP, Exhibit 23	Request for Graduation Information	
FmHA GL 1951-J-1	5-FLP, Exhibit 40	Notice of Acceleration of Your Debt (Non-Program) to the Farm Service Agency (FSA) and Demand for Payment of That Debt	
FmHA GL 1951-J-2	5-FLP, Exhibit 41	Notice of Acceleration of Your Farm Service Agency (FSA) Account (Non-Program)	
FmHA GL 1951-J-3	4-FLP, Exhibit 51	Denial of Non-Program Assistance	
FSA GL 1951-S-1		Reminder to Borrowers of Shared Appreciation Obligation	12-31-07
FSA GL 1951-S-2	5-FLP, Exhibit 25	Shared Appreciation Reminder	

**Forms List (Continued)**

**C Form and Guide Letters (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA GL 1962-A-1	4-FLP, Exhibit 32	Initial Notification of 3 <sup>rd</sup> -Party Purchaser	
FmHA GL 1962-A-2		County Supervisor Notification to Purchaser of FmHA Security Property of Possible	12-31-07
FmHA GL 1962-A-3		Notification to Receivers of FmHA 1962-A-2 that No Action Will be Taken Against Them	12-31-07
FmHA GL 1962-A-4	4-FLP, Exhibit 33	SED Notification of 3 <sup>rd</sup> -Party Purchaser	
FmHA GL 1962-A-5	4-FLP, Exhibit 31	Notification of Unauthorized Use of Proceeds	
FmHA GL 1980-B-1		First Notification of Incomplete Farmer Programs Guaranteed Application	12-31-07
FmHA GL 1980-B-2		Second Notification of Incomplete Farmer Programs Application	12-31-07
FmHA GL 1980-B-3		Certification of Complete Application	12-31-07
FmHA GL 1980-B-4		Letter to Lenders for Collection Activity on Liquidated Accounts	12-31-07
FmHA GL 2006-K-1		Request for New or Modification to the AD HOC Reporting System	12-31-07

**Forms List (Continued)**

**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.

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
426.1, Exhibit A		Escrow Agreement, Real Property Insurance (to collect proceeds from insurance and redistribute to selected payees)	12-31-07
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 Tribal Corporations)	1-28-02
1901-E, Exhibit A		Memo RE Civil Rights Compliance Reviews completed	12-31-07
1901-E, Exhibit B		Memo RE: Summary Report of Civil Rights Compliance Reviews	12-31-07
1901-E, Exhibit C		Memo RE: FmHA Financed Contracts	12-31-07
1902-A, Exhibit B	FSA-2141	Interest-Bearing Deposit Agreement	

**Forms List (Continued)**

**D Exhibits (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
1910-A, Exhibit A	3-FLP, Exhibit 5	Information Needed to Submit An FSA Direct Loan Application	
1910-A, Exhibit B		Letter to Notify Socially Disadvantaged Applicants/Borrowers Regarding the Availability of Direct Farm Ownership (FO) Loans	12-31-07
1910-A, Exhibit C		Letter to Notify Applicant(s)/Borrower(s) of Their Responsibilities in Connection with FmHA Farmer Program Loans	12-31-07
1910-C, Exhibit A		Request for Commercial Credit Report	12-31-07
1922-A, Exhibit D		Farmers Home Administration Appraisal Certification Program , Semi-Annual Report	4-12-00
1924-B, Exhibit A		Letter to Borrower Regarding Releases of Farm Income to Pay Family Living and Farm Operating Expenses	12-31-07
1951-A, Exhibit B	4-FLP, Exhibit 20	Notice of Change in Interest Rate	
1951-D, Exhibit A	4-FLP, Exhibit 26	Notification of Payoff Amount	
1951-F, Exhibit A	4-FLP, Exhibit 22	Lender Agricultural Loan Underwriting Standards	
1951-L, Exhibit A	5-FLP, Exhibit 30	Initial Letter to Borrowers Who Received Unauthorized Assistance	
1951-L, Exhibit B	5-FLP, Exhibit 31	Letter to Borrowers Who Received Unauthorized Assistance - Final Determination	

**Forms List (Continued)**

**D Exhibits (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
1951-S, Exhibit A, Attachment 1	FSA-2510	Notice Of Availability Of Loan Servicing to Borrowers Who Are 90 Days Past Due	
1951-S, Exhibit A, Attachment 1	FSA-2512	Notice of Availability of Loan Servicing to Borrowers Who are Current, Financially Distressed, or Less Than 90 Days Past Due	
1951-S, Exhibit A, Attachment 2	FSA-2511	Borrower Response to Notice of the Availability of Loan Servicing - For Borrowers Who Received FSA-2510	
1951-S, Exhibit A, Attachment 2	FSA-2513	Borrower Response to Notice of the Availability of Loan Servicing - For Borrowers Who Received FSA-2512	
1951-S, Exhibit A, Attachment 3	FSA-2514	Notice of the availability of loan servicing to Borrowers Who Are in Non-Monetary Default	
1951-S, Exhibit A, Attachment 4	FSA-2515	Borrower Response to Notice of the Availability of Loan Servicing - For Borrowers Who Received FSA-2514	
1951-S, Exhibit A, Attachment 5 and 5A	FSA-2521	Denial of Primary Loan Servicing and Intent to Accelerate for Borrowers Who Received FSA-2510 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 A, Attachment 6 and 6A	FSA-2522	Borrower Response To Denial Of Primary Loan Servicing And Intent To Accelerate For Borrowers 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	

**Forms List (Continued)**

**D Exhibits (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
1951-S, Exhibit A, Attachment 9 and 9A	FSA-2525	Intent to Accelerate for Borrowers Who Received FSA-2510 or FSA-2514 and Did Not Apply for Servicing or Did Not Accept Servicing	
1951-S, Exhibit A, Attachment 10 and 10A	FSA-2526	Borrower Response To And Intent To Accelerate For Borrowers Who Received FSA-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, Attachment 1	FSA-2520	Acceptance Of Primary Loan Servicing For Borrowers Who Received FSA-2512 And Applied For Servicing	
1951-S, Exhibit C		Net Recovery Buyout Recapture Agreement (2 years)	12-31-07
1951-S, Exhibit C-1		Net Recovery Buyout Recapture Agreement (10 years)	12-31-07
1951-S, Exhibit D	FSA-2543	Shared Appreciation Agreement	
1951-S, Exhibit D-1	5-FLP, Exhibit 26	Calculation of Shared Appreciation Recapture	
1951-S, Exhibit D-2		Addendum to Agreement to Suspend Payment of Shared Appreciation	12-31-07

**Forms List (Continued)**

**D Exhibits (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
1951-S, Exhibit E		Notification of Adverse Decision for Primary Loan Servicing, Mediation or Meeting of Creditors and Other Options	12-31-07
1951-S, Exhibit E, Attachment 1		Borrower's Request for Meeting of Creditors and Acknowledgement	12-31-07
1951-S, Exhibit E, Attachment 2		Borrower's Request for Meeting of Creditors or to Negotiate the FSA Appraisal	12-31-07
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, Attachment 2	FSA-2518	Acceptance of Primary Loan Servicing for Borrowers Who Received FSA-2510 or FSA-2514 and Applied for Servicing	
1951-S, Exhibit F, Attachment 3	FSA-2529	Negotiated Appraisal Agreement	
1951-S, Exhibit G, Attachment 1		Notice of Availability of Option to Reamortize Certain Loans Secured by Future Revenue Produced by Planting Softwood Timber	12-31-07
1951-S, Exhibit K	FSA-2537	Notification of Consideration for Homestead Protection	
1951-S, Exhibit K, Attachment 1	FSA-2538	Response to Notification of Consideration for 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, Attachment 1	FSA-2548	Shared Appreciation Agreement Recapture Reamortization 2 <sup>nd</sup> Notice	

**Forms List (Continued)**

**D Exhibits (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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, Exhibit 49	Notice of Acceleration of FLP Accounts Secured by Real Estate and/or Chattels in Cases Not Involving Bankruptcy	
1955-A, Exhibit E	5-FLP, Exhibit 50	Notice of Intent to Foreclose on Your Property Serving as Security for the United States of America and Acceleration of Your Loan Accounts	
1955-A, Exhibit E-1	5-FLP, Exhibit 51	Notice of Acceleration of Your Debt to the Farm Service Agency Based on Confirmed Bankruptcy Plan and Demand for Payment of That Debt	
1955-A, Exhibit F	5-FLP, Exhibit 44	Notice Advising of Potential for Referral to Treasury for Cross-Servicing and the Availability of Debt Settlement	
1955-A, Exhibit G	5-FLP, Exhibit 37	Worksheet for Accepting a Voluntary Conveyance of FLP Security Property Into Inventory	
1955-A, Exhibit G-1	5-FLP, Exhibit 60	Worksheet for Determining FLP Maximum Bid on Real Estate Property	
1955-B, Exhibit B	5-FLP, Exhibit 71	Notification of Tribe of Availability of Farm Property for Purchase	
1955-C, Exhibit A	5-FLP, Exhibit 78	Notice of Special Flood, Mudslide, or Earthquake Hazard Area	
1955-C, Exhibit E		Notice that inventory property bid has been accepted/not accepted for specific reason	12-31-07
1955-C, Exhibit I	5-FLP, Exhibit 74	Conservation Easement for Wetlands	



**Forms List (Continued)**

**D Exhibits (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
1962-A, Exhibit D	5-FLP, Exhibit 34	Notice to Borrower's Attorney Regarding Loan Servicing Options	
1962-A, Exhibit D-1		Notice to Borrower Regarding Loan Service Options (B/no longer under the jurisdiction of Bankruptcy)	12-31-07
1965-A, Exhibit B		Notification of Other Lienholders Intent to Foreclose	12-31-07
1965-A, Exhibit D		Equity Recapture Agreement (RH loan when liquidating the FP loans)	12-31-07
1980-B, Exhibit A, Attachment 1		FmHA Approved Lender Program Lender's Agreement for OL, FO, SW	2-17-99
1980-B, Exhibit A, Attachment 2		FmHA Approved Lender Program Lender's Agreement for OL Line of Credit Guarantee	2-17-99
1980-B, Exhibit A, Attachment 3		Request for Loan Note Guarantee under ALP Agreement Applicable to Loan Note Guarantee Cases	2-17-99
1980-B, Exhibit D, Attachment 1		Request for Interest Assistance	2-17-99
1980-B, Exhibit D, Attachment 2		Interest Assistance Worksheet/Needs Test	2-17-99
1980-B, Exhibit D, Attachment 3		Interest Assistance Information Letter	2-17-99

**Forms List (Continued)**

**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.--\*

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA Item 219		Instruction for form FmHA 431-2	12-9-03
FmHA Item 221	FSA-2008	Recorded security instrument envelope, 9x12” with 1 1/2 “ expansion  <b>Notes:</b> When completing FSA-159 to order FSA-2008 from MSD Warehouse in item 12 include:  <ul style="list-style-type: none"> <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 assessment market placement, and graduation videoconference training event questionnaire.)	12-9-03
FmHA Item 246-A		Quick reference (Guide to Item No. 246.)	12-9-03

**Forms List (Continued)**

**E Items and Publications (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
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.

**Forms List (Continued)**

**E Items and Publications (Continued)**

<b>Old Number</b>	<b>New Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA Item 434		Farm and home plan data transfer users manual, cover insert, spine and tabs	12-9-03
FmHA Item 434A		Farm and home plan data transfer utility diskette	12-9-03
FmHA Item 434B		Farm and home plan information sheet and installation/deinstallation instructions for FHP data transfer utility software, version 1.1	12-9-03
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 AG87 and AG90 charts	12-9-03
FmHA Item 450		Equipment maintenance handbook - IBM (Rural Development)	12-9-03
FmHA Item 487		Environmental site assessment: transaction screen questionnaire process (student manual)	12-9-03
FmHA Item 490		Special assistance for beginning farmers and ranchers (fact sheet)	12-9-03
FmHA Item 512		Blue alpha index cards	12-9-03
FmHA Item 514		Yellow index cards, various headings (indicator cards)	12-9-03
Publication 622	622	Amortization Tables	

**Forms List (Continued)**

**F New Forms**

The following lists new forms used for FLP delivery.

<b>Form Number</b>	<b>Title</b>
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-2128	Appraisal Program Loan Cost Expense (PLCE) Request
FSA-2145	Demand for Withdrawal of Supervised Bank Account Funds
FSA-2155	Vendor Appraisal Registration
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
FSA-2702	Notice of Intent to Collect by Administrative Offset for Non-Borrower Entity
FSA-2704	Notice of Debtor That Administrative Offset Has Been Exercised and Intent to Collect by Administrative Offset for Non-Borrower Entity
FSA-2707	Alternative Repayment Agreement for Administrative Offset or TOP
FSA-2716	Notice Advising of Potential Referral to Treasury for Cross-Servicing and the Availability of Debt Settlement
FSA-2717	Notice Advising of Potential Referral to Treasury for Cross-Servicing
FSA-2727	Youth Loan (YL) Debt Forgiveness
FSA-2731	Cancellation of Debt Without Application (RD-1956-1)
FSA-2731A	Cancellation of Debt Without Application (Continuation)
FSA-2735	Household Income And Expense Worksheet
FSA-2737	Notice Advising of Decision on Debt Settlement Application

**Forms List (Continued)**

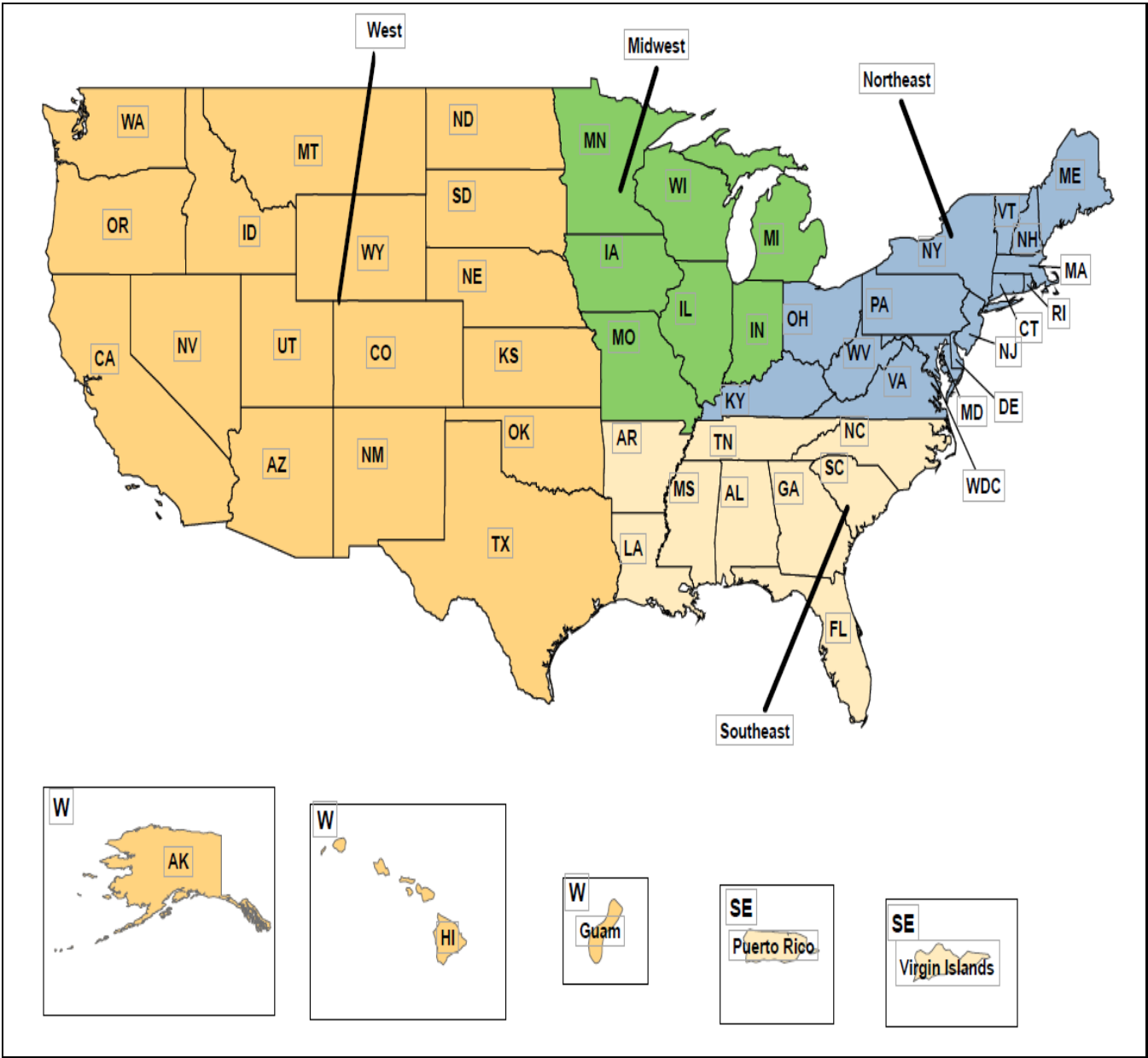
**G New Exhibits**

The following lists new exhibits used for FLP delivery.

<b>Required Under</b>	<b>Handbook and Exhibit</b>	<b>Title</b>
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, Exhibit 1	5-FLP, Exhibit 13	Third Party Pledge of Security Notification Letter
Notice FLP-128, Exhibit 1	5-FLP, Exhibit 14	Youth Loan Notification Letter--*
FmHA Instruction 1951-J, Section 1951.457(b)	5-FLP, Exhibit 38	10-Day Notice of Non-Program Delinquency
FmHA Instruction 1951-J, Section 1951.457(b)	5-FLP, Exhibit 39	30-Day Reminder of Non-Program 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, Section 1955.62(a)	5-FLP, Exhibit 65	Notification of Personal Property
RD Instruction 1955-B, Exhibit B	5-FLP, Exhibit 71	Notification of Tribe of Availability of Farm Property for Purchase
RD Instruction 1955-C, Exhibit H	5-FLP, Exhibit 74	Conservation Easement for Wetlands
RD Instruction 1955-C, Exhibit I	5-FLP, Exhibit 75	Conservation Easement for Floodplains

**\*--Regional Appraiser Area of Responsibility Map**

Following is an example of the Regional Appraiser Area of Responsibility Map.







## 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 approve PLS when the borrower (or any entity member) has received PLS 2 or more times in the previous 5 years

**Note:** This authority may only be delegated to FLC.--\*

- 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	PT
Sign correspondence as regular signing official.		X	X	X	
Sign correspondence "for".	X	X	X	X	X
Establish supervised bank account and deposit loan checks.	X	X	X	X	X
Countersign supervised bank account checks/withdrawals.	X	X	X	X	X
Input pre-note information for EFT.	X	X	X	X	X
Plan and inspect site development work.	X	X			
Check preliminary title opinion for exceptions.	X	X	X	X	X
Check final title opinion or mortgage policy for proper lien position.	X	X	X	X	X
Review loan closing statement for proper funds disbursement.	X	X	X	X	X
Execute financing statements or other legal instruments to obtain and preserve security on chattel loans.	X	X	X	X	X
Approve FSA-2242.	X	X	X	X	X

**Delegating FLP Authority (Continued)**

**\*--B FLC/FLM/SFLO Delegations (Continued)**

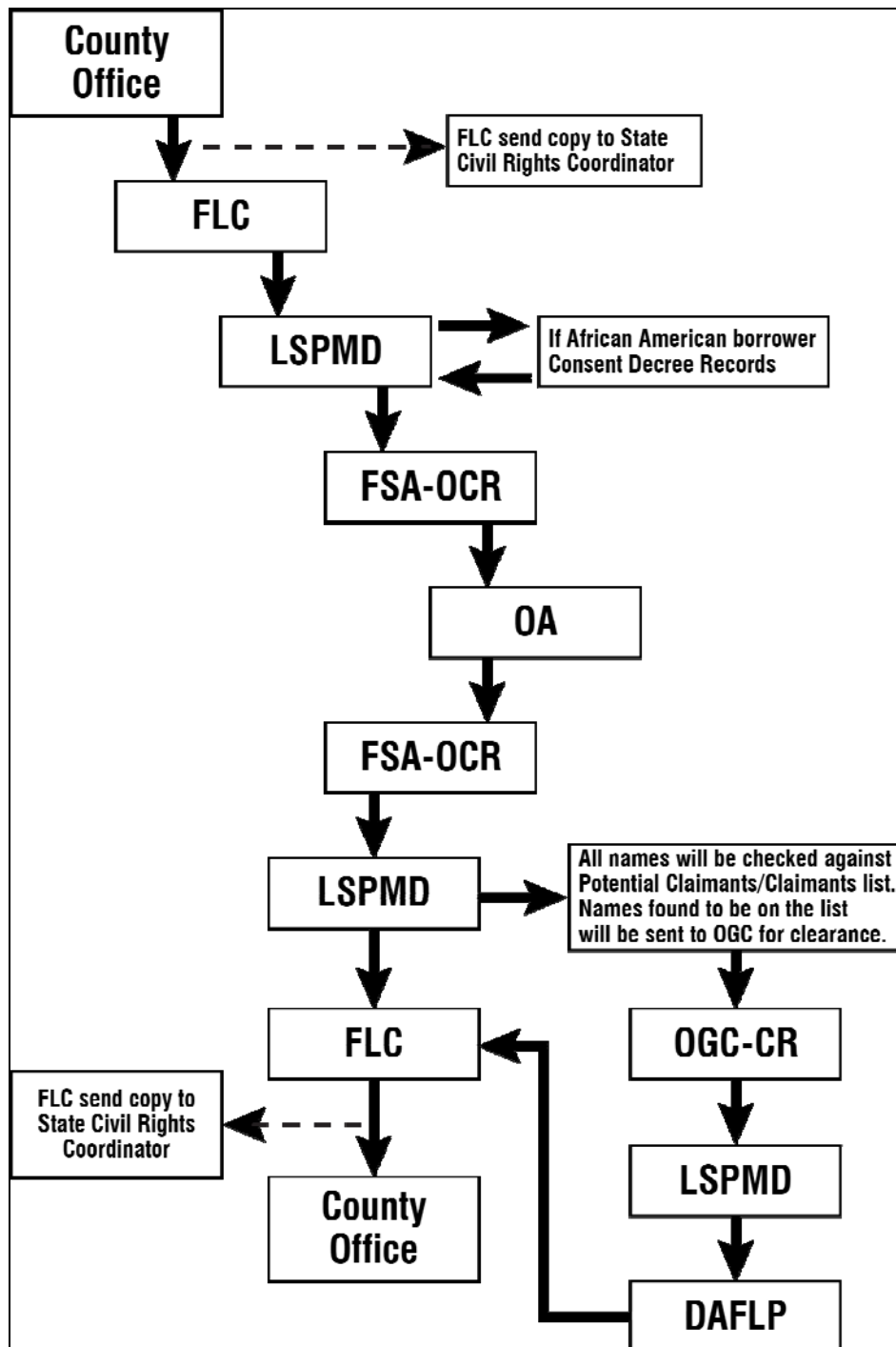
<b>Authority</b>	<b>AS</b>	<b>FLO</b>	<b>LOA</b>	<b>LRS</b>	<b>PT</b>
Review loan closing and issue FSA-2235.		X			
Approve satisfaction/release of security instruments.	X	X	X	X	X
Prepare FSA-2040.	X	X	X	X	
Release chattel/crop security per approved FSA-2040.	X	X	X	X	X
Revise Farm Business Plan and FSA-2040 when necessary.	X	X	X	X	
Approve replacement/development - use of insurance proceeds.	X	X			
Approve servicing actions, including liquidation plans submitted by lenders.	X	X			
Requests for PLCE goods and services.	X	X	X	X	X
Approve loan restructuring.	X	X			
Approve emergency advance requests.	X	X	X	X	
Complete lender reviews.	X	X	X	X	
Ordering credit reports.	X	X	X	X	X
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 \* \* \* for all accounts.



\* \* \*



## **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:

\* \* \*

- 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)

\* \* \*

- 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  
\*--Keepseagle, Pigford, Love, or Garcia; ALJ Case #XXXXXXXXX, last contact (specific date).--\*

**Instructions for E-Mail to the National Office for Discrimination Complaint Status (Continued)**

**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 \* \* \* or pre-CNC if liquidation has already occurred. The clearance process will be similar to Exhibit 12. 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 \* \* \*, 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.

\* \* \*

**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.-

**\*--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 SCIMS-PLAS Reports**

The Oracle EPM 11 Reports User Guide provides instructions for accessing the SCIMS-PLAS reports. The guide can be found on the FLP Systems Manuals page at  
**\*--<https://inside.fsa.usda.gov/program-areas/daflp/index>.--\***

After accessing the page, click Software User Guides, then click “Oracle EPM 11 User Guide”.--\*

## 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.

<u>Case Number</u>	<u>Exception Type</u>	<u>Borrower Information (P=PLAS, S=SCIMS)</u>
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

The following table provides the description and corrective action for each exception type.

<b>Exception Type</b>	<b>Description</b>	<b>Corrective Action</b>
NO SCIMS BUSINESS NAME	Business name is missing in SCIMS.	Add the missing information to BP.
NO SCIMS LAST NAME	Last name is missing in SCIMS.	
NO SCIMS FIRST NAME	First name is missing in SCIMS.	
NO SCIMS DELIVERY ADDRESS	Delivery address is missing in SCIMS.	
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 "DECEASED"	Invalid information is in the SCIMS name or address fields.	Modify borrower information in BP to correct invalid information.
SCIMS CONTAINS "INVALID"		
SCIMS CONTAINS "DELETED"		
SCIMS CONTAINS "UNKNOWN"		
SCIMS CONTAINS "INACTIVE"		
NO SCIMS CURR-MAILING-INDICATOR	The borrower is in SCIMS, but the current mailing indicator has not been set.	Set the BP current mailing indicator.

**SCIMS-PLAS ORACLE Hyperion Reports (Continued)**

**B SCIMS-PLAS Exception Report (Continued)**

<b>Exception Type</b>	<b>Description</b>	<b>Corrective Action</b>
NO SCIMS MATCH FOR PLAS BUSINESS	The borrower is present in both SCIMS and PLAS, but the Type of Applicant code in PLAS does not correspond to the customer type/tax ID type combination in SCIMS.	Change BP to reflect the correct type.
NO SCIMS MATCH FOR PLAS PERSON		
SCIMS TAXID INACTIVE	Tax ID code in SCIMS is set to "Inactive".	Contact the State Office.
NO SCIMS INFORMATION FOR TAXID	Borrower is not present in SCIMS.	Research and determine whether BP input is required. Input should be justified by more than clearing the exception.
SCIMS ADDRESS EXCEEDS 38 CHARACTERS	The borrower's delivery address in SCIMS exceeds the characters accommodated in PLAS address fields (2 address fields of 19 characters each). In this case, delivery address information is truncated during the nightly update process.	Modify address information in BP to condense it, using standard USPS abbreviations.

**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	Date	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.

# Farm Business Plan System

with **Web EQUITY MANAGER®**

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A component of *eLoans*

## FSA User Guide



*USDA... electronically available any place, any time.*



Farm Service Agency

Farm Business Plan - FSA User Guide (Continued)

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## **Farm Business Plan - FSA User Guide (Continued)**

### **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.

## Farm Business Plan - FSA User Guide (Continued)

### 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](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 either of the following eAuthentication credentials:
  - LincPass (PIV)
  - user ID and password
- 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.

**\*--Note:** Other FSA employees, such as FP PT’s and CED’s without loan approval authority, who assist in entering data in FBP are strongly encouraged to complete the appropriate Key Concepts from Section B of the FLOT Trainer/Trainee Manual.--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

##### \*---Part A – User Information

- Item 1 - Place a check mark in the appropriate box.--\*
- Item 2 - Place name in provided field.
- Item 3 - Examples would be FSA/State Office or FSA/Service Center.
- Item 4 - Examples would be IA State Office or Harlan IA Service Center.
- Item 7 - Place a check mark in the appropriate box.
- New Hire - as soon as employee obtains an eAuthentication ID.
- \*---Modify Access - as soon as employee notifies supervisor of either of following:
  - employee changes last name
  - employee no longer needs access.

**Note:** FSA-13-A is no longer needed for a user retiring or leaving FSA employment. ISO will contact FBP Coordinator by e-mail to remove employee from FBP.--\*

<b>FSA-13-A</b> (10-01-16)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency		<b>1. USER TYPE*</b> <input type="checkbox"/> Permanent Employee <input type="checkbox"/> Temporary Employee <input type="checkbox"/> Contractor <input type="checkbox"/> Other (i.e. Intern, Volunteer):
<b>SYSTEM ACCESS REQUEST FORM</b>				
<b>INSTRUCTIONS:</b> When complete please submit to FSA Information Security Office by fax 877-828-2051 or email <a href="mailto:ESC.AM@kcc.usda.gov">ESC.AM@kcc.usda.gov</a> . State and County offices send to SLR.				
<b>NOTE:</b> For assistance please call FSA Information Security Office, 1-800-255-2434 Opt 2. Required fields are indicated with *.				
<b>PART A - USER INFORMATION</b>				
<b>2. NAME * (Last, First, MI)</b>			<b>3. AGENCY/ORGANIZATION/OFFICE *</b>	
<b>4. DUTY STATION *</b>		<b>5. EMAIL ADDRESS</b>		<b>6. PHONE NUMBER</b> (Including Area Code)
<b>7. REQUEST TYPE *</b>				
<input type="checkbox"/> New Hire (Initial Access)		<input type="checkbox"/> Modify Access		<input type="checkbox"/> Separation - Effective Date: [Date]
<input type="checkbox"/> Short Term Access (i.e. Assisting another Office, jump team):		Access Start Date: [Date]		Access End Date: [Date]

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

2 System Access and Security (Continued)

a User Access to the FBP System (Continued)

\*--Part B – Request Access--\*

- Item 13 - Place a check mark in the appropriate box.

PART B – REQUEST ACCESS (Check all that apply)		
11. FARM PROGRAM (County): <input type="checkbox"/> Program Technician (PT) <input type="checkbox"/> Administrative <input type="checkbox"/> Farm Storage Facility Loan <input type="checkbox"/> Price Support <input type="checkbox"/> County Operations Trainee (COT) <input type="checkbox"/> County Executive Director (CED)	12. FARM PROGRAM Chief/Specialist (State): <input type="checkbox"/> Compliance <input type="checkbox"/> Conservation <input type="checkbox"/> Farm Records <input type="checkbox"/> Farm Storage Facility Loan <input type="checkbox"/> Livestock <input type="checkbox"/> NAP	13. FARM LOAN: <input type="checkbox"/> Program Technician (PT) <input type="checkbox"/> Loan Analyst/Operations Trainee (FLOT) <input type="checkbox"/> Officer (FLO)/Senior Officer (SFLO) <input type="checkbox"/> Manager (FLM) <input type="checkbox"/> Appraiser <input type="checkbox"/> State Office Chief/Specialist

- \*--Item 20 - To add or modify a user's access.--\*

20. ADD FBP Access or; Modify FBP Access - last name has been changed from (previous name) to (current name) .
---

- \*--Item 21 – to remove FSA employee no longer needing access. Used when user is still employed by FSA.--\*

21. REMOVE FBP Access
--------------------------

- Item 22: - Enter the justification for the requested action.

22. COMMENTS/JUSTIFICATION Per a-FLP, Exhibit 15, Section A 2 a
--

**Note:** A request for FBP access may be combined with multiple system requests on a single FSA-13-A as long as the “Comments/Justification” section is completed as instructed.--\*

## Farm Business Plan - FSA User Guide (Continued)




### A Overview (Continued)

#### 2 System Access and Security (Continued)

##### a User Access to the FBP System (Continued)

\*--Part C

- Item 20A – Official who approves the request.
- Item 20B – Signature of official who approves the request.
- Item 20C – Date request was approved.

PART C - APPROVING OFFICIAL		
<i>Approving Officials (e.g. Supervisor, COR, etc) must ensure that the mandatory Information Security Awareness, Rules of Behavior Training (ISA/ROB), applicable application training and the FBI National Criminal History Check (i.e. fingerprint results) are completed and approved for every new user. If the ISA/ROB or SAC is not completed, access will not be granted. If the applicable application training is not completed, access to the specific system will not be granted before completion.</i>		
20A. SUPERVISOR/APPROVING OFFICIAL NAME AND TITLE 	20B. SIGNATURE * 	20C. DATE APPROVED * (MM-DD-YYYY) 

- Submit completed FSA-13-A to the State Office according to State-established procedures.--\*



## Farm Business Plan - FSA User Guide (Continued)

### 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 the request to “Add” or “Modify” FBP user access is processed.--\*
- process the request for FBP user access according to FBP - State FBP Coordinator User Guide, Section C, User Management
- sign and date in Item 22 to document the action was processed.

<b>22. COMMENTS/JUSTIFICATION</b> Per a-FLP, Exhibit 15, Section A 2 a <div style="border: 2px solid green; padding: 5px; margin-top: 10px; color: red;">Coordinator needs to sign and date</div>
---

- 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 e-mails received from ISO informing FLC’s and FBP Coordinators when an employee has left FSA. Coordinator will respond back to “ALL” on the e-mail informing ISO that user has been removed from the FBP, or that user was not a user in the FBP.

**Notes:** The ERSR online system cannot be used for FBP access requests.--\*

- ISO will send a confirmation e-mail when FSA-13-A is received.

##### FSA National Office and Other Employees

FSA-13A’s for the 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](mailto:pixie.greer@wdc.usda.gov) or by FAX to 202-690-3573.

## Farm Business Plan - FSA User Guide (Continued)

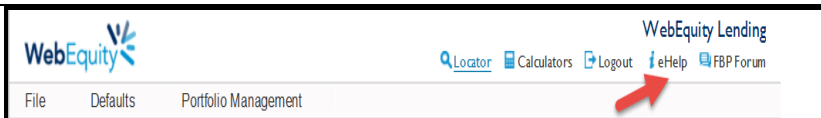

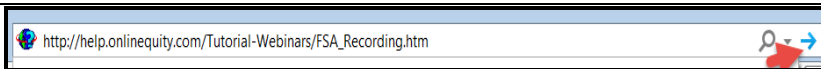
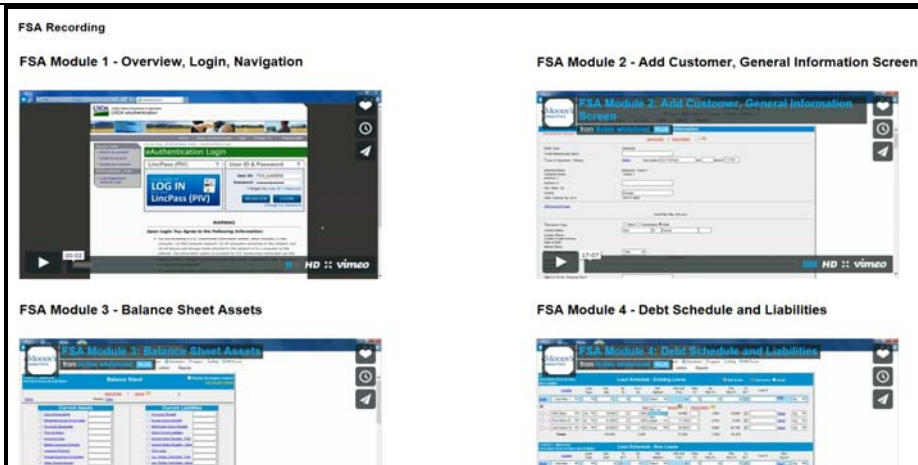
### A Overview (Continued)

#### 2 System Access and Security (Continued)

##### b FBP Training Modules

Training modules are available to all employees with FBP access and may be viewed at any time. To access and view the training modules follow the instructions in this table.

\*--

Step	Action
1. <b>Option 1:</b> From the on-line Exhibit 15 <b>CLICK</b> on link. Then skip to Step #5	<a href="http://help.onlineequity.com/Tutorial-Webinars/FSA_Recording.htm">http://help.onlineequity.com/Tutorial-Webinars/FSA_Recording.htm</a>
2. <b>Option 2:</b> Log into the FBP and <b>CLICK</b> on eHelp to access the modules.	
3. The eHelp screen will be displayed. Copy and paste the link into the web address field.	<a href="http://help.onlineequity.com/Tutorial-Webinars/FSA_Recording.htm">http://help.onlineequity.com/Tutorial-Webinars/FSA_Recording.htm</a>
4. <b>CLICK</b> on the arrow  on the far right side of the field to access the training modules.	
5. All the FBP training modules will be displayed.  Select any module, and view as many times as needed.  <b>Note:</b> The modules are shared using Vimeo, a hosting and sharing platform.	

--\*



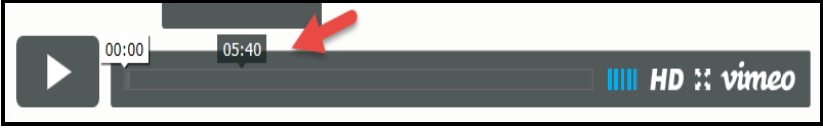
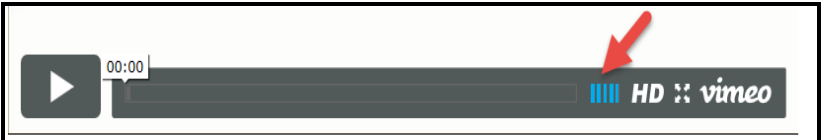
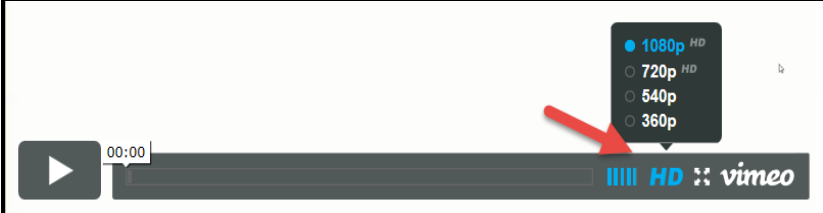


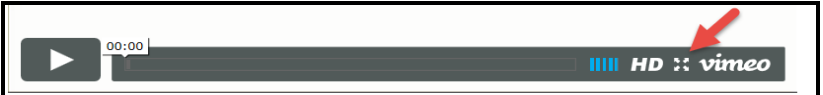
## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 2 System Access and Security (Continued)

##### \*--b FBP Training Modules (Continued)

The following table provides viewing features.

Feature	Result
<p>The <b>Playback Bar</b> at the bottom of each video contains viewing options.</p> <p><b>CLICK</b> the  icon to play or pause the video.</p>	
<p><b>Scroll Feature</b> –scroll back and forth to select a specific spot in the video to playback.</p>	
<p><b>Volume Control</b> – <b>CLICK</b> on the volume control to increase or decrease the volume.</p> <p>Use this with the computer volume control.</p>	
<p><b>HD Link</b> – <b>CLICK</b> on the HD link and select the 1080p option for the best viewing quality.</p> <p><b>Note:</b> Complete this task for each module.</p>	
<p><b>Full Screen</b> – <b>CLICK</b> on the full screen option  icon to view video.</p> <p>PRESS “Escape” on the keyboard or the  icon to exit the full screen option.</p>	


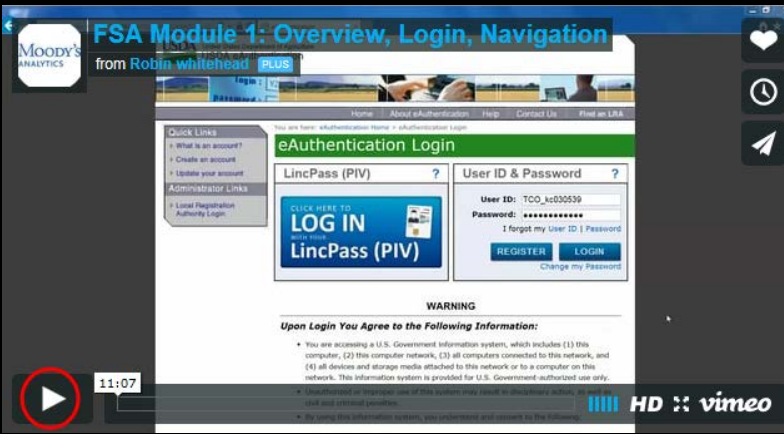


--\*

## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 2 System Access and Security (Continued)

##### \*--b FBP Training Modules (Continued)

Feature	Result
Viewing - <b>CLICK</b> the  icon to begin viewing the module.	
PRESS “Escape” on the keyboard or the  icon to return to the main page.	

--\*

#### c Exiting the FBP System

FSA users **must** always exit FBP by clicking “**Log Out**” at the top of the page.

#### d 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).

## Farm Business Plan - FSA User Guide (Continued)

### 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; do **not** add a second FSA creditor. Use the established FSA default for all FSA loans.--\*

**Figure 0a, Adding creditor to Service Center Default List**

The new creditor will be added with a check (✓) in the "Use?" column. The new creditor will automatically be available for selection in all new customers added to the FBP.

If users uncheck (✓) the "Use?" box, the creditors will no longer be available for selection.

<input checked="" type="checkbox"/>	Bank of Hope	BOH	<input type="checkbox"/>	Bank		Hawaii	<input type="radio"/>	<a href="#">Edit</a> <a href="#">X</a>
<input type="checkbox"/>	Bureau of Indian Affairs	BIA	<input type="checkbox"/>	Govt - Other			<input type="radio"/>	
<input checked="" type="checkbox"/>	Case IH Credit	Case IH Credit	<input type="checkbox"/>	Mach/Equip. Co.			<input type="radio"/>	

**Figure 0b**

## Farm Business Plan - FSA User Guide (Continued)

### 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”.

Figure 0c, Adding Creditor to Customer Creditor List

- CLICK “Copy Location Creditor”

Figure 0d, Copy Creditor--\*

## 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.

**Copy Location Creditors To Customer Creditors**

[Check All](#) | [Uncheck All](#)

[Copy](#)

Hilo Service Center, HI Creditors

☐ FSA ()

☒ Bank of Hope ()

☐ Case IH Credit ()

☐ CENTRAL PACIFIC BANK ()

☐ Commodity Credit Corp. ()

☐ FEDERAL LAND BANK ASSN ()

☐ FIRST HAWAIIAN BANK ()

☐ Ford Motor Credit ()

☐ GMAC ()

☐ HAWAII NATIONAL BANK ()

☐ HAWAII PCA ()

☐ John Deere Credit ()

☐ New Holland Credit ()

☐ Rural Development ()

[Top Of Page](#)

[Customer Creditors](#)

FSA

Case IH Credit

CENTRAL PACIFIC BANK

Commodity Credit Corp.

FEDERAL LAND BANK ASSN

FIRST HAWAIIAN BANK

Ford Motor Credit

GMAC

HAWAII NATIONAL BANK

HAWAII PCA

John Deere Credit

New Holland Credit

Rural Development

**Figure 0e, Select Creditor**

**Copy Location Creditors To Customer Creditors**

[Check All](#) | [Uncheck All](#)

[Copy](#)

Hilo Service Center, HI Creditors

☐ FSA ()

☐ Bank of Hope ()

☐ Case IH Credit ()

☐ CENTRAL PACIFIC BANK ()

☐ Commodity Credit Corp. ()

☐ FEDERAL LAND BANK ASSN ()

☐ FIRST HAWAIIAN BANK ()

☐ Ford Motor Credit ()

☐ GMAC ()

☐ HAWAII NATIONAL BANK ()

☐ HAWAII PCA ()

☐ John Deere Credit ()

☐ New Holland Credit ()

☐ Rural Development ()

[Top Of Page](#)

[Customer Creditors](#)

FSA

Bank of Hope

Case IH Credit

CENTRAL PACIFIC BANK

Commodity Credit Corp.

FEDERAL LAND BANK ASSN

FIRST HAWAIIAN BANK

Ford Motor Credit

GMAC

HAWAII NATIONAL BANK

HAWAII PCA

John Deere Credit

New Holland Credit

Rural Development

**Figure 0f, Copied to Customer Creditors List--\***





## Farm Business Plan - FSA User Guide (Continued)

### 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.

Figure 2

## Farm Business Plan - FSA User Guide (Continued)

### 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 Customer” on the Locator Screen.

Figure 3

--\*

Complete the New Customer Setup Screen according to the following:

- “Sample” box – DO NOT check

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.

## Farm Business Plan - FSA User Guide (Continued)

### 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 not used for the applicant. Only used if a second customer record has been added to collect personal financial statements for entity members--\***

**Note:** New customer records will **not** be added for \* \* \* 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”**.

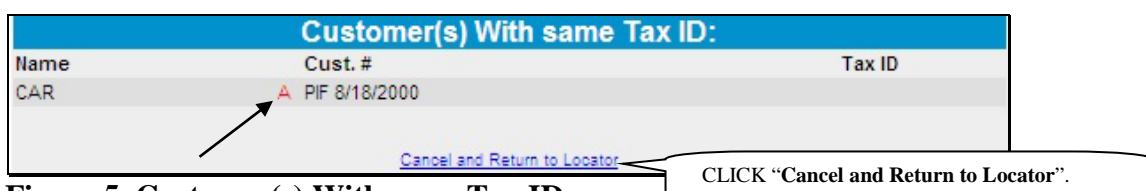


Figure 5, Customer(s) With same Tax ID

## Farm Business Plan - FSA User Guide (Continued)

### 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.

**\*--Exception:** Related entities that have been manually entered in the FBP will not have an “Active” record status.

To access a customer through the Locator Screen, enter any combination of search criteria and CLICK “Search”.

Figure 6

--\*

## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

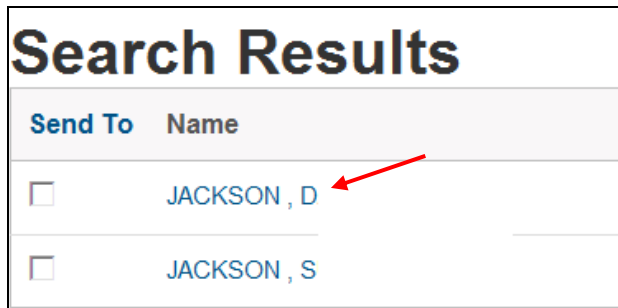
#### 5 Adding and Accessing Customers in FBP (Continued)

##### b Accessing an Existing Customer (Continued)

A list of customer records meeting the search criteria entered will be displayed. Click the appropriate name to access the customer record.

**Note:** If the following error is displayed, then either the applicants or 1 of the related entities is “Inactive” in BP. Access BP to change status to “Active”.

“The number of customers SCIMS returned does not match the number of customers requested. Customer in SCIMS: 1 Customers in Webequity: 2”



Search Results	
Send To	Name
<input type="checkbox"/>	JACKSON , D
<input type="checkbox"/>	JACKSON , S

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**” – fly-out window 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”.

## Farm Business Plan - FSA User Guide (Continued)

### 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.

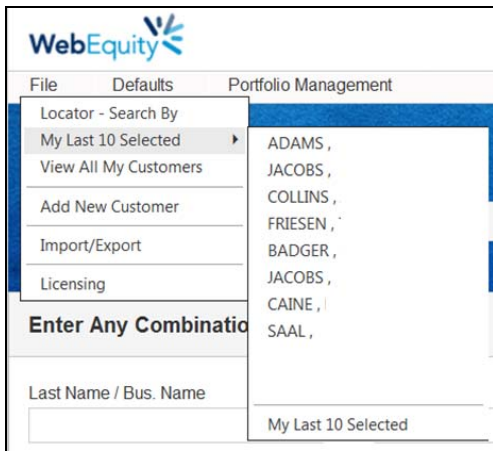


Figure 7b

##### c Customer Check In/Out

The **optional** “Customer Check In/Out” feature prevents other users from changing information in a specific customer record. If turned on, this feature alerts potential users that the customer record is checked out to another user. This feature may be helpful if a user is working on a loan or servicing request and must exit the customer before completing the request.

**Note:** Once a user completes the loan or servicing request, the customer must be checked in to allow access by other users.

To complete the “Check Out Customer”:

- on the **Locator Screen**, click on the customer link to open the record
- CLICK “**File**”, then click “**Check Out Customer**”

\*--

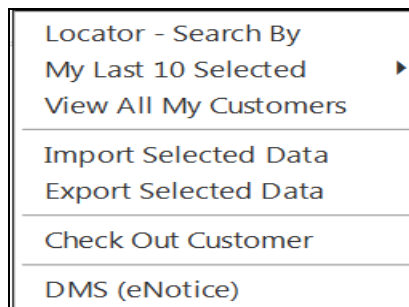


Figure 7c

--\*

## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 5 Adding and Accessing Customers in FBP (Continued)

##### c Customer Check In/Out (Continued)

- a message box displays that confirms this customer has been checked out. CLICK “OK”.

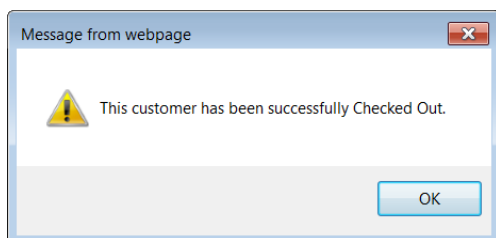


Figure 7d

\*--A check mark to the right of the customer record link on the Locator Screen means that the record is checked out to another user.



Figure 7e--\*

When users open a customer record that has been checked out by another user, they will only be able to view screens, print reports, and import/copy information. A checked out customer record will maintain that status until the “Check In Customer” function is completed by the user that checked the record out, or by the State FBP Coordinator.

To complete the “Check In Customer”:

- on the **Locator Screen**, click on the customer link to open the record
- CLICK “**File**”, then click “**Check In Customer**”.

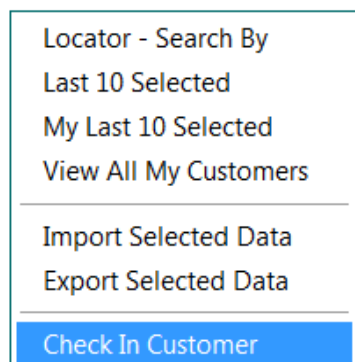


Figure 7f





## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 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.

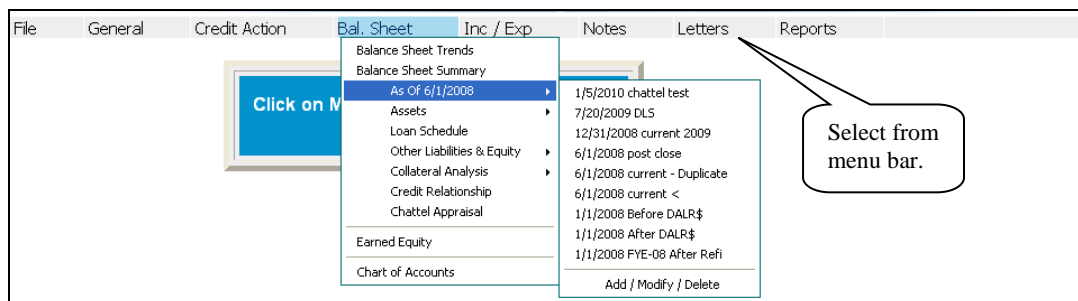


Figure 8a

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.

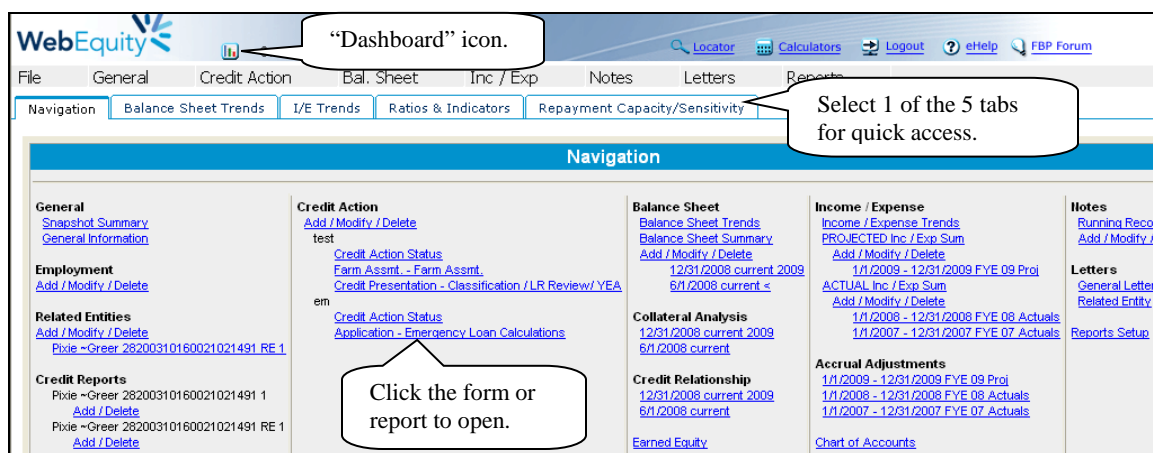


Figure 8b

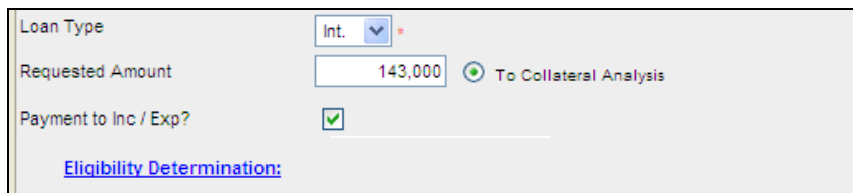
## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 6 Navigating FBP (Continued)

##### 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. Use the “Tab” key to move quickly from field to field.



The screenshot shows a web form with the following elements:



- Loan Type:** A dropdown menu with "Int." selected and a red asterisk indicating it is required.
- Requested Amount:** A text input field containing "143,000". To its right is a green circular icon with a right-pointing arrow and the text "To Collateral Analysis".
- Payment to Inc / Exp?:** A checkbox that is checked, indicated by a green checkmark.
- Eligibility Determination:** A blue hypertext link located below the other fields.

Figure 8c

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.

## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 6 Navigating FBP (Continued)

##### a Functionality Features (Continued)

- **deleting data**; to delete an item, depending on the screen, either:
  - check (✓) the box next to the item you want to delete and CLICK “✗”
  - only CLICK “✗”.

#### 7 Importing/Exporting Data

\*--WebEquity FBP allows financial customer data, which has been received from lenders and contractors who also use WebEquity, to be imported into a customer's record. In addition, FSA employees can export financial data in a format that allows other lenders and contractors using WebEquity to import the data into their customer records. 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 Exporting Files \* \* \*

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 (✓) 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.

## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 7 Importing/Exporting Data (Continued)

##### a Exporting Files (Continued)

- Select and enter password information.
- CLICK “Export Selected Data”.

**Select Data to Export**  
Export Selected Data

General Information, Employment, Related Entities, and Consolidation Setup are exported automatically.

**Password Protect**  
Entering a unique password here prevents this file from being imported to other WebEquity systems without first knowing this password.

Password:   
Repeat Password:

**Credit Action** Check All / Uncheck All

Description	Application	Environmental	Farm Assmt.	Other	Credit Presentation	FSA / SBA	Security Agreement
<input type="checkbox"/> test		<input type="checkbox"/> Environmental Checklist	<input type="checkbox"/> Farm Assmt.		<input type="checkbox"/> Cred. Pres. / Borr. Class.		
<input type="checkbox"/> 7.4 test		<input type="checkbox"/> Environmental Checklist	<input type="checkbox"/> Farm Assmt.		<input type="checkbox"/> Cred. Pres. / Borr. Class.		

Callouts:  
1. CLICK “Uncheck All” and then select specific information to export.  
2. Select and enter password  
3. CLICK to export selected data.

Figure 8d, Select Data to Export Screen

- \*--The “Exporting Data, Please Wait” screen will be displayed while the download is being processed.

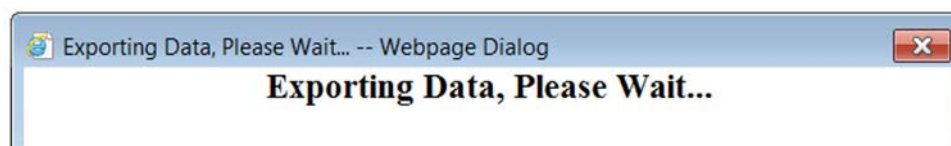


Figure 8e

- Once the export is complete, a “View Download” dialog box will be displayed with the exported customer information.--\*

## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 7 Importing/Exporting Data (Continued)

##### a Exporting Files \* \* \* (Continued)

- \*--CLICK “Save as” 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.

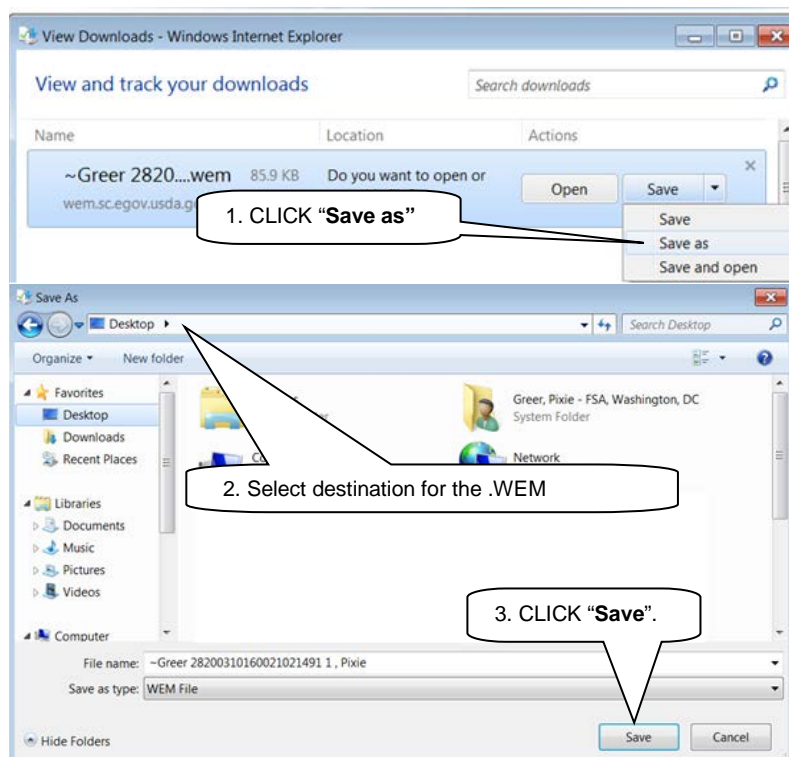


Figure 8f, Select Document Destination

- The saved .wem document can be attached to an outgoing e-mail for import by another WEM user.

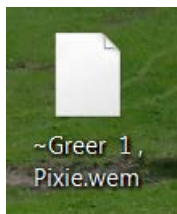


Figure 8g, Saved .wem Document--\*

## Farm Business Plan - FSA User Guide (Continued)

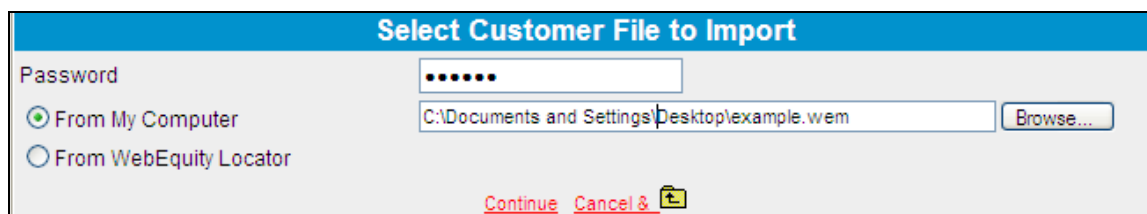
### A Overview (Continued)

#### 7 Importing/Exporting Data (Continued)

##### b Importing Files \* \* \*

\*--Customer data received from other WEM users 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**".



**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 (✓) 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.

## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 7 Importing/Exporting Data (Continued)

##### b Importing Files (Continued)

- CLICK “Import Selected Data”.

**Select Data to Import**

[Import Selected Data](#)

Importing:

The data you select below will be imported.

**Credit Action** [Check All / Uncheck All](#)

Description	Application	Environmental	Farm Assmt	Other	Credit Presentation	FSA / SBA	Security Agreement
<input type="checkbox"/> 2010/2011	<input type="checkbox"/> Ratio And Indicators						

**Balance Sheets** [Check All / Uncheck All](#)

<input checked="" type="checkbox"/> 12/31/2010 - Bremer-Proforma	<input type="checkbox"/> Collateral Analysis	<input type="checkbox"/> Credit Relationship	<input type="checkbox"/> Deposit Relationship	<input type="checkbox"/> Earned Equity
<input type="checkbox"/> 11/19/2010 - Bremer	<input type="checkbox"/> Collateral Analysis	<input type="checkbox"/> Credit Relationship	<input type="checkbox"/> Deposit Relationship	<input type="checkbox"/> Earned Equity
<input type="checkbox"/> 12/31/2009 - Bremer	<input type="checkbox"/> Collateral Analysis	<input type="checkbox"/> Credit Relationship	<input type="checkbox"/> Deposit Relationship	<input type="checkbox"/> Earned Equity

Figure 8i, Select Data to Import Screen

- \*--The Importing Data, Please Wait Screen will be displayed while the import is being processed.

**WebEquity**

Locator Calculators Logout eHelp FBP Forum

File General Credit Action Bal. Sheet Inc / Exp Notes Letters Reports

**Importing Data, Please Wait...**

Figure 8j

- Once the import is completed, the Locator Screen will be displayed. Select the customer to view the imported data.

## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

\* \* \*

## 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"**.

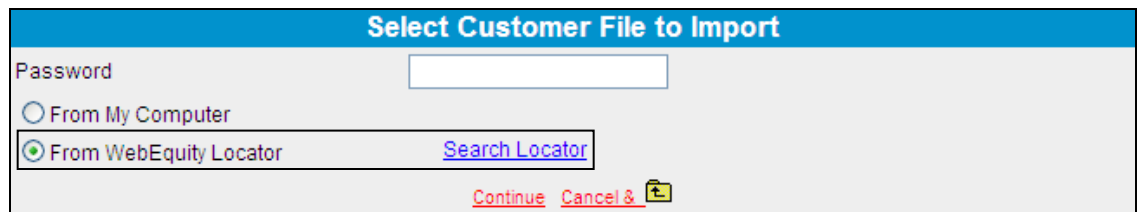


Figure 8k, Select Customer File to Import Screen



## Farm Business Plan - FSA User Guide (Continued)

### 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.

Customer Lookup

Search By:

ABCDEFGHIJKLMNOPQRSTUVWXYZ1234567890~

Last / Bus. Name First Name Case # Tax ID

GO

Clear Search Criteria

Cancel & [Exit]

Enter search criteria for "Transferor"

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

From My Computer

From WebEquity Locator

Search Locator

DOE, JOHN

Continue Cancel & [Exit]

Customer's name "Transferor" will be displayed.

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 (✓) 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.

## Farm Business Plan - FSA User Guide (Continued)

### 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

- \*--The Importing Data, Please Wait Screen will be displayed while the import is being processed.

Figure 8o

- Once the import is completed, the Locator Screen will be displayed. Select the customer to view the 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).

**Farm Business Plan - FSA User Guide (Continued)**

**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.

## **Farm Business Plan - FSA User Guide (Continued)**

### **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.

<b>Type of Worksheet</b>	<b>How to Access</b>	<b>Description</b>
FSA-2037 and FSA-2038	<ul style="list-style-type: none"> <li>• USDA eForms web site</li> <li>• FFAS Employee Forms web site</li> </ul>	These worksheets are useful to provide to new customers where existing financial information in FBP is not available, and to place in application packages.
Existing Customer Worksheets	CLICK “ <b>Reports</b> ” and “ <b>Customer Worksheets</b> ”.	The existing customer worksheets provide an easy way for customers to supply 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.

## Farm Business Plan - FSA User Guide (Continued)

### 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. The fly-out menu only displays prior Credit Reports without errors or no-hits. **All** prior credit reports can be viewed by clicking on “**Add/Delete**”.

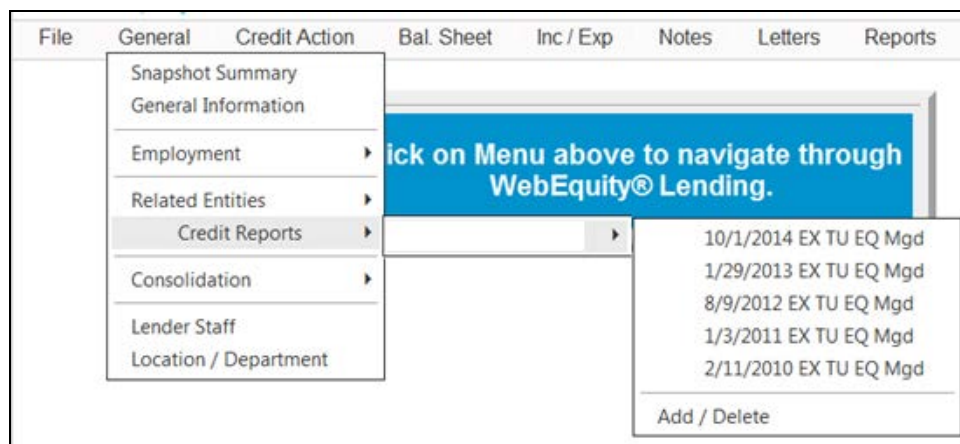


Figure 9a

--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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**”.

**Credit Report Information**

**GET CREDIT REPORT NOW** [Copy From Locator](#) [Save Only](#)

Experian [Get New Report](#) Trans Union [Get New Report](#) Equifax [Get New Report](#)

Name : ~Greer Suffix : [v](#) Tax ID :

Address : [+](#)

Joint Report? ☒ Yes ☐ No

Spouse Name : ~Greer Suffix : [v](#) Tax ID : 444-44-4444

**Existing Reports**

Notes	Merged	Experian	Trans Union	Equifax	NoHit Error	Retrieved By	Type
		Jnt NH Err	Jnt NH Err	Jnt NH Err			
Notes 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**”.

Credit Report Information			
<a href="#">GET CREDIT REPORT NOW</a>		<a href="#">Copy From Locator</a>	<a href="#">Save Only</a>
Select Bureau : <input checked="" type="radio"/> Experian Business <input type="radio"/> Dun & Bradstreet	Product : <span>Business Profile</span>		
Name : A-1 Auto Glass Inc.		Tax ID : 00-0000000	Phone :
Address : 27061 Mill Seat		Mechanicsville, MD 20659	
File Number : 031801725			
<b>Credit Bureaus use a very specific address format. Please enter all applicable data.</b>			
Street, R.R., or P.O. Box # : <input type="text" value="27061"/>	Street Direction : <span>▼</span>	Street Name : <input type="text" value="Mill Seat"/>	
Street Type : <span>▼</span>	Address Type : <span>Standard</span>	Suite # : <input type="text"/>	

**Figure 9c**

\*--If no similar list is found, the error “No Record Found” will be displayed. Exit the screen and document in the Credit Presentation that no entity credit report was available.--\*

[illegible]

## Farm Business Plan - FSA User Guide (Continued)

### 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 document in the Credit Presentation that no entity credit report was available.--\*

If a match is available CLICK “**Select**” next to the entity name.

	Company Name	Address	City, State Zip
Select	A-1 AUTO GLASS INC	27061 MILL SEAT	MECHANICSVILL, MD 206595702
Select	REGINA'S BEAUTY SALON	501 FRAZER	ASTON, PA 190143655

**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.



## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 11 Credit Reports (Continued)

##### f Failed Attempt (Continued)

To resolve an address format problem, CLICK “±” above “Joint Report?” and additional address fields will be displayed.

**Note:** Clicking “±” 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.

\*--

The screenshot shows the 'Credit Report Information' form. At the top, there are links: 'GET CREDIT REPORT NOW', 'Copy From Locator', and 'Save Only'. Below these are radio buttons for 'Single' and 'Merged' (selected). There are three 'Get New Report' buttons for Experian, Trans Union, and Equifax. The form includes fields for Name, Address, Suffix, Joint Report? (Yes/No), Spouse Name, and Tax ID. A callout box points to a '±' icon above the 'Joint Report?' section with the text: 'CLICK “±” to display additional address fields.'

Notes	Merged	Experian	Trans Union	Equifax	NoHit Error	Retrieved By	Type
Notes							STD
Notes 2/6/2009	2/6/2009						STD
Notes							STD
Notes 5/14/2007 Error		X			X		STD
Notes 9/28/2006	9/28/2006		9/28/2006	9/28/2006			STD

A callout box points to the 'Notes 5/14/2007 Error' row with the text: 'Click the report link to obtain information about the type of error that was generated.'

Figure 9e

The screenshot shows the 'Credit Report Information' form. At the top, there are links: 'GET CREDIT REPORT NOW', 'Copy From Locator', and 'Save Only' (circled). Below these are radio buttons for 'Single' and 'Merged' (selected). There are three 'Get New Report' buttons for Experian, Trans Union, and Equifax. The form includes fields for Name, Address, Suffix, Tax ID, and Joint Report? (Yes/No). A callout box points to the 'Credit Bureaus use a very specific address format. Please enter all applicable data.' section with the text: 'Credit Bureaus use a very specific address format. Please enter all applicable data.'

Credit Bureaus use a very specific address format. Please enter all applicable data.

House #, R.R., or P.O. Box #: 5 Street Direction: Standard Street Name: Compliant Ave  
Street Type: Address Type: Standard Apt #:

Figure 9f--\*

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.

## Farm Business Plan - FSA User Guide (Continued)

### 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.

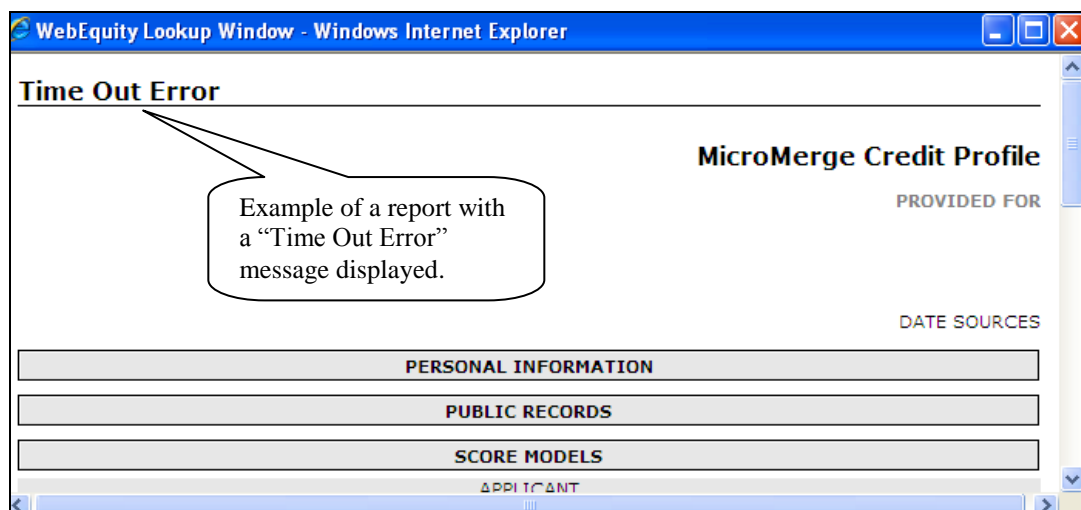


Figure 9g1

## Farm Business Plan - FSA User Guide (Continued)

### 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.--\*

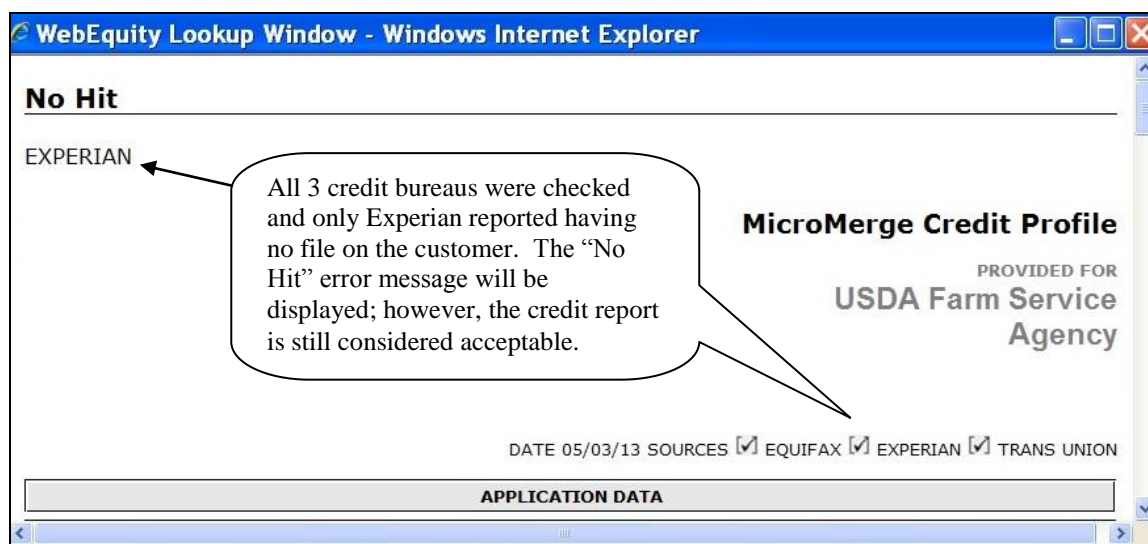


Figure 9g2

## Farm Business Plan - FSA User Guide (Continued)

### 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.

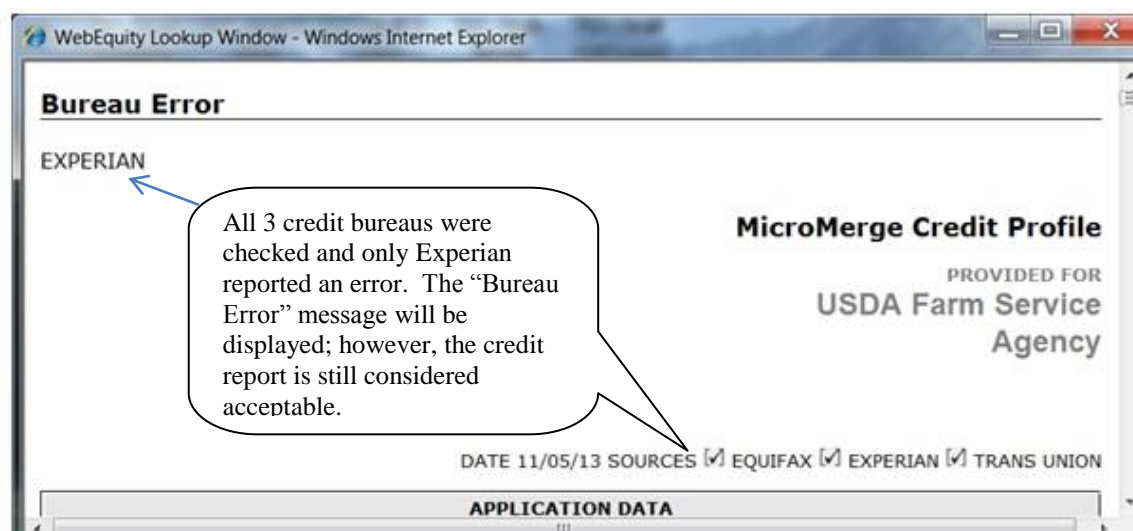


Figure 9g3--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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

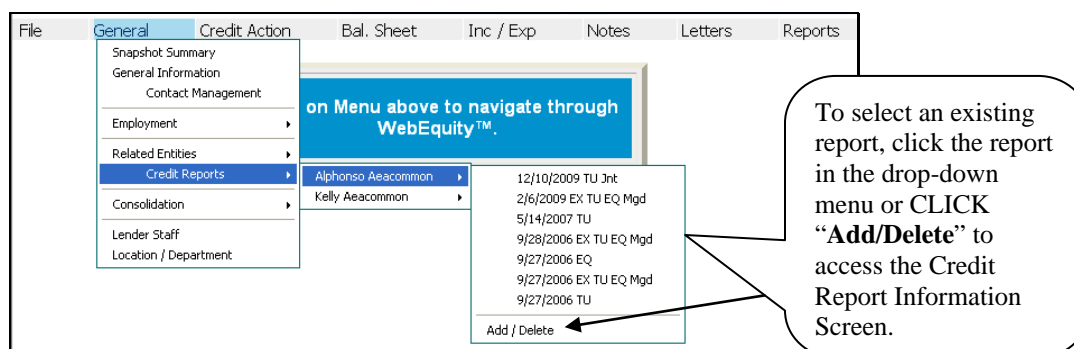


Figure 9h

- CLICK date to select and view any existing Credit Report.

Credit Report Information									
GET CREDIT REPORT HOW									
Copy From Locator Save Only									
<input checked="" type="radio"/> Single <input type="radio"/> Experian <input type="radio"/> Merged <input type="radio"/> Trans Union									
Credit Report									
Name: Alphonso P Aeaccommon		Suffix: [v]		Tax ID: 133-40-5381					
Address: 5 Compliant Ave		Fantasy Island, IL 60750							
Joint Report? <input checked="" type="radio"/> Yes <input type="radio"/> No									
Spouse Name:		Kelly Aeaccommon		Suffix: [v]		Tax ID: 050-60-5998			
Existing Reports									
Notes	Merged	Experian	Trans Union	Equifax	NoHit Error	Retrieved By		Type	
<input type="checkbox"/> Notes			12/10/2009	X		Mindy Probst-Test - Web Equity Manager Administration		STD	
<input type="checkbox"/> Notes 2/6/2009	2/6/2009		2/6/2009		2/6/2009	Mindy Probst-Test - Web Equity Manager Administration		STD	
<input type="checkbox"/> Notes			5/14/2007			Kevin A. Britten - VP Sales - Web Equity Manager Administration		STD	
<input type="checkbox"/> Notes 5/14/2007 Error		X				Kevin A. Britten - VP Sales - Web Equity Manager Administration		STD	
<input type="checkbox"/> Notes 9/28/2006	9/28/2006		9/28/2006		9/28/2006	Steven Rubin - USDA Program Sponsor - Web Equity Manager Administration		STD	
<input type="checkbox"/> Notes			9/27/2006			Kevin A. Britten - Web Equity Manager Administration		STD	
<input type="checkbox"/> Notes 9/27/2006	9/27/2006		9/27/2006		9/27/2006	Kevin A. Britten - Web Equity Manager Administration		STD	
<input type="checkbox"/> Notes			9/27/2006			Kevin A. Britten - Web Equity Manager Administration		STD	

Figure 9i

--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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

PROVIDED FOR <b>Toontown Credit Services</b> 1123 Disney Ave Toontown, CA 90010 210.555.1212	<b>MicroMerge Credit Profile</b> Reported: 04/27/05  SOURCES <input checked="" type="checkbox"/> EQUIFAX <input checked="" type="checkbox"/> EXPERIAN <input checked="" type="checkbox"/> TRANS UNION
--	--

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.

##### Example of Application Data Section

APPLICATION DATA					
APPLICANT	NAME	AEACOMMON, ALFONSO	SOCIAL	133-40-5381	DEPENDENTS
	AKA				
	ADDRESS	5 COMPLIANT , TOMORROW IL 60750			LENGTH
	PREV ADDRESS				LENGTH
CO-APPLICANT	EMPLOYER		SINCE		
	POSITION		PHONE		
	VERIFIED BY		INCOME		
CO-APPLICANT	NAME	AEACOMMON, KELLY	SOCIAL	050-60-5998	
	AKA				
	EMPLOYER		SINCE		
	POSITION		PHONE		
	VERIFIED BY		INCOME		

## Farm Business Plan - FSA User Guide (Continued)

### 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		
PLAINTIFF		FILED	12/03	
TYPE	Civil judgement	PAID		
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										
	ED DOA	CREDITOR ACCOUNT NUMBER	REPORTED OPENED	HIGH CREDIT	BALANCE PAST DUE	MO PAYM TERMS	MONS RATED	30   60   90+ PAYMENT PATTERN	TY PE	
OPEN ACCOUNTS										
▼	C	WACH BKCRD 43272	03/06 03/00	\$3000	\$1886 -	\$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 ***										
▣	C	WACH BKCRD 43272	03/06 03/00	\$3000	\$1886 -	\$10 MIN	19	0x30 0x60 0x90 1111X1111X1X 111	R0	
▼	C	GMAC 5555555555	06/02 06/97	\$68000	CLOSED -	- 360 Mth	20	8x30 1x60 3x90 ----222-2222 21-554311	I3	
	02/02 - I2, 01/02 - I2, 12/01 - I2, 10/01 - I2, 09/01 - I2									
	*** TRANS UNION ***									
	▣	C	GMAC 5555555555	06/02 06/97	\$68000	\$0 -	\$758 360 Mth	20	8x30 1x60 3x90 XXX222X2222 1X554311	I0

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.

**Farm Business Plan - FSA User Guide (Continued)**

**A Overview (Continued)**

**11 Credit Reports (Continued)**

**k Reading the Credit Report (Continued)**

\*--

<b>Field</b>	<b>Description</b>
ECOA – Account Designator Code	<p>Applicable codes are the following:</p> <ul style="list-style-type: none"> <li>• “A”, Authorized User (does not have financial responsibility)</li> <li>• “B”, On behalf of another (has financial responsibility)</li> <li>• “C”, CoMaker (contractual liability)</li> <li>• “I”, Individual (sole use of customer)</li> <li>• “J”, Joint (joint contractual liability)</li> <li>• “M”, Maker (subject liable, co-signer liable in case of default)</li> <li>• “O”, Undesignated</li> <li>• “P”, Participant (participant in shared account)</li> <li>• “S”, Shared (subject is co-signer, liable in case of default)</li> <li>• “T”, Terminated (relationship with account terminated)</li> <li>• “U”, Undesignated (undesignated or unknown)</li> <li>• “X”, Consumer Deceased</li> <li>• “Z”, Creditor reports as included in a bankruptcy.</li> </ul>
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	<p>Consumer payment history for the past 24 months, beginning with Reported Date:</p> <ul style="list-style-type: none"> <li>• “-”, no rating</li> <li>• “1”, current</li> <li>• “2”, 30 calendar days late</li> <li>• “3”, 60 calendar days late</li> <li>• “4”, 90 calendar days late</li> <li>• “5”, 120+ calendar days late</li> <li>• “7”, making payments in Wage Earner Plan</li> <li>• “8”, repossession/foreclosure</li> <li>• “9”, charge off.</li> </ul>

--\*



Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

k Reading the Credit Report (Continued)

\*--

Field	Description
Type	<p>The following are types of accounts:</p> <ul style="list-style-type: none"> <li>• “C”, Check Credit (line of credit)</li> <li>• “I”, Installment (fixed number of payments)</li> <li>• “M”, Mortgage Installments</li> <li>• “O”, Open Account (30, 60, or 90 calendar day account)</li> <li>• “R”, Revolving or Option (open-end account)</li> <li>• “Z”, Reported as included in bankruptcy.</li> </ul> <p>The following are types of status:</p> <ul style="list-style-type: none"> <li>• “0”, Too new to rate.</li> <li>• “1”, pays account as agreed</li> <li>• “2”, 30 calendar days past due</li> <li>• “3”, 60 calendar days past due</li> <li>• “4”, 90 calendar days past due</li> <li>• “5”, 120 calendar days past due</li> <li>• “6”, Wage Earner or similar plan</li> <li>• “7”, Repossession</li> <li>• “8”, Collection/Bad Debt/Charge Off</li> <li>• “9”, Bad Debt, Place for Collection.</li> </ul>
Codes	<ul style="list-style-type: none"> <li>• “OD”, Show Ownership Description</li> <li>• “AT”, Show Account Type Description</li> <li>• “SD”, Show Account Status Description</li> <li>• “TT”, Show Trade Type Description</li> <li>• “KB”, Show Kind of Business Description</li> <li>• “N1”, Show Narrative Description 1</li> <li>• “N2”, Show Narrative Description 2.</li> </ul>
Late Dates	Format = MM/YY – Type & Status, multiples are delimited with a comma, options include from “None” to 5 dates.

--\*

Example of Credit Summary Section

CREDIT SUMMARY									
	COUNT	W/BAL	BALANCE	PAYMENTS	PASTDUE	30	60	90	LAST LATE
MORTGAGE	0	0	0	0	0	0	0	0	
INSTALLMENT	2	2	27,860	796	0	0	0	0	
REVOLVING	7	3	2,594	40	0	0	0	0	
COLLECTION	1	0	0	0	0	0	0	0	
OTHER	0	0	0	0	0	0	0	0	
TOTAL	10	5	\$30,454	\$836	\$0	0	0	0	
PAID AS AGREED	9			0					
CURR DELINQUENT	1			1					
TOTAL DELINQUENT	1			0					
INQUIRES	1			0					
PUBLIC RECORDS	1			0					
									64% Available

The “Credit Summary” Section summarizes all of the tradelines in the “Credit Summary” Section by trade type.

**Farm Business Plan - FSA User Guide (Continued)**

**A Overview (Continued)**

**11 Credit Reports (Continued)**

**k Reading the Credit Report (Continued)**

<b>Field</b>	<b>Description</b>
Type of Tradeline	<ul style="list-style-type: none"> <li>• Mortgage</li> <li>• Installment</li> <li>• Revolving</li> <li>• Collection</li> <li>• Other</li> </ul>
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 <b>minus</b> Balance) <b>divided by</b> High Credit)

## Farm Business Plan - FSA User Guide (Continued)

### 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 BANK	OCCUPATION	
DATE HIRED	SEPARATION DATE	
INCOME		
COMPANY NAME HAL	OCCUPATION MGR	
DATE HIRED	SEPARATION DATE	
INCOME		
CO-APPLICANT		
COMPANY NAME QSASF	OCCUPATION	ASFD
DATE HIRED	SEPARATION DATE	
INCOME		
COMPANY NAME ASDAS	OCCUPATION	ADASDA
DATE HIRED	SEPARATION DATE	
INCOME		

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

SOURCES
EQUIFAX P O BOX 740241 ATLANTA, GA 30374-0241 800-685-1111
EXPERIAN P O BOX 2002 ALLEN, TX 75013-00036 888-397-3742
TRANS UNION 555 W. ADAMS CHICAGO, IL 60661 312-258-1717

The “Sources” Section provides a list of the bureaus that are included in the Credit Report.

## Farm Business Plan - FSA User Guide (Continued)

### A Overview (Continued)

#### 11 Credit Reports (Continued)

##### k Reading the Credit Report (Continued)

##### Example of Messages Section

MESSAGES				
APPLICANT				
*** EQUIFAX ***				
SAFESCAN Warning: Social Security number is issued to person who has been reported deceased.				
INQR Subject's SSN is                      Year Issued: 1965; State: NY				
OFAC: No match found in OFAC Database.				
*** EXPERIAN ***				
FACS+ Message: Inquiry Address Message - CKPT: BUSINESS SERVICE ON FACS+ FILE/	LANDSCAPING/	AVE/	IL	
60750/847.555.1336				
FACS+ SOCIAL COUNTER: Social has been used 2 times since 02/01/03				
FACS+ SOCIAL ERROR: Indicates that no error conditions occur.				
FACS+ ADDRESS COUNTER: Address has been used 6 times since 02/01/03				
FACS+ ADDRESS ERROR: Indicates that no error conditions occur.				
FACS+ POSSIBLE YEARS SSN ISSUED: 1994 - 1996				
FACS+ Fraud Services Indicator:				
FACS+ Fraud Services Indicator:				
FACS+ Message: Onfile Address Message - CKPT: TRADE CONTRACTOR-SPECIAL TRADE ON FACS+ FILE/	SERVICE/			
AVE/	IL			
FACS+ Message: Onfile Address Message - CKPT:	SERVICE ON FACS+ FILE/	SERVICES INC./	AVE/	
IL	/			
*** TRANS UNION ***				
SSN Match: Exact match between SSN on input and SSN on file				
Phone Append: Default product delivered; Search Status - Area code and phone number not found on new source. Phone number on CRONUS database is returned.				
HAWK: Requested product delivered				
HAWK: Input SSN issued:1965-1967; state: NY; (est. Age obtained: 00 to 00)				
HAWK: File SSN issued:1965-1967; state: NY; (est. Age obtained: 00 to 00)				
Add-on Product Code - 00P02: Default product delivered				
Geo Code: Requested product delivered; Search Status - Insufficient Current Address				
Geo Code: Requested product delivered; Search Status - No Future Address Entered				
OFAC Advisor: Default product delivered; Search Status - OFAC Advisor Clear.				
CO-APPLICANT				
*** EQUIFAX ***				
SAFESCAN: Your inquiry has gone through our SAFESCAN data base.				
Subject Former Name: H                      L				
INQR Subject's SSN is                      Year Issued: 1976; State: NY				
OFAC: No match found in OFAC Database.				
*** TRANS UNION ***				
SSN Match: Exact match between SSN on input and SSN on file				
Phone Append: Default product delivered; Search Status - Area code and phone number not found on new source. Phone number on CRONUS database is returned.				
HAWK: Requested product delivered				
HAWK: Input SSN issued:1976-1978; state: NY; (est. Age obtained: 00 to 00)				
HAWK: File SSN issued:1976-1978; state: NY; (est. Age obtained: 10 to 10)				

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.

\* \* \*

**Farm Business Plan - FSA User Guide (Continued)**

**A Overview (Continued)**

**11 Credit Reports (Continued)**

**l 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 file. All e-mail correspondence will also be included into the running record. Users should copy and paste only the final e-mail string as this will save time and space in the running record.

Exceptions are:--\*

- comments or notes from customers that:
  - have never been added to FBP
  - no longer have a credit relationship with FSA

## Farm Business Plan - FSA User Guide (Continued)

### 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:

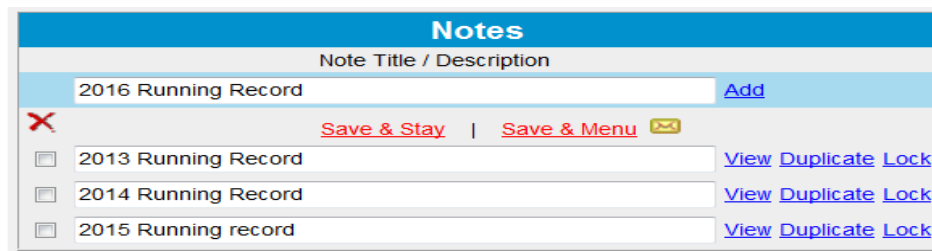
- the applicable FBP Credit Presentation
- footnotes or comment notepads

**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.

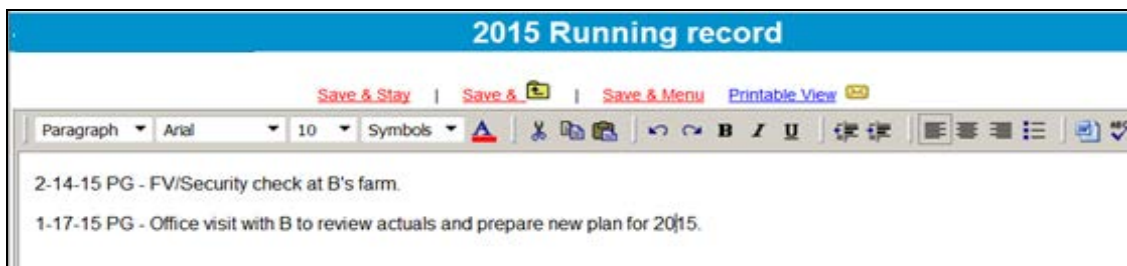
A new Running Record will be created for each calendar year. CLICK “Notes”, “Running Record”, “Add/Modify/Delete”, and type the description in the “Note Title/Description” box; for example, “2016 Running Record” and then CLICK “Add”.



Notes	
Note Title / Description	
2016 Running Record	<a href="#">Add</a>
<b>X</b> <a href="#">Save &amp; Stay</a>   <a href="#">Save &amp; Menu</a>	
<input type="checkbox"/> 2013 Running Record	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Lock</a>
<input type="checkbox"/> 2014 Running Record	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Lock</a>
<input type="checkbox"/> 2015 Running record	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Lock</a>

Figure 10a

The most recent entries will be made at the top of the page with the date, initials, and comments of the user.



**2015 Running record**

[Save & Stay](#) | [Save & Menu](#) [Printable View](#)

Paragraph Arial 10 Symbols

2-14-15 PG - FV/Security check at B's farm.

1-17-15 PG - Office visit with B to review actuals and prepare new plan for 2015.

Figure 10b

--\*

## Farm Business Plan - FSA User Guide (Continued)

### B Electronic File Maintenance, Reports, and Signatures (Continued)

#### 2 Running Record (Continued)

##### \*--a Locking the Running Record

Running records will be locked at the end of each calendar year to prevent further modification of the data. To lock the running record, CLICK “**Notes**” “**Add/Modify/Delete**”. The lock link can be found to the right of the selected running record.--\*

##### b 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.

##### c Printing Running Records

Running case records will only be printed and placed in the County Office file under the following circumstances and should always be printed using the “Print Manager” option:

- preparation for NAD appeals
- preparation for civil and criminal inquiries, investigations, audits, and litigations in conjunction with OIG, OGC, OCR, and GAO.

##### d 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.

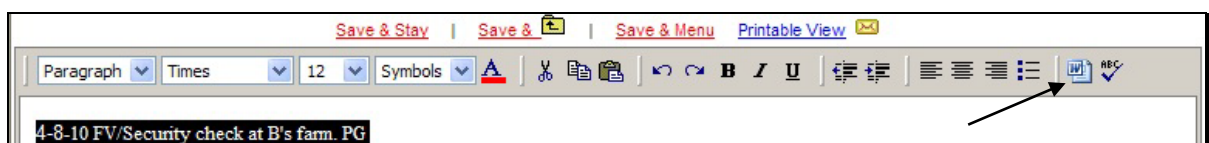


Figure 10c

**Note:** Bolding, tables, and bullet points will be removed during the “cleaning” process.

## Farm Business Plan - FSA User Guide (Continued)

### 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. To display and print correctly, Arial 10 is the recommended font for footnotes.--\*

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.



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.

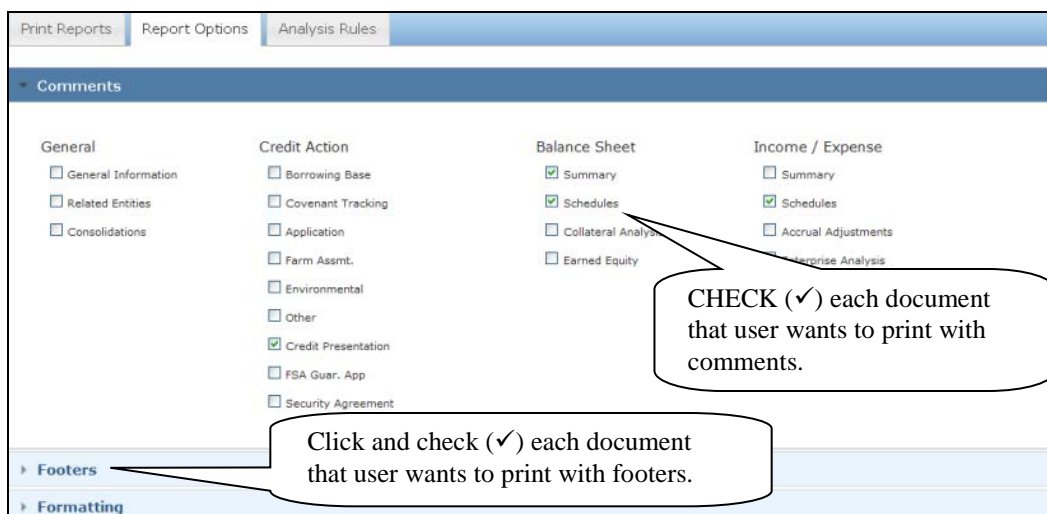


Figure 11b, Using “Print Manager”



## Farm Business Plan - FSA User Guide (Continued)

### 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.

The screenshot displays the 'Reports Setup' form with two main sections: 'Print Footnotes on:' and 'Print Comments'.

**Print Footnotes on:**

- ☒ Balance Sheet Summary
- ☐ Balance Sheet Trends
- ☐ Annual Cash Flow
- ☐ Income Statement
- ☐ Borrowing Base
- ☐ Covenant Tracking
- ☒ Inc / Exp Trends
- ☐ Collateral Analysis

**Print Disclosures on:**

- Balance Sheet Schedules:
- Income / Expense Schedules:

**Print e-Signatures on:**

- ☐ Balance Sheet
- ☐ Borrowing Base / Inspection Certificate
- ☐ Income / Expense

**Print Comments**

General	Credit Action	Balance Sheet	Inc / Exp
<input type="checkbox"/> General Information	<input type="checkbox"/> Borrowing Base	<input checked="" type="checkbox"/> Summary	<input checked="" type="checkbox"/> Summary
<input type="checkbox"/> Related Entities	<input type="checkbox"/> Covenant Tracking	<input checked="" type="checkbox"/> Schedules	<input checked="" type="checkbox"/> Schedules
<input type="checkbox"/> Consolidations	<input type="checkbox"/> Form 1	<input type="checkbox"/> Collateral Analysis	<input type="checkbox"/> Accrual Adjustments
	<input type="checkbox"/> Form 2	<input type="checkbox"/> Earned Equity	<input type="checkbox"/> Enterprise Analysis
	<input type="checkbox"/> Form 3		
	<input type="checkbox"/> Form 4		
	<input type="checkbox"/> Decisioning		
	<input type="checkbox"/> FSA		
	<input type="checkbox"/> Security Agreement		

Callout 1: CHECK (✓) each document that user wants to print with footnotes.

Callout 2: CHECK (✓) each document that user wants to print with comments.

Figure 11c, Using “Reports Setup”--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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**”.

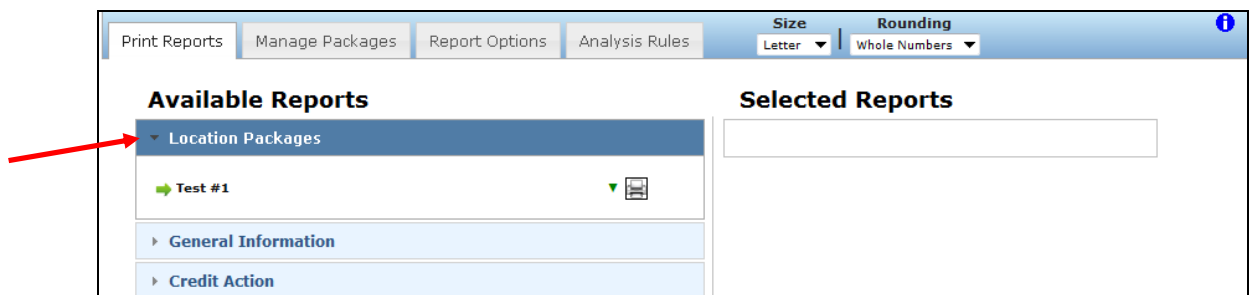


Figure 11d, Location Packages--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

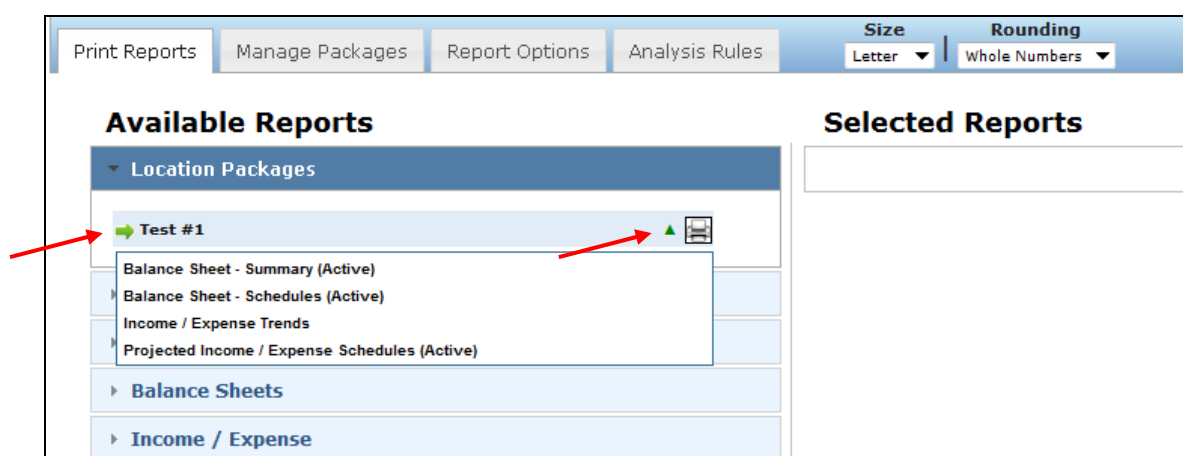


Figure 11e, View Package Reports

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.--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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)

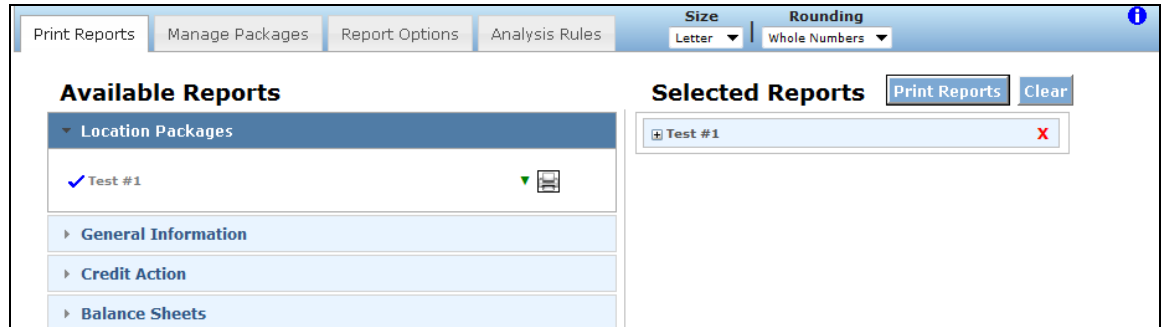


Figure 11f, Add to Selected Reports

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.

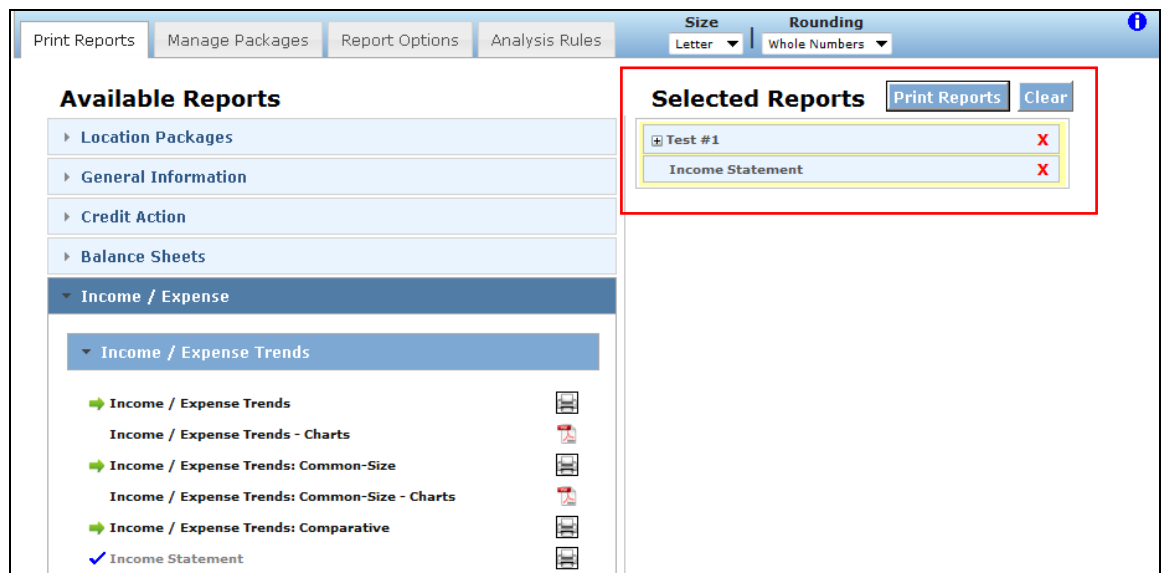


Figure 11g, Selected Reports Options--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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”

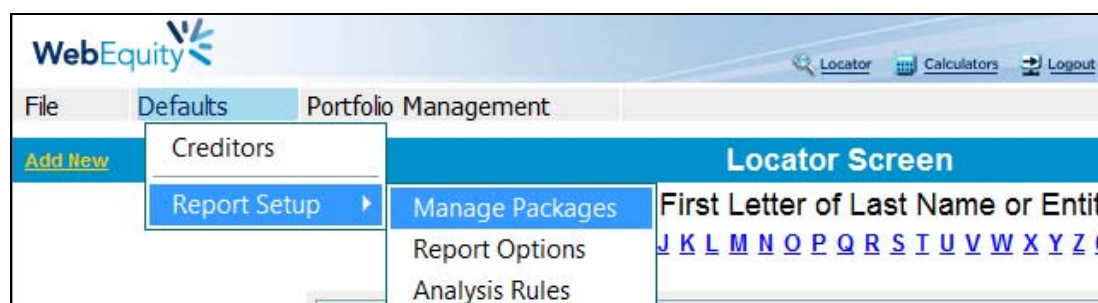


Figure 11h, Access Manage Packages

- CLICK “Manage Packages” tab
- CLICK “New”
- in the “Package Name” block, type the title for the new report package.

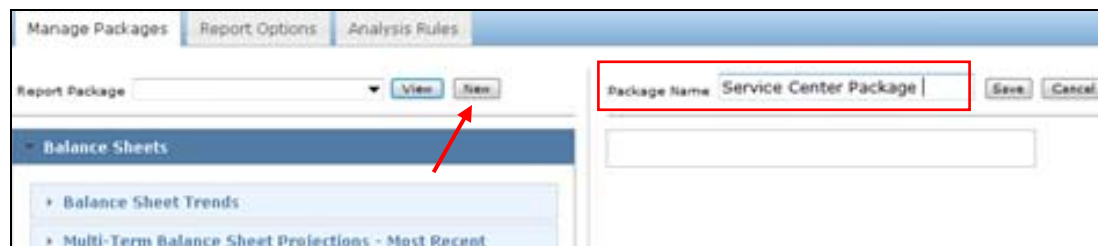


Figure 11i, Adding a New User Package--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

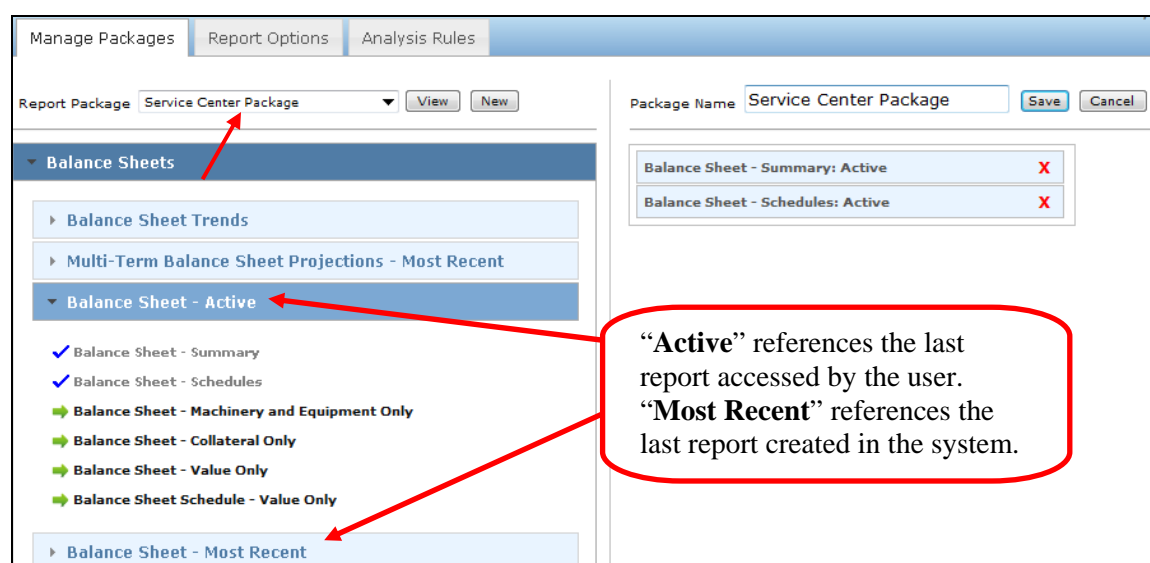


Figure 11j, Creating User Package--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

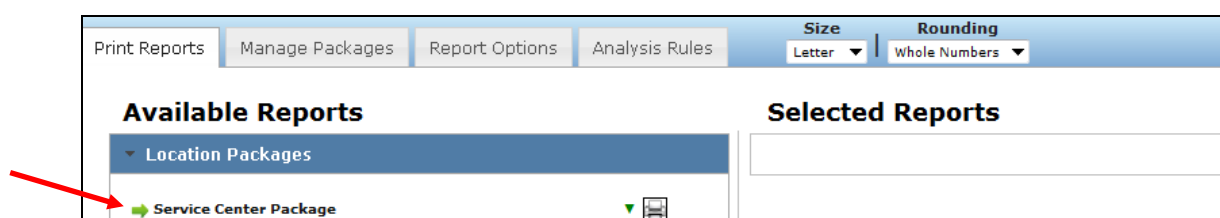


Figure 11k1, Location Packages

##### 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.

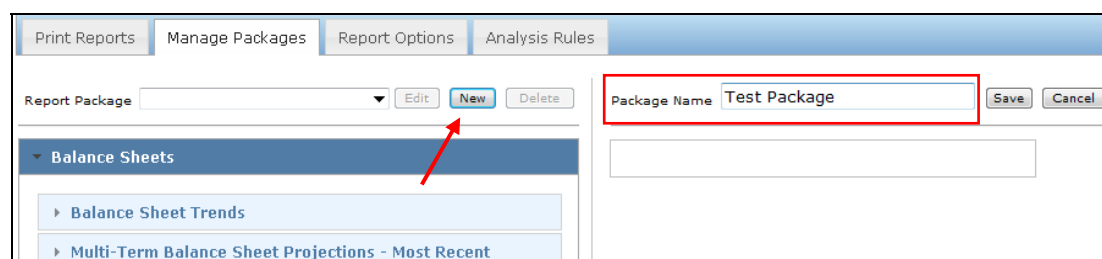


Figure 11k2, Adding a New User Package--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

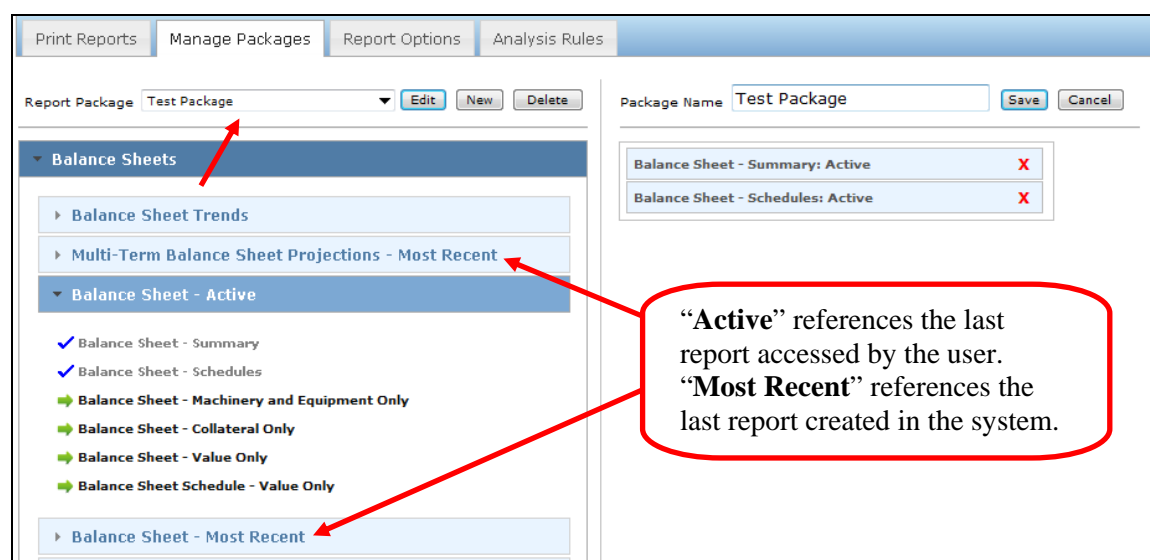


Figure 11k3, Creating User Package

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.

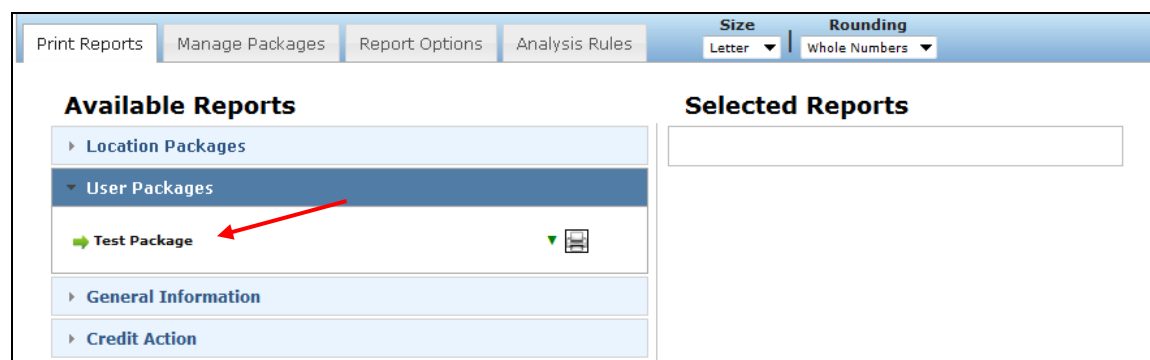


Figure 11k4, User Packages--\*



## Farm Business Plan - FSA User Guide (Continued)

### 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.

Available Reports	Selected Reports
<ul style="list-style-type: none"> <li>Location Packages</li> <li>User Packages</li> <li>General Information</li> <li>Credit Action</li> <li>Balance Sheets</li> <li>Income / Expense <ul style="list-style-type: none"> <li>Income / Expense Trends</li> <li>1/1/2015-12/31/2015 Stress Test 1 <ul style="list-style-type: none"> <li>✓ Projected Annual Cash Flow</li> <li>✓ Projected Income / Expense Schedules</li> <li>Enterprise Analysis</li> </ul> </li> <li>6/1/2013-5/31/2014 2013 Plan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Income / Expense Trends</li> <li>Projected Annual Cash Flow: 1/1/2015-12/31/2015 Stress Test 1</li> <li>Projected Income / Expense Schedules: 1/1/2015-12/31/2015 Stress Test 1</li> </ul>

Figure 11k5, Customer Multiple Report Selection

## Farm Business Plan - FSA User Guide (Continued)

### 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.



Figure 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.

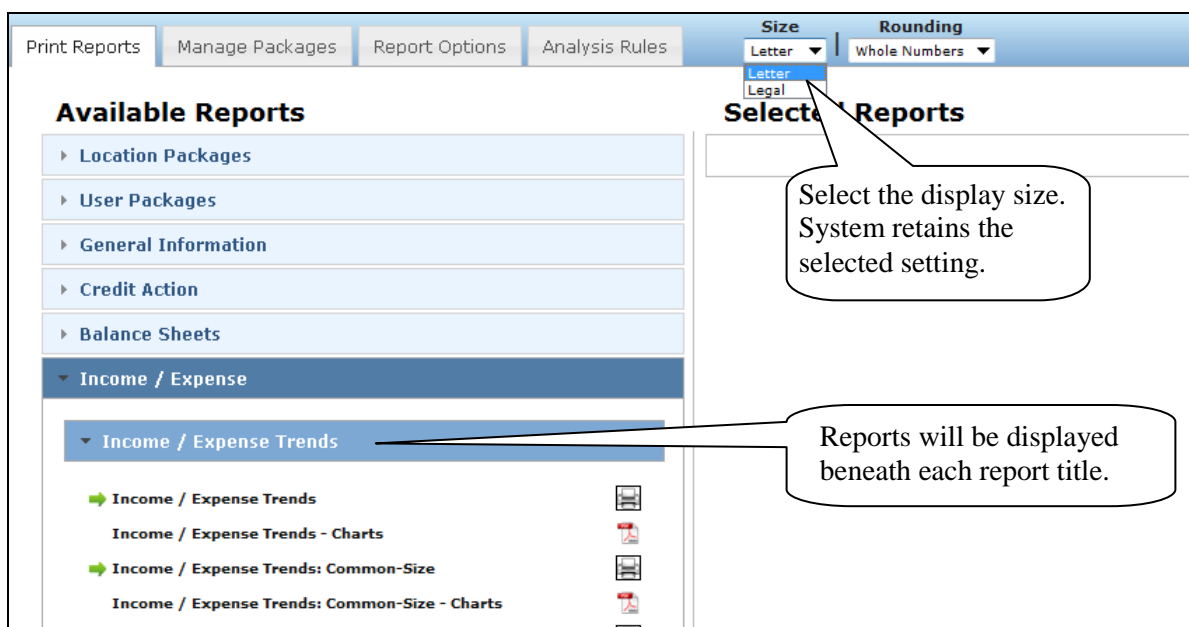


Figure 11k7, Available Reports Screen--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

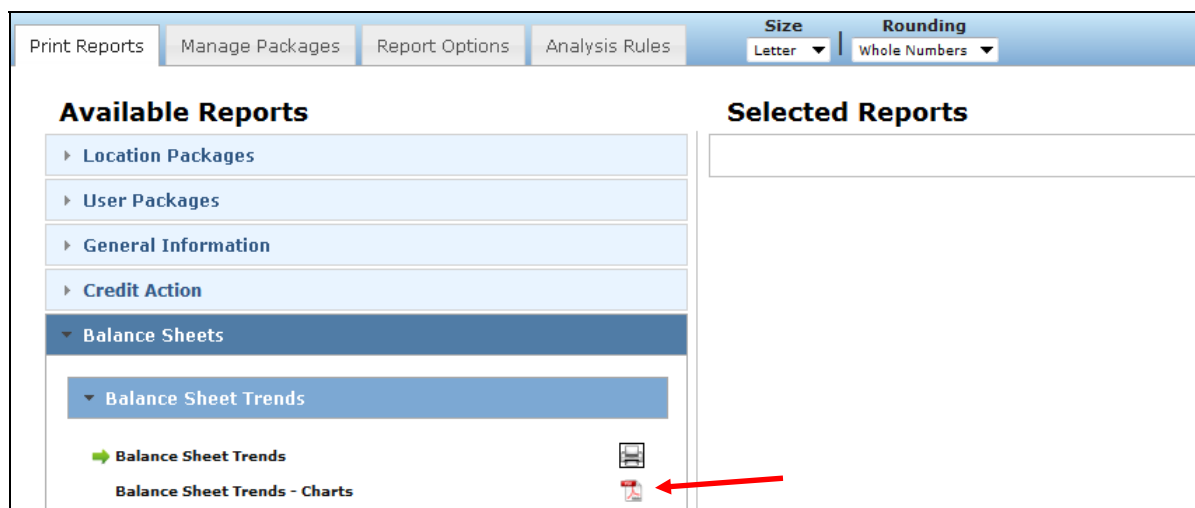


Figure 11k8, Select PDF

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.

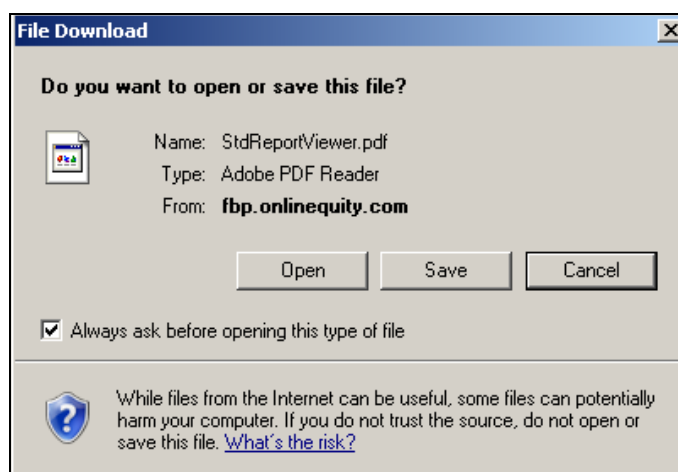


Figure 11k9, Open or Save Report--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

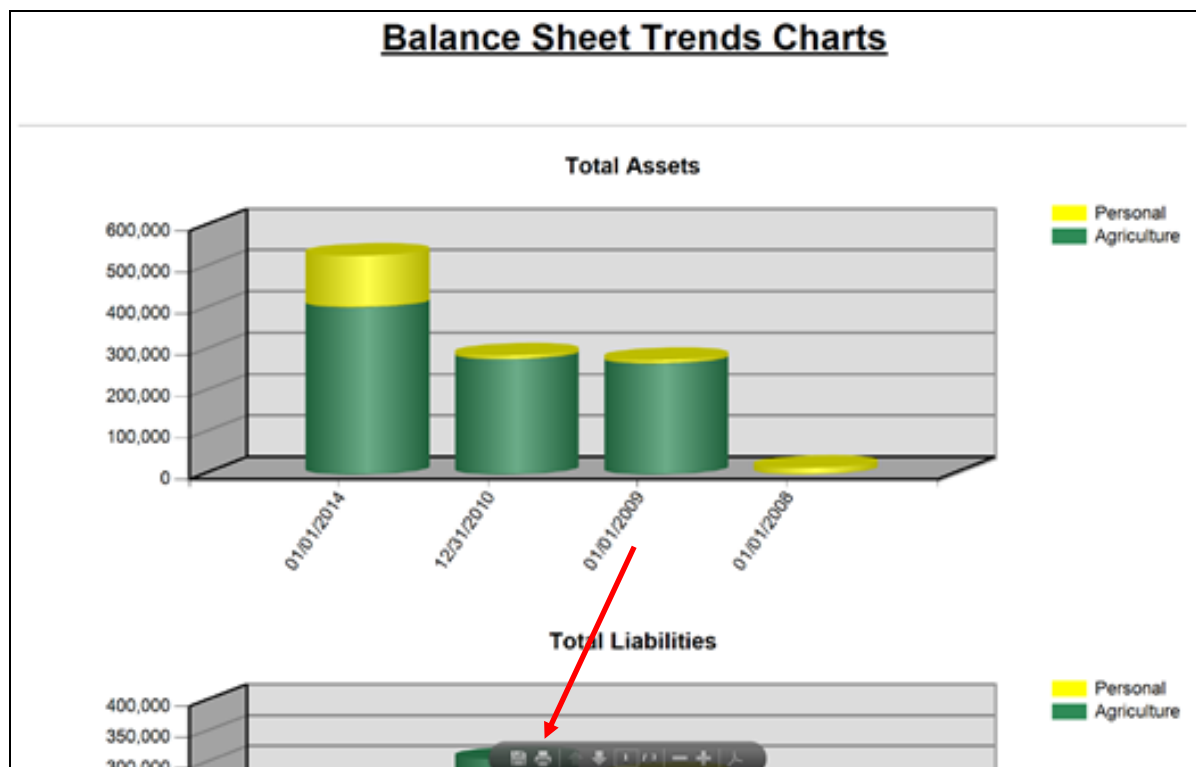


Figure 11k10, Print PDF Report--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

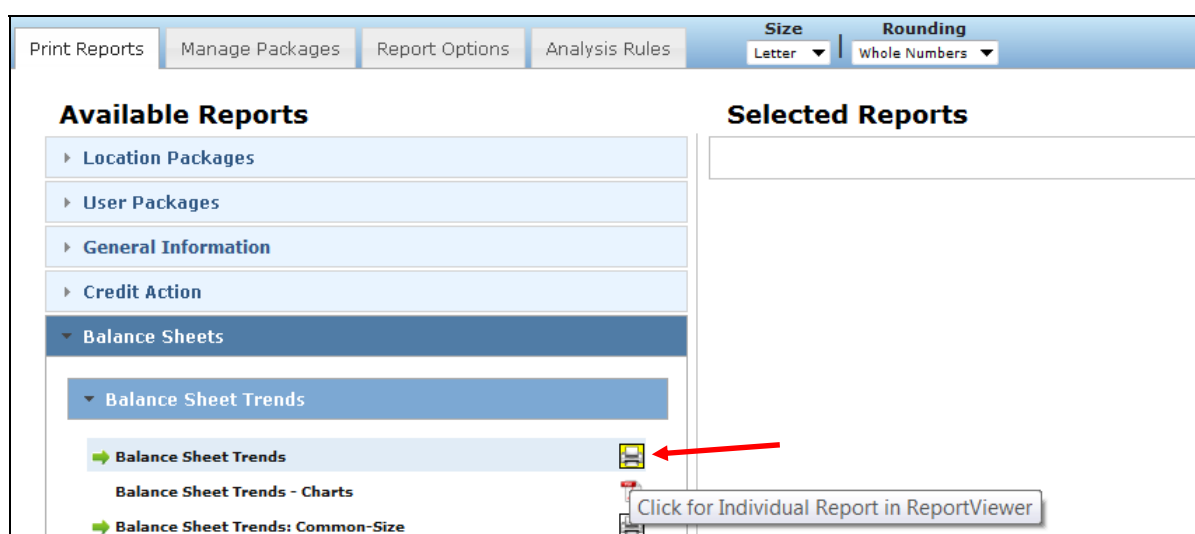


Figure 11k11, CLICK “Printer” Icon

CLICK “**Print Reports**” to open multiple reports or report packages in ReportViewer.

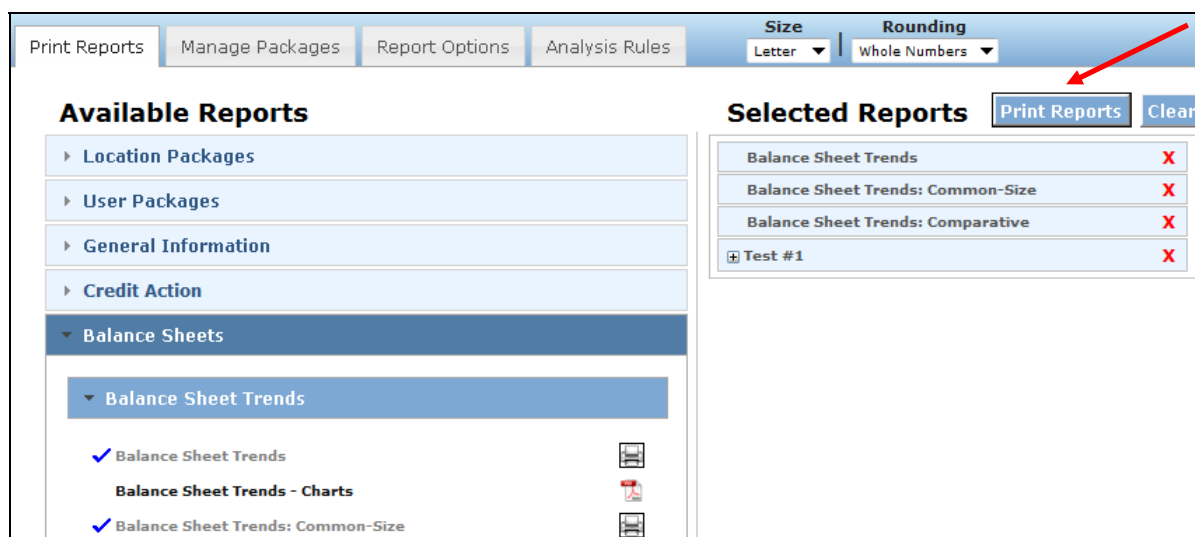


Figure 11k12, CLICK “Print Reports”--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

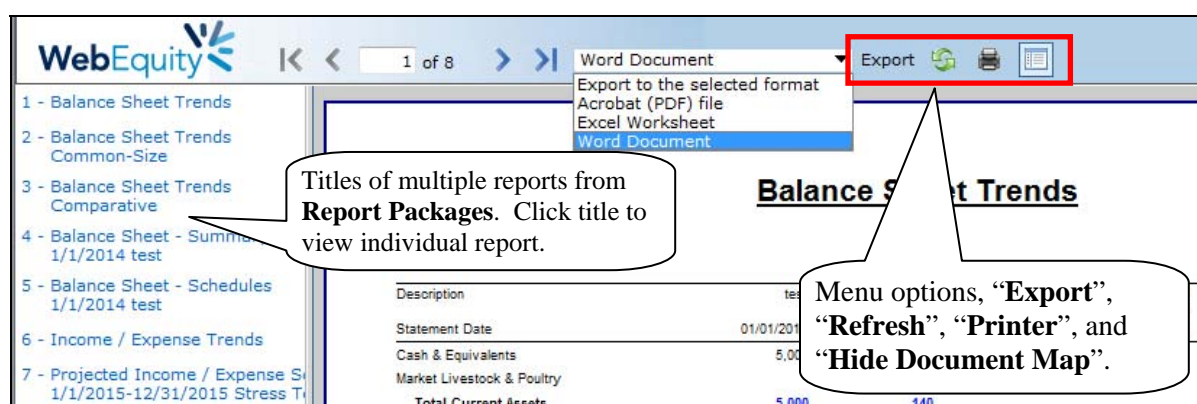


Figure 11k13, Select the Report Format--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

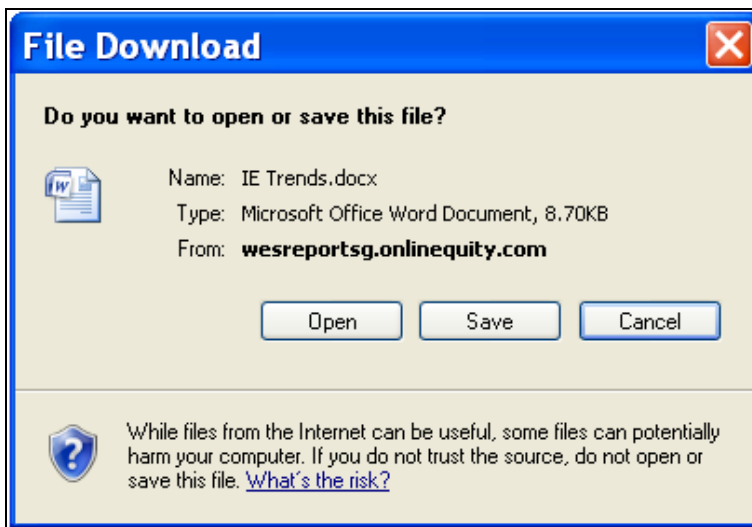


Figure 11l, Open or Save the Report--\*





**Farm Business Plan - FSA User Guide (Continued)**

**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.

<b>Report or Form Name</b>	<b>Customer Signature Required <u>1/</u></b>	<b>FSA Signature Required <u>1/</u></b>	<b>Must be Locked</b>	<b>Report Must be Printed <u>2/</u></b>
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 & Expense Schedules	No	No	N/A	Yes
Income & Expense Summaries	No	No	Yes	See Cash Flow Reports
Projected Annual Cash Flow	Optional	No	N/A	Optional
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 <b>Locking Credit Action Forms</b> (Section J 3).	Optional, <b>except</b> for FSFL
Eligibility Only	No	Yes, eSigned.	Yes	Optional
DALR\$ Input Report	No	Yes, eSigned.	Yes	Optional
*--Environmental Screening Worksheet (FSA-850)--*	No	Yes, eSigned.	Yes	Optional
Emergency Loan Calculations (FSA-2311A)	No	Yes, eSigned.	Yes	Optional
Security Agreement	Yes	No	No	Yes
Chattel Appraisal	No	Yes or notation made in the Credit Presentation. See Credit Actions, “Collateral” (Section J 7 b).	N/A	Optional

**Farm Business Plan - FSA User Guide (Continued)**

**B Electronic File Maintenance, Reports, and Signatures (Continued)**

**4 Reports and Forms – Signature and Filing Requirements (Continued)**

**c Reports and Signature Requirements (Continued)**

<b>Report or Form Name</b>	<b>Customer Signature Required <u>1/</u></b>	<b>FSA Signature Required <u>1/</u></b>	<b>Must be Locked</b>	<b>Report Must be Printed <u>2/</u></b>
Analysis Reports & Charts	No	No	N/A	Optional
Running Record	No	No	*--Yes--*	Optional, see <b>Running Record</b> (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.

## Farm Business Plan - FSA User Guide (Continued)

### 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 after eDALR\$ plan, if completed
  - Columns 2 through 4, preceding years
  - Columns 5 and 6 may be used as needed, for example Post Close.--\*

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 (✓) 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.

The screenshot displays the 'Reports Setup Screen' with two main sections: 'Balance Sheet Report Format' and 'Analysis Based on:'.

**Balance Sheet Report Format:**

- Optional 2 Column Balance Sheet:** This section is highlighted with a red box. It includes 'Secondary Column' and 'Primary Column' options, each with radio buttons for 'Value', 'Adj. Value', 'Cost', and 'None'. The 'None' option is selected for both.
- Print on Schedules:** Includes checkboxes for 'Collateral & Prior Lien Indicator', 'Adj. Value', 'Cost', 'Machinery Condition', 'Loan Terms & Comments on Loan Sch.', 'Machinery Condition', 'Machinery Value', and 'Machinery Disclosure'. Most are checked.
- Print on Customer Input Worksheet:** Includes radio buttons for 'Value', 'Adj. Value', and 'Cost'. 'Value' is selected.
- Print Footnotes on:** Includes checkboxes for 'Balance Sheet Summary', 'Annual Cash Flow', 'Borrowing Base', 'Balance Sheet Trends', 'Income Statement', and 'Covenant Tracking'.

**Analysis Based on:**

- Balance Sheet:** Includes checkboxes for 'Agriculture' (checked), 'Commercial', and 'Personal'.
- Income Statement:** Includes checkboxes for 'Agriculture' (checked), 'Commercial', and 'Personal'.
- Ag. Ratios based on:** Includes radio buttons for 'Gross Revenues' and 'Value Farm Prod.'. 'Value Farm Prod.' is selected.
- Ag. Variance:** Includes radio buttons for 'Left' and 'Right'. 'Left' is selected.
- Display Variance:** Includes checkboxes for 'display Variance' and 'display Average'.
- Print Non-Financials:** Includes a checkbox for 'Print Non-Financials'.
- Growth Ratios:** Includes radio buttons for 'By Trends Order' and 'By Complete Year'. 'By Trends Order' is selected.

Callouts in the image:

- A box labeled 'Do not change.' points to the 'Agriculture' checkboxes in both the Balance Sheet and Income Statement sections.
- A box labeled 'System defaults to "Value Farm Prod."' points to the 'Value Farm Prod.' radio button in the Income Statement section.

Figure 11m, Reports Setup Screen

## Farm Business Plan - FSA User Guide (Continued)

### B Electronic File Maintenance, Reports, and Signatures (Continued)

#### 4 Reports and Forms – Signature and Filing Requirements (Continued)

##### d Reports Setup (Continued)

The screenshot displays the 'Print Manager', 'Analysis Rules' tab. The interface is divided into several sections:

- Balance Sheet Columns:** A red box highlights this section. It contains three columns of radio buttons: Secondary (Value, Adjusted Value, Cost, None), Primary (Value, Adjusted Value, Cost), and Customer Input Worksheet (Value, Adjusted Value, Cost). The 'Value' option is selected in each column.
- Average / Variance:** Includes radio buttons for 'Left' (selected) and 'Right', and checkboxes for 'Do not display Variance' and 'Do not display Average'.
- Statement of Cash Flows / Statement of Owner Equity Based On:** Includes radio buttons for 'Market Value BS / Cash IE' (selected) and 'Basis BS / Accrual IE', and a checkbox for 'Do not display Column 1'.
- Balance Sheet Analysis Based On:** Includes checkboxes for 'Agriculture' (checked), 'Commercial', and 'Personal'.
- Income / Expense Analysis Based On:** Includes checkboxes for 'Agriculture' (checked), 'Commercial', and 'Personal'.
- Agriculture Ratios Based On:** Includes radio buttons for 'Gross Revenues' and 'Value Farm Production' (selected).
- Growth Ratios:** Includes radio buttons for 'By Trends Order' (selected) and 'By Complete Year'.

Callouts and annotations:

- A callout box points to the 'Value' option in the Primary column of the Balance Sheet Columns section, stating: "System defaults to 'Value Farm Prod.'"
- A callout box points to the 'Agriculture' checkbox in the Balance Sheet Analysis Based On section, stating: "Do not change."

Figure 11n, "Print Manager", "Analysis Rules" Tab

**Farm Business Plan - FSA User Guide (Continued)**

**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.

## Farm Business Plan - FSA User Guide (Continued)

### 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).

## Farm Business Plan - FSA User Guide (Continued)

### 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.

Field	Notes
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 field 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 information for FSFL customers.  Click " <b>Select</b> " and choose from the list in the pop-up menu.
County	Optional. Enter the customer's county of residence.
FBP Account Type	<b>Required.</b> Click the link to select 1 of the following FBP account types. <ul style="list-style-type: none"> <li>• "Active Account" will be selected for the majority of customers.  <b>Note:</b> 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".  <b>Note:</b> Do <b>not</b> 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 <b>only</b> FSFL's.</li> </ul>
D&B D-U-N-S# / Experian File #	Optional.
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 customers with 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.

## Farm Business Plan - FSA User Guide (Continued)

### 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. The related entity information will flow to other documents within FBP and can be used to pull credit reports. There are 2 options available, however Related Entities **will** be added to the General Information Screen from SCIMS if available.

**Option 1:** Add the related entity from SCIMS. All persons or entity members must be active in BP **before** being entered as a related entity. This is the recommended option as all personal information will be automatically updated whenever the customer is accessed.

- CLICK “**Related Entities**” link.
- Complete Related Entity Setup Screen, CLICK “**Save & Continue**”.

Figure 11o, Add related entity from SCIMS

\*--CLICK the related entity link to access the related entity General Information Screen.

Entity	Entity Type	Tax ID	City State Zip	Scored Principals	Credit Reports	Change Model
<a href="#">Jesse James</a>	Individual			N/A	<a href="#">View</a>	<a href="#">General Information</a>

Figure 11p--\*



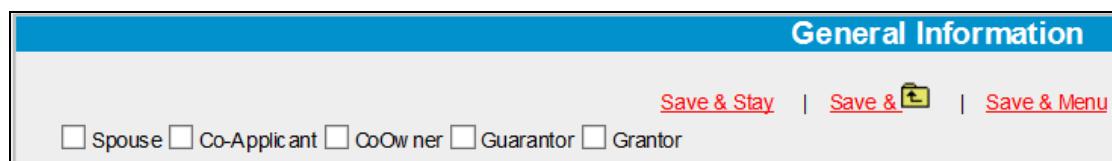
## Farm Business Plan - FSA User Guide (Continued)

### C General Information (Continued)

#### 2 Related Entities (Continued)

\*--Check 1 or more of the following boxes to identify the related entity.

- Spouse.
- Co-Applicant – person(s) who applies for the loan along with the primary applicant.
- Co-Owner – person(s) who has an ownership interest in the collateral securing the FSA loan.
- Guarantor – person(s) who assumes responsibility for repayment in the event of default.



General Information

☐ Spouse ☐ Co-Applicant ☐ CoOwner ☐ Guarantor ☐ Grantor

[Save & Stay](#) | [Save & \[icon\]](#) | [Save & Menu](#)

Figure 11q, Related Entity General Information

**Notes:** The spouse **must** be identified as a “Spouse” and “Co-Applicant” to order a joint credit report.

For the related entity to appear on the Security Agreement, 1 of the following must be checked, “Spouse”, “Co-Applicant”, or “Co-Owner”.--\*

## Farm Business Plan - FSA User Guide (Continued)

### C General Information (Continued)

#### 2 Related Entities (Continued)

**Option 2:** Manually add the related entity. This option can be used when the:

- \*--applicant is a “Business with SSN” such as LLC or revocable trust

**Note:** The individual with the SSN cannot be accessed from SCIMS and must be added manually.

- non-liable spouse or other person, who has an ownership interest in the FSA collateral, can be manually added so their name will appear on the Security Agreement.

Manually add a related entity according to the following steps.

- CLICK “**General>Related Entities>Add/Modify/Delete**”.

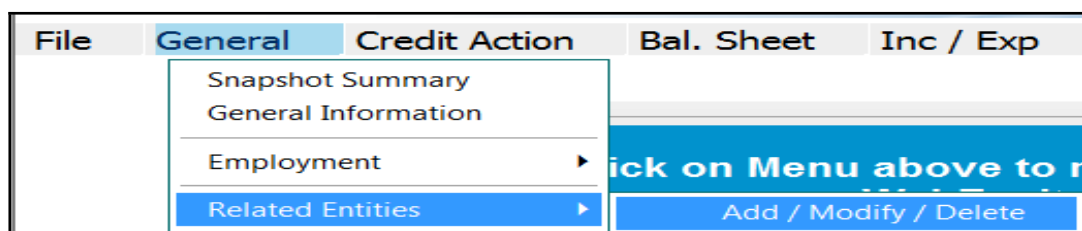


Figure 11r

- Under “**Not To/From SCIMS:**” CLICK the “**Add New**” link.
- Do not use the “Add From Locator” link.

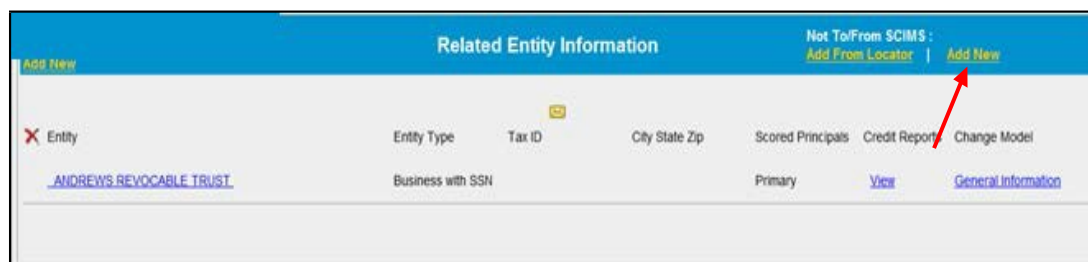


Figure 11s--\*

## Farm Business Plan - FSA User Guide (Continued)

### C General Information (Continued)

#### 2 Related Entities (Continued)

\*--Complete the Related Entity Setup Screen, CLICK “Save & Continue”.

Figure 11t

- The “\*” identifies manually added entity members, \*not in SCIMS.
- Click the related entity link to access the related entity General Information Screen to add personal information.



Entity	Entity Type	Tax ID	City State Zip	Scored Principals	Credit Reports	Change Model
<a href="#">ANDREWS REVOCABLE TRUST</a>	Sam e Business with SSN			Primary	<a href="#">View</a>	<a href="#">General Information</a>
<input type="checkbox"/> <a href="#">Jesse Andrews</a>	Individual	XXX-XX-XXXX		N/A	<a href="#">View</a>	<a href="#">General Information</a> *

Figure 11u--\*

## Farm Business Plan - FSA User Guide (Continued)

### C General Information (Continued)

#### 2 Related Entities (Continued)

- \*--Check box(s) to identify the related entity, example “Co-Applicant”.
- For the Security Agreement, only the name is required.
- For consumer credit reports, the name, SSN, DOB and address are required.
- Complete the required fields for the related entity and CLICK “Save & 
, and Save & Menu." data-bbox="173 273 902 585"/>

**General Information**

☐ Spouse ☒ Co-Applicant ☐ CoOwner ☐ Guarantor ☐ Grantor

Entity Type: Individual

Type of Operation - Primary: [Select](#) Description: SIC: NAICS:

Individual Name: Jesse Andrews

Company Name:

Address 1: 1000 School St.


Address 2:

City, State, Zip: Anywhere Alabama 22222

SSN / Federal Tax I.D. #: xxx - xx - xxxx

Contact Phone: ( ) - - Ext.

Contact E-mail Address:

Date of Birth: 7/1/1978 

% of Business Owned?: 0.00 %

Amount Guaranteed:

D&B D-U-N-S# / Experian File #:

[Top Of Page](#) | [Save & Stay](#) | [Save & !\[\]\(508a1136d49b79584e89f03b586dfa9e\_img.jpg\)](#) | [Save & Menu](#)

Figure 11V, Related Entity General Information--\*

**Farm Business Plan - FSA User Guide (Continued)**

**C General Information (Continued)**

**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**”.

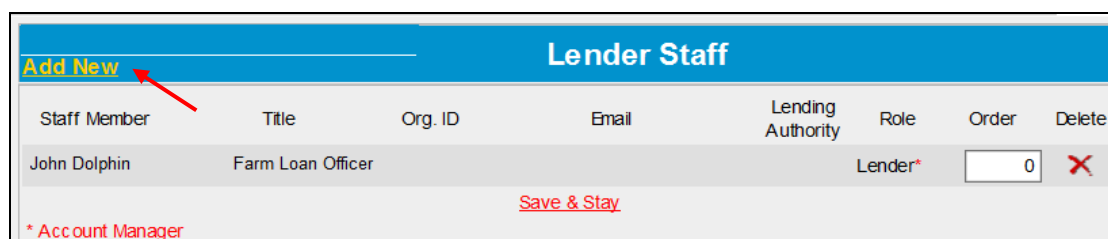
## Farm Business Plan - FSA User Guide (Continued)

### C General Information (Continued)

#### 4 Lender Information (Continued)

##### a Lender Staff (Continued)

- \*--For existing customers. The first time an existing customer is accessed, an FSA--\* lender should be designated on the General Information Screen. To designate, CLICK “Lender Staff” and “Add New”.



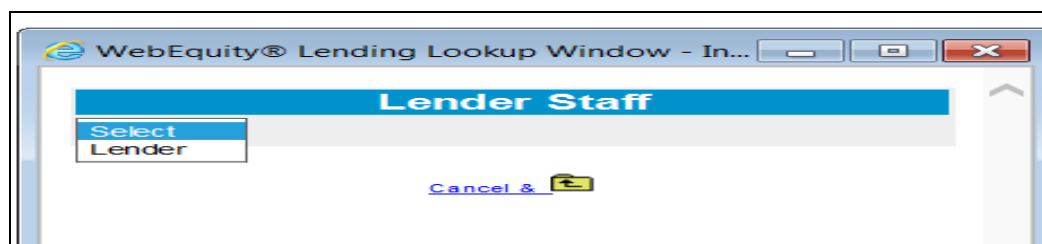
Staff Member	Title	Org. ID	Email	Lending Authority	Role	Order	Delete
John Dolphin	Farm Loan Officer				Lender*	0	X

\* Account Manager

Save & Stay

Figure 11w

CLICK “Lender” from the drop-down menu and the State’s employee list will be displayed. CLICK the employee’s name to add to the “Lender Staff”.



WebEquity® Lending Lookup Window - In...

Lender Staff

Select  
Lender

Cancel & [icon]

Figure 11x, Lender Staff Screen

## Farm Business Plan - FSA User Guide (Continued)

### 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 select the correct Service Center from the drop-down menu.
- “Restricted” location, visible only to administrative users, is reserved for employee relationship and sensitive accounts. After an account has its location designated as “Restricted”, 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”.

**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”
- 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 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”.

## Farm Business Plan - FSA User Guide (Continued)

### C General Information (Continued)

#### 5 Farm Assessment Information

Initial farm assessments and updates must always be entered on the General Information Screen. 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. It should not duplicate those areas addressed in the Credit presentation.

Provide information and make changes in each element of the assessment using the WordPads, text boxes, check boxes, radio buttons and drop down-menu to select the appropriate date below each topic, as needed. Text font size should not exceed 10 pt, to ensure that the assessment will print correctly.

The Term Limits Screen will be completed each time an assessment is completed or updated.

\*--

<p>Term Limits - Under current laws and regulations, there is a limit to the number of years that a FSA borrower is eligible to receive FSA direct loans. You may receive a direct Farm Ownership (FO) loan if you have not had a direct FO outstanding for more than 10 calendar years. You may receive a direct Operating loan (OL) if you have received a direct OL in no more than 7 calendar years, or as long as you are a Beginning Farmer (you have not operated a farm for more than 10 years).</p>	
<p>Our records indicate that you:</p>	
1.	<input type="checkbox"/> Are receiving your first FO and have 10 years of total FO eligibility as it solely relates to term limits.
2.	<input type="checkbox"/> Have received FOs for: Number of years outstanding: <input type="text"/> Number of years remaining: <input type="text"/>
3.	<input type="checkbox"/> Have no remaining eligible years due to FO term limits.
4.	<input type="checkbox"/> Are a Beginning Farmer and have received OLs (including this one) for: Number of years received as a Beginning Farmer: <input type="text"/> 0 Number of years remaining as a Beginning Farmer: <input type="text"/> 0
5.	<input type="checkbox"/> Are receiving your first OL and have 6 additional years in which you may close an OL. (The years may be non-consecutive and you may close more than one OL in each year).
6.	<input type="checkbox"/> Have received OLs for: Number of years received: <input type="text"/> Number of years remaining: <input type="text"/>
<p>FSA may grant you a 1-time waiver of the direct OL limitation for 2 years on a case-by-case basis if certain conditions are met.</p>	
7.	<input type="checkbox"/> Have no remaining eligible years due to OL term limits.
8.	<input type="checkbox"/> Are receiving a loan not subject to term limits (CL; ML to Beginning or Veteran Farmer; YL; or farming land subject to tribal jurisdiction).

--\*

#### a New Customers

See 1-FLP, paragraph 222 for instructions on the documentation required for an initial assessment.

#### b Assessment Review and Updates

See 1-FLP, paragraph 223 for instructions on the documentation required for updates to the assessment.

**Note:** Farm assessments, if completed or updated, will be printed, signed, and dated by the customer to acknowledge participating in completing the document.

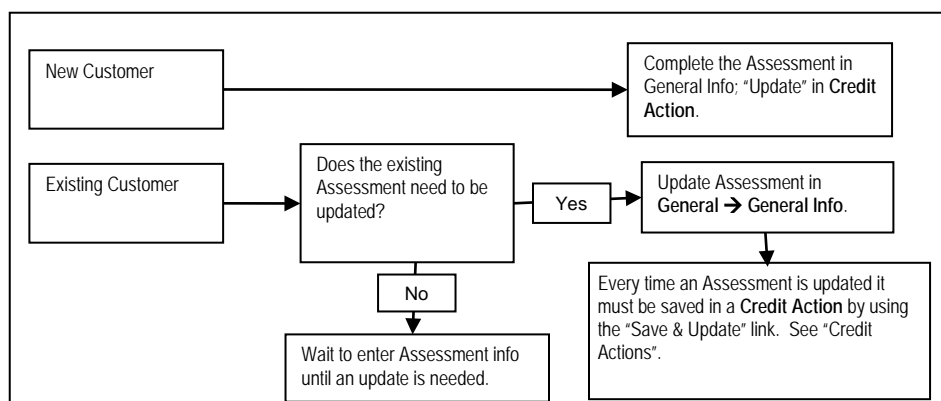


## Farm Business Plan - FSA User Guide (Continued)

### C General Information (Continued)

#### 5 Farm Assessment Information (Continued)

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 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**”.

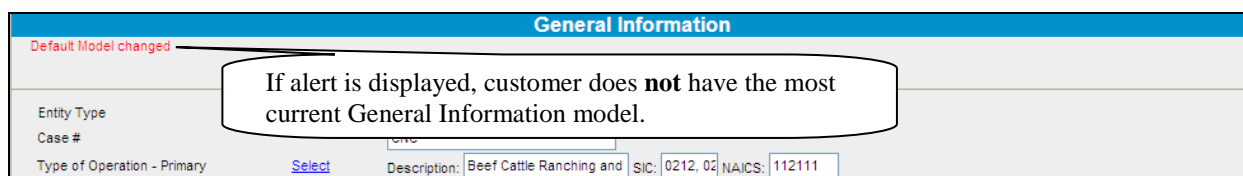


Figure 12a, Alert Message “Default Model changed”

## Farm Business Plan - FSA User Guide (Continued)

### 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”



Figure 13a

- CLICK “General Information” for the applicable customer’s name

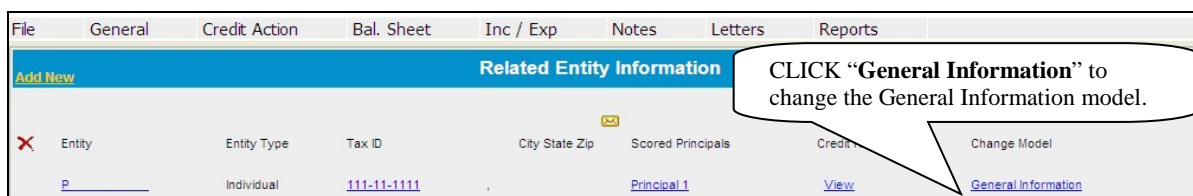


Figure 13b

- 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.

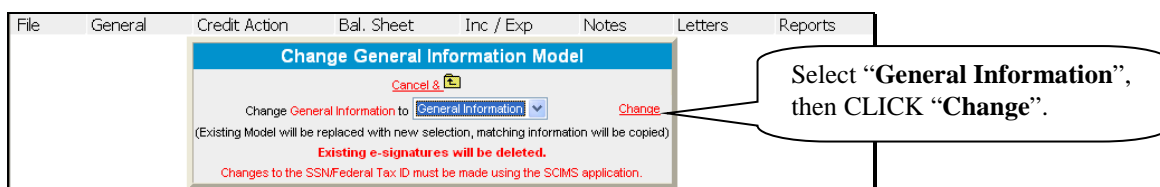


Figure 13c

## Farm Business Plan - FSA User Guide (Continued)

### 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 12/31/16" or "After eDALR\$ 2016", 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. This is the balance sheet that will be used for the collateral analysis.
Post-Close	<p>A balance sheet prepared assuming that the planned loan making or loan servicing action has just taken place.</p> <ul style="list-style-type: none"> <li>• The credit action does <b>not</b> have to be closed before a post-close balance sheet is created.</li> <li>•*--Will be used to classify the account and may be used to complete the Security Agreement.--*</li> </ul> <p>A post-close balance sheet must be completed for the following credit actions:</p> <ul style="list-style-type: none"> <li>• D-Loan Making (for Term Loans and combination Term and AOL, excludes Youth Loans)</li> <li>• D-Loan Regular Servicing</li> <li>• D-Loan Special Servicing</li> <li>• Microloan (for term loans and combination term and annual operating loans).</li> </ul>
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.

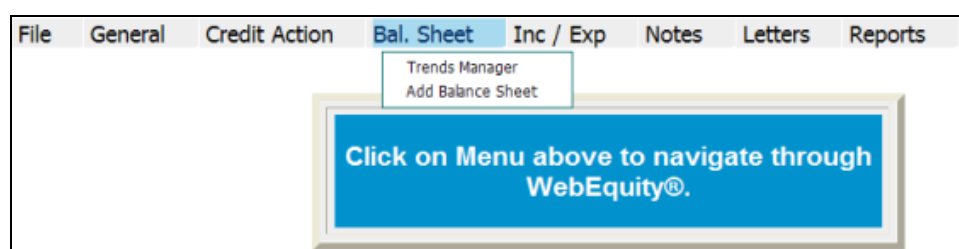
## Farm Business Plan - FSA User Guide (Continued)

### D Balance Sheet (Continued)

#### 2 Adding New Balance Sheets

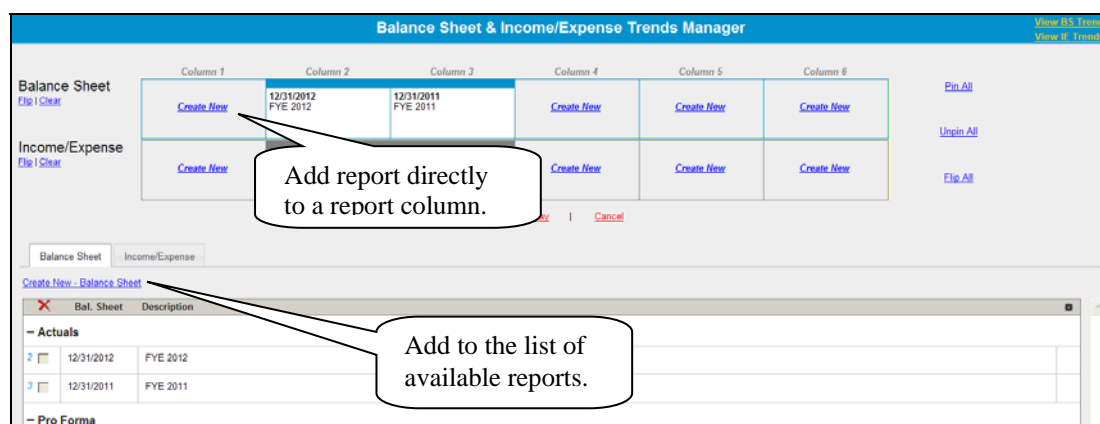
\*--To add a new balance sheet, CLICK “**Bal. Sheet**” on the toolbar. A balance sheet may be added using either the “Trends Manager” or “Add Balance Sheet” option selected from the drop-down menu.

**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.



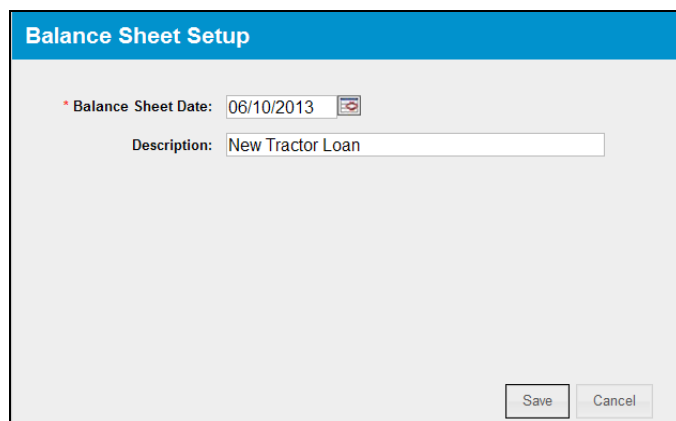
**Figure 14b, Balance Sheet & Income/Expense Trends Manager--\***

## **Farm Business Plan - FSA User Guide (Continued)**

### **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.

A screenshot of a software dialog box titled "Balance Sheet Setup". The dialog has a blue header bar with the title. Below the header, there is a field labeled "Balance Sheet Date:" with a red asterisk indicating it is required. The date "06/10/2013" is entered in the field, and a small calendar icon is to its right. Below this is a field labeled "Description:" with the text "New Tractor Loan" entered. At the bottom right of the dialog are two buttons: "Save" and "Cancel".

**Balance Sheet Setup**

\* Balance Sheet Date: 06/10/2013

Description: New Tractor Loan

Save Cancel

**Figure 14c--\***

## Farm Business Plan - FSA User Guide (Continued)

### 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.

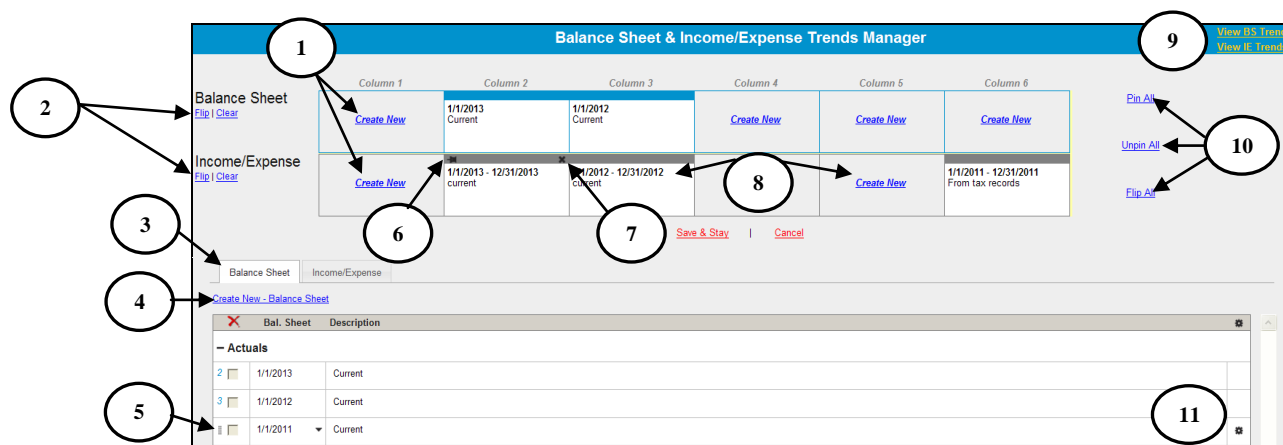


Figure 14d

Item	Feature
1	CLICK “ <b>Create New</b> ” to add a new balance sheet or income/expense.
2	CLICK “ <b>Flip</b> ” or “ <b>Clear</b> ” link to flip or clear all balance sheets or income/expenses separately.
3	CLICK “ <b>Balance Sheet</b> ” or “ <b>Income/Expense</b> ” tab to display list of available balance sheet or income/expenses.
4	CLICK “ <b>Create New - Balance Sheet</b> ” or “ <b>Create New - Income/Expense</b> ” link, as applicable, to add a new balance sheet or income/expense to the available list.
5	Click and hold “ <b>☐</b> ” (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 “ <b>X</b> ” 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 “ <b>View BS Trends</b> ” or “ <b>View IE Trends</b> ” link to go to the balance sheet or income/expense trends.
10	CLICK: <ul style="list-style-type: none"> <li>• “<b>Pin All</b>” to attach all balance sheets to the income/expense underneath</li> <li>• “<b>Unpin All</b>” to detach all balance sheets from the income/expense underneath</li> <li>• “<b>Flip All</b>” to flip all balance sheets and income/expenses at the same time.</li> </ul>
11	To edit rows of balance sheets or income/expenses, CLICK “ <b>⚙</b> ” (sprocket) to duplicate, lock, or move; use drop-down menus; or type directly into description fields.

--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

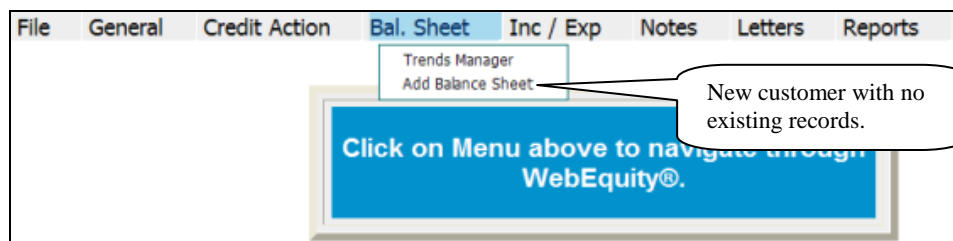


Figure 14e, Customer With No Existing Records

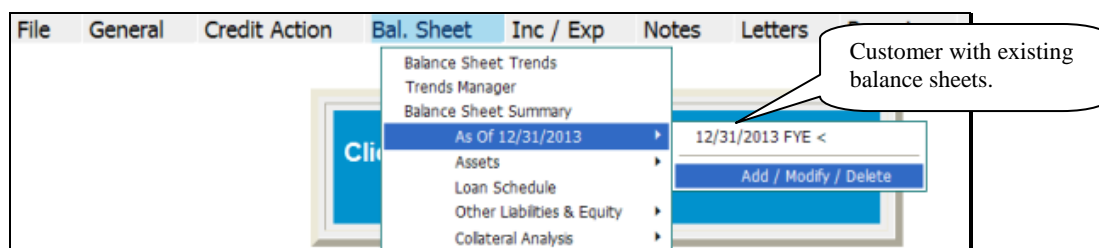


Figure 14f, Customer With Existing Records

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.

The screenshot shows the 'Balance Sheets' form. It has a header bar with the title 'Balance Sheets'. Below the header, there are two main input fields: 'Bal. Sht. Date' and 'Description'. The 'Bal. Sht. Date' field contains the date '12/31/2013' and a calendar icon. The 'Description' field contains the text 'FYE'. To the right of the 'Description' field is a 'Use' button. At the bottom right of the form is an 'Add' button.

Figure 14g--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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:

Bal. Sht. Date	Description	Use
8/1/2010	New Tractor Loan	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a> <input type="checkbox"/>
8/1/2010	New Tractor Loan - Post Close	<a href="#">View</a> * <a href="#">Duplicate</a> <a href="#">Track</a> <input checked="" type="checkbox"/>
12/31/2009	Current FYE	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a> <input checked="" type="checkbox"/>
9/1/2009	Before Dair\$	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a> <input type="checkbox"/>
9/1/2009	After Dair\$	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a> <input checked="" type="checkbox"/>
12/31/2008	Current FYE	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a> <input checked="" type="checkbox"/>

Additional hypertext links and “Use” blocks, note that 4 reports have been selected to display in fly-out window.

Red \* denotes the last summary selected for viewing.

\*--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.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
<div> <div>Click on M</div> <div> <a href="#">Balance Sheet Trends</a>  <a href="#">Balance Sheet Summary</a>  <a href="#">As Of 8/1/2010</a>  <a href="#">Assets</a>  <a href="#">Loan Schedule</a>  <a href="#">Other Liabilities &amp; Equity</a>  <a href="#">Collateral Analysis</a>  <a href="#">Credit Relationship</a> </div> </div>							

Note that only the 4 balance sheet reports that were selected in the “Use” column are displayed in the fly-out window.

\*--Figure 14i--\*

- 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.



## Farm Business Plan - FSA User Guide (Continued)

### 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.

\*--

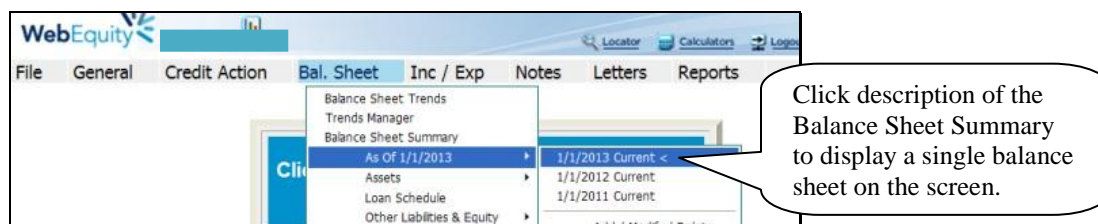


Figure 15a, Balance Sheet Summary Using the Toolbar

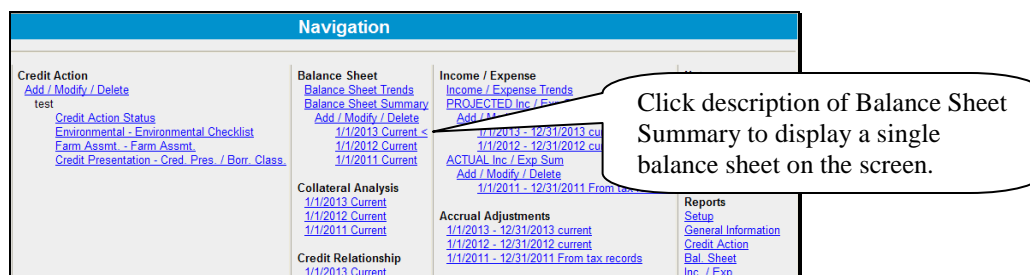


Figure 15b, Dashboard Navigation Screen--\*

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.

Figure 15c, Financial Data Input at the Summary Level

## Farm Business Plan - FSA User Guide (Continued)

### 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:  $10+2=12$ ,  $10-2=8$ ,  $10*2=20$ ,  $10/2=5$ ,  $(10+2)/2=6$

Current Assets		Current Liabilities	
Cash & Equivalents	1500+25000	Accounts Payable	2,500
Marketable Bonds & Securities	0	Income Taxes Payable	0
Accounts Receivable	0	Real Estate Taxes Payable	0

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.

Current Assets		Current Liabilities	
Cash & Equivalents	26,500 +/-	Accounts Payable	2,500
Marketable Bonds & Securities	0	Income Taxes Payable	0
Accounts Receivable	0	Real Estate Taxes Payable	0

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”.

WebEquity® Lookup Window - Windows Interne...

**Edit Formula**

1500+25000

Save & | Cancel &

Figure 15f, Edit Formula Window

## Farm Business Plan - FSA User Guide (Continued)

### 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. This may generate error messages or prevent information from saving.--\*

Add all applicable information and CLICK “Add”.

Figure 15g, Adding Line Items to Detail Schedule

Total value will transfer to the balance sheet Summary Screen.

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.

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.

Figure 16a, Balance Sheet Trends Using the Toolbar

## Farm Business Plan - FSA User Guide (Continued)

### D Balance Sheet (Continued)

#### 5 Balance Sheet Trends - Entering Data (Continued)

Trends may also be accessed through the Dashboard Navigation Screen.



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.

\*--

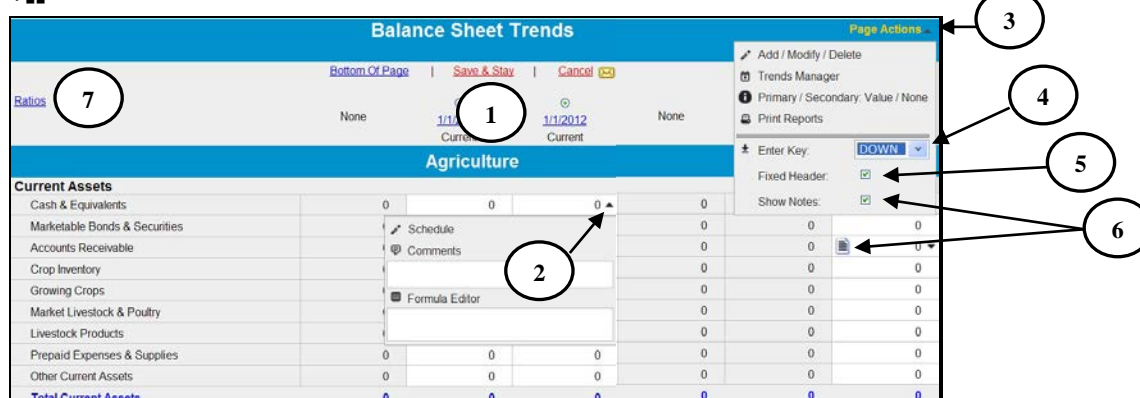


Figure 16c--\*

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 style="list-style-type: none"> <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	Use “Page Actions” drop-down menu to access additional features, as follow: <ul style="list-style-type: none"> <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 (✓) “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 (✓) “Show Notes” to display a “Page” icon, instead of the triangle, when notes exist.
*--7	CLICK “Ratios” on any open balance sheet for a quick snapshot of ratios.--*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

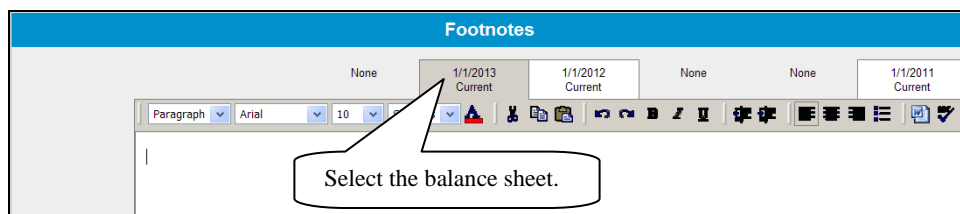


Figure 16d

**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 Sheet	Revise the balance sheet the customer submitted, using FSA values.
Dual Value Balance Sheet	This option will allow dual values to be entered on one Balance 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.



## Farm Business Plan - FSA User Guide (Continued)

### 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

The screenshot shows the 'Balance Sheet' interface. At the top right, there is a checkbox labeled 'Display Secondary Column' which is checked. Below this, there are two columns: 'Secondary: Value' and 'Primary: Adj Value'. The 'Primary: Adj Value' column has a dropdown menu with 'Value' selected. A callout box points to the 'Display Secondary Column' checkbox with the text: 'Check (✓) box to “Display Secondary Column”.' Another callout box points to the 'Value' dropdown in the 'Primary: Adj Value' column with the text: 'Click hyperlinks to select the “Primary” column to contain the FSA adjusted values. The secondary column will contain the customer values. Use the “copy” arrows to copy summary data from 1 column to another.'

Intermediate Assets		
Machinery & Equipment	100,000	85,000
Farm Vehicles	85,000	50,000

**\*--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.

## Farm Business Plan - FSA User Guide (Continued)

### 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.

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 (✓) 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 FSA Purchase Money--\* Security Interest (PMI). Enter an “(m)” before each line item used for Microloan collateral.

Use the Description field in “Machinery & Equipment” and “Farm Vehicles” schedule to enter an “\*” asterisk for PMI items, and an “(m)” for Microloan collateral. As an additional option, use the “Code” box to establish a code name for the equipment to group like equipment together.

Qty	Description	Value	+/-	Adj. Value	Col?	Code	Manufacturer	Size/Type	Condition	Year	Serial No.
1	*Sq Baler	7,000	0	7,000	<input checked="" type="checkbox"/>		John Deere	328	good	2003	70X888
1	*Rotary Mower	5,000	0	5,000	<input checked="" type="checkbox"/>		John Deere	MX8	good	2001	9833478
1	Tractor	7,000	0	7,000	<input checked="" type="checkbox"/>	T	IH	3088	fair	1985	66778
1	Tractor - Prior Lien JD	12,000	0	12,000	<input checked="" type="checkbox"/>	T	John Deere	4440	good	1982	4440p
<b>Total</b>		31,000		31,000							

Figure 16f

Breeding livestock must be categorized as either “Raised” or “Purchased”. FBP makes this distinction for accrual analysis because changes in raised breeding livestock will affect accrual-adjusted income, while purchased livestock will not. Use the Type field to enter an “\*” asterisk for PMI items, and an “(m)” for Microloan collateral.

Description (NAICS)	Type	# Head	Per Hd	Calc. Basis	Value	+/-	Adj. Value	Col?
-- Add New --		0	0		0	0	0	<input type="checkbox"/>
Cattle - Beef-Breeding Bulls	*	1	3,500	HD	3,500	0	3,500	<input checked="" type="checkbox"/>
Cattle - Beef-Breeding Heifers	*	5	1,300	HD	6,500	0	6,500	<input checked="" type="checkbox"/>
<b>Total</b>		6			10,000		10,000	

Figure 16g



## Farm Business Plan - FSA User Guide (Continued)

### D Balance Sheet (Continued)

#### 8 Assets (Continued)

When completing the Real Estate schedule, the “SA” box must be checked to transfer the real estate description to the Security Agreement. Enter an “(m)” at the beginning of the “Other Description” field if crops grown on real estate are used for Microloan collateral.

\*--

Real Estate - Land							
<input checked="" type="radio"/> Summary <input type="radio"/> Detail							
Calc. Basis	Value	Col ?	County	State	Owner	Other Description	SA
Total ▼	400,000	<input checked="" type="checkbox"/>	County	State	Joe Nobody	(m) take a right at the red	<input checked="" type="checkbox"/> Add

Figure 16h, Adding Real Estate to Security Agreement

--\*

#### 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.

#### 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.

When entering loans into the loan schedule it is recommended to uncheck the edit mode box to allow for entering complete information regarding each loan such as Next Payment Date, Purpose of Loan, Origination Date, Original Amount, Maturity Date, and Past Due Amount into the Loan Detail screen.

Loan Schedule - Existing Loans							
<input checked="" type="checkbox"/> Edit Mode <input type="radio"/> Summary <input type="radio"/> Detail							
Creditor	Pmt	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To I/E?	Loan #	
Detail -- Add New --	0	1	0	0	<input checked="" type="checkbox"/>		Add Ag. ▼

Figure 16i

## Farm Business Plan - FSA User Guide (Continued)

### D Balance Sheet (Continued)

#### 9 Liabilities (Continued)

##### b Farm Liabilities (Continued)

\*--CLICK the “Add New” hyperlink to access the “New Loan Detail” Screen, or the “Detail” hyperlink to access the “Existing Loan Detail” Screen.

Loan Schedule - Existing Loans												<input type="checkbox"/> Edit Mode
<a href="#">Creditor</a>	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 #	<a href="#">Add New</a>
<div><div>✖</div><div><input type="checkbox"/> </div></div>	Int.	97,301	6	0	Equal	<div><div>📁</div><div>📧</div></div> 1,422	12	5,524	11,540	X		<div><a href="#">Detail</a></div> <div>Ag.</div>

Figure 16j

Add information for new or existing loans, then “Save”.






New Loan Detail		Select
<a href="#">Save &amp; Stay</a>   <a href="#">Save &amp; Add New</a>   <a href="#">Save &amp; </a>   <a href="#">Save &amp; Menu</a>		
* Indicates Required		
Account Type	Ag. 	
Loan Purpose Code	None 	
<a href="#">Creditor</a>	FSA 	*
Loan Number	<input type="text"/>	
Loan Type	Int. 	*
Requested Amount	<input type="text" value="150,000"/> <input checked="" type="radio"/> To Collateral Analysis	

Figure 16k--\*

## Farm Business Plan - FSA User Guide (Continued)

### D Balance Sheet (Continued)

#### 9 Liabilities (Continued)

##### 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.



\*--Figure 16l--\*

**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
<b>Farm Business or Ag Liabilities</b>		
Accounts Payable	Unpaid expenses, payables, bills, accrued leases, etc.	<ul style="list-style-type: none"> <li>• Use summary input or scheduled input, depending upon the number of debts in each category or if more detail is needed.</li> <li>• Do <b>not</b> include loans or notes in any of these categories.</li> </ul>
Income Taxes Payable	Accrued or owing Federal and State income tax, FICA tax, employment taxes, etc.	
Real Estate Taxes Payable	Accrued or billed real estate taxes.	
Other Current Liabilities	Judgments, liens, etc.	

**Farm Business Plan - FSA User Guide (Continued)**

**D Balance Sheet (Continued)**

**10 Additional Information about Liabilities (Continued)**

Type of Liability	Includes	Additional Details
<b>Farm Business or Ag Liabilities (Continued)</b>		
		<b>Note: It is recommended that the “Edit Mode” on the Loan Schedule be unchecked.</b>
FSA Direct Loans	Principal and accrued interest, including the principal portion of Disaster Set-Aside, also called ISA	<ul style="list-style-type: none"> <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 style="list-style-type: none"> <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> <li>• Enter as much other additional information as necessary.</li> <li>• For past due loan payments, see “All Loans”.</li> </ul>

**Farm Business Plan - FSA User Guide (Continued)**

**D Balance Sheet (Continued)**

**10 Additional Information about Liabilities (Continued)**

Type of Liability	Includes	Additional Details
<b>Farm Business or Ag Liabilities (Continued)</b>		
FSA Direct Loans (Continued)	RCI not already rolled into FSA loan balances.	<ul style="list-style-type: none"> <li>• Using the loan schedule detail input option is recommended.</li> <li>• “Loan Type” should be “Cur”.</li> <li>• “Interest Rate” drop-down menu: <ul style="list-style-type: none"> <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>• “Pmt. Method” should be “Non Rev”.</li> <li>• The payment amount should include the entire principal and interest balance, as RCI is immediately due.</li> <li>• “Purpose of Loan” may be used to indicate that it is RCI, for example, “41-99 RCI”.</li> <li>• “To Credit Relationship” is checked by default for FSA loans.</li> <li>• Enter as much other additional information as necessary.</li> </ul>

**Farm Business Plan - FSA User Guide (Continued)**

**D Balance Sheet (Continued)**

**10 Additional Information about Liabilities (Continued)**

Type of Liability	Includes	Additional Details
<b>Farm Business or Ag Liabilities (Continued)</b>		
FSA Direct Loans (Continued)	FSA deferred interest, noncap interest, deferred noncap interest, interest on ISA.	<ul style="list-style-type: none"> <li>Using the loan schedule detail input option is recommended.</li> <li>Add all of these types of interest for each loan, and list the resulting total as a <b>principal</b> balance on a separate FSA loan.</li> <li>The interest rate is zero percent.</li> <li>Interest Rate designation is "Fixed".</li> <li>"Purpose of Loan" may be left blank.</li> <li>Enter in the "Loan #" a description of what it includes, i.e. "41-07 ISA".</li> <li>Do <b>not</b> check the "send to I/E" box.</li> <li>"To Credit Relationship" is checked by default for FSA loans.</li> <li>Enter as much other additional information as necessary.</li> </ul>
Other Loans	Other notes, intermediate and long-term financing.	<ul style="list-style-type: none"> <li>Use the loan schedule summary or detail input option.</li> <li>Enter as much information as necessary.</li> </ul>
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.
<b>Personal Liabilities</b>		
All personal debts	Credit cards, personal vehicle loans, home loans, student loans, personal loans, etc.	<ul style="list-style-type: none"> <li>Do <b>not</b> 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> <li>•*--Select the option to have the total payments appear in "Owner Withdrawals" on the income/expense record.--*</li> </ul>

## Farm Business Plan - FSA User Guide (Continued)

### D Balance Sheet (Continued)

#### 10 Additional Information about Liabilities (Continued)

##### a Example of Loan With Disaster Set-Aside

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.

		<u>Interest</u>	<u>Principal</u>	<u>Scheduled Annual Installment</u>
0101	41 17	219	162,987	12,413
ISA	41 17	15,954	5,059	
	Total	16,173	168,046	

\*--

Loan Schedule - Existing Loans													
Greer 28200310160021021491 1, Pixie 1/1/2010 Current													
<a href="#">Creditor</a>	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To IE ?	Loan #	<a href="#">Add New</a>	<a href="#">Copy from Credit Report</a>
<input checked="" type="checkbox"/>	FSA	L.T.	168,046	5	219	Equal	12,413	1	8,402	4,011 X	41-17	<a href="#">Detail</a>	Ag.
<input checked="" type="checkbox"/>	FSA	L.T.	15,954	0	0	Equal	0	1	0	0		<a href="#">Detail</a>	Ag.
Totals:		184,000		219		12,413		8,402	4,011				
Loan Schedule - New Loans													
Greer 28200310160021021491 1, Pixie 1/1/2010 Current													
<a href="#">Creditor</a>	Loan Type	Adv. Amt.	To IE ?	Int. %	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To IE ?	Loan #	<a href="#">Add New</a>	Post Cls?

Figure 17, How FSA Loan With DSA Will Appear in FBP

#### 11 Copying Liabilities from the Credit Report (Optional Feature)

Loan Schedule - Existing Loans													
1/1/2010 Current													
<a href="#">Creditor</a>	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To IE ?	Loan #	<a href="#">Add</a>	<a href="#">Copy from Credit Report</a>
<a href="#">Detail</a>	-- Add New --	0	0	0	Select	0	1	0	0	<input checked="" type="checkbox"/>		<a href="#">Add</a>	<input checked="" type="checkbox"/>
Loan Schedule - New Loans													
BALL, RANDY L 1/1/2010 Current													
<a href="#">Creditor</a>	Loan Type	Adv. Amt.	To IE ?	Int. %	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To IE ?	Loan #	<a href="#">Add</a>	Post Close?
<a href="#">Detail</a>	-- Add New --	0	<input checked="" type="checkbox"/>	0	Select	0	1	0	0	<input checked="" type="checkbox"/>		<a href="#">Add</a>	Ag.

Figure 18

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 then need to be deleted and added to the “Personal” Section of the balance sheet.

## **Farm Business Plan - FSA User Guide (Continued)**

### **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.



**Farm Business Plan - FSA User Guide (Continued)**

**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.

## Farm Business Plan - FSA User Guide (Continued)

### 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 2 balance sheets, a “Before Refi” and “After Refi”--\*
- cannot be used if using an accrual-adjusted projected income/expense statement
- is the least complicated.

\*--**Step 1.** Create the current balance sheet loan schedule without any new loans. Add a meaningful description such as “Before Ref”. Do **not** attach this “Before Ref” 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.--\*

1/1/2010 Before Refinancing													Edit Mode		Copy From Credit Report	
Loan Schedule - Existing Loans																
Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To IE ?	Loan #					
<input type="checkbox"/> Imperial Bank	Cur.	18,000	9	1,000	Non Rev	19,000	1	1,000	18,000	X					<a href="#">Detail</a>	Ag.
<input type="checkbox"/> Ford Motor Credit	Int.	41,000	5	600	Equal	11,400	1	2,050	9,350	X					<a href="#">Detail</a>	Ag.
<input type="checkbox"/> John Deere Credit	Int.	80,000	6	1,400	Equal	26,900	1	4,800	22,100	X					<a href="#">Detail</a>	Ag.
<b>Totals:</b>		<b>139,000</b>		<b>3,000</b>		<b>57,300</b>		<b>7,850</b>	<b>49,450</b>							

1/1/2010 Before Refinancing																
Loan Schedule - New Loans																
Creditor	Loan Type	Adv. Amt.	To IE ?	Int. %	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To IE ?	Loan #					
															<a href="#">Add New</a>	Post Cls?

Figure 19, \* \* \* 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”.

1/1/2010 Before Refinancing				Accounts Payable	
Description		Amount	Proj. IE ?		
<input type="text"/>		0	None		
<input type="checkbox"/> Repair Bill		1,000	None		
<b>Total</b>		<b>1,000</b>			

Figure 20, Accounts Payable Schedule

## Farm Business Plan - FSA User Guide (Continued)

### E Refinancing and Restructuring (Continued)

#### 1 Refinancing (Continued)

##### a Example 1, Current Balance Sheet Method (Continued)

**\*--Step 2.** Duplicate the “Before Refi” balance sheet and create an “After Refi” balance sheet. Attach this balance sheet to the projection. On this duplicated balance sheet, make the following changes to document the refinance transactions.--\*

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** (✓) “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.

1/1/2010 After Refinancing													
Loan Schedule - Existing Loans													
Creditor	Loan Type	Prin. Bal.	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To Pmt./Yr. IE ?	Loan #	Add New	
<input checked="" type="checkbox"/> Imperial Bank	Cur.	18,000	9	1,000	Refi.	19,000	1	1,000	18,000			<a href="#">Detail</a>	Ag.
<input checked="" type="checkbox"/> Ford Motor Credit	Int.	41,000	5	600	Refi.	41,600	1	600	41,000			<a href="#">Detail</a>	Ag.
<input checked="" type="checkbox"/> John Deere Credit	Int.	80,000	6	1,400	Refi.	81,400	1	1,400	80,000			<a href="#">Detail</a>	Ag.
<b>Totals:</b>		<b>139,000</b>		<b>3,000</b>		<b>142,000</b>		<b>3,000</b>	<b>139,000</b>				
1/1/2010 After Refinancing													
Loan Schedule - New Loans													
Creditor	Loan Type	Adv. Amt.	To IE ?	Int. %	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To Pmt./Yr. IE ?	Loan #	Add New	Post CIs?
<input checked="" type="checkbox"/> FSA	Int.	143,000		4	Equal	23,825	1	5,720	18,105	X		<a href="#">Detail</a>	X Ag.
<b>Totals:</b>		<b>143,000</b>				<b>23,825</b>		<b>5,720</b>	<b>18,105</b>				

Figure 21, \* \* \* Balance Sheet Loan Schedule

## Farm Business Plan - FSA User Guide (Continued)

### 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.

\*--

<a href="#">Operating Interest</a>	0	0
<a href="#">Term Interest</a>	5,720	0
<b>Total Operating Expense</b>	<b>14,220</b>	<b>0</b>
<hr/>		
<b>Net Oper. Income</b>	<b>-13,220</b>	<b>0</b>
<hr/>		
<b>Non-Operating</b> <a href="#">Save &amp; Stay</a>   <a href="#">Save &amp; Menu</a> <a href="#">Copy Avg.</a>		
<a href="#">Owner Withdrawal</a>	Projected 0	Avg.(0) 0
<a href="#">Income Taxes</a>	0	0
<a href="#">Non-Farm Income</a>	0	0
<a href="#">Non-Farm Expense</a>	0	0
<hr/>		
<b>Financing</b>		
<a href="#">Term Principal Payment</a>	18,105	0
<hr/>		
<b>Margin after Debt Servicing</b>	<b>-31,325</b>	<b>0</b>
<hr/>		
<a href="#">Operating Loan Advance</a>	0	0
<a href="#">Term Loan Advance</a>	0	0

--\*

FSA term loan payment, principle, and interest is included in 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 Amount Requested for Approval: 143,000

Loan #	Purpose	Loan Type	Principal Balance	Present Commit.	Incr./Decr.	Fees Financed	Proposed Commit.	Int. %	Pmt Amt P & I	# Pmts /Yr	Term	Amortization	Orig. Date	Maturity Date
<b>Total:</b>			0	0	143,000	0	143,000		23,825					
<hr/>														
<b>New</b>														
Ref Imp Bank 19K, Ford 41.6K, JD 61.4K, Repairs 1K	Int.		0	0	143,000	0	143,000	4.000	23,825	1	0	0		
<b>Totals:</b>			0	0	143,000	0	143,000		23,825					

Figure 23a, Complete Credit Relationship Section

Comments

Paragraph Font Size Symbols

For new loans indicate loan purpose(s):  
 Ref. Imperial Bank \$19,000  
 Ref. Ford Credit \$41,600  
 Ref. JD Credit \$81,400  
 Ref. Repair Bill \$1,000  
 Total \$143,000

Document the sources and use of funds in “Comments” section.

--\*

Figure 23b

## Farm Business Plan - FSA User Guide (Continued)

### 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

**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.

- requires that the user document the sources and uses of funds in the Credit Presentation
- \*--requires 2 balance sheets, a “Before Refi” and “After Refi”--\*
- 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 current balance sheet loan schedule, without any new loans. Add a meaningful description such as “Before Ref”. Note that the existing loans will appear on the balance sheet. This balance sheet is for informational purposes only and will be the balance sheet that the customer signs.--\*

1/1/2010 Before Refinancing												Loan Schedule - Existing Loans		Edit Mode		Copy From Credit Report	
Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To IE ?	Loan #	Add New					
	Imperial Bank	Cur.	18,000	9	1,000	Non Rev	19,000	1	1,000	18,000 X		<a href="#">Detail</a>					Ag.
	Ford Motor Credit	Int.	41,000	5	600	Equal	11,400	1	2,050	9,350 X		<a href="#">Detail</a>					Ag.
	John Deere Credit	Int.	80,000	6	1,400	Equal	26,900	1	4,800	22,100 X		<a href="#">Detail</a>					Ag.
<b>Totals:</b>			<b>139,000</b>		<b>3,000</b>		<b>57,300</b>		<b>7,850</b>	<b>49,450</b>							
1/1/2010 Before Refinancing												Loan Schedule - New Loans					
Creditor	Loan Type	Adv. Amt.	To IE ?	Int. %	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To IE ?	Loan #	Add New					Post Cls?

Figure 24, Entering \* \* \* Loan Schedules

## Farm Business Plan - FSA User Guide (Continued)

### 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”.

Description	Amount	Proj. I/E ?
	0	None
Repair Bill	1,000	Repairs & Maintenance
<b>Total</b>	<b>1,000</b>	

Figure 25, Entering \* \* \* Accounts Payable

**\*--Step 2.** Duplicate the “Before Refi” balance sheet and create an “After Refi” balance sheet. Attach this balance sheet to the projection.

**Step 3.** Create the refinance scenario in the “After Refi” 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.

# Farm Business Plan - FSA User Guide (Continued)

## E Refinancing and Restructuring (Continued)

### 1 Refinancing (Continued)

#### b Example 2, Balance Sheet Accounting Method (Continued)

Loan Schedule - Existing Loans												
1/1/2010 After Ref. Ex. 2												
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 #	
<input type="checkbox"/> Imperial Bank	Cur.	18,000	9	1,000	Refi.	19,000	1	1,000	18,000	X		Detail Ag.
<input type="checkbox"/> Ford Motor Credit	Int.	41,000	5	600	Refi.	41,600	1	600	41,000	X		Detail Ag.
<input type="checkbox"/> John Deere Credit	Int.	80,000	6	1,400	Refi.	81,400	1	1,400	80,000	X		Detail Ag.
Totals:		139,000		3,000		142,000		3,000	139,000			

Loan Schedule - New Loans												
1/1/2010 After Ref. Ex. 2												
Creditor	Loan Type	Adv. Amt.	To VE ?	Int. %	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To VE ?	Loan #	Post Cls?
<input type="checkbox"/> FSA	Int.	142,000	X	4	Equal	23,659	1	5,680	17,979	X		Detail X Ag.
<input type="checkbox"/> FSA	Int.	1,000	X	4	Equal	166	1	40	126	X		Detail Ag.
Totals:		143,000				23,825		5,720	18,105			

\*--Figure 26, Creating Refi Scenario With “After Refi” Balance Sheet

**Step 4.** Create the income/expense projection, ensuring that the beginning balance sheet is the “After Refi” balance sheet.--\*

Income / Expense										View Trends
Projected Actual	Beg. Date	End. Date	Description	Beg. Bal. Sht.	End. Bal. Sht.	Monthly CF Setup # Mths	Use			
Select									Add	
<input type="checkbox"/> Proj.	1/1/2010	12/31/2010	current	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.

Repairs & Maintenance				
Description	Amount	Pro Forma?	P.F.	
	0	None		Add
Beg. Inventory as of 1/5/2010				
Description	Beg BS	Pmt.	P.F.	
Repair Bill	1,000	1,000	1,000	
Total Beg. Inv.	1,000			
Total to Inc/Exp Summary		0		

Enter \$1,000 in “Pmt.” field. Be sure to include any additional expenses for the year as additional line items.

Figure 28, Completing the Cash Flow Projection

## Farm Business Plan - FSA User Guide (Continued)

### 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.

\*--

<a href="#">Rent - Mach / Equip / Vehicle</a>	0	0
<a href="#">Rent - Land / Animals</a>	0	0
<a href="#">Repairs &amp; Maintenance</a>	1,000	0
<a href="#">Seeds &amp; Plants</a>	0	0
<a href="#">Supplies</a>	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.

\*--

<a href="#">Operating Interest</a>	3,000	0
<a href="#">Term Interest</a>	5,720	0
<b>Total Operating Expense</b>	<b>9,720</b>	<b>0</b>
<b>Net Oper. Income</b>		<b>-8,720</b>
<b>Non-Operating</b>		
Save & Stay   Save & Menu Copy Avg.		
<a href="#">Owner Withdrawal</a>	0	0
<a href="#">Income Taxes</a>	0	0
<a href="#">Non-Farm Income</a>	0	0
<a href="#">Non-Farm Expense</a>	0	0
<b>Financing</b>		
<a href="#">Term Principal Payment</a>	18,105	0
		--*

**Figure 30, Verify Operating and Term Interest, and Term Principal Payments are Properly Shown**



Farm Business Plan - FSA User Guide (Continued)

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.

\*--

<a href="#">Operating Loan Advance</a>	0	0
<a href="#">Term Loan Advance</a>	143,000	0
<a href="#">Operating Loan Pmt. &amp; Refi.</a>	139,000	0
<b>Capital</b> <a href="#">Copy Avg.</a>		--*

**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.

**Farm Business Plan - FSA User Guide (Continued)**

**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.

Loan Type	Shown on “As Is” Balance Sheet	Shown on Quasi “Post Close” Balance Sheet	Appears on Projection 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	Term 126	Term 40
		Total	18,105	5,720
Use of 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  Pmt Method is Equal	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
		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	

## Farm Business Plan - FSA User Guide (Continued)

### E Refinancing and Restructuring (Continued)

#### 2 Direct Loan Servicing

In connection with any direct loan servicing action, a current 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**”.

**\*--Notes:** 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.

When a loan is restructured, it becomes a regular loan. **Do not** identify line items as Microloan (M) collateral in the asset description fields.

When restructuring a delinquent borrower, a lien on all assets must be taken according to 5-FLP, paragraph 211.--\*

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 “After DALR\$” 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 current 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.

Farm Business Plan - FSA User Guide (Continued)

E Refinancing and Restructuring (Continued)

2 Direct Loan Servicing (Continued)

\*--

1/1/2015 Before DALR\$													
Loan Schedule - Existing Loans													
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	
<div><div></div><div></div></div>													
<div><div></div><div></div></div> FSA	Cur.	20,000	2.25	2,000	Non Rev	22,000	1	2,000	20,000	X	44-01	<div><div></div><div></div></div> <div>Detail</div>	Ag.
<div><div></div><div></div></div> FSA	Int.	100,000	2.25	1,000	Equal	15,601	1	2,250	13,351	X	44-02	<div><div></div><div></div></div> <div>Detail</div>	Ag.
<div><div></div><div></div></div> FSA	L. T.	150,000	2	0	Equal	6,727	1	3,000	3,727	X	44-03	<div><div></div><div></div></div> <div>Detail</div>	Ag.
Totals:		270,000		3,000		44,328		7,250	37,078				

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 After DALR\$													
Loan Schedule - Existing Loans													
<div>Edit Mode</div>													
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 #	<a href="#">Add New</a>	
<div><div>✖</div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div>													
<div><div></div><div></div></div> FSA	Int.	22,000	2.25	0	Equal	1,745	1	495	1,250	X	Old 44-01Resc	<a href="#">Detail</a>	Ag.
<div><div></div><div></div></div> FSA	Int.	101,000	2.25	0	Equal	8,009	1	2,273	5,737	X	Old 44-02 Res	<a href="#">Detail</a>	Ag.
<div><div></div><div></div></div> FSA	L.T.	150,000	2	0	Equal	6,698	1	3,000	3,698	X	Old 41-03 Rea	<a href="#">Detail</a>	Ag.
Totals:		273,000		0		16,453		5,768	10,685				

Figure 33, “After DALR\$” Loan Schedule

## Farm Business Plan - FSA User Guide (Continued)

### 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.

\*--All available actual Income/Expense information should be added to FBP before creating a new projected plan.--\*

**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.

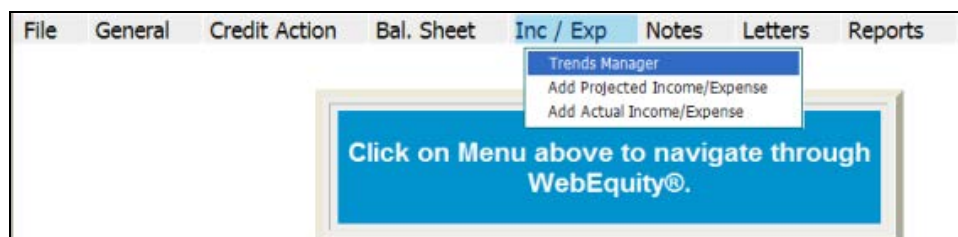


Figure 34a

## Farm Business Plan - FSA User Guide (Continued)

### 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.

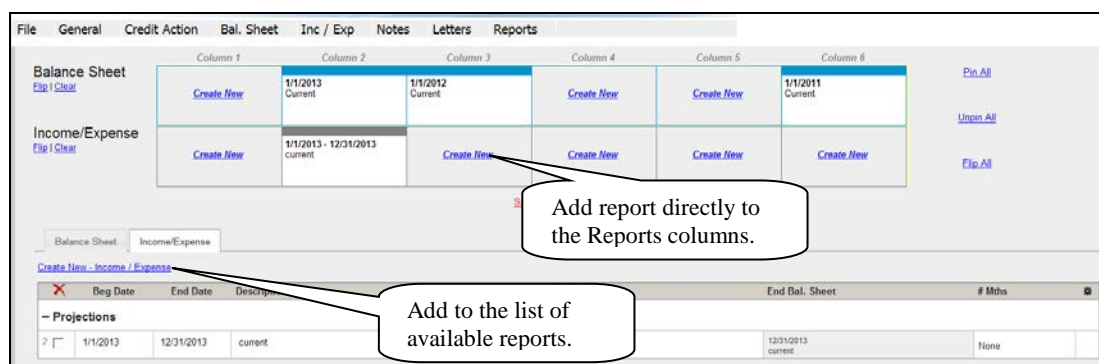


Figure 34b

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.

**\*--Caution:** Attach the correct beginning balance sheet as some items, such as debt service, inventories, cash, etc., **may** flow from the balance sheet into the income/expense projection.--\*

The 'Income/Expense Setup' dialog box is shown. It has a blue header. The fields are as follows:  
 \* Projected/Actual: Projected (dropdown)  
 \* I/E Beginning Date: 1/1/2013 (calendar icon)  
 \* I/E Ending Date: 12/31/2013 (calendar icon)  
 Description: current (text field)  
 # Mths: None (dropdown)  
 Beginning Balance Sheet: 1/1/2013 :Current (dropdown)  
 Ending Balance Sheet: None (dropdown)  
 At the bottom right are 'Save' and 'Cancel' buttons.

Figure 34c, Income/Expense Setup

## Farm Business Plan - FSA User Guide (Continued)

### 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.

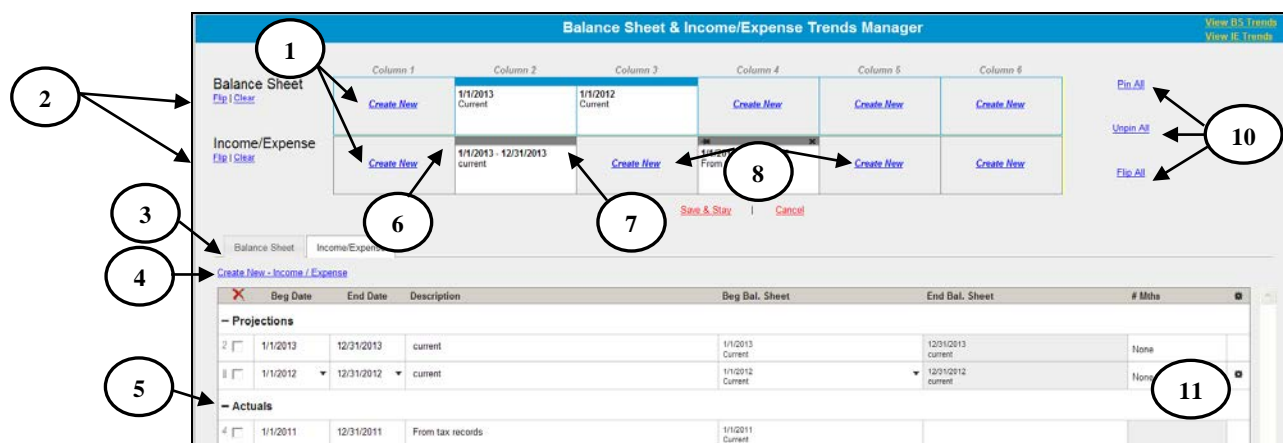




Figure 34d, Balance Sheet & Income/Expense Trends Manager

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 “Pin” 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: <ul style="list-style-type: none"> <li>• “Pin All” to attach all balance sheets to the income/expense underneath</li> <li>• “Unpin All” to detach all balance sheets from the income/expense underneath</li> <li>• “Flip All” to flip all balance sheets and income/expenses at the same time.</li> </ul>
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.

--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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” to access the Income/Expense Screen. The--\* “Add/Modify/Delete” option may also be accessed through the Dashboard.

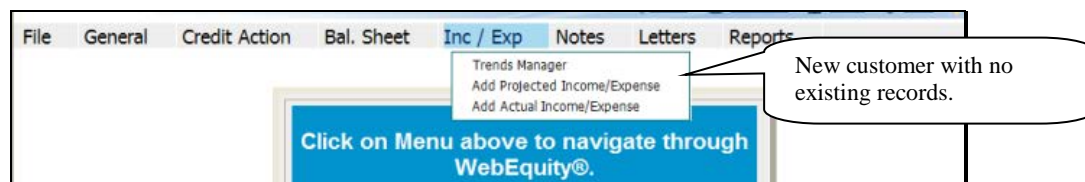


Figure 34e, Customer with No Existing Records

\*--

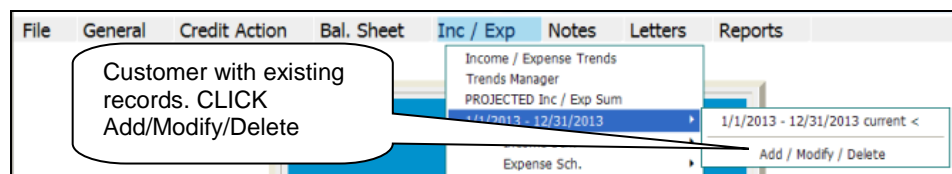


Figure 34f, Customer with Existing Records--\*

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.  <b>Note:</b> The “Description” field appears on all printed reports and should contain a meaningful description of the income/expense being added.  <b>Example:</b> “Before eDALR\$ 2010” or “OL loan 2010.”
Beg. Bal. Sht	CLICK “None Selected” link and select a balance sheet date that is displayed in the 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 Setup	<b>This is an Optional field.</b> Select number of months for the monthly cash flow. See <b>Using Income/Expense Categories</b> (Section F 5).
Add	CLICK “Add” to display in the list of income/expense summaries.
	<b>Note:</b> 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.



## Farm Business Plan - FSA User Guide (Continued)

### F Income/Expense (Continued)

#### 1 Adding a New Income/Expense (Continued)

The screenshot shows the 'Income / Expense' screen with a table of entries. A callout box points to the 'Add' button in the top right corner, stating: 'Complete all fields, then CLICK "Add" to 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.

\*--

The screenshot shows the 'Income / Expense' screen with a list of entries. Callouts point to various features:
 

- 'View Trends' link in the top right.
- 'View' link in the right column of the list.
- 'Use' column checkboxes in the rightmost column.
- A note: 'Note: 5 reports selected in the "Use" column to display in the fly-out window.'
- A note: 'Red\* denotes last summary selected for viewing.'

Figure 34h, Income/Expense Screen

Field	Action
View Trends	CLICK "View Trends" for quick access to Income/Expense Trends Screen.
View	CLICK "View" to access a Projected or Actual Income/Expense Summary Screen.--*
Use	<p>Check (✓) "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.</p> <div data-bbox="435 1524 1469 1730"> <p>Only the 5 income/expense reports that were selected in the "Use" column, display in the fly-out window.</p> </div>
Rev Loc	<p>Will only be displayed if users choose the Monthly CF Setup. CLICK "RevLoc" 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.</p>

Figure 34i

Farm Business Plan - FSA User Guide (Continued)

F Income/Expense (Continued)

2 Additional Links on the Income/Expense Screen (Continued)

\*--Figure 34j, Revolving LOC Setup Screen--\*

Field	Action
View	CLICK “ <b>View</b> ” 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 “ <b>PF</b> ” to display the pro forma (projected) information for that year.
Dupl.	CLICK “ <b>Dupl.</b> ” to duplicate that particular year’s information. The duplicate will be displayed under the year user wanted to duplicate.
Move	CLICK “ <b>Move</b> ” to move a projected income/expense year down to an actual year and vice versa. CLICK “ <b>Move</b> ” for the year user wants to move and the system will automatically move the year.
Lock	CLICK “ <b>Lock</b> ” to lock the selected income/expense screen.

## Farm Business Plan - FSA User Guide (Continued)

### 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.

\*--

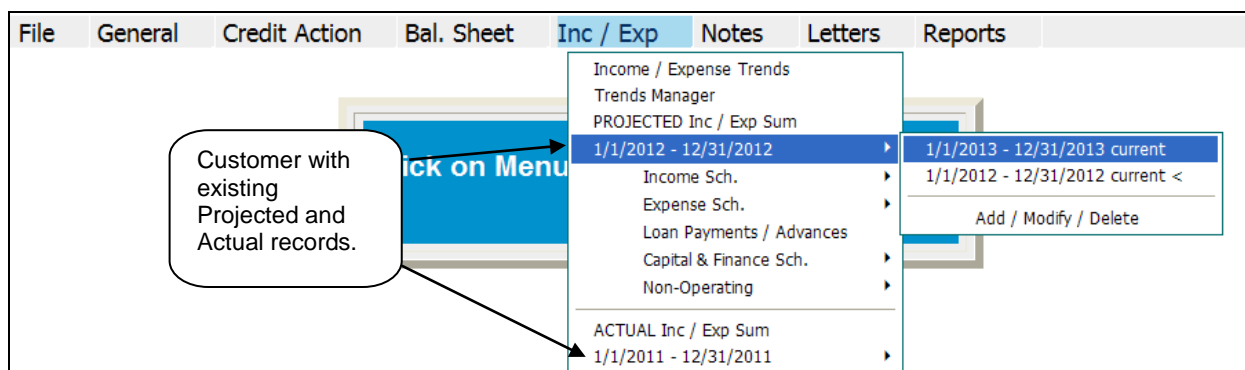


Figure 34k, Inc/Exp Summary Using the Toolbar--\*

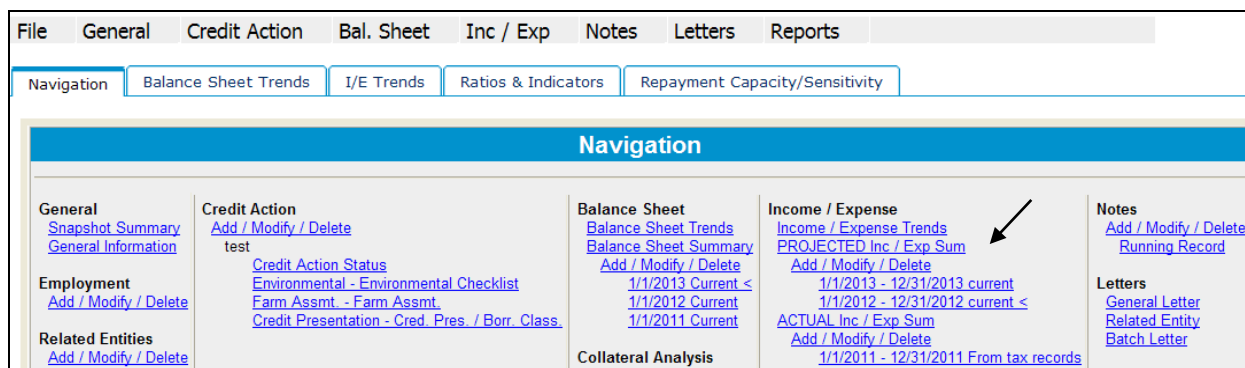


Figure 34l, Dashboard Navigation Screen

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.

## Farm Business Plan - FSA User Guide (Continued)

### 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 / Modify / Delete

Ratios

Save & Stay | Cancel

Operating Income

Crop Sales

Livestock & Poultry Sales

Projected

Avg.(3)

None

100,000

35,000

75,500

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 “Avg.”. 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 1/1/2010 To 12/31/2010

Proj. Inc/Exp Summary

Add / Modify / Delete

Ratios

Save & Stay | Save & Menu

Operating Income

Crop Sales

Livestock & Poultry Sales

Projected

Avg.(3)

None

108,333

40,877

108,333

40,877

\*--Figure 34n, Copy Average to Projection--\*


## Farm Business Plan - FSA User Guide (Continued)

### 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 & Trucking					0	0
	Gas / Fuel / Oil					(750+333)*12	0
	Insurance Exp.					0	0

\*--Figure 34o, Enter a Math Formula--\*

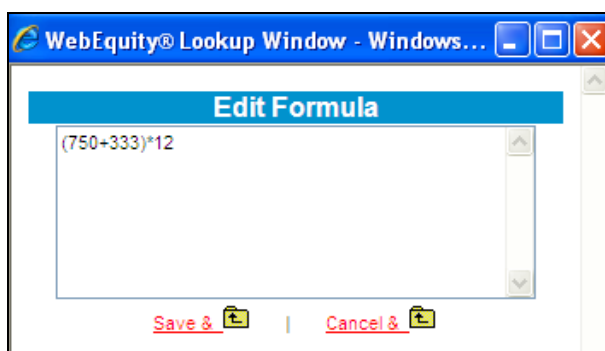
- To view a math formula, place the cursor over the plus/minus (+/-) symbol next to a cell that contains a math formula. Any new formula entered in a cell will overwrite the original calculation. Calculations are stored when screens are saved.



File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
	Freight & Trucking					0	0
	Gas / Fuel / Oil					12,996 +/-	0
	Insurance Exp.					0	0
	Labor Hired					(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”.



\*--Figure 34q, Edit Formula Window--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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](#)

[Save & Stay](#) | [Cancel](#)

[Copy 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. When the “Dbl Crop” box is checked, the double cropped acres are subtracted from the total acres.

Add information for each crop then **CLICK “Add”** link on the far right side of the screen.

**Crop Sales** [Print](#) • [Word](#) • [Excel](#) • [Summary](#) • [Detail](#) • [Group By](#) • [Crop](#) • [Land Owner](#)

[Yield & Per Unit Defaults](#)

[-- Add New --](#)

	Acres	Yield	%	Prod. U.	Farm Use	Sale U.	Per Unit	Sales	End U.	Dbl Crop
<input checked="" type="checkbox"/> Corn-	500	125	100	62,500	0	62,500	4.85	303,125	0	<input type="checkbox"/>
<input checked="" type="checkbox"/> Corn-	500			62,500	0	62,500		303,125	0	<input type="checkbox"/>
<input checked="" type="checkbox"/> Soybeans-	200	35	100	7,000	0	7,000	10.75	75,250	0	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Soybeans-	0			7,000	0	7,000		75,250	0	<input checked="" type="checkbox"/>
<b>Total Production</b>	500			69,500	0	69,500		378,375	0	
<b>Total to Inc/Exp Summary</b>								378,375		

Figure 34s, Financial Data Input at the Schedule Level

After all crops have been added, the “Total Sales” amount will be displayed on the Inc/Exp Summary Screen.--\*

Current  
1/1/2012 To 12/31/2012

**Proj. Inc/Exp Summary** [Add / Modify / Delete](#)

[Ratios](#)

[Save & Stay](#) | [Cancel](#)

**Operating Income** [Copy Avg.](#) | Projected | Avg.(0) | None

[Crop Sales](#) | 378,375 | 0

[Livestock & Poultry Sales](#) | 0 | 0

Figure 34t, Total Sales Amount

## Farm Business Plan - FSA User Guide (Continued)

### F Income/Expense (Continued)

#### 3 Income/Expense Summary – Entering Data (Continued)

**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.

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.

The screenshot shows the 'Crop Sales' window. A callout bubble points to the 'Land Owner' link in the top left, stating 'CLICK “Land Owner”.' Another callout bubble points to the 'Select Land Owner' link in the top right, stating 'Select the land owner for each crop.' A third callout bubble points to the 'Ent.' checkbox, stating 'Optional enterprise analysis.' The main table displays crop sales data with columns for Bu., Yield, %, Prod. U., Farm Use, Sale U., Per Unit, Sales, End U., Dbl Crop, and Land Owner. The table includes three rows of data for different crops, with a total row at the bottom.

Bu.	Yield	%	Prod. U.	Farm Use	Sale U.	Per Unit	Sales	End U.	Dbl Crop	Land Owner
100	125	100	12,500	0	12500	4.85	60,625	0	<input type="checkbox"/>	Select Land Owner
500	125	100	62,500	0	62,500		303,125	0	<input type="checkbox"/>	Sam Beets
200	35	100	7,000	0	7,000	10.75	75,250	0	<input type="checkbox"/>	Jesse James
700			69,500	0	69,500		75,250	0	<input type="checkbox"/>	

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.

The screenshot shows the 'Land Owners' dialog box. It has a 'Description' field with 'Frank James' entered and an 'Add' button. Below this is a list of land owners: 'Sam Beets' and 'Jesse James', each with a 'Detail' button. A callout bubble points to the 'Add' button, stating 'Add as many land owners as needed.'

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.



## Farm Business Plan - FSA User Guide (Continued)

### F Income/Expense (Continued)

#### 3 Income/Expense Summary – Entering Data (Continued)

When completing the “Rent – Land/Animals schedule” in the Operating Expenses section, the “SA” box must be checked to transfer the leased land description to the Security Agreement.

\*--Enter an “(m)” at the beginning of the “Other Description” field if crops grown on real estate are used for Microloan collateral.

Figure 34w, Adding Leased Land to Security Agreement

--\*

#### 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.

Figure 34x, Crop Sales Schedule Screen



## Farm Business Plan - FSA User Guide (Continued)

### F Income/Expense (Continued)

#### 4 Enterprise Analysis (Continued)

On the Customer NAICS Crop Screen that will be displayed, CLICK “**Copy Location NAICS to Client NAICS**” link.

\*--Figure 34y, Customer NAICS Crop Screen--\*

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 (✓) 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.


\*--Figure 34z, Copy Location NAICS to Customer NAICS Screen--\*

## Farm Business Plan - FSA User Guide (Continued)

### F Income/Expense (Continued)

#### 4 Enterprise Analysis (Continued)

The “Barley-Enterprise-Seed” is now available on the Customer NAICS Crop Screen. CLICK “Save & ”.

 button." data-bbox="144 234 904 390"/>

Description	Type	Measure	Proj. Yield	Proj. Per U.	Code
Barley	Barley Seed	Bu.	0	0	111199-01
Barley	Enterprise-Seed	Bu.	0	0	111199-01

\*--Figure 34aa, Customer NAICS Crop Screen--\*

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.



Description (NAICS)	Type	Meas	Acres	Yield	%	Prod. U.	Farm Use	Sale U.	Per Unit	Sales	End U.	Dbl Crop	Land Owner
Barley-Enterprise-Seed			0	0	100	0	0	0	0	0	0		

\*--Figure 34bb, Select “Enterprise” Crop

CLICK “Ent” link to the right of the crop entry to access the Enterprise Analysis Screen.



Description (NAICS)	Type	Meas	Acres	Yield	%	Prod. U.	Farm Use	Sale U.	Per Unit	Sales	End U.	Dbl Crop	Land Owner
Barley-Enterprise-Seed	Bu.		100	140	100	14,000	0	14,000	4.85	67,900	0		
Barley-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 34cc, Access Enterprise Analysis--\*

## Farm Business Plan - FSA User Guide (Continued)

### F Income/Expense (Continued)

#### 4 Enterprise Analysis (Continued)

CLICK “Copy Enterprise Defaults” link in the upper, left to access the Enterprise Analysis model.

**Enterprise Analysis**  
Barley - Enterprise-Seed-

Save & Stay | Save & | Save & Menu

[Copy Enterprise Defaults](#)

	Income	Prchs.	Exp.	Margin	BrE
	67,900	0	0	67,900	0

	Acres	Yield	% Share	Units	Per Unit	Sales
<input checked="" type="radio"/> Projected	100	140	100	14,000	4.85	67,900
<input type="radio"/> What-If	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
<input type="radio"/> What-If	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>

Type	Description	Calc Basis	Exp. U.	Per Exp. U.	Per A. or U.	%	Total	% C.F.	C.F.
-- Add New --	<input type="text"/>	--			<input type="text" value="0"/>	<input type="text" value="100"/>	<input type="text" value="0"/>	<input type="text" value="100"/>	<input type="text" value="0"/>

\*--Figure 34dd, Copy Enterprise Defaults--\*

Click link to applicable Enterprise Analysis model. For this example, CLICK “Barley-Enterprise-Seed Barley 2014”.

**Barley-Enterprise-Seed - Enterprise Models**

Model Title

[Barley-Enterprise-Seed Barley 2014](#)

Cancel &

\*--Figure 34ee, Select Enterprise Model--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

**Enterprise Analysis**  
Barley - Enterprise-Seed-

Save & Stay | Save & [Icon] | Save & Menu | [Icon]

Copy Enterprise Defaults

	Income	Prchs.	Exp.	Margin	B/E
	67,900	0	13,500	54,400	0.9643

	Acres	Yield	% Share	Units	Per Unit	Sales
<input checked="" type="radio"/> Projected	100	140	100	14,000	4.85	67,900
<input type="radio"/> What-If	100	125	100	12,500	5.75	71,875
<input type="radio"/> What-If	100	110	100	11,000	4.25	46,750

Type	Description	Calc Basis	Exp. U.	Per Exp. U.	Per A. or U.	%	Total	% C.F.	C.F.
-- Add New --					0	100	0	100	0
<input checked="" type="checkbox"/> Check All   Uncheck All									
<input type="checkbox"/> Chemicals		Acre		10	100	1,000	0	0	0
<input type="checkbox"/> Fertilizers & Lime		Acre		125	100	12,500	0	0	0

\*--Figure 34ff, Enterprise Analysis Screen--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

Enterprise Analysis										
Corn --										
<a href="#">Save &amp; Stay</a>   <a href="#">Save &amp; [Icon]</a>   <a href="#">Save &amp; Menu</a>										
<a href="#">Copy Enterprise Defaults</a>										
		Income	Prchs.	Exp.	Margin	B/E				
		100,000	0	0	100,000	0				
		Acres	Yield	% Share	Units	Per Unit	Sales			
<input checked="" type="radio"/> Projected		200	125	100	25,000					
<input type="radio"/> What-If		<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0					
<input type="radio"/> What-If		<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0					

Type	Description	Calc Basis	Exp. U.	Per Exp. U.	Per A. or U.	%	Total	% C.F.	C.F.
-- Add New --		---			0	100	0	100	0

\*--Figure 34gg, Enterprise Analysis Adding Expenses Manually--\*



## Farm Business Plan - FSA User Guide (Continued)

### 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.

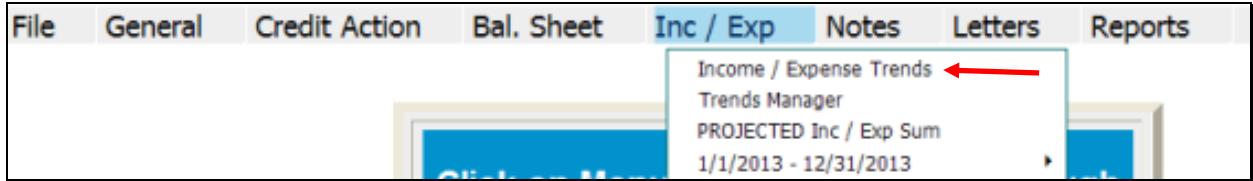


Figure 35a, Income/Expense Trends Using the Toolbar

Trends may also be accessed through the Dashboard Navigation Screen.

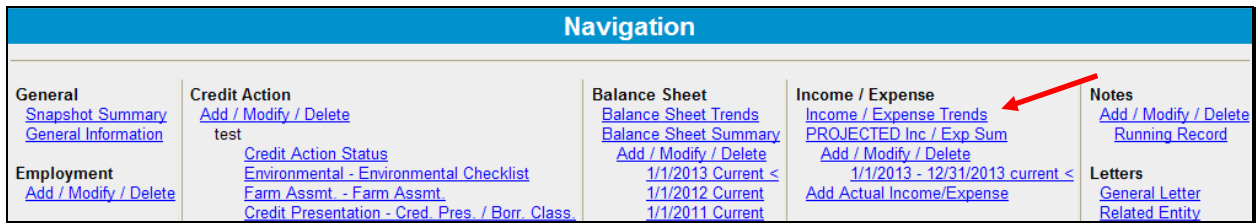


Figure 35b, Dashboard Navigation Screen

## Farm Business Plan - FSA User Guide (Continued)

### 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.

The screenshot shows the 'Income / Expense Trends' screen. It has a top navigation bar with 'Bottom of Page', 'Save & Stay', and 'Cancel' buttons. Below this is a 'Page Actions' dropdown menu. The main area is titled 'Agriculture' and contains a table with columns for 'None', '1/1/2013', '12/31/2013', '1/1/2012', '12/31/2012', and 'None'. The table lists various income and expense items under 'Operating Income' and 'Purchases for Resale'. A callout box (2) is open over a cell, showing options: 'Comments', 'Add a comment', and 'Formula Editor'. A callout box (3) points to the 'Page Actions' menu, which includes 'Add / Modify / Delete', 'Trends Manager', 'Copy Average', and 'Print Reports'. A callout box (4) points to the 'Enter Key' dropdown menu, which is set to 'DOWN'. A callout box (5) points to the 'Fixed Header' checkbox, which is checked. A callout box (6) points to a triangular marker in the table, indicating that notes, schedules, or formulas exist for a cell.

Figure 36a, Income/Expense Trends Screen

Item	Feature
1	Use “ <b>Date</b> ” 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 style="list-style-type: none"> <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	Use “Page Actions” drop-down to access additional features, as follow: <ul style="list-style-type: none"> <li>• Add/Modify/Delete Screen</li> <li>• Trends Manager</li> <li>• Copy Average</li> <li>• Print Reports.</li> </ul>
4	CLICK “ <b>Enter Key</b> ” drop-down menu to select cursor movement direction when users press “Enter”.
5	CHECK (✓) “ <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 (✓) “ <b>Show Notes</b> ” to display a “Page” icon, instead of the triangle, when notes exist.

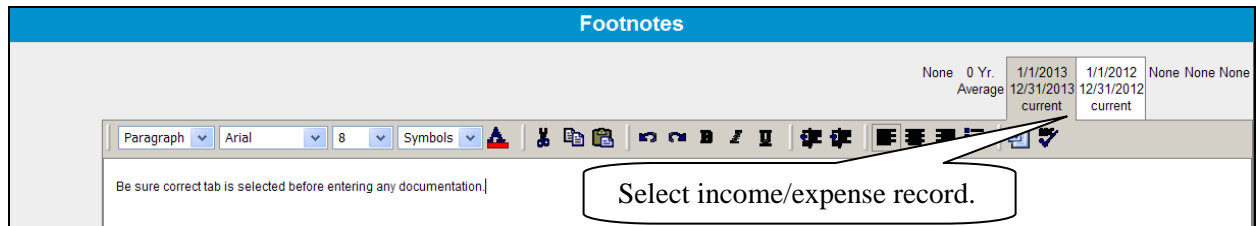


## Farm Business Plan - FSA User Guide (Continued)

### 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.



**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).

## **Farm Business Plan - FSA User Guide (Continued)**

### **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.

## Farm Business Plan - FSA User Guide (Continued)

### 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, which can include borrower records, receipts, and tax returns,--\* 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
<b>Operating</b>	
Crop/Livestock Production and Sales	<p>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.</p> <p>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.</p> <p>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 &amp; Roughage (Sch.)” under “Operating Expenses”. The purchase cost for other crops or vegetables being purchased for resale should be entered under “Purchases for Resale”.</p> <p>The purchase cost for livestock, if entered on the detail view of the livestock schedule, will be transferred to the “Purch. for Resale Livestock &amp; Poultry Sales” schedule under “Purchases for Resale.”</p>
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 (i.e. market livestock, poultry, and crops/veg.)	Enter detailed purchases for resale within the “Purchases for Resale” schedule. If no detail of purchases is needed, a summary dollar amount of purchases can be entered on the summary page.

**Farm Business Plan - FSA User Guide (Continued)**

**G Income/Expenses - Actuals (Continued)**

**1 General (Continued)**

Category	What to Do
<b>Operating (Continued)</b>	
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. * * *
Depreciation	<p>Enter actual depreciation from the income tax return, if known, or estimate if it is unknown.</p> <p><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.</p>
Interest	See Financing.
<b>Nonoperating</b>	
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.
<b>Financing</b>	
Loan Advances, Repayments, Interest Expense – Operating and Term	<p>Loan advances, repayments, and interest payments can either be entered as summary amounts or as details in the “Loan Payments” schedule.</p> <p>Interest Expense. If the breakdown:</p> <ul style="list-style-type: none"> <li>between operating and term interest is known, enter both in their respective expense category</li> </ul> <p><b>Note:</b> This is the preferred method.</p> <ul style="list-style-type: none"> <li>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</li> <li>is not known and cannot be estimated, enter all actual interest as <b>term</b> interest.</li> </ul> <p><b>Note:</b> This will allow a conservative analysis of MADS.</p> <p><b>Caution:</b> It is <b>never</b> recommended to enter all actual interest as operating interest, unless it actually is.</p>

**Farm Business Plan - FSA User Guide (Continued)**

**G Income/Expenses - Actuals (Continued)**

**1 General (Continued)**

Category	What to Do
<b>Capital</b>	
Capital Expenditures and Sales	<p>Enter as summary amounts or as details in the schedule. If entered on the schedule, ensure that the correct asset description is used from the drop-down menu.</p> <p><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.</p>
Capital Gains and Losses	<p>Enter capital gains and losses, if applicable. Entries are optional and do not affect the cash flow or the income/expense trends, but do affect an accrual-adjusted income statement.</p>
Capital Contributions and Withdrawals	<p>Capital contributions are inflows of capital that are <b>not</b> the result of business operations or other income. Capital contributions usually include gifts, inheritance, 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.</p> <p>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.</p> <p>Entering capital contributions and withdrawals is important to correctly construct a pro-forma balance sheet, if accrual analysis is completed.</p> <p><b>Caution:</b> Ensure that capital contributions and withdrawals are <b>not</b> double-counted in capital sales and purchases.</p>
*--Beg. Cash on Hand	<p>Enter as summary amount or; if the attached beginning balance sheet cash schedule has been completed, the amount may flow over to the Beg. Cash on Hand schedule.--*</p>

## Farm Business Plan - FSA User Guide (Continued)

### 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.--\*

**Farm Business Plan - FSA User Guide (Continued)**

**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.

<b>Loan Type</b>	<b>MADS <u>1/</u></b>	<b>Ending Cash</b>
<b>Loan Making and Servicing Actions, Except Primary Loan Servicing</b>		
Term Loans, long term feasibility.	Must be positive.	Must be positive
Annual Operating Loans, short term feasibility.	May be positive or negative.	Must be positive
Youth Loans.	Is not applicable.	Must be positive
<b>Primary Loan Servicing</b>		
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.

## Farm Business Plan - FSA User Guide (Continued)

### 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 either of the following selections in the beginning balance sheet  
\*--schedule under the "Proj. I/E?" column:--\*

- "None", do not send to the 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. All personal debt payments due during the planning period will flow over to the Owner Withdrawal schedule from the attached Balance Sheet.--\*

- Financing (including term and operating advances and operating principal repayments).
- Capital Sales, Expenditures, Contributions, and Withdrawals.



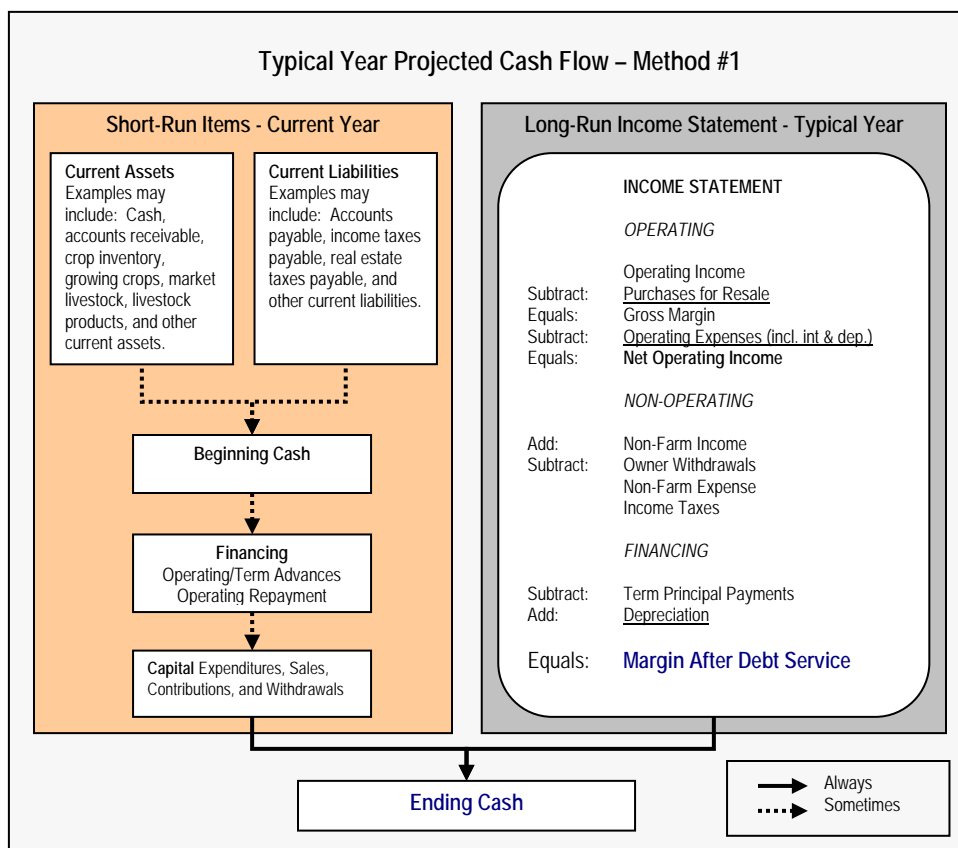
## Farm Business Plan - FSA User Guide (Continued)

### 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.

## Farm Business Plan - FSA User Guide (Continued)

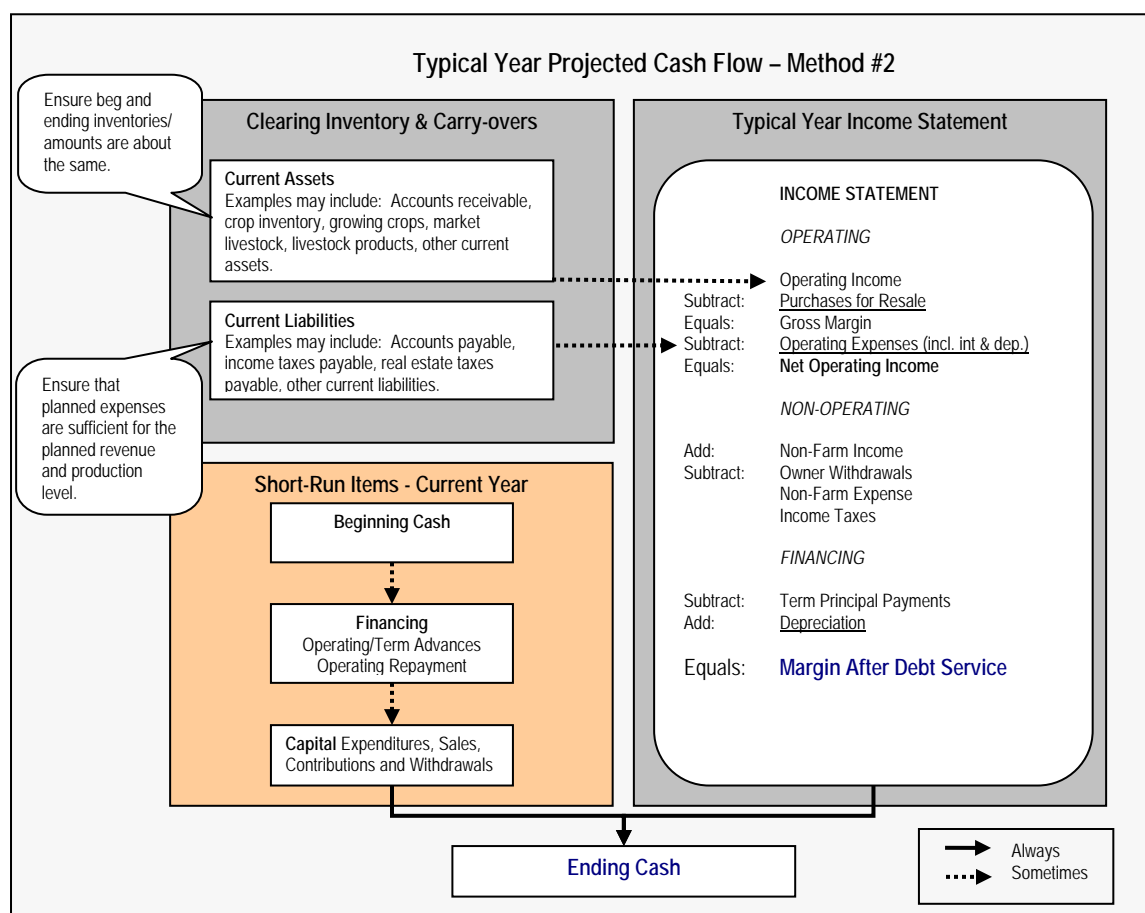
### H Income/Expenses - Projected (Continued)

#### \*--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.

**Farm Business Plan - FSA User Guide (Continued)**

**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.

\* \* \*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

The screenshot shows the 'Income / Expense' form. The 'Monthly CF Setup' dropdown menu is open, displaying options: None, 12, 18, and 24. A callout box points to the dropdown with the text: 'Select “# Mths” needed for the cash flow from the Monthly CF Setup.'

**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 “\$”.

\*--

<a href="#">Feed Supplement</a>		0	0
<a href="#">Feed Grain &amp; Roughage</a>		15,000	0
<a href="#">Fertilizers &amp; Lime</a>		25,000	0
<a href="#">Freight &amp; Trucking</a>		0	0
<a href="#">Gas / Fuel / Oil</a>		31,000	0
<a href="#">Insurance</a>		0	0

**Figure 37b, Entering Monthly Cash Flow Projections--\***

Farm Business Plan - FSA User Guide (Continued)

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”.

\*--

Monthly Code	Month	Amt
Bi-Monthly-Start 2	1 / 2010	0
All Mths Open	2 / 2010	4,167
All in Quarter 1	3 / 2010	0
All in Quarter 2	4 / 2010	4,167
All in Quarter 3	5 / 2010	0
All in Quarter 4	6 / 2010	4,167
All Months-Equal	7 / 2010	0
Bi-Monthly-Start 1	8 / 2010	4,167
Bi-Monthly-Start 2	9 / 2010	0
Month 1	10 / 2010	4,167
Month 2	11 / 2010	0
Month 3	12 / 2010	4,165
Month 4	Totals	25,000
Month 5		
Month 6		
Month 7		
Month 8		
Month 9		
Month 10		
Month 11		
Month 12		

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.

## Farm Business Plan - FSA User Guide (Continued)

### 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.

\*--

Description	Amount	Pro Forma?	P.F.
Gas	30,000	None	
Oil	1,000	None	
Total Gas / Fuel / Oil	31,000		
Total to Inc/Exp Summary	31,000		

Figure 39--\*

**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 Code	Month	Amt
All Months-Equal	1 / 2010	2,500
All Mths Open	2 / 2010	2,500
All in Quarter 1	3 / 2010	2,500
All in Quarter 2	4 / 2010	2,500
All in Quarter 3	5 / 2010	2,500
All in Quarter 4	6 / 2010	2,500
All Months-Equal	7 / 2010	2,500
Bi-Monthly-Start 1	8 / 2010	2,500
Bi-Monthly-Start 2	9 / 2010	2,500
Month 1	10 / 2010	2,500
Month 2	11 / 2010	2,500
Month 3	12 / 2010	2,500
Month 4	Totals	30,000

Figure 40

## Farm Business Plan - FSA User Guide (Continued)

### 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.

Month	Amt
1 / 2010	250
2 / 2010	250
3 / 2010	0
4 / 2010	250
5 / 2010	0
6 / 2010	250
7 / 2010	0
8 / 2010	0
9 / 2010	0
10 / 2010	0
11 / 2010	0
12 / 2010	0
<b>Totals</b>	<b>1,000</b>

“All Mths Open” was selected. User determines which months and what dollar amounts will be manually entered in the “Amt” field.

Figure 41

**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	0	0
Gas / Fuel / Oil	31,000	0
Insurance Exp.	0	0
Labor Hired	0	0

Figure 42

## Farm Business Plan - FSA User Guide (Continued)

### 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.



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.

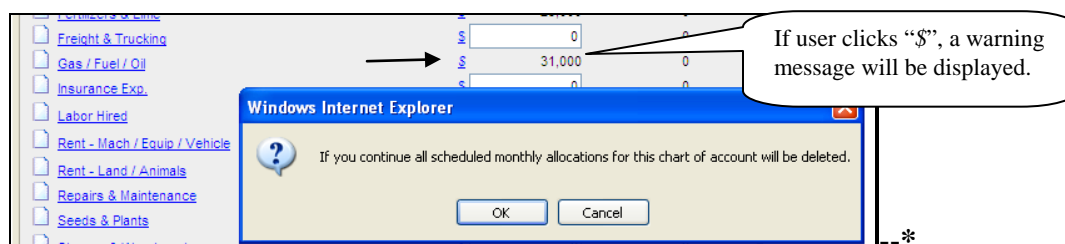


Figure 44



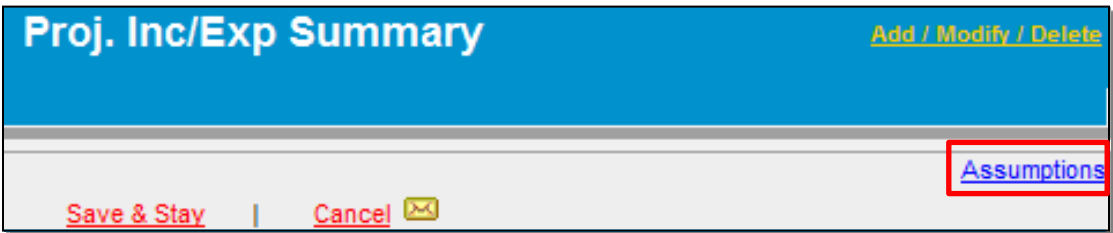

## Farm Business Plan - FSA User Guide (Continued)

### 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	<p>Create a <b>new</b> Projected Income/Expense to use in the Assumption process.</p> <p><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.</p>
2	<p>After new projection has been created, CLICK “<b>Assumptions</b>” link.</p>  <p><b>Figure 44a</b></p>
3	<p>CLICK “<b>Select</b>” link to access the Lookup Window, <b>Select Date Screen</b>.</p>  <p><b>Figure 44b</b></p>

--\*

Farm Business Plan - FSA User Guide (Continued)

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/yyyy” link for which to base the assumptions.

**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		Assumptions							
		Save & Stay	Save & Average	Cancel &					
		Use for Percentage of Sales	Amt.	Common Size	%	#	Inc/Decr	Calc. Amt.	Calc. Common Size
<b>Operating Income</b>									
Crop Sales	<input type="checkbox"/>		58,333	41.0	<input checked="" type="radio"/>		-10	52,500	38.5
CCC Loans as Income	<input type="checkbox"/>		0	0	<input type="radio"/>			0	0
Livestock & Poultry Sales	<input type="checkbox"/>		80,623	56.7	<input type="radio"/>				

Figure 44d--\*

## Farm Business Plan - FSA User Guide (Continued)

### H Income/Expenses - Projected (Continued)

#### \*-5 Assumptions or Stress Testing (Continued)

- 2nd radio button, “Input +/- Number Change”.

The screenshot shows the 'Assumptions' window for 'Greer 2, Pixie Stress Test 1' from 1/1/2014 to 12/31/2014. The 'Operating Income' section is active. The 'Crop Sales' row has the 2nd radio button selected, and a text box shows '3,000'. A red arrow points to the radio button, and a tooltip says 'Input +/- Number Change'.

	Use for Percentage of Sales	Amt.	Common Size	%	#	Inc/Decr	Calc. Amt.	Calc. Common Size
Crop Sales	<input type="checkbox"/>	58,333	41.0		<input checked="" type="radio"/>		61,333	41.0
CCC Loans as Income	<input type="checkbox"/>	0	0		<input type="radio"/>		0	0
Livestock & Poultry Sales	<input type="checkbox"/>	80,623	56.7		<input type="radio"/>			56.0

Figure 44e

- 3rd radio button, “Input Whole Number”.

The screenshot shows the 'Assumptions' window for 'Greer 2, Pixie Stress Test 1' from 1/1/2014 to 12/31/2014. The 'Operating Income' section is active. The 'Crop Sales' row has the 3rd radio button selected, and a text box shows '61,333'. A red arrow points to the radio button, and a tooltip says 'Input Whole Number'.

	Use for Percentage of Sales	Amt.	Common Size	%	#	Inc/Decr	Calc. Amt.	Calc. Common Size
Crop Sales	<input type="checkbox"/>	58,333	41.0		<input checked="" type="radio"/>		61,333	41.9
CCC Loans as Income	<input type="checkbox"/>	0	0		<input type="radio"/>		0	0
Livestock & Poultry Sales	<input type="checkbox"/>	80,623	56.7		<input type="radio"/>			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.

The screenshot shows the 'Operating Expenses' window. The 'Car & Truck' row has the 1st radio button selected, and a text box shows '5,769'. A red arrow points to the radio button, and a tooltip says 'Auto Calc Common Size Number'. A red arrow also points to the 'Mark All' link.

	Amt.	Common Size	%	#	Inc/Decr	Calc. Amt.	Calc. Common Size
Car & Truck	5,833	4.1		<input checked="" type="radio"/>		5,769	4.1
Chemicals	11,500	8.1		<input type="radio"/>		11,272	8.1
Conservation	0	0		<input type="radio"/>			0

Figure 44g--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

	Use for Percentage of Sales	Amt.	Common Size	%	#	Inc/Decr	Calc. Amt.	Calc. Common Size
<b>Operating Income</b>								
Crop Sales	<input checked="" type="checkbox"/>	58,333	41.0	<input checked="" type="radio"/>		-10	52,500	37.8
CCC Loans as Income	<input type="checkbox"/>	0	0	<input checked="" type="radio"/>		0	0	0
Livestock & Poultry Sales	<input checked="" type="checkbox"/>	80,623	56.7	<input checked="" type="radio"/>		3	83,041	59.8
Dairy Livestock Sales	<input type="checkbox"/>	0	0	<input checked="" type="radio"/>		0	0	0
Milk Sales	<input type="checkbox"/>	0	0	<input checked="" type="radio"/>		0	0	0
Livestock Product Sales	<input type="checkbox"/>	0	0	<input checked="" type="radio"/>		0	0	0
Cull Breeding Stock Sales	<input checked="" type="checkbox"/>	3,233	2.3	<input checked="" type="radio"/>		0	3,233	2.3
Ag Program Pmts	<input type="checkbox"/>	0	0	<input checked="" type="radio"/>		0	0	0
Crop Insurance Proceeds	<input type="checkbox"/>	0	0	<input checked="" type="radio"/>		0	0	0
Custom Hire Income	<input type="checkbox"/>	0	0	<input checked="" type="radio"/>		0	0	0
Farm Rental Income	<input type="checkbox"/>	0	0	<input checked="" type="radio"/>		0	0	0
Other Income	<input type="checkbox"/>	0	0	<input checked="" type="radio"/>		0	0	0
<b>Total Operating Income</b>		142,189	100				138,774	100
Purchases for Resale		0	0	<input checked="" type="radio"/>			0	0
Purch. For Resale Livestock & Poultry Sales		0	0	<input checked="" type="radio"/>			0	0
<b>Gross Margin</b>		142,189	100				138,774	100
<b>Operating Expenses</b>								
Car & Truck		5,833	4.1	<input checked="" type="radio"/>		5	6,939	5.0
Chemicals		11,500	8.1	<input checked="" type="radio"/>		7	9,714	7.0
Conservation		0	0	<input checked="" type="radio"/>			0	0
Custom Hire Exp.		0	0	<input checked="" type="radio"/>			0	0

Figure 44h

- 3rd radio button, "Input +/- Percent Change".

	Use for Percentage of Sales	Amt.	Common Size	%	#	Inc/Decr	Calc. Amt.	Calc. Common Size
<b>Operating Expenses</b>								
Car & Truck		5,833	4.1	<input checked="" type="radio"/>		2	5,950	4.3
Chemicals		11,500	8.1	<input checked="" type="radio"/>		-2	11,270	8.1
Conservation		0	0	<input checked="" type="radio"/>			0	0
Custom Hire Exp.		0	0	<input checked="" type="radio"/>			0	0

Figure 44i--\*

Farm Business Plan - FSA User Guide (Continued)

H Income/Expenses - Projected (Continued)

\*-5 Assumptions or Stress Testing (Continued)

- 4th radio button, "Input +/- Number Change"

Operating Expenses		Mark All							
Car & Truck	5,833	4.1						500	6,333 4.6
Chemicals	11,500	8.1						-1,000	10,500 7.6
Conservation	0	0							0 0
Custom Hire Exp.	0	0							0 0

Figure 44j

- 5th radio button, "Input Whole Number".

Operating Expenses		Mark All							
Car & Truck	5,833	4.1							6,333 4.6
Chemicals	11,500	8.1							10,500 7.6
Conservation	0	0							0 0
Custom Hire Exp.	0	0							0 0

Figure 44k--\*



## Farm Business Plan - FSA User Guide (Continued)

### 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 <b>minus</b> prior liens) <b>divided by</b> total FSA loans.
Percent Loan to Collateral	(Total FSA loans <b>divided by</b> (amount of collateral <b>minus</b> prior liens)) <b>multiplied times</b> 100.

\*--For all FSA loans, use the “Margin of Collateral to Loan” to determine if the 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.

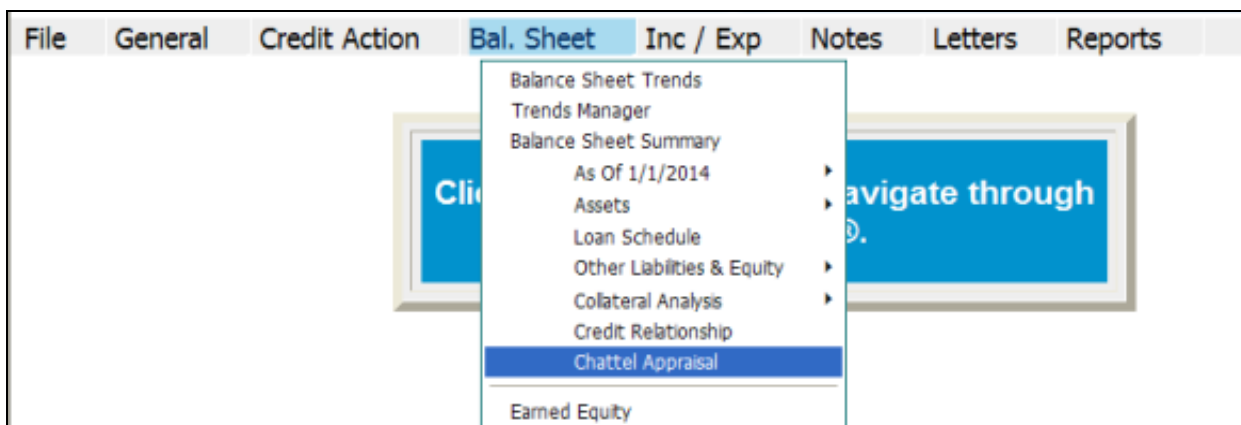


Figure 45

## Farm Business Plan - FSA User Guide (Continued)

### 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.

**Chattel Appraisal**  
1/1/2010 - Current

Save & Stay | Save & [Icon] | Save & Menu [Icon]

Who provided the Chattel Appraisal? ☐ Contractor ☐ Lender ☒ FSA ☐ Other

Date of Chattel Appraisal? 6/10/2010 [Calendar Icon]

Schedule	Value
Market Livestock & Poultry	25,000
Machinery & Equipment	100,000
Farm Vehicles	10,000
Raised Breeding Stock	10,000
<b>Total value of Appraised Property</b>	<b>145,000</b>

Paragraph Arial 10 Symbols [Icons]

Add any additional information as needed.

Defaults to "FSA". Ensure that it is changed if chattel appraisal was completed by someone other than an FSA employee.

Manually enter or use the calendar to select the date the chattel appraisal was completed.

Use Footnotes Section for any additional information as needed.

**\*--Figure 45a--\***



## Farm Business Plan - FSA User Guide (Continued)

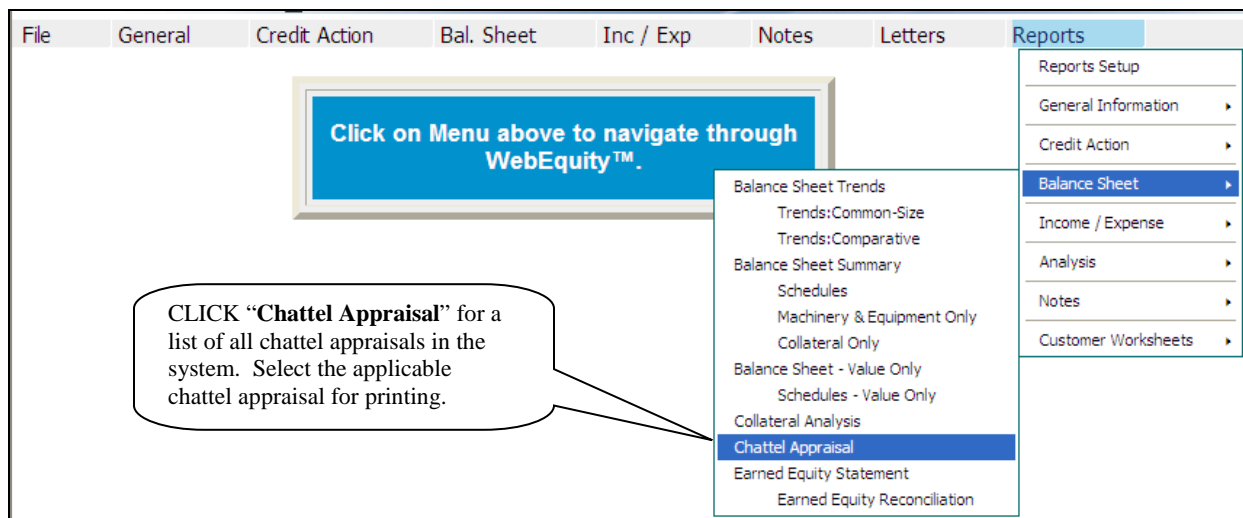
### I Collateral Analysis/Chattel Appraisals (Continued)

#### 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 45b--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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 the following rules will apply.

##### Prior Lienholders:

- Prior lienholders **must** be added to the collateral analysis **before** adding any FSA loan group.
- Only include lienholders in the collateral analysis that have prior liens to FSA.

##### FSA Loans:

- Existing loans can only be grouped together if all the loans in the group are secured by the **exact** same security.
- Existing loans - when the same collateral is used to secure multiple FSA loans, the existing loan that has the primary security interest in that asset must be added first and will be shown at 100% secured.
- Existing loans - when the collateral used to secure the existing loan(s) will also be used to secure a new loan(s), the existing loan(s) will be shown at 100% secured allowing the remaining security value to be used to meet the security requirements of the new loan(s).
- New loan(s) – if more than 1 new loan, the value of the same security cannot be used to reach the 150% security requirements.

\* \* \*

- Always complete the collateral analysis using:
  - New Loans, the **current** balance sheet
  - Refinancing, “**After Refi**” Balance Sheet
  - Primary Servicing, “**After DALR\$**” Balance Sheet.--\*

## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

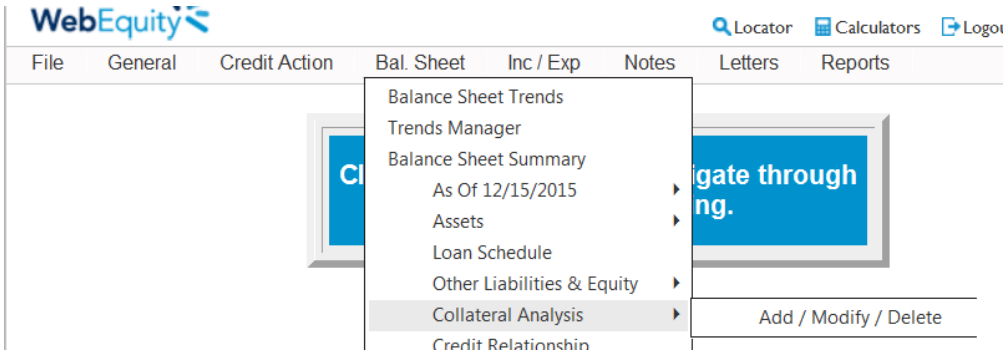
#### 3 Building the Collateral Analysis (Continued)

##### a Customer With No Prior Liens

\*--In this example there are no prior liens on the collateral used to secure the following FSA loans.

- existing FSA loan 44-01: \$97,000 secured by machinery and equipment
- new FSA int. OL loan: \$90,000 to purchase livestock
- new current OL loan: \$50,000 for operating expenses

Use the following steps to build the collateral analysis for the FSA loan groups.

Step	Action
1	Always verify the correct balance sheet is selected to use in building the collateral analysis.
2	<p>CLICK “Bal. Sheet”, “Collateral Analysis”, and “Add/Modify/Delete”. When the user first clicks this menu item, the only submenu item displayed is “Add/Modify/Delete”. As users add loan groups, they will automatically be displayed in the submenu and be available for selection.</p>  <p><b>Figure 46</b></p>

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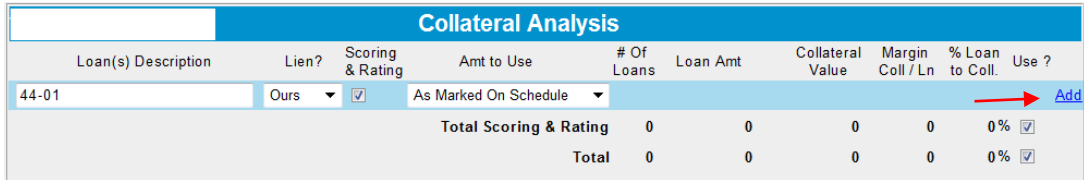
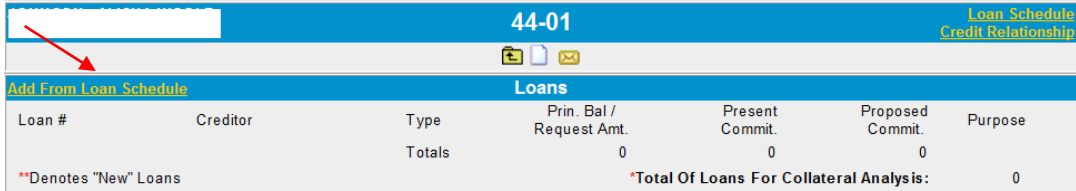
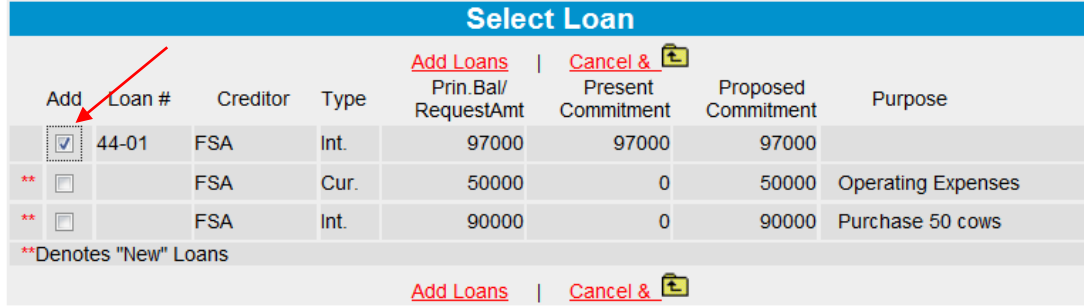
## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### a Customer With No Prior Liens (Continued)

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Step	Action
3	<p>Complete the following fields to first add the existing 44-01 loan group:</p> <ul style="list-style-type: none"> <li>• “Loan(s) Description”, enter a description of loans associated with collateral</li> <li>• “Lien?”, select “<b>Ours</b>” for FSA</li> <li>• “Scoring &amp; Rating”, checked by default</li> <li>• “Amt to Use: Select”, “<b>As Marked On Schedule</b>”.</li> </ul> <p>CLICK “<b>Add</b>” to begin building the collateral analysis.</p>  <p><b>Figure 46a</b></p>
4	<p>CLICK “<b>Add from Loan Schedule</b>” to choose the loans.</p>  <p><b>Figure 46b</b></p>
5	<p>Select loan 44-01 to include in the loan group being built and CLICK “<b>Add Loans</b>”.</p>  <p><b>Figure 46c</b></p>

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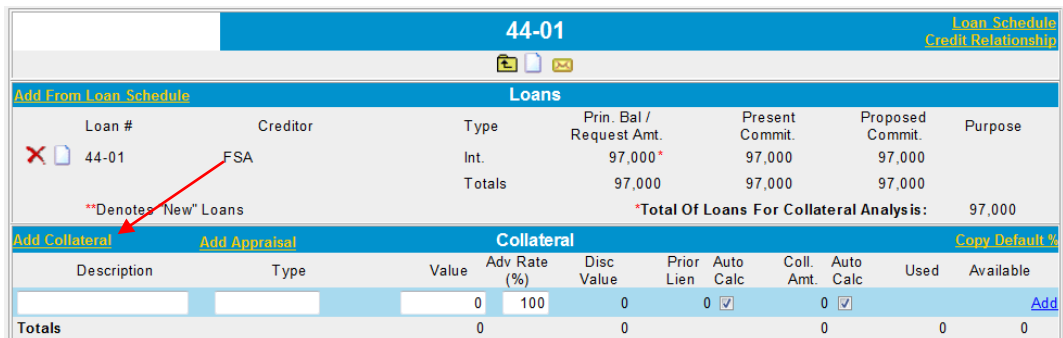
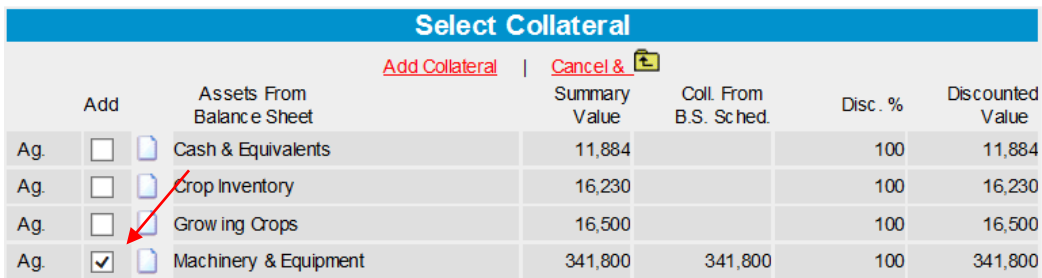
Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

a Customer With No Prior Liens (Continued)

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Step	Action
6	<p>CLICK “Add Collateral” to choose the collateral for the loan group being built.</p>  <p><b>Figure 46d</b></p>
7	<p>Select all collateral to be included in the loan group being built and CLICK “Add Collateral”.</p>  <p><b>Figure 46e</b></p>

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## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### a Customer With No Prior Liens (Continued)

\*--

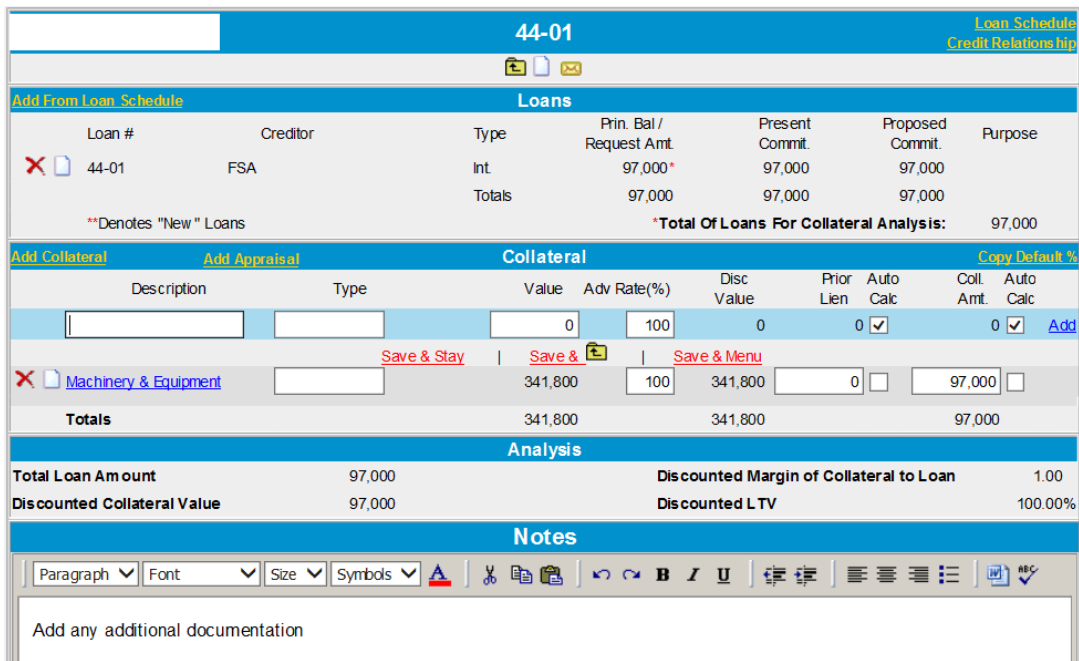
Step	Action
8	<p>Verify that the correct loans and collateral have been added for the loan group..</p> <p>To adjust the value of the collateral securing the existing loan to 100%, uncheck (✓) the “<b>Auto Calc</b>” box and enter the amount of the loan (\$97,000) in the “<b>Coll. Amt</b>” field.</p> <p>The remaining collateral value (\$244,800) will be used to meet the security requirements of the new loan(s)</p> <p>If additional documentation is needed, it can be added to the “Notes” section.</p>  <p>The screenshot shows the '44-01' loan group. The 'Loans' table lists a loan from FSA for \$97,000. The 'Collateral' table lists 'Machinery &amp; Equipment' valued at \$341,800. The 'Analysis' section shows a Total Loan Amount of \$97,000 and a Discounted Collateral Value of \$97,000, resulting in a Discounted Margin of Collateral to Loan of 1.00 and a Discounted LTV of 100.00%.</p>

Figure 46f

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## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### a Customer With No Prior Liens (Continued)

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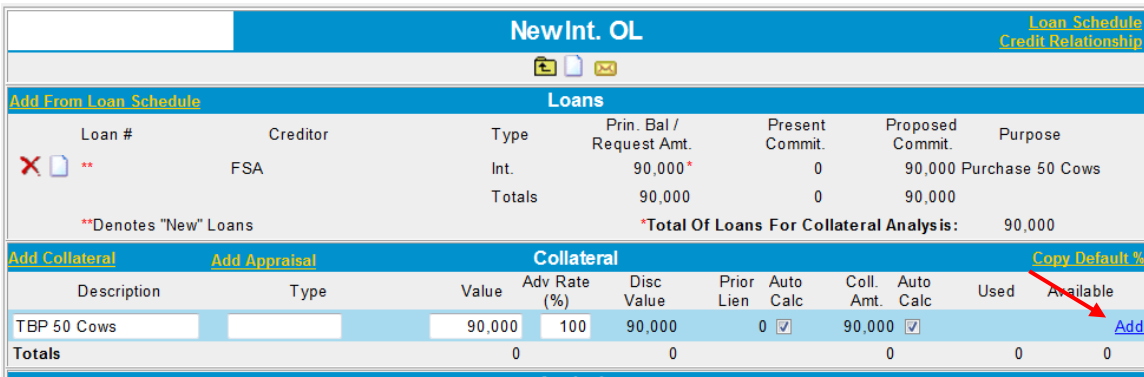
Step	Action
9	<p>Create a loan group for the New OL Int. loan (\$90,000), then manually add the TBP Cows in the "Collateral" Section and CLICK "Add".</p> 

Figure 47

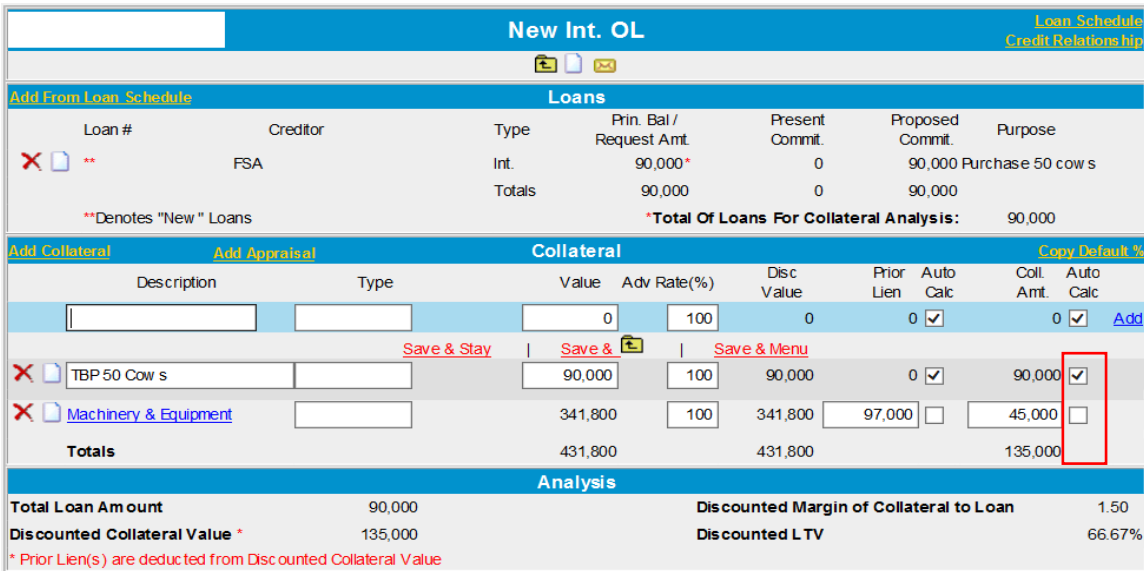
10	<p>CLICK "Add Collateral" and select the additional collateral to be included in the loan group.</p> <p>Note the \$97,000 (Existing Loan 44-01) is displayed in the "Prior Lien" field which allows the system to calculate the remaining collateral value correctly.</p> <p>Adjust the value of the collateral securing the new Int. OL loan to 150% (\$135,000). Uncheck (✓) the "Auto Calc" box and enter (\$45,000) in the "Coll. Amt" field.</p> <p>The remaining collateral value (\$199,800) will be used to meet the security requirements of the new Current loan.</p> 
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Figure 47a

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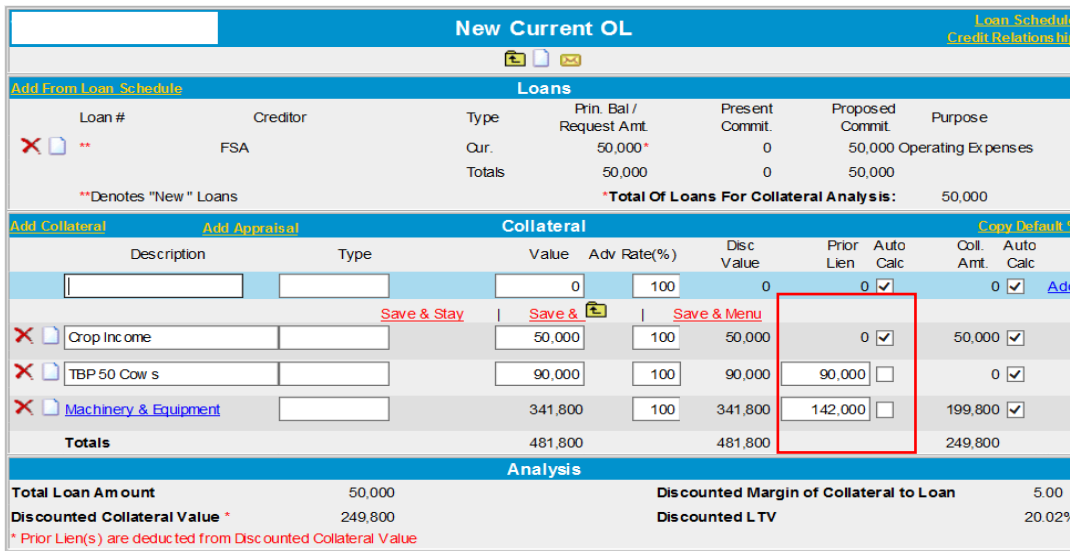
# Farm Business Plan - FSA User Guide (Continued)

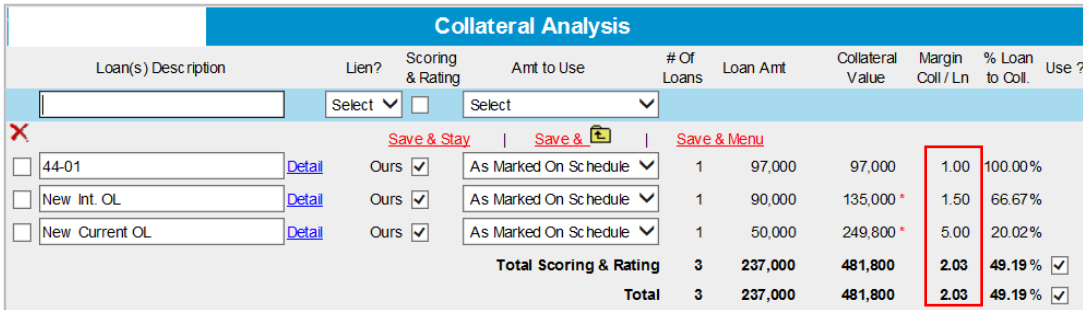
## I Collateral Analysis/Chattel Appraisals (Continued)

### 3 Building the Collateral Analysis (Continued)

#### a Customer With No Prior Liens (Continued)

\*--

Step	Action
11	<p>Create a loan group for the New Current OL loan (\$50,000), then manually add the Crop Income in the “Collateral” Section and CLICK “Add”.</p> <p>CLICK “Add Collateral” and select the additional collateral to be included in the loan group.</p> <p>Refer to the previous screen print, Figure 47a, as a reference; uncheck the “Auto Calc” box in the “Prior Lien” fields and ensure prior liens are entered correctly to allow the system to calculate the remaining collateral value.</p>  <p><b>Figure 47b</b></p>

12	<p>Access the Collateral Analysis Summary Screen and verify that the margin of collateral to loan is correct in the “Margin Coll/Ln” Column.</p>  <p><b>Figure 47c</b></p>
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## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

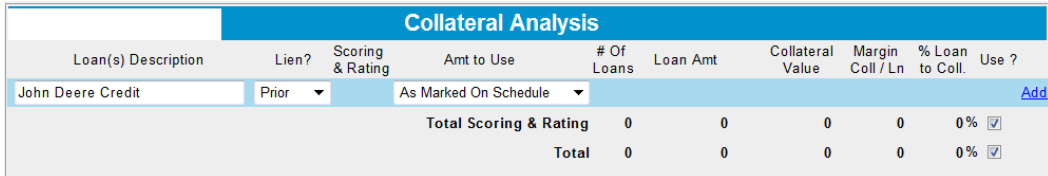
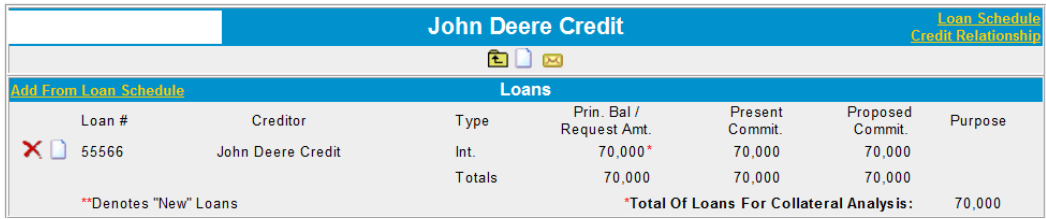
#### 3 Building the Collateral Analysis (Continued)

##### b Customer With Prior Liens

Assume in this **example** there are prior liens on the collateral used to secure the FSA loans. Those creditors **must** be added to the collateral analysis **before** the FSA loan group.

- John Deere Credit: \$70,000 secured by a first lien on 2 tractors worth \$85,000
- Case IH Credit: \$25,000 secured by a first lien on 1 tractor worth \$18,000
- Citizens Bank: \$50,000 secured by a first lien on the real estate
- Existing FSA loan 44-01: \$97,000 secured by livestock and equipment
- \*--Existing FSA loan 41-02: \$300,000 secured by real estate--\*
- New FSA Int. OL loan: \$90,000 to purchase livestock
- New current OL loan: \$50,000 for operating expenses

Use the following steps to build the collateral analysis for the FSA loan group. Refer to paragraph I 3 a, **Customer With No Prior Liens**, for additional help in specific steps if needed.

Step	Action
1	<p>Complete the following fields to add the John Deere Credit (\$70,000) loan group:</p> <ul style="list-style-type: none"> <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> </ul> <p>CLICK “<b>Add</b>” to begin building the collateral analysis.</p>  <p><b>Figure 48</b></p>
2	<p>CLICK “<b>Add from Loan Schedule</b>” and choose the John Deere Credit loans.</p>  <p><b>Figure 48a</b></p>

Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

b Customer With Prior Liens (Continued)

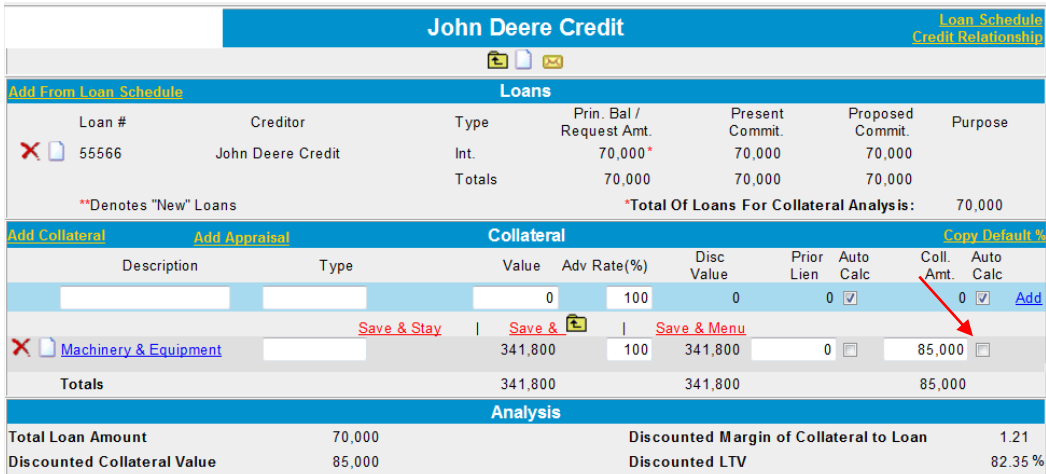
Step	Action
3	<p>CLICK “Add Collateral” and select the collateral for the loan group being built.</p> <p>To adjust the value of the collateral securing the prior lien holder, uncheck (✓) the “Auto Calc” box and enter the value of the asset (\$85,000) securing the loan in the “Coll. Amt” field.</p> 

Figure 48b

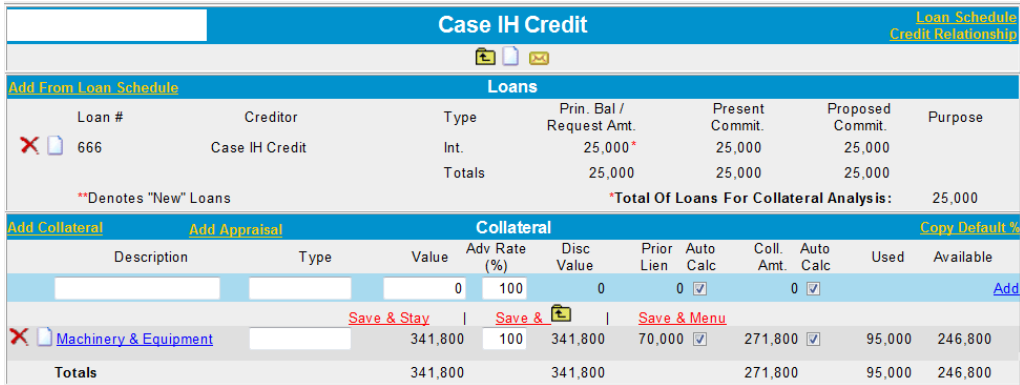
4	<p>Create a loan group for the Case IH Credit (\$25,000) loan group.</p> <p>CLICK “Add Collateral” and select the collateral for the loan group being built.</p> 
---	---

Figure 49

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Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

b Customer With Prior Liens (Continued)

Step	Action
5	<p><b>Caution:</b> In this example a “Prior Lien” (John Deere) loan group (\$70,000) had already been added to the collateral analysis using the ‘Machinery &amp; *--Equipment’ collateral. John Deere does not have a “Prior Lien” against the equipment securing Case IH Credit, only a “Prior Lien” to FSA. To allow the system to calculate correctly, uncheck the “<b>Auto Calc</b>” box and enter \$0 in the “<b>Prior Lien</b>” field before saving.</p> <p>The Case IH Credit prior lien is under secured which is sometimes--* referred to as “upside-down” or negative equity loan. To adjust the value of the collateral securing the prior lien holder, uncheck (✓) the “<b>Auto Calc</b>” box and enter the value of the asset (\$18,000) securing the loan in the “<b>Coll. Amt</b>” field.</p> <p>When user clicks “<b>Save &amp; Stay</b>”, only the value of the tractor will be deducted from the total of “Machinery and Equipment”. <b>No</b> equity from the equipment will be used to secure the Case IH Credit loan.</p>

Case IH Credit							Loan Schedule Credit Relationship
Add From Loan Schedule							
Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose	
666	Case IH Credit	Int.	25,000 *	25,000	25,000		
Totals			25,000	25,000	25,000		
**Denotes "New" Loans			*Total Of Loans For Collateral Analysis:			25,000	
Add Collateral							
Description	Type	Value	Adv Rate(%)	Disc Value	Prior Lien	Auto Calc	Coll. Amt.
		0	100	0	0	<input checked="" type="checkbox"/>	0
Machinery & Equipment		341,800	100	341,800	0	<input type="checkbox"/>	18,000
Totals		341,800		341,800			18,000
Analysis							
Total Loan Amount	25,000	Discounted Margin of Collateral to Loan				0.72	
Discounted Collateral Value	18,000	Discounted LTV				138.89 %	

Figure 49a

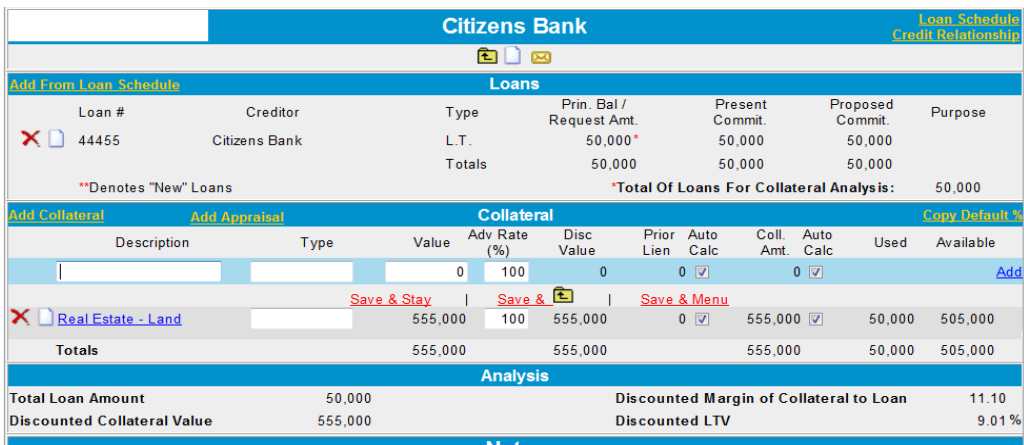
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Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

b Customer With Prior Liens (Continued)

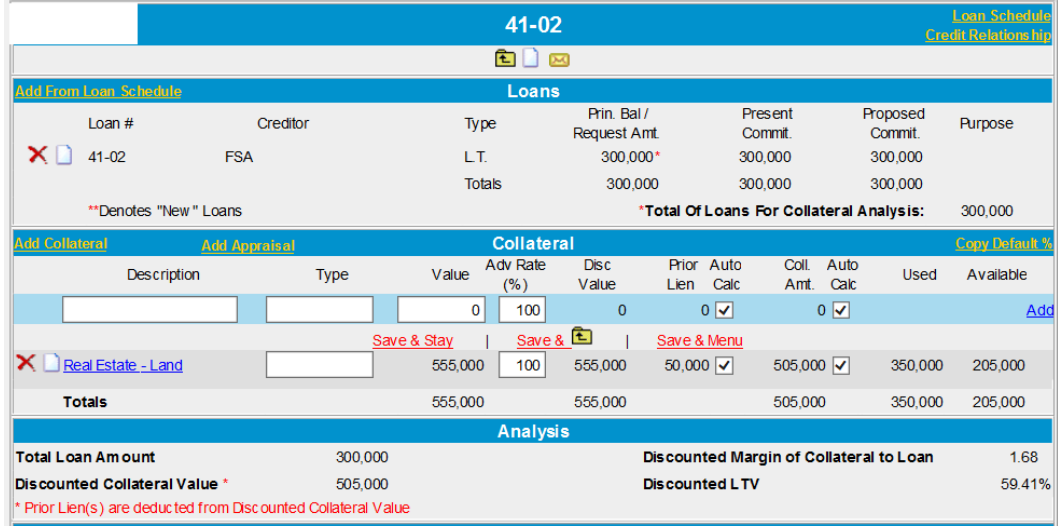
Step	Action
6	<p>Create a loan group for the Citizens Bank (\$50,000) real estate loan.</p> <p>CLICK “Add Collateral” and select the collateral for the loan group being built.</p>  <p><b>Figure 50</b></p>

\*--Create a loan group for existing 41-02 loan (\$300,000).--\*

CLICK “Add Collateral” and select the additional collateral to be included in the loan group.

Ensure the \$50,000 “**Prior Lien**” is entered correctly to allow the system to calculate the remaining collateral value.

\*--



**Figure 51--\***

Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

b Customer With Prior Liens (Continued)

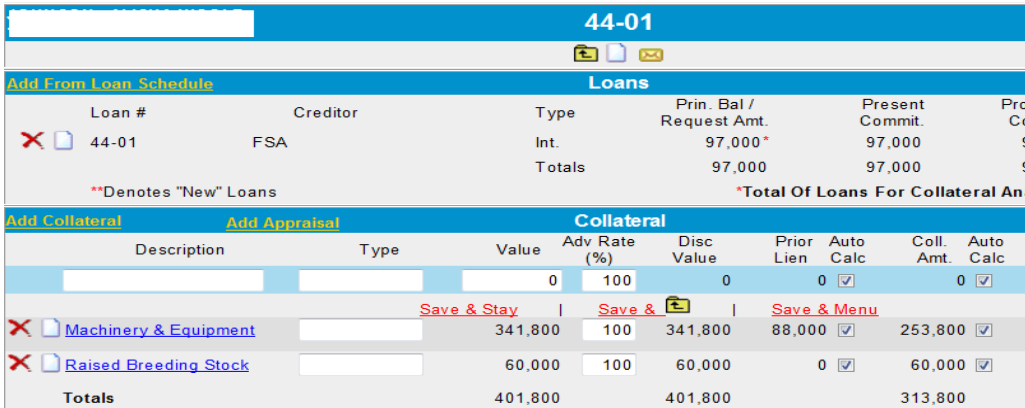
Step	Action
8	<p>Create a loan group for the Existing FSA 44-01 (\$97,000) loan. Add the FSA loan from the loan schedule, and then add the collateral securing those loans. In this example, even though all machinery and equipment is securing the FSA loan, there is only \$253,800 of collateral available for FSA (value of all machinery and equipment of \$341,800 <b>minus</b> John Deere <b>**--prior lien of \$70,000 and Case IH Credit Coll. Amt. of \$18,000 equals \$253,800).</b>--* This amount is calculated automatically and captures any remaining equity in the tractors.</p> 

Figure 52

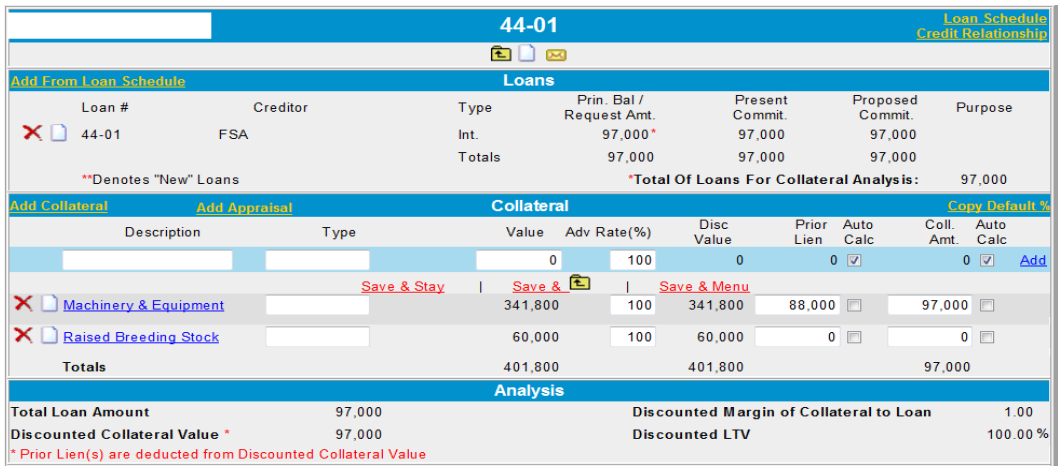
9	<p>To adjust the value of the collateral securing the existing loan to 100%, uncheck (✓) the “Auto Calc” box and enter the amount of the loan (\$97,000) in one or more of the “Coll. Amt” fields.</p> <p>The remaining collateral value (\$216,800) will be used to meet the security requirements of the new loan(s)</p> 
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Figure 52a

# Farm Business Plan - FSA User Guide (Continued)

## I Collateral Analysis/Chattel Appraisals (Continued)

### 3 Building the Collateral Analysis (Continued)

#### b Customer With Prior Liens (Continued)

\*--

Step	Action
10	Create a loan group for the New OL Int. loan (\$90,000), then manually add the TBP Cows in the "Collateral" Section and CLICK "Add".

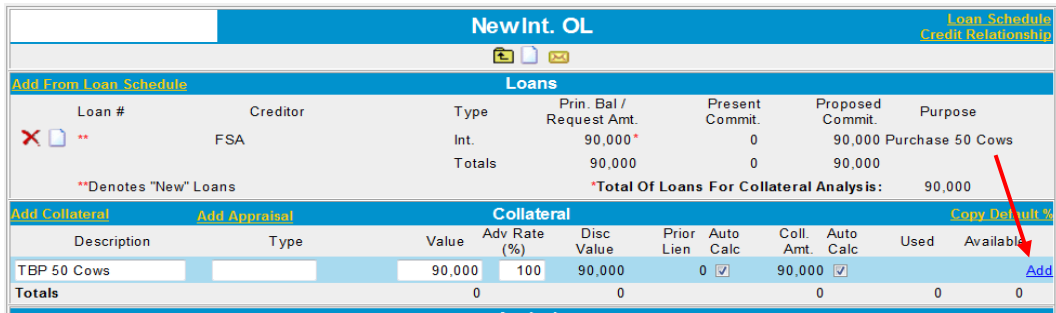


Figure 53

11	<p>CLICK "Add Collateral" and select the additional collateral to be included in the loan group.</p> <p>Refer to the previous screen print, Figure 52a, as a reference; uncheck the "Auto Calc" box in the "Prior Lien" field and ensure prior liens, \$185,000 (JD \$70,000 + Case IH \$18,000 + FSA 44-01 \$97,000) are entered correctly to allow the system to calculate the remaining collateral value.</p> <p>Adjust the value of the collateral securing the new Int. OL loan to 150% (\$135,000). Uncheck (✓) the "Auto Calc" boxes and enter (\$45,000) in one or more of the "Coll. Amt" fields.</p> <p>The remaining collateral value (\$171,800) will be used to meet the security requirements of the new current loan.</p>
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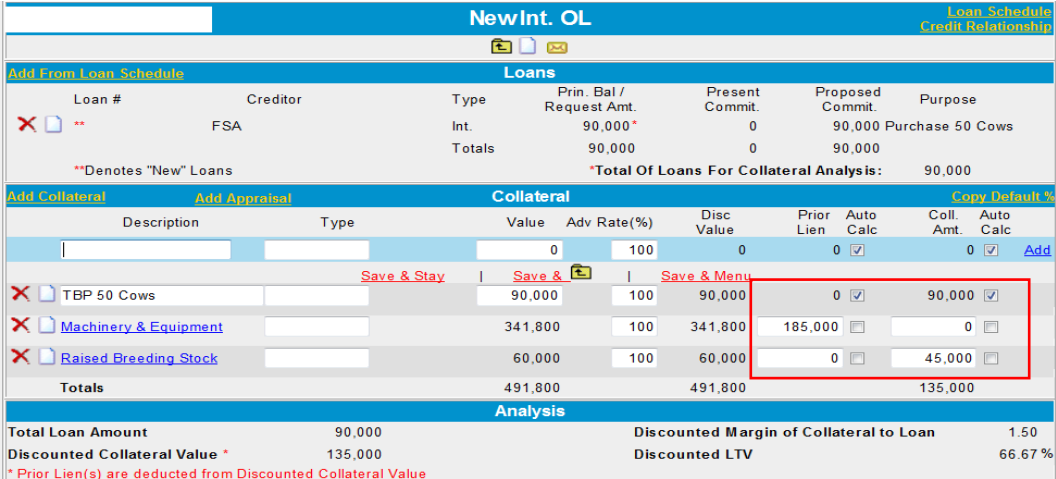


Figure 53a

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## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### b Customer With Prior Liens (Continued)

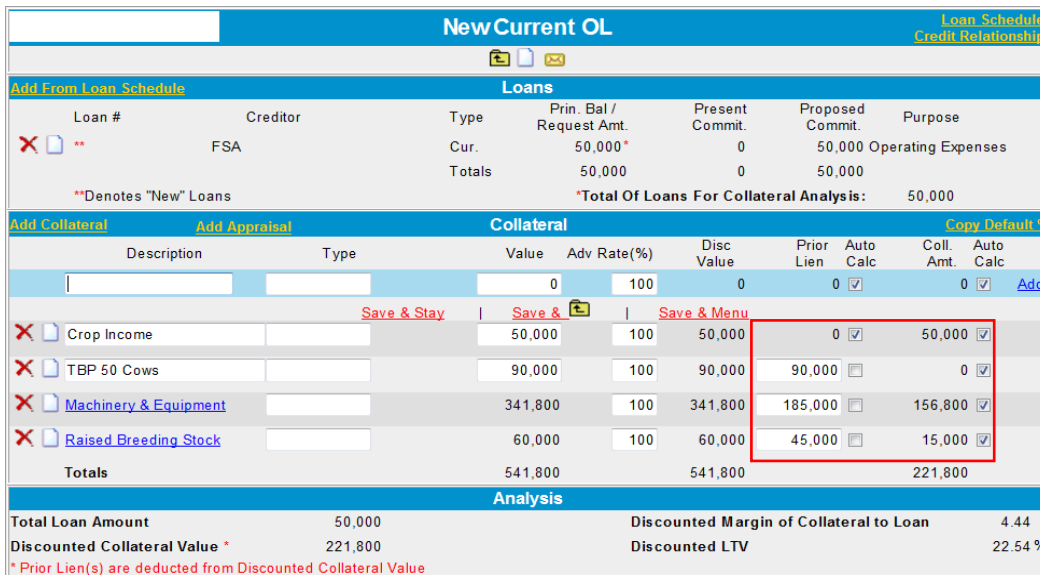
Step	Action																																																																																												
12	<p>Create a loan group for the New Current OL loan (\$50,000), then manually add the Crop Income in the “Collateral” Section and CLICK “Add”.</p> <p>CLICK “Add Collateral” and select the additional collateral to be included in the loan group.</p> <p>Refer to the previous screen print, Figure 53a, as a reference; uncheck the “Auto Calc” box in the “Prior Lien” fields and ensure prior liens are entered correctly to allow the system to calculate the remaining collateral value.</p>  <p><b>New Current OL</b></p> <p><b>Loans</b></p> <table border="1"> <thead> <tr> <th>Loan #</th><th>Creditor</th><th>Type</th><th>Prin. Bal / Request Amt.</th><th>Present Commit.</th><th>Proposed Commit.</th><th>Purpose</th></tr> </thead> <tbody> <tr> <td>✗ <input type="checkbox"/> **</td><td>FSA</td><td>Cur.</td><td>50,000 *</td><td>0</td><td>50,000</td><td>Operating Expenses</td></tr> <tr> <td colspan="3"><b>Totals</b></td><td>50,000</td><td>0</td><td>50,000</td><td></td></tr> </tbody> </table> <p>**Denotes "New" Loans      *Total Of Loans For Collateral Analysis: 50,000</p> <p><b>Collateral</b></p> <table border="1"> <thead> <tr> <th>Description</th><th>Type</th><th>Value</th><th>Adv Rate(%)</th><th>Disc Value</th><th>Prior Lien</th><th>Auto Calc</th><th>Coll. Amt.</th><th>Auto Calc</th></tr> </thead> <tbody> <tr> <td></td><td></td><td>0</td><td>100</td><td>0</td><td>0</td><td><input checked="" type="checkbox"/></td><td>0</td><td><input checked="" type="checkbox"/></td></tr> <tr> <td>✗ <input type="checkbox"/> Crop Income</td><td></td><td>50,000</td><td>100</td><td>50,000</td><td>0</td><td><input checked="" type="checkbox"/></td><td>50,000</td><td><input checked="" type="checkbox"/></td></tr> <tr> <td>✗ <input type="checkbox"/> TBP 50 Cows</td><td></td><td>90,000</td><td>100</td><td>90,000</td><td>90,000</td><td><input type="checkbox"/></td><td>0</td><td><input checked="" type="checkbox"/></td></tr> <tr> <td>✗ <input type="checkbox"/> Machinery &amp; Equipment</td><td></td><td>341,800</td><td>100</td><td>341,800</td><td>185,000</td><td><input type="checkbox"/></td><td>156,800</td><td><input checked="" type="checkbox"/></td></tr> <tr> <td>✗ <input type="checkbox"/> Raised Breeding Stock</td><td></td><td>60,000</td><td>100</td><td>60,000</td><td>45,000</td><td><input type="checkbox"/></td><td>15,000</td><td><input checked="" type="checkbox"/></td></tr> <tr> <td><b>Totals</b></td><td></td><td>541,800</td><td></td><td>541,800</td><td></td><td></td><td>221,800</td><td></td></tr> </tbody> </table> <p><b>Analysis</b></p> <table border="1"> <tbody> <tr> <td>Total Loan Amount</td><td>50,000</td><td>Discounted Margin of Collateral to Loan</td><td>4.44</td></tr> <tr> <td>Discounted Collateral Value *</td><td>221,800</td><td>Discounted LTV</td><td>22.54 %</td></tr> </tbody> </table> <p>* Prior Lien(s) are deducted from Discounted Collateral Value</p>	Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose	✗ <input type="checkbox"/> **	FSA	Cur.	50,000 *	0	50,000	Operating Expenses	<b>Totals</b>			50,000	0	50,000		Description	Type	Value	Adv Rate(%)	Disc Value	Prior Lien	Auto Calc	Coll. Amt.	Auto Calc			0	100	0	0	<input checked="" type="checkbox"/>	0	<input checked="" type="checkbox"/>	✗ <input type="checkbox"/> Crop Income		50,000	100	50,000	0	<input checked="" type="checkbox"/>	50,000	<input checked="" type="checkbox"/>	✗ <input type="checkbox"/> TBP 50 Cows		90,000	100	90,000	90,000	<input type="checkbox"/>	0	<input checked="" type="checkbox"/>	✗ <input type="checkbox"/> Machinery & Equipment		341,800	100	341,800	185,000	<input type="checkbox"/>	156,800	<input checked="" type="checkbox"/>	✗ <input type="checkbox"/> Raised Breeding Stock		60,000	100	60,000	45,000	<input type="checkbox"/>	15,000	<input checked="" type="checkbox"/>	<b>Totals</b>		541,800		541,800			221,800		Total Loan Amount	50,000	Discounted Margin of Collateral to Loan	4.44	Discounted Collateral Value *	221,800	Discounted LTV	22.54 %
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✗ <input type="checkbox"/> Machinery & Equipment		341,800	100	341,800	185,000	<input type="checkbox"/>	156,800	<input checked="" type="checkbox"/>																																																																																					
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Discounted Collateral Value *	221,800	Discounted LTV	22.54 %																																																																																										

Figure 54

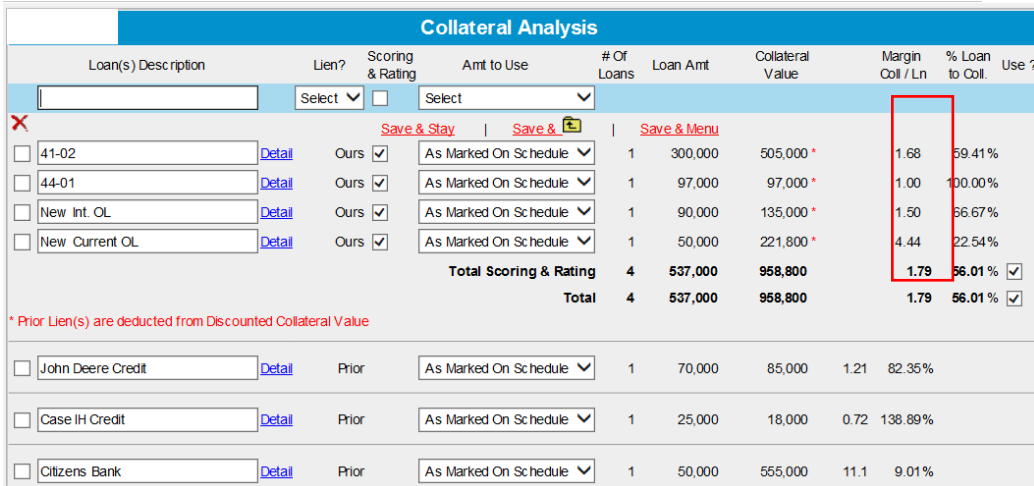
Step	Action																																																																																																														
13	<p>Access the Collateral Analysis Summary Screen and verify that the margin of collateral to loan is correct in the “Margin Coll/Ln” Column.</p> <p>*--</p>  <p><b>Collateral Analysis</b></p> <table border="1"> <thead> <tr> <th>Loan(s) Description</th><th>Lien?</th><th>Scoring &amp; Rating</th><th>Amt to Use</th><th># Of Loans</th><th>Loan Amt</th><th>Collateral Value</th><th>Margin Coll / Ln</th><th>% Loan to Coll.</th><th>Use ?</th></tr> </thead> <tbody> <tr> <td><input type="checkbox"/> 41-02</td><td>Ours</td><td><input checked="" type="checkbox"/></td><td>As Marked On Schedule</td><td>1</td><td>300,000</td><td>505,000 *</td><td>1.68</td><td>59.41%</td><td></td></tr> <tr> <td><input type="checkbox"/> 44-01</td><td>Ours</td><td><input checked="" type="checkbox"/></td><td>As Marked On Schedule</td><td>1</td><td>97,000</td><td>97,000 *</td><td>1.00</td><td>100.00%</td><td></td></tr> <tr> <td><input type="checkbox"/> New Int OL</td><td>Ours</td><td><input checked="" type="checkbox"/></td><td>As Marked On Schedule</td><td>1</td><td>90,000</td><td>135,000 *</td><td>1.50</td><td>66.67%</td><td></td></tr> <tr> <td><input type="checkbox"/> New Current OL</td><td>Ours</td><td><input checked="" type="checkbox"/></td><td>As Marked On Schedule</td><td>1</td><td>50,000</td><td>221,800 *</td><td>4.44</td><td>22.54%</td><td></td></tr> <tr> <td><b>Total Scoring &amp; Rating</b></td><td></td><td></td><td></td><td>4</td><td>537,000</td><td>958,800</td><td>1.79</td><td>56.01 %</td><td><input checked="" type="checkbox"/></td></tr> <tr> <td><b>Total</b></td><td></td><td></td><td></td><td>4</td><td>537,000</td><td>958,800</td><td>1.79</td><td>56.01 %</td><td><input checked="" type="checkbox"/></td></tr> <tr> <td colspan="10">* Prior Lien(s) are deducted from Discounted Collateral Value</td></tr> <tr> <td><input type="checkbox"/> John Deere Credit</td><td>Prior</td><td></td><td>As Marked On Schedule</td><td>1</td><td>70,000</td><td>85,000</td><td>1.21</td><td>82.35%</td><td></td></tr> <tr> <td><input type="checkbox"/> Case IH Credit</td><td>Prior</td><td></td><td>As Marked On Schedule</td><td>1</td><td>25,000</td><td>18,000</td><td>0.72</td><td>138.89%</td><td></td></tr> <tr> <td><input type="checkbox"/> Citizens Bank</td><td>Prior</td><td></td><td>As Marked On Schedule</td><td>1</td><td>50,000</td><td>555,000</td><td>11.1</td><td>9.01%</td><td></td></tr> </tbody> </table>	Loan(s) Description	Lien?	Scoring & Rating	Amt to Use	# Of Loans	Loan Amt	Collateral Value	Margin Coll / Ln	% Loan to Coll.	Use ?	<input type="checkbox"/> 41-02	Ours	<input checked="" type="checkbox"/>	As Marked On Schedule	1	300,000	505,000 *	1.68	59.41%		<input type="checkbox"/> 44-01	Ours	<input checked="" type="checkbox"/>	As Marked On Schedule	1	97,000	97,000 *	1.00	100.00%		<input type="checkbox"/> New Int OL	Ours	<input checked="" type="checkbox"/>	As Marked On Schedule	1	90,000	135,000 *	1.50	66.67%		<input type="checkbox"/> New Current OL	Ours	<input checked="" type="checkbox"/>	As Marked On Schedule	1	50,000	221,800 *	4.44	22.54%		<b>Total Scoring &amp; Rating</b>				4	537,000	958,800	1.79	56.01 %	<input checked="" type="checkbox"/>	<b>Total</b>				4	537,000	958,800	1.79	56.01 %	<input checked="" type="checkbox"/>	* Prior Lien(s) are deducted from Discounted Collateral Value										<input type="checkbox"/> John Deere Credit	Prior		As Marked On Schedule	1	70,000	85,000	1.21	82.35%		<input type="checkbox"/> Case IH Credit	Prior		As Marked On Schedule	1	25,000	18,000	0.72	138.89%		<input type="checkbox"/> Citizens Bank	Prior		As Marked On Schedule	1	50,000	555,000	11.1	9.01%	
Loan(s) Description	Lien?	Scoring & Rating	Amt to Use	# Of Loans	Loan Amt	Collateral Value	Margin Coll / Ln	% Loan to Coll.	Use ?																																																																																																						
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Figure 54a--\*



## Farm Business Plan - FSA User Guide (Continued)

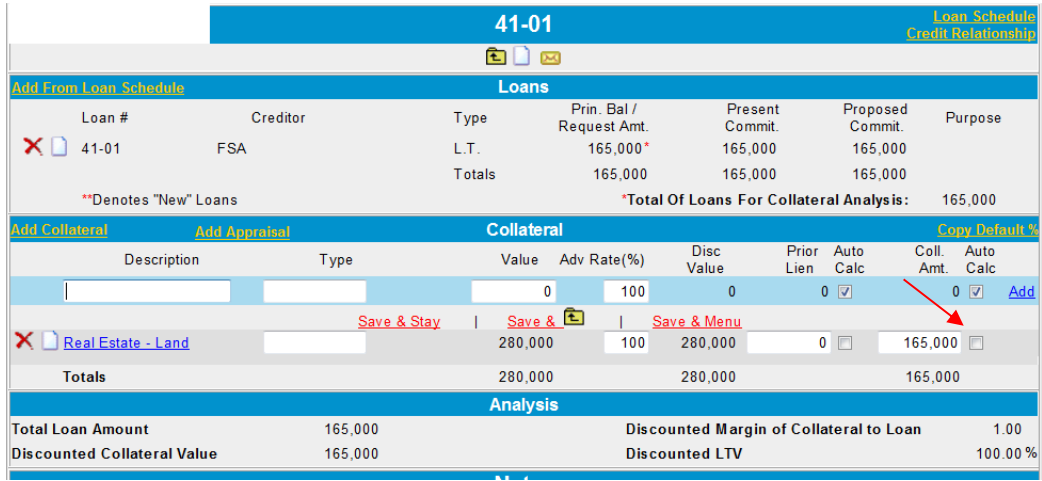
### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### \*--c 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 (41-01) 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 (44-02), with a loan balance of \$90,000. The FSA OL is also secured by all machinery and equipment, valued at \$80,000.

Step	Action
1	<p>Add the FO 41-01 loan group first. Select the \$165,000 FO loan from the loan schedule and then add the real estate land, valued at \$280,000, as collateral.</p> <p>To ensure that the real estate security value is not double counted, adjust the value of the collateral securing the existing loan to 100%. Uncheck (✓) the “<b>Auto Calc</b>” box and enter the amount of the loan (\$165,000) in the “<b>Coll. Amt</b>” field.</p> <p>The remaining collateral value will be used to meet the security requirements of the OL loan.</p>  <p><b>Figure 55</b></p>

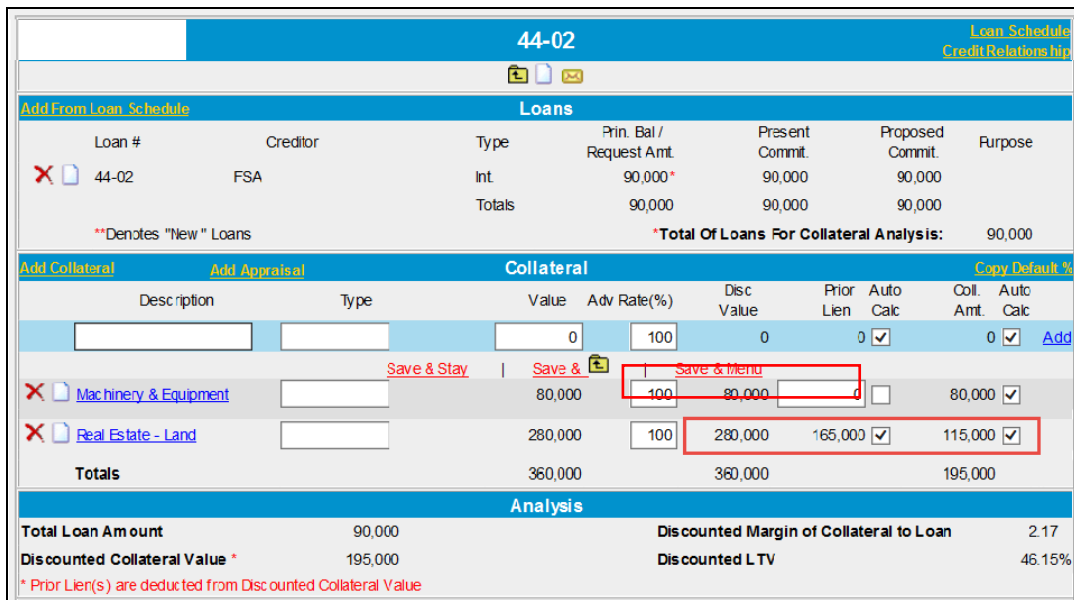
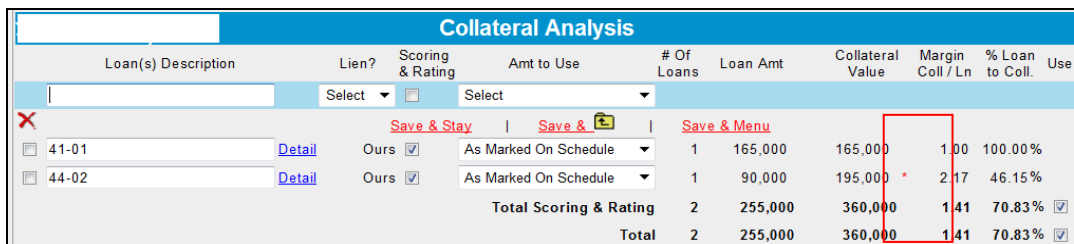
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# Farm Business Plan - FSA User Guide (Continued)

## I Collateral Analysis/Chattel Appraisals (Continued)

### 3 Building the Collateral Analysis (Continued)

#### c Customer With FSA Cross-Collateralized Loans (Continued)

Step	Action
2	<p>Add the FSA 44-02 Loan group, select the FSA \$90,000 OL loan from the loan schedule, and add the machinery and equipment and the real estate land as collateral.</p> <p><b>Note:</b> Even though the farm is valued at \$280,000, the amount available for this loan group is only \$115,000. This amount is automatically calculated and represents the difference between the value of the farm (\$280,000) and the FSA FO loan secured by a first lien on the farm (\$165,000).</p> <p>*--</p>  <p><b>Figure 55a</b></p>
3	<p>Access the Collateral Analysis Screen and verify that the margin of collateral to loan is correct.</p>  <p><b>Figure 55b</b></p>

## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### \*--d 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.

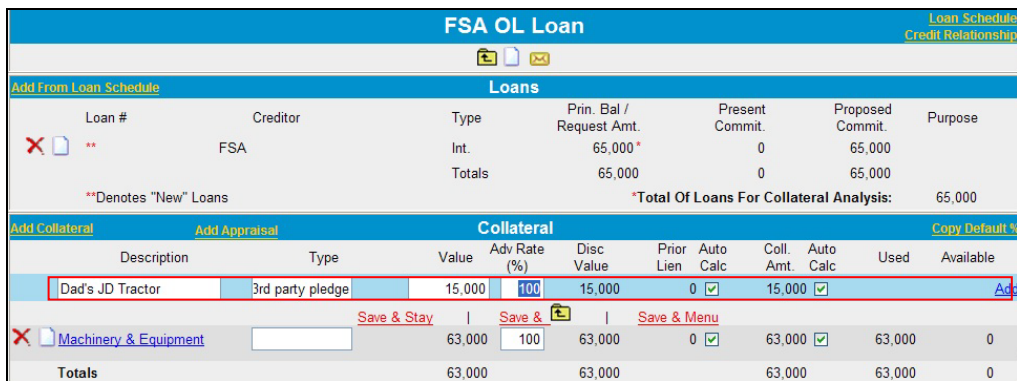
Step	Action																																																																	
1	<p>Add the FSA OL loan group, select the FSA \$65,000 OL loan from the loan schedule, and then add the machinery and equipment valued at \$63,000, as collateral. Manually add the third-party additional collateral to the “Collateral” Section and CLICK “Add”.</p>  <p><b>FSA OL Loan</b></p> <table border="1"> <thead> <tr> <th>Loan #</th><th>Creditor</th><th>Type</th><th>Prin. Bal / Request Amt.</th><th>Present Commit.</th><th>Proposed Commit.</th><th>Purpose</th></tr> </thead> <tbody> <tr> <td>**</td><td>FSA</td><td>Int.</td><td>65,000 *</td><td>0</td><td>65,000</td><td></td></tr> <tr> <td colspan="3">Totals</td><td>65,000</td><td>0</td><td>65,000</td><td></td></tr> </tbody> </table> <p>**Denotes "New" Loans      *Total Of Loans For Collateral Analysis: 65,000</p> <p><b>Collateral</b></p> <table border="1"> <thead> <tr> <th>Description</th><th>Type</th><th>Value</th><th>Adv Rate (%)</th><th>Disc Value</th><th>Prior Lien</th><th>Auto Calc</th><th>Coll. Amt.</th><th>Auto Calc</th><th>Used</th><th>Available</th></tr> </thead> <tbody> <tr> <td>Dad's JD Tractor</td><td>3rd party pledge</td><td>15,000</td><td>100</td><td>15,000</td><td>0</td><td>✓</td><td>15,000</td><td>✓</td><td></td><td></td></tr> <tr> <td>Machinery &amp; Equipment</td><td></td><td>63,000</td><td>100</td><td>63,000</td><td>0</td><td>✓</td><td>63,000</td><td>✓</td><td>63,000</td><td>0</td></tr> <tr> <td colspan="2">Totals</td><td>63,000</td><td></td><td>63,000</td><td></td><td></td><td>63,000</td><td></td><td>63,000</td><td>0</td></tr> </tbody> </table>	Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose	**	FSA	Int.	65,000 *	0	65,000		Totals			65,000	0	65,000		Description	Type	Value	Adv Rate (%)	Disc Value	Prior Lien	Auto Calc	Coll. Amt.	Auto Calc	Used	Available	Dad's JD Tractor	3rd party pledge	15,000	100	15,000	0	✓	15,000	✓			Machinery & Equipment		63,000	100	63,000	0	✓	63,000	✓	63,000	0	Totals		63,000		63,000			63,000		63,000	0
Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose																																																												
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Dad's JD Tractor	3rd party pledge	15,000	100	15,000	0	✓	15,000	✓																																																										
Machinery & Equipment		63,000	100	63,000	0	✓	63,000	✓	63,000	0																																																								
Totals		63,000		63,000			63,000		63,000	0																																																								

Figure 56

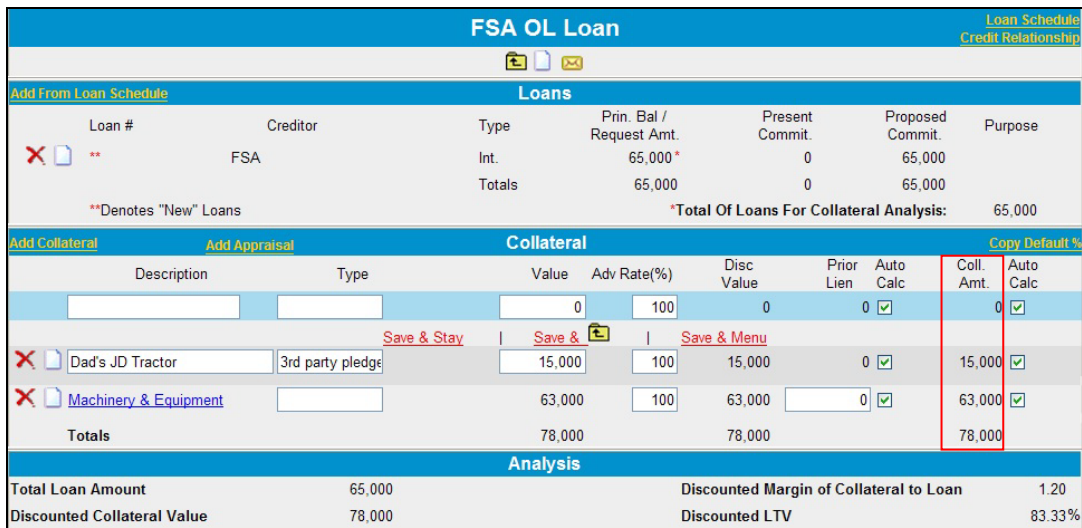
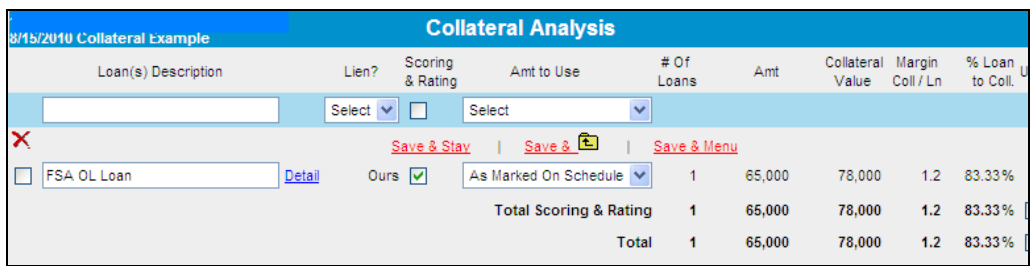
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Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

\*--d Customer With Third-Party Pledge of Security (Continued)

Step	Action
2	<p>The \$15,000 will now be displayed in the “Coll. Amt.” Column.</p> <p>*--</p>  <p><b>Figure 56a</b></p>
3	<p>Access the Collateral Analysis Screen and verify that the margin of collateral to loan is correct.</p>  <p><b>Figure 56b</b></p>

--\*

## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### \*--e 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 44-01 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 prior lien (\$85,000) in the "Prior Lien" field. "Total Collateral Amount" equals \$103,000 (Machinery & Equipment **plus** equity in Nonfarm Real Estate).

FSA 41-01										Loan Schedule Credit Relations hlp
Add From Loan Schedule										
Loans										
Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose				
X	FSA	Int.	65,000*	65,000	65,000					
Totals			65,000	65,000	65,000					
**Denotes "New" Loans						*Total Of Loans For Collateral Analysis: 65,000				
Add Collateral										
Collateral										
Description	Type	Value	Adv Rate(%)	Disc Value	Prior Lien	Auto Calc	Coll. Amt.	Auto Calc	Copy Default %	
		0	100	0	0	<input checked="" type="checkbox"/>	0	<input checked="" type="checkbox"/>		Add
X Machinery & Equipment		63,000	100	63,000	0	<input checked="" type="checkbox"/>	63,000	<input checked="" type="checkbox"/>		
X Nonfarm Real Estate		125,000	100	125,000	85,000	<input type="checkbox"/>	40,000	<input checked="" type="checkbox"/>		
Totals		188,000		188,000			103,000			
Analysis										
Total Loan Amount		65,000		Discounted Margin of Collateral to Loan				1.58		
Discounted Collateral Value *		103,000		Discounted LTV				63.11%		
* Prior Lien(s) are deducted from Discounted Collateral Value										

Figure 57--\*

## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### \*--e 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).

FSA 41-01										Loan Schedule	Credit Relations
Add From Loan Schedule											
Loans											
Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose					
	FSA	Int	65,000 *	65,000	65,000						
Totals			65,000	65,000	65,000						
			**Denotes "New " Loans			*Total Of Loans For Collateral Analysis:			65,000		
Add Collateral											
Collateral											
Description	Type	Value	Adv Rate (%)	Disc Value	Prior Lien	Auto Calc	Coll. Amt.	Auto Calc	Used	Available	Copy Default %
		0	100	0	0	<input checked="" type="checkbox"/>	0	<input checked="" type="checkbox"/>			<a href="#">Add</a>
Save & Stay   Save &    Save & Menu											
	Non-Farm Real Estate	equity	40,000	100	40,000	0	<input checked="" type="checkbox"/>	40,000	<input checked="" type="checkbox"/>	25,243	14,757
	Machinery & Equipment		63,000	100	63,000	0	<input checked="" type="checkbox"/>	63,000	<input checked="" type="checkbox"/>	39,757	23,243
Totals		103,000		103,000			103,000		65,000	38,000	
Analysis											
Total Loan Amount		65,000	Discounted Margin of Collateral to Loan						1.58		
Discounted Collateral Value		103,000	Discounted LTV						63.11%		

Figure 57a--\*

### 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.

**Farm Business Plan - FSA User Guide (Continued)**

**J Credit Actions (Continued)**

The following are the 11 credit action models that are available.

Credit Action Type	Used For	Type of Forms				
		Environ-mental Checklist	Farm Assess-ment	Other	Credit Presentation	Security 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>	*--All regular servicing actions.--*	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 <u>1/</u>	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 or microloan is being made in conjunction with a servicing request (special or regular), use the applicable servicing credit action.

## Farm Business Plan - FSA User Guide (Continued)

### 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.

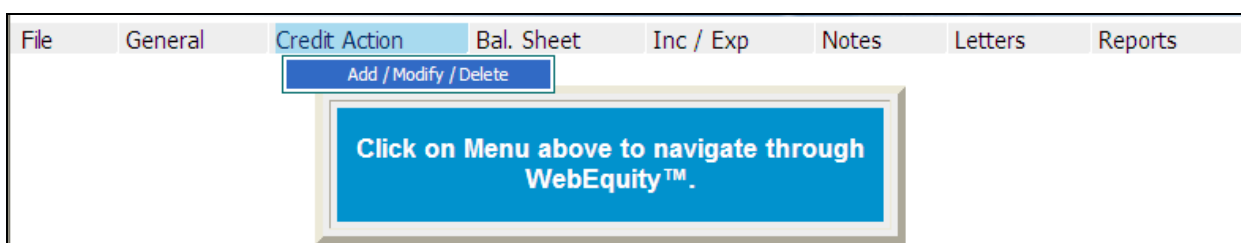


Figure 58, Credit Action Menu

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	Model Selection Filter	Credit Action Model	
2016 Tractor Loan		Select	Add
		D-Loan Making	
		D-Loan/Sec. Agr. Only	
		D-Loan/Class/LRYEA Only	
		D-Loan/Special Serv.	
		D-Loan/Regular Serv.	
		D-Loan/Eligibility Only	
		D-Loan Special Classification	
		Youth Loan	
		Microloan	
		FSFL	
		Emergency Loan Calculations	

Figure 58a, Add Credit Action Model--\*



## Farm Business Plan - FSA User Guide (Continued)

### 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							
Description	Credit Action Model						
<input type="text"/>	Select	<a href="#">Add</a>					
<a href="#">Save &amp; Stay</a>							
Description	Status	Environmental	Farm Assmt.	Other	Credit Presentation	Security Agreement	
2009 Restructuring	Select	<a href="#">Environmental Checklist</a>	<a href="#">Farm Assmt.</a>	<a href="#">DALR\$ Input Rpt.</a>	<a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Select</a>	<a href="#">Track</a>
2011 Tractor Loan	Select	<a href="#">Environmental Checklist</a>	<a href="#">Farm Assmt.</a>	None	<a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Select</a>	<a href="#">Track</a>

\*--Figure 58b, 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. Sheet	Inc / Exp	Notes	Letters	Reports
		2009 Restructuring 2011 Tractor Loan Add / Modify / Delete					
		Credit Action Status Environmental - Environmental Checklist Farm Assmt. - Farm Assmt. Credit Presentation - Cred. Pres. / Borr. Class. Lock Forms					

\*--Figure 58c, 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.




## Farm Business Plan - FSA User Guide (Continued)

### 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.

Credit Action						
Description		Credit Action Model				
<input type="text"/>		Select			<a href="#">Add</a>	
<a href="#">Save &amp; Stay</a>						
Description	Status		Farm Assmt.	Credit Presentation	Security Agreement	
2012 CR, GR & S/A	<a href="#">Approved</a>		<a href="#">Farm Assmt.</a>	<a href="#">Classification / LR Review/ YEA</a>	<a href="#">Security Agreement</a>	<a href="#">Track</a>
2011 Security Inspection	<a href="#">Select</a>		None	None	<a href="#">Security Agreement</a>	<a href="#">Track</a>
2009 YEA	<a href="#">Approved</a>		<a href="#">Farm Assmt.</a>	<a href="#">Classification / LR Review/ YEA</a>	<a href="#">Security Agreement</a>	<a href="#">Track</a>

\*--Figure 58d, 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.

## Farm Business Plan - FSA User Guide (Continued)

### 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.



\*--Figure 58e, Locking Forms--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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 WordPads located in other parts of FBP. This allows tables and spreadsheets to retain the Microsoft formatting.

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 (✓) “Includes imported images and/or pasted data” box.

**\*--Caution:** Only use this feature when copying Microsoft Word tables or Excel spreadsheets. This feature will decrease performance speed.--\*

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.

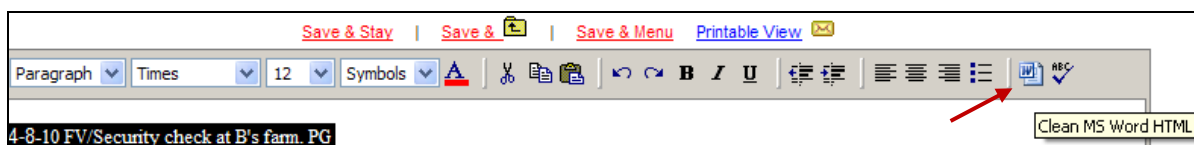


Figure 58f

## Farm Business Plan - FSA User Guide (Continued)

### J Credit Actions (Continued)

#### 3 Credit Action Forms (Continued)

##### b Copying Data Into WordPad (Continued)

Additional features available on the WordPad include the following.

\*--

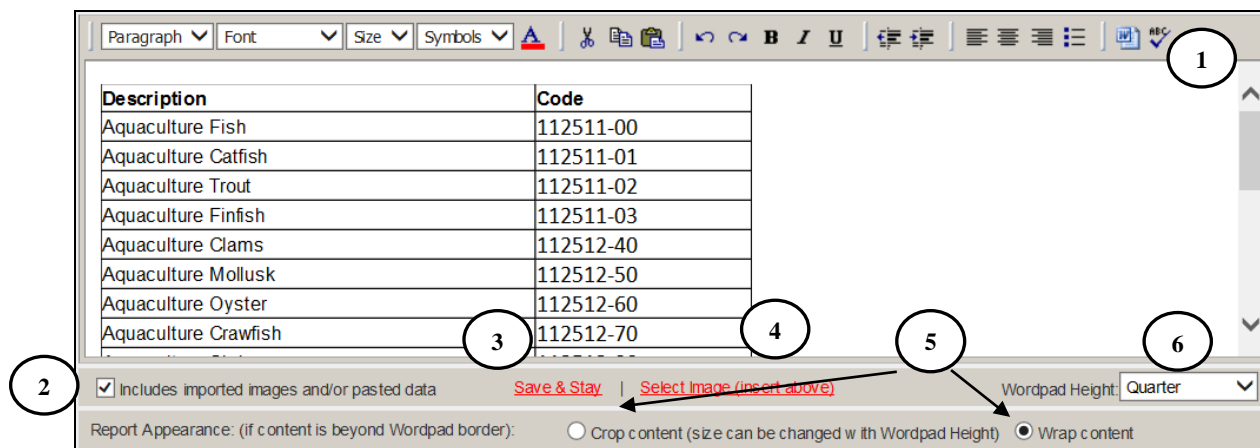


Figure 58g--\*

Item	Feature
1	Word processing options are available to customize entries, including a “Spell Check” feature.
2	CHECK (✓) the box when including tables or spreadsheets copied from Microsoft Word or Excel and the WordPad will retain the Microsoft formatting.
3	CLICK “ <b>Save &amp; Stay</b> ” link to refresh the screen after each step.
4	<b>Do not use.</b> 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	<p>“Report Appearance” radio buttons can be used to determine how information on the report will be printed. If users click:</p> <ul style="list-style-type: none"> <li>“Crop content”, WordPad will only print what is visible on the screen; however, size *--can be changed with WordPad Height (item 6), not recommended</li> <li>“Wrap content”, WordPad will print the entire WordPad content, recommended.--*</li> </ul> <p><b>Note:</b> Ensure that horizontal information can be seen without scrolling to prevent report from displaying excess information on second page.</p>
6	Use “Wordpad Height” drop-down menu to select the height for the WordPad.

## Farm Business Plan - FSA User Guide (Continued)

### 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 (✓) **only** the “General Information” box, and CLICK “**Update & [Save Icon]**”.

Copy From	Last Updated
Environmental - Environmental Checklist	-
Other - DALRS Input Rpt.	-
<input checked="" type="checkbox"/> General Information - General Information	7/22/2011-8:48:31 AM

\*--Figure 58h, 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.

## Farm Business Plan - FSA User Guide (Continued)

### J Credit Actions (Continued)

#### \*--5 FSA-850, Environmental Screening Worksheet

FSA-850 is prepared to document the environmental review. CLICK “**Credit Action**” [*Credit Action Name*], “Environmental Screening Worksheet”. The first time FSA-850 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 FSA-850. CLICK “**Save**” to save all changes to FSA-850.
- Use the “Attached Comments for Environmental Screening Worksheet” wordpad at the bottom of the page to enter any additional environmental related information.
- CLICK “**Signature of Preparer**” to eSign FSA-850.
- If FSA-850 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.

## Farm Business Plan - FSA User Guide (Continued)

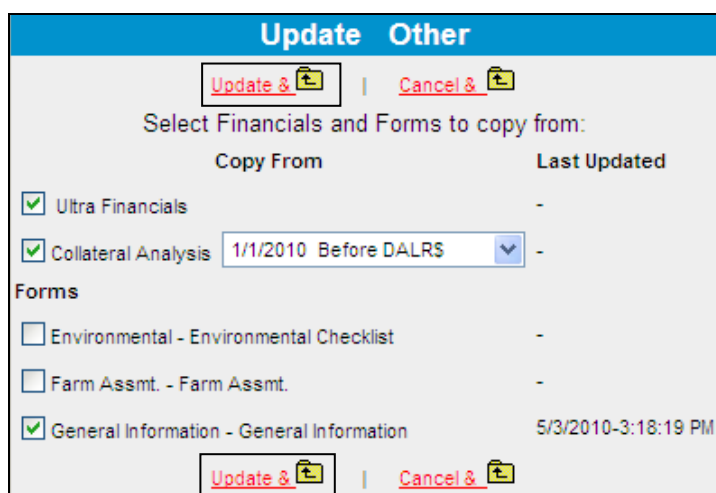
### J Credit Actions (Continued)

#### 6 DALR\$ Input Report (Continued)

The “Update Other” dialog box will be displayed. CHECK (✓) **only** the following boxes:

- “Ultra Financials”
- “Collateral Analysis” select balance sheet from the drop-down menu
- “General Information”.

CLICK “Update & ”.



\*--Figure 58i, 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.



## Farm Business Plan - FSA User Guide (Continued)

### 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

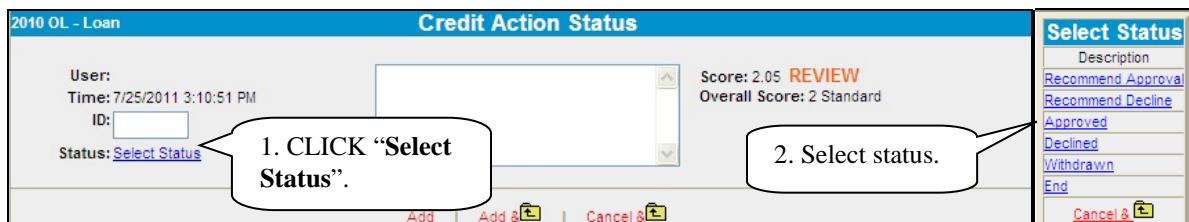
Each Credit Presentation that is prepared **must** have an approval decision. CLICK “**Plan Approval**” link located at the bottom of the Credit Presentation to select the appropriate approval status. Only Credit Presentations with an “Approved” status will be available for selection in DLS.

**Note:** For instructions on completing the Credit Action Status Screen for FSFL’s, see **FSFL** (Section J 15 a).



\*--Figure 58j, Plan Approval--\*

CLICK “**Select Status**” link to access the “Select Status” dialog box. Click on the description of the status to select.



\*--Figure 58k, Select Status--\*


**Note:** Limit comments in the text field; should **not** include loan closing requirements, etc.



## Farm Business Plan - FSA User Guide (Continued)

### J Credit Actions (Continued)

#### 7 Credit Presentation (Continued)

##### a Approval Decision (Continued)

To eSign the approval decision, CLICK “Add” or “Add & ”.

', and 'Cancel & .


\*--Figure 58l, 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
<input type="checkbox"/>	Recommend Approval		Jesse James, FLOT	3/17/2015 9:10:30 AM
	Correction to status due to loan approval limitations. Submitted for "Approval" to FLM.			
<input type="checkbox"/>	Approved		Jesse James, FLOT	3/17/2015 9:03:39 AM

**Farm Business Plan - FSA User Guide (Continued)**

**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 (✓) **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**”.

## Farm Business Plan - FSA User Guide (Continued)

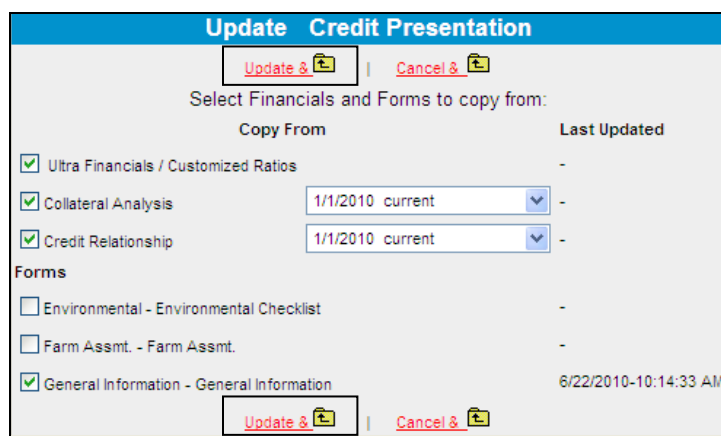
### J Credit Actions (Continued)

#### 7 Credit Presentation (Continued)

##### b Completing the Credit Presentation/Borrower Classification (Continued)

CLICK “Update & 

**Caution:** Do **not** check “Farm Assmt” or “Environmental”.

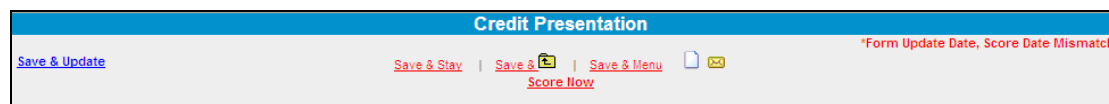


\*--Figure 58m, Update Credit Presentation--\*

**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.



\*--Figure 58n, Credit Presentation--\*

**Farm Business Plan - FSA User Guide (Continued)**

**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.

<b>Component</b>	<b>Details</b>
General Information	<ul style="list-style-type: none"> <li>• Most of this information will be pre-filled and not need further completion.</li> <li>• Select the radio button to designate whether the farm assessment was completed, updated, or no update is required.</li> </ul>
Credit Relationship	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Ensure that the updated credit relationship information is correct.</li> <li>• In the text box indicate: <ul style="list-style-type: none"> <li>• loan purposes and use of loan funds for: <ul style="list-style-type: none"> <li>• direct loanmaking, transfer this information to FSA-2140 when a supervised bank account will be used to disburse loan funds</li> <li>• subordinations, transfer this information to the applicable subordination agreement</li> </ul> </li> <li>• any other information relevant to FSA’s credit relationship with the customer.</li> </ul> </li> </ul>
Collateral Analysis	Ensure that the updated collateral and loan information is correct.
Employment Information, Related Entities, Balance Sheet, Income Statement, Repayment Capacity	<ul style="list-style-type: none"> <li>• CLICK “Reports” and “Reports Setup” to select which balance sheets and income/expense statements appear in the Credit Presentation.</li> <li>• See <b>Reports Setup</b> (Section B 4 d) for information on what financial data should be included.</li> <li>• Ensure that the updated information in these sections is correct.</li> </ul>



**Farm Business Plan - FSA User Guide (Continued)**

**J Credit Actions (Continued)**

**7 Credit Presentation (Continued)**

**b Completing the Credit Presentation/Borrower Classification (Continued)**

\*--

Component	Details	
Classification	<ul style="list-style-type: none"><li>• CLICK “<b>Score Now</b>” to calculate the classification score.</li><li>• 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.</li><li>• Select the current or post-close balance sheet according to the following type of credit action.</li></ul>	
	Type of Credit Action	Type of Balance Sheet for Classification
	Classification/LR/Review/YEA Credit Presentation.	Current.
	Credit Presentation prepared for D-Loan Making (annual operating loans, excludes youth loans).	Current.
	Credit Presentation prepared for: <ul style="list-style-type: none"><li>• D-Loan Making (term loans and combination term and annual loans, excludes youth loans)</li><li>• D-Loan Regular Servicing</li><li>• D-Loan Special Servicing.</li></ul>	<p><b>Notes:</b> Classification section may be scored at the time of credit action approval based upon a post-close balance sheet. The credit action does not have to be closed before the account is classified.</p> <p>CHECK (✓) post-close box for all new loans and ensure TBP assets are included. Asset for AOL should be included on a 1:1 basis in “Other Current Assets”.</p>

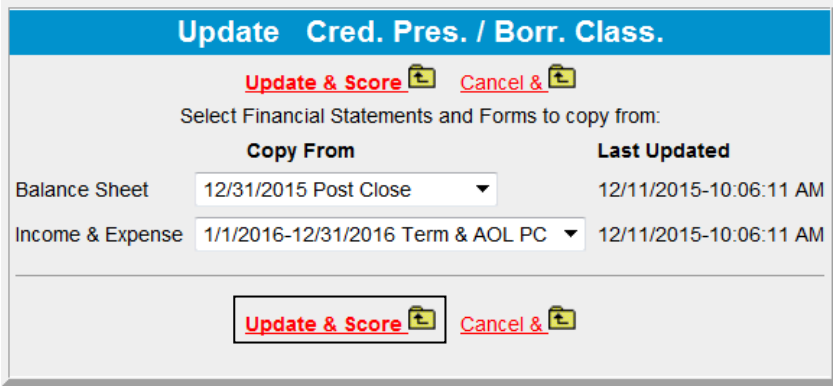
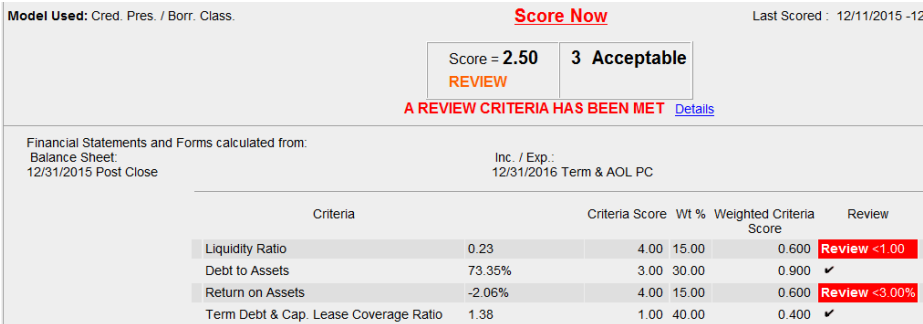
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Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details
Classification (Continued)	<ul style="list-style-type: none"> <li>Select the appropriate income/expense projection.</li> <li>CLICK “Update &amp; Score”. *--</li> </ul>  <p><b>Figure 58o, Update Cred. Pres./Borr. Class.</b></p> <ul style="list-style-type: none"> <li>Classification displays eSignature and date/time stamp of the loan official.</li> </ul>  <p><b>Figure 58p, Scored Classification--*</b></p> <ul style="list-style-type: none"> <li>Use “Comments” area below score for discussion of “Review” criteria.</li> <li>Classification section must be scored before using the credit action approval date in DLS.</li> </ul>



Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

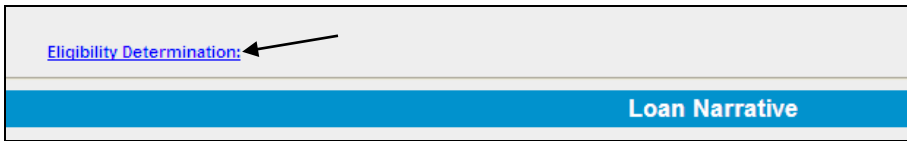
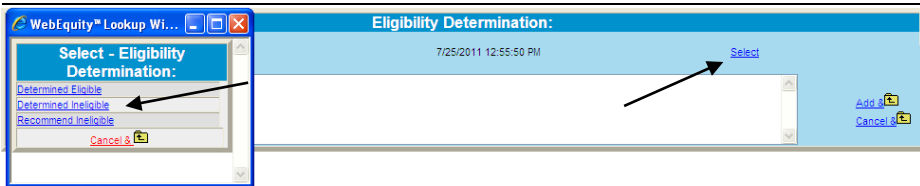
Component	Details
Eligibility	<ul style="list-style-type: none"> <li>Answer the applicable eligibility questions with the radio buttons.</li> </ul> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p style="text-align: center;"><b>General Loan Making Eligibility</b></p> <p>Does customer meet the eligibility requirements of 3-FLP?</p> <p>Controlled substances? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Legal capacity? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Citizenship? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Credit history? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Credit elsewhere? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Delinquent Federal Debt and unpaid Federal Judgments? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Federal Crop Insurance violations? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Managerial ability? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Borrower training? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Owner/Operator of a Family Farm? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Entity composition? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p style="text-align: center;"><b>Loan Servicing Eligibility/Conditions</b></p> <p>Does customer meet the following eligibility and/or conditions as outlined</p> <p>Subordination as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Consent to Junior Lienholders as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Severance Agreement as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Real Estate Partial Release as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Transfer/Assumption as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Primary and Preservation Loan Servicing as per 5-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Disaster Set Aside as per 5-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Special Loan Programs Servicing Actions as per 6-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> </div> <p><b>*--Figure 58q--*</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

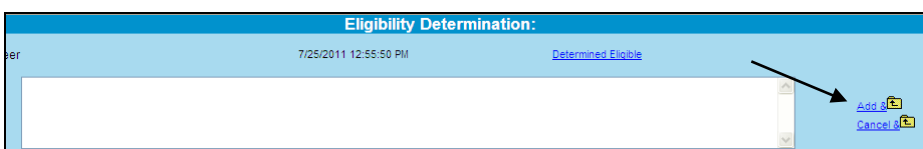
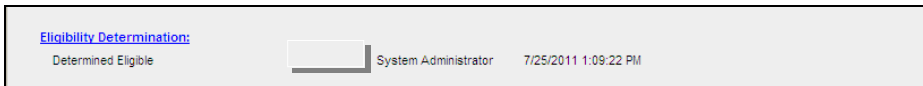
Component	Details
Eligibility (Continued)	<ul style="list-style-type: none"> <li>Use the text box to address any additional program specific eligibility issues and/or conditions, such as qualifying for EM loans. States will issue guidance on amount of detail needed and format required.</li> <li>The FSA loan official must CLICK “<b>Eligibility Determination</b>” to determine or recommend eligibility.</li> </ul>  <p>*--Figure 58r--*</p> <ul style="list-style-type: none"> <li>CLICK “<b>Select</b>” to display the “Select-Eligibility Determination” lookup window.</li> <li>Click the appropriate eligibility determination.</li> <li>Add any needed documentation to the text field.</li> </ul>  <p>*--Figure 58s--*</p>

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details
Eligibility (Continued)	<ul style="list-style-type: none"> <li>CLICK “Add &amp;  <p><b>*--Figure 58t</b></p> <ul style="list-style-type: none"> <li>Credit Presentation will be displayed with the eligibility determination with eSignature and date/time stamp of the loan official.</li> </ul>  <p><b>Figure 58u--*</b></p> </li></ul>
Collateral	<p><b>What is collateral?</b> 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.</p> <ul style="list-style-type: none"> <li>In the WordPad, describe the adequacy of the collateral.</li> <li>If the chattel was appraised by the same official recommending/approving the Credit Presentation, the Appraisal form does <b>not</b> 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.</li> <li>Answer the security questions with the radio button.</li> </ul>

**Farm Business Plan - FSA User Guide (Continued)**

**J Credit Actions (Continued)**

**\*--7 Credit Presentation (Continued)**

**b Completing the Credit Presentation/Borrower Classification (Continued)--\***

<b>Component</b>	<b>Details</b>
Capacity	<p><b>What is capacity?</b> 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.</p> <ul style="list-style-type: none"> <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 for more information on determining if rates are justified.--*</li> </ul>
Capital	<p><b>What is capital?</b> 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:</p> <ul style="list-style-type: none"> <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> <li>• confirm that the borrower manages his/her financial affairs adequately and within his/her income.</li> </ul> <p>In the WordPad, discuss the customer's capital position which may include working capital, debt to asset level, and other elements of available capital.</p>

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

\*--7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)--\*

Component	Details
Conditions	<b>What are conditions?</b> 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 Requirements	<b>Optional.</b> Can be used for any additional loan closing 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.--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

FBP will generate the following account classification codes.

<b>Classification Score</b>	<b>Description of Score</b>
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 <b>Special Classification</b> (Section J 12).

--\*

## Farm Business Plan - FSA User Guide (Continued)

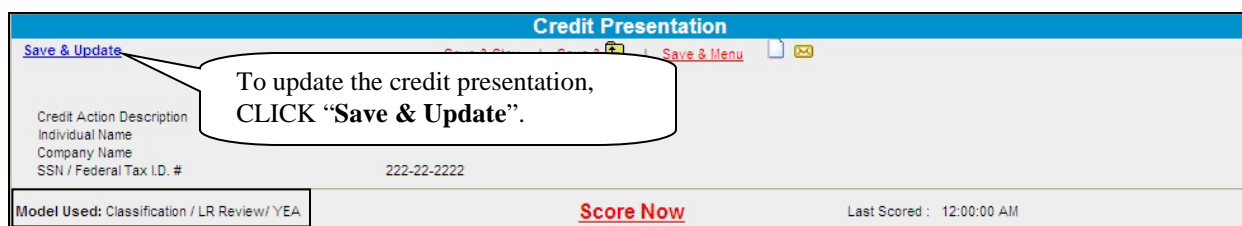
### J Credit Actions (Continued)

#### 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.



\*--Figure 59, Credit Presentation--\*

In the “Update Credit Presentation” dialog box CHECK (✓) the following boxes:

- “Ultra Financials/Customized Ratios”
- “General Information”.

CLICK “**Update &** ” to update the Credit Presentation.

**Caution:** Do not check “Farm Assmt”.

**Farm Business Plan - FSA User Guide (Continued)**

**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.

<b>Component</b>	<b>Details</b>
Balance Sheet, Income Statement, Repayment Capacity	<ul style="list-style-type: none"> <li>• CLICK “<b>Reports</b>” and “<b>Reports Setup</b>” to select which balance sheets and income/expense statements will be displayed in the Credit Presentation.</li> <li>• CLICK “<b>Save &amp; Update</b>” 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 <b>must</b> be updated.</li> <li>• Ensure that the correct information was transferred into these sections.</li> </ul>
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 YEA, classification, graduation, and/or LR review, as applicable.
Graduation Review	Answer the graduation review question, if applicable.
LR Rates	Answer the LR rate question, if applicable. See 4-FLP, Part 3 for more information on determining if rates are justified.
YEA	Answer the question about completion of YEA, 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.--\*



## Farm Business Plan - FSA User Guide (Continued)

### 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**”.

## Farm Business Plan - FSA User Guide (Continued)

### 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.

The screenshot shows the 'Credit Presentation' tab selected. It displays the 'Assigned classification level' dropdown menu set to '3 - Acceptable'. Below this, it shows 'Model Used: Youth Loan' and 'Last Scored : 10/25/2011 10:37:36 AM'. A 'Score Now' button is highlighted in red. Below the button, it shows 'Score = 3.00' and '3 Acceptable'. A note box states: 'Note: User must select the “Assigned classification level” and then CLICK “Score Now”.' At the bottom, it shows 'Financial Statements and Forms calculated from:' and 'Criteria'.

\*--Figure 59a, 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.

## Farm Business Plan - FSA User Guide (Continued)

### 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:

- \* \* \* 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 FSA Purchase Money Security Interest and enter an “(m)” for each line item used for Microloan collateral.

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. Enter an “(m)” at the beginning of the “Other Description” field on the schedules if crops grown on the real estate are used for Microloan collateral. “To SA” may be unchecked to stop the transfer of real estate descriptions to the security agreement.

## Farm Business Plan - FSA User Guide (Continued)

### 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 agreement 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 agreements, general intangibles, etc.	Enter additional information about specific accounts, contract rights, general intangibles, etc., as required by State supplements, if *--any. For Microloan collateral enter “(m)” before each item.--*
Additional Security Agreement Verbiage	Add any additional information as needed. Information added to 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.

## Farm Business Plan - FSA User Guide (Continued)

### 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.--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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

The screenshot shows the FSA Form 2311 A interface. The 'Year of Disaster' dropdown is set to 2010, 'County' is 'Somewhere', 'Disaster No.' is 'S2222', 'Nature of Disaster' is 'drought and rain', and 'Period of Disaster' is '3/1/2010 TO 11/15/2010'. The 'Existing EM Loan Balance' is 0. The 'Crop Enterprises' link is highlighted with a red circle and an arrow. The 'Available Loan Amount' is 0.

\*--Figure 60, 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.

The screenshot shows the Crop Enterprises screen. The 'Add' link is highlighted with a red circle and an arrow. The screen displays a table with columns for Crop Enterprises, Units, Disaster Year, STO, APH, Override, -1 Year, -2 Year, -3 Year, Normal, % Loss, and Total Loss. The 'Add' link is highlighted with a red circle and an arrow.

\*--Figure 60a, Crop Enterprises--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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 Enterprises										
Crop Enterprises	Units (bin,ton,etc.)	Disaster Year		STO Price	APH Yield	Override	-1 Year Yield per Acre	Normal Year Yield	% Loss	Total Loss
		Acres	Yield per Acre							
<input type="checkbox"/> Soybeans	bu	642.80	28.90	8.75	39.73	<input type="checkbox"/>		39.73	32.29	72,162.33
									Total	72,162.33

\*--Figure 60b, Crop Enterprises Using APH Yield--\*

Crop Enterprises											
Crop Enterprises	Units (bin,ton,etc.)	Disaster Year		STO Price	APH Yield	Override	-1 Year Yield per Acre	Source	-2 Year Yield per Acre	Source	-3 Year Yield per Acre
		Acres	Yield per Acre								
<input type="checkbox"/> Alfalfa	Ton	100.00	1.50	80.00	0	<input checked="" type="checkbox"/>	3.50	Applicant	4.00	Applicant	3.50
<input type="checkbox"/> Soybeans	bu	642.80	27.90	8.75	39.73	<input type="checkbox"/>					

\*--Figure 60c, Multiple Crop Enterprises Using APH Yield and Applicant Records--\*

Crop Enterprises														
Disaster Year	es	Yield per Acre	STO Price	APH Yield	Override	-1 Year Yield per Acre	Source	-2 Year Yield per Acre	Source	-3 Year Yield per Acre	Source	Normal Year Yield	% Loss	Total Loss
42.80		27.90	8.75	39.73	<input type="checkbox"/>							39.73	29.78	66,537.83
													Total	83,886.93

\*--Figure 60d, Multiple Crop Enterprises Total Loss Calculations--\*

- CLICK “**Physical Losses**” link to add information for all physical losses

## Farm Business Plan - FSA User Guide (Continued)

### J Credit Actions (Continued)

#### 13 Emergency Loan Calculations (Continued)

- CLICK “Add” to display fields to enter loss information and CLICK “Save” to save the data

Description	Amt
Harvested / Stored Crops	0
Farm Buildings and Other	0
Livestock	0
<b>Total Losses</b>	<b>0</b>

\*--Figure 60e, Physical Losses

Description	Amt
Harvested / Stored Crops	0
Replanting Alfalfa	5,000
<b>Total</b>	<b>5,000</b>
Farm Buildings and Other	0
Livestock	0
<b>Total Losses</b>	<b>5,000</b>

Figure 60f, 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

Description	Amt
Production Loss	0
Physical Loss	0

\*--Figure 60g, Disaster Compensation/Insurance

Description	Amt
Production Loss	10,000
Crop Insurance	10,000
<b>Total</b>	<b>10,000</b>
Physical Loss	0

Figure 60h, 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.

Year of Disaster: 2010 County: Somewhere Disaster No.: SX00X Nature of Disaster: Drought Period of Disaster: 3/1/2010 TO 11/15/2010 Existing EM Loan Balance: 50,000	Qualifying Crop Loss: Yes Qualifying Physical Loss: Yes Total Loss Amount: 5,000 Disaster Compensation / Insurance: 0 Net Loss: 5,000 Available Loan Amount: 78,890 Existing EM Loan Balance: 50,000 Total EM Loan at Closing: 128,890	Yes Yes Physical: 5,000 Prod.: 83,887 0 10,000 5,000 73,890 78,890 50,000 128,890
---	---	---

\*--Figure 60i, 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.



## Farm Business Plan - FSA User Guide (Continued)


### J Credit Actions (Continued)

#### 14 Microloan

The “Microloan” credit action model should be used to process all application requests for ML. For the documentation requirements, see 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 (✓) **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 & **” to update the Credit Presentation.


Complete the Credit Presentation according to the following.

Component	Details
General Information, Credit Relationship	See <b>paragraph J 7 b</b> for instruction on completing these components.
*--Loan Narrative	<p>Required documentation for the narrative should be completed in the Assessment. See paragraph 222 to determine which elements need to be completed.</p> <p>ENTER “Refer to Assessment” in the narrative text box.</p> <p>Use the text box to address any additional documentation that may be needed.</p> <p><b>Note:</b> For OL’s, if the loan official determines that a term of less than 7 years is warranted, the justification for the reduction must be fully documented in the loan narrative, including a discussion of the collateral being taken and the reason this collateral is not sufficient for the full 7 year term.--*</p>
Collateral Analysis, Classification, Employment Information, Related Entities, Balance Sheet, Income Statement, Repayment Capacity	See <b>paragraph J 7 b</b> for instruction on completing these components.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

14 Microloan (Continued)

Component	Details																														
Eligibility	<ul style="list-style-type: none"> <li>Answer the applicable eligibility questions with the radio buttons.</li> </ul> <p><b>*--</b></p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p align="center"><b>General Loan Making Eligibility</b></p> <p>Does customer meet the eligibility requirements of 3-FLP?</p> <table> <tr><td>Controlled substances?</td><td><input type="radio"/> Yes <input type="radio"/> No</td></tr> <tr><td>Legal capacity?</td><td><input type="radio"/> Yes <input type="radio"/> No</td></tr> <tr><td>Citizenship?</td><td><input type="radio"/> Yes <input type="radio"/> No</td></tr> <tr><td>Credit history?</td><td><input type="radio"/> Yes <input type="radio"/> No</td></tr> <tr><td>Credit elsewhere?</td><td><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</td></tr> <tr><td>Delinquent Federal Debt and unpaid Federal Judgments?</td><td><input type="radio"/> Yes <input type="radio"/> No</td></tr> <tr><td>Federal Crop Insurance violations?</td><td><input type="radio"/> Yes <input type="radio"/> No</td></tr> <tr><td>Managerial ability?</td><td><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</td></tr> <tr><td>Borrower training?</td><td><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</td></tr> <tr><td>Owner/Operator of a Family Farm?</td><td><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</td></tr> <tr><td>Entity composition?</td><td><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</td></tr> </table> <p align="center"><b>Microloan Specific Eligibility</b></p> <p>Does customer meet the Microloan Eligibility and/or conditions?</p> <table> <tr><td>ML (OL) managerial ability requirements?</td><td><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</td></tr> <tr><td>Total OL indebtedness within ML maximum limit?</td><td><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</td></tr> <tr><td>ML (FO) participation in the business operations of a farm requirements?</td><td><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</td></tr> <tr><td>Total FO indebtedness within ML maximum limit?</td><td><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</td></tr> </table> </div> <p><b>Figure 61--*</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>Use the text box to address any additional program specific eligibility issues and/or conditions.</li> <li>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.</li> </ul> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p><a href="#">Eligibility Determination:</a> </p> <p align="right"><b>Loan Narrative</b></p> </div> <p><b>*--Figure 61a--*</b></p>	Controlled substances?	<input type="radio"/> Yes <input type="radio"/> No	Legal capacity?	<input type="radio"/> Yes <input type="radio"/> No	Citizenship?	<input type="radio"/> Yes <input type="radio"/> No	Credit history?	<input type="radio"/> Yes <input type="radio"/> No	Credit elsewhere?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA	Delinquent Federal Debt and unpaid Federal Judgments?	<input type="radio"/> Yes <input type="radio"/> No	Federal Crop Insurance violations?	<input type="radio"/> Yes <input type="radio"/> No	Managerial ability?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA	Borrower training?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA	Owner/Operator of a Family Farm?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA	Entity composition?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA	ML (OL) managerial ability requirements?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA	Total OL indebtedness within ML maximum limit?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA	ML (FO) participation in the business operations of a farm requirements?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA	Total FO indebtedness within ML maximum limit?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA
Controlled substances?	<input type="radio"/> Yes <input type="radio"/> No																														
Legal capacity?	<input type="radio"/> Yes <input type="radio"/> No																														
Citizenship?	<input type="radio"/> Yes <input type="radio"/> No																														
Credit history?	<input type="radio"/> Yes <input type="radio"/> No																														
Credit elsewhere?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA																														
Delinquent Federal Debt and unpaid Federal Judgments?	<input type="radio"/> Yes <input type="radio"/> No																														
Federal Crop Insurance violations?	<input type="radio"/> Yes <input type="radio"/> No																														
Managerial ability?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA																														
Borrower training?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA																														
Owner/Operator of a Family Farm?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA																														
Entity composition?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA																														
ML (OL) managerial ability requirements?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA																														
Total OL indebtedness within ML maximum limit?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA																														
ML (FO) participation in the business operations of a farm requirements?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA																														
Total FO indebtedness within ML maximum limit?	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA																														

## Farm Business Plan - FSA User Guide (Continued)

### J Credit Actions (Continued)

#### 14 Microloan (Continued)

\*--

Component	Details
Security, Appraisal, FO Evaluation, LR, SBA Account, and Hazard Insurance	<p>Answer the applicable questions by clicking the buttons.</p> <div style="border: 1px solid gray; padding: 10px;"> <p>Security Requirement met for all loans? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Have all required appraisals been completed? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>For the ML (FO) has the required evaluation been completed? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Are limited resource rates justified? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Supervised Bank Account Required? <input type="radio"/> Yes <input type="radio"/> No</p> <p>If 'Yes' indicate reason: <input type="text"/></p> <p>Hazard insurance required? <input type="radio"/> Yes <input type="radio"/> No</p> </div>
Loan Closing Requirements	Use the word pad to document all approval conditions or loan closing 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 10 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 153 and 154 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 & 

3-25-16

## Farm Business Plan - FSA User Guide (Continued)

### 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.

#### a Approval Decision

After the Loan Official has documented the decision, on the Credit Action Status Screen CLICK "Recommend Approval" or "Recommend Decline".

The screenshot shows a web application interface titled "Credit Action Status". At the top left, it displays "User:", "Time: 10/6/2014 2:50:17 PM", and "ID:". Below this is a "Status: Select Status" dropdown menu. In the center, there is a large empty text box. Below the text box are three buttons: "Add", "Add" (with a plus icon), and "Cancel" (with a minus icon). At the bottom, there is a table with four columns: "Status", "ID", "User", and "Time". The first row of the table contains the text "Recommend Approval" under the "Status" column and "10/6/2014 2:42:57 PM" under the "Time" column.

\*--Figure 61b--\*

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.

## Farm Business Plan - FSA User Guide (Continued)

### 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.

The screenshot shows the 'Credit Action Status' window in the FSFL system. It includes a header bar with the title 'Credit Action Status'. Below the header, there is a section for user information: 'User:', 'Time: 10/6/2014 2:51:02 PM', 'ID:', and 'Status: [Select Status](#)'. A large empty text box is also present. Below this, there is a table with columns: 'Status', 'ID', 'User', and 'Time'. The table contains two rows of data. The first row has 'Approved' in the Status column, 'Approved by Ashland County Committee on 10/6/14.' in the ID column, and '10/6/2014 2:51:00 PM' in the Time column. The second row has 'Recommend Approval' in the Status column and '10/6/2014 2:42:57 PM' in the Time column. Above the table, there are buttons: 'Add', 'Add & [icon]', and 'Cancel & [icon]'.

Status	ID	User	Time
Approved	Approved by Ashland County Committee on 10/6/14.		10/6/2014 2:51:00 PM
Recommend Approval			10/6/2014 2:42:57 PM

\*--Figure 61c--\*

**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.

## Farm Business Plan - FSA User Guide (Continued)

### 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.

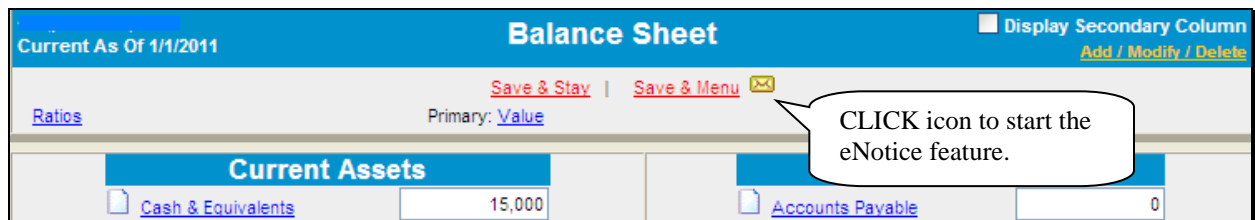


Figure 62

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.

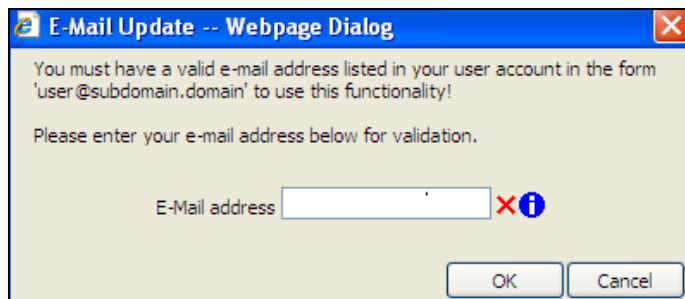


Figure 63

The following series of messages will be displayed.

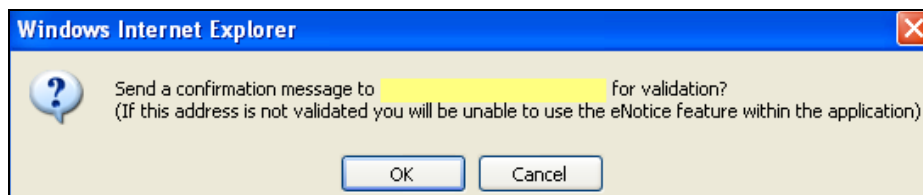


Figure 64

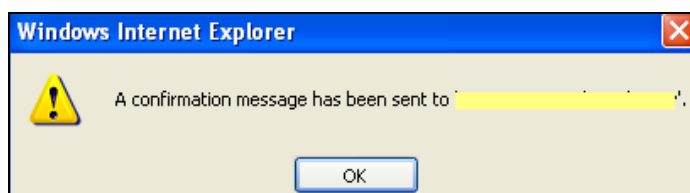


Figure 65

## Farm Business Plan - FSA User Guide (Continued)

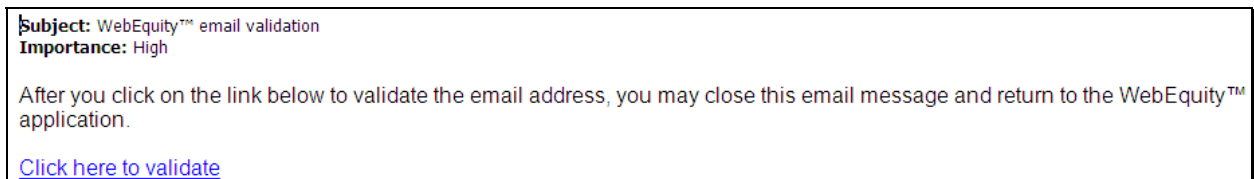
### K Special Features (Continued)

#### 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.

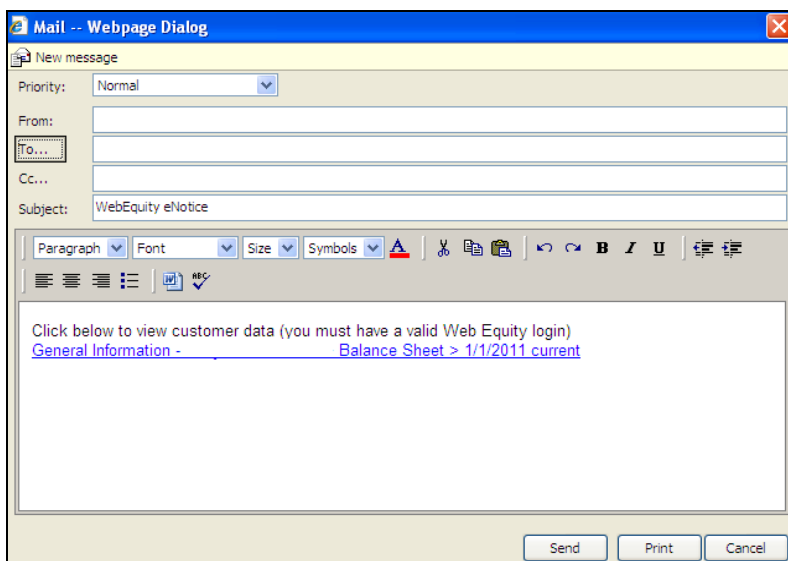
After closing the eNotice and browser windows, the user will need to access their e-mail to view the confirmation e-mail message that has been sent. The following e-mail message will be displayed. CLICK “**Click here to validate**”.



**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.



**Figure 67--\***

## Farm Business Plan - FSA User Guide (Continued)

### 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.

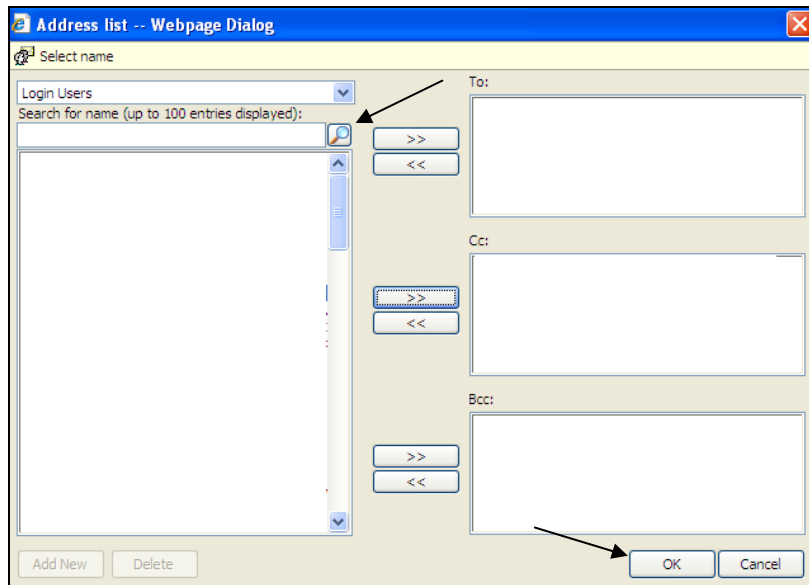


Figure 68

Review e-mail information, CLICK “**Send**”.

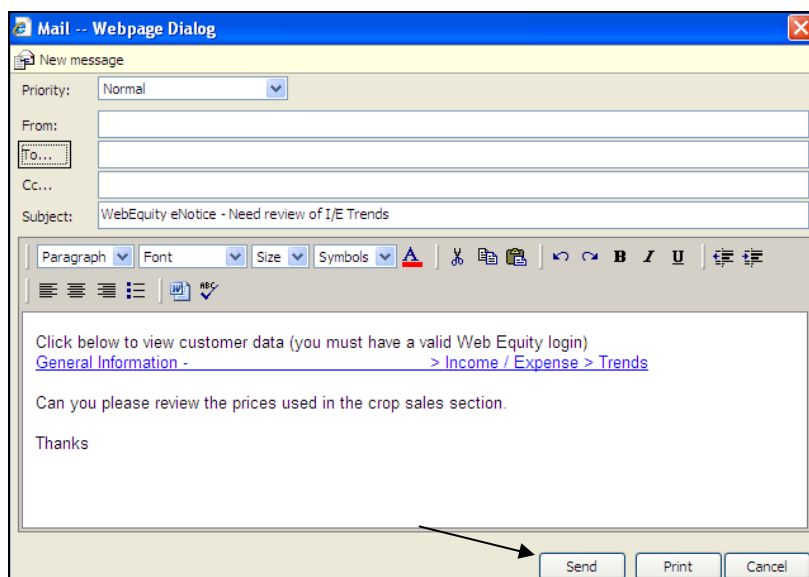


Figure 69--\*



## Farm Business Plan - FSA User Guide (Continued)

### 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”.

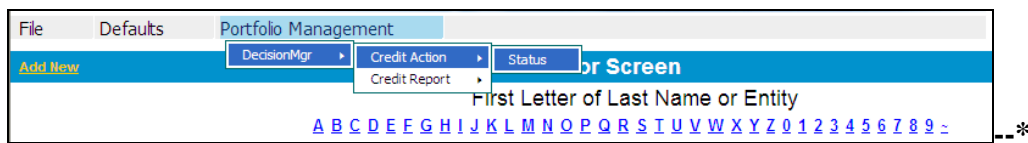


Figure 70

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.

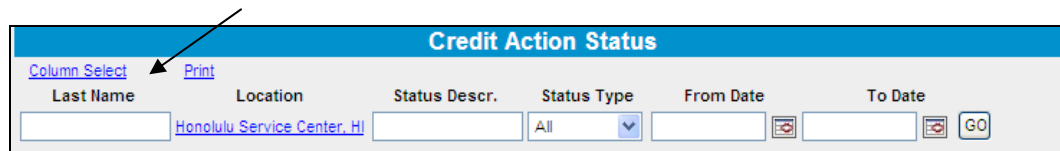


Figure 71

CHECK (✓) columns of information to be displayed.

The 'Select Columns' dialog box has two sections: 'Display' and 'Print (8 Max)'. Each section contains a grid of checkboxes for various data fields. In the 'Display' section, 'Customer Name', 'Status Descr', 'Time in Progress', 'Status Date', and 'User' are checked. In the 'Print' section, the same set of fields is checked. At the bottom, there are 'Save' and 'Cancel' buttons.

Display				
<input checked="" type="checkbox"/> Customer Name	<input type="checkbox"/> Credit Relationship Status	<input type="checkbox"/> Model Description	<input type="checkbox"/> Scoring & Rating Model	<input type="checkbox"/> S & R Model Type
<input checked="" type="checkbox"/> Status Descr	<input type="checkbox"/> Status Type	<input type="checkbox"/> Override Reason	<input type="checkbox"/> Performance	<input checked="" type="checkbox"/> Status Date
<input checked="" type="checkbox"/> Time in Progress	<input type="checkbox"/> Time Since Last Change	<input type="checkbox"/> Location	<input checked="" type="checkbox"/> User	<input type="checkbox"/> ID #

Print (8 Max)				
<input checked="" type="checkbox"/> Customer Name	<input type="checkbox"/> Credit Relationship Status	<input type="checkbox"/> Model Description	<input type="checkbox"/> Scoring & Rating Model	<input type="checkbox"/> S & R Model Type
<input checked="" type="checkbox"/> Status Descr	<input type="checkbox"/> Status Type	<input type="checkbox"/> Override Reason	<input type="checkbox"/> Performance	<input checked="" type="checkbox"/> Status Date
<input checked="" type="checkbox"/> Time in Progress	<input type="checkbox"/> Time Since Last Change	<input type="checkbox"/> Location	<input checked="" type="checkbox"/> User	<input type="checkbox"/> ID #

Figure 72

## Farm Business Plan - FSA User Guide (Continued)

### 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.

Credit Action Status						
<a href="#">Column Select</a>	<a href="#">Print</a>					
Last Name	Location	Status Descr.	Status Type	From Date	To Date	
<input type="text"/>	Hilo Service Center, HI	<input type="text"/>	All	11/21/2010	11/22/2011	<input type="button" value="GO"/>

Figure 73

The following Credit Action Status Screen displays the example search results. To print the information, CLICK “**Print**” hyperlink.

Credit Action Status						
<a href="#">Column Select</a>	<a href="#">Print</a>					
Last Name	Location	Status Descr.	Status Type	From Date	To Date	
<input type="text"/>	Hilo Service Center, HI	<input type="text"/>	All	11/21/2010	11/22/2011	<input type="button" value="GO"/>
#	Customer Name	Status Descr.	Status Date	Time In Progress	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--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

The screenshot shows the 'Credit Action Status' window. At the top, there are links for 'Column Select' and 'Print'. Below these are search criteria: 'Last Name' (empty), 'Location' (Hilo Service Center, HI), 'Status Descr.' (empty), 'Status Type' (All), 'From Date' (11/21/2010), and 'To Date' (11/22/2011). A 'GO' button is on the right. Below the search criteria is a table with the following data:

#	Customer Name	Status Descr.	Status Date	Time In Progress	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.

The screenshot shows a preview of the 'Decision Manager - Credit Action Status' report. The report header includes the same search criteria as Figure 74. Below the header is a table with the same data as Figure 74. In the top left corner of the preview window, there is a toolbar with icons for 'Print' and 'Export Report'. The 'Export Report' icon is highlighted with an arrow.

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**”.

The screenshot shows the 'Export Report' dialog box. It has a 'File Format' drop-down menu with 'Microsoft Excel' selected. Below the menu are 'From' and 'To' fields, both set to '1'. At the bottom, there is a 'File name' field containing 'Credit Action Status' and three buttons: 'OK', 'Cancel', and 'Browse...'.

Figure 76--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

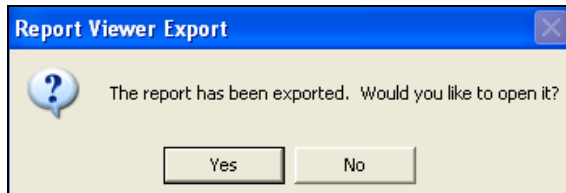


Figure 77

The report will be displayed in the selected format.

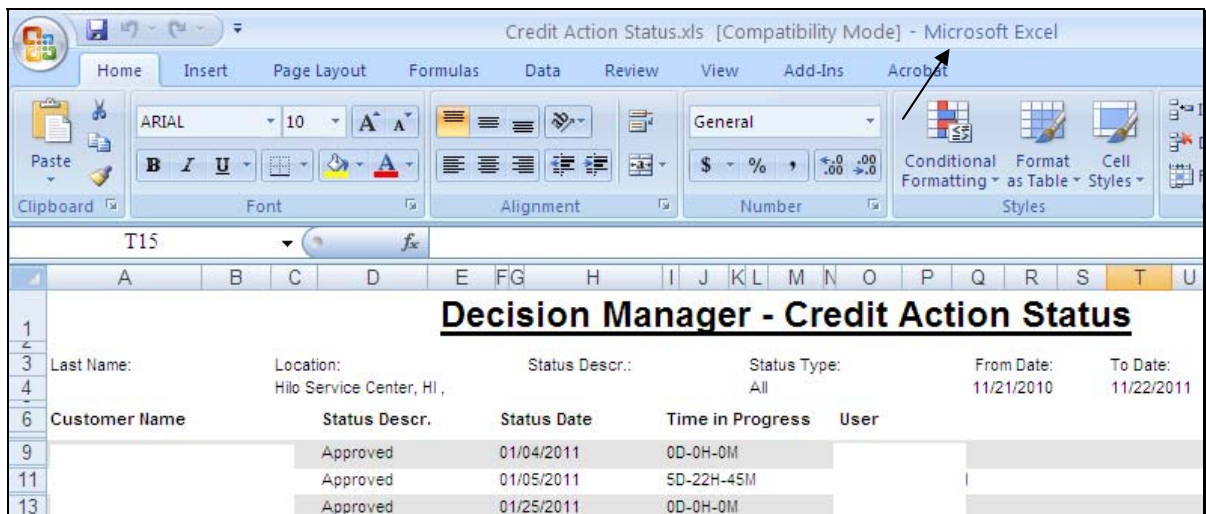


Figure 78--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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”.

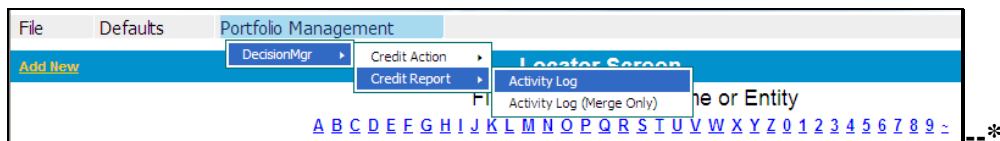


Figure 79

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.

The screenshot shows the search form for the Credit Report Activity Log. It includes fields for Location, Bureau, Merged, Joint, No Hit, Error, Type, and Date. A 'GO' button is located at the bottom right.

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 Report Activity Log

Location

Bureau

Merged

Joint

No Hit

Error

Type

Date

[Hilo Service Center, HI](#)
[Service Office: HILO HI](#)

All

All

All

All

All

From:

To:

10/1/2009

11/22/2011

GO

Inquiries :

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

Total Hits :

143

45

45

45

0

8

Deleted :

0

0

0

0

0

Existing Reports

Customer

Date

Bureau

Merged

Joint

NoHit

Error

Deleted

Type

Retrieved By

Location

10/22/2009

Equifax

X

X

STD

Farm Loan Program Technician

Hilo Service Center, HI

Customer 10/22/2009

Experian

X

X

STD

Farm Loan Program Technician

Hilo Service Center, HI

10/22/2009

Trans Union

X

X

STD

Farm Loan Program Technician

Hilo Service Center, HI

11/29/2010

Experian

X

X

STD

Farm Loan Program Technician

Hilo Service Center, HI

11/29/2010

Trans Union

X

X

STD

Farm Loan Program Technician

Hilo Service Center, HI

11/29/2010

Equifax

X

X

STD

Farm Loan Program Technician

Hilo Service Center, HI

10/16/2009

Equifax

X

X

STD

Farm Loan Program Technician

Hilo Service Center, HI

CLICK "credit bureau" link to view credit report.

Figure 81

## Farm Business Plan - FSA User Guide (Continued)

### 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 Action								
Description			Credit Action Model					
<input type="text"/>			Select		<a href="#">Add</a>			
<a href="#">Save &amp; Stay</a>								
Description	Status		Environmental	Farm Assmt.	Other	Credit Presentation	Security Agreement	
2010 PLS & \$15K OL	<a href="#">Approved</a>	 	<a href="#">Environmental Checklist</a>	<a href="#">Farm Assmt.</a>	<a href="#">DALRS Input Rpt.</a>	<a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Security Agreement</a>	<a href="#">Track</a>
2010 YEA	<a href="#">Approved</a>	 	None	<a href="#">Farm Assmt.</a>	None	 <a href="#">Classification / LR Review/ YEA</a>	<a href="#">Select</a>	<a href="#">Track</a>
2010 PLS	<a href="#">Approved</a>	 	<a href="#">Environmental Checklist</a>	<a href="#">Farm Assmt.</a>	<a href="#">DALRS Input Rpt.</a>	 <a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Security Agreement</a>	<a href="#">Track</a>
2009 PLS & \$30K OL	<a href="#">Approved</a>	 	 <a href="#">Environmental Checklist</a>	 <a href="#">Farm Assmt.</a>	 <a href="#">DALRS Input Rpt.</a>	 <a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Security Agreement</a>	<a href="#">Track</a>
YEA for 2009	<a href="#">Approved</a>	 	None	<a href="#">Farm Assmt.</a>	None	<a href="#">Classification / LR Review/ YEA</a>	<a href="#">Security Agreement</a>	<a href="#">Track</a>
2006 restructure	<a href="#">Approved</a>	 	<a href="#">Environmental Checklist</a>	<a href="#">Farm Assmt.</a>	<a href="#">DALRS Input Rpt.</a>	<a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Security Agreement</a>	<a href="#">Track</a>
YEA FY 2005	<a href="#">Approved</a>	 	None	<a href="#">Farm Assmt.</a>	None	<a href="#">Classification / LR Review/ YEA</a>	<a href="#">Select</a>	<a href="#">Track</a>
Crop year 2005-2006	<a href="#">Approved</a>	 	None	<a href="#">Farm Assmt.</a>	None	<a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Security Agreement</a>	<a href="#">Track</a>
OL crop year 2005	<a href="#">Select</a>	 	None	None	<a href="#">Eligibility Only</a>	None	<a href="#">Select</a>	<a href="#">Track</a>
<a href="#">Save &amp; Stay</a>								

Figure 82--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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 Tracking					
Form Update Date, Score Date Mismatch					
Forms Pkg. : D-Loan/Special Serv.    Description : 2010 PLS    Date Created : 4/22/2010					
Event	Date / Time	Form	User Name	Title	Org ID
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--\*

## Farm Business Plan - FSA User Guide (Continued)

### 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.

The screenshot shows the 'General Letter' screen with a blue header. Below the header, there are five dropdown menus: 'Letter', 'Balance Sheet Date', 'Inc & Exp Date', 'Credit Report', and 'Work Flow'. The 'Letter' dropdown menu is open, showing 'General Correspondence' as the selected option. The other dropdown menus are set to 'None'. An 'Add' button is visible on the right side of the screen.

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.

This screenshot is a smaller version of the previous one, focusing on the 'Add' button at the bottom right of the 'General Letter' screen. An arrow points from the 'Add' button to the right.

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.

The screenshot shows the 'General Letter' screen with a list of letters below the dropdown menus. The list has columns for 'Letter', 'Bal.Sht. Date', 'Inc & Exp Date', 'Credit Report', 'Work Flow', and 'Letter' (with radio buttons for 'Letter' and 'Legal'). The first row shows 'General Correspondence' with a 'View / Modify' hyperlink. An arrow points to this hyperlink. There is also a 'Print' button and a status column with a checkmark.

Figure 86--\*



## Farm Business Plan - FSA User Guide (Continued)

### 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.



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.

\* \* \*

**Farm Business Plan - FSA User Guide (Continued)**

**M Glossary of Terms**

<b>Term</b>	<b>Definition</b>
Ag or Farm Debt	Any debt incurred for which the majority was for farm or agricultural related purposes.
*--BP	Business Partner is a system of entry and record and serves as a centralized source for all customer information.--*
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.
* * *	* * *
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.
* * *	* * *
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**

<b>Type of Assistance</b>	<b>Description</b>	<b>Fund Code (2-Digit)</b>	<b>Kind Code</b>
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**

<b>Type of Assistance</b>	<b>Description</b>	<b>Fund Code (2-Digit)</b>	<b>Kind Code</b>
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 - Micro	44	15
672	OL - Beginning Farmer - SDA - Limited Resource - 7 year - Micro	44	15

--\*

**\*--Type of Assistance, Fund, and Kind Codes (Continued)**

**C Guaranteed Farm OL's (Both Subsidized and Nonsubsidized) (G-OL)**

<b>Type of Assistance</b>	<b>Description</b>	<b>Fund Code (2-Digit)</b>	<b>Kind Code</b>
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

--\*

**Type of Assistance, Fund, and Kind Codes (Continued)**

**D Direct FO's**

<b>Type of Assistance</b>	<b>Description</b>	<b>Fund Code (2-Digit)</b>	<b>Kind Code</b>
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

**\*--Type of Assistance, Fund, and Kind Codes (Continued)**

**E Direct FO CL's**

<b>Type of Assistance</b>	<b>Description</b>	<b>Fund Code (2-Digit)</b>	<b>Kind Code</b>
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 Operation	30	01
633	FO - CL - Priority - Highly Erodible Land Protection	30	01

**F Guaranteed FO's (G-FO)**

<b>Type of Assistance</b>	<b>Description</b>	<b>Fund Code (2-Digit)</b>	<b>Kind Code</b>
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 - Ethnic	41	05
206	FO - Farm Enterprise - Beginning Farmer - Regular - SDA - Gender	41	05

**G Guaranteed FO CL's (G-CL)**

<b>Type of Assistance</b>	<b>Description</b>	<b>Fund Code (2-Digit)</b>	<b>Kind Code</b>
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 Operation	30	01
636	FO - CL - Priority - Highly Erodible Land Protection	30	01

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Type of Assistance, Fund, and Kind Codes (Continued)

**H Land Contract Guarantee Program**

Type of Assistance	Description	Fund Code (2-Digit)	Kind 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

**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 Assistance	Description	Fund Code (2-Digit)	Kind Code
042	Indian Land Acquisition	98	
043	Indian Land Acquisition - Limited Resource	98	

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**K Boll Weevil Eradication Loan**

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
198	Boll Weevil Eradication	44	22



**Type of Assistance, Fund, and Kind Codes (Continued)**

**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.

<b>Type of Assistance</b>	<b>Description</b>	<b>Fund Code (2-Digit)</b>	<b>Kind Code</b>
033	FO - Farm Enterprise - Debt Adjusted	41	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
047	OL - Limited Resource - Delinquent Borrower	44	04
049	OL - Debt Adjusted	44	07
102	OL - Limited Resource - Delinquent Borrower - SDA	44	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 and 45	All
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 Assistance, Fund, and Kind Codes (Continued)

**L Inactive or Expired Loan Programs (Continued)**

Type of Assistance	Description	Fund Code (2-Digit)	Kind 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

**\*--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 Assistance	Description	Fund Code (2-Digit)	Kind 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

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**FLP Rates**

**A Interest Rates for FLP's**

\*--The following provides interest rates for FLP's as of May 1, 2017.--\*

<b>Loan Type</b>	<b>Current Rate (%)</b>	<b>Date Set</b>
Emergency - Amount of Actual Loss	*--3.750	5/1/17
Emergency - Annual Production	5.500	5/1/17--*
Farm Ownership and Conservation Loans	4.000	2/1/17
Farm Ownership - Down Payment	1.500	5/22/08
Farm Ownership - Joint Financing	2.500	2/7/14
Farm Ownership - Limited Resource	5.000	4/1/86
Indian Land Acquisition	5.000	2/1/91
Operating	*--3.000	5/1/17--*
Operating - Limited Resource	5.000	12/1/90
Operating - Microloan - "Special Interest Rate"	5.000	2/7/14
Apple Loans	*--1.625	5/1/17
Association – Grazing	4.000	2/1/17
Association - Irrigation and Drainage	4.000	2/1/17
Economic Emergency – Operating	*--3.000	5/1/17--*
Economic Emergency - Real Estate	4.000	2/1/17
Emergency - Major Adjustment: Subtitle A Purpose (Excess of Loss)	*--6.000	5/1/17
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	5.500	5/1/17--*
Farmer Program - Homestead Protection	4.000	2/1/17
Nonprogram – Chattel Property	*--5.500	5/1/17
Nonprogram – Real Property	6.000	5/1/17--*
Recreation – Individual	4.000	2/1/17
Rural Housing - Farm Loan Purposes		
<b>Note:</b> For the current interest rate, contact the National Office.		
Shared Appreciation Amortization	3.000	2/1/17
Softwood Timber Loans	4.000	2/1/17
Soil and Water	4.000	2/1/17
Soil and Water - Limited Resource	5.000	7/1/92

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	*--0.625	5/1/17
Treasury Judgment Rate (see Note)	1.020	5/1/17--*

**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 treasury judgment rate 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 daily** 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 **the daily \*--rate as of April 3, 2017**. 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](http://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)**

<b>Effective Date</b>	<b>Rate (%)</b>	<b>Effective Date</b>	<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)**

**C Historical 90-Day Treasury Bill Rates (Continued)**

<b>Effective Date</b>	<b>Rate (%)</b>	<b>Effective Date</b>	<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--*

**D Current Percentage – Cash Preference**

The following table provides the current percentage for cash offers in purchasing inventory property.

<b>Property Type</b>	<b>Percentage</b>
Real Property	97
Chattel Property	96

**List of Available Reports**

**A Farm Loan Programs Data Mart**

**\*-1 DLS OnDemand Reports, FLP Loan Making Reports, Direct Applications--\***

The following are the available Direct Application Reports.

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Borrower Training Report	Provides detailed information on borrower training requirements and completions as displayed on Customer Profile.  User must specify a date range for Effective Date, Completion Date, Cancellation Date, Expiration Date or Waived Date.	<ul style="list-style-type: none"> <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>	6/17/2016
Direct Application by Status or Type	Provides number of applications received by loan type, by application status (Received, Completed, Approved, Rejected, Withdrawn, or Closed) or by loan type and application status	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Application Received Date</li> <li>• Borrower</li> </ul>	6/17/2016

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--1 DLS OnDemand Reports, FLP Loan Making Reports, Direct Applications--\***  
**(Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Direct Application Disposition	<p>Provides the number of applications for a variety of statuses:</p> <p>Received-Approved Disposition; Received-Completed-Withdrawn; Received-Not Complete-Withdrawn; Received-Rejected Disposition; Received-No Status; Complete-Approved w/in 60 Days; Complete-Withdrawn w/in 60 Days; Complete-Rejected w/in 60 Days; Complete-Approved After 60 Days; Complete-Withdrawn After 60 Days; Complete-Rejected After 60 Days.</p> <p>Results may be summarized by State, District, Office, County, Race, or Gender.</p> <p>Report initially defaults to applications received during the current FY.</p>	<ul style="list-style-type: none"> <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>	*--2/1/2017--*
Direct Application Report	<p>Provides comprehensive information on the loan application process from Application Received Date through Loan Closing Date.</p> <p>Includes both FLP and FSFL applications.</p> <p>Carryover applications received in prior FY will be displayed until withdrawn, rejected or closed.</p> <p>Includes Veteran code.</p>	<ul style="list-style-type: none"> <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>	*--9/15/2016--*



**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--1 DLS OnDemand Reports, FLP Loan Making Reports, Direct Applications--\***  
**(Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Direct Applications 60 Day Tracking	<p>Provides number of complete applications for the following statuses:</p> <p>Pending Final Disposition; Disposition within 60 Days; Disposition After 60 Days.</p> <p>Results may be summarized by State, District, Office, or County.</p> <p>Report initially defaults to applications received during current FY.</p>	<ul style="list-style-type: none"> <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>	6/17/2016
Direct Applications on Hand	<p>Provides number of applications by loan type for the following statuses:</p> <p>Applications In Process; Applications Unprocessed; Approved Not Closed; Approved Not Obligated; Obligated Not Closed.</p> <p>Report initially defaults to applications received during current FY.</p>	State	6/17/2016
Loan Limitation Report	<p>Provides information on outstanding direct and guaranteed loan debt to assist in monitoring loan limits.</p> <p>User must enter a tax identification number.</p>	<ul style="list-style-type: none"> <li>• Tax ID</li> <li>• Loan Type</li> </ul>	6/17/2016

List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

1 DLS OnDemand Reports, FLP Loan Making Reports, Direct Applications  
(Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
No Decision Report	Lists complete direct loan applications where no decision has been made.  User may limit results to those complete applications where more than 45 days has passed.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Application Completion Date</li> <li>• Borrower</li> </ul>	*--2/1/2017--*
Office Management Report	Lists specific work tasks from the DLS loan making application checklist. (Specific tasks are listed on the report dashboard.)  User may ask for Incomplete or Complete work tasks.  Report defaults to work tasks for applications received during current FY.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Program Type</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Task Status</li> <li>• Task</li> <li>• Application Received Date</li> <li>• Task Completion Date</li> <li>• Borrower</li> </ul>	9/23/2016
Rejected Application Report	Lists rejected applications, includes reasons for rejection.  Report defaults to applications rejected during current FY.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Rejection Date</li> <li>• Borrower</li> </ul>	*--2/1/2017--*

List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

\*--1 DLS OnDemand Reports, FLP Loan Making Reports, Direct Applications--\*  
(Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Related Entity Report	Lists all related entities identified during the loan application process.  <b>Note:</b> For a list of parties currently liable for a loan, use the Related Entities Report located in the Loan Servicing Reports, Routine Servicing folder.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Status</li> <li>• Related Entity Type</li> <li>• Application Received Date</li> <li>• Borrower</li> <li>• Report Selection</li> </ul>	9/16/2016
Term Limit Report	Provides current term limits for existing borrowers as provided on the Customer Profile.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Borrower</li> </ul>	6/17/2016

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**2 DLS OnDemand Reports, FLP Loan Making Reports, Obligations--\***

The following are the available Obligation Reports.

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
FLPRA Obligations Report	Provides a list of obligations used to calculate FLPRA elements.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• FLPRA Fiscal Year</li> <li>• Report Selection</li> </ul>	6/17/2016
Obligation Transaction Report	<p>Provides a list of transactions that affect the obligated loan amount. This includes obligations (1A &amp; 1B transactions) and deobligations (1D &amp; 1Y transactions).</p> <p>This report replaces the PLDATA FOCUS Report.</p>	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Transaction Date</li> </ul>	6/17/2016
Undisbursed Obligations Report	Lists obligations where there is an undisbursed balance.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> </ul>	*--4/18/2017--*

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*-3 DLS OnDemand Reports, FLP Loan Servicing Reports, Routine Servicing--\***

The following are the available Routine Servicing Reports.

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Active FLP Borrowers Report	Lists all active FLP borrowers, along with the most recent classification.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Classification Code</li> <li>• 2+ Years Old</li> <li>• Detail or Summary</li> </ul>	6/17/2016
Analysis of FLP Delinquency Report (541A_541C)	<p>541A Report summarizes status information for all outstanding FLP loans.</p> <p>541C Report summarizes the change in the number of delinquent borrowers since the prior month.</p>	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• 541A or 541C</li> <li>• Report Date</li> <li>• Report Type</li> </ul>	6/17/2016
Borrower Address Report	Provides addresses for active FLP borrowers. User may select all borrowers, primary borrowers, co-borrowers, co-signers and guarantors.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Borrower Type</li> </ul>	6/17/2016

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--3 DLS OnDemand Reports, FLP Loan Servicing Reports, Routine Servicing--\***  
**(Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Borrower Financing Statement Combined Report	Allows users to monitor current status of Financing Statements and provides detailed information on Financing Statements.  Includes Amendments, Continuations, and Terminations.  Includes both FLP and FSFL information.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Program Type</li> <li>• Status</li> <li>• Alert Date</li> <li>• Expiration Date</li> <li>• Borrower</li> <li>• Detail or Summary</li> </ul>	9/23/2016
Borrower Mortgage Monitoring Report	Provides a list of all recorded mortgages. User can select All, Active or Released mortgage instruments.  Includes both FLP and FSFL information.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Program Type</li> <li>• Status</li> </ul>	9/23/2016
Classification Review Workflow Report	Provides information for monitoring Classification Reviews. User can search on Due Date, Credit Action Date, or Completed Date.	<ul style="list-style-type: none"> <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> </ul>	6/17/2016

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--3 DLS OnDemand Reports, FLP Loan Servicing Reports, Routine Servicing--\***  
**(Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Collateral Code Report	Provides collateral code information for active farm loans.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Date</li> <li>• Collateral Type</li> </ul>	8/17/2016
Direct Active Disaster Set-Asides Report	Provides information on accounts with active disaster set-asides. Can be used to support FLPRA reviews.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Date</li> <li>• Report Selection</li> </ul>	11/17/2016
Direct Caseload Delinquency Report	Provides summary and detailed information on direct FLP loans, including number of borrowers, number of loans, unpaid balances, and delinquency information.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Date</li> <li>• Report Selection</li> <li>• Borrower Type</li> <li>• Aging Category</li> <li>• Loan Type</li> <li>• Flags</li> <li>• Unpaid Balances</li> <li>• Litigation Status</li> <li>• Race</li> <li>• Gender</li> <li>• Ethnicity</li> <li>• Veteran Status</li> </ul>	8/17/2016

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--3 DLS OnDemand Reports, FLP Loan Servicing Reports, Routine Servicing --\***  
**(Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Direct Deferred Accounts Report	Provides information on actively deferred accounts. Can be used to support FLPRAs reviews.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Date</li> <li>• Report Selection</li> </ul>	6/17/2016
Direct Delinquency Aging Report	Summarizes and lists direct customers based on delinquency/aging categories.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Date</li> <li>• Summary or Detail</li> <li>• Aging Category</li> <li>• List Borrowers</li> </ul>	8/17/2016
Direct Delinquent Borrowers Monitored	Provides information on borrowers who are 120+ days delinquent and are not flagged PLS, OAC1 or ACL. Can be used to support FLPRAs reviews.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Date</li> <li>• Report Selection</li> </ul>	6/17/2016
Direct Flagged Accounts	Summarizes and lists accounts that are flagged. Users can see all flagged accounts or select specific flags.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Date</li> <li>• Report Level</li> <li>• Flag</li> </ul>	9/15/2016



**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--3 DLS OnDemand Reports, FLP Loan Servicing Reports, Routine Servicing--\***  
**(Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Disaster Set-Aside Processing Report	Provides information for tracking requests for disaster set-aside. User can search by request date or final disposition date.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Request Date</li> <li>• Final Disposition Date</li> </ul>	6/17/2016
Farm Assessment Workflow Report	Provides information for tracking Farm Assessments. User can search on Due Date, Credit Action Date, or Completed Date.	<ul style="list-style-type: none"> <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>• No Significant Changes</li> </ul>	6/17/2016
Farm Visit Workflow Report	<p>Provides information for tracking Farm Visits. User can search on Scheduled Date or Completed Date and Visit Type.</p> <p>Includes both FLP and FSFL information.</p>	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Program Type</li> <li>• Status</li> <li>• Visit Type</li> <li>• Scheduled Date</li> <li>• Completed Date</li> <li>• Completed by Contractor</li> </ul>	9/15/2016

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--3 DLS OnDemand Reports, FLP Loan Servicing Reports, Routine Servicing--\***  
**(Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
FSFL Delinquency Report	Farm Storage Facility Loan (FSFL) that are more than \$25 or more delinquent	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> </ul>	6/17/2016
Graduation Review Monitoring Report	Provides status of pending and completed Graduation Reviews. User can search by Due Date or Completed Date.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Scheduled Date</li> <li>• Completed Date</li> </ul>	6/17/2016
Limited Resource Review Monitoring Report	Provides status of pending and completed Limited Resource Reviews. User can search by Due Date or Completed Date.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Scheduled Date</li> <li>• Completed Date</li> </ul>	6/17/2016
Outstanding Subordinations Report	Provides information on approved subordination requests that have not been paid in full or settled.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> </ul>	6/17/2016
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 style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Program Type</li> <li>• Installment Due Date</li> <li>• Reminder Date</li> </ul>	9/16/2016

List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

\*--3 DLS OnDemand Reports, FLP Loan Servicing Reports, Routine Servicing--\*  
(Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Potential Purchaser Report	Lists potential purchasers as entered in DLS.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Borrower</li> <li>• Purchaser</li> </ul>	6/17/2016
Related Entities Report	<p>Identifies related entities currently liable for all direct FLP loans and all active FSFL loans. Based on Related Entities linked on Customer Profile.</p> <p><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.</p>	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Loan Status</li> <li>• Program Type</li> <li>• Borrower</li> </ul>	9/15/2016
Reminder Report	<p>Provides information on all routine loan servicing workflows.</p> <p>User can select pending, postponed, closed, or all reminders.</p> <p>User can search based on Alert Date, Due Date, or Closed Date.</p> <p>Includes both FLP and FSFL reminders.</p>	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Program Type</li> <li>• Workflow</li> <li>• Reminder Type</li> <li>• Alert Date</li> <li>• Due Date</li> <li>• Closed Date</li> <li>• Borrower</li> </ul>	9/23/2016

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--3 DLS OnDemand Reports, FLP Loan Servicing Reports, Routine Servicing--\***  
**(Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Security Instrument Processing Report (SI-Other)	Provides tracking information for activities within the Security Instrument - Other workflow.  User can search on Request type, Request Date, Final Disposition Date, or Date Security Action Completed.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Request Type</li> <li>• Request Date</li> <li>• Final Disposition Date</li> <li>• Date Security Action Completed</li> </ul>	6/17/2016
Shared Appreciation Workflow Report	Provides information for tracking requests for Shared Appreciation. User can search by Request Date and Amortization Date.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Request Date</li> <li>• Final Disposition Date</li> <li>• Amortization Date</li> </ul>	6/17/2016
Status of Farm Loan Program (540)	Provides status information for all outstanding FLP and FSFL loans.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• Report Date</li> <li>• Program Type</li> <li>• Report Type</li> </ul>	*--2/1/2017--*
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 style="list-style-type: none"> <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>	9/23/2016

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--3 DLS OnDemand Reports, FLP Loan Servicing Reports, Routine Servicing--\***  
**(Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Terminated Workflows Report	Provides a list of terminated routine servicing workflows	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Termination Date</li> <li>• Borrower</li> </ul>	6/17/2016
Transfer Assumption Application Processing Report	Provides information for tracking Assumption requests.	<ul style="list-style-type: none"> <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>	6/17/2016
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 style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status Date</li> </ul>	6/17/2016
Year End Analysis Workflow Report	Provides information for tracking YEA reviews. User can search on Due Date, Credit Action Date or Completed Date.	<ul style="list-style-type: none"> <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>	6/17/2016

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**4 DLS OnDemand Reports, FLP Loan Servicing Reports, Special Servicing**

The following are the available special servicing reports.

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
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.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Summary or Detail</li> <li>• All or Open Applications</li> <li>• Race</li> <li>• Gender</li> <li>• Date Complete Application Received</li> <li>• Category Name</li> </ul>	6/17/2016
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.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Hold Reason</li> </ul>	*--3/2/2017--*
Primary Loan Servicing Actions	Provides information on primary loan servicing activity transactions that have been processed. User can obtain summary and detailed information based on a specific date range.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Date</li> <li>• Report Selection</li> <li>• Effective Date</li> <li>• Action</li> </ul>	8/17/2016
Special Servicing Queries	Provides a list of completed Special Servicing activities based on selections made by the user.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Activity Completion Date</li> <li>• Queries</li> </ul>	6/17/2016

List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

5 DLS OnDemand Reports, FSFL Reports, FSFL Loan Making

The following are the available FSFL Loan Making reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Direct Application Report FSFL	Provides information on the FSFL application process from Received Date through Loan Closing Date. Carryover applications received in prior FY will be displayed until withdrawn, rejected or closed.	<ul style="list-style-type: none"> <li>State</li> <li>County</li> <li>Loan Type</li> <li>Status</li> <li>Race</li> <li>Gender</li> <li>Ethnicity</li> <li>Application Received Date</li> <li>Borrower</li> </ul>	*--3/21/17--*
*--FSFL Condensed Report	Condensed listing of FSFL loans categorized by State, including loan count, obligated amount, and outstanding amount.	<ul style="list-style-type: none"> <li>State</li> <li>County</li> <li>Fiscal Year</li> </ul>	3/21/17
FSFL Congressional District Report	Provides information on FSFL obligations by congressional district.	<ul style="list-style-type: none"> <li>State</li> <li>Congressional District</li> <li>Fiscal Year</li> </ul>	4/13/17--*
FSFL Non-Obligated Report	Provides non-obligated FSFL loans by State and county.	<ul style="list-style-type: none"> <li>State</li> <li>County</li> <li>Fiscal Year</li> </ul>	1/6/17
*--FSFL Original Report	Provides a summary of FSFL obligations based on the last four fiscal years of obligation.	<ul style="list-style-type: none"> <li>State</li> <li>County</li> </ul>	4/13/17--*
Office Management Report FSFL	Lists specific FSFL work tasks from the DLS loan making application checklist. User may ask for Incomplete or Complete work tasks.	<ul style="list-style-type: none"> <li>State</li> <li>County</li> <li>Ethnicity</li> <li>Task Status</li> <li>Race</li> <li>Gender</li> <li>Task</li> <li>Application Received Date</li> <li>Task Completion Date</li> <li>Borrower</li> </ul>	9/23/16
Related Entity Report FSFL	Lists all related entities identified during the FSFL application process.  <b>Note:</b> For a list of parties currently liable for a loan, use the Related Entities Report located in the FSFL Loan Servicing Reports folder.	<ul style="list-style-type: none"> <li>State</li> <li>County</li> <li>Application Received Date</li> <li>Status</li> <li>Related Entity Type</li> <li>Ethnicity</li> <li>Race</li> <li>Gender</li> <li>Borrower</li> <li>Report Selection</li> </ul>	9/15/16

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**6 DLS OnDemand Reports, FSFL Reports, FSFL Loan Servicing**

The following are the available FSFL Loan Servicing reports.

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Borrower Financing Statement Report FSFL	Used to monitor current status of Financing Statements for FSFL loans. Detailed report provides information on Amendments, Continuations and Terminations.	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> <li>• Status</li> <li>• Alert Date</li> <li>• Expiration Date</li> <li>• Borrower</li> <li>• Detail or Summary</li> </ul>	9/23/16
Borrower Mortgage Monitoring Report FSFL	Provides a list of recorded mortgages for FSFL loans. User can select Active or Released mortgaged instruments.	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> <li>• Status</li> </ul>	9/23/16
Farm Visit Workflow Report FSFL	Provides information for tracking Farm Visits. User can search on Scheduled Date or Completed Date and type of visit.	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> <li>• Status</li> <li>• Visit Type</li> <li>• Scheduled Date</li> <li>• Completed Date</li> <li>• Completed by Contractor</li> </ul>	9/15/16
FSFL Delinquency Report	FSFL's that are \$25 or more delinquent	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> </ul>	11/30/16
*--FSFL Outstanding Report	Provides a summary of outstanding FSFL loans based on the last four fiscal years of obligation.	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> </ul>	4/13/17
FSFL Repayment Report	Provides information on FSFL repayments based on the fiscal year of the loan.	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> <li>• Fiscal Year</li> </ul>	4/13/17--*
Payment Reminder Report FSFL	Provides information used to generate payment reminder letters. User must specify an installment due date range.	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> <li>• Installment Due Date</li> <li>• Reminder Date</li> </ul>	9/21/16



List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

\*--6 DLS OnDemand Reports, FSFL Reports, FSFL Loan Servicing (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Related Entities Report FSFL	Identifies related entities currently liable for all active FSFL loans. Based on Related Entities linked on Customer Profile.  <b>Note:</b> For a list of parties identified at the time of application, use the Related Entity Report located in the FSFL Loan Making Reports folder.	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> <li>• Borrower</li> </ul>	9/15/16
Reminder Report FSFL	Provides information on FSFL routine loan servicing workflow reminders. User can select pending, postponed, closed or all reminders. User can search based on Alert Date, Due Date or Closed Date.	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> <li>• Status</li> <li>• Workflow</li> <li>• Alert Date</li> <li>• Due Date</li> <li>• Closed Date</li> <li>• Borrower</li> </ul>	9/23/16
Status of Farm Storage Facility Loans	Provides status information for all outstanding FSFL loans.	<ul style="list-style-type: none"> <li>• State</li> <li>• County</li> </ul>	9/23/16

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**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--7 FLP Funding Reports**

The following is the available FLP funding report.

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Obligation Allotment and Appropriation Report	Provides the number and amount of direct and guaranteed obligations for the current FY. Report is similar to the PFCS Allocation and Appropriation Report.	<ul style="list-style-type: none"> <li>• State</li> <li>• Report Selection</li> <li>• Fiscal Year</li> <li>• Program Class</li> <li>• Program Parent</li> <li>• Program Name</li> </ul>	9/23/2016

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**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**8 Goal OnDemand Reports**

The following are the available FLP Goal reports.

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
*--Historical Reduce First Year Delinquency Rates on New Loans Goal 1	Report is valid through 9/30/2016. For current rate, use NEW report.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> </ul>	4/7/2017--*
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.	<ul style="list-style-type: none"> <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>	*--4/7/2017--*
Lending to Beginning Farmers and Ranchers Goal 4 - Detail	Lists current year direct and guaranteed borrowers who were provided loan assistance as beginning farmers. Results are based on obligation date for FO and OL loans.	<ul style="list-style-type: none"> <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>	6/17/2016
Lending to Socially Disadvantaged Farmers and Ranchers Goal 5	Provides the current year percentage of direct and guaranteed borrowers who were provided loan assistance as SDA. Results are based on obligation date for FO and OL loans.	<ul style="list-style-type: none"> <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>	*--4/7/2017--*

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**8 Goal OnDemand Reports (Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Lending to Socially Disadvantaged Farmers and Ranchers Goal 5 - Detail	Lists current year direct and guaranteed borrowers who were provided loan assistance as SDA. Results are based on obligation date for FO and OL loans.	<ul style="list-style-type: none"> <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>	6/17/2016
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 style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Selection</li> <li>• Fiscal Year</li> </ul>	11/17/2016
***	***	***	***
Reduce Average Processing Times for Direct Loans Goal 2	<p>Provides the average number of days from application receipt to first disposition.</p> <p>EM loans and applications with a Class I or Class II environmental assessment are excluded.</p>	<ul style="list-style-type: none"> <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>	*--4/7/2017--*

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**8 Goal OnDemand Reports (Continued)**

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
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 style="list-style-type: none"> <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>	9/7/2016
Reduce First Year Delinquency Rates on New Loans Goal 1 NEW	Loan Making Goal to monitor first year delinquency. Detail report provides a list of first year loans and indicates whether each loan has been restructured or is delinquent.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Report Date</li> <li>• Report Type</li> </ul>	*--3/21/2017--*

**List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**\*--9 GLS OnDemand Reports**

The following are the available GLS FLPDM reports.

<b>Report Name</b>	<b>Report Description</b>	<b>User Selection Criteria</b>	<b>Date Last Modified</b>
Borrowers Having Loans with Both ACA and FLCA Lenders	Provides a list of borrowers who have active loans with both ACA and FLCA Lenders.	<ul style="list-style-type: none"> <li>• State</li> <li>• Servicing Office</li> <li>• County</li> </ul>	3/21/2017
Current Lender Designations	Provides a list of current lender designations (similar to GLS4023), including effective date of agreement.	<ul style="list-style-type: none"> <li>• State</li> <li>• Lender Status</li> </ul>	3/2/2017
FLPRA Guaranteed Average Loan Loss Rate	Provides information on guaranteed average loan loss rates to support FLPRA review.	<ul style="list-style-type: none"> <li>• State</li> <li>• Servicing Office</li> <li>• County</li> <li>• FLPRA Fiscal Year</li> </ul>	3/2/2017
FLPRA Guaranteed Loans Closed	Provides a list of loans closed in specific fiscal year to support FLPRA elements.	<ul style="list-style-type: none"> <li>• State</li> <li>• Fiscal Year</li> </ul>	3/21/2017
FLPRA Guaranteed Obligations Report	Provides a list of guaranteed obligations used to calculate FLPRA elements.	<ul style="list-style-type: none"> <li>• State</li> <li>• Servicing Office</li> <li>• County</li> <li>• FLPRA Fiscal Year</li> </ul>	3/21/2017
Guaranteed Fees Report	Provides information on guaranteed fees collected during specified date range.	<ul style="list-style-type: none"> <li>• State</li> <li>• Servicing Office</li> <li>• County</li> <li>• Collection Date</li> <li>• Report Level</li> </ul>	3/2/2017
Lender Representative List	Displays current lender representative information for lenders with active FLP loans	<ul style="list-style-type: none"> <li>• State</li> </ul>	3/21/2017
Loans Sold on Secondary Market	Displays a list of guaranteed FLP loans that have been sold on the secondary market.	<ul style="list-style-type: none"> <li>• State</li> <li>• Servicing Office</li> <li>• County</li> </ul>	3/2/2017

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## List of Available Reports (Continued)

### A Farm Loan Programs Data Mart (Continued)

#### \*--10 PLAS OnDemand Reports

The following is the available PLAS Report.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Office Reporting Lookup	<p>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.</p> <p>To request changes, FSA-2125 must be completed and provided to NFAOC.</p>	<ul style="list-style-type: none"><li>• State</li></ul>	6/17/2016

#### \*--11 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 PLAS Discrepancy	Daily report that lists PLAS 4C Transaction discrepancies resulting from the previous night's update. These discrepancies do <b>not</b> appear in ADPS, and must be corrected by NFAOC. Users have the option to view reports from the past 30 calendar days.	<ul style="list-style-type: none"><li>• State</li><li>• District</li><li>• Servicing Office</li></ul>	9/16/16
SCIMS to PLAS Exception	Provides information on exceptions between current PLAS borrower information and current SCIMS borrower information that prevents updating name and address information in PLAS from SCIMS.	<ul style="list-style-type: none"><li>• State</li><li>• District</li><li>• Servicing Office</li></ul>	9/16/16
SCIMS to PLAS Update	Daily report that shows the transactions that have updated PLAS using information in SCIMS. Users have the option to view reports from the past 30 calendar days.	<ul style="list-style-type: none"><li>• State</li><li>• District</li><li>• Servicing Office</li></ul>	9/16/16

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**List of Available Reports (Continued)**

**B GLS**

**1 Application Reports**

The following are the available Application Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLSAPP02	Guaranteed Loan Applications Detail Report	Displays lender, borrower and application information for each application that matches the specified search criteria. Provides both first and final disposition information.
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	<p>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.</p> <p>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.</p> <p>Report can be used to monitor Loan Making Goal 3 by selecting Environmental Review Type of CATEX.</p>
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. Provides both first and final disposition information.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**1 Activity Reports**

The following are the available Activity Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**2 Activity Reports (Continued)**

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLS4292	Servicing Activity Summary	<p>Summarizes the following activities:</p> <p>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.</p> <p>User must specify a date range.</p>
GLS4293	Servicing Activity Detail	<p>Validates the counts from the GLS4292 report displaying the following information:</p> <p>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.</p> <p>User must specify a date range.</p>
GLS4294	Servicing Review Activity Needed	<p>Lists active loans and displays the most recent review date for the specified review activity. This allows the user to identify loans where review activity has not been completed.</p> <p>Includes additional information to assist the user in prioritizing loans for review.</p>

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**3 GLS Status Reports**

The following are the available Status Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
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.

<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**5 Borrower Reports**

The following are the available Borrower Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
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.

<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**6 Loan Reports (Continued)**

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLSREAM2	Reamortized Loans Detail	Provides a detail listing of loans reamortized.
GLS4263	Lender Loans Closed - Pending Closing in GLS Report	Lists all loans that are closed by the lender but are waiting for approval to be closed in GLS.
GLSIA06	Guaranteed Loans That Require Attention	Provides a list of loans that are delinquent, past due, or past the maturity date.

**7 Loan Reports - A/R**

The following are the available Loan Reports - A/R.

<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLS4011	Accounts Receivable Summary	Summarizes the number of claims and unpaid principal and interest by geographic State for the loan types selected.
GLS4010	Accounts Receivable Listing	Provides a detailed listing of accounts receivable along with unpaid principal and interest amounts.
GLS2113	Guaranteed Loan Repurchases Summary by Fiscal Year	Provides a national summary of counts of guaranteed loan repurchases by State across FY. A drill-down to detail is also available.
GLS2113	Guaranteed Loan Repurchases Detail	Provides detailed information for guaranteed loan repurchases for the selected State.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**8 Lender Notices**

The following are the available Lender Notices Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLSNT01	Guaranteed Loan Holder Purchase Report	Notifies the lender and field offices that USDA has purchased all or part of a loan's guaranteed portion. It also provides instructions for lenders to submit payments applicable to the guaranteed portion to USDA.
GLSNT02	Notice of Pending Interest Assistance Review Date	System-generated report listing the Borrower ID, Loan Number, Loan Amount, Date of Annual Review for Interest Assistance, and Current Interest Assistance Rate.  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 Maturing	This report is a notice to lender of Loan Note 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 of a Guaranteed Loan	Provides identification information for each guaranteed 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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**8 Lender Notices (Continued)**

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLSNT06	Notice of Final Maturity Date of Guaranteed Loan	Same as Report 4072. Serves as notification to a lender, and to the State and County Offices, on each 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 Settlement	This report is similar to the notice that is generated in 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.

<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLS2003	Guaranteed Loans by Lender Caseload	Lists guaranteed loan information by lender ID within lender name, giving a total amount by lender name.
GLS2085	Guaranteed Caseload/Delinquency Summary	Contains a summary with drill-down capabilities to a detail report.  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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**9 Caseload Reports (Continued)**

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
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.

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List of Available Reports (Continued)

B GLS (Continued)

10 Lender Reports

The following are the available Lender Reports.

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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 selection criteria.
GLS4103	Lender Listing	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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**11 Activity Register Reports**

The following are the available Activity Register Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLSBR01	Borrower Register	<p>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.</p> <p>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.</p>
GLSLR01	Lender Register	<p>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.</p> <p>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.</p>

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**12 Paid Loss Reports**

The following are the available Paid Loss Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLS2095	Completed Loss Paid Data on Loans Guaranteed	Counts loans, loans with losses and loss percent.
GLS2101	Status of Completed Guaranteed Losses Paid by Fiscal Year	Counts and totals losses, recoveries and liquidation costs by FY of the loss.
GLS2111	Estimated Guaranteed Loan Losses Where Final Loss Has Not Been Paid	National summary of type 1 guaranteed loan losses by State across FY. Either loss counts or dollar amounts are summarized based on selection from criteria screen.
GLS4131	Summary of Completed Losses by State	Provides numbers and totals for each loss type by 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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**13 Loss Review Reports**

The following are the available Loss Review Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLS5101	Loss Claim Status Summary Report	Summary report provides information on the claim status of losses initiated in GLS.
GLS5101A	Loss Claim Status Detail Report	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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**13 Loss Review Reports (Continued)**

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLS5104	Liquidation Costs Summary Report	Summary report provides information on Liquidation Costs.
GLS5104A	Liquidation Costs Detail Report	Detail report provides information on Liquidation Costs.
GLS5105	Deductions to Final Liquidation Loss Claim Summary Report	Summary report compares the loss amount requested by the lender to the amount approved by the Agency (final liquidation losses only).
GLS5105A	Deductions to Final Liquidation Loss Claim Detail Report	Detail report compares the loss amount requested by the lender to the amount approved by the Agency (final liquidation losses only).
GLS5106	Losses with Additional Interest Summary Report	Summary report provides information on Additional Interest paid (all loss types).
GLS5106A	Losses with Additional Interest Detail Report	Detail report provides information on Additional Interest paid (all loss types).
GLS5107	Loss Claim Processing Times Summary Report	Summary report calculates the number of days 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 Times Detail Report	Detail report calculates the number of days between the lender's submission of the claim to the Agency's approval (only includes loss types 01, 02, 05, 06, or 07).

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**14 Interest Assistance Reports**

The following are the available Interest Assistance Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLS2094	Guaranteed Interest Assistance Summary Report	Provides a summary of borrower counts, loan counts, and loan counts broken into various categories for active guaranteed interest assistance by State. Summary by count is available as a drill-down on State.
GLS4235	Unliquidated Interest Assistance Obligations	Totals loan balance, buydown obligated amount, interest assistance paid, and unliquidated obligated buydown amount by borrower.
GLSIA01	List of Guaranteed Loans with IA Agreements	Provides a list of all guaranteed loans with active Interest Assistance Agreements.
GLSIA02	Interest Assistance Claims Processed	Provides a list of paid Interest Assistance Claims.
GLSIA03	Oldest IA Agreements	Provides information on a borrower's first Interest Assistance Agreement.
GLSIA04	IA Claims Not Yet Processed	Lists all Interest Assistance Claims coming due within the next 30 days, or those that are past due.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**15 Obligation and Closing Reports**

The following are the available Obligation and Closing Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
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.

<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLS2010	Lenders Eligible for Certified Status Report	Shows all loan providers who meet requirements for status of Certified Lender.
GLS2011	Lenders Eligible for Preferred Status Report	Shows all loan providers who meet requirements for status of Preferred Lender.
GLS2014	Certified Loan Providers Report	Shows only the loan providers who already have the status of Certified Lender.
GLS2015	Preferred Loan Providers Report	Shows only the loan providers who already have the status of Preferred Lender.
GLS2012	Certified Loan Providers Not Meeting CLP Criteria	Shows all loan providers who currently have a status of Certified and no longer meet the specified criteria for that status.
GLS2013	Preferred Loan Providers Not Meeting PLP Criteria	Shows all loan providers who currently have a status of Preferred and no longer meet the specified criteria for that status.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**17 Debt Offset Receivable Reports**

The following are the available Debt Offset Receivable Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**17 Debt Offset Receivable Reports (Continued)**

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLSDC06	Debts Eligible for TOP But Not Yet Referred - Summary	Summarizes loans where the debt has not yet been referred to TOP. User may limit the data to loans which should have already been referred.
GLSDC06A	Debts Eligible for TOP But Not Yet Referred - Detail	Identifies loans where the debt has not yet been referred to TOP. User may limit the data to loans which should have already been referred.
GLSDC07	Debts Which Will Not Be Referred for IAO/TOP Offset - Summary	Summarizes debts where FSA has identified the reason why the debt will not be referred for offset. User is required to specify IAO or TOP offset.
GLSDC07A	Debts Which Will Not Be Referred for IAO/TOP Offset - Detail	Lists debts where FSA has identified the reason why the debt will not be referred for offset. User is required to specify IAO or TOP offset.
GLSDC08	Debts Referred for IAO/TOP Offset - Summary	Summarizes debts that are currently referred for a specified type offset.
GLSDC08A	Debts Referred for IAO/TOP Offset - Detail	Identifies debts that are currently referred for a specified type offset.
GLSDC09	Debts Deleted from IAO/TOP Offset - Summary	Summarizes debts that have been deleted from a specified type of offset referral.
GLSDC09A	Debts Deleted from IAO/TOP Offset - Detail	Identifies debts that have been deleted from a specified type of offset referral.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**17 Debt Offset Receivable Reports (Continued)**

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
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 Collections - Summary	Summarizes DCIA collections made through IAO offset.
GLSDC14	Offset Collections/Refund - Summary	Provides financial data related to offset collections and refunds for FSA Guaranteed Loan receivables in summary format.
GLSDC14A	Offset Collections/Refund - Detail	Provides financial data related to offset 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 IAO/TOP Offset - Summary	Provides financial data related to Debts Written Off for FSA guaranteed loan receivables in summary format.
GLSDC15A	Debts Written Off from IAO/TOP Offset - Detail	Provides financial data related to Debts Written 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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**18 Application Authorization Security Management (AASM)**

The following are the available AASM Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLS4264	List of Lenders Not Established as Security Administrators in AASM Summary Report	Summarizes number of lenders, applications, obligations, and loans by servicing State where the lender has no security administrators for GLS Level 1 or Level 2 under AASM.
GLS4264A	List of Lenders Not Established as Security Administrators in AASM Detail Report	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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**19 Program Reporting Group**

The following are the available Program Reporting Group Reports.

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<b>Report Number</b>	<b>Report Name</b>	<b>Report Description</b>
GLSDC48	Debts Written Off from IAO/TOP Offset - Summary	Provides financial data related to Debts Written Off for FSA guaranteed loan receivables in summary format.
GLSDC48A	Debts Written Off from IAO/TOP Offset - Detail	Provides financial data related to Debts Written 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.

<b>Report Name</b>	<b>Report Description</b>
Alternate - Guaranteed Loss Rate - FY 2015	Provides the current loss rate, which is calculated by dividing the amount of losses during the current FY by the unpaid principal at the beginning of the FY.
Borrower Maintenance Report by Servicing Office	Displays data from the Borrower Maintenance screen. User may specify State, Office, or Borrower ID Number.
Borrowers Who Have Loans with Both PCA (ACA) & FLB (FLCA) Lenders	Provides a list of borrowers who have active guaranteed loans with both PCA and FLB.
Breakout of Loans Made by Lender Status	Provides the number and percentage of loans closed for specified FY by lender status.
Caseload/Delq with County and Office Names	Modified from GLS2085. Includes servicing office and county names.
Final Losses Paid Within the Past Three Years	Lists loans where a final loss claim has been processed within three years of the current date.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**20 MRE Reports for State Office Use (Continued)**

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<b>Report Name</b>	<b>Report Description</b>
FLPRA - Guaranteed Average Loan Loss Rate	Provides the net loss amount and original loan amount for loans used to calculate the Guaranteed Average Loan Loss Rate FLPRA element.
FLPRAOBL MRE - Guaranteed Obligations Only	Provides list of obligations used to calculate the various guaranteed obligation FLPRA elements.
GLS2120 - Specific State by Mail Code	GLS2120, Total Amount of Loans Outstanding by Gender and Race, modified to allow user to select a specific State.
GLS2121 - Specific State by Mail Code	GLS2121, Count of Borrowers with Guaranteed Loans Outstanding by Gender and Race, modified to allow user to select a specific State.
GLS4023 Modified to Include Effective Date of Agreement	GLS4023, Current Lender Designation Report, modified to include effective date of designation agreement.
GLS4110 Modified to add several fields for LMD & LSPMD	GLS4110, Loan Caseload Detail Report, modified to add lender type, primary loan purpose, IA indicator, beginning farmer indicator, SDA indicator, race, gender, ethnicity, borrower address, and lender designation
GOAL2 - Guaranteed Delinquency Rate - FY 2015	Provides guaranteed delinquency rates for the current goal period. Works best for States that have <b>not</b> had significant office realignments during goal period.
GOAL2 Alternate - Guaranteed Delinquency Rate - FY 2015	Provides current guaranteed delinquency rate for goal 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.

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**List of Available Reports (Continued)**

**B GLS (Continued)**

**20 MRE Reports for State Office Use (Continued)**

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<b>Report Name</b>	<b>Report Description</b>
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 PDATA 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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Program Authority to Request Contract Goods and Services and Recoverability of PLCE's  
After September 30, 2010

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LOAN MAKING		Detail	Comment	PAC Code	Authority	Recoverable/Nonrecoverable
Contract Purpose						
Inspection	Real Estate			1A1	S	Nonrecoverable
	Chattel/Crop			1A2	S	Nonrecoverable
Appraisals	Real Estate		Note 10	1B1	S	Nonrecoverable
	Chattel/Crop			1B2	S	Nonrecoverable
Analysis	Farm Business Planning			1C4	S	Nonrecoverable
	Financial Analysis			1C7	S	Nonrecoverable
Information Services	Data Processing/Info Gathering		Note 6	1D2	S	Nonrecoverable
	Comparable and Market Studies			1D3	S	Nonrecoverable
	Advertising			1D4	SC	Nonrecoverable
	State Database Access Fees		Note 7	1DA	S	Nonrecoverable
	SAVE Citizenship Verification Database Access			1DB	S	Nonrecoverable
Professional Services	Interpreter Services			1E9	SC	Nonrecoverable
	Mediation (No State Program)			1EA	S	Nonrecoverable
Environmental	NEPA Compliance		Note 2	1J1	A	Nonrecoverable
	NEPA Environmental Impact Statements			1J2	A	Nonrecoverable
	Archaeological Surveys			1J4	A	Nonrecoverable
	Miscellaneous Historical Preservation Activities			1J5	A	Nonrecoverable
	Endangered Species Studies			1J6	A	Nonrecoverable
	Wetland Delineations			1J7	A	Nonrecoverable
	Phase I Environmental Site Assessments		Note 3	1JI	A	Nonrecoverable
Loan Account Maintenance	Phase II Environmental Site Assessments		Note 3	1JJ	A	Nonrecoverable
	Legal Documentation Expenses		Note 4	1N5	SC	Nonrecoverable
	Mediation (State Certified Program)			1N6	S	Nonrecoverable
Managerial	Electronic UCC Recording and Filing		Notes 5 & 6	1NE	SC	Recoverable
	Credit Reports			1Y1	SC	Recoverable
Other	Miscellaneous		Note 1	1Z1	A	Recoverable/Nonrecoverable

Authorities: A=Administrator; S=State Office; C=FLM

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**\*--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's  
After September 30, 2010 (Continued)--\***

<b>LOAN SERVICING</b>		<b>Detail</b>		<b>Comment</b>		<b>PAC Code</b>		<b>Authority</b>		<b>Recoverable/Nonrecoverable</b>	
<b>Contract Purpose</b>											
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				4B1		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	

Authorities: A=Administrator; S=State Office; C=FLM



Program Authority to Request Contract Goods and Services and Recoverability of PLCE's  
After September 30, 2010 (Continued)

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LOAN SERVICING - continued		Detail	Comment	PAC Code	Authority	Recoverable/Nonrecoverable
Contract Purpose						
Professional Services (continued)	Abstract/Stub Abstract - Foreclosure Only			4EH	SC	Recoverable
	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	A	Nonrecoverable
	NEPA Environmental Impact Statements			2J2	A	Nonrecoverable
	Archaeological Surveys			2J4	A	Nonrecoverable
	Miscellaneous Historical Preservation Activities			2J5	A	Nonrecoverable
	Endangered Species Studies			2J6	A	Nonrecoverable
	Wetland Delineations			2J7	A	Nonrecoverable
	Phase I Environmental Site Assessments		Note 3	2J1	A	Nonrecoverable
	Phase I Environmental Site Assessments - Foreclosure Only		Note 3	4J1	A	Recoverable
	Phase II Environmental Site Assessments		Note 3	2J2	A	Nonrecoverable
	Phase II Environmental Site Assessments - Foreclosure Only		Note 3	4J2	A	Recoverable
	Water Testing/Sewer Inspection			4J3	A	Recoverable
Loan Account Maintenance	Real Estate Taxes			2N1	SC	Recoverable
	Personal Property Taxes			2N2	SC	Recoverable
	Insurance		Note 1	2N3	A	Recoverable
	Prior, Junior, & Judgment Liens			2N4	S	Recoverable
	Legal Documentation 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
	Online Bidding Registration Fees - Foreclosure Only			4NG	SC	Recoverable
	State Lease		Note 18	4NH	SC	Recoverable

Authorities: A=Administrator; S=State Office; C=FLM

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**\*--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's  
After September 30, 2010 (Continued)--\***

<b>LOAN SERVICING - continued</b>						
<b>Contract Purpose</b>	<b>Detail</b>	<b>Comment</b>	<b>PAC Code</b>	<b>Authority</b>	<b>Recoverable/Nonrecoverable</b>	
Managerial	Credit Reports		2Y1	S		Nonrecoverable
Other	Miscellaneous	Note 1	2Z1	A		Recoverable/Nonrecoverable
<b>INVENTORY PROPERTY</b>						
<b>Contract Purpose</b>	<b>Detail</b>	<b>Comment</b>	<b>PAC Code</b>	<b>Authority</b>	<b>Nonrecoverable/Recoverable</b>	
Inspection	Real Estate		5A1	S		Nonrecoverable
	Chattels/Crops		5A2	S		Nonrecoverable
Appraisals	Real Estate	Note 10	5B1	S		Nonrecoverable
	Chattel/Crop		5B2	S		Nonrecoverable
Information Services	Advertising		5D4	SC		Recoverable
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)		5EA	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	Property Management /Caretaking		5F1	SC		Nonrecoverable
	Hauling		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		5J4	S		Nonrecoverable
	Miscellaneous Historical Preservation Activities		5J5	S		Nonrecoverable
Authorities: A=Administrator; S=State Office; C=FLM						

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 (Continued)--\***

NOTE	DESCRIPTION
1	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.
3	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.
5	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. <b>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.</b>
6	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.
8	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.
9	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. <b>All response actions shall be conducted by environmental professionals.</b>
13	Servicing activities should be charged as a recoverable cost, <b>except when State law, supported by an opinion from the Regional Attorney, provides otherwise.</b>
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.

**\*--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's  
After September 30, 2010 (Continued)--\***

<u>NOTE</u>	<u>DESCRIPTION</u>
15	Includes payment for serving Summons and Complaint in foreclosure proceedings; costs incurred during an eviction; other similar expenses.
16	Only essential utilities will be paid, including fuel oil, gas, electricity, and propane in accordance with 4-FLP and 5-FLP.
17	Includes cost reimbursement.
18	Includes payments to the Bureau of Land Management, Forest Service, etc.



**\*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's --  
Before October 1, 2010--\***

Third Character: Purpose				Fourth Character: Detail				Program Activity							
Code	Contract Purpose	Code	Detail	1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventry			
				(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)		
A	Inspection	1	Real Estate	S	N	S	N	S	R	S	R	S	N		
		2	Chattel	S	N	S	N	S	R	S	R	S	N		
		3	Crop	S	N	S	N	S	R	S	R	S	N		
		4	Repairs												
		5	Construction												
		6	Supervisory												
B	Appraisals	1	Real Estate (Note 11)	S	N	S	N	S	R	S	R	S	N		
		2	Chattel (Note 11)	S	N	S	N	S	R	S	R	S	N		
		3	Crop (Note 11)	S	N	S	N	S	R	S	R	S	N		
C	Analysis & Audits	1	Year-end Analysis/Reports/Audits			S	N								
		2	Subordination			S	N								
		3	Graduation			S	N								
		4	Farm Management Specialist	S	N	S	N	S	R	S	R				
		5	Debt Settlement			S	N	S	R	S	R				
		6	Budget Plan	S	N	S	N	S	R	S	R	S	N		
		7	Financial Analysis	S	N	S	N	S	R	S	R				
		8	Interest Credit Renewal												
		9	Account Auditing/CPA Studies												
	Other Than Above	S	N	S	N	S	R	S	R	S	R	S	N		

**\*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's --  
Before October 1, 2010--\***

Third Character: Purpose		Fourth Character: Detail		Program Activity									
Code	Contract Purpose	Code	Detail	1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventry	
				(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
D	Information Services	1	Tax Report & Record Documentation	S	N	S	N						
		2	Data Processing/Info Gathering	S	N	S	N	S	R	S	R	SDC	N
		3	Comparable and Market Studies	S	N	S	N	S	R	S	R	S	N
		4	Advertising	SDC	N	SDC	N	SDC	R	SDC	R	SDC	R
		5	Cost Estimators										
		6	Cost Certification										
		7	Review of Annual Reports										
		8	Wage Match										
E	Other Services	1	Architect &Engineering										
		2	Surveying			S	N	S	R	S	R	S	N
		3	Investigation			S	N	S	R	S	R	S	N
		4	Bankruptcy			S	N	S	R	S	R		
		5	Foreclosure (Non-Judicial State) (Note 1)			S	N	S	R	S	R		
		6	Title Search			SDC	N/R	SDC	R	SDC	R	SDC	N
		7	Trustee Agency (Foreclosure Actions)			S	R	S	R	S	R		
		8	Auctioneer (Note 7)					SDC	R	SDC	R	SDC	R
		9	Interpreter Services	S	N	S	N	S	N	S	N	S	N
		A	Mediation (No State Program)	SDC	N	SDC	N	SDC	R	SDC	R	SDC	N
		B	Attorney Serv. Foreclosure (Judicial) (Note 1)			S	R	S	R	S	R	S	N
		C	Evictions										
		D	Spec. Writing										
		E	Supervisory Visits										



**\*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's --  
Before October 1, 2010--\***

Third Character: Purpose		Fourth Character: Detail		Program Activity									
Code	Contract Purpose	Code	Detail	1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventry	
				(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
F	Maintenance/ Management	1	Property Management/Caretaking					SDC	R	SDC	R	SDC	N
		2	Hauling					SDC	R	SDC	R	SDC	N
		3	Temporary Custodial					SDC	R	SDC	R		
		4	Other					S	R	S	R	S	N
G	Repairs/ Improvements	1	Onsite (Note 3)					SDC	R	SDC	R	SDC	R
		2	Offsite					SDC	R	SDC	R	SDC	R
H	Real Estate Broker (Exclusive Listing)	1	Commission					SDC	R	SDC	R	SDC	R
		2	Bonus					S	R	S	R	S	R
I	Real Estate Broker (Open Listing)	1	Commission					SDC	R	SDC	R	SDC	R
		2	Bonus					S	R	S	R	S	R
J	Environmental (Contractual or Noncontractual) (Note 2)	1	NEPA - Environmental Assessments	S	N	S	N					S	N
		2	NEPA - Environmental Impact Statements	A	N	A	N					A	N
		3	Miscellaneous NEPA Studies	S	N	S	N					S	N
		4	Archaeological Surveys	S	N	S	N					S	N
		5	Miscellaneous Historical Preservation Activities	S	N	S	N					S	N
		6	Endangered Species Studies	S	N	S	N					S	N
		7	Wetland Delineations	S	N	S	N					S	N
		8	Preliminary Assessments (Notes 3 & 5)									S	R
		9	Site Inspections and Remedial Investigations/Feasibility Studies (Notes 3 & 5)									S	R

**\*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's --  
Before October 1, 2010--\***

Third Character: Purpose		Fourth Character: Detail		Program Activity									
Code	Contract Purpose	Code	Detail	1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventory	
				(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
J	Environmental (Contractual or Noncontractual) (Note 2) (Continued)	A	Remedial Actions (Notes 3 & 5)									S	R
		B	Removal Actions (Notes 3, 5, & 6)					S	R			S	R
		C	Emergency Response Activities (Notes 3, 5, & 6)					S	R			S	R
		D	Underground Storage Tank Removals (Notes 3, 5, & 6)					S	R			S	R
		E	Underground Storage Tank Corrective Actions (Notes 3 & 5)									S	R
		F	Lead Based Paint Testing and Inspections (Note 5)									S	N
		G	Lead Based Paint Abatement Activities (Note 5)									S	R
K	Asset Investigation	H	Transaction Screen Questionnaire (Note 4)	S	N	S	N	S	R	S	R	S	N
		I	Phase I Environmental Site Assessments (Note 4)	S	N	S	N	S	R	S	R	S	N
		J	Phase II Environmental Site Assessments (Note 4)	S	N	S	N	S	R	S	R	S	N
L-M	Reserved	1	Large Debt Settlement			S	N						
		2	Debt Settlement			S	N						
N	Noncontractual Payments (Note 2)												
		1	Real Estate Taxes			SDC	R	SDC	R	SDC	R	SDC	R
		2	Personal Property Taxes			SDC	R	SDC	R	SDC	R	SDC	R
		3	Insurance			SDC	R	SDC	R	SDC	R	SDC	R
		4	Prior and Junior Liens (Note 8)			SDC	N/R	SDC	R	SDC	R	SDC	R
		5	Recording, Filing (Notes 8 & 10)	SDC	N	SDC	N/R	SDC	R	SDC	R	SDC	N
		6	Mediation (State Certified Program)	SDC	N	SDC	N	SDC	R	SDC	R	SDC	N
		7	Land Acquisition									S	R
		8	Authorized Selling Expenses			SDC	R	SDC	R	SDC	R	SDC	R
		9	Protective Advance (Note 8)			S	N/R	S	R	S	R	S	N

**\*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's --  
Before October 1, 2010--\***

Third Character: Purpose		Fourth Character: Detail		Program Activity									
Code	Contract Purpose	Code	Detail	1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventory	
N	Noncontractual Payments (Note 2) (Continued)	A	Utilities	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
		B	Other					SDC	R	SDC	R	SDC	N
		C	Selling Points										
		D	Co-Pay/Homestead Appraisals (Note 11)			S	N					S	R
		E	UCC Recording and Filing (Note 9)	SDC	R	SDC	R						
O-X	Reserved												
Y	Managerial	1	Credit Reports	S	R	S	N						
Z	Other	1	Miscellaneous	A	N/R	A	N/R	A	R	A	R	A	N

**\*--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's --  
Before October 1, 2010--\***

**Notes:**

- 1) Includes cost reimbursement.
- 2) An employee does not need a Contracting Officer warrant to process noncontractual payments.
- 3) 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 conducted to evaluate real property for the presence of contamination in loan processing/servicing activities.
- 5) 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.
- 7) For auctioneer services District (D) and County (C) program authority is limited to \$15,000 per property for auctioneer services; Administrator (A) and State Executive Director (S) have no limit.
- 8) 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 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. (FINE, F2NE)
- 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 (F2ND). Co-Pay/Homestead appraisals are not authorized for inventory property. (For inventory property use F5B1.)

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

**\*--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 value 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  $10,800 \div 21,000 \text{ square feet (former lot size)} \times 35,000 \text{ square feet (new lot size)} = \$18,000$ . 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.--\*



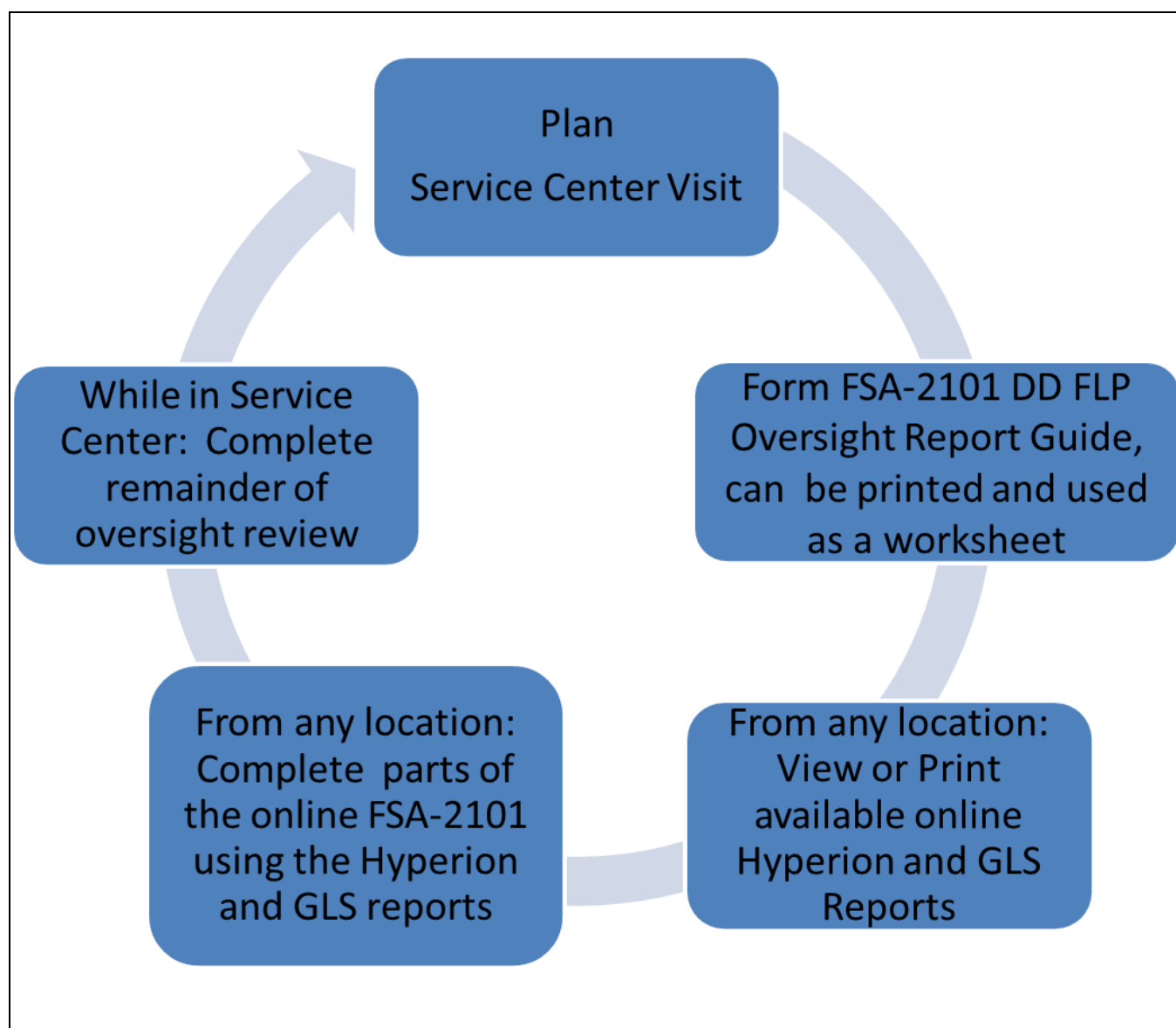
**\*--Alternative Production and Marketing Price Determination Guide (Continued)**

**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.--\*



# DD FLP Oversight Review User Guide



**DD FLP Oversight Review User Guide (Continued)**

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## **DD FLP Oversight Review User Guide (Continued)**

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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.

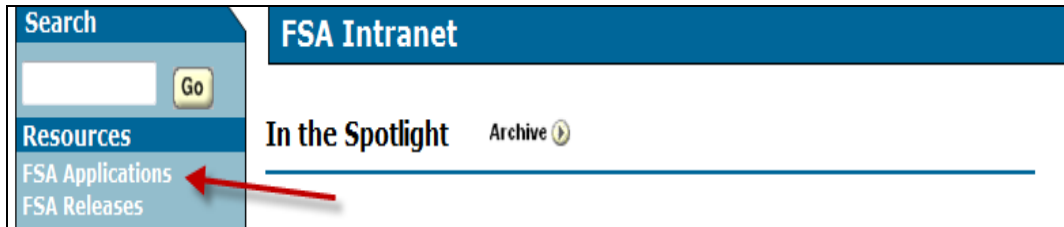
Paragraphs 441 through 444 address all issues of reporting timeframes, user roles and responsibilities, and distribution of reports.

### **A DDORS Access**

#### **1 Web Access**

DDORS authorized users can access DDORS using Microsoft Internet Explorer 7.0+ by either of the following:

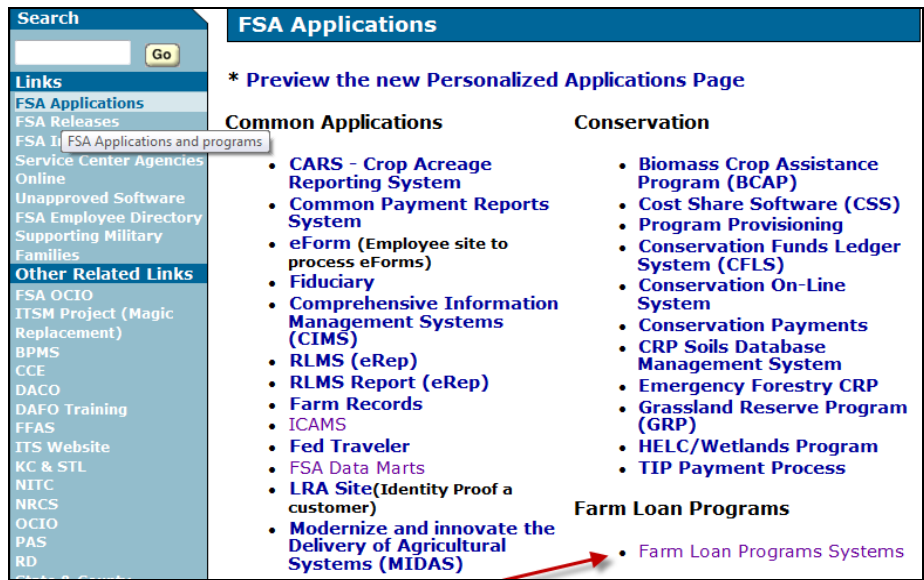
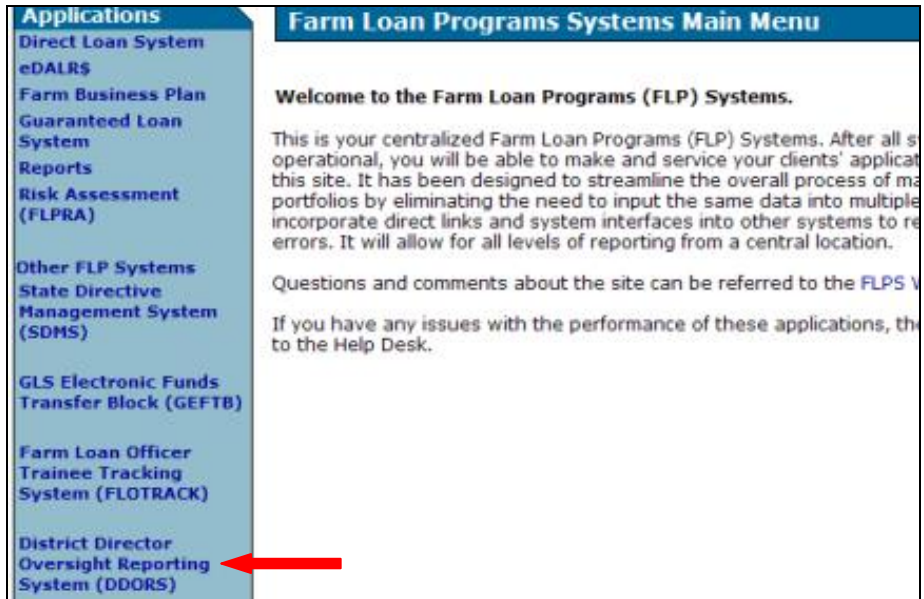
- Internet at **<https://wdcprod80.sc.egov.usda.gov/ddors/homepage.aspx>**
- Intranet, as follows.

Step	Action
1	<p>To access DDORS, go to the FSA Intranet at <b><a href="http://fsaintranet.sc.egov.usda.gov/fsa/">http://fsaintranet.sc.egov.usda.gov/fsa/</a></b> and on the FSA Intranet Home Page, under “Resources”, CLICK “FSA Applications”.</p> 

## DD FLP Oversight Review User Guide (Continued)

### A DDORS Access (Continued)

#### 1 Web Access (Continued)

Step	Action
2	<p>From the FSA Applications Screen, under “Farm Loan Programs”, CLICK “<b>Farm Loan Programs Systems</b>”. Log in with eAuthentication user ID and password, or LincPass and PIN.</p> 
3	<p>From the Farm Loan Programs Systems Main Menu, under “Other FLP Systems”, CLICK “<b>District Director Oversight Reporting System (DDORS)</b>”.</p> 


## DD FLP Oversight Review User Guide (Continued)

### 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 <b>Home</b> in the menu at the top of the page, if not already on the Home Page.
2	<p>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”.</p> 
3	From the list of all Service Centers that will be displayed, select a Service Center with a report status of “In Progress”, “Submitted”, or “Auto-Submitted” and select the “ <b>Service Center</b> ” name.


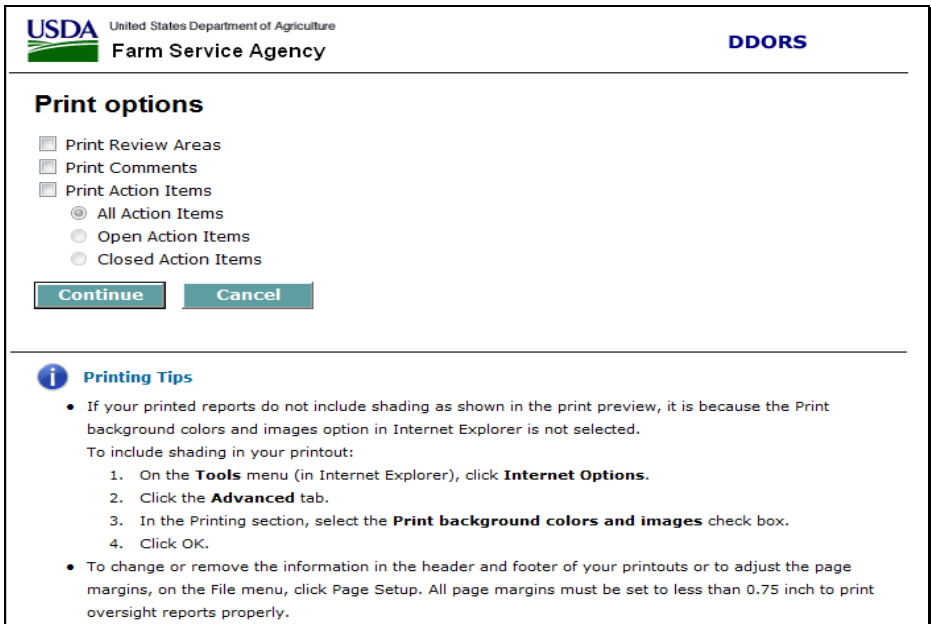


## DD FLP Oversight Review User Guide (Continued)

### A DDORS Access (Continued)

#### 3 Print Report Access


Follow this table to view or print the report.

Step	Action
1	<p>The full report can be viewed on screen or printed at any point after the report has been initiated. From the Report Outline Screen, CLICK “<b>Printer-Friendly Report</b>”.</p> 
2	<p>The Print Options Screen will be displayed. Select the areas of the report to view and CLICK “<b>Continue</b>”.</p> 

## DD FLP Oversight Review User Guide (Continued)

### A DDORS Access (Continued)

#### 3 Print Report Access (Continued)

Step	Action
3	<p>When FSA-2101 is displayed, users may view on screen or CLICK “Print”.</p> 

#### 4 Help Access

DDORS has a “Help” function that is available throughout the online report, as displayed on this example DDORS Home Page.

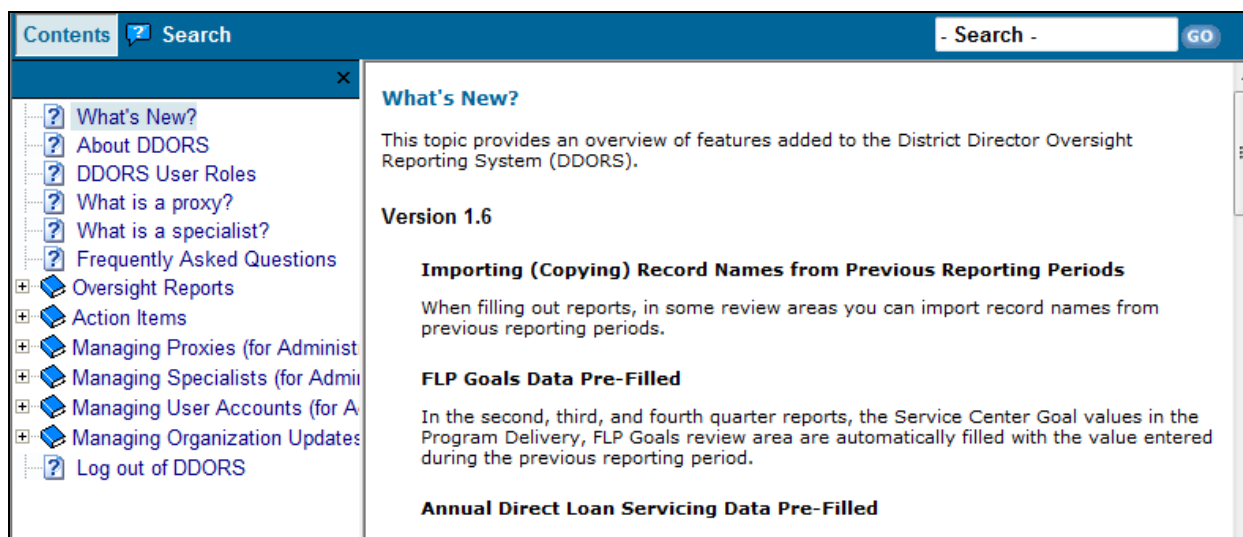


## DD FLP Oversight Review User Guide (Continued)

### A DDORS Access (Continued)

#### 4 Help Access (Continued)

The following is an example of the screen that will be displayed with topics for assistance.



## DD FLP Oversight Review User Guide (Continued)

### 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.

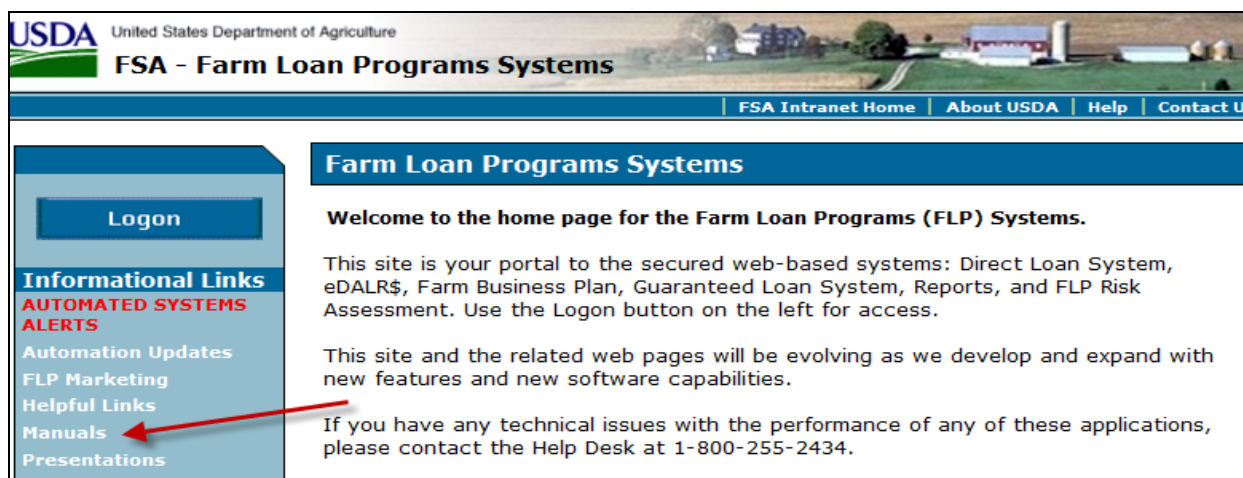


Exhibit 14 provides details about how to create SCIMS-PLAS ORACLE Hyperion Reports.

## DD FLP Oversight Review User Guide (Continued)

### 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.

H Y P E R I O N	Environment: <input checked="" type="checkbox"/> Production <input type="checkbox"/> Development <input type="checkbox"/> Certification		eAuth  NITC
	Datamart (Group): FLP Data Mart		
	For FSA_CORE and Financial Web Applications Data Marts(FWADM) Only:		
	<input type="checkbox"/> Federal users table (list federal Org codes): <input type="checkbox"/> State users table (list states): <input type="checkbox"/> County users table (list counties):		
Please contact Datamart owner for assistance. See ASA/Application Approver on Page 3. <a href="https://fsadwhouse.sc.egov.usda.gov/FSA-DataMarts/FSAdatamartsHomePage.html">https://fsadwhouse.sc.egov.usda.gov/FSA-DataMarts/FSAdatamartsHomePage.html</a>			
Other/Comments:			
Please grant access to environment: Production Oracle Hyperion EPM for the requested user with authorization to Hyperion Group "FLP Data Mart"			

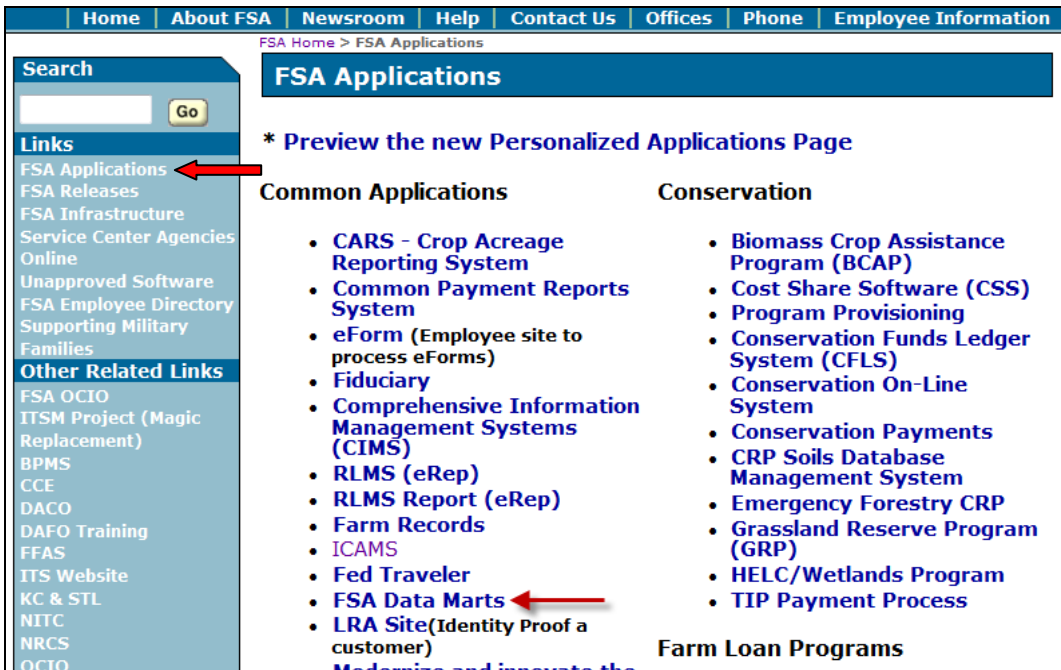
**Note:** In the “Other/Comments” block, ENTER “**Please grant access to environment: Production Oracle Hyperion EPM for the requested user with authorization to Hyperion Group “FLP Data Mart”**”.

## DD FLP Oversight Review User Guide (Continued)

### B Online Guides and Reports (Continued)

#### 3 Hyperion Database


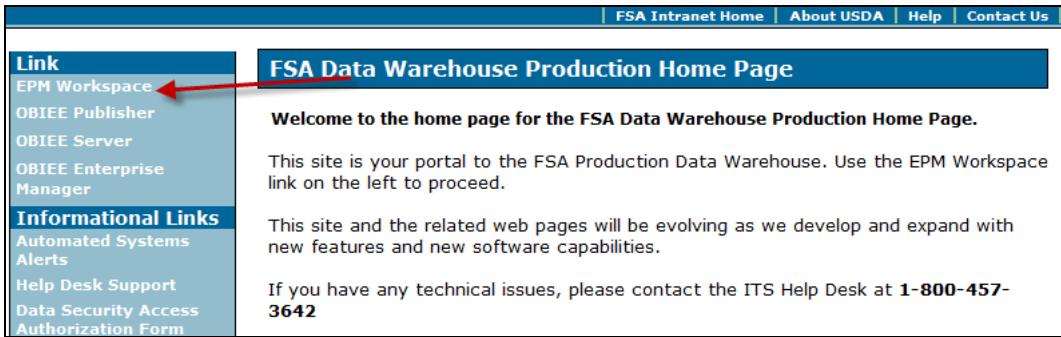
The following is a quick review of how to access Data Mart reports needed for completing DDORS. This information can also be found in the Hyperion Reports User Guide.

Step	Action
1	<p>From the FSA Intranet Home Page, under “Links”, CLICK “<b>FSA Applications</b>” and the FSA Applications Screen will be displayed.</p> <p>Under “Common Applications”, CLICK “<b>FSA Data Marts</b>”.</p> 

## DD FLP Oversight Review User Guide (Continued)

### B Online Guides and Reports (Continued)

#### 3 Hyperion Database (Continued)

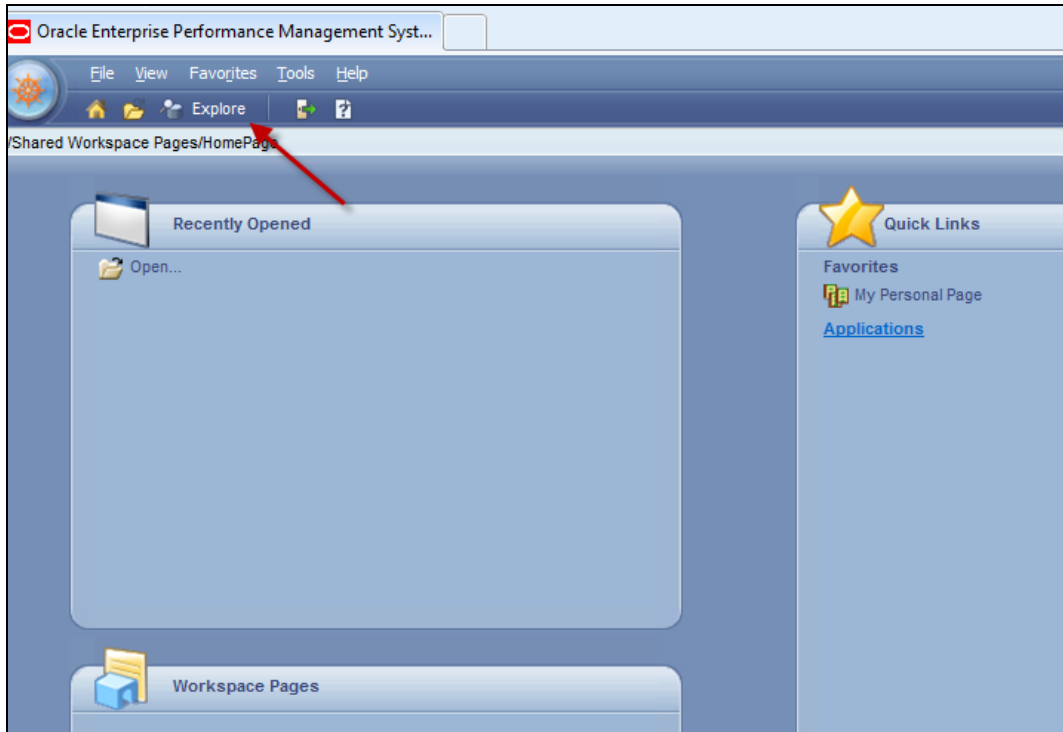
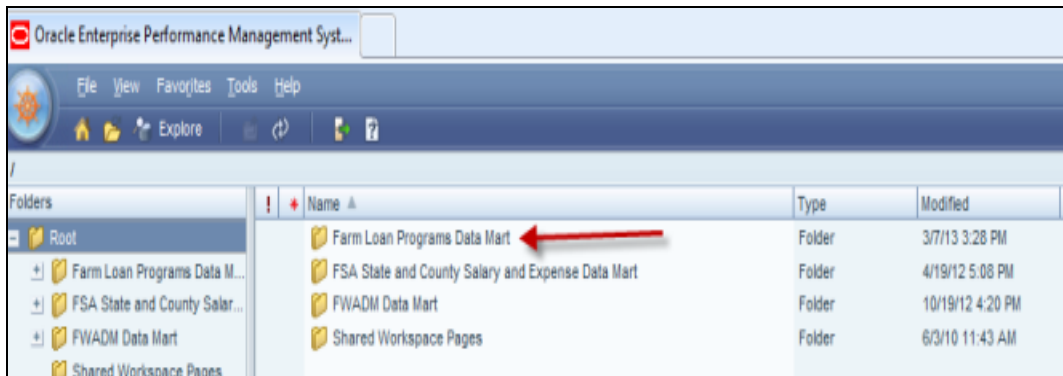
Step	Action
2	<p>On the FSA Data Warehouse Home Page, CLICK “<b>Oracle EPM 11 Data Marts</b>”.</p> <p>Log in with eAuthentication user id and password, or LincPass and PIN to proceed.</p> 
3	<p>On the FSA Data Warehouse Production Home Page, under “Links”, CLICK “<b>EPM Workspace</b>”.</p> 



**DD FLP Oversight Review User Guide (Continued)**

**B Online Guides and Reports (Continued)**

**3 Hyperion Database (Continued)**

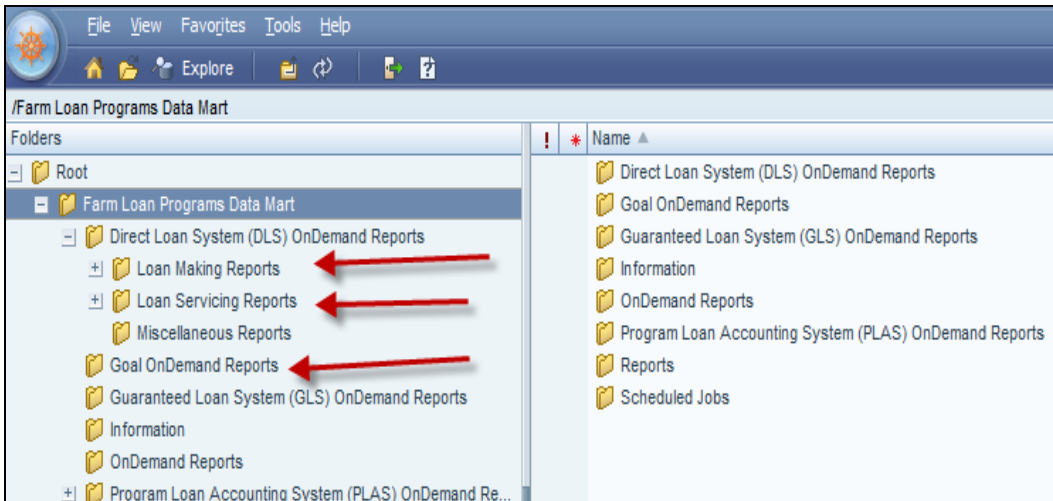
Step	Action
4	On the Oracle Screen tool bar, CLICK “Explore”.
	
5	On the Oracle Screen, under “Name”, CLICK “Farm Loan Programs Data Mart”.
	



## DD FLP Oversight Review User Guide (Continued)

### B Online Guides and Reports (Continued)

#### 3 Hyperion Database (Continued)

Step	Action
6	<p>On the Farm Loans Programs Data Mart Screen, under “Folders”, if users click:</p> <ul style="list-style-type: none"> <li>“Direct Loan Systems (DLS) OnDemand Reports”, both direct loan making and loan servicing reports will be displayed</li> </ul> <p><b>Note:</b> Information from these reports will be used to complete parts of the oversight report.</p> <ul style="list-style-type: none"> <li>“Goal OnDemand Reports”, information needed to complete the direct loan making goals section of the oversight report will be provided.</li> </ul>  <p>The screenshot shows the 'Farm Loan Programs Data Mart' window. The left pane displays a tree of folders: Root, Farm Loan Programs Data Mart, Direct Loan System (DLS) OnDemand Reports, Loan Making Reports, Loan Servicing Reports, Miscellaneous Reports, Goal OnDemand Reports, Guaranteed Loan System (GLS) OnDemand Reports, Information, OnDemand Reports, and Program Loan Accounting System (PLAS) OnDemand Reports. The right pane shows a list of reports: Direct Loan System (DLS) OnDemand Reports, Goal OnDemand Reports, Guaranteed Loan System (GLS) OnDemand Reports, Information, OnDemand Reports, Program Loan Accounting System (PLAS) OnDemand Reports, Reports, and Scheduled Jobs. Red arrows point from the 'Direct Loan System (DLS) OnDemand Reports' folder in the left pane to the 'Direct Loan System (DLS) OnDemand Reports' report in the right pane, and from the 'Goal OnDemand Reports' folder in the left pane to the 'Goal OnDemand Reports' report in the right pane.</p>

### C Oversight Review General Information


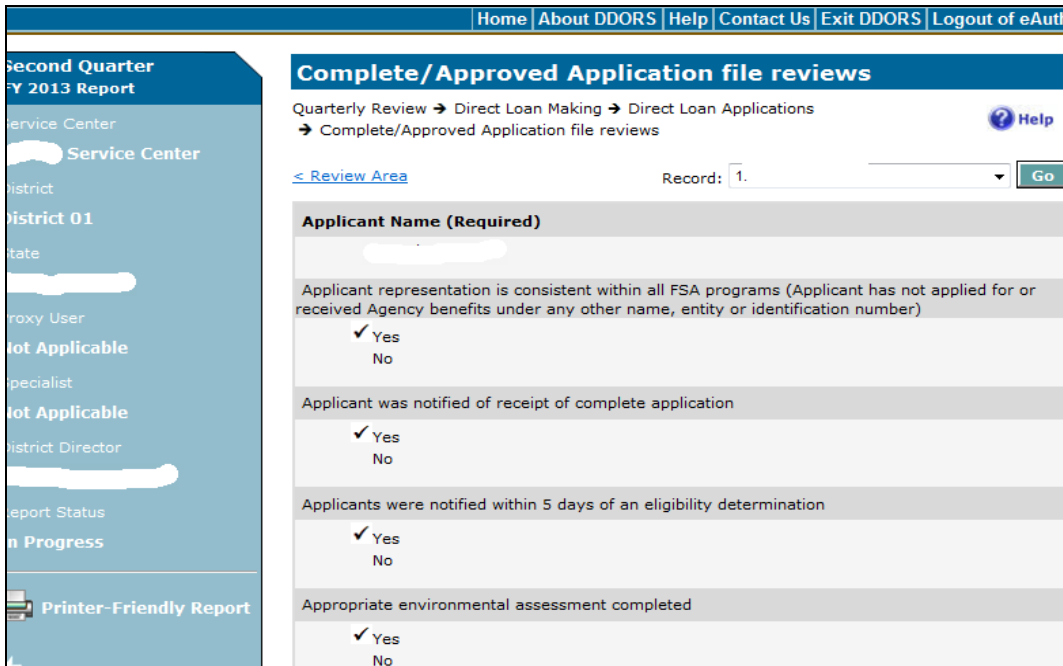
Online Data Mart and GLS reports should be created in advance of the Service Center visit. DD can begin the oversight review by using the reports to complete sections of the online report in DDORS, from any location, to maximize time spent in the Service Center.

## DD FLP Oversight Review User Guide (Continued)

### 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.


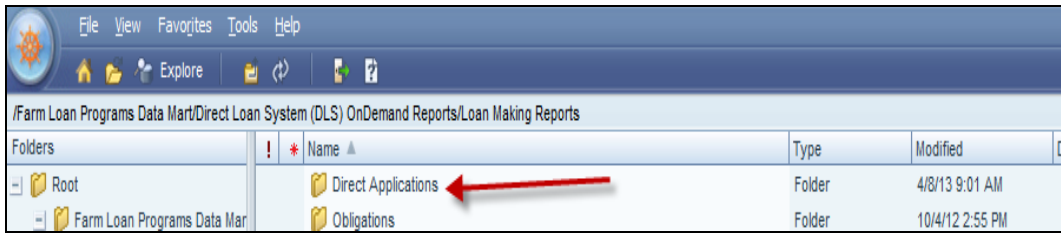
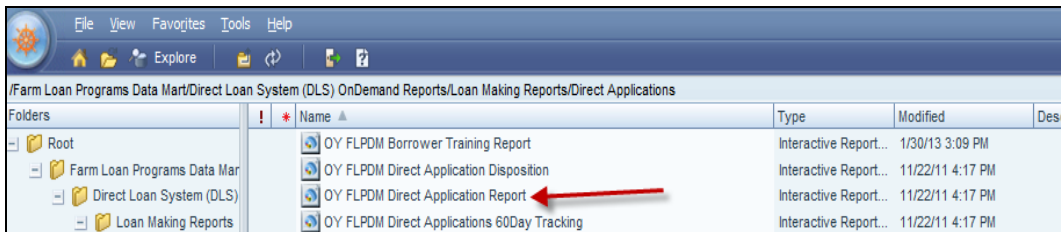
Step	Action
1	<p>On the Report Outline Screen, select the hyperlink for the desired section of the report.</p> 
2	<p>The questions are answered online within DDORS.</p> 

## DD FLP Oversight Review User Guide (Continued)

### 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	<p>On the Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports Screen, under “Name”, CLICK “<b>Loan Making Reports</b>”.</p> 
2	<p>On the Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports/Loan Making Reports Screen, under “Name”, CLICK “<b>Direct Applications</b>”.</p> 
3	<p>On the Farm Loan Programs Data Mart/Direct Loan System (DLS) OnDemand Reports/Loan Making Reports/Direct Applications Screen, under “Name”, CLICK OY FLPDM Direct Application Report.</p> 

## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)

#### 2 Accessing Direct Loan Reports (Continued)

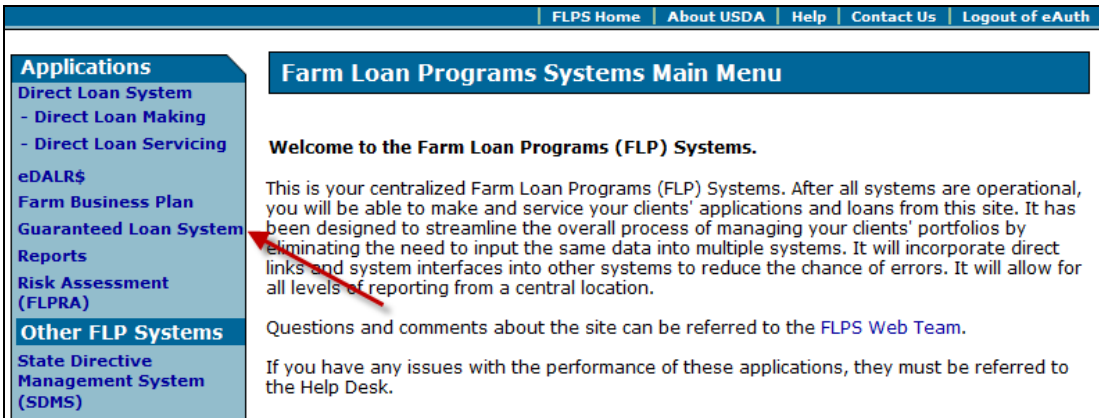

Step	Action
4	<p>On the Direct Application Report Selection Page, select:</p> <ul style="list-style-type: none"> <li>State</li> <li>district</li> <li>serving office</li> <li>county, as follows: <ul style="list-style-type: none"> <li>all counties</li> <li>specific county.</li> </ul> </li> </ul> <p>The 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.</p>

## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)

#### 3 Accessing Guaranteed Loan Reports

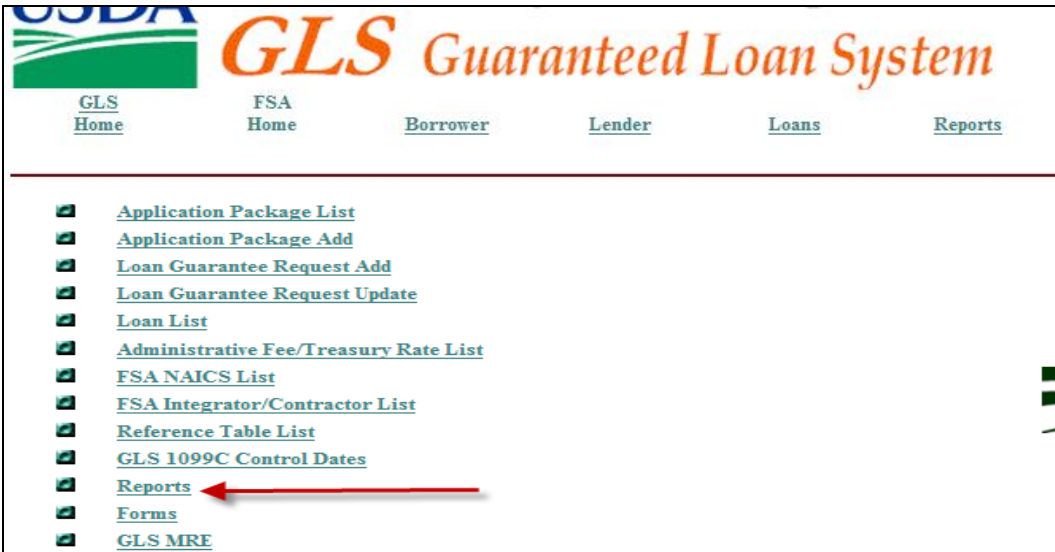
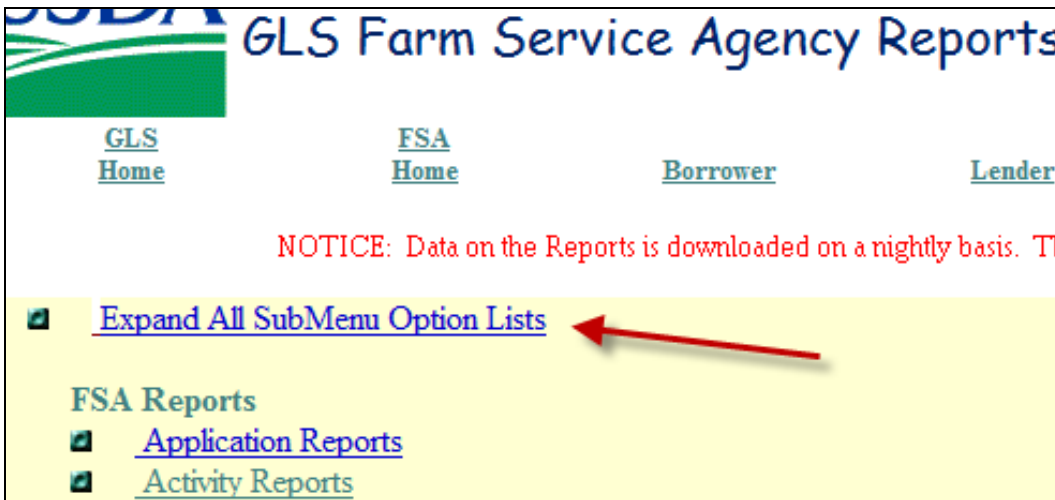
Access guarantee loan reports from GLS. The following report will provide a portion of the information necessary to complete the guaranteed loan making review items.

Step	Action
1	<p>On the Farm Loan Programs Systems Main Menu, under “Applications”, CLICK “Guaranteed Loan System”.</p> 
2	<p>GLS is shared with RD that makes it necessary to CLICK “Welcome to the Farm Service Agency” icon on the GLS Guaranteed Loan System &amp; CBP Direct Loans and Grants Screen.</p> 

## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)


#### 3 Accessing Guaranteed Loan Reports (Continued)

Step	Action
3	<p>On the GLS Guaranteed Loan System Screen, CLICK “<b>Reports</b>”.</p> 
4	<p>On the GLS Farm Service Agency Reports Screen, CLICK “<b>Expand All SubMenu Option Lists</b>” link and the list will expand to show all the available GLS reports.</p> 

## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)

#### 3 Accessing Guaranteed Loan Reports (Continued)

Step	Action
5	<p>The GLS Farm Service Agency Reports Screen will be redisplayed with an expanded list of reports. Under FSA Reports, “Applications Reports”, CLICK <b>“GLSAPP02 - Guaranteed Loan Applications Detail Report”</b>.</p> <p>The report will be displayed with lender, borrower, and application information for each application that matches the specified search criteria.</p> 

## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)

#### 3 Accessing Guaranteed Loan Reports (Continued)

Step	Action
6	<p>To create the report, from the GLS FSA GLSAPP02 - Guaranteed Loan Applications Detail Screen, do the following:</p> <ul style="list-style-type: none"> <li>for a specific county, from the: <ul style="list-style-type: none"> <li>“Geographic State” drop-down list, select State</li> <li>CLICK “<b>List Counties</b>” and from “List Counties” drop-down list, select a specific county</li> </ul> </li> <li>by Service Center select: <ul style="list-style-type: none"> <li>“Servicing State” drop-down list, select State</li> <li>CLICK “<b>List Offices</b>” and from “All Offices” drop-down list, select applicable Service Center</li> </ul> </li> <li>make a selection from the “Process Date” drop-down list</li> </ul>

GLS FSA GLSAPP02 - Guaranteed Loan Applications Detail

GLS Home FSA 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

Integrator Lookup

Integrator

NAICS Code

Category

Description

Type

Geographic State

Servicing State

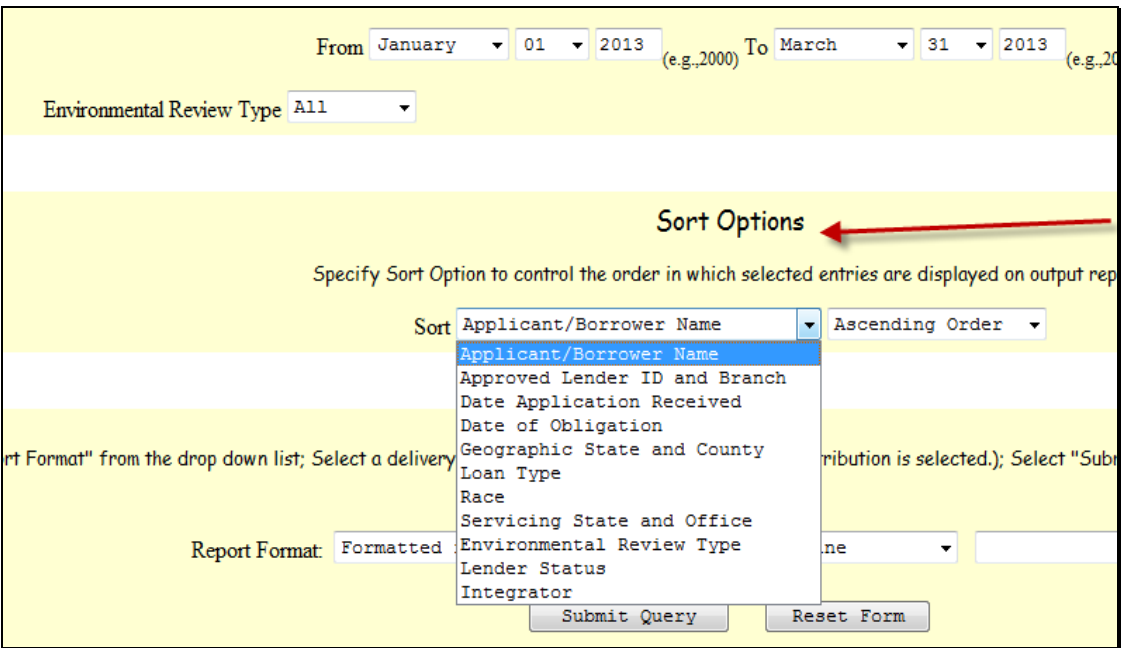
Process Date



## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)


#### 3 Accessing Guaranteed Loan Reports (Continued)

Step	Action
6 (Cntd)	<ul style="list-style-type: none"> <li>select the date range for the report with the “From” and “To” options</li> <li>use “Sort” drop-down lists to select the way the report will display.</li> </ul> <p><b>Note:</b> To view the report by oldest guaranteed applications, sort by “<b>Date Application Received</b>”.</p> <p>CLICK “<b>Submit Query</b>”.</p> 

## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)

#### 3 Accessing Guaranteed Loan Reports (Continued)

Step	Action																																								
7	<p>The Guaranteed Loan Applications Detail Report will be used to select the applications to review. The following example was selected by State and a Service Center, and was sorted by date range and name.</p> <div><div>CAC204 GLSAPP02</div><div>United States Department of Agriculture FARM SERVICE AGENCY Guaranteed Loan Applications Detail Report</div><div>11/06/2013 06.16.55 Page: 2</div></div> <div><div><div>Applicant Name</div><div>Approved Lender</div><div>Integrator</div></div><div><div>Geo St Cnty</div><div>Borrower ID</div><div>Race</div></div><div><div>Mail Code</div><div>Loan Type</div></div><div><div>Date Rec'd</div><div>Date Cplt</div></div><div><div>Date of</div><div>Disposition</div></div><div><div>Final Action</div><div>Date</div></div><div><div>Envr Review</div><div>Date Cmpl</div></div><div><div>Amount</div></div></div> <table><tr><td>WHITE, JOE</td><td>01 056 111111111</td><td>01-308</td><td>01/07/2013</td><td>APPROVED</td><td>OBLIGATED</td><td>CATX</td><td>\$450,000.00</td></tr><tr><td>LOCAL FARM CREDIT</td><td>WHITE</td><td>FO</td><td>01/10/2013</td><td>01/10/2013</td><td>01/14/2013</td><td>01/10/2013</td><td></td></tr><tr><td>BLUE, SAM</td><td>01 056 222222222</td><td>01-308</td><td>01/07/2013</td><td>APPROVED</td><td>OBLIGATED</td><td>CATX</td><td>\$9,546.00</td></tr><tr><td>SMALL TOWN BANK</td><td>WHITE</td><td>OL</td><td>01/10/2013</td><td>01/10/2013</td><td>01/14/2013</td><td>01/10/2013</td><td></td></tr><tr><td>LOCAL FOODS</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	WHITE, JOE	01 056 111111111	01-308	01/07/2013	APPROVED	OBLIGATED	CATX	\$450,000.00	LOCAL FARM CREDIT	WHITE	FO	01/10/2013	01/10/2013	01/14/2013	01/10/2013		BLUE, SAM	01 056 222222222	01-308	01/07/2013	APPROVED	OBLIGATED	CATX	\$9,546.00	SMALL TOWN BANK	WHITE	OL	01/10/2013	01/10/2013	01/14/2013	01/10/2013		LOCAL FOODS							
WHITE, JOE	01 056 111111111	01-308	01/07/2013	APPROVED	OBLIGATED	CATX	\$450,000.00																																		
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SMALL TOWN BANK	WHITE	OL	01/10/2013	01/10/2013	01/14/2013	01/10/2013																																			
LOCAL FOODS																																									
8	<p>Application information by borrower can also be found on the GLS Farm Loan Guarantee Request View Screen. To access the GLS Farm Loan Guarantee Request View Screen, from the GLS Guaranteed Loan System Screen, CLICK “<b>Application Package List</b>”.</p> <div><div><div><div>GLS Home</div><div>FSA Home</div><div><u>Borrower</u></div><div><u>Lender</u></div><div><u>Loans</u></div><div><u>Reports</u></div></div><div><div><div><input checked="" type="checkbox"/> <u>Application Package List</u></div><div><input checked="" type="checkbox"/> <u>Application Package Add</u></div><div><input checked="" type="checkbox"/> <u>Loan Guarantee Request Add</u></div><div><input checked="" type="checkbox"/> <u>Loan Guarantee Request Update</u></div><div><input checked="" type="checkbox"/> <u>Loan List</u></div><div><input checked="" type="checkbox"/> <u>Administrative Fee/Treasury Rate List</u></div><div><input checked="" type="checkbox"/> <u>FSA NAICS List</u></div><div><input checked="" type="checkbox"/> <u>FSA Integrator/Contractor List</u></div></div></div></div></div>																																								

## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)

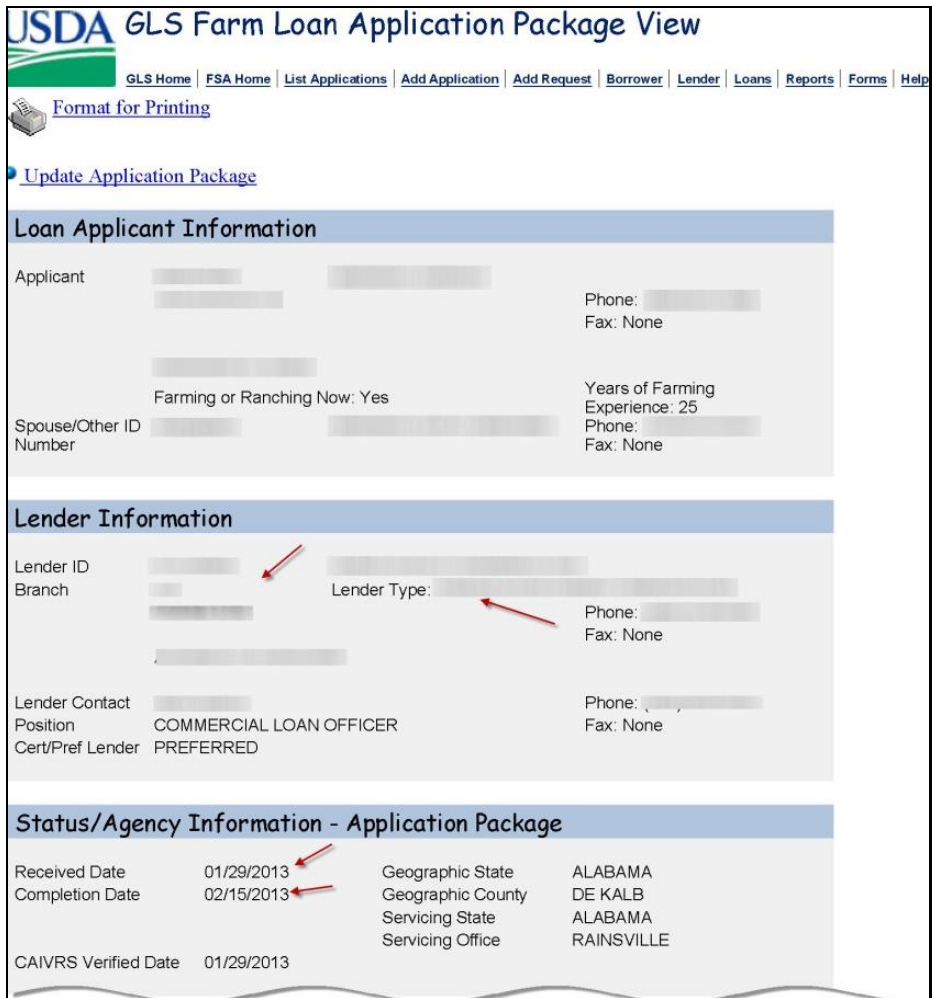
#### 3 Accessing Guaranteed Loan Reports (Continued)

Step	Action																																
9	<p>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>”:</p> <ul style="list-style-type: none"><li>• “applicant ID”</li><li>• “applicant name” and “State”.</li></ul> <div><div><div><div>USDA</div><div>GLS Farm Loan Application Package List</div></div><div><a href="#">GLS Home</a>   <a href="#">FSA Home</a>   <a href="#">List Applications</a>   <a href="#">Add Application</a>   <a href="#">Add Request</a>   <a href="#">Borrower</a>   <a href="#">Lender</a>   <a href="#">Loans</a>   <a href="#">Reports</a>   <a href="#">Forms</a>   <a href="#">Help</a></div></div><div><div>Search by</div><div><div><div><input checked="" type="radio"/> Applicant ID</div><div><input type="text"/></div><div>(Random ID/Account Number)</div></div><div><input type="radio"/> Applicant Name/State</div><div><input type="text"/></div><div>All States</div></div><div><div><input type="radio"/> Lender</div><div><input type="text"/></div><div>Lender ID *</div><div><input type="text"/></div><div>Branch *</div></div><div><div>Submit</div><div>Reset</div><div>ID Cross Reference</div></div></div></div>																																
10	<p>The GLS Farm Loan Application Package List Screen will be redisplayed with an “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.</p> <div><div><div><div>USDA</div><div>GLS Farm Loan Application Package List</div></div><div><a href="#">GLS Home</a>   <a href="#">FSA Home</a>   <a href="#">List Applications</a>   <a href="#">Add Application</a>   <a href="#">Add Request</a>   <a href="#">Borrower</a>   <a href="#">Lender</a>   <a href="#">Loans</a>   <a href="#">Reports</a>   <a href="#">Forms</a>   <a href="#">Help</a></div></div><div><div>Search by</div><div><div><div><input checked="" type="radio"/> Applicant ID</div><div><input type="text"/></div><div>(Random ID/Account Number)</div></div><div><input type="radio"/> Applicant Name/State</div><div><input type="text"/></div><div>All States</div></div><div><div><input type="radio"/> Lender</div><div><input type="text"/></div><div>Lender ID *</div><div><input type="text"/></div><div>Branch *</div></div><div><div>Submit</div><div>Reset</div><div>ID Cross Reference</div></div></div><div><div>Action</div><div>View Application Package</div></div><div><table><tr><th>Pkg Nbr</th><th>Applicant ID</th><th>Applicant Name</th><th>Received Date</th><th>Lender ID/Branch</th><th>Lender Name</th><th>Rqt Nbr</th><th>Loan Type</th></tr><tr><td>002</td><td></td><td></td><td><a href="#">01/29/2013</a></td><td></td><td></td><td>01</td><td><a href="#">OL</a></td></tr><tr><td>001</td><td></td><td></td><td><a href="#">08/15/2008</a></td><td></td><td></td><td>01</td><td><a href="#">FO</a></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>02</td><td><a href="#">OL</a></td></tr></table></div></div>	Pkg Nbr	Applicant ID	Applicant Name	Received Date	Lender ID/Branch	Lender Name	Rqt Nbr	Loan Type	002			<a href="#">01/29/2013</a>			01	<a href="#">OL</a>	001			<a href="#">08/15/2008</a>			01	<a href="#">FO</a>							02	<a href="#">OL</a>
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## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)

#### 3 Accessing Guaranteed Loan Reports (Continued)

Step	Action
11	<p>The following information will be displayed on the GLS Farm Loan Application Package View Screen:</p> <ul style="list-style-type: none"> <li>• lender name and type</li> <li>• received date</li> <li>• completion date</li> </ul>  <p><b>USDA GLS Farm Loan Application Package View</b></p> <p>GLS Home   FSA Home   List Applications   Add Application   Add Request   Borrower   Lender   Loans   Reports   Forms   Help</p> <p><a href="#">Format for Printing</a></p> <p><a href="#">Update Application Package</a></p> <p><b>Loan Applicant Information</b></p> <p>Applicant: [Redacted] Phone: [Redacted] Fax: None</p> <p>Farming or Ranching Now: Yes</p> <p>Spouse/Other ID Number: [Redacted] Years of Farming Experience: 25 Phone: [Redacted] Fax: None</p> <p><b>Lender Information</b></p> <p>Lender ID: [Redacted] Lender Type: COMMERCIAL LOAN OFFICER Branch: [Redacted] Phone: [Redacted] Fax: None</p> <p>Lender Contact: [Redacted] Phone: [Redacted] Position: COMMERCIAL LOAN OFFICER Fax: None Cert/Pref Lender: PREFERRED</p> <p><b>Status/Agency Information - Application Package</b></p> <p>Received Date: 01/29/2013 Geographic State: ALABAMA Completion Date: 02/15/2013 Geographic County: DE KALB Serving State: ALABAMA Serving Office: RAINSVILLE</p> <p>CAIVRS Verified Date: 01/29/2013</p>

## DD FLP Oversight Review User Guide (Continued)

### C Oversight Review General Information (Continued)

#### 3 Accessing Guaranteed Loan Reports (Continued)

Step	Action																																				
11 (Cntd)	<ul style="list-style-type: none"> <li>environmental review type and date completed</li> <li>approval date</li> <li>incomplete letter dates</li> <li>closing date.</li> </ul>																																				
	<p><b>Environmental Review Information - Application Package</b></p> <table> <tr> <td>Environmental Review</td> <td>CATEX</td> <td>Date Completed</td> <td>02/27/2013</td> </tr> <tr> <td>Consultation Required</td> <td>No</td> <td>Date Completed</td> <td>None</td> </tr> </table> <p>Environmental Comments</p> <p><b>Guarantee Requests</b></p> <p>Application Package Number 2</p> <p>Number of Guarantee Requests: 1      Total of All Guarantee Requests: \$52,000.00</p> <table> <thead> <tr> <th>Sequence Number</th> <th>Completion Date</th> <th>Loan Type</th> <th>Loan Amount</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>02/15/2013</td> <td>Operating Loans</td> <td>\$52,000.00</td> <td>Obligated</td> </tr> </tbody> </table> <p><b>Application Package Status and History</b></p> <table> <tr> <td><b>Current Application Package Status</b></td> <td><b>Application Package History</b></td> </tr> <tr> <td>APPROVED</td> <td>APPROVED 02/27/2013</td> </tr> <tr> <td></td> <td>COMPLETED 02/15/2013</td> </tr> <tr> <td></td> <td>PENDING 01/29/2013</td> </tr> <tr> <td></td> <td>RECEIVED 01/29/2013</td> </tr> </table> <p><b>Application Package Letter/Review Information</b></p> <table> <tr> <td>Incomplete Letter 1</td> <td>Date Sent 01/30/2013</td> </tr> <tr> <td>Incomplete Letter 2</td> <td>Date Sent</td> </tr> <tr> <td>Real Estate Appraisal Review Date</td> <td></td> </tr> <tr> <td>Chattel Appraisal Review Date</td> <td></td> </tr> </table>	Environmental Review	CATEX	Date Completed	02/27/2013	Consultation Required	No	Date Completed	None	Sequence Number	Completion Date	Loan Type	Loan Amount	Status	01	02/15/2013	Operating Loans	\$52,000.00	Obligated	<b>Current Application Package Status</b>	<b>Application Package History</b>	APPROVED	APPROVED 02/27/2013		COMPLETED 02/15/2013		PENDING 01/29/2013		RECEIVED 01/29/2013	Incomplete Letter 1	Date Sent 01/30/2013	Incomplete Letter 2	Date Sent	Real Estate Appraisal Review Date		Chattel Appraisal Review Date	
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## **DD FLP Oversight Review User Guide (Continued)**

### **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:

- DLS Loan Making Checklist
- DLS Loan Request Detail Screen
- FSA-850 in FBP or Environmental Assessment
- FSA-851
- FSA-2307
- FSA-2308
- OY FLPDM Direct Application Report

<b>Question</b>	<b>Source</b>
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 level of environmental review was completed (7 CFR, Part 799, and 1-EQ, Part 3)	FSA-850 is online under the credit action used to approve the loan in FBP that documents there were no impacts to protected resources and there were no extraordinary circumstances. Alternatively, an environmental assessment has been completed and a copy is in the file, if required. Also check that FSA-851 has been completed for each tract of real estate security.--*
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.

**DD FLP Oversight Review User Guide (Continued)**

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**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.

<b>Question</b>	<b>Source</b>
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 applicants within required timeframes	DLS Application Report will show the date that the decision was made. Borrower case files will have copies of FSA-2304 and FSA-2305.
3: Items needed for a complete application are clearly identified in notifications	FSA-2304 and FSA-2305.  DLS Loan Making Checklist may have information if it was entered into DLS “Loan Processing” section.
4: Applicants are notified of required due dates for items needed for complete application	FSA-2304 and FSA-2305.

**DD FLP Oversight Review User Guide (Continued)**

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**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.

<b>Question</b>	<b>Source</b>
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 is clearly documented	*--FSA-2306 and FBP should be clearly--* documented. * * *
4: A complete application was received	Documented in DLS and on FSA-2001.
5: If a complete application was not received, an effort was made to obtain a complete application	FSA-2304 and FSA-2305.
6: ECOA and non-discrimination statements have been included in correspondence to applicant	FSA-2306 and the borrower case file.



**DD FLP Oversight Review User Guide (Continued)**

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**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.

<b>Question</b>	<b>Source</b>
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 citations of requirements from CFR are clearly documented in the notification letter to the applicant	DLS has a drop-down list to select the reasons for denial. This is just a summary, to determine the reason. Review the rejection letter, if necessary.
4: Appropriate review/appeal rights were included in the notification letter to the applicant according to 1-APP	Review the rejection letter.
5: ECOA and non-discrimination statements were included in the notification letter to the applicant according to 1-FLP	

**DD FLP Oversight Review User Guide (Continued)**

**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-850 or Environmental Assessment
- \* \* \*
- FSA-2292
- GLS 2209A report
- GLS Farm Loan Application Package View Screen
- GLSAPP02 – Guaranteed Loan Applications Detail Report

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 received Agency benefits under any other name, entity or identification number)	Compare the application against the Farm Program Eligibility report.
5: Lender was notified of incomplete and/or complete application within timeframes prescribed in 2-FLP (2-FLP, paragraph 95)	GLS Farm Loan Guarantee Request View Screen for each applicant.
6: Eligibility of borrower and loan purposes have been evaluated; denial/withdrawal are thoroughly documented and appropriate appeal/review rights were provided (2-FLP, paragraph 108)	Borrower case file documentation and correspondence and FSA-2292.
7: Processing times are within timeframes prescribed in 2-FLP for lender type (2-FLP, paragraph 83)	GLS2209A.
*--8: Appropriate level of environmental review was completed (7 CFR, Part 799, 1-EQ, Part 3, and 2-FLP, paragraph 208)	FSA 850 is in the file that documents there were no impacts to protected resources and there were no extraordinary circumstances. Alternatively an environmental assessment has been completed and a copy is in the file, if required. Confirm that environmental information has been entered into the GLS Farm Loan Application Package View Screen. Also check that the lender answered the environmental questions on FSA-2211 or FSA-2212.--*  * * *

## DD FLP Oversight Review User Guide (Continued)

### 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	Source																																																																																																																																																																																																																																																																																																																								
1: Borrower Name	<p>Status of Farm Loan Programs 540, available from Data Mart, lists all borrowers who are 90 days or more past due. All borrowers listed in this section will be reviewed.</p> <table><tr><th colspan="2">Farm Loans 540</th><th colspan="10">Status of Farm Loan Programs</th></tr><tr><th colspan="2"></th><th colspan="10">As of: 06/30/2013</th></tr><tr><th colspan="2"></th><th colspan="10">SERVICING OFFICE LOCATION : COUNTY FSA ( )</th></tr><tr><th colspan="2"></th><th colspan="10">BORROWER NAME</th></tr><tr><th colspan="2"></th><th colspan="10">CASE NUMBER</th></tr><tr><th colspan="2"></th><th colspan="10">ST CO BORR-ID</th></tr><tr><th colspan="2"></th><th colspan="10">UNPAID BALANCES</th></tr><tr><th colspan="2"></th><th colspan="10">INTEREST</th></tr><tr><th colspan="2"></th><th colspan="10">PRINCIPAL</th></tr><tr><th colspan="2"></th><th colspan="10">DAILY INTEREST</th></tr><tr><th colspan="2"></th><th colspan="10">INTEREST RATE</th></tr><tr><th colspan="2"></th><th colspan="10">DATE OF LAST CASH PAYMENT</th></tr><tr><th colspan="2"></th><th colspan="10">PAYMENT STATUS</th></tr><tr><th colspan="2"></th><th colspan="10">A - AHEAD</th></tr><tr><th colspan="2"></th><th colspan="10">B - BEHIND</th></tr><tr><th colspan="2"></th><th colspan="10">SCHEDULED ANNUAL</th></tr><tr><th colspan="2"></th><th colspan="10">INSTALLMENT</th></tr><tr><th colspan="2"></th><th colspan="10">FY LN</th></tr><tr><td colspan="12">BORROWERS WITH LOANS 90 DAYS OR MORE PAST DUE :</td></tr><tr><td colspan="2"></td><td colspan="2"></td><td colspan="2">01 60</td><td colspan="2">AA MALE NON</td><td colspan="2">PLS</td><td colspan="2"></td></tr><tr><td colspan="2">202 PDD</td><td>1211</td><td>41 01</td><td>\$4,669.13</td><td>\$50,540.62</td><td>8.3080</td><td>6.0000</td><td>12/15/2011</td><td>\$3,626.00</td><td>B</td><td>41</td></tr><tr><td colspan="2"></td><td colspan="2">TOTAL</td><td>\$4,669.13</td><td>\$50,540.62</td><td>8.3080</td><td colspan="2"></td><td></td><td></td><td>\$3,713.00</td></tr><tr><td colspan="2"></td><td colspan="2"></td><td colspan="2">01 32</td><td colspan="2">AA MALE NON</td><td colspan="2">PLS</td><td colspan="2">1M 08/07</td></tr><tr><td colspan="2">307 PDD</td><td>0828</td><td>41 03</td><td>\$6,057.85</td><td>\$141,893.66</td><td>18.9516</td><td>4.8750</td><td>06/03/2013</td><td>\$7,042.10</td><td>B</td><td>45</td></tr><tr><td colspan="2">307 PDD</td><td>0828</td><td>44 04</td><td>\$2,860.18</td><td>\$78,228.86</td><td>9.1088</td><td>4.2500</td><td>08/20/2012</td><td>\$8,573.70</td><td>B</td><td>22</td></tr><tr><td colspan="2"></td><td colspan="2">TOTAL</td><td>\$8,918.03</td><td>\$220,122.52</td><td>28.0604</td><td colspan="2"></td><td></td><td></td><td>\$16,848.00</td></tr></table>	Farm Loans 540		Status of Farm Loan Programs												As of: 06/30/2013												SERVICING OFFICE LOCATION : COUNTY FSA ( )												BORROWER NAME												CASE NUMBER												ST CO BORR-ID												UNPAID BALANCES												INTEREST												PRINCIPAL												DAILY INTEREST												INTEREST RATE												DATE OF LAST CASH PAYMENT												PAYMENT STATUS												A - AHEAD												B - BEHIND												SCHEDULED ANNUAL												INSTALLMENT												FY LN										BORROWERS WITH LOANS 90 DAYS OR MORE PAST 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	B	41			TOTAL		\$4,669.13	\$50,540.62	8.3080					\$3,713.00					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	B	45	307 PDD		0828	44 04	\$2,860.18	\$78,228.86	9.1088	4.2500	08/20/2012	\$8,573.70	B	22			TOTAL		\$8,918.03	\$220,122.52	28.0604					\$16,848.00
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307 PDD		0828	41 03	\$6,057.85	\$141,893.66	18.9516	4.8750	06/03/2013	\$7,042.10	B	45																																																																																																																																																																																																																																																																																																														
307 PDD		0828	44 04	\$2,860.18	\$78,228.86	9.1088	4.2500	08/20/2012	\$8,573.70	B	22																																																																																																																																																																																																																																																																																																														
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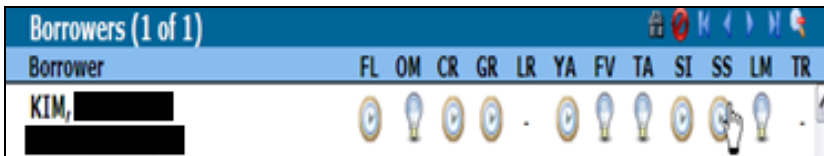
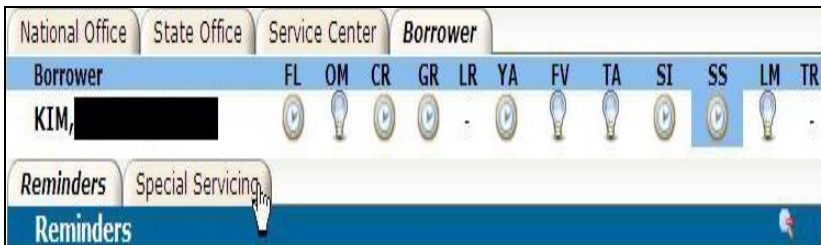

## DD FLP Oversight Review User Guide (Continued)

### 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 report indicates a PLS notice was sent within 15 calendar days of borrower’s account becoming 90 days past due (the receipt of the Report Code 540)	<p>Navigate to the DLS SS Borrower History Report as follows:</p> <p>Step 1: CLICK “SS” icon from the DLS dashboard for the borrower.</p>  <p>Step 2: CLICK “Special Servicing” tab.</p>  <p>Step 3: CLICK “Open Categories Borrower History”.</p>  <p>DLS SS Borrower History Report will indicate an initialization date that is the date that borrower becomes 90 days past due:</p> <ul style="list-style-type: none"> <li>• locate the activity description indicating that the borrower was sent Primary Loan Servicing notifications</li> <li>• ensure that this date is within 15 days of initialization.</li> </ul>

DD FLP Oversight Review User Guide (Continued)

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 when account is in monetary default)	<p>Following the steps in Question 2 to determine if borrower was also sent Offset Notifications.</p> <p>After obtaining the information required for Questions 1 through 3, review these items with the Service Center.</p> <div style="border: 1px solid black; padding: 5px;"> <p><b>Borrower History</b></p> <p>Select one of the following Category Assignment(s)</p> <table border="1"> <thead> <tr> <th colspan="4">Open Categories</th></tr> <tr> <th>Select</th><th>Category Name</th><th>Initiation Date</th><th>Date of Default</th></tr> </thead> <tbody> <tr> <td><input checked="" type="radio"/></td><td>90 DAYS PAST DUE</td><td>09/03/2012</td><td>09/03/2012</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Closed Categories</th></tr> <tr> <th>Select</th><th>Category Name</th><th>Initiation Date</th><th>Completion Date</th></tr> </thead> <tbody> <tr> <td><input type="radio"/></td><td>CURRENT/FINANCIALLY DISTRESSED BORROWER</td><td>06/15/2009</td><td>06/16/2009</td></tr> </tbody> </table> <p>Select the desired version of the Borrower History</p> <p> <input checked="" type="radio"/> Borrower History by Branch  <input type="radio"/> Borrower History by Branch with Comments  <input type="radio"/> Borrower History, Chronological by Activity </p> <p><input type="button" value="Submit"/></p> </div> <p>Under “Open Categories”, CLICK “<b>Select</b>” for the borrower and CLICK “<b>Submit</b>” to open the Borrower History Report.</p>	Open Categories				Select	Category Name	Initiation Date	Date of Default	<input checked="" type="radio"/>	90 DAYS PAST DUE	09/03/2012	09/03/2012	Closed Categories				Select	Category Name	Initiation Date	Completion Date	<input type="radio"/>	CURRENT/FINANCIALLY DISTRESSED BORROWER	06/15/2009	06/16/2009
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Select	Category Name	Initiation Date	Date of Default																						
<input checked="" type="radio"/>	90 DAYS PAST DUE	09/03/2012	09/03/2012																						
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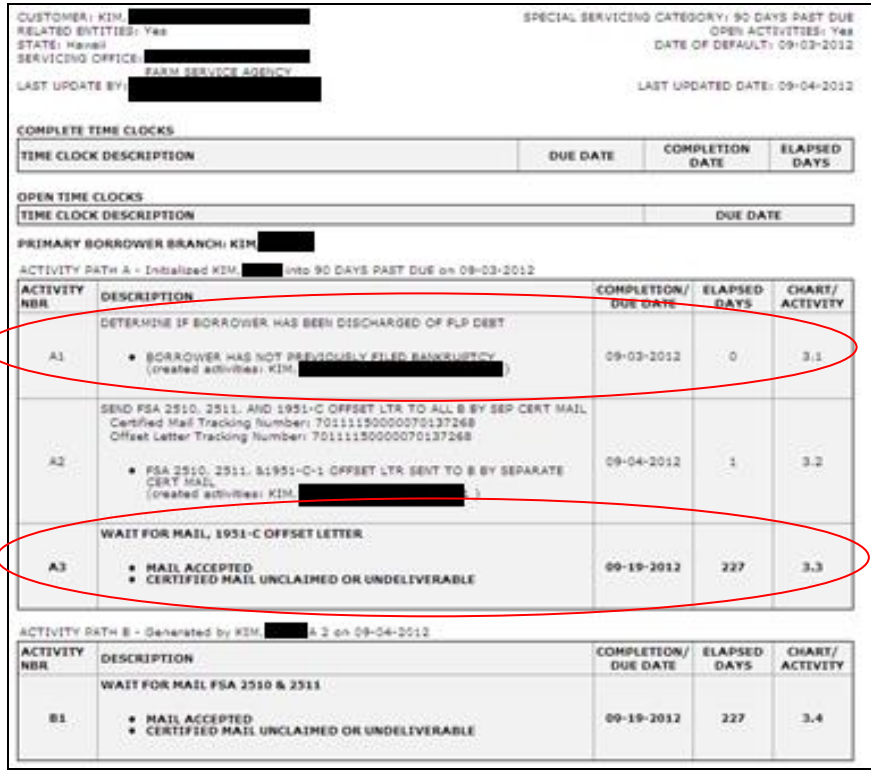
DD FLP Oversight Review User Guide (Continued)

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 anticipated resolution	<p>Discuss with Service Center the anticipated resolution for the account.</p> <ol style="list-style-type: none"> <li>1. Borrower to pay current: enter source of funds in comments.</li> <li>2. Restructuring of account will be necessary.</li> <li>3. Borrower will voluntarily liquidate.</li> <li>4. Account will be accelerated.</li> <li>5. Other: enter explanation in comments.</li> </ol> <p>The Borrower History Report can be used to answer Questions 2 and 3 for this review.</p>  <p><b>Note:</b> See DLS User Guide for additional instructions on navigating to a borrower and accessing Special Servicing Borrower History Report.</p>

**DD FLP Oversight Review User Guide (Continued)**

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**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)**

<b>Question</b>	<b>Source</b>
5: Enter target date for resolution of delinquency	Together, create a target date for when delinquent account may be resolved.

## DD FLP Oversight Review User Guide (Continued)

### 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	Source																																																																																
1: Borrower Name	<p>Status of Farm Loan Programs 540, available from Data Mart, contains a section listing all borrowers who are 90 calendar days or more past due. All borrowers listed in this section will be reviewed.</p> <div><p>Farm Loans 540</p><p>Status of Farm Loan Programs As of: 06/30/2013</p><p>SERVICING OFFICE LOCATION: COUNTY FSA</p><table><tr><th>BORROWER NAME</th><th>CASE NUMBER ST CO BORR ID</th><th>UNPAID BALANCES INTEREST PRINCIPAL</th><th>DAILY INTEREST ACCUAL</th><th>INTEREST RATE</th><th>DATE OF LAST CASH PAYMENT</th><th>PAYMENT STATUS A - AHEAD B - BEHIND</th><th>SCHEDULED ANNUAL INSTALLMENT</th><th>FY LN</th></tr><tr><td>LOAN SERVICING INFORMATION CODES</td><td>FD LN CD NO</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table><p>BORROWERS WITH LOANS LESS THAN 90 DAYS PAST DUE :</p><table><tr><td>F</td><td>AND</td><td>AA</td><td>MA11</td><td>NON</td><td></td><td></td><td></td><td></td></tr><tr><td>79 PLU</td><td>FM 41 01</td><td>\$3.53</td><td>\$400.36</td><td>0.0642</td><td>4.0/50</td><td>05/06/2013</td><td>\$403.09</td><td>U</td><td>\$0.00</td><td>13</td></tr><tr><td></td><td>TOTAL</td><td>\$3.53</td><td>\$480.36</td><td>0.0642</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>M</td><td>HR</td><td>3</td><td>WH</td><td>MALE</td><td>NON</td><td></td><td></td><td></td></tr><tr><td>81 FPD</td><td>FWN 44 23</td><td>\$558.26</td><td>\$15,624.40</td><td>0.0631</td><td>2.2500</td><td>11/17/2011</td><td>\$8,222.00</td><td>R</td><td>\$0.00</td><td>14</td></tr><tr><td></td><td>TOTAL</td><td>\$558.26</td><td>\$15,624.40</td><td>0.0631</td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table></div>	BORROWER NAME	CASE NUMBER ST CO BORR ID	UNPAID BALANCES INTEREST PRINCIPAL	DAILY INTEREST ACCUAL	INTEREST RATE	DATE OF LAST CASH PAYMENT	PAYMENT STATUS A - AHEAD B - BEHIND	SCHEDULED ANNUAL INSTALLMENT	FY LN	LOAN SERVICING INFORMATION CODES	FD LN CD NO								F	AND	AA	MA11	NON					79 PLU	FM 41 01	\$3.53	\$400.36	0.0642	4.0/50	05/06/2013	\$403.09	U	\$0.00	13		TOTAL	\$3.53	\$480.36	0.0642							M	HR	3	WH	MALE	NON				81 FPD	FWN 44 23	\$558.26	\$15,624.40	0.0631	2.2500	11/17/2011	\$8,222.00	R	\$0.00	14		TOTAL	\$558.26	\$15,624.40	0.0631						
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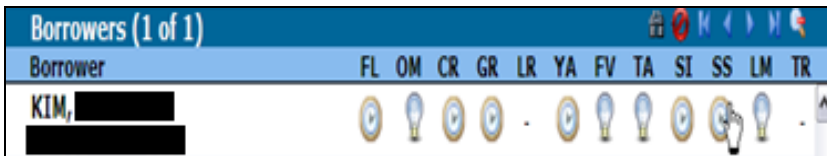
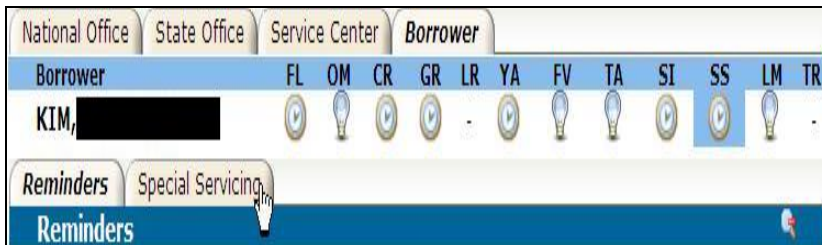

## DD FLP Oversight Review User Guide (Continued)

### 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 can be resolved before account enters 90 days past due	<p>Navigate to the DLS SS Borrower History Report as follows:</p> <p>Step 1: CLICK “SS” icon from the DLS dashboard for the borrower.</p>  <p>Step 2: CLICK “Special Servicing” tab.</p>  <p>Step 3: CLICK “Open Categories Borrower History”.</p>  <p>Determine if Primary Loan Servicing notifications have been sent.</p> <p><b>Notes:</b> Servicing notification is not required for borrowers less than 90 days past due</p> <p>Borrowers may not have been initiated into DLS SS.</p>

**DD FLP Oversight Review User Guide (Continued)**

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**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)**

<b>Question</b>	<b>Source</b>	
2: Delinquency can be resolved before account enters 90 days past due (Continued)	<b>IF notifications have...</b>	<b>THEN...</b>
	been sent	use the Borrower History Chart to determine the following: <ul style="list-style-type: none"> <li>• borrower’s response</li> <li>• whether resolution appears likely before the borrower becomes 90 calendar days past due.</li> </ul>
	not been sent	*--review case file FBP and discuss with--* the Service Center to complete this question.


DD FLP Oversight Review User Guide (Continued)

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 resolution	<p>Discuss with Service Center the anticipated resolution for the account.</p> <ul style="list-style-type: none"> <li>• Borrower to pay account current.</li> <li>• Restructuring of account will be necessary.</li> <li>• Other, restructuring not possible.</li> </ul>  <p>Use the Borrower History Report to determine if the borrower has requested loan servicing and whether any servicing actions have taken place. This will help determine if the account is anticipated to be resolved before it becomes 90 calendar days past due.</p> <p><b>Note:</b> See DLS User Guide for additional instructions on navigating to a borrower and accessing the Special Servicing Borrower History Report.</p>
4: Target Date for resolution of delinquency	Together with Service Center, create a target date for when delinquent account may be resolved.

DD FLP Oversight Review User Guide (Continued)

D Part A: Quarterly Review (Continued)

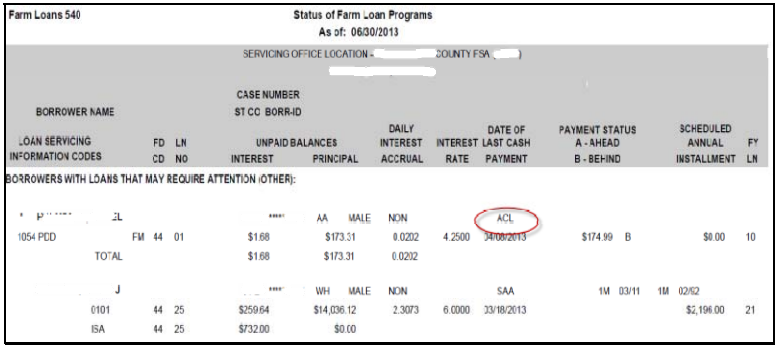
3 “Direct Loan Servicing” (Continued)

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	<p>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.</p> 
2: Account Flag	See to 5-FLP, Exhibit 11 for more information about account flags.
3: Payments are being made and are current according to an approved plan or agreement	<p>Questions 3 and 4 can be answered after the following:</p> <ul style="list-style-type: none"> <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>
4: Accounts are serviced according to applicable regulations and/or handbook instructions	<p><b>Note:</b> Use 4-FLP and 5-FLP as sources for any regulations or handbook questions.</p>

**DD FLP Oversight Review User Guide (Continued)**

**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	<p>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.</p> <p>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.</p> <table><tr><th>A. DATE RECEIVED (MM-DD-YYYY)</th><th>B. NAME OR I.D. NO. OF REMITTER</th><th colspan="2">C. REMITTANCE INFO.</th><th>D. AMOUNT COLLECTED</th><th>E. SCHEDULE NO. FROM FORM CCC-257</th></tr><tr><th></th><th></th><th>ENTER CHECK NO.</th><th>IF CASH "X"</th><th></th><th></th></tr><tr><td>03/29/2013</td><td>Doe, John</td><td>1754</td><td><input type="checkbox"/></td><td>\$ 12,671.19</td><td>123</td></tr><tr><td>03/29/2013</td><td>Smith, Borrower</td><td>1562</td><td><input type="checkbox"/></td><td>\$ 8,764.12</td><td>123</td></tr><tr><td>03/29/2013</td><td>Happy Hills Farms</td><td>2468</td><td><input type="checkbox"/></td><td>\$ 58.41</td><td>123</td></tr><tr><td>03/29/2013</td><td>Jones, Michael</td><td>1313</td><td><input type="checkbox"/></td><td>\$ 874.55</td><td>123</td></tr><tr><td>03/29/2013</td><td>Hillshire Farmland</td><td>3999</td><td><input type="checkbox"/></td><td>\$ 27,894.73</td><td>123</td></tr></table>	A. DATE RECEIVED (MM-DD-YYYY)	B. NAME OR I.D. NO. OF REMITTER	C. REMITTANCE INFO.		D. AMOUNT COLLECTED	E. SCHEDULE NO. FROM FORM CCC-257			ENTER CHECK NO.	IF CASH "X"			03/29/2013	Doe, John	1754	<input type="checkbox"/>	\$ 12,671.19	123	03/29/2013	Smith, Borrower	1562	<input type="checkbox"/>	\$ 8,764.12	123	03/29/2013	Happy Hills Farms	2468	<input type="checkbox"/>	\$ 58.41	123	03/29/2013	Jones, Michael	1313	<input type="checkbox"/>	\$ 874.55	123	03/29/2013	Hillshire Farmland	3999	<input type="checkbox"/>	\$ 27,894.73	123
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DD FLP Oversight Review User Guide (Continued)

D Part A: Quarterly Review (Continued)

3 “Direct Loan Servicing” (Continued)

B “Payments and Collections” (Continued)

Question	Source																																													
2: Payment(s) and collections are applied within prescribed time frames	<p>Compare FSA-603:</p> <ul style="list-style-type: none"><li>and CCC-257 to ensure that account names, check numbers, and payment amounts match and that deposit is being made timely</li><li>“Date Received” column and Status of Farm Loan Programs 540, “Date of Last Cash Payment” column to ensure that the dates match.</li></ul> <p><b>Note:</b> 3-FI, paragraph 37 provides additional information about timeframes for making deposits.</p> <table><tr><td colspan="2">CCC-257 (03-02-10)</td><td colspan="2">U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency</td><td>1A. Schedule Date 8/29/2013</td></tr><tr><td colspan="4">SCHEDULE OF DEPOSIT For deposit to the account of CCC-Symbol 4992</td><td>1B. Page 1 of 1</td></tr><tr><td colspan="3">2. To: CCC-257 LOCKBOX BANK P.O. BOX 790134 ST. LOUIS MISSOURI 63179-0134</td><td colspan="2">3. Report Deposit to: (N/A for Manual CCC-257's) N/A</td></tr><tr><td>A. RECEIPT ID (N/A for Manual CCC-257's)</td><td>B. CHECK/ITEM NO.</td><td colspan="2">C. REMITTER IDENTIFICATION</td><td>D. AMOUNT \$</td></tr><tr><td>N/A</td><td>1754</td><td colspan="2">Doe, John</td><td>12,671.19</td></tr><tr><td>N/A</td><td>1562</td><td colspan="2">Smith, Borrower</td><td>8,764.12</td></tr><tr><td>N/A</td><td>2468</td><td colspan="2">Happy Hills Farms</td><td>58.41</td></tr><tr><td>N/A</td><td>1313</td><td colspan="2">Jones, Michael</td><td>874.58</td></tr><tr><td>N/A</td><td>8999</td><td colspan="2">Hillshire Farmland</td><td>27,894.73</td></tr></table>	CCC-257 (03-02-10)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency		1A. Schedule Date 8/29/2013	SCHEDULE OF DEPOSIT For deposit to the account of CCC-Symbol 4992				1B. Page 1 of 1	2. To: CCC-257 LOCKBOX BANK P.O. BOX 790134 ST. LOUIS MISSOURI 63179-0134			3. Report Deposit to: (N/A for Manual CCC-257's) N/A		A. RECEIPT ID (N/A for Manual CCC-257's)	B. CHECK/ITEM NO.	C. REMITTER IDENTIFICATION		D. AMOUNT \$	N/A	1754	Doe, John		12,671.19	N/A	1562	Smith, Borrower		8,764.12	N/A	2468	Happy Hills Farms		58.41	N/A	1313	Jones, Michael		874.58	N/A	8999	Hillshire Farmland		27,894.73
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3: Payment(s) are credited to the account(s) of the correct borrower																																														
4: Payment(s) are applied to the borrower’s loan(s) according to 4-FLP	Review 4-FLP, Part 5 and discuss payments received to determine if reviewed account payments were Regular or Extra Payments. Ensure that payments were applied correctly to loan(s).																																													
5: There is a proper separation of duties among employees handling transactions	Review 3-FI, paragraph 3 with Service Center employees to ensure that the separation of duties outlined exists in the Service Center.																																													

**DD FLP Oversight Review User Guide (Continued)**

**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.--\*

Question	Source																																																					
1: Borrower Name	<p>View 5 borrower accounts that had dispositions in the previous *--quarter. Review FSA-2040 and FSA-2045 to ensure that--* planned sales match actual sales and that variances are documented in FBP.</p> <div><div>FSA-2040 (12-31-07)</div><div>U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency</div><div>Position 1</div></div> <div>AGREEMENT FOR THE USE OF PROCEEDS/RELEASE OF CHATTEL SECURITY</div> <div><div>1. NAME Farmer Smith</div><div>2. CROP YEAR 2012</div></div> <div><div>3. DATE OF SECURITY INSTRUMENT: 1/1/2012</div><div>4. BEGINNING DATE OF THIS AGREEMENT: 1/1/2012</div></div> <div>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 enter the beginning date of that Agreement. </div> <div>6. PROPERTY DESCRIPTION: Grass Hay</div> <table><tr><th colspan="5">PLANNED</th><th colspan="10">ACTUAL</th></tr><tr><th colspan="3">Disposition</th><th rowspan="2">D. Amount of Proceeds</th><th rowspan="2">E. Use of Proceeds</th><th colspan="3">Disposition</th><th rowspan="2">I. Amount of Proceeds</th><th rowspan="2">J. Use of Proceeds</th><th colspan="4">K. Approved</th></tr><tr><th>A. Quantity</th><th>B. How</th><th>C. Month</th><th>F. Quantity</th><th>G. How</th><th>H. Date</th><th>Y</th><th>N</th><th>Date</th><th>Initial</th></tr><tr><td>133 Tons</td><td>Sell</td><td>Various</td><td>\$41,900</td><td>FSA - 835,245</td><td>85 Tons</td><td>Sell</td><td>June</td><td>\$10,921</td><td>FSA</td><td>X</td><td></td><td>06-22-12</td><td>JLR</td></tr></table>	PLANNED					ACTUAL										Disposition			D. Amount of Proceeds	E. Use of Proceeds	Disposition			I. Amount of Proceeds	J. Use of Proceeds	K. Approved				A. Quantity	B. How	C. Month	F. Quantity	G. How	H. Date	Y	N	Date	Initial	133 Tons	Sell	Various	\$41,900	FSA - 835,245	85 Tons	Sell	June	\$10,921	FSA	X		06-22-12	JLR
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2: Dispositions and proceeds are recorded on *--FSA-2040 and FSA-2045	<p>Review FSA-2040, FSA-2045, and FBP to determine if--* dispositions:</p> <ul style="list-style-type: none"><li>• occurred as planned</li><li>• were accounted for</li><li>• were approved.</li></ul> <p>Discuss any discrepancies with loan officers.</p>																																																					

**DD FLP Oversight Review User Guide (Continued)**

**D Part A: Quarterly Review (Continued)**

**3 “Direct Loan Servicing” (Continued)**

**C “Chattel Security Accounting” (Continued)**

Question	Source																																																																																																																
3: Funds are released in accordance with the FBP and FSA regulations as applicable	Review 4-FLP, paragraph 163 and ensure that proceeds are applied correctly and released when appropriate. Discuss any discrepancies with loan officers.																																																																																																																
4: Work copy of Security Agreement has been notated for any changes in collateral (FSA-2028)	<p>Review the most recent work copy of FSA-2028 to verify that it matches any changes to FSA-2040.</p> <p>Items of security that have been sold, junked, traded, etc.:</p> <ul style="list-style-type: none"> <li>should be lined off of the work copy of FSA-2028</li> <li>notated as to the manner and date of disposition.</li> </ul> <p>Discuss any discrepancies with loan officers.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><small>FSA-2028 (09-03-10) <span style="float: right;">Page 3 of 9</span></small></p> <p><small>(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 in the State(s) of (1) <span style="background-color: black; color: black;">██████████</span>:</small></p> <table border="1" style="width: 100%; border-collapse: collapse; font-size: small;"> <thead> <tr> <th style="width: 5%;">(2) Line No.</th><th style="width: 10%;">(3) Quantity</th><th style="width: 15%;">(4) Kind</th><th style="width: 15%;">(5) Manufacturer</th><th style="width: 10%;">(6) Size and Type</th><th style="width: 10%;">(7) Condition</th><th style="width: 10%;">(8) Year</th><th style="width: 20%;">(9) Serial or Model No.</th></tr> </thead> <tbody> <tr><td>1</td><td>1</td><td>DISC</td><td>KEWANEE</td><td>20 FT</td><td>FAIR</td><td></td><td></td></tr> <tr><td>2</td><td>1</td><td>TRACTOR</td><td>JD</td><td>4640</td><td>FAIR</td><td>1982</td><td><span style="background-color: black; color: black;">██████████</span></td></tr> <tr><td>3</td><td>1</td><td>LISTER</td><td>R &amp; J</td><td>8-ROW</td><td>GOOD</td><td></td><td></td></tr> <tr><td>4</td><td>1</td><td>SPRING TOOTH HARROW</td><td>NOBLE</td><td>40 FT</td><td>FAIR</td><td></td><td></td></tr> <tr><td>5</td><td>1</td><td>ROTARY HOE</td><td>JD</td><td>E0400</td><td>FAIR</td><td></td><td></td></tr> <tr><td>6</td><td>1</td><td>PITCHOUT RIG</td><td>R &amp; J</td><td>8-ROW</td><td>FAIR</td><td></td><td></td></tr> <tr><td>7</td><td>1</td><td>PLOW</td><td>JD</td><td>ROLLOVER</td><td>FAIR</td><td></td><td></td></tr> <tr><td>8</td><td>2</td><td>FERT. INJ. PUMPS</td><td>BALDOR</td><td>1/3 HP</td><td>GOOD</td><td></td><td></td></tr> <tr><td>9</td><td>2</td><td>FERT. TANK</td><td></td><td>1250 GAL</td><td>FAIR</td><td></td><td></td></tr> <tr><td>10</td><td>3</td><td>IRRIGATION ENGINES</td><td>CHEV</td><td>292</td><td>GOOD</td><td></td><td></td></tr> <tr><td>11</td><td>1</td><td>TRAILER UTILITY</td><td></td><td>16 FT.</td><td>FAIR</td><td></td><td></td></tr> <tr><td>12</td><td>1</td><td>TANK MOBILE W/PUMP</td><td></td><td>500 GAL</td><td>FAIR</td><td></td><td></td></tr> <tr><td>13</td><td>1</td><td>SHREDDER</td><td>WOODS</td><td>6-ROW</td><td>FAIR</td><td></td><td></td></tr> </tbody> </table> </div>	(2) Line No.	(3) Quantity	(4) Kind	(5) Manufacturer	(6) Size and Type	(7) Condition	(8) Year	(9) Serial or Model No.	1	1	DISC	KEWANEE	20 FT	FAIR			2	1	TRACTOR	JD	4640	FAIR	1982	<span style="background-color: black; color: black;">██████████</span>	3	1	LISTER	R & J	8-ROW	GOOD			4	1	SPRING TOOTH HARROW	NOBLE	40 FT	FAIR			5	1	ROTARY HOE	JD	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			13	1	SHREDDER	WOODS	6-ROW	FAIR		
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**DD FLP Oversight Review User Guide (Continued)**

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**D Part A: Quarterly Review (Continued)**

**3 “Direct Loan Servicing” (Continued)**

**C “Chattel Security Accounting” (Continued)**

Question	Source
5: FLM follows up on all apparent unauthorized dispositions; using 5-FLP, Exhibit 31 to notify borrowers in all cases and obtains adequate documentation to enable post approval where applicable	For any unapproved disposition:  •*--review borrower case file and FBP--* • discuss with loan officer to determine anticipated resolution.

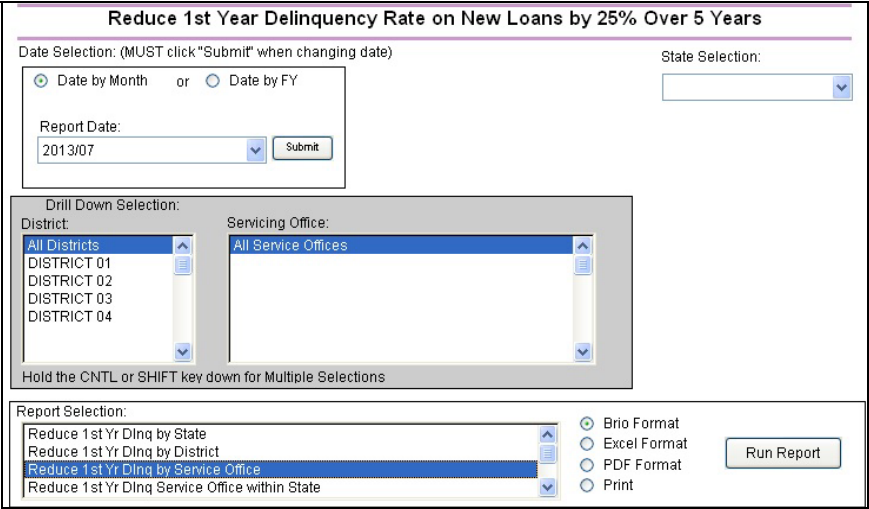
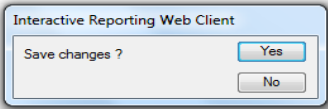
## DD FLP Oversight Review User Guide (Continued)

### 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:

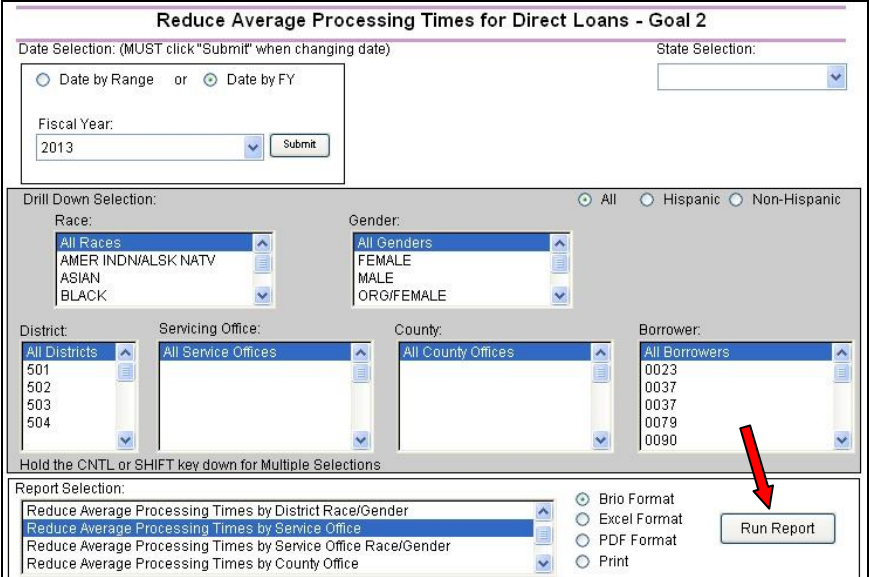
- direct loan making goals are available from Data Mart and Goals OnDemand reports
- guaranteed loan making goals are available from the GLS Reports.

Goal	Source
1: First year delinquency rate on new loans (%). (Direct Loan Making)	<p>From the Data Mart Goals On Demand Reports, select <b>“OY FLPDM Reduce 1st Year Delinquency Rates on New Loans Goal 1”</b>. To view all Service Centers within the district, make the following selections on the Reduce 1st Year Delinquency Rate on New Loans by 25% Over 5 Years Screen, and CLICK <b>“Run Report”</b>:</p> <ul style="list-style-type: none"> <li>• “Report Date”</li> <li>• “District”</li> <li>• “All Service Centers”</li> <li>• “Reduce 1st Yr Dinq by Service Office”.</li> </ul>  <p><b>Notes:</b> All performance data can be input for each Service Center at 1 time.</p> <p>When closing out reports always CLICK <b>“No”</b> for “Save Changes?”.</p> 

## DD FLP Oversight Review User Guide (Continued)

### D Part A: Quarterly Review (Continued)

#### 4 “Program Delivery FLP Goals: From FLP goals established by the National Office for your state” (Continued)

Goal	Source
2: Direct loan processing time (Days). (Direct Loan Making)	<p>From the Data Mart Goals On Demand Reports, select <b>“OY FLPDM Reduce Average Processing Times for Direct Loans Goal 2”</b>. To view all Service Centers within the district, make the following selections on the Reduce Average Processing Times for Direct Loans - Goal 2 Screen, and CLICK <b>“Run Report”</b>:</p> <ul style="list-style-type: none"> <li>• “All Races” and “All Genders”</li> <li>• “District” and “All Service Offices”</li> <li>• “All County Offices” and “All Borrowers”</li> <li>• “Reduce Average Processing Times by Service Office”.</li> </ul> 

## DD FLP Oversight Review User Guide (Continued)

### D Part A: Quarterly Review (Continued)

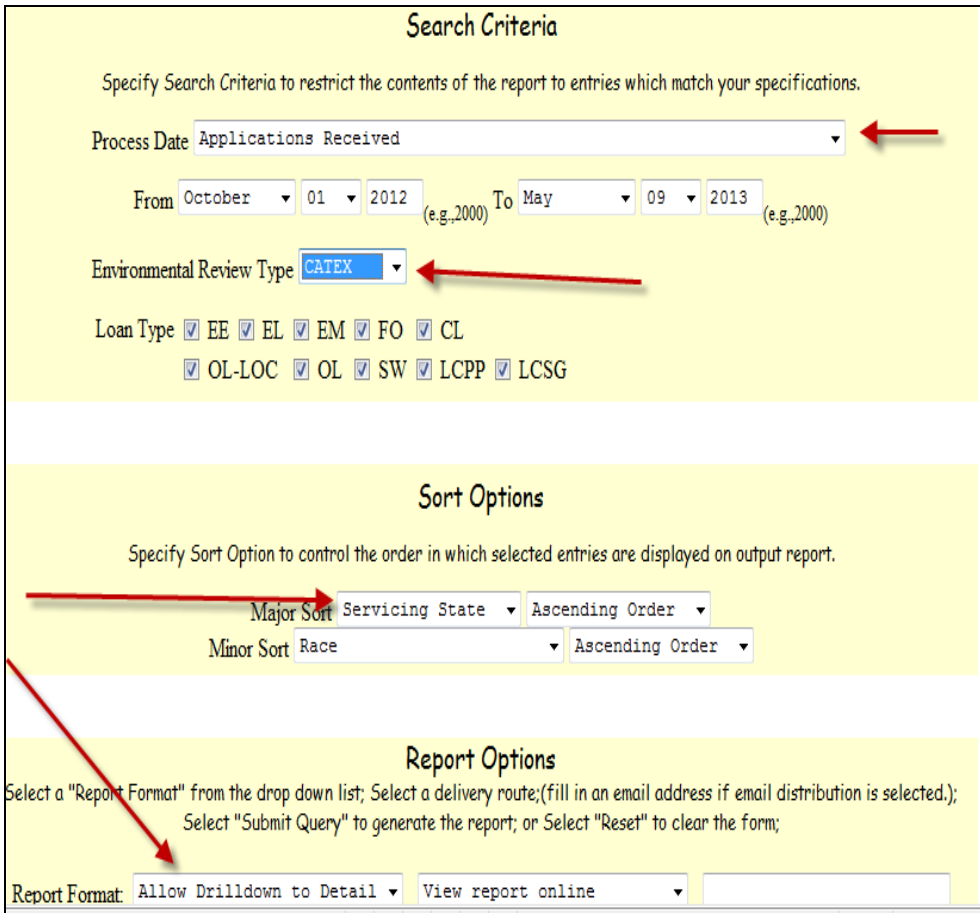
#### 4 “Program Delivery FLP Goals: From FLP goals established by the National Office for your state” (Continued)

Goal	Source
3: Guaranteed loan processing time (Days)	<p>On the GLS Guaranteed Loan System Screen, CLICK “<b>Reports</b>”. From the GLS Application Reports Screen, CLICK “<b>GLS2208 – Guaranteed Loan Average Processing Times</b>”.</p> 

## DD FLP Oversight Review User Guide (Continued)

### D Part A: Quarterly Review (Continued)

#### 4 “Program Delivery FLP Goals: From FLP goals established by the National Office for your state” (Continued)

Goal	Source
3: Guaranteed loan processing time (Days) (Continued)	<p>The goal is calculated using “Environmental Review Type”, “CATEX”. On the Search Criteria Screen, select timeframe for the quarter being reviewed.</p> <ul style="list-style-type: none"> <li>From the “<b>Sort Options</b>” drop-down lists, selecting: <ul style="list-style-type: none"> <li>“Servicing State”, allows drilldown to Service Centers</li> <li>“Geographic State”, allows drilldown to counties.</li> </ul> </li> <li>“<b>Report Options</b>” drop-down lists allow drilldown to detail.</li> </ul> <p>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.</p>  <p><b>Search Criteria</b></p> <p>Specify Search Criteria to restrict the contents of the report to entries which match your specifications.</p> <p>Process Date Applications Received</p> <p>From October 01 2012 (e.g., 2000) To May 09 2013 (e.g., 2000)</p> <p>Environmental Review Type CATEX</p> <p>Loan Type <input checked="" type="checkbox"/> EE <input checked="" type="checkbox"/> EL <input checked="" type="checkbox"/> EM <input checked="" type="checkbox"/> FO <input checked="" type="checkbox"/> CL  <input checked="" type="checkbox"/> OL-LOC <input checked="" type="checkbox"/> OL <input checked="" type="checkbox"/> SW <input checked="" type="checkbox"/> LCPP <input checked="" type="checkbox"/> LCSG</p> <p><b>Sort Options</b></p> <p>Specify Sort Option to control the order in which selected entries are displayed on output report.</p> <p>Major Sort Servicing State Ascending Order</p> <p>Minor Sort Race Ascending Order</p> <p><b>Report Options</b></p> <p>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;</p> <p>Report Format Allow Drilldown to Detail View report online</p>

# DD FLP Oversight Review User Guide (Continued)

## D Part A: Quarterly Review (Continued)

### 4 “Program Delivery FLP Goals: From FLP goals established by the National Office for your state” (Continued)

Goal	Source																																																																																								
3: Guaranteed loan processing time (Days) (Continued)	<p>Verify that the report was created for CATEX applications. By selecting the State name, the report breaks data down into Service Centers that will provide the average processing times. The report <b>must</b> drilldown to detail to access this information.</p> <div><div>United States Department of Agriculture FARM SERVICE AGENCY GUARANTEED LOAN AVERAGE PROCESSING TIMES</div><div>Page 1 05/13/13 07.39.36</div><div>Application Received FROM 10/01/2012 TO 05/13/2013 Environmental Review: CATEX</div><div>Loan Type: EE EL EM FO OL-LOC OL SW CL LCPP LCSG</div><table><thead><tr><th>SVC ST</th><th>FSA MAIL CODE</th><th>BORR RACE</th><th># APPL RCVD</th><th># APPL COMP</th><th>AVG # DAYS RCVD COMP</th><th>AVG # DAYS COMP DISP</th><th>TOTAL RCVD DISP</th></tr></thead><tbody><tr><td></td><td>305</td><td>WHITE</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>308</td><td>WHITE</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>309</td><td>WHITE</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>311</td><td>AMER IND/ALASK NAT WHITE</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>** TOTAL</td><td>311</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>313</td><td>AMER IND/ALASK NAT WHITE</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>** TOTAL</td><td>313</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>317</td><td>AMER IND/ALASK NAT WHITE</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>** TOTAL</td><td>317</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>** TOTAL</td><td></td><td></td><td>38</td><td>36</td><td>5.61</td><td>2.86</td><td>8.47</td></tr></tbody></table></div>	SVC ST	FSA MAIL CODE	BORR RACE	# APPL RCVD	# APPL COMP	AVG # DAYS RCVD COMP	AVG # DAYS COMP DISP	TOTAL RCVD DISP		305	WHITE							308	WHITE							309	WHITE							311	AMER IND/ALASK NAT WHITE						** TOTAL	311								313	AMER IND/ALASK NAT WHITE						** TOTAL	313								317	AMER IND/ALASK NAT WHITE						** TOTAL	317							** TOTAL			38	36	5.61	2.86	8.47
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DD FLP Oversight Review User Guide (Continued)

D Part A: Quarterly Review (Continued)

4 “Program Delivery FLP Goals: From FLP goals established by the National Office for your state” (Continued)

Goal	Source
4: Lending to beginning farmers and ranchers (%) (Direct Loan Making)	<p>From the Data Mart Goals On Demand Reports, select “<b>OY FLPDM Lending To Beginning Farmers and Ranchers Goal 4</b>”. To view all Service Centers within the district, make the following selections on the Lending to Beginning Farmers and Ranchers - Goal 4 Screen, and CLICK “<b>Run Report</b>”:</p> <ul style="list-style-type: none"> <li>• applicable State</li> <li>• “All Races”</li> <li>• “All Genders”</li> <li>• “District”</li> <li>• “All Service Offices”</li> <li>• “All County Offices”</li> <li>• “All Borrowers”</li> <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:

---

Drill Down Selection:

Race:     
 AMER INDN/ALSK NATV  
 ASIAN  
 BLACK

Gender:     
 FEMALE  
 MALE  
 ORG/FEMALE

☒ All ☐ Hispanic ☐ Non-Hispanic

District:     
 501  
 502  
 503  
 504

Servicing Office:

County:

Borrower:

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  
 Lending to BF and Ranchers by Service Office Race/Gender

☒ Brio Format ☐ Excel Format ☐ PDF Format ☐ Print

## DD FLP Oversight Review User Guide (Continued)

### D Part A: Quarterly Review (Continued)

#### 4 “Program Delivery FLP Goals: From FLP goals established by the National Office for your state” (Continued)

Goal	Source
5: Lending to SDA farmers and ranchers (%) (Direct Loan Making)	<p>From the Data Mart Goals On Demand Reports, select “<b>OY FLPDM Lending To Socially Disadvantaged Farmers and Ranchers Goal 5</b>”. To view all Service Centers within the district, make the following selections on the <b>Lending to Socially Disadvantaged Farmers and Ranchers - Goal 5</b> Screen, and CLICK “<b>Run Report</b>”:</p> <ul style="list-style-type: none"> <li>• applicable State</li> <li>• “All Races”</li> <li>• “All Genders”</li> <li>• “District”</li> <li>• “All Service Offices”</li> <li>• “All County Offices”</li> <li>• “All Borrowers”</li> <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: ALABAMA

☐ Date by Range or ☒ Date by FY

Fiscal Year: 2013

Drill Down Selection:

Race: All Races  
AMER INDN/ALSK NATV  
ASIAN  
BLACK

Gender: All Genders  
FEMALE  
MALE  
ORG/FEMALE

District: All Districts  
501  
502  
503  
504

Servicing Office: All Service Offices  
01-305 TUSCALOOSA  
01-308 ELMORE  
01-309 COFFEE  
01-311 LAWRENCE  
01-313 DEKALB

County: All County Offices  
01 AUTAUGA  
02 BALDWIN  
05 BLOUNT  
06 BULLOCK  
07 BUTLER

Borrower: All Borrowers  
0022  
0023  
0037  
0037  
0090

Hold the CNTL or SHIFT key down for Multiple Selections

Report Selection:  
Lending to SDA Farmers and Ranchers by Borrower  
Lending to SDA Farmers and Ranchers by Service Office within State  
Lending to SDA Farmers and Ranchers by Service Office Race/Gender within State

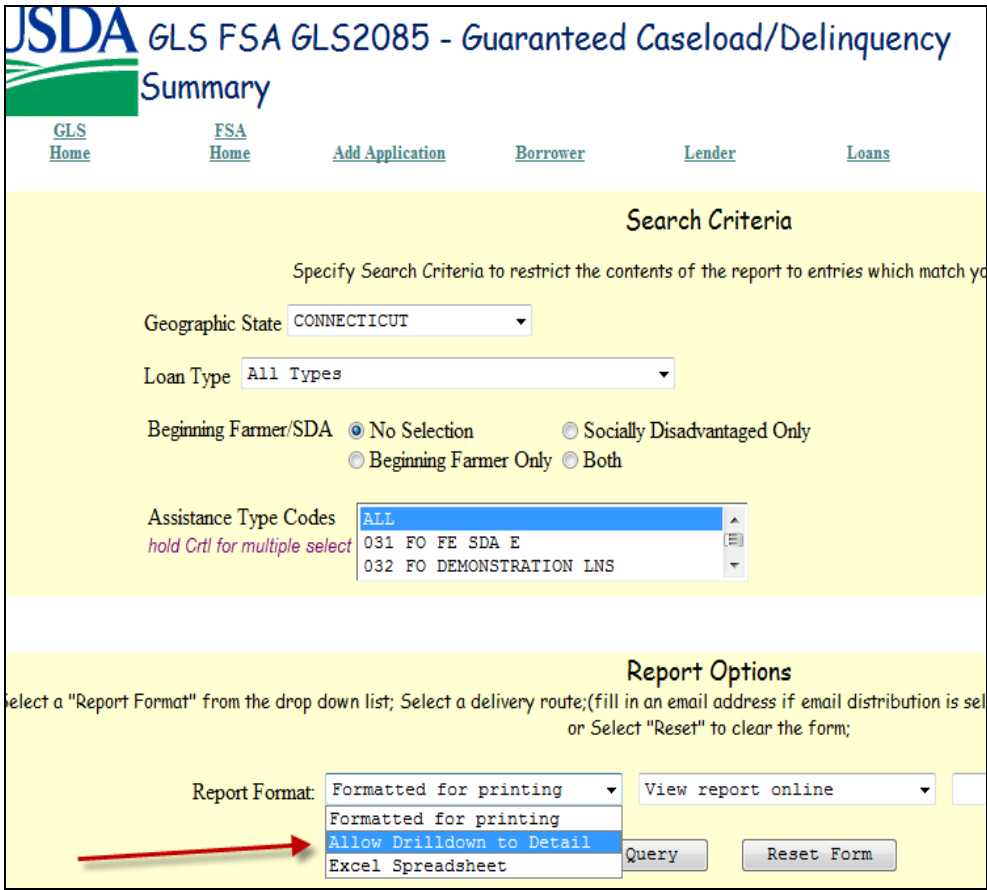
☐ Brio Format  
☐ Excel Format  
☒ PDF Format



DD FLP Oversight Review User Guide (Continued)

D Part A: Quarterly Review (Continued)

4 “Program Delivery FLP Goals: From FLP goals established by the National Office for your state” (Continued)

Goal	Source
6: Direct loan delinquency rate (%) (Direct Loan Servicing)	Provided by the State Office.
7: Guaranteed loan delinquency rate (%)	<p>Select from the GLS Caseload Reports, “<b>GLS2085 – Guaranteed Caseload/Delinquency Summary</b>”. Select “<b>Allow Drilldown to Detail</b>” to break data down by county.</p> <p>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.</p>  <p>The screenshot shows the USDA GLS FSA GLS2085 - Guaranteed Caseload/Delinquency Summary web application. The page has a yellow background and a blue header with the USDA logo. The header includes links for GLS Home, FSA Home, Add Application, Borrower, Lender, and Loans. The main content area is divided into two sections: Search Criteria and Report Options. The Search Criteria section includes a dropdown for Geographic State (set to CONNECTICUT), a dropdown for Loan Type (set to All Types), and radio buttons for Beginning Farmer/SDA (No Selection, Socially Disadvantaged Only, Beginning Farmer Only, Both). The Assistance Type Codes section shows a dropdown menu with options: ALL, 031 FO FE SDA E, and 032 FO DEMONSTRATION LNS. The Report Options section includes a dropdown for Report Format (set to Formatted for printing) and a dropdown for View report online (set to View report online). A red arrow points to the 'Allow Drilldown to Detail' option in the Report Format dropdown menu.</p>

**DD FLP Oversight Review User Guide (Continued)**

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**D Part A: Quarterly Review (Continued)**

**4 “Program Delivery FLP Goals: From FLP goals established by the National Office for your state” (Continued)**

<b>Goal</b>	<b>Source</b>
8: Primary loan servicing processing times (days). (Direct Loan Servicing)	Provided by the National Office to each State.

## DD FLP Oversight Review User Guide (Continued)

### 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	<p>Check the borrower case file to verify the proper UCC filing.</p> <p>The offsite option is to create the report from Data Mart Direct Loan Servicing/Routine Servicing, <b>OL FLPDM Borrower Financing Statement Combined Report.</b></p> <div><div>UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY DIRECT LOAN SERVICING Borrower Financing Statement Detail Report</div><div>Page 1 06/13/2013 02:55 PM</div><div>Status: Active State: District: 01-501 Service Office: All Servicing Offices County: All Counties No Date Selected</div><table><thead><tr><th>FLP</th><th>Security</th><th>Filing</th><th>Filing</th><th>St/Cty</th><th>Sec</th><th>Alert</th><th>Expiration</th><th>Associated</th></tr><tr><th>Mail</th><th>Instrument</th><th>Number</th><th>Date</th><th>Filed</th><th>Type</th><th>Date</th><th>Date</th><th>Loans</th></tr><tr><th>Code</th><th>Servicing Office</th><th>Borrower Name</th><th>Case Nbr</th><th></th><th></th><th></th><th></th><th></th></tr></thead><tbody><tr><td></td><td>Original</td><td>A09-0039571 FS</td><td>01/22/2009</td><td>01-000</td><td>CFS</td><td>07/22/2013</td><td>01/22/2014</td><td>44-02</td></tr><tr><td></td><td>Original</td><td>A 12-0195303 FS</td><td>04/09/2012</td><td>01-000</td><td>CFS</td><td>10/09/2016</td><td>04/09/2017</td><td>44-01, 44-02</td></tr></tbody></table></div>	FLP	Security	Filing	Filing	St/Cty	Sec	Alert	Expiration	Associated	Mail	Instrument	Number	Date	Filed	Type	Date	Date	Loans	Code	Servicing Office	Borrower Name	Case Nbr							Original	A09-0039571 FS	01/22/2009	01-000	CFS	07/22/2013	01/22/2014	44-02		Original	A 12-0195303 FS	04/09/2012	01-000	CFS	10/09/2016	04/09/2017	44-01, 44-02
FLP	Security	Filing	Filing	St/Cty	Sec	Alert	Expiration	Associated																																						
Mail	Instrument	Number	Date	Filed	Type	Date	Date	Loans																																						
Code	Servicing Office	Borrower Name	Case Nbr																																											
	Original	A09-0039571 FS	01/22/2009	01-000	CFS	07/22/2013	01/22/2014	44-02																																						
	Original	A 12-0195303 FS	04/09/2012	01-000	CFS	10/09/2016	04/09/2017	44-01, 44-02																																						

**DD FLP Oversight Review User Guide (Continued)**

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**E Part B: Semiannual Reviews (Continued)**

**1 Direct Loan Making: Loan Security Instruments (Continued)**

Question	Source
3: Security agreement and promissory note in safe	Verify, while in the Service Center, that the promissory note is filed in the Service Center fire proof safe.
4: Agreement for Disposition of Jointly Owned Property Obtained	If applicable, while in Service Center, review agreement from the borrower case file.
5: CCC-10 has been executed and is in the borrower case file (3-FLP)	Offsite option is the Service Center scans and e-mails the agreement.

## DD FLP Oversight Review User Guide (Continued)

### 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	<p>View current and past Reports 565-A sent to Service Centers monthly *--by DCIB.--*</p> <p>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.</p> <div data-bbox="576 1068 1435 1671"> <p>This form is available electronically.</p> <p><b>FSA-2544</b> (04-03-12)</p> <p>U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency</p> <p>Position 4</p> <p><b>REQUEST FOR INFORMATION ON CAPITAL IMPROVEMENTS</b></p> <p>Date</p> <p>Mr. John Farmer Mrs. Jane Farmer 12123 County Road Four Washington, DC 20250</p> <p>Certified 48151623424815462342</p> <p>Our records show that you have a Shared Appreciation Agreement with the Farm Service Agency (FSA) that has or will soon be coming due.</p> <p>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 one of the following criteria:</p> <p>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.</p> <p>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.</p> </div> <p>A copy of FSA-2544 sent to the borrower should be located in the borrower case file.</p>

DD FLP Oversight Review User Guide (Continued)

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	<p>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.</p> <div data-bbox="578 804 1455 1335"> <p>This form is available electronically.</p> <p><b>FSA-2545</b> (04-25-12) U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency Position 4</p> <p><b>BORROWER NOTIFICATION OF SHARED APPRECIATION DUE</b></p> <p>05/12/2013</p> <p><b>Farmer Brown</b> 123 Any Street Farmville, CO 25810</p> <p><b>CERTIFIED</b> 10010011100011001010</p> <p>This notice is to inform you that the Shared Appreciation Agreement (SAA) you executed on <u>05/09/2008</u> has or will soon become due for the following reason:</p> <ul style="list-style-type: none"> <li>The Shared Appreciation Agreement will mature on <u>05/09/2013</u>.</li> </ul> <p>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 <u>\$12,333.00</u> in SAA recapture.</p> </div> <p>FSA-2545 should be sent to all borrowers who have expired Shared Appreciation Agreements.</p>
4: Expiring agreements are serviced according to 5-FLP	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.

## DD FLP Oversight Review User Guide (Continued)

### 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 Borrower accounts are classified	<p>Verify borrowers approved for new loans had classification reviews performed on their accounts.</p> <p>Compare Data Mart Direct Loan Making, <b>OY FLPDM Direct Loan Application Report</b> 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.</p> <p>When pulling the Classification Review Workflow Report, select “<b>In Conjunction with a Loan Closing</b>” to limit the search to Classification Reviews only.</p> <p><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.</p> <p>Discuss borrowers who were not classified with the Service Center.</p>

## DD FLP Oversight Review User Guide (Continued)

### E Part B: Semiannual Reviews (Continued)

#### 2 Direct Loan Servicing (Continued)

##### B Classification of Borrower Accounts (Continued)

Question	Source
1: New Borrower accounts are classified (Cntd)	<p>On the Direct Application Report Selection Page, using the drop-down lists, select the following and CLICK <b>“Run Report”</b>:</p> <ul style="list-style-type: none"> <li>• “State”, select applicable State</li> <li>• “District”, <b>“All Districts”</b></li> <li>• “County”, <b>“All Counties”</b></li> <li>• “Ethnicity” and CLICK <b>“All”</b> radio button</li> <li>• “Status”, <b>“Approved”</b></li> <li>• “Race”, <b>“All Races”</b></li> <li>• “Gender”, <b>“All Genders”</b></li> <li>• “From” and “TO” dates and CLICK <b>“Date by Range”</b> radio button</li> <li>• “Sort Selection”:</li> <li>• <b>“by Final Disp”</b></li> <li>• <b>“by Name”</b>.</li> </ul>

**Direct Application Report Selection Page**

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Selection Criteria: Hold the CTRL or SHIFT key down for Multiple Selections

State: <div> <div>&lt;&lt;&lt;Select State&gt;&gt;&gt;</div> <div>Alabama</div> <div>Alaska</div> <div>Arizona</div> <div>Arkansas</div> </div>	District: <div> <div>All Districts</div> <div>501</div> <div>502</div> <div>503</div> <div>504</div> </div>	Servicing Office: <div> <div>All Service Offices</div> <div>01-305 Tuscaloosa</div> <div>01-308 Elmore</div> <div>01-309 Coffee</div> <div>01-311 Lawrence</div> </div>	County: <div> <div>All Counties</div> <div>01-004 Bibb</div> <div>01-029 Fayette</div> <div>01-032 Greene</div> <div>01-033 Hale</div> </div>
Ethnicity: <input checked="" type="radio"/> All <input type="radio"/> Hispanic <input type="radio"/> Non-Hispanic	Status: <div> <div>All</div> <div>Approved</div> <div>Rejected</div> </div>	Race: <div> <div>All Races</div> <div>Amer Indn/Alsk Natv</div> <div>Asian</div> </div>	Gender: <div> <div>All Genders</div> <div>Female</div> <div>Male</div> </div>

From: October 1 2012    ☐ Date by Fiscal Year    ☒ Date by Range  
 To: March 31 2013    List Borrowers

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<b>Report Selection:</b> State Report Sort Selection: <div>by Final Disp</div> <div>by Name</div> <div>None</div>	<input checked="" type="radio"/> Ascending <input type="radio"/> Descending <input checked="" type="radio"/> Ascending <input type="radio"/> Descending <input checked="" type="radio"/> Ascending <input type="radio"/> Descending	<b>Report Format:</b> <input checked="" type="radio"/> PDF Format <input type="radio"/> Excel Format <input type="radio"/> Print <input type="radio"/> Hyperion Format <div>Run Report</div> <div>Reset All</div>
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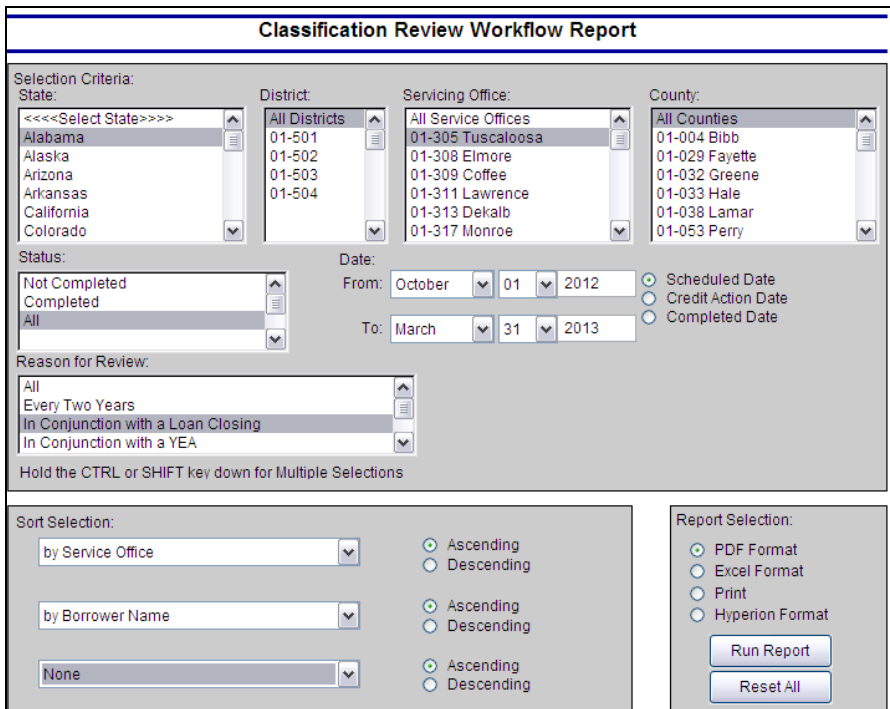


## DD FLP Oversight Review User Guide (Continued)

### E Part B: Semiannual Reviews (Continued)

#### 2 Direct Loan Servicing (Continued)

##### B Classification of Borrower Accounts (Continued)

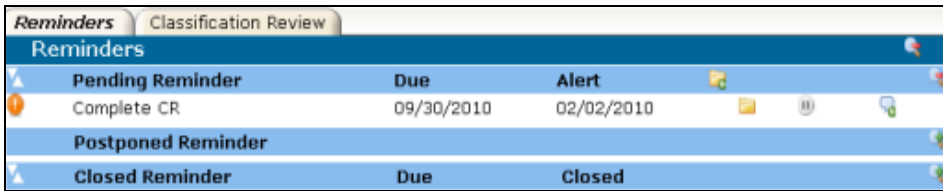
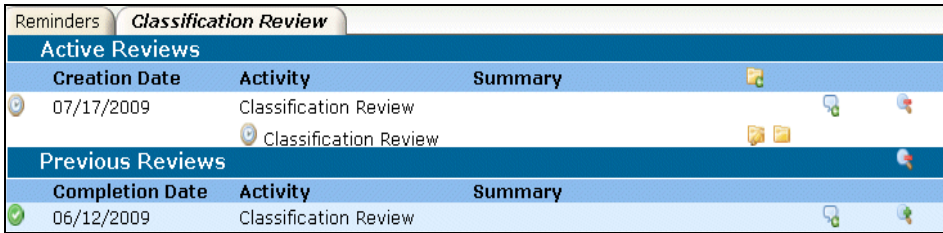
Question	Source
1: New Borrower accounts are classified (Cntd)	<p>On the Classification Review Workflow Report Page, using the drop-down lists, select the following and CLICK “<b>Run Report</b>”:</p> <ul style="list-style-type: none"> <li>• “Status”, “<b>All</b>”</li> <li>• “Sort Selection”:</li> <li>• “by Service Office:</li> <li>• “by Borrower Name”.</li> </ul>
	 <p><b>Classification Review Workflow Report</b></p> <p>Selection Criteria:</p> <p>State: &lt;&lt;&lt;&lt;Select State&gt;&gt;&gt;&gt;   District: All Districts   Servicing Office: All Service Offices   County: All Counties</p> <p>Status: Not Completed   Completed   All   Date: From: October 01 2012 To: March 31 2013</p> <p>Reason for Review: All   Every Two Years   In Conjunction with a Loan Closing   In Conjunction with a YEA</p> <p>Sort Selection: by Service Office   by Borrower Name   None   Ascending   Descending</p> <p>Report Selection: PDF Format   Excel Format   Print   Hyperion Format</p> <p>Run Report   Reset All</p>

## DD FLP Oversight Review User Guide (Continued)

### E Part B: Semiannual Reviews (Continued)

#### 2 Direct Loan Servicing (Continued)

##### B Classification of Borrower Accounts (Continued)

Question	Source
2: FBP Updated/ Transactions Processed	<p>Borrower accounts may be accessed in DLS to view their specific classification review, determine that it has processed, and verify any questions or concerns about the borrower's classification.</p> <p>While on Service Center Dashboard, CLICK “<b>Icon</b>” under “CR Header” column and the Classification Review Dashboard will be displayed.</p>  <p>CLICK “<b>Classification Review</b>” tab to access the Classification Review process, allowing a more detailed view of the classification activities performed on that account.</p> 

## DD FLP Oversight Review User Guide (Continued)

### E Part B: Semiannual Reviews (Continued)

#### 2 Direct Loan Servicing (Continued)

##### B Classification of Borrower Accounts (Continued)

Question	Source
3: Annual classification of existing borrower accounts	<p>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 <b>“Run Report”</b>:</p> <ul style="list-style-type: none"> <li>• “Status”, <b>“All”</b></li> <li>• “Date”, “From” and “To”, select date range for Classification Reviews that have not been completed and CLICK <b>“Scheduled Date”</b> radio button</li> <li>• “Reason for Review”, <b>“All”</b></li> <li>• “Sort Selection”: <ul style="list-style-type: none"> <li>• <b>“by Service Office”</b></li> <li>• <b>“by Borrower Name”</b></li> <li>• <b>“by Workflow Completion Date”</b>.</li> </ul> </li> </ul> <p>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.</p> <p><b>Notes:</b> For questions about classifying borrower accounts, see to Part 8, Section 4.</p> <p>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”.</p>

DD FLP Oversight Review User Guide (Continued)

E Part B: Semiannual Reviews (Continued)

2 Direct Loan Servicing (Continued)

B Classification of Borrower Accounts (Continued)

Question	Source
3: Annual classification of existing borrower accounts (Continued)	<div> <div> <p><b>Classification Review Workflow Report</b></p> <p>Selection Criteria:</p> <p>State: &lt;&lt;&lt;&lt;Select State&gt;&gt;&gt;&gt;</p> <p>Alabama</p> <p>Alaska</p> <p>Arizona</p> <p>Arkansas</p> <p>California</p> <p>Colorado</p> </div> <div> <p>District:</p> <p>All Districts</p> <p>01-501</p> <p>01-502</p> <p>01-503</p> <p>01-504</p> </div> <div> <p>Servicing Office:</p> <p>All Service Offices</p> <p>01-305 Tuscaloosa</p> <p>01-308 Elmore</p> <p>01-309 Coffee</p> <p>01-311 Lawrence</p> <p>01-313 DeKalb</p> <p>01-317 Monroe</p> </div> <div> <p>County:</p> <p>All Counties</p> <p>01-004 Bibb</p> <p>01-029 Fayette</p> <p>01-032 Greene</p> <p>01-033 Hale</p> <p>01-038 Lamar</p> <p>01-053 Perry</p> </div> </div> <div> <p>Status:</p> <p>Not Completed</p> <p>Completed</p> <p>All</p> </div> <div> <p>Date:</p> <p>From: October 01 2012</p> <p>To: March 31 2013</p> <p><input checked="" type="radio"/> Scheduled Date</p> <p><input type="radio"/> Credit Action Date</p> <p><input type="radio"/> Completed Date</p> </div> <div> <p>Reason for Review:</p> <p>All</p> <p>Every Two Years</p> <p>In Conjunction with a Loan Closing</p> <p>In Conjunction with a YEA</p> <p>Hold the CTRL or SHIFT key down for Multiple Selections</p> </div> <div> <p>Sort Selection:</p> <p>by Service Office</p> <p>by Borrower Name</p> <p>by Workflow Completion Date</p> <p><input checked="" type="radio"/> Ascending</p> <p><input type="radio"/> Descending</p> </div> <div> <p>Report Selection:</p> <p><input checked="" type="radio"/> PDF Format</p> <p><input type="radio"/> Excel Format</p> <p><input type="radio"/> Print</p> <p><input type="radio"/> Hyperion Format</p> <p>Run Report</p> <p>Reset All</p> </div>

## DD FLP Oversight Review User Guide (Continued)

### 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 analyses required this FY	<p>YEA's are required for all accounts with:</p> <ul style="list-style-type: none"> <li>• new loans</li> <li>• chattel subordinations</li> <li>• PLS or DSA in the previous FY</li> <li>• financially distressed or delinquent accounts</li> <li>• accounts with limited resource loans.</li> </ul> <p>Access from Data Mart, <b>OY FLPDM Year End Analysis Workflow Report</b> for the review time period, to determine if reviews are being completed as required.</p> <p><b>Note:</b> See to Part 8, Section 5, for questions about YEA's.</p>

## DD FLP Oversight Review User Guide (Continued)

### 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 (Continued)	<p>On the Year End Analysis Workflow Report Screen, from the drop-down lists, select the following and CLICK <b>“Run Report”</b>:</p> <ul style="list-style-type: none"> <li>• “Status”, <b>“All”</b></li> <li>• “Date”, beginning of FY to current date and CLICK <b>“Scheduled Date”</b> radio button</li> <li>• “Reason For Review”, <b>“All”</b></li> <li>• “Sort Selection”: <ul style="list-style-type: none"> <li>• <b>“by Service Office”</b></li> <li>• <b>“by Workflow Completion Date”</b></li> <li>• <b>“by Borrower Name”</b>.</li> </ul> </li> </ul>

**Year End Analysis Workflow Report**

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**Selection Criteria:**

<b>State:</b> <div style="border: 1px solid gray; padding: 2px;"> <div style="background-color: #f0f0f0; padding: 2px;">&lt;&lt;&lt;Select State&gt;&gt;&gt;</div> <div style="border-top: 1px solid gray; padding: 2px;">Alabama</div> <div style="border-top: 1px solid gray; padding: 2px;">Alaska</div> <div style="border-top: 1px solid gray; padding: 2px;">Arizona</div> <div style="border-top: 1px solid gray; padding: 2px;">Arkansas</div> <div style="border-top: 1px solid gray; padding: 2px;">California</div> <div style="border-top: 1px solid gray; padding: 2px;">Colorado</div> </div>	<b>District:</b> <div style="border: 1px solid gray; padding: 2px;"> <div style="background-color: #f0f0f0; padding: 2px;">All Districts</div> <div style="border-top: 1px solid gray; padding: 2px;">01-501</div> <div style="border-top: 1px solid gray; padding: 2px;">01-502</div> <div style="border-top: 1px solid gray; padding: 2px;">01-503</div> <div style="border-top: 1px solid gray; padding: 2px;">01-504</div> </div>	<b>Servicing Office:</b> <div style="border: 1px solid gray; padding: 2px;"> <div style="background-color: #f0f0f0; padding: 2px;">All Service Offices</div> <div style="border-top: 1px solid gray; padding: 2px;">01-305 Tuscaloosa</div> <div style="border-top: 1px solid gray; padding: 2px;">01-308 Elmore</div> <div style="border-top: 1px solid gray; padding: 2px;">01-309 Coffee</div> <div style="border-top: 1px solid gray; padding: 2px;">01-311 Lawrence</div> <div style="border-top: 1px solid gray; padding: 2px;">01-313 Dekalb</div> <div style="border-top: 1px solid gray; padding: 2px;">01-317 Monroe</div> </div>	<b>County:</b> <div style="border: 1px solid gray; padding: 2px;"> <div style="background-color: #f0f0f0; padding: 2px;">All Counties</div> <div style="border-top: 1px solid gray; padding: 2px;">01-004 Bibb</div> <div style="border-top: 1px solid gray; padding: 2px;">01-029 Fayette</div> <div style="border-top: 1px solid gray; padding: 2px;">01-032 Greene</div> <div style="border-top: 1px solid gray; padding: 2px;">01-033 Hale</div> <div style="border-top: 1px solid gray; padding: 2px;">01-038 Lamar</div> <div style="border-top: 1px solid gray; padding: 2px;">01-053 Perry</div> </div>
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**Status:**  

Not Completed

Completed

All

**Date:**  
From: October 01 2012 To: September 30 2013

**Reason For Review:**  

All

In Conjunction with Loan Closing

In Conjunction with Loan(s)

Has Limited Resource Loan(s)

Received Primary Loan Servicing in the Past Year

☐ Completed by Contractor

Hold the CTRL or SHIFT key down for Multiple Selections

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**Sort Selection:**

<div style="border: 1px solid gray; padding: 2px; margin-bottom: 5px;"> by Service Office </div> <div style="border: 1px solid gray; padding: 2px; margin-bottom: 5px;"> by Workflow Completion Date </div> <div style="border: 1px solid gray; padding: 2px;"> by Borrower Name </div>	<div style="margin-bottom: 5px;"> <input checked="" type="radio"/> Ascending  <input type="radio"/> Descending </div> <div style="margin-bottom: 5px;"> <input checked="" type="radio"/> Ascending  <input type="radio"/> Descending </div> <div> <input checked="" type="radio"/> Ascending  <input type="radio"/> Descending </div>
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**Report Selection:**

☒ PDF Format  
☐ Excel Format  
☐ Print  
☐ Hyperion Format

DD FLP Oversight Review User Guide (Continued)

E Part B: Semiannual Reviews (Continued)

2 Direct Loan Servicing (Continued)

C Year End Analysis (Continued)

Question	Source																																																							
2: Number of Analysis completed year to date	When reviewing the Year End Analysis Workflow Report, count the number of YEA's that have been completed. Subtract that number from the total number of YEA's on the report to determine how many remain to be completed.																																																							
3: Number of Analysis needed to be completed prior to the end of the FY	<p>Discuss a plan to complete all required YEA's with the Service Center.</p> <table><tr><th>FLP Mail</th><th></th><th></th><th></th><th>Scheduled Date</th><th>Customer Contacted Date</th><th>Response Received Date</th><th>Credit Action Date</th><th>Credit Action Description</th><th>Completed By Contractor</th><th>Workflow Completion Date</th></tr><tr><td>01-305 Tuscaloosa</td><td></td><td></td><td></td><td>08/29/2013</td><td></td><td></td><td></td><td></td><td>N</td><td></td></tr><tr><td>01-305 Tuscaloosa</td><td></td><td></td><td></td><td>02/13/2013</td><td>02/13/2013</td><td>02/13/2013</td><td>02/13/2013</td><td>2012 Crop Year YEA</td><td>N</td><td>02/15/2013</td></tr><tr><td>01-305 Tuscaloosa</td><td></td><td></td><td></td><td>03/13/2013</td><td>03/15/2013</td><td>03/15/2013</td><td>03/15/2013</td><td>2013 5-FLP and OL-Term</td><td>N</td><td>03/20/2013</td></tr><tr><td>01-305 Tuscaloosa</td><td></td><td></td><td></td><td>11/15/2012</td><td>11/15/2012</td><td>11/15/2012</td><td>11/15/2012</td><td>2013 Winter Wheat - Post Close</td><td>N</td><td>04/19/2013</td></tr></table> <p>The final column of the report is completion date for YEA workflow. Use the number of completed/noncompleted workflow items to answer questions 2 and 3.</p> <p><b>Note:</b> To view YEA's that should have been completed before the current timeframe, change "Status" to "Not Completed" and the date range as applicable.</p>	FLP Mail				Scheduled Date	Customer Contacted Date	Response Received Date	Credit Action Date	Credit Action Description	Completed By Contractor	Workflow Completion Date	01-305 Tuscaloosa				08/29/2013					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 Close	N	04/19/2013
FLP Mail				Scheduled Date	Customer Contacted Date	Response Received Date	Credit Action Date	Credit Action Description	Completed By Contractor	Workflow Completion Date																																														
01-305 Tuscaloosa				08/29/2013					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 Close	N	04/19/2013																																														

## DD FLP Oversight Review User Guide (Continued)

### 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 from the lenders	GLS4265, Submitted Status Reports, displays the list of lenders who have submitted a status report.  Access from GLS Reports, GLS Status Reports, <b>GLS4265 Submitted Status Reports.</b>
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.



DD FLP Oversight Review User Guide (Continued)

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	<p>Report Code <b>GLSSR02, Past Due Status and Default Status Reports</b>, displays status reports and default status reports that were due and have not been recorded in GLS. This report lists past reports due by borrower.</p> <p>Report Code GLSSR04, Past Due Status and Default Status Summary Report, summarizes the total number of lender branches/loans with past due reports.</p> <p>Discuss any reports that have not been input into GLS with Service Center.</p> <p>The following GLS Report GLSSR04 summarizes reports due.</p> <div><div>CAA172 GLSSR02</div><div>United States Department of Agriculture FARM SERVICE AGENCY PAST DUE STATUS AND DEFAULT STATUS REPORT</div><div>TOTAL NUMBER OF LENDER BRANCHES WITH STATUS REPORTS PAST DUE 9 TOTAL NUMBER OF LOANS WITH STATUS REPORTS PAST DUE 15</div><div>SERVICING STATE:</div><table><tr><th>SVC ST/CNTY</th><th>GEO ST/CNTY</th><th>BORR ID/ LNR ID</th><th>LOAN/ BRCH</th><th>BORROWER NAME/ LENDER NAME</th><th>DATE OF LOAN</th><th>REPORT TYPE</th><th>REPORT DUE DATE</th><th>LOAN TYPE</th></tr><tr><td></td><td></td><td>51 2</td><td>001</td><td>D BANK</td><td>11/10/2009</td><td>DEFAULT STATUS</td><td>06/07/2013</td><td>FO</td></tr></table></div> <div><div>CAA172 GLSSR04</div><div>United States Department of Agriculture FARM SERVICE AGENCY Past Due Status and Default Status Summary Report</div><div>Total Number of Lender Branches with Status Reports Past Due 9 Total Number of Loans with Status Reports Past Due 15</div><table><tr><th>Servicing State</th><th>Number of Past Due Status Reports</th><th>Number of Past Due Default Status Reports</th></tr><tr><td>A</td><td>2</td><td>13</td></tr></table></div>	SVC ST/CNTY	GEO ST/CNTY	BORR ID/ LNR ID	LOAN/ BRCH	BORROWER NAME/ LENDER NAME	DATE OF LOAN	REPORT TYPE	REPORT DUE DATE	LOAN TYPE			51 2	001	D BANK	11/10/2009	DEFAULT STATUS	06/07/2013	FO	Servicing State	Number of Past Due Status Reports	Number of Past Due Default Status Reports	A	2	13
SVC ST/CNTY	GEO ST/CNTY	BORR ID/ LNR ID	LOAN/ BRCH	BORROWER NAME/ LENDER NAME	DATE OF LOAN	REPORT TYPE	REPORT DUE DATE	LOAN TYPE																	
		51 2	001	D BANK	11/10/2009	DEFAULT STATUS	06/07/2013	FO																	
Servicing State	Number of Past Due Status Reports	Number of Past Due Default Status Reports																							
A	2	13																							

**DD FLP Oversight Review User Guide (Continued)**

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**E Part B: Semiannual Reviews (Continued)**

**3 Guaranteed Loan Servicing (Continued)**

**A Semiannual and Default Status Reports and Delinquent Loan Accounts (Continued)**

<b>Question</b>	<b>Source</b>
4: FLP staff is following-up on servicing actions for delinquent accounts. FLM is reviewing loss claims	Discuss the follow-up actions being taken on each account that is delinquent and/or has an anticipated loss claim with Service Center. List all delinquent accounts on this report.  Access from GLS reports, <b>GLS2001, Lists of Delinquent Borrowers</b> report. The report displays delinquent loan information by mail code for all loans past due.
5: List delinquent accounts	

**DD FLP Oversight Review User Guide (Continued)**

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**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 SEL borrower files to be reviewed for FY	<p>Access from GLS Reports, GLS Status Reports Code <b>GLS2003, Guaranteed Loans by Lender Caseload.</b></p> <p>Report lists guaranteed loan information by lender ID within lender name, giving a total amount by lender.</p> <p>Review and discuss the report with FLM, FLO, and/or SFLO.</p> <p>Review items:</p> <ul style="list-style-type: none"> <li>• (1), (3), and (5) will be determined by the number of borrowers for each lender, and the percentage required to be reviewed based on lender status according to 2-FLP, subparagraph 267 B.</li> <li>• (2), (4), and (6) will be determined through discussion with FLM, FLO, and/or SFLO.</li> </ul>
2: Number of SEL borrower files reviewed year to date	
3: Required number of CLP borrower files to be reviewed for FY	
4: Number of CLP borrower files reviewed year to date	
5: Required number of PLP borrower files to be reviewed for FY	
6: Number of PLP borrower files reviewed year to date	

## **DD FLP Oversight Review User Guide (Continued)**

### **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 surveys are completed annually	<p>Each October, an authorized agency official shall contact local lenders to obtain their underwriting criteria for making agricultural loans. A summary of this information should be kept in the Operational Files. Review to determine if this information was obtained.</p> <p>For information about borrower graduation requirements, see 4-FLP, Part 4.</p> <table><tr><th colspan="6">Lender Agricultural Loan Underwriting Standards</th></tr><tr><th colspan="6">Short-Term Credit</th></tr><tr><th></th><th>Lender</th><th>Lender</th><th>Lender</th><th>Lender</th><th>Applicant</th></tr><tr><td>Date Completed</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Name</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Lending Limit</td><td></td><td></td><td></td><td></td><td>N/A</td></tr><tr><td>Minimum Loan Size</td><td></td><td></td><td></td><td></td><td>N/A</td></tr><tr><td>Percent Equity</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Percent Repayment Margin</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Types of Security Required</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Maximum Loan to Security Value</td><td></td><td></td><td></td><td></td><td>N/A</td></tr><tr><td>Maximum Term of Loan</td><td></td><td></td><td></td><td></td><td>N/A</td></tr></table> <p>Information gathered from local lenders should be summarized on a table such as 4-FLP, Exhibit 22 representing Short Term, Intermediate Term, and Long Term Credit.</p>	Lender Agricultural Loan Underwriting Standards						Short-Term 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
Lender Agricultural Loan Underwriting Standards																																																																									
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	Lender	Lender	Lender	Lender	Applicant																																																																				
Date Completed																																																																									
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Types of Security Required																																																																									
Maximum Loan to Security Value					N/A																																																																				
Maximum Term of Loan					N/A																																																																				

## DD FLP Oversight Review User Guide (Continued)

### F Part C: Annual Reviews (Continued)

#### 1 Direct Loan Servicing (Continued)

##### A Borrower Graduation (Continued)

Question	Source
2: Graduation potential for borrowers is documented in each borrower's *--FBP file--* and the operational file as appropriate	<p>Graduation reviews should be conducted for all borrowers who classify as a "1" or "2".</p> <p>From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select <b>"OY FL PDM Graduation Review Monitoring Report"</b>. From the Graduation Review Monitoring Report Screen, create the report to determine borrowers who classify as "1" and "2", but have not yet had a graduation review. Discuss with the Service Center to determine when graduation reviews will be completed for these borrowers.</p> <p><b>Notes:</b> Answer <b>"Yes"</b> only if all required reviews have been completed for the FY, and explain the Service Center plan of action to complete the reviews.</p> <p>Report can be set up to pull all Graduation Reviews "Not Completed" (CLICK <b>"Scheduled Date"</b>) or "Completed" (CLICK <b>"Completion Date"</b>) for the Service Center during the current FY.</p>
	<p>The screenshot displays the 'Graduation Review Monitoring Report' interface. It features four dropdown menus for selection criteria: State (with a list of states including Alabama, Alaska, Arizona, Arkansas, California, and Colorado), District (with options like All Districts, 01-501, 01-502, 01-503, and 01-504), Servicing Office (with options like All Service Offices, 01-305 Tuscaloosa, 01-308 Elmore, 01-309 Coffee, 01-311 Lawrence, 01-313 Dekalb, and 01-317 Monroe), and County (with options like All Counties, 01-004 Bibb, 01-029 Fayette, 01-032 Greene, 01-033 Hale, 01-038 Lamar, and 01-053 Perry). Below these are status filters for 'Not Completed' and 'Completed'. A date range is set from 'October 01 2012' to 'September 30 2013', with radio buttons for 'Scheduled Date' (selected) and 'Completed Date'. At the bottom, there are sort options (by Service Office, Scheduled Date, Borrower Name) each with 'Ascending' and 'Descending' radio buttons, and report format options (PDF Format, Excel Format, Print, Hyperion Format) with a 'Run Report' button and a 'Reset All' button.</p>

**DD FLP Oversight Review User Guide (Continued)**

**F Part C: Annual Reviews (Continued)**

**1 Direct Loan Servicing (Continued)**

**A Borrower Graduation (Continued)**

Question	Source										
3: Follow-up is completed for borrowers who are asked to graduate	<p>Borrower accounts that are determined eligible for graduation will be submitted to local lenders using a borrower prospectus similar to 4-FLP, Exhibit 24.</p> <p>4-FLP, Exhibit 24 is used to determine local lender interest in refinancing a specific operation.</p> <p>Discuss the status of any borrower that has been asked to graduate with the Service Center.</p> <div><div>4-FLP, Exhibit 24</div><p>(Use Agency Letterhead format with local return address.)</p><p><b>BORROWER PROSPECTUS</b></p><p>Dear:</p><p>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.</p><p>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:</p><table><tr><th>Name</th><th>Eligible for FSA Loan Guar.</th><th>Total Amount Existing FSA Term Loan(s)</th><th>Estimated Production Loan Needed</th><th>Lender Use Do Not Refer</th></tr><tr><td></td><td>YES NO</td><td></td><td></td><td>Refer</td></tr></table></div>	Name	Eligible for FSA Loan Guar.	Total Amount Existing FSA Term Loan(s)	Estimated Production Loan Needed	Lender Use Do Not Refer		YES NO			Refer
Name	Eligible for FSA Loan Guar.	Total Amount Existing FSA Term Loan(s)	Estimated Production Loan Needed	Lender Use Do Not Refer							
	YES NO			Refer							

DD FLP Oversight Review User Guide (Continued)

F Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

A Borrower Graduation (Continued)

Question	Source
3: Follow-up is completed for borrowers who are asked to graduate (Continued)	<p>If lenders exhibit interest in refinancing, the borrower is provided with a letter similar to 4-FLP, Exhibit 25, instructing them to begin the process of refinancing the FSA debt.</p> <p>4-FLP, Exhibit 25 is used to notify borrowers that lenders are interested in refinancing their FSA debt. Borrower responses to this letter should *--be documented in FBP.--*</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p style="text-align: right;"><b>4-FLP, Exhibit 25</b></p> <p>(Use Agency Letterhead format with local return address.)</p> <p style="text-align: center;"><b>LETTER TO NOTIFY BORROWERS TO REFINANCE THEIR FSA INDEBTEDNESS</b></p> <p>Dear:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>This approximate balance is \$ ____.</p> </div>

## DD FLP Oversight Review User Guide (Continued)

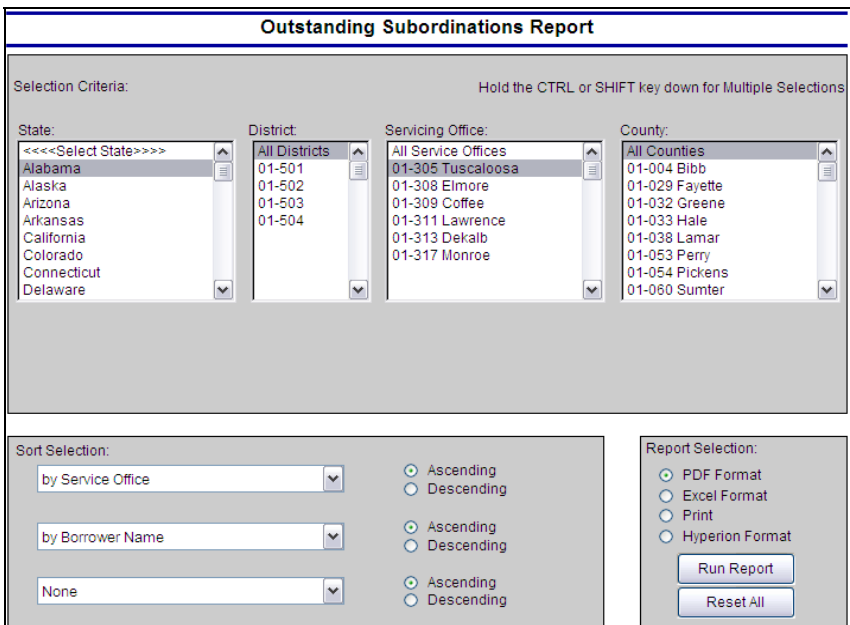
### F Part C: Annual Reviews (Continued)

#### 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 Outstanding Subordination Report Screen, create the report to generate a list of all borrowers with outstanding subordinations.
2: FLP staff is monitoring outstanding subordination	<p>Discuss all outstanding subordinations with the Service Center to ensure that the accounts are being monitored and serviced.</p> <p><b>Note:</b> The following example report is set to provide information for a single Service Center. The report will contain information for all outstanding subordinations.</p> 

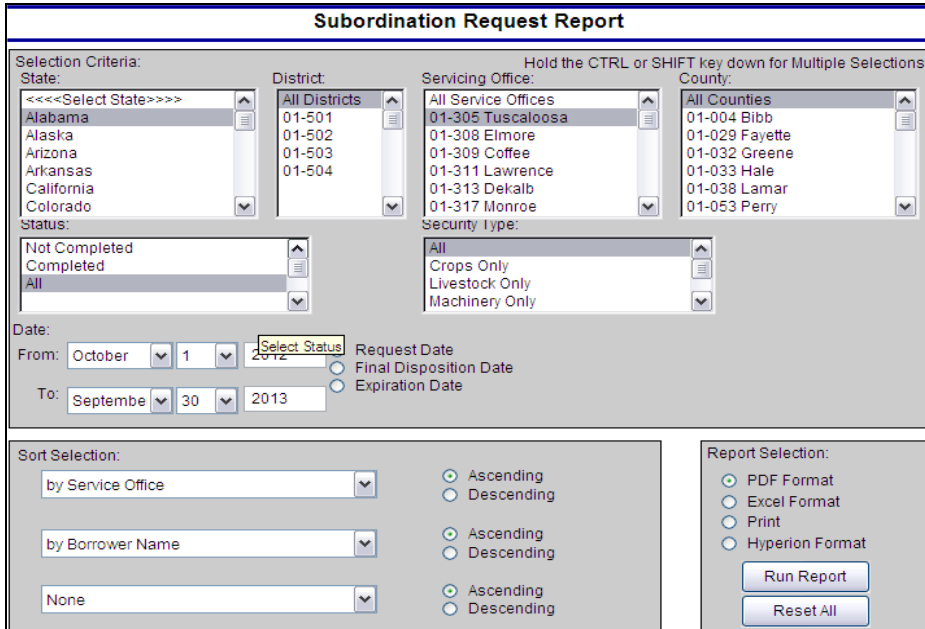


# DD FLP Oversight Review User Guide (Continued)

## 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"	<p>From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select <b>"OY FLPDM Subornation Request Report"</b>. 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 <b>"Run Report"</b>:</p> <ul style="list-style-type: none"> <li>• "Status", <b>"All"</b></li> <li>• "Security Type", <b>"All"</b></li> <li>• "Date", "From" and "To", select all FY to date and CLICK <b>"Request Date"</b> radio button</li> <li>• "Sort Selection": <ul style="list-style-type: none"> <li>• <b>"by Service Office"</b></li> <li>• <b>"by Borrower Name"</b>.</li> </ul> </li> </ul>
	 <p>The screenshot displays the 'Subordination Request Report' interface. It includes sections for 'Selection Criteria' (State, District, Servicing Office, County), 'Status' (Not Completed, Completed, All), 'Date' (From/To date pickers, Request Date/Expiration Date radio buttons), 'Sort Selection' (by Service Office, by Borrower Name, None), and 'Report Selection' (PDF Format, Excel Format, Print, Hyperion Format). A 'Run Report' button is visible at the bottom right.</p>

**DD FLP Oversight Review User Guide (Continued)**

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**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” (Continued)	Ensure that the original subordination document was marked paid-in-full and returned.  The final column of the report indicates the date the subordination was paid-in-full.

**DD FLP Oversight Review User Guide (Continued)**

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**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 Name	Select 5 chattel-secured borrowers at random from Data Mart Direct Loan Servicing/Routine Servicing, <b>OY FLPDM Status of Farm Loan Programs (540) Report.</b>

## DD FLP Oversight Review User Guide (Continued)

### F Part C: Annual Reviews (Continued)

#### 1 Direct Loan Servicing (Continued)

#### C Chattel Security Accounting (Continued)

Question	Source
2: UCC filings have been properly continued or amended as applicable and the management system has been updated for correct follow-up date	<p>From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select <b>“OY FLPDM Borrower Financing Statement Combined 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>:</p> <ul style="list-style-type: none"> <li>• “Status”, <b>“All”</b></li> <li>• “Date”, “From” and “To”, desired range and CLICK <b>“No Date Selected”</b> radio button</li> <li>• “Report Selection”, CLICK <b>“Detail Report”</b> radio button</li> <li>• “Borrower”, locate and select the borrower.</li> </ul>
	<p>The screenshot displays the 'Borrower Financing Statement Detail/Monitoring Report' interface. It features several dropdown menus for selection criteria: State (Alabama), District (All Districts), Servicing Office (01-305 Tuscaloosa), and County (All Counties). Below these are fields for Date (From: January 1, 2013 to March 31, 2013) and Status (All). The Report Selection section has radio buttons for Detail Report (selected) and Monitoring Report. The Borrower field shows 'All Borrowers'. The Sort Selection section has dropdowns for by Service Office, None, and None, with radio buttons for Ascending and Descending. The Report Selection section at the bottom has radio buttons for PDF Format (selected), Excel Format, Print, and Hyperion Format, along with Run Report and Reset All buttons.</p>

DD FLP Oversight Review User Guide (Continued)

F Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

C Chattel Security Accounting (Continued)

Question	Source																																												
2: UCC filings have been properly continued or amended as applicable and the management system has been updated for correct follow-up date (Continued)	<p>Review the resulting Borrower Financing Statement Detail Report to see if the borrower select has:</p> <ul style="list-style-type: none"><li>financing statements that are in need of continuation</li><li>expired financing statements</li><li>followup dates (displayed on the screen as “<b>Alert Date</b>”) listed for the next action on the financing statement.</li></ul> <p>Report will indicate the last filing/continuation date and the next expiration date.</p> <div><div>UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY DIRECT LOAN SERVICING Borrower Financing Statement Detail Report</div><div><div>Status: All Date: 08/15/2016 District: All Districts Service Office: - County: All Counties File Date Selected</div><table><thead><tr><th>FLP Mail Code</th><th>Servicing Office</th><th>Borrower Name</th><th>Case Nbr</th><th>Security Instrument</th><th>Filing Number</th><th>Filing Date</th><th>St/Cty Where Filed</th><th>Sec Instr Type</th><th>Alert Date</th><th>Expiration Date</th></tr></thead><tbody><tr><td>C</td><td></td><td></td><td>L</td><td>Original</td><td>06-0718251</td><td>08/15/2006</td><td>01-000</td><td>CFS</td><td>02/15/2016</td><td>08/15/2016</td></tr><tr><td></td><td></td><td></td><td>L</td><td>Continuation</td><td>06-0718251</td><td>08/02/2011</td><td>01-000</td><td>CFS</td><td>02/02/2016</td><td>08/02/2016</td></tr><tr><td></td><td></td><td></td><td>L</td><td>Original</td><td>11-0355381</td><td>08/02/2011</td><td>01-000</td><td>CFS</td><td>02/02/2016</td><td>08/02/2016</td></tr></tbody></table><div>SECURITY INSTRUMENT TYPE: UCC - Uniform Commercial Code CFS - Centralized Filing System EFS - Effective Filing System FFS - Fixture Filing Statement MVL - Motor Vehicle Lien INL - In-Lieu Financing Statement</div></div></div>	FLP Mail Code	Servicing Office	Borrower Name	Case Nbr	Security Instrument	Filing Number	Filing Date	St/Cty Where Filed	Sec Instr Type	Alert Date	Expiration Date	C			L	Original	06-0718251	08/15/2006	01-000	CFS	02/15/2016	08/15/2016				L	Continuation	06-0718251	08/02/2011	01-000	CFS	02/02/2016	08/02/2016				L	Original	11-0355381	08/02/2011	01-000	CFS	02/02/2016	08/02/2016
FLP Mail Code	Servicing Office	Borrower Name	Case Nbr	Security Instrument	Filing Number	Filing Date	St/Cty Where Filed	Sec Instr Type	Alert Date	Expiration Date																																			
C			L	Original	06-0718251	08/15/2006	01-000	CFS	02/15/2016	08/15/2016																																			
			L	Continuation	06-0718251	08/02/2011	01-000	CFS	02/02/2016	08/02/2016																																			
			L	Original	11-0355381	08/02/2011	01-000	CFS	02/02/2016	08/02/2016																																			

## DD FLP Oversight Review User Guide (Continued)

### F Part C: Annual Reviews (Continued)

#### 1 Direct Loan Servicing (Continued)

#### C Chattel Security Accounting (Continued)

Question	Source
3: Annual inspections of chattels are completed as required	<p>From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select “<b>OY FLPDM Farm Visit Workflow Report</b>”. From the Farm Visit Workflow Report Screen, create the report for Chattel Inspections to determine if chattel security has been inspected this year. To create the report for chattel inspections <b>only</b>, select the following and CLICK “<b>Run Report</b>”:</p> <ul style="list-style-type: none"> <li>• “Status”, “<b>All</b>”</li> <li>• “Visit Type”, “<b>Chattel Inspection</b>”</li> <li>• “Date”, “From” and “To”, select desired range and CLICK “<b>Scheduled Date</b>” or “<b>Completion Date</b>” radio button.</li> </ul>

**Farm Visit Workflow Report**

Selection Criteria: Hold the CTRL or SHIFT key down for Multiple Selections

State: <<<Select State>>> Alabama Alaska Arizona Arkansas California Colorado	District: All Districts 01-501 01-502 01-503 01-504	Servicing Office: All Service Offices 01-305 Tuscaloosa 01-308 Elmore 01-309 Coffee 01-311 Lawrence 01-313 Dekalb 01-317 Monroe	County: All Counties 01-004 Bibb 01-029 Fayette 01-032 Greene 01-033 Hale 01-038 Lamar 01-053 Perry
--	--	--	--

Status: Not Completed Completed <b>All</b>	Visit Type: All <b>Chattel Inspection</b> Crop Inspection Development Inspection
---	--

Date:

From: October 01 2012 ☒ Scheduled Date ☐ Completion Date ☐ Completed by Contractor

To: September 30 2013

Sort Selection: by Service Office <input type="radio"/> Ascending <input checked="" type="radio"/> Descending by Borrower Name <input type="radio"/> Ascending <input checked="" type="radio"/> Descending None <input type="radio"/> Ascending <input checked="" type="radio"/> Descending	Report Selection: <input checked="" type="radio"/> PDF Format <input type="radio"/> Excel Format <input type="radio"/> Print <input type="radio"/> Hyperion Format <input type="button" value="Run Report"/> <input type="button" value="Reset All"/>
--	---

**DD FLP Oversight Review User Guide (Continued)**

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**F Part C: Annual Reviews (Continued)**

**1 Direct Loan Servicing (Continued)**

**C Chattel Security Accounting (Continued)**

Question	Source
3: Annual inspections of chattels are completed as required (Continued)	The Chattel Inspection Report will indicate date of completed or scheduled inspections, based on selection made on the Farm Visit Workflow Report Screen.  Discuss with Service Center the plan for ensuring chattel security is accounted for on inspections that have not been completed.

## DD FLP Oversight Review User Guide (Continued)

### F Part C: Annual Reviews (Continued)

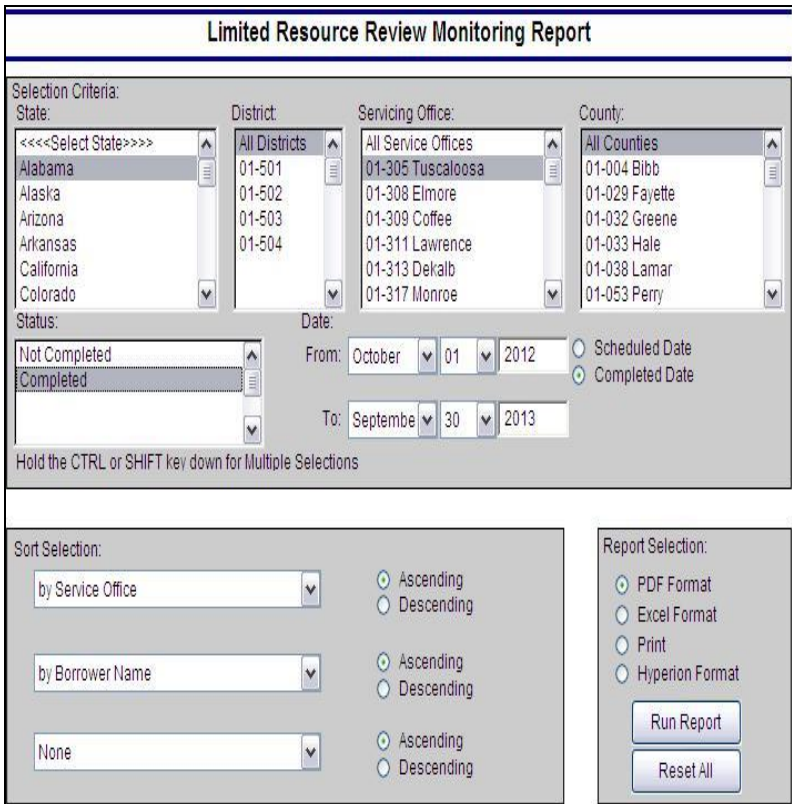
#### 1 Direct Loan Servicing (Continued)

##### 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	<p>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.</p> 



## 1 Direct Loan Servicing (Continued)

Question	Source																																																								
2: Analysis is completed and continued need for LR rates is documented *--in FBP--*	<p>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”.</p> <p>Discuss with Service Center any reviews that have not been completed.</p> <p>Examine borrower case files to ensure that analysis documentation and limited resource rate determination has been made as part of all limited resource rate reviews.</p> <p>Review 4-FLP, Part 3 and discuss with Service Center if there are issues with their determination.</p> <div> <div> UNITED STATES DEPARTMENT OF AGRICULTURE  FARM SERVICE AGENCY  DIRECT LOAN SERVICING  Limited Resource Review Monitoring Report </div> <div> Page 1  07/17/2013  03:43 PM </div> <div> Status: Not Completed  State:  District: All Districts  Service Office: All Servicing Offices  County: All Counties  Scheduled Date: 10/01/2012 - 09/30/2013 </div> <table> <thead> <tr> <th colspan="2">FLP</th> <th colspan="2">Case Nbr</th> <th colspan="2">Ln Nbr</th> <th>Date Loan</th> <th>Closed</th> <th>Loan Amount</th> <th>Current Interest Rate</th> <th>Flags</th> <th>Scheduled Date</th> <th>Effective Date</th> <th>Completed Date</th> </tr> <tr> <th>Code</th> <th>Svc Office</th> <th>Borrower Name</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>Y</td> <td></td> <td>8</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>06/22/2012</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Y</td> <td></td> <td>4</td> <td></td> <td></td> <td></td> <td>PLS</td> <td></td> <td>09/20/2013</td> <td></td> <td></td> </tr> </tbody> </table> </div>	FLP		Case Nbr		Ln Nbr		Date Loan	Closed	Loan Amount	Current Interest Rate	Flags	Scheduled Date	Effective Date	Completed Date	Code	Svc Office	Borrower Name															Y		8						06/22/2012						Y		4				PLS		09/20/2013		
FLP		Case Nbr		Ln Nbr		Date Loan	Closed	Loan Amount	Current Interest Rate	Flags	Scheduled Date	Effective Date	Completed Date																																												
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			Y		4				PLS		09/20/2013																																														

## **DD FLP Oversight Review User Guide (Continued)**

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### **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”.

<b>Question</b>	<b>Source</b>
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.
4: 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.--*

**DD FLP Oversight Review User Guide (Continued)**

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**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 guaranteed lenders to ascertain the quality of program delivery in the Service Center.	Discussion with borrowers and/or *--lenders. FBP documentation--* <b>required.</b>

## DD FLP Oversight Review User Guide (Continued)

### 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”

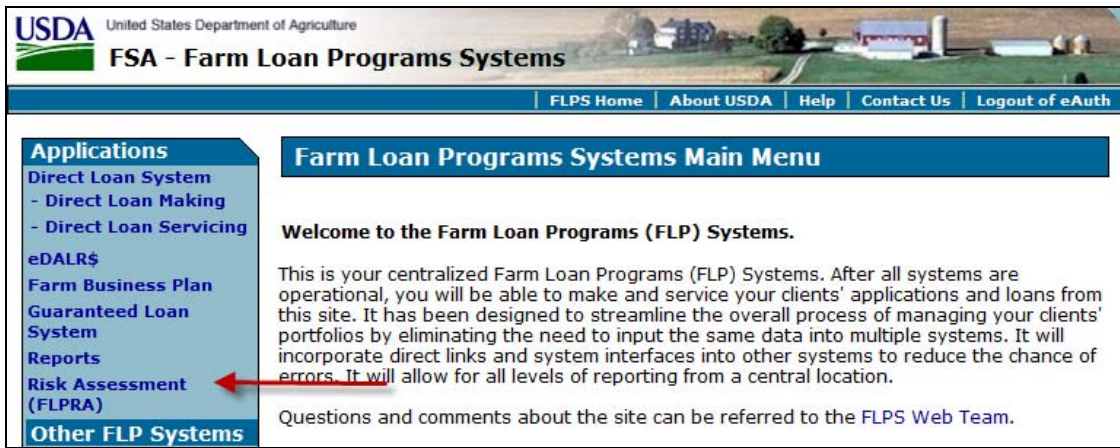
**Mandatory** to be completed within **1st quarter following the FLPRA review**.

Question	Source
1: Date of FLPRA Review by State Office	All review scores are entered in the FLPRA database along with the review date.
2: Date findings were discussed with FLP staff	This date may or may not be the review date entered in FLPRA database. Check with the Service Center or State Office for this 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.

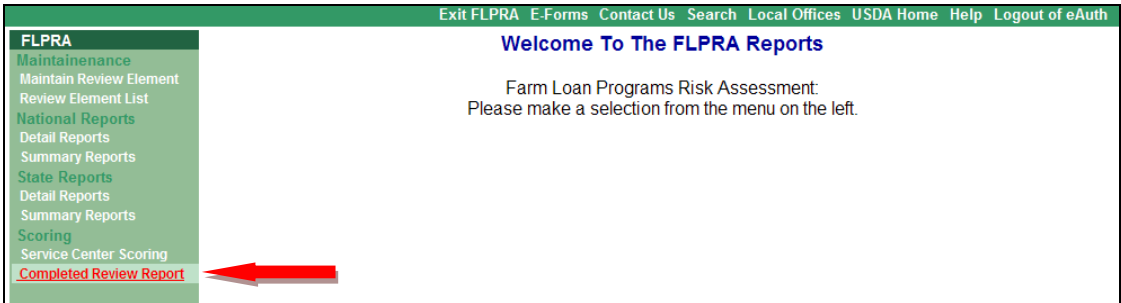
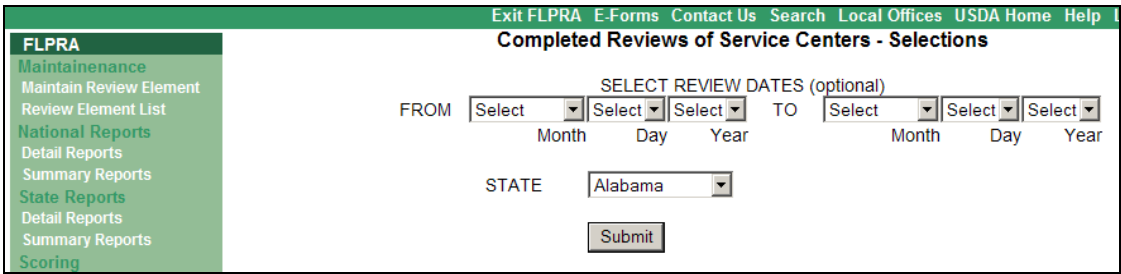
Follow these steps to access Service Center FLPRA scores.

Step	Action
1	<p>From the Farm Loan Programs Systems Main Menu, under “Applications”, CLICK <b>“Risk Assessment FLPRA”</b>.</p> 

## DD FLP Oversight Review User Guide (Continued)

### G Part D: Additional Reviews (Continued)

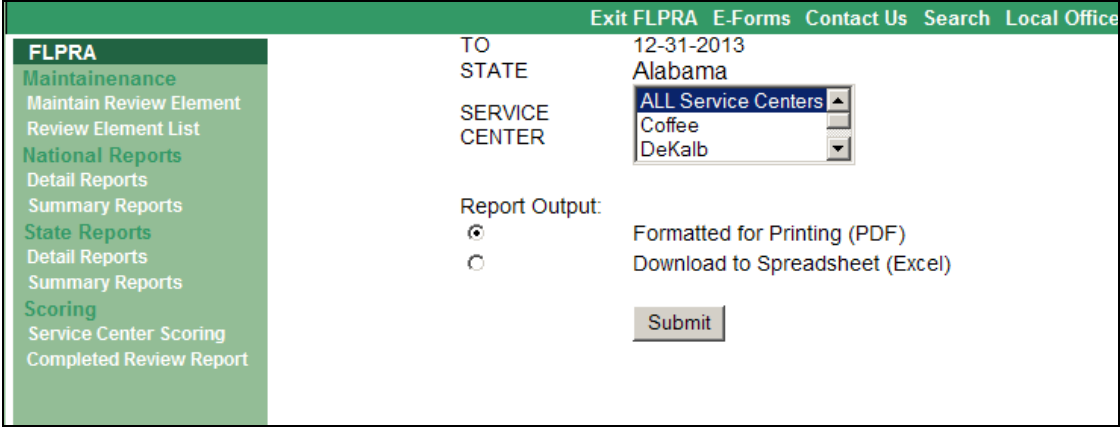
#### 1 “Farm Loan Program Risk Assessment (FLPRA) Reviews” (Continued)

Step	Action
2	<p>The Welcome To The FLPRA Reports Screen will be displayed. Under “FLPRA”, “Scoring”, CLICK “<b>Completed Review Report</b>”.</p> 
3	<p>The Completed Reviews of Service Centers – Selections Screen will be displayed. Use the following and CLICK “<b>Submit</b>”:</p> <ul style="list-style-type: none"> <li>• “From” and “To” drop-down lists to select dates</li> <li>• “State” drop-down list to select applicable State.</li> </ul> 

## DD FLP Oversight Review User Guide (Continued)

### G Part D: Additional Reviews (Continued)

#### 1 “Farm Loan Program Risk Assessment (FLPRA) Reviews” (Continued)

Step	Action																																													
4	<p>The following screen will be displayed. Use the following and CLICK “Submit”:</p> <ul style="list-style-type: none"> <li>• “Service Center” drop-down list to select the office being reviewed</li> <li>• “Report Output” radio button to select PDF or Excel report format.</li> </ul>  <p>In the following example Excel format report, the FLPRA review date is displayed.</p> <table border="1"> <thead> <tr> <th colspan="9">U.S. DEPARTMENT OF AGRICULTURE FSA - FARM LOAN PROGRAMS COMPLETED REVIEW OF SERVICE CENTERS PREPARED: Jan 24, 2014 10:21:02 AM</th> </tr> <tr> <th colspan="4"></th><th></th><th colspan="4">CLASSIFICATION</th> </tr> <tr> <th>STATE</th><th>SVCG OFC CODE</th><th>SERVICE CENTER CITY</th><th>COUNTY</th><th>LAST REVIEW DATE</th><th>FI</th><th>PO</th><th>PM</th><th>CS</th> </tr> </thead> <tbody> <tr> <td>ZZ</td><td>1234</td><td>Any town</td><td>Any County</td><td>9/14/2009</td><td>2</td><td>2</td><td>2</td><td>2</td> </tr> <tr> <td></td><td>1234</td><td>Any town</td><td>Any county</td><td>7/23/2013</td><td>2</td><td>2</td><td>2</td><td>2</td> </tr> </tbody> </table>	U.S. DEPARTMENT OF AGRICULTURE FSA - FARM LOAN PROGRAMS COMPLETED REVIEW OF SERVICE CENTERS PREPARED: Jan 24, 2014 10:21:02 AM														CLASSIFICATION				STATE	SVCG OFC CODE	SERVICE CENTER CITY	COUNTY	LAST REVIEW DATE	FI	PO	PM	CS	ZZ	1234	Any town	Any County	9/14/2009	2	2	2	2		1234	Any town	Any county	7/23/2013	2	2	2	2
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## DD FLP Oversight Review User Guide (Continued)

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### 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 staff; strategy developed for correcting deficiencies and preventing further occurrences of review findings	Check with the Service Center or State Office for the date if not present when discussed.

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.

## DD FLP Oversight Review User Guide (Continued)

### I Example of Completed Oversight Report

The following is an example of a completed oversight report.

Report Print Page		Page 1 of 9	
FSA 2101		Report Generated On: 7/22/2013	
<b>U.S. Department of Agriculture</b> Farm Service Agency  <b>DD FLP OVERSIGHT REPORT GUIDE</b> <b>First Quarter Report</b> For Reviews Completed for the Period of 10/1/2011 through 12/31/2011. <i>(District Director should complete this review before 1/31/2012.)</i>			
<b>1.STATE</b>	<b>2.DISTRICT NUMBER</b> D-01	<b>3.SERVICE CENTER</b> 1 Service Center	<b>4.FISCAL YEAR</b> 2012
<b>Part A. Quarterly Review 1. Direct Loan Making : Review Of Direct Loan Applications</b> <b>A. Complete/Approved Application File Reviews</b>			
1. Applicant Name 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) 3. Applicant was notified of receipt of complete application 4. Applicants were notified within 5 days of an eligibility determination 5. Appropriate environmental assessment completed 6. If application was held over 45 days without a loan decision, was a reason entered in DLS? 7. Credit decision (approval) was made within 60 days of receipt of complete loan application			
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
	Yes	Yes	Yes
	Yes	Yes	Yes
	Yes	Yes	Yes
	Yes	Yes	Yes
	Yes	Yes	Yes
<b>Part A. Quarterly Review 1. Direct Loan Making : Review Of Direct Loan Applications</b> <b>B. Incomplete Application File Reviews</b>			
1. Applicant Name 2. Required notifications were sent to applicants within required timeframes 3. Items needed for a complete application are clearly identified in notifications 4. Applicants are notified of required due dates for items needed for complete application			
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
	Yes	Yes	Yes
	Yes	Yes	Yes
	Yes	Yes	Yes
<b>Part A. Quarterly Review 1. Direct Loan Making : Review Of Direct Loan Applications</b> <b>C. Withdrawn Application File Reviews</b>			
1. Applicant Name 2. SDA 3. Reason for the withdrawal of application is clearly documented			



DD FLP Oversight Review User Guide (Continued)

I Example of Completed Oversight Report (Continued)

Report Print Page					Page 2 of 9	
<p>4. A complete application was received?</p> <p>5. If a complete application was not received, an effort was made to obtain a complete application</p> <p>6. ECOA and non-discrimination statements have been included in correspondence to applicant</p>						
(1)	(2)	(3)	(4)	(5)	(6)	
	Yes	Yes	No	Yes	Yes	
	Yes	Yes	No	Yes	Yes	
	Yes	Yes	No	Yes	Yes	

**Part A. Quarterly Review 1. Direct Loan Making : Review Of Direct Loan Applications**

**D. Rejected Application File Reviews**

1. Applicant Name

2. SDA

3. Reasons for denial including applicable citations of requirements from CFR sections are clearly documented in the notification letter to the applicant

4. Appropriate review/appeal rights were 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-FL

(1)	(2)	(3)	(4)	(5)
	No	Yes	Yes	Yes
	No	Yes	Yes	Yes

**Part A. Quarterly Review 2. Guaranteed Loan Making : Review Of Guaranteed Loan Applications**

1. Applicant Name

2. Lender Name

3. Lender Type

4. 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)

5. Lender was notified of incomplete and/or complete application within timeframes prescribed in 2-FLP

6. Eligibility of borrower and loan purposes have been evaluated; denial/withdrawal are thoroughly documented and appropriate appeal/review rights were provided

7. Processing times are within timeframes prescribed in 2-FLP for lender type

8. Appropriate environmental assessment completed

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Federal Land Bank	PLP	Yes	Yes	Yes	Yes	Yes
	Federal Land Bank	PLP	Yes	Yes	Yes	Yes	Yes
	Bank	PLP	Yes	Yes	Yes	Yes	Yes
	Farm Credit	PLP	Yes	Yes	Yes	Yes	Yes

**Part A. Quarterly Review 3. Direct Loan Servicing A. Delinquent Account Servicing**

**I. Borrowers With Loans 90 Days Or More Past Due**

1. Borrower Name

2. PLS history report indicates a PLS notice was sent within 15 calendar days of borrower's account becoming 90 days past due.

DD FLP Oversight Review User Guide (Continued)

I Example of Completed Oversight Report (Continued)

Report Print Page				Page 3 of 9
3. Offset notice was sent at the same time as the PLS notice (required when account is in monetary default) 4. Enter anticipated resolution 5. Enter target date for resolution of delinquency				
(1)	(2)	(3)	(4)	(5)
	Yes	Yes	5- Other: enter explanation in comments	03/31/2012
	Yes	Yes	1- Borrower to pay current: enter source of funds in comments	02/29/2012
	Yes	Yes	1- Borrower to pay current: enter source of funds in comments	01/18/2012
	Yes	Yes	5- Other: enter explanation in comments	03/30/2012
	No	NA	5- Other: enter explanation in comments	02/29/2012
<b>Part A. Quarterly Review 3. Direct Loan Servicing A. Delinquent Account Servicing</b> <b>II. Borrowers With Loans Less Than 90 Days Past Due</b>				
1. Borrower Name 2. Delinquency can be resolved before account enters 90 days past due 3. Anticipated Resolution 4. Target Date for resolution of delinquency				
(1)	(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 pay account current.	01/18/2012	
	Yes	Borrower to pay account current.	01/18/2012	
	Yes	Borrower to pay account current.	01/18/2012	
	No	Borrower to pay account current.	06/29/2012	
	No	Borrower to pay account current.	09/07/2012	
	Yes	Borrower to pay account 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	
<b>Part A. Quarterly Review 3. Direct Loan Servicing A. Delinquent Account Servicing</b> <b>III. Borrowers With Loans That May Require Attention</b>				
1. Borrower Name 2. Account Flag				

DD FLP Oversight Review User Guide (Continued)

I Example of Completed Oversight Report (Continued)

Report Print Page		Page 4 of 9		
3. Payments are being made and are current according to an approved plan or agreement 4. Accounts are serviced according to applicable regulations and/or handbook instructions				
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	
	SAA (Subject to Approved Adjustment)	Yes	Yes	
	SAA (Subject to Approved Adjustment)	Yes	Yes	
	SAA (Subject to Approved Adjustment)	Yes	Yes	
	BAP (Bankruptcy Action Pending)	Yes	Yes	
	ACL (Accelerated)	No	Yes	
	BAP (Bankruptcy Action Pending)	Yes	Yes	
	CAP (Court Action Pending)	No	Yes	
	ACL (Accelerated)	No	Yes	
	ACL (Accelerated)	No	Yes	
	BAP (Bankruptcy Action Pending)	Yes	Yes	
<b>Part A. Quarterly Review 3. Direct Loan Servicing B. Payments And Collections</b>				
1. Borrower/Account Name.(If collection was not made at this service center,also add the county name where collection was made.) 2. Payment(s) and collections are applied within prescribed time frames 3. Payment(s) are credited to the account(s) of the correct borrower 4. Payment(s) are applied to the borrower's loans according to 4-FLP 5. There is a proper separation of duties among employees handling transactions				
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes
<b>Part A. Quarterly Review 3. Direct Loan Servicing C. Chattel Security Accounting</b>				
1. Borrower Name 2. Dispositions and proceeds are recorded on FSA-2040 3. Funds are released in accordance with the FBP and FSA regulations as applicable 4. Work copy Security Agreement has been notated for any changes in collateral 5. FLM follows up on all apparent unauthorized dispositions; using Exhibit 31 to notify borrowers in all cases and obtains adequate documentation to enable post approval where applicable				
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
	Yes	Yes	Yes	NA
	Yes	Yes	Yes	NA
	Yes	Yes	Yes	NA

DD FLP Oversight Review User Guide (Continued)

I Example of Completed Oversight Report (Continued)

Report Print Page				Page 5 of 9
	Yes	Yes	Yes	NA
	Yes	Yes	Yes	NA
<b>Part A. Quarterly Review 4. Program Delivery FLP Goals : From FLP goals established by the National Office for your state</b>				
1. FLP Goal 2. State Goal 3. Service Center Goal 4. FLP Staff Progress				
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	
First year delinquency rate on new loans (%)	8.0	0	0	
Direct loan processing time ( Days)	30	0	0	
Guaranteed loan processing time ( Days)	12	0	0	
Lending to beginning farmers and ranchers (%)	27.60	0	0	
Lending to SDA farmers and ranchers (%)	31.90	0	0	
Direct loan delinquency rate (%)	8.50	0	0	
Guaranteed loan delinquency rate (%)	2.00	0	0	
Primary loan servicing processing time (%)	60	0	0	
<b>Part D. ADDITIONAL REVIEWS (Mandatory to be completed within first quarter following the review)</b>				
<b>1. Farm Loan Program Risk Assessment (FLPRA) Reviews</b>				
<input checked="" type="checkbox"/> This Review Area is not applicable for this reporting period				
1. Date of FLPRA Review by State Office 2. Date findings were discussed with FLP staff				
<b>There are no files to review.</b>				
<b>Part D. ADDITIONAL REVIEWS (Mandatory to be completed within first quarter following the review)</b>				
<b>2. County Operations Reviews (COR)</b>				
<input checked="" type="checkbox"/> This Review Area is not applicable for this reporting period				
1. Date of COR Review 2. Date findings were discussed with FLP staff				
<b>There are no files to review.</b>				
<b>Part E. CERTIFICATION District Director Signature</b>				
1. District Director Signature 2. Name of District Director 3. Date				
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>		
	I -	01/30/2012		

DD FLP Oversight Review User Guide (Continued)

I Example of Completed Oversight Report (Continued)

Report Generated On: 7/22/2013			
<b>Comments and Action Items Report</b> <b>First Quarter Report</b>			
1.STATE	2.DISTRICT NUMBER D-01	3.SERVICE CENTER Service Center	4.FISCAL YEAR 2012
<b>Quarterly Review ► Direct Loan Making ► Review Of Direct Loan Applications ► Withdrawn Application File Reviews ► (Record)</b>			
<b>Comment</b> 2nd letter should have been dated and mailed on 11/22. Actually dated 11/23. 1st letter dated 11/02.			
<b>Quarterly Review ► Direct Loan Making ► Review Of Direct Loan Applications ► Withdrawn Application File Reviews ► A Complete Application Was Received? (Review Item)</b>			
<b>Response</b> No			
<b>Comment</b> Application withdrawn.			
<b>Quarterly Review ► Direct Loan Making ► Review Of Direct Loan Applications ► Withdrawn Application File Reviews ► A Complete Application Was Received? (Review Item)</b>			
<b>Response</b> No			
<b>Comment</b> Complete Application was not received.			
<b>Quarterly Review ► Direct Loan Making ► Review Of Direct Loan Applications ► Withdrawn Application File Reviews ► (Record)</b>			
<b>Comment</b> Applicant is now working on a new application.			
<b>Quarterly Review ► Direct Loan Making ► Review Of Direct Loan Applications ► Withdrawn Application File Reviews ► A Complete Application Was Received? (Review Item)</b>			
<b>Response</b> No			
<b>Comment</b> Applicant did not provide all requested information.			
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans 90 Days Or More Past Due ► Enter Anticipated Resolution (Review Item)</b>			
<b>Response</b> 5- Other: enter explanation in comments			
<b>Comment</b> Borrower will not return calls. Field visit planned.			
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans 90 Days Or More Past Due ► (Record)</b>			
<b>Comment</b>			



DD FLP Oversight Review User Guide (Continued)

I Example of Completed Oversight Report (Continued)

Report Print Page	Page 7 of 9
Borrower waiting on sales of wheat crop stored in grain bin. Borrower should pay current.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans 9 Days Or More Past Due ► (Record)</b>	
<b>Comment</b> Paid current at time of review.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans 9 Days Or More Past Due ► Enter Anticipated Resolution (Review Item)</b>	
<b>Response</b> 5- Other: enter explanation in comments	
<b>Comment</b> Borrower may request restructuring.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans 9 Days Or More Past Due ► PLS History Report Indicates A PLS Notice Was Sent Within 1 Calendar Days Of Borrower's Account Becoming 90 Days Past Due. (Review Item)</b>	
<b>Response</b> No	
<b>Comment</b> Payment recieved prior to past due. \$40.00,UCC 1 filing fee to SOS. This is a no-monetary default. FLM is processing a request to STO stating that this is non-recoverable.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans 9 Days Or More Past Due ► Enter Anticipated Resolution (Review Item)</b>	
<b>Response</b> 5- Other: enter explanation in comments	
<b>Comment</b> Applicant paid loan off. UCC 1 filing fee of 40.00 is owed due to filing with SOS taking place prior to payoff of loan. Applica has been notified of payment due.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Anticipated Resolution (Review Item)</b>	
<b>Response</b> Borrower to pay account current.	
<b>Comment</b> Paid Current	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Delinquency Can Be Resolved Before Account Enters 90 Days Past Due (Review Item)</b>	
<b>Response</b> No	
<b>Comment</b> Borrower pays late.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Delinquency Can Be Resolved Before Account Enters 90 Days Past Due (Review Item)</b>	

## DD FLP Oversight Review User Guide (Continued)

### I Example of Completed Oversight Report (Continued)

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<b>Response</b> No <b>Comment</b> Borrower pays late	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Anticipated Resolution (Review Item)	
<b>Response</b> Borrower to pay account current. <b>Comment</b> Paid Current	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Anticipated Resolution (Review Item)	
<b>Response</b> Borrower to pay account current. <b>Comment</b> Paid Current	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Anticipated Resolution (Review Item)	
<b>Response</b> Borrower to pay account current. <b>Comment</b> Paid Current	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Delinquency Can Be Resolved Before Account Enters 90 Days Past Due (Review Item)	
<b>Response</b> No <b>Comment</b> Borrower always pays late. FLO will follow up.	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Delinquency Can Be Resolved Before Account Enters 90 Days Past Due (Review Item)	
<b>Response</b> No <b>Comment</b> Borrower always pays late. Last year offset gov. travel.	
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Delinquency Can Be Resolved Before Account Enters 90 Days Past Due (Review Item)	
<b>Response</b> No <b>Comment</b>	

DD FLP Oversight Review User Guide (Continued)

I Example of Completed Oversight Report (Continued)

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FLO to follow up with borrower.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans That May Require Attention ► _____ (Record)</b>	
<b>Comment</b> Graham indicated payment had been mailed.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans That May Require Attention ► _____ ► Payments Are Being Made And Are Current According To An Approved Plan Or Agreement (Review Item)</b>	
<b>Response</b> No	
<b>Comment</b> OIG conducting review.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans That May Require Attention ► _____ ► Payments Are Being Made And Are Current According To An Approved Plan Or Agreement (Review Item)</b>	
<b>Response</b> No	
<b>Comment</b> Case referred to WDC.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans That May Require Attention ► _____ ► Payments Are Being Made And Are Current According To An Approved Plan Or Agreement (Review Item)</b>	
<b>Response</b> No	
<b>Comment</b> Collection actions underway. Cattle to be picked up.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans That May Require Attention ► _____ ► Payments Are Being Made And Are Current According To An Approved Plan Or Agreement (Review Item)</b>	
<b>Response</b> No	
<b>Comment</b> Collection actions underway. Cattle to be picked up and sold.	
<b>Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans That May Require Attention ► _____ (Record)</b>	
<b>Comment</b> In process liquidating security.	



**\*-- Farm Real Estate SOW**

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**\*-- Farm Real Estate SOW**

**1. Background 2/**

The Farm Service Agency (FSA), an agency of the U. S. Department of Agriculture (USDA), makes and services loans secured by real estate. FSA needs appraisal reports to complete various direct loan making and loan servicing responsibilities. The Statement of Work (SOW) addresses FSA's requirements for farm/ranch, other than residential, real estate appraisal services.

**2. Objective 2/**

FSA intends for the Vendor to perform a real estate appraisal and to provide appraisal reports in a PDF version to FSA by the specified date. Timely delivery of the appraisal report is critical to the success of FSA's meeting its mission and providing loan assistance to farmers. The real properties with any described fixtures and chattels are to be appraised on any format allowed by Uniform Standards of Professional Appraisal Practices (USPAP). All appraisals must meet current USPAP's standards as of the effective date of the appraisal.

**3. Scope 2/**

The purpose of this SOW is for FSA to obtain a market value (12 CFR 34.42 (g)), see attached Exhibit 1, for definition of "Market Value," appraisal of a property by the described completion date. The appraiser is to fulfill the appraisal process and appraisal reporting standards of the USPAP in effect as of the effective date of the appraisal. Farm real estate appraisals shall be completed in accordance with USPAP and any other appraisal assignment conditions.

The appraiser shall furnish all materials, supplies, tools, equipment, personnel, and travel and shall complete all requirements of the Appraisal Order form or Purchase Order, and Engagement Letter by the specified date. This SOW applies to all farm and ranch appraisals for FSA.

Typically, the appraiser will appraise the property's fee simple interest in the "as is" condition unless otherwise stated in the engagement letter. Any additional improvements to the property described in the engagement letter would be considered "as improved." "As is" condition is the condition of the property as you find it during your inspection. FSA defines fee simple interest to include the air, surface, subsurface rights mineral estate and water rights, if applicable and observed or known easements/encumbrances.

FSA regulations require that the appraiser take into consideration at a minimum the three approaches to value: Sales Comparison approach, Cost approach and the Income approach. If the appraiser determines that any approach is not applicable it will be adequately explained in the Scope of Work of the appraisal report as required by USPAP. --\*

**\*-- Farm Real Estate SOW**

**4. Period of Performance 2/**

Typically, the period of performance is 30 calendar days from the date of the Engagement Letter or the Purchase Order unless otherwise defined. The appraiser should realistically estimate the timeframe to complete the appraisal assignment. The appraisal report must be received by the requesting office described in the engagement letter and/or work order. A request for an extension of the delivery date must include the reason for the extension and the timeframe that the appraisal report will be completed. Requests for an extension can be submitted via e-mail to the Appraisal Point of Contact (APOC) or the Contracting Officer (CO), if a purchase order was issued, as described in the work order. Written authorization for the extension or modification will be an e-mail response from the Agency.

**5. Work Requirements 2/**

The appraiser is to fulfill the appraisal process and reporting standards of the USPAP in effect as of the effective date of the appraisal. Farm real estate appraisals shall be completed in accordance with USPAP and any other assignment conditions as further defined in this SOW or the engagement letter.

**5.1 FSA's Appraisal Requirements**

In general, FSA has specific appraisal conditions and requirements for completing and reporting the market value of farm or ranch real estate and will be considered as to be part of the Appraisal Assignment. The specific conditions and requirements are described in this section.

**5.1.1 Appraiser 1/**

The appraiser conducting the appraisal must have a current Certified General License (or equivalent permit) for the state in which the subject is located or can obtain a temporary license from the State where the Subject property is located. No other individual may provide assistance with the appraisal development process without prior written consent from FSA.

**5.1.1.1 Notification Requirement of Individual Providing Assistance/Approval 1/**

If the appraiser will have an associate or assistant appraiser, who is registered with the State, providing assistance with the development of the appraisal assignment the appraiser or will visit the subject property must notify the APOC in writing and receive written approval. Clerical support and normal information gathering is an exception for approval. The appraiser will provide FSA information as follows:

- Associate's name
- State license or registration number, if provided by the State
- Length of employment with vendor or explanation of association if not an employee
- If background investigation has been completed by the State. Provide the date that the background investigation information was provided to the State.

Note: Date of license or registration certification would meet this requirement with a statement that background information was submitted with application for license/registration. --\*

**\*-- Farm Real Estate SOW**

If the State has not completed a background investigation, or the requirement of submitting fingerprints, and it is necessary for the individual to provide assistance with the development of the appraisal assignment, FSA may require their own background investigation. In this case, the APOC will provide additional information.

***5.1.2 Access to Property 1/***

FSA requires that vendor to notify the property owner prior to accessing the property. The vendor shall provide the applicant or the FSA representative the opportunity to accompany the vendor on the property inspection. If the property owner is unavailable or considered uncooperative, the vendor may request assistance and/or guidance from the APOC to coordinate inspection of the property and/or obtaining assistance from a FSA representative.

The authorization to provide appraisal services is the engagement letter. If requested by the property owner the vendor shall provide the engagement letter to the owner as justification to inspect the property and to obtain information necessary for the appraisal assignment.

***5.1.3 Client and Intended User***

Generally, FSA will be named as the Client and intended user. FSA will advise the vendor if there are additional intended users and they will be listed after FSA. The additional intended user may not require the vendor to do more than FSA requirements would have otherwise done, unless directed by FSA. The FSA Borrower/Applicant will not be listed as an intended user.

***5.1.4 Appraisal Process***

The appraiser shall follow the real estate appraisal process and reporting standards of the USPAP in effect as of the effective date of the appraisal. The appraiser will need to consider the following requirements of the subject property in the appraisal process:

***5.1.5 Intended Use***

The stated intended use of the appraisal may have specific requirements that must be considered. If the intended use is not identified in this section of the SOW then FSA has no additional requirements.

Loan servicing intended uses have additional and specific work requirements and are described in Exhibit 4.

***5.1.6 Use of Subject Property as a Comparable Sale 1/***

FSA prohibits the use of the subject property's pending sale as a comparable unless prior written consent from the Lead Regional Appraiser (LRA) or Chief Appraiser (CA) has been obtained. If consent is not granted the Subject properties pending sale cannot be used as a primary comparable in any of the approaches to value.

***5.1.7 Subject Sales History***

At least a 3-year sales history of the property will be documented. --\*

**\*-- Farm Real Estate SOW**

***5.1.8 Legal and Physical Access to Subject Property***

The legal access to the subject property parcels will be considered. The appraiser cannot just assume that there is legal access to all parcels. The appraiser must determine that legal access is a reasonable assumption. If the appraiser cannot make a reasonable assumption of legal access or if there are any individual parcels that appear to be land locked and there is no recorded easement for ingress/egress or access from a publicly owned roadway, the appraiser will contact the APOC for further instructions.

The appraisal report will document in the section that describes the subject property the opinion regarding ingress/egress to all individual parcels.

The appraiser will document in the appraisal report the information provided and the final decision by the APOC regarding any ingress/egress concerns. Any hypothetical conditions or extraordinary assumptions, as approved by FSA, will be documented as required by USPAP.

Estate rights should be consistent with subject and comparable sales.

***5.1.9 Approaches to Value***

The report must explain why an excluded approach is not necessary for credible results. Each approach to value will be reconciled with the strengths and weaknesses. “Explained” is not a defined term in USPAP and therefore has no special meaning. A dictionary definition of explain is “to give the reason for or cause of.” The USPAP requirement to include an explanation for the exclusion of an approach to value from the analysis is necessary to provide the client and other intended users with insight into the appraiser’s decision as to why the analysis was not performed.

Consider the following approaches to value as part of the appraisal assignment.

***5.1.9.1 Sales Comparison Approach 1/***

Typical Sales Comparison methodology is defined as a set of procedures in which the appraiser derives a value by comparing the property being appraised to similar properties that have recently been sold, applying the appropriate units of comparison; identifying elements of comparison, and applying the quantitative or qualitative adjustment of each element of comparison to the sale price of comparable sales. Quantitative adjustments are the preferred measure of adjustment.

If the appraiser determines that a different method of analysis, beyond quantitative, for the Sales Comparison approach would be appropriate, then the appraiser must obtain prior approval from APOC. Quantitative and limited qualitative combined analysis is acceptable. Any qualitative adjustment or analysis must be adequately discussed and supported in the appraisal report.

The appraisal report will include:

- Element of comparison - identified and explained
- Market data on each comparable sale used to develop land category ratios or similar methodology recognized by the industry, land values, and land and building adjustments
- The contributory value of all improvements, which should be adequately described to include: fences, corrals, irrigation, drainage, tile drainage, ponds, farmstead site improvements, roads, timber, buildings, etc. --\*

**\*-- Farm Real Estate SOW**

- The condition and utility of all improvements
- Where appropriate, the current land category ratio for the area with support and explanation
- A land mix grid or similar recognized by the industry to support the land adjustments and an improvement mix grid for the building adjustments
- Adjustments and/or non-adjustments to the comparable sales will be fully explained, documented and supported within the appraisal report.

**5.1.9.2 Cost Approach**

The appraisal report must contain information on how the depreciation was extracted from the market data and used to determine contributory values for the subject property's improvements. If market data is not available, the appraisal report will state as such and the conclusion will be supported. In this situation the Age/Life method can be used and should be adequately documented.

**5.1.9.3 Income Approach**

The analysis must clearly show calculations of the capitalization rates or discount rates of each comparable sale and the calculations on the subject property's net income and value. Cash rent, crop share, and owner-operator are all recommended approaches depending on the subject's market.

**5.1.10 Hazards**

Appraisers are asked to be alert to stored chemicals, hazardous wastes, underground storage tanks, etc., which may be found on the property being appraised and document these observations and/or concerns in the appraisal report. The appraiser will advise the APOC of any hazards that will impact value before proceeding any further in the appraisal process. Hazards that impact value will be adequately documented in the appraisal report. Any Underground Storage Tanks (USTs) will require the appraiser to immediately contact the APOC or Ordering Official (OO) for further direction.

**5.2 Reporting Requirements 2/**

Reporting requirement of information should be sufficient in detail to answer all important questions that the client or reader might pose as to the physical characteristics of the property. Reporting requirements that are described in this section that are optional the Vendor may use judgement in providing information. The report will include relevant information that supports a credible report, value, assumptions, conclusions and methodology.

**5.2.1 Legal Characteristics**

Any impacts of legal characteristics shall be summarized such as: zoning, easements, contracts, entitlements, encumbrances, water rights, irrigation, wind rights/easements, partial interests, permits, etc. Legal characteristics should be supported from the market if value adjustments are required. Adequately "describe" (not state) zoning to include building eligibility, minimum lot size, and other pertinent factors when applicable for the market area. --\*

**\*-- Farm Real Estate SOW**

**5.2.2 Physical Characteristics**

Any impacts of physical characteristics shall be discussed such as access, soil characteristics, water features, view, topography, drainage, climate, configuration, site and structure improvements, permanent plantings, etc. Physical characteristics adjustments should be supported from the market if value adjustments are required. Land classification should be based on the market of the subject and sales. Address fixtures and personal property and ensure there is adequate justification for classification and valuation of personal property and fixtures.

**5.2.3 Irrigation Equipment and Other Personal Property**

Fixtures or personal property, as described by the Appraisal Order Form, should be described in the appraisal report in detail with model and serial number as appropriate. The classification and the valuation of the personal property should be adequately justified. If the model and/or serial numbers are not available the appraisal should disclose this in the appraisal report and document the steps taken to obtain the model and serial numbers.

Any fixtures for the irrigation system should be included in the appraised value unless the fixture is considered to be personal property, like hand lines, that are not part of FSA's security and should not be appraised with the real property.

**5.2.4 Economic Characteristics**

Any impacts of economic characteristics shall be discussed such as productivity, production and ownership costs, rents, gross and net income, etc. Economic characteristics should be supported from the market if value adjustments are required. Review and summarize production contract(s) for specialized agricultural facilities. Discuss the general market economics and/or the economics of the specialized agricultural facilities.

**5.2.5 Highest and Best Use 1/**

The appraiser shall distinguish between the Highest and Best Use (H&BU) of the property as if it were vacant and as currently improved. H&BU will be adequately discussed in the H&BU analysis including each of the four criteria; legally permissible, physically possible, financially feasible and maximally productive. The report will clearly identify, explain, and justify conclusions for each use. Land and improvements must be valued with a "consistent use" concept. The H&BU determination will determine what appraisal reporting format is acceptable.

The appraiser will use the H&BU as the basis of the appraisal valuation process to determine market value.

**5.2.6 Approaches to Value**

FSA regulations require that the appraisal will document the results when considering the three approaches to value, as determined to be applicable and necessary, except as provided in the scope of work as defined by USPAP. --\*

**\*-- Farm Real Estate SOW**

**5.2.7 Subject Property**

All structural improvements shall be inspected including the section of the interior of major buildings. If physical inspection is not possible the vendor should contact the APOC. The report will document the following on the subject property:

- Colored aerial photos of the subject property that identifies the cropland or other important physical characteristics
- Soils map, description and capabilities analyzed for the major soils groups. If unavailable please note.
- Clear color photographs of the significant improvements, land types, all permanent plantings, pumping stations, filter systems, effluent handling systems, timber resources, and other notable features.
- Improvements that have contributory value shall be measured and dimensions verified. The verified dimensions shall be based on square footage or volume. The appraisal report will provide a listing of improvements including components that are considered to contribute to the overall structure value, i.e. porch, patio, decking, loading dock, etc. FSA recommends that for residential structures the information may be documented on the Marshal & Swift Form 1007. Similar format may be used that provides similar detail as the M&S Form 1007. Such documentation may be an addendum to the appraisal report.
- If there is a dwelling(s), a legible sketch of the dwelling's room layout. Sketch should provide basis for determining structure size. May be hand drawn.
- New Construction documentation in the appraisal report shall include a copy of a blueprint, draft, and/or sketch, provided to the Appraiser. Summarize cost estimates for the project.
- Include information concerning leasehold interests.
- Property plat or aerial map showing roads (public and private), field layout, building location, topography, present cropping use, etc. Major improvements should be labeled.
- Discuss the domestic water source and the location of the source. Include well record or log with identified location, if applicable.
- FEMA Floodplain and Mudslide Hazard map with the subject property boundaries marked, location of dwelling(s) and major structures identified and provides the FEMA map number, zones identified and FEMA map date:
  - with determination report (FEMA 81-93) if requested in work order or engagement letter
  - if subject is within a flood plain
  - if improved with structures

**5.2.7.1 Water Rights**

See Exhibit 5 for information for reporting requirements on water rights. --\*



**\*-- Farm Real Estate SOW**

***5.2.7.2 Fee Simple Estate, Minerals, Oil, Gas, Timber and Wind***

Typically, the appraiser will appraise the property's fee simple interest in the "as is" condition unless otherwise stated in the engagement letter. Refer to subparagraph 3 (Scope) for definition of fee simple estate. Consideration of oil, gas, minerals, timber, wind, etc., and their possible influence on the value of the subject property must be discussed in the appraisal report. For oil, gas, minerals, timber, wind, etc. that are present and have market value, the vendor shall contact the APOC to receive further guidance. FSA 2164 may be used or other applicable method or technique that meets USPAP requirements. If at any time during the appraisal process the appraiser of record discovers the estate being appraised is not fee simple the appraiser will immediately contact the APOC for consultation.

***5.2.7.3 Market/Production Contract***

If a market/production contract is in place, or will be in place (for new construction), on which the value of the subject property is dependent upon (i.e. poultry contract), then an analysis of the relationship of the contract to the subject's real property and how the contract impacts the value of the real property must be explained in the appraisal report, as well as how the market treats the contracts and the contract operations. A copy of the contract will be attached in the addenda of the report if in place or a letter of intent from the integrator. Similar sales with similar contracts should be used to value the subject if a market/production contract is in place, or will be in place.

***5.2.8 Comparable Sales***

Sales should be selected that have similar attributes of the subject and should be adequately analyzed. The minimum comparable sales data will be documented:

- Aerial photo or topography map with the property boundaries marked
- Soils map with the property boundaries marked
- Soils Information. Provide information as to the soil symbol, soil name, estimated percentage of soil type, soil classes and if possible the estimated percentage of each class.
- Plat map that clearly identifies the location of the comparable sale within a section or provides an identifiable road to the location of the property. The aerial photo may be adequate.
- Color photographs that clearly illustrate the comparable sale's improvements, land, and other items of significance. Bare land photos with no discerning characteristics (flat and tillable) may be kept in the appraiser's work file and not provided in the appraisal report, however, will be provided upon request.
- Sale data information that is required, unless otherwise noted, will be provided on the sales data sheet for each comparable are:
  - Sales/transfer date
  - buyer/seller, if not confidential
  - terms
  - sale price
  - Street name and street number, if available --\*

**\*-- Farm Real Estate SOW**

- legal or map location (T-R-S and tax lot(s))
- size
- highest and best use or current use
- motivating factors of the buyer, if known
- utilities, if appropriate
- water resources and if there are water rights are associated with the property the same information will be reported as for the subject property. See Exhibit 5.
- land categories with acres, \$/acre and land contributory values
- description of irrigation equipment, if applicable
- zoning
- farm ability factors
- listing of improvements with description, size, condition, utility, replacement cost new (RCN), effective age, remaining economic life, total depreciation, including physical, functional, and external and contributory value. If there are no improvements, then state as such
- income analysis, if applicable, that provides itemized income by description, unit, yield/production, price/rate and gross income. Itemize expenses, by description and cost amount, net income and cap rate. If income analysis is not appropriate, then so state.
- Comments summarizing the sale and verification.

**5.2.9 Location Map**

A map will clearly delineate the location of the subject and all comparable sales that were used in the appraisal report. Map will include labels to identify the subject and each comparable sale, roads and cities. More than one map may be used, if needed.

**5.2.10 Summary of Salient Facts or Executive Summary**

Summary of Salient Facts, Executive Summary or similar format shall be provided in the appraisal report. At a minimum the Summary of Salient Facts or Executive Summary **shall** contain the following information:

- Ownership
- Location
- County, Borough or Parish
- Property Type
- Property Rights Appraised
- Size
- Improvements (listed)
- Zoning
- Highest and Best Use --\*

**\*-- Farm Real Estate SOW**

- Special Assumptions
- Hazards
- Market Value Conclusion (beneath concluded market value provide Land Value and Contributory Value of Improvements)
- Effective Date of the Appraisal
- Date of the Report
- Appraiser who completed the appraisal

**5.2.11 Table of Contents**

**5.2.12 Legal Description**

The legal description should be provided by the APOC or OO. If not available, a plat map that clearly identifies the property boundaries.

**5.2.13 Final Market Value**

Stated as a whole dollar amount and, if the subject is improved or personal property is appraised, from the final value an allocated value will be stated for:

- Land
- Improvements, if applicable
- Equipment/Fixtures, if applicable
- Personal property, if applicable
- Timber/Mineral Rights/Other, if applicable.

**5.2.14 Engagement Letter**

A copy of the engagement letter or work order will be provided in the addendum of the appraisal report.

**5.2.15 Qualifications of the Appraiser**

Resume listing applicable appraisal education and experience must be included. FSA does not require a copy of the appraiser's license or E & O Insurance in the appraisal report.

**5.3 Personal Identifiable Information (PII)/FSA Program Information 3/**

The vendor will comply with the intent of the Privacy Act of 1974 to protect the individual's privacy from unwarranted invasion, to make sure that personal information in their possession, if provided by the federal agency, is properly used, and will prevent any potential misuse of personal information in their possession.

The vendor is contractually bound by the same requirement of information confidentiality as are Government employees.

Reference to FSA applicant, producer or borrower's personal identifiable information other than name, address or information that is not of public record shall be considered confidential and not disclosed in the report. --\*

**\*-- Farm Real Estate SOW**

The following reporting restrictions only apply to FSA and information FSA has provided to the vendor.

Since FSA is the client, FSA may provide more specific information regarding FSA programs associated with subject or comparable sale properties such as FSA -156EZ, (Abbreviated 156 Farm Record), FSA -578, "Report of Acreage," agricultural use acres and cropland acres (Common Land Unit (CLU) acres), digital imagery, Conservation Reserve Program (CRP) contract acres, highly erodible land delineations and wetland classifications. Any information provided by FSA on CRP payments per contract, per acre basis or on Direct and Counter-Cycle Payment (DCP)/Average Crop Revenue Election (ACRE), Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) or related program commodity yield per acre basis is confidential and is protected in accordance with USPAP confidentiality ethics rule and shall not be available to the general public or provided in the report. This information can only be retained in the appraiser's working file and to be identified as confidential.

However, if the owner provides written consent to share FSA program information and to allow such information to be shared in the appraisal report, the vendor may report the information.

FSA program information may be reported only as Government payments, on total payment, total acres and in generic terms in the appraisal report. The appraisal report shall not contain reference to any specific FSA program, tract or farm identification.

In accordance with Section 1619 of the Food, Conservation and Energy Act of 2008, FSA is prohibited in the sharing of the geospatial data including CLU information that is specific to a producer. The FSA CLU information will not be shared with contract appraiser unless the applicant/producer provides written consent that allows FSA to release the information.

The appraiser understands that FSA program information will only be used for the purposes for which the data was intended, namely only being used for the specific appraisal for which the information was requested, such data will not be used in other appraisals or shared with other appraisers. The data will be destroyed at the end of the work file retention period as defined by USPAP or State licensing board requirements.

The appraiser will comply with Section 1619 of the Food, Conservation and Energy Act of 2008, and is responsible to protect FSA program information as described by Section 1619. Section 1619 of the Food, Conservation and Energy Act of 2008 is Exhibit 2 of this SOW.

**5.4 Expert Witness/Testimony 3/**

**5.4.1 Request for Expert Witness**

If needed, the appraiser agrees to be an expert witness for FSA concerning the appraisal in an appeal hearing or in court. FSA will issue an engagement letter or work order for expert witness services providing the location, date and time the appraiser will be required to provide expert witness testimony and an estimated cost for such services.

**5.4.2 Documentation of Services**

The appraiser will be expected to maintain itemized documentation of prep work time, actual expert witness time, mileage and per diem that was incurred. --\*

**\*-- Farm Real Estate SOW**

**5.4.3 Fee**

The appraiser will provide an hourly rate fee for expert testimony upon registration as the contract appraiser. Additionally, appraisers are encouraged to state an hourly rate for expert witness prep time. Typically, FSA expects the prep rate to be less than expert witness hourly rate.

The expert witness rate will cover the appraiser's time from the time of departing his/her office until the appraiser returns to his/her office. The hours will be rounded to the nearest one-quarter hour.

FSA will reimburse the appraiser for prep time necessary to prepare for the appeal hearing or court action. The prep hourly rate will be the rate indicated on the appraiser's FSA Vendor Appraiser Registration form. If no hourly rate is indicated for the prep time then the rate will be 50 percent of the expert testimony rate.

**5.4.4 Per Diem**

FSA will reimburse the appraiser for domestic per diem and personal car use, at the rate paid to FSA employees as published by the United States General Service Administration (GSA). Current Per Diem rates and reimbursement for personal automobile can be obtained from <http://www.gsa.gov>

You will need to select URL reference: "[Per Diem Rates](#)," or select, "[POV Mileage Reimbursement Rates](#)."

There is a basic per diem for lodging and for meals and incidental expenses (M&IE) (subject to change without notice) unless otherwise stated for specified areas that have higher per diem rates. The appraiser should refer to the appropriate web site or contact the FSA office for this information. Per Diem is only authorized and paid if the appraiser is required by FSA to be away from their office area that exceeds 50 miles and for overnight. The maximum hours per day for reimbursement are eight hours if the appraiser is on per diem. The personal automobile reimbursement may be requested in all cases for expert witness travel needs.

**5.4.5 Submitting Expert Witness Invoice**

The appraiser must submit an itemized invoice to be paid. The invoice will itemize the time that was required for preparation for the expert witness with a brief explanation of prep work completed, the time involved for actual expert witness testimony, mileage incurred on a daily basis and any per diem requested. The invoice should be submitted in accordance with section 5.8, Invoicing.

**5.5 Timber and Timber Cruise**

If FSA does not describe timber to be appraised in the appraisal assignment and timber exists, and the appraiser believes that the timber value is significant the vendor appraiser will contact the APOC for further guidance. If the timber is to be valued, the timber cruise should be a variable plot timber cruise with a standard error of not to exceed (plus or minus) 10%. The value should be a market value of the timber, as is, based on either sales or mill price. If market sales are used, then the adjustments need to be shown and if mill prices are used, the deductions need to be shown in the cruise report. The APOC may provide further instructions regarding the valuation of the timber. --\*

**\*-- Farm Real Estate SOW**

**5.6 Use Of/And Release of the Report 3/**

FSA's primary intended use of the appraisal will be stated in the engagement letter or work order. However, FSA may use the appraisal in other loan making and servicing actions, as FSA needs to do in carrying out requirements in government regulations. FSA does have need from time to time to release a copy of the report to the applicant, borrower, their representatives, and to other parties under the regulations that govern FSA's programs. These other parties may include peer groups, such as an appraiser organization or the State Appraiser Certification and Licensure Board. Any request from outside FSA, other than the applicant or lender, will require consent by Agency appraiser.

**5.7 Acceptance Criteria 3/**

Delivery of the appraisal report will include a properly executed invoice. Invoice for payment will be processed when the appraisal is determined acceptable by FSA. An acceptable product will include:

1. Appraisal report must be delivered by the completion date stated on the engagement letter and/or work order (plus any extension of time granted by FSA)
2. Appraisal report is completed in accordance with current USPAP requirements and meets the work requirements of this SOW that are applicable and any other requirements for a specific property which will be found in the engagement letter and/or work order for each appraisal order.
3. An administrative appraisal review or a technical appraisal review accepts the appraisal report by FSA.

If the administrative appraisal review indicates that the appraisal report may not be acceptable, FSA will request a technical appraisal review. If the FSA Review Appraiser requires additional information to support the adjustments, explanation of the process, or SOW requirements must be met, the invoice approval and payment of the appraisal fee will be held until the appraisal is found acceptable to FSA.

The request for additional information will provide a specific timeframe for the information to be delivered and the criteria for the updated material to be added to the appraisal report. Typically, the timeframe to update the appraisal is 7 calendar days or as specified by the request letter. If the appraiser determines that a completed appraisal report will need to be reissued the contract appraiser will need to have approval from the APOC.

The appraisal report must be delivered by the completion date stated on the engagement letter or work order or as provided by an extension granted by FSA.

**5.8 Invoicing 3/**

**5.8.1 Invoice Information**

A properly executed invoice for payment will be submitted to the APOC as directed in the engagement letter or work order. The invoice will include the appraiser's name, address, invoice number, DUNS number, name of the applicant/borrower as identified in the engagement letter or work order, county/borough/parish/city name that the appraisal was completed in and the amount. --\*

**\*-- Farm Real Estate SOW**

**5.8.2 Invoice Approval**

The invoice will be processed for payment when the appraisal is determined acceptable by FSA. If the appraisal is not acceptable the appraisal fee will be held until the appraisal is found to be acceptable to FSA.

**5.8.3 Final Payment**

Federal Acquisition Regulations provide the U.S. Government 10 business days from receipt date of the appraisal to determine if the appraisal is acceptable. The invoice will be processed for payment within 30 calendar days or less from the date the appraisal was accepted. The appraiser will be notified in writing if the appraisal is unacceptable and at the discretion of the Government will be requested to make changes to the appraisal report in order to meet FSA SOW requirements. An unacceptable appraisal will be considered as in default and at the discretion of the Government the micro purchase/purchase order may be terminated.

The USDA procurement procedures require that ALL vendors be paid using Electronic Funds Transfer (EFT) system. The Debt Collection Improvement Act (DCIA) of 1996 requires that federal payments of invoices for goods and services received to be paid by EFT. Therefore, each vendor must be registered in the System for Award Management (SAM) that is available at: [www.sam.gov](http://www.sam.gov)

The vendor will be required to update the SAM data annually. FSA cannot update a vendor's information in SAM. For guidance on updating the SAM please see the help links on the SAM web site.

FSA will only be able to process the invoice when the appraisal is determined acceptable and the appraiser is properly registered in SAM. If vendor updates the appraisal report as required for acceptance a new invoice will be submitted.

**6. Delivery 2/**

Vendor is expected to deliver to the APOC an appraisal report that meets USPAP requirements by the accepted delivery date as stated in the Vendor's quote or authorized extension.

FSA has additional requirements related to appraisal report.

**6.1 Report Type**

Narrative appraisal reports are acceptable. However, form reports are acceptable as long as the report form is approved by FSA. For approval contact the APOC.

**6.2 Report Content**

The content of an appraisal report must be consistent with the intended use of the appraisal and, at a minimum follow USPAP. Restricted reports are not authorized.

In addition to USPAP real estate reporting requirements, FSA requests that the appraisal report includes the requirements as described by section 5.2. --\*

**\*-- Farm Real Estate SOW**

***6.2.1 Layout/Formatting***

The report must be in portrait layout with an 8 1/2" x 11" page size. Font size of text will be 11 or larger. Photos, maps or diagrams should allow the user to clearly view the contents of the image including labels. Transmittal letter will be the first page; consecutive pages will be the cover page, Summary of Salient Facts or Executive Summary, Table of Contents and the body of the appraisal. All pages of the report other than transmittal letter and cover page will have page numbers.

***6.2.2 Reporting Requirements***

Reporting requirements are items as addressed in paragraph 6.2 (Reporting Requirements) of this SOW.

***6.2.3 Personal Property to be Appraised***

All personal property or fixtures included in the appraised property will be listed and described in the report with the legal description. This personal property must be identified with serial number, make, model, size, etc.

**6.3 Report Format**

***6.3.1 Electronic Copy of Appraisal Report***

An electronic copy of the appraisal report is the preferred format. If the appraiser is unable to provide a PDF version of the appraisal report the appraiser may provide two hard copies of the appraisal report. The electronic copy will be acceptable to FSA if:

- Received via e-mail to the APOC's e-mail address or other e-mail address identified in the engagement letter or work order, as well as to the OO's e-mail address.
- Appraiser does not have software available to create a PDF document the appraiser should contact the APOC for approval to use other software application.

The PDF file must contain the complete appraisal report, the transmittal letter, signature of the appraiser must be contained within the report as required on all appropriate pages, i.e. certification, final value page, etc., and all pages are formatted appropriately with sequential page numbers.

- Size of the file may not exceed 20 Gigabytes (GB). If the appraisal report file is larger than 20 GB, the appraiser will need to contact the APOC to make other arrangements to deliver the electronic file to FSA by the (PO) delivery date.
- Send a follow up e-mail to the APOC identified in the engagement letter that the electronic report was transmitted via e-mail providing recipient, date, subject line and time of transmittal.
- Hardcopy report may be provided per section 6.3.2, if electronic report option is not used. --\*



**\*-- Farm Real Estate SOW**

**6.3.2 Hard Copy Report**

Upon approval by the APOC, the vendor may provide a printed appraisal report to FSA in lieu of a electronic copy. Two (2) copies of the appraisal report are to be delivered to FSA unless otherwise stated in the engagement letter. At a minimum one copy must be the original report with color photographs, etc., One (1) copy can be black and white. The original report must be delivered to the Ordering Official. The second original report shall be delivered to the APOC, as stated in the engagement letter. The report shall not be bound.

**7. Place of Performance 2/**

Typically, the location of the appraisal assignment may be any location as further described by the engagement letter or work order.

**8. Late Delivery Penalty Fee or Cancellation of Assignment**

Communication with FSA regarding timely delivery of appraisal report is important. If the vendor is unable to deliver the appraisal report by the due date the vendor should request an extension in writing prior to the delivery date.

Liquidating damages will not be assessed if the vendor has received written authorization from the APOC or the CO for an extension.

If the vendor does not deliver the appraisal report or an electronic version by the authorized due date, the contract is in default and FSA may cancel the micro purchase/purchase order with notice to the vendor or assess a liquidated damages fee.

If the Vendor fails to perform the services within the time specified in the appraisal engagement letter or extension authorized by the CO or APOC, following proper notification the Vendor shall, in the place of actual damages, pay to the Government liquidated damages of 3 % **of the accepted quote amount** per **calendar day** from the date of notification for failure to deliver the appraisal report.

Liquidated damage percentage will not exceed 25 % of the accepted quote amount if delivered within 10 calendar days of the date notification. Liquidated damage fees will continue to be assessed at the stated percentage and 30 calendar days beyond the date of notification the appraisal order will be terminated with no payment. The vendor will be notified in writing if appraisal order is terminated. The failure to deliver an appraisal report by the due date which may cause the financial transaction not to close due to seller's unwillingness to extend the timeframe can result in immediate termination of micro-purchase and no payment upon written notice.

The appraisal report shall be delivered to the Ordering Official and the APOC as described in the appraisal engagement letter or work order. A request for an extension must include the reason for the extension and the timeframe that the appraisal report will be delivered and can be submitted via e-mail. The request for an extension should be sent to the APOC or the CO if a purchase order was issued as described in the appraisal order letter.

All written authorizations and approval of an extension for delivery will be an e-mail response. --\*

**\*-- Farm Real Estate SOW**

The Vendor is aware that failure to deliver appraisal reports twice during a fiscal year, October through September period, within agreed upon timeframe could result in FSA no longer requesting appraisal services from the vendor.

For other non-performance issues the vendor will be notified in writing and the issue will be referred to the Contracting Officer.

**9. Personal Identity Verification of Vendor and Personnel 3/**

The Government may request the Vendor to complete a background investigation of the Vendor and/or their employees. Upon request by the Government the vendor will provide the required documents necessary to complete a background investigation within the timeframes identified. The APOC or CO will request in writing the information needed and the timeframe that the documents are to be submitted to the APOC or CO. Typically, background investigations require: OF-306, Declaration of Federal Employment, and two completed FD-258's or SF-87 Fingerprint Charts with the signature and date of the applicant and a jpg format photo ID. Vendor is responsible for any expenses associated with the background investigation.

Failure to comply with the request could result in the termination of the work order or appraisal assignment. Such determination will be provide to the vendor in writing.

If background investigation results are unsatisfactory, FSA can terminate the work order or appraisal assignment. FSA may request restrictions to be applied to the Vendor or their employees. FSA will only respond if there are concerns regarding the background investigation. The APOC or CO will notify the Vendor in writing with notification of immediate termination of work order or assignment or restrictions for employee assistance.

The Vendor shall comply with agency personal identity verification procedures identified in the contract that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24 and Federal Information Processing Standards Publication (FIPS PUB) Number 201 if requested by APOC or CO.

**9.1 Properly Account for All Forms of Government-provided Identification**

The Vendor shall account for all forms of Government-provided identification issued to the Vendor's employees in connection with performance under this contract. The Vendor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by the Government:

- (1) When no longer needed for contract performance.
- (2) Upon completion of the Vendor employee's employment.
- (3) Upon notification that appraisal services are no longer needed and the Vendor has been removed from the Appraisal Vendor registry or services have been terminated.
- (4) Upon Vendor written request to no longer provide appraisal services. The Vendor shall provide all forms of Government-provided identification issued to the Vendor and its employees.

FSA may delay final payment under a contract if the Vendor fails to comply with these requirements. --\*

**\*-- Farm Real Estate SOW**

**9.2 Subcontract Requirements**

The Vendor shall insert the substance of this clause, including this paragraph, in all subcontracts when the subcontractor's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system and/or visit FSA applicants or borrowers property. It shall be the responsibility of the prime Vendor to return such identification to the issuing agency in accordance with the terms set forth in paragraph 9.1 of this section, unless otherwise approved in writing by the APOC or CO.

**10. Exceptions 3/**

Any exceptions to the appraisal requirements in this SOW, may be made on a specific appraisal assignment by the APOC, in consultation with an Agency appraiser. Exceptions may be granted if warranted and justifiable. Exceptions are to be made in writing, detailing the reasons the exception is being requested. The APOC may grant or deny the request and will reply in writing. The exception authority is only to be used on rare occasions and when deemed necessary by the Agency.

**11. Exhibits 2/**

Exhibits that are included with the SOW are categorized into two groups; general or specific work requirements. General exhibits provide more specific information related to the SOW. Work requirement exhibits specifically address additional work requirements that may be specific to the state, region or specialized real estate as defined by the exhibit.

Vendor acknowledges that exhibits may be added to this SOW and that the vendor accepts the new or modified exhibit by acceptance of the assignment. An exhibit may be provided to the vendor through the Engagement Letter and does not require the vendor to accept a new SOW with the modified exhibit. Vendor should direct questions regarding added exhibits or modified exhibits received with engagement letter to the APOC or Agency Appraiser as noted in the engagement letter.

**11.1 General Exhibits**

***11.1.1 Exhibit 1, "Market Value Definition"***

***11.1.2 Exhibit 2, "Section 1619 of the Food, Conservation and Energy Act of 2008"***

***11.1.3 Exhibit 3, "Agency Statement of Work Contact Information"***

**11.2 Specific Work Requirement or Reporting Exhibits**

***11.2.1 Exhibit 4, "Loan Servicing Work Requirement"***

***11.2.2 Exhibit 5, "Subject Property or Comparable Sale Water Right Reporting Requirements" --\****

**\*-- Farm Real Estate SOW**

**12. Acceptance 3/**

FSA may at times update the SOW with minor changes. Vendor will be notified of the changes via e-mail providing a summary of changes that have occurred, date of change, and version number. Vendor's signature will remain and the previous SOW signature page will be added to the revised SOW. In this situation, a vendor may request or provide a new SOW with a signature.

If FSA makes major changes to work or reporting requirements, late delivery penalty fee, acceptance or delivery requirements within this SOW, FSA will notify the vendor via e-mail and request the vendor to sign a new SOW. The vendor will be required to return a copy of the complete SOW with a completed signature page to the APOC. Digital signatures on a locked (secured) Portable Document Format (PDF) document are acceptable and may be transmitted to APOC via e-mail.

Failure to return a signed SOW and/or vendor registration form upon request by FSA may result in vendor's removal from the vendor registry.

The Vendor has reviewed, understands and agrees to the term and requirements of the SOW.

Approved by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State and Zip Code

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
e-mail Address --\*

**\*-- Farm Real Estate SOW**

**13. Exhibit 1 3/**

**13.1 Market Value Definition**

Source: 12 CFR 34.42 (g)

*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. --\*

**\*-- Farm Real Estate SOW**

**14. Exhibit 2 3/**

**14.1 Section 1619 of the Food, Conservation and Energy Act of 2008**

**SEC. 1619. INFORMATION GATHERING.**

(a) **GEOSPATIAL SYSTEMS.**—The Secretary shall ensure that all the geospatial data of the agencies of the Department of Agriculture are portable and standardized.

(b) **LIMITATION ON DISCLOSURES.**—

(1) **DEFINITION OF AGRICULTURAL OPERATION.**—In this subsection, the term “agricultural operation” includes the production and marketing of agricultural commodities and livestock.

(2) **PROHIBITION.**—Except as provided in paragraphs (3) and (4), the Secretary, any officer or employee of the Department of Agriculture, or any contractor or cooperator of the Department, shall not disclose—

(A) information provided by an agricultural producer or owner of agricultural land concerning the agricultural operation, farming or conservation practices, or the land itself, in order to participate in programs of the Department; or

(B) geospatial information otherwise maintained by the Secretary about agricultural land or operations for which information described in subparagraph (A) is provided.

(3) **AUTHORIZED DISCLOSURES.**—

(A) **LIMITED RELEASE OF INFORMATION.**—If the Secretary determines that the information described in paragraph (2) will not be subsequently disclosed except in accordance with paragraph (4), the Secretary may release or disclose the information to a person or Federal, State, local, or tribal agency working in cooperation with the Secretary in any Department program—

(i) when providing technical or financial assistance with respect to the agricultural operation, agricultural land, or farming or conservation practices; or

(ii) when responding to a disease or pest threat to agricultural operations, if the Secretary determines that a threat to agricultural operations exists and the disclosure of information to a person or cooperating government entity is necessary to assist the Secretary in responding to the disease or pest threat as authorized by law.

(4) **EXCEPTIONS.**—Nothing in this subsection affects—

(A) the disclosure of payment information (including payment information and the names and addresses of recipients of payments) under any Department program that is otherwise authorized by law;

(B) the disclosure of information described in paragraph (2) if the information has been transformed into a statistical or aggregate form without naming any— --\*

**\*-- Farm Real Estate SOW**

**14. Exhibit 2 3/ (Continued)**

(i) individual owner, operator, or producer; or

(ii) specific data gathering site; or

(C) the disclosure of information described in paragraph (2) pursuant to the consent of the agricultural producer or owner of agricultural land.

(5) **CONDITION OF OTHER PROGRAMS.**—The participation of the agricultural producer or owner of agricultural land in, or receipt of any benefit under, any program administered by the Secretary may not be conditioned on the consent of the agricultural producer or owner of agricultural land under paragraph 4(c).

(6) **WAIVER OF PRIVILEGE OR PROTECTION.**—The disclosure of information under paragraph (2) shall not constitute a waiver of any applicable privilege or protection under Federal law, including trade secret protection. --\*

**\*-- Farm Real Estate SOW**

**15. Exhibit 3**

**15.1 Agency Statement of Work Contact Information**

The following FSA employee(s) are the authorized agency official that is the APOC to assist the vendor on acquisition process, the SOW terms and requirements and can provide information to an appraiser that would like to be added to the FSA Appraiser Vendor registry.

Name:

Address:

Phone:

FAX:

e-mail Address: --\*



**\*-- Farm Real Estate SOW**

**16. Exhibit 4**

**16.1 Loan Servicing Work Requirements**

The specific work requirements for intended use described by the Engagement letter are as follows:

***16.1.1 Servicing for Shared Appreciation Agreement Recapture***

When the engagement letter or work order describes the intended use of the appraisal to determine the amount of shared appreciation recapture FSA has special requirements. These requirements are:

***16.1.2 Property to be Appraised***

Typically, the property to be appraised will be the same property as described by the original appraisal report(s) that was completed for the Shared Appreciation Agreement, unless otherwise stated in the engagement letter or work order. The appraisal must specifically identify the contributory value of capital improvements that were added to the real estate security during the term of the SAA to make deductions for their value. A list identifying these improvements will be provided in the engagement letter.

***16.1.3 Inspection Timeframe and Comparable Sales***

The inspection of the property should occur within 21 days from the delivery date with the comparable sales selected within 3 years from the inspection date.

***16.1.4 Delivery Date***

There will be no extensions to the delivery due date of the appraisal report as stated in the engagement letter or Appraisal Order Form. The appraisal report will be used to determine the amount of the shared appreciation recapture.

FSA is mandated by federal law to provide information to the borrower regarding the amount of recapture that is due within certain timeframes.

***16.1.5 Additional Capital Improvements***

During the inspection of the real estate property, if you become aware of additional capital improvements that were not described by the appraisal report(s) prepared for the original shared appreciation agreement, provided to you upon notification of the appraisal assignment, you should notify the APOC. All capital improvements will be appraised as “as is” at the time of the inspection.

Additionally, prior to completing this appraisal, you should contact the FSA County Office listed in the engagement letter or work order and review the list of capital improvements, if provided, or any other additional capital improvement with the authorized agency official.

***16.1.6 Reporting Requirement***

After the additional capital improvements are identified the appraiser will provide an additional subsection in the appraisal report that will list each additional capital improvement, their determined contributory value and an explanation how the contributory value was determined. A total value will be provided for all the additional improvements. --\*

**\*-- Farm Real Estate SOW**

**16. Exhibit 4 (Continued)**

***16.1.7 Loan Servicing for Partial Release of Real Estate***

When the engagement letter or work order describes the intended use of the appraisal is for a loan servicing partial release FSA has special requirements. These requirements are:

***16.1.8 Property to be Appraised***

Typically, the property to be appraised will be the property that is identified as the parcel to be released and the parcel that is to remain unless otherwise stated in the engagement letter or work order.

***16.1.9 Reporting Requirements***

A value for the property to be released and a value for the property to remain (if requested by client) will need to be determined. The value for each of these properties will be stated in the final opinion of value section of the appraisal report. Additionally, each property (parcel to be released and the parcel that will remain) will be fully described in the appraisal report with supporting documentation of opinions, conclusions and analysis. It is at the discretion of the appraiser based on the scope of work if a separate appraisal report is necessary for each property.

***16.1.10 Foreclosure Action***

When the engagement letter or work order describes that the intended use is for loan servicing foreclosure action FSA has special requirements. These requirements are:

***16.1.11 The Final Opinion of Value will Provide the Following:***

Total value of the property (including land, irrigation equipment and improvements). An allocation of value that will provide a value for each of the type of irrigation equipment (i.e. center pivots, wheel lines, etc.) or personal property as requested in the a engagement letter and/or work order and a value of just the “dirt” or land value with improvements, if applicable.

The appraiser must apply the assumption that certain covenants and restrictions may be applied to the property at the time the property is sold which may impact the value of the property. The appraiser should consider the covenants and restrictions as hypothetical conditions. If the engagement letter or work order and documents so request such consideration or the appraiser identifies that any portion of the Government inventory property is located in a 100 year flood plain and the purpose of the appraisal is for loan making action, the appraiser must take into consideration covenants and restrictions as described by the “Conservation Easement Reservations in the United States” as provided with the engagement letter and/or work order and consider how the covenants and restrictions will affect the market value.

Further, any recorded easement must be included in the addenda with discussion of the terms of the easement in the appraisal report. If the easement is proposed, an extensive discussion on how the easement impacts the value must be included in the report. --\*

**\*-- Farm Real Estate SOW**

**17. Exhibit 5**

**17.1 Subject Property or Comparable Sale Reporting Requirements**

***17.1.1 Water Rights***

If there are water rights associated with the property the appraisal will discuss water rights under a separate subsection under the description of the property. The water rights section will identify the following as applicable:

- Number of acres of the water right as primary and supplementary
- Permit number
- Certificate number
- Priority date
- Source of water and location of all points of diversion for each permit or certificate
- Water availability, reliability and quality; any detrimental aspects such as salt, nitrates, etc.
- Delivery system; type, location, source of power, etc.
- Assessments or delivery costs (i.e. estimated electrical cost, district assessments, etc.)
- Provide a map documenting water right area, points of diversion with the property boundary illustrated
- Documentation of the Certificate of Water Right or Permit, Well Record or Log, Final Proof of Survey and any assessments.

**Note:** Any SOW for farm and ranch type real estate property shall have certain subparagraphs and/or clauses. The subparagraphs or clauses are identified as follows:

1/- means that the specific clause and/or subparagraph clause are included

2/ – means that the subparagraph heading are to be included.

3/ - means that the subparagraph heading and the whole subparagraph, including all subparagraphs in the section, are to be included.

A word version of this exhibit may be downloaded from the appraisal SharePoint web site at

<https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx>

Click on “Micropurchase Info” tab. Word version of this exhibit will be under the Shared Documents section of the page.

The word document for this exhibit may be modified and be used to provide a copy of the SOW to a vendor. --\*



**\*--Non-Farm Real Estate Appraisal – SOW****Table of Contents**

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**\*--Non-Farm Real Estate Appraisal – SOW****1. Background 2/**

The Farm Service Agency (FSA), an agency of the U. S. Department of Agriculture (USDA), makes and services loans secured by real estate. FSA needs appraisal reports to complete various direct loan making and loan servicing responsibilities. The Statement of Work (SOW) addresses FSA's requirements for residential and other non-farm type of properties and real estate appraisal services.

**2. Objective 2/**

FSA intends for the Vendor to perform a real estate appraisal and to provide appraisal reports in a PDF version to FSA by the specified date. Timely delivery of the appraisal report is critical to the success of FSA's meeting its mission and funding of the Farm Loan program. The real properties with any described fixtures and chattels are to be appraised on any format allowed by Uniform Standards of Professional Appraisal Practices (USPAP). All appraisals must meet current USPAP's standards as of the effective date of the appraisal.

**3. Scope 2/**

The purpose of this (SOW) is for FSA to obtain a market value (12 CFR 34.42 (g)), see attached Exhibit 1, for definition of "Market Value" appraisal of a property by the described completion date. The appraiser is to fulfill the appraisal process and appraisal reporting standards of the USPAP in effect as of the effective date of the appraisal. Residential and other non-farm real estate appraisals shall be completed in accordance with USPAP and any other appraisal assignment conditions.

The appraiser shall furnish all materials, supplies, tools, equipment, personnel, and travel and shall complete all requirements of the Appraisal Order form or Purchase Order, and Engagement Letter by the specified date. This SOW applies to all farm and ranch appraisals for FSA.

Typically, the appraiser will appraise the property's fee simple interest in the "as is" condition unless otherwise stated in the appraisal engagement letter. Any additional improvements to the property described in the engagement letter would be considered "as improved." "As is" condition is the condition of the property as you find it during your inspection. FSA defines fee simple interest to include the mineral estate and water rights, if applicable and observed or known easements/encumbrances.

FSA regulations require that the appraiser take into consideration at a minimum the three approaches to value; Sales Comparison approach, Cost approach and the Income approach. If the appraiser determines that any approach is not applicable it will be adequately explained in the Scope of Work of the appraisal report as required by USPAP.--\*

**\*--Non-Farm Real Estate Appraisal – SOW****4. Period of Performance 2/**

Typically, the period of performance is 30 calendar days from the date of the Engagement Letter or the Purchase Order unless otherwise defined. The appraiser should realistically estimate the timeframe to complete the appraisal assignment. The appraisal report must be received by the requesting office described in the engagement letter and/or work order. A request for an extension of the delivery date must include the reason for the extension and the timeframe that the appraisal report will be completed. Requests for an extension can be submitted via e-mail to the Appraisal Point of Contact (APOC) or the Contracting Officer (CO), if a purchase order was issued, as described in the work order. Written authorization for the extension or modification will be an e-mail response from the Agency.

**5. Work Requirements 2/**

The appraiser is to fulfill the appraisal process and reporting standards of the USPAP in effect as of the effective date of the appraisal. Farm real estate appraisals shall be completed in accordance with USPAP and any other assignment conditions as further defined in this SOW or the engagement letter.

**5.1 FSA's Appraisal Requirements**

In general, FSA has specific appraisal conditions and requirements for completing and reporting the market value of residential and other non-farm real estate and will be considered as to be part of the Appraisal Assignment. The specific conditions and requirements are described in this section.

**5.1.1 Appraiser 1/**

The appraiser conducting the appraisal must have a current State License, Certified Residential, or Certified General License with the appraisal completed with-in the scope the appraiser's license. The appraiser's license (or equivalent permit) shall be for the state in which the subject property is located.

No other individual may provide assistance with the appraisal development process without prior written consent from FSA.

**5.1.1.1 Notification Requirement of Individual Providing Assistance/Approval 1/**

If the appraiser will have an associate or assistant appraiser, who is registered with the State, providing assistance with the development of the appraisal assignment the appraiser or will visit the subject property must notify the APOC in writing and receive written approval. Clerical support and normal information gathering is an exception for approval. The appraiser will provide FSA information as follows:

- Associate's name
- Length of employment with vendor or explanation of association if not an employee
- If background investigation has been completed by the State. Provide the date that the background investigation information was provided to the State.

Note: Date of license or registration certification would meet this requirement with a statement that background information was submitted with application for license/registration. --\*

**\*--Non-Farm Real Estate Appraisal – SOW**

If the State has not completed a background investigation, or the requirement of submitting fingerprints, and it is necessary for the individual to provide assistance with the development of the appraisal assignment, FSA may require their own background investigation. In this case, the APOC will provide additional information.

FSA requires that vendor to notify the property owner prior to accessing the property. The vendor shall provide the applicant or the FSA representative the opportunity to accompany the vendor on the property inspection. If the property owner is unavailable or considered uncooperative, the vendor may request assistance and/or guidance from the APOC to coordinate inspection of the property and/or obtaining assistance from a FSA representative.

The authorization to provide appraisal services is the engagement letter and if requested by the property owner the vendor shall provide the engagement letter to the owner as justification to inspect the property and to obtain information necessary for the appraisal assignment.

***5.1.2 Access to Property 1/***

FSA requires that vendor to notify the property owner prior to accessing the property. The vendor shall provide the applicant or the FSA representative the opportunity to accompany the vendor on the property inspection. If the property owner is unavailable or considered uncooperative, the vendor may request assistance and/or guidance from the APOC to coordinate inspection of the property and/or obtaining assistance from a FSA representative.

The authorization to provide appraisal services is the engagement letter. If requested by the property owner the vendor shall provide the engagement letter to the owner as justification to inspect the property and to obtain information necessary for the appraisal assignment.

***5.1.3 Client and Intended User***

Generally, FSA will be named as the Client and intended user. FSA will advise the vendor if there are additional intended users and they will be listed after FSA. The additional intended user may not require the vendor to do more than FSA requirements would have otherwise done, unless directed by FSA. The FSA Borrower/Applicant will not be listed as an intended user.

***5.1.4 Appraisal Process***

The appraiser shall follow the real estate appraisal process and reporting standards of the USPAP in effect as of the effective date of the appraisal. The appraiser will need to consider the following requirements of the subject property in the appraisal process:

***5.1.5 Intended Use***

The stated intended use of the appraisal may have specific requirements that must be considered. If the intended use is not identified in this section of the SOW then FSA has no additional requirements.

Loan servicing intended uses have additional and specific work requirements and are described in Exhibit 4. --\*



**\*--Non-Farm Real Estate Appraisal – SOW*****5.1.6 Use of Subject Property as a Comparable Sale 1/***

FSA prohibits the use of the subject property's pending sale as a comparable unless prior written consent from the Lead Regional Appraiser (LRA) or Chief Appraiser (CA) has been obtained. If consent is not granted the Subject properties pending sale cannot be used as a primary comparable in any of the approaches to value.

***5.1.7 Subject Sales History***

At least a 3-year sales history of the property will be documented.

***5.1.8 Legal and Physical Access to Subject Property***

The legal access to the subject property parcels will be considered. The appraiser cannot just assume that there is legal access to all parcels. The appraiser must determine that legal access is a reasonable assumption. If the appraiser cannot make a reasonable assumption of legal access or if there are any individual parcels that appear to be land locked and there is no recorded easement for ingress/egress or access from a publicly owned roadway, the appraiser will contact the APOC for further instructions.

The appraisal report will document in the section that describes the subject property the opinion regarding ingress/egress to all individual parcels.

The appraiser will document in the appraisal report the information provided and the final decision by the APOC regarding any ingress/egress concerns. Any hypothetical conditions or extraordinary assumptions, as approved by FSA, will be documented as required by USPAP.

Estate rights should be consistent with subject and comparable sales.

***5.1.9 Approaches to Value***

The report must explain why an excluded approach is not necessary for credible results. Each approach to value will be reconciled with the strengths and weaknesses. "Explained" is not a defined term in USPAP and therefore has no special meaning. A dictionary definition of explain is "to give the reason for or cause of." The USPAP requirement to include an explanation for the exclusion of an approach to value from the analysis is necessary to provide the client and other intended users with insight into the appraiser's decision as to why the analysis was not performed.

Consider the following approaches to value as part of the appraisal assignment.

***5.1.9.1 Sales Comparison Approach 1/***

Typical Sales Comparison methodology is defined as a set of procedures in which the appraiser derives a value by comparing the property being appraised to similar properties that have recently been sold, applying the appropriate units of comparison; identifying elements of comparison, and apply the quantitative or qualitative adjustment of each element of comparison to the sale prices of comparable sales. Quantitative adjustments are the preferred measure of adjustment.

If the appraiser determines that a different method of analysis, beyond quantitative, for the Sales Comparison approach would be appropriate, then the appraiser must obtain prior approval from APOC. Quantitative and limited qualitative combined analysis is acceptable. Any qualitative adjustment or analysis must be adequately discussed and supported in the appraisal report. --\*

**\*--Non-Farm Real Estate Appraisal – SOW**

The appraisal report will include:

- Element of comparison - identified and explained
- Market data on each comparable sale used to develop land category ratios or similar methodology recognized by the industry, land values, and land and building adjustments
- The contributory value of all improvements which should be adequately described to include; fences, corrals, irrigation, drainage, tile drainage, ponds, farmstead site improvements, roads, timber, buildings, etc.
- The condition and utility of all improvements
- Adjustments and/or non-adjustments to the comparable sales will be fully explained, documented and supported within the appraisal report.

**5.1.9.2 Cost Approach**

The appraisal report must contain information on how the depreciation was extracted from the market data and used to determine contributory values for the subject property's improvements. If market data is not available the appraisal report will state as such and the conclusion will be supported. In this situation the Age/Life method can be used and should be adequately documented.

**5.1.9.3 Income Approach**

For residential real estate it is typically not considered a necessary approach to determine value. Other non-farm real estate it may be appropriate to consider the income approach therefore, the analysis must clearly show calculations of the capitalization rates or discount rates of each comparable sale and the calculations on the subject property's net income and value. Appraisal report will document the appropriate approaches to value depending on the subject's market.

**Hazards**

Appraisers are asked to be alert to stored chemicals, hazardous wastes, underground storage tanks, etc., which may be found on the property being appraised and document these observations and/or concerns in the appraisal report. The appraiser will advise the APOC of any hazards that will impact value before proceeding any further in the appraisal process. Hazards that impact value will be adequately documented in the appraisal report. Any Underground Storage Tanks (USTs) will require the appraiser to immediately contact the APOC or Ordering Official (OO) for further direction.

**5.2 Reporting Requirements 2/**

Reporting requirement of information should be sufficient in detail to answer all important questions that the client or reader might pose as to the physical characteristics of the property. Reporting requirements that are described in this section that are optional the Vendor may use judgement in providing information. The report will include relevant information that supports a credible report, value, assumptions, conclusions and methodology. --\*

**\*--Non-Farm Real Estate Appraisal – SOW*****5.2.1 Legal Characteristics***

Any impacts of legal characteristics shall be summarized such as; zoning, easements, contracts, entitlements, encumbrances, water rights, irrigation, wind rights/easements, partial interests, permits, etc. Legal characteristics should be supported from the market if value adjustments are required. Adequately “describe” (not state) zoning to include building eligibility, minimum lot size, and other pertinent factors when applicable for the market area.

***5.2.2 Physical Characteristics***

Any impacts of physical characteristics shall be discussed such as; access, water features, view, topography, drainage, climate, configuration, site and structure improvements, etc. Physical characteristics should be supported from the market if value adjustments are required. Address fixtures and personal property and ensure there is adequate justification for classification and valuation of personal property and fixtures.

***5.2.3 Other Personal Property and Irrigation System***

Fixtures or personal property, as described by the appraisal order letter, should be described in the appraisal report in detail with model and serial number as appropriate. The classification and the valuation of the personal property should be adequately justified. If the model and/or serial numbers are not available the appraisal should disclose this in the appraisal report and document the steps taken to obtain the model and serial numbers.

Any fixtures for the irrigation system should be included in the appraised value unless the fixture is considered to be personal property, like hand lines, that are not part of FSA’s security and should not be appraised with the real property.

***5.2.4 Economic Characteristics***

Any impacts of economic characteristics shall be discussed such as; ownership costs, rents, gross and net income, etc. Economic characteristics should be supported from the market if value adjustments are required. Review and summarize production contract(s) for specialized facilities. Discuss the general market economics and/or the economics of the specialized facilities.

***5.2.5 Highest and Best Use 2/***

The appraiser shall distinguish between the Highest and Best use of the property as if it were vacant and as currently improved. All four criteria of highest and best use will be adequately discussed in the highest and best use analysis. The report will clearly identify, explain, and justify conclusions for each use. Land and improvements must be valued with a “consistent use” concept. The Highest and Best Use determination will determine what appraisal reporting format is acceptable.

The appraiser will use the H&BU as the basis of the appraisal valuation process to determine market value.

***5.2.6 Approaches to Value***

FSA regulations require that the appraisal will document the results when considering the three approaches to value, as determined to be applicable and necessary, except as provided in the scope of work as defined by USPAP. --\*

**\*--Non-Farm Real Estate Appraisal – SOW**

**5.2.7 Subject Property**

All structural improvements shall be inspected including the section of the interior of major buildings. If physical inspection is not possible the vendor should contact the APOC. The report will document the following on the subject property:

- Photos of the subject

A good quality color photograph will be provided in the appraisal report that clearly illustrates the subject's improvements, land, hazards, fixtures, and other items of significance with an appropriate title adjacent to each photograph. When the non-farm property has a dwelling on site, photographs of all four sides of the dwelling is required.

- Improvements that have contributory value shall be measured and dimensions verified. The verified dimensions shall be based on square footage or volume.
- Shall include a legible sketch of subject dwelling with room layout. Sketch should provide basis for determining structure size. May be hand drawn.
- New Construction documentation in the appraisal report shall include a copy of a blueprint, draft, and/or sketch, provided to the appraiser. Summarize cost estimates for the project.
- Include information concerning leasehold interests.
- Property plat or aerial map showing roads (public and private), field layout, building location, topography, present cropping use, etc. Major improvements should be labeled.
- Domestic water source and identify the location of the source. Provide well record or log and identify location, if applicable.
- FEMA Floodplain and Mudslide Hazard map with the subject property boundaries marked, location of dwelling(s) and major structures identified and provides the FEMA map number, zones identified and FEMA map date:
  - with determination report (FEMA 81-93) if requested in work order or engagement letter
- Water Rights

See Exhibit 4 for information for reporting requirements on water rights.

**5.2.8 Fee Simple Estate, Minerals, Oil, Gas, Timber and Wind**

Typically, the appraiser will appraise the property's fee simple interest in the "as is" condition unless otherwise stated in the engagement letter. Refer to subparagraph 3 (Scope) for definition of fee simple estate. Consideration of oil, gas, minerals, timber, wind, etc., and their possible influence on the value of the subject property must be discussed in the appraisal report. For oil, gas, minerals, timber, wind, etc. that are present and have market value, the vendor shall contact the APOC to receive further guidance. FSA 2164 may be used or other applicable method or technique that meets USPAP requirements. If at any time during the appraisal process the appraiser of record discovers the estate being appraised is not fee simple the appraiser will immediately contact the APOC for consultation. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****5.2.9 Market/Production Contract**

If a market/production contract is in place or will be in place (for new construction) in which the value of the subject property is dependent upon the contract, then an analysis of the relationship of the contract to the subject's real property and how the contract impacts the value of the real property must be explained in the appraisal report, as well as how the market treats the contracts and the contract operations. A copy of the contract will be attached in the addenda of the report if in place or a letter of intent from the integrator. Similar sales with similar contracts should be used to value the subject if a market/production contract is in place, or will be in place.

**5.2.10 Comparable Sales**

Sales should be selected that have similar attributes of the subject and should be adequately analyzed. The minimum comparable sales data will be documented:

- Aerial photo or topography map with the property boundaries marked
- Plat map that clearly identifies the location of the comparable sale within a section or provides an identifiable road to the location of the property. The aerial photo may be adequate.
- Color photographs that clearly illustrate the comparable sale's improvements, any unusual land characteristics, and other items of significance.
- Sale data information that is required, unless otherwise noted in engagement letter or work order, will be provided on the sales data sheet for each comparable are:
  - Sales/transfer date
  - buyer/seller, if not confidential
  - terms
  - sale price
  - Street name and street number, if available
  - legal or map location (T-R-S and tax lot(s))
  - size
  - highest and best use or current use
  - motivating factors of the buyer, if known
  - utilities, if appropriate
  - water resources and if there are water rights associated with the property with the same information required to be reported for the subject property. See Exhibit 5.
  - zoning
- listing of improvements with description, size, condition, utility, replacement cost new (RCN), effective age, remaining economic life, total depreciation, including physical, functional, and external and contributory value. If there are no improvement, then state as such
- income analysis, if applicable, that provides itemized income by description, unit, production, price/rate and gross income. Itemize expenses, by description and cost amount, net income and cap rate. If income analysis isn't appropriate, then so state.
- Comments summarizing the sale and verification. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****5.2.11 Location Map**

A map will clearly delineate the location of the subject and all comparable sales that were used in the appraisal report. Map will include labels to identify the subject and each comparable sale, roads and cities. More than one map may be used, if needed.

**5.2.12 Summary of Salient Facts or Executive Summary**

For other non-farm properties, does not apply to residential single family properties, the Summary of Salient Facts, Executive Summary or similar format shall be provided in the appraisal report. At a minimum the Summary of Salient Facts or Executive Summary **shall** contain the following information:

- Ownership
- Location
- County, Borough or Parish
- Property Type
- Property Rights Appraised
- Size
- Improvements (listed)
- Zoning
- Highest and Best Use
- Special Assumptions
- Hazards
- Market Value Conclusion (beneath concluded market value Contributory Value of Improvements)
- Effective Date of the Appraisal
- Date of the Report
- Appraiser who completed the appraisal

**5.2.13 Table of Contents****5.2.14 Legal Description**

The legal description should be provided by the APOC or OO. If not available, a plat map that clearly identifies the property boundaries.

**5.2.15 Final Market Value**

Stated as a whole dollar amount and, if the subject is improved or personal property is appraised, from the final value an allocated value will be stated for:

- Land
- Improvements, if applicable
- Equipment/Fixtures, if applicable
- Personal property, if applicable
- Timber/Mineral Rights/Other, if applicable. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****5.2.16 Engagement Letter**

The engagement letter or work order will be provided in the addendum of the appraisal report.

**5.2.17 Qualifications of the Appraiser**

Resume listing applicable appraisal education and experience must be included. FSA does not require a copy of the appraiser's license or E & O Insurance in the appraisal report.

**5.3 Personal Identifiable Information (PII)/FSA Program Information 3/**

The vendor will comply with the intent of the Privacy Act of 1974 to protect the individual's privacy from unwarranted invasion, to make sure that personal information in their possession, if provided by the federal agency, is properly used, and will prevent any potential misuse of personal information in their possession.

The vendor is contractually bound by the same requirement of information confidentiality as are Government employees.

Reference to FSA applicant, producer or borrower's personal identifiable information other than name, address or information that is not of public record or FSA, as a Client, may provide specific information regarding FSA programs that is associated with the subject or comparable sale shall be considered confidential and not disclosed in the report. This confidential information can only be retained in the appraiser's working file and to be identified as confidential.

**5.4 Expert Witness/Testimony 3/****5.4.1 Request for Expert Witness**

If needed, the appraiser agrees to be an expert witness for FSA concerning the appraisal in an appeal hearing or in court. FSA will issue an engagement letter or work order for expert witness services providing the location, date and time the appraiser will be required to provide expert witness testimony and an estimated cost for such services.

**5.4.2 Documentation of Services**

The appraiser will be expected to maintain itemized documentation of prep work time, actual expert witness time, mileage and per diem that was incurred.

**5.4.3 Fee**

The appraiser will provide an hourly rate fee for expert testimony upon registration as the contract appraiser. Additionally, appraisers are encouraged to state an hour rate for expert witness prep time. Typically, FSA expects the prep rate to be less than expert witness hourly rate.

The expert witness rate will cover the appraiser's time from the time of departing his/her office until the appraiser returns to his/her office. The hours will be rounded to the nearest one-quarter hour.

FSA will reimburse the appraiser for prep time necessary to prepare for the appeal hearing or court action. The prep hourly rate will be the rate indicated on the appraiser's FSA Vendor Appraiser Registration form. If no hourly rate is indicated for the prep time then the rate will be 50 percent of the expert testimony rate. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****5.4.4 Per Diem**

FSA will reimburse the appraiser for domestic per diem and personal car use, at the rate paid to FSA employees as published by the United States General Service Administration (GSA). Current Per Diem rates and reimbursement for personal automobile can be obtained from the web site:

<http://www.gsa.gov>

You will need to select URL reference: “[Per Diem Rates](#),” or select, “[POV Mileage Reimbursement Rates](#).”

There is a basic per diem for lodging and for meals and incidental expenses (M&IE) (subject to change without notice) unless otherwise stated for specified areas that have higher per diem rates. The appraiser should refer to the appropriate web site or contact the FSA office for this information. Per Diem is only authorized and paid if the appraiser is required by FSA to be away from their office area that exceeds 50 miles and for overnight. The maximum hours per day for reimbursement are eight hours if the appraiser is on per diem. The personal automobile reimbursement may be requested in all cases for expert witness travel needs.

**5.4.5 Submitting Expert Witness Invoice**

The appraiser must submit an itemized invoice to be paid. The invoice will itemize the time that was required for preparation for the expert witness with a brief explanation of prep work completed, the time involved for actual expert witness testimony, mileage incurred on a daily basis and any per diem requested. The invoice should be submitted in accordance with section 5.7.

**5.5 Use Of/And Release of the Report 3/**

FSA's primary intended use of the appraisal will be stated in the engagement letter or work order. However, FSA may use the appraisal in other loan making and servicing actions, as FSA needs to do in carrying out requirements in government regulations. FSA does have need from time to time to release a copy of the report to the applicant, borrower, their representatives, and to other parties under the regulations that govern FSA's programs. These other parties may include peer groups, such as an appraiser organization or the State Appraiser Certification and Licensure Board. Any request from outside FSA, other than the applicant or lender, will require consent by Agency appraiser.

**5.6 Acceptance Criteria 3/**

Delivery of the appraisal report will include a properly executed invoice. Invoice for payment will be processed when the appraisal is determined acceptable by FSA. An acceptable product will include:

1. Appraisal report must be delivered by the completion date stated on the engagement letter and/or work order (plus any extension of time granted by FSA)
2. Appraisal report is completed in accordance with current USPAP requirements and meets the work requirements of this SOW that are applicable and any other requirements for a specific property which will be found in the engagement letter and/or work order for each appraisal order.
3. An administrative appraisal review or a technical appraisal review accepts the appraisal report by FSA. --\*



**\*--Non-Farm Real Estate Appraisal – SOW**

If the administrative appraisal review indicates that the appraisal report may not be acceptable, FSA will request a technical appraisal review. If the FSA Review Appraiser requires additional information to support the adjustments, explanation of the process, or SOW requirements must be met, the invoice approval and payment of the appraisal fee will be held until the appraisal is found acceptable to FSA.

The request for additional information will provide a specific timeframe for the information to be delivered and the criteria for the updated material to be added to the appraisal report. Typically, the timeframe to update the appraisal would be not more than 7 calendar days or as specified by the request letter. If the appraiser determines that a completed appraisal report will need to be reissued the contract appraiser will need to have approval from an Agency appraiser.

The appraisal report must be delivered by the completion date stated on the engagement letter or work order (plus any extension of time granted by FSA or requested by additional information by the review appraiser) in order for the contract terms to be met.

**5.7 Invoicing 3/****5.7.1 Invoice Information**

A properly executed invoice for payment will be submitted to the APOC as directed in the engagement letter or work order. The invoice will include the appraiser's name, address, invoice number, DUNS number, and name of the applicant/borrower as identified in the engagement letter or work order, county/borough/parish/city name that the appraisal was completed in and the amount.

**5.7.2 Invoice Approval**

The invoice will be processed for payment when the appraisal is determined acceptable by FSA. If the appraisal is not acceptable the appraisal fee will be held until the appraisal is found to be acceptable to FSA.

**5.7.3 Final Payment**

Federal Acquisition Regulations provide the U.S. Government 10 business days from receipt date of the appraisal to determine if the appraisal is acceptable. The invoice will be processed for payment within 30 calendar days or less from the date the appraisal was accepted. The appraiser will be notified in writing if the appraisal is unacceptable and at the discretion of the Government will be requested to make changes to the appraisal report in order to meet FSA SOW requirements. An unacceptable appraisal will be considered as in default and at the discretion of the Government the micro purchase/purchase order may be terminated.

The USDA procurement procedures now require that ALL vendors be paid using Electronic Fund Transfer (EFT) system. The Debt Collection Improvement Act (DCIA) of 1996 requires that federal payments of invoices for goods and services received to be paid by EFT. Therefore, each vendor must be registered in the System for Award Management (SAM) system that is available at: [www.sam.gov](http://www.sam.gov)

The vendor will be required to update the SAM data annually. FSA cannot update a vendor's information in the SAM system. For guidance on updating the SAM system please see the help links on the SAM site. --\*

**\*--Non-Farm Real Estate Appraisal – SOW**

FSA will only be able to process the invoice when the appraisal is determined acceptable and the appraiser is properly registered in the SAM web site. If vendor updates the appraisal report as required for acceptance a new invoice will be submitted.

**6. Delivery 2/**

Vendor is expected to deliver to the APOC an appraisal report that meets USPAP requirements by the accepted delivery date as stated in the Vendor's quote or authorized extension.

FSA has additional requirements related to appraisal report.

**6.1 Report Type**

Narrative appraisal reports are acceptable. However, form reports are acceptable as long as the report form is approved by FSA. For approval please contact the Agency appraiser.

Non-farm properties with improvements will have the Uniform Residential Appraisal Report (URAR), Fannie Mae Form 1004, revision March 2005 or most current version, completed as required to meet USPAP. Income and PUD Information sections are not required to be completed unless specifically requested in the engagement letter or work order.

Non-farm properties without improvements will have the Land Appraisal Report or similar format approved by FSA completed as required to meet USPAP.

Form 1007, (Marshall & Swift) Square Foot Appraisal Form, or similar form approved by FSA, will be used. This form will also be used when the estimated market value of the property is based on the cost approach, when the existing improvements are less than one year old or the improvements are proposed.

**6.2 Report Content**

The content of an appraisal report must be consistent with the intended use of the appraisal and, at a minimum follow USPAP. Restricted reports are not authorized.

In addition to USPAP real estate reporting requirements, FSA requests that the appraisal report includes the requirements as defined by section 5.2

**6.2.1 Layout/Formatting**

The report must be in portrait layout with an 8 1/2" x 11" page size. Font size of text will be 11 or larger. Photos, maps or diagrams should allow the user to clearly view the contents of the image including labels. Transmittal letter will be the first page; consecutive pages will be the cover page, Summary of Salient Facts or Executive Summary, Table of Contents and the body of the appraisal. All pages of the report other than transmittal letter and cover page will have page numbers.

**6.2.2 Reporting Requirements**

Reporting requirements are items as addressed in section 5.2, Reporting Requirement of this SOW. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****6.2.3 Personal Property to be Appraised**

All personal property or fixtures included in the appraised property will be listed and described in the report with the legal description. This personal property must be identified with serial number, make, model, size, etc.

**6.3 Report Format****6.3.1 Electronic Copy of Appraisal Report**

An electronic copy of the appraisal report is the preferred format. If the appraiser is unable to provide a PDF version of the appraisal report the appraiser may provide two hard copies of the appraisal report. The electronic copy will be acceptable to FSA if:

- Received via e-mail to the APOC's e-mail address or other e-mail address identified in the engagement letter or work order, as well as to the OO's e-mail address.
- vendor does not have software available to create a PDF document the vendor should contact the APOC for approval to use other software application.

The PDF file must contain the complete appraisal report, the transmittal letter, signature of the appraiser within the report as required on all appropriate pages, i.e. certification, final value page, etc., and all pages are formatted appropriately with sequential page numbers.

- Size of the file may not exceed 20 Gigabytes (GB). If the appraisal report file is larger than 20 GB, the appraiser will need to contact the APOC to make other arrangements to deliver the electronic file to FSA by the (PO) delivery date.
- Send a follow up e-mail to the APOC identified in the engagement letter that the electronic report was transmitted via e-mail providing recipient, date, subject line and time of transmittal.
- Hardcopy report may be provided per section 6.3.2, if electronic report option is not used

**6.3.2 Hard Copy Report**

Upon approval by the APOC, the vendor may provide a printed appraisal report to FSA in lieu of a electronic copy. Two (2) copies of the appraisal report are to be delivered to FSA unless otherwise stated in the engagement letter. At a minimum one copy must be the original report with color photographs, etc. One (1) copy can be black and white. The original report must be delivered to the Ordering Official. The second original report shall be delivered to the APOC, as stated in the engagement letter. The report shall not be bound.

**7. Place of Performance 2/**

Typically, the location of the appraisal assignment may be any location as further described by the engagement letter or work order. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****8. Late Delivery Penalty Fee or Cancellation of Assignment/Contract**

Communication with FSA regarding timely delivery of appraisal report is important. If the vendor is unable to deliver the appraisal report by the due date the vendor should request an extension in writing prior to the delivery date.

Liquidating damages will not be assessed if the vendor has received written authorization from the APOC or the CO for an extension.

If the vendor does not deliver the appraisal report or an electronic version by the authorized due date, the contract is in default and FSA may cancel the micropurchase/purchase order with notice to the vendor or assess a liquidated damages fee.

If the Vendor fails to perform the services, within the time specified in the appraisal order letter or extension authorized by the CO or APOC, following proper notification the Vendor shall, in the place of actual damages, pay to the Government liquidated damages of 3 % **of the accepted quote amount per calendar day** from the date of notification for failure to deliver the appraisal report.

Liquidated damage percentage will not exceed 25 % of the accepted quote amount if delivered within 10 calendar days of the date notification. Liquidated damages fee will continue to be assessed at the stated percentage and 30 calendar days beyond the date of notification the appraisal order will be terminated with no payment. The vendor will be notified in writing if appraisal order is terminated. The failure to deliver an appraisal report by the due date which may cause the financial transaction not to close due to seller's unwillingness to extend the timeframe can result in immediate termination of micro-purchase and no payment upon written notice.

The appraisal report shall be delivered to the APOC as described in the appraisal engagement letter or work order. A request for an extension must include the reason for the extension and the timeframe that the appraisal report will be delivered and can be submitted via e-mail. The request for an extension should be sent to the APOC or the CO if a purchase order was issued, as described in the appraisal order letter.

All written authorizations and delinquent will be an e-mail response.

The Vendor is aware that failure to deliver appraisal reports twice during a fiscal year, October through September period, within agreed upon timeframe could result in FSA no longer requesting appraisal services from the vendor.

For other non-performance issues the vendor will be notified in writing and the issue will be referred to the CO. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****9. Personal Identify Verification of Vendor and Personnel 3/**

The Government may request the Vendor to complete a background investigation of the Vendor and/or their employees. Upon request by the Government the vendor will provide the required documents necessary to complete a background investigation within the timeframes identified. The APOC or CO will request in writing the information needed and the timeframe that the documents are to be submitted to the APOC or CO. Typically, background investigations require: OF-306, Declaration of Federal Employment, and two completed FD-258's or SF-87 Fingerprint Charts with the signature and date of the applicant and a jpg format photo ID. Vendor is responsible for any expenses associated with the background investigation.

Failure to comply with the request could result in the termination of the work order or appraisal assignment. Such determination will be provide to the vendor in writing.

If background investigation results are unsatisfactory, FSA can terminate the work order or appraisal assignment. FSA may request restrictions to be applied to the Vendor or their employees. FSA will only respond if there are concerns regarding the background investigation. The APOC or CO will notify the Vendor in writing with notification of immediate termination of work order or assignment or restrictions for employee assistance.

The Vendor shall comply with agency personal identity verification procedures identified in the contract that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and

Budget (OMB) guidance M-05-24 and Federal Information Processing Standards Publication (FIPS PUB) Number 201 if requested by APOC or CO.

**9.1 Properly Account for All Forms of Government-Provided Identification**

The Vendor shall account for all forms of Government-provided identification issued to the Vendor's employees in connection with performance under this contract. The Vendor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by the Government:

- (1) When no longer needed for contract performance.
- (2) Upon completion of the Vendor employee's employment.
- (3) Upon notification that appraisal services are no longer needed and the Vendor has been removed from the Appraisal Vendor registry or services have been terminated.
- (4) Upon Vendor written request to no longer provide appraisal services. The Vendor shall provide all forms of Government-provided identification issued to the Vendor and its employees.

FSA may delay final payment under a contract if the Vendor fails to comply with these requirements. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****9.2 Subcontract Requirements**

The Vendor shall insert the substance of this clause, including this paragraph, in all subcontracts when the subcontractor's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system and/or visit FSA applicants or borrowers property. It shall be the responsibility of the prime Vendor to return such identification to the issuing agency in accordance with the terms set forth in paragraph 9.1 of this section, unless otherwise approved in writing by the APOC or CO.

**10. Exceptions 3/**

Any exceptions to the appraisal requirements in this SOW may be made on a specific appraisal assignment by the APOC, in consultation with an Agency appraiser. Exceptions may be granted if warranted and justifiable. Exceptions are to be made in writing, detailing the reasons the exception is being requested. The APOC may grant or deny the request and will reply in writing. The exception authority is only to be used on rare occasions and when deemed necessary by the Agency.

**11. Exhibits 2/**

Exhibits that are included with the SOW are categorized into two groups; general or specific work requirements. General exhibits provide more specific information related to the SOW. Work requirement exhibits specifically address additional work requirements that may be specific to the state, region or specialized real estate as defined by the exhibit.

Vendor acknowledges that exhibits may be added to this SOW and that the vendor accepts the new or modified exhibit by acceptance of the assignment. An exhibit may be provided to the vendor through the Engagement Letter and does not require the vendor to accept a new SOW with the modified exhibit. Vendor should direct questions regarding added exhibits or modified exhibits received with engagement letter to the APOC or Agency Appraiser as noted in the engagement letter.

**11.1 General Exhibits*****11.1.1 Exhibit 1, "Market Value Definition"******11.1.2 Exhibit 2, "Agency Statement of Work Contact Information"*****11.2 Specific Work Requirement or Reporting Exhibits*****11.2.1 Exhibit 3, "Loan Servicing Work Requirement"******11.2.2 Exhibit 4, "Subject Property or Comparable Sale Water Right Reporting Requirements" --\****

**\*--Non-Farm Real Estate Appraisal – SOW****12. Acceptance 3/**

FSA may at times update the SOW with minor changes. Vendor will be notified of the changes via e-mail providing a summary of changes that have occurred, date of change, and version number. Vendor's signature will remain and the previous SOW signature page will be added to the revised SOW. In this situation, a vendor may request or provide a new SOW with a signature.

If FSA makes major changes to work or reporting requirements, late delivery penalty fee, acceptance or delivery requirements within this SOW, FSA will notify the vendor via e-mail and request the vendor to sign a new SOW. The vendor will be required to return a copy of the complete SOW with a completed signature page to the APOC. Digital signatures on a locked (secured) Portable Document Format (PDF) document are acceptable and may be transmitted to APOC via e-mail.

Failure to return a signed SOW and/or vendor registration form upon request by FSA may result in vendor's removal from the vendor registry.

The Vendor has reviewed, understands and agrees to the term and requirements of the SOW.

Approved by:

---

Signature

---

Date

---

Print Name

---

Address

---

City, State and Zip Code

---

Phone Number

---

E-mail Address--\*

**\*--Non-Farm Real Estate Appraisal – SOW****13. Exhibit 1 3/****13.1 Market Value Definition**

Source: 12 CFR 34.42 (g)

*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. --\*



**\*--Non-Farm Real Estate Appraisal – SOW**

**14. Exhibit 2**

**14.1 Agency Statement of Work Contact Information**

The following FSA employee(s) are the authorized agency official that is the Agency Point of Contact (APOC) to assist the vendor on acquisition process, the SOW terms and requirements and can provide information to an appraiser that would like to be added to the FSA Appraiser Vendor registry.

Name:

Address:

Phone:

FAX:

E-mail Address:

**NOTE:** Appraisal Point of Contact (APOC) may be described in the engagement letter or work order. Please check engagement letter or work order for the appropriate APOC contact. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****15. Exhibit 3****15.1 Loan Servicing Work Requirements**

The specific work requirements for intended use described by the Engagement letter are as follows:

***15.1.1 Servicing for Shared Appreciation Agreement Recapture***

When the engagement letter or work order describes the intended use of the appraisal to determine the amount of shared appreciation recapture FSA has special requirements. These requirements are:

***15.1.1.1 Property to be Appraised***

Typically, the property to be appraised will be the same property as described by the original appraisal report(s) that were completed for the Shared Appreciation Agreement, unless otherwise stated in the engagement letter or work order.

***15.1.1.2 Inspection Timeframe and Comparable Sales***

The inspection of the property should occur within 21 days from the delivery date with the comparable sales selected within 3 years from the inspection date.

***15.1.1.3 Delivery Date***

There will be no extensions to the delivery due date of the appraisal report as stated in the Appraisal Order letter. The appraisal report will be used to determine the amount of the shared appreciation recapture.

FSA is mandated by federal law to provide information to the borrower regarding the amount of recapture that is due within certain timeframes.

***15.1.1.4 Additional Capital Improvements***

During the inspection of the real estate property, if you become aware of additional capital improvements that were not described by the appraisal report(s) prepared for the original shared appreciation agreement, provided to you upon notification of the appraisal assignment, you should notify the APOC. All capital improvements will be appraised as “as is” at the time of the inspection.

Additionally, prior to completing this appraisal, you should contact the FSA County Office listed in the engagement letter or work order and review the list of capital improvements, if provided, or any other additional capital improvement with the authorized agency official.

***15.1.2 Loan servicing for Partial Release of Real Estate***

When the engagement letter or work order describes the intended use of the appraisal is for a loan servicing partial release FSA has special requirements. These requirements are:

***15.1.2.1 Property to be Appraised***

Typically, the property to be appraised will be the property that is identified as the parcel to be released and the parcel that is to remain unless otherwise stated in the engagement letter or work order. --\*

**\*--Non-Farm Real Estate Appraisal – SOW*****15.1.2.2 Reporting Requirements***

A value for the property to be released and a value for the property to remain (if requested by client) will need to be determined. The value for each of these properties will be stated in the final opinion of value section of the appraisal report. Additionally, each property (parcel to be released and the parcel that will remain) will be fully described in the appraisal report with supporting documentation of opinions, conclusions and analysis. It is at the discretion of the appraiser based on the scope of work if a separate appraisal report is necessary for each property.

***15.1.3 Foreclosure Action***

When the engagement letter or work order describes that the intended use is for loan servicing foreclosure action FSA has special requirements. These requirements are:

***15.1.3.1 The Final Opinion of Value will Provide the Following:***

Total value of the property (including land, irrigation equipment and improvements). An allocation of value that will provide a value for each of the type of irrigation equipment (i.e. center pivots, wheel lines, etc.) or personal property as requested in the a engagement letter and/or work order and a value of just the “dirt” or land value with improvements, if applicable.

The appraiser must apply the assumption that certain covenants and restrictions may be applied to the property at the time the property is sold which may impact the value of the property. The appraiser should consider the covenants and restrictions as hypothetical conditions. If the engagement letter or work order and documents so request such consideration or the appraiser identifies that any portion of the Government inventory property is located in a 100 year flood plain and the purpose of the appraisal is for loan making action, the appraiser must take into consideration covenants and restrictions as described by the “Conservation Easement Reservations in the United States” as provided with the engagement letter and/or work order and consider how the covenants and restrictions will affect the market value.

Further, any recorded easement must be included in the addenda with discussion of the terms of the easement in the appraisal report. If the easement is proposed, an extensive discussion on how the easement impacts the value must be included in the report. --\*

**\*--Non-Farm Real Estate Appraisal – SOW****16. Exhibit 4****16.1 Subject Property or Comparable Sale Reporting Requirements****16.1.1 Water Rights**

If there are water rights associated with the property the appraisal will discuss water rights under a separate subsection under the description of the property. The water rights section will identify the following as applicable:

- Number of acres of the water right as primary and supplementary
- Permit number
- Certificate number
- Priority date
- Source of water and location of all points of diversion for each permit or certificate
- Water availability, reliability and quality; any detrimental aspects such as salt, nitrates, etc.
- Delivery system; type, location, source of power, etc.
- Assessments or delivery costs (i.e. estimated electrical cost, district assessments, etc.)
- Provide a map documenting water right area, points of diversion with the property boundary illustrated
- Documentation of the Certificate of Water Right or Permit, Well Record or Log, Final Proof of Survey and any assessments.

**Note:** Any SOW for real estate property shall have certain subparagraphs and/or clauses. The subparagraphs or clauses are identified as follows:

1/- means that the specific clause and/or subparagraph clause are included

2/ – means that the subparagraph heading are to be included.

3/ - means that the subparagraph heading and the whole subparagraph, including all subparagraphs in the section, are to be included.

A word version of this exhibit may be downloaded from the appraisal SharePoint web site at

<https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx>

Click on “Micropurchase Info” tab. Word version of this exhibit will be under the Shared Documents section of the page.

The word document for this exhibit may be modified and be used to provide a copy of the SOW to a vendor. --\*

**\*-- Timber Cruise – SOW**

<u>1.</u>	<u>Background 2/</u> .....	2
<u>2.</u>	<u>Objective 2/</u> .....	2
<u>3.</u>	<u>Scope 2/</u> .....	2
<u>4.</u>	<u>Period of Performance 2/</u> .....	2
<u>5.</u>	<u>Work Requirements 2/</u> .....	3
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**\*-- Timber Cruise – SOW****1. Background 2/**

The Farm Service Agency (FSA) is an agency of the U. S. Department of Agriculture (USDA) that makes and services loans secured by real estate. FSA needs real estate Timber Cruise reports to complete various loan making and loan servicing responsibilities.

**2. Objective 2/**

FSA intends for the Vendor to perform a timber cruise and to provide the report in a PDF version to FSA by the specified date. FSA desires the log grades, standards, and specifications prevailing in the market area to be used.

**3. Scope 2/**

The purpose of this Statement of Work (SOW) is for FSA to obtain a market value (12 CFR 34.42 (g)), see attached Exhibit 1, “Market Value Definition,” appraisal of a property by the described completion date.

The vendor shall furnish all materials, supplies, tools, equipment, personnel, and travel and shall complete all requirements of the Appraisal Order form (aka work order) or Purchase Order, and Engagement Letter by the specified date. This SOW applies to timber cruise report for FSA. The cruise may be a variable plot cruise with a standard error of 10%. The report is to meet the requirements as described for report format and contain all of the required documents.

The vendor is to make all necessary arrangements with property owners, lessees, brokers, easement holders, contractors, title companies and others to perform the appraisal. If the person in possession of the subject property delays the appraisal process, the vendor should immediately contact the Appraisal Point of Contact (APOC) for assistance and for a possible extension of the contract delivery date.

**4. Period of Performance 2/**

Typically, the period of performance is 30 calendar days from the date of the engagement letter or the Work Order unless otherwise defined. The vendor should realistically estimate the timeframe to complete the timber cruise. The timber cruise report must be received by the requesting office described in the engagement letter or work order. A request for an extension of the delivery date must include the reason for the extension and the timeframe that the Timber Cruise report will be completed. Requests for an extension can be submitted via e-mail to the Agency contact point or the Contracting officer (CO) if a purchase order was issued. Written authorization for the extension or modification will be an e-mail response from the Agency contact person or the CO. Any modification or extension requests should be sent to the APOC and/or the CO as described in the engagement letter. --\*

**\*-- Timber Cruise – SOW****5. Work Requirements 2/**

The cruise design must include the merchantability limits, sampling error target, and a map of each property subdivision designating cruise strips, cruise strip bearings, stand stratifications, plot locations, and plot numbers. Prior to conducting the timber inventory, the vendor must submit the cruise design to the Farm Service Agency's APOC or CO for approval. The timber inventory must be designed in a professional, systematic manner, which adequately samples variability and minimizes bias.

**5.1 FSA's Timber Cruise Requirements**

In general, FSA has specific conditions and requirements for completing and reporting the market value of timber and will be considered an Appraisal Assignment. Market value definition is defined by Exhibit 1 of this SOW.

The specific conditions and requirements are described in this section.

**5.1.1 Cruiser Forester 1/**

The Forester conducting the timber cruise must be a professional that has received adequate training to be considered competent by industry professionals. Forester must be licensed in the State in which the subject is located, except where there is no licensing. Evidence of competency includes a two-year technician's degree, four-year degree from an appropriate college or university, or certification from a professional society such as the Society of American Foresters or American Consulting Foresters.

No other individual may provide assistance with the appraisal development process without prior written consent from FSA.

**5.1.1.1 Background Investigation/Notification Requirement of Individual Providing Assistance 1/**

If the cruiser will have an associate or assistant cruiser providing assistance with the development of the timber cruise assignment or will visit the subject property must notify the APOC in writing and receive written prior approval. Clerical support and normal information gathering is an exception for approval. The cruiser will provide FSA information as follows:

- Associate's name
- Length of employment with vendor or explanation of association if not an employee
- If background investigation has been completed by FSA. Provide the date that the background investigation information was provided to FSA.

If FSA has not completed a background investigation, or the requirement of submitting fingerprints, the cruiser and if it is necessary for the individual to provide assistance with the development of the timber cruise assignment, FSA may require their own background investigation. In this case, the APOC will provide additional information. --\*

**\*-- Timber Cruise – SOW*****5.1.2 Access to Property 1/***

FSA requires that vendor to notify the property owner prior to accessing the property. The vendor shall provide the applicant or the FSA representative the opportunity to accompany the vendor on the property inspection. If the property owner is unavailable or considered uncooperative, the vendor may request assistance and/or guidance from the APOC to coordinate; inspection of the property and/or obtaining assistance from a FSA representative.

The authorization to provide a timber cruise is the engagement letter and if requested by the property owner the vendor shall provide the engagement letter to the owner as justification to inspect the property and to obtain information necessary for the timber cruise assignment.

***5.1.3 Client and Intended User***

FSA is the Client and intended user of the report. If there are additional intended users, list the intended user(s) after FSA. The additional intended user may not require the vendor to do more than FSA requirements would have otherwise done, unless directed by FSA. FSA Borrower/Applicant should not be listed as an intended user.

***5.1.4 Inventory Design***

The cruise design must include the merchantability limits, sampling error target, and a map of each property subdivision designating cruise strips, cruise strip bearings, stand stratifications, plot locations, and plot numbers. Prior to conducting the timber inventory, the vendor must submit the cruise design to the APOC for approval. The timber inventory must be designed in a professional, systematic manner, which adequately samples variability and minimizes bias.

***5.1.5 Merchantability Limits***

The merchantability limits must conform to or be easily equated to those used in the market place for the subject properties.

***5.1.6 Volume Estimators***

Volume estimators or tree volume taper equations must be used which correspond to or closely approximate those used in the market area of the subject properties.

***5.1.7 Quality Grading***

Grading standards must correspond or be easily equated to the Official Log Scaling and Grading Rules as developed and updated by industry standards or the profession Advisory Group. In addition, each log grade segment must be sub graded for export or domestic quality.

***5.1.8 Sampling Error***

For market value appraisal purposes, sampling accuracy standards need not be greater than that prevailing for stumpage and timbered property transacted in the marketing area of the subject property.

***5.1.9 Market Value***

The market value shall be determined by use of the current market price a timber owner can obtain in the market from selling the timber as it is, which the appraiser shall explain in the report. If market sales are used, then the adjustments need to be shown. If mill price is used then deductions need to be shown. Market value is for the stumpage value of the timber as it stands. --\*



**\*-- Timber Cruise – SOW****5.1.10 Timber Inventory Identification**

The vendor will provide FSA or their representatives with copies of field measurement data, volume summaries, and any other pertinent data which would expedite a check cruise, including any cruise map revisions, for each property subdivision promptly upon completion. The vendor shall clearly document all sampling plots as follows:

- Hang adequate flagging in a clearly visible manner near each sampling plot.
- Establish and clearly mark a durable plot center monument, which will remain in place for a minimum of six months.
- Identify the sample plot number, cruise strip number, and date at each plot in a consistent manner, preferably written in permanent marker on a strip of durable flagging.

**5.2 Reporting Requirements 2/**

Reporting requirements of information should be sufficient in detail to answer all important questions that the client or reader might pose as to the valuation of timber. Vendor may use judgement in providing information in this section when the word, “should,” is stated. The report will include relevant information that supports a credible report, value, assumptions, conclusions and methodology.

**5.2.1 Report Information**

The cruise report is the source of timber statistics used for appraisals to estimate both timber volumes and values. The report shall address each of the sub section items in this section.

**5.2.1.1 Per Acre and Average Tree Data**

Data collection shall describe the species composition, mean stand diameter, basal area, number of trees, and board foot volumes.

**5.2.1.2 Log Quality Data**

Log quality data should be broken down by volume by species, log sort, and log grade.

**5.2.2 Report Format**

Data collected and provided in the report shall be based on typical reporting standards that are expected by professional foresters in the market area. Reference to units, type, standards shall be described adequately to illustrate and meet report information requirements. The appropriate units, type, methodologies, analysis shall be reflected in the report based on market area professional standards. Report should, at a minimum, contain the information described in section 5

**5.2.2.1 Cover Page**

The cover page should describe the subject by name, location as Township, Range, Section and Lot, County, State and physical address, if available, cruise report completed by and date the report was written. --\*

**\*-- Timber Cruise – SOW****5.2.2.2 Table of Contents**

The table of contents shall follow the cover page and at a minimum provide; Description of Timber, Methods, Results and Appendices. Subsection should be included in the table of contents for location and access, topography, cover type description, timber volume, growth, and other relevant information.

**5.2.2.3 Description of Timber and Timberland**

Property description should include at a minimum:

- Maps and Aerial Photographs
- Location and Access
- Boundary Markings
- Topography
- Cover Type Descriptions
- Timber Stands and Other Cover Types
- Stand Ages
- Operability for Timber Harvest Legal
- Physical and Legal Limitations on Timber Harvest

**5.2.2.4 Description of Methods**

The description will include the methods of collecting data (variable radius plots, fixed area plots, etc.), sampling intensity, log lengths (minimum, maximum, and preferred lengths by species), minimum scaling diameter, minimum merchantable log, and minimum merchantable tree.

**5.2.2.5 Results**

Provide a general description of analysis, statistical information and a description of applicable tables, summary of results and analysis and appendices.

Cruise summary should provide species, average DBH, Basal Area, average Net volume per log and per acre in cubic and board feet, Type Totals (Net) in MBF. There should be a summary subsection for each type with species listed with subtotals/Mean. At a minimum, definitions should be included as footnote to the summary table and should define basal area, MBF and DBH.

Log sort, grade and volume data should be provided with property data, per acre data, average log data and percent of net board fee by gross log length and describe Net MBF, Gross Board Feet, Net Board Feet, Number of Logs, length by species and grade.

Stand tables should provide DBH in inches, basal area/acre, trees/acre, Net DBH/acre, Net board feet/acre and Total Net MBF.

**5.2.2.6 Appendices**

The appendices should provide appropriate data, tables, plot map, analysis, data collection, forest type map identifying stands and other relevant information to support valuation and conclusions. Typically, the appendices has log sort, grade and volume data by type in table format and stand tables. --\*

**\*-- Timber Cruise – SOW****5.2.2.7 Engagement Letter**

The engagement letter and/or work order should be provided in the Addendum of the Timber Cruise report.

**5.2.2.8 Qualifications of the Appraiser**

Resume listing applicable timber cruise education and experience must be included.

**5.3 Personal Identifiable Information (PII) 3/**

The vendor will comply with the intent of the Privacy Act of 1974 to protect the individual's privacy from unwarranted invasion, to make sure that personal information in their possession, if provided by the federal agency, is properly used, and will prevent any potential misuse of personal information in their possession.

The vendor and any associated employee is contractually bound by the same requirement of information confidentiality as are Government employees.

Reference to FSA applicant, producer or borrower's personal identifiable information other than name, address or information that is of public record shall be considered confidential and not disclosed in the report.

**5.4 Expert Witness/Testimony 3/****5.4.1 Request for Expert Witness**

If needed, the appraiser agrees to be an expert witness for FSA concerning the appraisal in an appeal hearing or in court. FSA will issue an engagement letter and/or work order for expert witness services providing the location, date and time the appraiser will be required to provide expert witness testimony and an estimated cost for such services.

**5.4.2 Documentation of Services**

The appraiser will be expected to maintain itemized documentation of prep work time, actual expert witness time, mileage and per diem that was incurred.

**5.4.3 Fee**

The appraiser will provide an hourly rate fee for expert testimony upon registration as the contract appraiser. Additionally, appraisers are encouraged to state an hour rate for expert witness prep time. Typically, FSA expects the prep rate to be less than expert witness hourly rate.

The expert witness rate will cover the appraiser's time from the time of departing his/her office until the appraiser returns to his/her office. The hours will be rounded to the nearest one-quarter hour.

FSA will reimburse the appraiser for prep time necessary to prepare for the appeal hearing or court action. The prep hourly rate will be the rate indicated on the appraiser's FSA Vendor Appraiser Registration form. If no hourly rate is indicated for the prep time then the rate will be 50 percent of the expert testimony rate. --\*

**\*-- Timber Cruise – SOW****5.4.4 Per Diem**

FSA will reimburse the appraiser for domestic per diem and personal car use, at the rate paid to FSA employees as published by the United States General Service Administration (GSA). Current Per Diem rates and reimbursement for personal automobile can be obtained from the web site:

<http://www.gsa.gov>

You will need to select URL reference: “[Per Diem Rates](#),” or select, “[POV Mileage Reimbursement Rates](#).”

There is a basic per diem for lodging and for meals and incidental expenses (M&IE) (subject to change without notice) unless otherwise stated for specified areas that have higher per diem rates. The appraiser should refer to the appropriate web site or contact the FSA office for this information. Per Diem is only authorized and paid if the appraiser is required by FSA to be away from their office area that exceeds 50 miles and for overnight. The maximum hours per day for reimbursement are eight hours if the appraiser is on per diem. The personal automobile reimbursement may be requested in all cases for expert witness travel needs.

**5.4.5 Submitting Expert Witness Invoice**

The appraiser must submit an itemized invoice to be paid. The invoice will itemize the time that was required for preparation for the expert witness with a brief explanation of prep work completed, the time involved for actual expert witness testimony, mileage incurred on a daily basis and any per diem requested. The invoice should be submitted in accordance with section 5.7, Invoicing.

**5.5 Inspection/Use Of/And Release of the Report 3/**

FSA's primary intended use of the appraisal will be stated in the engagement letter and/or work order. However, FSA may use the appraisal in other loan making and servicing actions, as FSA needs to do in carrying out requirements in government regulations. FSA does have need from time to time to release a copy of the report to the applicant, borrower, their representatives, and to other parties under the regulations that govern FSA's programs. These other parties may include peer groups, such as a professional organization.

**5.5.1 Timber Inventory Inspection****5.5.2 Quality Control Standards**

The FSA or their representatives reserve the right to perform a check cruise of at least 10% of Contractor's work. Contractor's work must meet or exceed the following standards:

**5.5.2.1 Net Volume**

The net cruise volume for each property subdivision must be within plus or minus 10% of the net cruise volume as indicated by the check cruise. The same tree volume estimators must be used for this comparison. The tree volume estimators used by the Contractor will be considered the standard for comparison.

**5.5.2.2 Quality**

The value for each property subdivision must be within plus or minus 10% of the check cruised value. This will be measured by comparing the total graded log value on a MBF basis using the same set of log values. This check is to be done independently of the net volume check. --\*

**\*-- Timber Cruise – SOW****5.5.2.3 Sampling error**

The actual sampling error for each property subdivision must meet or exceed the sampling error target identified in the Contractor's cruise design.

**5.6 Acceptance Criteria 3/**

Delivery of the timber cruise report will include a properly executed invoice. Invoice for payment will be processed when the appraisal is determined acceptable by FSA. An acceptable product will include:

1. Timber Cruise report must be delivered by the completion date stated on the engagement letter and/or work order (plus any extension of time granted by FSA)
2. Timber Cruise report is completed in accordance with professional industry standards and requirements and meets work requirements of this SOW that are applicable and any other requirements for a specific property which will be found in the Letter of Engagement for each appraisal order.
3. An administrative review accepts the Timber Cruise report by FSA.

If the administrative review indicates that Timber Cruise report may not be acceptable, FSA may request additional information to support the adjustments, explanation of the process, or SOW requirements must be met, the invoice approval and payment of the appraisal fee will be held until the appraisal is found acceptable to FSA.

The request for additional information will provide a specific timeframe for the information to be delivered and the criteria for the updated material to be added to the Timber Cruise report. Typically, the timeframe to update the report is no more than 7 calendar days or as specified by the request letter. If the vendor determines that a completed Timber Cruise report will need to be reissued the vendor will need to have approval from FSA.

The Timber Cruise report must be delivered by the completion date stated on the work order form or engagement letter or provided by an extension of time granted by FSA.

**5.7 Invoicing 3/****5.7.1 Invoice Information**

A properly executed invoice for payment should be submitted to the APOC as directed in the engagement letter and/or work order. The invoice will include the appraiser's name, address, invoice number, DUNS number, and name of the applicant/borrower as identified in the engagement letter and/or work order, county/borough/parish/city name that the appraisal was completed in and the amount.

**5.7.2 Invoice Approval**

The invoice will be processed for payment when the report is determined acceptable by FSA. If the report is not acceptable the timber cruise fee will be held until the report is found acceptable to FSA. --\*

**\*-- Timber Cruise – SOW****5.7.3 Final Payment**

FSA procurement regulations provide the U.S. Government 10 business days from receipt date of the report to determine if the report is acceptable. The invoice will be processed for payment within 30 calendar days or less from the date the appraisal was accepted. The cruiser will be notified in writing if the report is unacceptable and at the discretion of the Government will be requested to make changes to the Timber Cruise report in order to meet FSA SOW requirements. An unacceptable report will be considered as in default and at the discretion of the Government the micro purchase/purchase order may be terminated.

The USDA procurement procedures require that ALL vendors be paid using Electronic Fund Transfer (EFT) system. The Debt Collection Improvement Act (DCIA) of 1996 requires that federal payments of invoices for goods and services received to be paid by EFT. Therefore, each vendor must be registered in the System for Award Management (SAM) that is available at: [www.sam.gov](http://www.sam.gov)

The vendor will be required to update the SAM data annually. FSA cannot update a vendor's information in SAM. However, the vendor may contact the Agency Point of Contact for guidance on updating SAM.

FSA will only be able to process the invoice when the appraisal is determined acceptable and the appraiser is properly registered in the SAM web site.

**6. Delivery 2/**

Vendor is expected to deliver to the APOC a Timber Cruise report by the accepted delivery date as stated in the Vendor's quote or authorized extension.

FSA has additional requirements related to Timber Cruise report.

**6.1 Report Type**

Narrative Timber Cruise reports are acceptable. However, form reports are acceptable as long as the report form is approved by FSA. For approval please contact the Agency area appraiser or Lead appraiser.

**6.1.1 Layout/Formatting**

The report must be in portrait layout with an 8 1/2" x 11" page size. Font size of text will be 11 or larger. Photos, maps or diagrams should allow the user to clearly view the contents of the image including labels. Transmittal letter will be the first page followed by appropriate approved form report. For narrative reports; consecutive pages will be the cover page, Table of Contents and the body of the appraisal. All pages of the report other than transmittal letter and cover page will have page numbers.

**6.1.2 Reporting Requirements**

Reporting requirements are items as addressed in paragraph 5.2, Reporting Requirements of this SOW.

**6.2 Report Format**

**\*-- Timber Cruise – SOW****6.2.1 Electronic Copy of Timber Cruise report**

An electronic copy of the Timber Cruise report is the preferred format. If the cruiser is unable to provide a Portable Document Format (PDF) version of the Timber Cruise report the cruiser may provide two hard copies of the Timber Cruise report. The electronic copy will be acceptable to FSA if:

- Received via e-mail to the APOC's e-mail address.
- it is in a PDF format.

The PDF file must contain the complete Timber Cruise report, the transmittal letter, signature of the cruiser within the report as required on all appropriate pages, i.e. certification, final value page, etc., and all pages are formatted appropriately with sequential page numbers.

- Size of the file may not exceed 20 Gigabytes (GB). If the Timber Cruise report file is larger than 20 GB, the appraiser will need to contact the APOC to make other arrangements to deliver the electronic file to FSA by the (PO) delivery date.
- Send a follow up e-mail to Agency contact that the electronic report was transmitted via e-mail providing recipient, date, subject line and time of transmittal.
- Hardcopy, if electronic report option is not used

The report shall not be bound. It is preferred that the report be secured by a staple in the bottom center of the report.

**6.2.2 Copies**

Upon approval by the APOC, the vendor may provide a printed appraisal report to FSA in lieu of a electronic copy. Two (2) copies of the appraisal report are to be delivered to FSA unless otherwise stated in the engagement letter. At a minimum one copy must be the original report with color photographs, etc. One (1) copy can be black and white. The original report must be delivered to the APOC. The second original report shall be delivered to the Ordering Official, as stated in the engagement letter.

**7. Place of Performance 2/**

Typically, the location of the appraisal assignment may be any location as further described by the Appraisal Order form or engagement letter.

The cruiser may contact the agency statement of work contact for further information as provided by Exhibit 2.

**8. Late Delivery Penalty Fee or Cancellation of Assignment/Contract**

Communication with FSA regarding timely delivery of Timber Cruise report is important. If the vendor is unable to deliver the Timber Cruise report by the due date the vendor should request an extension in writing prior to the delivery date.

Liquidating damages will not be assessed if the vendor has received written authorization from the APOC or the CO for an extension. --\*

**\*-- Timber Cruise – SOW**

If the vendor does not deliver the Timber Cruise report or an electronic version by the authorized due date, the contract is in default and FSA may cancel the purchase/purchase order with notice to the vendor or assess a liquidated damages fee.

If the Vendor fails to perform the services, within the time specified in the appraisal order letter or extension authorized by the CO or APOC, following proper notification the Vendor shall, in the place of actual damages, pay to the Government liquidated damages of 3 % **of the accepted quote amount** per **calendar day** from the date of notification for failure to deliver the Timber Cruise report.

Liquidated damage percentage will not exceed 25 % of the accepted quote amount if delivered within 10 calendar days of the date notification. Liquidated damages fee will continue to be assessed as stated percentage and 30 calendar days beyond the date of notification the appraisal order will be terminated with no payment. The vendor will be notified in writing if appraisal order is terminated.

The Timber Cruise report shall be delivered to the APOC as described in the appraisal engagement letter. A request for an extension must include the reason for the extension and the timeframe that the Timber Cruise report will be delivered and can be submitted via e-mail. The request for an extension should be sent to the APOC or the CO if a purchase order was issued as described in the appraisal order letter.

All written authorizations and approval of an extension for delivery will be an e-mail response.

The Vendor is aware that failure to deliver Timber Cruise reports twice during a fiscal year, October through September period, within agreed upon timeframe could result in FSA no longer requesting appraisal services from the vendor.

Other non-performance issues the vendor will be notified in writing and the issue will be referred to the CO.

**9. Personal Identity Verification of Vendor and Personnel 3/**

The Government may request the Vendor to complete a background investigation of the Vendor and/or their employees. Upon request by the Government the vendor will provide the required documents necessary to complete a background investigation within the timeframes identified. The APOC or CO will request in writing the information needed and the timeframe that the documents are to be submitted to the APOC or CO. Typically, background investigations require: OF-306, Declaration of Federal Employment, and two completed FD-258's or SF-87 Fingerprint Charts with the signature and date of the applicant and a jpg format photo ID. Vendor is responsible for any expenses associated with the background investigation.

Failure to comply with the request could result in the termination of the work order or appraisal assignment. Such determination will be provide to the vendor in writing.

If background investigation results are unsatisfactory, FSA can terminate the work order or appraisal assignment. FSA may request restrictions to be applied to the Vendor or their employees. FSA will only respond if there are concerns regarding the background investigation. The APOC or CO will notify the Vendor in writing with notification of immediate termination of work order or assignment or restrictions for employee assistance. --\*



**\*-- Timber Cruise – SOW**

The Vendor shall comply with agency personal identity verification procedures identified in the contract that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24 and Federal Information Processing Standards Publication (FIPS PUB) Number 201 if requested by APOC or CO.

**9.1 Properly Account for All Forms of Government-Provided Identification**

The Vendor shall account for all forms of Government-provided identification issued to the Vendor's employees in connection with performance under this contract. The Vendor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by the Government:

- (1) When no longer needed for contract performance.
- (2) Upon completion of the Vendor employee's employment.
- (3) Upon notification that appraisal services are no longer needed and the Vendor has been removed from the Appraisal Vendor registry or services have been terminated.
- (4) Upon Vendor written request to no longer provide appraisal services. The Vendor shall provide all forms of Government-provided identification issued to the Vendor and its employees.

FSA may delay final payment under a contract if the Vendor fails to comply with these requirements.

**9.2 Subcontract Requirements**

The Vendor shall insert the substance of this clause, including this paragraph, in all subcontracts when the subcontractor's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system and/or visit FSA applicants or borrowers property. It shall be the responsibility of the prime Vendor to return such identification to the issuing agency in accordance with the terms set forth in paragraph 9.1 of this section, unless otherwise approved in writing by the APOC or CO.

**10. Exceptions 3/**

Any exceptions to the appraisal requirements in this Statement of Work, may be made on a specific appraisal assignment by the APOC, in consultation with an Agency appraiser. Exceptions may be granted if warranted and justifiable. Exceptions are to be made in writing, detailing the reasons the exception is being requested. The APOC may grant or deny the request and will reply in writing. The exception authority is only to be used on rare occasions and when deemed necessary by the Agency.

**11. Exhibits 2/**

Exhibits that are included with the SOW are categorized into two groups; general or specific work requirements. General exhibits provide more specific information related to the SOW. Work requirement exhibits specifically address additional work requirements that may be specific to the state, region or specialized real estate as defined by the exhibit. --\*

**\*-- Timber Cruise – SOW**

Vendor acknowledges that exhibits may be added to this SOW and that the vendor accepts the new or modified exhibit by acceptance of the assignment. An exhibit may be provided to the vendor through the Engagement Letter and does not require the vendor to accept a new SOW with the modified exhibit. Vendor should direct their questions regarding added exhibits or modified exhibits received with engagement letter to the APOC, Lead Regional Appraiser (LRA) or Regional Appraiser (RA) as noted in the engagement letter.

**11.1 General Exhibits*****11.1.1 Exhibit 1, “Market Value Definition”******11.1.2 Exhibit 2, “Agency Statement of Work Contact Information”*****11.2 Specific Work Requirement Exhibits*****11.2.1 None --\****

**\*-- Timber Cruise – SOW****12. Acceptance 3/**

FSA may at times update the SOW with minor changes. Vendor will be notified of the changes via e-mail providing a summary of changes that have occurred, date of change, version number. Vendor's signature will remain and the previous SOW signature page will be added to the revised SOW. In this situation, a vendor may request or provide a new SOW with a signature.

If FSA makes major changes to work or reporting requirements, late delivery penalty fee, acceptance or delivery requirements with in this SOW FSA will notify the vendor via e-mail and request the vendor to sign a new SOW. The vendor will be required to return a copy of the complete SOW with a signed signature page to the APOC. Digital signatures on a locked (secured) Portable Document Format (PDF) document are acceptable and may be transmitted to FSA to APOC via e-mail.

Failure to return a signed SOW and/or vendor registration form upon request by FSA may result in vendor to be removed from the vendor registry.

The Vendor has reviewed, understands and agrees to the term and requirements of the SOW.

Approved by:

---

Signature

---

Date

---

Print Name

---

Address

---

City, State and Zip Code

---

Phone Number

---

E-mail Address --\*

**\*-- Timber Cruise – SOW****13. Exhibit 1 3/****13.1 Market Value Definition**

Source: 12 CFR 34.42 (g)

*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. --\*

**\*-- Timber Cruise – SOW****14. Exhibit 2****14.1 Agency Statement of Work Contact Information**

The following FSA employee(s) are the authorized agency official that is the Agency Point of Contact (APOC) to assist the vendor on acquisition process, the SOW terms and requirements and can provide information to an appraiser that would like to be added to the FSA Appraiser Vendor registry.

Name:

Address:

Phone:

FAX:

E-mail Address:

**Note:** Any SOW for personal property shall have certain subparagraphs and/or clauses. The subparagraphs or clauses are identified as follows:

1/- means that the specific clause and/or subparagraph clause are included

2/ – means that the subparagraph heading are to be included.

3/ - means that the subparagraph heading and the whole subparagraph, including all subparagraphs in the section, are to be included.

A word version of this exhibit may be downloaded from the appraisal SharePoint web site at

<https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx>

Click on “Micropurchase Info” tab. Word version of this exhibit will be under the Shared Documents section of the page.

The word document for this exhibit may be modified and be used to provide a copy of the SOW to a vendor. --\*



**\*-- Chattel Appraisal – SOW**

1.	<u>Background 2/</u> .....	2
2.	<u>Objective 2/</u> .....	2
3.	<u>Scope 2/</u> .....	2
4.	<u>Period of Performance 2/</u> .....	3
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**\*-- Chattel Appraisal – SOW**

**1. Background 2/**

The Farm Service Agency (FSA), an agency of the U.S. Department of Agriculture (USDA), makes and services loans secured by personal property or chattels. FSA needs appraisal reports to complete various direct loan making and loan servicing responsibilities. The Statement of Work (SOW) addresses FSA's requirements for chattel appraisal services.

**2. Objective 2/**

FSA intends for the Vendor to provide chattel appraisal reports in a PDF version, by the specified date, to be delivered to the FSA Office requesting the appraisal. Timely delivery of the appraisal report is critical to the success of FSA's meeting its mission and providing loan assistance to farmers. The equipment and livestock are to be appraised on an appropriate Agency forms, or a format acceptable to the agency. Other personal property will be appraised in a narrative report and attached to the Agency appraisal form.

**3. Scope 2/**

The purpose of the SOW is for FSA to obtain a market value (12 CFR 34.42 (g), see attached Exhibit 1, for definition of "Market Value,") appraisal of personal property by the described completion date. The property will be appraised by using the **whole sale (auction) value**. This value is the estimated gross amount, expressed in terms of money, which could be typically realized from a sale, given a reasonable exposure time period. For the purpose of this SOW a 60 day marketing period is considered appropriate (unless otherwise stated) as a reasonable time for exposure in the open market, assuming that the subject property is professionally and actively marketed.

The appraiser shall furnish all materials, supplies, tools, equipment, personnel, and travel and shall complete all requirements of the Appraisal Order form or Purchase Order, and Engagement Letter by the specified date. This SOW applies to all chattel appraisals for FSA.

Typically, the appraiser will appraise the chattel property in the "as is" condition unless otherwise stated in the appraisal engagement letter. "As is" condition is the condition of the property as you find it during your inspection.

FSA regulations require that the vendor take into consideration at a minimum the Sales Comparison approach. If the appraiser determines that another approach is applicable the appraiser will obtain written approval from the Appraisal Point of Contact (APOC) and adequately explain the in the Scope of Work of the appraisal report. --\*



**\*-- Chattel Appraisal – SOW**

**4. Period of Performance 2/**

Typically, the period of performance is 30 calendar days from the date of the Engagement Letter or the Purchase Order unless otherwise defined. The vendor should realistically estimate the timeframe to complete the appraisal assignment. The appraisal report must be received by the requesting office described in the engagement letter and/or work order. A request for an extension of the delivery date must include the reason for the extension and the timeframe that the appraisal report will be completed. Requests for an extension can be submitted via e-mail to the (APOC) or the Contracting Officer (CO) if a purchase order was issued. Written authorization for the extension or modification will be an e-mail response from the APOC or the CO.

**5. Work Requirements 2/**

The appraiser is to fulfill the appraisal process and reporting standards as described by FSA regulations, FSA forms, if applicable, and any other assignment conditions as further defined in this SOW or the engagement letter. Vendor may request a copy of FSA regulations regarding chattel appraisal requirement by contacting the APOC, CO or local FSA office as described in the engagement letter.

**5.1 FSA's Appraisal Requirements**

In general, FSA has specific appraisal conditions and requirements for completing and reporting the market value of personal property and will be considered as to be part of the Appraisal Assignment. The specific conditions and requirements are described in this section.

**5.1.1 Appraiser 1/**

The appraiser conducting the chattel appraisal assignment must be a professional that has received adequate training to be considered competent by industry professionals to perform the chattel appraisal. The appraiser must be licensed in the State in which the subject is located, except where there is no licensing. Evidence of competency includes documentation of training, education, a degree from an appropriate college or university, or certification from a professional society such as the American Society of Appraisers, American Society of Farm Manager and Rural Appraisers, Certified Farm Machinery and Equipment Appraiser or similar professional organizations or certifications. Vendor shall provide evidence of competency upon request by APOC or CO.

No other individual may provide assistance with the appraisal development process without prior written consent from FSA. --\*

**\*-- Chattel Appraisal – SOW**

***5.1.1.1 Notification Requirement of Individual Providing Assistance/Approval 1/***

If the appraiser will have an associate or assistant appraiser providing assistance with the development of the appraisal assignment or will visit the subject property must notify the APOC in writing and receive written approval. Clerical support and normal information gathering is an exception for approval. The appraiser will provide FSA information as follows:

- Associate's name
- Length of employment with vendor or explanation of association if not an employee
- If background investigation has been completed by the State. Provide the date that the background investigation information was provided to the State.

Note: Date of license or registration certification would meet this requirement with a statement that background information was submitted with application for license/registration.

If the State has not completed a background investigation, or the requirement of submitting fingerprints, and it is necessary for the individual to provide assistance with the development of the appraisal assignment, FSA may require their own background investigation. In this case, the APOC will provide additional information.

***5.1.2 Access to Property 1/***

FSA requires that vendor to notify the property owner prior to accessing the property. The vendor shall provide the applicant or the FSA representative the opportunity to accompany the vendor on the property inspection. If the property owner is unavailable or considered uncooperative, the vendor may request assistance and/or guidance from the APOC to coordinate inspection of the property and/or obtaining assistance from a FSA representative.

The authorization to provide appraisal services is the engagement letter and if requested by the property owner the vendor shall provide the engagement letter to the owner as justification to inspect the property and to obtain information necessary for the appraisal assignment.

***5.1.3 Client and Intended User***

Generally, FSA will be named as the Client and intended user. FSA will advise the vendor if there are additional intended users and they will be listed after FSA. The additional intended user may not require the vendor to do more than FSA requirements would have otherwise done, unless directed by FSA. The FSA Borrower/Applicant will not be listed as an intended user.

***5.1.4 Appraisal Process***

The appraiser shall follow industry recognized appraisal process and reporting standards and any FSA regulation requirements in effect as of the effective date of the appraisal. The appraiser will need to consider the following requirements of the personal property in the appraisal process: --\*

**\*-- Chattel Appraisal – SOW**

***5.1.4.1 Intended Use***

The stated intended use of the appraisal may have specific requirements that must be considered. If the intended use is not identified in this section of the SOW then FSA has no additional requirements.

***5.1.4.2 Property Identification***

All of the personal property to be appraised will be described on FSA 2028 Security Agreement, if available, or on an attachment.

This property is owned by or taken care of by the person(s) named as “Owner” on the Chattel Appraisal Order Form. In addition to the personal property listed, FSA security agreements cover all additions to and replacements to the property listed on the security agreement. Therefore, as the Vendor performs the appraisal, if the appraiser becomes aware of additional equipment, livestock, and other farm personal property, the appraiser is to describe this additional property with an appraised value on an attachment to the appraisal.

***5.1.5 Property Location and Access 1/***

FSA understands the property is located at the location described in Appraisal Order form. If some of the property is not located at the location described and the new location will add considerable cost to the vendor to inspect the property, the vendor should contact the FSA APOC/CO and negotiate an increase in the Micro Purchase/Purchase Order amount.

On-sight, visual inspection of the chattels listed must be performed. The effective date of this appraisal is the date of inspection. FSA requires that the appraiser inspects all security; and if unable to do so, then the reason why not must be explained and concurred with by the APOC. If concurrence is obtained then an Extraordinary Assumption should be utilized. The vendor is to contact the person listed under Section A of the Chattel Appraisal Order Form for access to inspect and appraise the property. If the vendor is denied access, the vendor is to immediately inform the APOC to make other arrangements.

***5.1.6 Approaches to Value***

The report must explain why an excluded approach is not necessary for credible results. Each approach to value will be reconciled with the strengths and weaknesses. A dictionary definition of “explain” is “to give the reason for or cause of.” FSA regulations require that the vendor take into consideration at a minimum the Sales Comparison approach. If the appraiser determines that another approach is applicable the appraiser will obtain written approval from the Appraisal Point of Contact (APOC) and adequately explain the in the Scope of Work of the appraisal report.

Consider the following approaches to value as part of the appraisal assignment. --\*

**\*-- Chattel Appraisal – SOW**

***5.1.6.1 Sales Comparison Approach***

Typical Sales Comparison methodology is defined as a set of procedures in which the appraiser derives a value by comparing the property being appraised to similar properties that have recently been sold, applying the appropriate units of comparison; identifying elements of comparison, and apply the quantitative or qualitative adjustment of each element of comparison to the sale prices of comparable sales.

The property will be appraised by using the **whole sale (auction) value**. This value is the estimated gross amount, expressed in terms of money, which could be typically realized from a sale, given a reasonable exposure time period. For the purpose of this SOW a 60 day marketing period is considered appropriate (unless otherwise stated) as a reasonable time for exposure in the open market, assuming that the subject property is professionally and actively marketed.

***5.1.6.2 Cost Approach***

The appraisal report must contain information on how the depreciation was extracted from the market data and used to determine contributory values for the personal property. If market data is not available the appraisal report will state as such and the conclusion will be supported. Industry acceptable depreciation methods can be used and should be adequately documented illustrating calculations, explanation as to appropriate method and reasoning for the depreciation and the replacement value.

**5.2 Reporting Requirements 2/**

Reporting requirement of information should be sufficient in detail to answer all important questions that the client or reader might pose as to the physical characteristics of the property. The report will include relevant information that supports a credible report, value, assumptions, conclusions and methodology.

If the appraiser cannot obtain sale information to support the market value, the APOC or CO may authorize an alternative method after the appraiser reports their search information of the market to the APOC or CO and find the appraiser's efforts were satisfactory.

The report is to describe the location of all property that is not located at the location described by FSA. Additionally, the report shall consist of, at a minimum, the following:

***5.2.1 Form***

The livestock and the equipment will be appraised by use of an appropriate Agency form, or a format acceptable to the agency. FSA chattel appraisal form is FSA 2160, "Appraisal of Chattel Property." This form can be obtained from the APOC. The appraiser may provide addendums to the FSA form to support other personal property that is identified, methodology, adjustments, assumptions, conclusions, calculations and any requirement described in this subpart of the SOW. --\*

**\*-- Chattel Appraisal – SOW**

**5.2.2 *Inventory of Crops, Feed, etc.***

Inventory of crops on hand, feed on hand, etc. will be appraised in a narrative format by describing the item, the quantity, the quality, the unit value, source of unit value, and the final value. Then the cost to market and convert the item to cash will be explained and deducted for the market value. Provide a, concise narrative regarding your observations as to the overall condition and care of stored crops and major supplies on hand.

**5.2.3 *Growing Crops***

All crops growing on the real estate described in item (b) page 2 of 7 of FSA 2028, Security Agreement, will be appraised if FSA provides a copy of the security agreement to the vendor. The growing crops will be described in a narrative format by the location, quantity, quality, age or maturity, unit value, source of unit value, and present gross crop value. The cost to harvest or market will be deducted, if the crop will be harvested within 30 days. If the crop will not be harvested within 30 days, then the cost invested in the crop may be used. In either case, the appraiser should deduct all known landlord leases due against the crop. The vendor is not required to conduct a lien search, only to advise FSA of their findings.

**5.2.4 *Livestock***

All livestock described on FSA 2028, Security Agreement, will be appraised if FSA provides a copy of the security agreement to the vendor. Otherwise, livestock described by the work order and/or engagement letter will be appraised. The appraisal report will identify the livestock providing an Item No, livestock type, and at the minimum provide Quantity, Kind, Sex, Breed, Color, Weight or Average Weight, Age or Age Range, Brands or Other Identification, Value/Head and Dollar value.

**5.2.5 *Equipment***

All equipment described on FSA 2028, Security Agreement, will be appraised if FSA provides a copy of the security agreement to the vendor. Otherwise, equipment or any other personal property described by the work order and/or engagement letter will be appraised. The appraisal report will identify the equipment or personal property providing an Item No, Quantity, Description, Manufacturer, Size and Type, Condition, Year of Manufacture, Serial Number, or Other Identification, and Dollar value.

**5.2.6 *Base Acres, Quotas, Contracted***

If applicable, base acres, quotas, contracted acres, etc. are to be appraised using actual sales of the type for the same crop and the same processor. If the appraiser cannot obtain sale information, the APOC or CO may authorize an alternative method after the Appraiser reports their search of the market and the APOC or CO find the Appraiser's efforts were satisfactory.

**5.2.7 *Other Personal Property***

If applicable, other personal property must be identified adequately to allow the client to understand and clearly identify the property, include type, description, model, and any specific identification of the property. --\*

**\*-- Chattel Appraisal – SOW**

**5.2.8 Total Value**

Total value will be provided for inventory, growing crops, livestock, equipment and any other personal property. A final value of all personal property will be provided in the summary and conclusion of value section of the report. A statement as to what value has been determined will be included in the total value section. If forced liquidation value is requested by the client the determination of that value will be fully explained.

**5.2.9 Photos**

Each appraisal will include pictures of the significant items appraised and also include pictures of a representative sample of any livestock appraised, as well as crops, feed stocks and supplies. All pictured items will be identified.

**5.2.10 Value Resource Documentation**

The appraisal report should clearly document resource sources and information used to determine value. Chattels offered as security for FSA, shall be appraised utilizing the Blue Book, auctions, machinery dealers, livestock reports, etc.

**5.2.11 Assumptions and Extraordinary Assumptions and Limiting Conditions**

If any personal property cannot be viewed, then an Extraordinary Assumption may be used with a full explanation. Appraisal report should have an addendum identifying any assumptions and limiting conditions as appropriate.

**5.2.12 Economic Characteristics**

Any impacts of economic characteristics shall be discussed such as productivity, production and ownership costs, rents, gross and net income, etc. Economic characteristics should be supported from the market if value adjustments are required. Review and summarize production contract(s) for specialized agricultural facilities. Discuss the general market economics and/or the economics of the specialized agricultural facilities.

**5.2.13 Approaches to Value**

FSA regulations require that the appraisal will document the results when considering the three approaches to value, as determined to be applicable and necessary, except as provided in the scope of work.

**5.2.14 Engagement Letter**

A copy of the engagement letter or work order will be provided in the addendum of the appraisal report. --\*

**\*-- Chattel Appraisal – SOW**

***5.2.15 Certification***

If the appraiser is not using FSA 2160, the appraiser will date and sign the appraisal report and include a statement that the values provided are based on market information and analysis that was available on the effective date of the appraisal report. If the appraiser is a member of a professional organization and the organization requires the appraiser to sign a certification, such certification will be included with the report.

***5.2.16 Qualifications of the Appraiser***

A resume listing applicable appraisal education and experience must be included. FSA does not require a copy of the appraiser's license or evidence of any personal liability insurance to be included in the report.

**5.3 Personal Identifiable Information (PII)/FSA Program Information 3/**

The vendor will comply with the intent of the Privacy Act of 1974 to protect the individual's privacy from unwarranted invasion, to make sure that personal information in their possession, if provided by the federal agency, is properly used, and will prevent any potential misuse of personal information in their possession.

The vendor is contractually bound by the same requirement of information confidentiality as are Government employees.

Reference to FSA applicant, producer or borrower's personal identifiable information other than name, address or information that is of public record shall be considered confidential and not disclosed in the report.

**5.4 Expert Witness/Testimony 3/**

***5.4.1 Request for Expert Witness***

If needed, the appraiser agrees to be an expert witness for FSA concerning the appraisal in an appeal hearing or in court. FSA will issue an engagement letter or work order for expert witness services providing the location, date and time the appraiser will be required to provide expert witness testimony and an estimated cost for such services.

***5.4.2 Documentation of Services***

The appraiser will be expected to maintain itemized documentation of prep work time, actual expert witness time, mileage and per diem that was incurred. --\*

**\*-- Chattel Appraisal – SOW**

**5.4.3 Fee**

The appraiser will provide an hourly rate fee for expert testimony upon registration as the contract appraiser. Additionally, appraisers are encouraged to state an hourly rate for expert witness prep time. Typically, FSA expects the prep rate to be less than expert witness hourly rate.

The expert witness rate will cover the appraiser's time from the time of departing his/her office until the appraiser returns to his/her office. The hours will be rounded to the nearest one-quarter hour.

FSA will reimburse the appraiser for prep time necessary to prepare for the appeal hearing or court action. The prep hourly rate will be the rate indicated on the appraiser's FSA Vendor Appraiser Registration form. If no hourly rate is indicated for the prep time then the rate will be 50 percent of the expert testimony rate.

**5.4.4 Per Diem**

FSA will reimburse the appraiser for domestic per diem and personal car use, at the rate paid to FSA employees as published by the United States General Service Administration (GSA). Current Per Diem rates and reimbursement for personal automobile can be obtained from the web site:

<http://www.gsa.gov>

You will need to select URL reference: "[Per Diem Rates](#)," or select, "[POV Mileage Reimbursement Rates](#)."

There is a basic per diem for lodging and for meals and incidental expenses (M&IE) (subject to change without notice) unless otherwise stated for specified areas that have higher per diem rates. The appraiser should refer to the appropriate web site or contact the FSA office for this information. Per Diem is only authorized and paid if the appraiser is required by FSA to be away from their office area that exceeds 50 miles and for overnight. The maximum hours per day for reimbursement are eight hours if the appraiser is on per diem. The personal automobile reimbursement may be requested in all cases for expert witness travel needs.

**5.4.5 Submitting Expert Witness Invoice**

The appraiser must submit an itemized invoice to be paid. The invoice will itemize the time that was required for preparation for the expert witness with a brief explanation of prep work completed, the time involved for actual expert witness testimony, mileage incurred on a daily basis and any per diem requested. The invoice should be submitted in accordance with section 5.8, Invoicing.

**5.5 Use Of/And Release of the Report 3/**

FSA's primary intended use of the appraisal will be stated in the engagement letter or work order. However, FSA may use the appraisal in other loan making and servicing actions, as FSA needs to do in carrying out requirements in government regulations. FSA does have need from time to time to release a copy of the report to the applicant, borrower, their representatives, and to other parties under the regulations that govern FSA's programs. These other parties may include peer groups, such as an appraiser organization. Any request from outside the agency, other than the applicant or lender, will need consent by an authorized FSA agency representative. --\*



**\*-- Chattel Appraisal – SOW**

**5.6 Acceptance Criteria 3/**

Delivery of the appraisal report will include a properly executed invoice. Invoice for payment will be processed when the appraisal is determined acceptable by FSA. An acceptable product will include:

1. Appraisal report must be delivered by the completion date stated on the engagement letter and/or work order (plus any extension of time granted by FSA)
2. Appraisal report is completed in accordance with current FSA requirements and meets the work requirements of this SOW that are applicable and any other requirements for a specific property which will be found in the engagement letter and/or work order for each appraisal order.
3. An administrative appraisal review accepts the appraisal report by FSA.

If the administrative appraisal review indicates that the appraisal report may not be acceptable, FSA will request guidance from staff appraiser. If FSA staff appraiser requires additional information to support the adjustments, explanation of the process, or SOW requirements must be met, the invoice approval and payment of the appraisal fee will be held until the appraisal is found acceptable to FSA.

The request for additional information will provide a specific timeframe for the information to be delivered and the criteria for the updated material to be added to the appraisal report. Typically, the timeframe to update the appraisal 7 calendar days or as specified by the request letter. If the appraiser determines that a completed appraisal report will need to be reissued the contract appraiser will need to have approval from APOC.

The appraisal report must be delivered by the completion date stated on the engagement letter or work order or as provided by an extension granted by FSA.

**5.7 Invoicing 3/**

**5.7.1 Invoice Information**

A properly executed invoice for payment will be submitted to the APOC as directed in the engagement letter or work order. The invoice will include the appraiser's name, address, invoice number, DUNS number, and name of the applicant/borrower as identified in the engagement letter or work order, county/borough/parish/city name that the appraisal was completed in and the amount.

**5.7.2 Invoice Approval**

The invoice will be processed for payment when the appraisal is determined acceptable by FSA. If the appraisal is not acceptable the appraisal fee will be held until the appraisal is found to be acceptable to FSA. --\*

**\*-- Chattel Appraisal – SOW**

**5.7.3 Final Payment**

Federal Acquisition Regulations provide the U.S. Government 10 business days from receipt date of the appraisal to determine if the appraisal is acceptable. The invoice will be processed for payment within 30 calendar days or less from the date the appraisal was accepted. The appraiser will be notified in writing if the appraisal is unacceptable and at the discretion of the Government will be requested to make changes to the appraisal report in order to meet FSA SOW requirements. An unacceptable appraisal will be considered as in default and at the discretion of the Government the micro purchase/purchase order may be terminated.

The USDA procurement procedures require that ALL vendors be paid using Electronic Fund Transfer (EFT) system. The Debt Collection Improvement Act (DCIA) of 1996 requires that federal payments of invoices for goods and services received to be paid by EFT. Therefore, each vendor must be registered in the System for Award Management (SAM) that is available at: [www.sam.gov](http://www.sam.gov)

The vendor will be required to update the SAM data annually. FSA cannot update a vendor's information in SAM. For guidance on updating SAM please see the help links on the SAM web site.

FSA will only be able to process the invoice when the appraisal is determined acceptable and the appraiser is properly registered in the SAM web site.

**6. Delivery 2/**

Vendor is expected to deliver to the APOC an appraisal report that meets FSA requirements by the accepted delivery date as stated in the Vendor's quote or authorized extension.

FSA has additional requirements related to appraisal report.

**6.1 Report Type**

Narrative appraisal reports are acceptable. However, form reports are acceptable as long as the report form is approved by FSA. For approval contact the APOC.

**6.2 Report Content**

The content of an appraisal report must be consistent with the intended use of the appraisal and, at a minimum meet industry standards.

In addition to industry standard reporting requirements, FSA requests that the appraisal report include the requirements as described by section 5.2.

**6.2.1 Layout/Formatting**

The report must be in portrait layout with an 8 1/2" x 11" page size. Font size of text will be 11 or larger. Photos, maps or diagrams should allow the user to clearly view the contents of the image including labels. Transmittal letter will be the first page; consecutive pages will be the cover page, Summary of Salient Facts or Executive Summary, Table of Contents and the body of the appraisal. All pages of the report other than transmittal letter and cover page will have page numbers. --\*

**\*-- Chattel Appraisal – SOW**

**6.2.2 Reporting Requirements**

Reporting requirements are items as addressed in paragraph 6.2 (Reporting Requirements) of this SOW.

**6.3 Report Format**

**6.3.1 Electronic Copy of Appraisal Report**

An electronic copy of the appraisal report is the preferred format. If the appraiser is unable to provide a PDF version of the appraisal report the appraiser may provide two hard copies of the appraisal report. The electronic copy will be acceptable to FSA if:

- Received via e-mail to the APOC's e-mail address or other e-mail address identified in the engagement letter or work order, as well as to the Ordering Official's (OO) e-mail address.
- Appraiser does not have software available to create a PDF document the appraiser should contact the APOC for approval to use other software application.

The PDF file must contain the complete appraisal report, the transmittal letter, signature of the appraiser within the report as required on all appropriate pages, i.e. certification, final value page, etc., and all pages are formatted appropriately with sequential page numbers.

- Size of the file may not exceed 20 Gigabytes (GB). If the appraisal report file is larger than 20 GB, the appraiser will need to contact the APOC to make other arrangements to deliver the electronic file to FSA by the (PO) delivery date.
- Send a follow up e-mail to the APOC identified in the engagement letter that the electronic report was transmitted via e-mail providing recipient, date, subject line and time of transmittal.
- Hardcopy report may be provided per section 6.3.2, if electronic report option is not used

**6.3.2 Hard Copy Report**

Upon approval by the APOC, the vendor may provide a printed appraisal report to FSA in lieu of a electronic copy. Two (2) copies of the appraisal report are to be delivered to FSA unless otherwise stated in the engagement letter. At a minimum one copy must be the original report with color photographs, etc., One (1) copy can be black and white. The original report must be delivered to the Ordering Official. The second original report shall be delivered to the APOC, as stated in the engagement letter. The report shall not be bound.

**7. Place of Performance 2/**

Typically, the location of the appraisal assignment may be any location as further described by the engagement letter or work order. --\*

**\*-- Chattel Appraisal – SOW**

**8. Late Delivery Penalty Fee or Cancellation of Assignment /Contract**

Communication with FSA regarding timely delivery of appraisal report is important. If the vendor is unable to deliver the appraisal report by the due date the vendor should request an extension in writing prior to the delivery date.

Liquidating damages will not be assessed if the vendor has received written authorization from the APOC or the CO for an extension.

If the vendor does not deliver the appraisal report or an electronic version by the authorized due date, the contract is in default and FSA may cancel the purchase/purchase order with notice to the vendor or assess a liquidated damages fee.

If the Vendor fails to perform the services, within the time specified in the appraisal engagement letter or extension authorized by the CO or APOC, following proper notification the Vendor shall, in the place of actual damages, pay to the Government liquidated damages of 3 % **of the accepted quote amount per calendar day** from the date of notification for failure to deliver the appraisal report.

Liquidated damage percentage will not exceed 25 % of the accepted quote amount if delivered within 10 calendar days of the date notification. Liquidated damage fees will continue to be assessed at the stated percentage and 30 calendar days beyond the date of notification the appraisal order will be terminated with no payment. The vendor will be notified in writing if appraisal order is terminated. The failure to deliver an appraisal report by the due date which may cause the financial transaction not to close due to seller's unwillingness to extend the timeframe can result in immediate termination of micro-purchase and no payment upon written notice.

The appraisal report shall be delivered to the Ordering Official and the APOC as described in the appraisal engagement letter or work order. A request for an extension must include the reason for the extension and the timeframe that the appraisal report will be delivered and can be submitted via e-mail. The request for an extension should be sent to the APOC or the CO if a purchase order was issued as described in the appraisal order letter.

All written authorizations and approval of an extension for delivery will be an e-mail response.

The Vendor is aware that failure to deliver appraisal reports twice during a fiscal year, October through September period, within agreed upon timeframe could result in FSA no longer requesting appraisal services from the vendor.

Other non-performance issues the vendor will be notified in writing and the issue will be referred to the Contracting Officer. --\*

**\*-- Chattel Appraisal – SOW**

**9. Personal Identity Verification of Vendor Personnel 3/**

The Government may request the Vendor to complete a background investigation of the Vendor and/or their employees. Upon request by the Government the vendor will provide the required documents necessary to complete a background investigation within the timeframes identified. The APOC or CO will request in writing the information needed and the timeframe that the documents are to be submitted to the APOC or CO. Typically, background investigations require; OF-306, Declaration of Federal Employment, and two completed FD-258's or SF-87 Fingerprint Charts with the signature and date of the applicant and a jpg format photo ID. Vendor is responsible for any expenses associated with the background investigation.

Failure to comply with the request could result in the termination of the work order or appraisal assignment. Such determination will be provide to the vendor in writing.

If background investigation results are unsatisfactory FSA can terminate the work order or appraisal assignment. FSA may request restrictions to be applied to the Vendor or their employees. FSA will only respond if there are concerns regarding the background investigation. The APOC or CO will notify the Vendor in writing with notification of immediate termination of work order or assignment or restrictions for employee assistance.

The Vendor shall comply with agency personal identity verification procedures identified in the contract that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24 and Federal Information Processing Standards Publication (FIPS PUB) Number 201 if requested by APOC or CO.

**9.1 Properly Account for All Forms of Government-provided Identification**

The Vendor shall account for all forms of Government-provided identification issued to the Vendor's employees in connection with performance under this contract. The Vendor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by the Government:

- (1) When no longer needed for contract performance.
- (2) Upon completion of the Vendor employee's employment.
- (3) Upon notification that appraisal services are no longer needed and the Vendor has been removed from the Appraisal Vendor registry or services have been terminated.
- (4) Upon Vendor written request to no longer provide appraisal services. The Vendor shall return all forms of Government-provided identification issued to the Vendor and its employees.

FSA may delay final payment under a contract if the Vendor fails to comply with these requirements. --\*

**\*-- Chattel Appraisal – SOW**

**9.2 Subcontract Requirements**

The Vendor shall insert the substance of this clause, including this paragraph, in all subcontracts when the subcontractor's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system and/or visit FSA applicants or borrowers property. It shall be the responsibility of the prime Vendor to return such identification to the issuing agency in accordance with the terms set forth in paragraph 9.1 of this section, unless otherwise approved in writing by the APOC or CO.

**10. Exceptions 3/**

Any exceptions to the appraisal requirements in this SOW, may be made on a specific appraisal assignment by the APOC, in consultation with an Agency appraiser. Exceptions may be granted if warranted and justifiable. Exceptions are to be made in writing, detailing the reasons the exception is being requested. The APOC may grant or deny the request and will reply in writing. The exception authority is only to be used on rare occasions and when deemed necessary by the Agency.

**11. Exhibits 2/**

Exhibits that are included with the SOW are categorized into two groups; general or specific work requirements. General exhibits provide more specific information related to the SOW. Work requirement exhibits specifically address additional work requirements that may be specific to the state, region or specialized real estate or chattels as defined by the exhibit.

Vendor acknowledges that exhibits may be added to this SOW and that the vendor accepts the new or modified exhibit by acceptance of the assignment. An exhibit may be provided to the vendor through the Engagement Letter and does not require the vendor to accept a new SOW with the modified exhibit. Vendor should direct questions regarding added exhibits or modified exhibits received with engagement letter to the APOC or Agency Appraiser as noted in the engagement letter.

**11.1 General Exhibits**

***11.1.1 Exhibit 1, "Market Value Definition"***

***11.1.2 Exhibit 2, "Agency Statement of Work Contact Information"***

**11.2 Specific Work Requirement or Reporting Exhibits**

None. --\*

**\*-- Chattel Appraisal – SOW**

**12. Acceptance 3/**

FSA may at times update the SOW with minor changes. Vendor will be notified of the changes via e-mail providing a summary of changes that have occurred, date of change, and version number. Vendor's signature will remain and the previous SOW signature page will be added to the revised SOW. In this situation, a vendor may request or provide a new SOW with a signature.

If FSA makes major changes to work or reporting requirements, late delivery penalty fee, acceptance or delivery requirements with in this SOW FSA will notify the vendor via e-mail and request the vendor to sign a new SOW. The vendor will be required to return a copy of the complete SOW with a completed signature page to the APOC. Digital signatures on a locked (secured) Portable Document Format (PDF) document are acceptable and may be transmitted to APOC via e-mail.

Failure to return a signed SOW and/or vendor registration form upon request by FSA may result in vendor to be removed from the vendor registry.

The Vendor has reviewed, understands and agrees to the term and requirements of the SOW.

Approved by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State and Zip Code

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
e-mail Address --\*

**\*-- Chattel Appraisal – SOW**

**13. Exhibit 1 3/**

**13.1 Market Value Definition**

Source: 12 CFR 34.42 (g)

*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. --\*



**\*-- Chattel Appraisal – SOW**

**14. Exhibit 2**

**14.1 Agency Statement of Work Contact Information**

The following FSA employee(s) are the authorized agency official that is the APOC to assist the vendor on acquisition process, the SOW terms and requirements and can provide information to an appraiser that would like to be added to the FSA Appraiser Vendor registry.

Name:

Address:

Phone:

FAX:

e-mail Address:

**Note:** Any SOW for personal property shall have certain subparagraphs and/or clauses. The subparagraphs or clauses are identified as follows:

1/- means that the specific clause and/or subparagraph clause are included

2/ – means that the subparagraph heading are to be included.

3/ - means that the subparagraph heading and the whole subparagraph, including all subparagraphs in the section, are to be included.

A word version of this exhibit may be downloaded from the appraisal SharePoint web site at

<https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx>

Click on “Micropurchase Info” tab. Word version of this exhibit will be under the Shared Documents section of the page.

The word document for this exhibit may be modified and be used to provide a copy of the SOW to a vendor. --\*



**\*--Direct Loan Appraisal Assignment Guidelines**

Land, Agricultural Improvements, CAFO, Rural Residence, Farm

The information elements and content descriptions below are provided as guidelines to assist appraisers to deliver a USPAP-compliant appraisal report acceptable to FSA. Information Element labels should be used in the report for clarity.

An appraisal report following these guidelines and completed by an appraiser qualified with-in the scope of their license to complete the assignment **should** meet FSA's underwriting rules.

For unique situations contact FSA for guidance.

Item	Information Element	Content Description
1	Client	The Client will be the <b>Farm Service Agency</b> as designated on the appraisal order or Letter of Engagement.
2	Intended User(s)	The Intended User(s) will be the <b>Farm Service Agency</b> and others as listed by the <b>Client</b> on the appraisal order or Letter of engagement FSA should be included as an intended user and others that will rely upon the report. Do not include the borrower or property owner as an Intended User.
3	Intended Use	Loan Origination or Loan Servicing <b>as designated by the client.</b>
4	Appraisal Report	<u>Prominently</u> state the "Appraisal Report" option. Ensure that the report meets the contents of an "Appraisal Report" from USPAP and these FSA Guidelines.  i. Must have a Table of Contents with all pages sequentially numbered.  ii. Appraiser Resume listing applicable appraisal education and experience.  iii. Restricted reports are not acceptable.
5	Purpose, Condition, Effective Date of Value, Inspection & Report Dates	Purpose is to provide an "Opinion of Market Value". The condition of the subject should be; "As Is", "As Improved", or "Subject To". If "As Improved" or "Subject To" is used, describe why. State the Effective Date of Value, Inspection date and Report date. The inspection date should be the effective date of value.
6	Market Value	Definition and source of "Market Value".
7	Hypothetical Condition / Extraordinary Assumptions	All hypothetical conditions and extraordinary assumptions shall be <u>clearly</u> and <u>conspicuously</u> described and state that their use might have affected the assignment results. For proposed new construction a "Hypothetical Condition" would apply.

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**\*--Direct Loan Appraisal Assignment Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
8	Estate Appraised	Define the estate property rights; Fee simple, Leased fee, Leasehold, Life Estate, etc. and list restrictions to the estate (conservation easements, water rights, encumbrances, contracts, marketing agreements, etc.)
9	Scope of Work	Clearly identify the appraisal problem and provide a summary for the extent of research, verification and analysis to solve it, consistent with fulfilling USPAP Scope of Work rule, Client instructions and these guidelines. Include the appraisal order or Letter of Engagement with any scope of work modifications
10a	Subject Property	<ul style="list-style-type: none"> <li>i. Adequately identify the subject property with a legal description, map, tax number and / or 911 street address if improved, should include a GPS reference. Appraiser should review listing / auction sheets and seller disclosures when applicable.</li> <li>ii. Analyze Flood Zone and Flood Map and identify if flood zone affects the subject property and reflect the effect of flood zone in the analysis of subject utility and market appeal, summarizing the result in the Appraisal report.</li> <li>iii. Provide and label color photos for dwelling and major improvements that contribute to value. Provide bare land photos for significant topographical features and permanent plantings.</li> </ul>

--\*

**\*--Direct Loan Appraisal Assignment Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
10b	Physical Characteristics	<ul style="list-style-type: none"> <li>i. Inspect all structural improvements on the subject. Interiors of major buildings shall be inspected. If a physical inspection is not possible, contact the Client for authorization to continue without a physical interior inspection.</li> <li>ii. Include a sketch of subject dwelling(s) with contributory value. Sketch should provide basis for determining structure size. May be hand drawn.</li> <li>iii. Include a color site aerial or sketch with labels for numerous buildings (dairy, swine, HQ, etc.).</li> <li>iv. Provide color aerial, soil, topographical, permanent plantings and / or other applicable maps. Show property outlines and labels on the maps to describe the property. Include soil legend with soil map.</li> <li>v. Discuss fixtures and personal property (ensure you have adequate justification for classification and valuation of personal property and fixtures).</li> <li>vi. Summarize any environmental concerns in the appraisal report discovered during the property inspection, and discuss their <u>effect on value</u>. This does not meet the due diligence requirements of the FSA for an environmental inspection.</li> </ul>
10c	Legal Characteristics	<ul style="list-style-type: none"> <li>i. Any impacts of zoning, easements, contracts, entitlements, encumbrances, water rights, partial interests, etc. shall be discussed and should be supported from the market if value adjustments are required.</li> <li>ii. Describe (not state) zoning to include; building eligibility, minimum lot size, feedlot registration / permits and other pertinent factors that are applicable for the market area.</li> <li>iii. Describe irrigation, drainage and related permit issues in the appraisal report.</li> </ul>

--\*

\*--Direct Loan Appraisal Assignment Guidelines (Continued)

Item	Information Element	Content Description
		iii.
10d	Economic Characteristics	Economic impacts or characteristics of productivity, production and ownership costs, gross and net income, etc., shall be discussed and supported from the market if value adjustments are required. Discuss general market economics, or the economics of a specialized facility.
10e	Characteristics of the Estate being appraised	As part of the appraisal assignment under USPAP, <b>characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal</b> must be considered; the property appraised must be identified <b>including the property rights</b> . This typically will include surface and subsurface rights, if the estate of the Subject property is whole. <b>Consideration of oil, gas, minerals, timber, etc., and their possible influence on the value of the Subject property constitutes good appraisal practice</b> and should be discussed in the appraisal report.
10f	New Construction	The report shall include a copy of a blueprint, draft, and/or sketch, provided to the appraiser along with a summary of cost estimates for the project. Client shall provide adequate documentation for the appraiser to develop a credible appraisal that is not misleading.
10g	Location	Describe the demographics, community services and market influences of the area. Discuss economic, industry and market trends. Identify the similar market area neighborhood or similar facility types for comparable sales.
11	Subject & Sales History	Analyze current sale agreements, options, or listings of the subject. Research, analyze and report any prior sales of the subject or comparable sales within three years for all property types.
12	Highest and Best Use	Consider each factor of H&BU; legally permissible, physically possible, financially feasible and maximally productive (highest value). Describe and state reasoning and analysis for H&BU based on subject characteristics and market influences. Develop H&BU for “as vacant” and “as improved” when necessary. Land and improvements must be valued with the “consistent use” concept.

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**\*--Direct Loan Appraisal Assignment Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
13	Comparable Sale Data and Analysis	<p>Sales should be selected that have similar attributes of the subject, should be described and analyzed so the reader has a clear understanding of how they support the “opinion of value”.</p> <ul style="list-style-type: none"> <li>i. H&amp;BU of comparable sales should be consistent with H&amp;BU of subject.</li> <li>ii. Provide important attributes of the sale; date, price, terms, legal description, 911 street address when improved, tax #, land classes, improvement description.</li> <li>iii. Include a color site aerial or sketch w/ labels for numerous buildings (dairy, swine, HQ, etc.).</li> <li>iv. Provide color aerial, soil, topographical, permanent plantings and / or other applicable maps.</li> <li>v. Color photos shall show dwelling and major improvements that contribute to value.</li> <li>vi. Disclose how the sale was verified and marketed with a party to the transaction.</li> <li>vii. Provide bare land photos for significant topographical features and permanent plantings.</li> <li>viii. Summarize or include legible copies of the CRV, MLS, contracts, carry back mortgages, or other similar supporting documentation (retain documents in your work file).</li> <li>ix. Discuss fixtures and personal property (ensure you have adequate justification for classification and valuation of personal property and fixtures).</li> <li>x. Sale analysis shall easily verify the applicable units of comparison and rates that support the value of the subject. For example; land class ratio, building replacement cost new, derived depreciation rates, improvement contribution, timber, minerals, water rights, etc. Describe how land allocations were made.</li> </ul>

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**\*--Direct Loan Appraisal Assignment Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
14	Contracts for Production, Marketing or other similar agreements	<p>Summarize market / production contracts, marketing plans, or other similar documents for the subject and sales.</p> <p>i. If a market/production contract exists in which the value of the subject property is dependent upon the contract (i.e. poultry contract), then an analysis of the relationship of the contract to the subject's real property and how the <b>contract</b> impacts the value of the real property must be explained in the appraisal report.</p> <p>ii. Similar sales with similar contracts should be used to value the subject if a market / production contract is in place.</p>
15	Location Map	<p>Location map shall easily locate subject and sales. One map is preferred, if possible. The location map should provide sufficient detail for the reader to locate the properties if the other maps provided in the report do not have sufficient detail to locate the properties. Roads by name or number may be needed to find the property.</p>
16	Value Approaches	<p>All three approaches to value should be considered and used when necessary for credible assignment results. It is acceptable not to use an approach provided solid justification that the approach is not necessary for credible results.</p> <p>i. The Cost Approach can be excluded for bare land.</p> <p>ii. The Income Approach should be used for "AG" income producing properties.</p> <p>iii. Land classification should be based on the market of the subject and sales.</p> <p>iv. When value adjustments are required for physical characteristics (access, soils, water features, view, topography, drainage, climate, size, shape, site and structure improvements, permanent plantings, etc.) they shall be discussed and supported from the market.</p> <p>v. Subject pending sale can't be used as a comparable sale.</p>

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**\*--Direct Loan Appraisal Assignment Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
17	Sales Comparison Approach	<p>Provide a sales base within the report to adequately support the analysis.</p> <ul style="list-style-type: none"> <li>i. <u>Income based units of comparison do not qualify for this approach (GIM).</u></li> <li>ii. Units of comparison should be derived from the market.</li> <li>iii. Sales must be analyzed within the report so the reader can understand how the appraiser has applied those units of comparison to the Subject.</li> <li>iv. Explain reasoning for adjustments in the Sales Comparison Approach.</li> <li>v. Reconcile strengths and weaknesses of the Sales Comparison Approach.</li> </ul>
18	Cost Approach	<p>Provide a sales base within the report to adequately support the analysis.</p> <ul style="list-style-type: none"> <li>i. Describe construction quality, utility and condition.</li> <li>ii. Provide support for land value and RCN within the appraisal report.</li> <li>iii. Extract depreciation from the sales analysis in the report so the reader can understand the reasoning for applying depreciation rates to the subject.</li> <li>iv. Reconcile strengths and weaknesses of the Cost Approach.</li> </ul>

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**\*--Direct Loan Appraisal Assignment Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
19	Income Approach	<p>Provide a sales base within the report to adequately support the analysis.</p> <ul style="list-style-type: none"> <li>i. Provide support for income, expenses, and rates within the appraisal report.</li> <li>ii. Analyze sales for the applicable rate that is used.</li> <li>iii. Explain reasoning for subject income, expense and rate selection.</li> <li>iv. Reconcile strengths and weaknesses of the Income Approach.</li> </ul>
20	Reconciliation	Describe support for the “opinion of value” reviewing strengths and weaknesses of each approach to value. Is value based on a cash only, or equivalent to cash sale. Consider the “value of whole versus sum of the parts”.
21	Certification	Include the signed Certification compliant with the <u>current</u> USPAP. Include Signature(s), state(s) of licensure, full name of license class and license number(s), i.e. “MN Certified General Real Property License 20000001.” Do not abbreviate license class, such as “CRRPA”.

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**\*--Dairy Addendum to FSA Appraisal Guidelines**

In addition to the general FSA appraisal assignment guidelines, the following is a supplement specific to dairy appraisals.

Item	Information Element	Content Description
1	Market Description	Summarize the market for milk and dairy products in the subject's marketing area <u>with emphasis</u> on the number of milk handlers and / or milk cooperatives. Are there sufficient alternatives for milk sales in the local area? Explain the supply and demand factors. The availability of support services for dairying should be addressed in the appraisal report.
2	Subject Description	<p>Describe the following building categories of the dairy operation in sufficient detail and in relation to their utility and contribution to the whole enterprise: describe the livestock facilities design and capacity for cows and young stock, milking facilities, feed storage, machinery &amp; equipment storage, fixtures, personal property, and waste storage and handling. State and discuss the actual ages, effective ages and remaining economic lives for the farm buildings or building categories listed above. Discuss condition and any prior repairs/upgrades to the property's buildings with actual or estimated costs. Describe farm dwelling(s) and other outbuildings with contributory value.</p> <p>For new construction, summarize the actual construction cost quotes/estimates associated with the new construction and include in the appraisal copies of quotes and specifications that are sufficient to adequately describe the proposed construction.</p> <p>If an existing facility is appraised "as-improved" that will include repairs/upgrades, document the proposed repairs/upgrades and include the estimated cost.</p> <p>Identify the legal permitted capacity in AUs (animal units). Identify and discuss if the dairy is a CAFO. Does the CAFO have an approved nutrient/manure management plan that is in compliance, with adequate and available acres? Appraisers should be provided with information related to the operations status as a CAFO and compliance on their nutrient/manure management plan <u>when the information is available</u>. Appraisers should review and discuss this information with the property owner and note any compliance issues. Analyze and discuss the market area feed base capacity to support the operation.</p> <p>Discuss the available legal surface and groundwater rights (verification if available) necessary to support the projected dairy capacity in the analysis.</p> <p>Identify and differentiate between the equipment considered personal property and fixtures required for the ongoing farm operation for the subject and/or sales. Show contributory value separately for non-real property items.</p>

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**\*--Dairy Addendum to FSA Appraisal Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
3	Approaches to Value	<p>For dairy appraisals, generally all three approaches are applicable and necessary.</p> <p>Analyze available local sales to adequately support the value of the subject's dairy facilities. When there are insufficient local sales, regional sales may be considered. Analyze and adequately support adjustments for locational differences if applicable. Discuss and support the selection of comparable sales. Sales selected should reflect the attributes of the subject and should be similar operations. Sales verification is the key to the analysis of dairy farm sales and should include the same degree of building description and analysis as listed above under "Subject Description".</p> <p>Analyze subject and sales in the same manner and include sufficient detail from the sales analysis in the appraisal to support the appraisal. Units of comparison, as determined from the market, should be discussed. Commonly used units of comparison for dairy farms are \$/acre or \$/stall/milk cow.</p> <p>The exclusion of any of the 3 approaches to value <u>must explain why</u> an excluded approach is not necessary for credible results.</p>
4	Sales Comparison Approach	<p>Show direct (head to head) comparison of subject and sales summarized in a grid. Explain and support all adjustments in sufficient detail. Explain how the value opinion was selected from the direct comparisons (such as which sales were given the most weight). Comparability of sales should focus on similarities relating to housing (conventional or free stall) and feed (purchased/grown/land base) and/or other similarities that influence value.</p>

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**\*--Dairy Addendum to FSA Appraisal Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
5	Cost Approach	<p>Show cost approach calculations including RCN estimates and contributory values. Use typical cost for RCN calculations and discuss any differences in actual quotes/estimates from typical cost (if applicable). Provide market data to support typical RCN. Sales analysis should support depreciation rates and typical economic life. Include the following:</p> <ul style="list-style-type: none"> <li>• Show the contributory value of each building with significant contributory value and discuss effective ages and remaining economic life, taking into account physical, functional and external obsolescence. Buildings of like use, age, and condition can be grouped for analysis purposes and should be adequately described.</li> <li>• Show the contributory value of fixtures / equipment and discuss effective age and remaining economic life, taking into account physical, functional and external obsolescence.</li> </ul> <p>Show the contributory value of the land components supported by local sales and state the contributory value of any site improvements (wells, septic tanks, pads and roads) as a separate entry, or as part of the building contributory value. If site improvement value is included as part of the building contributory value, ensure that any value differences are explained and discussed.</p>
6	Income Approach	<p>Cash rent and typical owner/operator are the generally suggested methods used for income approach calculations. If cash rent information is limited, typical owner operator data can be used from dairy farm business summaries of similar sized dairy operations to estimate typical incomes and expenses. Projected income and expenses for other farm enterprises should be addressed as well. Discuss the subject's enterprises actual income &amp; expenses vs. typical when significant differences occur. Property should be appraised on a fee simple basis verse a leased fee basis.</p> <p>Discuss selection of cap rates and which sales are given the most weight. Rate selection should be from similar sales and homogenous data, i.e., cash rents comps or owner/operator mirroring the method used for the subject.</p>

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**\*--Dairy Addendum to FSA Appraisal Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
7	Reconciliation & Final Value Allocation	<p>Reconcile the three approaches to value and discuss which approach is given the most weight.</p> <p>Allocate the final value opinion into the contributory value of the component parts for the land, land improvements, and structural improvements (including fixtures and equipment).</p> <p>The contributory value of any non-real property items included in the value should be shown separately and discussed.</p>

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**\*--Hog Addendum to FSA Appraisal Guidelines**

In addition to the general FSA appraisal guidelines, the following is a supplement specific to hog appraisals.

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
1	Market Description	Summarize the market for hog operations in the subject area based on contacts with local integrators, lenders, and growers. Provide a general discussion of the rates and terms being offered by integrators to hog producers. The description shall discuss the subject integrator as well as other integrators operating in the area.
2	Subject Description	<p>Describe the hog buildings and fixtures/equipment associated with each building in sufficient detail including the age and condition of each. For existing facilities, state and discuss the actual age and effective age for each and reconcile any differences. Typically, a lower effective age requires detailed documentation of significant upgrades. Identify and document all prior repairs/upgrades including cost estimates and year completed. A visual inspection of the interior is necessary to adequately assess the condition for existing facilities. If interior inspection is not possible contact the Client for guidance.</p> <p>If the subject is an existing facility, appraised “as-improved” to include repairs/upgrades, document the proposed repairs/upgrades including cost estimates. A hypothetical condition should be stated.</p> <p>If the subject is new construction, summarize the actual construction cost quotes/estimates associated with the new construction and include in the appraisal copies of quotes and specifications sufficient to adequately describe the proposed construction. A hypothetical condition should be stated.</p> <p>Identify the legal permitted capacity in AUs (animal units). Does the Confined Animal Feed Operation (CAFO) have an approved nutrient / manure management plan that is in compliance, with adequate and available acres? Appraisers should be provided with information related to the operations status as a CAFO and compliance on their nutrient/manure management plan <u>when the information is available</u>. Appraisers should review and discuss this information with the property owner and note any compliance issues.</p>

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**\*--Hog Addendum to FSA Appraisal Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
2 (Cntd)	Subject Description	<p>If applicable, discuss the available legal surface and groundwater rights (verification if available) necessary to support the projected hog capacity in the analysis.</p> <p>Discuss manure premiums and/or manure easements (spray field easements/application easements) or other similar issues. Ensure that they are adequately addressed in the nutrient/manure management plan.</p>
3	Hog Production Contract/ Agreement	<p>Summarize the contract or proposed grower contract/agreement with the integrator (if applicable) for the subject and under what terms and/or conditions the contract is subject to (such as any repairs or upgrades to the facilities that may be required to obtain the contract). Include income and expense estimates.</p> <p>Is the subject contract similar to a typical market contract? If there are significant contract differences between the existing contract (leased fee) and typical market contract (fee simple) that impact value, they should be discussed with the Client and in the report.</p>
4	Integrator Requirements	<p>Describe the standards for equipment and buildings required by integrators and whether the subject's hog building(s) meet, exceed, or do not meet the integrator's standards, if applicable. Discuss the compatibility of the subject improvements with requirements of other integrators in the area as well.</p> <p>If the hog building(s) are no longer in operation, additional discussion is needed. If the building(s) are obsolete, this needs to be explained in the appraisal. If the building(s) can be put back into production, then an estimated cost to cure to bring them into compliance with the integrator's contract standards should be provided.</p>

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**\*--Hog Addendum to FSA Appraisal Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
5	Approaches to Value	<p>For a hog appraisal, generally all three approaches are applicable and necessary.</p> <p>Analyze such local sales that are available to adequately support the value of the subject's hog facilities. When there are insufficient local sales, regional sales may be considered. Analyze and adequately support adjustments for locational differences if applicable. Discuss and support the selection of comparable sales.</p> <p>Include sufficient detail from the sales analysis in the appraisal to support the subject analysis. Units of comparison should be determined from the market.</p>
6	Sales Comparison Approach	<p>Show direct (head to head) comparison of subject and sales summarized in a grid. Explain and support all adjustments in sufficient detail. Use a market unit of comparison that is understandable and supportable. Explain which sales were given the most weight from the direct comparisons for the value opinion.</p>
7	Cost Approach	<p>Provide market (local/cost provider) data to support typical RCN. Use typical cost for RCN calculations, but discuss any differences in actual quotes/estimates from typical cost. For existing operations, also provide market data to support typical economic life and to support depreciation rates used.</p> <p>Include the following.</p> <ul style="list-style-type: none"> <li>• The contributory value of the land components. Include vacant land sales to support the contributory values.</li> <li>• Describe, discuss and explain the contributory value of any site improvements (manure lagoons, wells, septic tanks, roads and loading areas, etc.) for the subject and sales. They should be consistently analyzed. Any significant value differences should explained and discussed.</li> <li>• The RCN, effective age, remaining economic life, and contributory value of each building and the fixtures/equipment and documenting the physical, functional and external depreciation calculations.</li> </ul>

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**\*--Hog Addendum to FSA Appraisal Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
8	Income Approach	<p>Compare and discuss actual income and expenses from the contract projections to typical market income &amp; expenses. Other projected farm related income and expenses, should be discussed as well.</p> <p>Property should be appraised on a fee simple basis. Discuss selection of cap rates and which sales are given the most weight.</p>
9	Final Value Allocation	<p>Allocate the final value opinion into the contributory value of the component parts for the land, land improvements, and structural improvements (including fixtures and equipment). The contributory value of any personal property included in the value should be shown separately.</p>

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**\*--Poultry Addendum to FSA Appraisal Guidelines**

In addition to the general FSA appraisal guidelines, the following is a supplement specific to poultry appraisals.

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
1	Market Description	Summarize the market for poultry operations in the subject area based on contacts with local integrators, lenders, and growers. Determine the amount and range of contract production payments and terms being paid to poultry operators. The description shall discuss the subject integrator as well as other integrators operating in the area.
2	Subject Description	<p>Describe the poultry buildings and fixtures/equipment associated with each building in sufficient detail including the age and condition of each. For existing facilities, state and discuss the actual age and effective age for each and reconcile any differences. Typically, a lower effective age requires detailed documentation of significant upgrades. Identify and document all prior repairs/upgrades including cost estimates and year completed. A visual inspection of the interior is necessary to adequately assess the condition for existing facilities.</p> <p>If subject is an existing facility, appraised “as-improved” to include repairs/upgrades, document the proposed repairs/upgrades including cost estimates. A hypothetical condition should be stated.</p> <p>If the subject is new construction, summarize the actual construction cost quotes/estimates associated with the new construction and include in the appraisal copies of quotes and specs sufficient to adequately describe the proposed construction. A hypothetical condition should be stated.</p> <p>Identify the legal permitted capacity. Identify any personal property included on subject and/or sales, and show contributory value separately from real estate.</p> <p>Adequately describe the land and land improvements as well as any other improvements.</p>

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**\*--Poultry Addendum to FSA Appraisal Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
3	Poultry Production Contract/ Agreement	<p>Summarize the contract or proposed grower contract/agreement with the integrator (if applicable) for the subject and under what terms and/or conditions the contract is subject to (such as any repairs or upgrades to the facilities that may be required to obtain the contract). Include income and expense estimates.</p> <p>If the value of the subject property is dependent upon the contract, then an analysis of the relationship of the contract to the subject's real property and how the contract impacts the value of the real property must be explained in the appraisal report.</p>
4	Integrator Requirements	<p>Describe the standards for equipment and buildings required by integrators and whether the subject's poultry houses meet, exceed, or do not meet the integrator's standards. Discuss the compatibility of the subject improvements with requirements of other integrators in the area as well.</p> <p>If the poultry house(s) are no longer in operation, additional discussion is needed. If the houses are obsolete, this needs to be explained in the appraisal. If the houses can be put back into production, then an estimated cost to cure to bring them in compliance with the integrator's contract standards should be provided.</p>
5	Approaches to Value	<p>For a poultry appraisal, generally all three approaches are applicable and necessary.</p> <p>Analyze such local sales that are available to adequately support the value of the subject's poultry facilities. When there are insufficient local sales, regional sales may be considered. Analyze and adequately support adjustments for locational differences if applicable. Discuss and support the selection of comparable sales.</p> <p>Incorporate the same appraisal methods and techniques to analyze the subject and comparable sales and provided adequate documentation of adjustments to support the subject value conclusion. Include sufficient detail from the sales analysis in the appraisal to support the subject analysis.</p> <p>Units of comparison should be determined from the market, but for poultry appraisals, the most common unit of comparison is square footage of the poultry houses.</p>

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**\*--Poultry Addendum to FSA Appraisal Guidelines (Continued)**

<b>Item</b>	<b>Information Element</b>	<b>Content Description</b>
6	Sales Comparison Approach	Show direct comparison of subject and sales summarized in a grid. Explain and support all adjustments in sufficient detail. Use a unit of comparison that is understandable and supportable. FSA recommends using value per square foot of poultry houses.
7	Cost Approach	<p>Provide market data to support typical RCN. Use typical cost for RCN calculations, but discuss any differences in actual quotes/estimates from typical cost. For existing operations, also provide market data to support typical economic life and to support depreciation rates used.</p> <p>Include the following:</p> <ul style="list-style-type: none"> <li>• The contributory value of the land components. Include vacant land sales to support the contributory values.</li> <li>• The contributory value of any site improvements (wells, septic tanks, roads and loading areas, etc.). Discuss whether building pads are included with buildings or with site improvements.</li> <li>• The contributory value and remaining economic life of each building, taking into account physical, functional and external obsolescence. Buildings of like kind, age, and condition can be grouped. See comments under Item 2 above.</li> </ul> <p>The contributory value and remaining economic life of equipment/fixtures associated with each building, taking into account physical, functional and external obsolescence. Equipment of like kind, age, and condition can be grouped. See comments under Item 2 above.</p>
8	Income Approach	Show income and expense projections used in the income approach. Income and expenses should be based on income and expenses extracted from market data for a typical operation. Compare to integrator's projections. Projected income and expenses for other farm related enterprises, if applicable, should be addressed as well. Discuss subject actual income & expenses vs. typical income & expenses if different.
9	Final Value Allocation	Allocate the final value opinion into the contributory value of the component parts for the land, land improvements, and structural improvements (including fixtures and equipment). The contributory value of any personal property included in the value should be shown separately.



**\*--APOC Training Requirements**

APOC complete the training as provided below.

<b>APOC Training Requirements</b>		
<b>Course</b>	<b>Source</b>	<b>Frequency</b>
SAP Basics	<p>Appraisal SharePoint web site at  <a href="https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx">https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx</a>.</p> <p>On the home page under “Libraries” click the link to “APOC Training Modules”, and select “Simplified Acquisition Procedures (SAP) Basic.”</p> <p>The training module is a PowerPoint presentation. Review and complete all slides.</p> <p>This training module uses self-certification to document training completion.</p>	I/A4

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\*--APOC Training Requirements (Continued)

APOC Training Requirements		
Course	Source	Frequency
Section 508 Micro Purchase Training	<p>Section 508 Micro Purchase Training (Course # FAC 047) is located on the Federal Acquisition Institute. To access course:</p> <ol style="list-style-type: none"> <li>1. Go to <a href="https://faitas.army.mil/faitas/">https://faitas.army.mil/faitas/</a>.</li> <li>2. CLICK "I Agree".</li> <li>3. If already registered, log in with e-mail and password.</li> <li>4. If not registered choose the link "Register Here" to complete registration.</li> <li>5. Then log in, your Dashboard will appear on your screen.</li> <li>6. Above the Dashboard, is the menu bar with options.</li> <li>7. Select "Manage Career".</li> <li>8. Then select "Training".</li> <li>9. Then select "Search for Training"</li> <li>10. Use the "Standard Search" option "Continuous Learning Modules" by "Course Number" and scroll down to FAC 047 and select [select what?]</li> <li>11. Click "Submit".</li> </ol> <p>Follow the prompts to complete the registration process.</p> <p>An e-mail message will be received from the Defense Acquisition University about accessing the Virtual Campus at <a href="https://learn.dau.mil/">https://learn.dau.mil/</a>. This is where FAC 047 resides.</p> <p>For more information, see the Employee Quick Start Guide at <a href="https://faitas.army.mil/faitas/Content/documents/FAITAS_Employee.pdf">https://faitas.army.mil/faitas/Content/documents/FAITAS_Employee.pdf</a>.</p> <p><b>Note:</b> Select the supervisor's name.</p>	I/A5

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**\*--APOC Training Requirements (Continued)**

<b>APOC Training Requirements</b>		
<b>Course</b>	<b>Source</b>	<b>Frequency</b>
Micro-Purchase Process for Appraisal Services – From County Office to Payment	<p>Appraisal SharePoint site at <a href="https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx">https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx</a>.</p> <p>On the home page under “Libraries” click on the link to “APOC Training Modules” and select “Micro-Purchase Process for Appraisal Services – From County Office to Payment.”</p> <p>The training module is a PowerPoint presentation. Review and complete all slides.</p> <p>This module uses self-certification to document completion of the training.</p>	I/A2
Understanding Real Estate Requirements for Appraisal Services – What to Look For?	<p>Appraisal SharePoint web site at <a href="https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx">https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx</a>.</p> <p>At the home page under “Libraries” click the link to “APOC Training Modules” and select “Understanding Real Estate Requirements for Appraisal Services – What to Look For?”</p> <p>The training module is a PowerPoint presentation. Review and complete all slides.</p> <p>This module uses self-certification to document completion of the training.</p>	I/A3
Procurement Integrity	<p>AgLearn</p> <p>Online Course in AgLearn identified as: lchr_01_a72_lc_enus_SKILLSOFT</p> <p>Login into AgLearn and at the Home page type “Procurement” into the “Search Catalog” field and CLICK “Go”.</p> <p>When course list appears scroll down to the course with title, “Procurement Integrity.”</p> <p>If unable to find the course in the AgLearn catalog, contact the AgLearn Administrator for assistance.</p>	A1

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**\*--APOC Training Requirements (Continued)**

<b>APOC Training Requirements</b>		
<b>Course</b>	<b>Source</b>	<b>Frequency</b>
Acquisition and Ethics Issues	<p>AgLearn</p> <p>Online Course in AgLearn identified as: (Web Based DM-ETHICS-ACQUISITION)</p> <p>Login into AgLearn and at the Home page type “Acquisition” into the “Search Catalog” field and click “Go”.</p> <p>When the course list appears scroll down to course with title, “Acquisition and Ethics Issues.”</p> <p>If unable to find the course in the AgLearn catalog, contact the AgLearn Administrator for assistance.</p>	A1
Waivers for Electronic Payments	<p>2 Modules: Review training and save PDFs for reference – APOC to acknowledge completion with request/submission.</p> <p>Waivers for Electronic Payments <a href="http://www.dm.usda.gov/procurement/ccsc/docs/pctraining/Waivers%20for%20Electronic%20Payments.pdf">http://www.dm.usda.gov/procurement/ccsc/docs/pctraining/Waivers%20for%20Electronic%20Payments.pdf</a>.</p>	A1
Review of Departmental Policy on Accelerated Payments to Small Businesses for Goods and Services	<p>Available through the following link:</p> <p><a href="https://ias.usda.gov/attachments/2012_06-11%20Small_Businesses.pdf">https://ias.usda.gov/attachments/2012_06-11%20Small_Businesses.pdf</a>.</p>	A1

**Notes:** “I” means initial training requirement.

If a training module is not available, contact the County Office for assistance to locate similar training modules.

A1 – means annual training requirement

A2-5 – means training requirement on a rotational annual basis. For example:

A2 – means required training would occur on the second year after initial training.

A3 – means required training would occur on the third year after initial training.

CO are exempted to Exhibit 60 training requirements.--\*

**\*--FSA Employee Requesting Simplified Acquisition Procedure Authority Requirements**

FSA employees **must** complete the FAR SAP training before awarded micro-purchase acquisition for appraisal services. Employees who obtains SAP authority will **not** have authority to use a Government Purchase Card as described by FAR.

Training includes both online AgLearn and PowerPoint presentations. Employees will self-certify completion of the training and supervisor shall verify completion of the training. At the successful completion of the training, supervisor should request delegation of authority by memorandum to AMD, and provide the employee's name.

Employees shall complete the following training **in order**.

**Note:** Check the block when the course is completed and record the final completion date.--\*

**\*--FSA Employee Requesting Simplified Acquisition Procedure Authority Requirements  
(Continued)**

Course	Action	Date								
1	Employee completed the following courses in AgLearn. <table border="1"> <tr> <td>✓</td> <td>Course</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </table>	✓	Course							
✓	Course									
2	Employee completed the following PowerPoint presentations available on the Appraisal SharePoint web site at <a href="https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx">https://sharepoint.fsa.usda.net/pa/flp/PDEED/appraisal/SitePages/Home.aspx</a> . <table border="1"> <tr> <td>✓</td> <td>Course</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </table>	✓	Course							
✓	Course									
3	Employee completed the following courses for procurement ethics and SAP processing: <table border="1"> <tr> <td>✓</td> <td>Course</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </table>	✓	Course							
✓	Course									

I affirm that all required SAP and Micro-Purchase for appraisal services training listed has been completed and delegation from the AMD Director for SAP purchasing for the applicable employee may be granted.

Name of Service Center: \_\_\_\_\_

Employee Name  
Employee signature

Supervisor Name  
Supervisor Signature--\*

**\*--Example Memorandum Requesting APOC Delegation of Authority**

SED may use this following sample to request APOC delegation of authority from the AMD Director.

DATE:	*
TO:	Director, Acquisition Management Division Washington, DC
FROM:	
SUBJECT:	Request for Simplified Acquisition Procurement Authority
<p>We request delegated authority for (employee's name and title) to perform the Appraisal Point of Contact (APOC) duties to acquire appraisal services according to the Simplified Acquisition Procedures (SAP) at or below the micro-purchase threshold.</p> <p>The employee has completed the following training:</p> <ul style="list-style-type: none"><li>• SAP Basics (self-certification)</li><li>• Section 508 Micro Purchase Training (Certificate available in FAITAS)</li><li>• Micro-Purchase Process for Appraisal Services – From COF to Payment (self-certification)<ul style="list-style-type: none"><li>• Understanding Real Estate Requirements for Appraisal Services – What to Look For? (self-certification)</li></ul></li></ul> <p>Enclosed is the self-certification for the required training that is not available in FAITAS or AgLearn.</p> <p>If you have questions or need any further information, contact (<i>insert point of contact name</i>) at (<i>insert point of contact information</i>).</p> <p>Enclosures</p> <p>cc:</p>	

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**\*--Appraisal Service Engagement Letter**

The following sample may be used as an appraisal service engagement letter.

(Letterhead)	(Current DATE)
Dear ( name of appraiser)	
Your quote of \$ (Amount) is acceptable and you have agreed to complete an appraisal(s) of the following property(ies) 911 address(es) and short legal(s) located in (County(ies)). The Farm Service Agency (FSA) applicant is (name of applicant).	
You have agreed to deliver the appraisal report(s) by (Deliver By Date) to FSA. This is your authorization to provide appraisal services to FSA as described. Your Appraisal Point of Contact (APOC) will be <u>Appraisal Point of Contact, Name, Phone Number, Email</u> .	
This also authorizes you to contact the owner or applicant and have access to the subject property. You must contact the property owner and/or applicant or authorized representative to provide them the opportunity to accompany you on the property inspection. If you cannot reach this individual, contact an FSA representative for consultation before you inspect the property.	
Additionally, this is your authorization to obtain certain information from FSA that may assist you in completing the FSA appraisal assignment. You should provide a copy of this letter to the FSA County Office(s) when requesting information from FSA. The information that the FSA County Office can provide you is limited to the subject property and comparable sales that will be used in the appraisal process. You are contractually bound by the same requirements of information confidentiality as are Government employees and as further described in the Statement of Work (SOW).	
FSA County Offices are directed by the State Office to release the necessary information to appraisers working for FSA that are completing an appraisal assignment. As a State (Certified General) appraiser, providing appraisal services to FSA, you can request certain information from FSA regarding ARC/PLC contract acres, payment yields, agricultural use acres and cropland acres (Common Land Unit (CLU) acres), digital imagery, Conservation Reserve Program (CRP) contract acres, highly erodible land delineations and wetland classifications.	
Since FSA is your client, FSA may provide more specific information. Any information provided by FSA on CRP payments per contract, per acre basis or ARC/PLC commodity yield per acre basis is <u>confidential</u> and is protected in accordance with Uniform Standards of Professional Appraisal Practices (USPAP) confidentiality ethics rule and shall not be available to the general public. This information can only be retained in your work file. FSA program information may be reported only on total payment and acre basis and in generic terms in the appraisal report.	

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**\*--Appraisal Service Engagement Letter (Continued)**

If the FSA County Office does not provide the requested information to you in a timely manner, notify the APOC immediately for assistance.

In the acceptance to complete this appraisal assignment, you agree to perform services for FSA in accordance with the applicable SOW, other requirements, conditions and terms as described in the Appraisal Order.

Key USPAP information and reporting requirements are as follows.

- The subject property is listed above.
- The **client** will be Farm Service Agency.
- The **intended users** will be Farm Service Agency and Big Ag Bank.
- The **purpose** is to provide an opinion of market value.
- The **intended use** of this appraisal is for Loan Servicing - SAA (from List). Provide the reference when identified intended use requires them (this is for Shared Appreciation Agreement Recapture, partial release, or foreclosure).
- The Appraisal Condition is list. Provide additional and applicable comment.
- The property rights to be appraised are list. Provide additional and applicable comment.
- Any applicable "extraordinary assumptions" or "hypothetical conditions" must be clearly disclosed and agreed upon with the APOC prior to their use.

The Work Order provides additional detail to perform the appraisal.

If any of the information and instructions are different than discussed, or if the inspection of the subject reveals information that conflicts or is significantly different than what was provided, contact the APOC immediately.

A PDF electronic copy is the preferred method of appraisal report delivery. Send by e-mail to Ordering Official and APOC, e-mail address provided by the Work Order. If a PDF electronic copy is not available, discuss delivery requirements with the APOC.

If there are questions or additional information is needed, contact the ordering official or APOC.

Sincerely,  
APOC

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**\*--Applicant/Borrower Notification of Appraisal Services**

Following is an example of the applicant/borrower notification of appraisal services letter.

Date

Owner's Name

Address

City, State, Zip Code

RE:       Appraisal Request – Introduction of Vendor

This letter introduces \_\_\_\_\_, who has been awarded a work order for providing the Farm Service Agency (FSA) an appraisal. The appraisal is prepared for the sole use and specific needs of FSA. The vendor will be contacting you in the near future to make arrangements to inspect your property and gather information needed for the appraisal.

The vendor may receive and record information necessary for reviewing and completing the appraisal. The vendor is contractually bound by the same requirements of information confidentiality as are Government employees. We ask you to cooperate with the appraiser, show your property and provide the information needed to perform the appraisal.

If you believe that this trust has been violated or that the vendor is not performing as an FSA employee would, please contact your local FSA office at:  
If you have questions, please contact <authorized agency official> at <office phone number>.

Sincerely,

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Authorized Agency Official Signature

CC:       Farm Loan Manager, FSA, County  
Applicant

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**\*--Appraisal Services Award Log**

Vendor Award Log Contracted Appraisal for FY _____														
Appraiser Name	County	Date Award	Amount	Applicant/Borrower	PAC Code	Budget Object Code	Estimated Delivery Date	Actual Delivery Date	Date Invoice Received	Date Admin. Review Requested	Date Admin. Review Completed	Appraisal Accepted (Y/N)	Date Vendor Paid	Comments

The following is an example of the appraisal services award log

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**\*--Appraisal Services Rotation List**

The following is an example of the appraisal services rotation list.

[illegible]

..\*



**\*--Notice to Vendor For Cause**

The following is an example for notice to vendor for cause.

Dear       :

Our records indicate that you have failed to perform the appraisal assignment as contracted for:

Assignment Name:

County Location:

Property Location:

Expected Delivery Date:

within the time required by its terms. The Government is considering terminating the purchase of appraisal services or contract under the provisions for default of this contract. You have not requested an extension to the delivery date of the assignment or if requested, the proposed extension to the delivery date was not acceptable.

Further, in accordance with the Statement of Work (SOW) the Government will assess a liquidated damages fee at a rate of 3% from the date of this notification. Please review the SOW for the specific amount of liquidated damages fee that may be assessed.

You are informed that if within 30 calendar days from the date of this notice the appraisal report is not received and accepted, the appraisal assignment will be terminated. No payment for services will be rendered to you for failure to meet the terms of the contract.

Pending a final decision in this matter, it will be necessary to determine whether your failure to perform arose from causes beyond your control and without fault or negligence on your part.

Accordingly, you are given the opportunity to present, in writing, any facts bearing on the non-delivery under the contract to:

Contracting Officer (CO):

Address:

Phone:

E-mail:

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**\*--Notice to Vendor For Cause (Continued)**

within 10 calendar days after receipt of this notice. Failure to present any cause within this time may be considered as an admission that none exist. Your attention is invited to the respective rights of the Contractor and the Government and the liabilities that may be invoked if a decision is made to terminate for default.

Liquidated damages fee beyond 10 calendar days from the date of this notice may be waived at the discretion of the Government upon CO decision regarding the notice of cause.

Any assistance given to you on this contract or any acceptance by the Government of delinquent goods or services will be solely for the purpose of mitigating damages, and it is not the intention of the Government to condone any delinquency or to waive any rights the Government has under the contract.

If you have any questions or need any further information, please contact:

Appraisal issues/Appraisal Point of Contact:                      at

Contracting issues:                      Contracting Officer at

Micro-Purchase issues:

FSA                      County Office:

Sincerely,

Enclosures

cc:

--\*