

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

General Program Administration	
1-FLP (Revision 1)	Amendment 233

William S. Cobb

Approved by: Deputy Administrator, Farm Loan Programs

Amendment Transmittal

A Reason for Amendment

Exhibit 17 has been amended to update the FLP interest rates.

Page Control Chart				
TC Text Exhibit				
		17, pages 1, 2		

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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.

IF the area of concern is about	THEN see
State and county organization and administration policies, procedures,	16-AO.
principles, and standards, such as work organization	
civil rights compliance and administration for FSA programs	18-AO.
appeals and mediation	1-APP.
State and county records management	32-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 loan making	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 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=foier-flp.

For training information, visit the Farm Loan Programs Training SharePoint site at https://usdagcc.sharepoint.com/sites/fsa-oa/field-office/Farm Loan Programs Training.

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.

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.

*--Scanned and FAXed signatures are acceptable on all FLP forms except those summarized in the following table. An original wet pen and ink signature is required, or a digital signature completed with a platform that provides for a 2-factor authentication process and authorized by DAFLP.

Forms Requiring Original Signatures or an Authenticated Digital Signature			
FSA-2025	Notification of Approval Terms and Conditions and Borrower		
	Responsibilities		
FSA-2026	Promissory Note		
FSA-2028	Security Agreement		
FSA-2029	Mortgage/Deed of Trust		
FSA-2043	Assignment of Proceeds from the Sale of Dairy Products and Release of		
	Security Interest		
FSA-2044	Assignment of Income		
FSA-2140	Deposit Agreement		
FSA-2313	Notification of Loan Approval and Borrower Responsibilities		
FSA-2465	Assignment, Acceptance, and Release (Wool and Mohair)		
FSA-2489	Assumption Agreement		
FSA-2570	Offer to Convey Security		

Note: Mortgages/Deed of Trusts are subject to local requirements that may prohibit the use of digital signatures and require an original wet pen and ink signature. Local OGC should be consulted regarding policies on proper signatures for recorded documents.--*

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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.

F State-Created Forms

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

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

*--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.

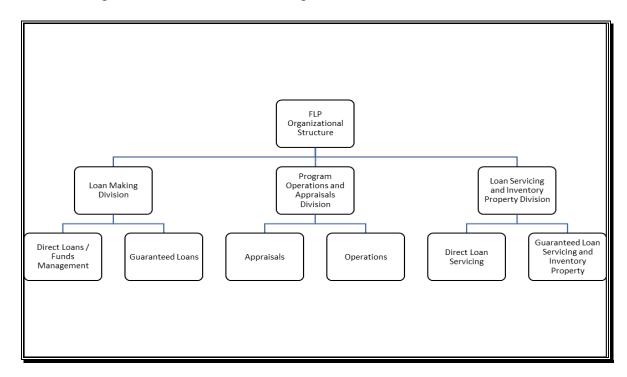
Instrument	State Office Action	National Office Action
New	In SDMS, submit the following for prior approval:	Coordinate the
State-modified		development of the form
and	• State supplement that requires using the form	with the appropriate
State-created forms.	Notes Culturit somewately all the Ctate	National Office area.
TOTHIS.	Note: Submit separately all the State supplements for forms in the 2000 series.	Review and ensure nondiscrimination, privacy act, and public
	electronic or scanned copy of National or State-created form, providing modifications needed	burden statements are included, as needed.
	• revised instructions for completion for National	Send proposal to State for approval.
	form, if applicable; or instructions for completion for State-created form.	Coordinate uploading form and instructions for
	Notes: Include margins, font size, and any other specific requirements for forms that will be filed.	completion to http://intranet.fsa.usda. gov/dam/ffasforms/form s.html when state
	State-obtained OGC approval of form may be requested during National Office review.	supplement is approved.
Existing State-modified	In SDMS, submit the following for prior approval:	Review and ensure that current
and State-created forms	electronic or scanned copy of form indicating needed changes	nondiscrimination, privacy act, and public burden statements are
	electronic or scanned copy of instructions for completion, as needed	included, as needed.
	• State supplement that requires using the form, only if changes are needed.	Send proposal to State for approval.
		Coordinate uploading form and instructions for completion to http://intranet.fsa.usda. gov/dam/ffasforms/form s.html.

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4 FLP Organizational Structure

A National Office FLP Organizational Structure

The following is the National Office FLP organizational structure.



B Contacts for the Office of the Deputy Administrator

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

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

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

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

Office of the Deputy Administrator			
Name	Title	Telephone Number	
William Cobb	Deputy Administrator	202-720-4671	
Melody Hinmon	Administrative Support Specialist	202-720-4671	
Dana Richey	Assistant Deputy Administrator	202-260-8163	
*Abraham Atansuyi	Assistant to the Deputy Administrator	202-690-0756	
Houston Bruck	Advisor to the Deputy Administrator	202-650-7874*	

C LMD Contacts

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

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

Office of the Director			
Name	Title	Telephone Number/Address	
James Jackson	Director	202-692-4940	
Vacant	Deputy Director		
Faith Carter	Program Analyst	202-692-5255	
Mike Moore	Assistant to the Director	202-690-0651	
Adriana Aguilar	Loan Specialist – Innovation		
Direc	Loan Making and Funds Man	agement Branch	
Raenata Walker-Cohen	Branch Chief	202-205-0682	
Matthew Christian	Senior Loan Officer	423-788-2007	
Darlene Gonzalez	Senior Loan Officer	202-401-9143	
* * *	* * *	* * *	
Md Mutaleb	Senior Loan Officer	202-720-3168	
Ann Smith	Senior Loan Officer	202-720-1656	
Branigan Snyder	Senior Loan Officer	202-690-0214	
Jennifer Thompson	Senior Loan Officer	202-720-8474	
Robert White	Senior Loan Officer	785-564-4759	
Kimberly Eilerman	Senior Loan Officer		
-	nch		
Vacant	Branch Chief		
* * *	* * *	* * *	
Steve Ford	Senior Loan Officer	202-304-7932	
Matthew Henderson	Senior Loan Officer	202-720-5847	
Nicole Massey	Senior Loan Officer	202-401-0143	

D POAD Contacts

The following provides names, address, and telephone numbers for POAD.

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

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

	Office of the Director	r
Name	Title	Telephone Number/Address
Linda Cronin	Director	202-692-4928
Niki Chavez	Deputy Director	202-690-6129
Cynthia Pawlikowski	Assistant to the Director	202-720-0900
Jennifer Ranke	Data Analyst	207-990-9132
	Appraisals Branch	
Donald Howard	Branch Chief	503-404-1131
	Midwest Region	
Steven Glonek	Supervisory Review Appraiser	608-662-4422 Ext. 159 * * *
	States Covered: IA, IL, IN, MI, MN, MO, and WI	
Scott Anderson	Staff Appraiser	309-164-1486
		Milan USDA Service Center
	States Supported: IL * * *	3020 1 st Ave. E
		Milan, IL 61264
*Cavin Joesting	Staff Appraiser	573-876-9468
		Missouri FSA State Office
	States Supported: MO	601 Business Loop 70 W
		Suite 225
		Columbia, MO 65201*

Appraisals Branch				
	Midwest Region			
Name	Title	Telephone Number/Address		
Dennis Judkins	Staff Appraiser	515-331-8455 or		
		515-254-1540 Ext. 8455		
	States Supported: IA	* * *		
Anthony Payne	Staff Appraiser	317-295-5950		
		Indiana State Office		
	States Supported: IN and	*5981 Lakeside Blvd*		
	MI	Indianapolis, IN 46278		
Terrence Smith	Staff Appraiser	507-405-3674		
		* * *		
	States Supported: MN, ND,			
	and SD			
	Northeast Region	1		
Sherry Hulsey	Supervisory Review Appraiser	270-524-5631 Ext. 108 * * *		
	States Covered: CT, DE, KY,			
	MA, ME, MD, NH, NJ, NY,			
	OH, PA, RI, VA, VT,			
	and WV			
Jeff Williams	East Review Appraiser	423-775-2272		
James Fisher	Staff Appraiser	614-255-2456		
		* * *		
	*States Supported: MA, ME,			
	NH, NJ, NY, OH, RI, and			
	VT*			
Timothy More	Staff Appraiser	*724-269-5260*		
	States Supported: PA			

Appraisals Branch			
Southeast Region			
Name	Title	Telephone Number/Address	
Robert Fleming	Supervisory Review Appraiser	803-696-3410	
	States Covered:		
	AL, AR, FL/VI, GA, LA, MS, NC, PR, SC, and TN		
Thomas Dellinger	Staff Appraiser	828-737-0128	
	States Supported: AR and NC	* * *	
Thomas King	Staff Appraiser	662-270-4317	
-	States Supported: LA and MS	Starkville USDA Service Center 510 Highway 25 North, Suite 1 Starkville, MS 39759	
Phillip Parmer	Staff Appraiser	256-773-6541	
	States Supported: AL	Hartselle USDA Service Center 3120 Highway 36 West Hartselle AL 35640	
George Pless	Staff Appraiser	704-680-3540	
-	States Supported: AR and NC	Salisbury USDA Service Center 2727 B Old Concord Road Salisbury, NC 28146	
Lloyd Richardson II	Staff Appraiser	843-773-3851 * * *	
	States Supported: SC, FL, and VI		
Juan Soto	Staff Appraiser	787-294-1615 * * *	
	States Supported: PR		
* * *	* * *	* * *	

Appraisals Branch				
West Region				
Name	Title	Telephone Number/Address		
Michael Glynn	Supervisory Review	979-680-5255		
	Appraiser	Texas State Office		
		2405 Texas Ave S		
	States Covered: AK, AZ,	College Station, TX 77840		
	CA, CO, HI, ID, KS, MT,			
	ND, NE, NM, NV, OK, OR,			
	SD, TX, UT, WA, and WY			
Karen Peterson	West Review Appraiser	360-488-4858		
	States Supported: AK, CA,			
	HI, OR, and WA			
David Hansen	Staff Appraiser	801-524-4533		
		Utah State Office		
	States Supported: CO, ID,	125 South State Street, Rm 3202		
	MT, NV, UT, and WY	Salt Lake City, UT 84138		
Chad Rudd	Staff Appraiser	580-540-3924		
		Enid USDA Service Center		
	States Supported: AZ,	1216 W. Willow Road, Ste. C		
	NM, OK, and TX	Enid, OK 73703		
*John Wurdeman	Staff Appraiser			
	States Supported: NE*			

Operations Branch				
Name	Title	Telephone Number/Address		
Fernando Pineiro	Branch Chief	202-720-2558		
Linda Baldwin	Program Analyst	202-720-5489		
Jennifer Haley	Program Analyst	202-720-9898		
Shwe Htee	Program Assistant	202-690-2549		
Tracy Jones	Agricultural Loan and	202-720-6771		
·	Grants Program Specialist			
Kristina Martorano	Program Analyst	202-690-2517		
*Lora Morris	Program Analyst	202-692-4912		
Kim Nguyen	Program Analyst	314-607-6395		
Kimberly Paulson	Program Analyst	701-893-2239*		
Marquita Peoples	Program Analyst	202-720-8320		
Brian Rueckl	Senior Loan Officer	920-845-3014		
Franklin Timothy Storey	Senior Loan Officer	*931-967-2521, Ext. 106*		
Gretchen Thomas	National Office FLP	205-650-3373		
	Training Coordinator			

E LSPMD Contacts

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

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

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

Office of the Director * * *			
Name	Telephone Number		
Vacant	Director		
J. Lee Nault	Deputy Director	202-720-6834	
Sheila Oellrich	Assistant to the Director	202-720-2990	
Andrews Kurtenbach	Loan Specialist	202-692-4946	
	Direct Loan Servicing Branch	1	
	Wa2.AdmException or admin		
e-mail SM.FSA.D	CWa7.DirectLoans or fsa-dire	ectloans@usda.gov	
Bruce Mair	Branch Chief	202-720-1645	
Mary Durkin	Senior Loan Officer	202-720-1658	
Susan (Sue) Eilertson	Program Analyst	202 690-9142	
Carolyn Estrada	Senior Loan Officer	419-447-7071 Ext. 2903	
* * *	* * *	* * *	
Sharilyn Hashimoto	Senior Loan Officer	202-720-2743	
Tracy Hidde	Senior Loan Officer	202-720-5319	
Creg Ivison	Senior Loan Officer	202-720-1557	
Jacqueline King	Program Analyst	202-720-2820	
Janet Kramer	Senior Loan Officer	785-336-3543 Ext. 125	
David Sullivan	Senior Loan Officer	202-690-0648	

E LSPMD Contacts (Continued)

Guaranteed Loan Servicing and Inventory Property Management Branch			
Name	Title	Telephone Number	
Vacant	Branch Chief	* * *	
Brittany Criswell	Senior Loan Officer	770-267-8363 Ext. 119	
Steven Dusek	Senior Loan Officer	580-928-3113 Ext. 3018	
Megan Everswick	Senior Loan Officer	202-720-7205	
Carol Hoyt	Senior Loan Officer	479-968-3497 Ext. 119	
Rebecca Minter	Senior Loan Officer	202-260-9200	
Timothy Reimer	Senior Loan Officer	402-443-4106 Ext. 103	
* * *	* * *	* * *	

5 RD Business Center Contacts

A RD Business Center Contact Information

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

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

B Direct Loan Servicing

The following provides the Direct Loan Servicing address.

For USPS Delivery	For FedEx or UPS Delivery
USDA Rural Development	USDA Rural Development
RD Business Center, FaSB, FC-1311	Attn: RD Business Center FaSB, FC-1311
Building 104	Building 105E - Dock Delivery
4300 Goodfellow Blvd. #1321	4300 Goodfellow Blvd.
St. Louis, MO 63120-1703	St. Louis, MO 63120-1703

5 RD Business Center Contacts (Continued)

B Direct Loan Servicing (Continued)

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

Direct Loan, FLB				
Telephone Number 314-457-6404 ECM FAX Number 314-457-4539				
Name Title Telephone Number State Assignmen				
Ryan Loewe	Branch Chief	314-457-4263	8	
Antoinette Taylor	Section 1 Supervisor	314-457-4070		
Joseph Council	Section 2 Supervisor	314-679-6857		
Samuel Kayser	Accountant	314-679-6734	PR	
Zachary Skaer	Accountant	314-457-4094	TX	
Vacant	Accountant			
Randal Bennett	Financial Specialist	314-679-6842	SC, GU/WP	
Barbara Lee	Financial Specialist	314-679-6846	CO, KS	
Kaylinn Kennedy	Financial Specialist	314-457-5805	MA, TN	
Syna Ramsey	Financial Specialist	314-457-4809	PA, SD	
Lizbeth Rivas	Financial Specialist	314-457-5236	IL, NY	
Teneshia Cozart	Financial Specialist	314-457-4293	TBD	
Shauntae Swan	Accounting Technician	314-457-5950	AK, AR, KY, NH, OK, WY	
Kathleen Farid	Accounting Technician	314-679-6826	AZ, FL, IA, MD, MT, VI, VT	
Lawrence Mullen	Accounting Technician	314-679-6834	CA, IN, LA, OH, RI, UT, VA, WI	
Byron Luster	Accounting Technician	314-679-6848	AL, DE, ME, MI, NC, NM, NV, WA, WV	
Nora Nelson	Accounting Technician	314-457-4131	CT, GA, HI, ID, MS, NJ, OR	
Makia Bush	Accounting Technician	314-457-5284	MN, MO, NE, ND, WY	

--3

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

5 RD Business Center Contacts (Continued)

C Guaranteed Loan Servicing

The following provides the Guaranteed Loan Servicing address.

For USPS, FedEx, or UPS Delivery

USDA, Rural Development

Guaranteed Commercial Branch, FC-1321

RD Business Center, Building 104

4300 Goodfellow Blvd

St. Louis, MO 63120

The following provides names and contact information for the RD Business Center – Guaranteed Commercial Branch.

RD Business Center-Servicing Office-Guaranteed Commercial Branch (GCB)				
Main Line 314-457-6402 ECM Fax Number 314-457-4539				
Name	Title			
Sharon Sachs	Branch Chief	314-679-6804		
Michael Rendulic	Management and Program Analyst	413-253-4328		
Richard Lahr	RD Lead Accountant	314-457-4206		
Cameron Balentine	Accountant	314-457-4045	RD programs only	
* * *	* * *	* * *	* * *	
Carrie Walker	Accountant	314-457-4201	RD programs only	
Monique Kelly	FSA Lead Accountant	314-457-4103	MN, NY, WV	
Madeline Bedwell	Accountant	314-457-4036	AR, CO, IA, LA, OK, OR, TN	
Mary Jordan	Accounting Technician	314-679-6831	AZ, CA, * * *, CT, DE, FL, GA, IL, KS, ME, MD, MA, MT, NE, NH, NM, NV, * * *, RI, SC, SD, * * *, VT, AK, HI, WP, VI, PR	
Barbara Jungenberg	Financial Specialist	314-679-6805	AL, * * *, ID, IN, KY, MI, MS, MO, ND, NC, NJ, OH, PA, TX, UT, VA, WA, WI, WY	

--5 RD Business Center Contacts (Continued)--

D Debt Collection

The following provides the DCIB address.

For USPS Delivery	For FedEx or UPS Delivery
USDA - RURAL DEVELOPMENT	USDA - RURAL DEVELOPMENT
DEBT COLLECTION IMPROVEMENT	ATTN: (Insert Name), RD BUSINESS
BRANCH, FC-1331	CENTER/DCIB, FC-1331*
*RD BUSINESS CENTER, BUILDING 104	BUILDING 105E - DOCK DELIVERY
4300 GOODFELLOW BLVD.	4300 GOODFELLOW BLVD.
ST. LOUIS, MO 63120	ST. LOUIS, MO 63120

The following provides contact information for DCIB.

DCIB				
	Telephone Number 314-679-6870			
		CM FAX Number 314		
		FAX Number 844-58	87-2958	
DO	CIB E-Mail Ad	ldress: RD.NFAOC.D	OCIB@STL.USDA.GOV	
Name	Title	Telephone Number	Assignments	
Lisa Randolph	Branch Chief	314-679-6851		
Karen Warr	Lead	314-457-4291	DCIA Status Reports; Treasury Report	
	Accountant		on Receivables; Problem Case	
			Resolution; Coordinate IT Development	
			Initiatives	
Donald Folston	Accountant,	314-457-4351	Adhoc Reporting; DCIA Support	
	Task Source			
Kim Gant	Accounting	314-457-4053	RD (non-SFH) Proof of Debt, RD	
	Technician,		Disputes, and Returned to Agency Debts;	
	Task Source		RD AMAS Bills	
Wyvone Haymon	Accountant	314-679-6864	FLP TOP Timeline Notifications and	
			ADPS Screen Messages; FLP Cross	
			Servicing Tasks, Recalls, Repayment	
			Agreements, and Compromise Offers;	
			FLP and RD CAIVRS; FLP and RD	
			Do Not Pay	
Katina Mims	Accountant	314-679-6833	FLP TOP and DCIA Referrals; FLP TOP	
			Weekly Updates; FLP and RD	
			Commercial Credit Bureau Reporting;	
			FLP Federal Salary Offset	
Timothy Oge	Accountant	314-679-6844	FLP Cross Servicing Support; FLP Cross	
			Servicing Proof of Debt and Disputes;	
			FLP Cross Servicing Referrals	
Jose Ramirez	Accountant	314-457-5930	RD BP Loss Adds; MFH Unauthorized	
			Assistance DCIA Referrals; RD AWG	
			Hearings/Billing; RD IAA/MOU AWG	
			Hearings; RD Unauthorized Assistance	
			Cross Servicing Collections; RD	
			(non-SFH) Reconciliation TOP/Cross	
			Servicing	

--5 RD Business Center Contacts (Continued)--

D Debt Collection (Continued)

Name	Title	Telephone Number	Assignments
Charles Spencer	Accountant	314-679-6868	FLP TOP Refunds (FSA-2722); FLP Debt Exposure Report; FLP DOJ Listings and Fees; Bankruptcy
			Notifications; RD (non-SFH) DCIA Processes; FLP Internal Administrative Offset (IAO) Reporting; FLP IAO Refund Notifications
Shanna Wakefield	Accountant	314-457-4027	

E Program Reporting

The following provides PRB address.

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

The following provides contact information for PRB.

PRB					
	Telephone Number 314-457-4310				
	F	AX Number 1-844-24	1-4641		
Name	Title	Telephone Number	Assignments		
Debra Deters	Branch Chief	314-457-4307			
Jessica Ly	Lead	314-457-4319	County Information File		
	Accountant				
Timothy Orf	Lead	314-457-4256	RC 573, RC 593, RC 595, RC 597,		
	Accountant		RC 661		
Jaemi Lovellette	Accountant	314-457-4321	RC 960/961; FSA-2585; FSA-2065,		
			IRS Form 1098, IRS 1099-A		
Raymond Metcalf	Accountant	314-457-4323	RC 531, RC 533, RC 534, RC 535,		
			RC 540, RC 541, RC 565, RC 606,		
			RC 655, RC 676, RC 830, RC 980/981;		
			IRS Form 1099-G		
Kendra Hill	Pathways	314-679-6875	RC 542, RC 543, RC 547, RC 970/971;		
	Intern		IRS Form 1099-C		

*--5 RD Business Center Contacts (Continued)

F Disbursements Branch

The following provides the Disbursements Branch address.

Mailing Address			
USDA, RURAL DEVELOPMENT			
DISBURSEMENTS BRANCH, FC-1412			
RD BUSINESS CENTER-FINANCE OFFICE			
4300 GOODFELLOW BLVD			
ST. LOUIS, MO 63120			

The following provides contact information for the Disbursements Branch.

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

Disbursements Branch* Main Line 314-457-4031 ECM FAX Number 314-457-4371						
Name	Title	Telephone Number				
Sharon Maull	Branch Chief	314-457-4146				
* * *	* * *	* * *				
Charles Butler	Accountant	314-457-4173				
JoAnn Fults	Accountant	314-457-4025				
Erin Greco	Accountant	314-679-6728				
Donna Rogers	Accountant	314-457-4213				
Seth Wheatley	Accountant	314-679-6677				
Lisa Bray	Financial Specialist	314-457-4034				
Cynthia McCarrell	Financial Specialist	314-457-4304				
Curtis Hunt	Accounting Technician	314-457-4093				
Kelly Oliver	Accounting Technician	314-457-4036				

G *** Collections Branch

The following provides * * * Collections Branch address.

Mailing Address
USDA/RURAL DEVELOPMENT
RD BUSINESS CENTER, CB, FC-1411
4300 GOODFELLOW BLVD
ST. LOUIS, MO. 63120-1703

--5 RD Business Center Contacts (Continued)--

G *** Collections Branch (Continued)

The following provides contact information for the * * * Collections Branch.

* * * Collections Branch								
Main Line 314-457-4023								
ECM FAX Number 314-457-4370								
Name	Title	Telephone Number	State Assignment					
Candy Wall	Branch Chief	314-457-4017						
CeSandera Shumpert	Accountant	314-457-4035						
	Team Leader							
Janet Pearson	Financial	314-457-4004	AL, AR, CT, DE, GA, HI,					
	Specialist		ID, IN, IA, LA, ME, MI,					
			PA, RI					
Nicole Loepker	Accountant	314-679-6624	AZ, NE, NV, NJ, NM, NC,					
			ND, TN					
BethAnn Willis	Accountant	314-457-4054	CO, MS, MO, NH, OR, SC,					
			VT, WI, WY					
Becky Crossin	Accountant	314-457-4033	AK, CA, FL, IL, KS, KY,					
			MN, MT, OH, OK, SD, TX,					
			UT, VI, WP, PR					
Meghna Tanna	Accountant	314-457-6856	MD, MA, NY, VA, WA,					
			WV					
Julie Carlson	Accountant	314-457-4022						
William Shelton	Lockbox	314-457-4019						
	Accounting							
	Technician							
*Obinwa Anugwo	Accounting	314-457-4039						
	Technician							
Eddie Jones	Accounting	314-457-4181*						
	Technician							

6-20 (Reserved)

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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 Farm Production and Conservation 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:
- (1) Delegates to each State Executive Director within the State Executive Director's jurisdiction the authority, and in the absence of the State Executive Director, the person acting in that position, to act for, on behalf of, and in the name of the United States of America or the Farm Service Agency to do and perform acts necessary in connection with making and guaranteeing loans, such as, but not limited to, making advances, servicing loans and other indebtedness, and obtaining, servicing, and enforcing or releasing security and other instruments related to the loan. For actions that do not result in a loss to the Farm Service Agency, a State Executive Director may redelegate authorities received under this paragraph to a Farm Loan Chief, Farm Loan Specialist, District Director, Farm Loan Manager, or Senior Farm Loan Officer, Farm Loan Officer, Loan Analyst, Loan Resolution Specialist, or Program Technician.
- (2) May establish procedures for further redelegation or limitation 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 subparagraphs 27 A and B for information about the impact of a change in grade or position on loan approval authority.

A new delegation of authorities granted according to Exhibit 7 is not required when SED, FLC, DD, FLM, or SFLO who issued the original delegation changes. The new SED, FLC, DD, FLM, or SFLO may modify delegations according to subparagraph C.

Redelegation of SED authorities granted according to Exhibit 1 must be--* completed when a permanent SED changes. Redelegations are not required for individuals serving as acting SED.

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

General Delegation Requirements (Continued)

B Sample Delegation Letter

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

To: Name				
Title				
Subject: Delegation of Authority				
In my authority as (Title of Delegator), I hereby delegate to you the following authority(ies):				
•				
•				
This/these delegation(s) will continue until:				
revoked or revised in writing				
• you:				
 resign retire, or accept a position that does not require the authorities. 				
(Signature)				
(Title)				
(Date)				
cc: State Office				

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. For existing employees, 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.

*--Note: Written documentation is not necessary as delegated authorities are automatically revoked for employees who resign, retire, or accept a position that does not require loan approval and servicing authorities.

Employees who return to positions that require delegated loan approval authority will be subject to credit quality reviews, as well as may be required to complete appropriate additional training.--*

--*

General Delegation Requirements (Continued)

C Revising and Revoking Delegated Authority (Continued)

--Delegated authorities that require completion of continuing education will be revoked if the employee does not complete the training within the required timeframe. A new delegation will be required after the education requirements are met--

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 that require SED delegation and 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 that require SED delegation and 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 in the following circumstances:

- 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
- FLM-GS-12 or SFLO-GS-12 who is acting DD for an extended period of time, because of a vacancy or illness, to that of DD-GS-13 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.

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

When a permanent SED is not appointed, or a permanent SED is on extended leave because of illness or other unforeseen reasons, an 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.

Acting SED during routine office absences of an appointed SED does not have these authorities.--*

23 State Office and Service Center Authorities (Continued)

D Acting Officials (Continued)

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

To:	Name Title
Subjec	ct: Delegation of Authority
(Endi	re hereby designated to serve as Acting (Title of Delegator), from (Starting Date) to ng Date). I hereby delegate to you all rights, privileges, and powers of the position of the following:
(Signa	ature)
(Title)	
(Date)	
cc: Sta	ate Office * * *

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.

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 FLC, DD, or FLS position
- CED's designated to obtain loan approval authority according to subparagraph C.

To obtain loan approval authority, employees must successfully:

• complete Phase 1 of the FLOT program according to 6-PM, Part 13

Notes: All employees required to obtain loan approval authority, except GS-11 FLO's or GS-12 FLM's hired under Direct Hiring Authority (DHA) as defined in Exhibit 2, have 1 calendar year to complete Phase 1, which includes:

- orientation training--*
- required training and testing, as stated in 6-PM, subparagraph 198 A
- additional trainings required in 6-PM, subparagraph 194.5 A
- hands-on loan docket preparation training.

DHA-hired FLO or FLM employees have 6 months from the hiring date to complete Phase 1.

Phase 2 will not begin until Phase 1 training and testing requirements have been met.

- complete Phase 2 of the FLOT program as follows:
 - FLO's, FLOT's, and CED's will:
 - •*--meet credit quality standards in subparagraph 28 C on a minimum of 5 but not more than 7 independently prepared loan dockets, of which at least 2 must be term loans
 - at the discretion of FLC, be required during Phase 2 to submit additional loan dockets meeting credit quality standards, until the trainee demonstrates the ability to make sound credit decisions

Notes: Loan docket reviews cannot be used to obtain loan approval authority.

FLC will establish the number of additional loan dockets required.--*

A Receiving Approval Authority (Continued)

• be placed on a DO if the trainee's 3 of the maximum of 7 independently prepared *--loan dockets fail to meet credit quality standards

Note: If the trainee is placed on a DO because of failure to meet credit quality standards on the required independently prepared loan dockets, this action must be documented in the comments section of FLOTRACK.

• after successful completion of the DO, submit a new set of loan dockets that meet credit quality standards

Notes: If the trainee's 3 of the maximum of 7 independently prepared loan dockets again fail to meet credit quality standards, follow 6-PM, subparagraph 198 D to determine the next action.

Loan docket reviews cannot be used to obtain loan approval authority.

- have 1 calendar year to complete Phase 2 and be delegated loan approval authority
- DHA, FLO, or FLM employees will:
 - meet credit quality standards in subparagraph 28 C on a minimum of 5 but not more than 7 independently prepared loan dockets, of which at least 2 must be term loans
 - be placed on a DO if the direct hire's 3 of the maximum of 7 independently prepared loan dockets fail to meet credit quality standards

Notes: Loan docket reviews cannot be used to obtain loan approval authority.

If the DHA, FLO, or FLM employee is placed on a DO because of failure to meet credit quality standards on the required independently prepared loan dockets, this action must be documented in the comments section of FLOTRACK.

• after successful completion of the DO, submit a new set of loan dockets that meet credit quality standards

Notes: If 3 of the maximum of 7 independently prepared loan dockets again fail to meet credit quality standards, follow 6-PM, subparagraph 198 D to determine the next action.

Loan docket reviews cannot be used to obtain loan approval authority.--*

• have 6 months to complete Phase 2 and be delegated loan approval authority

A Receiving Approval Authority (Continued)

- •*--FLC's, DD's, and FLS's will:
 - meet credit quality standards on a minimum of 3 independently prepared loan dockets, of which at least 1 must be a term loan

Notes: Not more than 4 loan dockets may be submitted to meet this requirement.

File reviews, as outlined in the following bullet, are in addition to this requirement. Accordingly, there are no substitution options for this requirement to complete and pass independently prepared loan dockets.

submit a minimum of 4 acceptable loan docket reviews

Notes: Not more than 6 loan docket reviews may be submitted to meet this requirement.

When recording trainee loan docket reviews in FLOTRACK Docket--* information, choose "Docket Type":

- File Review Direct Loan
- File Review Guaranteed Loan (SEL)
- File Review: PLS.
- be placed on a DO if the trainee's:
 - •*--2 of 4 independently prepared loan dockets fail to meet credit quality standards
 - 3 of 6 loan docket reviews are not acceptable

Note: If trainee is placed on a DO due to failure to meet credit quality standards on the independently prepared loan dockets or loan docket reviews, this action must be documented in the "Comments" section of FLOTRACK.

• after successful completion of the DO, submit a new set of loan dockets and loan docket reviews that meet credit quality standards

Note: If the trainee's 2 of the maximum of 4 independently prepared loan dockets again fail to meet credit quality standards, or 3 of the maximum of 6 loan dockets are not acceptable, follow 6-PM, subparagraph 198 D to--* determine next action.

• have 6 months to complete Phase 2 and be delegated loan approval authority.

A Receiving Approval Authority (Continued)

*--The Loan dockets submitted for State Office review and approval must be sufficiently complex to reflect the ability to make sound credit decisions and analyze an applicant's operation. The loan dockets submitted must include **all** of the following types of loans:

direct loans

Note: No more than **2** Microloans may be submitted; and youth loans or streamlined loans may not be submitted.

- SEL guaranteed loans only, excluding EZ guarantee requests
- PLS applications.

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

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

Loan dockets submitted for review may include credit actions recommended--* for approval.

B Failure to Receive Loan Approval Authority

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

C CED Loan Approval Authority

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

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

C CED Loan Approval Authority (Continued)

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

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

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

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

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

D Circumstances for Designating CED's

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

The office or area where CED would be designated by SED to obtain loan making and *--servicing approval authority must meet all 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
- 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

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

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.--*

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

SEDs shall submit FSA-2127 to the National Office to request approval for all CEDs designated to obtain loan making and servicing authority by e-mailing the completed FSA-2127 to SM.FSA.DCWa2.FLOT. FSA-2127 will include the following:

- circumstances that warrant designating CED to obtain loan approval authority according to subparagraph 25 D
- copy of COC's written concurrence for CED to assume additional FLP responsibilities
- map designating the districts with FLP Service Centers where CED will assist
- list of FLP Service Center employees, by position, for the office CED will assist.

The National Office will notify SED when DAFO and DAFLP approval has been granted.--*

26 Delegating Loan Servicing Authority

A Delegations to FLO

*--Loan servicing authority is inherent for employees possessing delegated loan approval authority according to Part 2.

Note: FLM's or SFLO's may delegate loan servicing authorities according to Exhibit 7, subparagraph B, to FLO's or FLOT's who have the appropriate training and experience, but do not currently possess delegated loan approval authority. Use caution in delegating authority to employees still in training.--*

B Delegations to PT

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

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.

*--Note: A new delegation of authority is not required to be issued when only the employee's grade increases.

B Hires With Prior Loan Approval Authority

A new delegation of authority is required for employees who held loan approval authority in another State before selection to the new position.

Employees with current loan approval authority who have moved to another State may submit a copy of the previous delegation letter, and when possible a statement from the previous FLC, addressing the quality of loan docket reviews based upon credit quality review guidelines.

SED's, in consultation with FLC's, will use this information or review their records to establish the following:

- necessary actions and training for obtaining a current delegation of loan approval authority
- determining whether the employee will be required to submit loan dockets for credit quality review, and if so, the number of loan dockets to be submitted to determine whether approval authority will be delegated to the employee.

Note: Loan docket submission requirements must not exceed those described in--* subparagraph 25 A.

27 Maintaining Approval Authority (Continued)

B Hires With Prior Loan Approval Authority (Continued)

Employees who have not held loan approval authority within the last year immediately before the selection to the new position must submit and pass independently prepared Loan dockets for credit quality review as described in subparagraph 25 A.

Note: The loan approval authority of employees who move to a position that does not require loan approval authority is automatically revoked. A new delegation will be required if the employee is selected for a position requiring loan approval authority. The employee must submit the independently prepared loan dockets as provided in subparagraph 25 A

C Maintaining Loan and Servicing Approval Authority

After approval authorities are granted, SED's and FLC's will monitor employees to ensure loan making and servicing actions meet credit quality standards. Loan approval officials must exercise loan making and/or servicing authority annually to satisfy nationwide credit quality standards established in paragraph 28.

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.

27 Maintaining Approval Authority (Continued)

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 Credit Quality Standards

A Credit Quality Review Requirements

Credit quality reviews are designed to thoroughly assess a loan docket on a broad range of items, including underwriting proficiency and adherence to certain programmatic and administrative requirements. To demonstrate continued proficiency, approval officials other than FLS's, FLC's, and DD's are annually required to satisfy credit quality standards on 3 docket reviews using FSA-2103. No more than 4 loan dockets may be submitted to satisfy this requirement. The number and occurrence of FLS's reviews (to be completed by the FLC or designee) are addressed in subparagraph 28 E, while the number and occurrence of FLC's and DD's reviews (to be completed by the DAFLP or designee) are addressed in subparagraph 28 F.

SED, with DAFO and DAFLP concurrence, may grant an exception to the requirement for a loan approval official to meet the annual credit quality standards. Examples of circumstances potentially warranting an exception may include extended unavailability of the employee because of illness or detail to an alternative job responsibility.

Note: If necessary, FLC's should coordinate the opportunity for loan approval officials to prepare and/or approve loan dockets from outside the loan approval officials' routine service area for the employee to meet the number of required credit quality reviews. Therefore, the availability of credit actions by loan approval officials will typically not be an accepted basis for an exception to credit quality standards.

--An approval official, other than FLS, FLC, and DD, who does not satisfy the minimum-- credit quality standards for 2 or more loan dockets annually does not satisfy the requirements to maintain loan approval authority. Further action, including revocation of loan approval authority and placement on a DO, will be completed by the appropriate supervisory and human resource staff, in consultation with FLC to determine employee training needs. (22-PM, paragraph 432, refers to using an OTI to address performance issues. According to DR 4040-430, an OTI is now referred to as a DO.)

28 Credit Quality Standards (Continued)

A Credit Quality Review Requirements (Continued)

*--Employees other than FLS's, FLC's, and DD's who complete training and are delegated loan approval authority within the first two quarters of the FY are required to adhere to the standard credit quality review requirements provided in this paragraph. However, employees other than FLS's, FLC's, and DD's who complete training and are delegated loan approval authority in the third or fourth quarter of the FY are not required to satisfy additional credit quality review requirements for that year.

Loan dockets reviewed by FLC or designee must be sufficiently complex, as determined—* by FLC, to reflect the employee's ability to make sound credit decisions and adequately analyze an applicant's operation. Loan dockets eligible for formal credit quality review may include direct loans, SEL guaranteed loans, PLS requests, and direct subordination requests, that were approved in the same FY of the formal credit quality review.

Notes: No more than 2 microloan dockets and 1 direct subordination request may be used to satisfy the annual credit quality requirements.

Youth loans, streamlined loans, and PLP, CLP, and EZ guarantee requests are not eligible for review.

Only 1 request per applicant can be used for formal credit quality review purposes, regardless of the number of requests included in a credit action; for example, an applicant is approved for an FO, OL, and PLS in a single credit action. In this situation, only 1 request can be used to satisfy the requirements of this paragraph.

Dockets selected for review by FLC will typically be those that were independently prepared by the employee being reviewed. However, a loan approval official may lack appropriate processed actions for the FY to meet credit quality review standards. In such an event, dockets that were recommended for approval by another employee, but formally approved by the loan approval official being reviewed (a Review of Approval-Only Official review type) may be substituted by the FLC. If this Review of Approval-Only Official review fails, the FLC is not required to complete a Review of Loan Processor review of that loan action.

Other than in the case of a FLC or DD approval official, if a recommended only docket (Review of Loan Processor review) fails to satisfy credit quality standards, FLC or designee will additionally complete a review of the approval official (Review of Approval-Only Official).

28 Credit Quality Standards (Continued)

A Credit Quality Review Requirements (Continued)

Loans dockets reviewed for formal credit quality may be either pre-approval reviews or post-approval reviews * * *. If a formal review is completed as pre-approval, the review official must wait to finalize the review until loan closing documents have been completed.

--Typically, post-approval Credit Quality Reviews will be completed after any closing agent has provided all loan closing documents. However, there may be instances when closing documents cannot be obtained to complete a timely Credit Quality Review. When this occurs, the reviewer may document the circumstances within the Summary of Deficiencies section and answer Credit Quality Review Questionnaire question 2 M "Were closing documents properly completed, were security interests perfected, and were required insurance, lien searches and/or title opinions obtained?" based on available information.--

B Exceptional Previous Performance

Approval officials who satisfy credit quality review standards outlined in subparagraph 28 A with a score of 180 points or more on all docket reviews the previous FY have reduced credit quality review requirements for future years. Approval officials who demonstrate this level of performance on independently prepared loan dockets are required to pass 1 docket annually with a score of at least 180 without critical questions being scored Low. If the loan docket reviewed does not meet this standard, the requirements outlined in subparagraph 28 A will be in effect.

* * *

C Credit Quality Review Procedures

--FLC's are responsible for coordinating annual credit quality reviews for all employees within their State with delegated loan approval authority, other than FLC's and DD's and-- developing a plan to ensure that all review processes are completed before the end of the FY. FLC's will create and share the plan with loan staff by April 30 of each year. Loan dockets selected for formal credit quality review will be determined by FLC and must have been approved in the same FY of the credit quality review; however, specific files for review do not need to be identified by April 30. Plans may include types of loan dockets to be reviewed, timing of reviews, identification of reviewers, and methodology of reviews. Plans may be communicated with loan staff informally via conference call or e-mail, or more formally using a notice or amendment.

FLC's must first coordinate the credit quality reviews of employees with lower approval authority levels. This is necessary to determine if sufficient independently prepared and approved loan dockets are available to satisfy the requirements of subparagraph 28 A for those employees. Loan docket selection and review requirements for loan approval officials with higher loan limits may be affected by the results of credit quality reviews completed on dockets where the employee served as the approval official only.

C Credit Quality Review Procedures (Continued)

FLC's are responsible for identifying review officials who will complete credit quality reviews of all employees with delegated loan approval authority other than FLC's and DD's. Formal credit quality reviews will typically be completed by State Office employees with

--delegated loan approval authority. However, at the discretion of FLC, FLM's who met credit quality review standards in the previous FY and have not failed a credit quality review in the previous or current FY may also be eligible to complete formal credit quality reviews of FLO's not supervised by FLM. FLC's are encouraged to involve trainees and other loan-- staff to observe the review process for training and employee development purposes when appropriate.

The automated FSA-2103 located in the Microsoft Teams channel is the only review questionnaire authorized for use in formal credit quality review evaluations. Results of State-developed supplemental review forms must not be used to determine an approval official's receipt or maintenance of approval authorities. Completed FSA-2103 must be converted to PDF format, digitally signed, printed, and physically stored in State operational files. States are encouraged to also retain completed FSA-2103 digitally. The credit quality review must be discussed with the employee and their supervisor. FSA-2103 review questionnaire will not be placed in the borrower case file.

- *--The reviewer will perform a credit quality review by completing the automated FSA-2103 located in the Microsoft Teams channel for any of the 3 types of reviews:--*
 - (1) Review of Loan Processor This review type is applicable when the reviewee processed and approved the loan action, or processed an action approved by another employee. The reviewer will answer questions 2 A through 2 N based on a file review. A loan docket satisfies credit quality standards if 160 points or more are awarded with no critical questions being scored "Low". The reviewer will enter the credit quality review result as one of the following:
 - Passed
 - Failed on Points
 - Failed on Critical
 - Failed on Critical and Points.
 - (2) Review of Approval-Only Official This review type is applicable when the loan action was processed by another employee and approved by the reviewee. Those credit quality review questions 2 A through 2 N which the approval official had resources available at the time of approval to correctly evaluate will be scored according to FSA-2103 instructions.

C Credit Quality Review Procedures (Continued)

Many States authorize loan approval to be completed remotely, without the benefit of the entire docket on hand. If approval was based solely on a review of automated FBP

- *--documentations, any question which FSA-2103 instructions provide should be answered "Medium" or "Low", and which the response of "Medium" or "Low" would only be reasonably determined based on a review of the physical file or other applicable documents, will be scored "High" and the circumstances documented in the Summary--* of Deficiencies. Points will be tabulated by the automated FSA-2103 and an Assessment Result entered by the reviewer as stated in Review of Loan Processor above.
- (3) Review of Docket Reviewer This review type is to be used when a credit quality review is being completed to evaluate a previous credit quality review by the reviewee. The reviewer completing the Review of Docket Reviewer will complete a credit quality review of the loan action, answering FSA-2103 questions 2 A through 2 N according to FSA-2103 instructions. The automated credit quality review will tabulate Total Docket Points. Assessment Results will be entered as:
 - Pass if the total points in the initial credit quality review and the Review of Reviewer credit quality review are within 25 points and any critical answer of "Low" is answered the same on both credit quality reviews
 - Failed on Points if the total point difference between the two credit quality reviews is greater than 25
 - Failed on Critical if any critical answer of "Low" is answered differently between the two credit quality reviews
 - Failed on Critical and Points if the total point difference is greater than 25 and any critical answer of "Low" is answered differently between the two credit quality reviews.

The reviewee's initial credit quality review should be attached to the Review of Docket Reviewer credit quality review when placed in the operational file.

Note: Except for a FLS, FLC, or DD; Review of Loan Processor and Review of Approval-Only Official are applicable reviews to be conducted per subparagraph 28 A. Review of Loan Processor and Review of Docket Reviewer credit quality reviews are appropriate to subparagraph 25 A of this part.

28 Credit Quality Standards (Continued)

C Credit Quality Review Procedures (Continued)

--With the exception of Review of Approval-Only Official reviews when approval was based primarily on FBP, it is recommended that the reviewer have the complete physical file available at the time of the review. If this is not feasible, the reviewer will identify each item needed from the physical file necessary to accurately answer questions 2A through 2N on FSA-2103 and request that the reviewee provide each of the necessary documents electronically. In the case of a Review of Approval-Only Official reviews when approval was based primarily on FBP, the reviewer will typically need only information within FBP for the review.--

Results of annual credit quality reviews will be captured within the automated FSA-2103 Microsoft Teams environment and reports will be available to State and National offices.

D Service Center Reviews

Annually for each service center, the FLC or designee will review at least:

- •*--2 direct loan restructured accounts, if available
- 2 approved guarantee loan requests from CLP or PLP lenders, if available
- 2 direct loan denials, if available.--*

The purpose of these reviews conducted in accordance with this subparagraph is to ensure continued proper processing of these requests and to identify potential training needs. Therefore, the scores and results of these reviews will not typically affect an employee's approval authorities. However, at the discretion of FLC, restructured account reviews may be used to satisfy an approval official's annual credit quality review requirements.

Note: FSA-2103 is designed to be used solely for the purpose of evaluating approved requests. Accordingly, loan denial reviews are not required to be evaluated using FSA-2103. While a formal review template is not available, reviews should focus on determining if a proper and timely loan denial decision was made and communicated effectively with the applicant and/or lender.

--By October 31 of each year, each FLC will submit a Service Center Review Report of the prior fiscal year to the Director of LMD. This report will detail service center reviews completed during that fiscal year, including:--

28 Credit Quality Standards (Continued)

D Service Center Reviews (Continued)

- •*--number of service centers with completed reviews and a brief explanation of the reasons/circumstances regarding any service center(s) without a complete review during the fiscal year
- summary of each re-occurring issue (concerns noted in 2 or more dockets reviewed within the State) including FLC's intended steps to address each of the reoccurring issues
- FLC recommendations for National Office action (such as clarification/revision of Handbook or national training) regarding repetitive findings from 2 or more dockets.--*

E FLS Credit Quality Review Requirements

*--To demonstrate continued proficiency, FLS's who hold FLP loan approval authority as of October 1 of the current fiscal year are annually required to satisfy credit quality standards on 2 loan docket reviews using FSA-2103. No more than 3 dockets may be submitted to satisfy this requirement. FLS reviews will be completed by FLC or their designee. A docket satisfies FLS credit quality standards if 160 points or more are awarded with no critical questions being scored "Low" on FSA-2103. FLS will not satisfy the requirements to maintain approval authorities if their minimum credit quality standards are not met for more than 1 docket annually. Further action, including revocation of approval authority and placement on a DO, will be completed by the appropriate supervisory and human resource staff, in consultation with FLC, to determine employee development needs. (22-PM, paragraph 432, refers to using an OTI to address performance issues. According to DR 4040-430, an OTI is now referred to as a DO.)

Docket complexity standards are outlined in subparagraph 28 A, and dockets selected by FLC for review may include those where FLS acted as the approval official only and did not prepare the docket independently. In these instances, many States authorize the approval review to be done remotely, without the benefit of the entire docket on hand. Accordingly, any question scored "Medium" or "Low" solely for reasons that were either outside the control of FLS, or that could not reasonably be evident to FLS at the time of the approval review, will not negatively impact the credit quality review of FLS. In those instances, the review official will note on FSA-2103 that the sole reason(s) for a "Medium" or "Low" question score was outside FLS control and answer the question as "High".

In instances when FLS has not processed or approved an adequate number of loan requests to satisfy the requirements in subparagraph 28 D, FLS may substitute 1 or more of the docket requirements with independently completed credit quality file reviews that were completed by FLS using FSA-2103. FLC will complete their own review of the subject docket. The review will be scored according to subparagraph 28 C, Review of Docket Reviewer.--*

F FLC and DD Credit Quality Review Requirements

*--To demonstrate continued proficiency, the National Office will routinely conduct credit quality reviews for FLC's and DD's who hold FLP loan approval authority as of October 1 of the fiscal year in which the review is conducted. When a review is scheduled during a fiscal year, FLC's and DD's are required to satisfy credit quality standards on 2 loan docket reviews using FSA-2103. No more than 3 dockets may be submitted to satisfy this requirement. A docket satisfies credit quality standards for FLC or DD if 160 points or more are awarded with no critical questions scored "Low" on FSA-2103. FLC or DD will not satisfy the requirements to maintain approval authorities if minimum credit quality standards are not met for more than 1 docket within any fiscal year reviewed. Further action, including revocation of approval authority and placement on a DO, will be completed by the appropriate supervisory and human resource staff, in consultation with the National Office, to determine employee development needs. (22-PM, paragraph 432, refers to using an OTI to address performance issues. According to DR 4040-430, an OTI is now referred to as a DO.)

Docket complexity standards are outlined in subparagraph 28 A, and dockets selected for review by the National Office may include those where FLC or DD acted as the approval official only and did not prepare the docket independently. In these instances, many States authorize the approval review to be done remotely, without the benefit of the entire docket on hand. Accordingly, any question scored "Medium" or "Low" solely for reasons that were either outside the control of DD or FLC, or that could not reasonably be evident to DD or FLC at the time of the approval review, will not negatively impact the credit quality review of FLC or DD. In those instances, the review official will note on FSA-2103 that the sole reason(s) for a"Medium" or "Low" question score was outside the control of FLC or DD, and will answer the question as "High".

In instances when FLC or DD has not processed or approved an adequate number of loan requests to satisfy the requirements in subparagraph 28 D, the National Office may substitute 1 or more of the docket requirements with independently completed credit quality file reviews completed by FLC or DD using FSA-2103. The National Office will complete its own review of the subject docket. The review will be scored according to subparagraph 28 C.

FLC and DD credit quality reviews will be conducted by National Office staff. States will be selected by DAFLP annually for FLC and DD reviews. Selection criteria to be considered by DAFLP may include the FLPRA data and the FLPRA review schedule.--*

G Reinstatement of Approval Authority

Employees whose approval authority has been revoked as a result of a failure to maintain credit quality standards may have authority reinstated if they complete all required additional assigned training and satisfy credit quality review standards described in this paragraph on 3 consecutive dockets.

28 Credit Quality Standards (Continued)

H 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	• loan approval officials with
(AgLearn ID# FSA-HQ-DAFLP-19)	less than 3 years experience
	• FLOT's
Problem Loan Identification and Workout	employees with loan approval
(AgLearn ID # FSA-HQ_DAFLP-20)	authority
Financial Statement Consolidation	
(AgLearn ID# FSA-HQ-DAFLP-21)	
Lender File Reviews	 employees currently
(AgLearn ID# FSA-HQ-DAFLP-LenderFileReview)	enrolled in FLOT training
Servicing Bankrupt Borrowers	_
(AgLearn ID# FSA-HQ-DAFLP-ServicingBankrupt)	• loan approval officials, AS,
	loan analyst, and LRS with
	less than 3 years experience

Note: The FLP Training SharePoint site at https://usdagcc.sharepoint.com/sites/fsa-oa/field-office/Farm_Loan_Programs_Training includes a Continuing Education section where courses may be found. New training courses will be posted as they become available.

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. * * *

- [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--\$600,000;
 - (ii) Guaranteed--\$1,750,000 (for fiscal year 2019 and increased at the beginning of each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);

Notes: The limit is \$1,825,000 for FY 2022.--*

This limit includes land contract guarantees.

A OL, FO, CL, and EM Program Loan Limitations (Continued)

- (iii)Any combination of a direct Farm Ownership loan, direct Conservation loan, direct Soil and Water loan, guaranteed Farm Ownership loan, guaranteed
- *--Conservation loan, and guaranteed Soil and Water loan-\$1,750,000 (for fiscal year 2019 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);

Notes: The limit is \$1,825,000 for FY 2022.

This limit includes land contract guarantees.

(2) Operating loans:

- (i) Direct--\$400,000;
- (ii) Guaranteed--\$1,750,000 (for fiscal year 2019 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);

Note: The limit is \$1,825,000 for FY 2022.

(iii) Any combination of a direct Operating loan and guaranteed Operating loan--\$1,750,000 (for fiscal year 2019 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);

Note: The limit is \$1,825,000 for FY 2022.

(3) Any combination of guaranteed Farm Ownership loan, guaranteed Conservation loan, guaranteed Soil and Water loan, and guaranteed Operating loan--\$1,750,000 (for fiscal year 2019 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);

Notes: The limit is \$1,825,000 for FY 2022.--*

This limit includes land contract guarantees.

A OL, FO, CL, and EM Program Loan Limitations (Continued)

(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 \$600,000;

Notes: The limit is \$2,425,000 for FY 2022.--*

This limit includes land contract guarantees.

- (5) Emergency loans--\$500,000;
- (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 \$1,100,000.

Note: The limit is \$2,925,000 for FY 2022.--*

This limit includes land contract guarantees.

A OL, FO, CL, and EM Program Loan Limitations (Continued)

*--The following table summarizes statutory maximum loan limits for FY 2022. New loan requests, in combination with existing loan principal balances, must not exceed each applicable row of the table at the time of closing.

Maximum Loan Amount Table			
Maximum Approval by Assistance Type			
Guaranteed OL	\$1,825,000		
Direct OL	\$400,000		
Guaranteed FO+SW+CL	\$1,825,000		
Land Contract Guarantee	\$500,000		
Direct FO+SW+CL	\$600,000		
Direct EM	\$500,000		
*Beginning Farmer Down Payment maximum loan amount is \$300,150			
Maximum A	oproval for Combined Assistance Types		
OL Total Direct &	¢1 925 000		
Guaranteed	\$1,825,000		
FO+CL+SW+ Land			
Contract Total Direct &	\$1,825,000		
Guaranteed			
Total A	pproval for Multiple Assistance Types		
OL+FO+CL+SW+ Land			
Contract Total Direct and	\$2,425,000		
Guaranteed			
Total Guaranteed	\$1,825,000		
Total Approval for FO, CL, OL, EM and Land Contract			
OL+FO+CL+SW+EM+			
Land Contract Total	\$2,925,000		
Direct and Guaranteed			

__*

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 Loan Approval Limitations for Direct and Guaranteed Loans

The following table identifies the maximum loan approval authority for direct and guaranteed loans by grade and title of the approval official.

- Direct and guaranteed loans are considered separate tracks when determining approval authority. **For example,** a GS-12 FLM receives an application for a \$800,000 guaranteed LOC from an existing borrower who currently has a \$600,000 direct FO and a \$100,000 guaranteed OL. The FLM is able to approve this request as the guaranteed total at closing would be \$900,000, which is under the guaranteed FLM maximum limit of \$1,000,000.
- Loan approval limitations include the loan being made plus outstanding principal balances owed by anyone signing the promissory note. For LOC's, the maximum amount of the LOC ceiling is considered the outstanding principal balance.
- An approval official may not approve or deny 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. Formal approval or
 denial and eligibility correspondence with an applicant may be completed by an
 employee if authorized by the approval official.
- Eligibility determinations are subject to these maximum loan approval limitations. Use the eligibility section of the credit presentation to record recommendations.
- County Office employees with loan approval authority may not exceed the authority of the equivalent grade FLO or FLM.
- See 3-PM to address conflicts of interest and employee loan requests.

Follow instructions in this table to use the loan approval official maximum limitations table.

Step	Action
1	Determine the type of request being considered (direct or guaranteed).
2	For the request type being considered, calculate the total outstanding principal balance at loan closing, including the new loan request.
3	Using the total calculated, identify the appropriate grade or title having authority for the request.
4	If the total is above one's authority, forward the request with eligibility and approval or denial recommendations to the appropriate official.

Loan Approval Official Maximum Limitations				
	FLO GS-7/9	FLO GS-11	SFLO, FLM, DD, FLS, FLC GS-11/12/13	
Total Principal DIRECT	\$200,000	\$300,000	\$500,000*	
Total Principal GUARANTEED	\$400,000	\$600,000	\$1,000,000*	

^{*}Requests above these amounts require SED authority subject to the maximum loan amounts described in subparagraph 29 A. Note that Direct Operating Loans and Beginning Farmer Down Payment Loans are statutorily limited to \$400,000 and \$300,150, respectively.

*--D Loan Approval Limitations for Direct and Guaranteed Loans (Continued)

The SED, after consulting with the FLC, may issue a State supplement that reduces the maximum loan approval limitations described in the preceding table. This State supplement must be submitted to the National Office for pre-approval.

The SED, in consultation with the FLC, may raise the loan approval authority limits for GS-11, 12, and 13 employees who routinely demonstrate exceptional loan making proficiency. Approval authority may be increased by the following:

- direct loan making, increase up to an additional \$200,000
- guaranteed loan making, increase up to an additional \$400,000.

The SED, after consulting with the 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 to the National Office for pre-approval.—*

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.

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

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

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

F Loan Servicing Actions

See 4-FLP, 5-FLP, and 7-FLP for loan servicing authorities.

30-40 (Reserved)

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Part 3 Miscellaneous Procedures and Systems

41 Nondiscrimination in FLP

A Federal ECOA

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

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

B USDA Nondiscrimination Policy

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

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

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 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. USDA is an equal opportunity provider, employer, and lender.--*

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, 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 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. 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."--*

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, 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 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. 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."--*

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.

* * *

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.--*

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.

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

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

- FSA was not directed to suspend interest or offsets on any loans other than CL's, FO's, SW's, RL's, OL's, and EM's
- interest accrual and offsets will continue to be taken on other loans, including NP loans
- accounts that have no security remaining that have been accelerated or where all loans are
 mature, such as those classified as CNC, also will continue to accrue interest and be
 subject to offset.

Note: Other moratoriums as directed by the Secretary of Agriculture or the Administrator will be followed on their own terms and in some cases will interact with accounts affected by the 2008 Farm Bill.

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

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

[7 CFR 766.358(b)] The moratorium will begin on:

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

I 2008 Farm Bill Acceleration and Foreclosure Moratorium (Continued)

For borrowers who:

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

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

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

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

- the day after all rights offered on FSA-2521 or FSA-2525 have expired, if the borrower does **not** appeal
- the day after all appeals resulting from FSA-2521 or FSA-2525 are concluded, if the borrower did appeal and FSA prevailed on the appeal
- the day after any appeal rights have concluded relating to the failure to graduate under *--4-FLP, Part 2--*
- any other time when, because of litigation, third party action, or other unforeseen circumstance, acceleration is the next step for FSA in liquidating the account.

I 2008 Farm Bill Acceleration and Foreclosure Moratorium (Continued)

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

A borrower is considered to be at the point of foreclosure 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.

*--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.--*

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.
- <u>CNC</u>: 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.
- <u>Cross-servicing</u>: 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

*--41.5 Obtaining Direct Loan Servicing Applications

A Receiving Applications

An agency official will not:

- refuse to provide a requested application to any person
- discourage the borrower from applying for routine or special loan servicing or for a short term alternative repayment agreement in lieu of offset or a debt settlement
- make oral or written statements that would discourage any individual from applying for assistance based on any ECOA prohibited basis (race, color, religion, national origin, sex, marital status, age, applicant's income deriving from public assistance or because the applicant has in good faith exercised any right under the Consumer Protection Act).--*

42 Appeals

A General Requirements

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

Exceptions: For adverse decisions on:

• loan servicing requests under 5-FLP, use the appropriate forms and exhibits to notify borrowers

Note: Appraisals used for homestead protection, including appraisals used in exercising the option to purchase homestead property, or used to determine the amount due under shared appreciation agreements under 5-FLP, may be appealed according to paragraph 144 and 1-APP.

• nonprogram loan borrowers, see 4-FLP, paragraph 248.

Note: Regulations published in 7 CFR are available on the GPO web site at http://www.gpoaccess.gov/cfr/index.html.

B Mandatory Language for Adverse Decision Letters

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

C Adverse Decisions Involving Appraisals

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

- the appraisal is for PLS or preservation servicing and 5-FLP requires using a specific form or exhibit
- the appraisal in question was associated with or connected to, an FSA decision wherein appeal rights were previously offered and concluded.

Notes: Appraisals may only be reconsidered or appealed. Mediation is not available on real estate or chattel appraisals.

See subparagraph 144:

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

D Real Estate Appraisals

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

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

Independent Technical Appraisal Review

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

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

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

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.

*--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 non-procurement programs cannot participate in transactions with FSA. See 2 CFR 180.115 and 417.10.

Notes: 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.

See 1-APP, paragraph 28, and 1-CM, paragraph 823 for additional information.

--B Direct Loan Making--

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

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

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

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

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43 Debarment and Suspension (Continued)

--C Guaranteed Loan Making--

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-2201 to the lender for the first time and then annually thereafter.

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:

- •*--their 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
- •*--themself 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
- •*--their gender as male, female, or non-binary.--*

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.

--DAFLP may elect to not make State allocations should doing so result in impractical administrative constraints.--

[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:

E Computing a Formula Allocation (Continued)

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

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

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

G Distribution of Farm Loan Funds by State Offices

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

H Target Participation Rates for Socially Disadvantaged Target Groups

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

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

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

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

--Note: Target rates will be based on nationwide data if State allocations are not made.--

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.

^{*--}Note: Target rates will be based on nationwide data if State allocations are not made.--*

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.

--Note: Target rates will be based on nationwide data if State allocations are not made.--

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 down payment funds are reserved until April 1 of each FY.

Note: Between April 1 and September 1 of each FY, beginning farmer down payment 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:

A conservation plan that states the applicant is moving toward a sustainable or organic production system, or

An organic plan, approved by a certified agent and the State organic certification program, or

A grant awarded by the Sustainable Agriculture Research and Education (SARE) program of the National Institute of Food and Agriculture, USDA.

M CL Funds (Continued)

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

N Transfer of Funds

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

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

--Use FSA-137 to request borrowers' address information from USPS.--

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 Farm Loan Programs Data Mart, at least monthly to ensure that name and address *--information in BP and SCIMS are accurate. Select the "Farm Loan Programs Data Mart > PLAS Reports" link to display the following options:--*

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

Any necessary corrections to BP or PLAS based on the reports in this subparagraph **must** be made immediately.

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 SCIMS to 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 to 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.

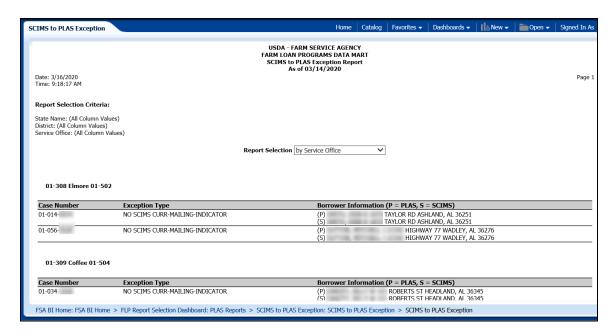
The SCIMS to PLAS Exception Report is a cumulative report; therefore, only the most recent report is viewable each day. The following is an example format of the data that may be displayed.

Case Number	Exception Type	Borrower Information (P=PLAS, S=SCIMS)
XX-XXX-XXXX	SCIMS TAXID INACTIVE	(P) SMITH, MARIA A 246 ELM HWY MONROE, AL 12345
		(S) SMITH, MARIA A 123 COUNTY RD MONROE, AL
		12345

--*

*--C SCIMS to PLAS Exception Report (Continued)

The following is an example of the FLP Data Mart SCIMS to PLAS Exception Report.



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

Exception Type	Description	Corrective Action		
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		
SCIMS CONTAINS "INVALID"		correct invalid information.		
SCIMS CONTAINS "DELETED"				
SCIMS CONTAINS "UNKNOWN"				
SCIMS CONTAINS "INACTIVE"				

*--C SCIMS to PLAS Exception Report (Continued)

Exception Type	Description	Corrective Action		
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.		
NO SCIMS MATCH FOR PLAS BUSINESS NO SCIMS MATCH FOR PLAS PERSON	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. Note: The code in PLAS is frequently incorrect and the update may need to be made in PLAS.		
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.--*

*--C SCIMS to PLAS Exception Report (Continued)

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".

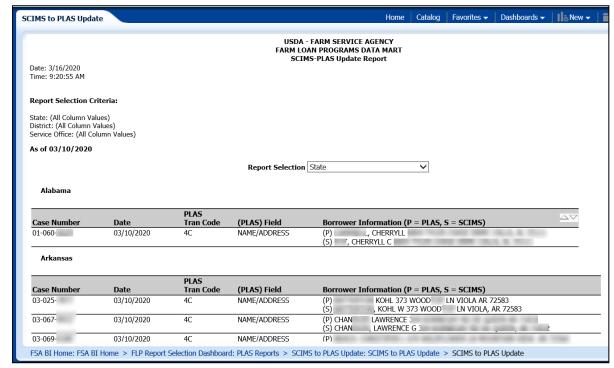
D SCIMS-PLAS Update Report

The SCIMS-PLAS update process does not update PLAS for a borrower that has only guaranteed loans.

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)
01-001-1234	03/10/2020	4C	NAME/ADDRESS	(P) FARM, IMA GOOD 11 FARM RD CALLA, AL 12345
				(S) FARM, IMA G 111 FARM RD CALLA, AL 12345

The following is an example of the FLP Data Mart SCIMS-PLAS Update Report.



D SCIMS-PLAS Update Report (Continued)

Validation Action: Users review each item on the report to verify the accuracy of borrower

information. If an error is detected for the information 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.

E 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;

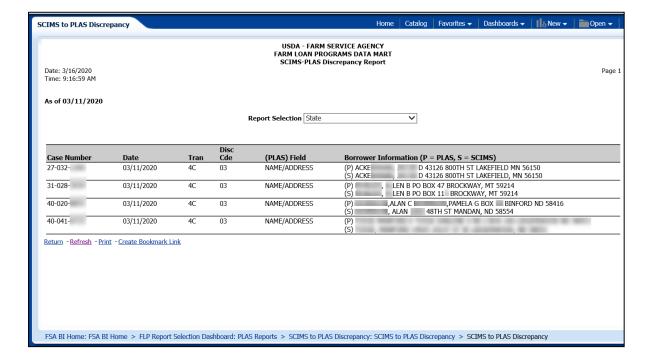
--however, they will not appear on ADPS. These discrepancies must be corrected by RD Business Center. Users shall contact RD Business Center according to paragraph 5 for-- assistance.

This is a daily report and users have the option to view reports from the past 30 calendar days. The following is an example of the SCIMS-PLAS Update Report's format.

			Disc		
Case Number	Date	Tran	Cde	(PLAS) Field	Borrower Information (P=PLAS, S=SCIMS)
01-001-1234	03/10/2020	4C	03	NAME/ADDRESS	(P) FARM, IMA GOOD 11 FARM RD CALLA, AL 12345
					(S) FARM, IMA G 111 FARM RD CALLA, AL 12345

Note: The SCIMS-PLAS Discrepancy Report should generally remain empty.

The following is an example of the FLP Data Mart SCIMS-PLAS Discrepancy Report.



F 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.

* * *

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 $\$100,\!000;$

 \mathbf{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 loan making 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 the Farm Business Plan User Guide at https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index 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.

Applicant	Cost
Individual	\$16.00
Joint	\$24.50
Entity	\$50.00

--Notes: Married persons, 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 loan making activities and processing timeframes--*
- tracks routine loan servicing activities, and timeframes
- has automated follow-up reminders to assist County Office employees in meeting deadlines for routine loan servicing activities
- provides loan account information, such as principal and interest amounts, and account flags
- provides the ability to manage case numbers and mail codes for customer accounts
- warehouses information for reporting purposes
- has automated reporting capabilities.

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

B User Assistance

The DLS Loan Making and Loan Servicing User's Guide can be referenced for any specific questions. The guide may be obtained by accessing

 $https://inside.fsa.usda.gov/Assets/USDA-FSA-Intranet/intranetfiles/programareas/daflp/flp-manuals/DLS_User_Guide.pdf.$

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 2021 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		
Loan Activity Cutoff – the last day that loan activity dated in calendar year 2021 can be processed to be reflected on FSA-2065 for 2021	Thursday, January 6, 2022		
and related IRS forms			
Transactions, Suspension, a	and Enabled Dates		
Transactions Suspension Date Enable			
 TC 4A TC 4D SCIMS to PLAS data upload to create TC 4C Notes: MIDAS CRM data must be entered by December 28, 2021, to generate TC 4C on December 29, 2021. Until TC 4A and TC 4D are enabled, do not use the following DLS sections: Transfer and Assumption Manage case number under Customer Management. 	December 30, 2021	January 12, 2022	

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

GCB 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 GCB 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 2021 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		
Loan Activity Cutoff – the last day that loan	an Activity Cutoff – the last day that loan Thursday, January 6, 2022		
activity dated in calendar year 2021 can be			
processed to be reflected on 2021 IRS forms.			
Transactions, Suspension,	and Enabled Dates		
Transactions Suspension Date Enabled 1			
• TC 4A	December 30, 2021	January 12, 2022	
• TC 4C			
• TC 4D			
Note: Transactions for Debt Offset Collection,			
Refund, and Write-off maintenance			
cannot be processed during this period.			

--3

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, GCB, and PLAS. Authorized users shall--* enter and use information in ADPS for both loan making and servicing purposes.

B Overview

ADPS is used to:

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

C ADPS Assistance

ADPS Online Help is:

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

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

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

D Requesting Changes to the User Documentation

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

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

E Maintaining Program Records

--When submitting transaction information through ECM to FaSB and GCB, 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 32-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 32-AS retention requirements for the folder and its entire contents.

G Processing Schedule

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

H State Office Action

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

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

I ADPS and DLS TC's and Titles

The following provides ADPS TC's and titles.

TC	Title	
1A <u>2</u> /	1A 2 / Direct or Guaranteed Loan - Obligation Only	
1C <u>2</u> /	C 2/ Check Request	
1D <u>2</u> /	1D 2 / 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.

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		
10 <u>1</u> /	Natural Resource Conservation Service Advance		
1P <u>1</u> /	Insurance Charge		
1R <u>1</u> /	Default Charge		
1S	Lease of Real Property		
1T	Correction of Statistical Information		
1W <u>1</u> /	Loan Charge Adjustment		
1X	Acquired Property Cost		
1Y <u>1</u> /	Loan/Grant Cancellation - Obligation and Check		
2A <u>1</u> /	Field Office Cash Collection - Initial Update		
2B <u>1</u> /	Field Office Cash Collection - Subsequent Update		
2C <u>1</u> /	Cash Uncollectible - Field Office Payment		
2E <u>1</u> /	Cash Collection - Acquired Property or Lease Payment		
2F <u>1</u> /	Reversal and Reapplication of Payment - Same Borrower		
2R <u>1</u> /	Cash Collection Refund		
2U <u>1</u> /	Reversal and Reapplication of Payment - Different Borrower		
2W <u>1</u> /	Cash Uncollectible - Direct Payment		
2X <u>1</u> /	Direct Payment Cash Collection - Initial Update		
2Y <u>1</u> /	Direct Payment Cash Collection - Subsequent Update		
2Z <u>1</u> /	Reapplication - Correct Payment Type		
3B	Notice of Judgment		
3C <u>1</u> /	Default Credit		

^{*--1/} Transactions processed by FaSB and GCB.--*

^{2/} Transactions processed through DLS to PLAS.

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 rd Party Judgment		
3Q	Net Recovery Buyout/SFH Equity Recapture		
3Q <u>2</u> /	Market Value Buyout		
3R	Shared Appreciation Writedown		
3T	Notice of 3 rd 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 GCB.--*

²/ Transactions processed through DLS to PLAS.

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

^{*--1/} Transactions processed by FaSB only.--*

²/ Transactions processed through DLS to PLAS.

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.

*--J Important Calendar 2021 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	Dat	te	
Loan Activity Cutoff – the last day that	Thursday, January 6, 2022		
loan activity dated in calendar year 2021			
can be processed to be reflected on			
FSA-2065 for 2021 and related IRS forms.			
Availability of	f ADPS Terminals		
Holiday Schedule: Terminals available	Thursday, December 23,	2021 (no update)	
until 3 p.m. c.t. because of the holiday	Thursday, December 30,	2021 (3 p.m. c.t.	
	cutoff)		
Transaction Processing: Terminals will	Saturday, December 18, 2	2021, and	
be available to provide additional time for	Saturday, January 1, 2022	2 (no update)	
initial transaction entry and discrepancy	Terminals available from 6 a.m. to 3 p.m. c.t.		
correction before preparing the Annual	•		
Statements.			
Loan Activity Cutoff: Transactions	Thursday, January 6, 2022		
processed through the terminals before the			
Loan Activity Cutoff will be reported for			
2021.			
Transaction susp	ension/Enabled Dates		
Transactions	Suspension Date Enabled Date		
TC 4A	December 29, 2021 January 12, 2022		
TC 4C		-	
TC 4D			
TC 4F			
TC 4G			
TC K4			

__*

A Requesting CAIVRS ID and Password

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

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

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

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

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

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

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

53 CAIVRS (Continued)

B Using CAIVRS

Perform a CAIVRS inquiry according to the following.

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

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

54 Farm Loan Programs Data Mart

A Purpose and Overview

The Farm Loan Programs Data Mart is an on-demand reporting system used by all offices for monitoring purposes. A user with access to the Farm Loan Programs Data Mart can pull direct and guaranteed data as entered through DLS and GLS. Reports can be downloaded to Excel or PDF format.

B User Assistance

The Farm Loan Programs Data Mart may be accessed on the FSA Data Ware House Production Home Page at http://fsadw.nitckc.usda.gov/analytics/.

The FSA Enterprise Data Warehouse User Manual for the Farm Loan Programs Data Mart may be accessed on the FSA-Business Intelligence Home Page by clicking User Manual.

C Security

Authorized users may access the Farm Loan Programs 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.

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.

A Purpose and Overview

NATS is used to:

- order, process, and track real estate appraisal orders for direct loans, inventory property, and FSFL
- order, process, and track chattel appraisal orders for direct loans
- process and track third party real estate and chattel reviews
- process and track guaranteed (when applicable) real estate, chattel, and evaluation reviews
- complete administrative reviews, technical reviews, and chattel reviews for product acceptance.

NATS is part of the FLPIDS suite of software applications. Key initiatives that NATS supports are:

- digital records management program all Federal records must be created, retained, and managed in electronic formats
- USDA digital signature authentication
- data collection enabling the leveraging of information
- data reports available in the OBIEE/Datamart to manage and review work orders, vendors, PLCE transactions (for appraisals), vendor coverage, vendor rotation, etc.
- consistent processing of requests for appraisal services to avoid replication
- paperless management of vendors, non-vendors and user profiles.--*

*--56 NATS (Continued)

B User Assistance

NATS can be accessed directly from DLS or from the FLP Applications Menu at https://intranet.fsa.usda.gov/fsa/applications.asp by searching for "National Appraisal Tracking System (NATS)" or by following these steps.

Step	Action
1	On the FSA Intranet Home Page, "CLICK Applications".
2	On the FSA Intranet, FSA Applications Page, CLICK "D-F". CLICK "Farm Loan
	Programs Systems."
3	On the FSA - Farm Loan Programs Systems Home Page, CLICK "Logon."
4	On the FSA - Farm Loan Programs Systems Home Page, under Applications,
	CLICK "NATS."
5	FSA – Farm Loan Programs – National Appraisal Tracking System page will be
	displayed.

The NATS User Manual is available with all other user manuals on the FLPIDS manuals page. From within NATS, the manual may be accessed by clicking the "User Manual" icon in the lower right of any screen or by using the "Help" option on the top navigation menu.

NATS Information Bulletin summaries, tips, FAQs, and resource documents can be found on the POAD, Appraisals Branch, NATS SharePoint site at https://usdagcc.sharepoint.com/sites/FSA-POAD-AB/SitePages/NATS.aspx.

C Security

Authorized users may access NATS using their eAuthentication ID. New users must request access by completing and submitting an FSA-13-A, providing EAS role and jurisdiction as determined by FLC, according to appropriate IRM directives and the NATS user guide. The NATS "FSA-13-A NATS Instructions" and FSA-13-A examples can be found at https://usdagcc.sharepoint.com/sites/FSA-POAD-AB/SitePages/NATS.aspx in the NATS "Resource Documents" section.--*

*--56 NATS (Continued)

D Help Desk Information

The NATS help desk is available to aid with NATS questions or software issues. State administrators unable to provide assistance or resolve the issue should submit a request to the NATS help desk at **SM.SA.NatsHelpDesk@usda.gov** and include:

- user's NATS role
- description of the problem
- if the issue involves a work order, provide the work order number, and include a full screenshot of the problem encountered.

Note: Include the program footer information in the screenshot.

E Training

AgLearn courses are available for new users or users that have been assigned new NATS roles. The FLC will assign a mentor with the same EAS role. The new user will take the applicable AgLearn courses.

A listing of AgLearn courses for each EAS role can be found in Exhibit 19.--*

57-59 (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 FLP Debt Reporting to Credit Bureaus

A Reporting for FSA Direct Loans

All FSA direct FLP loans are reported to commercial credit bureaus (Dun and Bradstreet, Experian, and Equifax) by DCIB on a quarterly basis. The process is performed every January, April, July, and October around the 25th of the month.

Borrowers' current loan status is reported. Borrowers are reported as delinquent if 90 calendar days past due. The following table provides the credit bureaus current activity status codes.

Code	Explanation
A	Current
В	Delinquent
C	In Default
Е	Contested
F	In Liquidation
G	Foreclosure Started
Н	Foreclosed
I	Repossessed Collateral
J	Written Off
K	Settled
L	Paid in Full
M	Paid in Full/Was Collection
N	Paid in Full/Written Off
О	Paid in Full/Was Repossession
P	Cannot be located
Q	Written Off/Closed-Out or Discharged
R	Other

B Reporting for FSA Guaranteed Loans

FSA guaranteed loan information reported on both FSA-2248 and FSA-2241 is transmitted monthly to commercial credit bureaus. See 2-FLP, Exhibit 15.4 for more details.--*

62-100 (Reserved)

Part 4 Supervised Bank Accounts

101 Overview

A Supervised Bank Account

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

B Establishing a Supervised Bank Account

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

- *--(1) Assure correct use of funds planned and released for capital purchases, construction projects, site development work, debt refinancing, or proceeds from the sale of basic security, and perfection of the Agency's security interest in 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.

* * *

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.

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.

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 with 10 or more outstanding SBA's 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.

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

--Negative reports are not required.--

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.

A Applicability

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

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

B Funds for Development Work

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

(1) Must provide the Agency with an estimate of the total cash cost of all planned development prior to loan approval.

Note: Estimates must be provided from the supplier or contractor who will provide services or perform the repair.

- (2) Must show proof of sufficient funds to pay for the total cash cost of all planned development at or before loan closing.
- (3) Must not incur any debts for materials or labor or make any expenditures for development purposes prior to loan closing with the expectation of being reimbursed from Agency funds.

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

C Scheduling, Planning, and Completing Development Work

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

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

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

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

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

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

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

- cost estimates that fully describe the materials to be used and the work to be performed according to subparagraph B
- certified drawings, specifications, or contract documents that completely describe the work, including all landscaping, repairs, and site development
- technical data, tests, or engineering evaluations, if requested by FSA.

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.

^{*--}The applicant or borrower must identify and inform FSA of the authorities or professionals who will perform inspections before initiating conservation or development projects.--*

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.

- permits issued by local building authorities, based on review of detailed plans and specifications
- licensed general contractor
- local building company.--*

^{*--}Certification required may vary based on type of construction and amount needed and may include, but not be limited to:

F Scheduling Construction

The applicant or borrower:

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

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

G Approvals and Permits

The applicant or borrower:

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

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

H Environmental Review

The applicant or borrower:

[7 CFR 761.10(c)(3)] Must ensure that all development work meets the environmental *--requirements established in 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 Staff Appraiser Responsibilities

Staff appraisers shall:

- conduct:
 - real estate appraisals
 - technical appraisal reviews
- provide:
 - chattel appraisal training
 - administrative appraisal review training.

States shall contact POAD, Appraisals Branch for assistance with appraisals.--*

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.

Notes: See:

- paragraph 144 for information on appraisal appeals
- •*--5-FLP, subparagraph 230 B for possible exceptions for paying for an appraisal.--*

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 vendor appraiser.

A real estate appraisal may be conducted by either an FSA staff appraiser or a vendor appraiser. For direct credit transactions, other than a direct FO loan that does not exceed \$50,000 according to 3-FLP, subparagraph 95 A or EM loan according to 3-FLP, subparagraph 248 A, a real estate appraisal is obtained according to the following table.

IF type of property is	THEN appraisal can be completed by
residential properties, including 1 to 4 single family units or vacant parcel, rural residential properties, small agricultural property, or bare land	State-certified residential or State licensed appraiser, if within the scope of the appraiser's State appraisal license
Note: Rural residential properties are properties located in rural area with highest and best use as residential	State-certified general vendor appraiser, or
property.	• staff appraiser.
property other than residential, small agricultural property, or bare land	State-certified general vendor appraiserstaff appraiser.

__*

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

If there are concerns about whether the property under consideration may be appraised by a State-certified residential appraiser, contact POAD, Appraisals Branch.

*--NATS will be used to request, track, process, and document appraisals for chattel and real estate properties that are performed by a vendor appraiser or a POAD, Appraisals Branch staff appraiser.

NATS may be used to request, track, and document chattel appraisal assignments for field staff.

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

- a chattel appraisal from a vendor or staff appraiser
- a real estate appraisal from a vendor or staff appraiser.

FSA offices shall release information requested by the appraiser to complete real estate appraisals. The information will be uploaded in NATS to the work order associated with the request and be included with the request quote and award provided to the vendor or staff appraiser.--*

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 18 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 18 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 12 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.

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 18 months
- administrative review is completed and the appraisal is found acceptable.

Notes: If the administrative review concludes the appraisal is not acceptable for FSA use, the reviewer will consult with POAD, Appraisals Branch before rejecting the appraisal.

*--A technical review can be completed upon request by 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.

*--The NATS system will be used to track, review, and document the use of third-party appraisals.

I Sharing Appraisals with BIA

Upon BIA's written request, FSA may provide a copy of the appraisal report obtained for any direct loan transaction, and approved for FSA use after any applicable review, even if FSA is named as the only client. OGC consent will be obtained for release if the appraisal was obtained as a result of litigation.

An appraisal received from BIA will be considered a third-party appraisal. See subparagraph H for third party appraisal requirements.

J Procurement of Appraisal Products

FSA uses micropurchase and contract authority, as described by FAR, to acquire appraisal products. Procurements for appraisal products may be used for real estate appraisals, chattel appraisals, or technical reviews.

The procurement of a vendor technical review can only be approved by POAD, Appraisals Branch.

FSA will use PLCE funds for procuring appraisal products and document funding approval using FSA-2128. See Part 7 for guidance on processing PLCE micropurchase at or below--* the micropurchase threshold, or for guidance on processing contracts for products above the micropurchase threshold.

*--J Procurement of Appraisal Products (Continued)

SED will ensure that the ordering and processing of appraisal product requests occurs using NATS and that the processing of acquisitions for products is completed in accordance with Part 7. A State supplement must be issued to establish the method and standards needed to obtain appraisal products.

The State supplement:

- will require the use of NATS:
 - for vendor appraisal or vendor technical review assignments
 - for administrative appraisal review of vendor appraisals
- may define SOW's.

When an appraisal is to be obtained, an SOW is necessary to clearly define FSA's requirements for the appraisal product. Exhibit 39 is the SOW for real estate appraisal products and Exhibit 44 is the SOW for chattel appraisal products.

To allow for consistency of standards and requirements for appraisal products between State boundaries and appraisal regions, the State will adopt the SOW's as provided. If modifications are necessary to address unique market areas or economic considerations that impact real estate properties in the State or region, the State supplement may provide a modified SOW.

If a specific property or properties with unique characteristics require modifications to the SOW, such as for specialty farming operations or when timber, minerals etc. are to be valued, the State may contact POAD, Appraisals Branch for assistance. The following guidelines may be used for properties with unique characteristics:

- Exhibit 51, Dairy Addendum to FSA Appraisal Guidelines
- Exhibit 52, Hog Addendum to FSA Appraisal Guidelines
- Exhibit 53, Poultry Addendum to FSA Appraisal Guidelines.

A word version of the SOW exhibits can be found under "Farm Loan and Rural Development Programs" on the Employee Forms site at

https://intranet.fsa.usda.gov/dam/ffasforms/employeeprogform.asp.

Upon SED request, POAD, Appraisals Branch will provide:

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

*--J Procurement of Appraisal Products (Continued)

• identify APOC.

SED, in consultation with FLC, will select Service Center and/or State Office employees to be the APOC.

APOC is an ARMP/APOC who handles PLCE transactions related to appraisal products and provides oversight of the micropurchase process. APOC has the authority to commit the Agency for purchasing appraisal products when the cost of products is less than or equal to the micropurchase threshold.

Note: See Exhibit 24 for required ARMP/APOC training. SED may contact POAD, Appraisals Branch about any additional APOC training that may be needed.

• establish and maintain vendor information in NATS per guidance in the NATS user manual.

Note: FSA-2155 will be used to obtain vendor information. Vendor profile is to include information from the FSA-2155 and applicable documents such as the license, resume (optional), signed SOW, NDAA-889, SAM registration verification, and any other applicable documents.--*

*--J Procurement of Appraisal Products (Continued)

Procurement of appraisal products will be through approved appraisal vendors. POAD, Appraisals Branch may assist the state in the evaluation of a potential vendor.--*

A vendor must:

- be registered in SAM and properly maintain information required by SAM
- provide and maintain vendor information as requested by FSA
- sign the SOW
- provide acceptable appraisal product that meets SOW requirements and consistently meet agreed upon timeframes
- *--Note: The security of a PDF appraisal services product file is the responsibility of the vendor.--*
- attend required meetings with FSA.
- *--Note: Vendor appraisers must remain independent from other FSA processes that are not appraisal-related. FSA processes that are not appraisal-related include completion of environmental screening questionnaires or forms.

An AMC may be a vendor to provide appraisal reports for residential property types with written approval from POAD, Appraisals Branch. An AMC may be considered as a vendor for residential type properties if there are insufficient fee appraisers in the market area and the State has completed due diligence to recruit fee appraisers. The SED may request the use of an AMC by submitting a memorandum to the region's SRA documenting the following:

- discussion of fee appraiser recruitment effort
- number of fee appraiser vendors available
- POAD, Appraisals Branch efforts to assist in the recruitment of vendors.

If approved, POAD, Appraisals Branch will provide written authorization. The authorization will be provided to the AMC before awarding the appraisal assignment. The AMC will meet the same requirements as a vendor as described in this subparagraph.--*

* * *

K APOC Responsibilities

APOC's:

- ensure that Part 7 is followed for purchases of appraisal products at or below the micropurchase 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 using NATS--*
- assist field offices and vendors with basic procurement issues
- coordinate issues that need further clarification by either County Office or POAD, Appraisals Branch
- provide oversight for appraisal products 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 vendors
- ensure proper rotation of vendors within their service area and that the best value is the *--basis of vendor selection using NATS

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

- process work orders for micropurchases and issue LOE to the vendor to proceed with the assignment as described by the work order using NATS
- may use Exhibit 66 if needed to notify applicant/borrower of the appraisal assignment.--*

Note: See Exhibit 21 for PLCE roles and responsibilities.

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.—*

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 appraisal report requires approval by POAD, Appraisals Branch. 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. Only FSA staff appraisers are authorized to complete the reports. These reports will be for internal FSA use only.

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 is provided by Agency pandemic policy or written approval.--*
- 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. A minimum of 3 comparable sales must be used.

Note: The use of less than 3 comparable sales or the use of the subject property's pending sale as a comparable is prohibited. Contact POAD, Appraisals Branch for guidance.--*

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 POAD, Appraisals Branch

Real estate appraisals completed by POAD, Appraisals Branch must meet the same work and *--reporting requirements as provided in the State's SOW for vendor appraisals. POAD,--* Appraisals Branch 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.

If States are unable to obtain appraisal services through micropurchase and contract *--authority, SED will request assistance from POAD, Appraisals Branch through NATS.

When an appraisal request is beyond the position description of POAD, Appraisals Branch staff appraiser, the assignment must be procured from a vendor or conducted by an SRA.--*

D Approved Appraisal Formats

Any appraisal format that meets USPAP requirements is acceptable. The preferred format for appraisal reports is the UAAR format.

--An appraisal report in a PDF file format with a digital signature or e-signature is acceptable for use by the agency.--

* * *

E Real Estate Appraisal Software

FSA has appraisal software available for staff appraisers to provide 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://usdagcc.sharepoint.com/sites/FSA-POAD-AB/SitePages/Appraisal%20Software%20Info.aspx.--

* * *

F Potential Liquidation Value

[7 CFR 761.2] Potential liquidation value (PLV) is the amount of a lender's protective bid at a foreclosure sale. Potential liquidation value is determined by an independent appraiser using comparables from other forced liquidation sales.

For loan servicing cases when 5-FLP, Exhibit 60 is required, appraisal reports will be developed and reported using Exhibit 40.

--The appraisal request will include both a market value appraisal using the approved SOW-- for the property type being appraised and a PLV appraisal using Exhibit 40. The appraisal report being completed will have both market value and PLV developed in the same report.

Note: The primary difference between the definition of market value and PLV is linked to property exposure time in the open market, if sold. The market value definition is based on a reasonable time allowance for exposure in the open market, while PLV's are made under the assumption that the seller is under extreme compulsion to sell and a normal marketing effort is not possible because of brief exposure time to the market.

SED's shall establish exposure times to be used in Exhibit 40 by contacting their Regional OGC to determine specific public notice of sale statutes for the State that the property foreclosure is to take place. The State legal statute citation number will be needed along with the number of days. The exposure time will be estimated and provided to the appraiser on Exhibit 40 when the appraisal is ordered.

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.

--Note: Real estate administrative appraisal reviews will be completed on FSA-2165 in NATS, and chattel administrative appraisal reviews will be completed on FSA-2167 in NATS.--

B Administrative Appraisal Reviews

Administrative appraisal reviews are conducted by FSA employees, 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 able 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 POAD, Appraisals Branch 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.

* * *

C Conducting Administrative Appraisal Reviews

FSA will complete an administrative appraisal review:

- •*--within 7 calendar days of receiving a vendor appraisal obtained for any direct loan--* purpose
- of chattel appraisals completed by FSA employees, as determined by SED
- on all third-party appraisals
- on all appraisals submitted for guaranteed liquidation and/or writedown.

D Technical Appraisal Reviews Overview

- *--A technical appraisal review will be in writing and must be completed according to USPAP.

 The scope of the technical appraisal review requires the review appraiser to form 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
 - •*--whether the appraisal is acceptable for FSA use.

The technical appraisal review will be completed by a POAD, Appraisals Branch appraiser or a vendor appraiser as authorized by POAD, Appraisals Branch.

The appraiser 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 client may request the review appraiser to provide an opinion of value in according to USPAP.

For agriculture properties, the technical appraisal review is completed on FSA-2166, or any other format that contains, 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 opinion--*
- 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.

D Technical Appraisal Reviews Overview (Continued)

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

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

IF technical review	AND	THEN
finds appraisal acceptable		the memorandum will:
		state that the appraisal is acceptable
		•*describe any areas of concern, if*
		clarification is needed, and provide
		recommended corrective actions, if applicable
		or any modifications needed.
Finds appraisal		the memorandum will:
unacceptable		itemize USPAP discrepancies
		provide the USPAP standard rule, as well as state the standard
		• include explanation of the concern.

D Technical Appraisal Reviews Overview (Continued)

	THEN	AND	IF technical review
ucted	SED will notify the appraiser who conduct	appraisal was	finds appraisal
	the appraisal of the discrepancies found	completed for a	unacceptable (cntd)
		direct loan or	
	• SED may contact the appraiser who	servicing action	
	conducted the appraisal and request the		
g the	appraiser provide information correcting the		
	discrepancies.		
aisals	Note: SED may request POAD, Apprais		
port	Branch to provide technical support		
to the	to explain discrepancies found to		
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ED			
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	corrections count be obtained, or		
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	Holli I OAD, Applaisais Braileii		
	SED may request technical support to		
r	• •		
1	explain discrepancies round to the fender		
annot	Note: If an acceptable appraisal report can		
	be obtained, FSA will inform the		
	lender that the appraisal is		
er	unacceptable and provide the lender		
	appeal rights, according to 2-FLP. T		
	issue for appeal will be whether the		
	· · · · · · · · · · · · · · · · · · ·		
Ĺ			
	review of the lender's appraisal.		
of	SED will advise and remind the lender of		
	- SLD will day iso and folling the foliation		
	their responsibilities under the Lender's		
pp pp to ,; E bood are are the ov	Note: SED may request POAD, Appraise Branch to provide technical supp to explain discrepancies found to appraiser who conducted the appraisal under review. POAD, Appraisals Branch will notify SE of discrepancies found. SED may contact the client of the appraise to discuss whether any revisions or corrections count be obtained, or the report will not be used, and an FSA appraisal will be completed or ordered.— SED will notify the guaranteed lender about the findings as provided in the memorand from POAD, Appraisals Branch SED may request technical support to explain discrepancies found to the lender Note: If an acceptable appraisal report car be obtained, FSA will inform the lender that the appraisal is unacceptable and provide the lender appeal rights, according to 2-FLP. issue for appeal will be whether the lender's appraisal is consistent with USPAP. The lender may only provan independent technical appraisal review of the lender's appraisal.	*third-party appraisal for direct loan servicing appraisal was completed for a guaranteed loan liquidation or writedown	

D Technical Appraisal Reviews Overview (Continued)

*--Technical appraisal reviews will be documented in NATS, and the technical review report and technical review memo will be uploaded to NATS documents with the appropriate NATS label.

Note: NATS's labels associated with technical review documents are restrictive labels that only allow access to the documents by staff appraisers or POAD, Appraisals Branch SRA's.

Technical review reports will not be released except with written consent of SRA as required by an appeal according to 1-APP or as directed by the SRA.

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

- quality necessary to support loan security and loan servicing needs
- appraisals are completed according to USPAP standards, assignment conditions, and FSA's appraisal regulations.--*

E Conducting Technical Appraisal Reviews

- *--FSA will complete a technical appraisal review when a request is submitted through NATS and POAD, Appraisals Branch concurs that a technical review is necessary:--*
 - on direct 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 vendor 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.

•*--of appraisals conducted by vendor appraiser in a random spot check method that is--* established by POAD, Appraisals Branch

Note: Each year, POAD, Appraisals Branch will vary the method used to select appraisals for review to ensure that adequate internal controls are maintained.

- on a more frequent basis if problems have been detected in the scheduled spot check review
- on appraisals submitted for guaranteed loan liquidation or writedown that were found unacceptable during the administrative review.

Notes: If the technical review shows the appraisal to be unacceptable, approval of a loss claim or writedown will not be granted until an acceptable appraisal is obtained.

When a technical review indicates that an appraisal is unacceptable, the appraiser completing the review will provide a memorandum outlining deficiencies and

--citing the corresponding USPAP standards according to subparagraph D. FLC-- shall coordinate contact with the lender to discuss deficiencies documented in the memorandum, and decide on appropriate actions depending on the request and status of the loan as outlined in subparagraph D.

F Guaranteed Loan Evaluations or Appraisals Submitted to FSA

When an evaluation or appraisal is required to be submitted for a guaranteed loan, the authorized agency official will review the document to determine whether the correct type of valuation (evaluation or appraisal) was performed based on the loan amount and other risk factors.

- *--Evaluations will be reviewed using FSA-2234 and will be completed in NATS.--*
 Appraisals for guaranteed loan making will be reviewed to determine whether the:
 - correct type of appraisal report was used

Note: Restricted appraisal reports are not acceptable. Residential appraisal reports should only be used where appropriate based on the property's characteristics.

- person completing the appraisal had the required qualifications
- correct property was valued, including any improvements to be added
- value of the real estate is adequate to secure the loan as proposed by the lender.

Findings will be document in a running case record.

If issues relating to these items are found and cannot be corrected, the evaluation or appraisal cannot be used and the conditions of the guarantee have not been met. The authorized agency official will contact the lender and discuss the actions needed to correct the issues. This discussion should be documented in writing to the lender and discussed in the running record. If the lender is unable to provide corrections as discussed, FSA will provide the lender appeal rights according to 2-FLP and FSA-2235 will not be issued.

143 FSA Review of Appraisal Reports (Continued)

*--G Guaranteed Loan Evaluations or Appraisals Not Submitted to FSA

FSA will conduct lender reviews according to 2-FLP, paragraph 267. During the lender review, the authorized agency official will review the:

• file to determine whether the correct type of valuation (evaluation or appraisal) was performed based on the loan amount and other risk factors

Note: Evaluations not previously reviewed by FSA based on the files selected for review and findings will be documented using FSA-2234.

- appraisals not previously reviewed by FSA based on the files selected for review to determine whether the:
 - correct type of appraisal report was used

Note: Restricted appraisal reports are not acceptable. Residential appraisal reports should only be used where appropriate based on the property's characteristics.

- person completing the appraisal had the required qualifications
- correct property was valued, including any improvements to be added
- value of the real estate is adequate to secure the loan as proposed by the lender.

Note: Any errors noted by the review will be discussed with the lender during the lender review exit conference and documented in the letter to the lender outlining the results of the lender review. The lender will be reminded of their responsibilities under the Lender's Agreement and reminded that any loss incurred because of the unacceptable evaluation or appraisal may result in a reduced or denied loss claim.—*

143 FSA Review of Appraisal Reports (Continued)

H 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.

* * *

143 FSA Review of Appraisal Reports (Continued)

I ACOR

ACOR:

- an internal quality control review that provides oversight of FSA's administrative review function and appraisal/technical review requirements
- promotes a consistent and effective approach to conducting quality assurance reviews for appraisals, administrative reviews, and technical reviews
- is **not** USPAP technical review.

For direct loans:

- the primary objectives of ACOR are to evaluate the effectiveness of FLP delivery systems and ensure compliance with applicable statutes, regulations, and directives related to appraisals
- ACOR will be completed during FLPRA as well as on a random sampling basis to provide an internal quality control oversight methodology and identify training needs for appraisals, administrative reviews, and technical reviews.

For guaranteed loans:

- the primary objectives of ACOR are to evaluate the effectiveness of lenders' appraisal and appraisal review process and provide oversight of lenders' appraisal process and appraisal review process
- ACOR may be completed during FLPRA and during lender reviews conducted by the National Office.

ACOR for POAD, Appraisals Branch appraisers will be conducted on 1 appraisal or 1 technical review when an appraisal has not been completed during the 2-year cycle, selected at random.

•		

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 independent appraisal review 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 POAD, Appraisals Branch. POAD, Appraisals Branch 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

*--Chattel appraisals may be completed by an FSA employee or vendor appraiser.

FSA employees must have delegated chattel appraisal authority from SED according to subparagraph 146 A.

FSA vendor appraisers 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 vendor appraiser's qualifications shall be documented and maintained in the contract file and the NATS vendor profile documents.

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

B Real Estate Vendor Appraisers

Vendor appraisers must:

- meet license requirements according to subparagraph 141 F
- be licensed in the State in which the property to be appraised is located.

C POAD, Appraisals Branch Staff Appraisers

POAD, Appraisals Branch staff appraisers are FSA employees who are responsible for real estate appraisals and technical real estate appraisal reviews. The staff appraiser must have a certified general real estate license or be fulfilling the training requirements in subparagraph 146 B.

A staff appraiser may have other responsibilities that include but are not limited to:

- developing and providing training to FLP staff to obtain administrative appraisal review and chattel appraisal delegation
- performing duties as a supervisor appraiser and/or mentor to an appraiser trainee.--*

146 Appraiser Training Requirements

*--A Obtaining/Maintaining Chattel Appraisal and Chattel Administrative Review Authority

To obtain the delegation, employees are required to:

- take the appropriate training to obtain initial chattel appraisal and administrative review authority
- demonstrate, to SED's or designee's satisfaction, sufficient experience and training.

Employees with delegated authority for chattel appraisals and chattel appraisal administrative reviews must complete continuing education courses every 3 years.

SED may contact POAD, Appraisals Branch to help develop a customized training plan for their State for initial delegations and continuing education. See subparagraphs 147 C and D for more information about training plan and training material.

Notes: Delegations of authority to conduct chattel appraisals and chattel administrative reviews will be uploaded in the NATS FLP staff profile.--*

146 Appraiser Training Requirements (Continued)

B Obtaining State-Certified General Real Estate Appraiser Status

Appraiser trainees must acquire State-certified general appraiser status within 5 years from *--being designated as a staff appraiser in their duty station State. The Appraisal Foundation through the AQB provides guidance about real property appraiser qualification criteria. AQB guidance can be obtained at: Real Property Appraiser Qualification Criteria (appraisalfoundation.org). A State-certified general (CG) license requires a minimum of education both in appraisal educational course work and a bachelor's degree, a minimum of hours of experience completing appraisal or technical appraisal review assignments and successful completion of a final examination. The appraiser trainee should contact the State licensing and certification board about State licensing requirements.

An appraiser trainee (AT) can have no experience, be a licensed residential (LR) or a certified residential (CR) appraiser. To acquire this status, the appraiser trainee must meet their respective State licensing requirements for education and experience and complete the following course training, at a minimum.

Trainee			
Category	Hours	Course Description	
AT	30	Basic Appraisal Principles	
AT	30	General Appraiser Market Analysis and Highest and Best Use	
LR or CR	15		
AT or LR	15	Statistics, Modeling, and Finance	
AT	120	Appraisal training, approaches to value and methodology of which a	
LR	75	majority must concentrate in farm real estate-related courses, in:	
CR	75		
		sales comparison approach	
		cost approach	
		• income approach.	
		Note: For LR or CR State licensing board will determine the	
		accepted course hours of training. Generally, 75 additional	
		hours would be required of which a majority must concentrate	
		in farm real estate-related courses.	
AT	15	15-Hour National USPAP	
LR or CR	7	7-Hour National USPAP Update	
AT	30	Report Writing and Case Studies with farm real estate related	
LR	15	emphasis.	
AT, LR	30	Technical appraisal review of which a majority must concentrate in	
or CR		farm real estate-related courses.	
AT, LR	N/A	Education Requirements - Applicants for the Certified General	
or CR		credential must hold a bachelor's degree or higher from an accredited	
		college or university.	

__*

146 Appraiser Training Requirements (Continued)

B Obtaining State-Certified General Real Estate Appraiser Status (Continued)

*--IDP will identify approved courses for general appraisal training, approaches to value and methodology, and any elective courses.

Required courses may be completed through an approved institution as accepted by the State licensing board for the certified general license.

The appraiser trainee will be required to complete at a minimum a total of 3,000 hours of experience. Hours of experience will be determined by the State licensing requirements. Generally, an LR appraiser trainee would be required at a minimum to have 2,000 additional hours of experience with 1,500 hours as non-residential. A CR appraiser trainee would be required at a minimum to have 1,500 of non-residential experience.

The appraiser trainee will follow their IDP that is established by their supervisor and participate in any trainee development program provided by the POAD, Appraisals Branch.

Typically, State licensing board requires a designated "Supervisor Appraiser" for the purpose of the State licensing requirement. The POAD, Appraisals Branch will designate a CG licensed staff appraiser to be the "supervisor appraiser" for the appraiser trainee. The designated supervisor appraiser will complete the required supervisor courses to meet the State requirements. The supervisor appraiser will mentor the trainee and may sign appraisal or technical appraisal reports for the appraiser trainee that are beyond the scope of the appraiser trainee's existing license.

An appraiser trainee working toward a CG license must maintain their current license status by completing basic and/or continuing education courses according to their training plan and the requirements established by the State Appraisal Board.--*

146 Appraiser Training Requirements (Continued)

--C Maintaining State-Certified General Real Estate Appraiser Status--

POAD, Appraisals Branch appraisers 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.

* * *

The appraiser, with supervisor approval, should select the continuing education course--* topics.

•		

147 Training Requirements for Performing Real Estate Administrative Appraisal Reviews

A State Responsibility

*--State Offices are responsible for ensuring adequate number of employees are trained and available to perform administrative appraisal reviews.

B Obtaining/Maintaining Real Estate Administrative Appraisal Review Authority

To obtain the delegation, employees are required to:

- take the appropriate training to obtain administrative appraisal review authority
- demonstrate, to SED's or designee's satisfaction, sufficient experience and training.

Delegated authority for real estate administrative appraisal reviews requires continuing education to be completed every 3 years.

SED may contact POAD, Appraisals Branch to help develop a customized training plan for their State for initial delegations and continuing education.

Note: Delegations of authority to conduct administrative reviews will be uploaded in the NATS FLP staff profile.

C Training Plan

The POAD, Appraisals Branch will contact the States within the regions during the 1st quarter of each fiscal year to establish a training plan for the State's FLP staff. The training plan for each region for the fiscal year will be published by the end of the 1st quarter on the training page of Appraisals Branch SharePoint site under the following link:

https://usdagcc.sharepoint.com/sites/FSA-POAD-AB.--*

147 Training Requirements for Performing Real Estate Administrative Appraisal Reviews (Continued)

*--D Training Material

Currently available training modules can be found by clicking the training dropdown in the left navigation pane on the Appraisal SharePoint site at https://usdagcc.sharepoint.com/sites/FSA-POAD-AB.

In addition, the AgLearn course titled "Administrative Appraisal Review" is required training for all employees receiving administrative appraisal review authority and should be taken as a prerequisite to Administrative Appraisal Review Training. The "Administrative Appraisal Review" course can be located in the "Find Learning" section in AgLearn.—*

148 Release of Appraisal Report

A General

An appraisal report, paid by FSA, is considered an administrative document for 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

Upon an applicant or borrower's written 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 paragraph 144--*
- * * *
- it is in the best interest of the Government * * *.

C Release to Lender

- *--An appraisal report may be released to a lender if the lender is either:--*
 - 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 (Continued)

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 POAD, Appraisals Branch. 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 USPAP Work File

A Work File

The USPAP record keeping rule requires that an appraiser prepare a work file for each appraisal or technical review request. The work file must be in existence before issuing any report. Refer to the USPAP record keeping rule for information about USPAP requirements to be included in the work file.

B File Organization and Digital File Structure

See 32-AS, paragraphs 86 and 87 for guidance about work file folder organization and digital folder organization and file naming conventions. If shared drive is not available, the staff appraiser should store their digital work files on their OneDrive file system.

Appraisal or technical review work files should be maintained in a digital format that allows digital storage within an organized hierarchy file folder structure. Since NATS will be used to track appraisals or technical reviews that are performed by a vendor appraiser or POAD, Appraisals Branch staff appraiser the work order number will be identified in the file structure.--*

*--149 USPAP Work File (Continued)

C 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 POAD, Appraisals Branch staff appraisers at their official duty station for the duration of the required documentation retention period. When possible, documents should be stored in NATS.

A work file:

- can be destroyed or otherwise removed from FSA when USPAP retention requirements expire
- must be relinquished to FSA when appraiser leaves POAD, Appraisals Branch employment position.

Note: POAD, Appraisals Branch appraisers may:

- make copies of their work files at no cost before departing
- be provided access to their work files on an as-needed basis to address State Board concerns.--*

150-160 (Reserved)

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Part 7 PLCE's

161 Overview

A Purpose

This part describes procedures for:

- the PLCE budget process and proper use of PLCE funds
- establishing required primary roles, responsibilities, eligible employees, training requirements and delegations of authority for processing PLCE transactions
- processing PLCE requests at the County and State Office levels
- what to do when there is a concern about vendor payments; and
- handling return checks and cancelling a PLCE transaction.

B Program Authority

Exhibit 21 provides information on transactional roles, responsibilities, required training, eligible employees for each primary role, and required delegations of authority separate from Exhibit 7 of this handbook.

Exhibit 22 provides information for accessing IAS for new users.

Exhibit 23 provides information on creating IQ-Program Loan Cost Fund Requisitions in IAS.

Exhibit 24 is used to request ARMP delegation from Farm Production and Conservation *--Business Center, Acquisitions Division, Policy, Oversight and Accountability Branch (FBC, AD, POA) and includes ARMP guidance for making micropurchases.--*

Exhibit 25 provides program authorities to request PLCE services or pay bills related to a borrower or inventory property account. If a State needs program authority for a cost item not listed in Exhibit 25, SED must send an e-mail to the appropriate point of contact according to subparagraph C.

Part 6 provides guidance for real estate and chattel appraisals.

161 Overview (Continued)

B Program Authority (Continued)

*--The FMMI User Guide:

- shall be used in conjunction with this Part
- is located on the DAFLP Intranet website for software guides at https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index.

For IAS and general contractual acquisition guidance, see FPAC Procurement Operating Procedures (POP), online IAS User Guides, and FAR, which is accessible online at https://www.acquisition.gov/?q=browsefar.

Other source material relating to IAS transactions is found at https://ias.usda.gov/guidance.html.

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			
DATA Act Assistance	Ann Smith	• ann.smith2@usda.gov.	
	Lora Morris	• lora.b.morris@usda.gov.	
FMMI Document	Ann Smith		
Approvals	Lora Morris		
FMMI User Access	Ann Smith		
General FMMI or	Ann Smith		
PLCE Inquiries	Lora Morris		
Lost Vendor Payments	Ann Smith		
	Lora Morris		
PLCE Funding	Md Mutaleb	md.mutaleb@usda.gov	
	Lora Morris		
	Ann Smith		
Vendor Record	Ann Smith		
Inquiries (FMMI or	Lora Morris		
SAM)			

Matters unable to be resolved at the primary contact level will be expedited to the appropriate FMMI Help Desk Team.—*

Questions related to technical aspects of farm real estate appraisals and chattel appraisals will be directed to the State APOC as provided in Part 6. The commitment and payment of PLCE funds related to appraisal requests are handled according to this subparagraph.

161 Overview (Continued)

C PLCE and FMMI Help Desk Information (Continued)

Requests for FMMI troubleshooting should be sent to the National Office using e-mail and **must** include a **full** screenshot of the problem being encountered. Do **not** relay only the error message being received. The National Office must be able to see the Header Details, Line Item Details, and error message to accurately troubleshoot in FMMI. Alternatively, Field *--Offices may use the share desktop function available through Microsoft Teams.--*

E-mailed requests for FMMI document approval support **must** include the following documents:

- completed and signed * * * FSA-2128, OF-347, or SF-1449, whichever is used, **and**
- vendor invoice, including proof of Agency receipt and acceptance, as applicable, and
- copy of ARMP or APOC delegation of authority for the person who authorized the micropurchase.

Note: The delegation of authority is required for each ARMP or APOC on the 1st request for National Office approval assistance. Subsequent submissions for the same ARMP or APOC are not necessary unless the delegation of authority becomes *--obsolete and is re-delegated by FBC AD POAB.--*

D Using Government Purchase Credit Card for PLCE

At no time may a government purchase card be used for anything related to PLCE's for FLP applicants, borrowers, or inventory property. There are **no** exceptions.

*--162 Primary Roles and Responsibilities Needed for PLCE

A Overview

To ensure that the sufficient separation of duties during the procurement process, multiple roles are required to accomplish each task. These internal controls are derived from various statutes, regulations, and policies that govern USDA business processes, including PLCE activity. The primary roles involve:

- determining the need at the County or State Office level;
- budget administration and approvals to ensure compliance with the Anti-Deficiency Act;
- ensuring the method used for procuring the PLCE follows the correct process;
- entering and approving the PLCE ZMY through the FMMI system;
- paying the vendor invoice; and
- communicating with vendors on matters such as SAM registration, payments, or similar.

Exhibit 21 provides an overview of all roles, responsibilities, training requirements, and associated delegations of authority for PLCE transactions.

SED's, in consultation with FLC's, are strongly encouraged to identify primary and back-up for each role to prevent delays in obtaining goods and services. States that do not have a sufficient number of employees to establish needed back-ups, may contact the National Office for assistance, as well as enter into agreements with neighboring States. States that have existing agreements with neighboring States, may continue using the agreements.

B State PLCE Monitor

The State PLCE Monitor is not required to be a State Office FLP employee member; however, the State PLCE Monitor will be an FLP employee familiar with loan making and loan servicing functions. * * * Responsibilities include:

- safeguarding the Agency from violating the Anti-Deficiency Act by certifying budget availability;
- overseeing all aspects of FMMI activity for PLCE, including responding to vendor payment inquiries;
- assigns FAIN and maintains a tracking system relating FAIN to the associated ZMY document;
- assigning PIID until Contracting Official prepares award document creating the Order Number;
- obtaining the order number from the Contracting Officer and forwarding that information to the National Office to ensure DATA Act requirements are met;--*

162 Primary Roles and Responsibilities Needed for PLCE (Continued)

B State PLCE Monitor (Continued)

- ensuring that State and County Office staff correctly follow all PLCE procedures and provide guidance or training as needed; and
- working as liaison between Contracting Officer, ARMP, APOC, and TPOC.

C ARMP

The ARMP's primary function is to make PLCE micropurchases. ARMP authority is delegated by FBC AD POA. * * * Only the ARMP may make micropurchases. States may delegate more than 1 employee in the ARMP role.

Note: Every APOC is an ARMP; however, not every ARMP is an APOC. Therefore, States will defer to State instructions as to the specific role applicable for the needed micropurchase.

The responsibilities of the ARMP include the following:

- conducting market research by contacting vendors and obtaining feedback
- notifying vendor of award and issuing task order, letter of engagement or similar
- notifying County Office of vendor award
- coordinating modifications of initial award with PLCE monitor and/or contracting official
- accepting and receiving copy of completed work
- submitting invoice to FMMI TY Processor for payment
- maintaining a log of transactions and rotations of awards among vendors.

--Note: For appraisal product acquisition, NATS will fulfill this requirement as described in subparagraph 167 B.--

See Exhibit:

- 21 for eligible positions, training requirements, and authorities for the ARMP role
- 24 to request an ARMP delegation and guidance on how micropurchases are obtained.

Note: The ARMP role may **not** be re-delegated. **All** duties identified in Exhibit 24 must be handled by the FBC AD POA-delegated ARMP **only**. TPOC, ARMP or authorized agency representatives are authorized to accept the completed work from a vendor.

162 Primary Roles and Responsibilities Needed for PLCE (Continued)

C ARMP (Continued)

To obtain an ARMP designation, States will submit requests for information, or delegation of *--authority requests, with required proofs of training, through the FBC AD POA---* ServiceNow intake portal at https://usdafpacbc.service-now.com/fpac.

D TPOC

The Technical Point of Contact is otherwise known as an Authorized Agency Official, and for PLCE procurement purposes, the TPOC is the person who identifies PLCE needs.

Responsibilities include:

- completing required documents and forwarding those documents to ARMP, APOC, or State Office according to this Part and applicable State instructions;
- receiving completed work
- recommending payment for completed work.

See Exhibit 21 for eligible positions, training requirements, and authorities for the TPOC *--role. TPOC, ARMP or authorized agency representatives are authorized to accept the completed work from a vendor.--*

162 Primary Roles and Responsibilities Needed for PLCE (Continued)

E State Office Responsibilities

SED must issue a State supplement that:

- identifies the:
 - State PLCE Monitor as described in subparagraph B
 - ARMP as described in subparagraph C

* * *

- if applicable, covers State-specific requirements for handling UCC filings and lien searches **not** covered by the guidance in subparagraph 165 D
- clarifies State PLCE micropurchase and contractual processes, as applicable.

Note: State PLCE instructions shall be submitted to the National Office for **pre-approval**. A National Office review for compliance to Department and Agency requirements is required **before** publication.

*--163 Understanding PLCE

A PLCE Basics

PLCE expenditures directly relate to loan making and loan servicing activities and the provisions of the Promissory Note, Security Agreement and Real Estate Mortgage for the preservation and protection of any security for the loan during the life of the loan or as an inventory property.

Each allowable PLCE listed in Exhibit 25 is mentioned and supported by handbook guidance; and all transactions are directly tied to a specific action for a specific loan or loan application. These expense items have an assigned unique 3-digit alphanumeric-character associated with it, known as Program Action Codes, or PAC's. The PAC is required to obligate and control funds and track expenses. PAC's are discussed further in subparagraph 162 F.

Note: 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.

There are 3 different classifications of program loan cost expenses:

- "Non-contractual," as discussed in subparagraph B and paragraph 166
- micropurchase, as discussed in subparagraph C and paragraph 167
- contractual, as discussed in subparagraph D and paragraph 168.

How each authorized PLCE expense is classified and handled depends upon the:

- type of purchase:
 - a bill, statement, or similar demand for payment
 - Agency-initiated procurement
- total cost of the item(s).

There are 2 types of PLCE's:

- Recoverable PLCE's are chargeable to either a borrower or inventory property account
- Non-recoverable PLCE's are not chargeable to a borrower or inventory.

See subparagraphs 165 F and 165 G for additional guidance on recoverable cost items.

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 Contracting staff may be necessary.--*

163 Understanding PLCE (Continued)

B PLCE "Non-Contractuals"

PLCE cost items that consist of paying a bill, statement, or similar demand for payment generated by a third-party against a borrower or inventory property are referred to as Routine Loan Account Maintenance, otherwise called "non-contractuals". These cost items are **exempt** from FAR and Agriculture Acquisition Regulation (AGAR) provisions and are not subject to total cost thresholds. All non-contractual PLCE's have fixed costs and predetermined, specific vendors. The cost and vendor for non-contractual items are all outside FSA's control and, if the cost item is not paid, the Government's security interests are threatened.

Each expense in Exhibit 25 under the contract purpose labeled "Loan Account Maintenance" for loan making, loan servicing, and inventory property are "non-contractual" items. There are no other PLCE cost items that fall under this category. If an expense item is not listed under Loan Account Maintenance and does not contain an "N" in the PAC, it is **not** a "non-contractual" cost item and **cannot** be treated as such.

See paragraph 166 for guidance on processing PLCE 'non-contractual" items.

C PLCE Micropurchases

What constitutes a PLCE micropurchase is how the item is obtained and the cost of the item. When the Agency initiates the purchase, and the cost of the item is less than or equal to *--\$2,500.00 for non-appraisals (PLCE services) or \$10,000.00 for appraisal products, that PLCE is identified as a PLCE micropurchase.

Note: Appraisal product can be real estate appraisal, chattel appraisal, or technical appraisal review.--*

Micropurchase requests are fully handled by the ARMP, APOC, or a Contracting Officer or Contract Specialist, and are routed through the State PLCE Monitor. County Offices may **not** take any action on a micropurchase PLCE request unless instructed to do so by the ARMP, APOC, or contracting official as described in State procedure.

See subparagraph 162 C for information on the ARMP role and see paragraph 167 and Exhibit 24 for guidance on processing PLCE micropurchase items.

D PLCE Contractual Requests

PLCE contractual cost items are all expenses initiated by the Agency with a total cost equal to or more than \$2,500.01 for non-appraisals or \$10,000.01 for appraisals products.

* * * State Offices will submit requests through the FBC AD POA ServiceNow intake portal according to subparagraph 162 C.

--Note: NATS will be used to create and track documents for any contract for appraisal products.--

*--163 Understanding PLCE (Continued)

D PLCE Contractual Requests (Continued)

County Offices may **not** take any action on a contractual PLCE request unless instructed to do so by the Contracting Officer or Contract Specialist.

See paragraph 168 for specific guidance on processing contractual PLCE's.

E PAC

Exhibit 25 provides a list of each authorized PLCE expense. Each expense item has an assigned unique 3-digit alphanumeric character that is required for obligating and controlling funds and tracking expenses. If there is a "Comment" annotated for the selected PAC, the TPOC and State PLCE Monitors should review the Exhibit 25 "Note" section for usage clarification or application.

All transactions fall under 1 of these 3 categories as follows.

- <u>Loan Making PAC's</u> are applicable during the loan application process only. Once a loan is closed, it becomes a loan servicing action.
- <u>Loan Servicing PAC's</u> are applicable from the point of loan closing through the final disposition of the loan. This includes corrections to documents filed at loan closing.
- <u>Inventory Property PAC's</u> are applicable only after FSA has received the deed and 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 liquidation of security prior to the date taken into Government inventory.

F Historical PAC Reference

PAC's found in Exhibit 26 were made obsolete effective October 1, 2010. For loan servicing purposes, Exhibit 26 is retained for historical reference only.--*

163 Understanding PLCE (Continued)

G DATA of 2014

PLCE activity is reportable under DATA, which makes information on federal spending accessible and transparent to the general public. Recoverable cost items are considered financial assistance since they benefit Agency customers. Non-recoverable cost items and *--micropurchases currently are not reportable. Contractual PLCE's exceeding the \$2,500.00 (non-appraisals) or \$10,000.00 (appraisals products) micropurchase threshold must be--* entered into the Integrated Acquisition System (IAS) and the Federal Procurement Data System-Next Generation (FPDS-NG).

To comply with DATA the Agency developed specialized coding for use in the contract number field of the ZMY transaction. Additional guidance on this coding is found in the FMMI User Guide.

A PLCE Spending Chain

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

Component	Action
1	Allocation 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.
2	Budget pre-approval means authorized agency officials contact the State PLCE Monitor to certify availability of funds before incurring an expense on behalf of the agency or a borrower.
	Note: This step is by-passed when a delinquent real estate tax notice or delinquent personal property tax notice is received in the County Office.
3	Obligation means once an order is placed, the agency has a legal responsibility or obligation to pay for the ordered goods or services. A purchasing document is used to purchase goods and services or pay for costs associated with servicing a farm loan and preservation of the agency's security according to the signed loan documents. Obligations draw down available funds in the associated account in FMMI.
4	Invoice 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.
5	Disbursement is handled by the National Finance Center. This step is driven by the vendor record and invoice document.

B National Office Allocation of PLCE Funds to States

The National Office allocates PLCE funds to each State, Puerto Rico, and designated United States territories that has a FLC. PLCE funds are not sub-allocated to the County Office level.

State PLCE Monitors will use the Availability of Funds Control Report located in FMMI in monitoring and certifying the availability of PLCE funds. Additional information and step-by-step instructions are located in Section 7, PLCE Funds Management, of the FMMI User Guide.

The National Office divides each State allocation into 4 accounts that correspond to their respective Treasury symbols.--*

164 Allocating PLCE Funds (Continued)

B National Office Allocation of PLCE Funds to States (Continued)

Each account has its own purpose and designated loan cohort.

- ACIF Program Account (non-recoverable), otherwise known as the "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.
 - •*--IAS accounting string for "A" funds is FA00.ZZZZZZZZZZZZZ.2570.--*
- ACIF Direct Loan Financing Account (recoverable) is referred to as the "R" account. "R" funds are used to pay PLCE's that are chargeable to a borrower or inventory property account in which the **original loan** was obligated in FY 1992 or subsequent years.
 - The "R" account fund code is identified as "FA00B4212D" in the FMMI environment.
 - •*--IAS accounting string for "R" funds is FA00.ZZZZZZZZZZ.3360--*
- 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 original loan
 was obligated before FY 1992.
 - The primary "L" account fund code is identified as "FA00B4140D" in the FMMI environment.
 - •*--IAS accounting string for "L" funds is FA00.ZZZZZZZZZZ.3360.--*

There are 2 different appropriated line items for "L" funds, each with its own functional area:

- FA02FL2040000000: Loan Servicing "L" account
- FA02FL2140000000: Inventory Property "L" account.

* * *

- 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.
 - •*--IAS accounting string for "S" funds is FA00.ZZZZZZZZZZZ.3360.--*

See Exhibit 23 for guidance on creating IAS requisitions for PLCE.

164 Allocating PLCE Funds (Continued)

C State Office Allocation of PLCE's

All PLCE commitments and disbursements must occur on a "requirement and consideration" basis, meaning there must be a specific need for a specific loan applicant, borrower, or inventory property. Obligating lump sum amounts or "banking" PLCE funds for a specific vendor is prohibited. The commitment of PLCE funds in one FY for use in another FY without a specific requirement violates the Anti-Deficiency Act and is not permitted.

Examples of permissible and not permissible are as follows:

- •*--Permissible: On September 25, 2019, 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 not until November 1, 2019, that the vendor delivers the title opinion and requests payment.
- **Not Permissible:** On September 25, 2020, the State Office decides to set aside \$xxx for real estate appraisals needed in the next FY. There is no immediate need for the ZMY; however, the State wants to "use up" the remaining FY 2020 "A" allocation and drawdown funds from the one ZMY on an as-needed basis in FY 2021.--*

Note: For electronic UCC filings with the Secretary of State Office, see subparagraph 165 D.

D 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 commitment.

All ZMY's must be entered into FMMI before goods or services are ordered. Reimbursement for an unapproved cost item is considered an unauthorized purchase and payment is not guaranteed.

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; therefore, the cost is "incurred" before the Agency can take action.

As a reminder, the Government purchase card is not an option for PLCE procurement of any kind. See subparagraph 161 D.

165 Obtaining PLCE Items

A SAM

All vendors subject to micropurchase or contractual procurement processes are required to *--register in SAM, which is located online at https://sam.gov/content/home.--*

SAM registration is the vendor's responsibility, and Agency personnel should not assist in the process. Approved SAM registrations automatically flow into the FMMI system to create the FMMI vendor record and FMMI vendor ID. The PLCE Monitor needs only the vendor's DUNS number to locate the vendor record in the FMMI system.

Note: Using the FMMI PVND process for a SAM vendor is not allowed. If a potential vendor refuses to register in SAM, then that service provider may not be used as a PLCE vendor until a SAM registration is complete and a FMMI vendor record created.

The only permitted exceptions to SAM registration are:

- State and local government offices, including sheriff offices or other State or local law enforcement entity
- US Marshal
- court-appointed trustees or other officers of the court
- current USDA employees.

SAM is **not** used for non-contractual PLCE vendors. PLCE non-contractual vendors are manually created in FMMI using FSA-2173. See Section 6 of the FMMI User Guide for step-by-step instructions.

--Note: PLCE monitors, APOC's and/or ARMP's should maintain operational file according to 32-AS.--

B Current Employees as Vendors

Employees should not act as a vendor on behalf of a loan applicant, borrower, or to care for an inventory property. DLS workflows should be used, maintained, and monitored for UCC filings and other needs. In the case where the borrower is responsible for the cost, if the

--borrower does not remit payment timely, FLM should proceed with initiating FSA-2128-- for the cost item **no later than** 21 days before payment is needed.

Note: At no time may an employee pay for recoverable cost items. The PLCE monitor will ensure emergency check provisions are used for extremely time-sensitive PLCE's.

165 Obtaining PLCE Items (Continued)

C 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. Additional post-employment information is available at http://www.ethics.usda.gov/rules/postemployment.htm.

Former FSA employees should contact the USDA ethics counselors for informal assistance with interpreting and applying the post-employment restrictions. FLP State Office staff also may 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-FPC@oe.usda.gov.--*

SAM registration is **required** for all former employees when working in a vendor capacity.

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

D Guidance for Electronic UCC Transactions

State Offices may set up accounts with the Secretary of State's office using a draw-down process to meet UCC electronic and central filing requirements. "R" funds are used for this purpose.

In States where the Office of the Secretary of State has decided to use credit card only transactions, the PLCE Monitor or ARMP should work with the Secretary of State to find an alternative method of payment. If there is no alternative payment option available, third party processors may be used to handle FLP UCC needs. Under 3-FLP, subparagraph 373 A, and 4-FLP, subparagraph 99 B, fees charged by third party processors are **charged to the loan applicant**.

If an error is made on UCC or other legal document, the cost of the correction is a non-recoverable item; "A" funding and the PAC code "2N5" are used. If UCC is being renewed for an account using recoverable "L", "R", or "S" funds, **separate** FMMI transactions will be processed for that specific UCC filing, also using '2N5.' Only when the borrower remits payment for an electronic UCC filing are the PAC codes '1NE' or '2NE' used.

E 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 the National Finance Center, 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.

F Recoverable Cost Items for Borrowers With Multiple Loans

When a specific recoverable PLCE applies to more than 1 loan, the oldest outstanding loan, which is the loan with the earliest obligation date, for which the security associated with the charge is attached, will determine which recoverable account ("L," "R," or "S") is used. For a rescheduled or re-amortized loan, always use the **original** loan obligation date to determine which account is used.

Note: Only "S" account funds are used to obligate and pay PLCE expenses for ARRA ("Stimulus") loans. "L" or "R" funds for ARRA ("Stimulus") loans **cannot** be used.

The FMMI BOPR table is used to verify loan and account information if errors in processing occur; See the FMMI User Guide, Section 8, "BOPR Look-Up".

G 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.

Note: PLCE charges are **never** charged to an existing cost item "loan". PLCE's must tie back to an original Agency-funded loan.

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 an ADPS TC 1I transaction.

Note: Interest accrues at the same interest rate as the loan associated with the charge.

H Using Third-Party Vendors for Lien and/or Record Searches

According to 3-FLP, subparagraph 373 A and 4-FLP, subparagraph 99 B, applicants and/or borrowers are responsible for the costs associated with lien searches, filings, and recordings. Fees collected from the applicant/borrower will be remitted through the National Receipts and Receivables System using code 36 or 38.

When establishing and maintaining third party vendor services, direct financing "R" funds will be used with PAC code 1NE and/or 2NE. However, any excess monthly or annual subscription or user fees not associated with the specific record search will be paid from the *--program account "A" with PAC codes 1D2 and/or 2D2.--*

Note: Where third party vendor services are not established, agency officials will follow local guidance established in issued supplements.

166 Processing Routine Loan Account Maintenance "Non-contractual" PLCE's

A Forms

The following forms are used for "non-contractual" PLCE processing.

- •*--FSA-2128 is the only form required to initiate and pay non-contractual PLCE requests--* as described in subparagraph 163 B.
- **FSA-2171** is a substitute invoice used only in unusual instances where there is no existing vendor invoice; vendor invoice information is never transferred to FSA-2171.
- **FSA-2172** is used for requesting Emergency PLCE vendor checks per *--subparagraph 171 F.--*
- **FSA-2173** is used to establish a FMMI vendor record using the PVND process as described in the FMMI User Guide.

B Filing Requirements

--FSA-2128 and all documents related to recoverable PLCE's are filed in the borrower's-- case file and treated as a debt instrument.

PLCE documents for non-recoverable PLCE's should 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 non-recoverable cost items are not debt instruments.

County and State Offices should establish and maintain an operational file for PLCE activity according to 32-AS.

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 both non-negotiable and outside FSA's control, and not paying the bill negatively impacts the Agency's financial and/or security interests.

D FMMI and DATA Act Requirements

Most non-contractual PLCE's must be given an assigned unique 18-digit alpha-numeric *--FAIN by the PLCE Monitor at the time of budget approval and entered on FSA-2128.--*

Note: For non-contractual cost items involving Government Inventory Property, there is no FAIN configuration. The contract number entry will always be "NONDATAACT."

D FMMI and DATA Act Requirements (Continued)

TPOC's and PLCE Monitors are cautioned in using the PAC **2N5** for legal document expenses. The following **must** be noted and followed.

- If copies of documents are obtained or filed as part of the normal course of business and "A" funds are used, those actions are considered to be for the benefit of the applicant or borrower. The FMMI ZMY Contract Number field must be populated using an 18-character FAIN string.
- If the action is for the benefit of the Agency, such as when documents are corrected because of Agency error, "A" funds are used and the FMMI ZMY Contract Number field will be populated with "NONDATAACT".
- If copies of documents are obtained for, or filed during, an adverse loan servicing action such as a third-party or Agency foreclosure, that transaction must be processed as a recoverable cost item and use of "A" funds is **not permitted**.

The PLCE Monitor and State FMMI users should see the FMMI User Guide for additional guidance and step-by-step instructions on FAIN configurations and instructions not included in this Part or identified in the workflow provided in subparagraph F.

An internal tracking system for the FAIN is required. A tracking system for monitoring the State PLCE budget is recommended.

E Processing Payments for Non-Contractual PLCE's

The Debt Collection Improvement Act of 1996 mandates using EFT as the payment method for Government disbursements; however, there are exemptions to the EFT requirement that directly impacts non-contractual cost items.

Unless direct deposit is required by State law, it is **recommended and permitted** to request US Treasury Checks for cost items to State and local Government vendors. This includes payments for delinquent taxes, UCC filings or mortgage satisfactions, and other similar expenses. Because of the nature of those transactions, the Operational Hardship exclusion applies.

Checks obtained to pay lienholders using the 2N4 PAC also fall under the Operational Hardship exclusion because US Treasury checks usually are required at the liquidation sale.--*

166 Processing Routine Loan Account Maintenance "Non-contractual" PLCE's (Continued)

F Required Roles for Processing PLCE "Non-Contractual" Requests

To fully process any PLCE non-contractual request, the following roles are required:

- TPOC
- * * * PLCE Monitor
- FMMI PLCE PO Processor
- FMMI PLCE PO Approver
- FMMI PLCE TY Processor
- FMMI PLCE TY Approver.

See Exhibit 21 for additional guidance, as needed.

G Workflow Process for Routine Loan Account Maintenance ("Non-Contractual") Expenses

Simultaneous funds commitment and disbursements for "non-contractual" items are common and permissible. Tax notices and other documents from the vendor source are considered the invoices. That information should **not** be transferred to the FSA-2171. Always use original documents to support the PLCE funds commitment and payment whenever possible.

Field and State Offices will take the following steps for routine loan account maintenance PLCE items.

*__

Step	With Invoice	Invoice Pending
1	TPOC is notified or receives notification	TPOC determines, or is notified of,
	of PLCE and refers to Exhibit 25 for	PLCE need and refers to Exhibit 25 for
	authorization and terms. If TPOC is	authorization and terms. If TPOC is
	uncertain of how to proceed, TPOC will	uncertain if or how to proceed, TPOC
	contact PLCE Monitor for guidance.	will contact PLCE Monitor for
		guidance.
2	TPOC completes and signs FSA-2128,	TPOC completes FSA-2128, and, along
	attaching invoice and any other	with any other necessary documentation
	necessary documentation related to the	related to the PLCE, sends request to the
	PLCE. Documents are sent to the PLCE	PLCE Monitor for processing.
	Monitor for further processing.	
3	PLCE Monitor receives and reviews	PLCE Monitor receives and reviews
	FSA-2128 for accuracy, completeness,	FSA-2128 for accuracy, completeness,
	and validity, consulting with FLC, as	and validity, consulting with FLC, as
	necessary.	necessary.
4	PLCE Monitor certifies budget	PLCE Monitor certifies budget
	availability, determines FMMI Vendor	availability, determines FMMI Vendor
	ID, PAC, Fund, and FAIN and enters	ID, PAC, Fund, and FAIN and enters
	information on FSA-2128.	information on FSA-2128.

__*

166 Processing Routine Loan Account Maintenance "Non-contractual" PLCE's (Continued)

G Workflow Process for Routine Loan Account Maintenance ("Non-Contractual") Expenses (Continued)

*__

Step	With Invoice	Invoice Pending
5	PLCE request is parked and posted in FMMI creating a ZMY transaction, using the FMMI User Guide as reference.	PLCE request is parked and posted in FMMI creating a ZMY transaction, using the FMMI User Guide as reference.
6	After ZMY is posted, invoice is parked and posted in FMMI, creating a TY payment document as shown in the FMMI User Guide.	A copy of the budget-approved FSA-2128 and associated FMMI transaction documents are returned to the requesting office.
7	A copy of the approved and completed FSA-2128 and FMMI ZMY and TY transaction documents are returned to the requesting office for placement in file(s).	Once the County Office receives invoice, using the original FSA-2128, forwards invoice to the PLCE Monitor with a digitally signed request for payment.
8	End	Invoice is processed and posted in FMMI, creating a TY payment document as shown in the FMMI User Guide.
9		A copy of the completed FSA-2128 and FMMI TY invoice transaction document are returned to the requesting office for placement in file(s)
10		End

*

167 Processing Micropurchase PLCE's

A Forms

The forms associated with PLCE micropurchases include.

- •*--FSA-2128 is required to initiate and pay **non-appraisal** micropurchase PLCE--* requests with a total cost at or below the micropurchase threshold limit of \$2,500.00 as described in subparagraph 163 C. Additional documents may be required depending upon what is needed and State procedure. TPOC's should contact their ARMP or Contracting Officer when guidance is needed.
- •*--FSA-2128 is also required to initiate and pay real estate and chattel appraisals--* products at or below the micropurchase threshold of \$10,000.00. Additional documentation may be required depending upon State procedure. TPOC's should contact
- *--their APOC, ARMP, or Contracting Officer when guidance is needed. The FSA-2128 for appraisal products will be processed in NATS.--*

Note: Once a PLCE item exceeds the \$2,500.00 (non-appraisals) or \$10,000.00 (appraisal products) threshold, it must be handled according to paragraph 168, including after-award modifications requested by the vendor that raises the initial total of funds committed.

• **FSA-2172** is used for requesting Emergency PLCE vendor checks for non-appraisal micropurchases as described in subparagraph 170 G. Emergency checks for micropurchases are very rare and usually involve an emergency custodial livestock situation. Real estate and chattel appraisers are **never** paid using the Emergency PLCE payment process.

Micropurchase vendors are required to submit an invoice that contains the vendor's business name, address, telephone number, DUNS number, a brief description of services rendered *--and total cost. For appraisal products, the telephone number and DUNS number are not required on the invoice as they will be available in the NATS Vendor profile. FSA-2171--* is **not** used for micropurchases.

All vendors operating under this subpart must register in SAM. FSA-2173 is **not** used for or by micropurchase vendors. ARMP should contact the National Office in instances of one-time only vendors needed in emergency custodial situations.

Additional information about real estate and chattel appraisals is provided in Part 6.

B Filing Requirements

- * * * FSA-2128 and other documents related to recoverable cost items are treated as a debt instrument and filed in the borrower's case file.
- *--Documents for non-recoverable cost items are not debt instruments. Since "A" funds are non-recoverable, there is no need to file "A" funds PLCE documents in the borrower's casefile. These documents are adequately stored in NATS.

ARMP's are required to maintain a log of transactions and rotation of awards among vendors and maintain secured transaction files containing all relevant transaction information. For appraisal product acquisition, NATS fulfills these requirements.

NATS automatically rotates vendors and tracks the vendor rotation. Documentation of vendor rotation and appraisal awards is provided by NATS reports "Vendor Rotation Report" and "Work Order RE Admin Review Report: available in OBIEE / Datamart accessible from the NATS Reports menu option.

NATS also has a document repository that is used to store transaction files for each work order. The transaction files will contain, at a minimum, the following documents when they are applicable to the work order type.

Item	Description	
Requisition	Request for service with documentation that identifies the	
	Government need, Government cost estimate, proof of funding	
	availability, and authorized signatures. FSA-2128 is considered a "requisition".	
Required Requisition	Program documents used in addition to FSA-2128 that support	
Documents	the requisition, including and not limited to, copies of e-mailed	
	requests for quotes, quote response, engagement letter, appraisal	
	order or task order, SAM search documentation, complete	
	SAM registration documentation, etc.	
FMMI Funds	II Funds A copy of the posted FMMI ZMY Adobe form that contains	
Commitment Document	ent FMMI user identifiers, date, and time stamps.	
Invoice	Invoice submitted to Agency by the vendor when services	
	rendered. Invoice must match posted FMMI TY document.	
FMMI Payment	A copy of the posted FMMI TY Adobe form that contains the	
Document	FMMI user identifiers, date, and time stamps.	
Acceptance of Service	Program acceptance of service or product will be an e-mail or	
Document	other documentation that may include FSA-2167, FSA-2165, or	
	acceptance from staff appraiser based on the technical review.	
Correspondence	All related e-mails, letters, documented telephone calls, and	
	other relevant documents.	

--*

B Filing Requirements (Continued)

*--For appraisal product acquisition, NATS generates and saves many of the transaction files, however, ARMP must manually upload the additional documents to NATS including the quote response, SAM search documentation, invoice, appraisal, review(s), FMMI documents, and any additional transaction documents listed above. NATS fulfills the requirement for maintaining transaction files.

All transaction files will be retained for a period of seven years from the date of the final payment. Use file codes:

- CONT-2(a) for transactions over \$2,000.00
- CONT-2(b) for transactions less than \$2,000.00.

The transaction files will be subject to random audits by the FBC AD POA compliance designee. Contracting Officers also may conduct routine file reviews without permission from the FBC staff.

C Vendor Selection

In addition to requesting PLCE funds commitment and disbursements, * * * FSA-2128 is used to record associated market research information. The ARMP will contact appropriate vendors to conduct market research for the required service and make the appropriate entries *--in FSA-2128. Purchases should be consistent with established guidelines for required--* sources of services and applicable acquisition procedures for making micropurchases.

How much market research a PLCE requires is dependent upon the dollar amount provided to the ARMP. ARMP's will conduct enough market research to ensure that the Government gets a good value for its money in terms of reasonable price and timely, reliable and quality service.

When making micropurchases, ARMP's will identify the service that best satisfies the PLCE requirement, weighing both price factors and non-price factors like time of delivery. Higher priced contractors may be used if it represents a better value; however, it is the ARMP's responsibility to perform basic comparison-shopping and briefly document the basis for vendor decisions.

All micropurchase vendors must register in SAM; see subparagraph 165 A.

Vendor selection for real estate and chattel appraisals will be handled according to Part 6 and State instructions.

C Vendor Selection (Continued)

All appraisal product purchases that are above \$2,500.00 require that 3 quotes be obtained or *--documentation as to why they were not obtained must be included on FSA-2128, Part C and in the NATS work order (ARMP work file).

Note: The following are market research comments which may be included on FSA-2128:

• "The price was determined to be fair and reasonable for the government based on past experience and knowledge of the local market."

Note: NATS automatically rotates vendors. If action is completed outside of NATS comment on vendor rotation.--*

• "The vendor appraiser was selected since they had completed an appraisal on the subject property on (effective date of prior appraisal). The price was determined to be fair and reasonable for the government and to be in the government's best interest for consistency in the valuation process."

D FMMI and DATA Act Requirements

PLCE Monitors will ensure micropurchase PLCE's are annotated as "NONDATAACT" in the contract number field of the FMMI Adobe form. The State PLCE Monitor and State FMMI PO Processor should see the FMMI User Guide for additional guidance and DATA Act-specific instructions.

E Processing Payments for Micropurchase PLCE's

The Debt Collection Improvement Act of 1996 mandates using EFT as the payment method for Government disbursements. There are no exemptions for micropurchase PLCE's for the EFT process. If a micropurchase vendor is unable to accept the EFT payment method, the PLCE Monitor or ARMP will contact the National Office for guidance in hardship situations.

Standard payment terms are net 30 days. Whether a vendor is paid net 30 days or payment is accelerated to ACCP completely depends upon the FMMI vendor record and how the vendor is categorized in SAM. FMMI-generated payment terms should not be changed.

F Required Roles for Processing PLCE Micropurchase Requests

To fully process a PLCE micropurchase request, the following roles are required:

- TPOC
- State PLCE Monitor
- APOC, ARMP or Contracting Officer, as determined by State procedure
- FMMI PLCE PO Processor
- FMMI PLCE PO Approver
- FMMI PLCE TY Processor
- FMMI PLCE TY Approver.

See Exhibit 21 for guidance on roles.

G Workflow for PLCE Micropurchases

For ease of understanding the following workflow, the term ARMP is used exclusively. It is understood some States may use:

- an ARMP for all non-appraisal micropurchases;
- an APOC for all real estate and chattel appraisals;
- an ARMP for both appraisals and micropurchases; or

* * *

• a combination of ARMP and APOC* * *.

Insert the applicable position for your State wherever "ARMP" is used.

*--For those States having all FLO, FLM, and FLS/FLC designated as an ARMP, dual roles as TPOC and ARMP exist. If there is no separate TPOC in the office initiating the PLCE request, then FLO, FLM, or FLS/FLC will perform all TPOC duties in addition to all ARMP duties listed in the workflow.

Note: Exhibit 21 permits the PT to be designated as TPOC. ARMP responsibilities must be performed by ARMP and may not be re-delegated.

References to the completion of certain sections of FSA-2128 within the workflow are--* included to assist with understanding the micropurchase process. These references do not replace the form's posted instructions for completion.

ARMP's should see Exhibit 24 for additional guidance on making micropurchases.

G Workflow for PLCE Micropurchases (Continued)

*--The following table contains workflow steps for PLCE Micropurchases.

Step	Action			
1	Non-Appraisal: TPOC determines PLCE need and refers to Exhibit 25 for authorization and terms. TPOC completes FSA-2128, Part A, in its entirety. TPOC sends to ARMP, FSA-2128 and all other applicable documentation required by State instructions.			
	Note: It is recommended that the TPOC include the PLCE Monitor in the electronic transmission of the FSA-2128 to the ARMP if TPOC and* ARMP are not the same person.			
	Appraisal: TPOC completes FSA-2128, Part A and sends to APOC/ARMP, along with and all other applicable documentation required by Part 6.			
	Note: * * * NATS does not require TPOC signature.			
2	ARMP/APOC conducts market research by telephone or e-mail using the information provided by TPOC. Results of market research are recorded on * * * FSA-2128.			
	If market research establishes the PLCE as a micropurchase, ARMP/APOC will complete the assessment, confirm vendor eligibility in SAM, record the DUNS, and complete acknowledgements. ARMP/APOC digitally signs the authorization for the ZMY entry in FMMI and forwards * * * FSA-2128 to the * * * PLCE Monitor and the process continues in Step 3.			
	If the feedback from vendors indicates PLCE is a contractual purchase , ARMP will make a vendor recommendation or annotate on * * * FSA-2128 that PLCE exceeds the ARMP's authority. ARMP/APOC will proceed using guidance in subparagraph 168 G; use of this flowchart is concluded.			
	Note: ARMP/APOC does not make micropurchase or notify vendor of award at this step.			
3	*PLCE monitor receives and reviews FSA-2128 and complete Parts C and D. If inconsistencies or incorrect information are found, PLCE Monitor will work with TPOC and ARMP to resolve the matter*			
	* * *			
	Note: In States or US Territories wanting to internally sub-allocate funding for appraisals to APOC, budget approval occurs with the PLCE Monitor only. There is no FMMI mechanism for sub-allocating beyond the PLCE Monitor level.			

G Workflow for PLCE Micropurchases (Continued)

Step	Action
4	* * * PLCE Monitor forwards * * * FSA-2128 to PLCE PO Processor for entry of
	ZMY transaction in FMMI, as provided in the FMMI User Guide.
	N. F. S.
	Note: For contractual purchases, PLCE PO Processor will commit funds for the
	vendor recommended by ARMP/APOC. If changes are necessary after the
	Contracting Officer reviews documents, PLCE PO Processor will handle
5	using the Obligation Modification process. PLCE PO Processor enters ZMY into FMMI and notifies PLCE PO Approver of
3	parked ZMY document.
6	PLCE PO Approver posts the FMMI ZMY transaction and returns the completed
	* * * FSA-2128 and the FMMI ZMY Adobe form to both the ARMP/APOC and
	* * * PLCE Monitor.
	Note: Micropurchase responsibilities for the * * * PLCE Monitor conclude at this
	step.
7	*ARMP/APOC notifies the vendor of the micropurchase and award.
	ARMP/APOC notifies TPOC of vendor award and ensures copies of FSA-2128,
	ZMY Adobe form, and all vendor award documents are provided to TPOC for
	placement in the applicant or borrower's case file and PII-secured operational file. NATS fulfills the filing requirement for all non-recoverables.
8	Once services are rendered, or product received, and vendor invoice received,
	TPOC and/or ARMP/APOC must perform a timely inspection and acceptance of the
	product or work performed.
	*ARMP/APOC completes FSA-2128, Part J, Partial Payment, or Park K, Full
	Payment authorizing payment to vendor. Vendor invoice and FSA-2128 is*
	forwarded to the PLCE TY Processor for initial entry into FMMI.
	* * *
9	PLCE PO Processor enters TY into FMMI and notifies PLCE PO Approver of
	parked TY document.
10	PLCE TY Approver posts the FMMI TY transaction as described in the FMMI User
	Guide. PLCE TY Approver ensures the ARMP/APOC, * * * PLCE Monitor and
	TPOC are provided digital copies of the completed * * * FSA-2128 invoice and TY
1.1	Adobe form.
11	TPOC ensures all TY documentation is placed in applicant or borrower's case file
	and PII-secured operational file. NATS fulfills the filing requirement for all non-recoverables
12	End
14	Linu

•		

H Modifying Initial Micropurchase Commitment

Invoices received for an amount greater than the agreed-upon purchase price are **not** acceptable. All vendors are required to contact the Agency about any necessary change to previously agreed-upon terms **before** completing the work or submitting an altered invoice.

If a pricing modification will put the total amount to be invoiced above the \$2,500.00 *--(non-appraisals) or \$10,000.00 (appraisal products) threshold, the PLCE is no longer a--* micropurchase and **cannot** be processed as such. When a situation like this occurs, the State PLCE Monitor and ARMP will discuss the matter with a Contracting Officer or FBC Operations Branch, whichever is applicable, to handle the situation according to FAR and Departmental regulations.

168 Processing PLCE Contractual Items

A Forms

*--Forms used for PLCE contractual transactions may vary depending upon the Contracting Officer preferences and State procedure. FSA-2128 will be used for PLCE funds commitment, DATA Act, and ZMY/TY annotations.

B Filing Requirements

All documents related to recoverable cost items are treated as a debt instrument and filed in the borrower's case file.

Documents for non-recoverable cost items are not debt instruments. Since "A" funds are non-recoverable, there is no need to file "A" funds PLCE documents in the borrower's casefile. Those documents are adequately stored in NATS.--*

County and State Offices should establish and maintain operational files for contractual PLCE activity according to 32-AS and Contracting Officer guidance.

C Vendor Selection

Vendor selection is handled by the Contracting Officer or Contracting Specialist. The ARMP may make recommendations only. The Contracting Officer does not have to accept the recommendation and has total authority under FAR to handle the contractual request as they deem appropriate.

D FMMI, the DATA Act and Other Requirements

FMMI, DATA Act requirements, use of IAS and entry of PLCE items in FPDS-NG are applicable to all contractual expense items.

IAS and FPDS-NG entries are not FLP-related topics and are addressed in FPAC Procurement Operational Plan and FAR. Contracting Officers and Contracting Specialists are responsible for ensuring IAS and FPDS-NG are populated according to established procedures.

When the ZMY is posted in FMMI, the * * * PLCE Monitor will ensure that the PIID number is entered on * * * FSA-2128. The contract number generated in IAS must be provided to the * * * PLCE Monitor by the contracting staff upon completion of IAS entries. The * * * PLCE Monitor forwards that information to the National Office contacts listed in subparagraph 161 C to ensure DATA Act compliance. See subparagraph 168 G.

--The PLCE Monitor and FMMI users should see Section 7.3 of the FMMI User Guide for-- additional guidance.

*--168 Processing PLCE Contractual Items (Continued)

E Processing Payments for Contractual PLCE's

Using EFT is required. Only if an individual does not have an account at a financial institution, or if there is an operational hardship whereby the vendor's regular business process is severely hindered by receiving payment through EFT, payment by US Treasury check is permissible under 31 CFR Part 208.

Payment is made according to the vendor record. Most contractual expenses are paid "net 30 days," meaning the vendor is paid within 30 days of receipt and acceptance of the services obtained.

F Required Roles for Processing Contractual PLCE's

To fully process a PLCE contractual purchase request, the following roles are required:

- TPOC
- ARMP, APOC, or Contracting Officer, as determined by State procedure
- State PLCE Monitor
- FMMI PLCE PO Processor
- FMMI PLCE PO Approver
- FMMI PLCE TY Processor
- FMMI PLCE TY Approver
- IAS Requisitioner
- IAS Budget Approver
- IAS Approver.

See Exhibits 21, 22, 23 and 24 for additional guidance, as needed.

Because of the complex and unique nature of PLCE transactions in IAS and FMMI, good communication between all parties is encouraged.--*

168 Processing PLCE Contractual Items (Continued)

G Basic Workflow for Contractual PLCE's

As specified by FAR 1.602-1(b), only the Contracting Officer has the authority to enter into an agreement with a vendor for contractual supplies or services. The following workflow assumes use of the APOC and ARMP roles. * * * States will follow specific guidance provided by * * * FBC AD Operations Branch when applicable.

A basic workflow is as follows.

Step	Action			
1	TPOC identifies the PLCE requirement and completes the necessary fields on			
	*FSA-2128 and forwards to ARMP or APOC, as applicable.			
2	ARMP or APOC performs market research to obtain vendor's information and			
	completes the necessary fields on FSA-2128. Once ARMP/APOC determines a			
	need for Contracting Officer's involvement (market research pricing received is			
	over the \$2,500.00 (non-appraisals) or \$10,000.00 (appraisal products)			
	micropurchase threshold), ARMP/APOC makes recommendation for vendor			
	selection including justification, includes supporting documents, and submits the* entire package to the PLCE Monitor.			
3	On * * * FSA-2128, the PLCE Monitor:			
	• confirms budget availability or requests funding from the National Office, as			
	needed;			
	 assigns the PAC and determines correct PLCE funds account; 			
	• enters FMMI vendor ID number, and			
	a contant Discalation DIID			
	• enters Placeholder PIID. DI CE Manitan formwords * * ESA 2128 to the DI CE DO Processor for outry into			
4	PLCE Monitor forwards * * * FSA-2128 to the PLCE PO Processor for entry into			
	FMMI.			
	• The only way for FLP to guarantee availability of funds is to commit the funds through the ZMY, a purchase order transaction made in FMMI. When the ZMY is posted by the PLCE PO Approver, the Contracting Officer receives a PDF file showing name of Processor and Approver with date and time stamps of when the transaction went into FMMI.			
	• Placeholder Procurement Instrument Identifier (PIID) is used during ZMY entry until Contracting Officer completes the procurement process and issues purchase order to vendor in IAS.			

168 Processing PLCE Contractual Items (Continued)

G Basic Workflow for Contractual PLCE's (Continued)

Step	Action		
5	PLCE PO Processor "parks" the ZMY transaction in FMMI and requests PLCE PO		
	Approver to "post" the financial commitment.		
6	PLCE PO Approver posts ZMY and provides PLCE Monitor with the posted ZMY		
	Adobe form, which then is attached to * * * FSA-2128.		
7	PLCE Monitor forwards entire package, including all forms, documents, and		
	FMMI ZMY Adobe PDF are forwarded to the IAS Requisitioner for attachment to		
	the IAS Requisition.		
8	IAS Requisitioner enters the transaction and uploads all forms and documents into		
	IAS and forwards it to the IAS Budget Approver.		
9	IAS Budget Approver approves the transaction. Based on the IAS Budget		
	Approver's authorization chain, transaction is automatically forwarded to a specific		
	*individual (either Contracting Officer or FBC, AD, POAB Section Chief for		
	further assignment to FBC, AD, POAB Contract Specialist, as applicable)*		
10	Contracting Officer receives IAS Requisition, FSA forms and all associated		
	documentation, as applicable. Contracting Officer makes final vendor selection		
	based on applicable FAR, AGAR, and other applicable laws, regulations, and		
	procedures and "processes" request up to the point of being ready for IAS purchase		
	order release. The purchase order is not yet placed at this time.		
	It is understood that the Contracting Officer or Contracting Specialist is within their authorities to:		
	• contact the TPOC, ARMP or APOC, and/or the PLCE Monitor when additional information is needed for the requirement;		
	• contact any of the vendors previously contacted by the ARMP or APOC regarding the requirement; and		
	• only Contracting Officer can make the determination on vendor selection. The selected vendor may or may not be the party recommended by the ARMP or APOC. It may be also a vendor not previously contacted by the ARMP or APOC.		
11	The assigned Contracting Officer or Contract Specialist proceeds with completing		
	the procurement process resulting in issuance of a purchase order to the vendor.		
12	Once the purchase order is prepared and signed by the Contracting Officer,		
	Contract Specialist will contact ARMP or APOC and provide a copy of the contract		
	award document. The Contracting Officer/Contract Specialist will send the award		
	to the vendor and copy all parties.		

168 Processing PLCE Contractual Items (Continued)

G Basic Workflow for Contractual PLCE's (Continued)

Step	Action		
13	ARMP or APOC will.		
	Notify PLCE Monitor of IAS-generated Contract Number (SF-1449, Block 4).		
	 PLCE Monitor sends e-mail with ZMY number and Contract Number to the National Office contacts provided in 1-FLP, Part 7, subparagraph 161 C. National Office accesses FMMI DATA Act file and changes Placeholder PIID with valid Purchase Order Number. 		
	• Notify the TPOC that the award is made and ensure the completed * * * FSA-2128, the posted ZMY, and any other applicable documents and forms are provided to the TPOC for their files and placement in the Agency contract file.		
14	ARMP/APOC notifies Contracting Officer and Contract Specialist of acceptance and final payment and provides all applicable documentation and related information such as: proof of services delivered and accepted by the government, vendor's request for payment, and actual payment confirmation.		

H Modifying Initial Contractual PLCE Requests

Invoices received for an amount greater than the agreed-upon purchase price are not acceptable. All vendors are required to contact the Agency about any necessary change to previously agreed-upon terms **before** completing the work or submitting an altered invoice. The * * * Contracting Officer * * * will work with the vendor and * * * PLCE Monitor if it becomes necessary to modify the previously agreed upon terms.

No payment, regardless of amount, is made to a vendor **before** the completion and acceptance of the work performed.

169 FMMI

A Background

FMMI is a commercial off-the-shelf web-based financial management system that provides online, real-time transactions, and on-demand query capabilities used Department-wide for all USDA financial and accounting functions. For PLCE, FMMI captures the following data:

- State allocations in 4 PLCE funding accounts
- ZMY transactions
- disbursements
- accounting adjustments related to ZMY or invoice modifications
- DATA Act reporting
- penalty interest
- manual disbursements
- post payment adjustments
- vendor records
- FSA client records.

The FMMI BOPR table stores and validates borrower and inventory property loan information to ensure that customer data entries are accurate and back-fed correctly to PLAS. See the FMMI User Guide, Section 6 for additional guidance.

B User Guide

The FMMI User Guide must be used in conjunction with this Part. It is located on the FSA FLP Intranet website under Software User Guides at https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index.

169 FMMI (Continued)

C Requesting FMMI Access

Request access to FMMI according to the following.

New FMMI users are required to complete the FMMI Quiz – Introduction to FMMI-PLCE *--Policies course that is available in AgLearn. A copy of the employee's FMMI quiz certificate should be sent to the contacts listed in subparagraph 161 C.

Before submitting the user access request form to FMD's System Maintenance Team, first-time account holders must self-register in FMMI.

Self-register at https://nfc.usda.gov/FSS/ClientServices/FMS/.

- Click the "FMMI" button under "Launch a Financial Application".
- CLICK "Log In with PIV/CAC" or log in with your e-Auth user ID and password.
- Click on the "Click to Register" selection button.
- Enter your self-registration information and CLICK "Register" when complete.
- You should receive a "Registration Successful" notification.
- Log off.

A fillable PDF of the user access request form can be obtained from the FSA FLP Intranet website. Using the FBC ServiceNow site, the employee will submit the completed and approved user access request form through Financial Management Portal – Request Type: Systems at https://usdafpacbc.servicenowservices.com/fpac. A copy of the completed and approved user access request form must be attached to the ServiceNow ticket request.--*

D Unlocking a FMMI Account

Employees whose accounts are administratively locked due to the 30-day inactivity guidelines are required to log a * * * ticket on the FBC ServiceNow site – Financial Management/Systems at https://usdafpacbc.servicenowservices.com/fpac.

170 Correcting or Changing FMMI Transactions

A Modifying or Canceling a Financial Commitment (ZMY)

State Office shall see the **FMMI Document Chain Report** to confirm the status of the financial commitment ZMY transaction or invoice TY 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-2128 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	Document Status Action
Obligation (ZMY) with No Disbursement.	Obligation Modification/Obligation Change.
Obligation (ZMY) with Partial	Obligation Modification/Obligation Change.
Disbursement.	
	If changing amount, new line amount may
	not go below available balance.
Obligation (ZMY) with Full Disbursement	Obligation Modification to reflect amount
of All Line Items.	actually paid.
Invoice TY with No Treasury Activity.	Pre-Payment Modification/Invoice Change.
Invoice TY with Treasury-in-Transit (TI)	Post-Payment Modification.
or TC.	

Additional guidance is located in the FMMI User Guide.

B Correcting PLCE Transactions on Discrepancy

Although FMMI has any number of checks and balances to ensure accurate transactions, errors occasionally happen. If there is a problem with the FMMI to PLAS backfeed of a recoverable cost item, the 1L, 1X, or 1Y will sit on the discrepancy with no notification to the County Office that the discrepancy exists.

Using the PLAS Transaction Manager in DLS, recoverable PLCE charges should be monitored to confirm the charge is applied to a borrower's account or inventory property within 30 to 45 calendar days from the date of the FMMI TY transaction. If a County Offices notices a PLCE charge on discrepancy, the **only** way to correct that discrepancy is through FMMI using the **Post Payment Adjustment** process. The RD Business Center does not have the authority to alter PLCE transactions.

If the charge is not found using DLS, County Offices are advised to access NITC/ADPS to research a possible issue with the PLAS to DLS backfeed of PLCE cost items. If a problem is found, the PLCE monitor should be contacted for additional assistance. Do not contact the RD Business Center unless directed by the National Office.

*--171 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.--*

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 according to subparagraph 161 C. The e-mail must contain:

- ZMY and TY document numbers
- name of vendor and FMMI vendor ID number
- payment date
- check number information, if available
- dollar amount invoiced.

Note: PLCE payments are subject to the U.S. Treasury Offset Program. If a vendor payment is reported as being offset, vendors will be informed to contact the Treasury Offset Program Call Center at 1-800-304-3107. This is no longer an FSA matter.

C Canceling EFT Payments

When canceling an EFT payment, the vendor must contact their banking institution and arrange for the bank to return the electronic funds to the U.S. Treasury. From Treasury, the *--funds are electronically returned to NFC. NFC will cancel the invoice and notify BOB of the cancellation. BOB will then e-mail the State Office to cancel the obligation in FMMI.--* Both the invoice and obligation cancellations will be back-fed through ADPS to the borrower's account.

If the cancellation is for same FY funds, the returned money is returned to the State's allocation once the ZMY transaction is modified in FMMI to reflect \$0.00 for the line item.

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

Note: Do not use FedEx, UPS, or similar mailing method.

From Treasury, the funds are returned to NFC. NFC will cancel the invoice and notify BOB of the cancellation. BOB will then e-mail the State Office to cancel the obligation in FMMI. 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
* * * Collections Branch
4300 Goodfellow Boulevard, FC 1411
St. Louis, MO 63120

The *** Collections Branch will provide the cancellation information to BOB. BOB will manually input the cancellation in to FMMI and will notify the State Office of the cancellation. Upon notification of the cancellation, the State PLCE Monitor will ensure the obligation is cancelled in FMMI.

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 * * * Collections Branch 4300 Goodfellow Boulevard, FC-1411 St. Louis, MO 63120

The *** Collections Branch will then provide the information to BOB to manually input the cancellation into FMMI. BOB will notify the State Office of the cancellation so the State Office can cancel the obligation in FMMI.

F Requesting an Emergency Check

Using the ACCP payment term on the TY document works as quickly as an emergency check request and is the preferred method of processing emergency check requests.

Emergency checks will **not** be requested for items covered by DLS workflows, such as UCC renewals. Field Offices should request assistance through the normal PLCE process at least **21 days in advance** of the UCC deadline to ensure time payment is received. Using the ACCP payment term on the invoice should be used in these instances; See the FMMI User Guide for guidance on processing an invoice under ACCP terms.

Emergency check requests should be a rarity and used **only** in emergency situations, such as:

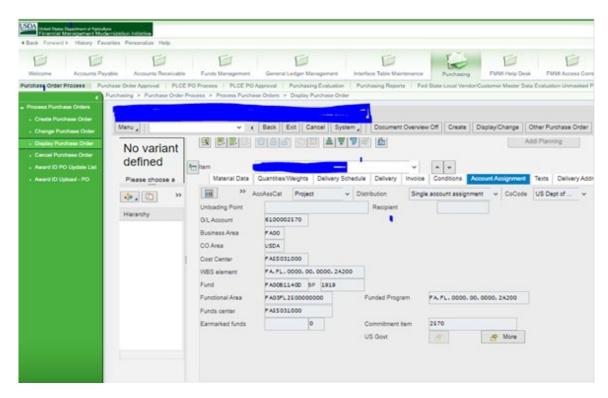
- an unexpected foreclosure sale, U.S. Marshal's sale or similar
- delinquent real estate taxes
- FMMI system issue or other problem affecting the ability to process a timely TY document.

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 the RD Business Center
- •*--FAX the completed FSA-2128, completed FSA-2172, Document Chain Report, and a--* print screen of fund and treasury symbol information shown within the Accounts Assignment tab for the ZMY to the Direct Loan Division at ECM FAX number 314-457-4539

The following is an example of the account assignment screen.



Instructions for obtaining information from the account's assignment tab within FMMI:

- Select Purchasing > Purchase Order Process
- Select Display Purchase Order > Other Purchase Order tab
- Enter ZMY document in the field
- Select Item Detail tab > Accounts Assignment tab
- Take screen print of the information to be included with the emergency check request.

F Requesting an Emergency Check (Continued)

- send an e-mail to all 4 of the following notifying them of the emergency check request:
 - Joseph Council joseph.council@usda.gov
 - Samuel Kayser samuel.kayser@usda.gov
 - Antoinette Taylor antoinette.taylor@usda.gov
 - Ryan Loewe ryan.loewe@usda.gov.
- •*--send copies of FSA-2128, the FSA-2172 documents, Document Chain Report, and--* screen print of the account's assignment information to BOB at RD.NFAOC.BOB-PLCE@STL.USDA.GOV for the manual input of the check request into FMMI:

The State FMMI PLCE TY Processor will **not** enter the TY transaction into FMMI.

G Missing Vendor 1099

Vendors inquiring about a 1099 tax form are to be directed to the 1099 Help Desk. The 1099 Help Desk may be reached by either of the following:

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

172-200 (Reserved)

Part 8 Progression Lending

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 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, Part 2)--*
 - 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 YEA 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 progression lending process to:--*
 - identify short-, intermediate-, and long-term goals consistent with financial success
 - pinpoint and prioritize problem areas
 - develop strategies and an operating plan to:
 - meet operational goals
 - graduate to commercial credit
 - provide objective credit counseling
 - evaluate progress and adjust the action plan as needed.

C Applicant/Borrower's Role

The applicant or borrower has the ultimate responsibility for success of the farming operation. FSA serves in an advisory role, providing temporary assistance. Therefore, it is especially important for the applicant or borrower to prepare to graduate to guaranteed or commercial credit by:

- identifying the goals for the operation
- pinpointing and prioritizing problem areas
- developing strategies and a farm operating plan to meet the operation's goals
- evaluating progress and adjusting operating plan as needed
- complying with the borrower responsibilities according to paragraph 202.

202 Borrower Responsibilities

A Recordkeeping and Reporting

[7 CFR 761.102(a)] A borrower must maintain accurate records sufficient to make informed management decisions and to allow the Agency to render loan making and servicing decisions in accordance with Agency regulations. These records must include the following:

- (1) Production (e.g., total and per unit for livestock and crops);
- (2) Revenues, by source;
- (3) Other sources of funds, including borrowed funds;
- (4) Operating expenses;
- (5) Interest;
- (6) Family living expenses;
- (7) Profit and loss;
- (8) Tax-related information;
- (9) Capital expenses;
- (10)Outstanding debt; and
- (11)Debt repayment.

FSA will not dictate or promote using any particular recordkeeping system, so long as the borrower uses 1 that provides the required information.

--Note: The authorized agency official will document in FBP whether the applicant has-- selected, established, and maintains the recordkeeping system.

Using OL funds is authorized to purchase a computer and/or recordkeeping software and to attend recordkeeping courses.

202 Borrower Responsibilities (Continued)

B Other Borrower Responsibilities

[7 CFR 761.102(b)] A borrower also must agree in writing to:

- (1) Cooperate with the Agency and comply with all supervisory agreements, farm assessments, farm operating plans, year-end analyses, and all other loan-related requirements and documents;
- (2) Submit financial information and an updated farm operating plan when requested by the Agency;
- (3) Immediately notify the Agency of any proposed or actual significant change in the farming operation, any significant changes in family income, expenses, or the development of problem situations, or any losses or proposed significant changes in security.

Note: FSA-2313 addresses loan approval conditions and borrower responsibilities.

C Borrower Failure to Comply

[7 CFR 761.102(c)] If the borrower fails to comply with these requirements, unless due to reasons outside of the borrower's control, the non-compliance may adversely impact future requests for assistance.

203-220 (Reserved)

221 Overview

A Objective

[7 CFR 761.103(a)] The Agency, in collaboration with the applicant, will assess the farming operation to:

- (1) Determine the applicant's financial condition, organizational structure, and management strengths and weaknesses;
- (2) Identify and prioritize training and supervisory needs; and
- *--(3) Develop a progressive lending plan 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, provides a complete application--*
- 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 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 other 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.

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.--

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.

<u>Production Levels.</u> Evaluation of production levels, such as bushels per acre, percent calf crop, pounds of milk per animal, and pounds of grain, shall include a determination of:

- whether there is sufficient capacity to generate projected income
- if present levels of production will attain the goals set by the applicant.

If production is below area standards, the authorized agency official must discuss with the applicant why this is so and develop plans to improve production. Possible strategies for improvement may include feed analysis, soil testing, or investment in different equipment. If applicable, credit needs for additional investments should be discussed.

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.

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.

A Type of Farming Operation (Continued)

<u>Timeliness of Operations.</u> The initial assessment must evaluate the timeliness of the farm's operations. For example, the authorized agency official shall determine if each of the following operations, as applicable, is conducted in a timely manner and how this affects the performance of the operation:

- planting
- fertilizer and herbicide application
- harvesting
- calving
- marketing (weight and/or condition)
- breeding
- vaccination.

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.

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 * * * 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, progression lending plan, and training plan must---
facilitate achieving these goals. A farm operation might set goals for reducing expenses or
for increasing yields and production level. Corrective measures and goals should be divided
into stages for implementation over several years, when appropriate.

If the farm operation is an entity, the authorized agency official must meet with all the principals to ensure that the organization's goals are compatible with those of each principal.

The authorized agency official must also:

- identify and evaluate any changes the applicant intends to make, such as expansion of farmland, new buildings, and new management techniques
- identify increased credit needs, increased management skills, growth opportunities, and operating efficiency required to accomplish the planned changes
- determine how planned changes relate to the applicant's business goals.

C Adequacy of Real Estate, Including Facilities, to Conduct the Operation

[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

(4) Adequacy of real estate, including facilities, to conduct the operation.

In evaluating the adequacy and appropriateness of real estate used in the applicant's operations, the authorized agency official must consider the following:

- location and size, including efficiency of location to markets and farm supply dealers
- improvements and repairs needed for improved efficiency
- presence of wetlands, hazardous waste, and underground storage tanks, the adverse effects of their presence, and possible solutions

If a wetland determination has not been previously completed for the project area and is not available from NRCS, the authorized loan official will follow the flow chart in *--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

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 oversight and training recommendations, the authorized agency--* official must know who is performing key tasks within the farming operation. The initial assessment must identify the key individuals involved in operating the farm, including any seasonal labor. It also must:
 - discuss the specific duties of each person, noting who is responsible for management, labor, resource allocation, and decision making
 - evaluate the use of managerial resources and determine whether management choices are contributing to or hampering success in the operation
 - determine if the time and effort spent on an enterprise or particular commodity is commensurate with the gains realized.

*--F Progression Lending Plan

[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

- (8) Progression lending plan, except for streamlined CL.
- *--The authorized agency official must tailor the progression lending plan to the applicant's individual needs and risks associated with the operation. An applicant's involvement and understanding of FSA's responsibilities in providing progression lending are essential to a successful relationship. The authorized agency official must work with the applicant to develop practical plans and realistic timetables for realizing improvements in critical areas. The progression lending 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) Progression lending plan; and--

G Historical Performance

[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

(6) Historical performance, except for Streamlined CL;

The authorized agency official must consider and analyze significant aspects of the operation's historical production and financial performance, trends, and current condition.

<u>Production Data</u>. The initial assessment must include and evaluate at least the last 3 years of production data for the farm, where possible. The applicant has the discretion to provide up to the last 5 years of production records. The evaluation must consider current production levels (e.g., bushels per acre, percent calf crop, pounds of milk per animal, and pounds of grain). It also must consider whether the farm has a capacity sufficient to generate projected production and to attain the applicant's goals. If an applicant is taking over an operation and the operation will remain substantially unchanged, the assessment may consider the most recent 3 years of production data for the existing operation.

G Historical Performance (Continued)

<u>Financial Data</u>. The initial assessment must include and evaluate at least the last 3 years of financial data for the farm or applicant. The applicant has the discretion to provide up to the last 5 years of financial records. Financial data can be gathered from tax returns, applicant records, or FSA records. If an applicant is taking over an operation and the operation will remain substantially unchanged, the assessment may consider the most recent 3 years of financial data for the existing operation, if available, along with the applicant's own living expenses.

Trend analysis must use comparable data for each year. For example, a trends analysis using balance sheets can be done properly only when the balance sheets from different years are "as of" approximately the same dates. Even though the balance sheets may not be submitted on, for example, December 31, 2XXX, the balance sheet may still be prepared "as of" that date.

The initial assessment must evaluate the current management and use of financial resources (income and credit), and how they contribute to or detract from the operation. The assessment shall determine how well financial resources are used in meeting goals and whether the applicant stays within the budget, considering the following:

- appropriateness of income sources
- adequacy of dedicated resources
- appropriateness of credit use
- productivity levels as related to profitability
- effectiveness of income use
- existence of other income opportunities.

Numerous indicators based on actual performance must be considered red flags when analyzing an operation. For example:

- increasing expense-to-income ratio for several years and a large debt load without considerable nonfarm income, especially if the applicant has not suffered from natural disasters
- increasing current liabilities from year to year without corresponding increases in current assets, especially if the applicant has not suffered from natural disasters
- increasing trend in debt-to-asset ratio, while considering fluctuations in land values, the economy, and price levels
- declining working capital position
- declining repayment margins.

G Historical Performance (Continued)

The following illustrates how some financial indicators can alert the authorized agency official to potential problems or immediate concerns about the farming operation. For instance, an expense-to-income ratio that stays at 70 percent or higher for several years could indicate a potential problem. The same ratio at 80 percent or more coupled with minimal off-farm income is a cause for immediate concern.

Financial Indicator	Potential Problem	Immediate Concern
Expense-to-income	70 percent or more for	More than 80 percent with minimal
ratio (without interest)	several years	off-farm income
Increased accounts	Sudden increase in accounts	Accounts payable extended over
payable	payable	2 months without cash-generating
		assets/ receivable accounts
Liquidity	Ratio less than 1.5 to 1	Ratio less than 1 to 1
Solvency	Ratio of 60 percent or more	Ratio of 75 percent or more
Family living	Unsubstantiated estimates	Unsubstantiated estimates below
expenses	below \$20,000 for an	\$10,000 for an average family
	average family	

H Farm Operating Plan

[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a--* minimum, the:

(7) Farm operating plan.

--The initial assessment must include a balance sheet and provide a projected farm operating plan.--

A breakdown of per-acre expenses by commodity item is ideal when developing a plan of action regarding operating expenses. Examining per-unit costs assists in identifying whether expenses are being applied properly toward those income-generating areas. A per-unit cost breakdown also is useful with livestock production.

[7 CFR 761.103(c)] For ML, the Agency will complete a narrative that will evaluate, at a minimum, the:

(2) Amount of assistance necessary to cover expenses to carry out the proposed farm operating plan, including building an adequate equity base;

I Training Plan

[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

--(9) Training plan.--

The authorized agency official must describe FSA's initial recommendations for borrower training. The recommendations must assist the applicant in addressing operational weaknesses. See 3-FLP, Part 18 for borrower training requirements.

 $[7\ CFR\ 761.103(c)]$ For ML, the Agency will complete a narrative that will evaluate, at a minimum, the:

(6) Training plan.

* * *

J Graduation Plan

[7 CFR 761.103(b)] Except for ML, the initial assessment must evaluate, at a minimum, the:

(10) Graduation plan, except for CL.

FLP's, except for CL, are designed to allow borrowers to transition to private commercial credit or other sources of credit in the shortest period of time practicable through the use of progression lending, including the farm assessment and:

- borrower training, 3-FLP, Part 18
- market placement, 2-FLP, paragraph 72
- •*--borrower graduation, 4-FLP, Part 2.--*

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.

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 Annual Review Process

See 4-FLP, Part 2 for annual review process.--*

* * *

B 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.

C 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 oversight 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.
- *--FSA 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 that contains the same information as required by FBP. 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. The instructions found in the Farm Business Plan User Guide must be followed to ensure proper documentation. The User Guide is located on the FSA FLP Intranet website under Software User Guides at

https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index.--*

* * *

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 loan making or loan servicing decisions will be based on:--

- a typical year's plan for existing farm operations or enterprises without changes
- accurate, verifiable, reliable, and realistic information for new enterprises.

[7 CFR 761.104(b)] An applicant or borrower may request Agency assistance in developing the farm operating plan.

Applicants will be encouraged to obtain technical assistance. Sources of technical assistance include Extension Service, Land Grant Universities, State Programs, USDA 2501 grant recipient organizations and institutions, and private consultants.

[7 CFR 761.104(c)] The farm operating plan will be based on accurate and verifiable information.

Poultry or hog production contracts are the basis of grower income and facility value. The dependability of production contracts has a profound impact on the prospect for loan repayment. "Flock-to-flock" or "turn-by-turn" type arrangements alone may not be a dependable source of income or a reasonable projection of income for poultry or hog applicants who do **not** have current financial performance history with FSA.

Note: For contract income to be considered dependable, the contract must:

- be for a minimum period of 3 years
- provide for termination based on objective "for cause" criteria only
- require that the grower be notified of specific reasons for cancellation
- provide assurance of the grower's opportunity to generate income to ensure loan repayment, by incorporating requirements, such as a minimum number of flocks or turns per year, minimum number of bird or hog placements per year, or similar quantifiable requirements.

A General (Continued)

Applicants requesting loans to expand their poultry or hog operation by adding more houses/barns or purchasing additional land to increase the size of the poultry or hog operation, and who **are** presently indebted to FSA, will be required to have a contract with a minimum 3-year term. The contract must at least cover the facilities financed with the FSA loan. When contract income **cannot** be determined to be dependable and likely to continue, that is **cannot** be used to reasonably project future income, the authorized agency official shall:

- inform the grower of the contract provisions that result in the determination
- provide an opportunity for the submission of a revised contract before a final decision on the request.

Note: Whenever possible, loan requests should be approved subject to modification of unacceptable contract provisions.

[7 CFR 761.104(c)(1)] Historical information will be used as a guide.

The authorized agency official will review the farm operating plan to ensure that it is reasonable, relative to historical performance and local practices and conditions.

--To report past yields, documentation, such as operator's sales receipts, financial statements, contracts, and tax returns, may be used by applicants whose operations' past yields do not provide pertinent information for the projected plan. Such operations include vegetable operations in which different crops are grown to meet changing market demands, operations that produce crops using measures such as rows or partial row instead of acres, or operations that grow crops that sell in volumes, such as bunches. For such operations, past reliable history of income and expenses or cash receipts may be used to project the field, greenhouse, or operations' production revenue.--

[7 CFR 761.104(c)(2)] Positive and negative trends, mutually agreed upon changes and improvements, and current input prices will be taken into consideration when arriving at reasonable projections.

The impact of industry trends must be assessed when developing farm operating plans used in loan requests from poultry and/or hog growers, and can be based on standard production budgets developed by contractors, consultants, or extension specialists. While these budgets are accepted starting points, the authorized agency official must ensure that the farm operating plan reflects realistic performance assumptions for each individual situation, including but not limited to the following:

- increased input costs
- changes in unit numbers and weights
- increased idle time between flocks of poultry or turns of hogs
- other relevant factors that affect net income.

A General (Continued)

The impact of age, condition, and potential obsolescence of the facilities must be assessed for loans to purchase or refinance existing facilities. The farm operating plan must factor in any reduced efficiency as well as the potential costs for required modernization of existing facilities to comply with the contract's requirements.

[7 CFR 761.104(c)(3)] Projected yields will be calculated according to the following priorities:

- (i) The applicant or borrower's own production records for the previous 3 years;
- (ii) The per-acre actual production history of the crops produced by the farming operation used to determine Federal crop insurance payments, if available;

Notes: This does not mean that averages will be the projection used in every plan. Positive and negative trends will be considered when projecting production levels. The primary focus should always be on developing a realistic projection. If production has been increasing each year for the past 3 years, using the most recent year's production level or a higher level consistent with the trend will, in most cases, be the most realistic projection.

Conversely, if the trend is negative, the average may overstate production, and the most recent year's level is probably the most realistic projection. However, a higher production level may be projected if the negative trend is the result of disaster conditions, or if actions have been taken that will definitively reverse the trend.

Additionally, 3 years is the minimum years of records to be considered, if available. The applicant, at their discretion, can provide more than 3 years of records if these additional records provide a more realistic yield projection. The basis for the yield used should be adequately documented in FBP * * *.

When the production of a growing commodity can be estimated, that estimate must be considered in production projections.

- (iii)FSA Farm Program actual yield records;
- (iv) County averages;
- (v) State averages.

A General (Continued)

[7 CFR 761.104(c)(4)] If the applicant or borrower's production history has been substantially affected by a disaster declared by the President or designated by the Secretary of Agriculture, or the applicant or borrower has had a qualifying loss from such disaster but the farming operation was not located in a declared or designated disaster area, the applicant or borrower may:

- *--(i) Use county average yields, or state average yields if county average yields are not available, in place of the disaster year yields when the county or state average yields are realistic and reasonable compared to the applicant's actual non-disaster year yields, as determined by the agency approval official;--*
 - (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.

A General (Continued)

Pricing data for alternative production and marketing methods may be available from the following:

- NASS, through its 2008 organic production survey at http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/Organics/index.php
- AMS:
 - grain and foodstuffs at http://www.ams.usda.gov/mnreports/lsbnof.pdf
 - fruit and vegetables at http://www.marketnews.usda.gov/portal/fv
 - wholesale terminal markets at http://usdareports.com
- RMA provides price for organically grown commodities
- National Agricultural Library has resources available on sustainable and organic agriculture at http://afsic.nal.usda.gov/organic-production
- nonprofit organizations such as Rodale Institute's New Farm Organic Price Report
- local sources such as the State Department of Agriculture, farmers market organizations, State organic farmers and gardeners associations, roadside stand organizations, local retail outlets, and State universities.

Note: See Exhibit 28 for a guide to determining projected prices.

[7 CFR 761.104(e)] For MLs, when projected yields and unit prices cannot be *--determined as specified in paragraphs (c) and (d) of this section because the data is not available or practicable, other documentation from other reliable sources may be used to assist in developing the applicant's farm operating plan.--*

[7 CFR 761.104(f)] Except as provided in paragraph (g) of this section, the applicant or borrower must sign the final farm operating plan prior to approval of any loan or servicing action.

[7 CFR 761.104(g)] If the Agency believes the applicant or borrower's farm operating plan is inaccurate, or the information upon which it is based cannot be verified, the Agency will discuss and try to resolve the concerns with the applicant or borrower. If an agreement cannot be reached, the Agency will make loan approval and servicing determinations based on the Agency's revised farm operating plan.

A General (Continued)

If a loan making/servicing decision is based on a revised farm operating plan the applicant *--does not agree with, the authorized agency official will enter the plan on which the applicant does not agree in FBP along with the plan submitted by the applicant. The authorized agency official will document in FBP the differences in the plans and the fact that the loan--* making/servicing decision was based on a revised farm operating plan on which the applicant does not agree.

In FBP, the plans should be named such that it is clear which plan is the applicant's plan and which plan is developed by FSA.

B Consideration of New Enterprises

For new enterprises that are **not** a part of the applicant's history, the authorized agency official may use reliable sources, such as enterprise budgets from Extension Service and Land Grant Universities, as acceptable documentation to support the farm operating plan. Farm operating plans developed for new enterprises must use acceptable State or county average production levels. In addition, the local conditions (soil productivity, climate, etc.) that will affect the enterprise and current realistic income and expense information will be considered when State or county averages are used.

Note: Program loan cost contracting funds are available and may be used to procure technical assistance for applicants planning new enterprises if public sector institutions (Extension Service, State Government, Land Grant Universities, etc.) cannot provide the assistance necessary.

C Consideration of Farm Program Payments

The authorized agency official shall:

- determine whether the applicant has applied for and may be eligible to receive any type of program payment assistance
- contact CED to determine the type and amount of program payment assistance the applicant has received or can expect to receive during the period covered by the farm operating plan
- include typical program payments and subsidies that are included in the President's annual appropriations budget in the cash flow projection of the farm operating plan
- not include any:
 - disaster related payments in the cash flow projections of long range and/or typical year farm operating plans, as disasters and any related type of payment assistance are ad-hoc and are not considered typical for a farming operation
 - 1-time payment assistance appropriated as a result of special legislation by Congress and the President in the cash flow projections of long range and/or typical year farm operating plans, as 1-time payment assistance is not considered typical for a farming operation.--*

*--243 Revising Farm Operating Plans

A Revising Plans

The authorized agency official and the applicant or borrower must revise the farm operating plan when changes occur in the farming operation or in the planned or actual use of loan funds. Any revisions made to the plan must be circled, dated, and initialed by the borrower and the authorized agency official. If major revisions cannot be accommodated in the original farm operating plan, a new plan must be completed and attached to the original. This new plan must be labeled, "Revision I, II, III," etc. to reflect the latest revision under consideration.

B FSA Responsibility for Revisions

The authorized agency official will meet with the applicant or borrower to discuss, date, and sign the revised farm operating plan. The revised plan must be placed in the applicant's or borrower's file and followup actions posted to DLS. The authorized agency official will provide a copy of the revised farm operating plan to the applicant.--*

244-246 (Withdrawn--Amend. 67)

247-250 (Reserved)

251 Overview

A CONACT Requirements

--CONACT requires FSA to establish a plan to encourage each borrower to graduate to private commercial credit or other sources of credit. FSA uses the borrower account classification system to identify borrowers with the best potential to obtain commercial credit, except CL. See 4-FLP, Part 2 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. See the Farm Business Plan User Guide at https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index for guidance on completing the classification. 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, Part 2.--*

Before an account is identified as "Currently Not Collectible (CNC)", the current classification will be reviewed.

251 Overview (Continued)

C When Classification Is Required (Continued)

- Accounts which have not been previously classified, or those with a classification score of 1 or 2 will be assigned a score of "5," "Not Classified" using the D-Loan/Special Classification Credit Action.
- Accounts previously scored 3, 4, or 5 will not be reclassified prior to CNC.

CNC accounts returned from cross servicing are not required to be classified.

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, Part 2.--*

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://fsadw.nitckc.usda.gov/analytics to monitor classifications. This report identifies the classification category and date for the most recent classification for each borrower. When a new classification is completed in FBP, the authorized agency official must update the Classification Review Workflow in DLS as soon as it is possible to do so.

252 Borrower Account Classification System

*--A Calculating Account Classifications

Borrower account classifications are completed using the most current balance sheet and income/expense statements available. FBP calculates the financial indicators used in the classification analysis and assigns a score for the 4 ratios addressed in subparagraphs B through E. A weighted percentage of each score is used to obtain the total overall score that determines the account's classification according to subparagraph F.

B Current Ratio (Liquidity)

This ratio indicates the extent to which current farm assets, if liquidated, would cover current farm liabilities.

FBP calculates the current ratio as follows.

Current Ratio = Total current farm assets ÷ 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.

Debt to Asset Ratio = Total farm liabilities ÷ Total farm assets.

Debt to Asset Ratio	Score
40 or less	1
40.01 to 69	2
69.01 to 99	3
99.01 or greater	4

--*

Borrower Account Classification System (Continued)

*--D Return on Assets Ratio (Profitability)

This ratio measures the rate of return on farm assets and is often used as an overall index of profitability.

FBP calculates the return on assets ratio as follows.

Return on Assets Ratio = Net farm income from operations + Farm interest expense – Owner withdrawals ÷ Total farm assets.

Note: FBP calculates net farm income from operations as follows.

Net farm income from operations = Total operating income – Purchases for resale – Total operating expenses.

Return on Assets Ratio	Score
7 or greater	1
3.6 to 6.99	2
0.01 to 3.59	3
0 or less	4

E TDCLC Ratio (Repayment Capacity)

This ratio measures the operation's ability to cover all term debt and capital lease payments.

FBP calculates TDCLC ratio as follows.

TDCLC Ratio = Net farm income from operations + Non-farm income + Depreciation expense + Term debt/capital lease interest – Income tax expense – Owner withdrawals – Non-farm expense ÷ Term debt/capital lease annual principal/interest payments.

TDCLC Ratio	Score
1.15 or greater	1
1.08 to 1.14	2
1.00 to 1.07	3
0.01 to 0.09	4
-0.01 to 0	1
-0.02 or less	4

__*

252 Borrower Account Classification System (Continued)

F Account Classification

A weighted percentage of the score for each of the 4 measures of financial performance and operation stability identified in subparagraphs B through E, are used in the FBP to calculate the total overall score.

Total Overall Score = weighted current ratio score + weighted debt to asset ratio score + weighted return on assets ratio score + weighted TDCLC ratio score.

The following table provides the borrower account classification based on the total overall score.

Total Overall Score	Classification	Classification Category
1 to 1.59	1	Commercial
1.6 to 2.19	2	Standard
2.2 to 2.79	3	Acceptable
2.8 to 4	4	Marginal

* * *

253-260 (Reserved)

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 progression lending plan and oversight. It also provides an opportunity to modify the progression lending plan and 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 as part of the operational review under 4-FLP, Part 2.--

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 authorized agency official will obtain the borrower's actual production data and financial data for the most recently completed year and compare the actual data to the projections. See 4-FLP, paragraph 22.
- The borrower and the authorized agency official will determine and document the reasons for variances from the projections.--*
- 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.

* * *

262 Preparing for the Year-End Analysis

* * *

*--A Before the Appointment

* * *

*--YEA will be completed as part of the operational review under 4-FLP, Part 2. Request for Operational Review Information (4-FLP, Exhibit 20) will be sent to request current information.

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.

B Documenting Year End Analysis

When the authorized agency official determines that YEA will be required according to subparagraph 263 A, a full Operational Review workflow will be completed in DLS.--*

* * *

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) Is being considered for a new direct loan or subordination;

*--Notes: See 4-FLP, subparagraph 116 B

Only existing borrowers are subject to a YEA when they are being considered for a new subsequent direct loan. This is not a requirement for a new applicant.--*

- (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, in which case the review will be completed at least every 2 years.
- *--Completion of YEA is mandatory for any borrower meeting the criteria above. A "Full Operational Review" workflow must be completed upon determination that a borrower meets any requirement 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.

263 Minimum Requirements of the Analysis (Continued)

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.

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*--See 4-FLP, paragraph 22.--*
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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 progression lending plan
- 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' 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 Loanmaking
- Direct Loan Servicing.
- Guaranteed Loan Programs.

*--Note: This area includes both guaranteed loan making and servicing.

C Objectives--*

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.

A Administering FLPRA Reviews

FLPRA reviews will be administered and the results reported both at the State Office and National Office levels. The National Office and State Offices can access the FSA Intranet at http://intranet.fsa.usda.gov/fsa/ to obtain guides detailing the process to complete the reviews according to the following.

Step	Action
1	On the FSA Intranet Home Page, under "Resources", CLICK "FSA Applications".
2	On the FSA Applications Page, CLICK "Farm Loan Programs Systems".
3	On the Farm Loan Programs Systems Home Page, under "Informational Links",
	CLICK "Manuals" and CLICK "FLPRA National Office Review Process Guide"
	or "FLPRA State Office Review Process Guide", as applicable.

B State Office Review Responsibilities

State Offices will be required to complete FLPRA reviews as follows:

- States with 9 or more FLP Service Centers will be required to review a minimum of 20 percent of the Service Centers each year, with all Service Centers being reviewed at least once every 5 years
- States with 8 or fewer FLP Service Centers will be required to conduct at least 1 Service Center each year, with all Service Centers being reviewed at least once every 5 years
- •*--any Service Center with a review score of 4 or 5 in Program Objectives, Program Management, 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 FLPRA State Office Review Process Guide, Exhibit 2. Reports for each FLP Service Center will include FLPRA 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 FLPRA system within 30 calendar days of completing the review
- documented in the comment box provided to support the scores reported
- input in the automated FLPRA system no later than January 15.

B Annual Report

No later than February 1, each State Office will submit the annual FLP4 Report using the template provided in the State Office Review Process Guide, Reports Section, by e-mail to *--SM.FSA.DCWa2.FLPRA.--*

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 POAD Action

Upon receiving a State's risk mitigation plans, POAD 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://intranet-apps.fsa.usda.gov/flp/IndexServlet.--

DDORS may also be accessed at https://wdcprod80.sc.egov.usda.gov/Ddors/homepage.aspx.

Note: See Exhibit 36 for detailed instruction on accessing DDORS.

B System Access (Continued)

Users who need access to DDORS should contact their State DDORS Administrator. The authentication and authorization of users is made using USDA's eAuthentication application.

To access DDORS users must have the following:

- valid eAuthentication ID and password
- eAuthentication Level 2 account
- authorized access by the DDORS Administrator.

C Report Statuses

Report Status will be as follows:

- "Archived", Service Center closed during FY
- "Not Started", the report is empty and can only be accessed by DD
- "In Progress", the report is partially completed
- "Submitted", the report was completed and certified before its due date
- "Auto-Submitted", the report was not certified before its due date. The report may be partially completed or empty.

Note: "Submitted" and "Auto-Submitted" reports cannot be modified; however, pending action items can be followed up and closed.

D Service Center Progress Reports

Progress reports provide counts of "Not Started", "In Progress", "Submitted", and "Auto-Submitted" oversight reports that are in the State and in each district.

E Reporting Timeframes

The first quarter report:

- •*--will be available for completion in DDORS starting December 1 and ending on--*
 January 31
- should reflect first quarter data gathered between October 1 and December 31
- is comprised of quarterly review items, additional review items, and certification.

E Reporting Timeframes (Continued)

The second quarter and first semi-annual report:

- will be available for completion in DDORS starting February 1 and ending on April 30
- should reflect:
 - second quarter data gathered between January 1 through March 31 for quarterly review items
 - data gathered between October 1 through March 31 for the first semi-annual review items
- is comprised of quarterly review items, first semi-annual review items, additional review items, and certification.

The third quarter report:

- will be available for completion in DDORS starting May 1 and ending on July 31
- should reflect third quarter data gathered between April 1 and June 30
- is comprised of quarterly review items, additional review items, and certification.

The fourth quarter, second semi-annual, and annual report:

- will be available for completion in DDORS starting August 1 and ending on *--November 30--*
- should reflect:
 - fourth quarter data gathered between July 1 and September 30 for quarterly review items
 - data gathered between April 1 and September 30 for the second semi-annual review items
 - data gathered between October 1 at the beginning of FY through September 30 at the end of FY to complete the annual review items

*--E Reporting Timeframes (Continued)

• is comprised of quarterly review items, second semi-annual review items, and items, additional review items, and certification.

Notes: The quarterly report that corresponds to the current reporting period will be displayed when DD selects the link for the Service Center to be reviewed from the DDORS Home Page.

Results for all review areas corresponding to each quarter will be captured when the report is submitted or auto-submitted by DDORS when the reporting period has ended.

Oversight reports are locked when DD submits the report or after the due date. DDORS does not allow anyone to add, modify, or delete review information.

F Action Items

An action item is a note attached to a review area, a review record, or a review item in an oversight report. Action items allow users to document concerns and issues about oversight reviews.

DD's are highly encouraged to use action items to bring awareness to the Service Center and State Office, of problems and deficiencies discovered during the oversight review.

Only DD or proxy assigned to an oversight report can add action items to and close action items in the report. DD or proxy can add an action item anytime before submitting the report.

After an oversight report is submitted or auto-submitted, any DDORS user who can view a report can also followup on action items in the report by adding their own comments. Users can add followup comments to an action item until it is closed by DD or proxy.

Follow this table to add comments to a pending action item.

Step	Action
1	Go to the review area, review record, or review item with the pending action item.
2	CLICK " Follow up pending action item".
3	CLICK "Add Follow-Up Comments".
4	Enter followup comments in the box.
5	CLICK "Save Follow-Up".
6	CLICK "Save Follow-Up".

__*

*--G User Roles

There are 6 user roles, as follow. User's role will be displayed under "DDORS Menu", under user's name.

Example: If user is an administrator, then "Administrator" will be displayed under "DDORS Menu", under user's name.

National User Role

National users are DAFLP, Assistant DAFLP, Directors, Deputy Directors, FLPRA review teams, and national administrators. A national user role allows users to:

- view in progress, submitted, and auto-submitted oversight reports for all Service Centers
- followup pending action items in submitted and auto-submitted reports by adding followup comments.

For all States, national administrators can:

- manage:
 - proxy assignments
 - specialist assignments
 - user accounts
- assign user roles in 1 State to another State.

Example: DD in Maryland needs to manage a district in Delaware. National administrator can make the assignment.--*

*--G User Roles (Continued)

• State User Role

State users may include SED's, FLC's, FLS's, COR's, or State administrators. A State user role allows users to:

- view-only, in progress, submitted, and auto-submitted oversight reports for specified Service Centers
- followup pending action items in submitted and auto-submitted reports by adding followup comments
- act as a proxy for DD, if assigned
- act as specialist, if assigned to a Service Center.

State administrators:

- can activate or deactivate user accounts
- can assign and manage proxy and specialist assignments
- are limited to assigning user roles for Service Centers and districts within their State.

District User Role

DD's are assigned by the State administrator:

- to the districts that he or she manages
- read-only access to oversight reports from another district, as determined by the State Office
- a floating DD role to act as a proxy for other DD's.

A district user role allows users to:

- complete and edit oversight reports for their Service Centers
- add action items to their oversight reports
- followup and close pending action items in their reports.--*

*--G User Roles (Continued)

• Service Center User Role

Service Center user role allows users to:

- view submitted and auto-submitted oversight reports for their Service Center
- followup pending action items in submitted and auto-submitted reports by adding followup comments.

• Proxy User Role

Proxy user's:

- are temporarily assigned to a Service Center to manage its oversight reports
- can complete, certify, and submit oversight reports for the assigned Service Center
- can followup and close the assigned Service Center's action items.

Proxy assignments are terminated if DD's district assignment changes or if DD or proxy's account is inactivated.

Note: During the time period a proxy is assigned to a Service Center, DD can view, but cannot edit, the Service Center's oversight reports.

• Specialist User Role

Specialist users are State users who are assigned to work on a Service Center's oversight report along with DD or proxy. Specialist users can add and modify review information anywhere in the oversight report.

Specialist users cannot:

- delete review records added by others
- add new action items or close existing action items
- certify (sign) or submit oversight reports.--*

443 Responsibilities

A DD Responsibilities

See Exhibit 36 for detailed guidance on completing the oversight report online and creating *--various FLP Data Mart 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 FLPRA process. Reports for each FLP Service Center within a State shall be reviewed to ensure that:

- consistent oversight reviews are being conducted by DD's in the State
- SED's and FLC's are monitoring and addressing any deficiencies or apparent problems identified by DD's.

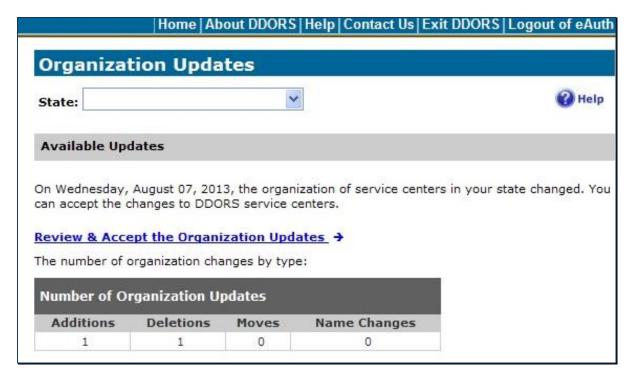
444 DDORS Organization Updates

A About Organization Updates

The MRT database is the system of record for all organizational data in DDORS. State *--Offices must submit FSA-2125 to DCIB to add, delete, or move Service Centers and/or--* districts. These changes are processed in the PLAS database that populates MRT.

Each Tuesday evening, DDORS searches MRT for changes. Any changes found will flow into DDORS and become organization updates.

DDORS automatically generates an e-mail to the State DDORS administrator when changes have been found, alerting the State DDORS administrator that the pending changes are ready for review and acceptance. The e-mail includes a hyperlink to the DDORS Organization Updates Screen for quick and easy access.



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 "Organization Updates".				
2	From "State" drop-down list, select a State if user has access to more than 1 State.					
	IF organizational updates are	THEN the				
	available	"Available Updates" section will be displayed.				
	not available	"Current DDORS Organization Structure"				
		section will be displayed.				
3		lisplayed, CLICK "Review & Accept the				
	Organization Updates" link.					
4	·	changes to Service Centers and districts.				
5	If changes within a district require a	a new DD assignment:				
		Change the DD" link for the district				
	• select another DD or the "Abser	nt District Director" option and CLICK "Save".				
6	1	ntly assigned to the Service Center" link to				
	determine which, if any, users are a	ffected and need to be reassigned.				
	If users need to be reassigned, do the	ne following:				
	if users need to be reassigned, do tr	ic following.				
	• print the user assignment inform	nation on the "Users currently assigned to the				
	Service Center" window	·				
	• using the "User Management" module that is accessed by clicking "Home"					
	1 1 0	d then under "Menu", clicking "User				
	Management", find and modify					
7	CLICK "Accept Organization Up	dates" 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

This table lists the required reports of this handbook.

Reports Control		Reporting		Negative	
Number	Title	Period	Submission Date	Reports	Reference
FLP4	FLPRA Annual	Annually	By February 1 each	Required	403
	Report		year		
FLP5	SBA Review	Annually	By October 31 each	Not Required	103
	Report	_	year	_	

Forms

This table lists all forms referenced in this handbook.

		Display	
Number	Title	Reference	
CCC-10	Representations for Commodity Credit Corporation		Ex. 36
	or Farm Service Agency Loans and Authorization		
	to File a Financing Statement and Related		
	Documents		
CCC-257	Schedule of Deposit		Ex. 36
FmHA 2006-21	Information Systems Management (ISM) Request		52
	for Changes to User Documentation		
FD-258	Fingerprint Chart		Ex. 41, 42,
			43, 44
Form-1004	Uniform Residential Appraisal Report (Fannie		Ex. 42
	Mae)		
Form-1007	Square Foot Appraisal Form (RD or CoreLogic		Ex. 41, 42
	Marshall & Swift)		
FSA-13-A	Data Security Access Authorization Form		53, 54, 56,
			166, Ex. 36
FSA-137	Address Information Request		46
FSA-159	Request for Supplies, Forms, and/or Publications		Ex. 17
FSA-603	Collection Register for State and County Offices		Ex. 36
FSA-850	Environment Screening Worksheet		Ex. 36
FSA-851	Environmental Risk Survey Form		Ex. 36
FSA-858	Determining if a Wetland May Be Present		222
FSA-2001	Request for Direct Loan Assistance		44, 47, 48,
			Ex. 36
FSA-2028	Security Agreement		Ex. 36
FSA-2040	Agreement for Use of Proceeds and Security		262, 263,
			Ex. 7, 36
FSA-2045	Record of the Disposition of FSA Security/Release		Ex. 36
	of Proceeds		
FSA-2065	Annual Statement Loan Account		5, 49, 52

Forms (Continued)

N. I	TD: (1	Display	D. C
Number	Title	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		28
	Questionnaire		
FSA-2120	Moratorium Notice		41
FSA-2121	Termination of Moratorium		41
FSA-2125	Farm Loan Program County Information File Changes		46, 444
FSA-2127	Request for CED FLP Loan Approval Authority		25
FSA-2128	Program Loan Cost Expense (PLCE) Request		Text
FSA-2129	Microloan Making File Review Questionnaire		28
FSA-2140	Deposit Agreement		101, 102,
			Ex. 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-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		Ex. 13.5
[Appeal Hearing in Suspension		

Forms (Continued)

		Display	
Number	Title	Reference	Reference
FSA-2199	Claimants With Closed Settlement Claims With Appeal Hearing in Suspension		Ex. 13.5
FSA-2201	· · ·		43, 47
FSA-2211	Lender's Agreement		
	Application for Guarantee		44, 47, Ex. 36
FSA-2212	Preferred Lender Application for Guarantee		44, 47, Ex. 36
FSA-2232	Conditional Commitment		Ex. 7
FSA-2234	FSA Review of Lenders Evaluation of Collateral		143
FSA-2235	Loan Guarantee		143, Ex. 7
FSA-2241	Guaranteed Farm Loan Status Report		61
FSA-2242	Assignment of Guarantee		Ex. 7
FSA-2248	Guaranteed Farm Loan Default Status Report		61
FSA-2292	Guaranteed Loan Processing Checklist		Ex. 36
FSA-2301	Request for Youth Loan		44, 47, 48
FSA-2304	Notice of Incomplete Application		Ex. 36
FSA-2305	Second Notice of Incomplete Application		Ex. 36
FSA-2306	Notice of Application Withdrawal/Pending		Ex. 36
	Withdrawal		
FSA-2307	Notice of Complete Application		Ex. 36
FSA-2308	Notice of Eligibility for FSA Assistance		Ex. 36
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		5
	Eligible to be Referred to Treasury for		
	Cross-Servicing		
FSA-2722	Update to TOP and Cross-Servicing Information		5

Forms (Continued)

		Display	
Number	Title	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		5
	Payments		
IRS 1099-INT	Interest Income		5
OF-347	Order for Supplies and Services		165
RD 1922-15	Administrative Appraisal Review for Single Family		143
	Housing		
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.

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	167, 171
ACIF	Agricultural Credit Insurance Fund	163
ACOR	Appraisal Compliance Oversight Review	143
AD, POAB	FBC, Acquisition Division, Policy, Oversight, and Accountability Branch	161
ADR	alternative dispute resolution	42
AMC	appraisal management company	141
ARMP	Agency Representative for Micro-Purchase	141, Part 7
ARRA	American Recovery and Reinvestment Act of 2009	28, 163, Ex. 16
APOC	Appraisal Point of Contact	Text, Ex. 2, 40-44, 60, 62
AQB	Appraisal Qualification Board	146
AS	Agricultural Specialist	23, 26, Ex. 7
BIR	Business Information Report	48
BOB	Budget Oversight Branch	171
BOPR	Borrower Property Table	166
BP	Business Partner	44, 46
BPA	Blanket Purchase Agreement	161, 162, 165, 166
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, 16

Abbreviations Not Listed in 1-CM (Continued)

Approved		D. C
Abbreviation	Term	Reference
CMT	Constant Maturity Treasury	Ex. 17
CMVB	current market value buyout	23
CNC	currently not collectible	251, Ex. 5, 13, 13.5
CO	Contracting Officer	141, 166, Ex. 41-44, 60, 69
CONACT	Consolidated Farm and Rural Development Act	1, 21, 29, 142, 251
CPA	Certified Public Accountant	Ex. 26
CSA	community supported agriculture	242, Ex. 28
DATA	Digital Accountability and Transparency Act	Part 7
DCIB	Debt Collection Improvement Branch, RD Business Center	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, 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
FAIN	Federal Award Identification Number	66
FaSB	Farm Services Branch, RD Business Center	5, 41, 52
FAR	Federal Acquisitions Regulation	141, 161, 162, 165, 166, Ex. 2, 61
FBC	Farm Production and Conservation Business Center	Text
FCAO	Farm Credit Applications Office	49
FHP	Farm and Home Plan	Ex. 5
FLOTRACK	Farm Loan Officer Trainee Tracking System	25
FLPIDS	Farm Loan Programs Information Delivery System	56
FLPRA	Farm Loan Programs Risk Assessment	401-403, 443, Ex. 36
FmHA	Farmers Home Administration	52, Ex. 5
FMMI	Financial Management Modernization Initiative	161-171
FPAC	Farm Production and Conservation	161, 163, 168
FPDS-NG	Federal Procurement Data System -New Generation	168
GCB	Guaranteed Commercial Branch, Servicing Office	5, 50, 52
IAS	Integrated Acquisition System	168, Ex. 21-22
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. 16
LR	limited resource	223, 261, 263, Ex. 16
LRS	Loan Resolution Specialist	23, 26, Ex. 7

Abbreviations Not Listed in 1-CM (Continued)

Approved	_	
Abbreviation	Term	Reference
ML	microloan	222, 242, Ex. 16
MRT	Master Reference Table	444
NATS	National Appraisal Tracking System	Text
OA	Office of Adjudication	41
OTI	Opportunity to Improve Plan	25
PAC	Program Authority Code	163, 166, 168
POA	Policy Oversight and Accountability	161, 162, 163, 167
PARLC, LAO	Policy, Accounting, Reporting, and Loan Center,	169
(FFIS Team)	Loan Accounting Office	
PCA	Production Credit Association	Ex. 18
PIID	Placeholder Procurement Identification Number	162, 168
PIP	Performance Improvement Plan	25
PLP	Preferred Lender Program	29, 43, Ex. 5, 36
PLS	Primary Loan Servicing	23, 25, 27, 29, 42, 144,
		Ex. 5, 36
PLV	potential liquidation value	142, Ex. 40
POAD	Program Operations and Appraisals Division	Text, Ex. 40
PPA	Post payment adjustment	161
PRB	Programs Report Branch, RD Business Center	5
PVND	Term in the FMMI User Guide representing the	165
	creation of a vendor record	
RCN	replacement cost new	Ex. 51
REO	real estate owned	Ex. 40
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, Ex. 5, 36
SLR	Security Liaison Representative	53
SOW	Statement of Work	141, 142, 143, Ex. 40-44,
		64, 69
SRA	supervisory review appraiser	4, 141-143
TC	transaction code	46, 49, 50, 52, 164, 169
	VIWIDWEVIOII COMO	10, 17, 50, 52, 101, 107

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
TDCLC	term debt capability lease coverage	252
TI	treasury in transit	169
TPOC	Technical Point of Contact	162, 166, 167, 168,
TR	treasury reversal	169
TY	payment voucher transaction	161, 165-169
UAAR	Uniform Agriculture Appraisal Report	142
USPAP	Uniform Standards of Professional Appraisals	Ex. 40
	Practice	
WP	Western Pacific	5
YEA	year-end analysis	162, 201, 251, 261-263,
		Ex. 26, 36
ZMY	Obligating document or purchase order created	161, 163, 165-166, 168 169
	in FMMI.	

Redelegations of Authority

--The following provides authorities SED's may redelegate. A new redelegation of authority must be completed when the permanent SED changes. Redelegations of authority are not required when an employee is serving in an acting SED capacity.--

	Redelegate to				
Authority	FLC	FLS	DD	FLM	SFLO
SED's loan approval authority:	X	X	X		
• approve subordinations, or release and refiling	X	X	X		
lien instruments instead of subordinations					
approve severance agreements	X	X	X		
approve surface leases for farm property no	X	X	X		
longer in use (such as old barns) or for nonfarm					
purposes (such as wind turbines,					
communication towers, or other similar					
installations)					
approve transfer and assumption	X	X	X		

Redelegations of Authority (Continued)

	Redelegate to				_
Authority	FLC	FLS	DD	FLM	SFLO
waive real estate appraisal (requirement for CMVB when chattel security appraised value exceeds total debt)	X	X	X		
• approve PLS where the borrower (or any entity member) has received PLS two or more times in the previous 5 years	X				
• reject debt settlement requests when debtors do not provide all necessary documentation or information	X	X	X	X	X
• cancel delinquent debt settlement adjustment agreement.	X	X	X	X	X

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

- approve any action that will result in a loss to the Government
- approve voluntary conveyance
- 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.

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 USPAP.

Adversely Affect

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

Agency

Agency is the FSA.

Agency Official

The <u>agency official</u> is any employee with the agency. This term is used when the action does not require inherent or delegated authority.

Appraisal Compliance Oversight Reviews (ACOR)

<u>Appraisal Compliance Oversight Reviews</u> are internal quality control reviews of the agency's administrative review function and appraisal/technical review requirements.

Appraisal Point of Contact (APOC)

The <u>appraisal point of contact</u> is 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 FPAC 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 <u>approval official</u> is the specific employee who has the authority to approve or deny the described action.

Authorized Agency Official

The <u>authorized agency official</u> is the FSA official that is authorized to perform specific tasks *--related to loan making or loan servicing. The appropriate official is determined by inherent--* authorities or delegations applicable to a particular task.

Beginning Farmer

Beginning farmer is an individual or entity who:

- (1) Meets the loan eligibility requirements for a direct or guaranteed CL, FO, or OL, as applicable;
- (2) Has not operated a farm for more than 10 years. This requirement applies to all members of an entity;
- (3) Will materially and substantially participate in the operation of the farm:
- (i) In the case of a loan made to an individual, individually or with the family members, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm, consistent with the practices in the county or State where the farm is located.
- (ii) In the case of a loan made to an entity, all members must materially and substantially participate in the operation of the farm. Material and substantial participation requires that the member provide some amount of the management, or labor and management necessary for day-to-day activities, such that if the individual did not provide these inputs, operation of the farm would be seriously impaired;
- (4) Agrees to participate in any loan assessment and borrower training required by Agency regulations;
- (5) Except for an OL applicant, does not own real farm property or who, directly or through interests in family farm entities owns real farm property, the aggregate acreage of which does not exceed 30 percent of the average farm acreage of the farms in the county where the property is located. If the farm is located in more than one county, the average 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 average farm acreage of the county where the major portion of the farm is located will be used. The average 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

<u>Best value</u> 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.
- *--For appraisals, the vendor must have previous experience in appraising similar properties in the same geographical area as described in the SOW or task order that adhere to USPAP.--*

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)

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

Conservation Plan

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).

Conservation Project

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

*--Down Payment Loan

<u>Down payment loan</u> is a type of FO loan made to beginning farmers and socially disadvantaged farmers to finance a portion of a real estate purchase under part 764, subpart E of this chapter.--*

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

<u>FSA</u> means Farm Service Agency, an Agency of the USDA, including its personnel and any successor Agency.

Graduation

<u>Graduation</u> means the payment in full of all direct FLP loans, except for CLs, made for operating, real estate, or both purposes by refinancing with other credit sources either with or without an Agency guarantee.

Loan Activity

Loan activity is any transactions processed in GLS, DLS or PLAS to a borrower's loan.

Microloan (ML)

<u>ML</u> is a type of OL of \$50,000 or less made under reduced application, eligibility, and security requirements.

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

PLCE Expenses

<u>PLCE expenses</u> are defined as financial transactions and procurement items.

Program Loans

<u>Program loans</u> include FO, CL, OL, and EM. In addition, for loan servicing purposes the term includes existing loans for the following programs no longer funded: SW, RL, EE, ST, and RHF.

Streamlined Conservation Loan

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

Supervised Bank Account

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

<u>Technical appraisal review</u> is a review of an appraisal to determine if such appraisal meets the requirements of USPAP pursuant to Standard 3 of USPAP.

Treasury Judgment Rate

The <u>treasury judgment rate</u> is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961).

Uniform Standards of Professional Appraisal Practice

<u>Uniform standards of professional appraisal practice</u> are standards governing the preparation, reporting, and reviewing of appraisals established by the Appraisal Foundation pursuant to the Financial Institutions Reform, Recover, and Enforcement Act of 1989.

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Menu and Screen Index

The following menus and screens are displayed in this handbook.

Menu or					
Screen	Title	Reference			
	Classification Review Workflow Report Screen	Ex. 36			
	Complete/Approved Application file reviews Screen	Ex. 36			
	DDORS Home Page				
	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)

Menu or		
Screen	Title	Reference
	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	Ex. 36
	Screen	
	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

Subparagraph	State Supplement
3 C	Guidance on notary acknowledgement.
3 D	Guidance on signature requirements.
* * *	* * *
29 D	Establish method and standards for raising the loan approval authority limits for FLM's and SFLO's who routinely show a higher than average loanmaking proficiency. Note: This State supplement must be submitted for preapproval.
141 F	Guidance on the process to request: chattel appraisal from a contract appraiser real estate appraisal.
141 J	Establish the method and standard needed to obtain appraisal services.
162, Exhibit 21 164 A 165 166 167 168	 Guidance on: PLCE transaction roles fund availability UCC filings and lien searches
171 F 166 B, 167 B, and 168 B	 noncontractuals micropurchases contractuals emergency PLCE checks document maintenance requirements.
242 A	 List of unit prices for all commodities produced in the State. 3-year history of disaster declarations by: county type of disaster incident period.

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	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 021-1		Request for Procedure	8-29-01
RD 021-1		Request for Procedure	12-31-07
FmHA 021-46		Procedure Notice	12-31-07
FmHA 070-1		A Program to Recognize the Farm Family of the	2-17-99
		Year of the FHA, USDA	
FmHA 102-1		Request for Check Delivery	12-31-07
FmHA 104-1		Public Information Transmittal and/or Receipt	4-16-99
RD 140-4	FSA-2071	Transmittal of Documents	
FmHA 160-3		Request for Travel Authorization or Amendment	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 336		Continuation Sheet	12-31-07
FSA-386	FSA-2202	Certified Lender Sticker	
FSA-386-1	FSA-2203	Preferred Lender Sticker	
FmHA 400-1		Equal Opportunity Agreement	12-31-07
FmHA 400-3		Notice to Contractors and Applicants	7-26-04
FmHA 400-4		Assurance Agreement	7-26-04
FmHA 400-6		Compliance Statement	7-26-04
FmHA 400-7		Compliance Review for Recreational Loans to	12-31-07
FmHA 400-8		Associations (FHA Borrowers)	7 26 04
RD 402-1	FSA-2140	Compliance Review	7-26-04
RD 402-1 RD 402-2	FSA-2140 FSA-2142	Deposit Agreement	
FmHA 402-6	FSA-2142	Statement of Deposits and Withdrawals	12-31-07
FIIIHA 402-0		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

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 432-1	FSA-2036	Farm Family Record Book	7-14-08
FmHA 432-1-,		FHP Supplement 1 - Money Received	8-22-07
Supp 1			
FmHA 432-1,		FHP Supplement 2 - Expenses Paid	8-22-07
Supp 2			
FmHA 432-1,		FHP Supplement 3 - Expense Distribution Codes	8-22-07
Supp 3			
FmHA 432-2		Five-Year Inventory Record	12-31-07
FmHA 432-10		Business and Family Record Book	12-31-07
FmHA 440-2		County Committee Certification or	7-24-02
		Recommendation	
FSA-440-2		Eligibility certification or recommendation	12-31-07
FmHA 440-4		Security Agreement (Chattels and Crops)	9-9-03
FSA-440-4A	FSA-2028	Security Agreement	
FmHA 440-8		Notice of Check Delivery	12-31-07
FSA 440-9	FSA-2027	Supplementary Payment Agreement	
RD 440-11		Estimate of Funds Needed For 3- Day Period	12-31-07
		Commencing	
FmHA 440-12		Acknowledgement of Payment for Recording,	12-31-07
		Lien, Search, and Releasing Fees	
RD 440-13	FSA-2360	Report of Lien Search	
FmHA 440-15		Security Agreement (Insured Loans to Individuals)	12-31-07
FmHA 440-21		Appraisal of Chattel Property	12-31-07
FSA 440-21	FSA-2160	Appraisal of Chattel Property	
RD 440-22		Promissory Note (Association or Organization)	12-31-07
FSA-440-25		Financing Statement	12-31-07
FmHA 440-A25		Financing Statement (Carbon-Interleaved)	12-31-07
FSA 440-26	FSA-2317	Consent and Subordination Agreement	
FmHA 440-29		Semiannual Labor Compliance Report	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 440-32		Request for Statement of Debts and Collateral	2-17-99
FSA-440-32	FSA-2015	Verification of Debts and Assets	
FmHA 440-34		Option to Purchase Real Property	12-31-07
FmHA 440-35		Acceptance of Option	11-17-03
FmHA 440-45		Nondiscrimination Certificate (Individual Housing)	12-31-07
FmHA 440-47		Statement of Account	12-31-07
RD 440-57A		Supplemental Installment Information	10-14-88
FmHA 440-58		Estimate of Settlement Costs	12-31-07
FSA 441-5	FSA-2361	*Subordination to the Government*	
FSA 441-8	FSA-2041	Assignment of Proceeds from the Sale of Products	
FmHA 441-10		Nondisturbance Agreement	12-31-07
RD 441-12	FSA-2318	Agreement for Disposition of Jointly Owned Property	
FmHA 441-13		Division of Income and Nondisturbance Agreement	12-31-07
FmHA 441-17		Certification of Obligation to Landlord	12-31-07
FSA 441-18	FSA-2042	Consent to Payment of Proceeds from Sale of Products	
FSA-441-25	FSA-2043	Assignment of Proceeds from the Sale of Dairy	
		Products and Release of Security Interest	
RD 442-2		Statement of Budget, Income and Equity	7-26-04
RD 442-3		Balance Sheet	7-26-04
RD 442-4		District Directors Report	7-26-04
RD 442-7		Operating Budget	7-26-04
RD 442-20		Right of way easement	12-31-07
RD 442-21		Right of way certificate	12-31-07
RD 442-22		Opinion of Counsel relative to rights of way	12-31-07
RD 443-16	FSA-2044	Assignment of Income from Real Estate Security	
FmHA 443-17		Agreement to sell nonessential real estate	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 449-23		Guaranteed Loan Evaluation Farmer Programs	12-31-07
RD 449-30	FSA-2254	Guaranteed Loan Report of Loss	
FSA-449-34	*FSA-2235*	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)	4-30-18
FmHA 451-26		Transaction Record	12-31-07
FmHA 451-27		Review of CollectionOnly Accounts	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
RD 455-1	FSA-2550	Report of Problem Case (Request for	
RD 455-22		Foreclosure/Legal Action)	
RD 1955-2			
FSA 455-2	FSA-2551	Evidence of Conversion, Fraud or Waste (Request	
		for Lack of Good Faith Determination/Legal	
		Action)	
FmHA 455-3		Agreement for Sale by Borrower (Chattels and/or	12-31-07
		Real Estate)	
FmHA 455-4	FSA-2571	Agreement for Voluntary Liquidation of Chattel	
		Security (Generic Version)	
FmHA 455-5	FSA-2572	Agreement of Secured Parties of Sale of Security	
		Property	
FSA 455-11	FSA-2070	Bill of Sale "B" (Sale by Private Party)	
FmHA 455-12		Bill of Sale "C" (Sale Through Government as	12-31-07
		Liquidating Agent)	
FSA 455-17	FSA-2490	Report on Deceased Borrower	
FmHA 455-21		Notice of Acceleration and Demand for Payment	7-8-98
RD 455-1	FSA-2550	Report of Problem Case (Request for	
RD 455-22		Foreclosure/Legal Action)	
RD 1955-2			
FmHA 460-1		Partial Release	2-13-02
RD 460-1	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,	Notice of Termination of Security Interest in Farm	
	Exhibit 27	Products	
FmHA 460-9		Assumption Agreement	12-23-96
FmHA 460-10		New Promise to Pay	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FSA 462-4	FSA-2465	Assignment, Acceptance, and Release (Wool and Mohair)	
FmHA 462-7 (State)		Continuation Statement (Generic Version)	12-31-07
FSA 462-11	4-FLP, Exhibit 28	Request for Continuation Statement Filing Fee	
FmHA 462-12		Statements of Continuation, Partial Release, Assignment, Etc.	12-31-07
FmHA 462-12 (State)		Continuation of Termination Statement	12-31-07
FmHA 462-14		Change in List of Farmers Home Administration Borrowers	5-18-04
		Note: Reinstated as Exhibit 30 to 4-FLP.	
RD 465-1	FSA-2060	Application for Partial Release, Subordination, or Consent	
RD 465-5	FSA-2476	Transfer of Real Estate Security	
FmHA 465-12 (State)		Quitclaim Deed	12-31-07
FSA-580	FSA-2580	Primary and preservation Loan Servicing Checklist	
FSA-581	FSA-2581	Review data for inequitable treatment	
FmHA 838-B		Invoice - Receipt Certification	12-31-07
FSA-838-C	FSA-2171	Substitute Invoice	
FSA-839	FSA-2172	Request for Emergency Payment	
FSA-845	FSA-2173	*Program Loan Cost Expense (PLCE) Vendor Code Request*	
FmHA 1007		Square Foot Appraisal Form	12-31-07
FmHA 1900-1		Request for Appeal of Adverse Action	7-8-98
FmHA 1902-7		Financial Institution Summary For CBS	7-8-98
FmHA 1905-1		Management System Card-Individual	12-31-07
FmHA 1905-4		Application and Processing CardIndividual	12-31-07
RD 1905-12		Monthly Expirations	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
RD 1910-5	FSA-2014	Verification of Income	
FmHA 1910-11		Applicant Certificate Federal Collection	9-9-03
		Policies For Consumer or Commercial Debts	
FmHA 1922-1		Appraisal Report - Farm Tract	10-99
FSA-1922-1 &	FSA-2161	Appraisal Report - Agricultural Tract	*6-30-21*
Addendum			
FmHA 1922-2		Supplemental Report-Irrigation Drainage,	10-99
		Levee, and Mineral	
FmHA 1922-3		Map of Property	4-12-00
& L3			
FmHA 1922-4		Township Plate Map	4-12-00
FmHA 1922-5		Appraisal Review	1-9-04
		Note: Reinstated as FSA-2166.	
FmHA 1922-6		Multiple Township Plat Map	4-12-00
FmHA 1922-8		Uniform Residential Appraisal report	4-12-00
FSA 1922-9	FSA-2162	Real Estate Sales Data	* 6-30-21
FSA 1922-10	FSA-2163	Supplemental Forms-Agricultural Appraisal	6-30-21
FSA 1922-11	FSA-2164	Appraisal for Mineral Rights	6-30-21*
RD 1922-12		Nonfarm Tract Comparable Sales Data	12-31-07
RD 1922-14		Residential appraisal review for SFH	1-9-04
FSA 1922-16	FSA-2165	Administrative Appraisal Review	
FSA-1922-17		Appraisal certification program semiannual	6-17-08
		report	
RD 1924-1	FSA-2150	Development Plan	
FmHA 1924-2		Description of Materials	12-31-07
FmHA 1924-3		Service Building Specifications	12-31-07
FmHA 1924-5		Invitation for Bid (Construction Contract)	12-31-07
FmHA 1924-6		Construction Contract	12-31-07
FmHA 1924-7		Contract Change Order	12-31-07
FmHA 1924-9		Release by Contractor	7-26-04
		Note: Reinstated as FSA-2154.	
RD 1924-10	FSA-2153	Release by Claimants	

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1924-11		Statement of Labor Performed	12-31-07
FmHA 1924-12		Inspection Report	12-31-07
FmHA 1924-13		Estimate and Certificate of Actual Cost	12-31-07
FmHA 1924-16		Record of Pre-Construction Conference	12-31-07
FmHA 1924-18		Partial Payment Estimate	12-31-07
FmHA 1924-19		Builder's Warranty	12-31-07
FmHA 1924-21		Notice of Expiration of First Year of Warranty	12-31-07
FSA 1924-22	FSA-2376	Borrower Training Course Evaluation	
FSA 1924-23	FSA-2371	Agreement to Complete Training	
FSA 1924-24	FSA-2375	Agreement to Conduct Production and Financial	
		Management Training for FmHA Borrowers	
FmHA 1924-25		Plan Certification	12-31-07
FmHA 1924-26		Cost Certification Worksheet	12-31-07
FSA 1924-27	FSA-2370	Request for Waiver of Borrower Training	
		Requirements	
FSA 1927-1D	FSA-2029-D	Real Estate Mortgage or Deed of Trust	
FSA 1927-1M	FSA-2029-M		
FmHA 1927-2		Transmittal of Form FmHA 1927-19/1927-20	12-11-96
RD 1927-4	FSA-2343	Transmittal of Title Information	
RD 1927-5	FSA-2351	Certification of Improvement of Property	
RD 1927-8	FSA-2319	Agreement With Prior Lienholder	
RD 1927-9	FSA-2344	Preliminary Title Opinion	
RD 1927-10	FSA-2352	Final Title Opinion	
FmHA 1927-11	FSA-2569	Warranty Deed (Generic Version)	
(State)			
FmHA 1927-12		Warranty Deed (Generic Version)	12-31-07
(State)			
RD 1927-15	FSA-2350	Loan Closing Instruction	
FmHA 1927-16		Notification of Loan Closing	7-8-98
RD 1927-19	FSA-2341	Certification of Attorney	
RD 1927-20	FSA-2342	Certification of Title Insurance Company	

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1940-1		Request for Obligation of Funds	6-21-05
FSA-1940-1	FSA-2313	Notification of Loan Approval	
	FSA-2025	Notification of Approval, Terms and	
		Conditions and Borrower Responsibilities	
FSA-1940-3	FSA-2231	Request for Obligation of Funds Guaranteed	
		Loans	
RD 1940-10	FSA-2072	Cancellation of U.S. Treasury Check and/or	
		Obligation	
FSA 1940-17	FSA-2026	Promissory Note	
FmHA 1940-18		Promissory Note for Softwood Timber Loans	12-31-07
RD 1940-20	(*)	Request for Environmental Information	*8-3-16*
RD 1940-21	(*)	Environmental assessment for Class I Action	* 8-3-16 *
RD 1940-22	(*)	Environmental Checklist for Categorical	* 8-3-16 *
		Exclusions	
FSA 1940-38	FSA-2310	Request for Lender's Verification of Loan	
		Application	
FmHA 1940-39		Declaration of Registrant	7-31-96
FSA-1940-40		Quarterly Declaration of Registrant	7-31-96
FmHA 1940-41		Truth in Lending Disclosure Statement	12-31-07
FmHA 1940-51		Crop-Share-Cash Farm Lease	12-31-07
FmHA 1940-53		Cash Farm Lease	12-31-07
FmHA 1940-55		Livestock-Share-Farm Lease	12-31-07
FmHA 1940-56		Annual Supplement to Farm Lease	12-31-07
RD 1940-59		Settlement Statement	12-31-07
FmHA 1941-1		Criteria for Continuing Assistance to	12-31-07
		Delinquent Borrowers	
FmHA 1942-9		Loan Resolution Security Agreement	7-26-04
RD 1942-14		Association Project Fund Analysis	3-19-03
RD 1942-46		Letter of Intent to Meet Conditions	7-26-04
FmHA 1943-2		Small Farmer Outreach Training and	7-26-04
		Technical Assistance Program (Evaluation)	
RD 1944-3		Budget And/Or Financial Statement	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1945-15		Value Determination Worksheet (EM Loans Only)	9-25-02
FSA 1945-22	FSA-2309	Certification of Disaster Losses	
FSA 1945-26	FSA-2311	Calculation of Actual Losses	
FmHA 1945-27		Report of Natural Disaster	12-31-07
FmHA 1945-29		ASCS Verification of Farm Acreage's, Production and Benefits	2-14-02
FmHA 1950-8		Double Post Card	7-8-98
RD 1951-6	FSA-2562	Borrower Account Description Flag	
FmHA 1951-7	FSA-2429	Request For Change In Application	
RD 1951-9	FSA-2065	Annual Statement of Loan Account	
FmHA 1951-12		Correction of Loan Account	12-31-07
FmHA 1951-13		Change in Interest Rate	12-31-07
FmHA 1951-14		Debt Set-Aside	7-8-98
FmHA 1951-14A		Full Debt Set-Aside Installment Information	7-8-98
RD 1951-15		Community Programs Assumption Agreement	7-26-04
FmHA 1951-16		Detail Report of Administrative Offsets	5-04
RD 1951-17		Consolidated Report of Administrative Offset	7-26-04
FmHA 1951-24		Result of Borrower Graduation Review	7-26-04
FmHA 1951-33		Reamortization Request	7-26-04
FmHA 1951-34		Direct Payment Plan Change	7-8-98
FSA 1951-39	FSA-2535	Conservation Contract	
FmHA 1951-39A		Grant of Easement	3-14-97
FmHA 1951-43		Adjustment of Accounts Referred for IRS Offset	9-14-01
FmHA 1951-44		Annual Review of District/County Collection /activities Concentration Banking System	10-28-03
FmHA 1951-46		Concentration Banking Uncollectible Item	10-28-03
FmHA 1951-47	FSA-2597	Farmer Programs-Noncash Credit for Purchase of Easement Rights	
FmHA 1951-48		Concentration Banking Daily Activity Report	10-28-03
FmHA 1951-49		Register Of Collections	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1951-54		Multiple Family Housing Annual Statement of	12-31-07
		Loan Account	
FmHA 1951-57		Request for loan summary statement	12-31-07
FmHA 1951-58		Basis for Loan Account Payment Application for Farmer Programs Loans	12-31-07
FmHA 1951-60		Field Office Remittance Reconciliation Report	12-31-07
RD 1951-61	FSA-2445	Control of Problem Case Correspondence	
RD 1951-62	FSA-2446	Explanation of Problem Case	
FmHA 1951-63		Delinquency Audit Worksheet	12-31-07
RD 1955-1	FSA-2570	Offer to Convey Security	
RD 1955-2,	FSA-2550	Report of Problem Case (Request for	
FmHA 455-1,		Foreclosure/Legal Action)	
FmHA 455-22			
FmHA 1955-3	FSA-2587	Advice of Property Acquired	
FmHA 1955-	FSA-2588	Acquired Property-Maintenance	
3A			
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,	Notice of Sale	
	Exhibit 70		
FmHA 1955-42		Open Real Property Master Listing Agreement	12-31-07
FmHA 1955-45	FSA-2593	Standard Sales Contract - Sale of Real Property By The US	
RD 1955-46	FSA-2592	Invitation Bid and Acceptance-Sale of Real Property by the US	

Old Form	New Form	TOTAL I	Date Made
Number	Number	Title	Obsolete
RD 1955-47	FSA-2596	Bill of Sale "A" (Sale of Government Property)	
RD 1955-49	FSA-2595	Quitclaim Deed	
FmHA 1955-50	FSA-2594	Advice of Inventory Property Sold	
FmHA 1955-62		Request for Contract Services for	12-31-07
		Custodial/Inventory Property or Program Services	
RD 1956-1	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 Use of Proceeds and Security*	
FSA 1962-3	4-FLP,	List of FmHA Borrowers	
	Exhibit 29		
FSA 1962-9	FSA-2450	Temporary Amendment of Consent to Payment of	
		Proceeds From Sale of Farm Products	
RD 1962-20	FSA-2576	Notice of Judgment	
FSA-1962-21	FSA-2574	Confirmed reorganization plan worksheet and	
and 1962-21A		cancellation of unsecured debt	
RD 1965-8	FSA-2080	Release From Personal Liability	
FmHA 1965-11		Accelerated Repayment Agreement	12-31-07
FSA-1965-13	FSA-2489	Assumption Agreement (Farm Loan Programs)	
RD 1965-14		Proof of Claim of the United States of America	12-31-07
		(Individual)	
FmHA 1965-15		Assumption Agreement	12-23-96

Old Form Number	New Form Number	Title	Date Made Obsolete
		1 1	Obsolete
FSA-1980-01	FSA-2291	Lenders Processing Checklist	
FSA-1980-02	FSA-2292	Guaranteed Loan Processing Checklist	
FSA-1980-03	FSA-2293	Annual File Review Checklist for SEL and	
		CLP Lenders	
FSA-1980-04		Annual File Review Checklist for PLP 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	7-26-04
		a Guaranteed Loan	
FSA-1980-07	FSA-2296	Guaranteed Loan Final Loss Review	
		Checklist	
FSA 1980-15	FSA-2232	Conditional Commitment	6-8-07
RD 1980-19	FSA-2236	Guaranteed Loan Closing Report	
FSA-1980-22	FSA-2233	Lender Certification	
FSA-1980-24	FSA-2222	Request for Interest Assistance Payment	6-8-07
FSA-1980-25	FSA-2211	Application for Guarantee	
FSA-1980-26	FSA-2261	Report On Collection Activities On	
		Liquidation Accounts	
FSA-1980-27	FSA-2235	Loan Guarantee	
FSA-1980-28	FSA-2212	Preferred Lender Application for	
		Guarantee	

Old Form Number	New Form Number	Title	Date Made Obsolete
FSA-1980-36	FSA-2242	Assignment of Guarantee	Obsolete
FSA-1980-37	FSA-2250	FSA Purchase of a Guaranteed Loan Portion	
FSA-1980-38	FSA-2201	Lenders Agreement	
FmHA 1980-40	1211 2201	Reverse A Report of Liquidation Expense	3-19-99
FSA-1980-41	FSA-2241	Guaranteed Farm Loan Status Report	0 13 33
FSA-1980-42	FSA-2243	Notice of Substitution of Lender	
RD 1980-43	FSA-2251	Lender's Guaranteed Loan Payment To USDA	
FSA 1980-44	FSA-2248	Guaranteed Loan Borrower Default Status	
RD 1980-45	FSA-2262	Notice of Liquidation Responsibility	
FmHA 1980-46		Report of Liquidation Expense	7-26-04
RD 1980-47	FSA-2247	Guaranteed Loan Borrower Adjustments	
FSA-1980-48	FSA-2249	Request for Restructuring Guaranteed Loans	
FSA-1980-49	FSA-2244	Guaranteed Loan Status Adjustment	
FmHA 1980-50		Add, Delete, or Change Guaranteed Loan Borrower Information	4-16-99
FmHA 1980-51		Add, Change or Delete Guaranteed Loan Record	7-26-04
FmHA 1980-52		Report Request	7-26-04
FmHA 1980-56		Guaranteed Loan Borrower Deferment	7-26-04
FmHA 1980-57		Reverse Guaranteed Loan Borrower Deferment	7-26-04
FmHA 1980-58		Interest Rate Buydown Agreement	7-26-04
FmHA 1980-59		Quarterly Delinquent/Problem Loan Report	10-29-97
FSA 1980-64	FSA-2221	Interest Assistance Agreement (Farmer Programs)	6-8-07
FmHA 1980-74		Application for Loan and Guarantee-Agricultural Resources Conservation Demonstration Program	12-31-07
FmHA 1980-75		Conditional Commitment for Guarantee- Agriculture Resource Conservation Demonstration Program	12-31-07
FmHA 1980-76		Lender's Agreement-Agricultural Resources Conservation Demonstration Program	12-31-07
FmHA 1980-77		Loan Note Guarantee-Agricultural Resource Conservation Demonstration Program	12-31-07
FmHA 1980-78		Interest Assistance Agreement -Agricultural Resource Conservation Demonstration Program	12-31-07

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 1980-83		Request for Waiver of Borrower Training	3-19-99
		Requirements for Guaranteed Loan Applications	
FmHA 1980-84		Modification of New Contract Relating to Farm	2-17-99
EGA 1000 04	EG A 2245	Credit Programs Guaranteed loan/line of credit	
FSA-1980-84	FSA-2245	Modification of Loan Guarantee	2 10 00
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	4-12-00
		Account	
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

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
RD 2006-38		Civil Rights Impact Analysis Certification	7-8-98
RD 2021-6	FSA-2125	Farm Loan Programs - County Information File Changes	
FmHA 2027-3		Request and Justification for Reproduction Equipment	12-11-96
RD 2030-6		Record of telephone call or office visit	12-31-07
RD 2033-3		Correspondence Charge and Routing Slip	7-8-98
FmHA 2033-5		Request for Future Delivery of File(s) and/or Establishing a Follow-up	2-17-99
FmHA 2033-6		File Cover Sheet-Restricted (For Official Use only	4-9-97
RD 2036-1		Travel Record	9-27-00
FmHA 2039-1		Request for Authorization to Incur Transfer Expense	5-8-96
FmHA 2039-4		Service Agreement	5-8-96
FmHA 2051-1		Application for Change in Tour of Duty	12-31-07
FmHA 2051-5		Record of FLSA Travel Time	7-8-98
FmHA 2054-1		Letter to Nominees	7-8-98
FmHA 2054-2		Letter to Elected County Committee Member	7-8-98
FmHA 2054-3		County Committee Membership Record	7-8-98
FmHA 2054-4		Separation Notice to County/Area Committee Members	7-8-98
FmHA 2054-5		Nominating Petition	7-8-98
FmHA 2054-6		Mileage Certification for County Committee Member	7-8-98
FmHA 2054-7		Record of County/Area Committee Meeting	7-8-98

Old Form	New Form		Date Made
Number	Number	Title	Obsolete
FmHA 2057-9		Executive-Management-Supervisory (E-M-S)	7-8-98
		Individual Development Plan	
RD 2057-10		Executive-Management-Supervisory (E-M-S)	7-8-98
		Individual Development Planning Report	
RD 2057-11		Individual Development Plan ADP	7-8-98
		Coordinator/ADPC Assistant	
FmHA 2057-13		Individual Development Plan	7-8-98
* * *	* * *	* * *	
FSA-2037	(*)	Farm Business Plan Worksheet, Balance Sheet	
FSA-2038	(*)	Farm Business Plan, Projected Income and	
		Expenses	
FSA-2039	(*)	Farm Business Plan Worksheet - Summary of	
		Year's Business	
FSA-2101	(*)	DD FLP Oversight Report Guide	
FSA-2102		Report and Summary Schedule for DD FLP	12-31-07
		Oversight Reviews	
FSA-2103	(*)	Direct loan making file review questionnaire	
FSA-2104	(*)	Guaranteed loan making file review questionnaire	
FSA-2105		Routine Direct loan servicing of current borrowers	3-3-06
		file review questionnaire	
FSA-2106		Guaranteed loan servicing file review questionnaire	3-6-06
FSA-2107		Collection and resolution of direct FLP debts file	3-6-06
		review questionnaire	
FSA-2108		Guaranteed loan loss claims file review	3-6-06
		questionnaire	
FSA-2109		Farm inventory property file review questionnaire	6-8-04

Old Form Number	New Form Number	Title	Date Made Obsolete
FSA-2110		State Office FLP Management File Review Questionnaire	3-6-06
FSA-2111		State Office Civil Rights FLP File Review Questionnaire	3-6-06
FSA-2112		Service Center FLP Management Review Questionnaire Direct Loans	3-6-06
FSA-2113		Service Center FLP Management Review Questionnaire Guaranteed Loans	3-6-06
FSA-2114		Service Center FLP Civil Rights File Review Questionnaire	3-6-06
FSA-2115		Service Center FLP Civil Rights File Review Worksheet	6-6-06
FSA-2116		Financial Data Input Form for Direct Loans	12-6-04
FSA-2117		Financial Data Input Form for Guaranteed Loans	12-6-04
FSA-2118		Lo-Doc Direct Loanmaking File Review Questionnaire	3-24-04
FSA-2119	(*)	Delinquent Borrower Servicing File Review Questionnaire	
FSA-2120		Disaster Set-Aside (1951-T) File Review Questionnaire	1-9-04
FSA-2121		Guaranteed Loan Restructuring File Review Questionnaire	3-6-06
FSA-2122		Seriously Delinquent Borrower Servicing File Review Questionnaire	3-6-06
	FSA-2123	Farm Loan Programs Testing Certification	*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

Old Form Number	New Form Number	Title	Date Made Obsolete
FSA-2300	FSA-2303	Notice of Farm Loan Programs Application Received	
FSA-2301	(*)	Youth Loan Application	
FSA-2308		Notice of Eligibility for FSA Assistance	11-6-20
	FSA-2425	Request to Cancel Undisbursed Loan Funds	
FSA-2620	(*)	Indian Tribal Land Acquisition Program Loan Application	
FSA-2621	(*)	Indian Tribal Land Acquisition Program Tribal Council Resolution and Certification	
FSA-2622	(*)	Indian Land Acquisition Program Assignment of Tribal Income and Funds	
FSA-2623	(*)	Indian Tribal Land Acquisition Program Subordination Agreement	
FSA-2648	(*)	Civil Rights Compliance Review	
FSA-2651	(*)	Request for Special Apple Loan Program Assistance	
FSA-2652	(*)	Special Apple Program Promissory Note and Security Agreement	
FSA-2661	(*)	Request for Emergency Loan for Seed Producers Program Assistance	
FSA-2662	(*)	Emergency Loans for Speed Producers Promissory Note and Security	
FSA-2663	(*)	Subordination Agreement in Favor of the Government Emergency Loans for Seed Producers	
FSA-2664	(*)	Emergency Loans for Seed Producers Program Notice of Claim Assignment	
FSA-2670	(*)	Horse Breeder Loan Program Promissory Note	
FSA-2680	(*)	Letter of Interest	
FSA-2681	(*)	Loan Payment Guarantee Agreement and Contract Modification	
FSA-2683		Request for Land Contract Guarantee Assistance	

C Form and Guide Letters

The following lists all FmHA, FSA, and RD form or guide letters used for FLP delivery.

Notes: Forms and guide letters that will be used after December 31, 2007, have been converted to either a form or exhibit to the appropriate handbook.

The "Old Number" column provides the prefix and number of the form or guide letter used before December 31, 2007.

The "New Number" column provides the form or handbook and exhibit number.

The "Title" column provides the title of the document.

An asterisk (*) in the "New Number" column indicates the form or guide letter will remain under the current number.

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA FL 1902-06		Letter to Financial institution	12-31-07
FmHA FL 1902-A-2	FSA-2144	Designated Financial Institution's Collateral Pledge	
FmHA FL 1940-G-1		Notification of Exhibit M Requirements	* 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	3-24-97
		Operating Loan Assistance to Beginning	
		Farmer or Ranchers	

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA FL 1951-5		Refund Request of Offset	*6-3-15*
FmHA FL 1951-6		Certification of Indebtedness of Debtors to	*4-10-14*
		Non-USDA Agencies	
FmHA FL 1951-7		Notification of Salary Offset From Non-	*4-10-14*
		USDA Credit Agency	
FmHA FL 1951-8		Request From Employee for Different	10-8-03
		Repayment Schedule	
RD FL 1951-8		Employee's Notice to the Agency Requesting	*6-3-15*
		a Different Repayment Schedule	
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		
		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	12-31-07
		Information	
FmHA FL 1951-F-9		Letter to request permission to provide	3-14-97
		prospectus to other lenders	

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA FL 1951-J-3		Notice to Non-program applicants of adverse 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

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA GL 1910-A-1	FSA-2304	Notice of Incomplete Application	
FmHA GL 1910-A-2	FSA-2305	Second Notice of Incomplete Application	
FmHA GL 1910-A-3	FSA-2307	Notification of Complete Application	
FmHA GL 1924-B-1		County Supervisor Notification to	7-8-98
		Applicants and Borrowers About Limited	
		Resource Loans	
FmHA GL 1927-B-1		Request for Title Opinion and Legal	12-31-07
		Services	
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	12-31-07
		Loan Graduation Review	
FmHA GL 1951-2		Final Notice to Borrower to Provide	12-31-07
		Current	
FmHA GL 1951-3	4-FLP,	Borrower Prospectus	
	Exhibit 23		
FmHA GL 1951-5		To Notify a Borrower to Refinance the	7-9-96
		FmHA Indebtedness	
FmHA GL 1951-6		Notification of Consequences Should	12-31-07
		Borrower Fail to Respond or Refinance	
		the FmHA Indebtedness	
FmHA GL 1951-7		To Notify a Borrower That FmHA will	12-31-07
		Continue With Loan(s)	
FmHA GL 1951-C-4		Notice of Intent to Employee About	5-28-03
		Salary Offset	
RD GL 1951-C-4	(*)	Notice of Intent to Employee About	
		Salary Offset	

Old Number	New Number	Title	Date Made Obsolete
FmHA GL 1951-F-5	4-FLP,	Notice to Borrower to Refinance FSA	Obsolete
ГШПА GL 1931-Г-3	*Exhibit 24*		
E III OI 1071 E 0	"EXIIIDIT 24"		0.20.00
FmHA GL 1951-F-8		Letter Reminding Borrowers of	9-28-00
		Graduation Requirement and OL and	
		FO Time Restrictions	
FSA GL 1951-F-8	4-FLP,	Notice of Time Restrictions on	* 9-29-14 *
	Exhibit 21	Eligibility for OL and FO Programs	
		and the Graduation to Commercial	
		Credit Requirement	
FSA GL 1951-F-9	*4-FLP,	Request for Information to Complete	
	Exhibit 20	Operational Review*	
FmHA GL 1951-J-1	5-FLP,	Notice of Acceleration of Your Debt	
	Exhibit 40	(Non-Program) to the Farm Service	
		Agency (FSA) and Demand for	
		Payment of That Debt	
FmHA GL 1951-J-2	5-FLP,	Notice of Acceleration of Your Farm	
111111111111111111111111111111111111111	Exhibit 41	Service Agency (FSA) Account (Non-	
	Emmon 11	Program)	
FmHA GL 1951-J-3	4-FLP,	Denial of Non-Program Assistance	
1 IIII II GE 1731 3 3	Exhibit 51	Demai of Ivon I Togram Assistance	
FSA GL 1951-S-1	Exmon 51	Reminder to Borrowers of Shared	12-31-07
1.9V OF 1331-9-1			12-31-0/
EGA CI 1051 G 2	5 ELD	Appreciation Obligation	
FSA GL 1951-S-2	5-FLP,	Shared Appreciation Reminder	
	Exhibit 25		

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

D Exhibits

The following lists all exhibits to FmHA or RD Instructions used for FLP delivery.

Notes: Exhibits to FmHA or RD Instructions that will be used after December 31, 2007, have been converted to either a form or Exhibit to the appropriate handbook.

The "Old Number" column provides the FmHA or RD Instruction number and Exhibit.

The "New Number" column provides the new number to be used after December 31, 2007.

The "Title" column provides the title of the document.

	New		Date Made
Old Number	Number	Title	Obsolete
426.1, Exhibit A		Escrow Agreement, Real Property Insurance (to	12-31-07
		collect proceeds from insurance and redistribute	
		to selected payees)	
442.11, Exhibit B		Tribal Council Resolution	1-28-02
442.11, Exhibit C		Assignment of Tribal Income and Funds	1-28-02
442.11, Exhibit D		Subordination Agreement	1-28-02
442.11, Exhibit E		Project Summary (Loans to Indian Tribes and	1-28-02
		Tribal Corporations)	
1901-E, Exhibit A		Memo RE Civil Rights Compliance Reviews	12-31-07
		completed	
1901-E, Exhibit B		Memo RE: Summary Report of Civil Rights	12-31-07
		Compliance Reviews	
1901-E, Exhibit C		Memo RE: FmHA Financed Contracts	12-31-07
1902-A, Exhibit B	FSA-2141	Interest-Bearing Deposit Agreement	

Old Nesselves	New Number	Title	Date Made
Old Number			Obsolete
1910-A, Exhibit A	3-FLP, Exhibit	Information Needed to Submit An FSA	
	5	Direct Loan Application	
1910-A, Exhibit B		Letter to Notify Socially Disadvantaged	12-31-07
		Applicants/Borrowers Regarding the	
		Availability of Direct Farm Ownership (FO)	
		Loans	
1910-A, Exhibit C		Letter to Notify Applicant(s)/Borrower(s) of	12-31-07
		Their Responsibilities in Connection with	
		FmHA Farmer Program Loans	
1910-C, Exhibit A		Request for Commercial Credit Report	12-31-07
1922-A, Exhibit D		Farmers Home Administration Appraisal	4-12-00
		Certification Program, Semi-Annual Report	
1924-B, Exhibit A		Letter to Borrower Regarding Releases of	12-31-07
		Farm Income to Pay Family Living and	
		Farm Operating Expenses	
1951-A, Exhibit B	4-FLP,	Notice of Change in Interest Rate	
	Exhibit 25	_	
1951-D, Exhibit A	4-FLP,	Notification of Payoff Amount	
	Exhibit 26		
1951-F, Exhibit A	4-FLP,	Lender Agricultural Loan Underwriting	
	Exhibit 22	Standards	
1951-L, Exhibit A	5-FLP,	Initial Letter to Borrowers Who Received	
	Exhibit 30	Unauthorized Assistance	
1951-L, Exhibit B	5-FLP,	Letter to Borrowers Who Received	
	Exhibit 31	Unauthorized Assistance - Final	
		Determination	

	New		Date Made
Old Number	Number	Title	Obsolete
1951-S, Exhibit	FSA-2510	Notice Of Availability Of Loan Servicing to	
A, Attachment 1		Borrowers Who Are 90 Days Past Due	
1951-S, Exhibit	FSA-2512	Notice of Availability of Loan Servicing to	
A, Attachment 1		Borrowers Who are Current, Financially Distressed,	
		or Less Than 90 Days Past Due	
1951-S, Exhibit	FSA-2511	Borrower Response to Notice of the Availability of	
A, Attachment 2		Loan Servicing - For Borrowers Who Received	
		FSA-2510	
1951-S, Exhibit	FSA-2513	Borrower Response to Notice of the Availability of	
A, Attachment 2		Loan Servicing - For Borrowers Who Received	
		FSA-2512	
1951-S, Exhibit	FSA-2514	Notice of the availability of loan servicing to	
A, Attachment 3		Borrowers Who Are in Non-Monetary Default	
1951-S, Exhibit	FSA-2515	Borrower Response to Notice of the Availability of	
A, Attachment 4		Loan Servicing - For Borrowers Who Received	
		FSA-2514	
1951-S, Exhibit	FSA-2521	Denial of Primary Loan Servicing and Intent to	
A, Attachment 5		Accelerate for Borrowers Who Received FSA-2510	
and 5A		or FSA-2514 and Applied for Servicing	
	FSA-2523	Denial of Primary Loan Servicing for Borrowers	
		Who Received FSA-2512 and Applied for	
		Servicing	
1951-S, Exhibit	FSA-2522	Borrower Response To Denial Of Primary Loan	
A, Attachment 6		Servicing And Intent To Accelerate For Borrowers	
and 6A		Who Received FSA-2510 Or FSA-2514 And	
		Applied For Servicing	
	FSA-2524	Borrower Response To Denial Of Primary Loan	
		Servicing For Borrowers Who Received FSA-2512	
		And Applied For Servicing	

	New		Date Made
Old Number	Number	Title	Obsolete
1951-S, Exhibit A,	FSA-2525	Intent to Accelerate for Borrowers Who	
Attachment 9 and		Received FSA-2510 or FSA-2514 and Did Not	
9A		Apply for Servicing or Did Not Accept	
		Servicing	
1951-S, Exhibit A,	FSA-2526	Borrower Response To And Intent To	
Attachment 10 and		Accelerate For Borrowers Who Received FSA-	
10A		2510 Or FSA-2514 And Did Not Apply For	
		Servicing Or Did Not Accept Servicing	
1951-S, Exhibit B	FSA-2519	Offer Of Primary Loan Servicing For	
		*Borrowers Who Received FSA-2512 And	
		Applied For Servicing*	
1951-S, Exhibit B,	FSA-2520	Acceptance Of Primary Loan Servicing For	
Attachment 1		Borrowers Who Received FSA-2512 And	
		Applied For Servicing	
1951-S, Exhibit C		Net Recovery Buyout Recapture Agreement	12-31-07
		(2 years)	
1951-S, Exhibit C-1		Net Recovery Buyout Recapture Agreement	12-31-07
		(10 years)	
1951-S, Exhibit D	FSA-2543	Shared Appreciation Agreement	
1951-S, Exhibit D-1	5-FLP,	Calculation of Shared Appreciation Recapture	
	Exhibit 26		
1951-S, Exhibit D-2		Addendum to Agreement to Suspend Payment	12-31-07
		of Shared Appreciation	

	New		Date Made
Old Number	Number	Title	Obsolete
1951-S, Exhibit E		Notification of Adverse Decision for Primary	12-31-07
		Loan Servicing, Mediation or Meeting of	
		Creditors and Other Options	
1951-S, Exhibit E,		Borrower's Request for Meeting of Creditors	12-31-07
Attachment 1		and Acknowledgement	
1951-S, Exhibit E,		Borrower's Request for Meeting of Creditors or	12-31-07
Attachment 2		to Negotiate the FSA Appraisal	
1951-S, Exhibit F	FSA-2517	, ,	
		Who Received FSA-2510 or FSA-2514 and	
		Applied for Servicing	
1951-S, Exhibit F,	FSA-2518	Acceptance of Primary Loan Servicing for	
Attachment 2		Borrowers Who Received FSA-2510 or	
		FSA-2514 and Applied for Servicing	
1951-S, Exhibit F,	FSA-2529	Negotiated Appraisal Agreement	
Attachment 3			
1951-S, Exhibit G,		Notice of Availability of Option to Reamortize	12-31-07
Attachment 1		Certain Loans Secured by Future Revenue	
		Produced by Planting Softwood Timber	
1951-S, Exhibit K	FSA-2537	Notification of Consideration for Homestead	
		Protection	
1951-S, Exhibit K,	FSA-2538	Response to Notification of Consideration for	
Attachment 1		Homestead Protection for Borrowers Who	
		Received FSA-2537	
1951-S, Exhibit L		Homestead Protection Program Agreement	
1951-S, Exhibit M	FSA-2540	Notice of the Availability of Homestead	
		Protection - Post Acquisition	
1951-S, Exhibit P	FSA-2547	Shared Appreciation Agreement Recapture	
		Reamortization	
1951-S, Exhibit P,	FSA-2548	Shared Appreciation Agreement Recapture	
Attachment 1		Reamortization 2 nd Notice	

	New		Date Made
Old Number	Number	Title	Obsolete
1951-T, Exhibit A	FSA-2501	Addendum to the Promissory Note or	
		Assumption Agreement for the Disaster	
		Set-Aside Program	
1955-A, Exhibit D	5-FLP,	Notice of Acceleration of FLP Accounts	
	Exhibit 49	Secured by Real Estate and/or Chattels in	
		Cases Not Involving Bankruptcy	
1955-A, Exhibit E	5-FLP,	Notice of Intent to Foreclose on Your Property	
	Exhibit 50	Serving as Security for the United States of	
		America and Acceleration of Your Loan	
		Accounts	
1955-A, Exhibit E-1	5-FLP,	Notice of Acceleration of Your Debt to the	
	Exhibit 51	J 3	
		Bankruptcy Plan and Demand for Payment of	
1055 A E 1717 E	7 FI D	That Debt	
1955-A, Exhibit F	5-FLP,	Notice Advising of Potential for Referral to	
	Exhibit 44	, ,	
1055 A E 1114 C	f ELD	Availability of Debt Settlement	
1955-A, Exhibit G	5-FLP,	Worksheet for Accepting a Voluntary	
	Exhibit 37	1 7 1 7	
1055 A E 1114 C 1	f ELD	Inventory	
1955-A, Exhibit G-1	5-FLP,	Worksheet for Determining FLP Maximum	
1055 D. E1.1.14 D.	Exhibit 60	1 7	
1955-B, Exhibit B	5-FLP,	Notification of Tribe of Availability of Farm	
1055 C E 1'1' A	Exhibit 71	1 5	
1955-C, Exhibit A	5-FLP,	Notice of Special Flood, Mudslide, or	
1055 C E-1:1:4 E	Exhibit 78	1	12 21 07
1955-C, Exhibit E		Notice that inventory property bid has been	12-31-07
1055 C Eulibia	5 ELD	accepted/not accepted for specific reason	
1955-C, Exhibit I	5-FLP,	Conservation Easement for Wetlands	
	Exhibit 74		

D Exhibits (Continued)

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

E Items and Publications

The following lists all FmHA and FSA items or publications used for FLP delivery.

Notes: The "Old Number" column provides the prefix and number of the item or publication before December 2007. If the item will be used after December 31, 2007, the new number and title are listed in the second and third column, respectively.

Items that will continue to be used after December 31, 2007, may be obtained from MSD Warehouse. To request items or publications, complete FSA-159, available at http://intranet.fsa.usda.gov/dam/ffasforms/forms.html, and submit by 1 of the following methods:

- FAX to 816-823-4740 or 816-823-4741
- e-mail to ra.mokansasc2.kcasbwhse
- mail to:

USDA/FSA/Kansas City Warehouse *--2312 East Bannister Road Kansas City MO 64131-3011.--*

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA Item 219		Instruction for form FmHA 431-2	12-9-03
FmHA Item 221	FSA-2008	Recorded security instrument envelope, 9x12"	
		with 11/2 " expansion	
		Notes: When completing FSA-159 to order FSA-2008 from MSD Warehouse in item 12 include: • FSA-2008-N for not expandable	
		• FSA-2008-E for expandable. 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

E Items and Publications (Continued)

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA Item 256		National Office/Finance Office Focus users	12-9-03
		manual (Training guide)	
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	(*)	USDA focus ad hoc reporting system manual -	
<u>1</u> /		Field Office users manual	
FmHA Item 258		Learning to use SQL (*)CALC spreadsheet	12-9-03
		(Training manual)	
FmHA Item 261		Guaranteed lending resource handbook (Cover	12-9-03
		insert and spine)	
FmHA Item 262		Guaranteed lending resource handbook	12-9-03
FmHA Item 263		Guaranteed lending resource handbook (Tabs)	12-9-03
FmHA Item 277		Farm and home plan job aids, cover insert,	12-9-03
and 277A and B		spine and tabs	
FmHA Item 278		FmHA Executive information system (EIS)	12-9-03
		users guide – System	
FmHA Item 278A		FmHA Executive information system (EIS)	12-9-03
		users guide - farmer programs	
FmHA Item 406		Farmer programs application package	12-9-03

^{1/} FmHA Item 257 will continue to be used after December 31, 2007. However, it is not being renumbered.

E Items and Publications (Continued)

	New		Date Made
Old Number	Number	Title	Obsolete
FmHA Item 434		Farm and home plan data transfer users manual,	12-9-03
		cover insert, spine and tabs	
FmHA Item 434A		Farm and home plan data transfer utility diskette	12-9-03
FmHA Item 434B		Farm and home plan information sheet and	12-9-03
		installation/deinstallation instructions for FHP	
		data transfer utility software, version 1.1	
FmHA Item 436		Contents of loan servicing application package	12-31-07
FmHA Item 437		FmHA AG credit flowcharts - definition: AG87	12-9-03
FmHA Item 438		FmHA AG credit flowcharts - definition: AG90	12-31-07
FmHA Item 440		FmHA AG credit version 3.0 users manual	12-9-03
FmHA Item 441		At least part of the tabs in this packet pertain to	12-9-03
		AG87 and AG90 charts	
FmHA Item 450		Equipment maintenance handbook - IBM (Rural	12-9-03
		Development)	
FmHA Item 487		Environmental site assessment: transaction screen	12-9-03
		questionnaire process (student manual)	
FmHA Item 490		Special assistance for beginning farmers and	12-9-03
		ranchers (fact sheet)	
FmHA Item 512		Blue alpha index cards	12-9-03
FmHA Item 514		Yellow index cards, various headings (indicator	12-9-03
		cards)	
Publication 622	622	Amortization Tables	

F New Forms

The following lists new forms used for FLP delivery.

Form Number	Title
FSA-2002	Three Year Financial History
FSA-2003	Three Year Production History
FSA-2004	Authorization to Release Information
FSA-2005	Creditor List
FSA-2006	Property Owned or Leased
FSA-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-2420	Intent to Accelerate for Failure to Provide Information or to Graduate
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-2723	Treasury Offset Program (TOP) – Delete Only
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

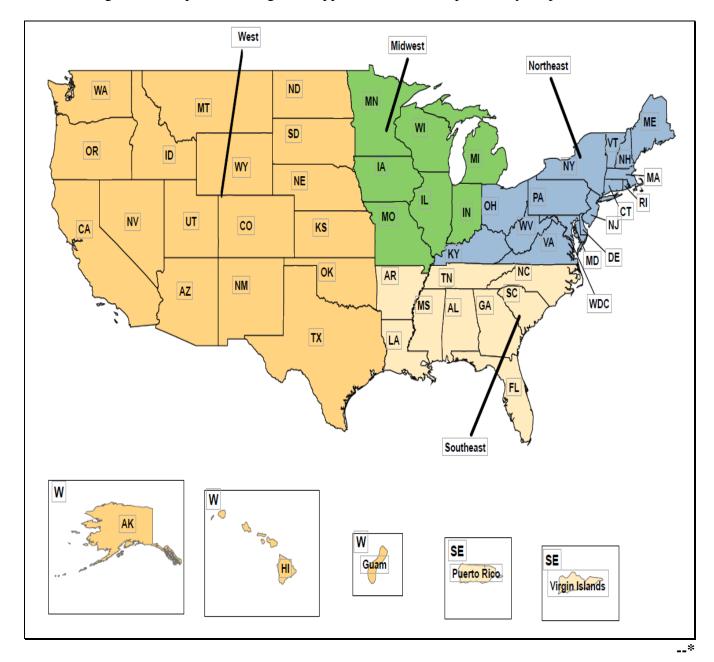
G New Exhibits

The following lists new exhibits used for FLP delivery.

	Handbook and	
Required Under	Exhibit	Title
FmHA GL 1943-A-1	3-FLP, Exhibit 16	Memorandum of Understanding Between FSA
		and [Enter Name of State Beginning Farmer
		Program]
Notice FLP-469, Exhibit 1	4-FLP, Exhibit 52	Borrowers Entering Active Duty
Notice FLP-469, Exhibit 2	4-FLP, Exhibit 53	Borrowers Leaving Active Duty
*Notice FLP-128,	5-FLP, Exhibit 13	Third Party Pledge of Security Notification
Exhibit 1		Letter
Notice FLP-128, Exhibit 1	5-FLP, Exhibit 14	Youth Loan Notification Letter*
FmHA Instruction 1951-J, Section 1951.457(b)	5-FLP, Exhibit 38	10-Day Notice of Non-Program Delinquency
FmHA Instruction 1951-J,	5-FLP, Exhibit 39	30-Day Reminder of Non-Program
Section 1951.457(b)		Delinquency
Notice FLP-467, Exhibit 2	5-FLP, Exhibit 52	Notice of Acceleration for FLP Accounts Held
ŕ	,	by Native American Borrowers and Secured
		by Real Estate Located Within a Recognized
		Reservation and Borrower Rights
Notice FLP-467, Exhibit 3	5-FLP, Exhibit 53	Notification of Options Available to the Tribe
Notice FLP-467, Exhibit 4	5-FLP, Exhibit 54	Information on Native American Borrower
		Rights Under the Consolidated Farm and
		Rural Development Act
Notice FLP-468, Exhibit 1	5-FLP, Exhibit 55	Notification to a Tribe of an American Indian
		Borrower's Request to Have a Loan Assigned
		to the Tribe (With Example Information)
Notice FLP-468, Exhibit 2	5-FLP, Exhibit 56	Notification to an American Indian Borrower
		of Acceptance of an Assignment Request
Notice FLP-468, Exhibit 3	5-FLP, Exhibit 57	Notification to an American Indian Borrower
		of Denial of an Assignment Request
RD Instruction 1955-B,	5-FLP, Exhibit 65	Notification of Personal Property
Section 1955.62(a)		
RD Instruction 1955-B,	5-FLP, Exhibit 71	Notification of Tribe of Availability of Farm
Exhibit B		Property for Purchase
RD Instruction 1955-C,	5-FLP, Exhibit 74	Conservation Easement for Wetlands
Exhibit H		
RD Instruction 1955-C,	5-FLP, Exhibit 75	Conservation Easement for Floodplains
Exhibit I		

*--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 and real estate evaluations
- complete administrative appraisal reviews
- 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/DD/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" (see note)	X	X	X	X	X
Establish supervised bank account and deposit loan	X	X	X	X	X
checks.					
Countersign supervised bank account	X	X	X	X	X
checks/withdrawals.					
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	X	X	X	X	X
lien position.					
Review loan closing statement for proper funds	X	X	X	X	X
disbursement.					
Execute financing statements or other legal instruments	X	X	X	X	X
to obtain and preserve security on chattel loans.					
Approve FSA-2242.	X	X	X	X	X

Delegating FLP Authority (Continued)

--B FLC/DD/FLM/SFLO Delegations (Continued)--

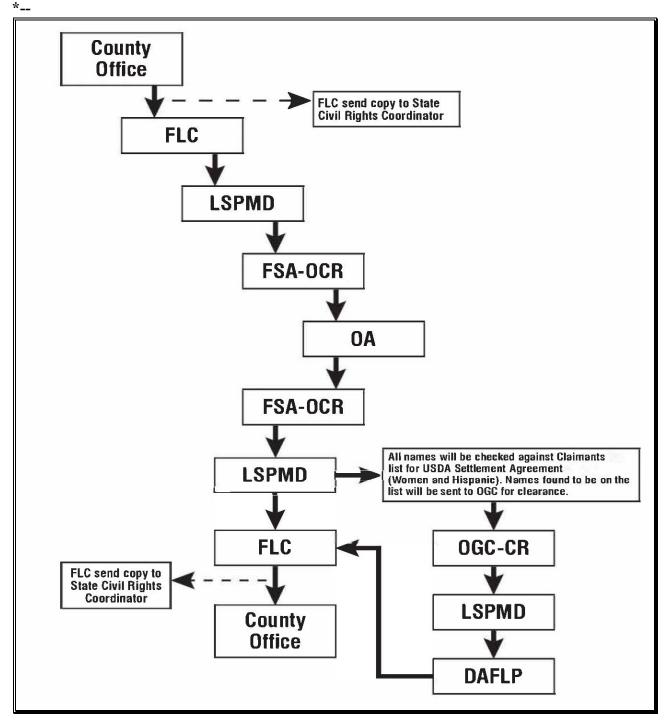
Authority	AS	FLO	LOA	LRS	PT
Review loan closing and issue FSA-2235.		X			
Approve satisfaction/release of security instruments.	X	X	X	X	X
Prepare FSA-2040.	X	X	X	X	
Release chattel/crop security per approved FSA-2040.	X	X	X	X	X
Revise Farm Business Plan and FSA-2040 when necessary.	X	X	X	X	
Approve replacement/development - 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			
Consent to a junior lien.		X			
Estimate value of real estate for dispositions less than \$25,000.		X			
Execute FSA-2025.		X			

--Notes: Routine correspondence and form letters may be signed by a delegated employee on behalf of the authorized agency official. This includes, but is not limited to, forms FSA-2304, FSA-2305, FSA-2307 and FSA-2313. To effectively sign on behalf of an authorized agency official, the delegated employee must ensure the name of the official they are signing for is included in the document signature block. The signature of the delegated employee should be preceded by either the word "for" or "p.p.", short for per procurationem.--

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 streamlined handbooks.

Discrimination Complaint E-Mail Clearance System

The following illustrates the clearance process used before acceleration for all accounts.



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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 #XXXXXXXX, 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 * * * USDA Settlement Agreement (Women and Hispanic), follow guidance in Exhibit 13.5.

Servicing Settlement Claimants and National Office FLP Programmatic Review

A Background

*--USDA's settlement agreement (Women and Hispanic) has affected the way FSA services delinquent loan accounts of claimants.

B Closed Settlement Claims

A claim is considered closed when a final decision has been issued. State Offices were advised by memorandum from DAFLP when Women, and Hispanic claims were closed.--*

All closed claims 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 Acceleration/Foreclosure

Do not take acceleration or foreclosure action for Category 2 borrowers, until the National Office has provided written guidance according to subparagraph E.--*

*--Type of Assistance, Fund, and Kind Codes

These tables list all types of assistance, fund, and kind codes used in DLS, GLS and ADPS.

A Direct Farm OL's

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
050	OL - Limited Resource - 7 year	44	03
051	OL - Regular (Except Youth) - 7 year	44	01
052	OL - Youth - 7 year	44	02
104	OL - Regular (Except Youth) - 1 year - SDA	44	05
105	OL - Limited Resource - 7 year - SDA	44	15
106	OL - Regular (Except Youth) - 7 year - SDA	44	05
107	OL- Youth - 7 year - SDA	44	55
112	OL - Regular (Except Youth) - 1 year	44	01
117	OL - Limited Resource - 1 year	44	03
119	OL - Limited Resource - 1 year - SDA	44	15
151	OL - Youth - 1 year	44	02
152	OL - Youth - 1 year - SDA	44	55
209	OL - Beginning Farmer - Regular - 1 year	44	01
210	OL - Beginning Farmer - SDA - Regular - 1 year	44	05
211	OL - Beginning Farmer - Regular - 7 year	44	01
212	OL - Beginning Farmer - SDA - Regular - 7 year	44	05
217	OL - Beginning Farmer - Limited Resource - 1 year	44	03
218	OL - Beginning Farmer - SDA - Limited Resource - 1 year	44	15
219	OL - Beginning Farmer - Limited Resource - 7 year	44	03
220	OL - Beginning Farmer - SDA - Limited Resource - 7 year	44	15

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Type of Assistance, Fund, and Kind Codes (Continued)

*--B Direct Farm OL - ML's

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
657	OL - Limited Resource - 7 year - Micro	44	03
658	OL - Regular (Except Youth) - 7 year - Micro	44	01
659	OL - Regular (Except Youth) - 1 year - Micro	44	01
660	OL - Limited Resource - 1 year - Micro	44	03
661	OL - Regular (Except Youth) - 1 year - SDA Micro	44	05
662	OL - Limited Resource - 7 year - SDA Micro	44	15
663	OL - Regular (Except Youth) - 7 year - SDA Micro	44	05
664	OL - Limited Resource - 1 year - SDA Micro	44	15
665	OL - Beginning Farmer - Regular - 1 year - Micro	44	01
666	OL - Beginning Farmer - Regular - 7 year - Micro	44	01
667	OL - Beginning Farmer - Limited Resource - 1 year - Micro	44	03
668	OL - Beginning Farmer - Limited Resource - 7 year - Micro	44	03
669	OL - Beginning Farmer - SDA - Regular - 1 year - Micro	44	05
670	OL - Beginning Farmer - SDA - Regular - 7 year - Micro	44	05
671	OL - Beginning Farmer - SDA - Limited Resource - 1 year -	44	15
	Micro		
672	OL - Beginning Farmer - SDA - Limited Resource - 7 year -	44	15
	Micro		

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*--Type of Assistance, Fund, and Kind Codes (Continued)

C Guaranteed Farm OL's (Both Subsidized and Nonsubsidized) (G-OL)

Type of	5	Fund Code	Kind
Assistance	Description	(2-Digit)	Code
046	OL – Disaster Assistance	44	01
048	OL – Line of Credit	44	01
051	OL – Regular (Except Youth) – 7 year	44	01
103	OL – Line of Credit – SDA	44	01
108	OL – Regular (Except Youth) – 7 year – SDA	44	01
153	OL – Regular (Except Youth) – 1 year	44	01
154	OL – Regular (Except Youth) – 1 year – SDA	44	01
209	OL – Beginning Farmer – Regular – 1 year	44	01
210	OL – Beginning Farmer – Regular – 1 year – SDA	44	01
211	OL – Beginning Farmer – Regular – 7 year	44	01
212	OL – Beginning Farmer – Regular – 7 year – SDA	44	01
225	OL – Beginning Farmer – Line of Credit	44	01
226	OL – Beginning Farmer – Line of Credit - SDA	44	01

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Type of Assistance, Fund, and Kind Codes (Continued)

D Direct FO's

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
030	FO – Limited Resource – SDA – Ethnic	41	15
031	FO – Regular – SDA – Ethnic	41	05
034	FO - Limited Resource	41	03
036	FO - Regular	41	00
124	FO – Regular – SDA – Gender	41	05
125	FO – Limited Resource – SDA – Gender	41	15
200	FO – Beginning Farmer Down Payment	41	22
201	FO – Beginning Farmer Down Payment – SDA – Ethnic	41	23
202	FO – Beginning Farmer Down Payment – SDA – Gender	41	23
203	FO - Beginning Farmer – Regular	41	00
204	FO - Beginning Farmer – Limited Resource	41	03
205	FO – Beginning Farmer – Regular – SDA – Ethnic	41	05
206	FO – Beginning Farmer – Regular – SDA – Gender	41	05
207	FO – Beginning Farmer – Limited Resource – SDA – Ethnic	41	15
208	FO – Beginning Farmer – Limited Resource – SDA – Gender	41	15
231	FO - Participation	41	00
232	FO – Participation – SDA – Ethnic	41	05
233	FO – Participation – SDA – Gender	41	05
234	FO – Beginning Farmer – Participation	41	00
235	FO – Beginning Farmer – Participation – SDA – Ethnic	41	05
236	FO – Beginning Farmer – Participation – SDA – Gender	41	05
485	*FO – Non-Beginning Farmer Down Payment – Ethnic*	41	15
486	FO – Non-Beginning Farmer Down Payment – Gender	41	15
035	FO – Non-Farm Enterprise – Limited Resource	49	03
037	FO – Non-Farm Enterprise – Regular	49	00
044	FO – Non-Farm Enterprise – SDA – Ethnic	49	00
126	FO – Non-Farm Enterprise – SDA – Gender	49	00

*--Type of Assistance, Fund, and Kind Codes (Continued)

E Direct FO CL's

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
590	FO - CL - Regular	30	00
591	FO - CL - Non-Beginning Farmer - SDA - Gender	30	05
592	FO - CL - Non-Beginning Farmer - SDA - Ethnic	30	05
593	FO - CL - Priority - Beginning Farmer	30	01
631	FO - CL - Priority - Beginning Farmer - SDA	30	01
632	FO - CL - Priority - Convert to Organic and Sustainable	30	01
	Operation		
633	FO - CL - Priority - Highly Erodible Land Protection	30	01

F Guaranteed FO's (G-FO)

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
031	FO - Farm Enterprise - Regular - SDA - Ethnic	41	05
036	FO - Farm Enterprise - Regular	41	00
124	FO - Farm Enterprise - Regular - SDA - Gender	41	05
203	FO - Farm Enterprise - Beginning Farmer - Regular	41	00
205	FO - Farm Enterprise - Beginning Farmer - Regular - SDA -	41	05
	Ethnic		
206	FO - Farm Enterprise - Beginning Farmer - Regular - SDA -	41	05
	Gender		

G Guaranteed FO CL's (G-CL)

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
596	FO - CL - Regular	30	00
597	FO - CL - Non-Beginning Farmer - SDA - Gender	30	05
598	FO - CL - Non-Beginning Farmer - SDA - Ethnic	30	05
599	FO - CL - Priority - Beginning Farmer	30	01
634	FO - CL - Priority - SDA	30	01
635	FO - CL - Priority - Convert to Organic and Sustainable	30	01
	Operation		
636	FO - CL - Priority - Highly Erodible Land Protection	30	01

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Type of Assistance, Fund, and Kind Codes (Continued)

H Land Contract Guarantee Program

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
	Contract Land Sales - Prompt Pay		
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
	Contract Land Sales - Standard		
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		Fund Code	Kind
Assistance	Description	(2-Digit)	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	Couc
043	Indian Land Acquisition - LR	98	
*589	Direct Indian Fractionated Land – Tribal	90	01
594	Direct Indian Fractionated Land – Non Tribal	90	02*

K Boll Weevil Eradication Loan

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
198	Boll Weevil Eradication	44	22

*--L Heirs Property Relending Program

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
856	Heirs Property Relending Program	90	01

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M Inactive or Expired Loan Programs

The types of assistance codes in the following table reflect inactive (currently not funded) loan programs. New loan obligations may not occur using these fund codes; however, they may be applicable for a loan servicing activity, such as an assumption.

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
033	FO - Farm Enterprise - Debt Adjusted	41	07
038	Soil and Water - Direct Conservation	35 & 45	00
109	Soil and Water - LR	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 - LR - Delinquent Borrower	44	04
049	OL - Debt Adjusted	44	07
102	OL - LR - 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,	All
		and 45	
118	Homestead Protection - Credit Sales- LR	41, 43, 44	All
		and 45	
180	Emergency - Natural Disaster	43	61
213	OL - Beginning Farmer - Regular - Special Assistance - 1 year	44	33
214	OL - Beginning Farmer - Regular - Special Assistance - SDA -	44	34
	1 year		
215	OL - Beginning Farmer - Regular - Special Assistance - 7 year	44	33
216	OL - Beginning Farmer - Regular - Special Assistance - SDA -	44	34
	7 year		
221	OL - Beginning Farmer - LR - Special Assistance - 1 year	44	43

Type of Assistance, Fund, and Kind Codes (Continued)

M Inactive or Expired Loan Programs (Continued)

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
222	OL - Beginning Farmer - LR - Special Assistance - SDA - 1 year	44	44
223	OL - Beginning Farmer - LR - Special Assistance - 7 year	44	43
224	OL - Beginning Farmer - LR - 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

N Direct Farm OL's - ARRA ("Stimulus")

Note: All loans with types of assistance codes shown in this table were obligated with appropriated funding received under ARRA ("Stimulus"). These types of assistance codes are not available for new loan applications; however, they are applicable for loan servicing activity.

Type of		Fund Code	Kind
Assistance	Description	(2-Digit)	Code
564	OL - Regular (Except Youth) - 1 year	44	01
565	OL - Youth - 1 year	44	02
566	OL - Regular (Except Youth) - SDA - 1 year	44	05
567	OL - Youth - 1 year - SDA	44	55
568	OL - Beginning Farmer - Regular - 1 year	44	01
569	OL - Beginning Farmer - Regular - 1 year - SDA	44	05
570	OL - Regular (Except Youth) - 7 year	44	01
571	OL - Youth - 7 year	44	02
572	OL - Regular (Except Youth) - 7 year - SDA	44	05
573	OL - Youth - 7 year - SDA	44	55
574	OL - Beginning Farmer - Regular - 7 year	44	01
575	OL - Beginning Farmer - Regular - 7 year - SDA	44	05
576	OL - LR - 1 year	44	03
577	OL - LR - 1 year - SDA	44	15
578	OL - Beginning Farmer - LR - 1 year	44	03
579	OL - Beginning Farmer - LR - 1 year - SDA	44	15
580	OL - LR - 7 year	44	03
581	OL - LR - 7 year - SDA	44	15
582	OL - Beginning Farmer - LR - 7 year	44	03
583	OL - Beginning Farmer - LR - 7 year - SDA	44	15

FLP Rates

A Interest Rates for FLP's

--The following provides interest rates for FLP's as of August 1, 2022.--

Loan Type	Current Rate (%)	Date Set
Loans Currently Made		
Emergency – Amount of Actual Loss	3.750	4/1/22
Farm Ownership and Conservation Loans	*4.250	8/1/22*
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
Farmer Program – Homestead Protection	*4.250	8/1/22*
Indian Land Acquisition	5.000	2/1/91
Operating	*4.000	8/1/22*
Operating – Limited Resource	5.000	12/1/90
Operating – Microloan – "Special Interest Rate"	5.000	2/7/14
Shared Appreciation Amortization	*3.250	8/1/22*
Interest Rates for Servicing Loans no Longer Being Made		
Apple Loans	*3.000	8/1/22
Association – Grazing	4.250	8/1/22
Association – Irrigation and Drainage	4.250	8/1/22
Economic Emergency – Operating	4.000	8/1/22
Economic Emergency – Real Estate	4.250	8/1/22
Emergency – Annual Production	5.750	8/1/22
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	7.375	8/1/22
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	5.750	8/1/22
Recreation – Individual	4.250	8/1/22*
Rural Housing – Farm Loan Purposes		
Note: For the current interest rate, contact the National Office.		
Softwood Timber Loans	*4.250	8/1/22
Soil and Water	4.250	8/1/22*
Soil and Water – Limited Resource	5.000	7/1/92
Other Loans		
Nonprogram – Chattel Property	*5.750	8/1/22
Nonprogram – Real Property	7.375	8/1/22*

Publication 622, which provides amortization tables and financial basic payment tables, is available from the MSD warehouse. To request Publication 622, complete FSA-159, available at https://intranet.fsa.usda.gov/dam/ffasforms/forms.html, and submit it by 1 of the following methods:

- attached to a ServiceNow request sent to MSD using the myFPAC portal at https://usdafpacbc.service-now.com/fpac?id=ms_intake&sys_id=32b0dc14dbd523008ebefd721f961992
- 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	*1.375	8/1/22
Treasury Judgment Rate (see Note)	2.770	8/1/22*

Notes: The 90-Day Treasury Bill rate is entered in eDALR\$ as the "Discount Rate" and is used to calculate present value and net recovery value.

The <u>treasury judgment rate</u> is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961). The rate is based on **the 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 July 5, 2022. The actual judgment rate is the rate for the calendar--
week preceding the date the defendant becomes liable for interest. Access the Federal
Reserve website https://www.federalreserve.gov/datadownload/Choose.aspx?rel=H15
for the weekly average 1-year CMT yield.

C Historical 90-Day Treasury Bill Rates

The following table provides the historical 90-day Treasury bill rates.

Effective Date	Rate (%)	Effective Date	Rate (%)
December 1, 1988	7.500	December 1, 1990	7.500
January 1, 1989	7.875	January 1, 1991	7.375
February 1, 1989	8.250	February 1, 1991	7.125
March 1, 1989	8.500	March 1, 1991	6.500
April 1, 1989	8.750	April 1, 1991	6.250
May 1, 1989	9.000	May 1, 1991	6.125
June 1, 1989	9.150	June 1, 1991	5.875
July 1, 1989	8.750	July 1, 1991	5.750
August 1, 1989	8.625	October 1, 1991	5.625
September 1, 1989	8.250	November 1, 1991	5.375
October 1, 1989	8.125	December 1, 1991	5.250
December 1, 1989	8.000	January 1, 1992	4.875
February 1, 1990	7.875	February 1, 1992	4.375
April 1, 1990	8.000	March 1, 1992	3.875
May 1, 1990	8.125	May 1, 1992	4.125
July 1, 1990	8.000	June 1, 1992	4.000
October 1, 1990	7.750	July 1, 1992	3.750
November 1, 1990	7.625	September 1, 1992	3.500

FLP Rates (Continued)

C Historical 90-Day Treasury Bill Rates (Continued)

Effective Date	Rate (%)	Effective Date	Rate (%)
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)

Effective Date	Rate (%)	Effective Date	Rate (%)
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.

Property Type	Percentage
Real Property	97
Chattel Property	96

List of Available Reports

A Farm Loan Programs Data Mart

*--1 FLP Direct Reports, FLP Loan Making Reports, Direct Applications

The following are the available FLP Direct Application Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
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.	 State District Servicing Office County Status Ethnicity Race Gender 	10/27/17
Direct Applications Report	Provides comprehensive information on the loan application process from Application Received Date through Loan Closing Date. Includes both FLP and FSFL applications. Carryover applications received in prior FY will be displayed until withdrawn, rejected or closed. Includes Veteran code.	 Date Type State District Service Office County Ethnicity Race Gender Application Type Loan Type Status Borrower Date Type Fiscal Year 	12/14/17
Direct Applications Summary Reports	Provides the number of applications received, the number of applications for a variety of statuses, and the number of complete applications for the following statuses: Pending Final Disposition; Disposition within 60 Days; Disposition after 60 Days. Results may be summarized by State, District Office, County, or Borrower.		12/14/17

A Farm Loan Programs Data Mart (Continued)

*--1 FLP Direct Reports, FLP Loan Making Reports, Direct Applications (Continued)

Report			Date Last
Name	Report Description	User Selection Criteria	Modified
Direct Applications on Hand	Provides number of applications by loan type for the following statuses: Applications In Process; Applications Unprocessed; Approved Not Closed; Approved Not Obligated; Obligated Not Closed. Report initially defaults to applications received during current FY.	• State	3/30/18
DLS Loan Making Checklist Queries Report	Provides information on the DLS Checklist sorted by Process Type and Item Description.	 State District Service Office County Process Type Section Date Type Item Description 	10/9/18
Loan Limitation Report	Provides information on outstanding direct and guaranteed loan debt to assist in monitoring loan limits. User must enter a tax identification number.	Tax IDLoan Type	10/27/17

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A Farm Loan Programs Data Mart (Continued)

*--1 FLP Direct Reports, FLP Loan Making Reports, Direct Applications (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
No Decision	Lists complete direct	• State	10/27/17
Report	loan applications where	District	
	no decision has been	Servicing Office	
	made.	• County	
	TT 11 1, 1, 1, .	Ethnicity	
	User may limit results to	• Race	
	those complete	Gender	
	applications where more than 45 days has passed.	• Display	
	man 45 days has passed.	Application Completion Date	
Office	Lists specific work tasks	• State	7/5/18
Management	from the DLS loan	District	
Report	making application	Servicing Office	
	checklist. (Specific tasks	County	
	are listed on the report	Program Type	
	dashboard.)	Ethnicity	
	User may ask for	• Race	
	Incomplete or Complete	• Gender	
	work tasks.	Program Type	
	,,, e111 ,,, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Task Status	
	Report defaults to work	• Task	
	tasks for applications	Application Received Date	
	received during current	Task Completion Date	
	FY.	Date Type	
Rejected	Lists rejected	• State	1/16/18
Application	applications, includes	• District	
Report	reasons for rejection.	Servicing Office	
	D 4 - 4 - 5 14 - 4	• County	
	Report defaults to	• Ethnicity	
	applications rejected during current FY.	• Race	
	during current F I.	• Gender	
		Rejection Date	

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A Farm Loan Programs Data Mart (Continued)

*--1 FLP Direct 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. Note: For a list of parties currently liable for a loan, use the Related Entities Report located in the Loan Servicing Reports, Routine Servicing folder.	 State District Servicing Office County Ethnicity Race Gender Status Related Entity Type Application Received Date Borrower Report Selection 	6/27/19
Term Limit Report	Provides current term limits for existing borrowers as provided on the Customer Profile.	 State District Servicing Office County Ethnicity Race Gender 	10/27/17

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*--A Farm Loan Programs Data Mart (Continued)

2 FLP Direct Reports, FLP Loan Making Reports, Obligations

The following are the available FLP Obligations Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
FLPRA Obligations Report	Provides a list of obligations used to calculate FLPRA elements.	 State District Servicing Office County FLPRA Fiscal Year Report Selection 	9/19/18
Microloan Collateral Analysis Report	Provides a list of all microloan collateral identified during the loan making process.	 State District Servicing Office County Ethnicity Race Gender Excess Collateral 	12/26/19
Obligation Transactions Report	Provides a list of transactions that affect the obligated loan amount. This includes obligations (1A & 1B transactions) and deobligations (1D & 1Y transactions). This report replaces the PLDATA FOCUS Report.	 State District Servicing Office County Transaction Date 	9/19/18
Undisbursed Obligations Report	Lists obligations where there is an undisbursed balance.	StateDistrictServicing OfficeCounty	12/14/17

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A Farm Loan Programs Data Mart (Continued)

*--3 FLP Direct Reports, FLP Loan Servicing Reports, Routine Servicing

The following are the available FLP Routine Servicing Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Active FLP Borrowers Report	Lists all active FLP borrowers, along with the most recent classification.	 State District Servicing Office County Classification Code 2+ Years Old Report Selection 	10/27/17
Analysis of FLP Delinquency Report (541A_541C)	541A Report summarizes status information for all outstanding FLP loans. 541C Report summarizes the change in the number of delinquent borrowers since the prior month.	 State District Service Office Report Code Report Date Report Type 	10/10/18
Borrower Address Report	Provides addresses for active FLP borrowers. User may select all borrowers, primary borrowers, co-borrowers, co-signers and guarantors.	StateDistrictServicing OfficeCountyBorrower Type	10/27/17

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A Farm Loan Programs Data Mart (Continued)

*--3 FLP Direct Reports, FLP Loan Servicing Reports, Routine Servicing (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Borrower Financing Statement Report	Allows users to monitor the current status of Financing Statements and provides detailed information on Financing Statements. Includes Amendments, Continuations, and Terminations. Includes both FLP and	 State District Servicing Office County Program Type Date Type Status Report Selection 	3/30/18
Borrower Mortgage Monitoring Report	FSFL information. Provides a list of all recorded mortgages. User can select All, Active, or Released mortgage instruments. Includes both FLP and FSFL information.	 State District Servicing Office County Program Type Status 	1/16/18
Classification Review Report	Provides information for monitoring Classification Reviews. User can search on Due Date, Credit Action Date, or Completed Date.	 State District Servicing Office County Status Date Type Reason for Review 	6/1/18
Collateral Code Report (COLLCODE)	Provides collateral code information for active farm loans.	 State District Servicing Office County Report Date Collateral Type 	10/4/18

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A Farm Loan Programs Data Mart (Continued)

*--3 FLP Direct Reports, FLP Loan Servicing Reports, Routine Servicing (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Direct Active Disaster Set- Asides Report (FDSA51T)	Provides information on accounts with active disaster set-asides. Can be used to support FLPRA reviews.	 State District Servicing Office County Report Date Report Selection 	3/30/18
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.	 State District Servicing Office County Report Date Race Ethnicity Gender Veteran Status Borrower Type Loan Type Flags Report Selection Litigation Status Unpaid Balances 	6/1/18
Direct Deferred Accounts (DEFERRED)	Provides information on actively deferred accounts. Can be used to support FLPRA reviews.	 State District Servicing Office County Report Date Report Selection 	10/4/18
Direct Delinquency Aging Report (DIRDLQ3C)	Summarizes and lists direct customers based on delinquency/ aging categories.	 State District Servicing Office County Report Date Aging Category Race Gender Ethnicity Report Selection 	10/10/18

A Farm Loan Programs Data Mart (Continued)

*--3 FLP Direct Reports, FLP Loan Servicing Reports, Routine Servicing (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Direct Delinquent Borrowers Monitored Report Direct Flagged Accounts (FLAGLIST)	Provides information on borrowers who are 120+ days delinquent and are not flagged PLS, OACI, or ACL. Can be used to support FLPRA reviews. Summarizes and lists accounts that are flagged. Users can see all flagged accounts or select specific flags.	 State District Servicing Office County Report Date Report Selection State District Servicing Office County Report Date Flag 	3/30/18
Disaster Set- Aside Processing Report	Provides information for tracking requests for disaster set-aside. User can search by request date or final disposition date.	 Report Selection State District Servicing Office County Status Date Type 	8/30/18
Farm Assessment Workflow Report	Provides information for tracking Farm Assessments. User can search on Due Date, Credit Action Date, or Completed Date.	 State District Servicing Office County Status Date Type No Significant Changes 	10/27/17
Farm Visit Workflow Report	Provides information for tracking Farm Visits. User can search on Scheduled Date or Completed Date and Visit Type. Includes both FLP and FSFL information.	 State District Servicing Office County Program Type Status Visit Type Date Type Completed by Contractor 	12/14/17

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A Farm Loan Programs Data Mart (Continued)

*--3 FLP Direct Reports, FLP Loan Servicing Reports, Routine Servicing (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
FLP Payment History Report	Provides information on farm loan collection transactions.	 State District Servicing Office County Date Type Payment Application 	8/30/18
FLPRA Direct Loss Trend (FLPRALSS)	Provides information on direct loss rates as used for FLPRA reviews.	DescriptionStateServicing OfficeReport Selection	5/4/18
Graduation Review Monitoring Report	Provides status of pending and completed Graduation Reviews. User can search by Due Date or Completed Date.	 State District Servicing Office County Status Date Type 	8/14/18
Limited Resource Review Monitoring Report	Provides status of pending and completed Limited Resource Reviews. User can search by Due Date or Completed Date.	 State District Servicing Office County Status Date Type 	6/17/19
Outstanding Subordinations Report	Provides information on approved subordination requests that have not been paid in full or settled.	 State District Servicing Office County	7/5/18
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.	 State District Servicing Office County Program Type Date Type 	7/5/18
Potential Purchaser Report	List potential purchasers as entered in DLS.	 State District Servicing Office County Borrower Purchaser 	3/7/18

A Farm Loan Programs Data Mart (Continued)

*--3 FLP Direct Reports, FLP Loan Servicing Reports, Routine Servicing (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Related Entities Report	Identifies related entities currently liable for all direct FLP loans and all active FSFL loans. Based on Related Entities linked on Customer Profile.	 State District Servicing Office County Loan Status Borrower 	8/30/18
Reminder Report	Provides information on all routine loan servicing workflows. User can select pending, postponed, closed, or all reminders. Users can search based on Alert Date, Due Date, or Closed Date. Includes both FLP and FSFL reminders.	 State District Servicing Office County Status Program Type Date Type Workflow Reminder Type 	7/27/18
Security Instrument Processing Report	Provides tracking information for activities within the Security Instrument - Other workflow. User can search on Request type, Request Date, Final Disposition Date, or Workflow Completion Date.	 State District Servicing Office County Request Type Date Type 	8/14/18
Shared Appreciation Workflow Report	Provides information for tracking requests for Shared Appreciation. User can search by Request Date and Amortization Date.	 State District Servicing Office County Status Date Type 	10/27/17
Status of Farm Loan Program (Report Code 540) Report	Provides status information for all outstanding FLP and FSFL loans.	 State District Servicing Office County Report Date Report Type 	4/29/19

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A Farm Loan Programs Data Mart (Continued)

*--3 FLP Direct Reports, FLP Loan Servicing Reports, Routine Servicing (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Subordination	Provides information for	• State	6/1/18
Request Report	tracking requests for	• District	
	Subordinations, as well	 Servicing Office 	
	as monitoring approved	• County	
	Subordinations. User can	• Status	
	search on Request Date,	 Security Type 	
	Final Disposition Date, or Expiration Date.	• Date Type	
Terminated	Provides a list of	• State	6/5/19
Workflows	terminated servicing	• District	
Report	workflows.	 Servicing Office 	
		• County	
		 Termination Date 	
		Borrower Name	
Transfer	Provides information for	• State	6/17/19
Assumption	tracking Assumption	• District	
Application	requests.	 Servicing Office 	
Processing		• County	
Report		• Status	
		• Date Type	
Transfer	Provides a list of transfer	• State	1/16/18
Assumption	and/or assumption	• District	
Completed	actions that have been	 Servicing Office 	
Actions Report	completed. This includes	• County	
	actions with or without	Status Date	
	an application package.		
Year End	Provides information for	• State	1/16/18
Analysis Report	_	• District	
	User can search on Due	 Servicing Office 	
	Date, Credit Action Date,	• County	
	or Completed Date.	• Status	
		• Date Type	
		• Reason for Review	
		Completed by Contractor	

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A Farm Loan Programs Data Mart (Continued)

*--4 FLP Direct Reports, FLP Loan Servicing Reports, Special Servicing

Report Name	Report Description	User Selection Criteria	Date Last Modified
5-FLP Servicing Application Timeclock Report	Provides information on the Timeclock Deadline for FSA to process loan servicing applications. Report should be used to ensure applications are processed within the 60-day regulatory timeframe.	• State	1/16/18
5-FLP Special Servicing Queries Report	Provides a list of completed Special Servicing activities based on selections made by the user.	 State District Servicing Office County Ethnicity Race Gender Queries 	5/4/17
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.	StateDistrictServicing OfficeCountyStatus	12/14/17
Primary Loan Servicing Actions Report	Provides information on primary loan servicing activity transactions that have been processed. User can obtain summary and detailed information based on specific date range.	 State District Servicing Office County Report Date Action Report Selection 	3/7/19

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A Farm Loan Programs Data Mart (Continued)

*--5 FLP Direct Reports, Farm Business Plan

The following are the available FBP Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
FBP Borrower Classification Reports	Provides a summary report and two detail reports for identifying active borrowers who are not in FBP and those who are in FBP but do not have a classification. There is also a second summary report showing the age of classifications and a detail report to identify borrowers who have not been classified in the past two years.	 State District Service Office County 	4/15/19
FBP Compared to active DLS Borrowers Report	This report ensures that there are no duplicate borrowers in FBP and that inactive borrowers are removed from FBP in a timely manner. It provides a summary report along with two detail reports for identifying FBP records for clients who are no longer active borrowers and customers with more than one FBP record.	StateService Office	4/15/19

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A Farm Loan Programs Data Mart (Continued)

*--6 FLP Funding & Goal Report, FLP Funding Reports

The following are the available FLP Funding Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Funds Not Available	Provides the borrower name, loan amount, and program group for current funds not available.	StateProgram GroupFund Code	10/27/17
Funds Requested	Provides the borrower name, loan amount, and program group for current funds requested.	StateProgram GroupFund Code	10/27/17
Obligation Allotment and Appropriation Dashboard	Provides the number and amount of direct and guaranteed obligations for the current FY. This report is similar to the PFCS Allocation and Appropriation Report.	 State Fiscal Year Program Class Program Parent Program Name Report Selection 	7/27/18

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A Farm Loan Programs Data Mart (Continued)

*--7 FLP Funding & Goal Reports, Goals Reports

The following are the available FLP Goals Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Reduce Direct Delinquency Rates on Loans LS- Goal 1	for goal monitoring purposes.	StateDistrictServicing OfficeCounty	6/1/18
Reduce First Year Delinquency Rates on New Loans- Goal 1	Provides the current rate.	StateDistrictServicing OfficeCountyReport Selection	9/26/18
Reduce Guaranteed Delinquency Rates on Loans LS- Goal 2	Provides current guaranteed loan delinquency rates for goal monitoring purposes.	StateServicing OfficeCounty	6/18/18
Reduce Average Processing Times for Direct Loans- Goal 2	Provides the average number of days from application receipt to first disposition. EM loans and applications with a Class I or Class II environmental assessment are excluded.	 State District Servicing Office County Ethnicity Race Gender 	6/1/18
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.	 State District Servicing Office County Ethnicity Race Gender 	6/1/18

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A Farm Loan Programs Data Mart (Continued)

*--7 FLP Funding & Goal Reports, Goals Reports (Continued)

Report Name	Report Description	U	ser Selection Criteria	Date Last Modified
Special Servicing Processing Times LS- Goal 3	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.	DSCR	tate District ervicing Office County Leport Selection iscal Year	8/30/18
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.	DSCER	tate District ervicing Office County thnicity ace Gender	6/1/18
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.	DSCER	tate District ervicing Office County thnicity ace Sender	6/1/18
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.	DSCER	tate District ervicing Office County thnicity ace Sender	6/1/18
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.	SDSCER	tate District ervicing Office County thnicity Lace Gender	6/1/18

A Farm Loan Programs Data Mart (Continued)

*--8 FLP Guaranteed Reports, Guaranteed Loan system (GLS) Reports

The following are the available GLS FLPDM Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Borrowers Having Loans with Both ACA and FLCA Lenders Report	Provides a list of borrowers who have active loans with both ACA and FLCA Lenders.	StateServicing OfficeCounty	7/5/18
Current Lender Designations Report	Provides a list of current lender designations (similar to GLS4023), including effective date of agreement.	StateLender Status	7/5/18
FLPRA Guaranteed Average Loan Loss Rate Report	Provides information on guaranteed average loan loss rates to support FLPRA review.	StateServicing OfficeCountyFiscal Year	7/27/18
FLPRA Guaranteed Loans Closed Report	Provides a list of loans closed in specific fiscal year to support FLPRA elements.	StateFiscal Year	7/27/18
FLPRA Guaranteed Obligations Report	Provides a list of guaranteed obligations used to calculate FLPRA elements.	 State Servicing Office County Report Selection	6/18/18
FLPRA Loans made to refinance lenders own debt	Provides a list of guaranteed loans made to refinance lenders own debt to support FLPRA review.	StateServicing OfficeCountyFLPRAFiscal Year	9/25/19
Guaranteed Annual Loan Loss Rate Report	Provides the guaranteed loan loss rate for the current fiscal year.	StateServicing OfficeCountyReport Selection	7/27/18

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A Farm Loan Programs Data Mart (Continued)

*--8 FLP Guaranteed Reports, Guaranteed Loan system (GLS) Reports (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Guaranteed Fees Report	Provides information on guaranteed fees collected during specified date range.	StateServicing OfficeCountyReport Selection	7/5/18
Guaranteed Obligation Transactions Report	Provides a list of transactions that affect the obligated loan amount. This includes 1 A and 1 D transactions.	 State Servicing Office County	7/5/18
Lender Representative List Report	Displays current lender representative information for lenders with active FLP loans.	• State	6/18/18
Loans Sold on Secondary Market Report	Displays a list of guaranteed FLP loans that have been sold on the secondary market.	 State Servicing Office County	6/18/18

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A Farm Loan Programs Data Mart (Continued)

*--9 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	Provides information on	• State	3/30/18
Application	the FSFL application	• County	3/30/10
Report FSFL	process from Received	Loan Type	
Report 131L	Date through Loan	• Status	
	_	• Race	
	Closing Date. Carryover	Gender	
	applications received in	• Ethnicity	
	prior FY will be displayed	Borrower	
	until withdrawn, rejected,		
	or closed.	Application Received Date	
FSFL	Condensed listing of	State	6/1/18
Condensed	FSFL loans categorized	County	
Report	by State, including loan	Fiscal Year	
	count, obligated amount,		
	and outstanding amount.		
FSFL	Provides information on	State	8/14/18
Congressional	FSFL obligations by	Congressional District	
District Report	congressional district.	• Fiscal Year	
FSFL Original	Provides a summary of	• State	4/23/18
Report	FSFL work tasks from the	County	
	DLS loan making		
	application checklist. User		
	may ask for Incomplete or		
	Complete work tasks.		

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A Farm Loan Programs Data Mart (Continued)

*--9 FSFL Reports, FSFL Loan Making (Continued)

The following are the available FLP Goal reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Office Management FSFL Dashboard	Lists specific FSFL work tasks from the DLS loan making application checklist. User may ask for Incomplete or Complete work tasks.	 State County Ethnicity Task Status Race Gender Task Status Task Date Type 	4/23/18
Related Entity Report FSFL Dashboard	Lists all related entities identified during the FSFL application process. Note: For a list of parties currently liable for a loan, use the Related Entities Report located in the FSFL Loan Servicing Reports folder.	 State County Ethnicity Race Gender Status Related Entity Type Report Selection 	4/23/18

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A Farm Loan Programs Data Mart (Continued)

*--10 FSFL Reports, FSFL Loan Servicing

The following are the available FSFL Loan Servicing Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Borrower	Provides a list of recorded	• State	5/16/19
Mortgage	mortgages for FSFL loans.	County	
Monitoring	User can search on Active	• Status	
FSFL Dashboard	or Released mortgaged		
	instruments.		
Borrower	Used to monitor current	• State	6/5/19
Financing	status of Financing	• County	
Statement Report	Statements for FSFL	• Status	
FSFL Dashboard	loans. Detailed report	Date Type	
	provides information on		
	Amendments,		
	Continuations, and		
	Terminations.		
FSFL Capacity	Provides capacity	• State	6/1/18
Report	information for FSFL	• County	
	applications,	• Fiscal Year	
	disbursements, and closed	Category	
	loans.		
FSFL	FSFL's that are \$25 or	• State	1/16/18
Delinquency	more delinquent.	• County	
Report			
Farm Visit FSFL	Provides information for	• State	5/16/19
Dashboard	tracking Farm Visits. User	• County	
	can search on Scheduled	• Status	
	Date or Completed Date	Visit Type	
	and type of visit.	Date Type	
		Completed by Contractor	
FSFL	Report of FSFL	• State	4/23/18
Disbursement	disbursement loans based	• County	
Report	on the last four fiscal	Disbursement Date	
	years of obligation.		
FSFL	Provides a summary of	• State	4/23/18
Outstanding	outstanding FSFL loans	• County	
Report	based on the last four		
	fiscal years of obligation.		

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A Farm Loan Programs Data Mart (Continued)

*--10 FSFL Reports, FSFL Loan Servicing (Continued)

Donaut Nama	Donaut Description	Haan Calaction Cuitoria	Date Last
Report Name	Report Description	User Selection Criteria	Modified
FSFL Payment	Provides a detailed list of	• State	5/4/18
History Report	payment collected during	• County	
	specified fiscal years.	• Fiscal Year	
		Borrower Tarrage	
ECEL Danarana	Danidas information on	Loan TypeState	4/22/19
FSFL Repayment	Provides information on		4/23/18
Report	FSFL repayments based	• County	
D + D + 1	on fiscal year.	• Fiscal Year	C/4/10
	Provides information used	• State	5/4/18
Report FSFL	to generate payment	• County	
	reminder letters. User	• Date Type	
	must specify an		
	installment due date		
	range.		
Reminder Report-	Provides information on	• State	4/23/18
FSFL Only Report	FSFL routine loan	• County	
	servicing workflow	• Status	
	reminders. User can select	• Date Type	
	pending, postponed,	• Borrower	
	closed, or all reminders.		
	User can search based on		
	Alert Date, Due Date or		
	Closed Date.		
Related Entities	Identifies related entities	• State	4/24/18
FSFL	currently liable for all	• County	
	active FSFL loans. Based	• Borrower	
	on Related Entities linked		
	on Customer Profile.		
	Note : For a list of parties		
	identified at the time of		
	application, use the		
	Related Entity Report		
	located in the FSFL Loan		
	Making Reports folder.		
Status of Farm	Provides status	• State	7/5/18
Storage Facility Loans Report	information for all outstanding FSFL loans.	• County	

A Farm Loan Programs Data Mart (Continued)

*--11 FSFL Reports, FSFL Accounting

The following are the available FSFL Accounting Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
IRS 1098 Reconciliation Correction Report	Provides a list by calendar year of all reportable interest for FSFL loans	Calendar Year	1/16/18
Reconciliation Report Original 1098 Forms	Provides a list by calendar year of all 1098's that were corrected for FSFL loans	Calendar Year	1/16/18

--3

A Farm Loan Programs Data Mart (Continued)

12 PLAS Reports

The following are the available PLAS Reports.

Report Name	Report Description		User Selection Criteria	Date Last Modified
Office Lookup Dashboard	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.	•	State	10/27/17
	To request changes, FSA-2125 must be *completed and provided to the RD Business Center*			
SCIMS to PLAS Discrepancy	Daily report that lists PLAS 4C Transaction discrepancies resulting from the previous night's update. These discrepancies do not appear in ADPS *and must be corrected by the RD Business Center. Users have the* option to view reports from the last 30 days.	•	State District Servicing Office	9/26/18
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.	•	State District Servicing Office	3/18/19
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.	•	State District Servicing Office Date Selection	6/5/19

B GLS

1 Application Reports

The following are the available Application Reports.

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Report Number	Report Name	Report Description
GLSAPP02	Guaranteed Loan Applications Detail Report	Displays lender, borrower and application information for each application that matches the specified search criteria. 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	Summarizes the number of applications received, completed, average number of days between application received and completed, average number of days from completed to final disposition, and the total of the two averages. The primary sort is State and secondary sort options are borrower race, lender status, or loan type. A drill-down to detail by mail code is also available. Report can be used to monitor Loan Making Goal 3 by selecting Environmental Review Type of CATEX.
GLS2209	Guaranteed Loan Application Tracking Summary Report	Tracks applications from received date to final disposition by State.
GLS2209A	Guaranteed Loan Application Tracking Detail Report	Tracks applications from received date to final disposition. Provides both first and final disposition information.

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B GLS (Continued)

*--2 Activity Reports

The following are the available Activity Reports.

Report		
Number	Report Name	Report Description
GLS4290	Application Activity Summary	Summarizes the following activities:
		Applications received; applications completed; eligibility determinations; final dispositions; obligations; loans closed; environmental reviews; real estate appraisal reviews; and chattel appraisal reviews.
GLS4291	Application Activity Detail	User must specify a date range. 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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B GLS (Continued)

2 Activity Reports (Continued)

Report		
Number	Report Name	Report Description
GLS4292	Servicing Activity Summary	Summarizes the following activities:
		SEL File Reviews; CLP File Reviews; PLP File Reviews; Chattel Appraisal Reviews; Real Estate Appraisal Reviews; SEL Annual Analysis Reviews; CLP Annual Analysis Reviews, PLP Annual Analysis Reviews; Line of Credit
		Reviews; Restructure Pre Reviews; or Restructure Post Reviews.
		User must specify a date range.
GLS4293	Servicing Activity Detail	Validates the counts from the GLS4292 report displaying the following information: SEL File Reviews; CLP File Reviews; PLP File Reviews; Chattel Appraisal Reviews; Real Estate Appraisal Reviews; SEL Annual Analysis Reviews; CLP Annual Analysis Reviews; PLP Annual Analysis Reviews; Line of Credit Reviews; Restructure Pre Reviews; or Restructure Post Reviews. User must specify a date range.
GLS4294	Servicing Review Activity Needed	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. Includes additional information to assist the user in prioritizing loans for review.

B GLS (Continued)

3 GLS Status Reports

The following are the available Status Reports.

Report Number	Report Name	Report Description
GLSSR02	Past Due Status and Default Status Report	Displays status reports and default status reports that were due and have not been recorded in GLS.
GLSSR04	Past Due Status and Default Status Summary Report	Summarizes the total number of lender branches/loans with past due status reports or default status reports.
GLS4265	Submitted Status Reports	Lists lenders who have submitted a status report. Displays all data collected on Semi-Annual and Default Status Reports, including advanced amounts. Excel version includes delinquency code description and comments.

4 Delinquency Reports

The following are the available Delinquency Reports.

Report Number	Report Name	Report Description
GLS2001	List of Delinquent Borrowers	Displays delinquent loan information by mail code for all loans past due.
GLS2002	Guaranteed Loans Behind Schedule	Summarizes loans that are not yet considered delinquent, but payment is behind schedule. Used to investigate and resolve issues to prevent loans from becoming delinquent.
GLS4067	Analysis of Delinquencies	On-request report provides a summary of borrower and loan counts, amount unpaid principal, delinquency counts, amount past due and delinquency percentages by State or loan type for active guaranteed loans.
GLS4067	Analysis of Delinquencies National Summary	On-request report provides a national summary of borrower and loan counts, amount unpaid principal, delinquency counts, amount past due and delinquency percentages for active guaranteed loans.

B GLS (Continued)

5 Borrower Reports

The following are the available Borrower Reports.

Report Number	Report Name	Report Description
GLSLN01	Overdue Guaranteed Loan Closing Fees	Weekly report will list all borrower loans with a Suspend Code equal to 4 and a Date of Loan Closing or a Date of Last Register greater than 30 days from the Run Date of the Report.
		Provides a listing by Borrower ID Number within State and County codes. The primary purpose of this report is to provide Finance Office users with a list of borrower loans that have unpaid Guaranteed Loan Closing Fees outstanding for more than 30 days.
GLSLN03	Parties Liable for GLS Loans	Weekly report will list all borrowers and co-borrowers responsible for GLS loans.

6 Loan Reports

The following are the available Loan Reports.

Report	D N	Description
Number	Report Name	Report Description
GLSLN02	Trial Balance	On-request report provides a listing of all active
	Guaranteed Loan	guaranteed loans for a lender.
	Lender	
		The primary purpose of this report is to provide user
		with information concerning a lender's active portfolio.
GLS2212	Borrowers Having	Provides a total of unduplicated borrowers having both
	Direct &	direct and guaranteed loans by State.
	Guaranteed Loans	
	Summary	
GLS2213	Borrowers Having	Provides list of Borrower's ID and name of
	Direct &	unduplicated borrowers having both direct and
	Guaranteed Loans	guaranteed loans for selected State.
	Detail	
GLSREAM1	Reamortized	Provides a summary of loans reamortized.
	Loans Summary	

B GLS (Continued)

6 Loan Reports (Continued)

Report		
Number	Report Name	Report Description
GLSREAM2	Reamortized Loans	Provides a detail listing of loans reamortized.
	Detail	
GLS4263	Lender Loans	Lists all loans that are closed by the lender but are
	Closed - Pending	waiting for approval to be closed in GLS.
	Closing in GLS	
	Report	
GLSIA06	Guaranteed Loans	Provides a list of loans that are delinquent, past due, or
	That Require	past the maturity date.
	Attention	

7 Loan Reports - A/R

The following are the available Loan Reports - A/R.

Report Number	Report Name	Report Description
GLS4011	Accounts	Summarizes the number of claims and unpaid
	Receivable	principal and interest by geographic State for the loan
	Summary	types selected.
GLS4010	Accounts	Provides a detailed listing of accounts receivable along
	Receivable Listing	with unpaid principal and interest amounts.
GLS2113	Guaranteed Loan	Provides a national summary of counts of guaranteed
	Repurchases	loan repurchases by State across FY. A drill-down to
	Summary by Fiscal	detail is also available.
	Year	
GLS2113	Guaranteed Loan	Provides detailed information for guaranteed loan
	Repurchases Detail	repurchases for the selected State.

B GLS (Continued)

8 Lender Notices

The following are the available Lender Notices Reports.

Report Number	Report Name	Report Description
GLSNT01	Guaranteed Loan 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.

B GLS (Continued)

8 Lender Notices (Continued)

Report Number	Report Name	Report Description
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.

Report Name	Report Description
ruaranteed Loans y Lender aseload	Lists guaranteed loan information by lender ID within lender name, giving a total amount by lender name.
duaranteed aseload/ delinquency ummary	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
y a a	uaranteed Loans Lender useload uaranteed useload/ elinquency

B GLS (Continued)

9 Caseload Reports (Continued)

Report Number	Report Name	Report Description
GLS2091	Borrowers Owing More than a Specified Amount by State	Provides a summary of borrower counts, delinquency counts, unpaid principal, P & I outstanding and P & I delinquent by State for active guaranteed borrowers owing over a specified amount. Summary by county is available as a drill-down on State.
GLS2120	Total Amount of Loans Outstanding by Gender and Race	Provides a breakout by gender and race of the guaranteed unpaid principal balance.
GLS2121	Count of Borrowers with Guaranteed Loans Outstanding by Gender and Race	Displays a count of borrowers with guaranteed loans outstanding by gender and race.
GLS4051	Assistance to Employees, Relatives and Associates	Summarizes loan statuses for employees, relatives and associates.
GLS4105	Loan Caseload Summary Report	Summarizes borrowers and loans by servicing State and loan type.
GLS4110	Loan Caseload Detail Report	Provides loan detail information for each borrower by loan type and servicing State and county.
GLS4115	Analysis by Interest Rate Summary Report	Displays number of loans and principal outstanding by sort options selected by interest rate category for all active FSA loans.
GLS4115A	Analysis by Interest Rate Detail Report	Displays detail information to analyze interest rates by sort options selected for all active FSA loans.
GLS4120	Conservation Loan Summary Report	Summarizes CL's by TOA code, either Active loans only or all loans made. Data can be sorted by State, Lender ID, Lender Status or Lender Type.

B GLS (Continued)

10 Lender Reports

The following are the available Lender Reports.

Report		
Number	Report Name	Report Description
GLS4023	Current Lender	Lists lenders that meet the lender designation requested
	Designation Report	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 -	Provides the Lender ID and Branch, name and address,
	Internal Use Only	Loan Amt and Outstanding Principal of every lender
		with an active loan by loan type, servicing State, and
		lender name.
		Note: Do not distribute to outside sources.
GLS2009	Loans Made by	Summarizes the total number of loans made by a lender
	Lender Summary	distinguishing between those made in the last 5 years
	Report	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	Details each loan made by a lender providing borrower
	Lender Detail Report	ID, name and address along with the loan amount,
		closing date, loan status and loss paid.
GLSIA05	Top Lenders	Provides a list of the top lenders based on the number
		of active loans or amount of outstanding principal.

B GLS (Continued)

11 Activity Register Reports

The following are the available Activity Register Reports.

Report Number	Report Name	Report Description
GLSBR01	Borrower Register	System generated from each update, daily listing of the results of all borrower transactions processed by the system during the processing cycle. The report is produced in geographic State, county, borrower ID, loan number, and transaction code sequence.
		Detail transaction and loan/borrower record data will be displayed in a free format, depending on the transaction code. The primary purpose of this report is to serve, as a detail record of all processing for reference, discrepancy, and audit trail purposes.
GLSLR01	Lender Register	Daily listing of the results of all lender transactions and borrower transactions updating lender records processed by the system during the processing cycle. The report will be in Lender ID Number, Branch Number, and transaction sequence.
		Detail transaction and lender record data will be displayed in a free format, depending on the transaction. The primary purpose of this report is to serve as a detail record of all processing for reference, discrepancies, and audit trail purposes.

B GLS (Continued)

12 Paid Loss Reports

The following are the available Paid Loss Reports.

Report		
Number	Report Name	Report Description
GLS2095	Completed Loss Paid	Counts loans, loans with losses and loss percent.
	Data on Loans	
	Guaranteed	
GLS2101	Status of Completed	Counts and totals losses, recoveries and
	Guaranteed Losses	liquidation costs by FY of the loss.
	Paid by Fiscal Year	
GLS2111	Estimated Guaranteed	National summary of type 1 guaranteed loan
	Loan Losses Where	losses by State across FY. Either loss counts, or
	Final Loss Has Not	dollar amounts are summarized based on selection
	Been Paid	from criteria screen.
GLS4131	Summary of	Provides numbers and totals for each loss type by
	Completed Losses by	State.
	State	
GLS4130	Completed Loss	Lists loss information for borrowers in State and
	Listing	loan type order. Information will either be
		summarized into the last loss type and amount or
		detail information based on user selection.

B GLS (Continued)

13 Loss Review Reports

The following are the available Loss Review Reports.

Report Number	Report Name	Report Description
GLS5101	Loss Claim Status Summary Report	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.

B GLS (Continued)

13 Loss Review Reports (Continued)

Donout Nama	Donout Description
	Report Description
-	Summary report provides information on Liquidation
	Costs.
Liquidation Costs	Detail report provides information on Liquidation
Detail Report	Costs.
Deductions to Final	Summary report compares the loss amount requested
Liquidation Loss	by the lender to the amount approved by the Agency
-	(final liquidation losses only).
Report	
Deductions to Final	Detail report compares the loss amount requested by
Liquidation Loss	the lender to the amount approved by the Agency
	(final liquidation losses only).
Losses with	Summary report provides information on Additional
Additional Interest	Interest paid (all loss types).
Summary Report	
Losses with	Detail report provides information on Additional
Additional Interest	Interest paid (all loss types).
Detail Report	
Loss Claim	Summary report calculates the number of days
Processing Times	between the lender's submission of the claim to the
_	Agency's approval (only includes loss types 01, 02,
<i>J</i> 1	05, 06, or 07).
Loss Claim	Detail report calculates the number of days between
Processing Times	the lender's submission of the claim to the Agency's
_	approval (only includes loss types 01, 02, 05, 06,
1	or 07).
	Deductions to Final Liquidation Loss Claim Summary Report Deductions to Final Liquidation Loss Claim Detail Report Losses with Additional Interest Summary Report Losses with Additional Interest Detail Report Loss Claim Processing Times Summary Report

B GLS (Continued)

14 Interest Assistance Reports

The following are the available Interest Assistance Reports.

Report		
Number	Report Name	Report Description
GLS2094	Guaranteed Interest	Provides a summary of borrower counts, loan counts,
	Assistance Summary	and loan counts broken into various categories for
	Report	active guaranteed interest assistance by State.
		Summary by count is available as a drill-down on
		State.
GLS4235	Unliquidated Interest	Totals loan balance, buydown obligated amount,
	Assistance	interest assistance paid, and unliquidated obligated
	Obligations	buydown amount by borrower.
GLSIA01	List of Guaranteed	Provides a list of all guaranteed loans with active
	Loans with IA	Interest Assistance Agreements.
	Agreements	-
GLSIA02	Interest Assistance	Provides a list of paid Interest Assistance Claims.
	Claims Processed	-
GLSIA03	Oldest IA	Provides information on a borrower's first Interest
	Agreements	Assistance Agreement.
GLSIA04	IA Claims Not Yet	Lists all Interest Assistance Claims coming due
	Processed	within the next 30 days, or those that are past due.

B GLS (Continued)

15 Obligation and Closing Reports

The following are the available Obligation and Closing Reports.

Report		
Number	Report Name	Report Description
GLS2006	Guaranteed	Displays guaranteed loans that are obligated for the
	Obligated Loans by	specified obligated FY by mail code, lender name and
	Mail Code	borrower name.
GLS2210	Farm Loan Program	Shows all loan obligations for the date range selected
	Obligations Report	with the ability to limit the data by SDA, Beginning
		Farmer, Lender Status or Assistance Type.
GLS2008	Farmer Programs	Displays guaranteed loans that are obligated, but not
	Guaranteed	yet closed. It is broken out by borrower name and
	Unclosed Loans	borrower ID.
	Obligated	

16 CLP/PLP Reports

The following are the available CLP/PLP Reports.

Report	D AN	D (D)
Number	Report Name	Report Description
GLS2010	Lenders Eligible for	Shows all loan providers who meet requirements for
	Certified Status	status of Certified Lender.
	Report	
GLS2011	Lenders Eligible for	Shows all loan providers who meet requirements for
	Preferred Status	status of Preferred Lender.
	Report	
GLS2014	Certified Loan	Shows only the loan providers who already have the
	Providers Report	status of Certified Lender.
GLS2015	Preferred Loan	Shows only the loan providers who already have the
	Providers Report	status of Preferred Lender.
GLS2012	Certified Loan	Shows all loan providers who currently have a status
	Providers Not	of Certified and no longer meet the specified criteria
	Meeting CLP	for that status.
	Criteria	
GLS2013	Preferred Loan	Shows all loan providers who currently have a status
	Providers Not	of Preferred and no longer meet the specified criteria
	Meeting PLP	for that status.
	Criteria	

B GLS (Continued)

17 Debt Offset Receivable Reports

The following are the available Debt Offset Receivable Reports.

Report		
Number	Report Name	Report Description
GLSDC20	Loans Eligible for Offset - National Summary	National office report is used to summarize all loans eligible for offset.
GLSDC21	Loans Eligible for Offset - State Summary	State office report is used to summarize all loans eligible for offset for a specific State.
GLSDC22	Loans Eligible for Offset - Servicing Office Summary	Field office report is used to summarize all loans eligible for offset for a specific servicing office.
GLSDC22A	Loans Eligible for Offset - Detail	Provides a list of all loans where the offset eligibility indicator equals Y, and provides information on the current status of the loan.
GLSDC05	Debts Eligible for Offset Where No Receivable Has Been Established - Summary	Summarizes debts where a final loss has been paid, but a receivable has not yet been established.
GLSDC05A	Debts Eligible for Offset Where No Receivable Has Been Established - Detail	Lists debts where a final loss has been paid, but a receivable has not yet been established.
GLSDC53	Offset Status Detail Report	Provides detail information on all offset receivables within a State or servicing office.
GLSDC54	Inactive Receivables List	Lists all receivables with no collections greater than the number of years specified on the selection criteria page.
GLSDC12	Debts Eligible for IAO But Not Yet Referred - Summary	Summarizes loans where the debt has not yet been referred for IAO. User may limit the data to loans which should have already been referred.
GLSDC12A	Debts Eligible for IAO But Not Yet Referred - Detail	Identifies loans where the debt has not yet been referred for IAO. User may limit the data to loans which should have already been referred.

B GLS (Continued)

17 Debt Offset Receivable Reports (Continued)

Report				
Number	Report Name	Report Description		
GLSDC06	Debts Eligible for TOP	Summarizes loans where the debt has not yet been		
	But Not Yet Referred -	referred to TOP. User may limit the data to loans		
	Summary	which should have already been referred.		
GLSDC06A	Debts Eligible for TOP	Identifies loans where the debt has not yet been		
	But Not Yet Referred -	referred to TOP. User may limit the data to loans		
	Detail	which should have already been referred.		
GLSDC07	Debts Which Will Not	Summarizes debts where FSA has identified the		
	Be Referred for	reason why the debt will not be referred for offset.		
	IAO/TOP Offset -	User is required to specify IAO or TOP offset.		
	Summary			
GLSDC07A	Debts Which Will Not	Lists debts where FSA has identified the reason		
	Be Referred for	why the debt will not be referred for offset. User		
	IAO/TOP Offset - Detail	is required to specify IAO or TOP offset.		
GLSDC08	Debts Referred for	Summarizes debts that are currently referred for a		
	IAO/TOP Offset -	specified type offset.		
	Summary			
GLSDC08A	Debts Referred for	Identifies debts that are currently referred for a		
	IAO/TOP Offset - Detail	specified type offset.		
GLSDC09	Debts Deleted from	Summarizes debts that have been deleted from a		
	IAO/TOP Offset -	specified type of offset referral.		
	Summary			
GLSDC09A	Debts Deleted from	Identifies debts that have been deleted from a		
	IAO/TOP Offset - Detail	specified type of offset referral.		
		<u> </u>		

B GLS (Continued)

17 Debt Offset Receivable Reports (Continued)

Report Number	Report Name	Report Description
GLSDC10	Offset Collections -	Summarizes information on DCIA collections
GLSDC10		
GI GD G10 A	Summary	made through offset.
GLSDC10A	Offset Collections - Detail	Provides detailed information on DCIA
CL CD C12	T . 1 . 1	collections made through offset.
GLSDC13	Internal Administrative	Summarizes DCIA collections made through
	Offset Collections -	IAO offset.
	Summary	
GLSDC14	Offset Collections/Refund -	Provides financial data related to offset
	Summary	collections and refunds for FSA Guaranteed
		Loan receivables in summary format.
GLSDC14A	Offset Collections/Refund -	Provides financial data related to offset
	Detail	collections and refunds for FSA Guaranteed
		Loan receivables in detail format.
GLSDC19	360-6 Refunds	Displays detail refund information for 4062
		and 4962 transactions.
GLSDC15	Debts Written Off from	Provides financial data related to Debts
	IAO/TOP Offset - Summary	Written Off for FSA guaranteed loan
		receivables in summary format.
GLSDC15A	Debts Written Off from	Provides financial data related to Debts
	IAO/TOP Offset - Detail	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.

B GLS (Continued)

18 Application Authorization Security Management (AASM)

The following are the available AASM Reports.

Report Number	Report Name	Report Description		
GLS4264	List of Lenders Not Established as Security Administrators in AASM 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		
GLS4266	List of Lenders Established as Security Administrators in AASM Summary Report	Summarizes number of lenders, applications, obligations, and loans by servicing State where the lender has security administrators for GLS Level 1 or Level 2 under AASM.		
GLS4266A	List of Lenders Established as Security Administrators in AASM Detail Report	Lists lenders with active applications, obligations, or loans for FSA that have security administrators for GLS Level 1 or Level 2 under AASM.		
GLS4267	AASM User List Report	Lists users in AASM along with their status, system, role, intermediary/lender ID, branch, State, and program.		
GLS4268	AASM User Maintenance Register Report	Lists all data from the user maintenance register.		

B GLS (Continued)

19 Program Reporting Group

The following are the available Program Reporting Group Reports.

Report				
Number	Report Name	Report Description		
GLSDC48	Debts Written Off from	Provides financial data related to Debts Written		
	IAO/TOP Offset -	Off for FSA guaranteed loan receivables in		
	Summary	summary format.		
GLSDC48A	Debts Written Off from	Provides financial data related to Debts Written		
	IAO/TOP Offset - Detail	Off for FSA guaranteed loan receivables in detail		
		format.		

20 MRE Reports for State Office Usage

The following are the available MRE Reports for State Office usage.

Report Name	Report Description		
Alternate - Guaranteed Loss	Provides the current loss rate, which is calculated by dividing		
Rate - FY 2015	the amount of losses during the current FY by the unpaid		
	principal at the beginning of the FY.		
Borrower Maintenance	Displays data from the Borrower Maintenance screen. User		
Report by Servicing Office	may specify State, Office, or Borrower ID Number.		
Borrowers Who Have Loans	Provides a list of borrowers who have active guaranteed		
with Both PCA (ACA) &	loans with both PCA and FLB.		
FLB (FLCA) Lenders			
Breakout of Loans Made by	Provides the number and percentage of loans closed for		
Lender Status	specified FY by lender status.		
Caseload/Delq with County	Modified from GLS2085. Includes servicing office and		
and Office Names	county names.		
Final Losses Paid Within the	Lists loans where a final loss claim has been processed		
Past Three Years	within three years of the current date.		

B GLS (Continued)

20 MRE Reports for State Office Use (Continued)

Report Name	Report Description
FLPRA - Guaranteed	Provides the net loss amount and original loan amount for
Average Loan Loss Rate	loans used to calculate the Guaranteed Average Loan Loss
	Rate FLPRA element.
FLPRAOBL MRE -	Provides list of obligations used to calculate the various
Guaranteed Obligations	guaranteed obligation FLPRA elements.
Only	
GLS2120 - Specific State by	GLS2120, Total Amount of Loans Outstanding by Gender
Mail Code	and Race, modified to allow user to select a specific State.
GLS2121 - Specific State by	GLS2121, Count of Borrowers with Guaranteed Loans
Mail Code	Outstanding by Gender and Race, modified to allow user to
	select a specific State.
*GLS2208 – Guaranteed	Modified for LMD Goal – By Servicing Office.
Loan Average Processing	
Times	
GLS4023 Modified to	GLS4023, Current Lender Designation Report, modified to
Include Effective Date of	include effective date of designation agreement.
Agreement	
GLS2208 – Guaranteed	Summarizes the number of applications received and
Loan Average Processing	completed, average number of days between application
Times	received and completed, average number of days from
	completed to final disposition, and the total of the two
	averages.
	The primary sort is State and secondary sort options are
	borrower race, lender status, or loan type. A drill-down to
	detail by mail code is also available*
GLS4110 Modified to add	GLS4110, Loan Caseload Detail Report, modified to add
several fields for LMD &	lender type, primary loan purpose, IA indicator, beginning
LSPMD	farmer indicator, SDA indicator, race, gender, ethnicity,
	borrower address, and lender designation
GOAL2 - Guaranteed	Provides guaranteed delinquency rates for the current goal
Delinquency Rate - FY 2015	period. Works best for States that have not had significant
	office realignments during goal period.
GOAL2 Alternate -	Provides current guaranteed delinquency rate for goal
Guaranteed Delinquency	monitoring purposes. Useful for States who have had
Rate - FY 2015	office realignments during goal period.
Guaranteed Fees	Summarizes the amount of guaranteed fees collected by
	deposit date. User must specify date deposit date range.

B GLS (Continued)

20 MRE Reports for State Office Use (Continued)

Report Name	Report Description
Lender Representative	Provides information from Lender Representative screen for all
List	lenders with active loans within a State.
List of Active	Provides a list of active borrowers for specified State. Includes
Guaranteed Loan	race, gender, ethnicity and unpaid principal balance.
Borrowers with Race,	
Ethnicity & Gender	
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	Provides a list of loans made for the purpose of refinancing debt
Lender's Own Debt - for	with the same lender. User must specify FY and Lender ID.
specific Lender	
Loans Made to Refinance	Provides a list of loans made for the purpose of refinancing debt
Lender's Own Debt - for	with the same lender. User must specify FY and 5-digit mail
specific Service Center	code.
Loans Made to Refinance	Provides a list of loans made for the purpose of refinancing debt
Lender's Own Debt - for	with the same lender. User must specify a FY and State
specific State	abbreviation.
Loans Sold on Secondary	Modified from GLS4110, Loan Caseload Detail Report. Limits
Market	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 -	Provides obligation and deobligation transaction activity for
Replaces FOCUS	both direct and guaranteed loans for specified date range.
PLDATA Report	Report is useful to monitor funds usage.
PLP Review Report - List	Provides a list of loans for specified State and lender. Report is
of Active Loans - State	used to plan PLP Review activity.
Summary	
Unmatched Lender	Provides a list of lender branches where designation
Designations	information does not match for all branches.

NATS AgLearn Training Modules

AgLearn training courses have been developed for new users or users that have been assigned a new NATS role. Users should locate the NATS modules in AgLearn by searching for "National Appraisal Tracking" and self-assign the applicable course modules based on their role.

User / EAS Role	AgLearn – NATS Training Modules			
Ordering Official (OO),	Module 1 – Introduction to NATS			
TPOC				
app.fsa.flp.nats	■ Module 2 – NATS Initial Work Order Setup			
	• Module 3 – Sending the WO to the Vendor or Staff Appraiser			
	Module 5 – Completing a Third-Party Administrative Review in			
	NATS			
	IMIS			
	Module 7 – Farm Storage Facility Loans (FSFL)			
	Module 8 – Chattel Appraisal Work Order			
APOC, ARMP	• All modules for OO / TPOC, plus the following:			
app.fsa.flp.nats.apoc				
	• Module 4 – APOC and Funding Staff Process Work Order, Parts			
	1 and 2			
	Module 6 – NATS Advanced Tasks			
	Wildule 0 - NATS Advanced Tasks			
	Module 10 – Vendors – Entering and Maintaining Profiles			
Funding Staff – FMMI	Module 1 – Introduction to NATS			
and PLCE				
app.fsa.flp.nats.fc	• Module 4 – APOC and Funding Staff Process Work Order, Parts			
	1 and 2			
	Module 6 – NATS Advanced Tasks			
	Madula O Funding Staff Dalas and Duefile			
State Administrator/	 Module 9 – Funding Staff Roles and Profile Module 1 – Introduction to NATS 			
State Auministrator/	 Module 1 – Introduction to NATS Module 11 – State Administrator Roles 			
app.fsa.flp.nats.admin.so	Widdie 11 – State Administrator Roles			
National Office/	Module 1 – Introduction to NATS			
	Module 12 – National Office User Roles			
app.fsa.flp.nats.admin.no				

Users may direct questions about the training to the NATS helpdesk at SM.SA.NatsHelpDesk@usda.gov.

Invoices for Non-Contractual, Micropurchase, and Contractual PLCE Transactions

A. Invoices

Contractors are required to submit proper invoices according to Federal Acquisitions Regulation Part 32.905 - <u>32.905 Payment documentation and process.</u> | <u>Acquisition.GOV</u>. Except for appraisal acquisitions, TPOC's, or ARMP's will communicate the following written guidance to the contractors upon issuance of a task order, purchase order, or delivery order.

The following information must be included on invoices submitted to the agency:

- 1. Name and address of the contractor
- 2. Invoice date and invoice number
- 3. Contract number or other authorization for supplies delivered or services performed (including order number and line-item number)
- 4. Description of goods or supplies, quantity, unit of measure, unit price, and extended price of supplies delivered, or services performed
- 5. Shipping and payment terms
- 6. Name and address of contractor official to whom payment is to be remitted (must be the same information as the original task order, purchase order, or delivery order)
- 7. Name (where practical), title, telephone number, and mailing address of person to notify in the event of a defective invoice
- 8. Taxpayer Identification Number (TIN)
- 9. Electronic Funds Transfer (EFT) banking information (if the contractor has a current SAM.gov registration or FMMI record they are not required to include banking information on the invoice)
- 10. Other information the agency official deems necessary according to the contract agreement.

Clarification of Item 4: Unit of measure, unit price, and extended price of supplies delivered not required for PLCE invoices, unless necessary due to type of agreement.

Note: The Statement of Work (SOW) (Exhibit 39) for appraisal acquisitions provides guidance regarding invoice requirements.

B. Non-Contractual Invoices

In rare instances when a vendor does not submit an invoice, statement, or notice for non-contractual requirement, an FSA-2171 will be completed by the local officials. The original completed/signed FSA-2171 will be retained for agency records and a copy will be sent to the vendor if local official is delivering a physical check.

C. Processing of Invoice Payments

Upon receipt of a proper contractor invoice, the designated agency official will follow procedures set forth in Exhibit 21 of this handbook relating to established roles for reviewing, accepting, and processing of invoices.

Note: Designated TPOC and ARMP/APOC will notate review and acceptance on the invoice.

PLCE Roles and Responsibilities

Following are the roles and responsibilities for employees carrying out PLCE transactions.

Role	Responsibilities	Eligible Positions	Training Requirements	Authority
TPOC/OO	Identifies PLCE need;	FLC; FLS; DD;	Ethics training	Inherent to position or delegated according
	Receives completed work;	FLM; FLO; LA;		to 1-FLP, subparagraph 23 C and Exhibit 7
	Recommends payment for completed work	PT; Staff appraiser		
PLCE Monitor	Certifies PLCE budget availability on * * *	Staff selected by	Ethics training	No delegation required – identified in
	FSA-2128;	SED and FLC		required 1-FLP State supplement
	Assigns Federal Award Identification			
	Number (FAIN) when required;			
	Obtains Procurement Instrument			
	Identification (PIID) from Contracting			
	Officer; and Responds to vendor payment			
	inquiries			
ARMP	Obtains bids;	FLC, FLS, DD,	• Procurement Integrity, .5 hours	*Delegated by FBC, AD, POAD after*
	Makes micropurchase;	FLM, FLO, LA,	(score of at least 70% is	submission of training certification
	Notifies Vendor of award; issues Task	Staff appraiser	required)	
	Order to Vendor;			
	Notifies County Office of Vendor award;		• 508 Awareness, 1 hour (score	
	Coordinates modifications of initial award		of at least 95% is required)	
	with PLCE Monitor and Contracting		•	
	Officer; Receives copy of completed work;		ARMP Farm Loan Programs	
	Certifies services or products received and		Micropurchase Payments	
	accepted; Submits invoice to FMMI TY		(Exhibit 24)	
	Processor; Maintains log of transactions and		,	
	rotation of awards among vendors;		• .25 hours to read and sign	
	May receive and accept completed work		ne was to read and ergi	
	and recommend payment for completed		Ethics training	
	work		- Emiss tuning	

Role	Responsibilities	Eligible Positions	Training Requirements	Authority
APOC	*Processes work order in NATS - Obtains bids, requests funding, makes micropurchase award. Issues IAS order to vendor (for contracts)., Coordinates modifications of initial award with PLCE Monitor and Contracting Officer (if applicable). Receives verification of completed work with acopy of approved administrative or technical review. Request funding and ensures final payment is made. Maintains a log of transactions and rotation of awards among vendors in the NATS system and ensures all required documents are in NATS as described in subparagraph 167 B-*.	FLC, FLS, DD, FLM, FLO, LA, staff appraiser	ARMP training.	Must have ARMP for the APOC role Identified by FLC
FMMI PLCE PO Processor and FMMI PLCE TY Processor	Enters information from * * * FSA-2128 into FMMI and creates Purchase Order (ZMY); Enters information from * * * FSA-2128 into FMMI and creates Invoice Document (TY)	Any Position	Ethics training.	no delegation required – identified in required 1-FLP State supplement
FMMI PLCE PO Approver AND FMMI PLCE TY Approver	Approves Purchase Order (ZMY) in FMMI; Approves payment of Invoice Document (TY) in FMMI	Must not be in a subordinate position to the Processor	Ethics training	No delegation required – identified in required 1-FLP State supplement
IAS Requisitioner	Enters procurement request	Any FSA employee who has system access	 Ethics training. No specific IAS training required; however, encouraged to attend training listed at https://ias.usda.gov. 	
IAS Approver	Approves use of funds	Must be in a position of a higher grade than IAS Requisitioner	 Ethics training. No specific IAS training required; however, encouraged to attend training listed at https://ias.usda.gov. 	
IAS Budget Approver	Certifies completion of ZMY Obligation of PLCE funds/budget commitment	PLCE Monitor Only	 Ethics training No specific IAS training required; however, encouraged to attend training listed at https://ias.usda.gov. 	

For Each PLCE Transaction	THEN YOU MAY ALSO DO:							
		PLCE			ZMY	ZMY	TY	TY
IF YOUR ARE THE:	TPOC	Monitor	ARMP	APOC	Processor	Approver	Processor	Approver
Technical Point of Contact (TPOC)	X		X*	X*	X		X	
PLCE Monitor		X				X		X
ARMP			X	X	X		X	
APOC			X	X	X		X	
ZMY Processor	X				X		X	
ZMY Approver		X				X		X
TY Processor	X				X		X	
TY Approver		X				X		X
WHEN IAS IS INVOLVED (Contracting):	THEN YOU MAY ALSO DO:							
IAS Requisitioner	X				X		X	
IAS Approver	X				X		X	
IAS Budget Approver		X				X		X

Note: The above "THEN YOU MAY ALSO DO" applies to each unique PLCE transaction. Separation of duties is essential to maintain the integrity of the purchasing process. However, because of staffing levels, it may be necessary for an employee to have multiple roles in a PLCE transaction. Multiple roles should only be used when adequate staff are not available to process a PLCE transaction request. Additional roles that an individual may perform are noted with an (X) in this chart. A PLCE transaction would be an obligation process (APOC initiates, PLCE Monitor authorization, FMMI Processor, FMMI Approver). A separate PLCE transaction would be the payment process, or cancellation, or modification.

^{*--*}As outlined in subparagraph 167 G: For those States having all FLO and FLM and FLS/FLC designated as an ARMP, dual roles as TPOC and ARMP exist. If there is no separate TPOC in the office initiating the PLCE request, then the FLO or FLM or FLS/FLC will perform all TPOC--* duties in addition to all ARMP duties listed in the workflow.

*--Examples of Separation of Duties:

- **Example #1:** An authorized agency official can be a TPOC and identify the need for an appraisal for an applicant on one order; the same person can be an ARMP/APOC for a separate PLCE transaction. See subparagraph 167 G for exceptions.
- **Example #2:** A person can be the FMMI ZMY Processor or TY Processor for one PLCE transaction, then on a different transaction a person could be the PLCE monitor or the FMMI ZMY approver and TY approver for a separate PLCE transaction. They cannot be both the processor and approver for the same PLCE transaction. Refer to the above chart.
- Example #3 ARMP/APOC (A) receives an appraisal request for ordering of an appraisal from a TPOC. The ARMP/APOC (A) cannot act as a Type 60 monitor or a FMMI approver but they could act as a FMMI processor since they are not approving the request in FMMI. However, ARMP/APOC (B) can.

On the next appraisal request from the TPOC, ARMP/APOC (B) initiates the ordering of an appraisal, ARMP/APOC (A) could have the role of Type 60 monitor and/or FMMI approver ensuring a proper separation of duties for this request is properly maintained. Refer to the above chart.--*

Example of Non-Contractual Separation of Duties:

PLCE cost items that consist of paying a bill, statement, or similar demand for payment generated by a third-party against a borrower or inventory property are referred to as Routine Loan Account Maintenance, otherwise called "non-contractuals". These cost items are **exempt** from FAR and Agriculture Acquisition Regulation (AGAR) provisions and are not subject to total cost thresholds. All non-contractual PLCE's have fixed costs and predetermined, specific vendors. The cost and vendor for non-contractual items are all outside FSA's control and, if the cost item is not paid, the Government's security interests are threatened. (subparagraph163 B)

*--Example: POC submits FSA-2128 and invoice document to PLCE monitor for funds approval. PLCE monitor reviews for completeness, accuracy and validity; assigns 18-digit FAIN number; enters FMMI vendor ID, PAC code, fund code; certifies availability of funds; and sends completed FSA-2128 to FMMI processor. FMMI processor enters request in FMMI to create ZMY. PO FMMI approver accesses parked PO verifies information and approves PO in FMMI which creates allocation of funds. (ZMY transaction completed)

FMMI processor enters invoice in FMMI. FMMI Approver accesses parked invoice verifies information and approves invoice which triggers funds disbursement by National Finance Office. FMMI Approver makes sure copies of the completed FSA 2128, ZMY--* document and TY document are returned to requesting office for placement in borrower file.

In this case a minimum of two employees can be used as the TPOC can also serve as the FMMI processor. The PLCE monitor can also serve as the FMMI approver. The FMMI approver should never be an employee of a subordinate position to the FMMI processor.

•		

*--Accessing IAS for New users

Section 1: Introduction

The Integrated Acquisition System (IAS) is the procurement system used by USDA. IAS has four components.

- iProcurement.
- PRISM.
- Invoice Module.
- Core Apps.

IAS has been configured, with the interface to Financial Management Modernization Initiative (FMMI), to support Commitment Accounting standards for transactions completed in the system, per guidance from the USDA Office of the Chief Financial Officer. Commitment Accounting in IAS is the reservation of funds at the time that requirements are approved and typically a function of funds availability certification or funds certification. When a budget officer or funds holder approves a Requisition, a commitment document is created in FMMI that draws down funds from the specified accounts (this is also known as a draw-down commitment). Requisitions are created in iProcurement (iProc).

Once a commitment has been interfaced with FMMI Purchasing agents and Contracting Officers can create awards against those requisitions to obligate funds in FMMI. Awards/Obligations are created in PRISM.

Roles & Responsibilities in IAS:

- Requisitioner/Receiver: Creates and submits requisitions in IAS for management and funds
 approval. They can modify unapproved requisitions, but only increase funding for approved
 requisitions that have been obligated. Requisitioners are also usually set up with receiving
 responsibilities and are responsible for creating receipts for the orders that they have requested.
- Requisition Approver: Reviews and approves requisitions for the program office or other controls such as Information Technology (IT), Property, etc.
- Budget Approver: Review and approve requisitions for funding. They can also modify approved requisitions and cancel approved requisitions.
- Commitment Document Resolution Manager: Review, take action (soft-messages), or consult with requisitioners (hard-messages) to facilitate sending failed requisitions through the FMMI.
- Contracting Specialist Lead: Assigns requisitions to contracting team.
- Contracting Specialist/Contract Officer: Create acquisition documentation including obligating documents, while managing acquisitions through their lifecycle.--*

Roles & Responsibilities in IAS: (Continued)

- Obligation Document Resolution Manager: Review, take action (soft-messages), or consult with contracting specialists (hard-messages) to facilitate sending failed acquisitions or acquisition modifications through the FMMI.
- Receiver: Creates and submits receipts.

Note: A User can be set up to be a receiver, without necessarily being a requisitioner.

• Receipt Document Resolution Manager: This is generally, but not necessarily the Commitment Document Resolution Manager. Review, take action (soft-messages) or consult with requisition/receivers to facilitate sending failed receipts through the FMMI.

Note: All rejected receipts are retry-able and appear only as soft messages).

- Invoice Entry Specialist: Enter invoices and match them to obligating documents and receipts.
- Invoice Approving Officer: Reviews and approves invoices.
- Invoice Document Resolution Manager: Review, take action (soft-messages), or consult with receivers and contracting specialists (hard-messages) to facilitate sending failed invoices through the FMMI.

Accessing IAS for New Users

The purpose of this section is to provide instructions for new users to link their existing eAuthentication account with their IAS user ID. This is a onetime procedure for new IAS users and existing IAS users who did not have their user ID mapped to an eAuthentication ID. Once linked, an IAS user will only be required to log in once with their eAuthentication ID.

1. Obtaining an IAS User ID and Password

The procedures for gaining access to IAS will continue to remain the same. Users will work with their Agency Leads to complete the appropriate paperwork.

The IAS Agency Lead will send the appropriate forms to the IAS Help Desk who will set up the new user in IAS with the appropriate responsibilities and an IAS user ID. Even though IAS is eAuthencated, an IAS user ID will be required on the first log in to IAS.--*

2. Accessing the IAS eAuthentication Login Page

After receiving an IAS user ID and temporary password, users should go to the IAS website at https://ias.usda.gov/.

Users should then click on the "Oracle" tab in the upper left hand corner.

Note: Even if the IAS user will only be accessing the PRISM module, they will need to log in to the Oracle Module first. The linking between an IAS user ID and the eAuthentication ID occurs in the Requisition Module.



3. Logging into eAuthentication

After clicking on the "Oracle" link, users will be redirected to an eAuthentication login screen. Users should enter their existing USDA eAuthentication user ID and password.



After entering your credentials, click "Login".--*

4. Linking Your IAS User ID to Your eAuthentication ID

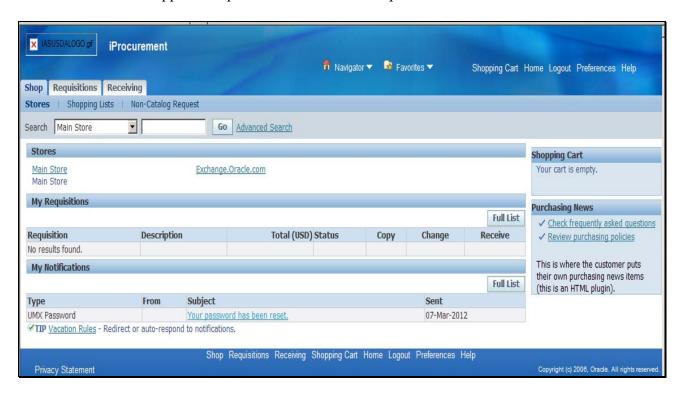
After logging in with your eAuthentication credentials, you will be second log in screen within IAS. Enter your IAS User ID and temporary password provided to you by the IAS Help Desk. Click "Apply".





5A. Accessing IAS Requisition and Receiving Modules

If you are an IAS user who will only have access to the IAS requisition and/or receiving modules, after providing your IAS user ID and password, you will be logged directly into iProcurement and will be able to create/approve requisitions and create receipts.



5B. Accessing IAS Acquisition Modules

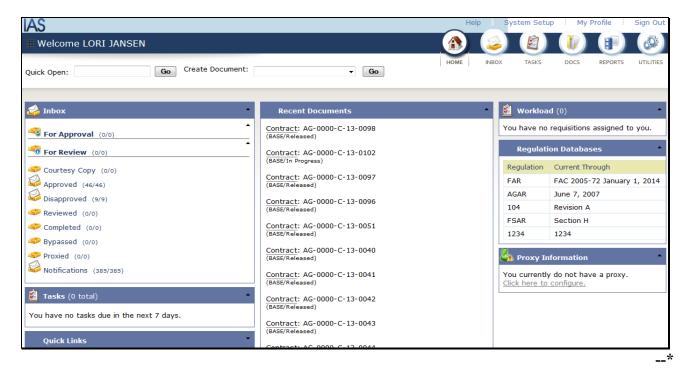
When an IAS user logs in with their local Oracle User ID and password, their IAS and eAuthentication accounts will be "linked". If a new IAS user only has access to the Acquisition (PRISM) module of IAS, they will still need to log into the iProcurement part of IAS first to "link" their accounts.--*

5B. Accessing IAS Acquisition Modules (Continued)

After linking their accounts, users of the Acquisition Module will then need to return to the IAS website and click on "PRISM" in the upper left hand corner.



This will result in a new window that directs a user to the Acquisition Module of IAS. Because an eAuthentication session has already been established, the user should be automatically logged in after selecting this URL.



The guidance for processing PLCE contractuals is found in paragraph 168.

Note: Noncontractual and micropurchase requirements noted in Part 7 at or below the prescribed thresholds will not be required to be input into the PRISM module.

Access the PRISM module at: https://ias.usda.gov/guidance.html. For the purposes of creating and approving contractual PLCE requirements, access the "Requisitioning" link.



For PLCE Transactions: When creating a PLCE requisition through PRISM, you must select "Yes" to item: "Will Requisition Use PLCE Process?

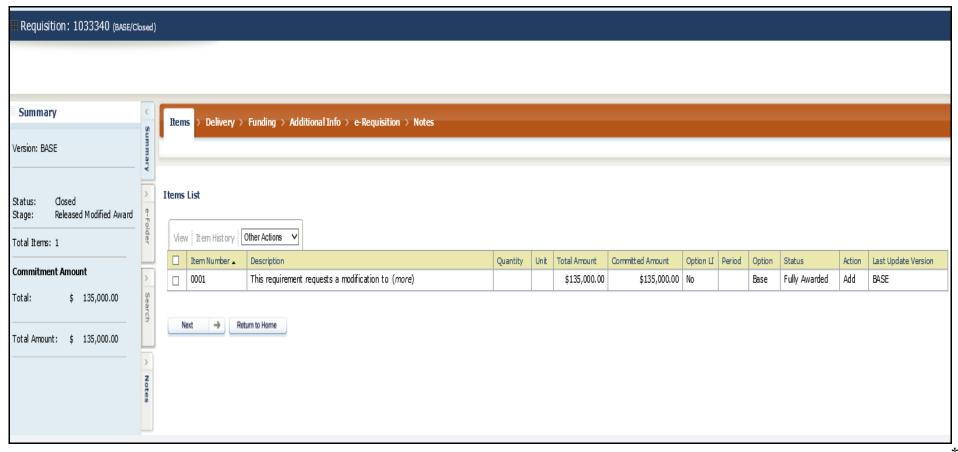
IAS Accounting String/ FMMI Account	Budget Object Classification (BOC) Code
FA00.ZZZZZZZZ	BOC: 2570 – Program Account
FA00.ZZZZZZZZ	BOC: 3360 – Direct Financing Account
FA00.ZZZZZZZZ	BOC: 3360 – Direct Liquidating or Inventory Property
FA00.ZZZZZZZZ	BOC: 3360 – American Recoverable and Re-investment Act

Requisitioner will ensure necessary documents are routed to the requisitioner approver and budget approver notated in their approval chain.

Include any supporting documentation for the contractual requirement (posted FMMI ZMY, completed and approved FSA-2128, statement of work, market research documentation, proof of vendor's registration in SAM.gov, and other information the contracting officials might require.

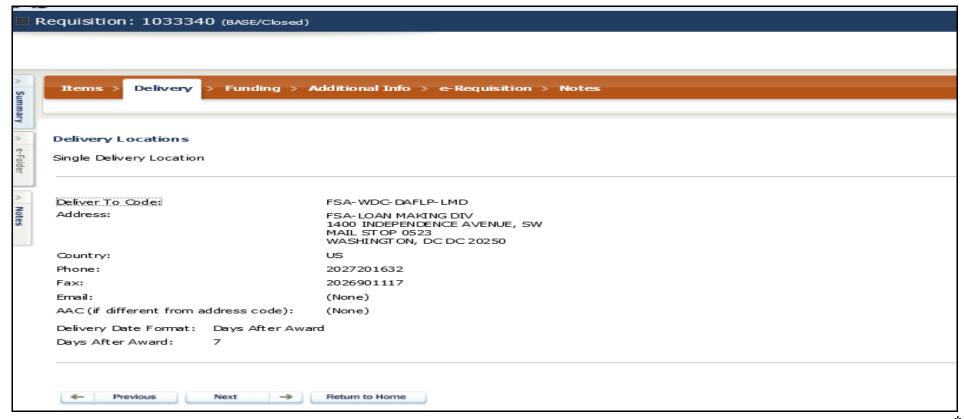
The PRISM module searchable user's guide is available in the "Useful Resources" link on the webpage: https://ias.usda.gov/iasnug/.--*

Example of a Completed PLCE Requisition



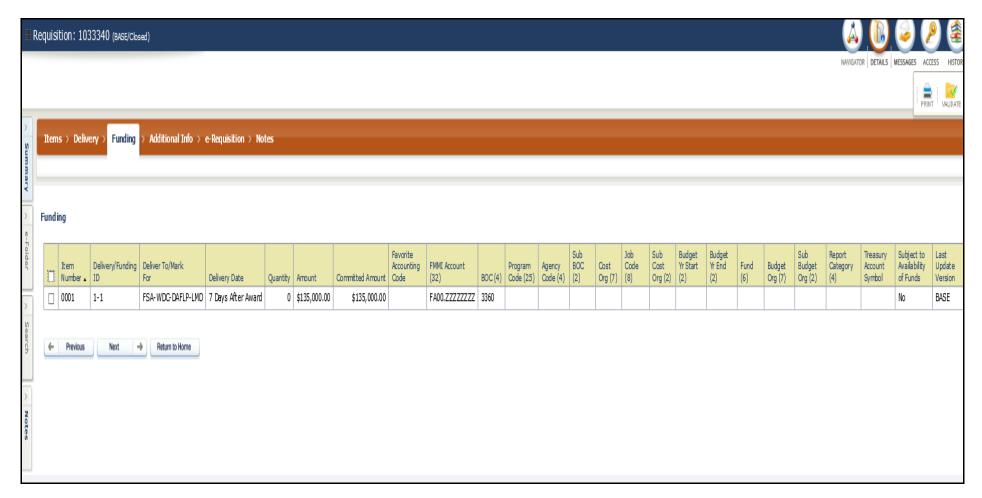
--'

Example of a Completed PLCE Requisition (Continued)



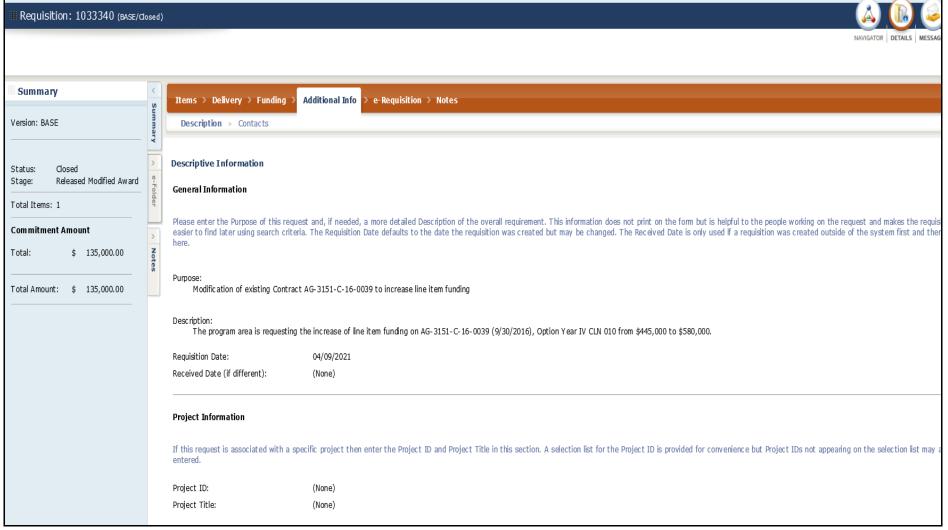
--*

Example of a Completed PLCE Requisition (Continued)



Note: Subject to Availability of Funds Field will auto-generate "No" because invoice payments must be processed through FMMI.--*

Example of a Completed PLCE Requisition (Continued)

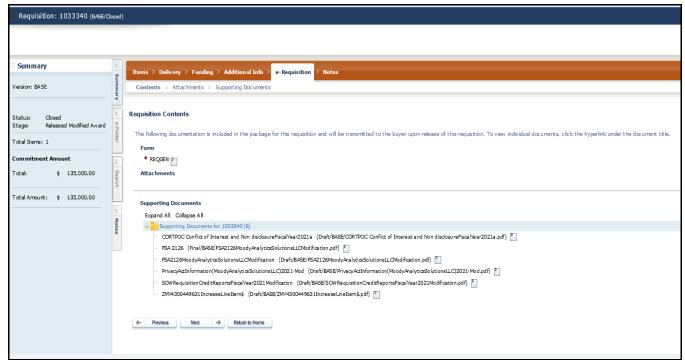


Example of a Completed PLCE Requisition (Continued)

Product/Service Info						-		
Please enter the predominant classificat	ation codes for this r	request. Thi	is information is used to d	etermine the workflow fo	or this requisition.			
Primary Product/Service Code:	(None)							
NAICS Code:	541990 All Othe	er Profession	nal, Scientific and Technic	al Services \$16.50				
IT Purchase:	No							
Construction:	No							
Acquisition Information								
Emergency Request Contract:	No							
FMMI Req Document Number:	(None)							
Will Requisition Use PLCE Process?	Υ							
Unit:	FPAC							
Performance Based Service Contract:	N No							
Special Program:	(None)							
Acquisition Approval Request (AAR) #:	(None)							
Type of IT Investment:	(None)							
Performance Period								
Period of Performance: 07/01/2021 to	0 09/30/2021							
Contract/Award Periods								
Period Anticipated Exercise Date Peri	iod of Performance	Exercised	Total Amount (This Action)	Total Amount (To Date)	Committed Amount (This Action)	Committed Amount (To Date)	List of Items	Delete
BASE			\$135,000.00	\$135,000.00	\$135,000.00	\$135,000.00	View	

__5

Example of a Completed PLCE Requisition (Continued)



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*--Agency Representative for Micropurchase (ARMP) Request for Delegation

ARMP's must read, sign, and date the following before AMD grants delegated authority for micropurchases.

Your Blueprint for Success

This section will lead you step-by-step through the process of preparing to use your micropurchase authority.

Verify you have completed the training and received the Acquisition Management Division Delegation of Authority letter and you have it readily available for audit purposes. Ensure Availability of Funds

You must establish the amount of your available funds BEFORE authorizing service or making any purchases.

You must track purchases during the month to ensure that there are sufficient funds available to make all required purchases. ARMP's should use a log system to record purchases and the dollar amounts committed. Then they know at a glance the amount of their unobligated funds or certified fund availability.

Conduct Market Research

Market research allows you to make an informed, responsible, reasonable purchase. Do enough market research to ensure that the Government gets a good value for its money in terms of reasonable price and timely/reliable/quality service. The purchase should represent the best buy that meets the Government's minimum requirements.

When applicable, compare prices and check with your contracting activity to see if there are existing contracts that offer you a good price, service, and quality. These existing contracts have been negotiated at your agency or by other agencies and can sometimes offer advantages in time and money savings. Check with the merchant to determine if they accept the purchase account.

Select the Best Value

When making micropurchases, identify the service that best satisfies the requirement, weighing both price factors and non-price factors. You can use a higher priced contractor if it represents a better value, but it is your responsibility as the ARMP to perform basic comparison-shopping and to briefly document the basis for your purchase decisions.--*

Agency Representative for Micro-purchase (ARMP) Request for Delegation (Continued)

Seek State Tax Exemption

Visit the GSA SmartPay Website to find out more about the State tax requirements in your state.

Talk to Merchants

You should be as specific as possible when talking to merchants. Ask about the following.

- Price.
- Time of delivery.
- Communicate required deliverable.
- Discounts for Government purchases, if applicable.
- Invoicing requirements.

When you have all the necessary information, make the purchase.

Note: A merchant may never require the ARMP to complete a postcard or similar device that includes the account holder's account number, card expiration date, signature, or any other account data in plain view when mailed.

Is It Necessary to Distribute Purchases?

FAR Part 13.203(a)(1) of the Federal Acquisition Regulations recommends that micropurchases be equitably distributed among qualified merchants to the extent practicable.

Determine Dollar Limits

There are generally two types of dollar limits applied to your delegation of authority.

- •*--Single purchase limit \$2,500.00 for services and \$10,000 for appraisal products.
- Monthly purchase limit total monthly purchase limit (MPL) may not exceed \$75,000.--*

Single purchase limits and monthly purchase limits are established when your delegation of authority is set up. They are based on the single purchase limit above and the budgetary limits of your office. The single purchase limit is the dollar limit for an individual transaction. The monthly limit represents the cumulative dollar limit for your purchases in one month. It may be set to any dollar amount equal to or greater than the single purchase limit. Verify both of your limits with your program budget authority. Other restrictions such as number of transactions and merchant restrictions may apply. You have authority to only make purchases or payments allowed on your AMD delegation of authority letter; all other micro-purchase transactions are prohibited.

Exceeding Your Dollar Limit

Prior to proceeding with your purchase, you will check to see if it exceeds any of your dollar limits. All attempted transactions that exceed your single or monthly limit will be automatically declined and referred to your delegated state contracting officer or to AMD. It is your responsibility to know how much you have spent against your limits before you purchase. Do not rely on others to do this for you.

Agency Representative for Micro-purchase (ARMP) Request for Delegation (Continued)

Select Required Sources

--Purchases should be consistent with established guidelines for required sources of products and-- services and applicable acquisition procedures for making micropurchases. Procurements paid for through your delegation of authority are subject to the acquisition rules established in the Federal Acquisition Regulations (FAR) and your Agency/Organization policies and procedures. The Federal Acquisition Streamlining Act did not abolish the priorities for use of the Government supply sources as stated in FAR Part 8 (Required Sources of Supplies and Services) of the Federal Acquisition Regulations. Micropurchases are not exempt from this requirement. The following information from FAR Part 8 lists the priorities for use of Government supply sources:

8.002 Priorities for use of Government supply sources.

- (a) Except as required by 8.003, or as otherwise provided by law, agencies shall satisfy requirements for supplies and services from or through the sources and publications listed below in descending order of priority:
- (2) Services. Services that are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (see subpart 8.7).
- (b) Sources other than those listed in paragraph (a) of this section may be used as prescribed in 41 CFR 101-26.301 and in an unusual and compelling urgency as prescribed in 6.302-2 and in 41 CFR 101-25.101-5.
- (c) The statutory obligation for Government agencies to satisfy their requirements for supplies or services available from the Committee for Purchase From People Who Are Blind or Severely Disabled also applies when contractors purchase the supplies or services for Government use.

8.004 Use of other sources.

- *--If an agency is unable to satisfy requirements for products and services from the mandatory--* sources listed in 8.002 and 8.003, agencies are encouraged to consider satisfying requirements from or through the non-mandatory sources listed in paragraph (a) of this section (not listed in any order of priority) before considering the non-mandatory source listed in paragraph (b) of this section. When satisfying requirements from non-mandatory sources, see 7.105(b) and part 19 regarding consideration of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including 8(a) participants), and women-owned small business concerns.
- *--(a)(1) Products. Federal Supply Schedules, Governmentwide acquisition contracts, multi-agency--* contracts, and any other procurement instruments intended for use by multiple agencies, including blanket purchase agreements (BPAs) under Federal Supply Schedule contracts (e.g., Federal Strategic Sourcing Initiative (FSSI) agreements accessible at http://www.gsa.gov/fssi (see also 5.601)).
 - (2) Services. Agencies are encouraged to consider Federal Prison Industries, Inc., as well as the sources listed in paragraph (a)(1) of this section (see subpart 8.6).

Agency Representative for Micro-purchase (ARMP) Request for Delegation (Continued)

(b) Commercial sources (including educational and non-profit institutions) in the open market. With a connection to the internet, you can quickly browse through the GSA on-line shopping mall for thousands of commercial products and services including JWOD/NIB/NISH and UNICOR products.

GSA *Advantage!* ®TM is designed to link GSA schedule products and services, stock items, catalog descriptions, current pricing, and delivery information in a single location to make ordering easier for you. To place an order, you can use your purchase charge card. The address for GSA *Advantage!* ®TM is **www.gsaadvantage.gov**/.

For any questions regarding GSA's Products and Services, call the National Customer Service Center (NCSC) at 1-800-488-3111.

Small Business

Increasing opportunities for small businesses in Federal contracting is a priority. The Office of Management and Budget (OMB), along with the Small Business Administration (SBA), is improving access by small businesses to the Federal market and to boost communications to small businesses about Federal business opportunities. As part of these efforts, you are reminded of the *--importance of considering small businesses when buying products and services at or below the--* micropurchase threshold. The Federal Acquisition Regulation (FAR) states that use of the Government-wide purchase card is the preferred method for buying these small purchases. To find small business resources, please consider visiting the GSA Advantage! And DoD e-Mall websites.

Shop Smarter

- Use GSA Advantage! to conduct quick and easy market research and to order already negotiated low-price items.
- Take advantage of the Blanket Purchase Agreements (BPAs) your agency has negotiated to get better prices.
- Always ask for discounts at the point of sale whether or not point-of-sale discounts are given.

Presidential Executive Order on Buy American and Hire American

It shall be the policy of the executive branch to buy American and hire American.

- Immediate Enforcement and Assessment of Domestic Preferences According to Buy American Laws: Every agency shall scrupulously monitor, enforce, and comply with Buy American Laws, to the extent they apply, and minimize the use of waivers, consistent with applicable law.
- Judicious Use of Waivers: To the extent permitted by law, public interest waivers from Buy American Laws should be construed to ensure the maximum utilization of goods, products, and materials produced in the United States.

*--Agency Representative for Micro-purchase (ARMP) Request for Delegation (Continued)

• Ensuring the Integrity of the Immigration System in Order to "Hire American.": The Secretary of State, the Attorney General, the Secretary of Labor, and the Secretary of Homeland Security shall, as soon as practicable, and consistent with applicable law, propose new rules and issue new guidance, to supersede or revise previous rules and guidance if appropriate, to protect the interests of United States workers in the administration of our immigration system, including through the prevention of fraud or abuse.

I certify that I reviewed and understand the above information to effectively support the Farm Loan Programs.

Signature:	
Date:	

·			

Loan Making					
Contract					
Purpose	Detail	Comment	PAC Code	Authority	Recoverable/Nonrecoverable
Inspection	Real Estate		1A1	S	Nonrecoverable
_	Chattel/Crop		1A2	S	Nonrecoverable
Appraisals	Real Estate	Note 9	1B1	S	Nonrecoverable
- î î	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 6	1DA	S	Nonrecoverable
	SAVE Citizenship Verification		1DB	S	INACTIVE
	Database Access				
Professional Services	Interpreter Services		1E9	SC	Nonrecoverable
	Mediation (No State Program)		1EA	S	Nonrecoverable
Environmental	NEPA Compliance	Note 2	1J1	S	Nonrecoverable
	NEPA Environmental Impact		1J2	A	Nonrecoverable
	Statements				
	Archaeological Surveys		1J4	S	Nonrecoverable
	Miscellaneous Historical		1J5	S	Nonrecoverable
	Preservation Activities				
	Endangered Species Studies		1J6	S	Nonrecoverable
	Wetland Delineations		1J7	S	Nonrecoverable
	Phase 1 Environmental Site	Note 3	1JI	S	Nonrecoverable
	Assessments				
	Phase II Environmental Site	Note 3	1JJ	S	Nonrecoverable
	Assessments				
T A	I ID	N 4	13.75	0.0	NY 11
Loan Account Maintenance	Legal Documentation Expenses	Note 4	1N5	SC	Nonrecoverable
	Mediation (State Certified Program)		1N6	SC	Nonrecoverable
	State/County Lien and Records Searches/Filings/Recordings	Note 5	1NE	SC	Recoverable
3.6	G 11. 7		4777	a ~	
Managerial	Credit Reports		1Y1	SC	Recoverable
Other	Miscellaneous	Note 1	1Z1	A	Recoverable/Nonrecoverable

Authorities: A = Administrator; S = State Executive Director; C = Farm Loan Manager; Blank = No Authority.

Loan Servicing					
Contract Purpose	Detail	Comment	PAC Code	Authority	Recoverable/Nonrecoverable
Inspection	Real Estate		2A1	S	Nonrecoverable
	Real Estate – Foreclosure Only		4A1	S	Recoverable
	Chattel/Crop		2A2	S	Nonrecoverable
	Chattel/Crop – Foreclosure Only		4A2	S	Recoverable
Appraisals	Real Estate	Note 9	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 6	2DA	S	Nonrecoverable
	SAVE Citizenship Verification Database Access		2DB	S	INACTIVE
Professional Services	Surveying		4E2	S	Nonrecoverable/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 8	4E8	S	Recoverable

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Loan Servicing	(Continued)				
Contract	Detail	Comment	DAC Code	A sath o saites	Recoverable/Nonrecoverable
Purpose Professional Services	Interpreter Services	Comment	PAC Code 2E9	Authority SC	Nonrecoverable
Services	Mediation (No State Program)		2EA	S	Nonrecoverable
	Mediation (No State Program) - Foreclosure Only		4EA	S	Recoverable
	Attorney Serv. Foreclosure (Judicial)	Note 16	4EB	S	Recoverable
	Litigation Guarantee		2EG	SC	Nonrecoverable
	Litigation Guarantee - Foreclosure Only		4EG	SC	Recoverable
	Abstract/Stub Abstract		2EH	SC	Nonrecoverable
	Abstract/Stub Abstract - Foreclosure Only		4EH	SC	Recoverable
	Law Enforcement Services	Note 14	4EJ	S	Inactive
	Real Estate Broker		4H1	SC	Recoverable
Maintenance/ Management	Property Management/Caretaking		4F1	SC	Recoverable
	Hauling		4F2	SC	Recoverable
	Temporary Custodial	Note 13	4F3	SC	Recoverable
	Ground Rents		4F5	SC	Recoverable
	Harvesting Costs		4F6	SC	Recoverable
	Repairs	Note 13	4G1	SC	Recoverable
Environmental	NEPA Compliance	Note 2	2J1	S	Nonrecoverable
	NEPA Environmental Impact Statements		2J2	A	Nonrecoverable
	Archaeological Surveys		2J4	S	Nonrecoverable
	Miscellaneous Historical Preservation Activities		2J5	S	Nonrecoverable
	Endangered Species Studies		2J6	S	Nonrecoverable
	Wetland Delineations		2J7	S	Nonrecoverable
	Phase 1 Environmental Site Assessments	Note 3	2JI	S	Nonrecoverable

^{*--}Authorities: A = Administrator; S = State Executive Director; C = Farm Loan Manager; Blank = No Authority--*

Loan Servicing	(Continued)				
Contract					
Purpose	Detail	Comment	PAC Code	Authority	Recoverable/Nonrecoverable
	Phase 1 Environmental Site	Note 3	4JI	S	Recoverable
	Assessments – Foreclosure Only				
	Phase II Environmental Site Assessments	Note 3	2JJ	S	Nonrecoverable
	Phase II Environmental Site Assessments – Foreclosure Only	Note 3	4JJ	S	Recoverable
	Water Testing/Sewer Inspection		4JK	S	Recoverable
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 & 12	2N5	SC	Recoverable/Nonrecoverable
	Mediation (State Certified Program)		2N6	S	Nonrecoverable
	Mediation (State Certified Program) – Foreclosure Only		4N6	S	Recoverable
	Utilities – Foreclosure Only	Note 15	4NA	SC	Recoverable
	Co-Pay/Homestead Appraisals	Note 9	2 ND	S	Nonrecoverable
	State/County Lien and Records Searches/Filings/Recordings	Note 5	2NE	SC	Recoverable
	Online Bidding Registration Fees - Foreclosure Only	Note 1	4NG	A	Recoverable
	State Lease	*Note 17*	4NH	SC	Recoverable
	Law Enforcement Services	Note 14	4NJ	SC	Recoverable
Managerial	Credit Reports		2Y1	S	Nonrecoverable
Other	Miscellaneous	Note 1	2Z1	A	Recoverable/Nonrecoverable

 $Authorities: \ A = Administrator; \ S = State \ Executive \ Director; \ C = Farm \ Loan \ Manager; \ Blank = No \ Authority$

Inventory Prope	erty				
Contract Purpose	Detail	Comment	PAC Code	Authority	Nonrecoverable/Recoverable
Inspection	Real Estate		5A1	S	Nonrecoverable
	Chattels/Crops		5A2	S	Nonrecoverable
Appraisals	Real Estate	Note 10	5B1	S	Nonrecoverable
	Chattel/Crop		5B2	S	Nonrecoverable
Information Services	Advertising		5D4	SC	Recoverable
Professional Services	Surveying		5E2	S	Nonrecoverable
	Investigation		5E3	S	Nonrecoverable
	Lien and Title Search/Title Opinion		5E6	SC	Nonrecoverable
	Auction Costs/Auctioneer	*Note 8*	5E8	S	Recoverable
	Interpreter Services		5E9	SC	Nonrecoverable
	Mediation (No State Program)		5EA	S	Nonrecoverable
	Attorney Serv. Foreclosure (Judicial)	*Note 16*	5EB	S	Nonrecoverable
	Law Enforcement Services	*Note 14*	5EJ	S	Inactive
	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 Executive Director; C = Farm Loan Manager; Blank = No Authority--*

Inventory Prope	rty (Continued)				
Contract Purpose	Detail	Comment	PAC Code	Authority	Nonrecoverable/Recoverable
Environmental	Endangered Species Studies		5J6	S	Nonrecoverable
(Continued)					
	Wetland Delineations		5J7	S	Nonrecoverable
	Preliminary Assessments		5J8	S	Recoverable
	Site Inspections/Remedial Investigations	Note 11	5J9	S	Recoverable
	Remedial Actions	Note 11	5JA	S	Recoverable
	Removal Actions	Note 11	5JB	S	Recoverable
	Emergency Response Activities	Notes 11 & 12	5JC	S	Recoverable
	Underground Storage Tank Actions	Notes 11 & 12	5JD	S	Recoverable
	Lead Based Paint Testing/Inspections	Notes 11 & 12	5JF	S	Nonrecoverable
	Lead Based Paint Abatement Activities	Note 11	5JG	S	Recoverable
	Phase 1 Environmental Site Assessments	Note 11	5JI	S	Nonrecoverable
	Phase II Environmental Site Assessments	Note 3	5JJ	S	Nonrecoverable
	Water Testing/Sewer Inspection	Note 3	5JK	S	Nonrecoverable
Loan Account Maintenance	Real Estate Taxes		5N1	SC	Recoverable
	Personal Property Taxes		5N2	SC	Recoverable
	Insurance		5N3	A	Recoverable
	Prior, Junior & Judgment Liens		5N4	S	Recoverable
	Legal Documentation Expenses	Note 4	5N5	SC	Nonrecoverable
	Mediation (State Certified Program)		5N6	S	Nonrecoverable
	Utilities		5NA	SC	Nonrecoverable
	Selling Points		5NC	S	Recoverable
	Right of Way Access	*Note 7*	5NF	S	Recoverable
	State Lease	Note 17	5NG	S	Recoverable
	Law Enforcement Services	*Note 14*	5NJ	S	Nonrecoverable
Other	Miscellaneous	Note 1	5Z1	A	Nonrecoverable

Authorities: A = Administrator; S = State Executive Director; C = Farm Loan Manager; Blank = No Authority

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; expenses relating to obtaining copies of legal
	documents, i.e., PACER, 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, regional or federal court records; etc*
5	Use for UCC lien and State or county records searches, recordings and filings in
	situations only when funds have been collected from the applicant and remitted with
	miscellaneous code 36 or 38 (3-FI, Exhibit 5) to pay Secretary of State or third party
	vendor charges, or to replenish prepaid accounts.
6	Process as a single source financial transaction; includes access to * * *, State
	databases for real estate, equipment sales, historical sites, monthly or annual
	subscription or service fees for third party vendors relating to lien and/or record
	searches, etc.
7	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.
8	Includes online auction fees, auction storage fees, auction rental fees, auctioneer
	fees/commission, and other similarly related costs.
9	For appraisals completed for Homestead Protection, use ND, "Co-Pay/Homestead
	Appraisals". Co-Pay appraisals are not authorized for Government Inventory Property.
10	Activities may be conducted on custodial property if necessary to protect the Agency's
	security interest.
11	These activities are applicable for pre-remedial and remedial response actions
	conducted pursuant to the Comprehensive Environmental Response Compensation and
	Liability Act, Resource Conservation and Recovery Act, and Toxic Substance Control
	Act or State laws governed by these statutes. All response actions shall be conducted
	by environmental professionals.

Note	Description
12	Servicing activities should be charged as a recoverable cost, except when State law,
	supported by an opinion from the Regional Attorney, provides otherwise.
13	Expenditures in excess of aggregate amount of \$1,000 per property as provided in
	4-FLP and 5-FLP must have prior written approval from SED.
14	Includes payment for serving Summons and Complaint in foreclosure proceedings;
	costs incurred during an eviction; other similar expenses.
15	Only essential utilities will be paid, including fuel oil, gas, electricity, and propane
	according to 4-FLP and 5-FLP.
16	Includes cost reimbursement.
17	Includes payments to the Bureau of Land Management, Forest Service, etc.

--*

*--According to this exhibit certain PAC codes require prior written approval from the Administrator or their designee to execute contracts for goods, products, services, etc. This table lists the PAC codes requiring written authorization prior to execution of a financial commitment.

Program Authority Code	Detail Description	Written Authorization Required
1Z1, 2Z1, 5Z1	Miscellaneous	Administrator or designee
2N3	Insurance	Administrator or designee
4NG	Online Bidding Registration Fees – Foreclosure Action Only	Administrator or designee
4F3	Expense for Temporary Custodial Actions greater than \$1,000	Administrator or SED
4G1	Repairs greater than \$1,000	Administrator or SED
5G1	Repairs greater than \$1,000	Administrator or SED

State officials will use similar language when requesting written authorization prior to any financial commitment action. Retain the signed memorandum with the supporting documentation according to agency recordkeeping guidelines.

FROM: Requesting Official

TO: Agency Official Authorizing Use of PAC Code

"This memorandum authorizes the use of program activity code <u>insert code and description</u> to pay for <u>provide a brief description of the requirement.</u>

The <u>Program Office and/or State/US Territory Office</u> is requesting authorization to utilize \$amount of Program Loan Cost Expense (PLCE) funds for the stated requirement.

Upon receipt of approval of use of the program authorization code, the requesting office will take one of the following actions: (1) process requirement according to procedures for PLCE micropurchase items, or (2) for requirements exceeding the micropurchase limit a formal requisition will be sent to the Acquisitions Division through the Integrated Acquisition System. A warranted contracting officer will be required to execute a contractual award to the vendor."

Attachments: Supporting Documents

--*

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's - Before October 1, 2010--

Third Character: Purpose	Fourth C	Fourth Character: Detail					Progran	Program Activity	>				
,			1-Proc	1-Processing	2-Servicing	cing	3-Custodial	odial	4-Acquired	uired	5-Inventory	ntory	
Code Contract Purpose	Code	Detail	(a)	(p)	(a)	(b)	(a)	(p)	(a)	(p)	(a)	(b)	
A Inspection	1	Real Estate	S	N	S	Z	S	R	S	R	S	Z	
	2	Chattel	S	Z	S	Z	S	R	S	R	S	Z	
	3	Crop	S	Z	S	Z	S	R	S	R	S	Z	
	4	Repairs											
	5	Construction											
	9	Supervisory											
B Appraisals	1	Real Estate (Note 11)	S	Z	S	Z	S	R	S	R	S	Z	
	2	Chattel (Note 11)	S	Z	S	Z	S	R	S	R	S	Z	
	3	Crop (Note 11)	S	Z	S	z	S	R	S	R	S	Z	
C Analysis & Audits	1	Year-end Analysis/Reports/Audits			S	z							
	2	Subordination			S	z							
	3	Graduation			S	z							
	4	Farm Management Specialist	S	Z	S	Z	S	R	S	R			
	5	Debt Settlement			S	Z	S	R	S	R			
	9	Budget Plan	S	N	S	Z	S	R	S	R	S	Z	
	7	Financial Analysis	S	N	S	Z	S	R	S	R			
	8	Interest Credit Renewal											
	6	Account Auditing/CPA Studies											
	А	Other Than Above	S	Z	S	Z	S	R	S	R	S	Z	

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's - Before October 1, 2010--

Third C	Third Character: Purpose	Fourth	Fourth Character: Detail					Program Activity	ı Activif	Þ.			
				1-Processing	essing	2-Servicing	icing	3-Custodial	odial	4-Acquired	uired	5-Inventory	ntory
Code	Contract Purpose	Code	Detail	(a)	(b)	(a)	(b)	(a)	(p)	(a)	(p)	(a)	(b)
D	Information Services	1	Tax Report & Record Documentation	S	N	S	Z						
		2	Data Processing/Info Gathering	S	N	S	Z	S	R	S	R	SDC	Z
		3	Comparable and Market Studies	S	N	S	Z	S	R	S	R	S	Z
		4	Advertising	SDC	N	SDC	Z	SDC	R	SDC	R	SDC	R
		2	Cost Estimators										
		9	Cost Certification										
		7	Review of Annual Reports										
		8	Wage Match										
Е	Other Services	1	Architect &Engineering										
		2	Surveying			S	Z	S	R	S	R	S	Z
		3	Investigation			S	Z	S	R	S	R	S	Z
		4	Bankruptcy			S	Z	S	R	S	R		
		5	Foreclosure (Non-Judicial State) (Note 1)			S	Z	S	R	S	R		
		9	Title Search			SDC	N/R	SDC	R	SDC	R	SDC	Z
		7	Trustee Agency (Foreclosure Actions)			S	R	S	R	S	R		
		8	Auctioneer (Note 7)					SDC	R	SDC	R	SDC	R
		6	Interpreter Services	S	N	S	Z	S	N	S	N	S	Z
		A	Mediation (No State Program)	SDC	N	SDC	Z	SDC	R	SDC	R	SDC	Z
		В	Attorney Serv. Foreclosure (Judicial)			S	R	S	R	S	R	S	Z
			(Note 1)										
		С	Evictions										
		Д	Spec. Writing										
		E	Supervisory Visits										

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's - Before October 1, 2010--

	ory	(b)	Z	Z		Z	R	R	R	R	R	R	Z	Z	z	z	Z	z	Z	R	R
	5-Inventory	(a)	SDC	SDC		S	SDC	SDC	SDC	S	SDC	S	S	A	S	S	S	S	S	S	S
				IS					SI			-		7							
	4-Acquired	(p)	R	R	R	R	R	R	R	R	R	R									
ity	4-A	(a)	SDC	SDC	SDC	S	SDC	SDC	SDC	S	SDC	S									
n Activi	odial	(p)	R	R	R	R	R	R	R	R	R	R									
Program Activity	3-Custodial	(a)	SDC	SDC	SDC	S	SDC	SDC	SDC	S	SDC	S									
]	icing	(b)											N	Z	z	z	Z	z	z		
	2-Servicing	(a)											S	А	S	S	S	S	S		
	essing	(b)											N	Z	z	z	Z	z	z		
	1-Processing	(a)											S	A	S	S	S	S	S		
Fourth Character: Detail		Detail	Property Management/Caretaking	Hauling	Temporary Custodial	Other	Onsite (Note 3)	Offsite	Commission	Bonus	Commission	Bonus	NEPA - Environmental Assessments	NEPA - Environmental Impact Statements	Miscellaneous NEPA Studies	Archaeological Surveys	Miscellaneous Historical Preservation Activities	Endangered Species Studies	Wetland Delineations	Preliminary Assessments (Notes 3 & 5)	Site Inspections and Remedial Investigations/Feasibility Studies (Notes 3 & 5)
Fourth		Code	1	2	3	4	1	2	1	2	1	2	1	2	æ	4	5	9	7	8	6
Third Character: Purpose		Code Contract Purpose	F Maintenance/ Management				G Repairs/ Improvements		H Real Estate Broker	(Exclusive Listing)	I Real Estate Broker	(Open Listing)	J Environmental	(Contractual or Noncontractual)	(Note 2)						

1-FLP (Rev. 1) Amend. 49

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's - Before October 1, 2010--

	5-Inventory	(b)	R	R	R	24	N N	Z	R	Z	Z	Z				R	R	R	R	N	N	R	R	Z
	5-Inv	(a)	S	S	S	Ω	Ω	S	S	Ω	S	S				SDC	SDC	SDC	SDC	SDC	SDC	S	SDC	S
	uired	(q)								R	R	R				R	R	R	R	R	R		R	R
ty	4-Acquired	(a)								S	S	S				SDC	SDC	SDC	SDC	SDC	SDC		SDC	S
Program Activity	todial	(b)		R	R	R				R	R	R				R	R	R	R	R	R		R	R
Progran	3-Custodia	(a)		S	S	N				N	S	S				SDC	SDC	SDC	SDC	SDC	SDC		SDC	S
	2-Servicing	(p)								Z	Z	Z	Z	Z		R	R	R	N/R	N/R	N		R	N/R
	2-Ser	(a)								N	N	S	S	S		SDC	SDC	SDC	SDC	SDC	SDC		SDC	S
	1-Processing	(p)								Z	Z	Z								N	Z			
	1-Pro	(a)								S	S	S								SDC	SDC			
Fourth Character: Detail		Detail	Remedial Actions (Notes 3 & 5)	Removal Actions (Notes 3, 5, & 6)	Emergency Response Activities (Notes 3, 5, & 6)	Underground Storage Tank Removals (Notes 3, 5, & 6)	Underground Storage Tank Corrective Actions (Notes 3 & 5)	Lead Based Paint Testing and Inspections (Note 5)	Lead Based Paint Abatement Activities (Note 5)	Transaction Screen Questionnaire (Note 4)	Phase I Environmental Site Assessments (Note 4)	Phase II Environmental Site Assessments (Note 4)	Large Debt Settlement	Debt Settlement		Real Estate Taxes	Personal Property Taxes	Insurance	Prior and Junior Liens (Note 8)		Mediation (State Certified Program)	Land Acquisition	Authorized Selling Expenses	Protective Advance (Note 8)
Fourth C		Code	A	В	C	О	山	ഥ	Ð	Н	Ι	J	1	2		1	2	3	4	5	9	7	8	6
Third Character: Purpose		Code Contract Purpose	J Environmental	(Contractual or	Noncontractual) (Note 2)	(Continued)							K Asset Investigation		L-M Reserved	N Noncontractual	Payments (Note 2)							

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's - Before October 1, 2010--

Third Cl	Third Character: Purpose	Fourth Cl	Fourth Character: Detail				P	Program Activity	Activity	7			
				1-Proc	1-Processing 2-Servicing	2-Serv	icing	3-Custodial 4-Acquired	dial	4-Acqu		5-Inventory	tory
Code	Code Contract Purpose	Code	Detail	(a)	(p)	(a)	(p)	(a)	(p)	(a)	(p)	(a)	(b)
Z	Noncontractual	A	Utilities					SDC	R	SDC	R	SDC	Z
	Payments (Note 2)	В	Other										
	(Continued)	C	Selling Points									S	R
		D	Co-Pay/Homestead Appraisals (Note 11)			S	N						
		E	UCC Recording and Filing (Note 9)	SDC	R	SDC	R						
X-O	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	Z

1-14-11

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's -Before October 1, 2010.-

Notes: 1) Includes cost reimbursement.

- An employee does not need a Contracting Officer warrant to process noncontractual payments. 6
- 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. 3
- These activities refer to due diligence investigations conducted to evaluate real property for the presence of contamination in loan processing/servicing activities. 4
- These activities are conducted on inventory properties and refer to pre-remedial and remedial actions conducted pursuant to environmental statutes listed in Note 3. 2
- These activities may be conducted on custodial property to protect the Agency's security interest. 6
- 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. (
- 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. 8
- Use for UCC recording and filing in situations when funds have been collected from the applicant or borrower and remitted with Miscellaneous Code 36 or 38 (Ref 3-FI, Exhibit 5), to pay the Secretary of State or third party processors monthly invoices, or to replenish prepaid accounts. (F1NE, F2NE) 6
- 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

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.--*

B Prices for Enterprises Not Available on Published State Price Lists (Continued)

Example 2: An applicant comes into the office with the intention to grow an organic crop. Deciding how to price organic products is difficult, particularly when markets often are not well-established. Prices need to be high enough to make a profit, but reasonable based on competition and how customers value (or establish a price on) the product. Many enterprise budgets may be available, but the applicant should choose an enterprise budget that suits the business they are proposing. The applicant should review the scale that is being proposed, the production method proposed (organic or conventional), and geographic region from which the sample budget is created. Still, there are numerous resources to assist even if the State's extension service or the land grant college does not have specific information for a particular enterprise. The National Sustainable Agricultural Service provides numerous resources for organic enterprise budgets at https://attra.ncat.org/organic.html#vegetable, and the USDA Economic

Research Service at http://ers.usda.gov/data-products/organic-prices.aspx is a useful resource for organic pricing.

C Applicants With Actual Income and Expense Records, Not Specific to a Commodity

It is not always practicable to valuate crop income and expenses on an individual crop basis. This is especially true for small acreage operations, high tunnel production, highly diverse operations, CSA, and operations where product choice is driven by market demands. When product choice is driven by market demands, the applicant's actual historical income and expense records may be used to establish trends and projections.

Example: In 2012, an applicant grew 12 different vegetables and herbs on 21,000 square feet. The operation grossed \$9,000 income by using a variety of marketing methods. In 2013, the applicant improved selling techniques and grossed \$10,800 in income, a 20 percent increase. In 2014, the operation proposes to grow to 35,000 square feet. An acceptable estimate of the proposed gross income for 2014 would be calculated as 10,800 ÷ 21,000 square feet (former lot size) x 35,000 square feet (new lot size) = \$18,000. The same methodology would be used to estimate expenses.--*

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.--*

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.--*

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.--*

DDORS User Guide

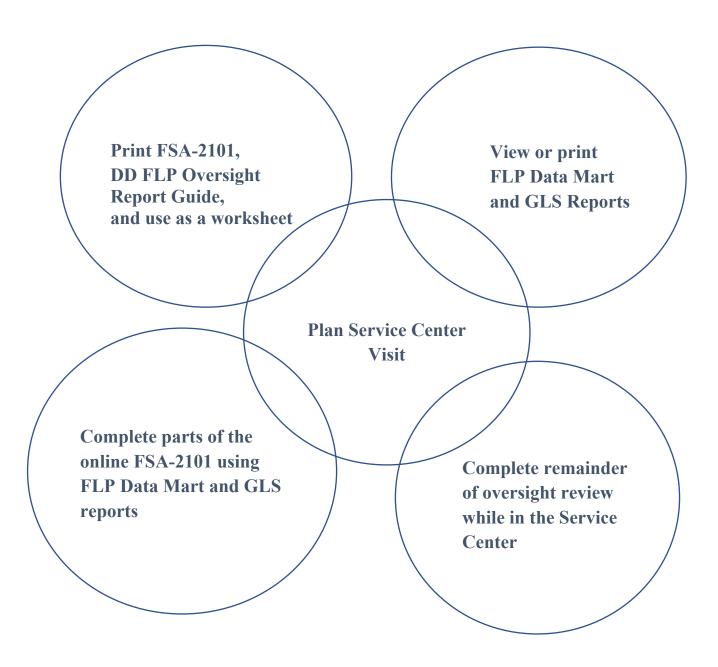


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	Example of Completed Oversight Report	

This guide:

- is a resource to assist in completing the online oversight report
- •*--identifies the electronic direct loan making and servicing reports available from the Farm Loan Programs 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.

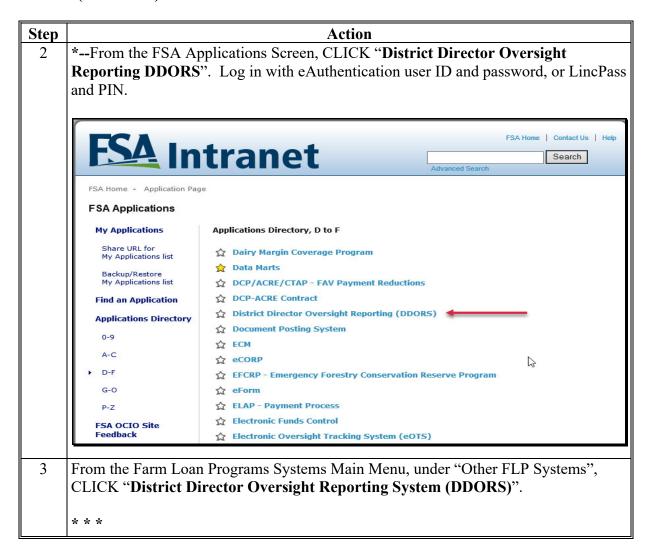
A DDORS Access

1 Web Access

- *--Authorized users can access DDORS by either of the following:
 - Internet at https://emso.fsa.usda.gov/DDors/homepage.aspx--*
 - Intranet, as follows.



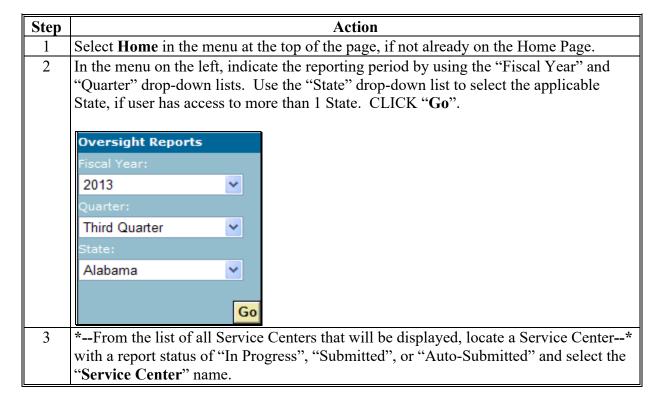
1 Web Access (Continued)



2 Accessing DDORS Online Report

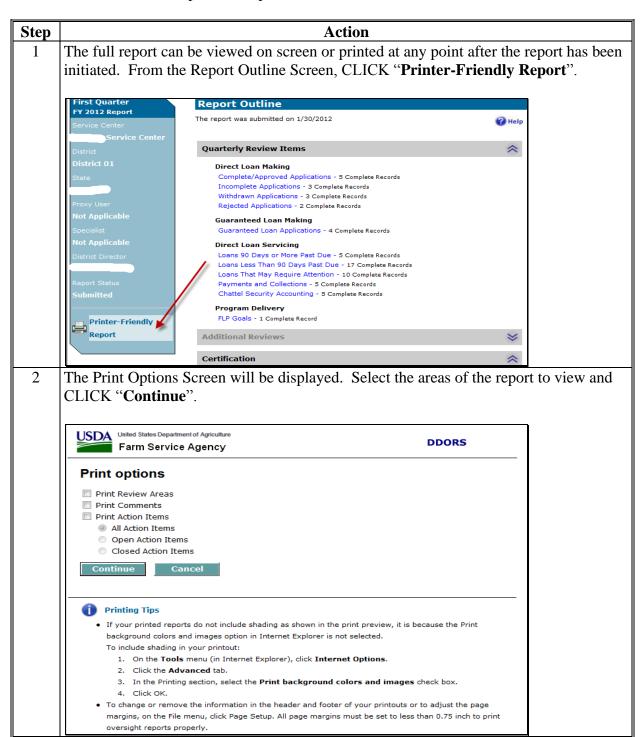
DD's can access the online DDORS report for the Service Center being reviewed, from the DDORS Home Page, by selecting the Service Center name.

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.

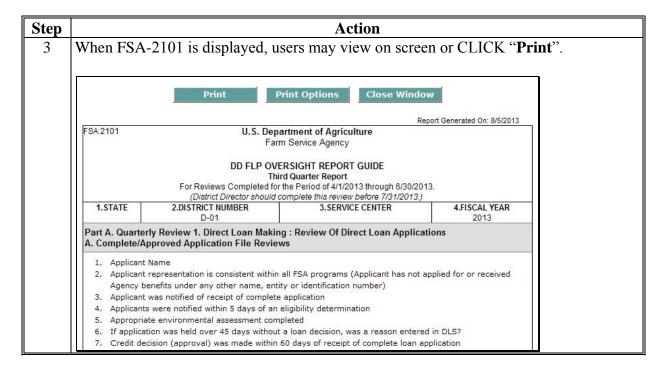


3 Print Report Access

Follow this table to view or print the report.



3 Print Report Access (Continued)



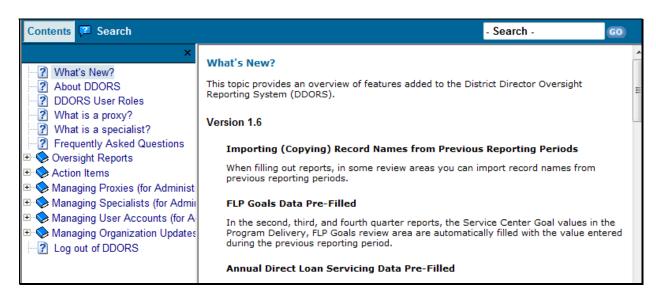
4 Help Access

DDORS has a "Help" function that is available throughout the online report, as displayed on this example DDORS Home Page.



4 Help Access (Continued)

The following is an example of the screen that will be displayed with topics for assistance.



B Online Guides and Reports

1 User Guides

- *--On the Farm Loan Programs Systems Home Page, under "Information Links", if users CLICK "Manual", the following user guides will be available:
 - DLS-Loan Making and Servicing User's Guide, that includes:
 - Direct Loan System training
 - Loan Servicing Questions
 - Special Servicing Reference and User Guide
 - GLS-Guaranteed Loan System User Guide.

Following is an example of the Farm Loan Programs Systems Home Page.--*



* * *

*--2 Farm Loan Programs Data Mart

Farm Service Agency Data Ware House 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.

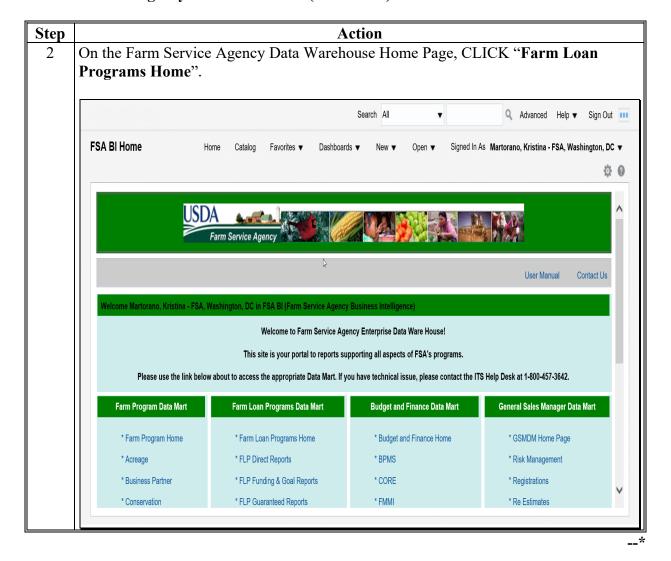
* * *

*--3 Farm Service Agency Data Warehouse

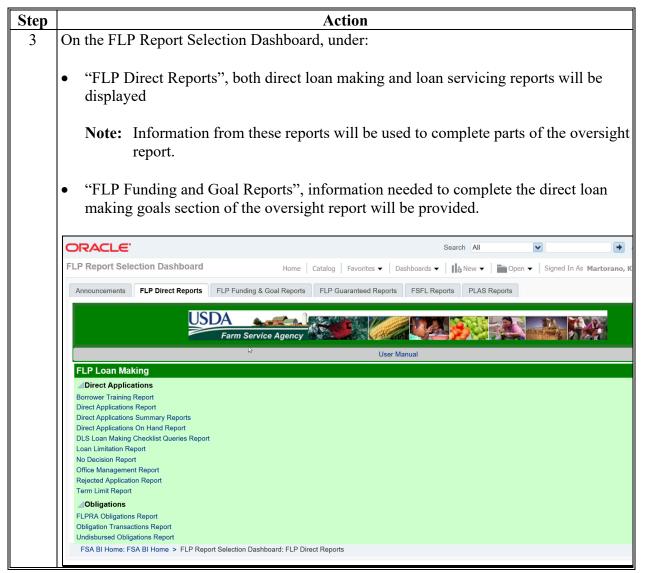
The following is a quick review of how to access Farm Loan Programs Data Mart reports needed for completing DDORS.



*--3 Farm Service Agency Data Warehouse (Continued)



*--3 Farm Service Agency Data Warehouse (Continued)

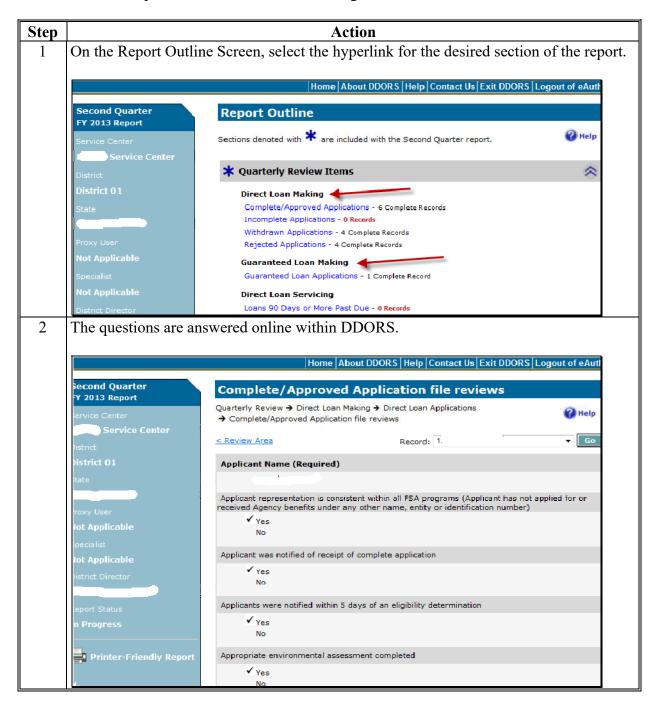


C Oversight Review General Information

--Online Farm Loan Programs 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.

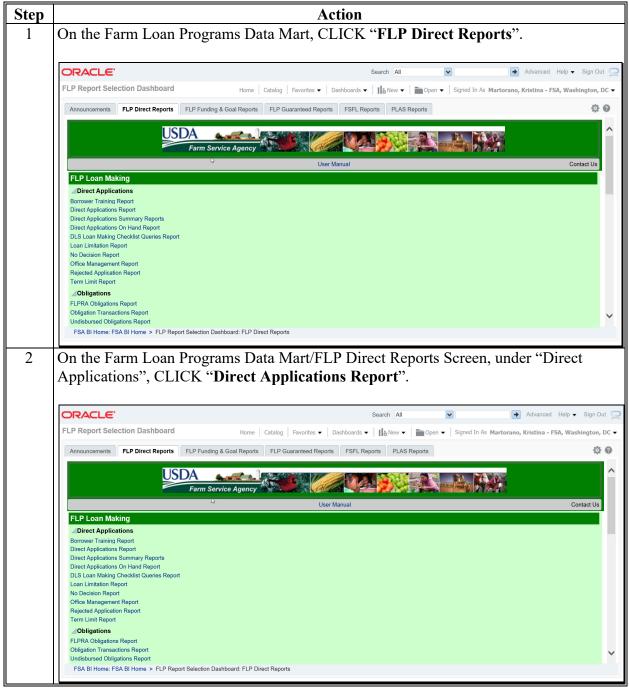
1 Accessing DDORS Online Report

Access the online report from the DDORS Home Page and select the Service Center name.



2 Accessing Direct Loan Reports

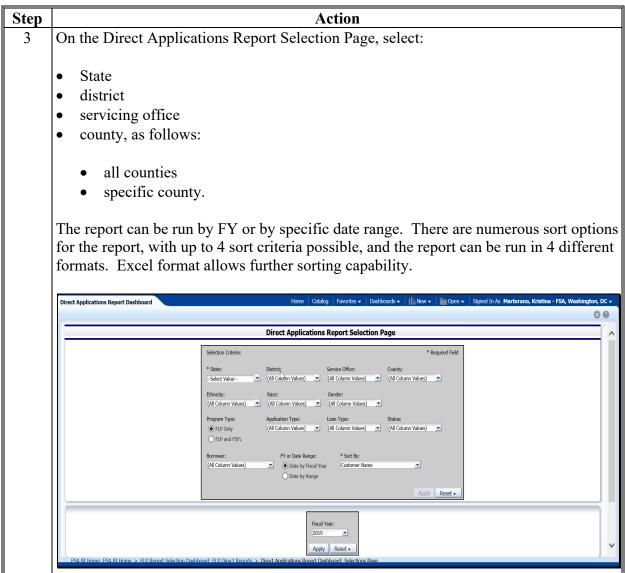
*--Access the direct loan reports from the Farm Loan Programs Data Mart. This following report will provide information needed for all 4 direct loan making review items.



--3

2 Accessing Direct Loan Reports (Continued)

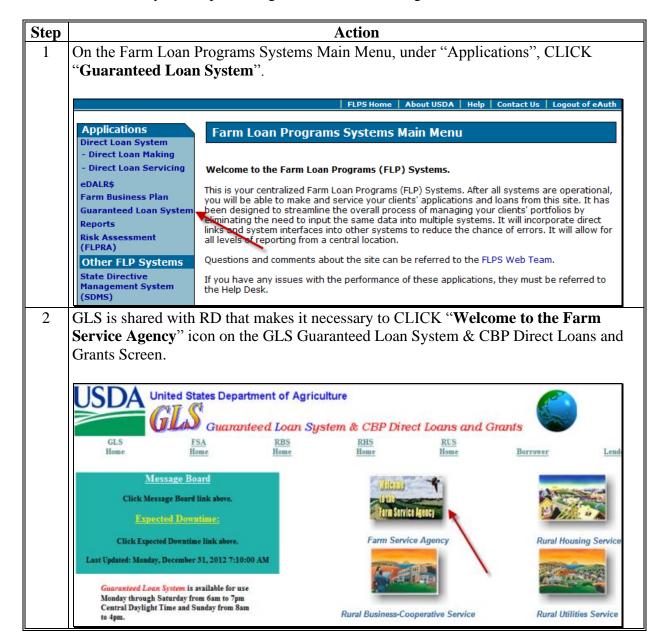
*__

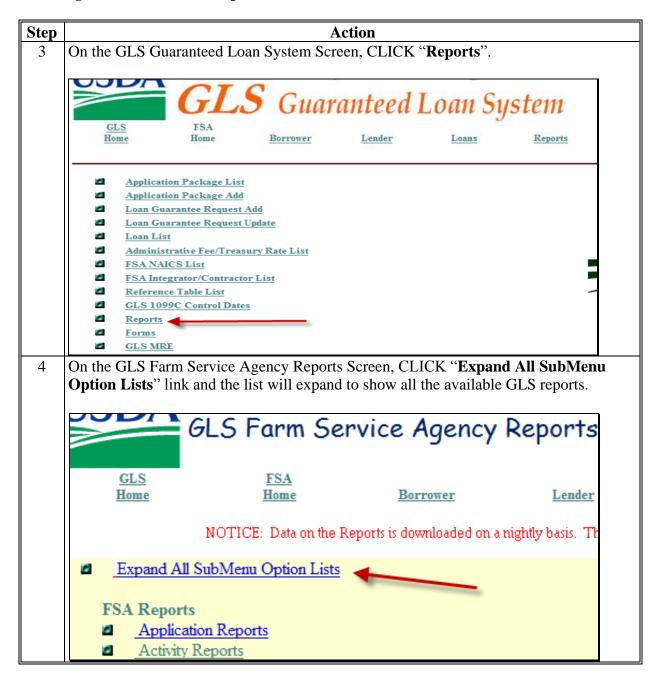


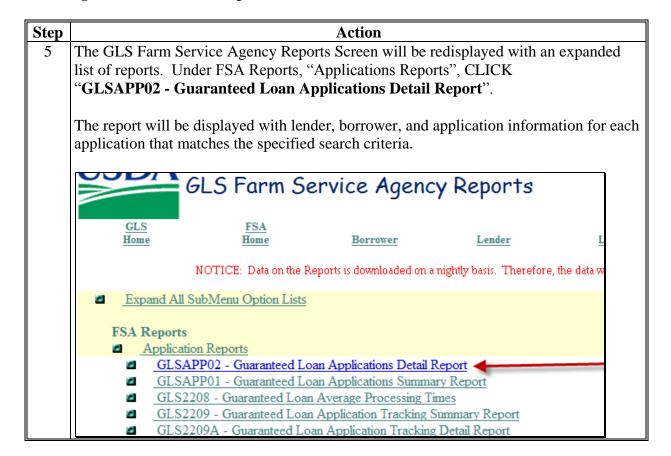
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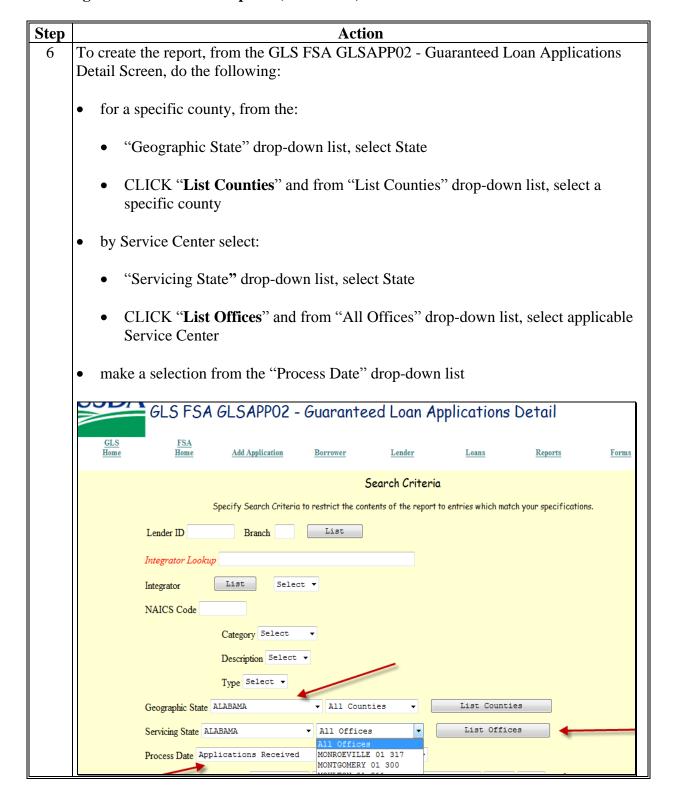
3 Accessing Guaranteed Loan Reports

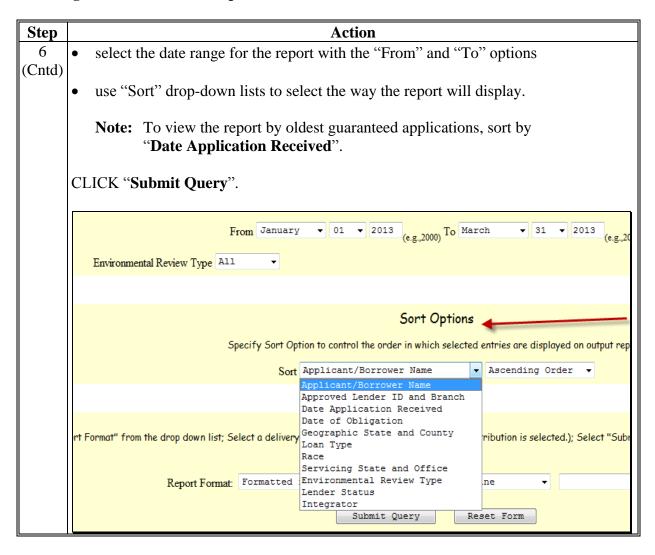
Access guarantee loan reports from GLS. The following report will provide a portion of the information necessary to complete the guaranteed loan making review items.



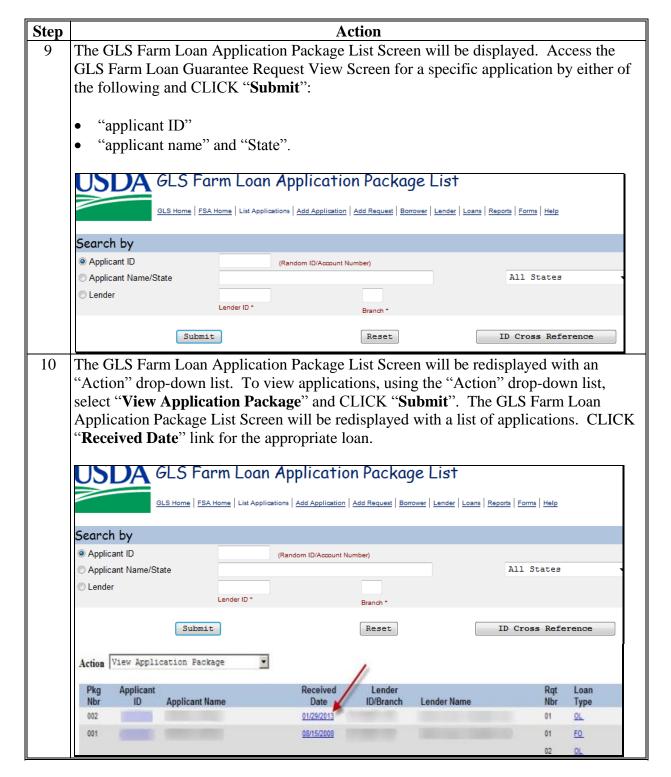


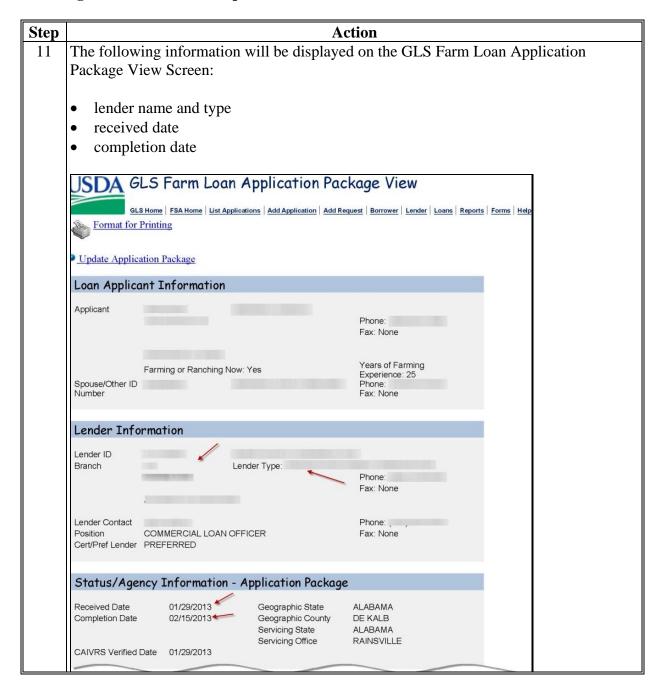


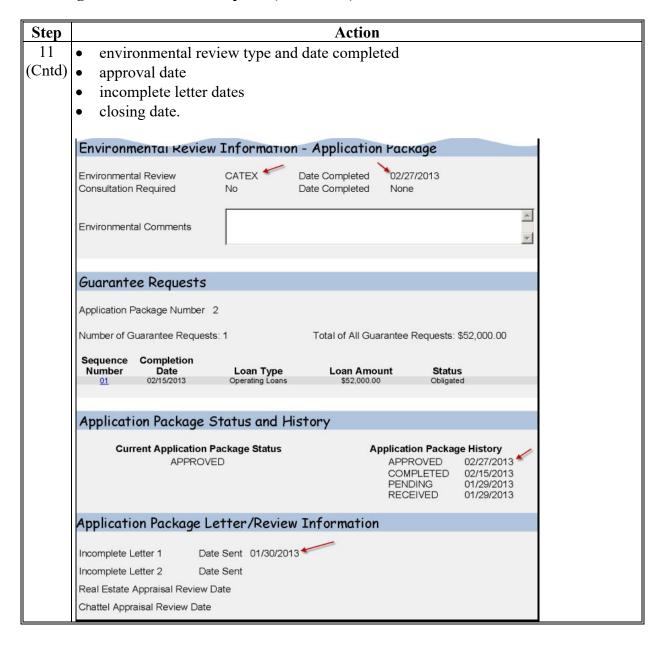




Step			A	ction							
7	The Guaranteed Loan Applications Detail Report will be used to select the applications										
				-							
	to review. The following example was selected by State and a Service Center, and sorted by date range and name.										
	softed by date range and name.										
	CAC204 United States Department of Agriculture										
	GLSAPPO2 FARM SERVICE AGENCY Guaranteed Loan Applications Detail Report										
		Guai	ranteed Loan	Application	s Detail Kep	ort	10	age:			
	Applicant Name	Geo St Cnty									
	Approved Lender	Borrower ID		Date Rec'd		Final Action		1			
	Integrator	Race	The same of the sa	something and the	Disposition		Date Cmpl	Amount			
	WHITE, JOE LOCAL FARMCREDIT	01 056 111111111 WHITE	01-308 FO	01/07/2013 01/10/2013	01/10/2013	OBLIGATED 01/14/2013	CATEX 01/10/2013	\$450,000.00			
	BLUE, SAM SMALL TOWN BANK	01 056 222222222 WHITE	01-308 OL	01/07/2013 01/10/2013	APPROVED 01/10/2013	OBLIGATED 01/14/2013	CATEX 01/10/2013	\$9,546.00			
8	Application infor	mation by borroy	wer can a	also be fo	ound on t	he GLS Es	rm I oan				
	Application infor	•									
- -	Application infor	•						quest			
	Application infor Guarantee Reque	st View Screen.	To acce	ss the GI	LS Farm	Loan Guar	antee Rec	•			
,	Application infor Guarantee Reque View Screen, from	st View Screen.	To acce	ss the GI	LS Farm	Loan Guar	antee Rec				
,	Application infor Guarantee Reque	st View Screen.	To acce	ss the GI	LS Farm	Loan Guar	antee Rec				
,	Application infor Guarantee Reque View Screen, from	st View Screen.	To acce	ss the GI	LS Farm	Loan Guar	antee Rec				
,	Application infor Guarantee Reque View Screen, from	st View Screen. m the GLS Guara	To acceanteed L	ss the GI oan Syst	LS Farm I	Loan Guar n, CLICK	rantee Rec " Applic a	ition			
,	Application infor Guarantee Reque View Screen, from	st View Screen. m the GLS Guara	To acceanteed L	ss the GI oan Syst	LS Farm I	Loan Guar n, CLICK	rantee Rec " Applic a	ition			
,	Application infor Guarantee Reque View Screen, from	st View Screen.	To acceanteed L	ss the GI oan Syst	LS Farm I	Loan Guar n, CLICK	rantee Rec " Applic a	ition			
,	Application infor Guarantee Reque View Screen, from Package List".	st View Screen. m the GLS Guara	To acceanteed L	ss the GI oan Syst	LS Farm I	Loan Guar n, CLICK	rantee Rec " Applic a	ntion M			
,	Application infor Guarantee Reque View Screen, from Package List".	st View Screen. m the GLS Guara	To acceranteed L	ss the GI oan Syst	LS Farm 2 em Scree	Loan Guar n, CLICK	antee Rec "Applica"	ntion			
,	Application infor Guarantee Reque View Screen, from Package List".	st View Screen. m the GLS Guara	To acceranteed L	ss the GI oan Syst	LS Farm 2 em Scree	Loan Guar n, CLICK	antee Rec "Applica"	ntion			
,	Application infor Guarantee Reque View Screen, from Package List". GLS Home	st View Screen. m the GLS Guara GLS FSA Home	To acceranteed L	ss the GI oan Syst	LS Farm 2 em Scree	Loan Guar n, CLICK	antee Rec "Applica"	ntion M			
,	Application infor Guarantee Reque View Screen, from Package List". GLS Home Application Loan Guarantee	St View Screen. In the GLS Guara GLS FSA Home Package List Package Add	To acceranteed L	ss the GI oan Syst	LS Farm 2 em Scree	Loan Guar n, CLICK	antee Rec "Applica"	ntion			
,	Application infor Guarantee Reque View Screen, from Package List". GLS Home Application Loan Guarante Loan Guarante	St View Screen. In the GLS Guara GLS FSA Home Package List Package Add	To acceranteed L	ss the GI oan Syst	LS Farm 2 em Scree	Loan Guar n, CLICK	antee Rec "Applica"	ntion			
,	Application infor Guarantee Reque View Screen, from Package List". GLS Home Application Loan Guaran Loan Loan List	St View Screen. In the GLS Guara GLS FSA Home Package List Package Add Intee Request Update	To acceranteed L Gua	ss the GI oan Syst	LS Farm 2 em Scree	Loan Guar n, CLICK	antee Rec "Applica"	ntion M			
,	Application infor Guarantee Reque View Screen, from Package List". GLS Home Application Loan Guarante Loan List Administration	St View Screen. In the GLS Guara GLS FSA Home Package List Package Add Intee Request Add Intee Request Update Interest Fee/Treasury Rate I	To acceranteed L Gua	ss the GI oan Syst	LS Farm 2 em Scree	Loan Guar n, CLICK	antee Rec "Applica"	ntion			
,	Application infor Guarantee Reque View Screen, from Package List". GLS Home Application I Loan Guarante Loan Guarante Loan List Administrate FSA NAICS	St View Screen. In the GLS Guara GLS FSA Home Package List Package Add Intee Request Add Intee Request Update Interest Fee/Treasury Rate I	To acceranteed L Gua	ss the GI oan Syst	LS Farm 2 em Scree	Loan Guar n, CLICK	antee Rec "Applica"	ntion M			







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
- •*--Direct Applications Report.--*

	Question	Source
1:	Applicant Name	*Select 5 applications from FLP Direct Reports, Direct Applications 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 Direct Applications Report if comments have been inserted.
7:	Credit decision (approval/rejected) was made within 60 days of receipt of complete loan application	Data Mart Direct Applications Report. Information* should be in FBP Credit Action.

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
- •*--Direct Applications Report.--*

	Question	Source
1:	Applicant Name	*Select 3 applications from FLP Direct Reports,
		Direct Applications Report.
2:	Required notifications were sent to	Direct Applications Report will show the date*
	applicants within required timeframes	that the decision was made. Borrower case files
		will have copies of FSA-2304 and FSA-2305.
3:	Items needed for a complete application	FSA-2304 and FSA-2305.
	are clearly identified in notifications	
		DLS Loan Making Checklist may have
		information if it was entered into DLS "Loan
		Processing" section.
4:	Applicants are notified of required due	FSA-2304 and FSA-2305.
	dates for items needed for complete	
	application	

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
- •*--Direct Applications Report.--*

	Question	Source
1:	Applicant Name	*Select 3 applications from FLP Direct
		Reports, Direct Applications Report*
2:	SDA	Application report.
3:	Reason for the withdrawal of application	FSA-2306 and FBP should be clearly
	is clearly documented	documented.
4:	A complete application was received	Documented in DLS and on FSA-2001.
5:	If a complete application was not	FSA-2304 and FSA-2305.
	received, an effort was made to obtain a	
	complete application	
6:	ECOA and non-discrimination	FSA-2306 and the borrower case file.
	statements have been included in	
	correspondence to applicant	

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
- •*--Direct Applications Report--*
- rejection letter.

	Question	Source
1:	Applicant Name	*Select 3 applications from FLP Direct
		Reports, Direct Applications Report*
2:	SDA	Application report
3:	Reasons for denial including applicable	DLS has a drop-down list to select the
	citations of requirements from CFR are	reasons for denial. This is just a summary, to
	clearly documented in the notification	determine the reason. Review the rejection
	letter to the applicant	letter, if necessary.
4:	Appropriate review/appeal rights were	Review the rejection letter.
	included in the notification letter to the	
	applicant according to 1-APP	
5:	ECOA and non-discrimination	
	statements were included in the	
	notification letter to the applicant	
	according to 1-FLP	

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	Compare the application against the Farm Program
	all FSA programs (Applicant has not applied	Eligibility report.
	for or received Agency benefits under any	
	other name, entity or identification number)	
5:	Lender was notified of incomplete and/or	GLS Farm Loan Guarantee Request View Screen
	complete application within timeframes	for each applicant.
	prescribed in 2-FLP (2-FLP, paragraph 95)	
6:	Eligibility of borrower and loan purposes have	Borrower case file documentation and
	been evaluated; denial/withdrawal are	correspondence and FSA-2292.
	thoroughly documented and appropriate appeal/review rights were provided (2-FLP,	
	paragraph 108)	
7:	Processing times are within timeframes	GLS2209A.
<i>'</i> •	prescribed in 2-FLP for lender type	GLS220711.
	(2-FLP, paragraph 83)	
*6		FSA 850 is in the file that documents there were no
Ì	was completed (7 CFR, Part 799, 1-EQ, Part 3,	impacts to protected resources and there were no
	and 2-FLP, paragraph 208)	extraordinary circumstances. Alternatively an
	71 & 1	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*
		* * *
		" " "

3 "Direct Loan Servicing"

A "Delinquent Account Servicing"

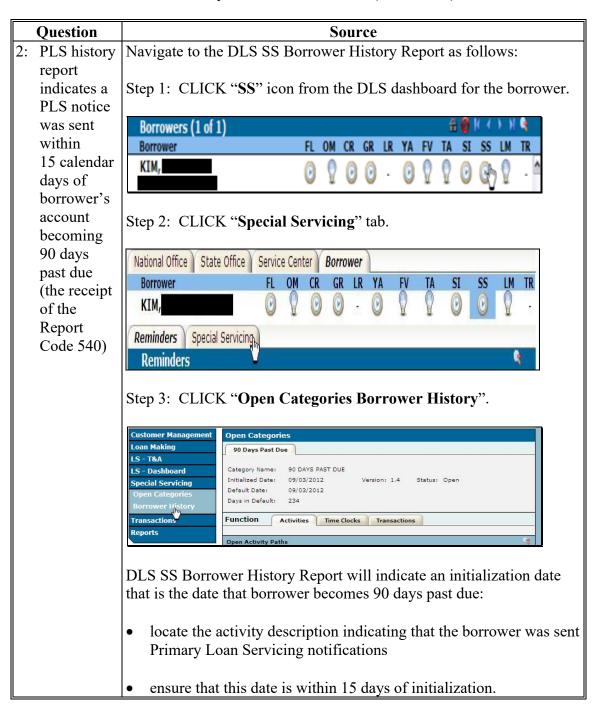
I "Borrowers With Loans 90 Days Or More Past Due"

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
- •*--Status of Farm Loan Programs (Report Code 540) Report.--*

	Question						So	urce						
1:	. Bollo 61	*Status of Farm Loan Programs 540, available from the Farm Loan												
	Name	Prograi	ms Da	ıta	Mar	t, lists a	Il borro	wers	who	are 9	0 days	or 1	more*	
		past due. All borrowers listed in this section will be reviewed.												
		Farm Loans 54	0			s	tatus of Farm Lo As of: 06/30		3					
						SERVICING O	FFICE LOCATION -		COUNTY F	SA (
		BORROW	ER NAME			CASE NUMBER ST CO BORR-ID								
		LOAN SERVICE		FD		UNPAID BA	ALANCES PRINCIPAL	DAILY INTEREST ACCRUAL	INTEREST	DATE OF LAST CASH PAYMENT	PAYMENT ST. A - AHEA B - BEHIN	D	SCHEDULED ANNUAL INSTALLMENT	FY LN
		BORROWERS WIT	TH LOANS 90 D	AYS OF	R MORE PAS	ST DUE :								
						01 60	AA MALE	NON		PLS				2000
		202 PDD	1211 TOTAL	41	01	\$4,669.13 \$4,669.13	\$50,540.62 \$50,540.62	8.3080 8.3080	6.0000	12/15/2011	\$3,626.00	В	\$3,713.00 \$3,713.00	41
		200000	100000		0.91	01 32	AA MALE	NON	1000000	PLS		08/07	10000000000	1020
		307 PDD 307 PDD	0828	41	03	\$6,057.85 \$2,060.10	\$141,893.66 \$70,220.00	18.9516 9.1000	4.8750	06/03/2013	\$7,042.10 \$0,573.70		\$8,274.00 \$0,574.00	45 22
			TOTAL			\$8,918.03	\$220,122.52	28.0604			3500		\$16,848.00	

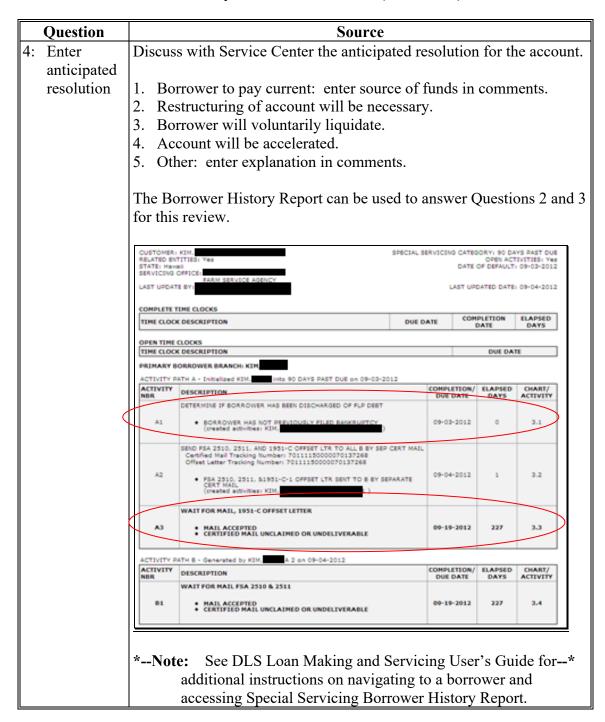
- 3 "Direct Loan Servicing" (Continued)
 - A "Delinquent Account Servicing" (Continued)
 - I "Borrowers With Loans 90 Days Or More Past Due" (Continued)



- 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	Followin	ng the steps in Question 2 to determine it	f borrowe	r was also					
	was sent at	sent Offset Notifications.								
	the same									
	time as the	After ob	taining the information required for Que	estions 1 t	hrough 3,					
	PLS notice	review t	hese items with the Service Center.							
	(required									
	when	Borrowe	r History							
	account is in	Select or	ne of the following Category Assignment(s)							
	monetary	Open Categ	ories							
	default)	Select	ALL CONTROL OF THE CO	nitiation Date	Date of Default					
		()	90 DAYS PAST DUE	09/03/2012	09/03/2012					
		Closed Cate	gories							
		Select	Category Name	nitiation Date	Completion Date					
		0	CURRENT/FINANCIALLY DISTRESSED BORROWER	06/15/2009	06/16/2009					
		Borron Borron Submi Under "	ne desired version of the Borrower History Wer History by Branch Wer History by Branch with Comments Wer History, Chronological by Activity Topen Categories", CLICK "Select" for to "Submit" to open the Borrower History		ver and					

- D Part A: Quarterly Review (Continued)
 - 3 "Direct Loan Servicing" (Continued)
 - A "Delinquent Account Servicing" (Continued)
 - I "Borrowers With Loans 90 Days Or More Past Due" (Continued)



- D Part A: Quarterly Review (Continued)
 - 3 "Direct Loan Servicing" (Continued)
 - A "Delinquent Account Servicing" (Continued)
 - I "Borrowers With Loans 90 Days Or More Past Due" (Continued)

	Question	Source
5:	Enter target date	Together, create a target date for when delinquent account may
	for resolution of	be resolved.
	delinquency	

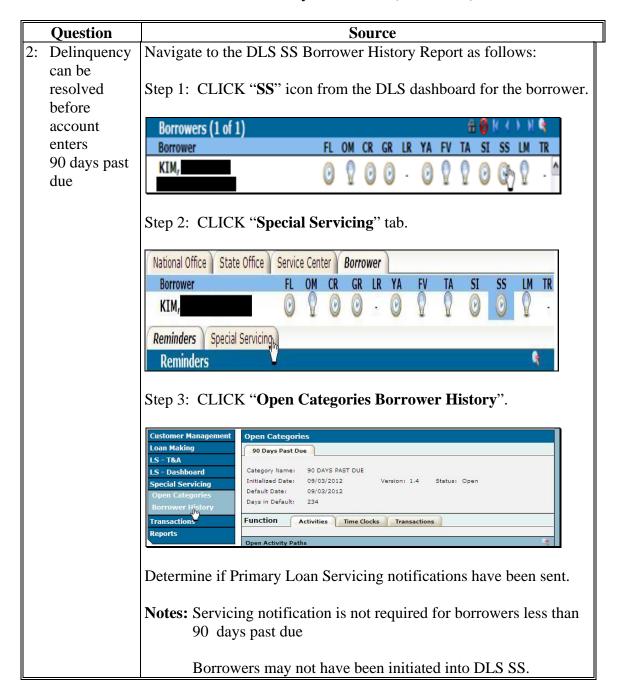
- 3 "Direct Loan Servicing" (Continued)
 - A "Delinquent Account Servicing" (Continued)
 - II "Borrowers With Loans Less Than 90 Days Past Due"

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
- •*--Status of Farm Loan Programs (Report Code 540) Report.--*

	Question						S	ourc	e			
1:	Borrower	*Status of Farm Loan Programs 540, available from the Farm Loan										
	Name	Progran	grams Data Mart, contains a section listing all borrowers who									are
		less than 90 days past due. All borrowers listed in this section										
		be revie			, ,	past and.	1111 0	0110				
		oc icvic	WC	1.								
						-						_
		Farm Loans 540				St	atus of Farm Lo As of: 06/3		IS			
						SERVICING OF	FICE LOCATION		COUNTY FSA ()			
						0405 WWD5D		,				
		BORROWE	RNAME			CASE NUMBER ST CO BORR-ID						
		LOAN SERVICII	NG	FD	LN	UNPAID BA	LANCES	DAILY INTEREST	DATE OF	PAYMENT STATUS A - AHEAD	SCHEDULED ANNUAL	FY
		INFORMATION CO	DES	CD	NO	INTEREST	PRINCIPAL	ACCRUAL	RATE PAYMENT	B - BEHIND	INSTALLMENT	LN
		BORROWERS WIT	H LOANS L	ESS THAN	1 90 DAY	'S PAST DUE :						
		F,	ND			.34	AA MALE	NON				
		79 PDD		FM 44	01	\$3.53	\$480.36	0.0642	4.8750 05/06/2013	\$483.89 B	\$0.00	13
			TOTAL			\$3.53	\$480.36	0.0642				
		M.	НR			** 3	WH MALE	NON		1M 04/10		
		61 PDD	FYLN,	44	23	\$568.26	\$15,624.40	0.9631	2.2500 11/17/2011	\$8,222.00 B	\$0.00	14
			TOTAL		_	\$568.26	\$15,624.40	0.9631				

- **D** Part A: Quarterly Review (Continued)
 - 3 "Direct Loan Servicing" (Continued)
 - **A "Delinquent Account Servicing" (Continued)**
 - II "Borrowers With Loans Less Than 90 Days Past Due" (Continued)



- **D** Part A: Quarterly Review (Continued)
 - 3 "Direct Loan Servicing" (Continued)
 - A "Delinquent Account Servicing" (Continued)
 - II "Borrowers With Loans Less Than 90 Days Past Due" (Continued)

	Question		Source
2:	Delinquency	IF notifications have	THEN
	can be	been sent	use the Borrower History Chart to
	resolved		determine the following:
	before		
	account		• borrower's response
	enters		-
	90 days past		• whether resolution appears likely before
	due		the borrower becomes 90 calendar days
	(Continued)		past due.
		not been sent	*review case file FBP and discuss with*
			the Service Center to complete this
			question.

- 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	Discuss with Service Center the anticipated resolution for the account. Borrower to pay account current. Restructuring of account will be necessary. Other, restructuring not possible.							
		CUSTOMER: RELATED EN STATE: SERVICING LAST UPDAT	TITIES: No OFFICE: FARM SERVICE AGENCY	IL SERVI		OPEN ACT	BORROWE TVITIES: Ye OF DEFAULT		
			TIME CLOCKS C DESCRIPTION	DUE DA		PLETION	ELAPSED		
				0000	116	DATE	DAYS		
		TIME CLOCK	CLOCKS C DESCRIPTION			DUE DAT	TE		
		PRIMARY B	ORROWER BRANCH: TAMASHIRO,						
		ACTIVITY P	ATH A - Enitialized CURRENT/FINANCIALLY DIS	COMPLETION/		CHART/			
		NBR	DESCRIPTION DETERMINE IF BORROWER IS REQUESTING CONSERVATION CONTRACT		DUE DATE	DAYS	ACTIVIT		
		As	NO (created activities))		02-15-2013	10	1-1		
		A2	SEND OR PROVIDE 8 WITH FSA 2512 & 2513 • FSA 2512 & 2513 SENT OR HAND DELIVERED AND SENT TO CUI BORROWER (created activities) WAIT FOR 8'S RESPONSE TO FSA 2512 & 2513	RRENT	02-15-2013	0	1-2		
		A3	B PROVIDES COMP APPLN FOR SERVICES W/IN 60 DAYS B DOES NOT PROV COMPL APPLN W/IN 60 DAYS B BECOMES 90 DAYS PAST DUE B DOES NOT PROVIDENT SETTLEMENT BORROWER REQUESTS DEST SETTLEMENT BORROWER PAYS CURRENT OR IN FULL		04-16-2013	63			
		request taken p	e Borrower History Report to determ ted loan servicing and whether any so place. This will help determine if the plyed before it becomes 90 calendar of e: See DLS Users Loan Making an	ervic acco lays	ing action ount is a past due	ons ha nticipa e.	ve ated to		
			Guide for additional instructions borrower and accessing the Spec History Report.	s on	navigati	ng to a	a		
1:	Target Date	Togeth	er with Service Center, create a targe	et da	te for w	hen			
	for resolution	_	ient account may be resolved.						
	of delinquency	_	<i>j</i>						

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
- •*--Status of Farm Loan Programs (Report Code 540) Report.--*

Question	Source				
1: Borrower Name	*Status of Farm Loan Programs 540, available from the Farm Loan Programs Data Mart, lists borrowers with* loans that may require attention as well as the flags present on the accounts.				
	STATUS OF FAITH LOAN PROGRAMS SERVICING OFFICE LOCATION 20 UNITY FSA				
2: Account Flag	See 5-FLP, Exhibit 11 for more information about account flags.				
3: Payments are being made and are curre according to an approved plan or agreement 4: Accounts are servi	 discussing each account with the Service Center reviewing the borrower's case file, and FBP 				
according to applicable regulation and/or handbook instructions	 reviewing FSA-603 and CCC-257, if necessary. Note: Use 4-FLP and 5-FLP as sources for any regulations or handbook questions. 				

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:

- •*--64-FI
- 4-FLP
- borrower case file
- CCC-257
- discussions with Service Center
- FSA-603
- Status of Farm Loan Programs (Report Code 540) Report.--*.

	Question			Source			
1:	Borrower/Account Name	Select 5 accounts from FSA-603 to review. If collection was not made at this Service Center, add the county name where collection was made.					
		FSA-603 provides information about payments received from borrower accounts. This will be used for comparison to other forms/reports to ensure payments are applied correctly.					
		A. DATE RECEIVED (MM-DD-YYYY)	B. NAME OR I.D. NO. OF REMITTER	C. REMITTANCE INFO ENTER CHECK NO.	IF CASH	D. AMOUNT COLLECTED	E. SCHEDULE NO. FROM FORM CCC-257
		03/29/2013	Doe, John	1754	Î	S 12,671.19	123
		03/29/2013	Smith, Borrower	1562		S 8,764.12	123
		03/29/2013	Happy Hills Farms	2468		S 58.41	123
		03/29/2013	Jones, Michael	1313		S 874.55	123
		03/29/2013	Hillshire Farmland	3999		S 27,894.73	123

3 "Direct Loan Servicing" (Continued)

B "Payments and Collections" (Continued)

	Question			So	urce	
2:	Payment(s) and collections are applied within prescribed time frames	 Compare FSA-603: and CCC-257 to ensure that account names, check numbers, and payment amounts match and that deposit is being made timely 				
3:	Payment(s) are credited to the account(s) of the correct borrower	"Date Received" column and Status of Farm Loan Programs 540, "Date of Last Cash Payment" column to ensure that the dates match.				
		*Note:			32 D provides add meframes for mak	
		CCC-257 (03-02-10)	SCHI	ARTMENT OF AG Farm Service Age EDULE OF D the account of C	ency	1A. Schedule Date 3/29/2013 1B. Page 1 of 1
		P.O. BO	7 LOCKBOX BANK IX 790134 UIS MISSOURI 63179		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.	R	C. EMITTER IDENTIFICATION	D. AMOUNT \$
		N/A	1754	Doe, John		12,671.19
		N/A	1562	Smith, Born	rower	8,764.12
		N/A	2468	Happy Hills	s Farms	58.41
		N/A	A Jones, Michael			874.55
		N/A	3999	Hillshire H		27,894.73
4:	Payment(s) are applied to the				ss payments receivayments were Reg	
	borrower's loan(s)				s were applied con	_
	according to 4-FLP	loan(s).	Elisure mai p	aymem	s were applied col	freely to
5:	There is a proper		64-FI, subpar	agraph :	32 C with Service	Center*
	separation of duties			_ 1	aration of duties of	
	among employees	1 .	vice Center.	-1		·-
	handling					
	transactions					
	transactions					

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	View 5 borrower accounts that had dispositions in the previous quarter. Review FSA-2040 and FSA-2045 to ensure that planned smatch actual sales and that variances are documented in FBP.				
		This form is available electronically. Form Approved - OMB No. 0560-0236				
		This Agreement is between the Farm Service Agency (FSA) and the undersigned. I understand that in addition to this Agreement, FSA must comply with its governing statutes and regulations. On (a) , I signed a Farm Business Plan (FBP) or FSA-2301 "Request for Youth Loan" covering the (b) production cycle(s). I worked together with FSA to project the planned income and expenses of my farming operation in the FBP. I am in agreement that the plan accurately reflects the planned income and expenses of my operation including the projection of (c) \$ for owner's withdrawal/family living expenses and my plan to make the following FSA scheduled payments from the following sources.				
		FLP Loan Number (And-DD-YTT) Amount Source of Proceeds be Released Prior to Payment of FLP Loan S S S S S S S S S S S S S S S S S S S				
2:	Dispositions and proceeds are recorded on FSA-2040 and FSA-2045	Review FSA-2040, FSA-2045, and FBP to determine if dispositions: occurred as planned were accounted for were approved. Discuss any discrepancies with loan officers.				

3 "Direct Loan Servicing" (Continued)

C "Chattel Security Accounting" (Continued)

١ _	Question					Source									
3:	Funds are released	Review 4-FLP, paragraph 163 and ensure that proceeds are applied													
	in accordance	correctly and released when appropriate. Discuss any discrepancies													
	with the FBP and	with loan officers.													
	FSA regulations														
	as applicable														
4:	Work copy of	Review the most recent work copy of FSA-2028 to verify that it													
	Security		matches any changes to FSA-2040.												
	Agreement has			, ,											
	been notated for	Items of security that have been sold, junked, traded, etc.:													
	any changes in														
	collateral	• 8	 should be lined off of the work copy of FSA-2028 												
	(FSA-2028)				manner an										
	(/	1	Totale	od dis to the	mamier an	d date of t	порові								
		Disc	1155 2	ny discren:	ancies with	loan offic	ers								
		15150	uss u	iny discrep	uncies with	ioun onic									
		FSA-202	28 (09-03-1	10)					Page 3 of 9						
					mall tools and small equ										
								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)						ving winch are	e located						
		3 8	ic otato(s) t	of (1)	8	8 5 2		ving which are	e located •						
		(2)	(3)	(4)	(5) Manufacturer	(6)	(7)	(8)	(9)						
		(2) Line No.	- 1800		(5) Manufacturer	67-2 	81 8888 I								
		Line	(3) Quantity	(4)	and the second of the second o	(6)	(7)	(8) Year	(9)						
		Line No.	(3) Quantity	(4) Kind	Manufacturer	(6) Size and Type 20 FT 4640	(7) Condition FAIR FAIR	(8)	(9)						
		Line No.	(3) Quantity	(4) Kind DISC	Manufacturer KEWANEE JD R & J	(6) Size and Type 20 FT 4640 8-ROW	(7) Condition FAIR FAIR GOOD	(8) Year	(9)						
		Line No.	(3) Quantity 1	(4) Kind DISC TRACTOR LISTER SPRING TOOTH	Manufacturer KEWANEE JD	(6) Size and Type 20 FT 4640	(7) Condition FAIR FAIR	(8) Year	(9)						
		Line No.	(3) Quantity 1 1 1	(4) Kind DISC TRACTOR LISTER	Manufacturer KEWANEE JD R & J	(6) Size and Type 20 FT 4640 8-ROW	(7) Condition FAIR FAIR GOOD	(8) Year	(9)						
		Line No. 1 2 3	(3) Quantity 1 1 1 1 1	(4) Kind DISC TRACTOR LISTER SPRING TOOTH HARROW	Manufacturer KEWANEE JD R & J NOBLE	(6) Size and Type 20 FT 4640 8-ROW 40 FT	(7) Condition FAIR FAIR GOOD FAIR	(8) Year	(9)						
		Line No. 1 2 3 4	(3) Quantity 1 1 1 1 1 1	(4) Kind DISC TRACTOR LISTER SPRING TOOTH HARROW ROTARY HOE	Manufacturer KEWANEE JD R & J NOBLE	(6) Size and Type 20 FT 4640 8-ROW 40 FT	(7) Condition FAIR FAIR GOOD FAIR	(8) Year	(9)						
		Line No. 1 2 3 4 5 6	(3) Quantity 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(4) Kind DISC TRACTOR LISTER SPRING TOOTH HARROW ROTARY HOE PITCHOUT RIG	Manufacturer KEWANEE JD R & J NOBLE JD R & J	(6) Size and Type 20 FT 4640 8-ROW 40 FT E0400 8-ROW	(7) Condition FAIR FAIR GOOD FAIR FAIR FAIR	(8) Year	(9)						
		Line No. 1 2 3 4 5 6 7 7	(3) Quantity 1 1 1 1 1 1 2	(4) Kind DISC TRACTOR LISTER SPRING TOOTH HARROW ROTARY HOE PITCHOUT RIG PLOW	Manufacturer KEWANEE JD R & J NOBLE JD R & J JD	(6) Size and Type 20 FT 4640 8-ROW 40 FT E0400 8-ROW ROLLOVER	(7) Condition FAIR FAIR GOOD FAIR FAIR FAIR FAIR	(8) Year	(9)						
		Line No. 1 2 3 4 4 5 6 6 7 8 8	(3) Quantity 1 1 1 1 1 1 2 2	(4) Kind DISC TRACTOR LISTER SPRING TOOTH HARROW ROTARY HOE PITCHOUT RIG PLOW FERT. INJ. PUMPS	Manufacturer KEWANEE JD R & J NOBLE JD R & J JD	(6) Size and Type 20 FT 4640 8-ROW 40 FT E0400 8-ROW ROLLOVER	(7) Condition FAIR FAIR GOOD FAIR FAIR FAIR FAIR FAIR GOOD	(8) Year	(9)						
		Line No. 1 2 3 4 4 5 6 6 7 8 8 9	(3) Quantity 1 1 1 1 1 1 2 2	(4) Kind DISC TRACTOR LISTER SPRING TOOTH HARROW ROTARY HOE PITCHOUT RIG PLOW FERT. INJ. PUMPS FERT. TANK IRRIGATION	Manufacturer KEWANEE JD R & J NOBLE JD R & J JD BALDOR	(6) Size and Type 20 FT 4640 8-ROW 40 FT E0400 8-ROW ROLLOVER 1/3 HP 1250 GAL	(7) Condition FAIR FAIR GOOD FAIR FAIR FAIR FAIR FAIR FAIR GOOD FAIR	(8) Year	(9)						
		Line No. 1 2 3 3 4 5 6 7 7 8 8 9 10	(3) Quantity 1 1 1 1 1 1 2 2 3 1	(4) Kind DISC TRACTOR LISTER SPRING TOOTH HARROW ROTARY HOE PITCHOUT RIG PLOW FERT. INJ. PUMPS FERT. TANK IRRIGATION ENGINES	Manufacturer KEWANEE JD R & J NOBLE JD R & J JD BALDOR	(6) Size and Type 20 FT 4640 8-ROW 40 FT E0400 8-ROW ROLLOVER 1/3 HP 1250 GAL 292	(7) Condition FAIR FAIR GOOD FAIR FAIR FAIR FAIR GOOD FAIR GOOD	(8) Year	(9)						

3 "Direct Loan Servicing" (Continued)

C "Chattel Security Accounting" (Continued)

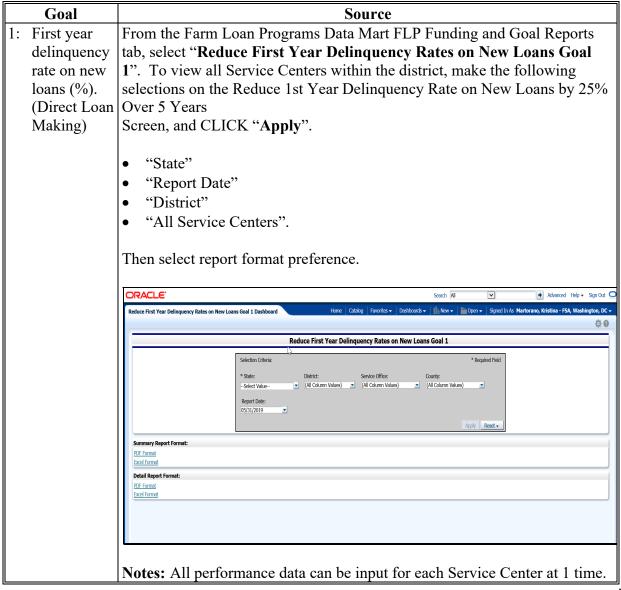
Question	Source
5: FLM follows up on	For any unapproved disposition:
all apparent unauthorized dispositions; using	• review borrower case file and FBP
4-FLP, Exhibit 31 to notify borrowers in all cases and obtains	discuss with Service Center to determine anticipated resolution.
adequate documentation to enable post approval	
where applicable	

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 the Farm Loan Programs Data Mart FLP Funding and Goal Reports--*
- guaranteed loan making goals are available from the GLS Reports.

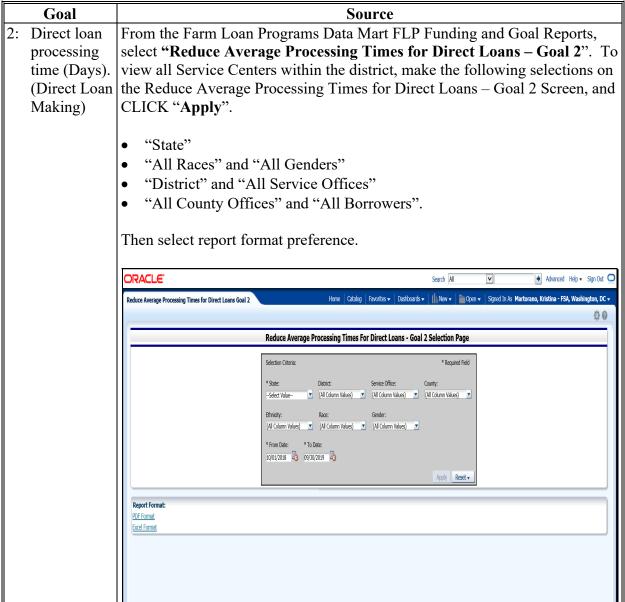
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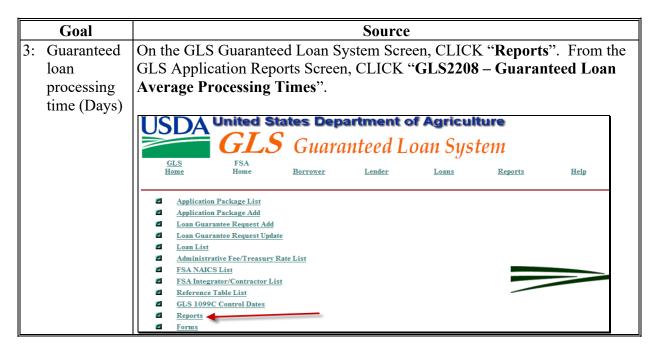
4 "Program Delivery FLP Goals: From FLP goals established by the National Office for your state" (Continued)

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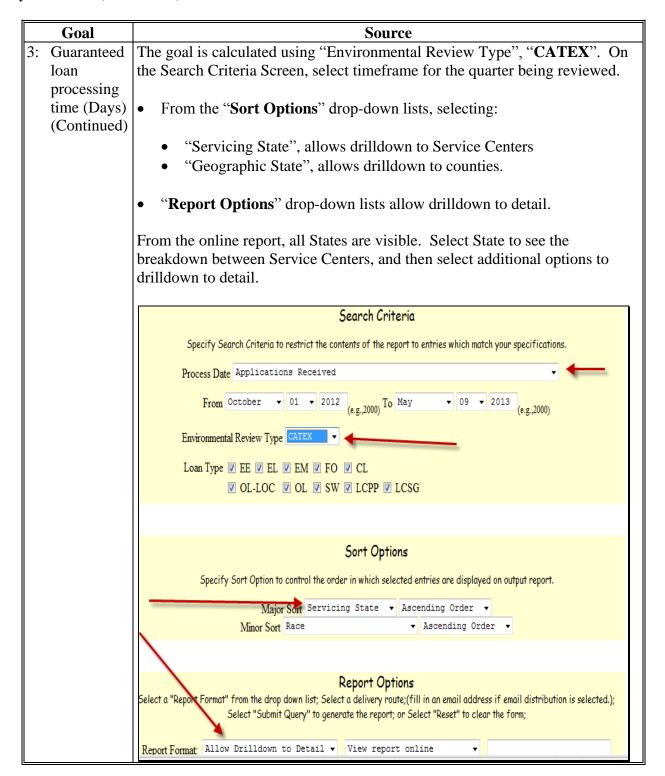


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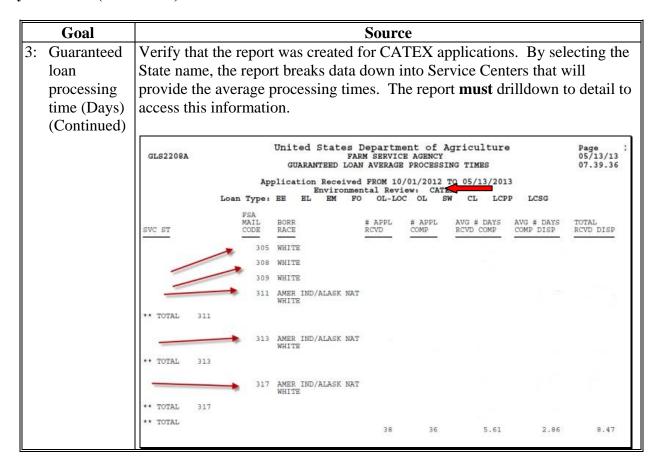
4 "Program Delivery FLP Goals: From FLP goals established by the National Office for your state" (Continued)



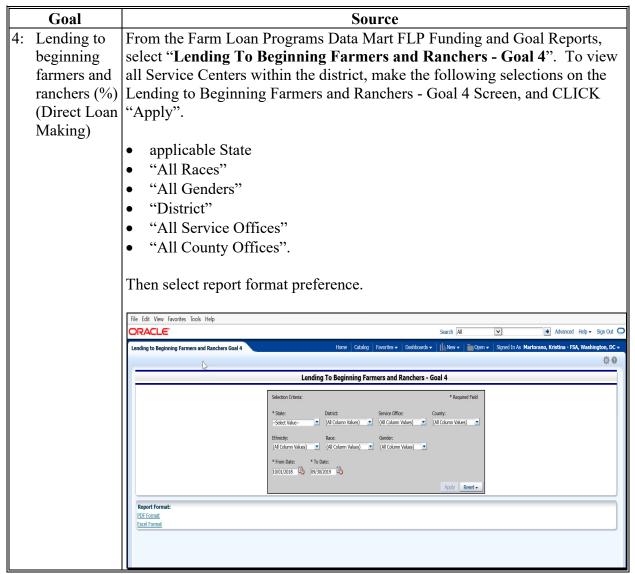
4 "Program Delivery FLP Goals: From FLP goals established by the National Office for your state" (Continued)



4 "Program Delivery FLP Goals: From FLP goals established by the National Office for your state" (Continued)



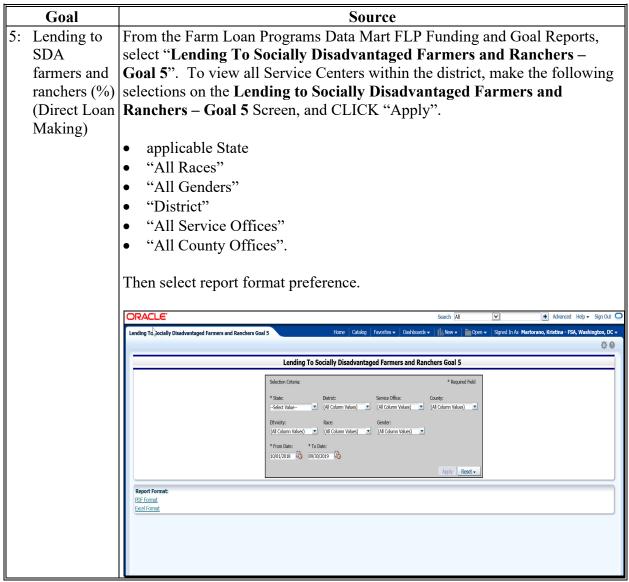
4 "Program Delivery FLP Goals: From FLP goals established by the National Office for your state" (Continued)



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4 "Program Delivery FLP Goals: From FLP goals established by the National Office for your state" (Continued)

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4 "Program Delivery FLP Goals: From FLP goals established by the National Office for your state" (Continued)

Goal Source 6: Direct loan From the Farm Loan Programs Data Mart, select FLP Funding and delinquency (%) Goals Tab and then select "Reduce Direct Delinquency Rates on (Direct Loan Loans LS Goal 1". To view all Service Centers within the district, Servicing) make the following selections on the **Reduce Direct Delinquency** Rates on Loans LS Goal 1 Selection Page, and CLICK "Apply". Then select report format preference: Applicable State "District" "All Service Offices" Reduce Direct Delinquency Rates on Loans LS Goal 1 Selection Page PDF Format Excel Format 7: Guaranteed loan From the Farm Loan Programs Data Mart, select FLP Funding and delinquency Goals Tab and then select Reduce Guaranteed Delinquency Rates on rate (%) Loans LS Goal 2. To view all Service Centers within the district, select the applicable State on the Reduce Direct Delinquency Rates on Loans LS Goal 1 Selection Page, and CLICK Apply. Then select report format preference. ORACLE Reduce Guaranteed Delinquency Rates on Loans LS Goal 2 Dashb Reduce Guaranteed Delinquency Rates on Loans Goal 2 Selection Page Selection Criteria * Required Fields PDF Format Excel Forma

4 "Program Delivery FLP Goals: From FLP goals established by the National Office for your state" (Continued)

Goal Source 8: Primary loan From the Farm Loan Programs Data Mart, select FLP Funding and servicing Goals Tab and then select "Special Servicing Processing Times LS processing Goal 3. To view all Service Centers within the district, make the following times (days). selections on the Special Servicing Processing Times LS Goal 3. (Direct Loan Selection Page and CLICK "Apply". Servicing) Applicable State "District" "All Service Offices". Then select the report format preference. ORACLE" Advanced Help Special Servicing Processing Times LS Goal 3 Dashboard Home | Catalog | Favorites ▼ | Dashboards ▼ | | New ▼ | Open ▼ | Signed In As Martorano, Kristina - FSA, Wasi Special Servicing Processing Times LS Goal 3 Selection Page Selection Criteria: * Required Field * State: Service Office: County: District: ▼ (All Column Values) ▼ (All Column Values) --Select Value- (All Column Values) Apply Reset ▼ Detail Reports PDF Format Excel Format PDF Format Excel Format

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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
- •*--Borrower Financing Statement Report.

Question	Source					
1: Borrower Name	FBP Credit Action Report.					
2: Proper UCC Filed	Check the borrower case file to verify the proper UCC filing.					
	The offsite option is to create the report from the Farm Loan Programs					
	Data Mart/FLP Direct Reports, Borrower Financing Statement					
	Report.					
	CLE Search All V Advanced Help - Sign					
	ar Financing Statement Dashboard Home Catalog Favorites + Dashboards + New + Open + Signed In As Martorano, Kristina - FSA, Washingto					
	CONTROL PROPERTY OF THE STATE O					
	Borrower Financing Statement Report Selection Page					
	Selection Criteria: * Required Field					
	* State: District: Service Office: County: - Select Value-					
	Program Type: * From Date: * To Date: Date Type:					
	● PLP Cody 10/01/2018					
	○ Expiration Date					
	Status:					
	Active					
	Acchi Reset •					
	I Report Format:					
	ornet Committee					
	<u>format</u>					
	toring Report Format:					
	Formet					

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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				
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.			

2 Direct Loan Servicing

A Shared Appreciation Agreements

Review all accounts listed. Information sources include the following:

- 5-FLP
- borrower case file
- FLM discussion
- operational file
- Report Code 565-A, "Borrowers with Expiring Equity Recapture Agreements".

Question	Source					
1: Borrower Name	View current and past Reports 565-A sent to Service Centers monthly *by DCIB*					
	Review all borrowers with upcoming expirations or Shared Appreciation Agreements that have expired since the last review. Agreement may have matured for a reason other than time.					
	This form is available electronically. FSA-2544 U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency REQUEST FOR INFORMATION ON CAPITAL IMPROVEMENTS					
	Mr. John Farmer Mrs. Jane Farmer Certified 12123 County Road Four Washington, DC 20250					
	Our records show that you have a Shared Appreciation Agreement with the Farm Service Agency (FSA) that has or will soon be coming due. FSA regulations (7 CFR Part 766) allow the value of certain improvements to be deducted from the current market value of your property to determine any shared appreciation due. The improvement has to have been added to the property since you received your writedown from FSA and capitalized on your income taxes. The capital improvements must also meet at least one of the following criteria:					
	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. B. The item is an improvement to the real estate with a useful life of over 1 year and is affixed to the property. The					
	item must have been capitalized and not taken as an annual operating expense on Federal income tax records. You must provide copies of appropriate tax documentation to verify the capital improvements claimed. A copy of FSA-2544 sent to the borrower should be located in the					
	borrower case file.					

2 Direct Loan Servicing (Continued)

A Shared Appreciation Agreements (Continued)

	Question	Source
2:	Expiration dates	Discuss with FLM how expiration dates are monitored and review
	of agreements	Service Center operational file if necessary.
	are monitored	
3:	Proper	Borrowers who have Shared Appreciation Agreements expiring
	notifications are	within 6 months are sent FSA-2544 notifying the borrower of the
	sent to	upcoming expiration and requesting information about improvements
	borrowers	made to the property.
		This form is available electronically. FSA-2545 (04-25-12) BORROWER NOTIFICATION OF SHARED APPRECIATION DUE
		05/12/2013[
		Farmer Brown CERTIFIED 123 Any Street 100100111000110011010 Farmville, CO 25810
		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:
		The Shared Appreciation Agreement will mature on 05/09/2013.
		The Agency has completed a current appraisal on the real estate that secured the Shared Appreciation Agreement and considered any capital improvements that you reported. Based on this information, we have determined that you owe \$12,333.00 in SAA recapture.
		FSA-2545 should be sent to all borrowers who have expired Shared
		Appreciation Agreements.
4:	Expiring	Borrowers with expired Shared Appreciation Agreements must be
	agreements are	notified of the recapture due using FSA-2545. Review borrower
	serviced	case-file documentation and discuss with FLM to determine
	according to 5-FLP	borrower's response to notification.

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
- •*--Classification Review Report
- Direct Applications Report.

Question	Source				
1: New	Verify borrowers approved for new loans had classification reviews				
Borrower	performed on their accounts.				
accounts	Commons the Form I and Duraness Date Most Divert Applications Deposit				
are classified	Compare the Farm Loan Programs Data Mart Direct Applications Report				
ciassified	with the Classification Review Report. Select the report to cover the				
	Service Center and specific review period dates. Save or print both reports				
	to use for comparison.				
	When pulling the Classification Review Workflow Report, select "In Conjunction with a Loan Closing" to limit the search to Classification Reviews only.				
	Note: Some borrowers may be listed on the Direct Applications 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 Report.				
	Discuss borrowers who were not classified with the Service Center.				

--*

2 Direct Loan Servicing (Continued)

B Classification of Borrower Accounts (Continued)

*__

Question	Source
1: New Borrower accounts are classified (Cntd)	On the Direct Applications Report Selection Page, using the drop-down lists, select the following and CLICK "Apply". "State", select applicable State "District", "All Districts" "County", "All Counties" "Ethnicity" and CLICK "All" radio button "Status", "Approved" "Race", "All Races" "Gender", "All Genders" "From" and "TO" dates and CLICK "Date by Range" radio button "Sort Selection". Then select the report format preference.
	ORACLE Search Al Advanced High Sign Out Direct Applications Report Deshboard Home Catalog Favortes Direct Deshboard New Cycen Signed In As Martorano, Kristina - FSA, Washington, DC Direct Applications Report Selection Page
	Uniex applications report Selection rage Selection Officia: *Required Field
	*State: Obtrict: Service Office: County: Alabama
	Detail Report PDF Formet Excel Formet

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2 Direct Loan Servicing (Continued)

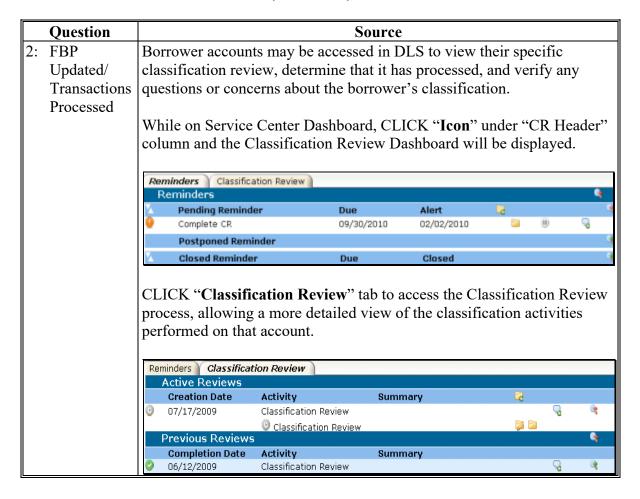
B Classification of Borrower Accounts (Continued)

Question Source On the Classification Review Workflow Report Page, using the drop-down 1: New lists, select the following and CLICK "Apply". Borrower accounts are Select State classified Select District (Cntd) "Status", "All" "Select Date Type". Then select the report format preference. ORACLE. → Advanced Help → Sign Out C Classification Review Dashboard Classification Review Workflow Report Selection Page Service Office: (All Column Values) (All Column Values) * From Date: * To Date: Date Type:

10/01/2018 09/30/2019 0 Scheduled Date O Credit Action Date Reason for Review: PDF Format Excel Format

2 Direct Loan Servicing (Continued)

B Classification of Borrower Accounts (Continued)



2 Direct Loan Servicing (Continued)

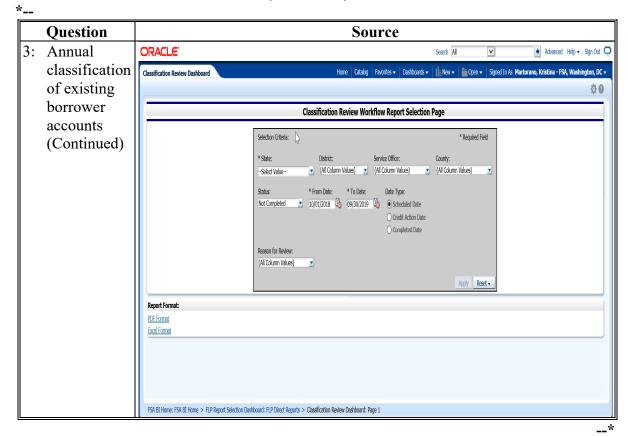
B Classification of Borrower Accounts (Continued)

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	Question	Source			
3:	Annual	From the Classification Review Workflow Report Selection Page, create a report for the review time period. Using the drop-down lists, select the following and CLICK "Apply".			
	accounts	• State			
		• District			
		• "Status", "All"			
		"Date", "From" and "To", select date range for Classification Reviews that have not been completed and CLICK "Scheduled Date" radio button			
		• "Reason for Review", "All".			
		Then select report format preference.			
		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.			
		Notes: For questions about classifying borrower accounts, see Part 8, Section 4.			
		These instructions demonstrate pulling reviews scheduled for the current review period. To include all reviews that should have been completed before the current timeframe, change the From date to further in the past and select a status of "not completed".			

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- 2 Direct Loan Servicing (Continued)
 - **B** Classification of Borrower Accounts (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
- •*--Year End Analysis Report.--*

	Question	Source
1:	Number of analyses	YEA's are required for all accounts with:
	required this	new loans
	FY	• chattel subordinations
		PLS or DSA in the previous FY
		financially distressed or delinquent accounts
		accounts with limited resource loans.
		Access from Farm Loan Programs Data Mart Year End Analysis Report for the review time period, to determine if reviews are being completed as required.
		Note: See Part 8, Section 5, for questions about YEA's.

2 Direct Loan Servicing (Continued)

C Year End Analysis (Continued)

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Question	Source					
1: Number of analyses required this FY (Continued)	On the Year End Analysis Workflow Report Screen, from the drop-down lists, select the following and CLICK "Apply". • State • District • "Status", "All" • "Date", beginning of FY to FY end and CLICK "Scheduled Date" radio button • "Reason For Review", "All". Then select report format preference.					
	ORACLE' Search All V Advanced Help • Sign Out O					
	Year End Analysis Dashboard Home Catalog Favorites v Dashboards v New v Open v Signed in As Martorano, Kristina - FSA, Washington, DC v					
	₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩ ₩					
	Year End Analysis Workflow Report Selection Page					
	Select Scriberia:					

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2 Direct Loan Servicing (Continued)

C Year End Analysis (Continued)

	Question				S	ource					
2:	Number of	When revie	When reviewing the Year End Analysis Workflow Report, count the								
	Analysis	number of	YEA's th	nat have	been c	omple	ted. S	Subtrac	et that	numb	er from
	completed	the total nu	imber of	YEA's o	on the r	eport	to dete	ermine	how r	nany 1	remain
	year to date	to be comp	leted.								
3:	Number of										
	Analysis	Discuss a p	olan to co	mplete a	all requ	ired Y	'EA's	with t	he Ser	vice C	enter.
	needed to be										\bigcirc
	completed	FLP Mail			Scheduled	Customer Contacted	Response Received	Credit Action	Credit Action	Completed By	Workflow Completion
	prior to the	Code Svc Office	Borrower Name	Case Nbr	<u>Date</u>	<u>Date</u>	<u>Date</u>	Date	Description	Contractor	<u>Date</u>
	end of the FY	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 C	N lose	04/19/2013
		cur	mber of c	A's that frame, c	ed/nonc should hange '	comple I have	eted webeen o	orkflo comple	w item	s to a	nswer he

3 Guaranteed Loan Servicing

A Semiannual and Default Status Reports and Delinquent Loan Accounts

Review and discuss the reports with the FLM, FLO, and/or SFLO to complete review items. Information sources include the following:

- 2-FLP, paragraphs 266 and 300
- discussions with the Service Center
- GLS Report Code GLS-2001
- GLS Report Code GLS4265
- GLS Report Code GLSSR02
- GLS Report Code GLSSR04.

	Question	Source
1: Status reports and default status reports are received		GLS4265, Submitted Status Reports, displays the list of lenders who have submitted a status report.
	from the lenders	Access from GLS Reports, GLS Status Reports, GLS4265 Submitted Status Reports.
2:	Status reports and default status reports are reviewed by FLM	Discuss the office procedure for reviewing of status reports and default status reports with FLM.

3 Guaranteed Loan Servicing (Continued)

A Semiannual and Default Status Reports and Delinquent Loan Accounts (Continued)

	Question	Source					
3:	Status reports and default status reports are input into GLS when they are received	Report Code GLSSR02, Past Due Status and Default Status Reports, 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.					
	are received	Report Code GLSSR04, Past Due Status and Default Status Summary Report, summarizes the total number of lender branches/loans with past due reports.					
		Discuss any reports that have not been input into GLS with Service Center.					
		The following GLS Report GLSSR04 summarizes reports due.					
		CAA172 United States Department of Agriculture GLSSR02 FARM SERVICE AGENCY PAST DUE STATUS AND DEFAULT STATUS REPORT					
		TOTAL NUMBER OF LENDER BRANCHES WITH STATUS REPORTS PAST DUE TOTAL NUMBER OF LOANS WITH STATUS REPORTS PAST DUE SERVICING STATE:					
		SVC GEO BORR ID/ LOAN/ BORROWER NAME/ DATE REPORT REPORT LOAN ST/CNTY ST/CNTY LNDR ID BRCH LENDER NAME OF LOAN TYPE DUE DATE TYPE					
		51, D 11/10/2009 DEFAULT STATUS 06/07/2013 FO 2 001 BANK					
		CAA172 United States Department of Agriculture PAGE 2 GLSSR04 FARM SERVICE AGENCY 07/17/2013 Past Due Status and Default Status Summary Report 13.27.15 Total Number of Lender Branches with Status Reports Past Due 9 Total Number of Loans with Status Reports Past Due 15					
		Number of Past Number of Past Due Servicing State Due Status Reports Default Status Reports					
		£ 2 13					

3 Guaranteed Loan Servicing (Continued)

A Semiannual and Default Status Reports and Delinquent Loan Accounts (Continued)

	Question	Source
4:	FLP staff is following-	Discuss the follow-up actions being taken on each account that
	up on servicing actions	is delinquent and/or has an anticipated loss claim with Service
	for delinquent	Center. List all delinquent accounts on this report.
	accounts. FLM is	
	reviewing loss claims	Access from GLS reports, GLS2001, Lists of Delinquent
5:	List delinquent	Borrowers report. The report displays delinquent loan
	accounts	information by mail code for all loans past due.

3 Guaranteed Loan Servicing (Continued)

B Lender Reviews

Review requires a count of loans or accounts for each type of lender. Information sources include the following:

- 2-FLP, paragraph 267
- discussions with Service Center
- GLS Report Code GLS2003
- record count from Operational Files.

	Question	Source
1:	Required Number of	Access from GLS Reports, GLS Status Reports Code
	SEL borrower files to be	GLS2003, Guaranteed Loans by Lender Caseload.
	reviewed for FY	
2:	Number of SEL	Report lists guaranteed loan information by lender ID within
	borrower files reviewed	lender name, giving a total amount by lender.
	year to date	
3:	Required number of CLP	Review and discuss the report with FLM, FLO, and/or
	borrower files to be	SFLO.
	reviewed for FY	
4:	Number of CLP	Review items:
	borrower files reviewed	
	year to date	• (1), (3), and (5) will be determined by the number of
5:	Required number of PLP	borrowers for each lender, and the percentage required to
	borrower files to be	be reviewed based on lender status according to 2-FLP,
	reviewed for FY	subparagraph 267 B.
6:	Number of PLP	
	borrower files reviewed	• (2), (4), and (6) will be determined through discussion
	year to date	with FLM, FLO, and/or SFLO.

F Part C: Annual Reviews

Note: Use the "**Review Area Comments**" section to note issues on which to followup or other comments relevant to the review.

1 Direct Loan Servicing

A Borrower Graduation

Review required for all borrower accounts classified as a "1" or "2". Information sources include the following:

- •*--4-FLP, Part 2--*
- discussions with the Service Center
- Graduation Review Monitoring Report
- Operational Files.

Question		Source					
1:	Lender surveys are completed annually	Each October, an authorize obtain their underwriting of summary of this information. Review to determine if the For information about born Part 4.	criteria f ion shou is inform	or makin ld be kep nation wa	ng agricu ot in the O ns obtain	ltural loa Operationed.	ans. A nal Files.
		Lender Agricult			g Standards		
				rm Credit			<u> </u>
		D. C. L. L	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
		Information gathered fron such as 4-FLP, Exhibit 22 and Long Term Credit.					

1 Direct Loan Servicing (Continued)

A Borrower Graduation (Continued)

*****__

	Question	Source
2:	Graduation	Graduation reviews should be conducted for all borrowers who classify
	potential for	as a "1" or "2".
	borrowers is	
	documented	From the Farm Loan Programs Data Mart, FLP Direct Reports, select
	in each	"Graduation Review Monitoring Report". From the Graduation
	borrower's FBP file and	Review Monitoring Report selection page, create the report to determine borrowers who classify as "1" and "2", but have not yet had a graduation
	the	review. Discuss with the Service Center to determine when graduation
	operational	reviews will be completed for these borrowers.
	file as	reviews will be completed for these contowers.
	appropriate	Notes: Answer "Yes" only if all required reviews have been completed for the FY and explain the Service Center plan of action to complete the reviews.
		Report can be set up to pull all Graduation Reviews "Not Completed" (CLICK "Scheduled Date") or "Completed" (CLICK "Completion Date") for the Service Center during the current FY.
		ORACLE' Search All 🔻 🕩 Advanced Help • Sign Out 🔾
		Graduation Review Dashboard Home Catalog Favorites Dashboards New Open Signed in As Martorano, Kristina - FSA, Washington, DC -
		Graduation Review Monitoring Report Selection Page
		Selection Orderia: * Required Field * State: * District: Service Office: County:
		Slatus: * From Date: * To Date: Date Type:
		Not Completed ■ 10/01/2018 👸 09/30/2019 👸 ● Scheduled Date ○ Completed Date
		Apply Reset •
		Report Format:
		PDF Format
		<u>Bool Format</u>
		<u>Excel Formet</u>
		<u>Excel Format</u>
		<u> </u>
		<u>Excel Format</u>

1 Direct Loan Servicing (Continued)

A Borrower Graduation (Continued)

	Question	Source
3:	Follow-up is completed for borrowers	Borrower accounts that are determined eligible for graduation will be submitted to local lenders using a borrower prospectus similar to 4-FLP, Exhibit 24.
	who are asked to graduate	4-FLP, Exhibit 24 is used to determine local lender interest in refinancing a specific operation.
		Discuss the status of any borrower that has been asked to graduate with the Service Center.
		4-FLP, Exhibit 24
		(Use Agency Letterhead format with local return address.)
		BORROWER PROSPECTUS
		Dear:
		FSA is required to determine if direct loan applicants can obtain commercial credit with an FSA loan guarantee. Also, FSA direct loan borrowers must be referred to commercial lenders for guaranteed or nonguaranteed financing when they appear to meet the lending criteria of a cross-section of local lenders.
		Your institution is among those that asked to receive prospectus information on all such FSA applicants and borrowers. Therefore, we have attached financial summary information on the following borrower for your review and consideration:
		Name Eligible for Total Amount Estimated Lender Use FSA Loan Existing FSA Term Production Loan Do Not
		FSA Loan Existing FSA Term Production Loan Do Not Guar. Loan(s) Needed Refer Refer YES NO

1 Direct Loan Servicing (Continued)

A Borrower Graduation (Continued)

	Question	Source
3:	Follow-up is	If lenders exhibit interest in refinancing, the borrower is provided with a
	completed for	letter similar to 4-FLP, Exhibit 25, instructing them to begin the process of refinancing the FSA debt.
	borrowers	
	who are	4-FLP, Exhibit 25 is used to notify borrowers that lenders are interested
	asked to	in refinancing their FSA debt. Borrower responses to this letter should
	graduate	*be documented in FBP*
	(Continued)	4-FLP, Exhibit 25
		TIEI, EAIMALES
		(Use Agency Letterhead format with local return address.)
		LETTER TO NOTIFY BORROWERS TO REFINANCE THEIR FSA INDEBTEDNESS
		Dear:
		The financial progress you have made since receiving your Farm Service Agency (FSA) loan(s) has been reviewed. You should take pride in the progress you have made. We share that pride with you and are pleased that we may have been of service.
		Your FSA loan and security instruments require you to refinance the unpaid balance of your loan(s), when you have progressed to the extent that you can obtain credit from responsible cooperative or commercial lenders.
		Lenders have been contacted to determine their requirements and the availability of credit to new customers. We have evaluated your financial progress, together with the lender requirements, and find that you should now be able to secure satisfactory credit to pay your FSA loan(s). Therefore, we request that you refinance your [Enter type of loan, FO, OL, etc] loan(s) in full.
		This approximate balance is \$

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
- * * * Outstanding Subordination Report
- * * * Subordination Request Report.

*__

	Question	Source
1:	Borrower	From the Farm Loan Programs Data Mart, FLP Direct Reports Tab,
2:	Name FLP staff is monitoring outstanding subordination	select "Outstanding Subordinations Report". From the Outstanding Subordinations Report selection page, create the report to generate a list of all borrowers with outstanding subordinations. Discuss all outstanding subordinations with the Service Center to ensure that the accounts are being monitored and serviced. Note: The following example report is set to provide information for a single Service Center. The report will contain information for all outstanding subordinations.
		ORACLE* Search All Advanced Help ▼ Sign Out Outstanding Suborifinations Dashboard Home Catalog Favorites ▼ Dashboards ▼ New ▼ □ Open ▼ Signed In As Martorano, Kristina - FSA, Washington, DC ▼
		Outstanding Subordinations Report Selection Page
		Selection Citeria: *Required Field * State: District: Service Office: County: Select Value
		Report Format: 90 Format Excel Format

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"	From Farm Loan Programs Data Mart, FLP Direct Reports, select "Subordination Request Report". From the Subordination Request Report Screen, create the report for the current FY to determine any subordination that has been paid-in-full during the year. For all subordination requests made during the current FY select the following and CLICK "Apply": "Status", "All" "Security Type", "All" "Date", "From" and "To", select all FY to date and CLICK "Request Date" radio button.	g
		ORACLE' Seath Al 🔻 🖠	Advano
		Subordination Request Dashboard Home Catalog Favorites + Dashboards + New + Open + Signed In As Martorano, Kil	tristina -
		Subordination Request Report Selection Page	
		Selection Criteria: *Required Field *State: District: Service Office: County:Select Value	

1 Direct Loan Servicing (Continued)

B Subordinations (Continued)

*__

Questio	n	Source
3: Matured lo have been and the ori subordinat document been return marked "pa	paid off paid-in-ful ginal ion The final c was paid-ined	t the original subordination document was marked l and returned. column of the report indicates the date the subordination n-full.
full" (Cont		
4: Monitor application Subordinat	"Subording Request Reguests we "Apply". • State • District • "Status • "Security • "From "Request Review bood disposition.	"" – Not Completed "ity Type", "All" " and "To" – Select current FY and date Type of est Date". It the report format preferred. Trower files for subordination requests with no

--*

1 Direct Loan Servicing (Continued)

B Subordinations (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
- Borrower Financing Statement Report
- Farm Visit Workflow Report
- Status of Farm Loan Programs (Report Code 540) Report.

	Question	Source
1:	Borrower	Select 5 chattel-secured borrowers at random from the Farm Loan
	Name	Programs Data Mart, Direct Loan Servicing/Routine Servicing, Status
		of Farm Loan Programs (Report Code 540) Report.

--*

1 Direct Loan Servicing (Continued)

C Chattel Security Accounting (Continued)

	Question	Source
2:	Question UCC filings have been properly continued or amended as applicable and the management system has been updated for correct follow-up	From the Farm Loan Programs Data Mart, FLP Direct Reports, Routine Servicing Reports, select "Borrower Financing Statement Report". From the Borrower Financing Statement Report Screen, create the report for the Service Center. To create a report, select the following and CLICK "Apply". • State • District • Service Center
	date	Table "From" and "To", desired range and CLICK "Expiration Date" radio button CLICK "Monitoring Report" format button. Report
		© Borrower Financing Statement Report Selection Page
		Selection Criteria: * State:
		Status: Active
		DEFormat Excel Format Monitoring Report Format: DEF format Excel Format Monitoring Report Format:
		Review report to assure Service Center is timely continuing borrower Financing Statement.

1 Direct Loan Servicing (Continued)

C Chattel Security Accounting (Continued)

	Question	Source
2:	UCC filings	Review the resulting Borrower Financing Statement Detail Report to see
	have been	if the borrower select has:
	properly	
	continued or amended as	• financing statements that are in need of continuation
	applicable and the	expired financing statements
	management system has been updated	• followup dates (displayed on the screen as "Alert Date") listed for the next action on the financing statement.
	for correct	Report will indicate the last filing/continuation date and the next
	follow-up	expiration date.
	date	
	(Continued)	UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY DIRECT LOAN SERVICING Borrower Financing Statement Detail Report
		bottower Financing Statement Detail Report tote: All interest All Districts envice Office: All Counties Date Selected
		StiCty Sec Security Filing Filing Where Instr Alert Expiration
		Code Servicing Office Borrower Name Case Nbr Instrument Number Date Filed Type Date D
		, L Original 11-0355381 08/02/2011 01-000 CFS 02/02/2016 08/02/2011
		SECURITY INSTRUMENT TYPE:
		UCC - Uniform Commercial Code CFS - Centralized Filing System EFS - Effective Filing System FFS - Foxture Filing System NVL - Motor Vehicle Linn INL - In-Lieu Financing Statement

1 Direct Loan Servicing (Continued)

C Chattel Security Accounting (Continued)

Question **Source** From the Farm Loan Programs Data Mart, FLP Direct Reports, select 3: Annual inspections of "Farm Visit Workflow Report". From the Farm Visit Workflow chattels are Report Screen, create the report for chattel inspections to determine if chattel security has been inspected this year. To create the report for completed as chattel inspections only, select the following and CLICK "Apply". required State District Service Center "Status", "All" "Visit Type", "Chattel Inspection" "Date", "From" and "To", select desired range and CLICK "Scheduled Date" radio button. Then select the report format preferred. DRACLE Farm Visit Workflow Report Selection Page • FLP Only * To Date: * From Date: Report Format: Excel Format

__5

1 Direct Loan Servicing (Continued)

C Chattel Security Accounting (Continued)

	Question	Source
3:	Annual	The Chattel Inspection Report will indicate date of completed or
	inspections of	scheduled inspections, based on selection made on the Farm Visit
	chattels are	Workflow Report Screen.
	completed as	
	required	Discuss with Service Center the plan for ensuring chattel security is
	(Continued)	accounted for on inspections that have not been completed.

1 Direct Loan Servicing (Continued)

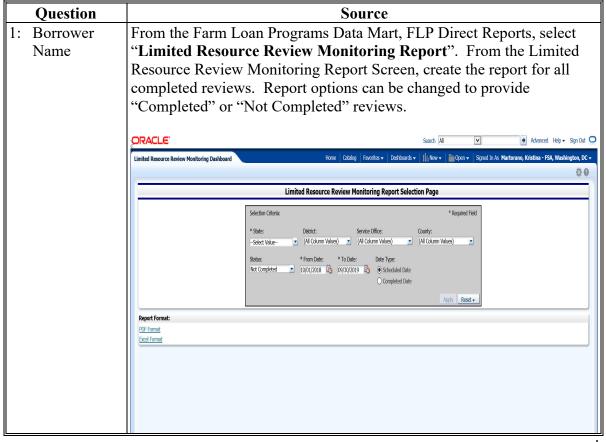
D Limited Resource Reviews

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
- * * * Limited Resource Review Monitoring Report
- documentation, discussion with Service Center officials.

*__



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F Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

D Limited Resource Reviews (Continued)

	Question	Source								
2:	Analysis is	Using the Limited Resource Review Monitoring Report, view all								
	completed	eviews that were completed or not completed during FY. After								
	and continued									
	need for LR	reviews "Not Completed".								
	rates is									
	documented	Discuss with Service Center any reviews that have not been completed.								
-	-in FBP									
		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.								
		Review 4-FLP, Part 3 and discuss with Service Center if there are issued								
		with their determination.								
		UNITED STATES DEPARTMENT OF AGRICULTURE Page 1								
		FARM SERVICE AGENCY 07/17/2013 03:43 PM								
		DIRECT LOAN SERVICING								
		Limited Resource Review Monitoring Report								
		state:								
		listrict: All Districts envice Office: All Servicing Offices								
		County: All Courties Inheduled Date: 10.01/2012 - 09/30/2013								
1		LED COMM								
		FLP Current Mail Fd Cd Date Loan Interest Scheduled Effective Completed								
		Mail Fd Cd/ Date Loan Interest Scheduled Effective Completed Code Svc Office Borrower Name Case Nbr Ln No Closed Loan Amount Rate Flags Date Date Date								
		Mail Fd Cdl Date Loan Interest Scheduled Effective Completed								

F Part C: Annual Reviews (Continued)

2 Program Delivery

A Supervised Bank Accounts

Review all borrower files with supervised bank accounts. Information resources include the following:

- •*--FBP--*
- discussion with the Service Center
- FSA-2140
- FSA-2142
- notices.

Note: SBA is an approved abbreviation in 1-CM, Exhibit 102 that stands for "Small Business Administration"; however, because of software programming, SBA in the following table stands for "Supervised Bank Accounts".

	Question	Source
1:	Borrower Name	FSA-2142.
2:	The need for an SBA is documented by FLM/FLO	Borrower case file running record and FBP credit presentation.
3:	Borrower has consented to continued use of the SBA	1-FLP, subparagraph 101 B and FSA-2140.
	DD or State Office has documented concurrence or non-concurrence with the use of an SBA and the reasons for concurrence or non-concurrence -in FBP*	1-FLP, subparagraph 101 C and DD *documentation in FBP*

F Part C: Annual Reviews (Continued)

2 Program Delivery (Continued)

B Program Promotion

Meet with 2 to 4 randomly selected borrowers and/or guaranteed lenders to ascertain the quality of program delivery in the Service Center.

	Question	Source
1:	Met with 2-4 randomly selected borrowers and/or	Discussion with borrowers and/or
	guaranteed lenders to ascertain the quality of	*lenders. FBP documentation*
	program delivery in the Service Center.	required.

G Part D: Additional Reviews

Note: This section is **mandatory** for all Service Centers that had **FLPRA or COR reviews.**

1 "Farm Loan Program Risk Assessment (FLPRA) Reviews"

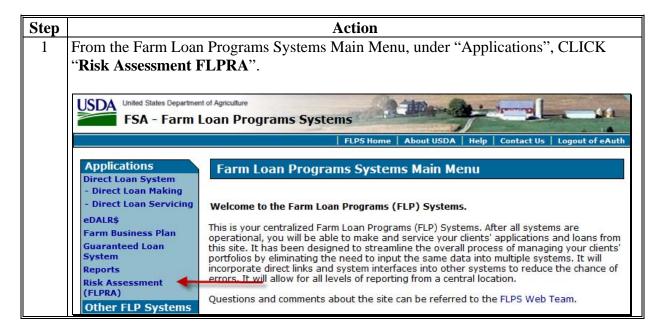
Mandatory to be completed within 1st quarter following the FLPRA review.

	Question	Source
1:	Date of FLPRA Review	All review scores are entered in the FLPRA database along with
	by State Office	the review date.
2:	Date findings were	This date may or may not be the review date entered in FLPRA
	discussed with FLP	database. Check with the Service Center or State Office for this
	staff	date if not present when discussed.

DD should be a part of the State FLPRA process for Service Centers they oversee by:

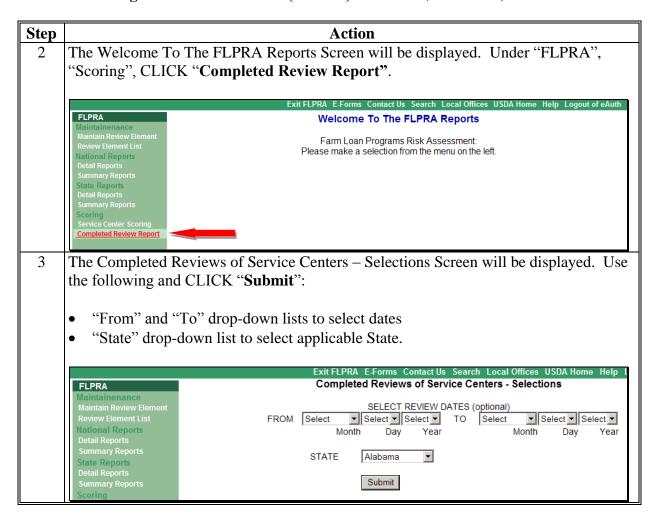
- being present when reviews are conducted and the findings are discussed with the FLP office
- annually reviewing FLPRA scores to be aware of the risk and potential risk of these offices.

Follow these steps to access Service Center FLPRA scores.



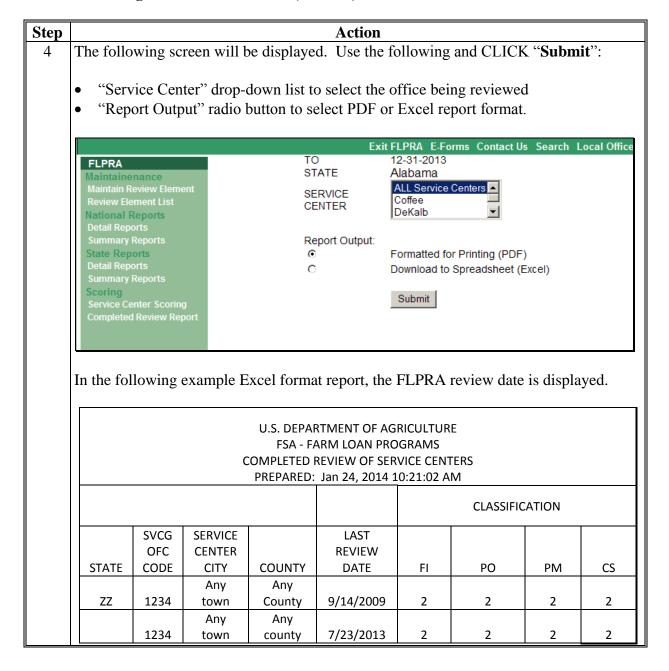
G Part D: Additional Reviews (Continued)

1 "Farm Loan Program Risk Assessment (FLPRA) Reviews" (Continued)



G Part D: Additional Reviews (Continued)

1 "Farm Loan Program Risk Assessment (FLPRA) Reviews" (Continued)



G Part D: Additional Reviews (Continued)

Note: This section is mandatory for all Service Centers that had FLPRA or COR reviews.

2 "County Operations Reviews"

Mandatory to be completed within 1st quarter following the COR review.

	Question	Source
1:	Date of COR Review	Check with the Service Center or State Office
		for the date if not present for review.
2:	Date findings were discussed with FLP	Check with the Service Center or State Office
	staff; strategy developed for correcting	for the date if not present when discussed.
	deficiencies and preventing further	
	occurrences of review findings	

DD should be:

- a part of the COR process for the Service Centers they oversee
- present when COR review is conducted and the findings discussed with the FLP office.

H Part E: Certification District Director Signature

Certify oversight reports by entering the following:

- DD's signature
- DD's name
- date signed.

Note: Oversight reports are locked when DD or proxy submit the report or after the due date, whichever comes first, and does **not** allow anyone to add, modify, or delete review information.

I Example of Completed Oversight Report

The following is an example of a completed oversight report.

Report Print Page Page 1 of 9 Report Generated On: 7/22/2013 FSA 2101 U.S. Department of Agriculture Farm Service Agency DD FLP OVERSIGHT REPORT GUIDE First Quarter Report For Reviews Completed for the Period of 10/1/2011 through 12/31/2011. (District Director should complete this review before 1/31/2012.) 3.SERVICE CENTER 1.STATE 4.FISCAL YEAR 2.DISTRICT NUMBER 1 Service Center Part A. Quarterly Review 1. Direct Loan Making: Review Of Direct Loan Applications A. Complete/Approved Application File Reviews 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 (2)(3)(5) (1) (4)(6)(7). . . Yes Yes Yes Yes NΑ Yes Yes Yes Yes Yes NA Yes Part A. Quarterly Review 1. Direct Loan Making: Review Of Direct Loan Applications B. Incomplete Application File Reviews 1. Applicant Name 2. Required notifications were sent to applicants within required timeframes 3. Items needed for a complete application are dearly identified in notifications 4. Applicants are notified of required due dates for items needed for complete application (2)(1) (3)(4)Yes Yes Yes Yes Yes Yes Yes Yes Yes Part A. Quarterly Review 1. Direct Loan Making: Review Of Direct Loan Applications

1. Applicant Name

C. Withdrawn Application File Reviews

- SDA
- 3. Reason for the withdrawal of application is clearly documented

Report Print Page Page 2 of 9

- 4. A complete application was received?
- 5. If a complete application was not received, an effort was made to obtain a complete application
- 6. ECOA and non-discrimination statements have been included in correspondence to applicant

(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
- Reasons for denial including applicable citations of requirements from CFR sections are dearly 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
- 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
- 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
ŀ	,	Federal Land Bank	PLP	Yes	Yes	Yes	Yes	Yes
-		Bank	PLP	Yes	Yes	Yes	Yes	Yes
ļ		. 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
- PLS history report indicates a PLS notice was sent within 15 calendar days of borrower's account becoming 90 dar past due.

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)
ر . ن	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

Part A. Quarterly Review 3. Direct Loan Servicing A. Delinquent Account Servicing II. Borrowers With Loans Less Than 90 Days Past Due

- 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
a.	No	Borrower to pay account current.	03/30/2012
	Yes	Borrower to pay account current.	03/27/2012
	No	Borrower to pay account current.	05/25/2012
	Yes	Borrower to payaccount current.	01/18/2012
	Yes	Borrower to payaccount current.	01/18/2012
	Yes	Borrower to pay account current.	01/18/2012
	No	Borrower to pay account current.	06/29/2012
	No	Borrower to payaccount current.	09/07/2012
	Yes	Borrower to payaccount current.	03/29/2012
-	Yes	Borrower to pay account current.	03/01/2012
-	Yes	Borrower to payaccount current.	02/27/2012
-	Yes	Borrower to pay account current.	03/01/2012
	Yes	Borrower to payaccount current.	02/17/2012
	No	Borrower to pay account current.	03/30/2012

Part A. Quarterly Review 3. Direct Loan Servicing A. Delinquent Account Servicing III. Borrowers With Loans That May Require Attention

- 1. Borrower Name
- 2. Account Flag

Report	t Print Page		Page 4	4 of 9
3. 4.		made and are current according to an approved plan or agreemented according to applicable regulations and/or handbook instruction		
(1)		(2)	(3)	(4)
	·	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
<u>.</u> .		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

Part A. Quarterly Review 3. Direct Loan Servicing B. Payments And Collections

- 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

(1)	 (2)	(3)	(4)	(5)
	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes
-	Yes	Yes	Yes	Yes
-	Yes	Yes	Yes	Yes

Part A. Quarterly Review 3. Direct Loan Servicing C. Chattel Security Accounting

- 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
- 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

	(1)	(2	2)	(3)	(4)	(5)
		Ye	es	Yes	Yes	NA
		Ye	es	Yes	Yes	NA
		Ye	es	Yes	Yes	NA
ſ						

Report Print Page					Pag	ge 5 of 9
		Yes	Yes	Yes	NA	A
		Yes	Yes	Yes	N/	A
Part A. Quarterly Review 4. Program I Office for your state	Delivery FLP Goals	: From F	LP goals est	tablished b	y the Na	tional
FLP Goal State Goal Service Center Goal						
FLP Staff Progress						
(1)				(2)	(3)	(4)
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
Date of FLPRA Review by State Office Date findings were discussed with FL	. e	-	ew Area is not a	applicable for	this repor	ting per
	here are no files	to revie	ow			
Part D. ADDITIONAL REVIEWS (Mand 2. County Operations Reviews (COR)	latory to be comple			er following	the rev	iew)
	V	This Revie	ew Area is not a	applicable for	this repor	ting peri
Date of COR Review						
Date findings were discussed with FL						
	here are no files	to revi	ew.			
Part E. CERTIFICATION District Direc	tor Signature					
District Director Signature Name of District Director Date						
(1)	(2)		(3)			
	I _		01/	30/2012		
			'			

	Report Generated On: 7/22/2013						
Comments and Action Items Report First Quarter Report							
1.STATE	2.DISTRICT NUMBER D-01		3.SERVICE CENTER Service Center	4.FISCAL YEAR 2012			
Quarterly Rev File Reviews		► Rev	view Of Direct Loan Applications ▶	· Withdrawn Application			
Comment 2nd letter shoul	ld have been dated and mailed on	11/22	2. Actually dated 11/23. 1st letter dated 11	1/02.			
Quarterly Rev File Reviews			view Of Direct Loan Applications ▶ pplication Was Received? (Review				
Response No Comment Application with	hdrawn.						
Quarterly Rev File Reviews			view Of Direct Loan Applications ▶ e Application Was Received? (Revi				
Response No Comment Complete Appli	ication was not received.						
	view ► Direct Loan Making ►		view Of Direct Loan Applications ▶	· Withdrawn Application			
Comment							
Applicant is nov	w working on a new application.						
Quarterly Rev File Reviews			view Of Direct Loan Applications ▶ ete Application Was Received? (Re				
Response							
No							
Comment	de de formation						
	ot provide all requested information						
Quarterly Rev Days Or More			Delinquent Account Servicing ► Bo Enter Anticipated Resolution (Rev				
Response							
	explanation in comments						
Comment							
	ot return calls. Field visit planned.						
Quarterly Rev Days Or More			Delinquent Account Servicing ► Bo Record)	orrowers With Loans 9			
Comment							

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Borrower waiting on sales of wheat crop stored in grain bin. Borrower should pay current.

Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans 9

Days Or More Past Due ► (Record)

Comment

Paid current at time of review.

Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans 9

Days Or More Past Due ► " Enter Anticipated Resolution (Review Item)

Response

5- Other: enter explanation in comments

Comment

Borrower may request restructuring.

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)

Response

No

Comment

Payment recieved prior to past due. \$40.00,UCC 1 filing fee to SOS. This is a no-monitary default. FLM is processing a request to STO stating that this is non-recoverable.

Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans 9

Days Or More Past Due ► ► Enter Anticipated Resolution (Review Item)

Response

5- Other: enter explanation in comments

Comment

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. Applical has been notified of payment due.

Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► ► Anticipated Resolution (Review Item)

Response

Borrower to pay account current.

Comment

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)

Response

Νo

Comment

Borrower pays late.

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)

Report Print Page Page 8 of 9
Response
No No
Comment
Borrower pays late
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► ► Anticipated Resolution (Review Item)
Response
Borrower to pay account current.
Comment
Paid Current
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► Anticipated Resolution (Review Item)
Response
Borrower to pay account current.
Comment
Paid Current
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans Less Than 90 Days Past Due ► _ ► Anticipated Resolution (Review Item)
Response
Borrower to pay account current.
Comment
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)
Response
No
Comment
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)
Response
No
Comment
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)
Response
No
Comment

Report Print Page Page 9 of 9
FLO to follow up with borrower.
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans That May Require Attention ►(Record)
Comment
Graham indicated payment had been mailed.
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)
Response
No
Comment
OIG conducting review.
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)
Response
No No
Comment
Case referred to WDC.
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)
Response
No
Comment
Collection actions underway. Cattle to be picked up.
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)
Response
No No
Comment
Collection actions underway. Cattle to be picked up and sold.
Quarterly Review ► Direct Loan Servicing ► Delinquent Account Servicing ► Borrowers With Loans That May Require Attention ► (Record)
Comment
In process liquidating security.

*--Real Estate Appraisal Statement of Work

Background

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. This Statement of Work (SOW) addresses FSA's requirements for farm/ranch, residential, or other real estate appraisal services.

Objective and Work Requirements

FSA may obtain appraisal products from an appraisal business using the simplified acquisition process of the Federal Acquisition Regulations (FAR). An appraisal business is referred to herein as a vendor or vendor business. The vendor business must complete and submit an FSA-2155 (if not already on file) to provide FSA with vendor business, appraiser information, and appraiser license information. Written consent is required from the POAD, Appraisals Branch to add a vendor business if that vendor business is an Appraisal Management Company (AMC).

FSA intends for the Vendor Appraiser 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 for providing loan assistance to farmers. The real properties with any described fixtures and chattels are to be appraised on any format allowed by the Uniform Standards of Professional Appraisal Practices (USPAP). All appraisals must meet current USPAP's standards and this SOW as of the effective date of the appraisal.

Experience and License Requirements

An appraiser performing the appraisal assignment is required to be competent, consider the complexity of use, and meet the appropriate license requirements for the property type being appraised as described below.

Property Type	License Requirement
residential properties, including 1 to 4 single family units or vacant parcel, rural residential properties, small agricultural property, or bare land	State-certified residential or State licensed appraiser, if within the scope of the appraiser's State appraisal license; or
Note: Rural residential properties are properties located in rural area with highest and best use as residential property.	State-certified general appraiser
property other than residential, small agricultural property, or bare land	State-certified general appraiser

__*

Scope

The purpose of this SOW is for FSA to obtain a market value as defined in 12 CFR 34.42 (h). The appraisal shall be completed in accordance with USPAP and any other appraisal assignment conditions provided by FSA. The SOW is an at will agreement. The SOW agreement does not provide any guarantee of work or minimums. FSA is not required to give notice to any Vendor if they are no longer on the active vendor list.

Period of Performance

Typically, the period of performance is 30 calendar days from the date of the engagement letter or the purchase order unless otherwise specified. The vendor business should realistically estimate the timeframe to complete the appraisal assignment and submit their proposed delivery date along with their quote. The appraisal report must be received by the requesting office described in the letter of engagement and/or purchase order.

Exceptions to Work Requirements

Any exceptions to the assignment conditions must be submitted in writing to the appraisal point of contact (APOC) or the contracting officer (CO). The APOC or CO will respond to the request in writing.

FSA's Appraisal Requirements

Itam	Information Element	Content Description
Item		Content Description
1	Client	The Client will be the Farm Service Agency (FSA) as designated on the
		appraisal order or Letter of Engagement (LOE).
2	Intended User(s)	The Intended User(s) will be the FSA and others as listed by the Client
		on the appraisal order or LOE. Do not include the borrower or property
		owner as an Intended User.
3	Intended Use	Loan making or servicing as set forth in the LOE.
4	Appraisal Report	FSA appraisals must be reported under the appraisal report option.
5	Purpose	Purpose is to develop an opinion of market value.
6	Market Value	Definition and source of "Market Value" to be used in FSA appraisal is
		12 CFR 34.42 (h)
7	Hypothetical	State all extraordinary assumptions and hypothetical conditions and that
	Conditions and	their use might have affected the assignment results and obtain prior
	Extraordinary	written approval before including any additional extraordinary
	Assumptions	assumptions or hypothetical conditions not already called for in the letter
	_	of engagement.
8	Estate Appraised	Fee simple estate subject to any actual or assumed (client specified)
		interests that are reflected in the valuation

__*

FSA's Appraisal Requirements (Continued)

•	Information	
Item	Element	Content Description
9	Scope of Work	State the research and analyses conducted in the appraisal report. It is the Vendor's responsibility to insure the appraisal's scope of work is adequate to develop credible assignment results for the type of property. Physical inspections of both the subject property and comparable sales are required unless APOC has provided written exception.
10	Subject Property	The subject property shall be inspected unless exception authorized by Agency pandemic policy or in writing from POAD, Appraisal Branch. Identify and summarize the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including its physical, legal, and economic attributes along with any known easements, restrictions, encumbrances, leases, reservations, covenants, etc. The report shall include the following subject information: • legal and physical property access discount • tax, aerial, and FEMA flood maps • photos of the subject building(s) and land • property zoning, current use, and permitted land uses • for rural and farm property: • soil and topography maps (in addition to maps above) • considerations of minerals and timber and their influence of value
11	Location	• water rights, point of diversion, and well log documents, if applicable. Identify neighborhood and regional boundaries and provide a summary of the social, economic, government, and environmental considerations that impact on the subject property.
12	Highest and Best Use (HBU)	Summarize and support the rationale for the subject property as vacant and as improved. Land and improvements must be valued with the "consistent use" theory. Adequately discuss the HBU four criteria: legally permissible, physically possible, financially feasible and maximally productive. Land and improvements must be valued based on the "consistent use" theory.

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FSA's Appraisal Requirements (Continued)

Τ.	Information				
Item	Element	Content Description			
13	Comparable Sale Data and Analysis	Comparable sales shall be inspected unless exception authorized by the Agency pandemic policy or in writing from POAD, Appraisal Branch.			
	Tanaiy olo	Sales selected for direct comparison to the subject should have similar physical and economic characteristics; highest and best use; meet the market value definition. The appraisal comparable sales should also include the following:			
		• for rural or farm property:			
		aerial map outlining the sales boundaries and photos including of primary building improvements			
		allocation of the sale price to land and all buildings with contributory value			
		identify the comparable land classes/acreages and land class ratios			
		allocation of comparable building value for buildings contributing value. Replacement value, actual age, effective age, total economic life, remaining economic life and building contributory value should be given			
		adjustments to be based on market analysis			
		depreciation analysis for physical, functional, and external obsolescence needs to be considered in the appraisal report			
		• appraisers must have access to necessary and appropriate data. Sales must be verified.			
		The Subject property pending sale shall not be used as a comparable sale.			
14	Contracts for Production, Marketing or	For rural, farm, or commercial property: Summarize market/production contracts, marketing plans, or other similar documents for the subject and sales. Base pay projections should be used for livestock projections to avoid			
	other Similar Agreements	the valuation of management. A copy of the actual contract should be attached in the addenda of the report, if in place, or letter of intent from the integrator, if not. Sales with similar contracts should be used to value the			
		subject when a market/production contract is in place, or will be in place.			
15	Location Map	Location map shall easily locate subject and sales.			

FSA's Appraisal Requirements (Continued)

	Information	
Item	Element	Content Description
16	Approaches to	All three approaches to value shall be considered and used when necessary
	Value	for credible assignment results for the type of property. When a particular
		valuation approach is not developed, the appraisal report must explain why
		the excluded approach was not necessary for credible results.
17	Sales	A minimum of three (3) comparable sales (not listings) are required for
	Comparison	direct comparison while additional sales are customarily provided when the
	Approach	sales exhibit a wide range of unadjusted unit values.
		Quantitative adjustments should be made for transactional elements of
		comparison, based on market data, and for differences in land and
		buildings and other market recognized comparisons.
		Summarize the information analyzed, the appraisal methods and
		techniques employed, and reasoning that supports any adjustments, the
		analyses, opinions, and conclusions.
18	Cost Approach	Summarize comparable sales used to estimate the value of the subject site in
	Cost i ippiouon	a table format. Depreciation estimates for the subject should be based on
		market derived depreciation estimates of like improvements.
		When the direct capitalization method is used, the appraisal should show
Approach how the cap rates from the		how the cap rates from the comparable sales were derived, gross income,
		operating expenses, and net income. The appraisal should provide
		analysis/discussion how the rent levels, capitalization rates/discounted cash
		flow rates for the subject property was selected along with its gross income,
		operating expenses, and net income levels.
20	Recognized	Appraisal shall employ those recognized methods and techniques for the
	Methods and	type of property valuation as exemplified and promulgated through
	Techniques	professional appraisal organizations.
21	Reconciliation	Reconcile the quality and quantity of data within the approaches used and
		reconcile the applicability and relevance of the approaches, methods, and
		techniques used to arrive at the value conclusion.
22	Report	The report format may be of any format that is recognized by peers and
		appraisal industry standards for the type of property. The report shall
		include a Summary of Salient Facts. A restricted appraisal report is not
		acceptable unless authorized in the LOE.
23	Other	FSA appraisal guidelines for dairy, hog, poultry, timber, and/or other
	Appraisal	appraisal assignment conditions may also be required. These conditions will
	Assignment	be attached to LOE if required by APOC.
	Conditions	

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*--Simplified Farm Real Estate SOW (Continued)

Agency Statement of Work Contact Information

The APOC will be identified in the Request for Quote and/or LOE when an award is made.

Acceptance Criteria

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 appraisal product will include:

- 1. Appraisal report must be delivered by the completion date stated on LOE and/or appraisal 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 LOE and/or appraisal order for each appraisal order.
- 3. An FSA administrative appraisal review or a technical appraisal review accepts the appraisal report. If the administrative appraisal review indicates that the appraisal report may not be acceptable, FSA will request a technical appraisal review. If FSA requires additional information to support the adjustments, answer questions or meet SOW requirements, the invoice approval and payment of the appraisal fee will be held until the appraisal is found acceptable to FSA.

FSA may request simple clarifications or corrections during the review of the appraisal report. The vendor will provide information or corrections in an expeditious manner.

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.

FSA will also conduct a technical review every other year, or more often if issues are found that need to be addressed.--*

Invoicing

Invoice Information

A properly executed invoice for payment will be submitted to the APOC or CO as directed in the LOE or appraisal order. The invoice will include the appraiser's name, address, invoice date and number, FSA work order number (appraisal order), description of product, name of the applicant/borrower as identified in LOE, county/borough/parish/city name that the appraisal was completed in and the amount. If the invoice is incomplete, APOC may return the invoice requesting additional information as requirement by this paragraph.

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.

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 properly executed 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.

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) at **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.--*

Timely Delivery and Extensions

Communication with FSA regarding timely delivery of the appraisal report(s) is important. If the vendor is unable to deliver the appraisal report by the due date, the vendor should request an extension in writing (email notification is acceptable) prior to the due date.

Liquidated damages will not be assessed if the vendor has received written authorization from the APOC or CO for an extension. An extension will usually be granted if the delay is due to circumstances beyond the vendor's control (FSA not providing timely information, changing the appraisal order, unknown structures, weather, denial of property access, etc.)

The appraisal report shall be delivered to APOC as described in LOE or appraisal 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 email. The request for an extension must be sent to APOC or CO.

Extensions may only be authorized in writing by APOC or CO. All written authorizations and delinquent notifications will be via email.

Late Delivery Penalty Fee or Cancelation of Assignment

If the vendor does not deliver the appraisal report or an electronic version by the authorized due date, the contract/micropurchase is in default and FSA may cancel the purchase order/appraisal order with written notice (email) to the vendor or assess a liquidated damages fee.

If the vendor fails to perform the services, within the time specified in the LOE or appraisal order or extension authorized by APOC or CO, in the place of actual damages, the vendor will pay to the Government liquidated damages of 3% of the accepted bid amount per calendar day for failure to deliver the appraisal report. Damages will be assessed starting on the day after the original delivery date, or the extension thereof. Liquidated damages will not exceed 30% of the accepted bid amount. After 30 calendar days beyond the delivery date or extensions thereof, the appraisal order may be terminated with no payment. The vendor will be notified in writing if the appraisal order is terminated.

The vendor is aware that failure to deliver appraisal reports twice during a fiscal year, October 1, through September 30, period, within agreed upon timeframes could result in FSA no longer requesting appraisal services from the vendor.

FSA reserves the right to cancel the appraisal order/contract if it is in FSA's best interest. The vendor will be notified, and a partial fee may be paid for the work already done.--*

The vendor has reviewed, understands, and agrees to the terms and requirements of the SOW.

Note: The SOW needs to be signed by all appraisers in the vendor business that will be doing appraisals for FSA.

Approved by:	
Signature	Date
Print Name	
Address	
City, State and Zip Code	
Phone Number	E-mail Address*

·			

Background

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. This Statement of Work (SOW) addendum addresses FSA's requirements for a Potential Liquidation Value (PLV) appraisal for the purpose of loan servicing. This addendum provides additional assignment conditions and supplements the Statement of Work for farm/ranch, non-farm, or other real estate appraisal services.

Objective

FSA intends for the Vendor to perform a real estate appraisal as described below and to provide the report in a PDF version to FSA by the specified date. These assignment conditions are to instruct the appraiser to develop not only a market value appraisal but also a PLV appraisal as defined below. This addendum is to be used when consideration for a short exposure time is necessary due to adverse servicing conditions.

Scope

The purpose of this Statement of Work (SOW) Addendum is to provide additional assignment conditions specific to this appraisal assignment. The purpose is for FSA to obtain an appraisal of a property by the described completion date to include a market value (12 CFR 34.42) and a potential liquidation value (7 CFR 761.2). See attached Exhibit 1, "Market Value Definition", and Exhibit 2, "Potential Liquidation Value Definitions".

FSA regulations require the appraiser take into consideration at a minimum the three approaches to value: Sales Comparison approach, Cost approach, and the Income approach. Specific instructions for PLV support for the approaches to value are contained under the Approaches to Value section of this addendum.

Period of Performance

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 considering an additional time required for the liquidation value component of the appraisal, if necessary.

Work Requirements

The appraiser is to complete the appraisal process and reporting standards of the USPAP in effect as of the effective date of the appraisal. Real estate appraisals shall be completed in accordance with USPAP and any other assignment conditions as further defined in the SOW required by FSA for this appraisal assignment, this addendum, and/or the engagement letter.

FSA's Appraisal Requirements

In general, FSA has specific appraisal conditions and requirements for completing and reporting the values in an appraisal and will be considered to be part of the Appraisal Assignment. The specific conditions and requirements are described in this section as well as in the base statement of work for the type of property appraised. Both market value and PLV are required in the report.--*

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.

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 specific requirements for this appraisal of the subject property in addition to the typical requirements in the appraisal process.

Intended Use

The intended use is for loan servicing with consideration for both a voluntary sale (market value) and an involuntary sale (PLV) of the subject property.

Exposure Time

For the market value appraisal, identify typical exposure for the property type in the subject's market. For the PLV, a set exposure time will be provided by FSA. Due to the potential of adverse servicing actions, the exposure time to the market for the subject property may be shorter than typical for the subject and its market area. Using an extraordinary assumption, cite the exposure time provided by FSA, and conclude that the consummation of a sale is within this short time period. Based on this shortened exposure time, please provide your opinion of PLV. Cite the extraordinary assumption and state the extraordinary assumption might have affected the assignment results.

liquidation value sought.--*

appropriate knowledge of the sales transaction and determine that it meets the definition of the

Approaches to Value

All three approaches to value are to be considered. The report must explain if an excluded approach is not necessary for credible results. Each approach to value will be reconciled with the strengths and weaknesses. Consider the following approaches to value as part of the appraisal assignment.

Sales Comparison Approach

In addition to typical methodology used in the sales comparison approach, specific to this intended use, the appraiser should consider:

- For the PLV, comparable sales selected should be sales with similar exposure times.
- In the absence of comparable local sales that meet the definition of PLV, the vendor may consider:
 - 1. Expanding geographic boundaries for similar property type comparables which meet the definition found in the definitions in Exhibit 2 of this addendum (adjustments for location should be made if applicable).
 - 2. Using older local sales meeting definition of liquidation value and adjusting for market conditions as appropriate.
 - 3. Inclusion of market value sales and adjusting those sales. Market value sales should comprise no more than half of the total sales in the sales grid and direct comparison to sales meeting the definition of liquidation value (forced liquidation, Real Estate Owned (REO), auction, etc.) should be made for support of exposure adjustments and seller duress.
 - 4. Using ratios: liquidation value to market value ratios may be developed in support of adjustments for exposure time and seller duress to be used to adjust market value sales. This should be used only when there is a lack of comparable sales in the subject's market area and the sales have a similar highest and best use and the appraiser can reasonably establish the market value of the comparable sale at the time of the sale.
 - 5. Using market surveys: the appraiser may contact credible resources, i.e., farm real estate brokers/auctioneers, farm lenders, or others providing services in the subject's market area to conduct and document formal survey results on the diminution of value resulting from shortened exposure times linked to the PLV definition. This should include specific information, such as direct comparisons of liquidation sales of foreclosure/auctioned prices compared to their market value at the time of sale.

Cost Approach

In addition to typical considerations for the cost approach, if the subject property has building improvements that contribute to the value of the land, the vendor shall develop and report the cost approach to value. Please note this is an appraisal assignment condition and the cost approach shall not be excluded if there are significant improvements.

In addition, the report shall provide the following details for each individual building contributing value to the land, as follows: Effective Age, Remaining Economic Life, Replacement Cost New, Depreciation, and Contributory Value.

Income Approach

There are no special requirements outside the typical considerations for the income approach. If included, 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. Explain exclusion of the income approach if applicable.--*

Allocation of Value

The appraisal shall contain an allocation of value among its land, building components, and other improvements.

Reconciliation

Describe support for the "PLV" as well as the "market value" reviewing strengths and weaknesses of each approach to value in each appraisal.

Additional Comments

Key to developing a PLV or market value is the learned information the appraiser gathers. The conditions of sale, seller duress, and exposure time can be gathered through sales research and verification which enable the appraiser to determine whether the price paid is reflective of market, disposition value, or liquidation value.

Care should be taken not to use rules of thumb or generally accepted adjustments as these do not constitute support. At best they can be used as a test of reason for an adjustment derived from another method. If you have any questions, contact the APOC immediately.

Reporting Requirements

Information included in the report should be in enough detail to answer all important questions that the client or reader might pose as to the physical characteristics of the property. In addition to typical reporting requirements, the report should also provide separate opinions of value, one based upon on the definition of market value and one based upon the definition of PLV.

Note: The PLV must be included in a separate analysis section of the report. Market value and PLV definitions are to be provided by FSA and shall be disclosed in the appraisal report and summarized in the following report sections:

- Letter of Transmittal.
- Summary of Salient Facts,
- Reconciliation Section in the appraisal report.

The appraisal may be developed as one report with separate sales grids in support of the market and liquidation opinions of value.

Comparable Sales

Sales should be selected that have similar attributes of the subject and should be adequately analyzed. There should be comparable sales that support the market value as well as comparable sales that support the PLV and sales should be clearly identified. See comments under sales comparison approach above.--*

Final Market Value and Final Potential Liquidation Value

Final Values should be stated as a whole dollar amount for both the Market value and the PLV. If the subject is improved or personal property is appraised, from both final value opinions, an allocated value will be stated for:

- Land,
- Building Improvements, if applicable,
- Equipment/Fixtures, if applicable,
- Personal Property, if applicable,
- Timber/Mineral Rights/Other, if applicable.

Exceptions

Any exceptions to the appraisal requirements in the SOW or this SOW Addendum may be made on a specific appraisal assignment by the APOC, in consultation with POAD Appraisal Branch. 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.

List of Exhibits

Exhibit 1, "Market Value Definition"

Exhibit 2, "Potential Liquidation Value Definitions"--*

Acceptance The Vendor has reviewed, understands, and agrees to the term and requirements of the SOW Addendum.				
Approved by:				
Signature		Date		
Print Name				
Address				
City, State, and Zip Code				
Phone Number	E-Mail*			

Exhibit 1 - Market Value Definition

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.

Source: 12 CFR 34.42 (h)--*

Exhibit 2 - Potential Liquidation Value Definitions

Potential liquidation value is the amount of a lender's protective bid at a foreclosure sale. Protective liquidation value is determined by an independent appraiser using comparables from other forced liquidation sales.

Source: 7 CFR 761.2

And

Liquidation value is the most probable price that a specified interest in property should bring under the following conditions:

- 1. Consummation of a sale within a short time period.
- 2. The property is subjected to market conditions prevailing as of the date of valuation.
- 3. Both the buyer and seller are acting prudently and knowledgeably.
- 4. The seller is under extreme compulsion to sell.
- 5. The buyer is typically motivated.
- 6. Both parties are acting in what they consider to be their best interests.
- 7. A normal marketing effort is not possible due to the <u>brief exposure time</u>.
- 8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- 9. 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.

Source: Dictionary of Real Estate Appraisal--*

*-- Chattel Appraisal – SOW

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<u>2.</u>	Objective 2/	2
<u>3.</u>	<u>Scope 2/</u>	2
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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. --*

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. --*

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: --*

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. --*

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. --*

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. --*

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. --*

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

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. If estimated fess and cost need to be negotiated, the APOC will contact an agency contracting officer for assistance.--

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. 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.--*

* * *

5.5 Use Of/And Release of the Report

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.

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. --*

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 <u>ALL vendors</u> 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

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. --*

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. --*

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 <u>if delivered</u> within 10 calendar days of the date notification. Liquidated damage fees will continue to be accessed 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. --*

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. --*

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. --*

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 --*

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. --*

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.

•	and the te ee added to the I still printed to the I still printed.
	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 is 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://usdagcc.sharepoint.com/sites/FSA-POAD-AB.--*

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.

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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 with emphasis 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	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 & 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. 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.
		If an existing facility is appraised "as-improved" that will include repairs/upgrades, document the proposed repairs/upgrades and include the estimated cost.
		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 when the information is available. 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.
		Discuss the available legal surface and groundwater rights (verification if available) necessary to support the projected dairy capacity in the analysis. 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.

*--Dairy Addendum to FSA Appraisal Guidelines (Continued)

Information Element	Content Description
Approaches to Value	For dairy appraisals, generally all three approaches are applicable and necessary.
	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". 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.
	The exclusion of any of the 3 approaches to value <u>must explain why</u> an excluded approach is not necessary for credible results.
Sales Comparison Approach	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.
	Approaches to Value Sales Comparison

*--Dairy Addendum to FSA Appraisal Guidelines (Continued)

Item	Information Element	Content Description
5	Cost Approach	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:
		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.
		Show the contributory value of fixtures / equipment and discuss effective age and remaining economic life, taking into account physical, functional and external obsolescence.
		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.
6	Income Approach	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 & expenses vs. typical when significant differences occur. Property should be appraised on a fee simple basis verse a leased fee basis.
		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.

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*--Dairy Addendum to FSA Appraisal Guidelines (Continued)

Item	Information Element	Content Description
7	Reconciliation & Final	Reconcile the three approaches to value and discuss which
	Value Allocation	approach is given the most weight.
		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 non-real property items included in
		the value should be shown separately and discussed.

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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.

Item	Information Element	Content Description
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	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. 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. 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.
		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 when the information is available. Appraisers should review and discuss this information with the property owner and note any compliance issues.

*--Hog Addendum to FSA Appraisal Guidelines (Continued)

Item	Information Element	Content Description
2	Subject Description	If applicable, discuss the available legal surface and
(Cntd)		groundwater rights (verification if available) necessary to
		support the projected hog capacity in the analysis.
		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.
3	Hog Production Contract/	Summarize the contract or proposed grower
3	Agreement	contract/agreement with the integrator (if applicable) for
	rigicement	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.
		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
	T	should be discussed with the Client and in the report.
4	Integrator Requirements	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.
		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.

*--Hog Addendum to FSA Appraisal Guidelines (Continued)

Item	Information Element	Content Description
5	Approaches to Value	For a hog appraisal, generally all three approaches are applicable and necessary.
		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.
		Include sufficient detail from the sales analysis in the appraisal to support the subject analysis. Units of comparison should be determined from the market.
6	Sales Comparison Approach	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.
7	Cost Approach	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.
		Include the following.
		The contributory value of the land components. Include vacant land sales to support the contributory values.
		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.
		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.

*--Hog Addendum to FSA Appraisal Guidelines (Continued)

Item	Information Element	Content Description
8	Income Approach	Compare and discuss actual income and expenses from the
		contract projections to typical market income & expenses.
		Other projected farm related income and expenses, should be
		discussed as well.
		Property should be appraised on a fee simple basis. Discuss
		selection of cap rates and which sales are given the most
		weight.
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.

*--Poultry Addendum to FSA Appraisal Guidelines

In addition to the general FSA appraisal guidelines, the following is a supplement specific to poultry appraisals.

Item	Information Element	Content Description
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	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. If subject is an existing facility, appraised "as-improved" to include repairs/upgrades, document the proposed repairs/upgrades including cost estimates. A hypothetical
		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. Identify the legal permitted capacity. Identify any personal property included on subject and/or sales, and show contributory value separately from real estate. Adequately describe the land and land improvements as well as any other improvements.

*--Poultry Addendum to FSA Appraisal Guidelines (Continued)

Item	Information Element	Content Description
3	Poultry Production Contract/ Agreement	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. 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.
4	Integrator Requirements	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.
		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.
5	Approaches to Value	For a poultry appraisal, generally all three approaches are applicable and necessary. 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.
		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. 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.

*--Poultry Addendum to FSA Appraisal Guidelines (Continued)

Item	Information Element	Content Description			
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	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. Include the following: The contributory value of the land components. Include vacant land sales to support the contributory values. 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. 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.			
8	Income Approach	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. 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.			

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Appraisal * * * Engagement Letter

The following sample may be used as an appraisal engagement letter.

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(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 an appraisal to FSA as described. Your Appraisal Point of Contact (APOC) will be <u>Appraisal Point of Contact</u>, <u>Name</u>, <u>Phone Number</u>, <u>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 an appraisal 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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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

*--Applicant/Borrower Notification of Appraisal

Following is an example of the applicant/borrower notification of an appraisal 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 number="" phone="">.</office></authorized>					
Sincerely,					
Authorized Agency Official Signature					
CC: Farm Loan Manager, FSA, County Applicant					

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