FSA
HANDBOOK

General Program Administration

For State and County Offices

SHORT REFERENCE

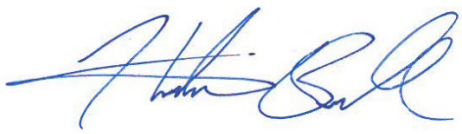
1-FLP
(Revision 1)

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 311

Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reason for Amendment

Subparagraph 5 E has been amended to update RD Business Center Contacts.

Subparagraphs 49 E, 50 E, and 52 K have been amendment to update calendar year-end dates.

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

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

1 Purpose and Sources of Authority

A Handbook Purpose

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

This handbook is designed to assist FSA in understanding:

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

B Sources of Authority

The sources of authority for this handbook include:

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

C Regulation References

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

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

D FLP Objectives

7 CFR Parts 761 through 767 set forth FSA's regulations for FLP's. **The objective of these *--programs is to provide progression lending 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 progression lending, 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, principles, and standards, such as work organization	16-AO.
civil rights compliance and administration for FSA programs	18-AO.
appeals and mediation	1-APP.
State and county records management	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.

FLP-related historical directives, including notices and Administrative Notices, are available *--at **https://www.old.fsa.usda.gov/programs-and-services/laws-and-regulations/notices/index**.

Training information is available on the DAFLP Training and Guides SharePoint site at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/training.aspx**.--*

2 Related References (Continued)

*--B Helpful Links (Continued)

LEP resources, including LEP poster, translation services, and LEP iSpeak Cards are available on the OneUSDA Intranet at **https://intranet.usda.gov/limited-english-proficiency**.--*

C State Supplements

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

Note: Additional State supplements may:

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

SED's shall:

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

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

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

3 FLP Forms

A Form References

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

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

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

- the common name of the form

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

- purpose or the information collected.

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

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

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

B FSA-2029

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

Notes: "ST" represents the appropriate State acronym.

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

C Notary Acknowledgement

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

3 FLP Forms (Continued)

D Applicant and Borrower Signatures

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

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

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

--Note:** Applicants submitting FLP applications through FSA OLA will be signing the application using Level 2 eAuthentication credentials. Signatures obtained through OLA will be considered as original signatures.**--

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.

3 FLP Forms (Continued)

E State-Modified National Forms

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

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

3 FLP Forms (Continued)

F State-Created Forms

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

IF the form pertains to…	THEN the form number shall be…
more than one FLP handbook	FSA-2000-1 ST, FSA-2000-2 ST, FSA-2000-3 ST, etc.
1-FLP	FSA-2100-1 ST, FSA-2100-2 ST, FSA-2100-3 ST, etc.
2-FLP	FSA-2200-1 ST, FSA-2200-2 ST, FSA-2200-3 ST, etc.
3-FLP	FSA-2300-1 ST, FSA-2300-2 ST, FSA-2300-3 ST, etc.
4-FLP	FSA-2400-1 ST, FSA-2400-2 ST, FSA-2400-3 ST, etc.
5-FLP	FSA-2500-1 ST, FSA-2500-2 ST, FSA-2500-3 ST, etc.
6-FLP	FSA-2600-1 ST, FSA-2600-2 ST, FSA-2600-3 ST, etc.
*--7-FLP	FSA-2700-1 ST, FSA-2700-2 ST, FSA-2700-3 ST, etc.--*

Notes: "ST" represents the appropriate State acronym.

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

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

G Other Sources of Forms

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

3 FLP Forms (Continued)

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

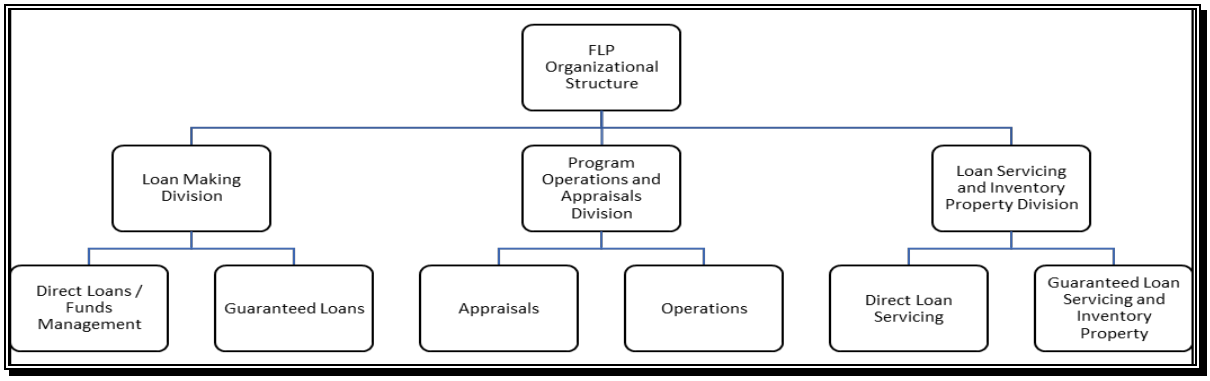
The following provides guidance on obtaining approval of State-modified and State-created forms.

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

4 FLP Organizational Structure

A National Office FLP Organizational Structure

The following is the National Office FLP organizational structure.



B Contacts for the Office of the Deputy Administrator

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

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

Note: County Offices will address questions to the State Office. State Offices will 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**
Houston Bruck	Deputy Administrator	202-650-7874
Ryan Lukassen	Assistant Deputy Administrator	308-222-0525
Vacant	Assistant to the Deputy Administrator	
--Vacant--	Assistant to the Deputy Administrator	
Abraham Atansuyi	Assistant to the Deputy Administrator	202-690-0756
James Jackson	Assistant to the Deputy Administrator	202-692-4940
Jose Limon	Advisor to the Deputy Administrator	202-720-9152
Matthew Henderson	Advisor to the Deputy Administrator	202-720-5847
Vacant	CX and Credit Access Analyst	
--Vacant--	CX and Credit Access Analyst	
Vacant	CX and Credit Access Analyst	
Vacant	Administrative Support Specialist	

4 FLP Organizational Structure (Continued)

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 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0522	USDA FSA DAFLP LMD ROOM 3629 SOUTH BUILDING 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0522

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

Office of the Director		
Name	**Title**	**Telephone Number**
Vacant	Director	
Vacant	Deputy Director	
Kimberly Eilerman	Assistant to the Director	202-619-8519
Vacant	Mgmt & Prog Analyst	
Vacant	Program Analyst	
Direct Loan Making and Funds Management Branch		
--Vacant--	Branch Chief	
David Bonnett	Senior Loan Officer	202-690-2269
Vacant	Senior Loan Officer	
Md Mutaleb	Senior Loan Officer	202-720-3168
Branigan Snyder	Senior Loan Officer	202-690-0214
Vacant	Senior Loan Officer	
Paul Peterson	Senior Loan Officer	507-702-3062
Javier Arenas	Senior Loan Officer	256-638-7424
Vacant	Senior Loan Officer	
Vacant	Senior Loan Officer	
Guaranteed Loan Making Branch		
Vacant	Branch Chief	
Calvin Greer	Senior Loan Officer	979-680-5229
Vacant	Senior Loan Officer	
--Vacant--	Senior Loan Officer	
Heather Laubenthal	Senior Loan Officer	319-334-1046

4 FLP Organizational Structure (Continued)

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 STOP 0521 1400 INDEPENDENCE AVE SW WASHINGTON, DC 20250-0521	USDA FSA DAFLP POAD ROOM 3622 SOUTH BUILDING 1400 INDEPENDENCE AVE SW WASHINGTON, DC 20250-0521

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

Office of the Director		
Name	**Title**	**Telephone Number**
*--Travis Martin	Director	509-868-8093--*
--Vacant--	Deputy Director	
Fernando Pineiro	Assistant to the Director	202-380-5960
Jennifer Ranke	Assistant to the Director	207-990-9132
Joseph Council	Systems Accountant	
Appraisals Branch		
Sherry Hulsey	Branch Chief	270-524-5631 Ext. 108
Alexander Patterson	Review Appraiser, East Regions (CT/MA/RI, NY, and NJ)	315-704-6208
James Baird	Review Appraiser, Midwest Region (MI)	517-318-3189
Karen Peterson	Review Appraiser, West Region (HI)	360-488-4858
Midwest Region		
Steven Glonek	Supervisory Review Appraiser States Covered: IA, IL, IN, MI, MN, MO, and WI	608-662-4422 Ext. 159
Scott Anderson	Staff Appraiser States Supported: IL and MO	309-164-1486

4 FLP Organizational Structure (Continued)

D POAD Contacts (Continued)

Appraisals Branch		
Midwest Region		
Name	**Title**	**Telephone Number**
Dennis Judkins	Staff Appraiser States Supported: IA	515-331-8455 or 515-254-1540 Ext. 8455
Anthony Payne	Staff Appraiser States Supported: IN and MI	317-295-5950
* * *	* * *	
* * *	* * *	
East Region		
Lloyd Richardson, II	Supervisory Review Appraiser	843-773-3851
Northeast Region CT/MA/RI, DE/MD, KY, ME, NJ, NY, OH, PA, VA, VT/NH, and WV		
James Fisher	Staff Appraiser	614-255-2456
Sunni Leach	Staff Appraiser	270-207-4024
Vacant	Staff Appraiser	

4 FLP Organizational Structure (Continued)

D POAD Contacts (Continued)

Appraisals Branch		
Southeast Region AL, AR, FL, GA, LA, MS, NC, PR, SC, TN, and VI		
Name	**Title**	**Telephone Number**
--Vacant--	Staff Appraiser	
--Vacant--	Staff Appraiser	
Juan Soto	Staff Appraiser	787-878-2580 Ext. 107
Vacant	Staff Appraiser	

4 FLP Organizational Structure (Continued)

D POAD Contacts (Continued)

Appraisals Branch		
West Region		
Name	**Title**	**Telephone Number**
Michael Glynn	Supervisory Review Appraiser States Covered: AK, AZ, CA, CO, HI, ID, KS, MT, ND, NE, NM, NV, OK, OR, SD, TX, UT, WA, and WY	979-680-5255
Chad Rudd	Staff Appraiser States Supported: AZ, *--KS, NM, and OK--*	580-540-3924
John Wurdeman	Staff Appraiser States Supported: NE	402-437-5623
Ryon Rypkema	Staff Appraiser States Supported: AK, CO, SD, and WY	605-390-3224
Kayla Suther	Staff Appraiser States Supported: ID, MT, and ND	605-448-5921 Ext. 100
Shawn Skeabeck	Staff Appraiser States Supported: TX and WA	817-509-3247
--Vacant--	Staff Appraiser	
Rhett Peterson	Staff Appraiser States Supported: CA, NV, OR, and UT	435-893-3346

4 FLP Organizational Structure (Continued)

D POAD Contacts (Continued)

Operations Branch		
Name	**Title**	**Telephone Number**
Brian Rueckl	Branch Chief	920-895-0091
Vacant	Program Analyst	
Tracy Jones	Agricultural Loan and Grants Program Specialist	202-720-6771
Nicole Bonifas	Program Analyst	
Lora Morris	Program Analyst	202-692-4912
Kim Nguyen	Data Analyst	314-607-6395
*--Nicole Cleggs Burns	Mgmt & Prog Analyst--*	
Marquita Peoples	Program Analyst	202-720-8320
Darby Ellis	Senior Loan Officer	
Morgan Barton	Program Analyst	
DeAntae Cooper	Data Analyst	
Kim Buchheit	Senior Loan Officer	*--308-207-3113--*
Franklin Timothy Storey	Senior Loan Officer	931-967-2521, Ext. 106
Gretchen Thomas	National Office FLP Training Coordinator	205-650-3373
Vacant	Program Analyst	

Notes: The regional appraiser can refer to LRA or RRA.

See Exhibit 6 for the Regional Appraiser Area of Responsibility Map.

4 FLP Organizational Structure (Continued)

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 STOP 0523 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0523	USDA FSA DAFLP LSPMD ROOM 3635 SOUTH BUILDING 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0523

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

Office of the Director		
Name	**Title**	**Telephone Number**
Carolyn Estrada	Director	202-690-1560
J. Lee Nault	Deputy Director	202-720-6834
--Vacant--	Assistant to the Director	
Janet Kramer David Sullivan	Assistants to the Director * * *	785-336-3543 Ext. 125 202-690-0658
* * *	* * *	
Direct Loan Servicing Branch **email SM.FSA.DCWa2.AdmException** or **adminexception@usda.gov** **email SM.FSA.DCWa7.DirectLoans** or **fsa-directloans@usda.gov**		
Bruce Mair	Branch Chief	202-720-1645
Janasuela (Jana) Davis	Senior Loan Officer	334-279-3537
Whitney Foster	Senior Loan Officer	202-401-6802
--Vacant--	Senior Loan Officer	
Thomas Nii	Senior Loan Officer	808-600-2910
Laura Fisher	Senior Loan Officer	804-287-1603
Christopher Wills	Senior Loan Officer	518-692-5518

4 FLP Organizational Structure (Continued)

E LSPMD Contacts (Continued)

Guaranteed Loan Servicing and Inventory Property Management Branch		
Name	**Title**	**Telephone Number**
*--Lisa Liska	Branch Chief	402-437-5456--*
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
Becky Minter	Senior Loan Officer	202-260-9200
Frank Urbanick	Loan Officer	724-269-5257
--Vacant--	Senior Loan Officer	
Mechalle Ore	Senior Loan Officer	405-742-1051

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 RD Business Center, FLB 211 North Broadway, Mail Stop 2230, Suite 1701 St. Louis, MO 63102	USDA Rural Development Attn: RD Business Center, FLB 211 North Broadway, Mail Stop 2230, Suite 1701 St. Louis, MO 63102

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 Assignment**
Folly Akpokli	Acting Branch Chief	314-457-4366	
Antoinette Taylor	Section 1 Supervisor	314-457-4070	
Cynthia Townsend	Section 2 Supervisor	314-457-5516	
Samuel Kayser	Accountant, S1	314-679-6734	PR
Zachary Skaer	Accountant, S2	314-457-4094	TX
Cary Pimentel	Accountant, S1	314-457-5218	WI
Ethan Hudson	Accountant, S2	314-457-4384	IA
Ana Ramos	Accountant, S1	314-457-4160	OK
Barbara Lee	Financial Specialist, S1	314-679-6846	AR, CO, IN, KS, KY, MA, SD,
Randal Bennett	Financial Specialist, S2	314-679-6842	MS, NC, NJ, PA, SC, UT, GU/WP
Makia Bush	Financial Specialist, S1	314-457-5284	IL, MN, MT, NE, OH, VI, WY
Alfredo Gonzalez	Financial Specialist, S2	314-457-6714	CA, FL, GA, HI, MD, NM, NV
Christopher Sweet	Financial Specialist, S1	469-678-3728	ID, MI, ND, RI, TN, WA, WV
Lauren Ukman	Financial Specialist, S2	314-679-6704	AZ, LA, OR, VA
Mary Jordan	Accounting Technician, S2	314-679-6831	AK, AL, CT, DE, ME, MO, NH, NY, VT
Kathy White	Accountant (CTR)	314-679-6736	
John Cruzen	Accountant (CTR)	314-457-4948	
Brittani Ochoa	Accountant Technician, CTR	314-457-5125	

--*

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 email address.

For Guaranteed Loan System Requests
Guaranteed Commercial Branch Email Address: **sm.rd.so.gcb@usda.gov**

The following provides names and contact information for the Guaranteed Commercial Branch.

*--

Guaranteed Commercial Branch Main Line 314-457-6402 Please submit all ECF requests via the Guaranteed Commercial Branch e-mail: sm.rd.so.gcb@usda.gov.			
Name	**Title**	**Telephone Number**	**Assignments**
Monique Kelly	Acting Branch Chief	314-457-4103	
Monique Kelly	FSA Lead Accountant	314-457-4103	
Madeline Bedwell	Accountant	314-457-4036	AK, AZ, CA, CO, GA, HI, ID, MO, MT, ND, NM, NV, OR, SD, TN, UT, WA, WY, GU/WP
Nina Chery	Accountant	314-457-4281	AL, AR, CT, DE, FL, IA, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MS, NC, NE, NH, NJ, NY, OH, OK, PA, PR, RI, SC, TX, VA, VI, VT, WI, WV
Tisha Barbee-Tobias	Financial Specialist (ECF Contact)	314-457-6402	

--*

D Debt Collection

The following provides the DMB address.

For USPS Delivery	For FedEx or UPS Delivery
USDA - RURAL DEVELOPMENT DEBT MANAGEMENT BRANCH RD BUSINESS CENTER 211 NORTH BROADWAY, MAIL STOP 2313, SUITE 1701 ST. LOUIS, MO 63102	USDA - RURAL DEVELOPMENT ATTN: (*Insert Name*), RD BUSINESS CENTER/ DEBT MANAGEMENT BRANCH 211 NORTH BROADWAY, MAIL STOP 2313, SUITE 1701 ST. LOUIS, MO 63102

5 RD Business Center Contacts (Continued)

D Debt Collection (Continued)

The following provides contact information for RD Business Center Servicing Office DMB.

RD Business Center Servicing Office Debt Management Branch DMB Telephone Number 314-679-6870 DMB ECM FAX Number 314-457-4478 DMB FAX Number 844-587-2958 DMB E-Mail Address: RD.SO.DCIB@USDA.GOV RA.RD.MOSTL.EFAX2958@usda.gov			
Name	**Title**	**Telephone Number**	**Assignments**
--Jose Ramirez--	Branch Chief		
Adam Hill	Lead Accountant	314-457-4945	DCIA Status Reports; Treasury Report on Receivables; Problem Case Resolution; Coordinate IT Development Initiatives; Data Analytics; Team Leadership
Karen Warr	Lead Accountant	314-457-4291	DCIA Status Reports; Treasury Report on Receivables; Problem Case Resolution; Coordinate IT Development Initiatives; Data Analytics; Team Leadership
Donald Folston	Accountant, Contractor	314-457-4351	RD-Non SFH DCIA Support; Adhoc Reporting; Team Task Logs; FLP TOP Deletes; TROR Preparation/Review
--Vacant--	Accounting Technician, Contractor	* * *	RD (non-SFH) Proof of Debt, RD Disputes and Returned to Agency Debts; RD Unauthorized Assistance Cross Servicing DCIA processes
Wyvone Haymon	Senior Accountant	314-679-6864	Data Analytics; IT Development Initiatives; Project Management; FLP TOP Timeline Notifications and ADPS Screen Messages; FLP Cross Servicing Tasks, Recalls, Repayment Agreements, and Compromise Offers; TROR Preparation/Review
Katina Mims	Accountant	314-679-6833	FLP TOP and DCIA Referrals; FLP TOP Weekly Updates; FLP Federal Salary Offset; TROR Preparation/Review
Timothy Oge	Accountant	314-679-6844	FLP Cross Servicing Support; RD-SFH Cross Servicing Recall and Proof of Debt; RD Unclaimed Assets; TROR Preparation/Review
* * *	* * *	* * *	* * *

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; TROR Preparation/Review
Cortesha Spencer	Accountant	314-679-6768	RD Internal Control Reviews; RD-SFH Claims; RD-SFH TOP Unprocessible; TROR Preparation/Review
Lauren Ukman	Financial Specialist	314-679-6704	Do Not Pay File Review; FLP Voluntary Payment Reconciliation; RD SFH/BP Cross Servicing Systems Reconciliation; RD BP Guar Cross Servicing Referral and Collection; RD Unauthorized Assistance Cross Servicing Collection and Reconciliation
Shanna Wakefield	Accountant	314-457-4027	FLP Cross Servicing Referral, Treasury TOP and Cross Servicing Cash Reconciliation; TROR Preparation/Review

E Program Reporting

The following provides PRB address.

*--

For USPS Delivery	For FedEx or UPS Delivery
USDA -- RURAL DEVELOPMENT PROGRAM REPORTING BRANCH RD BUSINESS CENTER 211 NORTH BROADWAY, MAIL STOP 2332, SUITE 1701 ST. LOUIS MO 63102	USDA – RURAL DEVELOPMENT ATTN: PROGRAM REPORTING BRANCH, RD BUSINESS CENTER 211 NORTH BROADWAY, MAIL STOP 2332, SUITE 1701 ST. LOUIS, MO 63102

--*

5 RD Business Center Contacts (Continued)

E Program Reporting (Continued)

The following provides contact information for PRB.

*--

PRB Telephone Number 314-457-4310 FAX Number 1-844-241-4641		
Name	**Title**	**Telephone Number**
Cherie McCoy	Branch Chief	314-457-8576
Tori Richter	Accountant	314-457-4040

--*

F Disbursements Branch

The following provides the Disbursements Branch address.

Mailing Address
USDA, RURAL DEVELOPMENT DISBURSEMENTS BRANCH, FC-1412 RD BUSINESS CENTER-FINANCE OFFICE 211 NORTH BROADWAY ST. LOUIS, MO 63102

5 RD Business Center Contacts (Continued)

F Disbursements Branch (Continued)

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

5 RD Business Center Contacts (Continued)

G Collections Branch

The following provides Collections Branch address.

Mailing Address
USDA/RURAL DEVELOPMENT RD BUSINESS CENTER, CB, FC-1411 211 NORTH BROADWAY, FLOOR 11 ST. LOUIS, MO 63102 Email: **rd.cfo.cb@usda.gov**

The following provides contact information for the Collections Branch.

Collections Branch Main Line 314-457-4023 ECM FAX Number 314-457-4370 Email: rd.cfo.cb@usda.gov			
Name	**Title**	**Telephone Number**	**State Assignment**
Candy Wall	Branch Chief	314-457-4017	
CeSandera Shumpert	Accountant Team Leader	314-457-4035	
Janet Pearson	Financial Specialist	314-457-4004	AL, AR, CT, DE, GA, HI, ID, IN, IA, LA, ME, MI, PA, RI
Nicole Watkins	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	
Vacant	Lockbox Accounting Technician	314-457-4019	
Obinwa Anugwo	Accounting Technician	314-457-4039	
Vacant	Accounting Technician	314-457-4181	

6-20 (Reserved)

Part 2 FLP Training and Authorities

21 Overview

A Purpose

This Part provides information and guidance on:

- FSA's authority to administer FLP
- the Farm Loan Training Program
- delegating and maintaining loan approval 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 Deputy State Executive Director, Farm Loan Chief, Farm Loan Specialist, District Director, Farm Loan Manager, Senior Farm Loan Officer, Farm Loan Officer, Loan Analyst, Loan Resolution Specialist, Program Technician, or other positions as determined by the FSA Administrator.--*

(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.

*--21.5 Farm Loan Training Program

A Overview

Positions that include FLP duties are required to obtain the necessary skills and experience to effectively implement the program. All employees hired to administer the farm loan program will go through a training program as outlined in this paragraph.

Section 361 of the CONACT requires that adequate training on credit, financial analysis, and farm management be provided to employees who will have loan approval authority. This paragraph outlines the training requirements for all FLP positions, including those that do not require approval authority, as well as CED's pursuing approval authority.

Note: The training requirement applies to CED's pursuing loan approval authority under Section 376 of the CONACT. CED's must have an approved FSA-2127 according to subparagraph 25 F, before being registered in FLOTrack. State FLP training coordinators will record the approved FSA-2127 when registering new CED trainees in FLOTrack.

B Training Structure

The FLP Training Program is an individually paced program. Training requirements differ for positions requiring loan approval authority versus those not requiring loan approval authority. Requirements are outlined in subparagraphs 21.5 F and G.

Training is completed while serving as an active member of the farm loan team. Daily assignments, duties and tasks will be outlined by the trainer or supervisor depending on the needs of the office. A supplemental FLP Training Manual guides trainees through the many aspects of the training program. This guide utilizes suggested reading and key concepts to prepare trainees for program area tests. Positions requiring loan approval authority will be required to demonstrate loan making and servicing proficiency according to paragraph 25.

FLOTrack will be used to track a trainee's progress through the training program. Registration should be completed according to the FLOTrack User Guide within 10 calendar days of the trainee's start date.**--***

***--21.5 Farm Loan Training Program (Continued)**

B Training Structure (Continued)

FLOTrack is used to:

- register trainees and trainers
- monitor training progress
- document:
  - required training completion dates
  - FLP Training Manual key concept completion
  - PAT scores and dates
  - training extensions
  - loan docket type, date, and scores
  - delegated loan approval authority, grade level, and date
  - training evaluations for trainees and trainers
  - comments by trainee, trainer, DD, FLC and State system administrator for:
    - general information
    - training deficiencies
    - DO requirements.

C Training Administration

States will assign a trainee to a trainer and training office according to the following guidance:

- County Office trainees are assigned to a County or State Office trainer
- State Office trainees are assigned to a State Office trainer or County Office FLP trainer located in another district
- trainees will be co-located with their assigned trainer whenever possible

  Note: If circumstances prevent co-location, a written communications plan must be developed. This plan should outline weekly in-person meetings or virtual meetings and will be developed with DD and FLC concurrence. This will be stored in the employee's personnel file and should be noted within the general comments in FLOTrack.

- if necessary to meet the required timeframes, trainees may be:
  - re-assigned or detailed to another FLP training office, as appropriate, to gain the experience and skills necessary to obtain loan approval authority.
  - assigned work from another office, using FBP, DLS, and GLS.**--***

***--21.5 Farm Loan Training Program (Continued)**

C Training Administration (Continued)

Trainers will be recommended by the FLC, in concurrence with the State FLP training coordinator and DD's to the SED or DSED before being eligible to serve as a trainer. FLC's, FLS's, DD's, FLM's, SFLO's, and FLO's are eligible to be FLP trainers.

Approved trainers must:

- be receptive to the FLP Training Program and have an attitude that indicates support of the FLP objectives and a willingness to serve as a trainer

  Note: The trainer must be an employee who commits to fully training each trainee and agrees to train multiple trainees over an extended period.

- have demonstrated an ability to train based on:

  - above average knowledge of their job
  - knowledge of handbooks and regulations
  - analytical and computer skills
  - leadership and communication skills
  - experience providing oversight and guidance to trainees without affecting the day-to-day operations of their office
  - maintaining delegated loan approval authority
  - experience in developing a training schedule and outline of the training they will provide

- agree to have training responsibilities added to their performance plan as a collateral duty, according to 5-PM, subparagraph 23 C

- successfully complete Trainers Training presented by the National Office before being assigned trainees.**--***

*--21.5 Farm Loan Training Program (Continued)

D Roles and Responsibilities

The National Office will:

- ensure overall administration of the FLP Training Program
- coordinate, administer, and monitor State training activities
- monitor all timeframes
- administer FLOTrack
- ensure that training objectives are met
- provide required National Training.

SED's will:

- oversee the administration of the FLP Training Program in their State
- monitor the delivery and effectiveness of program.

FLC or State FLP training coordinator will:

- serve as FLOTrack State administrator to:
  - approve access for all employees in their State
  - record State provided training completion dates
  - record dockets and delegation of authority dates

  Note: For application details, see the FLOTrack User Guide.

- provide required State training

- score submitted loan dockets

- ensure new trainers successfully complete Trainer's Training before trainees are assigned

- coordinate trainee visits to the State Office, when feasible

- ensure the trainee and trainer have completed a training plan and a weekly communications plan, according to subparagraph C

- monitor evaluations

- work with AO, DD, trainee, and trainer to ensure that the requirements of subparagraphs F and G are followed, as applicable.**--***

***--21.5 Farm Loan Training Program (Continued)**

D Roles and Responsibilities (Continued)

DD's will:

- ensure County Office trainees and trainers have the resources they need to make the training program successful
- provide oversight to the trainee and trainer
- monitor the trainee's progress and ensure that training requirements are met within established timeframes.

Trainers will:

- successfully complete FLP Trainer's Training before a trainee is assigned
- work with the trainee in developing a training plan and schedule
- provide constructive feedback through evaluations, reviews of completed assignments and conversations
- monitor the trainee's progress and ensure that training requirements are met within established timeframes
- ensure that the trainee completes all training according to subparagraph 21.5 F
- use the FLP Training Manual key concepts and exercises to guide training
- update the trainee's record in FLOTrack to:
    - input training and key concept completion dates
    - complete evaluations
    - monitor progress and provide guidance to ensure timeframes are met.**--***

***--21.5 Farm Loan Training Program (Continued)**

D Roles and Responsibilities (Continued)

Trainees will:

- be an active member of the farm loan team throughout the training process
- in FLOTrack:
  - register for a user account within 10 calendar days of hire
  - complete 6 program area tests
  - complete trainer evaluations that provide constructive feedback

    Note: See the FLOTrack User Guide located on the DAFLP SharePoint site Application Guides and Trainings page, for "how to" instructions.

- work with the trainer to develop an IDP and training plan
- complete required training
- be self-motivated and monitor their own progress to ensure timeframes are met
- request additional training or assistance on subjects that are unclear
- communicate with their trainer on training needs and assignments
- use the FLP Training Manual as a guide, completing assignments and key concepts.

E Training Evaluations

Evaluations will be completed in FLOTrack throughout the training period at the following intervals:

- each month for the first 6 months
- quarterly thereafter, until the trainee has completed the training program or is manually archived.

  Note: Evaluations will not be completed on any trainee or trainer who has been with a trainee or trainer for less than 23 workdays. When a change in trainer is less than 23 workdays before the evaluation is due, the evaluation should be completed by:

  - previous trainer for evaluation of the trainee
  - trainee to evaluate the previous trainer.**--***

***--21.5 Farm Loan Training Program (Continued)**

E Training Evaluations (Continued)

The evaluation will:

- be completed by both the trainee and trainer
- be available and open to the evaluator to complete and edit for the first 10 workdays of the month
- allow all recipients to evaluate how training is progressing and identify strengths and weaknesses.

Notes: A trainee's evaluations of the trainer are only visible to the State and national FLP training coordinators. A trainer's evaluations of the trainee are visible to the trainee, trainer, State and national FLP training coordinators. Evaluations are viewable after the 10-day period has closed.

FLOTrack does not send notifications, so trainees and trainers are responsible for self-monitoring evaluation due dates.

F Training Requirements and Timeframe for All FLP Positions

All trainees hired into positions requiring FLP responsibilities are required to complete the following training within 1 year of hire to align with an employee's probationary period. Training consists of self-paced learning, State provided training, and National Office provided training as outlined. Any required training previously completed for another position may be documented in the comments section according to the FLOTrack User Guide.

Note: FLP PT's are only required to take National and State FLP Orientation and FLP Fundamentals

(1) Self-Paced Learning

FLP Training Manual, Key Concepts and Program Area Tests

The FLP Training Manual is located on the DAFLP SharePoint site at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/training.aspx**. The manual augments the FLP handbooks. It provides a guide for the trainer and trainee and allows for self-paced learning. Trainees and trainers should use the manual as a guide for completing hands-on activities, as well as for completing all key concepts. The manual is divided into 6 program areas:

- Direct Loan Making
- Farm Business Plan
- Direct Loan Servicing- Regular
- Direct Loan Servicing- Special
- Guaranteed Loan Making
- Guaranteed Loan Servicing.**--***

***--21.5 Farm Loan Training Program (Continued)**

F Training Requirements and Timeframe for All FLP Positions (Continued)

As key concepts are completed and discussed with the trainer, a completion date is entered by the trainer in FLOTrack. Upon completion of each program area, the trainee, in concurrence with the trainer, will take the PAT available in FLOTrack for that section. Trainees may work in any program area at a given time, depending on the workload in the office. The comprehensive exam located in FLOTrack is not required. The completion of key concepts and program area tests must follow these requirements:

- must be completed within 1 year of hire
- handbooks may be used for PAT's
- PAT's will be retaken online until a passing score is achieved

  Note: There is a 7-workday waiting period after a failed PAT before the test may be taken again.

- to ensure that an acceptable level of understanding of credit, financial analysis, and program regulations and implementation is met, a minimum score of 80 percent is required on all PAT's.

Financial Analysis Training

Financial Analysis Training is statutorily required for positions having FLP responsibilities. It provides participants with financial data analysis skills on which to base direct or guaranteed credit decisions. Self-enrollment for training is completed in AgLearn. Additional information regarding this training can be found on the DAFLP SharePoint site at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/training.aspx**. Upon completion of this training, trainees will provide a certificate of program completion to their State FLP training coordinator so the completion date can be entered in FLOTrack. Financial Analysis Training must be completed before attending the National Underwriting Training.

(2) State Provided Training

State provided training is conducted by State Office staff. The FLP training coordinator will record training completion dates in FLOTrack for trainees.

Orientation Training

State Orientation should be conducted in person at the State Office, subject to availability of travel funds. Training should be provided within 60 days of hire. State Orientation Training will provide the trainee with an overview of the following:

- State organizational structure, introduction to State Office staff, overview of State Office staff responsibilities
- training program, objectives, and responsibilities
- State specific information.**--***

***--21.5 Farm Loan Training Program (Continued)**

F Training Requirements and Timeframe for All FLP Positions (Continued)

State Loan Underwriting Training (Farm Business Plan)

State underwriting training may be conducted in person or virtually. This training provides participants with a working knowledge of FSA's underwriting software (FBP). This training should be completed before National Underwriting Training.

Environmental Compliance Training

Environmental Compliance Training may be conducted in person or virtually. This training provides the trainee with an overview of environmental compliance policy and procedures.

(3) National Office Provided Training

National Office staff will schedule and conduct the following training sessions virtually. Self-enrollment for training is completed in AgLearn. The National Office will record completed training in FLOTrack. Additional information regarding the following training courses can be found on the DAFLP SharePoint site at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/training.aspx.**

Orientation Training

National Orientation should be completed within 60 days of hire. National Orientation will provide the trainee with an overview of the following:

- mission, role, and purpose of FLP
- organizational structure
- training program, objectives, and responsibilities
- handbooks, notices, and forms
- FLOTrack overview.**--***

***--21.5 Farm Loan Training Program (Continued)**

F Training Requirements and Timeframe for All FLP Positions (Continued)

FLP Fundamentals

FLP Fundamentals serves as an introductory overview of common FLP duties and expectations, system software applications, FLP overview and resources, targeted funding, and loan security requirements. FLP Fundamentals should be completed after Orientation Training, and within 180 days of hire.

Loan Underwriting Training

Loan Underwriting Training provides participants with a working knowledge of FSA's underwriting software (FBP). There are 3 courses within the Loan Underwriting Training, FBP 101, 201 and 301. State FLP training coordinators will provide guidance to the trainee on which courses to register for.

21.5 Farm Loan Training Program (Continued)

G Additional Requirements for Positions Requiring Loan Approval Authority

Positions requiring loan approval authority (FLC, FLS, DD, FLM, FLO, FLOT, CED) are required to complete the following additional training requirements and obtain loan approval authority.

Personal Property Valuation Training, Administrative Appraisal Review and Real Estate Evaluation Training

According to Exhibit 7, subparagraph A, the SED may delegate the authority to prepare personal property appraisals, complete administrative appraisal reviews and complete real estate evaluations to employees who have experience and have completed the required training. Self-enrollment is completed in AgLearn. The training is conducted by the *--National Office staff or approved vendor. Upon completion of this training, trainees--* will provide a certificate of program completion to their State FLP training coordinator so the completion date can be entered in FLOTrack. See Paragraph 24 for additional information on appraisal authorities. The training must be completed and the authority delegated within 1 year of hire. This training and associated authorities are optional for employees whose position does not require loan approval authority.

- Personal Property Valuation Training provides an introductory overview of terminology, why personal property valuations are needed, who can perform a personal property valuation, and how to perform and report a personal property valuation.

- Administrative Appraisal Review Training provides an introductory overview of appraisal basics and terminology, understanding the subject property and comparable sales, reviewing approaches to value, and completion of FSA-2165A.

- *--Real Estate Evaluation Training provides an overview of principles and methodology, FSA policy related to real estate evaluations, and completion of--* FSA-2132.

Submission of Dockets

Paragraph 25 outlines the docket submission requirements for positions requiring loan approval authority. As an active member of the farm loan team, the trainee will complete loan dockets and submit those dockets for scoring. The trainee must obtain full approval authority within 18 months of hire.

***--21.5 Farm Loan Training Program (Continued)**

H Extension Requests

The SED or DSED, in concurrence with the FLC, supervisor, trainer, and DD, must document in writing any approved time extension before the training deadline for trainees who will exceed designated timeframes. A copy of this documentation will be provided to the trainee. Extensions may be granted for no more than 180 days total per trainee. See subparagraph I for circumstances where a trainee is not able to complete training within the required timeframe that includes a maximum extension.

Extension requests related to approved extended leave periods such as medical, parental, or military, can be approved by the SED or DSED up to the duration of the leave, which does not count towards the 180-day extension period.

The documentation must include:

- an explanation describing the circumstances that prevented the trainee from completing the program timely

  Note: Staffing shortages do not constitute the need for an extension as they should be addressed by leadership to ensure staffing does not adversely impact the trainees' timeframes.

- detailed training plan and estimated timeline to address each training component that is outstanding.

  Note: The training plan will be utilized to monitor and ensure timely completion of the training.

- the approved extension must be notated in FLOTrack with the date and any necessary comments.

I Failure to Meet Training Program Requirements

Failure to meet performance elements and standards and outlined training requirements within the established timeframes will result in a DO.

The AO will review the elements and standards established for trainees to determine whether each individual trainee's responsibilities for farm loan program duties are adequately addressed.**--***

***--21.5 Farm Loan Training Program (Continued)**

I Failure to Meet Training Program Requirements (Continued)

All actions, including establishing timeframes, monitoring progress and performance, additional training, modifying the employee's IDP and completing any re-testing, if necessary, must be addressed.

Note: No critical performance element may be established requiring a trainee to pass a test.

The DO will be developed by the supervisor with the involvement of the trainer, DD, FLC, AO, and HRD for any employee who is failing in 1 or more critical performance elements. The DO will:

- address the employee's specific weaknesses demonstrated through failure to achieve acceptable work performance

- require new training, retraining, or thorough review of training already received to identify and overcome impediments to acceptable work performance

- require a review of work processes to demonstrate knowledge, skills, and abilities essential for acceptable work performance

  Note: Written tests may be used to determine the extent that employees need additional training or coaching to achieve acceptable work performance.

- include specific hands-on work in areas of weakness with specific timeframes for completing these assignments on a weekly basis

- include a review and further study of the specific modules and handbooks relating to the areas of weakness to reinforce the specific hands-on work.

The trainer and supervisor shall meet with the employee, as needed, until acceptable work performance is demonstrated.

State Offices must document in the "Comments" section of a trainee's FLOTrack training summary if a DO is developed to address the trainee's deficiencies for training program.

If the trainee is completing dockets, the trainee will submit, after successful completion of the DO, the remaining loan files to obtain loan approval authority in accordance with paragraph 25.

The DO does not preclude the requirement of an extension request according to subparagraph H.**--***

***--21.5 Farm Loan Training Program (Continued)**

I Failure to Meet Training Program Requirements (Continued)

At the end of a DO, except for CED's, if the supervisor determines the employee is still failing a critical performance element, the FLC, supervisor, and AO in consultation with HRD will propose appropriate personnel action.

A CED will not be eligible to continue pursuing loan approval authority, if any of the following apply:

- CED is still not performing at an acceptable level at the end of the DO
- the required loan dockets have not been completed at the acceptable level of credit quality established by SED and FLC.**--***

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.

22 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.**--***

22 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.

E Recording the Delegations of Authority

*--Delegations of authority will be uploaded to the Delegations of Authority Tracker located at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/Dashboard.aspx**.--*

FLC's have been granted access to the Tracker and may request the National Office add delegates (typically other State Office FLP employees) to the Tracker to ensure timely *--updates to employee delegated authorities. Send access requests by e-mail to **lora.b.morris@usda.gov**.--*

FLC's will review and ensure their respective state records are accurate as of March 31 and September 30, annually.

*--The training slides for the Delegations of Authority Tracker are found at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/applicationbased.aspx**.--*

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.

23 State Office and Service Center Authorities (Continued)

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.

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

Subject: Delegation of Authority

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

- _____
- _____
- _____.)

(Signature)

(Title)

(Date)

cc: State Office *** * ***

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 Valuation Authority--*

A General Requirements

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

*--B Personal Property Appraisal Authority

SED may delegate personal property appraisal authority to employees who have completed the training requirements in subparagraph 146 A.--*

C Administrative Appraisal Reviews

SED may delegate authority to complete administrative appraisal reviews to employees who have completed the training requirements in paragraph 147.

D Real Estate Evaluations

*--SED may delegate authority to complete real estate evaluations to employees who have completed the training and experience requirements in subparagraph 146 D with maximum limitations according to the following table.

Loan Approval Official Maximum Real Estate Evaluation Limitations			
Position	FLO, FLOT GS-5/7/9	FLO GS-11	FLM, DD, FLS, SFLO, FLC GS-12/13
Transaction Amount	microloan*	$250,000*	$500,000
* Authority to complete evaluations for transaction values above the FLO and FLOT limit subject to a maximum of $500,000 may be provided in limited circumstances.			

SED, in consultation with FLC, can increase or decrease the transaction value limit delegated to individuals or positions.--*

25 Delegating Loan Approval Authority

A Receiving Approval Authority

Loan approval authority must be obtained by:

* * *

- employees who have not been previously delegated loan approval authority and are ***--**selected for an FLC, DD, FLS, FLM, SFLO, FLO, or FLOT position**--***

- CED's designated to obtain loan approval authority according to subparagraph C.

***--**To obtain loan approval authority, employees must successfully complete the training elements according to subparagraphs 21.5 F and G. This paragraph supplements and further clarifies the requirement in subparagraph 21.5 G to obtain loan approval authority.

Loan approval authority will be obtained incrementally consistent with position and grade according to subparagraph 29 D. Training has been grouped into the following 3 sections, each requiring a delegation of approval authority:

- Direct Loan Making and Direct Loan Regular Servicing
- Direct Loan Special Servicing
- Guaranteed Loan Making and Servicing

Within 1 year of hire, the trainee will obtain approval authority in direct loan making and direct loan regular servicing. To progress toward this requirement, the trainee will first complete a mock direct loan training docket available on the DAFLP SharePoint site. This docket is designed to allow the trainee to understand the flow of processing a loan, practice their analytical skills, and apply loan making knowledge. The docket will be submitted to the trainer for scoring and constructive feedback. This docket does not count toward loan approval authority. This mock direct loan docket will be completed within 6 months of hire.

Once the mock docket is successfully completed, the trainee will complete 3 direct loan dockets. 1 of those 3 direct loan dockets is required to be completed by 9 months of hire. Two more direct loan dockets are required by 12 months of hire. Successful completion of these 3 dockets results in receiving direct loan making and direct loan regular servicing authority, the first incremental authority. Additionally, the trainee will obtain 2 more incremental authorities, direct loan special servicing, and guaranteed loan making and servicing authorities. State Offices will continue to review dockets submitted for loan approval authorities. These additional incremental authorities must be obtained by the end of the 18-month training period. Completion of all 3 incremental authorities results in a full delegation of loan approval authority.**--***

25 Delegating Loan Approval Authority (Continued)

A Receiving Approval Authority (Continued)

Required progress towards delegation of approval authority within:

- 6 months: 1 mock direct loan docket
- 9 months: 1 direct loan docket
- 12 months: 2 more direct loan dockets
- 18 months: All remaining dockets for full authority.

--Note:** DD's, FLC's, and FLS's only need to complete 1 mock docket within 6 months, 1 direct loan docket within 12 months, and the remaining guaranteed loan making docket, direct loan special servicing docket, and required CQR's within 18 months.**--

FLOT's, FLO's, SFLO's, FLM's and CED's will:

- meet credit quality standards in Part 9, Section 4 on a minimum of 5 independently prepared loan dockets identified in paragraph 25.5, of which:
  - 3 must be direct loan making dockets of which, at least 2 must be term loans
  - 1 must be a guaranteed loan making docket
  - ***--**1 must be a direct loan special servicing docket**--***

  Notes: No more than 7 total loan dockets may be submitted to meet this requirement.

  As necessary, the trainer, in coordination with the FLC must coordinate the opportunity for trainees to prepare loan dockets from outside the trainees' routine service area for the employee to meet the number of loan dockets required. With SED concurrence, FLC may coordinate with FLC's from other States to obtain applicable loan dockets, if necessary.

  --**In cases where guaranteed or direct loan special servicing applications are not available to allow the trainee to meet required timeframes, FLC may contact the national FLP training coordinator to obtain a substitution guaranteed or direct loan special servicing training docket to meet this requirement**.** Only 1**-- substitution docket may be used to meet training requirements.

- at the discretion of FLC, be required to submit additional loan dockets, not to exceed 7, meeting credit quality standards, until the trainee demonstrates the ability to make sound credit decisions

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

- be placed on a DO according to subparagraph 21.5 I if the trainee's 3 of the maximum of 7 independently prepared loan dockets fail to meet credit quality standards.

25 Delegating Loan Approval Authority (Continued)

A Receiving Approval Authority (Continued)

DD's, FLC's, and FLS's will:

- meet credit quality standards in Part 9, Section 4 on a minimum of 3 independently prepared loan dockets identified in paragraph 25.5, of which:
  - 1 must be a term direct loan making docket
  - 1 must be a guaranteed loan making docket
  - *--1 must be a direct loan special servicing docket--*

  Notes: No more than 4 loan dockets may be submitted to meet this requirement.

  As necessary, SED may coordinate with SED's from other States to obtain applicable loan dockets, if necessary.

  --In cases where guaranteed or direct loan special servicing applications are not-- available, the FLC may contact the National Office for up to 1 substitution loan docket to meet this requirement.

  * * *

- *--additionally, meet credit quality standards in Part 9, Section 4 on a minimum of 4 Review of Reviewer CQR's, all of which must receive a passing score.

  Note: No more than 6 file reviews may be submitted to meet this requirement.--*

- at the discretion of the SED, be required to submit additional loan dockets meeting credit quality standards, until the trainee demonstrates the ability to make sound credit decisions

  Note: Loan docket reviews cannot be substituted for dockets to obtain loan approval authority.

- be placed on a DO according to subparagraph 21.5 if the trainee's:
  - 2 of 4 independently prepared loan dockets fail to meet credit quality standards
  - 3 of 6 loan docket reviews fail to meet credit quality standards.

25 Delegating Loan Approval Authority (Continued)

A Receiving Approval Authority (Continued)

When a trainee completes the requirements in subparagraphs 21.5 F and G, and receives full delegated loan approval authority, they have completed the training program. Delegated loan approval authority will be documented in FLOTrack, which will deactivate the trainee's training record. Delegation of Loan Approval Authority, including incremental authorities, *--must also be documented in the Delegations of Authority Tracker.--*

Note: For guidance on requesting an extension of time to complete training, see subparagraph 21.5 H. For guidance on addressing training deficiencies, see subparagraph 21.5 I.

25 Delegating Loan Approval Authority (Continued)

B Failure to Receive Loan Approval Authority

--Follow subparagraph 21.5 I 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:

- *--commits to maintaining loan making proficiency through ongoing involvement in FLP activities

- agrees to include in the performance plan under Program Management, Execution of Duties, or similar element the following standard, "Acquires and meets FSA's standards for maintaining loan approval authority and loan servicing authority"

- is able to perform the duties according to 27-PM, Exhibit 7

  Note: 27-PM, Exhibit 7 will be attached to the CED's position description when loan approval authority has been delegated.

- completes the formal Farm Loan Training Program established in subparagraphs 21.5 F and G--*

- 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.

25 Delegating Loan Approval Authority (Continued)

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 * * * authority.

The office or area where CED would be designated by SED to obtain * * * 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 approval 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.

25 Delegating Loan Approval Authority (Continued)

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 Farm Loan Training Program and working toward obtaining loan approval authority, the CED's performance plan includes, under**--*** Program Management, Execution of Duties, or a similar element the following standard, "Successfully completes assigned training and training activities within established timeframes".

25 Delegating Loan Approval Authority (Continued)

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

SED's will submit FSA-2127 to the National Office to request approval for all CED's *--designated to obtain approval 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.

25.5 Loan Dockets

A Docket Types

The loan dockets are completed files that are reviewed to ensure proficiency before delegating loan approval authority, according to paragraph 25, as well as to maintain loan approval authority through credit quality reviews, according to Part 9, Section 4. They must be sufficiently complex to reflect the ability to make sound credit decisions and analyze an applicant's operation.

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.

Loan dockets reviewed must have a final disposition. If a review is to be completed on a loan that is approved but not yet closed, the review official will wait to finalize the review until after the loan is closed and all loan closing documents have been provided by the closing agent for dockets used to obtain loan approval authority. Each type of loan docket has specific requirements that must be followed.

Direct loan making dockets:

- may be approved direct loan applications (including streamlined, microloans and loans processed through AFT)

- may be denied direct loan applications which include a feasibility determination as one of the reasons for denial (excluding streamlined, microloans and loans processed through AFT)

- cannot be youth loans.

Guaranteed loan making dockets:

- must be SEL guaranteed loans

  Note: SEL requests used may be approved or denied when the reason for denial includes a feasibility determination. (Except those that were evaluated in conjunction with a direct down payment loan or direct participation loan, according to 2-FLP, subparagraph 96 D.)

- cannot be PLP, CLP, and EZ guaranteed requests.

25.5 Loan Dockets

A Docket Types (Continued)

--Direct loan special servicing dockets:--

- may be approved PLS applications.
- may be denied PLS applications which include a feasibility determination as one of the reasons for denial

- *--may be approved DBSA or DSA applications.--*

* * *

Notes: Among the dockets submitted for loan approval authority, only 2 may be a Microloan, streamlined loan, AFT, or a denial based on feasibility. * * *

Among the dockets submitted to satisfy annual credit quality requirements, only 1 may be a ML, * * * streamlined loan, AFT, or a denied request (when denial is based on feasibility).

26 Delegating FLP Authority

A Delegating Authorities

Employees who have experience and have completed required training may be delegated listed authorities according to Exhibit 7. The authority to service loans is inherent for employees possessing delegated FLP approval authority according to Part 2.

B Delegations to FLO

FLM's or SFLO's may delegate FLP authorities 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.

C Delegations to PT

FLM's or SFLO's may delegate FLP authorities to LOA's, program assistant's, and PT's.

26 Delegating Loan Servicing Authority (Continued)

D Delegations to CED

*--See 27-PM, Exhibit 7 for FLP responsibilities that may be performed by CED's designated by SED to obtain FLP authority.

E Delegations to AS, LOA, and LRS

FLC's, FLM's, or SFLO's may delegate FLP authorities to AS, LOA, or LRS.--*

27 Maintaining Approval Authority

A Employee Who Accepts New FLP Position Within the State

When an FLP employee with loan approval * * * 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

- *--determine 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 demonstrate loan making proficiency before loan approval authority is delegated. SED, in consultation with the FLC, will review past performance and determine a suitable number of dockets, which may be less than those required 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. An exception may be made by the SED and FLC if loan approval authority was held less than a year before acceptance of the position.--*

C Maintaining Loan * * *Approval Authority

--After loan approval authorities are granted, SED's and FLC's will monitor employees to-- ensure loan * * * actions meet credit quality standards. Loan approval officials must exercise * * * approval authority annually to satisfy nationwide credit quality standards established in *--Part 9, Section 4.--*

D CED's Maintaining Responsibility for FLP Activities

SED, in conjunction with FLC, must determine whether circumstances warranting the *--granting of loan approval authority 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.

* * *

27 Maintaining Approval Authority (Continued)

E Failure to Maintain Loan Approval Authority

--**Consult with AO and HRD 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 (Withdrawn--Amend. 304)

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 Agency must document 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 $2,558,000 for FY 2027.

This limit includes land contract guarantees.

29 Maximum Loan Authorities (Continued)

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

(iii)Any combination of a direct Farm Ownership loan, direct Conservation loan, direct Soil and Water loan, guaranteed Farm Ownership loan, guaranteed Conservation loan, and guaranteed Soil and Water loan-$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 $2,558,000 for FY 2027.--**

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 $2,558,000 for FY 2027.--**

(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 $2,558,000 for FY 2027.--**

(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 $2,558,000 for FY 2027.--**

This limit includes land contract guarantees.

29 Maximum Loan Authorities (Continued)

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 $3,158,000 for FY 2027.--*

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 $3,658,000 for FY 2027.--*

This limit includes land contract guarantees.

29 Maximum Loan Authorities (Continued)

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

--The following table summarizes statutory maximum loan limits for FY 2027. 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	*--$2,558,000--*
Direct OL	$400,000
Guaranteed FO+SW+CL	*--$2,558,000--*
Land Contract Guarantee	$500,000
Direct FO+SW+CL	$600,000
Direct EM	$500,000
Down payment maximum loan amount for each purchase is $300,150	
Maximum Approval for Combined Assistance Types	
OL Total Direct & Guaranteed	*--$2,558,000
FO+CL+SW+ Land Contract Total Direct & Guaranteed	$2,558,000--*
Total Approval for Multiple Assistance Types	
OL+FO+CL+SW+ Land Contract Total Direct and Guaranteed	*--$3,158,000
Total Guaranteed	$2,558,000--*
Total Approval for FO, CL, OL, EM and Land Contract	
OL+FO+CL+SW+EM+ Land Contract Total Direct and Guaranteed	*--$3,658,000--*

29 Maximum Loan Authorities (Continued)

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.

29 Maximum Loan Authorities (Continued)

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 A. * * *			

29 Maximum Loan Authorities (Continued)

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
Personal Property	$200,000	$300,000	Any amount

--*

* * *

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)

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, 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 State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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 **How to File a Program Discrimination Complaint** 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, Mail Stop 9410, 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.**--***

41 Nondiscrimination in FLP (Continued)

D Nondiscrimination Statement on Advertisement of Sale for Inventory Property

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

***--**In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, 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 State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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 ***How to File a Program Discrimination Complaint*** *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, Mail Stop 9410, 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."

41 Nondiscrimination in FLP (Continued)

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

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

***--**In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, 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 State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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 **How to File a Program Discrimination Complaint** 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, Mail Stop 9410, 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."

41 Nondiscrimination in FLP (Continued)

F Discrimination Complaints

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

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

--Note:** If the borrower files a discrimination complaint with FLP personnel, FLP personnel will immediately submit it according to 18-AO, Part 7.**--

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

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

Under no circumstances will FSA:

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

*** * ***

41 Nondiscrimination in FLP (Continued)

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

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

- an authorized agency official from either of the following:
  - same district, but a different county
  - another district
- DD.

Note: Reassignment of processing loan or servicing applications is temporary. When the investigation is closed, and if it is determined that discrimination did not occur, the loan or servicing application will be returned to the appropriate office.

H Monitoring Discrimination Complaints

State Offices will monitor accepted discrimination complaints to ensure compliance with ***--**subparagraphs G and I. The State Office will maintain a file on all accepted discrimination complaints.

Note: On a quarterly basis, LSPMD will provide FLC's with a list of "Open FSA Civil Rights Complaints".**--***

41 Nondiscrimination in FLP (Continued)

I 2008 Farm Bill Acceleration and Foreclosure Moratorium

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

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

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

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

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

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

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

41 Nondiscrimination in FLP (Continued)

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

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

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

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

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

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

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

(1) May 22, 2008, if the borrower had a pending program discrimination claim that was accepted by USDA as valid and the account was at the point of acceleration or foreclosure on or before that date or

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

41 Nondiscrimination in FLP (Continued)

I 2008 Farm Bill Acceleration and Foreclosure Moratorium (Continued)

For borrowers who:

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

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

(1) The day after all rights offered on the Agency notice of intent to accelerate expire if the borrower does not appeal;

(2) The day after all appeals resulting from an Agency notice of intent to accelerate are concluded if the borrower appeals and the Agency prevails on the appeal;

(3) The day after all appeal rights have been concluded relating to a failure to graduate and the Agency prevails on any appeal;

(4) Any other time when, because of litigation, third party action, or other unforeseen circumstance, acceleration is the next step for the Agency in servicing and liquidating the account.

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

- the day after all rights offered on FSA-2521 or FSA-2525 have expired, if the borrower does **not** appeal
- the day after all appeals resulting from FSA-2521 or FSA-2525 are concluded, if the borrower did appeal and FSA prevailed on the appeal
- the day after any appeal rights have concluded relating to the failure to graduate under ***--**4-FLP, 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.

41 Nondiscrimination in FLP (Continued)

I 2008 Farm Bill Acceleration and Foreclosure Moratorium (Continued)

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

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

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

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

--FLB 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. FLB will be FAXed a courtesy copy and notified by separate--* correspondence of the requirements of any Settlement Agreement about interest accrual and offsets.

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

41 Nondiscrimination in FLP (Continued)

J Obtaining Civil Rights Clearance Before Acceleration

State Offices must contact the National Office for civil rights filing clearance before acceleration. Under no circumstance will FSA accelerate an account with an accepted civil *--rights complaint. An application will be used to complete and submit the Civil Rights Clearance Review request. The Civil Rights Review Clearance Tool can be accessed at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/daflptools.aspx**.

Only authorized users will have access to the application. A quick reference guide that outlines information required for a complete submission can be found on the DAFLP SharePoint under Program Based Trainings. The quick reference guide can be accessed at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/programbased.aspx**.

Authorized users include FLC, State Civil Rights Coordinator, and employees responsible for submitting civil rights review requests. Requests for user access can be submitted by FLC's using the Civil Rights Review Clearance Tool Access Request form. The form can be accessed at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/daflptools.aspx**.

Annually, LSPMD will request that FLC's review State Civil Rights contacts and update the form with any changes.

Note: Newly hired FLC's, DSED's, or SED's will need to ensure they are added to appropriate Active Directory Groups in order to access the form.

- See 5-FLP, subparagraph 532 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.--*

41 Nondiscrimination in FLP (Continued)

K Discrimination Complaints Accepted After Acceleration

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

- Foreclosure: if a discrimination complaint is accepted after referral to DOJ, then DOJ will decide if the foreclosure will proceed. Otherwise, under no circumstance will FSA foreclose an account with an accepted civil rights complaint. Foreclosure action may resume on an accelerated account after the discrimination complaint is closed and then only with the consent of DAFLP.

- CNC: an accelerated, foreclosed, or fully mature account which has an accepted discrimination complaint will not be classified as CNC until the discrimination complaint is closed and then only with the consent of DAFLP.

- Cross-servicing: an account at cross-servicing will be recalled if a discrimination complaint is accepted subsequent to referral to the Department of Treasury. See 7-FLP, subparagraph 222 A. After the discrimination complaint is closed, the account may be returned to Treasury for cross-servicing with the consent of DAFLP. See 7-FLP subparagraph 223 D.

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

***--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**.

***--**FSA FLP best practice is to fully review, when practicable, all eligibility, feasibility, and other approval criteria when there is sufficient documentation in the application to support the determination. The purpose of disclosure of all adverse aspects in a determination is to ensure the agency's decision is transparent to customers, and their due process rights are preserved.

Generally, FSA considers an applicant's eligibility prior to consideration of feasibility, security, and other requirements. In determining eligibility, all relevant eligibility criteria must be reviewed before issuance of an adverse determination, when practicable. Additionally, the individual elements of a regulation must be considered as well. For example, an applicant that received prior debt forgiveness is initially considered under 7 CFR 764.101(d)(2); however, it is reasonable for the authorized agency official to determine if the applicant satisfies regulations regarding assessment of past repayment problems per 7 CFR 764.101(d)(3). While both are elements of credit history and technically could stand alone in a determination, it is reasonable that each should be addressed in the adverse decision letter to ensure the agency's determination is supported by substantial evidence.

Feasibility determinations should be addressed in a similar way. For example, if the agency determines the income projections are unrealistic and not supported by sufficient documentation, the authorized agency official shall address all other cash flow concerns, such as adequacy of proposed operating expenses. Both are considered in the final determination of feasibility and must, be addressed in the adverse decision letter if they adversely impact the final determination.**--***

42 Appeals

A General Requirements (Continued)

During the progression of an application review, not all aspects of the loan making or servicing decision are made simultaneously. It may not be possible during an eligibility review to determine the feasibility of the proposal, or if adequate security is available. However, if substantial evidence is available to make a determination, the authorized agency official must take the time to discuss every applicable criterion that is adverse. Should it be unrealistic or unreasonable to address certain aspects, the adverse decision letter must specifically provide that disclaimer. For example, a statement similar to the following must be included in the adverse determination letter: "It should be noted that FSA has not made formal determinations regarding any other loan making criteria at this time, including security, environmental, eligibility or creditworthiness requirements."

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.\

As a reminder, when an appeal involves a guaranteed loan, 7 CFR Part 11 stipulates that when an adverse decision directly affects the applicant or borrower, the agency shall provide appeal rights. The lender would be an "interested party" and would not have appeal rights. However, the lender would be provided appeal rights for decisions involving liquidation plans or loss claims since these do directly affect the lender.

Authorized agency officials should be fully informed of any statutory reference they might be making in adverse decision letters, which may require OGC concurrence prior to issuing an adverse decision letter. For example, if the authorized agency official is uncertain if a previous loss was authorized under Section 353 of the CONACT, they should contact their regional OGC, through the State Office, as appropriate.

Decision letters must clearly state each basis for the adverse determination(s). FSA's explanation of the determination(s) will include specific citation of related sections of CFR. Applicable handbook guidance beneficial to supplement CFR should also be cited within the decision letter.

*--C Withdrawing Adverse Decision

1-APP, paragraph 24 provides guidance for withdrawing an adverse decision from the administrative appeals process. All FLP decisions to withdraw an adverse decision must be approved by FLC or designated State Farm Loan Specialist. The withdrawal letter should be addressed to the borrower with copies provided to the mediator or NAD as appropriate. A copy of the letter should be provided to the local service center for inclusion in the borrower's case file.**--***

42 Appeals (Continued)

*--D Adverse Decisions Involving Valuations

Text on appraisal reviews provided in subparagraphs E, F, and G 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 appraisal, personal property appraisal, or real estate evaluation except when either of the following applies:

- the valuation is for PLS or preservation servicing and 5-FLP requires using a specific form or exhibit

- the valuation in question was associated with or connected to, an FSA decision wherein appeal rights were previously offered and concluded.

Notes: Valuations may only be reconsidered or appealed. Mediation is not available on real estate appraisals, personal property appraisals, or real estate evaluations.

See subparagraph 144:

- C for additional guidance about handling real estate independent technical appraisal reviews received from an applicant or borrower

- D for additional guidance about handling personal property independent appraisal reviews received from an applicant or borrower

- E for additional guidance about handling real estate evaluation independent reviews received from an applicant or borrower

- H for additional guidance when an applicant or borrower identifies errors in an--* appraisal.

42 Appeals (Continued)

E Real Estate Appraisals

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

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

Independent Technical Appraisal Review

If you believe the real estate appraisal FSA obtained is incorrect for reasons other than those stated above, you may obtain an independent technical appraisal review. The issue under reconsideration will be whether FSA's real estate appraisal is consistent with the Uniform Standards of Professional Appraisal Practice. If you want this option, you must include a copy of the independent technical appraisal review, or notify this office of your intent to obtain an independent technical appraisal review, in your request for reconsideration. This review must be provided to this office at the time of or before the reconsideration meeting. You must pay to obtain a current independent technical appraisal review from a State-certified general appraiser. The appraiser and the independent technical appraisal review must meet the standards contained in FSA regulations. You may request a copy of the regulations from this office. If you cannot find a qualified appraiser to conduct the independent technical appraisal review, a list of qualified appraisers is available in this office.

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

42 Appeals (Continued)

***--F Personal Property Appraisals**

The following text will be added to the reconsideration paragraph in adverse decision letters involving a personal property appraisal.

You may request a copy of the personal property 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 personal property 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 personal property 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.

42 Appeals (Continued)

***--G Real Estate Evaluations**

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

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

Independent Evaluation Review

If you believe the real estate evaluation FSA obtained is incorrect for reasons other than those stated above, you may obtain an independent evaluation review. The issue under reconsideration will be whether FSA's real estate evaluation is consistent with the present market value of real estate in your area. If you want this option, you must include a copy of the independent evaluation review, or notify this office of your intent to obtain an independent evaluation review, in your request for reconsideration. You must pay to obtain a current independent evaluation review. This review must be provided to this office at the time of or before the reconsideration meeting. The evaluation 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 individual to conduct the independent evaluation review, a list of qualified appraisers is available in this office.

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

H Nondiscrimination Statement

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

42 Appeals (Continued)

H 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 follow-up.

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 Background

OMB guidance found in 2 CFR Part 180, subparts A through I is adopted by 2 CFR Part 417, thereby giving regulatory effect for USDA to the OMB guidance. 2 CFR Part 417 satisfies the requirements in:

- section 3 of Executive Order 12549 of February 18, 1986 (3 CFR Part 1986 Comp., p. 189)
- Executive Order 12689 of August 16, 1989 (3 CFR Part 1989 Comp., p. 235)
- 31 U.S.C. 6101 (Pub. L. 103-355, Section 2455 and 108 Stat. 3327).

Procurement debarment by any Federal agency is restricted according to 48 CFR 9.4. See 1-APP, paragraph 28 and 1-CM, paragraph 823 for additional information.

Parties subject to debarment and suspension will be found in SAM Exclusion Records, which are obtained through the DNP portal. Specific guidance on using DNP is provided in paragraph 53. See Exhibits 15.5 and 15.6 for additional guidance on using the DNP system.

Notes: When apparent 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 with the returned results.

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

B FLP Consideration of Non-Procurement Debarment and Suspension

--As required by 2 CFR 180.970(a)(6), individuals, or in the case of an entity, entities,-- embedded entity members, or individual entity members who have been debarred or suspended from government non-procurement programs cannot participate in transactions with FSA when applying for 1 of the following:

- a direct loan, as addressed in 3-FLP, paragraph 75
- a guaranteed loan, as addressed in 2-FLP, subparagraph 108 M
- a subordination according to 4-FLP, Part 6, Section 2, as addressed in 4-FLP, subparagraph 7 A
- an assumption of debt according to 4-FLP, Part 9, as addressed in 4-FLP, subparagraph 7 A

43 Debarment and Suspension (Continued)

B FLP Consideration of Non-Procurement Debarment and Suspension (Continued)

- ***--**a distressed borrower set-aside according to 5-FLP, Part 2, as addressed in 5-FLP, subparagraph 7 A**--***

- a current market value buyout resulting in a loss to FSA according to 5-FLP, Part 8, as addressed in 5-FLP, subparagraph 7 A

- a shared appreciation agreement according to 5-FLP, Part 9, as addressed in 5-FLP, subparagraph 7 A.

--**As required by 2 CFR 180.970(a)(7) and 7 CFR 762.105(b)(5), lenders who have been**-- debarred or suspended from government non-procurement programs cannot obtain an FSA guarantee.

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

- before approving CLP status or before recommending PLP status to DAFLP for approval
- during the review of lender's status according to 2-FLP, paragraph 267.

Loan approval officials will review SEL's and their officers and agents before issuing FSA-2201 to the lender for the first time and then annually thereafter.

43 Debarment and Suspension (Continued)

*--C FLP Consideration of Procurement Debarment and Suspension

Attorneys, title companies, title insurance companies, or closing agents conducting loan closing activities who have been debarred or suspended from government procurement programs cannot participate in transactions with FSA. The authorized agency official will check the SAM Exclusion Records, which are obtained through the DNP portal, before providing FSA-2341 or FSA-2342. If the attorney, title company, title insurance company, or closing agent selected is debarred or suspended, the applicant must make a new selection.

D Causes for Debarment or Suspension

The causes for initiating and the actions required to initiate debarment or suspension:

- debarments are addressed in 2 CFR Part 180, Subparts F and H, and 2 CFR Part 417, Subpart H

- suspensions are addressed in 2 CFR Part 180, Subparts F and G, and 2 CFR Part 417, Subpart G.

E Exceptions

Only the Secretary of Agriculture or designee may grant a written exception permitting a debarred or suspended person or entity to participate in an FLP-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-2301, * * *, 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:

45 Allocating Loan Program Funds (Continued)

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.

45 Allocating Loan Program Funds (Continued)

G Distribution of Farm Loan Funds by State Offices

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

H Target Participation Rates for Socially Disadvantaged Target Groups

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

(2) The Agency sets the target participation rates for State and County levels annually.

(3) When distributing loan funds in counties within Indian reservations, the Agency will allocate the funds on a reservation-wide basis.

(4) The Agency reserves and allocates sufficient loan funds to achieve these target participation rates. The Agency may also use funds that are not reserved and allocated for socially disadvantaged groups to make or guarantee loans to members of socially disadvantaged groups.

I FO and CL's Based on Ethnicity or Race

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

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

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

--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.**--

45 Allocating Loan Program Funds (Continued)

K Target Participation Rate for Women Farmers

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

(i) State is equal to the percent of farmers in the State who are women.

(ii) County is equal to the percent of farmers in the county who are women.

(2) In developing target participation rates for women, the Agency will consider the number of women who are current farmers and potential farmers.

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. *** * *** Down payment funds are reserved until April 1 of each FY.

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

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

*** * ***

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.

45 Allocating Loan Program Funds (Continued)

M CL Funds (Continued)

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

N Transfer of Funds

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

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

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

B Maintaining the Accuracy of Name and Address Information

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

County Offices shall view the following reports, available through the FSA Data Marts, using the 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.

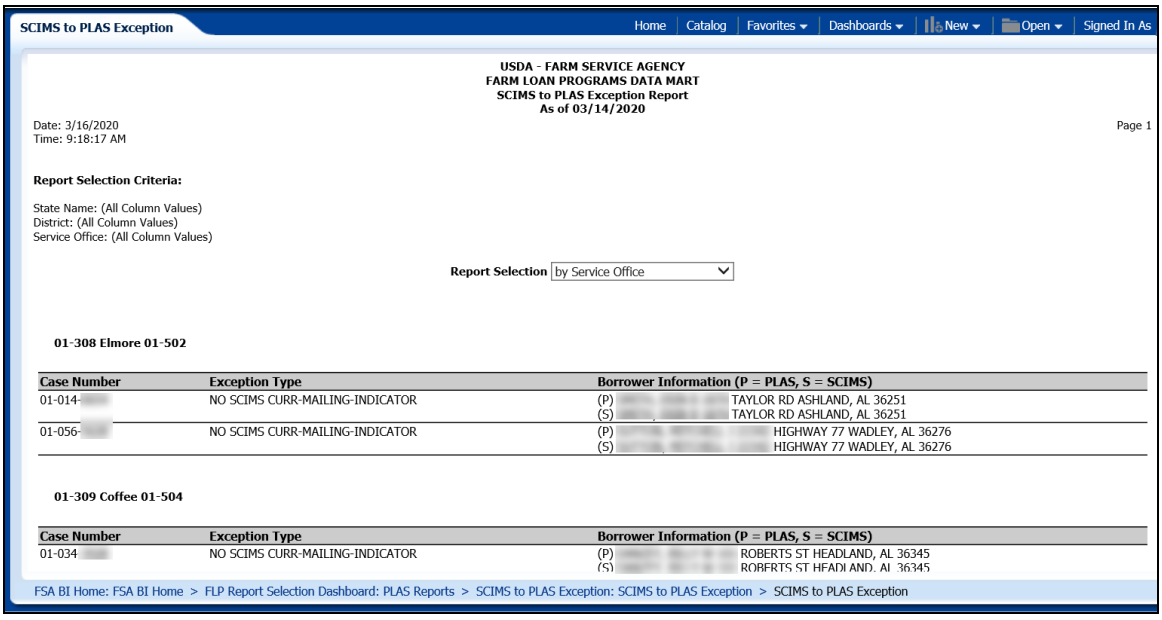
Case Number	Exception Type	Borrower Information (P=PLAS, S=SCIMS)
XX-XXX-XXXX	SCIMS TAXID INACTIVE	(P) SMITH, MARIA A 246 ELM HWY MONROE, AL 12345 (S) SMITH, MARIA A 123 COUNTY RD MONROE, AL 12345

--*

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

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

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



SCIMS to PLAS Exception

Home | Catalog | Favorites | Dashboards | New | Open | Signed In As

USDA - FARM SERVICE AGENCY
FARM LOAN PROGRAMS DATA MART
SCIMS to PLAS Exception Report
As of 03/14/2020

Date: 3/16/2020
Time: 9:18:17 AM

Page 1

Report Selection Criteria:

State Name: (All Column Values)
District: (All Column Values)
Service Office: (All Column Values)

Report Selection by Service Office

01-308 Elmore 01-502

Case Number	Exception Type	Borrower Information (P = PLAS, S = SCIMS)
01-014-	NO SCIMS CURR-MAILING-INDICATOR	(P) TAYLOR RD ASHLAND, AL 36251 (S) TAYLOR RD ASHLAND, AL 36251
01-056-	NO SCIMS CURR-MAILING-INDICATOR	(P) HIGHWAY 77 WADLEY, AL 36276 (S) HIGHWAY 77 WADLEY, AL 36276

01-309 Coffee 01-504

Case Number	Exception Type	Borrower Information (P = PLAS, S = SCIMS)
01-034-	NO SCIMS CURR-MAILING-INDICATOR	(P) ROBERTS ST HEADLAND, AL 36345 (S) ROBERTS ST HEADLAND, AL 36345

FSA BI Home: FSA BI Home > FLP Report Selection Dashboard: PLAS Reports > SCIMS to PLAS Exception: SCIMS to PLAS Exception > SCIMS to PLAS Exception

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 correct invalid information.
SCIMS CONTAINS “INVALID”		
SCIMS CONTAINS “DELETED”		
SCIMS CONTAINS “UNKNOWN”		
SCIMS CONTAINS “INACTIVE”		

--*

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

*--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	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.
NO SCIMS MATCH FOR PLAS PERSON		
SCIMS TAXID INACTIVE	Tax ID code in SCIMS is set to "Inactive".	**Contact the State Office.**
NO SCIMS INFORMATION FOR TAXID	Borrower is not present in SCIMS.	**Research and determine whether BP input is required. Input should be justified by more than clearing the exception.**
SCIMS ADDRESS EXCEEDS 38 CHARACTERS	The borrower's delivery address in SCIMS exceeds the characters accommodated in PLAS address fields (2 address fields of 19 characters each). In this case, delivery address information is truncated during the nightly update process.	**Modify address information in BP to condense it, using standard USPS abbreviations.**

Notes: Users must exercise caution when entering/modifying information for "Delivery Address" in BP, as there is no exception type provided for invalid name/address.

Misspelling a name or an invalid address in BP will result in an update from SCIMS to PLAS that is inaccurate and may not be detected until mail is returned as undeliverable.**--***

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

*--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".

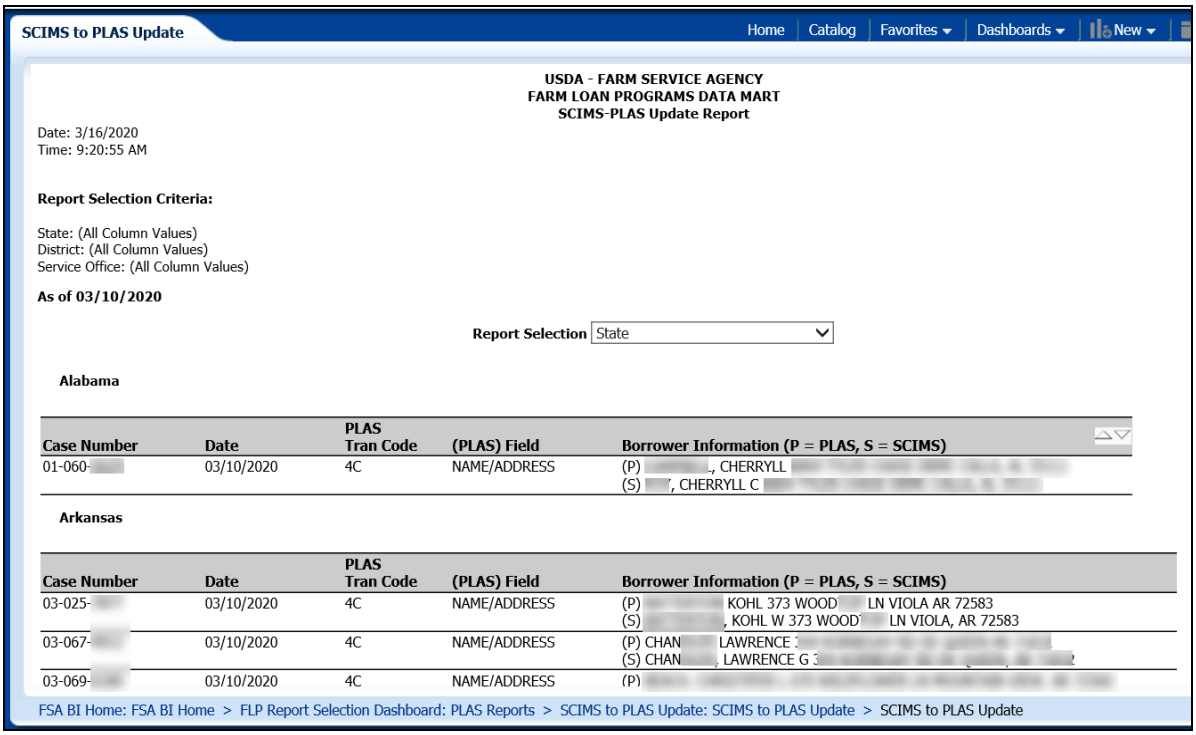
D SCIMS-PLAS Update Report

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.

Case Number	Date	PLAS 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.



--*

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

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

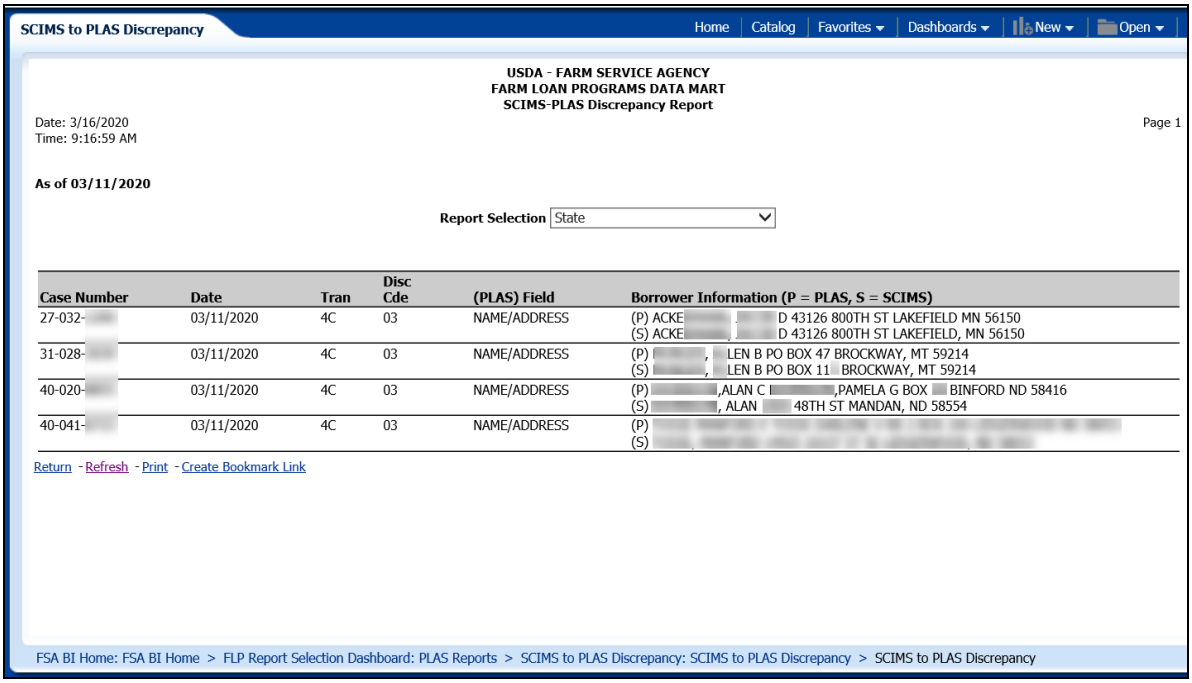
The SCIMS-PLAS Discrepancy Report lists TC 4C discrepancies that resulted from the previous night's update. These discrepancies are the same as ADPS discrepancies on PLAS; *--however, they will not appear on ADPS. These discrepancies must be corrected by RD Business Center. Users shall contact RD Business 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.

Case Number	Date	Tran	Disc 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.



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

*--F FLP Geo State and County Codes and FLP Service Center Mail Codes

Counties and Service Centers are assigned identifiers to properly indicate location. These identifiers are as follows.

- FLP Geo State and County Code – This is a 5-digit code that corresponds to a specific county in a State. These codes do not change unless the State adds a new county. The first 2 digits represent the State code, the third digit is "0", and the fourth and fifth digits represent the county code.

  Example: 18-066

- FLP Service Center Mail Code – This is a 5-digit code that identifies the office that administers a borrower's account. These will match the FLP Geo State and County code for that location, except that the third digit is always "3", indicating that it is a mail code indicator. Service Center codes must not be created to align with the Service Center of the assigned loan staff. Instead, Service Center codes are only created to match the location of the Service Center. This code is used as the sorting method when reports are generated by RDBCSO, and for DLS dashboard view for the Service Center, or used as filter criteria in the FLP OBIEE Reports.

  Example: 18-366

- FLP District Office Code – FLP District Offices are identified by a 5-digit code. The first 2 digits represent the State code, the third digit is always "5", indicating that it is a District Office code, and the fourth and fifth digits are assigned sequentially. The FLP District Office code does not relate to county codes associated with the FLP Geo State and County code.

  Example: 19-503

Each borrower account is assigned identifiers that are used in delineating system access and data update authorizations, reporting filter criteria, and FLP mailing processes. The FLP Geo State and County code assigned will be the county where the applicant's or borrower's farm operation headquarters is located. In situations where an operation is located in multiple State or county jurisdictions, the operation headquarters will typically be the location where the majority of operational and production activities occur. The FLP Service Center mail code assigned will be the FLP Service Center that typically services the assigned FLP Geo State and County code.

When an applicant's or borrower's account must be transferred to a different Service Center because of a conflict of interest according to 3-PM, Part 5, the applicant's or borrower's FLP Service Center mail code is changed to the new Service Center location, and the FLP Geo State and County code remains the same. This change is accomplished by processing a "Manage Mail Code" action in DLS Customer Management.**--***

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

*--F FLP Geo State and County Codes and FLP Service Center Mail Codes (Continued)

When a Service Center is being closed or a new service is added, FSA-2125 is completed and sent to RDBCSO, Program Reporting Branch. RDBCSO will complete a block 9G transaction to move all borrowers in the applicable counties to the new Service Center. The DLS User Guide has detailed guidance on this process.--*

G 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-2301, and FSA-2683.

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

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

47 Ensuring Borrower Compliance With Restrictions on Lobbying (Continued)

C Disclosure of Lobbying Activities

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

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

- A cumulative increase of $25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action.

- A change in the persons or individuals influencing or attempting to influence a covered Federal action.

- A change in the officers, employees, or members contacted to influence or attempt to influence a covered Federal action.

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

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

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

- SED

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

47 Ensuring Borrower Compliance With Restrictions on Lobbying (Continued)

D USDA Certification and Disclosure Requirements

*--

2 CFR 418.110 Certification and Disclosure*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

--*

47 Ensuring Borrower Compliance With Restrictions on Lobbying (Continued)

D USDA Certification and Disclosure Requirements (Continued)

*--

(e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraphs (a) and (b) of this section. That person shall forward all disclosure forms to the agency.

(f) Any certification or disclosure form filed under paragraph (e) of this section shall be treated as a material representation of fact upon which all receiving tiers shall rely. All liability arising from an erroneous representation shall be borne solely by the tier filing that representation and shall not be shared by any tier to which the erroneous representation is forwarded. Submitting an erroneous certification or disclosure constitutes a failure to file the required certification or disclosure, respectively. If a person fails to file a required certification or disclosure, the United States may pursue all available remedies, including those authorized by section 1352, title 31, U.S. Code.

(g) For awards and commitments in process prior to December 23, 1989, but not made before that date, certifications shall be required at award or commitment, covering activities occurring between December 23, 1989, and the date of award or commitment. However, for awards and commitments in process prior to the December 23, 1989 effective date of these provisions, but not made before December 23, 1989, disclosure forms shall not be required at time of award or commitment but shall be filed within 30 days.

(h) No reporting is required for an activity paid for with appropriated funds if that activity is allowable under either Subpart B or C [of 2 CFR Part 418].

--*

48 Credit Reports

A Overview

FSA uses credit reports to assist in determining:

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

--See 3-FLP for direct 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 G.**--***

If the issue is significant and the State Office needs assistance in resolving, the State Office will 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 H.--*

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

Applicants submitting applications through OLA have the option to pay their credit report fee online. OLA will determine the amount owed by the applicant based on applicant type and number of co-applicants.

I Recording Fees

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

J Processing Credit Report Fees

NRRS users will use FMD External SOP ES2200-10-001, Establishing and Reporting Receipts and Receivables for instructions on processing credit reports 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/program-areas/daflp/flp-manuals/DLS_User_Guide.pdf**.

49 DLS (Continued)

C Maintaining and Updating DLS

FPAC Information Solutions Division, Service Delivery and Operations Branch, Farm Loan Section 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.

If DLS has incorrect information or is limiting action to be completed, State and County Office employees must submit a remedy ticket requesting corrections. This applies to the DLS functions only and not to accounting type changes. Accounting changes will be made following the guidance in subparagraph 52 I.

D Security

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

--E Important Calendar Year 2026 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 2026 can be processed to be reflected on FSA-2065 for 2026 and related IRS forms	Thursday, January 7, 2027	
Transactions, Suspension, and Enabled Dates		
Transactions	**Suspension Date**	**Enabled Date**
• TC 4A • TC 4D • SCIMS to PLAS data upload to create TC 4C **Notes:** MIDAS CRM data **must** be entered by December 30, 2026, to generate TC 4C on December 31, 2026. 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 31, 2026	January 11, 2027

--*

50 GLS

A Purpose and Overview

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

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

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

B GLS User Assistance

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

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

50 GLS (Continued)

C Responsibility for Maintaining and Updating GLS

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 2026 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 activity dated in calendar year 2026 can be processed to be reflected on 2026 IRS forms.	Thursday, January 7, 2027	
Transactions, Suspension, and Enabled Dates		
Transactions	**Suspension Date**	**Enabled Date**
• TC 4A • TC 4C • TC 4D **Note:** Transactions for Debt Offset Collection, Refund, and Write-off maintenance **cannot** be processed during this period.	December 31, 2026	January 11, 2027

--*

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 FLB, 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 *--FLB using special routing codes--*

- view received, processed, and corrected payment activity

- view acquired property information and detailed history of transactions processed for an acquired property.

52 ADPS (Continued)

C ADPS Assistance

ADPS Online Help is:

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

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

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

D Requesting Changes to the User Documentation

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

USDA Rural Development
User Documentation Staff
*--211 North Broadway, Floor 11
St. Louis, MO 63102--*

52 ADPS (Continued)

E Maintaining Program Records

--When submitting transaction information through ECM to FLB 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.

52 ADPS (Continued)

H State Office Action

--SED will 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 Requesting Corrections to ADPS Records

RDBCSO maintains the accounting system in ADPS for all farm loans. When corrections are needed to loan information, the request is submitted to RDBCSO. Servicing offices will prepare FSA-2446 and submit to the State Office account coordinator. The State Office account coordinator will verify the request and send the completed form, by FAX to ECM, to RDBCSO for account adjustments or corrections.

J ADPS and DLS TC's and Titles

The following provides ADPS TC's and titles.

TC	Title
1A **2/**	Direct or Guaranteed Loan - Obligation Only
1C **2/**	Check Request
1D **2/**	Cancellation of Loan/Grant - Obligation Only
*--1E **2/**--*	Check Cancellation - Obligation Retained

1/ Transactions processed by FLB and GCB.
2/ Transactions processed through DLS to PLAS.

52 ADPS (Continued)

J ADPS and DLS TC's and Titles (Continued)

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

1/ Transactions processed by FLB and GCB.
2/ Transactions processed through DLS to PLAS.

52 ADPS (Continued)

J ADPS and DLS TC's and Titles (Continued)

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

1/ Transactions processed by FLB and GCB.
2/ Transactions processed through DLS to PLAS.

52 ADPS (Continued)

J ADPS and DLS TC's and Titles (Continued)

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

1/ Transactions processed by FLB and GCB.
2/ Transactions processed through DLS to PLAS.

52 ADPS (Continued)

J ADPS and DLS TC's and Titles (Continued)

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

1/ Transactions processed by FLB and GCB.
2/ Transactions processed through DLS to PLAS.

52 ADPS (Continued)

--K Important Calendar 2026 Year-End Dates--

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

Action	Date	
Loan Activity Cutoff – the last day that loan activity dated in calendar year 2026 can be processed to be reflected on FSA-2065 for 2026 and related IRS forms.	Thursday, January 7, 2027	
Availability of ADPS Terminals		
Transaction Processing: Terminals will be available to provide additional time for initial transaction entry and discrepancy correction before preparing the Annual Statements.	Saturday, December 5, 2026 Saturday, December 12, 2026 Saturday, December 19, 2026 Saturday, December 26, 2026 Terminals available from 6 a.m. to 3 p.m. c.t.	
Loan Activity Cutoff: Transactions processed through the terminals before the Loan Activity Cutoff will be reported for 2026.	Thursday, January 7, 2027 Terminals available from 6 a.m. to 7 p.m. c.t.	
Transaction suspension/Enabled Dates		
Transactions	**Suspension Date**	**Enabled Date**
TC 4A TC 4C TC 4D TC 4F TC 4G TC K4	December 31, 2026	January 11, 2027

--*

53 DNP

A Overview

The DNP database is used to make informed decisions in the identification, mitigation, and elimination of improper payments. DNP provides innovative customer and data-driven solutions that reduce the improper payment footprint across federally funded and State-administered programs.

The DNP portal allows access to search the following databases to verify eligibility of *--payments, awards, and loan assistance. Before issuing any payment, award, or loan assistance, FSA will review, as appropriate, the following databases:--*

- Death Master File – death records maintained by SSA
- NAPHSIS Electronic Verification of Vital Events – Fact of Death
- American InfoSource Death Data – Obituary
- American InfoSource Death Data – Probate
- Credit Alert System or CAIVRS of the Department of Housing and Urban Development
- Department of Defense Death Data
- Department of State Death Data
- Office of Foreign Assets Control
- SAM Exclusion Records – Restricted
- SAM Entity Registration Records
- TOP - Debt Check.

See:

- Exhibit 15.5 for DNP overview, points of contact, and account access
- *--Exhibit 15.6 for directions about searching the DNP database.--*

* * *

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 Enterprise Data Ware House Production Home Page at **https://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.

*--54.5 RDBCSO Reports

A Overview

RDBCSO has discontinued mailing the FSA monthly, bi-monthly, quarterly, and annual reports. The reports are now encrypted, saved as PDF, and emailed to the **RD-SO-FSAReports@usda.gov** distribution list.

B User Assistance

For access to the reports, have the State SLR submit a CEC Digital Workplace ticket at **https://usdacts-myit.fed.onbmc.com/dwp/app/#/catalog** to request to be added to the **RD-SO-FSAReports@usda.gov** distribution list. If there are any questions, contact PRB at **RD.SO.BOSD.PRB@usda.gov** or 314-457-4310.

C RDBCSO Reports and Descriptions

The following tables provide the RDBCSO reports and descriptions that will be emailed to the **RD-SO-FSAReports@usda.gov** distribution list.

FSA Monthly Reports	Description
RC 542	Dwelling Retention Monthly Payment Status
RC 547A	Status Report of Conservation Easement Delinquent and Non-Delinquent Borrowers
RC 565A	Borrowers with Expiring Equity Recapture Agreements Borrower Detail
RC 565B	Borrowers with Expiring Equity Recapture Agreements State Summary - District Recap
RC 565D	Equity Recapture Receivables Past Due Borrower Detail
RC 565E	Equity Recapture Receivables Past Due State Summary - District Recap
RC 573H	Farm Credit Program Borrowers Refinanced Through Other Credit Sources
RC 593K	National Summary Farm Credit Programs Inventory Property Suitable to Surplus - Exception Report
RC 595A	Cash Receivable Due for Acquired Property Farm Credit Programs by State/County Code & District Code
RC 595C	Cash Receivable Due for Acquired Property Farm Credit Programs by State/County Code
RC 597A	Farm Credit Programs Inventory
RC 597B	Farm Credit Programs Inventory Lease Account Balances

FSA Bi-Monthly Report	Description
RC 531A	Report of Unclosed Loans

--*

54.5 RDBCSO Reports (Continued)

C RDBCSO Reports and Descriptions (Continued)

FSA Quarterly Reports	Description
RC 655A	Status of Net Recovery Buyout Borrower Detail
RC 655G	Status of Shared Appreciation Borrower Detail
RC 655J	Status of Partial Sales Borrower Detail
RC 661E	Farm Credit Programs Deferred Loan Accounts
RC 676A	Report of Flagged Accounts

FSA Annual Report	Description
RC 830A	Inventory of Debt Instruments Held by Local Servicing Office

55 Type of Assistance and Fund Codes

A Fund Codes

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

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

See Exhibit 16 for a list of fund codes.

B Type of Assistance Codes

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

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

56 NATS

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 personal property appraisal orders for direct loans

- process and track third party real estate and personal property reviews--*

56 NATS (Continued)

A Purpose and Overview (Continued)

- *--process and track guaranteed (when applicable) real estate, personal property, and evaluation reviews

- complete administrative reviews, technical reviews, and personal property 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.

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.

56 NATS (Continued)

B User Assistance (Continued)

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.

* * *

C Security

Authorized users may access NATS using their eAuthentication ID. New users must request access by completing and submitting FSA-13-A, providing EAS role and jurisdiction as determined by FLC, according to appropriate IRM directives and the NATS user guide.
* * *

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 list of AgLearn courses for each EAS role can be found in Exhibit 19.

*--57 DMT

A Purpose and Overview

State Offices are required to submit all FLP directives to the National Office for prior or post approval except for those listed as exceptions in 1-AS, subparagraph 220 B. The DMT is built on the ServiceNow platform and is used to create, track, and manage FLP directives, including State notices, handbook amendments, and State and national forms.

B User Assistance

The DMT can be accessed on the FPACNow Services landing page at **https://usdafpacbc.servicenowservices.com/fpacnow**.

The FLP DMT User Guide for State Directives and trainings can be found on the DAFLP SharePoint site at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/applicationbased.aspx#common-applications-guides**.

C Security

Authorized users may access the DMT using their eAuthentication ID. FLC's can request Originator role access for State users by sending an email request to the DMT State Directives Coordinator Lora Morris at **lora.b.morris@usda.gov**.--*

57 DMT (Continued)

D User Roles and Responsibilities

The following table displays the DMT user roles and responsibilities.

DMT User Role	Responsibilities
Originator	Create DMT tickets and control the movement of the directive through all the phases in the DMT. This role requires FLC approval and will be a state office employee.
Note: An Originator may not be responsible for the drafting and content of a particular directive but is always responsible for the establishment and monitoring of a directive in DMT. **For each separate directive, Originators must identify employees to serve in 1 of 3 roles:**	
Collaborators	Provide editorial input on the document in the pre-drafting and drafting phases (anyone in the State who is helping with the directive including the FLC).
Concurrence POC's	Provide input and sign-off on the directive in the Concurrence Phase (the 3 divisions LMD, LSPMD and POAD).
Clearance POC's	Provide input and sign-off in the Clearance Phase (FLC's and SED's).
Note: Originators, Concurrence, and Clearance POC's all have the option of having a delegate that can act on their behalf.	

D National Office Division Concurrence POC's

The following table lists the National Office Division Concurrence POC's.

National Office Division Concurrence POC's		
LMD	***--**LSPMD will be reviewing for LMD**--***	*** ***
LSPMD	Carolyn Estrada J. Lee Nault (delegate)	**carolyn.estrada@usda.gov** **lee.nault@usda.gov**
POAD	Travis Martin Brian Rueckl (delegate)	**travis.martin@usda.gov** **brian.rueckl@usda.gov**

58-59 (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 DMB 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
B	Delinquent
C	In Default
E	Contested
F	In Liquidation
G	Foreclosure Started
H	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
O	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.

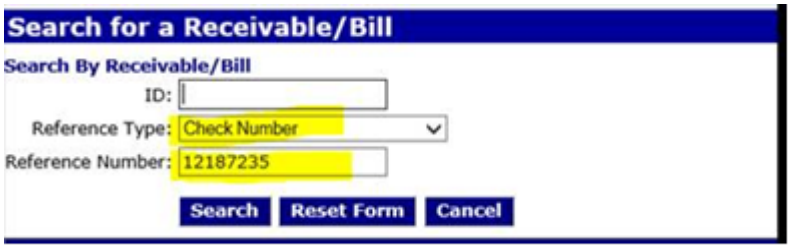
*--62 FLP Dishonored Remittances

A Search Options

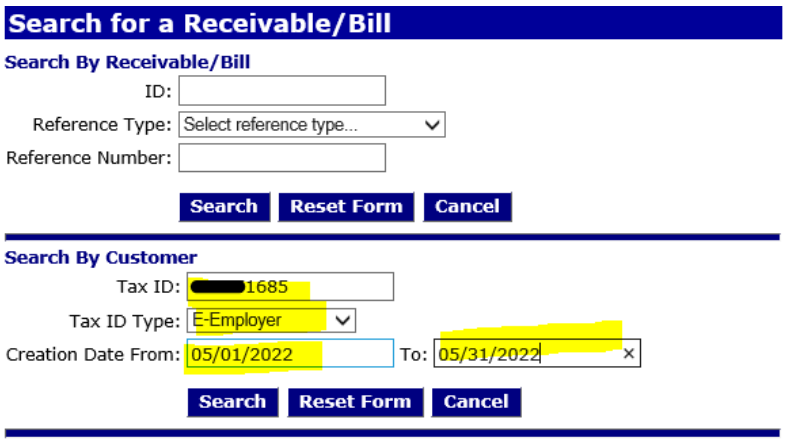
[7 CFR 761.11] The Agency will charge a fee for payment transactions which are dishonored by their financial institution.

The fee amount will be $25 for each dishonored payment. A receivable will be established in NRRS. The following are 2 options to search for a dishonored check fee receivable in NRRS:

- search by receivable/bill by selecting "Check Number" in the "Reference Type" drop-down list and entering the remittance ID number in the "Reference Number" field



- search by customer's tax ID and tax ID type and the date range if there are more than 50 receivables created for that customer.



--*

62 FLP Dishonored Remittances (Continued)

B County Office Action

After receipt of notifications of a dishonored payment, the County Office will complete the following actions as outlined in 64-FI, subparagraph 45 B.

Step	Action
1	Notify the payer by telephone and confirm by letter that a replacement remittance is due immediately, and must be 1 of the following: • debit card • certified or cashier's check • money order.
2	Take the necessary steps to secure collateral or other property affected by the dishonored check. When notified a check is dishonored: • immediately take steps to prevent removal of loan collateral or other property based on the dishonored check • for insufficient funds or no account, establish safeguards to prevent the removal of collateral or other property based on other uncertified checks from the same person or organization.

*--63 LexisNexis

A Use of LexisNexis

LexisNexis provides computer-assisted legal, business, and risk management research services. Its Accurint system provides efficient search technology to locate real estate transactions and ownership data; lien, judgment, and bankruptcy records; as well as professional license information and historical addresses. Additionally, its Courtlink system provides for online searches of more than 1,250 Federal and State court dockets.

Upon FLC recommendation, SED may request LSPMD obtain a LexisNexis Accurint report for the following types of borrowers who are delinquent or in non-monetary default**:**

- complex cases involving FSA adverse action proceedings, where it is likely that a borrower may have significant assets outside of the servicing official's normal servicing area

  Note: Requests within the normal servicing area may be considered if the area covers multiple counties and it is not cost-effective for agency officials to complete the asset search based upon travel and the inability to complete online searches for local records.**--***

***--63 LexisNexis (Continued)**

A Use of LexisNexis (Continued)

- large monetary or complex debt settlement applications
- restructures where FSA will not be fully secured
- disappeared borrowers where FSA efforts to locate them have not been successful as provided in 5-FLP, subparagraph 67 C. The FBP running case record must detail the unsuccessful efforts previously taken by servicing officials.

Note: Unless OGC provides a written opinion in support of a search, FSA should not request asset searches for borrowers who filed bankruptcy, as the bankruptcy records contain a detailed list of the borrower's assets.

All requests for LexisNexis searches will be made using FSA-2050. FLC must submit FSA-2050 by email to DAFLP at SM.FSA.DCWa7.DirectLoans or **fsadirectloans@usda.gov**. The email subject should read "LexisNexis – (Borrower's Name and State)".**--***

64-100 (Reserved)

Part 4 Supervised Bank Accounts

101 Overview

A Supervised Bank Account

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

B Establishing a Supervised Bank Account

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

(1) Assure correct use of funds planned 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

--Note:** See 4-FLP subparagraphs 163 C or 196 F for details about Administrator's Exception authority when an account cannot be established for items (1) and (2) because of local lender policies.**--

(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.

102 Establishing a Supervised Bank Account

A Selecting a Financial Institution

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

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

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

B Opening a Supervised Bank Account

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

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

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

The authorized agency official is not required to provide his or her SSN to the financial institution. Government agencies are exempt from the requirements of the Customer *--Identification Program. See 3-FI and 64-FI.--*

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

C Type of Account

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

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

102 Establishing a Supervised Bank Account (Continued)

D Account Balance Exceeding the Maximum Amount Insured by the Government

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

*** * ***

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

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

- FMD FINANCIAL SYSTEMS AND PROCEDURES BRANCH
  STOP 0581
  1400 INDEPENDENCE AVE SW
  WASHINGTON DC 20250-0581

- FAX: 703-305-1144.

FMD will coordinate the collateralization with the financial institution.

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

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

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

103 Supervised Bank Account Transactions and Monitoring

A Deposits

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

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

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

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

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

B EFT Transactions

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

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

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

103 Supervised Bank Account Transactions and Monitoring (Continued)

C Withdrawals from a supervised bank account

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

(1) Sufficient funds in the supervised bank account are available;

(2) No loan proceeds are disbursed prior to confirmation of proper lien position, except to pay for any lien search if needed;

(3) No checks are issued to "cash"; and

(4) The use of funds is consistent with the current farm operating plan or other agreement with the Agency.

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

D Withdrawal Without Borrower Signature

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

(1) For application on Agency indebtedness;

(2) To refund Agency loan funds;

(3) To protect the Agency's lien or security;

(4) To accomplish a purpose for which such advance was made; or

(5) In the case of a deceased borrower, to continue to pay necessary farm expenses to protect Agency security in conjunction with the borrower's estate.

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

103 Supervised Bank Account Transactions and Monitoring (Continued)

E Documentation

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

F Interest

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

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

G Reconciliation

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

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

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

*--H Annual Review

The State Office will review all SBA's at least annually, no later than September 30 of each FY, 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. The review will be stored in the State Office FLPF-4-a routine servicing reports file. If there are no open SBA's, this will be noted on the annual review.**--***

*** * ***

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.

[7 CFR 765.205(c)] ***Subordination of real estate security.*** **For loans secured by real estate, the Agency will approve a request for subordination subject to the following conditions:**

***--(xiii) Any planned development of real estate security will be performed as directed--* by the lessor or creditor, as approved by the Agency, and will comply with the terms and conditions of § 761.10** (this part) **of this chapter.**

122 Borrower Requirements for Preparing a Construction and Development Plan

A Applicability

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

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

An applicant for a subordination to a commercial lender where loan funds will be used for construction or repair of farm dwellings, service buildings, or land development must submit a construction and development plan to FSA before approval of the subordination.

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; and--*

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

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

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

C Scheduling, Planning, and Completing Development Work

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

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

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

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

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

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

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

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

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

D Qualified Technical Services

The applicant or borrower:

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

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

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

E Construction and Repair Standards

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

(2) All improvements to a property must conform to applicable laws, ordinances, codes, and regulations.

(3) The applicant or borrower is responsible for selecting a design standard that meets all applicable local and state laws, ordinances, codes, and regulations, including building, plumbing, mechanical, electrical, water, and waste management.

(4) The Agency will require drawings, specifications, and estimates to fully describe the work as necessary to protect the Agency's financial interests. The drawings and specifications must identify any specific development standards being used. Such information must be sufficiently complete to avoid any misunderstanding as to the extent, kind, and quality of work to be performed.

(5) The Agency will require technical data, tests, or engineering evaluations to support the design of the development as necessary to protect its financial interests.

(6) The Agency will require the applicant or borrower to provide written certification that final drawings and specifications conform with the applicable development standard as necessary to protect its financial interests. Certification must be obtained from individuals or organizations trained and experienced in the compliance, interpretation, or enforcement of the applicable development standards, such as licensed architects, professional engineers, persons certified by a relevant national model code organization, authorized local building officials, and national code organizations.

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

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

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

F Scheduling Construction

The applicant or borrower:

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

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

G Approvals and Permits

The applicant or borrower:

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

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

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

H Environmental Review

The applicant or borrower:

[7 CFR 761.10(c)(3)] Must ensure that all development work meets the environmental *--requirements established in 7 CFR 799.--*

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

I Warranty and Lien Waivers

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

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

The borrower should obtain warranties as applicable.

123 Review of Proposed Construction and Development Plans

A Review Process and Criteria

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

In this review, the authorized agency official must:

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

123 Review of Proposed Construction and Development Plans (Continued)

B Security Considerations

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

- incomplete construction caused by undisclosed or undiscovered site characteristics, structural problems arising from inadequate or incompetent engineering or design, local opposition to the project, or environmental problems

- cost overruns resulting from delays, changes in building materials or labor markets, changes in cost or failure to estimate properly, unexpected increases in financing costs

- financial failure because of unfavorable market conditions or inability of the borrower to complete the project.

124 Inspections

A Applicant/Borrower Inspections

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

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

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

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

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

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

*** * ***

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

124 Inspections (Continued)

B Other Inspections

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

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

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

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

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

C Correction of Deficiencies

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

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

D Reviewing Incomplete Developments

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

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

125 Changing the Planned Development

A Permissible Changes

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

(1) It will not reduce the value of the Agency's security;

(2) It will not adversely affect the soundness of the farming operation;

(3) It complies with all applicable laws and regulations;

(4) It is for an authorized purpose;

(5) It is within the scope of the original loan proposal;

(6) If required, documentation that sufficient funding for the full amount of the planned development is approved and available;

(7) If required, surety to cover the full revised development amount has been provided; and,

(8) The modification is certified in accordance with paragraph (d)(6) (subparagraph 122 E) of this section.

B Change Orders Procedures

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

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

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

126 Surety Bonds

A Surety

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

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

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

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

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

B Sources of Surety

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

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

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

126 Surety Bonds (Continued)

C Exceptions to Surety Requirements

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

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

127-140 (Reserved)

*--Part 6 Valuations

141 General Valuation Requirements--*

A General

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

***--(1) Real estate and personal property 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;

(3) Real estate evaluations made in connection with the making and servicing of direct FLP loans and Non-program loans; and

(4) Reviews of real estate evaluations made in connection with the making and servicing of direct and guaranteed FLP and Non-program loans.

B Purpose

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

FSA uses valuations to determine the estimated current market value of real and personal property or other security pledged, or to be pledged to support direct loans and loan servicing actions.

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

FSA permits the use of real estate evaluations in lieu of real estate appraisals when the transaction qualifies for an appraisal exemption according to this Part for FLP direct loans. Guidance for appraisal exemptions for the guaranteed loan program is found in 2-FLP.**--***

--141 General Valuation Requirements (Continued)--

C Staff Appraiser Responsibilities

--**Staff appraisers will:**--

- conduct:
  - real estate appraisals
  - technical appraisal reviews
  - loan underwriting administrative appraisal reviews
- provide:
  - ***--**personal property valuation training
  - administrative appraisal review training
  - real estate evaluation and review training.

States will contact POAD, Appraisals Branch for assistance with valuations.**--***

*** * ***

***--D Valuation Costs**

Responsibility for payment of valuation costs is as follows:

- FSA, for cost of obtaining a valuation 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 ***--**valuations.

  Notes: See:

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

***--141 General Valuation Requirements (Continued)**

E Obtaining Valuations

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

A real estate evaluation may be conducted by an FSA employee who has been delegated real estate evaluation authority by SED.**--***

A real estate appraisal may be conducted by either an FSA staff appraiser or a vendor appraiser. *** * *** 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, vacant residential parcels, and rural residential properties **Note:** Residential and rural residential properties have highest and best use as residential, where the majority of value is in the residence, there are not significant agricultural improvements, and the market area recognizes the property as residential.	• State-certified residential or State-licensed residential appraiser, if within the scope of the appraiser's State appraisal license • State-certified general appraiser • staff appraiser.
property **other** than residential or rural residential	• State-certified general appraiser • staff 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 or State-licensed residential appraiser, contact POAD, Appraisals Branch. There may be different license criteria between State licensing ***--**boards for certified residential licenses.

NATS will be used to request, track, process, and document appraisals for personal property 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 personal property appraisal assignments for field staff.**--***

FSA offices will release information requested by the appraiser to complete real estate appraisals. FSA offices should identify any information provided as confidential if the information is considered PII or confidential as required by FSA policy. 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.

***--141 General Valuation Requirements (Continued)**

F Using an Existing Appraisal

[7 CFR 761.7(c)] Except as otherwise provided in 7 CFR part 766, when a real estate appraisal is required, the Agency will use an existing real estate appraisal to conduct the loan transaction 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 the Agency determines that the appraisal meets the requirements of this section, and:**

(i) The appraisal has been updated by the appraiser or appraisal firm that completed the appraisal and both the update and the original appraisal were completed in accordance with USPAP; or

(ii) The appraisal was completed in the previous 36 months and the Agency has documentation that:

(A) Market conditions have remained stable or improved based on sales of similar properties:

(B) The property in question remains in the same or better condition; and

(C) The value of the property has remained the same or increased.--*

Note: Current USPAP requirements provide that an update of an appraisal is a new appraisal assignment. The appraiser may provide a new report:

- without incorporating the prior report
- by incorporating the prior report by attachments
- by incorporating the prior report by reference only if the original appraiser's firm and original intended users agree.

***--141 General Valuation Requirements (Continued)**

F Using an Existing Appraisal (Continued)

The Farm Business Plan will be used to document the justification for the use of any real estate appraisal over 18 months old.

An existing personal property 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.

--G Using Third-Party Appraisals--

A third-party appraisal is any appraisal the agency receives for use in direct loan programs that was not ordered by the agency, including appraisals provided by guaranteed lenders in participation lending actions. 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 the ***--**licensure table in subparagraph 141 E and all of the following:**--***

- real estate appraisal
  - ***--**administrative review, technical appraisal review, or both is completed and the**--*** appraisal is found acceptable
  - meets subparagraph 142 B requirements
- personal property appraisal
  - administrative review is completed and the appraisal is found acceptable
  - meets subparagraph 142 A requirements

--**real estate and personal property appraisals meet subparagraph 141 F requirements.**--

***--141 General Valuation Requirements (Continued)**

G Using Third-Party Appraisals (Continued)--*

Notes: A technical appraisal review can be completed upon request by FLC after the second level review. If the findings are unacceptable, FLC, with Appraisals Branch Appraisals Branch input, may choose to address concerns with the client of the appraisal report. If the findings are not resolved, or the client will not allow communications with the appraiser, 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. If the appraisal was ordered and prepared for use by a land trust, the Appraisals Branch must be consulted before use.

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

--H 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.

--I 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, ***--**personal property 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.

***--141 General Valuation Requirements (Continued)**

I Procurement of Appraisal Products (Continued)--*

Generally, a real estate appraisal or personal property appraisal should be procured as soon as possible in the loan or loan servicing application process. The ordering official should consider that the applicant's or borrower's loan is reasonably feasible prior to ordering an appraisal. Approval of the loan or servicing action can be subject to an acceptable appraisal.

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:

- 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 personal property 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.

***--141 General Valuation Requirements (Continued)**

I 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.

Procurement of appraisal products will be through approved appraisal vendors. POAD, Appraisals Branch will evaluate and approve appraisal vendors and maintain vendor profiles in NATS. State Offices should forward inquiries to be added to FSA's approved appraiser list, or requests to update vendor profile information in NATS, to **SM.SA.NatsHelpDesk@usda.gov**.

A vendor business or vendor appraiser must:

- be registered in SAM and properly maintain information required by SAM
- provide and maintain vendor information as requested by FSA on FSA-2155
- sign the SOW to be maintained in each vendor appraiser's NATS profile
- 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.

***--141 General Valuation Requirements (Continued)**

J 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 Personal Property Appraisals

[7 CFR 761.7(b)(2)] When a personal property appraisal or real estate evaluation 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 for personal property appraisals. If FSA-2160 is not used, the personal property appraisal, as a minimum, will identify all personal property items appraised, including the following details:

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

  Note: Physical inspection of the personal property is required unless adequate video or photographs of the items to be purchased exist in the case file.--*

- the quantity, kind, sex, breed, average age, 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

- name of owner, date of report, total value of livestock, total value of machinery and/or equipment, final value of appraised property, and appraisal report must be signed and dated.

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

142 Appraisal Reports (Continued)

B Real Estate Appraisals

***--[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.**

Real estate appraisal reports must be USPAP compliant. 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.

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.**--***

A real estate appraisal, as a minimum, will be an appraisal report as defined by USPAP. Only FSA staff appraisers are authorized to complete restricted appraisal reports. These reports will be for internal FSA use only.

Restricted appraisal reports received from vendors or third parties will not be reviewed and are unacceptable for agency use.

A signatory appraiser's license type must be appropriate for the assignment (see subparagraph 141 F).

*** * ***

Appraisal reports must include the following requirements at a minimum.

Subject property details will:

- include documentation of the personal on-site inspection of the subject and property by the appraiser, performed as part of the scope of work of the appraisal assignment

  Note: Personal inspections are required for the appraisal assignment unless an exception is provided by Appraisals Branch.

- identify, analyze, and summarize relevant characteristics

- include a breakdown of land and improvement features and values

- include a 3-year sales history of the subject property, including details of any pending transactions.

142 Appraisal Reports (Continued)

B Real Estate Appraisals (Continued)

Comparable sale details must:

- be similar to the subject property in terms of appearance, utility, and market
- be clearly identified, with all information verified and analyzed by the appraiser
- include a breakdown of land and improvement features and values.

142 Appraisal Reports (Continued)

B Real Estate Appraisals (Continued)

Approaches to value must:

- document the results of the following 3 approaches to value, as determined to be applicable and necessary, or a reasonable explanation of exclusion:
  - sales comparison approach
  - cost approach
  - income approach
- include a minimum of 3 closed comparable sales must be used within each applicable approach
- not use the subject property's pending sale as a comparable sale
- adequately explain and support adjustments made to comparable in the appraisal report
- include analysis appropriate for the subject property's complexity and lead to a credible conclusion.

Note: Agency ordered appraisal reports must also comply with the applicable SOW.

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.

142 Appraisal Reports (Continued)

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.

--**FSA has appraisal software available for Appraisals Branch staff to provide appraisal reports, appraisal review reports, and sales documentation and management.**--

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 or a review appraiser.

*** * ***

142 Appraisal Reports (Continued)

--D 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 may be determined by an independent appraiser using comparables from other forced liquidation sales.**

For loan servicing cases when 5-FLP, Exhibit 60 is required, a liquidation value appraisal using Exhibit 40 or a market value only appraisal may be ordered.

When a liquidation value appraisal is ordered, the appraisal request will include both a market value appraisal using the approved SOW for the property type being appraised and a liquidation value appraisal using Exhibit 40. The appraisal report being completed will have both market value and liquidation value developed in the same report. The value reported in the appraisal report is not the potential liquidation value. The potential liquidation value must be calculated by completing 5-FLP, Exhibit 60 to determine the bid amount at the foreclosure sale.

When a market value only appraisal report is ordered, only the single value will be provided, and 5-FLP, Exhibit 60 will be used to calculate the potential liquidation value.

Note: The primary difference between the definition of market value and liquidation value 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 liquidation values 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 Valuation 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 personal property appraisal or real estate evaluation, the Agency may conduct an administrative review.**

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

Personal property appraisals and real estate evaluations used for direct or guaranteed loan servicing purposes are subject to administrative reviews.**--***

* * *

*--B Administrative Valuation Reviews

An administrative valuation review is performed as a due diligence function in the context of a loan making or servicing decision to ensure compliance with basic Agency organizational requirements, excluding USPAP compliance. This review is completed as part of the loan underwriting process. An administrative valuation review is completed to verify that the:**--***

- correct property was appraised
- ***--**mathematic calculations are correct
- valuation is logical and understandable.**--***

* * *

***--**Personal property administrative appraisal reviews will be completed on FSA-2167 in NATS for vendor completed personal property appraisals by farm loan staff who have received the delegation of authority.

Real estate evaluation reviews will be completed on FSA-2175 by farm loan staff who have received the delegation of authority.

Real estate administrative appraisal reviews are conducted by FSA FLP employees and Appraisals Branch staff. An administrative reviewer will not express a different opinion of value and will not certify to the type and extent of review. The real estate administrative appraisal review does not include a determination of compliance with USPAP. It does not fall under USPAP standards and requirements, it used solely for underwriting purposes.**--***

***--143 FSA Review of Valuation Reports (Continued)**

B Administrative Valuation Reviews (Continued)

The process for completing a real estate administrative appraisal review follows:

- real estate administrative appraisal reviews completed by farm loan staff will be documented by completing FSA-2165A and uploading the form to the NATS documents tab labeled Work order: Other – Work order and document name 2165A-(Work Order Number)

- if all answers on FSA-2165A are agree and there are no other issues discovered, no signature is required on FSA-2165A

- the administrative reviewer will complete FSA-2165 in NATS by filling N/A in all comment boxes, completing the value boxes, completing the rest of the form as necessary to accept the appraisal for use, and uploading the signed FSA-2165 to Admin Review tab in NATS.

If a box or boxes are checked disagree, other significant concerns are noted, or assistance to complete the administrative appraisal review is needed the FLP staff member will complete and sign FSA-2165A, upload the form to NATS, and refer the review to POAD, Appraisals Branch staff by assigning the Administrative Review task to James Baird in NATS from the task button at the bottom of the homepage.

Appraisals Branch staff will complete an administrative review as a loan underwriter, not acting in the capacity of a real estate appraiser. This review will not comply with USPAP standards and requirements and will only address basic agency requirements:

- if only underwriting issues are found, the reviewer will work to correct the discrepancy, and once amended, complete FSA-2165

- if significant issues beyond the scope of an underwriting issue are discovered, a technical appraisal review may be completed by Appraisals Branch staff.

C Conducting Administrative Valuation Reviews

FSA will complete an administrative valuation review:**--***

- within 7 calendar days of receiving a vendor appraisal obtained for any direct loan purpose

- ***--**of personal property appraisals completed by FSA employees, as determined by SED**--***

***--143 FSA Review of Valuation Reports (Continued)**

C Conducting Administrative Valuation Reviews (Continued)

- of a minimum of 5 percent of real estate evaluations completed by loan officials

  Note: FLC's will be responsible for annually identifying the evaluations to be reviewed. Additional files may be reviewed at the discretion of SED and FLC.**--***

- on all third-party appraisals

- on all appraisals submitted for guaranteed liquidation, write-down, or both.

*** * ***

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, a field review, or both. The client may request the review appraiser to provide an opinion of value 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.

--143 FSA Review of Valuation Reports (Continued)--

D Technical Appraisal Reviews Overview (Continued)

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.

--**A technical appraisal 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 for vendor completed appraisal reports. FLC, SED, APOC, and Ordering Official will be notified by e-mail that the technical appraisal review revealed deficiencies and an expected timeline for the resolution, and may be invited to virtual meetings with the appraiser.

When a technical appraisal review determines a third party appraisal report is not credible, the appraiser who conducted the review will contact FLC. The appraiser and FLC will collaborate to determine if the third party lender will be contacted to attempt to resolve the deficiencies. If it is determined the lender will not be contacted, the lender does not permit contact with the appraiser, or if the deficiencies cannot be resolved, a new appraisal report will be ordered.

--143 FSA Review of Valuation Reports (Continued)--

D Technical Appraisal Reviews Overview (Continued)

Technical appraisal reviews will be documented in NATS, and the technical review report 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.

--143 FSA Review of Valuation Reports (Continued)--

E Conducting Technical Appraisal Reviews

FSA will complete a technical appraisal review *** * *** on direct loan appraisals when an ***--**administrative review detects serious problems, or at an FLC's request with Appraisals Branch concurrence.**--***

After loan closing, technical appraisal reviews will be completed for the following:

- first direct loan appraisal completed by a vendor appraiser and then 1 at least every 4 FY's thereafter

- on 1 third-party appraisal report if 2 or more reports prepared by a non-vendor appraiser are received within a 12-month period, unless a technical appraisal review was completed within the last 4 years.

  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 write-down that were found unacceptable during the administrative review.

  Notes: If the technical review shows an unacceptable appraisal, approval of a loss claim or write-down 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 will 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.

--143 FSA Review of Valuation Reports (Continued)--

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 documented 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 Valuation 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 Valuation Reports (Continued)--

H Recordkeeping and Internal Management Controls

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

--143 FSA Review of Valuation 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 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 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 a 2-year cycle, selected--* at random.

--144 Appeals of Decisions Based on Valuations--

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 a Valuation May Be Challenged

An applicant or borrower may request reconsideration or appeal of any adverse decision based on an FSA valuation. However, when the valuation was obtained in connection with a request for PLS and negotiation of the valuation 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 Valuations (Continued)**

D Reconsideration of Personal Property 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 personal property's final appraised**--*** value. The authorized agency official will notify the applicant or borrower of the outcome of reconsideration according to 1-APP.

***--E Reconsideration of Real Estate Evaluations**

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

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

F Valuation Appeals

[7 CFR 761.7(e)] Challenges to a valuation 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.

***--144 Appeals of Decisions Based on Valuations (Continued)**

F Valuation Appeals (Continued)

(2) When an applicant or borrower challenges a personal property 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.**

***--(3) When an applicant or borrower challenges a real estate evaluation 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 real estate evaluation used by the Agency is consistent with present market values of similar properties in the area. The applicant or borrower must submit an independent review of the real estate evaluation that will be used to determine whether the real estate evaluation is consistent with present market values of similar properties in the area. The applicant or borrower is responsible for obtaining and paying for the independent real estate evaluation review.**

Note: FSA will review the qualifications of the reviewer selected by the applicant or**--*** borrower.

***--144 Appeals of Decisions Based on Valuations (Continued)**

F Valuation 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 Valuations (Continued)**

G Releasing FSA Valuation 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.

***--H Errors Identified in a Valuation**

If either the authorized agency official or borrower discovers any mathematical or property description errors in a real estate appraisal, the discrepancies must be reported to FLC, SED, and 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.

***--**If either the authorized agency official or borrower discovers a mathematical or property description error in a personal property appraisal or real estate evaluation, the discrepancies must be reported to FLC and SED.

The valuation may be corrected up until the time the appeal hearing begins or as a result--* of the appeal hearing.

145 Appraiser Qualifications

*--A Personal Property Appraisals

Personal property appraisals may be completed by an FSA employee or vendor appraiser.

FSA employees must have delegated personal property appraisal authority from SED according to subparagraph 146 A and Exhibit 7.--*

FSA vendor appraisers must:

- *--possess sufficient experience or training to establish market value of personal 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 personal 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 Appraisers

POAD, Appraisals Branch appraisers are FSA employees who are responsible for real estate appraisals and technical real estate appraisal reviews nationwide. Appraisers must have a certified general real estate appraiser license in any 1 state or territory, or be fulfilling the training requirements in subparagraph 146 B.

An Appraisals Branch appraiser may have other responsibilities that include, but are not limited to:

- *--developing and providing training to FLP staff to obtain administrative review, personal property appraisal, and real estate evaluation delegation--*

- performing duties as a supervisor appraiser and/or mentor to an appraiser trainee.

146 Valuation Training Requirements

--A Obtaining/Maintaining Personal Property Appraisal and Personal Property-- Administrative Review Authority

To obtain the delegation, employees are required to:

- *--take the appropriate training to obtain initial personal property appraisal and--* administrative review authority

- demonstrate, to SED's or designee's satisfaction, sufficient experience and training.

--Employees with delegated authority for personal property appraisals and personal property 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.

--146 Valuation 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 * * * 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 * * * can have no experience, be a licensed residential * * * or a certified residential * * * 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
Appraiser Trainee	30	Basic Appraisal Principles
Appraiser Trainee	30	General Appraiser Market Analysis and Highest and Best Use
Licensed Residential or Certified Residential	15	
Appraiser Trainee or Licensed Residential	15	Statistics, Modeling, and Finance
Appraiser Trainee	120	Appraisal training, approaches to value and methodology of which a majority must concentrate in farm real estate-related courses, in: • sales comparison approach • cost approach • income approach. **Note:** For licensed residential or certified residential 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.
Licensed Residential	75	
Certified Residential	75	

--*

146 Valuation Training Requirements (Continued)

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

***--**

Trainee Category	Hours	Course Description
Appraiser Trainee	15	15-Hour National USPAP
Licensed Residential or Certified Residential	7	7-Hour National USPAP Update
Appraiser Trainee	30	Report Writing and Case Studies with farm real estate related emphasis.
Licensed Residential	15	
Appraiser Trainee, Licensed Residential, or Certified Residential	30	Technical appraisal review of which a majority must concentrate in farm real estate-related courses.
Appraiser Trainee, Licensed Residential, or Certified Residential	N/A	Education Requirements – Applicants for the Certified General credential must hold a bachelor's degree or higher from an accredited college or university.

--*

--146 Valuation 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 licensed residential appraiser trainee would be required at a minimum to have 2,000 additional hours of experience with 1,500 hours as non-residential. A certified residential 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 certified general 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 certified general 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 Valuation 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.

--D Obtaining/Maintaining Real Estate Evaluation Authority and Real Estate Evaluation Review Authority--

To obtain the real estate evaluation delegation, employees are required to:

- take the appropriate training to obtain *** * *** real estate evaluation authority

- ***--**demonstrate to SED's or designee's satisfaction, sufficient experience and training for the level of authority.

Employees with delegated authority for real estate evaluations must complete continuing education courses every 3 years and demonstrate proficiency in completing real estate evaluations through administrative reviews and credit quality reviews.

The POAD, Appraisals Branch will provide at least biannual training for real estate evaluation delegation of authority and offer continuing education each odd year.

--Note:** Approved third party training may be used as a substitute or complement to Appraisals Branch Training.**--

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.

C Training Plan

--**The POAD, Appraisals Branch will provide quarterly training opportunities for delegation of authority and continuing education opportunities each even year.**--

--148 Release of Valuation Report--

A General

--A valuation report, paid for or performed 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 Per the Equal Credit Opportunity Act (ECOA)

Pursuant to 12 CFR §1002.14(a), for any loan making or servicing purpose, FSA must provide an applicant or borrower a copy of any real estate appraisal or written real estate valuation paid for or performed by FSA.

FSA must promptly provide a copy of the real estate appraisal or the real estate evaluation to the applicant upon:

- FSA's acceptance of the appraisal report
- receipt or completion of FSA-2132.

Copies shall be provided electronically (via e-mail) and must contain the following language in the body of the e-mail:

> "In accordance with the Equal Credit Opportunity Act (ECOA), the Farm Service Agency is providing you with a copy of the appraisal report or written real estate valuation developed in connection with your loan application. Enclosed is a copy of the appraisal or valuation report for [**property address**].
>
> Please carefully review the contents of the enclosed report. This document provides an estimation of the value of the property in question and has been compiled based on a thorough valuation of the property itself, comparable market sales, and other relevant factors.
>
> If you have any questions regarding the content of the report or the appraisal/evaluation process, please contact this office at [**County Office Address**] or telephone [**phone number**]."

--148 Release of Valuation Report (Continued)--

B Release to Applicant or Borrower Per the Equal Credit Opportunity Act (ECOA) (Continued)

The real estate appraisal or written real estate evaluation must be provided to the applicant at least three business days prior to loan closing or other such consummation of the transaction. The applicant may waive the three-day waiting period upon written request to the Agency, but any such waiver must be provided three business days prior to loan closing or other such consummation of the transaction. The real estate appraisal or written real estate valuation completed on a withdrawn or denied application must also be provided promptly to the applicant, but in no case later than 30 days after the denial or withdrawal.

FSA will document the date that a real estate appraisal or written real estate evaluation is provided to the applicant by placing a copy of the electronic notification in the file.

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.

*--A real estate evaluation will not be released to a lender.**--***

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 Real Estate Evaluations

A Purpose

[7CFR 761.7 (f) (2)] A real estate evaluation may be completed when a real estate appraisal is not required to determine the security value under this subpart.

Real estate evaluations determine the estimated market value of real estate used as basic security for direct loans and certain loan servicing actions when real estate appraisals are not required. The requirement to obtain a real estate appraisal may be waived in certain circumstances, and a real estate evaluation may be completed in lieu of an appraisal. See 4-FLP and 5-FLP for servicing actins that allow the use of a real estate evaluation.

The Agency may obtain a real estate appraisal instead of an evaluation when the authorized Agency official determines it is in the best interest of the government due to complexity of the assignment, staffing, workload, or other reasons.

B Real Estate Evaluation Limits

[7 CFR 761.7 (f) (1)] Real estate related financial transactions that do not exceed the higher of the current OMB appraisal threshold or the following limits do not require a real estate appraisal:

(i) $500,000 for commercial real estate transactions; or
(ii) $250,000 for business loan transactions.

The appraisal threshold for direct loan making is the amount of the new loan being secured by the real property. The appraisal threshold for direct loan servicing is the total amount of the Agency's debt being secured by the real property.

[7 CFR 761.2 (b)] Business loan means a loan or other extension of credit made primarily for agricultural purposes to any corporation, general or limited partnership, business trust, joint venture, sole proprietorship, or other person (including entities and individuals engaged in farming enterprises).

The appraisal threshold is tied to the type of loan being made. All Direct Program loans would be considered business loans at minimum, as FSA exclusively makes loans to entities and individuals engaged in farming enterprises.

[7 CFR 761.2 (b)] Commercial real estate transaction means a real estate-related financial transaction that is secured by a property whose primary value is not derived from a single 1-4 family residence.--*

***--149 Real Estate Evaluations (Continued)**

B Real Estate Evaluation Limits (Continued)

The threshold for commercial real estate transactions applies when the loan is made for farm ownership purposes and the majority of the value of the real estate is not derived from a single 1-4 family residence. The property may include a primary residence where the majority of the value is from the farm land and not the residence, but generally should be bare land or minimally improved to be considered for the commercial threshold. A property does not meet the requirements for a commercial real estate transaction if the real estate is primarily considered to be a residential property in the community (e.g. a small vacant acreage) or if there is a dwelling unit that houses fewer than 5 families providing the majority of the value to the property. The dwelling unit may be townhouses, condominium, a house, or other situations where fewer than 5 families would be housed.

Example: If an applicant requested a loan to purchase a 30-acre farm for $500,000 including a dwelling with an estimated contributory value of $350,000, it would not be considered a commercial real estate transaction because the dwelling provides the primary value. Therefore, FSA would only be able to complete a real estate evaluation if the FSA loan amount is $250,000 or less and other criteria are met. If the FSA loan request is more than the business loan threshold or other applicable criteria were not met, a real estate appraisal would be required.

In this example, the estimated values for the dwelling and the land as part of the decision making process can be obtained from the tax assessed value, third party real estate evaluations, prior real estate appraisals, appraisals from the same market area, National Agricultural Statistics Service (NASS) county average land values, or online research.

Note: The appraisal threshold limit for Non-Program loans that do not meet the definitions for a business loan, or a commercial real estate transaction is $100,000 to comply with OMB Circular A-129.

C Completing Real Estate Evaluations

The authorized agency official must complete real estate evaluation training provided by the Appraisals Branch, other approved sources, or a combination thereof in completing real estate evaluations. The official must demonstrate sufficient experience in completing real estate evaluations and have the delegated authority according to 1-FLP. Exhibit 7. SED, in consultation with FLC, will determine the level of delegation not exceeding $500,000. See 1-FLP, subparagraph 24 D for maximum transaction limits by position and grade.

Third-party real estate evaluations will not be accepted.**--***

***--149 Real Estate Evaluations (Continued)**

C Completing Real Estate Evaluations (Continued)

Real estate evaluations should be completed by authorized agency officials who are independent of the loan transaction approval when possible. Proficiency and market awareness is gained through completion of real estate evaluations and the accompanying analysis. Although not required, individuals or a team sufficiently sized to support the State workload should be selected to complete real estate evaluations, especially those above Microloan level, when possible.

For real estate evaluations completed by FSA farm loan staff, the Income Approach and Cost Approach will not be used. If the subject property requires using these approaches to estimate market value, a real estate appraisal should be ordered.

Real estate evaluations for direct loan making and servicing must be completed on FSA-2132 or another format that includes, at minimum, the same information as FSA-2132.

Staff should attach supporting documentation to FSA-2132. such as real estate property tax card or assessor record, aerial imagery, and property photographs to enable a reviewer to understand the analysis and considerations made.

Farm Business Plan will be used to track when real estate evaluations are completed.

D Real Estate Evaluation Decisions

[7 CFR 761.7 (f) (3)] The determination to not obtain a real estate appraisal is subject to applicable Agency guidance.

[7 CFR 761.7 (f) (4)] Notwithstanding the provisions of this subpart, the Agency retains the discretion to obtain a real estate appraisal in lieu of completing a real estate evaluation on a case-by-case basis.

Real estate evaluations can be a useful tool to decrease processing times in some circumstances; however, properties with increased complexity require using a real estate appraisal even when it would otherwise qualify for using an evaluation in subparagraph B. Situations that warrant an appraisal include:

- construction/renovation loans
- farms with specialized buildings or operations
- commercial facilities (dairies, poultry, swine, feed lots, greenhouses, etc.)
- vineyards or wineries
- orchards and other permanent plantings with significant value or income**--***

***--149 Real Estate Evaluations (Continued)**

D Real Estate Evaluation Decisions (Continued)

- uncommon and unique properties or improvements
- properties encumbered with conservation easements, life estates, other use restrictions, property right severances (air, geothermal, mineral, timber), or fractional interests (lease fee/leasehold, undivided interests) etc.
- highly improved properties
- transitional use properties (edge of town or subdivision, etc.)
- mixed use properties
- properties with no recent, similar comparable sales available or limited to no available information on comparable sales (non-disclosure states)
- properties with values closely tied with income production, or where cost and depreciation on newer buildings are needed for comparison with other improvements.

Note: There may be limited circumstances where the above list of features would not exclude the appraisal waiver. Contact the Appraisals Branch for consultation and written approval if this applies.

Other real estate transactions not listed in the previous list may require a real estate appraisal. Contact the Appraisals Branch to discuss other complexities impacting the property that may exclude the use of a real estate evaluation.

When it has been determined a loan transaction falls under the appraisal threshold described in subparagraph 149 B and it is not a complex property as described in this subparagraph, a real estate evaluation may be completed.

The tax or assessed value (TAV) of real property is used for tax rolls in ad valorem taxation. The TAV may be derived and calculated differently in each State and jurisdiction. These values are not market value as defined in Exhibit 2, although they may correlate it. The TAV may be used as the market value estimate in a real estate evaluation in certain circumstances.**--***

***--149 Real Estate Evaluations (Continued)**

D Real Estate Evaluation Decisions (Continued)

When TAV is determined to be at or below market value, it may be used to calculate the combined loan to value (CLTV) ratio to determine if a real estate evaluation using the tax or assessed value is adequate, if additional support is needed, or if a real estate appraisal is necessary for loan making decisions. The CLTV for the following example calculation includes the FSA loan request and any prior liens secured by the same real estate:

$$\text{CLTV} = (\text{current FSA loan transactions} + \text{prior liens}) \div \text{TAV}$$

Examples of support for TAV comparison to market value include:

- information found in local real estate appraisals of similar properties
- comparing recently closed sales to their TAV prior to transaction closure
- comparing recent similar sales to the subject property TAV
- annual NASS agricultural property value information
- FSA COC members, other FSA employees, or both, familiar with local markets
- similar MLS sold data or current listings with available tax information.

The TAV may be used as the estimated market value for collateral value when the CLTV does not exceed 90 percent and will be documented in Parts A and B of FSA-2132 without completing the full form.

Example: A current loan request of $250,000 has been received with $100,000 in prior liens and is eligible for a real estate evaluation based on threshold and complexity. The TAV is $400,000 and was determined to be at market value.

$$\text{CLTV} = (\$250{,}000 + \$100{,}000) \div \$400{,}000$$

$$\text{CLTV} = .875 \text{ or } 88\%$$

If the CLTV is between 90 and 100 percent, the full FSA-2132 must be completed with additional supporting information.

If the CLTV meets or exceeds 100 percent, or the TAV is determined to be above market value, a real estate appraisal report will be required.

If the loan transaction is for loan servicing, the TAV CLTV analysis may be foregone, and a full real estate evaluation or a real estate appraisal will be completed depending on threshold value, complexity, and other factors.**--***

***--149 Real Estate Evaluations (Continued)**

D Real Estate Evaluation Decisions (Continued)

When the description of the property the tax assessor used for the basis of their value does not match the current description of the property (improvements and land), additional documentation or a real estate appraisal will be required according to the following guidance:

- if the differences can be documented indicating the market value would be higher than the TAV, the ratio guidelines above will be used

  Example: If a survey shows more acreage on a parcel than the tax assessor describes.

- if the difference cannot be documented to show the market value would be higher than the TAV, an appraisal report will be required

  Example: If there was a barn on the property that contributed value to TAV that is no longer there.

- if the only discrepancy is the property used for security has multiple tax parcel numbers, but is considered to be a single property in the community, the tax parcel information will be added together and the sum of the TAV will be used.

A full real estate evaluation may be completed when the CLTV is less than 90 percent at the discretion of the loan official.

Notwithstanding any of the guidance within paragraph 149, FLP staff may opt to obtain a real estate appraisal in lieu of completing a real estate evaluation as needed because of staffing, workload, training, or other considerations.**--***

*** * ***

150-160 (Reserved)

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
- handling return checks and cancelling a PLCE transaction.

B Program Authority

Exhibit 20 provides information on proper invoices according to FAR.

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.

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 email to the appropriate point of contact according to subparagraph C.

--**Part 6 provides guidance for real estate and personal property 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	Md Mutaleb Javier Arenas	**md.mutaleb@usda.gov** **javier.arenas@usda.gov**
FMMI Document Approvals	Md Mutaleb Javier Arenas	
FMMI User Access	Javier Arenas	
General FMMI or PLCE Inquiries	Md Mutaleb Javier Arenas	
Lost Vendor Payments	Md Mutaleb Javier Arenas	
PLCE Funding	Md Mutaleb Javier Arenas	
Vendor Record Inquiries (FMMI or SAM)	Md Mutaleb Javier Arenas	

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 and personal property 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 acquisitions, 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 **Agency Representative for Micro-Purchases (ARMP) Delegation (FSA Only) - FPACNow (servicenowservices.com)**.

A request for an increase of ARMP delegations for States and/or US Territory offices must include:

- number of FMMI transactions processed per year in last 2 fiscal years for each ARMP (broken down by the number of related to appraisals and other FMMI transactions
- whether you have Service Center areas that do not have a designated ARMP presence
- existing number of active ARMP designees
- existing number of allotted ARMP slots. (see Exhibit 24).

Submit memorandums for additional ARMP delegations:

- ***--**with APOC authorities to Sherry Husley, POAD at **sherry.husley@usda.gov**
- without APOC authorities to Md Mutaleb, LMD, at **md.mutalbe@usda.gov** and Javier Arenas, LMD, at **javier.arenas@usda.gov**.**--***

National Office will coordinate with AD, POAB to approve or deny requests for an increase of ARMP delegations. Upon notification of approval of additional slots, States will submit new ARMP designee packages to AD, POAB.

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 pre-determined, 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, personal property appraisal, technical appraisal review, review estate inspections, personal property**-- inspections, or year-end analysis activities.

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.

- Loan Making PAC's are applicable during the loan application process only. Once a loan is closed, it becomes a loan servicing action.

- Loan Servicing PAC's are applicable from the point of loan closing through the final disposition of the loan. This includes corrections to documents filed at loan closing.

- Inventory Property PAC's 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.

*--164 Allocating PLCE Funds

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.ZZZZZZZZ.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.ZZZZZZZZ.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.ZZZZZZZZ.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.ZZZZZZZZ.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 draw-down 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 UEI number to locate the vendor record in the FMMI system.

--Notes:** Vendor searches can be processed through the GSA SmartPay 889 Representations Search tool. This tool is a free resource that provides Contractual Responsibility**-- Assessment Reports before award of agreements.

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
- U.S. 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.

165 Obtaining PLCE Items (Continued)

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."

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

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 of PLCE and refers to Exhibit 25 for authorization and terms. If TPOC is uncertain of how to proceed, TPOC will contact PLCE Monitor for guidance.	TPOC determines, or is notified of, PLCE need and refers to Exhibit 25 for authorization and terms. If TPOC is uncertain if or how to proceed, TPOC will contact PLCE Monitor for guidance.
2	TPOC completes and signs FSA-2128, attaching invoice and any other necessary documentation related to the PLCE. Documents are sent to the PLCE Monitor for further processing.	TPOC completes FSA-2128, and, along with any other necessary documentation related to the PLCE, sends request to the PLCE Monitor for processing.
3	PLCE Monitor receives and reviews FSA-2128 for accuracy, completeness, and validity, consulting with FLC, as necessary.	PLCE Monitor receives and reviews FSA-2128 for accuracy, completeness, and validity, consulting with FLC, as necessary.
4	PLCE Monitor certifies budget availability, determines FMMI Vendor ID, PAC, Fund, and FAIN and enters information on FSA-2128.	PLCE Monitor certifies budget availability, determines FMMI Vendor ID, PAC, Fund, and FAIN and enters 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 appraisals products (noted in subparagraph 163 C of this part) 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. 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 personal property appraisers are **never** paid using the--* Emergency PLCE payment process.

Micropurchase vendors are required to submit an invoice according to the instructions in Exhibit 20. For appraisal products, the telephone number and UEI 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 micropurchase 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 personal property appraisals is provided in-- Part 6.

167 Processing Micropurchase PLCE's (Continued)

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 Documents	Program documents used in addition to FSA-2128 that support 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 Commitment Document	A copy of the posted FMMI ZMY Adobe form that contains the 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 Document	A copy of the posted FMMI TY Adobe form that contains the FMMI user identifiers, date, and time stamps.
Acceptance of Service Document	Program acceptance of service or product will be an e-mail or 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.

--*

167 Processing Micropurchase PLCE's (Continued)

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 personal property appraisals will be handled**-- according to Part 6 and State instructions.

167 Processing Micropurchase PLCE's (Continued)

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.

167 Processing Micropurchase PLCE's (Continued)

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.

167 Processing Micropurchase PLCE's (Continued)

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 appraisal products;
- an ARMP for both appraisal products 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.

167 Processing Micropurchase PLCE's (Continued)

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 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 email 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 and/or GSA SmartPay 889 Representations Search report, record the UEI number, 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.

167 Processing Micropurchase PLCE's (Continued)

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. **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 using the Obligation Modification process.
5	PLCE PO Processor enters ZMY into FMMI and notifies PLCE PO Approver of 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 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**

167 Processing Micropurchase PLCE's (Continued)

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 • enters Placeholder PIID.
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 FPAC ServiceNow site, the employee will submit the completed and approved user access request form through Financial Management Portal – Request Type: Systems at **Financial Management - FPACNow (servicenowservices.com)**. 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 FPAC ServiceNow site – Financial Management/Systems at **Financial Management - FPACNow (servicenowservices.com)**.--*

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 Disbursement.	Obligation Modification/Obligation Change. If changing amount, new line amount may not go below available balance.
Obligation (ZMY) with Full Disbursement of All Line Items.	Obligation Modification to reflect amount actually paid.
Invoice TY with No Treasury Activity.	Pre-Payment Modification/Invoice Change.
Invoice TY **with** Treasury-in-Transit (TI) or TC.	Post-Payment Modification.

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
  - ***--**initiate a purchase order modification to cancel the obligation if the cost item or transaction is no longer required**--***
  - 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.

171 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

B Inquiring on Mishandled or Lost Disbursement (Continued)

If there is a TR or KZ reflected on the Document Chain Report for either a paper check or EFT disbursement, a replacement check or subsequent EFT transaction **cannot** be processed until funds are restored to the original obligation. If the payment is no longer needed, the original ZMY **must** be cancelled. If payment is needed, mailing and EFT information will be verified before issuing another TY. NFC will cancel the invoice associated with a return.

If time is critical and funding levels permit, a new ZMY and TY may be generated while waiting for prior transactions to be reversed or cancelled.

To have the mishandled or lost disbursement researched, the PLCE Monitor will send an e-mail to the appropriate points of contact 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.

171 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

D Canceling U.S. Treasury Check

When cancelling a U.S. Treasury check issued for a PLCE vendor payment that was **not** issued for an emergency check the County Office or PLCE Monitor will mail the check directly back to Treasury using the following address.

Department of the Treasury
Philadelphia Regional Finance Center
P.O. Box 51320
Philadelphia, PA 19154

--Note:** For this subparagraph, 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 email the State Office to cancel the obligation in FMMI. Both the invoice and obligation cancelations will be back fed through ADPS to the borrower's account.

If the U.S. Treasury check needing to be canceled **was** issued for an **emergency check**, the check and FSA-2072 will be mailed to the following address.

USDA/Rural Development
***--**P.O. Box 790391
St. Louis, MO 63179-0391

If certified mail, FedEx, UPS, or certified checks, the check and completed and signed FSA-2072 will be mailed to the following physical address.

USDA/Rural Development
Wholesale Lockbox
P.O. Box 790391
3180 Rider Trail S.
Earth City, MO 63045

Note: Do not remove the P.O. Box number.**--***

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

171 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

E Canceling Non-U.S. Treasury Check

Do not send personal checks or third party checks back to Treasury.

Along with a completed and signed FSA-2072 for the transaction being canceled, the third-party or personal check for full or partial refund will be sent to the following address.

USDA/Rural Development
*--P.O. Box 790391
St. Louis, MO 63179-0391

If certified mail, FedEx, UPS, or certified checks, the check and completed and signed FSA-2072 will be mailed to the following physical address.

USDA/Rural Development
Wholesale Lockbox
P.O. Box 790391
3180 Rider Trail S.
Earth City, MO 63045

Note: Do not remove the P.O. Box number.--*

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 that 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.

171 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

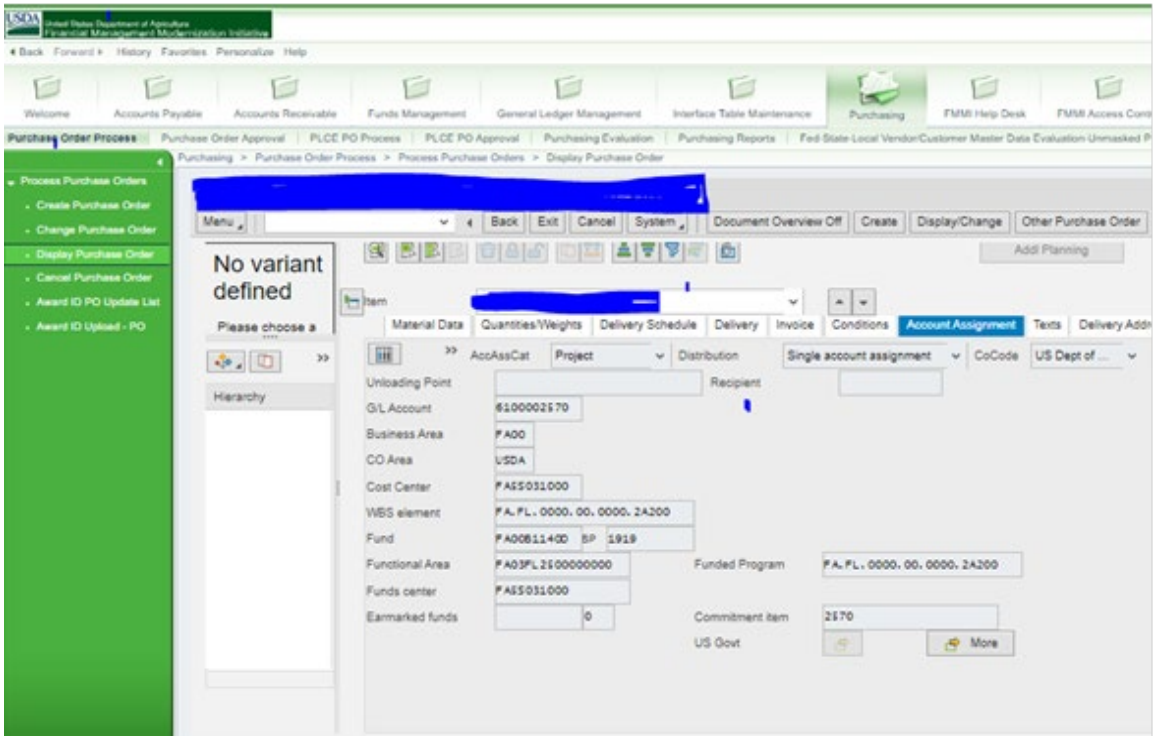
F Requesting an Emergency Check (Continued)

To order an emergency check, the State Office will do **all** of the following:

- post the ZMY document before requesting the emergency check from 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.

171 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

F Requesting an Emergency Check (Continued)

- send an email to **all** 3 of the following notifying them of the emergency check request:

  * * *
  - Samuel Kayser - **samuel.kayser@usda.gov**
  - ***--**Zachary Skaer – **zachary.skaer@usda.gov**
  - Antoinette Taylor - **antoinette.taylor@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 **SM.RD.CFO.BOB.PLCE@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:

- email 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 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 analysis as required (Section 5).--*

201 Overview (Continued)

B FSA's Role

FSA's role is to help its direct loan applicants and borrowers in the progression lending process to:

- identify short-, intermediate-, and long-term goals consistent with financial success
- pinpoint and prioritize problem areas
- *--develop strategies and a farm operating plan, except for loan transactions processed through AFT, 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, * * * and all other loan-related requirements and documents;

(2) Submit financial information and an updated farm operating plan when requested by the Agency;

(3) Immediately notify the Agency of any proposed or actual significant change in the farming operation, any significant changes in family income, expenses, or the development of problem situations, or any losses or proposed significant changes in security.

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

C Borrower Failure to Comply

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

203-220 (Reserved)

Section 2 Farm Assessment

221 Overview

A Objective

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

(1) Determine the applicant's financial condition, organizational structure, and management strengths and weaknesses;

--(2) Identify and prioritize training and progression lending needs; and--

(3) Develop a progression lending plan to assist the borrower in achieving financial viability and transitioning to private commercial credit or other sources of credit at reasonable rates and terms, except for CL.

The assessment is a process, rather than a singular document, for evaluating the farm operation. Information provided by the applicant is evaluated and utilized in making a credit determination.

The assessment process:

- is an evaluation of the applicant's operation, developed jointly with the applicant
- identifies weaknesses in the operation and determines their impact on the operation's needs and goals
- helps to identify current operational goals, long-term development and growth plan 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, building and maintaining working capital reserves and savings, ***--**including the potential use of such reserves and savings, and other needs**--****
- identifies a strategy to ensure that a borrower graduates to commercial credit before term limits are met, and provides for farm transition and estate planning
- enables FSA to determine the kind and amount of financial and other assistance needed by the applicant.

221 Overview (Continued)

A Objective (Continued)

In conducting assessments, authorized agency officials need to draw upon their knowledge, research, 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, the opportunities of developing and maintaining a working capital reserve, business goals including those for long-term development and growth, and project performance. Listening to the applicant's perceptions of the operation is critical to the assessment process.

All available resources will 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
- other organizations that serve as farmer advocates.

222 Elements of an Initial Assessment

A Type of Farming Operation

[7 CFR 761.103(b)] * * * The initial assessment must evaluate, at a minimum, the:

(2) Type of farming operation.

*** * ***

For all loan types, the initial assessment will include a brief summary of the operation's primary enterprise(s), overall size, general farming practices, and address any special or atypical circumstances regarding the operation. The type of farming operation is further evaluated in the review and development of the loan application, farm operating plan, balance sheet, and credit presentation. See paragraph 242.

*** * ***

222 Elements of an Initial Assessment (Continued)

B Goals for the Farming Operation

[7 CFR 761.103(b)] * * * The initial assessment must evaluate, at a minimum, the:

***--(3) The short- and long-term goals of the operation, including a marketing plan,--* goals to reasonably increase working capital reserves and savings, including reasonable savings for retirement and education, to support operational stability and growth, and goals for progression towards graduation to commercial credit or eventual self-financing.**

--(7) Progression lending plan, including a plan for graduation, except for streamlined CL; and--

*** * ***

222 Elements of an Initial Assessment (Continued)

B Goals for the Farming Operation (Continued)

* * *

For all loan types, setting goals is essential for the success of any farming operation. The applicant's goals provide the direction for the applicant's business and helps FSA identify the need for financial assistance. The authorized agency official must have in-depth discussions with the applicant to learn the personal and business aspirations of the farm family and work with the applicant to prioritize goals from most to least important.

The authorized agency official will work with the applicant to incorporate short-term and long-term development and growth goals into the comprehensive farm business planning process. The authorized agency official must:

- assist the borrower in developing and evaluating a marketing plan that will be integrated in the short-term and long-term goals. This plan must describe marketing practices and strategies, especially for any unique commodities the operation produces.

- assist in developing realistic goals for the accumulation and use of working capital reserves and savings, including savings for retirement and education expenses and the potential need for flexible repayment terms to achieve those savings.

- work with the applicant to develop a practical progression lending plan, tailored to the individual needs and risks associated with the operation, which includes realistic timetables for realizing improvements in critical areas. An applicant's involvement and understanding of FSA's responsibilities for graduation, except for YL and CL, through the use of progression lending are essential to a successful relationship.

- develop and include a graduation plan to transition borrowers to commercial credit or other sources of credit at reasonable rates and terms in the shortest period of time practicable. The borrower's status and progress toward graduation should be noted with any recommendations for further action to achieve graduation.

- discuss the impact and importance of business structure, transition or estate planning has on the goals of the farm operation. Changing business structure may impact farm loan and farm program eligibility, as well as transition and estate planning. The level of consideration will depend on the complexity and age of the operation.

222 Elements of an Initial Assessment (Continued)

C Adequacy of Resources to Conduct the Operation

[7 CFR 761.103(b)] * * * The initial assessment must evaluate, at a minimum, the:

--(4) Adequacy of resources to conduct the farming operation including real estate, facilities, and personal property.--

*** * ***

--**When developing the assessment, the authorized agency official will assess the adequacy**-- and appropriateness of real estate, including facilities and improvements, and personal property, such as equipment and livestock. See paragraph 242.

Environmental considerations will be evaluated and assessed in accordance with 1-EQ and 2-EQ.

Descriptive details for equipment, such as make, model, age, and condition, and for livestock, such as breed, age, and weight should be completed in the balance sheet detail screens.

222 Elements of an Initial Assessment (Continued)

D Key Personnel Qualifications

[7 CFR 761.103(b)] * * * The initial assessment must evaluate, at a minimum, the:

(1) Farm organization and key personnel qualifications.

Farm organization (individual, informal entity, or formal entity) is assessed through the application. Key personnel qualifications are assessed and evaluated when making eligibility determinations for managerial ability (3-FLP, paragraph 69) and farm experience (3-FLP, subparagraph 132 D). Any necessary discussion regarding these items should be addressed in the eligibility section of the FBP Credit Presentation.

E Historical Performance

[7 CFR 761.103(b)] * * * The initial assessment must evaluate, at a minimum, the:

--(5) Historical performance, except for Streamlined CL and loan transactions processed through AFT;--

For all loan types, the initial assessment will include a brief narrative summary of the historical production and financial performance of the applicant's operation. Historical performance is further evaluated in the review and development of the farm operating plan, balance sheet, and credit presentation. See paragraph 242.

222 Elements of an Initial Assessment (Continued)

F Farm Operating Plan

[7 CFR 761.103(b)] * * * The initial assessment must evaluate, at a minimum, the:

--(6) Farm operating plan, except for loan transactions processed through AFT.--

*** * ***

For all loan types, the farm operating plan is evaluated and developed during the feasibility determination process and credit presentation. The credit presentation will document the amount of assistance necessary to carry out the proposed farm operating plan, including building an adequate equity base. See 3-FLP, subparagraph 351 C.

222 Elements of an Initial Assessment (Continued)

G Training Plan

[7 CFR 761.103(b)] * * * The initial assessment must evaluate, at a minimum, the:

--(8) Training plan.--

*** * ***

The authorized agency official evaluates the need for borrower training in the credit presentation. See 3-FLP, Part 18 for borrower training requirements. Additionally, borrower training requirements are included on FSA-2313.

222 Elements of an Initial Assessment (Continued)

H Term Limits

Term limits are part of the assessment and are recorded in FBP. The authorized agency *--official will complete the Term Limits section 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 * * *, 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(c)] An assessment update must be prepared for each subsequent loan. The update must include a farm operating plan, unless the subsequent loan was processed through AFT, and any other items discussed in paragraph (b) of this--* section** (subparagraphs 222 B through D and G) **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 developed production cycle plan is consistent with the applicant's or borrower's growth and development plan goals. The farm operating plan consists of the Balance Sheet Trends, Income/Expense Trends, and Farm Assessment. The farm operating plan documents the operation's:

- financial position
- cash flow
- repayment ability
- planned savings for working capital reserves, savings, and retirement and education expenses.

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 farm operating plan should reflect agricultural norms for the type of commodity or enterprise in a geographical area, considering climate conditions and other factors vital to the operation's success. If there are any changes to the operation during the production cycle, the changes will be noted on the plan. The revision will be signed and dated by the borrower and the authorized agency official and documented in FBP. 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 developed in a manner that advances the applicant's or borrower's plan for short- and long-term goals and will be based on:

- a typical year's plan for existing farm operations or enterprises without changes
- accurate, verifiable, reliable, and realistic information *** * ***
- ***--**the adequacy and appropriateness of real estate, including facilities and improvements, and personal property, such as equipment and livestock, used to successfully conduct the farming operation. Consideration should be given to any necessary repairs, the operational life of the assets compared to the loan term, and any other factors which could impact the feasibility of the farm operating plan.**--***

[7 CFR 761.104(b)] An applicant or borrower may request Agency assistance in developing the farm operating plan.

Applicants are encouraged to obtain technical assistance from their local Service Center or 1 of the many stakeholder organizations that work with farmers and ranchers. Sources of technical assistance include, but are not limited to, Land Grant Universities, Extension Service, State programs, and partner organizations, including 1 of the many grants or cooperative agreements administered by USDA. States may contact their State Outreach or Beginning Farmer and Rancher Coordinator for assistance.

Note: Applicants using OLA have the option to specifically request FSA assistance in developing the farm operating plan. Assistance should be provided according to 3-FLP, subparagraphs 41 A and D.

[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.

242 Developing Farm Operating Plans (Continued)

A General (Continued)

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.

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, it ***--cannot** be used to reasonably project future income or demonstrate a reasonable likelihood of repayment for any loan request, including those processed through AFT. In that**--*** scenario, the authorized agency official will:

- 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, local practices, and conditions.

242 Developing Farm Operating Plans (Continued)

A General (Continued)

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. If an applicant is assuming 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.

The authorized agency official will evaluate at least the last 3 years of financial data for the farm or applicant. 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. A per-unit cost breakdown of per acre/head by commodity item is ideal when developing a plan for operating expenses. Consideration of historical changes to items including, but not limited to, liquidity, solvency, working capital position, and repayment margin must be taken into account when developing the farm operating plan.--*

[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.

--Trend analysis of the applicant's operation must use comparable data for each year (i.e. analysis of balance sheets completed at the same time each year).--

The impact of industry trends must be assessed when developing farm operating plans used in loan requests from poultry or hog growers, and can be based on standard production budgets developed by contractors, consultants, or extension specialists. While these budgets are accepted starting points, the authorized agency official must ensure that the farm operating plan reflects realistic performance assumptions for each individual situation, including but not limited to the following:

- increased input costs
- changes in unit numbers and weights
- increased idle time between flocks of poultry or turns of hogs
- other relevant factors that affect net income.

242 Developing Farm Operating Plans (Continued)

A General (Continued)

The impact of age, condition, and potential obsolescence of the facilities must be assessed for loans to purchase or refinance existing facilities. The farm operating plan must factor in any reduced efficiency as well as the potential costs for required modernization of existing facilities to comply with the contract's requirements.

[7 CFR 761.104(c)(3)] Projected yields will be calculated according to the following priorities:

(i) The applicant or borrower's own production records for the previous 3 years;

(ii) The per-acre actual production history of the crops produced by the farming operation used to determine Federal crop insurance payments, if available;

Notes: This does not mean that averages will be the projection used in every plan. Positive and negative trends will be considered when projecting production levels. The primary focus should always be on developing a realistic projection. If production has been increasing each year for the past 3 years, using the most recent year's production level or a higher level consistent with the trend will, in most cases, be the most realistic projection.

Conversely, if the trend is negative, the average may overstate production, and the most recent year's level is probably the most realistic projection. However, a higher production level may be projected if the negative trend is the result of disaster conditions, or if actions have been taken that will definitively reverse the trend.

Additionally, 3 years is the minimum years of records to be considered, if available. The applicant, at their discretion, can provide more than 3 years of records if these additional records provide a more realistic yield projection. The basis for the yield used should be adequately documented in FBP.

When the production of a growing commodity can be estimated, that estimate must be considered in production projections.

(iii)FSA Farm Program actual yield records;
(iv)County averages;
(v) State averages.

[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:

242 Developing Farm Operating Plans (Continued)

A General (Continued)

(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; or

(ii) Exclude the production year with the lowest actual or county average yield if their yields are affected by disasters during at least 2 of the 3 years.

Note: SED will issue a State supplement containing the 3-year history of disaster declarations for all counties in their State, along with the type of disaster and the incident period.

[7 CFR 761.104(d)] Unit prices for agricultural commodities established by the Agency will generally be used. Applicants and borrowers that provide evidence that they will receive a premium price for a commodity may use a price above the price established by the Agency.

*--Establishing Planning Prices: By December 31 of each year, SED will issue a notice listing the unit prices for all major commodities commercially produced in their State and post to the State's public-facing website. State established prices will be based on information from reputable sources. When evaluating sources the following order of consideration will be utilized. Once an acceptable source has been established, further source research is not required.

For the current year planning price in the following order of priority:

- State Land Grant University/Extension price projections
- State Department of Agriculture
- ERS (Less local basis)
- WASDE (Less local basis)
- most recent year NASS price
- other.

For the historical actual price received in the following order of priority:

- NASS
- State Land Grant University/Extension price projections
- AMS
- other.--*

242 Developing Farm Operating Plans (Continued)

A General (Continued)

*--Once the State has selected a reliable source. The same source should be utilized for future annual planning price establishment. Altering between different sources for the same commodity is discouraged and will require documentation to substantiate why the change is in the best interest of the program.

Planning Price Deviations: State-established prices will not be developed for all commodities that may be produced by a farming operation, in every State. If the State-established planning prices are not developed for a commodity, the loan official will document the price used in the farm operating plan by:

- using a contiguous State's planning price, if established
- using a reputable source, such as land grant university, extension, Food and Agricultural Policy Research Institute (FAPRI), etc.
- using other governmental resources (NASS, ERS, State Department of Agriculture, etc.)
- using local sources such as farmers market organizations, State organic farmers and gardeners associations, roadside stand organizations, and local retail outlets.

The use of prices, other than the current year price, is authorized with FLC concurrence and supporting documentation.

State-established prices will be used in all farm operating plans developed, unless a premium price or a price other than that established by the State, is appropriate and documented in the case file. Premiums received for specific commodities, exceptional marketing, niche markets, etc., must be clearly documented and supported in the case file. It is the customer's responsibility to provide documentation to support prices that exceed State-established planning prices. 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.

*--The price used in the plan should be based on the market (State) where the commodity is or will be sold.

As an alternative to utilizing State planning prices, farm operating plans can be based on revenue guarantees, such as those provided by crop and livestock insurance products held by the producer, for the current year. These revenue guarantee products represent a minimum revenue guarantee. If the revenue guarantee is used, production and price are not required to be included in the FOP. The loan official will collect and maintain the insurance documents in the borrower's case file as support. Revenue guarantees should not be used in a typical year plan.--*

242 Developing Farm Operating Plans (Continued)

A General (Continued)

--Note:** See Exhibit 28 for the planning price notice template.**--

* * *

[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)] Development of farm operating plans and determination of appropriate repayment terms must include consideration of a reasonable amount of cash flow margin to increase working capital reserves and savings, including reasonable savings for retirement and education, to support operational stability and growth.

According to applicant or borrower goals, and to the extent a feasible plan can be developed, farm operating plans developed for most direct loan making purposes will budget for a reasonable accumulation of working capital reserves and savings, including savings for capital investment, retirement, and education, including the education expenses of relatives. Unequal repayment terms may be necessary for a feasible plan to be developed.

Farm operating plans for youth loans, LR loans, and new loans in concurrence with special servicing requests, will not include a budgeted amount for working capital reserves or savings accumulation, but those goals will be considered as part of the farm assessment. Applicants may also be eligible for interest-only payments in the first year, enabling them to make progress towards long-term financial goals.

For guaranteed loans, strategies to achieve working capital reserve and savings goals will be addressed as part of the lender's narrative and according to the lender's agreement and lender's internal lending policies. Commercial lending standards typically provide for margin requirements that allow for a reasonable amount of working capital reserve and savings accumulation. Consequently, in joint financing situations, the savings projections included in the farm operating plan developed by a guaranteed lender may differ from the plan developed for the FSA direct loan. This is acceptable if other significant assumptions about projected farm income and expenses are similar.

Applications for direct loan assistance will not be considered incomplete if the farm operating plan provided by the applicant does not budget for working capital reserve and savings accumulation. However, after a direct loan application is submitted, the agency official will:

- collaborate with the applicant on the importance of budgeting for long-term working capital reserve and savings goals
- ensure that the applicant is provided an opportunity to select authorized repayment terms that best align with, and makes progress towards, their long-term working capital reserve and savings goals.

242 Developing Farm Operating Plans (Continued)

A General (Continued)

The agency official may use the FLP Amortization Tool to analyze with the applicant various repayment options for the applicant to consider.

See Exhibit 71 for a resource that can be used to assist in assessing an applicant's working capital reserve and savings needs.

For direct loan making requests, other than requests for annual OL's, down payment loans, youth loans, LR loans, and concurrent special servicing actions, a feasible plan that includes a reasonable amount of cash flow margin to increase working capital reserves and savings accumulation for the first 3 years of the loan may require using unequal repayment terms, as authorized in 3-FLP, paragraphs 135, 174, 204, and 245, including interest-only installments, unequal installments, or balloon installments for term OL's.

--Note:** A loan transaction approved through AFT cannot be considered for a limited resource interest rate, unequal installments following the first scheduled annual payment, or balloon payments.**--

If a feasible plan can be developed with equally amortized installments that includes a reasonable amount of cash flow margin to increase working capital reserves and savings, the applicant will only be provided the option for either of the following:

- first-year interest-only payment followed by equally amortized installments
- equally amortized installments for the life of the loan.

The loan official will consult with the applicant to determine an appropriate savings amount and select repayment terms that result in a feasible plan. The amount budgeted will not normally exceed the greater of $7,000, or 5 percent of typical year projected total farm operating expenses (less interest and depreciation).

Additional justification is required for a repayment plan that utilizes more than 1 year of interest-only installments or a balloon installment to achieve savings (ending cash on hand + capital withdrawal) that exceed the greater of $7,000, or 5 percent of typical year projected total farm operating expenses (less interest and depreciation). That justification must be used to explain why the higher savings amount is reasonable for that particular applicant to meet their goals and will be documented in the capacity section of the credit presentation.

The identified and approved savings amount will be reflected in the cash flow projection based on how the funds will be accounted for. If the savings are to be deposited in an account listed as a farm asset, the savings amount will be reflected in ending cash on hand. If the savings are to be deposited in an account listed as a personal asset (such as an IRA or a personal savings account), the savings amount will be reflected as a capital withdrawal.

242 Developing Farm Operating Plans (Continued)

A General (Continued)

Notes: The income of a non-applicant will not disqualify an applicant from accessing repayment terms that are necessary to achieve the short- and long-term goals of the applicant or operation.

Typical year cash flow budgets are not to include beginning cash on hand or non-recurring carryover income or expenses. Repayment plans that include a balloon installment require a typical year cash flow budget to be completed that reflects the applicant will have a feasible plan once regularly amortized installments begin.

Unequal installment plans are not authorized for annual OL's and down payment loans. However, term youth loans and LR loans may still qualify for interest-only installments, unequal installments, or balloon installments, but farm operating plans for those loans will not include a budgeted amount for working capital reserves or savings accumulation.

If the direct loan request is made along with primary loan servicing, farm operating plans will not budget for working capital reserve or savings accumulation, as eDALR$ already provides for margin according to regulation. Payments for new direct term loans, except for down payment loans, approved concurrently with PLS will be interest-only for the first year with equally amortized installments beginning year 2, unless an alternative repayment schedule is necessary to develop a feasible plan, or if the applicant requests an alternative repayment schedule as documented by the applicant's acceptance and signature of FSA-2313. A typical year plan will be developed in FBP showing a positive cash flow that includes repayment of the new loans and restructured loans if unequal installments are used.

[7 CFR 761.104(g)] Except as provided in paragraph (h) 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(h)] 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.

If a loan making or 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 or 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.

242 Developing Farm Operating Plans (Continued)

A General (Continued)

--7 CFR 761.104(i)] For loan transactions processed through AFT, the likelihood of repayment is evaluated by the financial benchmarking process in lieu of a farm operating plan. Therefore, the aspects of paragraphs (c), (d), (e), (f), (g), and (h) of this section which require the Agency to verify income, expense, yield, and price planning to create accurate and verifiable cash flow budgets and for the applicant to sign the final farm operating plan do not apply to applications processed through AFT.--

242 Developing Farm Operating Plans (Continued)

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 will:

- 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

- *--include disaster and ad hoc related program payments, if currently authorized and funded, in the farm operating plan for the year in which the payment will be received (the current year plan), if they can be reasonably projected

  Note: While the exact payment rates may not be available, FLP staff should include a reasonable projected payment amount in the current year operating plan after consultation with FP staff, and reviewing publicly available information, to validate the applicant's likely eligibility for the program, and estimate a realistic and reasonable payment amount to be included in the projection. Projections and calculators obtained from Extension, Land Grant University, and other reliable sources can be determined reasonable, and used to document the projected payment for ARC, PLC, etc. However, these one-time payments cannot be included in a typical-year plan.--*

242 Developing Farm Operating Plans (Continued)

B Consideration of New Enterprises (Continued)

- 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 follow-up actions posted to DLS. The authorized agency official will provide a copy of the revised farm operating plan to the applicant.

244-246 (Withdrawn--Amend. 67)

247-250 (Reserved)

Section 4 Borrower Account Classification

251 Overview

A CONACT Requirements

--CONACT requires FSA to establish a plan to encourage each borrower (except CL) to graduate to private commercial credit or other sources of credit. FSA uses the borrower account classification system as part of the Operational Review in 4-FLP, Part 2 to identify borrowers with the best potential to obtain commercial credit. 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. * * *

Direct loans will be classified using the FBP credit presentation that is used to analyze and *--approve the loan. Test for credit eligibility criteria must be satisfied for requests regardless of account classification. Financially stronger accounts, such as those classified 1 or 2, or that qualify for AFT, often require more thorough documentation.

Note: AFT loans will be classified as a "3" in the FBP D-Loan Making; Application Fast Track Credit Action Model.

Operational review will be completed as required in 4-FLP, Part 2. Classification and graduation review (except for CL) are part of the operational review process.--*

* * *

251 Overview (Continued)

C When Classification Is Required (Continued)

Before an account is identified as "Currently Not Collectible (CNC)", the current classification will be reviewed.

- 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 before 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 become delinquent, the D-Loan/Special Classification Credit Action will be used and will be assigned a score of "5", "Not Classified". If the youth loan is restructured, the loan will be reclassified back to "3".

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.

*** * ***

Streamlined CL's will be classified as "2" using the D-loan/special classification credit action.

--**If CL only accounts, including Streamlined, subsequently becomes delinquent or financially distressed, all documents will be obtained to complete PLS 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.

*--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

--*

252 Borrower Account Classification System (Continued)

*--D Return on Assets Ratio (Profitability)

This ratio measures the rate of return on farm assets and is often used as an overall index of profitability.

FBP calculates the return on assets ratio as follows.

Return on Assets Ratio = Net farm income from operations + Farm interest expense – Owner withdrawals ÷ 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 Analysis

261, 262 (Withdrawn--Amend. 285)

263 Minimum Requirements of the Analysis

A Operations Requiring Analysis

[7 CFR 761.105(a)] The Agency conducts an analysis at its discretion or if the borrower:

(1) Is being considered for a new direct loan * * *;

Notes: See 4-FLP, subparagraphs 22 A and 116 B for analysis requirements for subordinations.

Only existing borrowers are subject to a full analysis when they are being considered for a new subsequent direct loan. This is not a requirement for a new applicant.

--Loan transactions approved through AFT are excluded from an analysis under-- this paragraph.

(2) Is financially distressed or delinquent;

***--(3) Has a loan deferred, excluding deferral of an installment under Subpart B of part 766;** (5-FLP, Part 2) **or**

(4) Is receiving a limited resource interest rate on any loan, in which case the review will be completed at least every 3 years.--*

Completion of an analysis is mandatory for any borrower meeting the criteria above. An analysis will be completed as part of the operational review under 4-FLP, Part 2. Information needed to complete an analysis will be requested according to 4-FLP, subparagraph 116 B. A "Full Operational Review" workflow must be completed in DLS upon determination that a borrower meets any requirement for a mandatory analysis.

The decision to perform an analysis on other borrowers is at the discretion of the authorized agency official. An analysis should not be completed 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.

263 Minimum Requirements of the Analysis (Continued)

A Operations Requiring Analysis (Continued)

The authorized agency official will 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 benefit from a full analysis include those that are:

- undergoing major changes
- experiencing adverse production or financial conditions
- subject to volatile changes in the business climate.

B Timing

***--[7 CFR 761.105(b)] Except when processing a loan transaction under § 761.105(a)(1) approved through AFT, the analysis must include a review of the previous--* production cycle's actual income, expense, and production performance, as well as a farm operating plan for the new operating cycle.**

An analysis should coincide as close as possible to the borrower's production and marketing cycle.

The authorized agency official will use the financial information provided by the borrower to develop a farm operating plan according to section 3. The farm operating plan will be used to complete the components of the operational review, including the analysis. See 4-FLP, subparagraph 16 C.

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.

C Identifying and Evaluating Significant Changes

The analysis must identify and evaluate any significant changes to the borrower's farming operation, expenses, or financial condition that have occurred since the most recent assessment or operational 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 will 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 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.--

*--**Note:** If a cash flow was prepared in the previous production cycle, the analysis will compare previous year projections to the actuals. If a cash flow was not prepared in the previous production cycle, use prior year actuals to ensure projections are realistic.--*

The authorized agency official will collect other pertinent information related to the farm's operation, such as changes or improvements in real estate, changes in key personnel, and any other alterations that significantly impact the operation. The authorized agency official must briefly explain the process, emphasizing the borrower's benefits rather than FSA requirements.

The evaluation of actual performance can be enhanced by:

- obtaining and reviewing the borrower's actuals using pertinent information about the farm operation, such as changes or improvements in real estate, changes in key personnel, and any other alterations that significantly impact the operation

- reviewing production by obtaining and/or calculating yields (production), price per unit, and the amounts in inventory (held for sale)

  Note: Production numbers should roughly correspond with the new balance sheet and numbers sold.

- *--evaluating debt service margin. See 4-FLP, paragraph 21 for LR review requirements.--*

* * *

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 analysis must discuss credit used for farm operating, capital, and family living expenses.--*

263 Minimum Requirements of the Analysis (Continued)

D Comparing Actual Performance to Projections and Calculating Variances (Continued)

- 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.

- 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 will 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
- progress towards working capital reserve and savings goals.

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 will 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 * * * financial performance may be improved by training, the authorized agency official may require that the borrower meets 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.

The authorized agency official should remind the borrower that deviations from the agreed-upon farm operating plan must be discussed with FSA.

* * *

264-400 (Reserved)

Part 9 Internal Controls

Section 1 FLPRA

401 Overview

A Background

FSA is mandated by the Federal Managers Financial Integrity Act of 1982 (Pub. L. 97-255) to maintain an efficient and effective internal control system. FLPRA fulfills this mandate by:

- establishing program evaluation criteria and reporting requirements
- providing a method to administer program evaluations
- providing a framework for performance analysis, risk mitigation identification, risk mitigation implementation, and annual reporting.

B Purpose

FLPRA is the primary tool that FLP uses for ongoing reviews and oversight of field office operations. FLPRA evaluates FLP using a risk-based approach and provides the framework for evaluating FLP management and oversight by State Offices and FLP delivery by Service Centers.

FLPRA evaluates the potential for risk in the following 3 areas.

- Program Objectives – Assessing whether or not the objectives of the program, as set forth in agency policies and procedures, are being met.
- Financial Integrity – Determining the soundness and quality of the loan program.
- Program Management – Evaluating the effectiveness of the leadership and guidance provided in delivering FLP.

401 Overview (Continued)

B Purpose (Continued)

FLPRA is divided into the following 3 review areas:

- *--Direct Loan Making--*
- Direct Loan Servicing
- Guaranteed Loan Programs.

Note: This area includes both guaranteed 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.

402 FLPRA Review Process

A Administering FLPRA Reviews

FLPRA reviews will be administered and the results reported both at the State Office and *--National Office levels. The National Office and State Offices can access the DAFLP Internal Controls SharePoint Site at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/internalcontrols.aspx** to obtain guides detailing the process to complete the reviews.--*

* * *

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. Special consideration to present risk levels should be given when selecting Service Centers for review while also complying with the requirement to review all Service Centers once every 5 years.--*

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 complete required Service Center FLPRA's by September 30 each year-- and 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 November 30.

B Annual Common Findings Summary Report

States should prepare a summary report and share it with FLP staff by January 31 of each year. It is recommended that results are posted on the State SharePoint site. A copy of this report should be sent by email to **SM.FSA.DCWa2.FLPRA.**

C Request for Waiver

SED's may request a waiver for the completion of a Service Center review. To be considered, a waiver request is required. Requests should outline the circumstances precipitating the need for the waiver request. States will still be responsible for monitoring high risk elements and mitigation of potential high risk areas to the extent feasible. States should review compliance with Service Center FLPRA requirements and review qualifying factors for a waiver request to determine if submission of a waiver is appropriate. POAD will review and respond to each waiver on a case-by-case basis.--*

403 State Office Reporting Requirements

*--D General Requirements for Requesting a Waiver

Formal waiver requests should discuss the following in detail:

- Service Centers in the State which are current or past due for a FLPRA review
- detailed reasons warranting the waiver request

  Note: Service Centers determined to have an elevated risk based on the most current FLPRA composite scores and other known factors should be prioritized for review and may be unlikely to qualify for a waiver.

- a brief plan for regaining compliance with tentative dates to complete reviews.

To assist States in determining which Service Centers may be considered a priority in the next review cycle, State Offices should evaluate the prior review completion dates for each Service Center in their state. The consideration to review Service Centers should be based on the time since the last review, and the scores assigned to that Service Center. A report containing this information can be accessed online according to the following instructions. Generating the report in Excel is preferred but not required. It is recommended that State Offices pull their prior ten-year history of FLPRA's completed.

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	Once logged in, Select "**Risk Assessment**" on the Farm Loan Program Systems Homepage
4	Select "**Completed Review Report**"
5	Select desired **review dates**, desired **State**, and "**submit**".

Waiver requests will be sent by email to **SM.FSA.DCWa2.FLPRA**. The National Office will respond to requests with a decision or request for additional information.**--***

404 National Office Reporting Requirements

A State Visit Reports

The National Office will provide a report of findings 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 will:

- 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.

*--C Annual Common Findings Summary Report

A national summary of results and common findings will be compiled and posted on the DAFLP SharePoint site Internal Controls page at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/internalcontrols.aspx** and arranged by FY.--*

405-440 (Reserved)

Section 2 (Withdrawn--Amend. 252)

441-444 (Withdrawn--Amend. 252)

*--Section 3 DD FLP Management

445 Overview

A Background

DD FLP Management Reports will be used to monitor the delivery of FLP in Service Centers to ensure adherence to appropriate laws, policies and procedures.

B Purpose

The DD FLP Management Report provides a standardized and consistent reporting format and means by which DD can:

- monitor and follow up on actions to be taken by FLP Service Center Staff.
- view previously completed reports
- document results.

C Objectives

The primary objectives of the DD FLP Management Reports are as a tool that supports oversight and management to align service center teams with the resources necessary to manage offices efficiently.

Reports provide 4 key areas of critical importance for DD review of each service center:

- application processing
- delinquency
- security
- general office management.

D SED Responsibilities

SED is responsible for implementing the DD FLP Management process in their State by ensuring that all required reviews, analyses, and reports are completed according to this part.**--***

446 DD FLP Management Report Process

A Administering DD Management Report Reviews

The DD FLP Management Reports will be completed semi-annually and are the official record documenting the results of semi-annual reviews.

The Management Report Form:

- was developed to assist DD with completing FLP management reviews conducted in the FLP Service Centers
- enables DD to electronically document and submit review results to state and Field Offices
- contains the review areas and talking points for each reporting period
- will be placed in operational file for three FY's.

B Form Access

An application will be used for completing and submitting the management report. Access the DD FLP Management Report at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/internalcontrols.aspx**.

Only authorized users will have access to the form. Authorized users include DD, FLC, DSED, and SED. Request for user access outside of these positions can be submitted by ***--**email to **SM.FSA.DCWa2.FLPRA.--***

DD's are required to complete reporting semi-annually. Delegation of Loan Approval Authority is not a requirement for report completion.

***--446 DD FLP Management Report Process (Continued)**

C Reporting Timeframes

All reporting activities are due semi-annually; however, DD's may complete this report more frequently, if necessary, to assist in the overall FLP management of the Service Center. Semi-annual completion is due on the following dates:

First report:

- completion by April 30
- should reflect data gathered between October 1 and March 31.

Second report:

- completion by October 30
- should reflect data gathered between April 1 and September 30.

D Key Areas of Review

Application Processing: DD's should review application processing timeframes, rejected and withdrawn applications, and attempts by FSA staff to assist borrowers in achieving complete applications. Reviewing these items will inform management if applicants are being treated impartially and in accordance with FLP policies and will ensure the service center has provided adequate customer service to all producers.

Delinquency: Reviewing loan portfolio delinquency provides management with an understanding of the overall health of the FSA loan portfolio and allows management to discuss with FLP staff opportunities for assisting delinquent borrowers. Through this review, DD's will focus on reasons for delinquency, determine FSA's involvement before delinquency, continued communication efforts, and reviewing the security for the delinquent account.

Security: Reviewing FSA's overall loan security provides management with an understanding of County Office efforts to ensure loans are adequately secured and all necessary inspections have been completed. DD reviews should focus on security inspections, DLS dashboard entries, UCC continuations, and security requirements.

General Office Management: Reviewing producer records to ensure they are entered consistently between Farm Program and Farm Loan Program systems for applicant/entity documents (e.g., Business Partner, FBP, FSA-2001, Operating Agreement, etc.).

Completion of the DD FLP Management Report will help DD's identify the challenges and conditions that impede Service Centers from achieving program metrics and will convey this information to the National Office.**--***

***--446 DD FLP Management Report Process (Continued)**

F Notifications

Upon completion of the report, users will receive an auto-generated e-mail with all report responses included. This report should be forwarded to SED, DSED, FLC, and the respective Service Center employees.

G Action Items

An action item is a note attached to a review area, a review record, or a review item in a management report. Action items allow users to document concerns and issues about management reviews.

DD's will use action items to bring awareness to the Service Center and State Office, of problems and deficiencies discovered during the management review.

447 Responsibilities

A DD Responsibilities

DD's will:

- coordinate and plan all FLP management review site visits with FLP State Office staff so that participation by FLC or FLS can be arranged when necessary
- notify SED, DSED, and FLC of any apparent problems that may require immediate attention
- use the DD FLP Management Report to:
  - complete reviews for each Service Center semi-annually
  - document specific findings for each case file or operational file reviewed
  - record and follow up on any noted problems or inconsistencies as an "Action Item"
  - submit completed Service Center oversight reports.**--***

447 Responsibilities (Continued)

B Service Center Responsibilities

Service Center staff will:

- assist as needed with items to be reviewed
- be available to discuss specific cases or to answer questions from DD
- follow up on any action items identified by DD.

C State Office Responsibilities

SED's will:

- ensure that timely FLP management reviews are completed by DD's
- assign a State Coordinator.

State Coordinator's will:

- review semi-annually reports submitted
- follow up on any identified action items
- discuss concerns with DD, FLC, DSED, and SED
- document the actions taken to remedy identified deficiencies in the operational file.

D National Office Responsibilities

DD FLP Management report will be reviewed in conjunction with the FLPRA process. Reports for each FLP Service Center within a State will be reviewed to ensure that:

- consistent management reviews are being conducted by DD's in the State

- SED's, DSED's, and FLC's are monitoring and addressing any deficiencies or apparent problems identified by DD's.

448-460 (Reserved)

*--Section 4 Credit Quality Reviews

461 Overview

A Background

CQR's assist FSA in maintaining the financial integrity of the Farm Loan Programs. Reviews are performed to verify that officials who obtain or maintain loan approval authority adhere to all applicable agency rules and regulations governing loan making and loan servicing.

B Purpose

CQR's are designed to thoroughly assess a loan docket on a broad range of items, including underwriting proficiency and adherence to programmatic and administrative requirements.

C Objectives

The primary objective of CQR's is to evaluate loan making and servicing actions to ensure compliance with applicable statutes, regulations, and directives.

CQR's assess:

- a trainee's ability to make and service loans before obtaining loan approval authority
- a loan approval officials' suitability to maintain loan approval authority.

D SED Responsibilities

SED is responsible for implementing the CQR process in their State by ensuring that all required reviews necessary for loan approval officials to maintain loan approval authority are completed according to this part. CQR's are also an essential component of the FLP Training Program.**--***

462 CQR Process

A CQR Requirements

To demonstrate continued proficiency, loan officials holding loan approval authority as of October 1 of the FY in review are required to satisfy credit quality standards on 2 loan docket reviews using FSA-2103. No more than 3 loan dockets may be submitted to satisfy this requirement.

As necessary, FLC's, loan approval officials, and their supervisors must coordinate the opportunity for loan approval officials to prepare or approve loan dockets from outside the loan approval officials' routine service area for the employee to meet the number of required CQR's. With SED concurrence, FLC may coordinate with FLC's from other States to obtain applicable credit actions, if necessary.

Approval officials, other than FLC's and DD's, are required to meet these standards annually. State Office staff are required to organize and complete reviews on loan approval officials in their State.

FLC's and DD's are required to meet these standards on a periodic basis as indicated by the National Office.

Loan dockets reviewed must be sufficiently complex, as determined by the review team, to reflect the employee's ability to make sound credit decisions and adequately analyze an applicant's operation. Dockets selected must have a final disposition date in the same FY of the formal CQR. Loan dockets eligible for CQR, identified in paragraph 25.5, may include:

- direct loan making dockets
- guaranteed loan making dockets

•***--**direct loan special servicing dockets.**--***

* * *

FSA-2103 will be used to complete CQR's. The completed FSA-2103 must be stored in State operational files, in addition to digitally retaining the completed FSA-2103 in the Internal Review Document Tracking System. The CQR must be discussed with the employee and their supervisor. A copy of the completed FSA-2103 must be provided to the reviewee.

Notes: The completed FSA-2103 will not be placed in the borrower case file.

Results of State developed supplemental review forms must not be used to determine an approval official's receipt or maintenance of approval authorities.

***--462 CQR Process (Continued)**

B Review Types

Reviews completed on all loan approval officials may be 1 of 3 types of reviews.

(1) Review of Loan Processor – This review type is applicable when the reviewee processed the loan action. The loan action may have been approved or denied by another employee, with the reviewee being a recommending official. Dockets selected for review will typically be those that were prepared with minimal assistance from others. If this type of review fails, and the processor only recommended disposition (did not approve or deny), the approval official will also be reviewed.

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 on FSA-2103 in items 2A through N and request that the reviewee provide each of the necessary documents electronically.

If a Review of Loan Processor review is being completed on a loan that is approved but not yet closed, the review official should wait to finalize the review until after the loan is closed and all loan closing documents have been provided by the closing agent. However, there may be instances when closing documents cannot be obtained to complete a timely CQR. When this occurs, the reviewer may document the circumstances within the remarks section 3G, and answer item 2M on FSA-2103, based on available information.

A loan docket satisfies credit quality standards if 160 points or more are awarded with no critical questions being scored "Low". The reviewer will check 1 of the following for the CQR result on FSA-2103 in item 3A:

- Passed
- Failed on Points
- Failed on Critical
- Failed on Points and Critical.**--***

***--462 CQR Process (Continued)**

B Review Types (Continued)

(2) Review of Approval-Only Official – This review type is applicable when the loan action was processed by another employee and approved or denied by the reviewee.

Many States authorize loan decisions to be completed remotely, without the benefit of the entire docket on hand. Accordingly, the review will be completed with the information available to the approval official at the time of disposition. In some instances, it is likely that not all questions on FSA-2103 can be fully answered. Any question that cannot be reasonably assessed with the information available at disposition will be scored "High" and the review official will notate those situations on FSA-2103.

If a Review of Approval-Only Official review fails, the FLC is not required to complete a Review of Loan Processor review of that loan action.

Those CQR questions on FSA-2103 in items 2A through N which the approval official had resources available at the time of disposition to correctly evaluate will be scored according to FSA-2103 instructions. Points will be tabulated by the automated FSA-2103 and an assessment result entered by the reviewer as stated in Review of Loan Processor.

(3) Review of Docket Reviewer – This review type is applicable when a CQR is being completed to evaluate a previous CQR completed by the reviewee. It is recommended that the reviewer have the same information the reviewee had when completing their review.

The reviewer will complete a CQR of the loan action, answering FSA-2103 questions in items 2A through N according to FSA-2103 instructions. This review will then be compared to the review completed by the reviewee. The automated CQR will tabulate total docket points. The reviewee's initial CQR should be attached to the Review of Docket Reviewer CQR when placed in the operational file.

Assessment results will be entered as:

- Pass if the total points in the initial CQR and the Review of Reviewer CQR are within 25 points and any critical answer of "Low" is answered the same on both CQR's
- Failed on Points if the total point difference between the two CQR's is greater than 25
- Failed on Critical if any critical answer of "Low" is answered differently between the two CQR's
- 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 CQR's.**--***

***--462 CQR Process (Continued)**

B Review Types (Continued)

Notes: Review of Loan Processor and Review of Approval-Only Official reviews are applicable for CQR's for County Office staff.

All 3 types of reviews are applicable for CQR's for FLS, DD, and FLC reviews.

Review of Loan Processor and Review of Docket Reviewer type reviews are applicable for obtaining loan approval authority.

Reviewers should consider if any error noted was caused by an employee other than the reviewee, without input, acknowledgement, or required oversight of the reviewee. In such instances, reviewers will typically document the circumstances in the remarks section 3G of FSA-2103 or include as an attachment, and the error should not negatively impact the CQR.

A single error should not cause multiple non-critical questions to be answered "Medium" or "Low". Rather, if an individual error potentially impacts more than 1 non-critical question, the primary question affected by the error will be answered according to FSA-2103 instructions, and the common error should not be a basis for answering other non-critical questions to be answered "Medium" or "Low".

Example: A debt on the credit report with a $10,000 balance and a $2,000 annual installment was overlooked by the approval official during processing of a direct loan application. Potentially, this could impact FSA-2103 non-critical questions "Were financial statements and loan schedules properly completed?" and "Were farm expense and cash outflow budget projections completed correctly and adequately documented?". Instead, the reviewer should score only the primarily impacted question accordingly and document the results of all potentially affected questions in the Remarks section or include as an attachment. The answer for critical question "Was the correct feasibility decision made or recommended and adequately documented?" may also be impacted by the error. **--***

***--462 CQR Process (Continued)**

C Failure to Meet Credit Quality Standards

An approval official, who does not satisfy the minimum credit quality standards stated in this subparagraph, will be issued a letter of counseling or reprimand by the approval official's supervisor. SED, in consultation with the FLC, may also consider a reduction of the employee's delegated loan approval authority. Reductions must be documented in the *--Delegations of Authority Tracker.--*

If an approval official does not meet the minimum credit quality standards stated in this paragraph in the FY immediately following a letter of counseling or reprimand, they do not meet 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 HRD staff, in consultation with the relevant authority, to determine employee development needs. Revocations must be documented in the *--Delegations of Authority Tracker. If the employee who failed to meet credit quality--* standards is an:

- approval official (other than FLC and DD) then action is taken by supervisory and HRD staff in consultation with FLC

- FLC or DD then action is taken by supervisory and HRD staff in consultation with the National Office. The National Office will review FLC or DD again in the year following a letter of counseling or reprimand.

D Exceptional Previous Performance

Approval officials, other than FLC and DD, who satisfy CQR standards according to Part 9, Section 4 with a score of 180 points or more and no critical questions scored low, on all docket reviews the previous FY may have reduced CQR 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 in Part 9, Section 4 will be in effect.

***--462 CQR Process (Continued)**

E Exception Requests

The SED or DSED, in concurrence with the FLC, may grant an exception to the requirement for a loan approval official (other than FLC and DD) to meet the annual credit quality standards. An example of circumstances potentially warranting an exception may include extended unavailability of the employee because of illness or detail to an alternative job responsibility.

Note: The availability of credit actions by loan approval officials will typically not be an accepted basis for an exception to credit quality standards.

An exception request must be documented in writing. The documentation must include:

- an explanation of the circumstances that prevent the loan approval official from completing annual requirements
- a detailed plan that addresses the cause for not meeting annual requirements and outlines a corrective action.

Exceptions may only be granted for the current FY. The loan approval official will be required to resume annual requirements the following FY. Exceptions may not be granted for 2 consecutive years

A copy of the decision to approve or deny the exception request will be provided to the employee.

F Reinstatement of Approval Authority

Employees whose approval authority has been revoked as a result of a failure to maintain CQR standards may have authority reinstated if they meet the requirements of any applicable DO, complete all required additional assigned training, and satisfy credit quality review standards described in this paragraph.**--***

***--463 Responsibilities**

A State Office Responsibilities

FLC's are responsible for coordinating annual CQR's for all employees within the State with delegated loan approval authority, other than FLC's and DD's. FLC's must develop a plan to ensure that all review processes are completed timely so that credit quality review results are able to be addressed as necessary in employees' annual performance reviews. FLC's will create and share the plan with loan staff by January 31 of each year. Specific files for review do not need to be identified by January 31. Plans may include types of loan dockets to be reviewed, timing of reviews, identification of reviewers, and methodology of reviews. The plan will include the FLC's analysis of loan docket availability for each loan approval official subject to CQR (with input as necessary from the loan approval official and their supervisor) and the FLC's intent and direction to address any concerns of docket availability. Plans may be communicated with loan staff informally via teams meeting or e-mail, or more formally using a state notice or state supplement.

FLC's must first coordinate the CQR's 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 25.5 for those employees. Loan docket selection and review requirements for loan approval officials with higher loan limits may be affected by the results of CQR's completed on loan dockets where the employee served as the approval official only.

FLC's are responsible for identifying review officials who will complete CQR's of all employees with delegated loan approval authority, other than FLC's and DD's. Formal CQR's will typically be completed by State Office employees with delegated loan approval authority. However, at the discretion of FLC, FLM's who met CQR standards in the previous FY and have not failed a CQR in the previous or current FY may also be eligible to complete formal CQR's 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.

CQR's must be completed by September 30 of each FY to align with the performance period. States must prepare a summary report and share it with FLP staff by January 31 of each year. It is recommended that results are posted on the State SharePoint site.**--***

***--463 Responsibilities**

B National Office Responsibilities

The National Office will complete reviews of FLC's and DD's on a periodic basis. States to be reviewed in a given FY will be selected by DAFLP. Selection criteria to be considered by DAFLP may include FLPRA data and the FLPRA review schedule. States will be notified of planned reviews to be completed by the National Office through a yearly internal controls notice. CQR's will be completed by September 30 of each FY to align with the performance period. A national summary of results and common findings will be compiled and posted on the DAFLP SharePoint site Internal Controls page at **https://usdagcc.sharepoint.com/sites/FSA-DAFLP/SitePages/internalcontrols.aspx** arranged by FY.

C Continuing Education Requirements

Employees who deliver the farm loan program are strongly encouraged to complete at least 1 continuing education training activity each year. The training activity may include completing FSA-developed courses available in AgLearn, participating in National Office FLP training, or any other available courses in financial analysis and production management, such as:

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

FSA-developed courses in AgLearn can be found using the Dashboard search section and searching for "DAFLP" or "Farm Loan".**--***

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

This table lists the required reports of this handbook.

Reports Control Number	Title	Reporting Period	Submission Date	Negative Reports	Reference
FLP4	FLPRA Annual Report	Annually	By February 1 each year	Required	403

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
FmHA 2006-21	Information Systems Management (ISM) Request for Changes to User Documentation		52
FD-258	Fingerprint Chart		Ex. 44
FSA-13-A	Data Security Access Authorization Form		54, 56
FSA-137	Address Information Request		46
FSA-159	Request for Supplies, Forms, and/or Publications		Ex. 5, 17
FSA-858	Determining if a Wetland May Be Present		222
FSA-2001	Request for Direct Loan Assistance		44, 47, 48
FSA-2025	Notice of Approval, Terms and Conditions and Borrower Responsibilities		3, Ex. 7
FSA-2026	Promissory Note		3
FSA-2028	Security Agreement		3, Ex. 44
FSA-2029	Mortgage/Deed of Trust		3
FSA-2040	Agreement for Use of Proceeds and Security		263, Ex. 7
FSA-2043	Assignment of Proceeds from the Sale of Dairy Products and Release of Security Interest		3
FSA-2044	Assignment of Income from Real Estate Security		3
FSA-2050	LexisNexis Search Request		63
FSA-2065	Annual Statement Loan Account		5, 49, 52

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

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation		171
FSA-2103	Farm Loan Programs Credit Quality Review Questionnaire		462
FSA-2120	Moratorium Notice		41
FSA-2121	Termination of Moratorium		41
FSA-2125	Farm Loan Program County Information File Changes		46
FSA-2127	Request for CED FLP Loan Approval Authority		21.5, 25
FSA-2128	Program Loan Cost Expense (PLCE) Request		Text, Ex. 21, 23
FSA-2132	Real Estate Evaluation		21.5, 148, Ex. 7
FSA-2140	Deposit Agreement		3, 101, 102
FSA-2141	Interest-Bearing Deposit Agreement		102
FSA-2142	Statement of Deposits and Withdrawals		103
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 Personal Property		142, Ex. 44
FSA-2165	Administrative Appraisal Review for Real Estate Appraisals		143, 167
FSA-2165A	Administrative Appraisal Review		21.5
FSA-2166	Technical Appraisal Review and Certification		143
FSA-2167	Administrative Appraisal Review for Personal Property Appraisals		143, 167
FSA-2171	Substitute Invoice		166, 167, Ex. 20
FSA-2172	Request for Emergency Payment		166, 167, 171
FSA-2173	Program Loan Cost Expense (PLCE) Vendor Code Request		165-167
FSA-2175	Administrative Evaluation Review		143

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

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2201	Lender's Agreement		43, 47
FSA-2211	Application for Guarantee		44, 47
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-2301	Request for Youth Loan		44, 47, 48
FSA-2304	Notice of Incomplete Application		Ex. 7
FSA-2305	Second Notice of Incomplete Application		Ex. 7
FSA-2307	Notice of Complete Application		Ex. 7
FSA-2313	Notification of Loan Approval and Borrower Responsibilities		3, 202, Ex. 7
FSA-2314	Streamlined Request for Direct OL Assistance		48
FSA-2341	Certification of Attorney		43
FSA-2342	Certification of Title Insurance Company		43
FSA-2446	DLS/ADPS/GLS Account Correction		52
FSA-2465	Assignment, Acceptance, and Release (Wool and Mohair)		3
FSA-2489	Assumption Agreement		3
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-2570	Offer to Convey Security		3
FSA-2585	Acquisition or Abandonment of Secured Property		5
FSA-2722	Update to TOP and Cross-Servicing Information		5

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

Forms (Continued)

Number	Title	Display Reference	Reference
IRS 1098	Mortgage Interest Statement		5, Ex. 18
IRS 1099-A	Acquisition or Abandonment of Secured Property		5
IRS 1099-C	Cancellation of Debt		5
IRS 1099-G	Statement for Recipient of Certain Government Payments		5
OF-306	Declaration of Federal Employment		Ex. 44
OF-347	Order for Supplies and Services		161
SF-87	Fingerprint Chart		Ex. 44
SF-1449	Solicitation/Contract/Order for Commercial Items		161, 168

Note: SF-1449 is available on GSA's form website 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	164
ACOR	Appraisal Compliance Oversight Review	143, Ex. 2
AD, POAB	FBC, Acquisition Division, Policy, Oversight, and Accountability Branch	161, 162, 168
ADR	alternative dispute resolution	42
AFT	Application Fast Track	25, 28, 251
AMC	appraisal management company	141
AO	administrative officer	21.5
ARMP	Agency Representative for Micro-Purchase	141, Part 7, Ex. 19-21, 24
ARRA	American Recovery and Reinvestment Act of 2009	164, 165, Ex. 16
APOC	Appraisal Point of Contact	Text, Ex. 2, 19-21, 40, 44, 64
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	165, 169
BP	Business Partner	5, 44, 46
BPA	blank purchase agreement	Ex. 24

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
CAFO	confined animal feed operation	Ex. 51, 52
CEC	Client Experience Center	54.5
CL	conservation loan	Text, Ex. 2, 16, 18
CLTV	combined loan to value	149
CMT	Constant Maturity Treasury	Ex. 17
CNC	currently not collectible	41, 251, Ex. 5
CO	Contracting Officer	23, Ex. 44
CONACT	Consolidated Farm and Rural Development Act	1, 21, 29, 142, 251
CPA	Certified Public Accountant	Ex. 26
CQR	credit quality review	25, 461, 462, 463
CRM	Customer Relationship Management	49
CSA	community supported agriculture	242, Ex. 28
DATA	Digital Accountability and Transparency Act	Part 7
DMB	Debt Management Branch, RD Business Center	5, 61
DMT	Directives Management Tool	3, 57
DNP	Do Not Pay	43, 53, Ex. 15.5, 15.6
DO	demonstration opportunity	21.5
DBSA	distressed borrower set aside	25.5
DSED	Deputy State Executive Director	21.5, 446, 447, 462
ECM	Enterprise Content Management	5, 52, 171
eDALR$	electronic Debt and Loan Restructuring System	242, Ex. 17
EIN	employee identification number	Ex. 15.6
FAIN	Federal Award Identification Number	162, 166, Ex. 21
FAR	Federal Acquisitions Regulation	141, 161, 163, 167, 168, Ex. 2, 21, 24
FBC	Farm Production and Conservation Business Center	161-163, 167, 168, Ex. 21
FHP	Farm and Home Plan	Ex. 5
FLB	Rural Development Farm Loan Branch	5, 41, 52, Ex. 18
FLOTrack	Farm Loan Officer Trainee Tracking System	21.5, 25
FLPIDS	Farm Loan Programs Information Delivery System	56
FLPRA	Farm Loan Programs Risk Assessment	28, 143, 401-403, Ex. 18
FmHA	Farmers Home Administration	52, Ex. 5
FMMI	Financial Management Modernization Initiative	Part 7, Ex. 19-23
FPAC	Farm Production and Conservation	22, 49, 161, 162, 168, 169, Ex. 2, 17
FPDS-NG	Federal Procurement Data System -New Generation	163, 168
GCB	Guaranteed Commercial Branch, Servicing Office	50, 52
IAS	Integrated Acquisition System	161, 163, 164, 168, Ex. 21-23
IDP	individual development plan	21.5
IRM	Information Resource Management	49-51, 54, 56
ITLAP	Indian Tribal Land Acquisition Program	2, Ex. 16
KZ	cancellation	171
LOA	Loan Analyst	23, 26, Ex. 7
LOC	line of credit	29, Ex. 16
LR	limited resource	242, 263, Ex. 16, 70

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
LRA	Local Registration Authority	4
LRS	Loan Resolution Specialist	23, 26, Ex. 7
ML	microloan	165, 222, 242, Ex. 2, 16
NAPHSIS	National Association for Public Health Statistics and Information Systems	53
NATS	National Appraisal Tracking System	Text, Ex. 19, 21
OA	Office of Adjudication	41
OAC1	Office of Adjudication and Compliance flag denoting acceptance of program discrimination complaint	41, Ex. 18
OBIEE	Oracle Business Intelligence Enterprise Edition	46, 56, 167
OLA	Online Loan Application	3, 48, 242
PAC	Program Authority Code	163, 165, 166, 168, Ex. 21, 25
PAT	program area test	21.5
POA	Policy Oversight and Accountability	161-163, 167
PCA	Production Credit Association	Ex. 18
PIID	Placeholder Procurement Identification Number	162, 168, Ex. 21
PLP	Preferred Lender Program	28, 29, 43, Ex. 5, 18
PLS	Primary Loan Servicing	Text, Ex. 5, 18, 70
PLV	potential liquidation value	142, Ex. 40
POAD	Program Operations and Appraisals Division	Text, Ex. 15.5, 21, 40
PRB	Programs Report Branch, RD Business Center	5, 54.5
PVND	Term in the FMMI User Guide representing the creation of a vendor record	165, 166
RCN	replacement cost new	Ex. 51-53
RDBCSO	Rural Development Business Center Servicing Office	46, 52, 54.5
REO	real estate owned	Ex. 40
RRA	Regional Review Appraiser	4
SALP	Special Apple Loan Program	2
SAM	System for Award Management	43, 53, 141, 161, 162, 165, 167, Ex. 20, 23, 44
SEL	standard eligible lender	25, 28, 43, Ex. 5, 18
SLR	Security Liaison Representative	54.5
SOW	Statement of Work	141-143, Ex. 2, 20, 40, 44, 64
SRA	supervisory review appraiser	141-143
TC	transaction code	46, 49, 50, 52, 165, 170, 171, Ex. 18
TAV	tax or assessed value	149

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
TDCLC	term debt capability lease coverage	252
TI	treasury in transit	170, 171
TPOC	Technical Point of Contact	162, 163, 166-168, Ex. 19-21
TR	treasury reversal	171
TROR	Treasury Report on Receivables	5
TY	payment voucher transaction	162, 166-168, 170, 171, Ex. 21
UAAR	Uniform Agriculture Appraisal Report	142
UEI	unique entity identifier	165, 167, Ex. 44
USPAP	Uniform Standards of Professional Appraisals Practice	141-144, 146, 149, Ex. 2, 40, 64
WP	Western Pacific	5
YEA	year-end analysis	201, 251, 263, Ex. 18, 26
ZMY	Obligating document or purchase order created in FMMI.	Part 7, Ex. 21, 23

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.

Authority	Redelegate to				
	FLC	FLS	DD	FLM	SFLO
SED's loan approval authority:	X	X	X		
• approve subordinations, or release and refiling lien instruments instead of subordinations	X	X	X		
• approve severance agreements	X	X	X		
• approve surface leases for farm property no longer in use (such as old barns) or for nonfarm purposes (such as wind turbines, communication towers, or other similar installations)	X	X	X		
• approve transfer and assumption	X	X	X		
• release of real estate or personal property security without compensation through execution of FSA-2045, FSA-2061, FSA-2470, or other documents approved by OGC	X	X	X		

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

Redelegations of Authority (Continued)

Authority	Redelegate to				
	FLC	FLS	DD	FLM	SFLO
•*--release of guaranteed loan real estate or personal property security without compensation	X	X--*			
• 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 or valueless liens * * *
- 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:**

(i) meets applicable Agency requirements; and
(ii) is accurate outside the requirements * * * of USPAP.

Adversely Affect

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

Agency

Agency is **the FSA**.

Agency Official

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

***--Application Fast Track (AFT)**

Application Fast Track is an accelerated underwriting process for direct loans, which uses financial and repayment data to benchmark and identify applicants least likely to default. This process serves as documentation of repayment capacity for qualified applicants.

Appraisal

Appraisal means a written statement independently and impartially prepared, setting forth an opinion as to the value of an adequately described property as of a specific date(s), supported by the presentation and analysis of relevant market information. Real estate appraisals must comply with the Uniform Standards of Professional Appraisal Practice (USPAP).--*

Appraisal Compliance Oversight Reviews (ACOR)

Appraisal Compliance Oversight Reviews are internal quality control reviews of the agency's administrative review function and appraisal/technical review requirements.

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

Appraisal Point of Contact (APOC)

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

Authorized Agency Official

The authorized agency official is the FSA official that is authorized to perform specific tasks related to 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:**

(i) Meets the loan eligibility requirements for a direct or guaranteed CL, FO, or OL, as applicable;
(ii) Has not operated a farm for more than 10 years. This requirement applies to all members of an entity;
(iii) Will materially and substantially participate in the operation of the farm:
(A) 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; or
(B) 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;
(iv) Agrees to participate in any loan assessment and borrower training required by Agency regulations;

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

Beginning Farmer (Continued)

(v) 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;
(vi) 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
(vii) In the case of an entity:
(A) All the members are related by blood or marriage; and
(B) All the members are beginning farmers.

Best Value

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

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

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.

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

Borrower (or Debtor)

Borrower (or debtor) is an individual or entity that has an outstanding obligation to the Agency or to a lender under any direct or guaranteed FLP loan, without regard to whether the loan has been accelerated. The term "borrower" includes all parties liable for such obligations, including collection-only borrowers, except for debtors whose total loans and accounts have been voluntarily or involuntarily foreclosed, sold, or conveyed, or who have been discharged of all such obligations owed to the Agency or guaranteed lender.

***--Business Loan**

Business loan means a loan or other extension of credit made primarily for agricultural purposes to any corporation, general or limited partnership, business trust, joint venture, sole proprietorship, or other person (including entities and individuals engaged in farming enterprises).

Combination Business or Farm Property

Combination business or farm property means real property for which the total appraised value is attributable to residential, and business or farm uses

Combined Loan to Value

Combined loan to value is a ratio used to assess risk. It is calculated by dividing the sum of the current FSA loan transaction and prior debt, divided by the estimated value (TAV for real estate evaluation determinations).

Commercial Real Estate Transaction

Commercial real estate transaction means a real estate-related financial transaction that is secured by a property whose primary value is not derived from a single 1-4 family residence.--*

Conservation Loan (CL)

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

Conservation Plan

Conservation plan means **an NRCS-approved written record of the land user's decisions and supporting information, for treatment of a land unit or water as a result of the planning process, that meets NRCS Field Office Technical Guide (FOTG) quality criteria for each natural resource (soil, water, air, plants, and animals) and takes into account economic and social considerations. The conservation plan describes the schedule of operations and activities needed to solve identified natural resource problems and takes advantage of opportunities at a conservation management system level. This definition only applies to the direct loans and guaranteed loans for the Conservation Loan Program.**

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

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.**

***--Disaster Set-Aside**

Disaster set-aside is the deferral of payment of an annual loan installment to the Agency to the end of the loan term in accordance with part 766, subpart B, of this chapter.

Distressed Borrower Set-Aside

Distressed borrower set-aside means the deferral of payment of an annual loan installment to the Agency to the end of the loan term in accordance with part 766, subpart J, of this chapter.--*

Down Payment Loan

Down payment loan 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.**

Feasible Plan

Feasible plan means **when an applicant or borrower's cash flow budget or farm operating plan indicates that there is sufficient cash inflow to pay all cash outflow. If a loan approval or servicing action exceeds one production cycle and the planned cash flow budget or farm operating plan is atypical due to an interest-only or otherwise unequal installment, cash or inventory on hand, new enterprises, carryover debt, atypical planned purchases, important operating changes, or other reasons, a cash flow budget or farm operating plan must be prepared that reflects a typical cycle. If the request is for only one cycle, a feasible plan for only that production cycle is required for approval.**

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

Forest Stewardship Management Plan

Forest Stewardship Management Plan means **a property-specific, long-term, multi-resource plan that addresses private landowner objectives while recommending a set and schedule of management practices designed to achieve a desired future forest condition developed and approved through the USDA Forest Service or its agent.**

FSA

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

Graduation

Graduation means **the payment in full of all direct FLP loans, except for CLs, made for operating, real estate, or both purposes by refinancing with other credit sources either with or without an Agency guarantee.**

Loan Activity

Loan activity is any transactions processed in GLS, DLS, or PLAS to a borrower's loan.

Microloan (ML)

ML is a type of OL of $50,000 or less made under reduced application, eligibility, and security requirements.

Personal Property

Personal property is property that may consist of, but is not limited to, crops, livestock, aquaculture species, farm equipment, inventory, accounts, contract rights, general intangibles, and supplies that are covered by financing statements and security agreements, chattel mortgages, and other security instruments. It is property that is not real estate, and the term is generally used to replace references to the term "chattel".

PLCE Expenses

PLCE expenses are defined as financial transactions and procurement items.

Program Loans

Program loans include **FO, CL, OL, and EM. In addition, for loan servicing purposes the term includes existing loans for the following programs no longer funded: SW, RL, EE, ST, and RHF.**

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

***--Real Estate Evaluation**

Real estate evaluation is an estimate of value of real estate provided by an individual who is not required to comply with USPAP, using market supported information to analyze the subject property.

Real Estate-related Financial Transaction

Real estate-related financial transaction means any transaction involving:

(i) The sale, lease, purchase, investment in, or exchange of real property, including interests in property or the financing thereof; or

(ii) The refinancing of real property or interests in real property.--*

Streamlined Conservation Loan

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

Supervised Bank Account

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

Technical Appraisal Review

Technical appraisal review is **a review of an appraisal to determine if such appraisal meets the requirements of USPAP pursuant to Standard 3 of USPAP**.

***--Transaction Value**

Transaction value means:

(i) For loans or other extensions of credit, the amount of the loan, loan commitment, or other extensions of credit; and

(ii) For sales, leases, purchases, investments in, or exchanges of real property, the market value of the property interest involved.**--***

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

Treasury Judgment Rate

The treasury judgment rate is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961).

Uniform Standards of Professional Appraisal Practice

Uniform standards of professional appraisal practice are **standards governing the preparation, reporting, and reviewing of appraisals established by the Appraisal Foundation pursuant to the Financial Institutions Reform, Recover, and Enforcement Act of 1989**.

***--Valuation**

Valuation is the estimation or determination of value of personal property or real estate by agency officials, vendors, or third parties, in each case, authorized or approved by the Agency.--*

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 loan**--*** making 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 165 166 167 168 171 F 166 B, 167 B, and 168 B	Guidance on: • PLCE transaction roles • fund availability • UCC filings and lien searches • 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 will:**--

- issue State supplements according to 1-AS, paragraph 216
- obtain approval of State supplements according to 1-AS, paragraph 220.

Forms List

A General Information

*--This exhibit provides:

- information on forms that were renumbered or made obsolete as part of FLP Streamlining
- RD forms that are still used by FLP
- some forms, but is not all inclusive of forms used in FLP delivery.--*

See subparagraph:

- B for FmHA, FSA, and RD forms
- C for FmHA, FSA, and RD form and guide letters
- D for FmHA and RD Instruction exhibits
- E for items and publications
- F for a numerical list of new FSA forms
- G for a list of new handbook exhibits.

The following is applicable to this exhibit.

- The "Old Form Number" column provides the prefix and number used before December 31, 2007.

- The "New Form Number" column provides the prefix and number to be used after December 31, 2007.

  Note: An asterisk (*) in the "New Number" column indicates the document will remain under the current number.

- The "Title" column provides the title of the document.

  Note: This column provides the form's title that will be used after December 31, 2007.

B Forms

The following lists * * * FmHA, FSA, and RD forms used for FLP delivery.

Old Form Number	New Form Number	Title	Date Made Obsolete
FmHA 021-1		Request for Procedure	8-29-01
RD 021-1		Request for Procedure	12-31-07
FmHA 021-46		Procedure Notice	12-31-07
FmHA 070-1		A Program to Recognize the Farm Family of the Year of the FHA, USDA	2-17-99
FmHA 102-1		Request for Check Delivery	12-31-07
FmHA 104-1		Public Information Transmittal and/or Receipt	4-16-99
RD 140-4	FSA-2071	Transmittal of Documents	
FmHA 160-3		Request for Travel Authorization or Amendment	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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 Associations (FHA Borrowers)	12-31-07
FmHA 400-8		Compliance Review	7-26-04
RD 402-1	FSA-2140	Deposit Agreement	
RD 402-2	FSA-2142	Statement of Deposits and Withdrawals	
FmHA 402-6		Termination of Interest in Supervised Bank Account	12-31-07
FmHA 403-1		Debt Adjustment Agreement	7-8-98
FmHA 404-1		Case Reclassification	11-10-99
FmHA 405-A1		Operating Type Loans Maturity Schedule	12-31-07
FmHA 410-07		Notification to Applicant on Use of Financial Information from Financial Institution	2-17-99
FSA 410-1	FSA-2001	Request for Direct Loan Assistance	
FmHA 410-8		Applicant Reference Letter	12-31-07
RD 410-9	FSA-2007	Statement Required by the Privacy Act	
FmHA 410-10		Privacy Act Statement to References	12-31-07
FmHA 426-1		Valuation of Building	12-31-07
RD 426-2	FSA-2320	Property Insurance Mortgage Clause	
FmHA 426-4		Notice of Expiration of Insurance	12-31-07
RD 426-6		Transmittal of Property Insurance Mortgage Clause	12-31-07
FmHA 431-1		Long-Time Farm and Home Plan	12-31-07
FmHA 431-2		Farm and Home Plan	12-31-07
FmHA 431-4		Business Analysis - Nonagricultural Enterprise	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FmHA 432-1	FSA-2036	Farm Family Record Book	7-14-08
FmHA 432-1-, Supp 1		FHP Supplement 1 - Money Received	8-22-07
FmHA 432-1, Supp 2		FHP Supplement 2 - Expenses Paid	8-22-07
FmHA 432-1, Supp 3		FHP Supplement 3 - Expense Distribution Codes	8-22-07
FmHA 432-2		Five-Year Inventory Record	12-31-07
FmHA 432-10		Business and Family Record Book	12-31-07
FmHA 440-2		County Committee Certification or Recommendation	7-24-02
FSA-440-2		Eligibility certification or recommendation	12-31-07
FmHA 440-4		Security Agreement (Chattels and Crops)	9-9-03
FSA-440-4A	FSA-2028	Security Agreement	
FmHA 440-8		Notice of Check Delivery	12-31-07
FSA 440-9	FSA-2027	Supplementary Payment Agreement	
RD 440-11		Estimate of Funds Needed For 3- Day Period Commencing	12-31-07
FmHA 440-12		Acknowledgement of Payment for Recording, Lien, Search, and Releasing Fees	12-31-07
RD 440-13	FSA-2360	Report of Lien Search	
FmHA 440-15		Security Agreement (Insured Loans to Individuals)	12-31-07
FmHA 440-21		Appraisal of Chattel Property	12-31-07
FSA 440-21	FSA-2160	Appraisal of Chattel Property	
RD 440-22		Promissory Note (Association or Organization)	12-31-07
FSA-440-25		Financing Statement	12-31-07
FmHA 440-A25		Financing Statement (Carbon-Interleaved)	12-31-07
FSA 440-26	FSA-2317	Consent and Subordination Agreement	
FmHA 440-29		Semiannual Labor Compliance Report	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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 Collection --Only Accounts	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
RD 455-1 RD 455-22 RD 1955-2	FSA-2550	Report of Problem Case (Request for Foreclosure/Legal Action)	
FSA 455-2	FSA-2551	Evidence of Conversion, Fraud or Waste (Request for Lack of Good Faith Determination/Legal Action)	
FmHA 455-3		Agreement for Sale by Borrower (Chattels and/or Real Estate)	12-31-07
FmHA 455-4	FSA-2571	Agreement for Voluntary Liquidation of Chattel Security (Generic Version)	
FmHA 455-5	FSA-2572	Agreement of Secured Parties of Sale of Security Property	
FSA 455-11	FSA-2070	Bill of Sale "B" (Sale by Private Party)	
FmHA 455-12		Bill of Sale "C" (Sale Through Government as Liquidating Agent)	12-31-07
FSA 455-17	FSA-2490	Report on Deceased Borrower	
FmHA 455-21		Notice of Acceleration and Demand for Payment	7-8-98
RD 455-1 RD 455-22 RD 1955-2	FSA-2550	Report of Problem Case (Request for Foreclosure/Legal Action)	
FmHA 460-1		Partial Release	2-13-02
RD 460-1	FSA-2470	Partial Release	
FSA 460-2	FSA-2455	Subordination by the Government	
RDA 460-4	FSA-2433	Satisfaction of Lien	
FmHA 460-5		Assumption Agreement	7-26-04
FSA 460-8	4-FLP, Exhibit 27	Notice of Termination of Security Interest in Farm Products	
FmHA 460-9		Assumption Agreement	12-23-96
FmHA 460-10		New Promise to Pay	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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 **Note:** Reinstated as Exhibit 30 to 4-FLP.	5-18-04
RD 465-1	FSA-2060	Application for Partial Release, Subordination, or Consent	
RD 465-5	FSA-2476	Transfer of Real Estate Security	
FmHA 465-12 (State)		Quitclaim Deed	12-31-07
FSA-580	FSA-2580	Primary and preservation Loan Servicing Checklist	
FSA-581	FSA-2581	Review data for inequitable treatment	
FmHA 838-B		Invoice - Receipt Certification	12-31-07
FSA-838-C	FSA-2171	Substitute Invoice	
FSA-839	FSA-2172	Request for Emergency Payment	
FSA-845	FSA-2173	*--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 Card--Individual	12-31-07
RD 1905-12		Monthly Expirations	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
RD 1910-5	FSA-2014	Verification of Income	
FmHA 1910-11		Applicant Certificate Federal Collection Policies For Consumer or Commercial Debts	9-9-03
FmHA 1922-1		Appraisal Report - Farm Tract	10-99
FSA-1922-1 & Addendum	FSA-2161	Appraisal Report - Agricultural Tract	*--6-30-21--*
FmHA 1922-2		Supplemental Report-Irrigation Drainage, Levee, and Mineral	10-99
FmHA 1922-3 & L3		Map of Property	4-12-00
FmHA 1922-4		Township Plate Map	4-12-00
FmHA 1922-5		Appraisal Review **Note:** Reinstated as FSA-2166.	1-9-04
FmHA 1922-6		Multiple Township Plat Map	4-12-00
FmHA 1922-8		Uniform Residential Appraisal report	4-12-00
FSA 1922-9	FSA-2162	Real Estate Sales Data	*--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 report	6-17-08
RD 1924-1	FSA-2150	Development Plan	
FmHA 1924-2		Description of Materials	12-31-07
FmHA 1924-3		Service Building Specifications	12-31-07
FmHA 1924-5		Invitation for Bid (Construction Contract)	12-31-07
FmHA 1924-6		Construction Contract	12-31-07
FmHA 1924-7		Contract Change Order	12-31-07
FmHA 1924-9		Release by Contractor **Note:** Reinstated as FSA-2154.	7-26-04
RD 1924-10	FSA-2153	Release by Claimants	

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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 1927-1M	FSA-2029-D FSA-2029-M	Real Estate Mortgage or Deed of Trust	
FmHA 1927-2		Transmittal of Form FmHA 1927-19/1927-20	12-11-96
RD 1927-4	FSA-2343	Transmittal of Title Information	
RD 1927-5	FSA-2351	Certification of Improvement of Property	
RD 1927-8	FSA-2319	Agreement With Prior Lienholder	
RD 1927-9	FSA-2344	Preliminary Title Opinion	
RD 1927-10	FSA-2352	Final Title Opinion	
FmHA 1927-11 (State)	FSA-2569	Warranty Deed (Generic Version)	
FmHA 1927-12 (State)		Warranty Deed (Generic Version)	12-31-07
RD 1927-15	FSA-2350	Loan Closing Instruction	
FmHA 1927-16		Notification of Loan Closing	7-8-98
RD 1927-19	FSA-2341	Certification of Attorney	
RD 1927-20	FSA-2342	Certification of Title Insurance Company	

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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 Exclusions	*--8-3-16--*
FSA 1940-38	FSA-2310	Request for Lender's Verification of Loan Application	
FmHA 1940-39		Declaration of Registrant	7-31-96
FSA-1940-40		Quarterly Declaration of Registrant	7-31-96
FmHA 1940-41		Truth in Lending Disclosure Statement	12-31-07
FmHA 1940-51		Crop-Share-Cash Farm Lease	12-31-07
FmHA 1940-53		Cash Farm Lease	12-31-07
FmHA 1940-55		Livestock-Share-Farm Lease	12-31-07
FmHA 1940-56		Annual Supplement to Farm Lease	12-31-07
RD 1940-59		Settlement Statement	12-31-07
FmHA 1941-1		Criteria for Continuing Assistance to Delinquent Borrowers	12-31-07
FmHA 1942-9		Loan Resolution Security Agreement	7-26-04
RD 1942-14		Association Project Fund Analysis	3-19-03
RD 1942-46		Letter of Intent to Meet Conditions	7-26-04
FmHA 1943-2		Small Farmer Outreach Training and Technical Assistance Program (Evaluation)	7-26-04
RD 1944-3		Budget And/Or Financial Statement	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FmHA 1951-54		Multiple Family Housing Annual Statement of Loan Account	12-31-07
FmHA 1951-57		Request for loan summary statement	12-31-07
FmHA 1951-58		Basis for Loan Account Payment Application for Farmer Programs Loans	12-31-07
FmHA 1951-60		Field Office Remittance Reconciliation Report	12-31-07
RD 1951-61	FSA-2445	Control of Problem Case Correspondence	
RD 1951-62	FSA-2446	Explanation of Problem Case	
FmHA 1951-63		Delinquency Audit Worksheet	12-31-07
RD 1955-1	FSA-2570	Offer to Convey Security	
RD 1955-2, FmHA 455-1, FmHA 455-22	FSA-2550	Report of Problem Case (Request for Foreclosure/Legal Action)	
FmHA 1955-3	FSA-2587	Advice of Property Acquired	
FmHA 1955-3A	FSA-2588	Acquired Property-Maintenance	
FmHA 1955-20	FSA-2591	Lease of Real Property	
FmHA 1955-40		Notice of Real Property For Sale	12-31-07
RD 1955-41	5-FLP, Exhibit 70	Notice of Sale	
FmHA 1955-42		Open Real Property Master Listing Agreement	12-31-07
FmHA 1955-45	FSA-2593	Standard Sales Contract - Sale of Real Property By The US	
RD 1955-46	FSA-2592	Invitation Bid and Acceptance-Sale of Real Property by the US	

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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 Custodial/Inventory Property or Program Services	12-31-07
RD 1956-1	FSA-2732	Debt Settlement Application (RD-1956-1 Application for Settlement of Indebtedness)	
FSA-1956-10	FSA-2733	Review, Certification and Recommendation on Debt Settlement Application	
FSA-1956-20	FSA-2720	Checklist for Currently Not Collectible Debt	
FSA-1956-21	FSA-2721	List of Currently Not Collectible (CNC) Debts Eligible to Be Referred to Treasury for Cross-Servicing	
FSA-1956-22	FSA-2722	Update to TOP and Cross-Servicing Information	
FmHA 1960-12		Financial and Production Farm Analysis Summary	12-31-07
FSA 1962-1	FSA-2040	*--Agreement For Use of Proceeds and Security--*	
FSA 1962-3	4-FLP, Exhibit 29	List of FmHA Borrowers	
FSA 1962-9	FSA-2450	Temporary Amendment of Consent to Payment of Proceeds From Sale of Farm Products	
RD 1962-20	FSA-2576	Notice of Judgment	
FSA-1962-21 and 1962-21A	FSA-2574	Confirmed reorganization plan worksheet and cancellation of unsecured debt	
RD 1965-8	FSA-2080	Release From Personal Liability	
FmHA 1965-11		Accelerated Repayment Agreement	12-31-07
FSA-1965-13	FSA-2489	Assumption Agreement (Farm Loan Programs)	
RD 1965-14		Proof of Claim of the United States of America (Individual)	12-31-07
FmHA 1965-15		Assumption Agreement	12-23-96

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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 a Guaranteed Loan	7-26-04
FSA-1980-07	FSA-2296	Guaranteed Loan Final Loss Review Checklist	
FSA 1980-15	FSA-2232	Conditional Commitment	6-8-07
RD 1980-19	FSA-2236	Guaranteed Loan Closing Report	
FSA-1980-22	FSA-2233	Lender Certification	
FSA-1980-24	FSA-2222	Request for Interest Assistance Payment	6-8-07
FSA-1980-25	FSA-2211	Application for Guarantee	
FSA-1980-26	FSA-2261	Report on Collection Activities on Liquidation Accounts	
FSA-1980-27	FSA-2235	Loan Guarantee	
FSA-1980-28	*--FSA-2211	Application for Guarantee--*	

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FSA-1980-36	FSA-2242	Assignment of Guarantee	
FSA-1980-37	FSA-2250	FSA Purchase of a Guaranteed Loan Portion	
FSA-1980-38	FSA-2201	Lenders Agreement	
FmHA 1980-40		Reverse A Report of Liquidation Expense	3-19-99
FSA-1980-41	FSA-2241	Guaranteed Farm Loan Status Report	
FSA-1980-42	FSA-2243	Notice of Substitution of Lender	
RD 1980-43	FSA-2251	Lender's Guaranteed Loan Payment To USDA	
FSA 1980-44	FSA-2248	Guaranteed Loan Borrower Default Status	
RD 1980-45	FSA-2262	Notice of Liquidation Responsibility	
FmHA 1980-46		Report of Liquidation Expense	7-26-04
RD 1980-47	FSA-2247	Guaranteed Loan Borrower Adjustments	
FSA-1980-48	FSA-2249	Request for Restructuring Guaranteed Loans	
FSA-1980-49	FSA-2244	Guaranteed Loan Status Adjustment	
FmHA 1980-50		Add, Delete, or Change Guaranteed Loan Borrower Information	4-16-99
FmHA 1980-51		Add, Change or Delete Guaranteed Loan Record	7-26-04
FmHA 1980-52		Report Request	7-26-04
FmHA 1980-56		Guaranteed Loan Borrower Deferment	7-26-04
FmHA 1980-57		Reverse Guaranteed Loan Borrower Deferment	7-26-04
FmHA 1980-58		Interest Rate Buydown Agreement	7-26-04
FmHA 1980-59		Quarterly Delinquent/Problem Loan Report	10-29-97
FSA 1980-64	FSA-2221	Interest Assistance Agreement (Farmer Programs)	6-8-07
FmHA 1980-74		Application for Loan and Guarantee-Agricultural Resources Conservation Demonstration Program	12-31-07
FmHA 1980-75		Conditional Commitment for Guarantee-Agriculture Resource Conservation Demonstration Program	12-31-07
FmHA 1980-76		Lender's Agreement-Agricultural Resources Conservation Demonstration Program	12-31-07
FmHA 1980-77		Loan Note Guarantee-Agricultural Resource Conservation Demonstration Program	12-31-07
FmHA 1980-78		Interest Assistance Agreement -Agricultural Resource Conservation Demonstration Program	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FmHA 1980-83		Request for Waiver of Borrower Training Requirements for Guaranteed Loan Applications	3-19-99
FmHA 1980-84		Modification of New Contract Relating to Farm Credit Programs Guaranteed loan/line of credit	2-17-99
FSA-1980-84	FSA-2245	Modification of Loan Guarantee	
FmHA 1980-85		Modification of Existing Contract Relating to Farm Credit Program Guaranteed loan/line of credit	3-19-99
FSA-1980-86	FSA-2246	Notification of Transfer and Assumption of a Guaranteed Loan	
FSA-1980-88	FSA-2252	Farm Loan Programs Guaranteed Writedown Worksheet	
FSA-1980-89	FSA-2253	Shared Appreciation Agreement for Guaranteed Loans	
RD 1992-6	FSA-2585	Acquisition or Abandonment of Secured Property	
FSA-2006-3		Instruction and Form Justification	12-31-07
FmHA 2006-8		Procedure Notice Material	12-31-07
FSA 2006-9		Notice of Visit or Meeting	12-31-07
FmHA 2006-10		State Annual Planning Calendar	2-2-00
RD 2006-10		State Annual Planning Calendar	12-22-99
FmHA 2006-11		County Office Operating Report	12-31-07
FmHA 2006-12		County Office Operating Report Tally Sheet	12-31/07
RD 2006-15	(*)	Request for Automation	
FmHA 2006-16		Report of PRA Office Review	4-30-96
FmHA 2006-20		Classification of Farmer Program Borrower Account	4-12-00
FSA-2006-20		Classification of Farmer Program Borrower Account	12-31-07
FmHA 2006-21	(*)	Information Systems Management (ISM) Request for Changes to User Documentation	
FmHA 2006-23		State Evaluation Review Guide for District Office	4-30-96
FmHA 2006-24		State Evaluation Review Guide for County Offices	4-30-96
RD 2006-25		Production Problem Report	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made 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

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FmHA 2057-9		Executive-Management-Supervisory (E-M-S) Individual Development Plan	7-8-98
RD 2057-10		Executive-Management-Supervisory (E-M-S) Individual Development Planning Report	7-8-98
RD 2057-11		Individual Development Plan ADP Coordinator/ADPC Assistant	7-8-98
FmHA 2057-13		Individual Development Plan	7-8-98
* * *	* * *	* * *	
FSA-2037	(*)	Farm Business Plan Worksheet, Balance Sheet	
FSA-2038	(*)	Farm Business Plan, Projected Income and Expenses	
FSA-2039	(*)	Farm Business Plan Worksheet - Summary of Year's Business	
FSA-2101	(*)	DD FLP Oversight Report Guide	
FSA-2102		Report and Summary Schedule for DD FLP Oversight Reviews	12-31-07
FSA-2103	(*)	Direct loan making file review questionnaire	
FSA-2104	(*)	Guaranteed loan making file review questionnaire	
FSA-2105		Routine Direct loan servicing of current borrowers file review questionnaire	3-3-06
FSA-2106		Guaranteed loan servicing file review questionnaire	3-6-06
FSA-2107		Collection and resolution of direct FLP debts file review questionnaire	3-6-06
FSA-2108		Guaranteed loan loss claims file review questionnaire	3-6-06
FSA-2109		Farm inventory property file review questionnaire	6-8-04

Forms List (Continued)

B Forms (Continued)

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

Forms List (Continued)

B Forms (Continued)

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-2330	FSA-2001	Request for Microloan Assistance	2-15-23--*
	FSA-2425	Request to Cancel Undisbursed Loan Funds	
FSA-2620	(*)	Indian Tribal Land Acquisition Program Loan Application	
FSA-2621	(*)	Indian Tribal Land Acquisition Program Tribal Council Resolution and Certification	
FSA-2622	(*)	Indian Land Acquisition Program Assignment of Tribal Income and Funds	
FSA-2623	(*)	Indian Tribal Land Acquisition Program Subordination Agreement	
FSA-2648	(*)	Civil Rights Compliance Review	
FSA-2651	(*)	Request for Special Apple Loan Program Assistance	
FSA-2652	(*)	Special Apple Program Promissory Note and Security Agreement	
FSA-2661	(*)	Request for Emergency Loan for Seed Producers Program Assistance	
FSA-2662	(*)	Emergency Loans for Speed Producers Promissory Note and Security	
FSA-2663	(*)	Subordination Agreement in Favor of the Government Emergency Loans for Seed Producers	
FSA-2664	(*)	Emergency Loans for Seed Producers Program Notice of Claim Assignment	
FSA-2670	(*)	Horse Breeder Loan Program Promissory Note	
FSA-2680	(*)	Letter of Interest	
FSA-2681	(*)	Loan Payment Guarantee Agreement and Contract Modification	
FSA-2683		Request for Land Contract Guarantee Assistance	

Forms List (Continued)

C Form and Guide Letters

The following lists all FmHA, FSA, and RD form or guide letters used for FLP delivery.

Notes: Forms and guide letters that will be used after December 31, 2007, have been converted to either a form or exhibit to the appropriate handbook.

The "Old Number" column provides the prefix and number of the form or guide letter used before December 31, 2007.

The "New Number" column provides the form or handbook and exhibit number.

The "Title" column provides the title of the document.

An asterisk (*) in the "New Number" column indicates the form or guide letter will remain under the current number.

Old Number	New Number	Title	Date Made 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 Operating Loan Assistance to Beginning Farmer or Ranchers	3-24-97

Forms List (Continued)

C Form and Guide Letters (Continued)

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

Forms List (Continued)

C Form and Guide Letters (Continued)

Old Number	New Number	Title	Date Made 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

Forms List (Continued)

C Form and Guide Letters (Continued)

Old Number	New Number	Title	Date Made Obsolete
FmHA GL 1910-A-1	FSA-2304	Notice of Incomplete Application	
FmHA GL 1910-A-2	FSA-2305	Second Notice of Incomplete Application	
FmHA GL 1910-A-3	FSA-2307	Notification of Complete Application	
FmHA GL 1924-B-1		County Supervisor Notification to Applicants and Borrowers About Limited Resource Loans	7-8-98
FmHA GL 1927-B-1		Request for Title Opinion and Legal Services	12-31-07
FmHA GL 1943-A-1	3-FLP, Exhibit 16	Memorandum of Understanding Between FSA and [Enter Name of State Beginning Farmer Program]	
FmHA GL 1951-1		Notification to Borrower of Eligibility of Loan Graduation Review	12-31-07
FmHA GL 1951-2		Final Notice to Borrower to Provide Current	12-31-07
FmHA GL 1951-3	4-FLP, *--Exhibit 23--*	Borrower Prospectus	
FmHA GL 1951-5		To Notify a Borrower to Refinance the FmHA Indebtedness	7-9-96
FmHA GL 1951-6		Notification of Consequences Should Borrower Fail to Respond or Refinance the FmHA Indebtedness	12-31-07
FmHA GL 1951-7		To Notify a Borrower That FmHA will Continue With Loan(s)	12-31-07
FmHA GL 1951-C-4		Notice of Intent to Employee About Salary Offset	5-28-03
RD GL 1951-C-4	(*)	Notice of Intent to Employee About Salary Offset	

Forms List (Continued)

C Form and Guide Letters (Continued)

Old Number	New Number	Title	Date Made Obsolete
FmHA GL 1951-F-5	4-FLP, *--Exhibit 24--*	Notice to Borrower to Refinance FSA Indebtedness	
FmHA GL 1951-F-8		Letter Reminding Borrowers of Graduation Requirement and OL and FO Time Restrictions	9-28-00
FSA GL 1951-F-8	4-FLP, Exhibit 21	Notice of Time Restrictions on Eligibility for OL and FO Programs and the Graduation to Commercial Credit Requirement	*--9-29-14--*
FSA GL 1951-F-9	*--4-FLP, Exhibit 20	Request for Information to Complete Operational Review--*	
FmHA GL 1951-J-1	5-FLP, Exhibit 40	Notice of Acceleration of Your Debt (Non-Program) to the Farm Service Agency (FSA) and Demand for Payment of That Debt	
FmHA GL 1951-J-2	5-FLP, Exhibit 41	Notice of Acceleration of Your Farm Service Agency (FSA) Account (Non-Program)	
FmHA GL 1951-J-3	4-FLP, Exhibit 51	Denial of Non-Program Assistance	
FSA GL 1951-S-1		Reminder to Borrowers of Shared Appreciation Obligation	12-31-07
FSA GL 1951-S-2	5-FLP, Exhibit 25	Shared Appreciation Reminder	

Forms List (Continued)

C Form and Guide Letters (Continued)

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

Forms List (Continued)

D Exhibits

The following lists all exhibits to FmHA or RD Instructions used for FLP delivery.

Notes: Exhibits to FmHA or RD Instructions that will be used after December 31, 2007, have been converted to either a form or Exhibit to the appropriate handbook.

The "Old Number" column provides the FmHA or RD Instruction number and Exhibit.

The "New Number" column provides the new number to be used after December 31, 2007.

The "Title" column provides the title of the document.

Old Number	New Number	Title	Date Made Obsolete
426.1, Exhibit A		Escrow Agreement, Real Property Insurance (to collect proceeds from insurance and redistribute to selected payees)	12-31-07
442.11, Exhibit B		Tribal Council Resolution	1-28-02
442.11, Exhibit C		Assignment of Tribal Income and Funds	1-28-02
442.11, Exhibit D		Subordination Agreement	1-28-02
442.11, Exhibit E		Project Summary (Loans to Indian Tribes and Tribal Corporations)	1-28-02
1901-E, Exhibit A		Memo RE Civil Rights Compliance Reviews completed	12-31-07
1901-E, Exhibit B		Memo RE: Summary Report of Civil Rights Compliance Reviews	12-31-07
1901-E, Exhibit C		Memo RE: FmHA Financed Contracts	12-31-07
1902-A, Exhibit B	FSA-2141	Interest-Bearing Deposit Agreement	

Forms List (Continued)

D Exhibits (Continued)

Old Number	New Number	Title	Date Made Obsolete
1910-A, Exhibit A	3-FLP, Exhibit 5	Information Needed to Submit An FSA Direct Loan Application	
1910-A, Exhibit B		Letter to Notify Socially Disadvantaged Applicants/Borrowers Regarding the Availability of Direct Farm Ownership (FO) Loans	12-31-07
1910-A, Exhibit C		Letter to Notify Applicant(s)/Borrower(s) of Their Responsibilities in Connection with FmHA Farmer Program Loans	12-31-07
1910-C, Exhibit A		Request for Commercial Credit Report	12-31-07
1922-A, Exhibit D		Farmers Home Administration Appraisal Certification Program , Semi-Annual Report	4-12-00
1924-B, Exhibit A		Letter to Borrower Regarding Releases of Farm Income to Pay Family Living and Farm Operating Expenses	12-31-07
1951-A, Exhibit B	4-FLP, *--Exhibit 25--*	Notice of Change in Interest Rate	
1951-D, Exhibit A	4-FLP, Exhibit 26	Notification of Payoff Amount	
1951-F, Exhibit A	4-FLP, Exhibit 22	Lender Agricultural Loan Underwriting Standards	
1951-L, Exhibit A	5-FLP, Exhibit 30	Initial Letter to Borrowers Who Received Unauthorized Assistance	
1951-L, Exhibit B	5-FLP, Exhibit 31	Letter to Borrowers Who Received Unauthorized Assistance - Final Determination	

Forms List (Continued)

D Exhibits (Continued)

Old Number	New Number	Title	Date Made Obsolete
1951-S, Exhibit A, Attachment 1	FSA-2510	Notice Of Availability Of Loan Servicing to Borrowers Who Are 90 Days Past Due	
1951-S, Exhibit A, Attachment 1	FSA-2512	Notice of Availability of Loan Servicing to Borrowers Who are Current, Financially Distressed, or Less Than 90 Days Past Due	
1951-S, Exhibit A, Attachment 2	FSA-2511	Borrower Response to Notice of the Availability of Loan Servicing - For Borrowers Who Received FSA-2510	
1951-S, Exhibit A, Attachment 2	FSA-2513	Borrower Response to Notice of the Availability of Loan Servicing - For Borrowers Who Received FSA-2512	
1951-S, Exhibit A, Attachment 3	FSA-2514	Notice of the availability of loan servicing to Borrowers Who Are in Non-Monetary Default	
1951-S, Exhibit A, Attachment 4	FSA-2515	Borrower Response to Notice of the Availability of Loan Servicing - For Borrowers Who Received FSA-2514	
1951-S, Exhibit A, Attachment 5 and 5A	FSA-2521	Denial of Primary Loan Servicing and Intent to Accelerate for Borrowers Who Received FSA-2510 or FSA-2514 and Applied for Servicing	
	FSA-2523	Denial of Primary Loan Servicing for Borrowers Who Received FSA-2512 and Applied for Servicing	
1951-S, Exhibit A, Attachment 6 and 6A	FSA-2522	Borrower Response To Denial Of Primary Loan Servicing And Intent To Accelerate For Borrowers Who Received FSA-2510 Or FSA-2514 And Applied For Servicing	
	FSA-2524	Borrower Response To Denial Of Primary Loan Servicing For Borrowers Who Received FSA-2512 And Applied For Servicing	

Forms List (Continued)

D Exhibits (Continued)

Old Number	New Number	Title	Date Made Obsolete
1951-S, Exhibit A, Attachment 9 and 9A	FSA-2525	Intent to Accelerate for Borrowers Who Received FSA-2510 or FSA-2514 and Did Not Apply for Servicing or Did Not Accept Servicing	
1951-S, Exhibit A, Attachment 10 and 10A	FSA-2526	Borrower Response To And Intent To Accelerate For Borrowers Who Received FSA-2510 Or FSA-2514 And Did Not Apply For Servicing Or Did Not Accept Servicing	
1951-S, Exhibit B	FSA-2519	Offer Of Primary Loan Servicing For ***--**Borrowers Who Received FSA-2512 And Applied For Servicing**--***	
1951-S, Exhibit B, Attachment 1	FSA-2520	Acceptance Of Primary Loan Servicing For Borrowers Who Received FSA-2512 And Applied For Servicing	
1951-S, Exhibit C		Net Recovery Buyout Recapture Agreement (2 years)	12-31-07
1951-S, Exhibit C-1		Net Recovery Buyout Recapture Agreement (10 years)	12-31-07
1951-S, Exhibit D	FSA-2543	Shared Appreciation Agreement	
1951-S, Exhibit D-1	5-FLP, Exhibit 26	Calculation of Shared Appreciation Recapture	
1951-S, Exhibit D-2		Addendum to Agreement to Suspend Payment of Shared Appreciation	12-31-07

Forms List (Continued)

D Exhibits (Continued)

Old Number	New Number	Title	Date Made Obsolete
1951-S, Exhibit E		Notification of Adverse Decision for Primary Loan Servicing, Mediation or Meeting of Creditors and Other Options	12-31-07
1951-S, Exhibit E, Attachment 1		Borrower's Request for Meeting of Creditors and Acknowledgement	12-31-07
1951-S, Exhibit E, Attachment 2		Borrower's Request for Meeting of Creditors or to Negotiate the FSA Appraisal	12-31-07
1951-S, Exhibit F	FSA-2517	Offer of Primary Loan Servicing for Borrowers Who Received FSA-2510 or FSA-2514 and Applied for Servicing	
1951-S, Exhibit F, Attachment 2	FSA-2518	Acceptance of Primary Loan Servicing for Borrowers Who Received FSA-2510 or FSA-2514 and Applied for Servicing	
1951-S, Exhibit F, Attachment 3	FSA-2529	Negotiated Appraisal Agreement	
1951-S, Exhibit G, Attachment 1		Notice of Availability of Option to Reamortize Certain Loans Secured by Future Revenue Produced by Planting Softwood Timber	12-31-07
1951-S, Exhibit K	FSA-2537	Notification of Consideration for Homestead Protection	
1951-S, Exhibit K, Attachment 1	FSA-2538	Response to Notification of Consideration for Homestead Protection for Borrowers Who Received FSA-2537	
1951-S, Exhibit L	FSA-2539	Homestead Protection Program Agreement	
1951-S, Exhibit M	FSA-2540	Notice of the Availability of Homestead Protection - Post Acquisition	
1951-S, Exhibit P	FSA-2547	Shared Appreciation Agreement Recapture Reamortization	
1951-S, Exhibit P, Attachment 1	FSA-2548	Shared Appreciation Agreement Recapture Reamortization 2nd Notice	

Forms List (Continued)

D Exhibits (Continued)

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

Forms List (Continued)

D Exhibits (Continued)

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

Forms List (Continued)

E Items and Publications

The following lists all FmHA and FSA items or publications used for FLP delivery.

Notes: The "Old Number" column provides the prefix and number of the item or publication before December 2007. If the item will be used after December 31, 2007, the new number and title are listed in the second and third column, respectively.

Items that will continue to be used after December 31, 2007, may be obtained from MSD Warehouse. To request items or publications, complete FSA-159, available at **http://intranet.fsa.usda.gov/dam/ffasforms/forms.html**, and submit by 1 of the following methods:

- FAX to 816-823-4740 or 816-823-4741
- e-mail to **ra.mokansasc2.kcasbwhse**
- mail to:

USDA/FSA/Kansas City Warehouse
*--2312 East Bannister Road
Kansas City MO 64131-3011.--*

Old Number	New Number	Title	Date Made 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

Forms List (Continued)

E Items and Publications (Continued)

Old Number	New Number	Title	Date Made Obsolete
FmHA Item 256		National Office/Finance Office Focus users manual (Training guide)	12-9-03
FmHA Item 256A		Replacement pages - NO/FO focus users manual	12-9-03
FmHA Item 256B		Cover and spine - NO/FO focus users manual	12-9-03
FmHA Item 256C		Tabs for NO/FO focus users manual	12-9-03
FmHA Item 257 **1/**	(*)	USDA focus ad hoc reporting system manual - Field Office users manual	
FmHA Item 258		Learning to use SQL (*)CALC spreadsheet (Training manual)	12-9-03
FmHA Item 261		Guaranteed lending resource handbook (Cover insert and spine)	12-9-03
FmHA Item 262		Guaranteed lending resource handbook	12-9-03
FmHA Item 263		Guaranteed lending resource handbook (Tabs)	12-9-03
FmHA Item 277 and 277A and B		Farm and home plan job aids, cover insert, spine and tabs	12-9-03
FmHA Item 278		FmHA Executive information system (EIS) users guide – System	12-9-03
FmHA Item 278A		FmHA Executive information system (EIS) users guide - farmer programs	12-9-03
FmHA Item 406		Farmer programs application package	12-9-03

1/ FmHA Item 257 will continue to be used after December 31, 2007. However, it is not being renumbered.

Forms List (Continued)

E Items and Publications (Continued)

Old Number	New Number	Title	Date Made Obsolete
FmHA Item 434		Farm and home plan data transfer users manual, cover insert, spine and tabs	12-9-03
FmHA Item 434A		Farm and home plan data transfer utility diskette	12-9-03
FmHA Item 434B		Farm and home plan information sheet and installation/deinstallation instructions for FHP data transfer utility software, version 1.1	12-9-03
FmHA Item 436		Contents of loan servicing application package	12-31-07
FmHA Item 437		FmHA AG credit flowcharts - definition: AG87	12-9-03
FmHA Item 438		FmHA AG credit flowcharts - definition: AG90	12-31-07
FmHA Item 440		FmHA AG credit version 3.0 users manual	12-9-03
FmHA Item 441		At least part of the tabs in this packet pertain to AG87 and AG90 charts	12-9-03
FmHA Item 450		Equipment maintenance handbook - IBM (Rural Development)	12-9-03
FmHA Item 487		Environmental site assessment: transaction screen questionnaire process (student manual)	12-9-03
FmHA Item 490		Special assistance for beginning farmers and ranchers (fact sheet)	12-9-03
FmHA Item 512		Blue alpha index cards	12-9-03
FmHA Item 514		Yellow index cards, various headings (indicator cards)	12-9-03
Publication 622	622	Amortization Tables	

Forms List (Continued)

F New Forms

The following lists new forms used for FLP delivery.

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

Forms List (Continued)

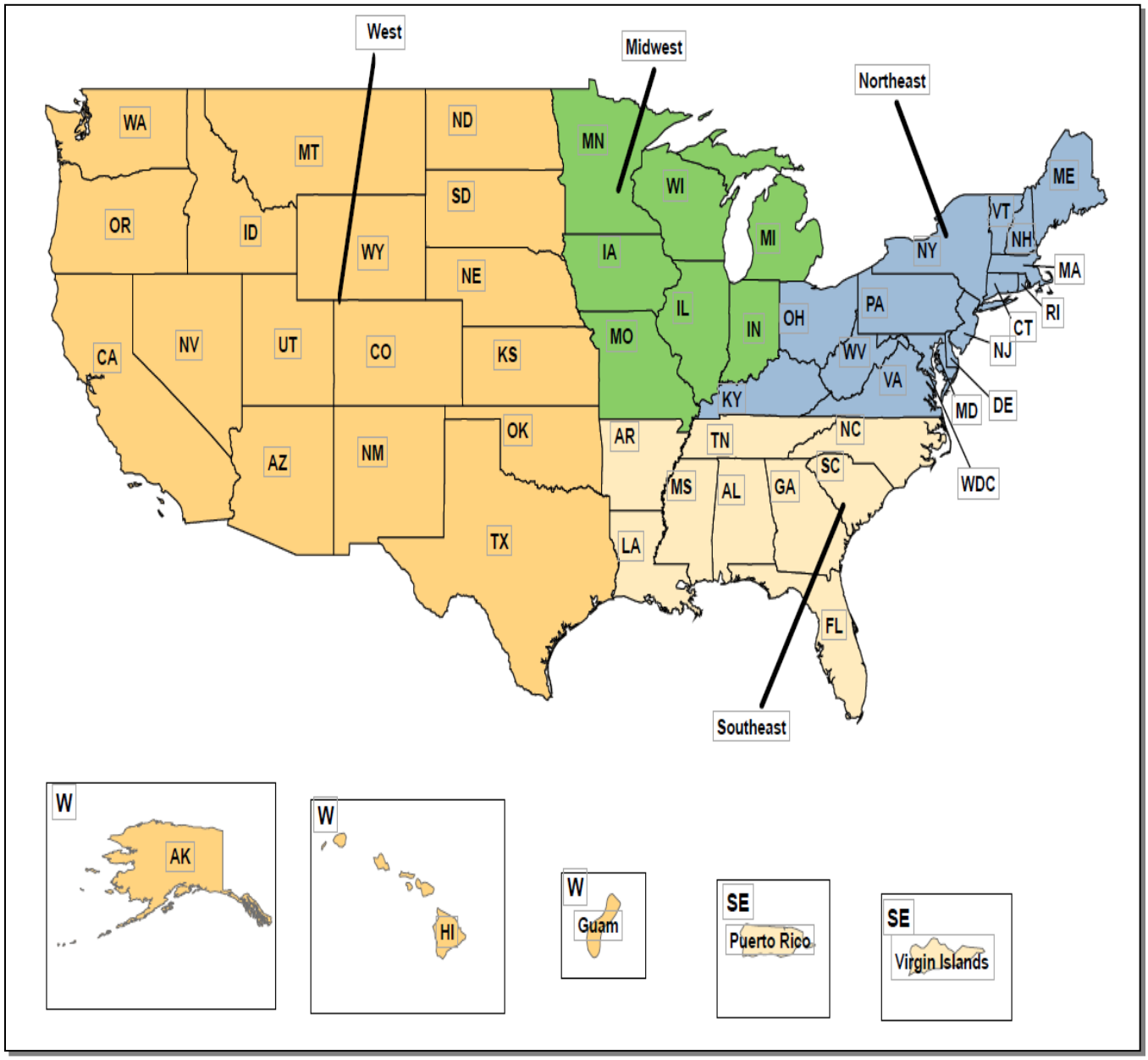
G New Exhibits

The following lists new exhibits used for FLP delivery.

Required Under	Handbook and 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, Exhibit 1	5-FLP, Exhibit 13	Third Party Pledge of Security Notification Letter
Notice FLP-128, Exhibit 1	5-FLP, Exhibit 14	Youth Loan Notification Letter--*
FmHA Instruction 1951-J, Section 1951.457(b)	5-FLP, Exhibit 38	10-Day Notice of Non-Program Delinquency
FmHA Instruction 1951-J, Section 1951.457(b)	5-FLP, Exhibit 39	30-Day Reminder of Non-Program Delinquency
Notice FLP-467, Exhibit 2	5-FLP, Exhibit 52	Notice of Acceleration for FLP Accounts Held by Native American Borrowers and Secured by Real Estate Located Within a Recognized Reservation and Borrower Rights
Notice FLP-467, Exhibit 3	5-FLP, Exhibit 53	Notification of Options Available to the Tribe
Notice FLP-467, Exhibit 4	5-FLP, Exhibit 54	Information on Native American Borrower Rights Under the Consolidated Farm and Rural Development Act
Notice FLP-468, Exhibit 1	5-FLP, Exhibit 55	Notification to a Tribe of an American Indian Borrower's Request to Have a Loan Assigned to the Tribe (With Example Information)
Notice FLP-468, Exhibit 2	5-FLP, Exhibit 56	Notification to an American Indian Borrower of Acceptance of an Assignment Request
Notice FLP-468, Exhibit 3	5-FLP, Exhibit 57	Notification to an American Indian Borrower of Denial of an Assignment Request
RD Instruction 1955-B, Section 1955.62(a)	5-FLP, Exhibit 65	Notification of Personal Property
RD Instruction 1955-B, Exhibit B	5-FLP, Exhibit 71	Notification of Tribe of Availability of Farm Property for Purchase
RD Instruction 1955-C, Exhibit H	5-FLP, Exhibit 74	Conservation Easement for Wetlands
RD Instruction 1955-C, Exhibit I	5-FLP, Exhibit 75	Conservation Easement for Floodplains

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

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



--*

Delegating FLP Authority

A SED Delegations

--SED may delegate the following authorities to employees who have demonstrated the experience and completed the required training to:--

- prepare personal property appraisals
- complete administrative appraisal reviews
- *--complete real estate evaluations within limits specified in subparagraph 24 D and paragraph 149.--*

  * * *

- complete asset investigations for deficiency judgments, debt settlement applications, or when otherwise required to complete loan servicing actions.

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	FLOT	LRS	PT
Sign correspondence as regular signing official.		X	X	X	X	
Sign correspondence "for" (see note).	X	X	X	X	X	X
Establish supervised bank account and deposit loan checks.	X	X	X	X	X	X
Countersign supervised bank account checks/withdrawals.	X	X	X	X	X	X
Input pre-note information for EFT.	X	X	X	X	X	X
Plan and inspect site development work.	X	X				
Check preliminary title opinion for exceptions.	X	X	X	X	X	X
Check final title opinion or mortgage policy for proper lien position.	X	X	X	X	X	X
Review loan closing statement for proper funds disbursement.	X	X	X	X	X	X

Delegating FLP Authority (Continued)

B FLC/DD/FLM/SFLO Delegations (Continued)

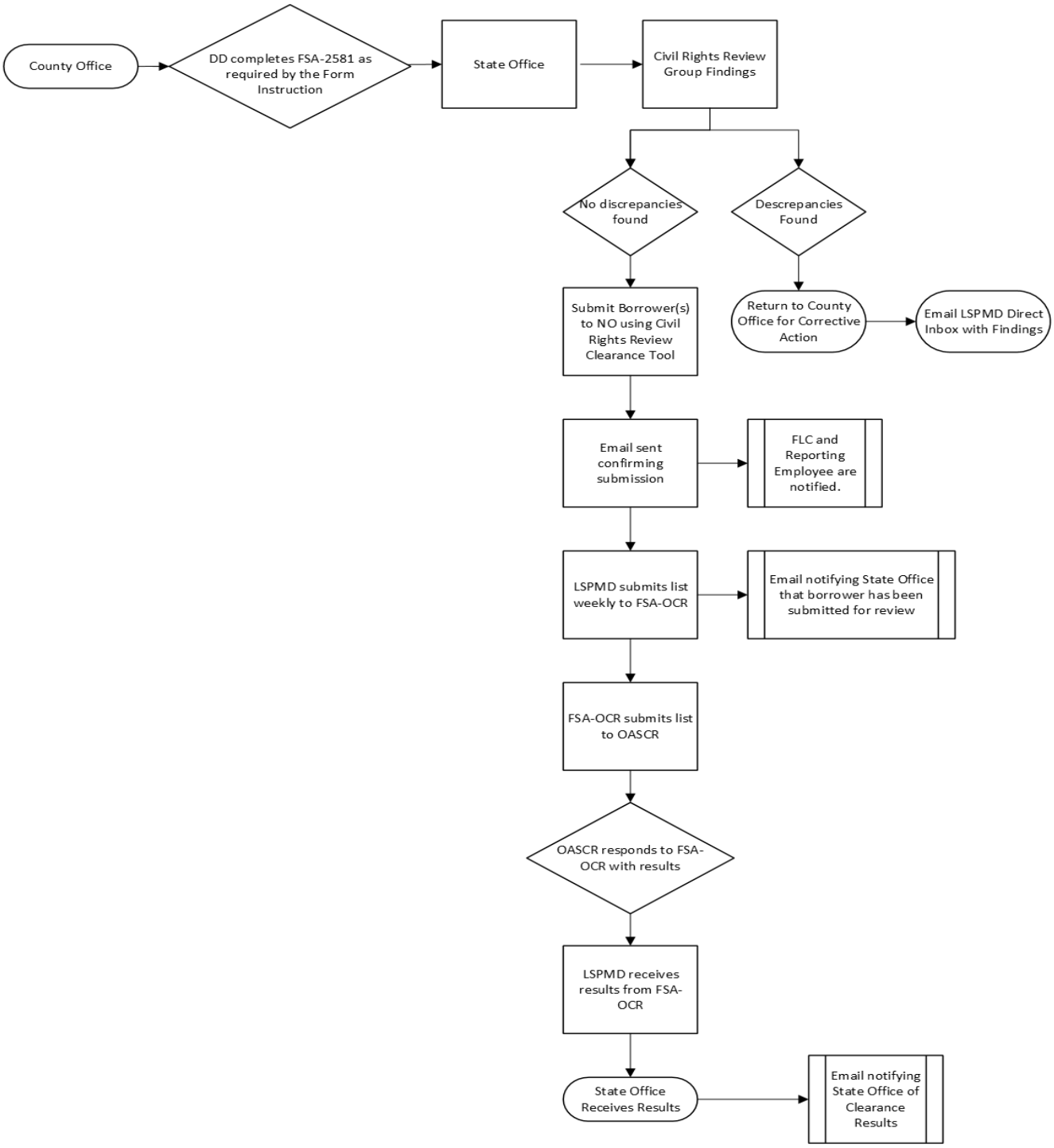
Authority	AS	FLO	LOA	FLOT	LRS	PT
Execute financing statements or other legal instruments to obtain and preserve security on chattel loans.	X	X	X	X	X	X
Approve FSA-2242.	X	X	X	X	X	X
Review loan closing and issue FSA-2235.		X				
Approve satisfaction/release of security instruments.	X	X	X	X	X	X
Prepare FSA-2040.	X	X	X	X	X	
Release chattel/crop security per approved FSA-2040.	X	X	X	X	X	X
Revise Farm Business Plan and FSA-2040 when necessary.	X	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	X
Approve loan restructuring.	X	X				
Approve emergency advance requests.	X	X	X	X	X	
Complete lender reviews.	X	X	X	X	X	
Ordering credit reports.	X	X	X	X	X	X
Execute FSA-2232.		X				
Execute FSA-2235.		X				
Consent to a junior lien.		X				
* * *		* * *				
Execute FSA-2025.		X				
*--Sign CCC-36 as Assignee for FLP	X	X	X	X	X	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 Civil Rights Review Clerance Tool--

The following illustrates the clearance process used before acceleration for all accounts.
***--**



--*

DNP Overview, Points of Contact, and Account Access

A Overview

Executive Order 13520 of November 20, 2009, reduces improper payments by intensifying efforts to eliminate payment error, waste, fraud, and abuse in major programs administered by the Federal Government, while continuing to ensure that federal programs serve and provide access to their intended beneficiaries.

Executive Order 13520 directed agencies to review current pre-payment and pre-award procedures and ensure that a thorough review of available databases with relevant information on eligibility occurs before the release of any federal funds, to the extent permitted by law.

The DNP portal:

- facilitates multiple searches on various databases all at once, at no cost to the agencies
- has a quick turn-around time where matched results are available in the portal the next workday for adjudication
- results from payment integration are available after payment is issued and can be used for purposes of recapturing payments or identifying future improper payments
- helps to ensure the integrity of the Federal Government payment process
- results in greater oversight and transparency as it covers wider geographic areas because of the various data sources to be used
- enhances better collaborations at all levels of DNP hierarchy to ensure that checks and balances are executed
- permits greater accessibility, while keeping information up to date
- allows for better communication across agency spectrums
- helps to save on the time it will take to verify information through DNP versus the use of individual data sources
- returns the time saved as workhours to employees, resulting in increased productivity
- allows for flexibility.

DNP Overview, Points of Contact, and Account Access (Continued)

A Overview (Continued)

DNP is committed to providing:

- quality data
- more volume of data
- continuous system development
- cutting edge data analytics
- customized agency outreach.

B DNP Points of Contact

Authorized agency officials will contact their Local Security Administrator to obtain access and training to DNP before using the DNP application.

Field Office portal users will contact the State Office Local Security Administrators for assistance. State Office Local Security Administrators will contact their National Office Local Security Administrator or portal user.

*--

Name	Title	Contact Information
Paul Peterson	Senior Loan Officer (LMD)	paul.peterson@usda.gov 507-702-3062
Branigan Snyder	Senior Loan Officer (LMD)	branigan.snyder@usda.gov 202-690-0214
Janasuela (Jana) Davis	Senior Loan Officer (LSPMD)	janasuela.davis@usda.gov 904-266-0088
Thomas Nii	Program Analyst (LSPMD)	thomas.nii@usda.gov 808-600-2910
Tracy Jones	Agricultural Loan and Grants Program Specialist (POAD)	tracy.jones@usda.gov 202-720-6771
Marquita Peoples	Program Analyst (POAD)	marquita.peoples@usda.gov 202-720-8320

--*

Note: Additional training videos and instructions relating to Local Security Administrator and portal user roles are available at the link under “Resources” at https://fiscal.treasury.gov/dnp/.

DNP Overview, Points of Contact, and Account Access (Continued)

C Account Access

1 Request to Create a New DNP Portal User or New DNP Local Security Administrator

*--Refer to the following instructions to submit a request to create, modify, or deactivate access for DNP Portal Users.

1. Open the file, "DNP UEF Template – USDA_FLP_XX – [FIRST NAME, LAST NAME]" specific to your name. Save a copy of the template with the individual user's specific information using the following template for the file name: "[ACCESS GROUP] [FIRST NAME] [LAST NAME] [CREATE/MODIFY/DEACTIVATE] [DATE SIGNED]"
   - File Name Example: "USDA_FLP_FO John Doe CREATE 20240101"
2. Review Section 1: Action Requested, and provide the following information.
   - Mark the checkbox for the appropriate enrollment action requested: 1) Create, 2) Modify, or 3) Deactivate.
   - In the specific action taken drop-down box, select the appropriate enrollment action requested: 1) Create New Users, 2) Deactivate User, 3) Modify User Access Group.
3. No action is needed for Section 2: Access Group Information.
4. Review Section 3: User Information and provide the following.
   - Input the individual's Legal First Name, Legal Last Name, Work E-mail Address and Work Office Phone Number.

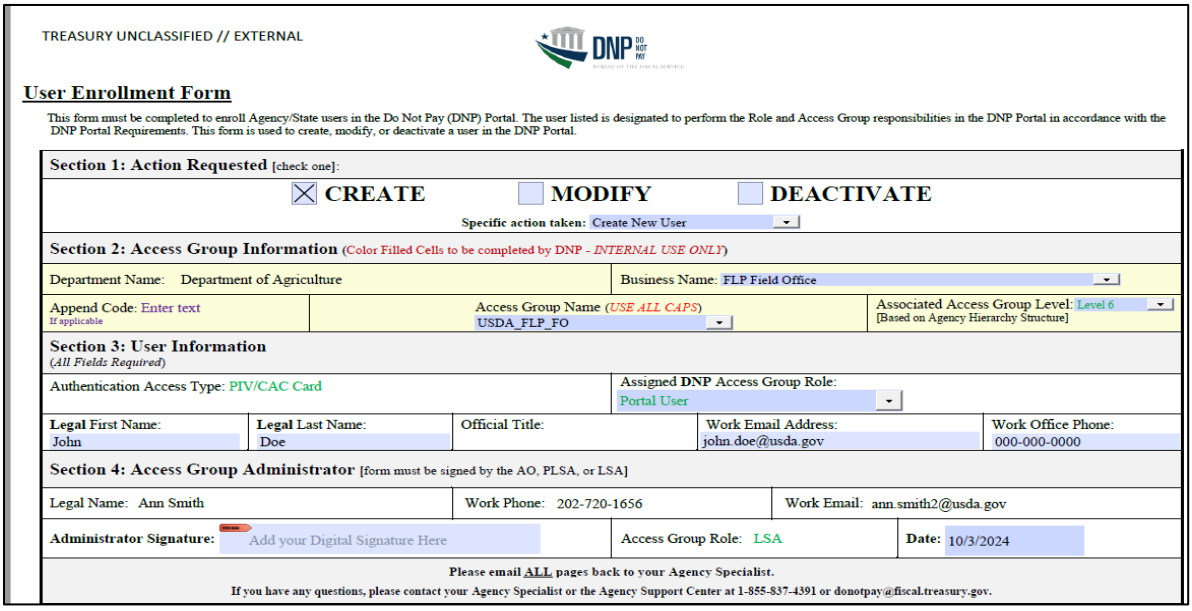
     Note: For Work Office Phone number, personal phone numbers are not accepted.
5. Review Section 4: Access Group Administrator, and provide the following information.
   - In the Administrator Signature field, digitally sign and date the form.
   - In the Date field, select the signing date from the calendar selector.
6. Prepare an e-mail based on guidance in paragraphs C1 through C3 to send the enrollment request for processing; include the following information:
   - E-mail Subject Line: "[ACCESS GROUP] [FIRST NAME] [LAST NAME] [CREATE/MODIFY/DEACTIVATE – DNP Enrollment"
     - Subject Line Example: "USDA_FLP_FO John Doe CREATE – DNP Enrollment"
   - In the body of the email, provide the following information:
     - Name: [FIRST NAME] [LAST NAME}
     - Enrollment Type: [CREATE/MODIFY/DEACTIVATE
     - User Type: [PORTAL USER]
     - Access Group: [ACCESS GROUP]
     - Work E-mail Address: [EMAIL ADDRESS]
   - Attach the digitally signed user enrollment form to the email.**--***

C Account Access (Continued)

1 Request to Create a New DNP Portal User or New DNP Local Security Administrator (Continued)

--7. Send the email to Marva Miles (marva.miles@stls.frb.org), Mitchell White (Mitchell.White@usda.gov), and Ai Young (Ai.Young@fiscal.treasury.gov).--

8. The DNP Onboarding Team will process the form to complete the requested enrollment action for the new DNP Portal User.



TREASURY UNCLASSIFIED // EXTERNAL

User Enrollment Form

This form must be completed to enroll Agency/State users in the Do Not Pay (DNP) Portal. The user listed is designated to perform the Role and Access Group responsibilities in the DNP Portal in accordance with the DNP Portal Requirements. This form is used to create, modify, or deactivate a user in the DNP Portal.

Section 1: Action Requested [check one]:

☒ CREATE ☐ MODIFY ☐ DEACTIVATE

Specific action taken: Create New User

Section 2: Access Group Information (Color Filled Cells to be completed by DNP - *INTERNAL USE ONLY*)

Department Name: Department of Agriculture		Business Name: FLP Field Office
Append Code: Enter text (If applicable)	Access Group Name (*USE ALL CAPS*): USDA_FLP_FO	Associated Access Group Level: Level 6 [Based on Agency Hierarchy Structure]

Section 3: User Information
(*All Fields Required*)

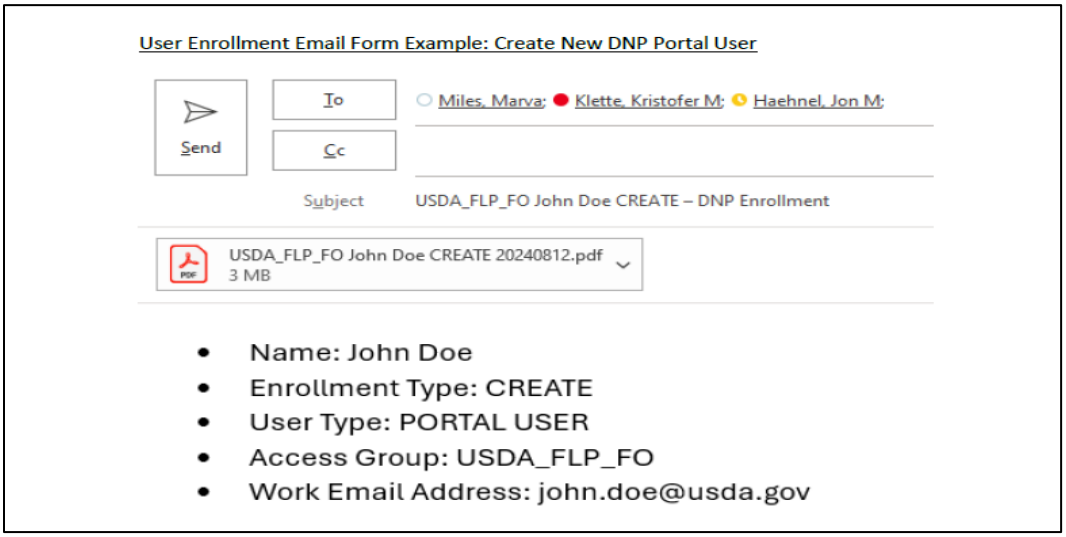
Authentication Access Type: PIV/CAC Card			Assigned DNP Access Group Role: Portal User	
Legal First Name: John	**Legal** Last Name: Doe	Official Title:	Work Email Address: john.doe@usda.gov	Work Office Phone: 000-000-0000

Section 4: Access Group Administrator [form must be signed by the AO, PLSA, or LSA]

Legal Name: Ann Smith	Work Phone: 202-720-1656	Work Email: ann.smith2@usda.gov	
Administrator Signature: Add your Digital Signature Here		Access Group Role: LSA	**Date:** 10/3/2024

Please email ALL pages back to your Agency Specialist.
If you have any questions, please contact your Agency Specialist or the Agency Support Center at 1-855-837-4391 or donotpay@fiscal.treasury.gov.

Example: Use the following email to request a new DNP portal user or Local Security Administrator account.



User Enrollment Email Form Example: Create New DNP Portal User

Send | To: Miles, Marva; Klette, Kristofer M; Haehnel, Jon M | Cc:

Subject: USDA_FLP_FO John Doe CREATE – DNP Enrollment

USDA_FLP_FO John Doe CREATE 20240812.pdf 3 MB

- Name: John Doe
- Enrollment Type: CREATE
- User Type: PORTAL USER
- Access Group: USDA_FLP_FO
- Work Email Address: john.doe@usda.gov

C Account Access (Continued)

2 Request to Modify an Existing DNP Portal User or Existing DNP Local Security Administrator

*--

TREASURY UNCLASSIFIED // EXTERNAL

User Enrollment Form

This form must be completed to enroll Agency/State users in the Do Not Pay (DNP) Portal. The user listed is designated to perform the Role and Access Group responsibilities in the DNP Portal in accordance with the DNP Portal Requirements. This form is used to create, modify, or deactivate a user in the DNP Portal.

Section 1: Action Requested [check one]:

☐ CREATE ☒ MODIFY ☐ DEACTIVATE

Specific action taken: Modify User Group Role

Section 2: Access Group Information (Color Filled Cells to be completed by DNP - *INTERNAL USE ONLY*)

Department Name: Department of Agriculture	Business Name: FLP State Office	
Append Code: Enter text (If applicable)	Access Group Name (*USE ALL CAPS*): USDA_FLP_SO	Associated Access Group Level: Level 6 [Based on Agency Hierarchy Structure]

Section 3: User Information (*All Fields Required*)

Authentication Access Type: PIV/CAC Card			Assigned DNP Access Group Role: Portal User	
Legal First Name: John	**Legal** Last Name: Doe	Official Title:	Work Email Address: john.doe@usda.gov	Work Office Phone: 000-000-0000

Section 4: Access Group Administrator [form must be signed by the AO, PLSA, or LSA]

Legal Name: Ann Smith	Work Phone: 202-720-1656	Work Email: ann.smith2@usda.gov	
Administrator Signature: Add your Digital Signature Here		Access Group Role: LSA	**Date:** 10/3/2024

Please email ALL pages back to your Agency Specialist.

If you have any questions, please contact your Agency Specialist or the Agency Support Center at 1-855-837-4391 or donotpay@fiscal.treasury.gov.

Example: Use the following email to modify an existing DNP portal user or Local Security Administrator account.

User Enrollment Email Form Example: Modify Access Group for DNP Portal User

Send

To: Miles, Marva; Klette, Kristofer M; Haehnel, Jon M;

Cc:

Subject: USDA_FLP_FO John Doe MODIFY – DNP Enrollment

USDA_FLP_FO John Doe MODIFY 20240812.pdf
3 MB

- Name: John Doe
- Enrollment Type: MODIFY
- User Type: PORTAL USER
- Access Group: USDA_FLP_FO
- Work Email Address: john.doe@usda.gov

--*

C Account Access (Continued)

3 Request to Deactivate an Existing DNP Portal User or Existing DNP Local Security Administrator

*__

TREASURY UNCLASSIFIED // EXTERNAL

User Enrollment Form

This form must be completed to enroll Agency/State users in the Do Not Pay (DNP) Portal. The user listed is designated to perform the Role and Access Group responsibilities in the DNP Portal in accordance with the DNP Portal Requirements. This form is used to create, modify, or deactivate a user in the DNP Portal.

Section 1: Action Requested [check one]:				
☐ CREATE ☐ MODIFY ☒ DEACTIVATE				
Specific action taken: Deactivate User				
Section 2: Access Group Information (Color Filled Cells to be completed by DNP - *INTERNAL USE ONLY*)				
Department Name: Department of Agriculture			Business Name: FLP Field Office	
Append Code: Enter text (If applicable)	Access Group Name (*USE ALL CAPS*): USDA_FLP_FO		Associated Access Group Level: Level 6 [Based on Agency Hierarchy Structure]	
Section 3: User Information (*All Fields Required*)				
Authentication Access Type: PIV/CAC Card			Assigned DNP Access Group Role: Portal User	
Legal First Name: John	**Legal** Last Name: Doe	Official Title:	Work Email Address: john.doe@usda.gov	Work Office Phone: 000-000-0000
Section 4: Access Group Administrator [form must be signed by the AO, PLSA, or LSA]				
Legal Name: Ann Smith		Work Phone: 202-720-1656	Work Email: ann.smith2@usda.gov	
Administrator Signature: Add your Digital Signature Here			Access Group Role: LSA	**Date:** 10/3/2024

Please email ALL pages back to your Agency Specialist.
If you have any questions, please contact your Agency Specialist or the Agency Support Center at 1-855-837-4391 or donotpay@fiscal.treasury.gov.

Example: Use the following email to deactivate an existing DNP portal user or Local Security Administrator account.

TREASURY UNCLASSIFIED // EXTERNAL

User Enrollment Email Form Example: Deactivate Existing DNP Portal User

Send | To: Miles, Marva; Klette, Kristofer M; Haehnel, Jon M; | Cc: | Subject: USDA_FLP_FO John Doe DEACTIVATE – DNP Enrollment

USDA_FLP_FO John Doe DEACTIVATE 20240812.pdf 3 MB

- Name: John Doe
- Enrollment Type: DEACTIVATE
- User Type: PORTAL USER
- Access Group: USDA_FLP_FO
- Work Email Address: john.doe@usda.gov

__*

DNP Database Search

A Standards Terms

Access groups are authorized roles established for DNP users.

Local Security Administrators are:

•*--typically, State Office employees, such as FLC's, FLS's, and Chief PT's--*

- responsible for submitting access to portal users and any modification to the individual's DNP access to Treasury's DNP coordinators

  Examples: Examples of modifications include change in:

  - position
  - DNP username
  - DNP access roles.

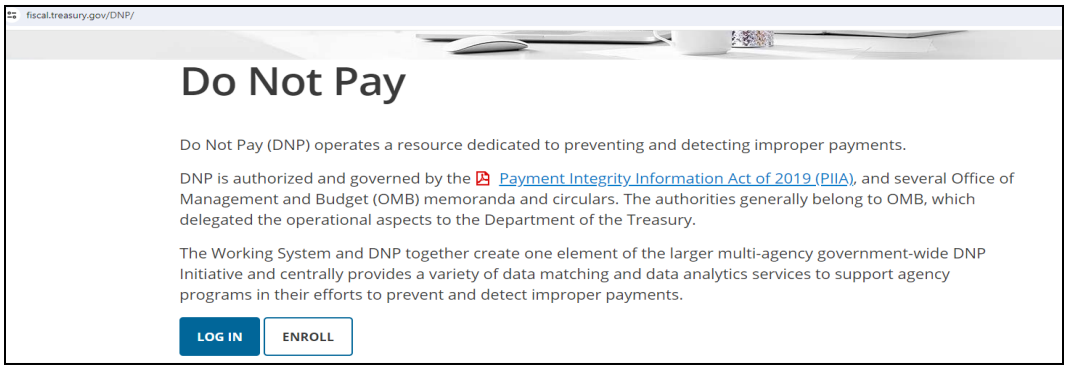
  Note: See Exhibit 15.5 for instructions on submitting new or modified access requests.

- the authorizing agency official on the user access request form and user enrollment form.

Portal users consist of staff, such as DD's, FLM's, FLS's, FLO's, Farm Loan PT's, loan analysts, and FLOT's. These officials are authorized to search DNP for applicants or borrowers, including approved FSA guaranteed lenders, relating to loan making or loan servicing activities.

B Logging Into DNP Application

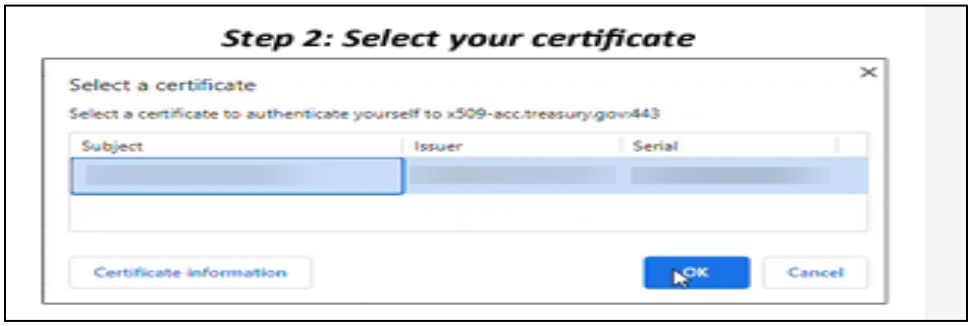
DNP access is available through the DNP portal website at https://fiscal.treasury.gov/DNP/ using a LincPass or Personal Identity Verification (PIV) card.

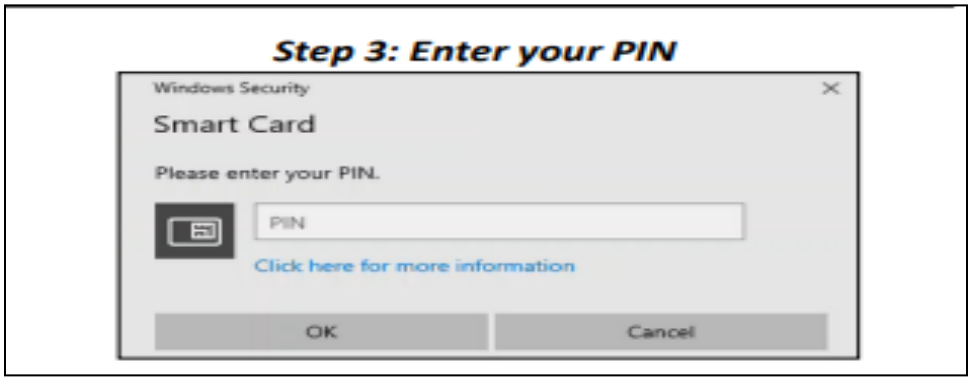


DNP Database Search (Continued)

B Logging Into DNP Application (Continued)







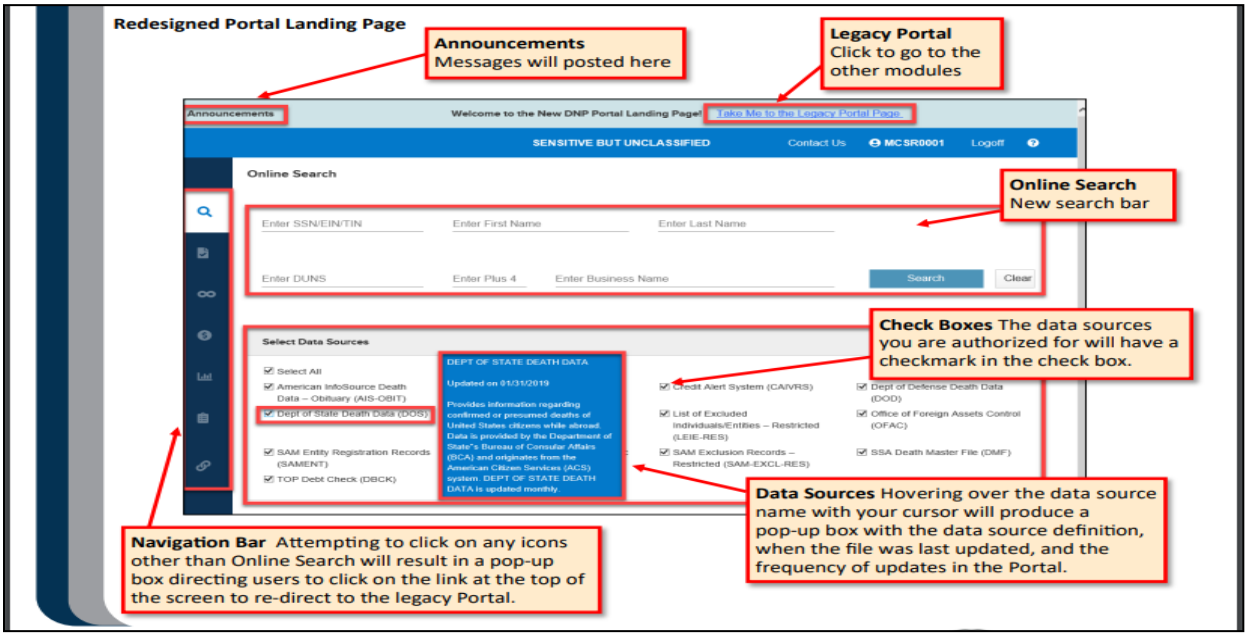
***--Important:** Account holders **must** log into DNP once every 120 calendar days to retain--* access. If access is deactivated, a Local Security Administrator must re-enroll the user according to Exhibit 15.5.

C Searching DNP Application for Portal Users

Online Search Features – Data sources will be preselected based on account setup and will not be modified by the user. The authorized agency official will search using the following combination:

- SSN/EIN/TIN, first name, last name (individual)
- SSN/EIN/TIN, business name (entity).

Note: It is important for the search information entered to be verified for accuracy. An entry error will not provide accurate search results. Search results from portal users will be printed and maintained in the borrower's case file.



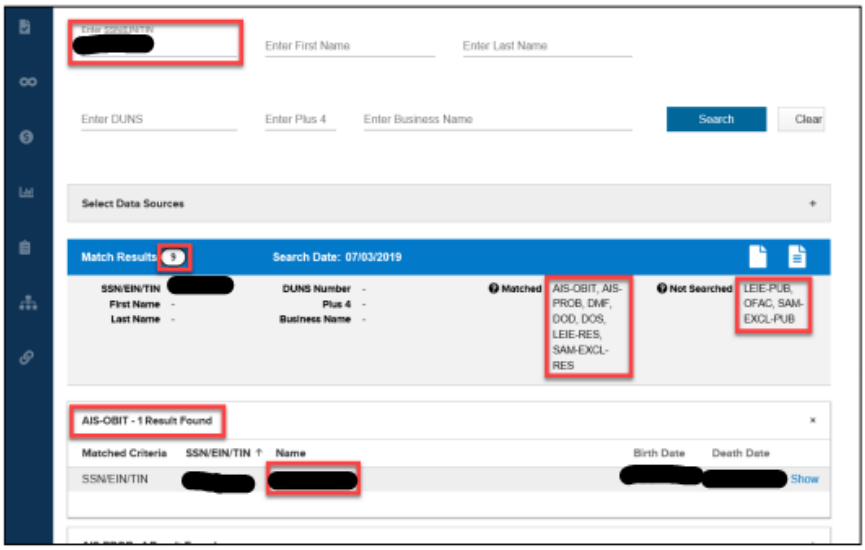
DNP Database Search (Continued)

C Searching DNP Application for Portal Users (Continued)

Search Feature Example on SSN/EIN/TIN:

Description: The exact matching logic of the legacy Online Search functionality has been changed to broaden the possible number of search results. For example, when two or more fields are used for a search, results will appear for any matches in individual fields as well as the combination of fields, prioritized by SSN/EIN/TIN.

Search Example: One Field

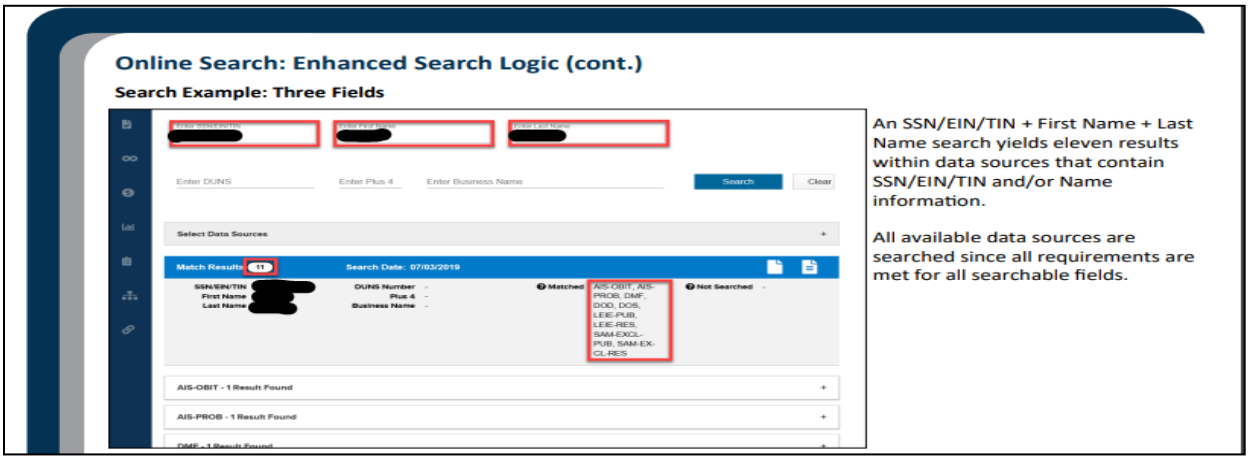


An SSN/EIN/TIN search yields nine results within data sources that contain SSN/EIN/TIN information.

Three data sources are not searched because they require Name information and do not contain SSN/EIN/TIN.

By expanding a match result, the associated name to the SSN/EIN/TIN is shown.

Additional Search Feature Example:



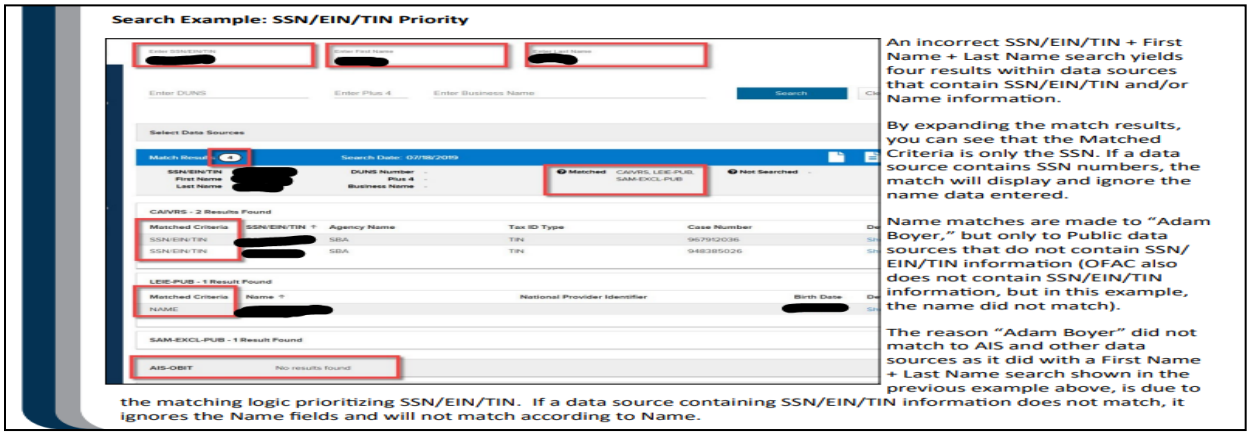
An SSN/EIN/TIN + First Name + Last Name search yields eleven results within data sources that contain SSN/EIN/TIN and/or Name information.

All available data sources are searched since all requirements are met for all searchable fields.

DNP Database Search (Continued)

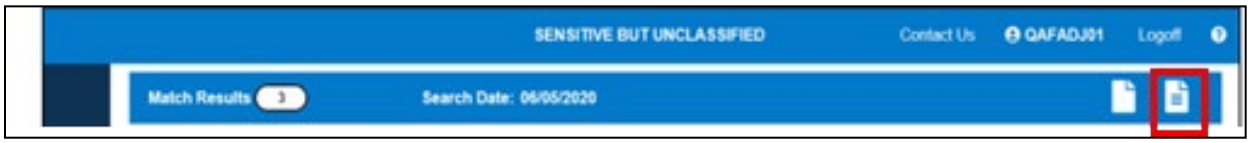
C Searching DNP Application for Portal Users (Continued)

Verify Data Sources Results:



D DNP Activity Report Printing

Users will print the search results using the "Save/Print Results Summary Details" icon.



Note: The Search Outcome Section is not required to be completed. Additional training resources can be found at https://fiscal.treasury.gov/dnp/training.html.

***--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 Assistance	Description	Fund Code (2-Digit)	Kind Code
050	OL - Limited Resource - 7 year	44	03
051	OL - Regular (Except Youth) - 7 year	44	01
052	OL - Youth - 7 year	44	02
104	OL - Regular (Except Youth) - 1 year - SDA	44	05
105	OL - Limited Resource - 7 year - SDA	44	15
106	OL - Regular (Except Youth) - 7 year - SDA	44	05
107	OL- Youth - 7 year - SDA	44	55
112	OL - Regular (Except Youth) - 1 year	44	01
117	OL - Limited Resource - 1 year	44	03
119	OL - Limited Resource - 1 year - SDA	44	15
151	OL - Youth - 1 year	44	02
152	OL - Youth - 1 year - SDA	44	55
209	OL - Beginning Farmer - Regular - 1 year	44	01
210	OL - Beginning Farmer - SDA - Regular - 1 year	44	05
211	OL - Beginning Farmer - Regular - 7 year	44	01
212	OL - Beginning Farmer - SDA - Regular - 7 year	44	05
217	OL - Beginning Farmer - Limited Resource - 1 year	44	03
218	OL - Beginning Farmer - SDA - Limited Resource - 1 year	44	15
219	OL - Beginning Farmer - Limited Resource - 7 year	44	03
220	OL - Beginning Farmer - SDA - Limited Resource - 7 year	44	15

--*

Type of Assistance, Fund, and Kind Codes (Continued)

***--B Direct Farm OL - ML's**

Type of Assistance	Description	Fund Code (2-Digit)	Kind 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 - Micro	44	15
672	OL - Beginning Farmer - SDA - Limited Resource - 7 year - Micro	44	15

--*

***--Type of Assistance, Fund, and Kind Codes (Continued)**

C Guaranteed Farm OL's (Both Subsidized and Nonsubsidized) (G-OL)

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
046	OL - Disaster Assistance	44	01
048	OL - LOC	44	01
051	OL - Regular (Except Youth) - 7 year	44	01
103	OL - LOC - 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 - LOC	44	01
226	OL - Beginning Farmer - LOC - SDA	44	01

--*

Type of Assistance, Fund, and Kind Codes (Continued)

D Direct FO's

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
030	FO - LR - SDA - Ethnic	41	15
031	FO - Regular - SDA - Ethnic	41	05
034	FO - LR	41	03
036	FO - Regular	41	00
124	FO - Regular - SDA - Gender	41	05
125	FO - LR - 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 - LR	41	03
205	FO - Beginning Farmer - Regular - SDA - Ethnic	41	05
206	FO - Beginning Farmer - Regular - SDA - Gender	41	05
207	FO - Beginning Farmer - LR - SDA - Ethnic	41	15
208	FO - Beginning Farmer - LR - 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 - LR	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 Assistance	Description	Fund Code (2-Digit)	Kind Code
590	FO - CL - Regular	30	00
591	FO - CL - Non-Beginning Farmer - SDA - Gender	30	05
592	FO - CL - Non-Beginning Farmer - SDA - Ethnic	30	05
593	FO - CL - Priority - Beginning Farmer	30	01
631	FO - CL - Priority - Beginning Farmer - SDA	30	01
632	FO - CL - Priority - Convert to Organic and Sustainable Operation	30	01
633	FO - CL - Priority - Highly Erodible Land Protection	30	01

F Guaranteed FO's (G-FO)

Type of Assistance	Description	Fund Code (2-Digit)	Kind 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 - Ethnic	41	05
206	FO - Farm Enterprise - Beginning Farmer - Regular - SDA - Gender	41	05

G Guaranteed FO CL's (G-CL)

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
596	FO - CL - Regular	30	00
597	FO - CL - Non-Beginning Farmer - SDA - Gender	30	05
598	FO - CL - Non-Beginning Farmer - SDA - Ethnic	30	05
599	FO - CL - Priority - Beginning Farmer	30	01
634	FO - CL - Priority - SDA	30	01
635	FO - CL - Priority - Convert to Organic and Sustainable Operation	30	01
636	FO - CL - Priority - Highly Erodible Land Protection	30	01

--*

Type of Assistance, Fund, and Kind Codes (Continued)

H Land Contract Guarantee Program

Type of Assistance	Description	Fund Code (2-Digit)	Kind 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 Assistance	Description	Fund Code (2-Digit)	Kind Code
056	EM - Actual Loss - Real Estate Purpose	43	61
060	EM - Citrus Grove Rehabilitation/Re-Establishment	43	21
092	EM - Actual Loss - Operating Purposes	43	62

J ITLAP's

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
042	Indian Land Acquisition	98	
043	Indian Land Acquisition - 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 Assistance	Description	Fund Code (2-Digit)	Kind Code
198	Boll Weevil Eradication	44	22

Type of Assistance, Fund, and Kind Codes (Continued)

***--L Heirs Property Relending Program**

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
856	Heirs Property Relending Program	90	01

--*

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 Assistance	Description	Fund Code (2-Digit)	Kind 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, and 45	All
118	Homestead Protection - Credit Sales- LR	41, 43, 44 and 45	All
180	Emergency - Natural Disaster	43	61
213	OL - Beginning Farmer - Regular - Special Assistance - 1 year	44	33
214	OL - Beginning Farmer - Regular - Special Assistance - SDA - 1 year	44	34
215	OL - Beginning Farmer - Regular - Special Assistance - 7 year	44	33
216	OL - Beginning Farmer - Regular - Special Assistance - SDA - 7 year	44	34
221	OL - Beginning Farmer - LR - Special Assistance - 1 year	44	43

Type of Assistance, Fund, and Kind Codes (Continued)

M Inactive or Expired Loan Programs (Continued)

Type of Assistance	Description	Fund Code (2-Digit)	Kind 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 Assistance	Description	Fund Code (2-Digit)	Kind Code
564	OL - Regular (Except Youth) - 1 year	44	01
565	OL - Youth - 1 year	44	02
566	OL - Regular (Except Youth) - SDA - 1 year	44	05
567	OL - Youth - 1 year - SDA	44	55
568	OL - Beginning Farmer - Regular - 1 year	44	01
569	OL - Beginning Farmer - Regular - 1 year - SDA	44	05
570	OL - Regular (Except Youth) - 7 year	44	01
571	OL - Youth - 7 year	44	02
572	OL - Regular (Except Youth) - 7 year - SDA	44	05
573	OL - Youth - 7 year - SDA	44	55
574	OL - Beginning Farmer - Regular - 7 year	44	01
575	OL - Beginning Farmer - Regular - 7 year - SDA	44	05
576	OL - 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 November 1, 2026.--

Loan Type	Current Rate (%)	Date Set
Loans Currently Made		
Emergency – Amount of Actual Loss	3.750	4/1/22
Farm Ownership and Conservation Loans	6.250	10/1/26
Farm Ownership – Down Payment	2.250	10/1/26
Farm Ownership – Joint Financing	4.250	10/1/26
Farm Ownership – Limited Resource	5.000	4/1/86
Farmer Program – Homestead Protection	6.250	10/1/26
Indian Land Acquisition	5.000	2/1/91
Operating	*--5.625	11/1/26--*
Operating – Limited Resource	5.000	12/1/90
Operating – Microloan – "Special Interest Rate"	5.000	2/7/14
Shared Appreciation Amortization	5.250	10/1/26
Interest Rates for Servicing Loans no Longer Being Made		
Association – Grazing	6.250	10/1/26
Association – Irrigation and Drainage	6.250	10/1/26
Economic Emergency – Operating	*--5.625	11/1/26--*
Economic Emergency – Real Estate	6.250	10/1/26
Emergency – Annual Production	*--8.125	11/1/26
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	8.750	11/1/26
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	8.125	11/1/26--*
Rural Housing – Farm Loan Purposes **Note:** For the current interest rate, contact the National Office.		
Softwood Timber Loans	6.250	10/1/26
Soil and Water	6.250	10/1/26
Soil and Water – Limited Resource	5.000	7/1/92
Other Loans		
--Nonprogram – Personal Property--	*--8.125	11/1/26
Nonprogram – Real Property	8.750	11/1/26--*

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 an FPACNow request sent to MSD at Facilities Management Branch (FMB) - MSD – FPACNow
- 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	*--4.000	11/1/26
Treasury Judgment Rate (see Note)	4.460	11/1/26--*

Notes: The 90-Day Treasury Bill rate is entered in eDALR$ as the "Discount Rate" and is used to calculate present value and net recovery value.

The treasury judgment rate is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961). The rate is based on **the daily** 1-year CMT yield published by the Federal Reserve System, Board of Governors. The rate shown is the most current rate posted to the Federal Reserve web site and is **the daily *--rate as of October 6, 2026**. 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
269June 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 • Date Type	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.	• 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.	• State • District • Servicing Office • County • Ethnicity • Race • Gender	12/14/17

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List of Available Reports (Continued)

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
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 ID • Loan Type	10/27/17

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List of Available Reports (Continued)

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 Report	Lists complete direct loan applications where no decision has been made. User may limit results to those complete applications where more than 45 days has passed.	• State • District • Servicing Office • County • Ethnicity • Race • Gender • Display • Application Completion Date	10/27/17
Office Management Report	Lists specific work tasks from the DLS loan making application checklist. (Specific tasks are listed on the report dashboard.) User may ask for Incomplete or Complete work tasks. Report defaults to work tasks for applications received during current FY.	• State • District • Servicing Office • County • Program Type • Ethnicity • Race • Gender • Program Type • Task Status • Task • Application Received Date • Task Completion Date • Date Type	7/5/18
Rejected Application Report	Lists rejected applications, includes reasons for rejection. Report defaults to applications rejected during current FY.	• State • District • Servicing Office • County • Ethnicity • Race • Gender • Rejection Date	1/16/18

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List of Available Reports (Continued)

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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List of Available Reports (Continued)

***--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.	• State • District • Servicing Office • County	12/14/17

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List of Available Reports (Continued)

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.	• State • District • Servicing Office • County • Borrower Type	10/27/17

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List of Available Reports (Continued)

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 FSFL information.	• State • District • Servicing Office • County • Program Type • Date Type • Status • Report Selection	3/30/18
Borrower Mortgage Monitoring Report	Provides a list of all recorded mortgages. User can select All, Active, or Released mortgage instruments. Includes both FLP and FSFL information.	• 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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List of Available Reports (Continued)

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

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List of Available Reports (Continued)

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	Provides information on borrowers who are 120+ days delinquent and are not flagged PLS, OACI, or ACL. Can be used to support FLPRA reviews.	• State • District • Servicing Office • County • Report Date • Report Selection	10/30/18
Direct Flagged Accounts (FLAGLIST)	Summarizes and lists accounts that are flagged. Users can see all flagged accounts or select specific flags.	• State • District • Servicing Office • County • Report Date • Flag • Report Selection	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.	• 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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List of Available Reports (Continued)

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 Description	8/30/18
FLPRA Direct Loss Trend (FLPRALSS)	Provides information on direct loss rates as used for FLPRA reviews.	• State • Servicing Office • Report 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

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List of Available Reports (Continued)

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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List of Available Reports (Continued)

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 Request Report	Provides information for tracking requests for Subordinations, as well as monitoring approved Subordinations. User can search on Request Date, Final Disposition Date, or Expiration Date.	• State • District • Servicing Office • County • Status • Security Type • Date Type	6/1/18
Terminated Workflows Report	Provides a list of terminated servicing workflows.	• State • District • Servicing Office • County • Termination Date • Borrower Name	6/5/19
Transfer Assumption Application Processing Report	Provides information for tracking Assumption requests.	• State • District • Servicing Office • County • Status • Date Type	6/17/19
Transfer Assumption Completed Actions Report	Provides a list of transfer and/or assumption actions that have been completed. This includes actions with or without an application package.	• State • District • Servicing Office • County • Status Date	1/16/18
Year End Analysis Report	Provides information for tracking YEA reviews. User can search on Due Date, Credit Action Date, or Completed Date.	• State • District • Servicing Office • County • Status • Date Type • Reason for Review • Completed by Contractor	1/16/18

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List of Available Reports (Continued)

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 • District • Servicing Office • County • Application Status • Race • Gender • Date Complete Application Received • Category Name • Report Selection	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.	• State • District • Servicing Office • County • Status	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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List of Available Reports (Continued)

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.	• State • Service Office	4/15/19

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List of Available Reports (Continued)

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.	• State • Program Group • Fund Code	10/27/17
Funds Requested	Provides the borrower name, loan amount, and program group for current funds requested.	• State • Program Group • Fund 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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List of Available Reports (Continued)

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	Provides current direct loan delinquency rates for goal monitoring purposes.	• State • District • Servicing Office • County	6/1/18
Reduce First Year Delinquency Rates on New Loans- Goal 1	Provides the current rate.	• State • District • Servicing Office • County • Report Selection	9/26/18
Reduce Guaranteed Delinquency Rates on Loans LS- Goal 2	Provides current guaranteed loan delinquency rates for goal monitoring purposes.	• State • Servicing Office • County	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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List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

***--7 FLP Funding & Goal Reports, Goals Reports (Continued)**

Report Name	Report Description	User 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.	• State • District • Servicing Office • County • Report Selection • Fiscal 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.	• State • District • Servicing Office • County • Ethnicity • Race • 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.	• State • District • Servicing Office • County • Ethnicity • Race • Gender	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.	• State • District • Servicing Office • County • Ethnicity • Race • Gender	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.	• State • District • Servicing Office • County • Ethnicity • Race • Gender	6/1/18

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List of Available Reports (Continued)

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.	• State • Servicing Office • County	7/5/18
Current Lender Designations Report	Provides a list of current lender designations (similar to GLS4023), including effective date of agreement.	• State • Lender Status	7/5/18
FLPRA Guaranteed Average Loan Loss Rate Report	Provides information on guaranteed average loan loss rates to support FLPRA review.	• State • Servicing Office • County • Fiscal Year	7/27/18
FLPRA Guaranteed Loans Closed Report	Provides a list of loans closed in specific fiscal year to support FLPRA elements.	• State • Fiscal 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.	• State • Servicing Office • County • FLPRA • Fiscal Year	9/25/19
Guaranteed Annual Loan Loss Rate Report	Provides the guaranteed loan loss rate for the current fiscal year.	• State • Servicing Office • County • Report Selection	7/27/18

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List of Available Reports (Continued)

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.	• State • Servicing Office • County • Report 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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List of Available Reports (Continued)

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 Application Report FSFL	Provides information on the FSFL application process from Received Date through Loan Closing Date. Carryover applications received in prior FY will be displayed until withdrawn, rejected, or closed.	• State • County • Loan Type • Status • Race • Gender • Ethnicity • Borrower • Application Received Date	3/30/18
FSFL Condensed Report	Condensed listing of FSFL loans categorized by State, including loan count, obligated amount, and outstanding amount.	• State • County • Fiscal Year	6/1/18
FSFL Congressional District Report	Provides information on FSFL obligations by congressional district.	• State • Congressional District • Fiscal Year	8/14/18
FSFL Original Report	Provides a summary of FSFL work tasks from the DLS loan making application checklist. User may ask for Incomplete or Complete work tasks.	• State • County	4/23/18

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List of Available Reports (Continued)

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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List of Available Reports (Continued)

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 Mortgage Monitoring FSFL Dashboard	Provides a list of recorded mortgages for FSFL loans. User can search on Active or Released mortgaged instruments.	• State • County • Status	5/16/19
Borrower Financing Statement Report FSFL Dashboard	Used to monitor current status of Financing Statements for FSFL loans. Detailed report provides information on Amendments, Continuations, and Terminations.	• State • County • Status • Date Type	6/5/19
FSFL Capacity Report	Provides capacity information for FSFL applications, disbursements, and closed loans.	• State • County • Fiscal Year • Category	6/1/18
FSFL Delinquency Report	FSFL's that are $25 or more delinquent.	• State • County	1/16/18
Farm Visit FSFL Dashboard	Provides information for tracking Farm Visits. User can search on Scheduled Date or Completed Date and type of visit.	• State • County • Status • Visit Type • Date Type • Completed by Contractor	5/16/19
FSFL Disbursement Report	Report of FSFL disbursement loans based on the last four fiscal years of obligation.	• State • County • Disbursement Date	4/23/18
FSFL Outstanding Report	Provides a summary of outstanding FSFL loans based on the last four fiscal years of obligation.	• State • County	4/23/18

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List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

***--10 FSFL Reports, FSFL Loan Servicing (Continued)**

Report Name	Report Description	User Selection Criteria	Date Last Modified
FSFL Payment History Report	Provides a detailed list of payment collected during specified fiscal years.	• State • County • Fiscal Year • Borrower • Loan Type	5/4/18
FSFL Repayment Report	Provides information on FSFL repayments based on fiscal year.	• State • County • Fiscal Year	4/23/18
Payment Reminder Report FSFL	Provides information used to generate payment reminder letters. User must specify an installment due date range.	• State • County • Date Type	5/4/18
Reminder Report-FSFL Only Report	Provides information on FSFL routine loan servicing workflow reminders. User can select pending, postponed, closed, or all reminders. User can search based on Alert Date, Due Date or Closed Date.	• State • County • Status • Date Type • Borrower	4/23/18
Related Entities FSFL	Identifies related entities currently liable for all active FSFL loans. Based 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.	• State • County • Borrower	4/24/18
Status of Farm Storage Facility Loans Report	Provides status information for all outstanding FSFL loans.	• State • County	7/5/18

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List of Available Reports (Continued)

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

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List of Available Reports (Continued)

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. To request changes, FSA-2125 must be ***--**completed and provided to the RD Business Center.**--***	• State	10/27/17
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

List of Available Reports (Continued)

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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List of Available Reports (Continued)

B GLS (Continued)

***--2 Activity Reports**

The following are the available Activity Reports.

Report Number	Report Name	Report Description
GLS4290	Application Activity Summary	Summarizes the following activities: Applications received; applications completed; eligibility determinations; final dispositions; obligations; loans closed; environmental reviews; real estate appraisal reviews; and chattel appraisal reviews. User must specify a date range.
GLS4291	Application Activity Detail	Validates the counts from the GLS4290 report displaying the following information: Applications received; applications completed; eligibility determinations; final dispositions; obligations; loans closed; environmental reviews; real estate appraisal reviews; and chattel appraisal reviews. User must specify a date range.

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List of Available Reports (Continued)

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.

List of Available Reports (Continued)

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.

List of Available Reports (Continued)

B GLS (Continued)

5 Borrower Reports

The following are the available Borrower Reports.

Report Number	Report Name	Report Description
GLSLN01	Overdue Guaranteed Loan Closing Fees	Weekly report will list all borrower loans with a Suspend Code equal to 4 and a Date of Loan Closing or a Date of Last Register greater than 30 days from the Run Date of the Report. Provides a listing by Borrower ID Number within State and County codes. The primary purpose of this report is to provide Finance Office users with a list of borrower loans that have unpaid Guaranteed Loan Closing Fees outstanding for more than 30 days.
GLSLN03	Parties Liable for GLS Loans	Weekly report will list all borrowers and co-borrowers responsible for GLS loans.

6 Loan Reports

The following are the available Loan Reports.

Report Number	Report Name	Report Description
GLSLN02	Trial Balance Guaranteed Loan Lender	On-request report provides a listing of all active guaranteed loans for a lender. The primary purpose of this report is to provide user with information concerning a lender's active portfolio.
GLS2212	Borrowers Having Direct & Guaranteed Loans Summary	Provides a total of unduplicated borrowers having both direct and guaranteed loans by State.
GLS2213	Borrowers Having Direct & Guaranteed Loans Detail	Provides list of Borrower's ID and name of unduplicated borrowers having both direct and guaranteed loans for selected State.
GLSREAM1	Reamortized Loans Summary	Provides a summary of loans reamortized.

List of Available Reports (Continued)

B GLS (Continued)

6 Loan Reports (Continued)

Report Number	Report Name	Report Description
GLSREAM2	Reamortized Loans Detail	Provides a detail listing of loans reamortized.
GLS4263	Lender Loans Closed - Pending Closing in GLS Report	Lists all loans that are closed by the lender but are waiting for approval to be closed in GLS.
GLSIA06	Guaranteed Loans That Require Attention	Provides a list of loans that are delinquent, past due, or past the maturity date.

7 Loan Reports - A/R

The following are the available Loan Reports - A/R.

Report Number	Report Name	Report Description
GLS4011	Accounts Receivable Summary	Summarizes the number of claims and unpaid principal and interest by geographic State for the loan types selected.
GLS4010	Accounts Receivable Listing	Provides a detailed listing of accounts receivable along with unpaid principal and interest amounts.
GLS2113	Guaranteed Loan Repurchases Summary by Fiscal Year	Provides a national summary of counts of guaranteed loan repurchases by State across FY. A drill-down to detail is also available.
GLS2113	Guaranteed Loan Repurchases Detail	Provides detailed information for guaranteed loan repurchases for the selected State.

List of Available Reports (Continued)

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.

List of Available Reports (Continued)

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 Number	Report Name	Report Description
GLS2003	Guaranteed Loans by Lender Caseload	Lists guaranteed loan information by lender ID within lender name, giving a total amount by lender name.
GLS2085	Guaranteed Caseload/ Delinquency Summary	Contains a summary with drill-down capabilities to a detail report. The summary report displays counts of borrowers, loans, delinquent loans, unpaid principal, dollar amount delinquent, percent of delinquent loans, and percent of delinquent amount listed by State name. The drill-down capability is on the State name, which takes user to a detail report identical to the summary, but it will be listed by county name for the State that was drilled on.

List of Available Reports (Continued)

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.

List of Available Reports (Continued)

B GLS (Continued)

10 Lender Reports

The following are the available Lender Reports.

Report Number	Report Name	Report Description
GLS4023	Current Lender Designation Report	Lists lenders that meet the lender designation requested on the criteria page. The lender's current designation is provided by State for each lender that meets the selection criteria.
GLS4103	Lender Listing	Provides the name and address of every lender with an active loan by loan type, servicing State, and lender name.
GLS4103I	Lender Listing - Internal Use Only	Provides the Lender ID and Branch, name and address, Loan Amt and Outstanding Principal of every lender with an active loan by loan type, servicing State, and lender name. **Note:** Do **not** distribute to outside sources.
GLS2009	Loans Made by Lender Summary Report	Summarizes the total number of loans made by a lender distinguishing between those made in the last 5 years and the last 2 years along with the loss percent. The ability to drill-down to the detail report is also available.
GLS2009A	Loans Made by Lender Detail Report	Details each loan made by a lender providing borrower ID, name and address along with the loan amount, closing date, loan status and loss paid.
GLSIA05	Top Lenders	Provides a list of the top lenders based on the number of active loans or amount of outstanding principal.

List of Available Reports (Continued)

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.

List of Available Reports (Continued)

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 Data on Loans Guaranteed	Counts loans, loans with losses and loss percent.
GLS2101	Status of Completed Guaranteed Losses Paid by Fiscal Year	Counts and totals losses, recoveries and liquidation costs by FY of the loss.
GLS2111	Estimated Guaranteed Loan Losses Where Final Loss Has Not Been Paid	National summary of type 1 guaranteed loan losses by State across FY. Either loss counts, or dollar amounts are summarized based on selection from criteria screen.
GLS4131	Summary of Completed Losses by State	Provides numbers and totals for each loss type by State.
GLS4130	Completed Loss Listing	Lists loss information for borrowers in State and loan type order. Information will either be summarized into the last loss type and amount or detail information based on user selection.

List of Available Reports (Continued)

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.

List of Available Reports (Continued)

B GLS (Continued)

13 Loss Review Reports (Continued)

Report Number	Report Name	Report Description
GLS5104	Liquidation Costs Summary Report	Summary report provides information on Liquidation Costs.
GLS5104A	Liquidation Costs Detail Report	Detail report provides information on Liquidation Costs.
GLS5105	Deductions to Final Liquidation Loss Claim Summary Report	Summary report compares the loss amount requested by the lender to the amount approved by the Agency (final liquidation losses only).
GLS5105A	Deductions to Final Liquidation Loss Claim Detail Report	Detail report compares the loss amount requested by the lender to the amount approved by the Agency (final liquidation losses only).
GLS5106	Losses with Additional Interest Summary Report	Summary report provides information on Additional Interest paid (all loss types).
GLS5106A	Losses with Additional Interest Detail Report	Detail report provides information on Additional Interest paid (all loss types).
GLS5107	Loss Claim Processing Times Summary Report	Summary report calculates the number of days between the lender's submission of the claim to the Agency's approval (only includes loss types 01, 02, 05, 06, or 07).
GLS5107A	Loss Claim Processing Times Detail Report	Detail report calculates the number of days between the lender's submission of the claim to the Agency's approval (only includes loss types 01, 02, 05, 06, or 07).

List of Available Reports (Continued)

B GLS (Continued)

14 Interest Assistance Reports

The following are the available Interest Assistance Reports.

Report Number	Report Name	Report Description
GLS2094	Guaranteed Interest Assistance Summary Report	Provides a summary of borrower counts, loan counts, and loan counts broken into various categories for active guaranteed interest assistance by State. Summary by count is available as a drill-down on State.
GLS4235	Unliquidated Interest Assistance Obligations	Totals loan balance, buydown obligated amount, interest assistance paid, and unliquidated obligated buydown amount by borrower.
GLSIA01	List of Guaranteed Loans with IA Agreements	Provides a list of all guaranteed loans with active Interest Assistance Agreements.
GLSIA02	Interest Assistance Claims Processed	Provides a list of paid Interest Assistance Claims.
GLSIA03	Oldest IA Agreements	Provides information on a borrower's first Interest Assistance Agreement.
GLSIA04	IA Claims Not Yet Processed	Lists all Interest Assistance Claims coming due within the next 30 days, or those that are past due.

List of Available Reports (Continued)

B GLS (Continued)

15 Obligation and Closing Reports

The following are the available Obligation and Closing Reports.

Report Number	Report Name	Report Description
GLS2006	Guaranteed Obligated Loans by Mail Code	Displays guaranteed loans that are obligated for the specified obligated FY by mail code, lender name and borrower name.
GLS2210	Farm Loan Program Obligations Report	Shows all loan obligations for the date range selected with the ability to limit the data by SDA, Beginning Farmer, Lender Status or Assistance Type.
GLS2008	Farmer Programs Guaranteed Unclosed Loans Obligated	Displays guaranteed loans that are obligated, but not yet closed. It is broken out by borrower name and borrower ID.

16 CLP/PLP Reports

The following are the available CLP/PLP Reports.

Report Number	Report Name	Report Description
GLS2010	Lenders Eligible for Certified Status Report	Shows all loan providers who meet requirements for status of Certified Lender.
GLS2011	Lenders Eligible for Preferred Status Report	Shows all loan providers who meet requirements for status of Preferred Lender.
GLS2014	Certified Loan Providers Report	Shows only the loan providers who already have the status of Certified Lender.
GLS2015	Preferred Loan Providers Report	Shows only the loan providers who already have the status of Preferred Lender.
GLS2012	Certified Loan Providers Not Meeting CLP Criteria	Shows all loan providers who currently have a status of Certified and no longer meet the specified criteria for that status.
GLS2013	Preferred Loan Providers Not Meeting PLP Criteria	Shows all loan providers who currently have a status of Preferred and no longer meet the specified criteria for that status.

List of Available Reports (Continued)

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.

List of Available Reports (Continued)

B GLS (Continued)

17 Debt Offset Receivable Reports (Continued)

Report Number	Report Name	Report Description
GLSDC06	Debts Eligible for TOP But Not Yet Referred - Summary	Summarizes loans where the debt has not yet been referred to TOP. User may limit the data to loans which should have already been referred.
GLSDC06A	Debts Eligible for TOP But Not Yet Referred - Detail	Identifies loans where the debt has not yet been referred to TOP. User may limit the data to loans which should have already been referred.
GLSDC07	Debts Which Will Not Be Referred for IAO/TOP Offset - Summary	Summarizes debts where FSA has identified the reason why the debt will not be referred for offset. User is required to specify IAO or TOP offset.
GLSDC07A	Debts Which Will Not Be Referred for IAO/TOP Offset - Detail	Lists debts where FSA has identified the reason why the debt will not be referred for offset. User is required to specify IAO or TOP offset.
GLSDC08	Debts Referred for IAO/TOP Offset - Summary	Summarizes debts that are currently referred for a specified type offset.
GLSDC08A	Debts Referred for IAO/TOP Offset - Detail	Identifies debts that are currently referred for a specified type offset.
GLSDC09	Debts Deleted from IAO/TOP Offset - Summary	Summarizes debts that have been deleted from a specified type of offset referral.
GLSDC09A	Debts Deleted from IAO/TOP Offset - Detail	Identifies debts that have been deleted from a specified type of offset referral.

List of Available Reports (Continued)

B GLS (Continued)

17 Debt Offset Receivable Reports (Continued)

Report Number	Report Name	Report Description
GLSDC10	Offset Collections - Summary	Summarizes information on DCIA collections made through offset.
GLSDC10A	Offset Collections - Detail	Provides detailed information on DCIA collections made through offset.
GLSDC13	Internal Administrative Offset Collections - Summary	Summarizes DCIA collections made through IAO offset.
GLSDC14	Offset Collections/Refund - Summary	Provides financial data related to offset collections and refunds for FSA Guaranteed Loan receivables in summary format.
GLSDC14A	Offset Collections/Refund - Detail	Provides financial data related to offset collections and refunds for FSA Guaranteed Loan receivables in detail format.
GLSDC19	360-6 Refunds	Displays detail refund information for 4062 and 4962 transactions.
GLSDC15	Debts Written Off from IAO/TOP Offset - Summary	Provides financial data related to Debts Written Off for FSA guaranteed loan receivables in summary format.
GLSDC15A	Debts Written Off from IAO/TOP Offset - Detail	Provides financial data related to Debts Written Off for FSA guaranteed loan receivables in detail format.
GLSDC11	Annual Lender Notifications	Provides detailed information on recoveries processed through DCIA. Report will be provided to lenders on an annual basis.
GLSDC18	Unpaid Principal Balance	Displays daily balancing file activity against GL activity for the prior day. Account 850065 only.

List of Available Reports (Continued)

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 security administrators for GLS Level 1 or Level 2 under AASM.
GLS4266	List of Lenders Established as Security Administrators in AASM Summary Report	Summarizes number of lenders, applications, obligations, and loans by servicing State where the lender has security administrators for GLS Level 1 or Level 2 under AASM.
GLS4266A	List of Lenders Established as Security Administrators in AASM Detail Report	Lists lenders with active applications, obligations, or loans for FSA that have security administrators for GLS Level 1 or Level 2 under AASM.
GLS4267	AASM User List Report	Lists users in AASM along with their status, system, role, intermediary/lender ID, branch, State, and program.
GLS4268	AASM User Maintenance Register Report	Lists all data from the user maintenance register.

List of Available Reports (Continued)

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 IAO/TOP Offset - Summary	Provides financial data related to Debts Written Off for FSA guaranteed loan receivables in summary format.
GLSDC48A	Debts Written Off from IAO/TOP Offset - Detail	Provides financial data related to Debts Written Off for FSA guaranteed loan receivables in detail format.

20 MRE Reports for State Office Usage

The following are the available MRE Reports for State Office usage.

Report Name	Report Description
Alternate - Guaranteed Loss Rate - FY 2015	Provides the current loss rate, which is calculated by dividing the amount of losses during the current FY by the unpaid principal at the beginning of the FY.
Borrower Maintenance Report by Servicing Office	Displays data from the Borrower Maintenance screen. User may specify State, Office, or Borrower ID Number.
Borrowers Who Have Loans with Both PCA (ACA) & FLB (FLCA) Lenders	Provides a list of borrowers who have active guaranteed loans with both PCA and FLB.
Breakout of Loans Made by Lender Status	Provides the number and percentage of loans closed for specified FY by lender status.
Caseload/Delq with County and Office Names	Modified from GLS2085. Includes servicing office and county names.
Final Losses Paid Within the Past Three Years	Lists loans where a final loss claim has been processed within three years of the current date.

List of Available Reports (Continued)

B GLS (Continued)

20 MRE Reports for State Office Use (Continued)

Report Name	Report Description
FLPRA - Guaranteed Average Loan Loss Rate	Provides the net loss amount and original loan amount for loans used to calculate the Guaranteed Average Loan Loss Rate FLPRA element.
FLPRAOBL MRE - Guaranteed Obligations Only	Provides list of obligations used to calculate the various guaranteed obligation FLPRA elements.
GLS2120 - Specific State by Mail Code	GLS2120, Total Amount of Loans Outstanding by Gender and Race, modified to allow user to select a specific State.
GLS2121 - Specific State by Mail Code	GLS2121, Count of Borrowers with Guaranteed Loans Outstanding by Gender and Race, modified to allow user to select a specific State.
*--GLS2208 – Guaranteed Loan Average Processing Times	Modified for LMD Goal – By Servicing Office.
GLS4023 Modified to Include Effective Date of Agreement	GLS4023, Current Lender Designation Report, modified to include effective date of designation agreement.
GLS2208 – Guaranteed Loan Average Processing Times	Summarizes the number of applications received and 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.--*
GLS4110 Modified to add several fields for LMD & LSPMD	GLS4110, Loan Caseload Detail Report, modified to add lender type, primary loan purpose, IA indicator, beginning farmer indicator, SDA indicator, race, gender, ethnicity, borrower address, and lender designation
GOAL2 - Guaranteed Delinquency Rate - FY 2015	Provides guaranteed delinquency rates for the current goal period. Works best for States that have **not** had significant office realignments during goal period.
GOAL2 Alternate - Guaranteed Delinquency Rate - FY 2015	Provides current guaranteed delinquency rate for goal monitoring purposes. Useful for States who have had office realignments during goal period.
Guaranteed Fees	Summarizes the amount of guaranteed fees collected by deposit date. User must specify date deposit date range.

List of Available Reports (Continued)

B GLS (Continued)

20 MRE Reports for State Office Use (Continued)

Report Name	Report Description
Lender Representative List	Provides information from Lender Representative screen for all lenders with active loans within a State.
List of Active Guaranteed Loan Borrowers with Race, Ethnicity & Gender	Provides a list of active borrowers for specified State. Includes race, gender, ethnicity and unpaid principal balance.
Loan Purpose Breakout	Provides the amount of loan funds approved for the various loan purposes. User must specify closing date range.
* * *	* * *
Loans Made by Lenders	Summarizes the number and amount of loans closed by lender. User may specify State, lender and/or closing date range.
Loans Made to Refinance Lender's Own Debt - for specific Lender	Provides a list of loans made for the purpose of refinancing debt with the same lender. User must specify FY and Lender ID.
Loans Made to Refinance Lender's Own Debt - for specific Service Center	Provides a list of loans made for the purpose of refinancing debt with the same lender. User must specify FY and 5-digit mail code.
Loans Made to Refinance Lender's Own Debt - for specific State	Provides a list of loans made for the purpose of refinancing debt with the same lender. User must specify a FY and State abbreviation.
Loans Sold on Secondary Market	Modified from GLS4110, Loan Caseload Detail Report. Limits output to loans that have been sold on the secondary market.
OCR Race Request	Summarizes the number and amount of loans closed by race and gender. User must specify race and closing date range.
PLDATA MRE - Replaces FOCUS PLDATA Report	Provides obligation and deobligation transaction activity for both direct and guaranteed loans for specified date range. Report is useful to monitor funds usage.
PLP Review Report - List of Active Loans - State Summary	Provides a list of loans for specified State and lender. Report is used to plan PLP Review activity.
Unmatched Lender Designations	Provides a list of lender branches where designation information does not match for all branches.

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), TPOC **app.fsa.flp.nats**	• Module 1 – Introduction to 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 • Module 7 – Farm Storage Facility Loans (FSFL) • Module 8 – Chattel Appraisal Work Order
APOC, ARMP **app.fsa.flp.nats.apoc**	• All modules for OO / TPOC, plus the following: • Module 4 – APOC and Funding Staff Process Work Order, Parts 1 and 2 • Module 6 – NATS Advanced Tasks *** * ***
Funding Staff – FMMI and PLCE **app.fsa.flp.nats.fc**	• Module 1 – Introduction to NATS • Module 4 – APOC and Funding Staff Process Work Order, Parts 1 and 2 • Module 6 – NATS Advanced Tasks • Module 9 – Funding Staff Roles and Profile
State Administrator/ **app.fsa.flp.nats.admin.so**	• Module 1 – Introduction to NATS • Module 11 – State Administrator Roles
National Office/ **app.fsa.flp.nats.admin.no**	• Module 1 – Introduction to NATS • Module 12 – National Office User Roles

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 - 32.905 Payment documentation and process. | Acquisition.GOV. 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; Receives completed work; Recommends payment for completed work	FLC; FLS; DD; FLM; FLO; LA; PT; Staff appraiser	Ethics training	Inherent to position or delegated according to 1-FLP, subparagraph 23 C and Exhibit 7
PLCE Monitor	Certifies PLCE budget availability on * * * FSA-2128; Assigns Federal Award Identification Number (FAIN) when required; Obtains Procurement Instrument Identification (PIID) from Contracting Officer; and Responds to vendor payment inquiries	Staff selected by SED and FLC	Ethics training	No delegation required – identified in required 1-FLP State supplement
ARMP	Obtains bids; Makes micropurchase; Notifies Vendor of award; issues Task Order to Vendor; Notifies County Office of Vendor award; Coordinates modifications of initial award with PLCE Monitor and Contracting Officer; Receives copy of completed work; Certifies services or products received and accepted; Submits invoice to FMMI TY Processor; Maintains log of transactions and rotation of awards among vendors; May receive and accept completed work and recommend payment for completed work	FLC, FLS, DD, FLM, FLO, LA, Staff appraiser	• Procurement Integrity, .5 hours (score of at least 70% is required) • 508 Awareness, 1 hour (score of at least 95% is required) • ARMP Farm Loan Programs Micropurchase Payments (Exhibit 24) • .25 hours to read and sign • Ethics training	*--Delegated by FBC, AD, POAD after--* submission of training certification

PLCE Roles and Responsibilities (Continued)

Role	Responsibilities	Eligible Positions	Training Requirements	Authority
APOC	For appraisals only: *--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**.	

PLCE Roles and Responsibilities (Continued)

For Each PLCE Transaction	**THEN YOU MAY ALSO DO:**							
IF YOUR ARE THE:	**TPOC**	**PLCE Monitor**	**ARMP**	**APOC**	**ZMY Processor**	**ZMY Approver**	**TY Processor**	**TY 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.

PLCE Roles and Responsibilities (Continued)

***--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.--*

PLCE Roles and Responsibilities (Continued)

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.**--***

***--Accessing IAS for New users (Continued)**

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.**--***

***--Accessing IAS for New users (Continued)**

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.

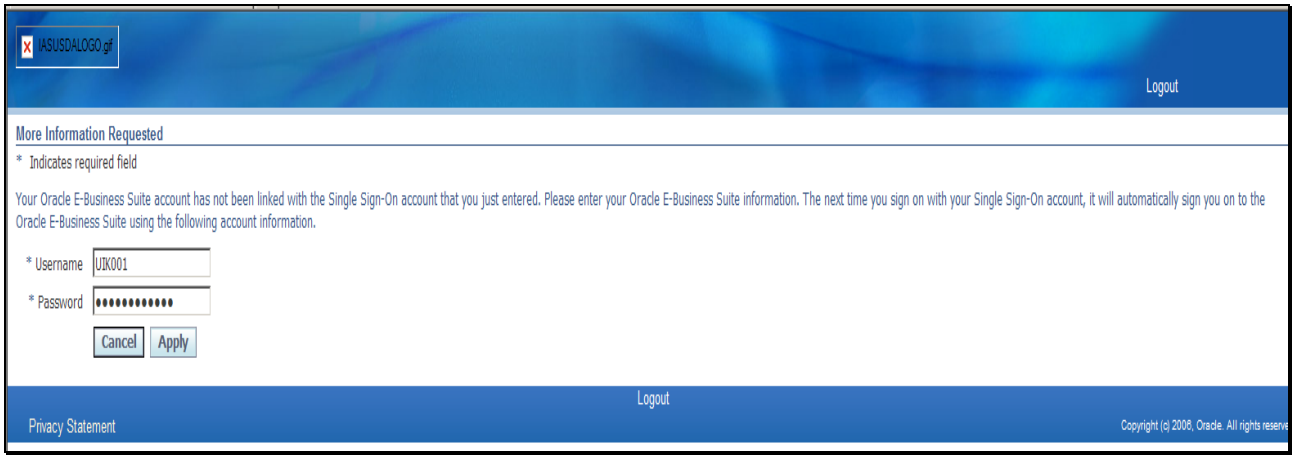


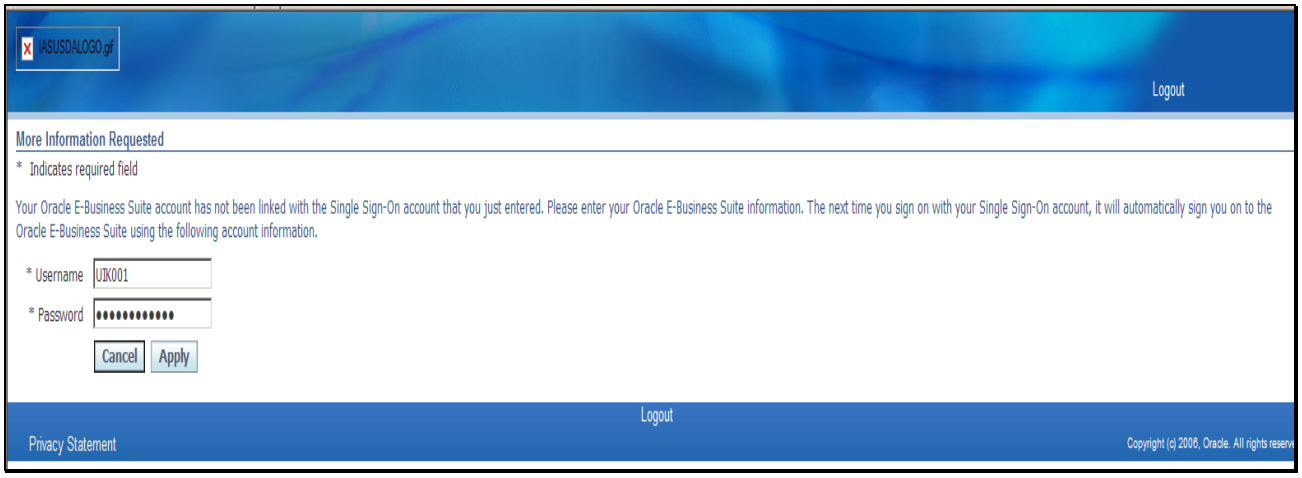
After entering your credentials, click "Login".**--***

***--Accessing IAS for New users (Continued)**

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".



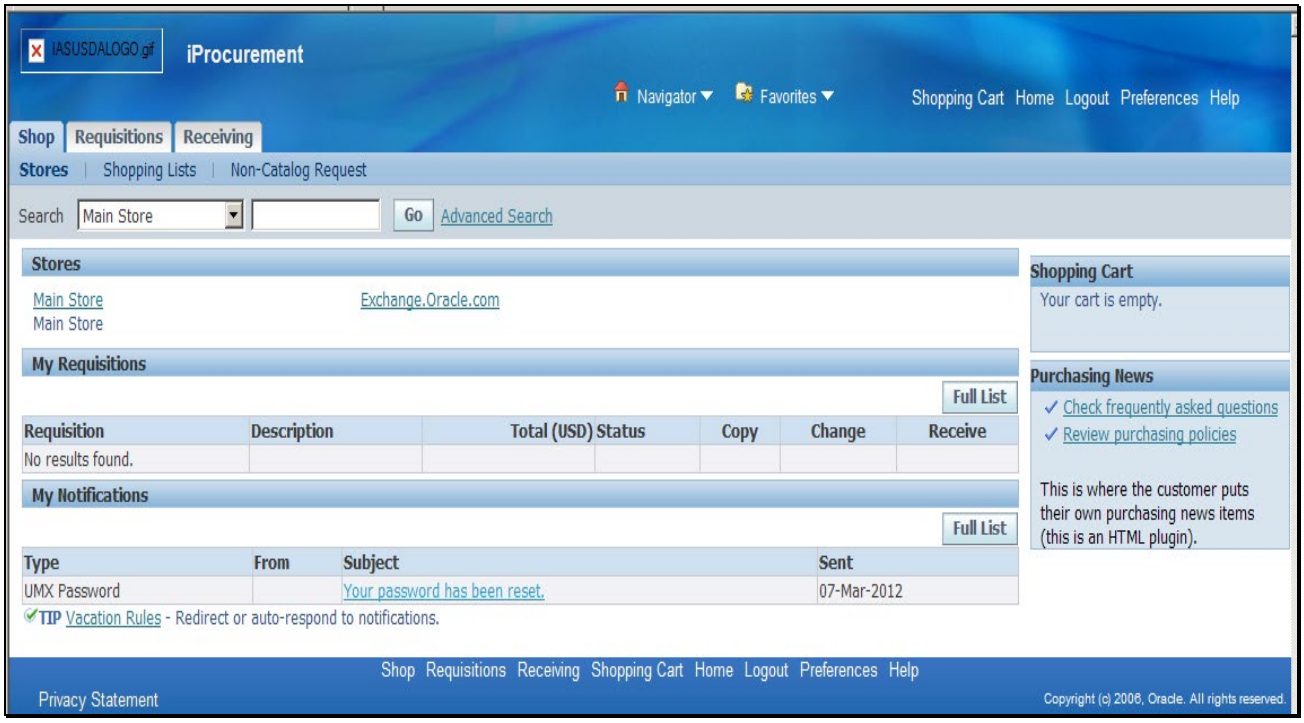


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***--Accessing IAS for New users (Continued)**

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.**--***

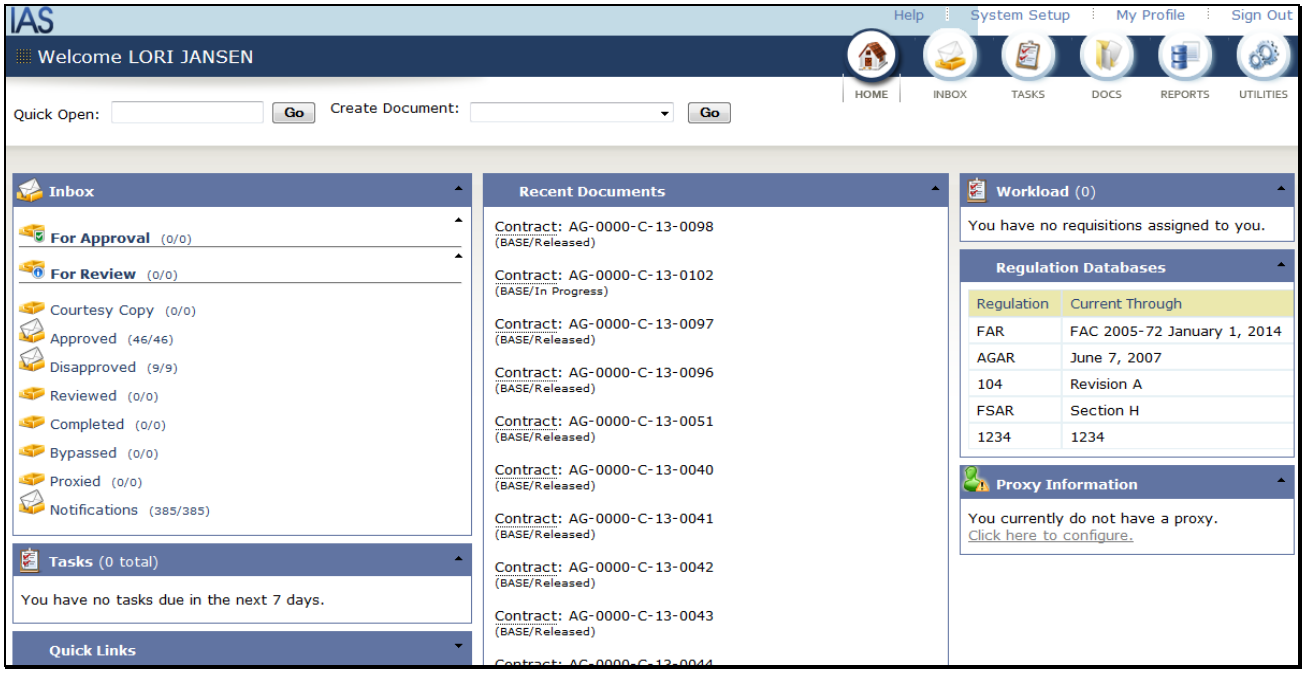
***--Accessing IAS for New users (Continued)**

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.



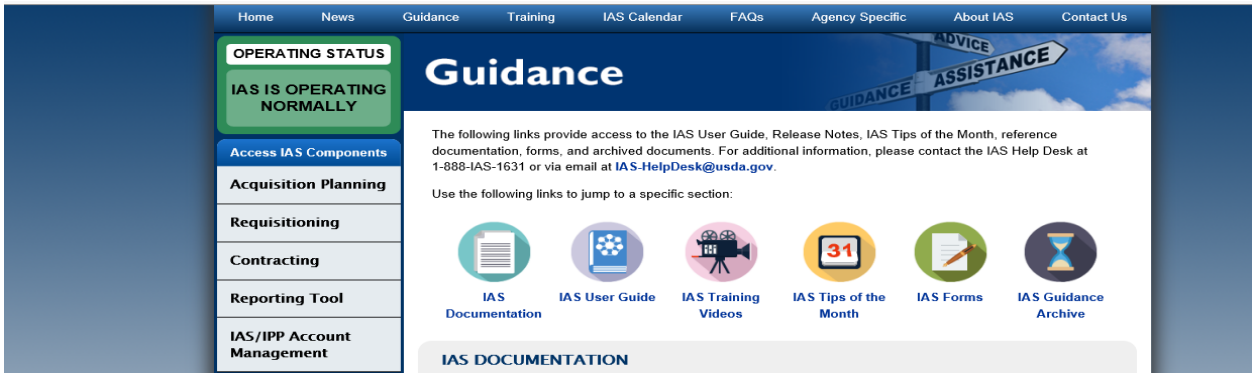
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***--Creating IQ-Program Loan Cost Fund Requisitions in PRISM Module – For Contractual PLCE Transaction Only**

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

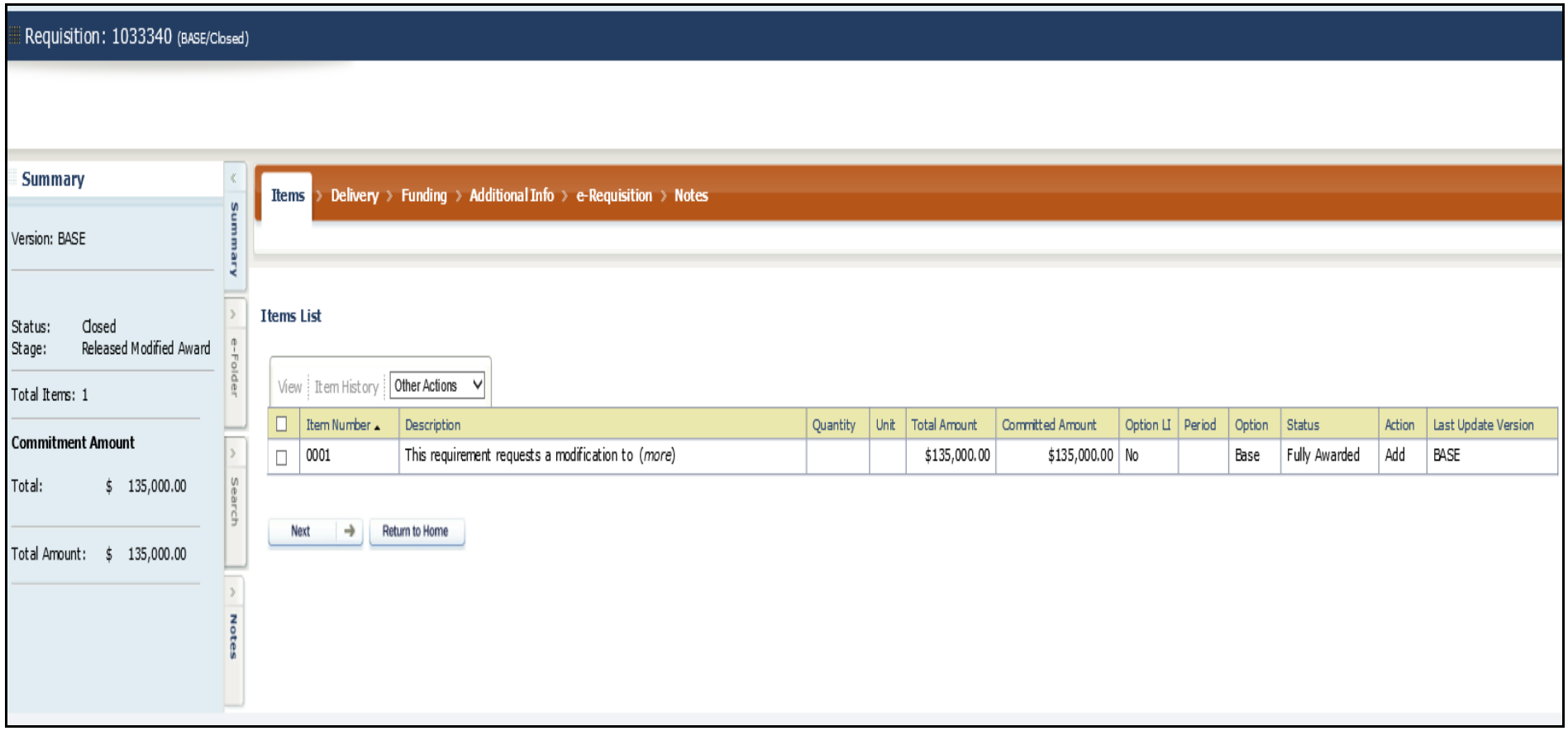
Requisitioner will ensure necessary documents are routed to the requisitioner approver and budget approver notated in their approval chain.

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/.--***

***--Creating IQ-Program Loan Cost Fund Requisitions in PRISM Module – For Contractual PLCE Transaction (Continued)**

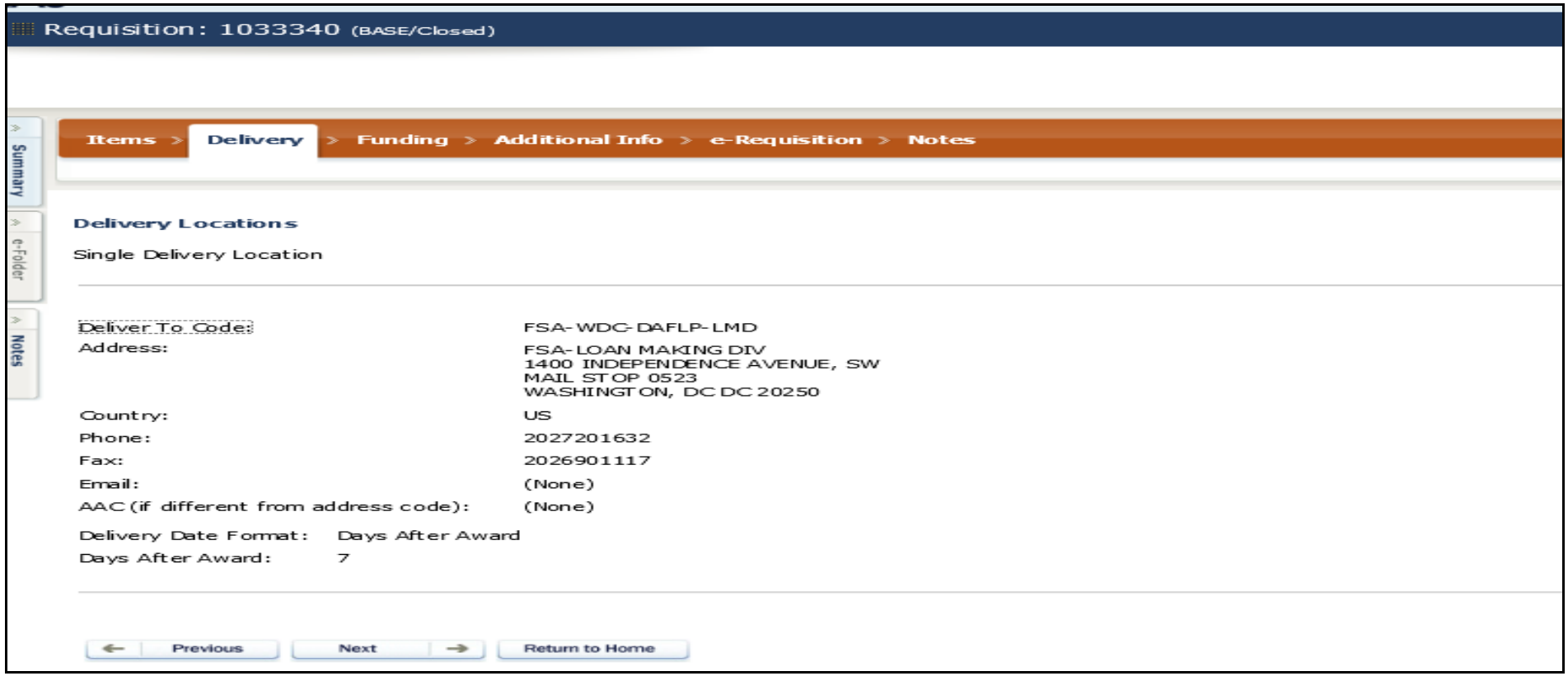
Example of a Completed PLCE Requisition



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***--Creating IQ-Program Loan Cost Fund Requisitions in PRISM Module – For Contractual PLCE Transaction (Continued)**

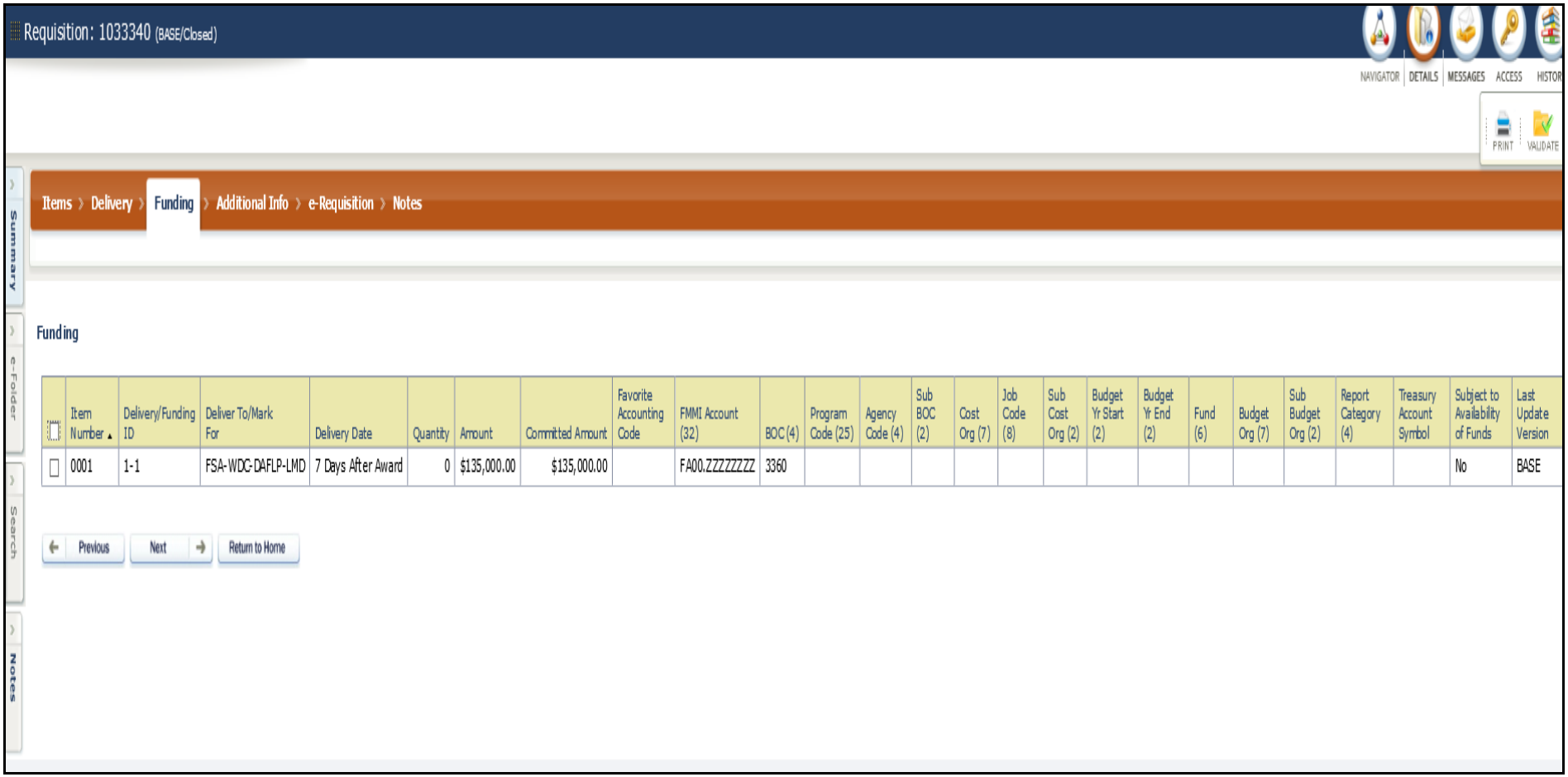
Example of a Completed PLCE Requisition (Continued)



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***--Creating IQ-Program Loan Cost Fund Requisitions in PRISM Module – For Contractual PLCE Transaction (Continued)**

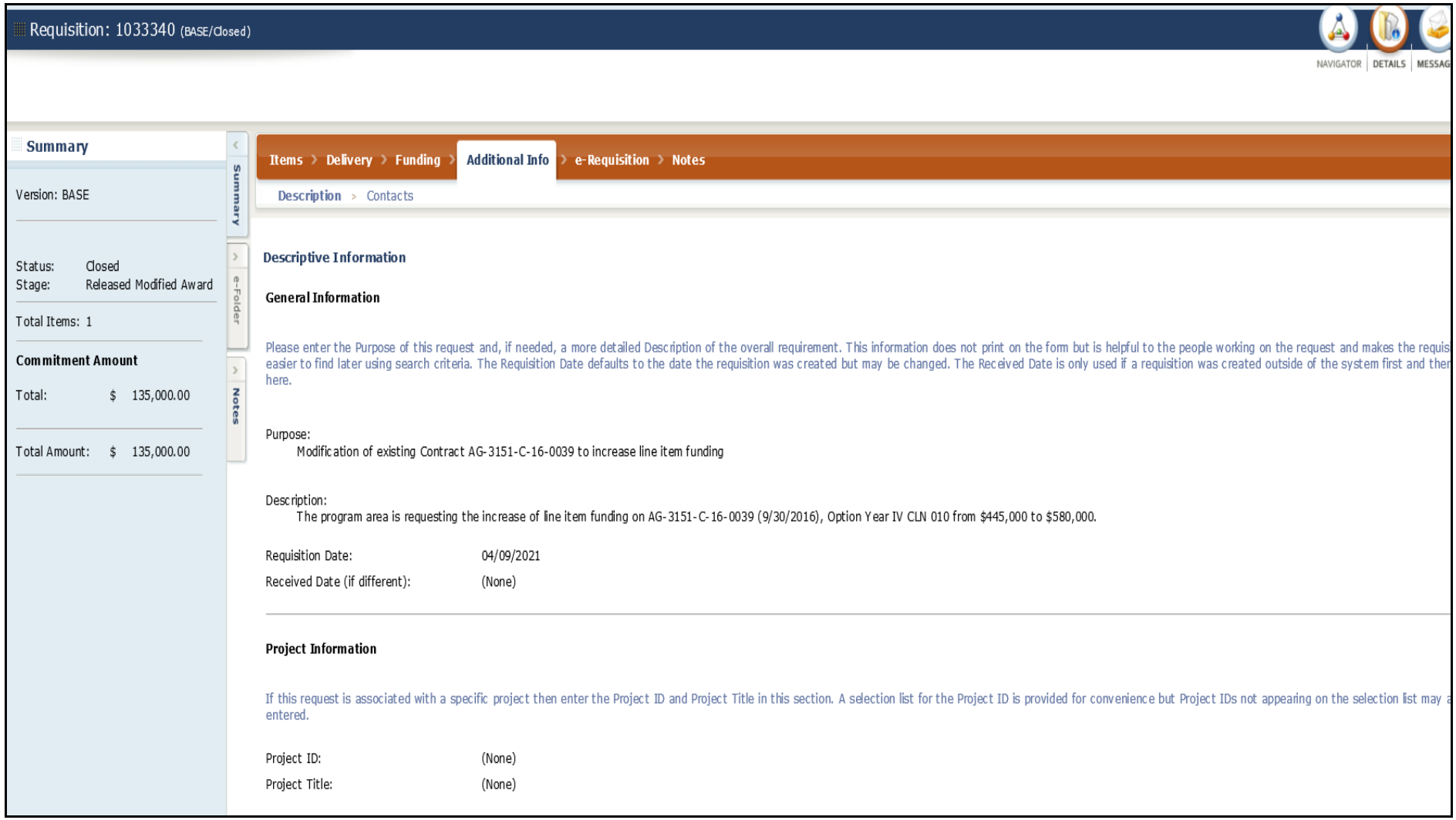
Example of a Completed PLCE Requisition (Continued)



Note: Subject to Availability of Funds Field will auto-generate "No" because invoice payments must be processed through FMMI.**--***

***--Creating IQ-Program Loan Cost Fund Requisitions in PRISM Module – For Contractual PLCE Transaction (Continued)**

Example of a Completed PLCE Requisition (Continued)



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*--Creating IQ-Program Loan Cost Fund Requisitions in PRISM Module – For Contractual PLCE Transaction (Continued)

Example of a Completed PLCE Requisition (Continued)

Product/Service Info

Please enter the predominant classification codes for this request. This information is used to determine the workflow for this requisition.

Primary Product/Service Code:	(None)
NAICS Code:	541990 All Other Professional, Scientific and Technical Services $16.50
IT Purchase:	No
Construction:	No

Acquisition Information

Emergency Request Contract:	No

FMMI Req Document Number:	(None)
Will Requisition Use PLCE Process?	Y
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 09/30/2021

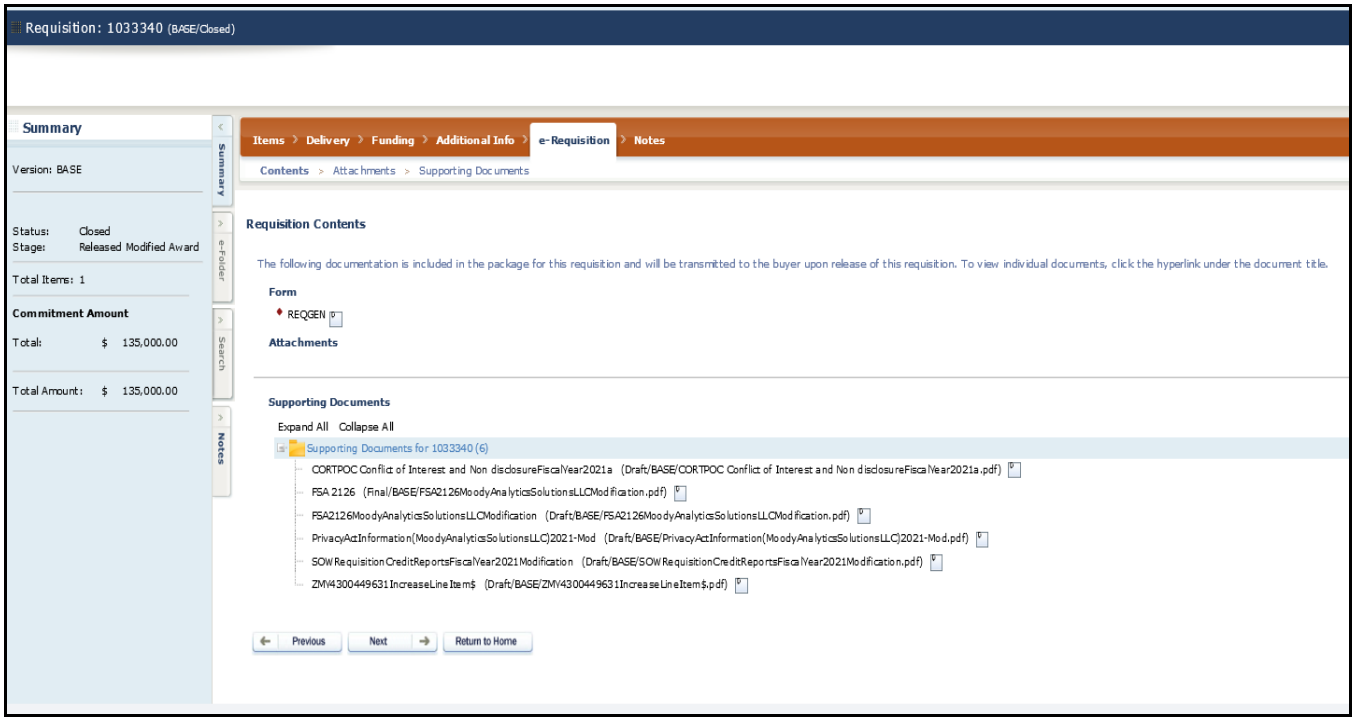
Contract/Award Periods

Period	Anticipated Exercise Date	Period 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	

--*

*--Creating IQ-Program Loan Cost Fund Requisitions in PRISM Module – For Contractual PLCE Transaction (Continued)

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).

(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!* ®™ 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!* ®™ 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:_____**--***

Agency Representative for Micro-purchase (ARMP) Request for Delegation (Continued)

***--ARMP Designations**

The following table establishes the maximum number of ARMP's per State. States may have fewer ARMP's at the discretion of SED and FLC.

State	Number of ARMP	State	Number of ARMP
AK	3	NC	4
AL	3	ND	10
AR	10	NE	15
AZ	3	NH	3
CA	4	NJ	3
CO	4	NM	4
CT	3	NV	3
DE	3	NY	6
FL	6	OH	10
GA	6	OK	15
HI	3	OR	4
IA	15	PA	10
ID	6	PR	3
IL	6	RI	3
IN	10	SC	4
KS	15	SD	10
KY	15	TN	6
LA	4	TX	15
MA	3	UT	4
MD	4	VA	4
ME	3	VT	3
MI	10	WA	4
MN	15	WI	15
MO	10	WV	4
MS	4	WY	3
MT	4		

Note: Additional ARMP support can be requested according to subparagraph 162 C.**--***

Exhibit 25
(Par. 161, 164, 166)

Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010

Loan Making					
Contract Purpose	**Detail**	**Comment**	**PAC Code**	**Authority**	**Recoverable/Nonrecoverable**
Inspection	Real Estate		1A1	S	Nonrecoverable
	--Personal Property/Crops--		1A2	S	Nonrecoverable
Appraisals	Real Estate	Note 9	1B1	S	Nonrecoverable
	--Personal Property/Crops--		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 Database Access		1DB	S	INACTIVE
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 Statements		1J2	A	Nonrecoverable
	Archaeological Surveys		1J4	S	Nonrecoverable
	Miscellaneous Historical Preservation Activities		1J5	S	Nonrecoverable
	Endangered Species Studies		1J6	S	Nonrecoverable
	Wetland Delineations		1J7	S	Nonrecoverable
	Phase 1 Environmental Site Assessments	Note 3	1JI	S	Nonrecoverable
	Phase II Environmental Site Assessments	Note 3	1JJ	S	Nonrecoverable
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
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.

Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)

Loan Servicing					
Contract Purpose	**Detail**	**Comment**	**PAC Code**	**Authority**	**Recoverable/Nonrecoverable**
Inspection	Real Estate		2A1	S	Nonrecoverable
	Real Estate – Foreclosure Only		4A1	S	Recoverable
	--Personal Property/Crops--		2A2	S	Nonrecoverable
	--Personal Property/Crops-- – Foreclosure Only		4A2	S	Recoverable
Appraisals	Real Estate	Note 9	2B1	S	Nonrecoverable
	Real Estate – Foreclosure Only		4B1	S	Recoverable
	--Personal Property/Crops--		2B2	S	Nonrecoverable
	--Personal Property/Crops-- – 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

Authorities: A = Administrator; S = State Executive Director; C = Farm Loan Manager; Blank = No Authority

Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)

Loan Servicing (Continued)					
Contract Purpose	**Detail**	**Comment**	**PAC Code**	**Authority**	**Recoverable/Nonrecoverable**
Professional Services	Interpreter Services		2E9	SC	Nonrecoverable
	Mediation (No State Program)		2EA	S	Nonrecoverable
	Mediation (No State Program) - Foreclosure Only		4EA	S	Recoverable
	Attorney Serv. Foreclosure (Judicial)	Note 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**--

Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)

Loan Servicing (Continued)					
Contract Purpose	**Detail**	**Comment**	**PAC Code**	**Authority**	**Recoverable/Nonrecoverable**
	Phase 1 Environmental Site Assessments – Foreclosure Only	Note 3	4JI	S	Recoverable
	Phase II Environmental Site Assessments	Note 3	2JJ	S	Nonrecoverable
	Phase II Environmental Site Assessments – Foreclosure Only	Note 3	4JJ	S	Recoverable
	Water Testing/Sewer Inspection		4JK	S	Recoverable
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	2ND	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

Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)

Inventory Property					
Contract Purpose	**Detail**	**Comment**	**PAC Code**	**Authority**	**Nonrecoverable/Recoverable**
Inspection	Real Estate		5A1	S	Nonrecoverable
	--Personal Property/Crops--		5A2	S	Nonrecoverable
Appraisals	Real Estate	Note 10	5B1	S	Nonrecoverable
	--Personal Property/Crops--		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--

Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)

Inventory Property (Continued)					
Contract Purpose	**Detail**	**Comment**	**PAC Code**	**Authority**	**Nonrecoverable/Recoverable**
Environmental (Continued)	Endangered Species Studies		5J6	S	Nonrecoverable
	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

Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)

Note	Description
1	Requires written permission to use from the Administrator or Administrator's designee; contact LMD or LSPMD, as applicable.
2	Includes NEPA Environmental Assessments and Miscellaneous NEPA Studies.
3	These activities refer to due diligence investigations conducted to evaluate real property for the presence of contamination in loan making and loan servicing activities according to 1-EQ.
4	Includes recording and filing fees; 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, farm equipment valuation resources, 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.

***--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)**

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.

--*

Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)

***--**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 insert code and description to pay for provide a brief description of the requirement.

The Program Office and/or State/US Territory Office 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 Character: Detail

				Program Activity									
				1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventory	
Code	**Contract Purpose**	**Code**	**Detail**	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
A	Inspection	1	Real Estate	S	N	S	N	S	R	S	R	S	N
		2	*--Personal Property--*	S	N	S	N	S	R	S	R	S	N
		3	Crop	S	N	S	N	S	R	S	R	S	N
		4	Repairs										
		5	Construction										
		6	Supervisory										
B	Appraisals	1	Real Estate (Note 11)	S	N	S	N	S	R	S	R	S	N
		2	*--Personal Property (Note 11)--*	S	N	S	N	S	R	S	R	S	N
		3	Crop (Note 11)	S	N	S	N	S	R	S	R	S	N
C	Analysis & Audits	1	YEA/Reports/Audits			S	N						
		2	Subordination			S	N						
		3	Graduation			S	N						
		4	Farm Management Specialist	S	N	S	N	S	R	S	R		
		5	Debt Settlement			S	N	S	R	S	R		
		6	Budget Plan	S	N	S	N	S	R	S	R	S	N
		7	Financial Analysis	S	N	S	N	S	R	S	R		
		8	Interest Credit Renewal										
		9	Account Auditing/CPA Studies										
		A	Other Than Above	S	N	S	N	S	R	S	R	S	N

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--

Third Character: Purpose Fourth Character: Detail

				Program Activity									
				1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventory	
Code	Contract Purpose	Code	Detail	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
D	Information Services	1	Tax Report & Record Documentation	S	N	S	N						
		2	Data Processing/Info Gathering	S	N	S	N	S	R	S	R	SDC	N
		3	Comparable and Market Studies	S	N	S	N	S	R	S	R	S	N
		4	Advertising	SDC	N	SDC	N	SDC	R	SDC	R	SDC	R
		5	Cost Estimators										
		6	Cost Certification										
		7	Review of Annual Reports										
		8	Wage Match										
E	Other Services	1	Architect &Engineering										
		2	Surveying			S	N	S	R	S	R	S	N
		3	Investigation			S	N	S	R	S	R	S	N
		4	Bankruptcy			S	N	S	R	S	R		
		5	Foreclosure (Non-Judicial State) (Note 1)			S	N	S	R	S	R		
		6	Title Search			SDC	N/R	SDC	R	SDC	R	SDC	N
		7	Trustee Agency (Foreclosure Actions)			S	R	S	R	S	R		
		8	Auctioneer (Note 7)					SDC	R	SDC	R	SDC	R
		9	Interpreter Services	S	N	S	N	S	N	S	N	S	N
		A	Mediation (No State Program)	SDC	N	SDC	N	SDC	R	SDC	R	SDC	N
		B	Attorney Serv. Foreclosure (Judicial) (Note 1)			S	R	S	R	S	R	S	N
		C	Evictions										
		D	Spec. Writing										
		E	Supervisory Visits										

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--

Third Character: Purpose Fourth Character: Detail

				Program Activity									
				1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventory	
Code	Contract Purpose	Code	Detail	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
F	Maintenance/ Management	1	Property Management/Caretaking					SDC	R	SDC	R	SDC	N
		2	Hauling					SDC	R	SDC	R	SDC	N
		3	Temporary Custodial					SDC	R	SDC	R		
		4	Other					S	R	S	R	S	N
G	Repairs/ Improvements	1	Onsite (Note 3)					SDC	R	SDC	R	SDC	R
		2	Offsite					SDC	R	SDC	R	SDC	R
H	Real Estate Broker (Exclusive Listing)	1	Commission					SDC	R	SDC	R	SDC	R
		2	Bonus					S	R	S	R	S	R
I	Real Estate Broker (Open Listing)	1	Commission					SDC	R	SDC	R	SDC	R
		2	Bonus					S	R	S	R	S	R
J	Environmental (Contractual or Noncontractual) (Note 2)	1	NEPA - Environmental Assessments	S	N	S	N					S	N
		2	NEPA - Environmental Impact Statements	A	N	A	N					A	N
		3	Miscellaneous NEPA Studies	S	N	S	N					S	N
		4	Archaeological Surveys	S	N	S	N					S	N
		5	Miscellaneous Historical Preservation Activities	S	N	S	N					S	N
		6	Endangered Species Studies	S	N	S	N					S	N
		7	Wetland Delineations	S	N	S	N					S	N
		8	Preliminary Assessments (Notes 3 & 5)									S	R
		9	Site Inspections and Remedial Investigations/Feasibility Studies (Notes 3 & 5)									S	R

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--

Third Character: Purpose Fourth Character: Detail

				Program Activity									
				1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventory	
Code	**Contract Purpose**	**Code**	**Detail**	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
J	Environmental (Contractual or Noncontractual) (Note 2) (Continued)	A	Remedial Actions (Notes 3 & 5)									S	R
		B	Removal Actions (Notes 3, 5, & 6)					S	R			S	R
		C	Emergency Response Activities (Notes 3, 5, & 6)					S	R			S	R
		D	Underground Storage Tank Removals (Notes 3, 5, & 6)					S	R			S	R
		E	Underground Storage Tank Corrective Actions (Notes 3 & 5)									S	R
		F	Lead Based Paint Testing and Inspections (Note 5)									S	N
		G	Lead Based Paint Abatement Activities (Note 5)									S	R
		H	Transaction Screen Questionnaire (Note 4)	S	N	S	N	S	R	S	R	S	N
		I	Phase I Environmental Site Assessments (Note 4)	S	N	S	N	S	R	S	R	S	N
		J	Phase II Environmental Site Assessments (Note 4)	S	N	S	N	S	R	S	R	S	N
K	Asset Investigation	1	Large Debt Settlement			S	N						
		2	Debt Settlement			S	N						
L-M	Reserved												
N	Noncontractual Payments (Note 2)	1	Real Estate Taxes			SDC	R	SDC	R	SDC	R	SDC	R
		2	Personal Property Taxes			SDC	R	SDC	R	SDC	R	SDC	R
		3	Insurance			SDC	R	SDC	R	SDC	R	SDC	R
		4	Prior and Junior Liens (Note 8)			SDC	N/R	SDC	R	SDC	R	SDC	R
		5	Recording, Filing (Notes 8 & 10)	SDC	N	SDC	N/R	SDC	R	SDC	R	SDC	N
		6	Mediation (State Certified Program)	SDC	N	SDC	N	SDC	R	SDC	R	SDC	N
		7	Land Acquisition									S	R
		8	Authorized Selling Expenses			SDC	R	SDC	R	SDC	R	SDC	R
		9	Protective Advance (Note 8)			S	N/R	S	R	S	R	S	N

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--

Third Character: Purpose		Fourth Character: Detail		Program Activity									
				1-Processing		2-Servicing		3-Custodial		4-Acquired		5-Inventory	
Code	**Contract Purpose**	**Code**	**Detail**	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
N	Noncontractual Payments (Note 2) (Continued)	A	Utilities					SDC	R	SDC	R	SDC	N
		B	Other										
		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						
O-X	Reserved												
Y	Managerial	1	Credit Reports	S	R	S	N						
Z	Other	1	Miscellaneous	A	N/R	A	N/R	A	R	A	R	A	N

--Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's – Before October 1, 2010--

Notes: 1) Includes cost reimbursement.

2) An employee does not need a Contracting Officer warrant to process noncontractual payments.

3) These activities are applicable for response actions conducted pursuant to the Comprehensive Environmental Response Compensation and Liability Act, Resource Conservation and Recovery Act, and Toxic Substance Control Act or State laws governed by these statutes. All response actions shall be conducted by environmental professionals.

4) These activities refer to due diligence investigations conducted to evaluate real property for the presence of contamination in loan processing/servicing activities.

5) These activities are conducted on inventory properties and refer to pre-remedial and remedial actions conducted pursuant to environmental statutes listed in Note 3.

6) These activities may be conducted on custodial property to protect the Agency's security interest.

7) For auctioneer services District (D) and County (C) program authority is limited to $15,000 per property for auctioneer services; Administrator (A) and SED (S) have no limit.

8) Servicing activities should be charged as a recoverable cost, except when a State supplement based on the State law and an opinion from the Regional Attorney provides otherwise.

9) Use for UCC recording and filing in situations when funds have been collected from the applicant or borrower and remitted with Miscellaneous Code 36 or 38 (See 3-FI, Exhibit 5), to pay the Secretary of State or third party processors monthly invoices, or to replenish prepaid accounts. (F1NE, F2NE)

10) Use for UCC recording and filing in situations when funds 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 = SED; D = DD; C = FLM; Blank = No Authority
Column (b) - Recoverability: N = Nonrecoverable; R = Recoverable; Blank = No Authority

***--State Planning Notice Template**

A Overview

By December 31 of each year, SED will issue a notice listing the unit prices for all major commodities commercially produced in their State, in accordance with subparagraph 242 A. At a minimum, planning prices will be developed for the top 10 most common commodities produced by FLP applicants in the State.

Price development may be for the whole State or subdivided into regions within the State. Periodic modifications to the planning prices may be made during periods of substantial price fluctuations but are expected to be justified and limited. To allow producers the flexibility to prepay inputs, State's should be prepared to issue pricing well ahead of the production cycle for the primary commodities included in the price list, but no later than calendar year end.

Subparagraph 242 A and this exhibit will guide the development and implementation of State-established planning prices. The planning prices calculator can be found on the DAFLP SharePoint and will be utilized to document the State-established planning price. Once the template has been completed, the State shall include the output screen of the calculator and the information contained in subparagraphs C through F of this Exhibit in the State notice. The notice shall be posted publicly in the "State Resources" section of their State's FSA website (www.fsa.usda.gov/state-offices/STATENAME).

States will issue both a current year price and a typical year price for each commodity included on the list. The typical year planning price will be representative of an expected typical year price to be realized by producers. Prices shall be determined by applying a weighted average of the current market price and the 5-year Olympic average using the most recent 5 years of available information. The calculated planning prices will not include farm program payments or other adjustments. All prices will be presented in increments of $0.05 (e.g. $4.25 vs. $4.23).

State-established prices shall be used in all farm operating plans developed unless a premium price, or a price other than that established by the State, is appropriate and documented in the case file.--*

***--State Planning Notice Template (Continued)**

B State Planning Price List

Subparagraphs B through F of this Exhibit are intended to be used as a template for the required annual state notice referenced in subparagraph A.

2027 Planning Price List

Commodity	Current Year Price	Typical Year Price	Commodity	Current Year Price	Typical Year Price
		$ -			
		$ -			
		$ -			$ -
		$ -			$ -
		$ -			$ -
		$ -			$ -
		$ -			$ -
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***--State Planning Notice Template (Continued)**

C Premiums

Prices above or below the established planning prices may be used in developing current year or typical year cash flows. Premiums received for specific commodities, exceptional marketing, niche markets, etc. must be clearly documented and supported in the case file. It is the customer's responsibility to provide documentation to support prices which exceed State-established planning prices.

D Milk

The planning price for milk is a base price. Premiums or discounts received should be added or subtracted to the base price so the plan more accurately reflects the actual income producers would receive per cwt. Historical premiums/discounts will be documented in the case file.

E Contracts

If sales contracts are in place, the contract price should be utilized for the quantity covered under the contract in the current year plan, if applicable. The typical year plan can include the contract price if the contract covers more than one production cycle.

F Government Payments

Farm operating plans should include government payments that are known (CRP, EQIP, etc.) and consist of predictable, multi-year contractual payments.

Disaster and ad hoc related program payments, currently authorized and funded, should be included in the farm operating plan for the year in which the payment will be received (the current year plan), if they can be reasonably projected. While exact payment rates may not be available, FLP staff should include a reasonable projected payment amount in the current year operating plan after consulting with FP staff, and reviewing publicly available information, to validate the applicant's likely eligibility for the program, and estimate a realistic and reasonable payment amount to be included in the projection. Projections and calculators obtained from Extension, Land Grant University, and other reliable sources can be determined reasonable, and used to document the projected payment for ARC, PLC, etc. However, these one-time payments cannot be included in a typical year plan. See subparagraph 242 C for additional guidance on farm program payments.**--***

***--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 **Note:** Rural residential properties are properties located in rural area with highest and best use as residential property.	• State-certified residential or State licensed appraiser, if within the scope of the appraiser's State appraisal license; or • State-certified general appraiser
property **other** than residential, small agricultural property, or bare land	State-certified general appraiser

--*

***--Real Estate Appraisal Statement of Work (Continued)**

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

Item	Information Element	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 Conditions and Extraordinary Assumptions	State all extraordinary assumptions and hypothetical conditions and that their use might have affected the assignment results and **obtain prior written approval** before including any additional extraordinary 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

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***--Real Estate Appraisal Statement of Work (Continued)**

FSA's Appraisal Requirements (Continued)

Item	Information 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
		  • water rights, point of diversion, and well log documents, if applicable.

11	Location	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.

--*

***--Real Estate Appraisal Statement of Work (Continued)**

FSA's Appraisal Requirements (Continued)

Item	Information 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.
		
		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 other Similar Agreements	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 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.

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***--Real Estate Appraisal Statement of Work (Continued)**

FSA's Appraisal Requirements (Continued)

Item	Information Element	Content Description
16	Approaches to Value	All three approaches to value shall be considered and used when necessary 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 Comparison Approach	A minimum of three (3) comparable sales (not listings) are required for direct comparison while additional sales are customarily provided when the 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 a table format. Depreciation estimates for the subject should be based on market derived depreciation estimates of like improvements.
19	Income Approach	When the direct capitalization method is used, the appraisal should show 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 Methods and Techniques	Appraisal shall employ those recognized methods and techniques for the type of property valuation as exemplified and promulgated through 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 Appraisal Assignment Conditions	FSA appraisal guidelines for dairy, hog, poultry, timber, and/or other appraisal assignment conditions may also be required. These conditions will be attached to LOE if required by APOC.

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***--Real Estate Appraisal Statement of Work (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.**--***

***--Real Estate Appraisal Statement of Work (Continued)**

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.**--***

***--Real Estate Appraisal Statement of Work (Continued)**

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.**--***

***--Real Estate Appraisal Statement of Work (Continued)**

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**--***

Statement of Work Addendum for * * * Liquidation Value Appraisals

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 * * * Liquidation Value * * * appraisal for the purpose of loan *--servicing. This addendum provides additional assignment conditions and supplements the Real Estate Appraisal Statement of Work, including the Dairy, Hog, and Poultry Addendums as applicable.--*

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 liquidation value 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 * * * *--liquidation value (Dictionary of Real Estate Appraisal). See attached Exhibit 1, "Market Value Definition", and Exhibit 2, "Liquidation Value Definition".--*

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 liquidation value 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 liquidation value are required in the report.--*

Statement of Work Addendum for * * * Liquidation Value Appraisals (Continued)

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 (liquidation value) 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 liquidation value, 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 liquidation value. Cite the extraordinary assumption and state the extraordinary assumption might have--* affected the assignment results.

FSA's Calculation and Support for Exposure Time: Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale as of the effective date of the appraisal. The FSA authorized agency official will document the estimated exposure time to be used based on the following information.
For the state of _____, the state's legal statute (citation #_____) sets forth the length of public notice by advertisement of _____ days*.

Exposure time as determined by the Agency based upon the above State statutory requirements is
☐ 30 days ☐ 60 days ☐ 90 days ☐ other _____*.
--The appraiser shall use this as the exposure time for the liquidation value as described above.--
*To be provided by FSA at the time of engagement of an appraiser.

Data Collection
Collect, verify, and analyze such comparable market data that is available that meet the definition of *--market value and liquidation value.

For liquidation value, the vendor should verify comparable sale conditions with one or more--* parties to gain the appropriate knowledge of the sales transaction and determine that it meets the definition of the liquidation value sought.

Statement of Work Addendum for * * * Liquidation Value Appraisals (Continued)

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 liquidation value, comparable sales selected should be sales with similar exposure times.
- In the absence of comparable local sales that meet the definition of liquidation value, 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.

Statement of Work Addendum for * * * Liquidation Value Appraisals (Continued)

Allocation of Value

The appraisal shall contain an allocation of value among its land, building components, and other improvements.

Reconciliation

--Describe support for the "market value" as well as the "liquidation value" reviewing strengths-- and weaknesses of each approach to value in each appraisal.

Additional Comments

--Key to developing a liquidation value 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 liquidation value.

Note: The liquidation value must be included in a separate analysis section of the report from the market value. Market value and liquidation value 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 should 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 liquidation value and sales should be clearly identified. See comments--* under sales comparison approach above.

Statement of Work Addendum for * * * Liquidation Value Appraisals (Continued)

Final Market Value and Final * * * Liquidation Value

--**Final values should be stated as a whole dollar amount for both the market value and the liquidation value. 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, "*** * *** Liquidation Value Definitions"

Statement of Work Addendum for * * * Liquidation Value Appraisals (Continued)

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

Statement of Work Addendum for * * * Liquidation Value Appraisals (Continued)

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)

Statement of Work Addendum for * * * Liquidation Value Appraisals (Continued)

Exhibit 2 - * * * Liquidation Value Definitions

*** * ***

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 brief exposure time.
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

--Personal Property Appraisal – SOW--

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--Personal Property 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 * * *. FSA needs appraisal reports to complete various direct loan making and loan servicing responsibilities. The Statement of Work (SOW) *--addresses FSA's requirements for personal property appraisal services.--*

2. Objective 2/

--FSA intends for the Vendor to provide personal property 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 personal property appraisals for FSA.

Typically, the appraiser will appraise the personal 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 in the Scope of Work of the appraisal report.

--Personal Property Appraisal – SOW (Continued)--

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 by 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 personal property 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 personal property appraisal assignment must be a professional that has received adequate training to be considered competent by industry professionals to perform the personal property 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.

<u>No other individual may provide assistance with the appraisal development process without prior written consent from FSA.</u>

--Personal Property Appraisal – SOW (Continued)--

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:

--Personal Property Appraisal – SOW (Continued)--

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 Personal Property 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 section A of the Personal Property 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 personal property 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 Personal Property 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.

--Personal Property Appraisal – SOW (Continued)--

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 personal property appraisal form is FSA-2160, “Appraisal of Personal 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.

--Personal Property Appraisal – SOW (Continued)--

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.

--Personal Property Appraisal – SOW (Continued)--

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. Personal property 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.

5.0.12 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.

--Personal Property Appraisal – SOW (Continued)--

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.

--Personal Property Appraisal – SOW (Continued)--

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.

--Personal Property Appraisal – SOW (Continued)--

5.6 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 product will include the following.

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

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, UEI 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.

--Personal Property Appraisal – SOW (Continued)--

5.7.3 Final Payment

Federal Acquisition Regulations provide the U.S. Government 10 business days from receipt date of the appraisal to determine if the appraisal is acceptable. The invoice will be processed for payment within 30 calendar days or less from the date the appraisal was accepted. The appraiser will be notified in writing if the appraisal is unacceptable and at the discretion of the Government will be requested to make changes to the appraisal report in order to meet FSA SOW requirements. An unacceptable appraisal will be considered as in default and at the discretion of the Government the micro purchase/purchase order may be terminated.

The USDA procurement procedures require that ALL vendors be paid using Electronic Fund Transfer (EFT) system. The Debt Collection Improvement Act (DCIA) of 1996 requires that federal payments of invoices for goods and services received to be paid by EFT. Therefore, each vendor must be registered in the System for Award Management (SAM) that is available 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.

--Personal Property Appraisal – SOW (Continued)--

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 by 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 (CO) delivery date.
- Send a follow up e-mail to the APOC identified in the engagement letter that the electronic report was transmitted by 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.

--Personal Property Appraisal – SOW (Continued)--

8. Late Delivery Penalty Fee or Cancelation 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 percent **of the accepted quote amount** per **calendar day** from the date of notification for failure to deliver the appraisal report.

Liquidated damage percentage will not exceed 25 % of the accepted quote amount if delivered within 10 calendar days of the date notification. Liquidated damage fees will continue to be 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 by 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.

--Personal Property Appraisal – SOW (Continued)--

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.

--Personal Property Appraisal – SOW (Continued)--

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

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

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 personal property 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.

--Personal Property Appraisal – SOW (Continued)--

12. Acceptance*

FSA may at times update the SOW with minor changes. Vendor will be notified of the changes by 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 by 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 by 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

--Personal Property Appraisal – SOW (Continued)--

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.**--***

--Personal Property Appraisal – SOW (Continued)--

14 Exhibit 2

14.1 Agency Statement of Work Contact Information

The following FSA employee(s) are the authorized agency official that is the APOC to assist the vendor on acquisition process, the SOW terms and requirements and can provide information to an appraiser that would like to be added to the FSA Appraiser Vendor registry.

Name:

Address:

Phone:

FAX:

E-mail Address:

Note: Any SOW for personal property shall have certain subparagraphs and/or clauses. The subparagraphs or clauses are identified as follows:

1/- means that the specific clause and/or subparagraph clause are included

2/ - means that the subparagraph heading 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.

***--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.

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***--Dairy Addendum to FSA Appraisal Guidelines (Continued)**

Item	Information Element	Content Description
3	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 must explain why an excluded approach is not necessary for credible results.
4	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.

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***--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 Value Allocation	Reconcile the three approaches to value and discuss which 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.

--*

***--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.

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***--Hog Addendum to FSA Appraisal Guidelines (Continued)**

Item	Information Element	Content Description
2 (Cntd)	Subject Description	If applicable, discuss the available legal surface and 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/ 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. Is the subject contract similar to a typical market contract? If there are significant contract differences between the existing contract (leased fee) and typical market contract (fee simple) that impact value, they should be discussed with the Client and in the report.
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.

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***--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.

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***--Poultry Addendum to FSA Appraisal Guidelines**

In addition to the general FSA appraisal guidelines, the following is a supplement specific to poultry appraisals.

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 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 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.

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***--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.

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***--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. 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.
8	Income Approach	Show income and expense projections used in the income approach. Income and expenses should be based on income and expenses extracted from market data for a typical operation. Compare to integrator's projections. Projected income and expenses for other farm related enterprises, if applicable, should be addressed as well. Discuss subject actual income & expenses vs. typical income & expenses if different.
9	Final Value Allocation	Allocate the final value opinion into the contributory value of the component parts for the land, land improvements, and structural improvements (including fixtures and equipment). The contributory value of any personal property included in the value should be shown separately.

--*

Appraisal * * * Engagement Letter

The following sample may be used as an appraisal engagement letter.

***--**

(Letterhead) (Current DATE)

Dear (name of appraiser)

Your quote of $ (Amount) is acceptable and you have agreed to complete an appraisal(s) of the following property(ies) 911 address(es) and short legal(s) located in (County(ies). The Farm Service Agency (FSA) applicant is (name of applicant).

You have agreed to deliver the appraisal report(s) by (Deliver By Date) to FSA. This is your authorization to provide an appraisal to FSA as described. Your Appraisal Point of Contact (APOC) will be Appraisal Point of Contact, Name, Phone Number, Email).

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 confidential 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.

--*

Appraisal * * * Engagement Letter (Continued)

If the FSA County Office does not provide the requested information to you in a timely manner, notify the APOC immediately for assistance.

In the acceptance to complete this appraisal assignment, you agree to perform services for FSA in accordance with the applicable SOW, other requirements, conditions and terms as described in the Appraisal Order.

Key USPAP information and reporting requirements are as follows.

- The subject property is listed above.
- The **client** will be Farm Service Agency.
- The **intended users** will be Farm Service Agency and Big Ag Bank.
- The **purpose** is to provide an opinion of market value.
- The **intended use** of this appraisal is for Loan Servicing - SAA (from List). Provide the reference when identified intended use requires them (this is for Shared Appreciation Agreement Recapture, partial release, or foreclosure).
- The Appraisal Condition is list. Provide additional and applicable comment.
- The property rights to be appraised are list. Provide additional and applicable comment.
- Any applicable "extraordinary assumptions" or "hypothetical conditions" must be clearly disclosed and agreed upon with the APOC prior to their use.

The Work Order provides additional detail to perform the appraisal.

If any of the information and instructions are different than discussed, or if the inspection of the subject reveals information that conflicts or is significantly different than what was provided, contact the APOC immediately.

A PDF electronic copy is the preferred method of appraisal report delivery. Send by e-mail to Ordering Official and APOC, e-mail address provided by the Work Order. If a PDF electronic copy is not available, discuss delivery requirements with the APOC.

If there are questions or additional information is needed, contact the ordering official or APOC.

Sincerely,
APOC

***--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 phone number>.

Sincerely,

_____

Authorized Agency Official Signature

CC: Farm Loan Manager, FSA, County
Applicant

Financial Needs Assessment Resource

When assessing short- and long-term financial goals, an applicant may have a variety of savings and working capital reserves needs that should be considered. When determining a reasonable amount of savings, reserves, and appropriate repayment terms, the following questions may aid an applicant.

Family Financial Goals:

- Do they have 3 to 6 months of family living expenses saved?
- Have they paid off all personal credit card debt?
- Have they been contributing adequately to individual retirement accounts?
- When would they like to retire and what do they want retirement to look like?
- Do they have education needs for themselves or family members that need to be budgeted for?
- Do they have adequate health insurance in place?
- What plans do they have in the event they become disabled?
- Have they invested in long-term care facility insurance?
- Have they invested in life insurance that would allow for at least a year of living expenses?
- Are housing needs sufficient for the family?

Operational Financial Goals:

- Is there credit card or vendor debt that has been accumulating and needs to be addressed?
- Do they have the necessary equipment to farm the operation as projected now and in the future?
- Are they building up savings for long-term growth?
- Do they envision passing the farm on to others?
- Are livestock being culled and replaced according to best management practices?
- Do they have funds to make a down payment on land, equipment, or livestock?
- Have they been able to build equity in their intermediate asset base?
- Does their working capital position allow for at least 20 percent of operating credit needs?

Financial Needs Assessment Resource (Continued)

Other Considerations:

When collaborating with the applicant or borrower, it is important to highlight the need to balance long-term financial goals in relation to the size of their operation, non-farm income contributions, and risk to their operation. For example, an operation generating $5,000 of net farm income annually may jeopardize their ability to service debt if all net farm income is used to fund retirement accounts. Alternatively, a multi-faceted approach should be considered that considers both short- and long-term goals.

Applicants should be made aware of the long-term cost of using unequal installment plans to enable investment in working capital reserves and savings goals. While investment in goals is important for operational growth and long-term financial stability, the increased interest associated with reduced principal payments must be clearly understood by the applicant. Failure of the operation to invest profits as projected in the operating plan during a period of unequal installments or interest-only payments could have negative long-term financial impacts because of increased interest accumulation that must be repaid.

Additionally, while all applicants will be provided maximum maturity term length, some applicants may desire a shorter initial term length to allow for the potential of reduced installment amounts in the event of a loan restructure.

Applicants should recognize that failure to use funds for authorized purposes may impact future eligibility for loan making or servicing requests (managerial ability for loan making purposes, or delinquency was beyond the borrower's control for loan servicing purposes). Furthermore, inappropriate use of funds intended for savings or reserves may impact future budgets. For example, using accumulated savings and reserves for routine family living expenses may increase the amount that must be budgeted for family living expenses in future years, potentially impacting feasibility.