

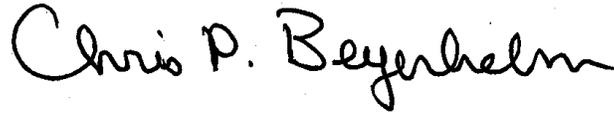
**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

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

**Amendment 104**

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



**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraphs 29 A and D have been amended to update the maximum loan limits for FY 2015.

Subparagraph 442 E has been amended to update the reporting timeframes for the first and fourth, second semi-annual and annual reports.

Exhibit 17 has been amended to provide interest rates for FLP's.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	2-15 through 2-18 9-77 through 9-80	17, pages 1, 2



## 28 Establishing Credit Quality Standards (Continued)

### B Continuing Education Requirements

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

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

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

## 29 Maximum Loan Authorities

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

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

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

**(1) Farm Ownership, Down payment loans, Conservation loans, and Soil and Water loans:**

**(i) Direct--\$300,000;**

**(ii) Guaranteed--\$700,000 (for fiscal year 2000 and increased at the beginning of each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);**

**\*--Notes: FY 2014 loan limit is \$1,392,000.--\***

This limit includes land contract guarantees.

## 29 Maximum Loan Authorities (Continued)

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

**(iii) Any combination of a direct Farm Ownership loan, direct Conservation loan, direct Soil and Water loan, guaranteed Farm Ownership loan, guaranteed Conservation loan, and guaranteed Soil and Water loan--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);**

**\*--Notes:** FY 2014 loan limit is \$1,392,000.--\*

This limit includes land contract guarantees.

**(2) Operating loans:**

**(i) Direct--\$300,000;**

**(ii) Guaranteed--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);**

**\*--Note:** FY 2014 loan limit is \$1,392,000.--\*

**(iii) Any combination of a direct Operating loan and guaranteed Operating loan--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);**

**\*--Note:** FY 2014 loan limit is \$1,392,000.--\*

**(3) Any combination of guaranteed Farm Ownership loan, guaranteed Conservation loan, guaranteed Soil and Water loan, and guaranteed Operating loan--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section) (subparagraph B);**

**\*--Notes:** FY 2014 loan limit is \$1,392,000.--\*

This limit includes land contract guarantees.

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

**\*--Notes:** FY 2014 loan limit is \$1,692,000.--\*

This limit includes land contract guarantees.

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

## 29 Maximum Loan Authorities (Continued)

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

**(6) Any combination of direct Farm Ownership loan, direct Conservation loan, direct Soil and Water loan, direct Operating loan, guaranteed Farm Ownership loan, guaranteed Conservation loan, guaranteed Soil and Water loan, guaranteed Operating loan, and Emergency loan--the amount in paragraph (a)(1)(ii) of this section plus \$800,000.**

**\*--Notes: FY 2014 loan limit is \$2,192,000.--\***

This limit includes land contract guarantees.

### B Adjustment for Guaranteed Loans

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

### C LOC Advances

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

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

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

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

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

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

29 Maximum Loan Authorities (Continued)

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

Type of Loan	FLO			FLM, DD, FLS, FLC, or Senior FLO	SED
	GS-7	GS-9	GS-11	GS-11/12/13	
<b>Maximum approval by assistance type – limitation I</b>					
Guaranteed OL	\$100,000	\$200,000	\$400,000	\$700,000	*--\$1,392,000
Direct OL	\$50,000	\$100,000	\$175,000	\$225,000	\$300,000
Guaranteed FO+SW+CL	\$0	\$175,000	\$400,000	\$700,000	\$1,392,000
Land Contract Guarantee	\$0	\$125,000	\$150,000	\$225,000	\$500,000
Direct FO+SW+CL	\$0	\$125,000	\$150,000	\$225,000	\$300,000
Direct EM	\$50,000	\$100,000	\$150,000	\$300,000	\$500,000
<b>Maximum approval for combined assistance types – Limitation II</b>					
OL Total Direct & Guaranteed	\$100,000	\$200,000	\$400,000	\$700,000	\$1,392,000
FO+CL+SW+ Land Contract Total Direct & Guaranteed	\$0	\$200,000	\$400,000	\$700,000	\$1,392,000
<b>Total approval for multiple assistance types – Limitation III</b>					
OL+FO+CL+SW+ Land Contract Total Direct and Guaranteed	\$0	\$400,000	\$550,000	\$850,000	\$1,692,000
Total Guaranteed	\$100,000	\$400,000	\$550,000	\$850,000	\$1,392,000
<b>Total approval for FO, CL, OL, EM and Land Contract – Limitation IV</b>					
OL+FO+CL+SW+EM+ Land Contract Total Direct and Guaranteed	\$0	\$400,000	\$550,000	\$850,000	\$2,192,000--*

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

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

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

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

**Section 2 DD FLP Oversight****441 General Provisions****A Overview**

It is incumbent upon DD's to monitor the FLP delivery in Service Centers to ensure adherence to appropriate laws, policies, and procedures.

**B Purpose**

The DD FLP oversight process provides a standardized and consistent reporting format and means by which DD can:

- document results from quarterly FLP oversight reviews
- view previously completed quarterly reports
- monitor and followup on actions to be taken by FLP Service Center staff.

**442 DDORS****A Overview**

Reporting of FLP oversight reviews will be completed on a quarterly basis. DDORS is the official record documenting the results of the quarterly reviews.

DDORS:

- was developed to assist DD with completing FLP oversight reviews conducted in the FLP Service Centers online
- provides the means by which DD can document and submit review results to State and Field Offices electronically
- contains the review items for each reporting quarter
- \*--archives oversight reports for five FY's.

**B System Access**

Access DDORS from the Farm Loan Programs Systems Home Page, located at <https://amistad.sc.egov.usda.gov/flp/IndexServlet>.

DDORS may also be accessed at <https://wdcprod80.sc.egov.usda.gov/Ddors/homepage.aspx>.

**Note:** See Exhibit 36 for detailed instruction on accessing DDORS.--\*

**442 DDORS (Continued)****B System Access (Continued)**

Users who need access to DDORS should contact their State DDORS Administrator. The authentication and authorization of users is made using USDA's eAuthentication application.

To access DDORS users must have the following:

- valid eAuthentication ID and password
- eAuthentication Level 2 account
- authorized access by the DDORS Administrator.

**C Report Statuses**

Report Status will be as follows:

- "Archived", Service Center closed during FY
- "Not Started", the report is empty and can only be accessed by DD
- "In Progress", the report is partially completed
- "Submitted", the report was completed and certified before its due date
- "Auto-Submitted", the report was not certified before its due date. The report may be partially completed or empty.

**Note:** "Submitted" and "Auto-Submitted" reports cannot be modified; however, pending action items can be followed up and closed.

**D Service Center Progress Reports**

Progress reports provide counts of "Not Started", "In Progress", "Submitted", and "Auto-Submitted" oversight reports that are in the State and in each district.

**E Reporting Timeframes**

The first quarter report:

- \*--will be available for completion in DDORS starting December 1 and ending on--\*  
January 31
- should reflect first quarter data gathered between October 1 and December 31
- is comprised of quarterly review items, additional review items, and certification.

## 442 DDORS (Continued)

**E Reporting Timeframes (Continued)**

The second quarter and first semi-annual report:

- will be available for completion in DDORS starting February 1 and ending on April 30
- should reflect:
  - second quarter data gathered between January 1 through March 31 for quarterly review items
  - data gathered between October 1 through March 31 for the first semi-annual review items
- is comprised of quarterly review items, first semi-annual review items, additional review items, and certification.

The third quarter report:

- will be available for completion in DDORS starting May 1 and ending on July 31
- should reflect third quarter data gathered between April 1 and June 30
- is comprised of quarterly review items, additional review items, and certification.

The fourth quarter, second semi-annual, and annual report:

- will be available for completion in DDORS starting August 1 and ending on \*--November 30--\*
- should reflect:
  - fourth quarter data gathered between July 1 and September 30 for quarterly review items
  - data gathered between April 1 and September 30 for the second semi-annual review items
  - data gathered between October 1 at the beginning of FY through September 30 at the end of FY to complete the annual review items

442 DDORS (Continued)

**\*--E Reporting Timeframes (Continued)**

- is comprised of quarterly review items, second semi-annual review items, annual review items, additional review items, and certification.

**Notes:** The quarterly report that corresponds to the current reporting period will be displayed when DD selects the link for the Service Center to be reviewed from the DDORS Home Page.

Results for all review areas corresponding to each quarter will be captured when the report is submitted or auto-submitted by DDORS when the reporting period has ended.

Oversight reports are locked when DD submits the report or after the due date. DDORS does not allow anyone to add, modify, or delete review information.

**F Action Items**

An action item is a note attached to a review area, a review record, or a review item in an oversight report. Action items allow users to document concerns and issues about oversight reviews.

DD’s are highly encouraged to use action items to bring awareness to the Service Center and State Office, of problems and deficiencies discovered during the oversight review.

Only DD or proxy assigned to an oversight report can add action items to and close action items in the report. DD or proxy can add an action item anytime before submitting the report.

After an oversight report is submitted or auto-submitted, any DDORS user who can view a report can also followup on action items in the report by adding their own comments. Users can add followup comments to an action item until it is closed by DD or proxy.

Follow this table to add comments to a pending action item.

Step	Action
1	Go to the review area, review record, or review item with the pending action item.
2	CLICK “  <a href="#">Follow up pending action item</a> ”.
3	CLICK “ <b>Add Follow-Up Comments</b> ”.
4	Enter followup comments in the box.
5	CLICK “ <b>Save Follow-Up</b> ”.
6	CLICK “ <b>Save Follow-Up</b> ”.

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FLP Rates

A Interest Rates for FLP's

\*--The following provides interest rates for FLP's as of October 1, 2014.--\*

Loan Type	Current Rate (%)	Date Set
Rural Housing - Farm Loan Purposes		
<b>Note:</b> For the current interest rate, contact the National Office.		
Operating	2.125	7/1/14
Operating - Limited Resource	5.000	12/1/90
Farm Ownership and Conservation Loans	*--3.625	10/1/14--*
Farm Ownership - Limited Resource	5.000	4/1/86
Farm Ownership - Down Payment	1.500	5/22/08
Farm Ownership - Joint Financing	2.500	2/7/14
Soil and Water	*--3.625	10/1/14
Soil and Water - Limited Resource	5.000	7/1/92
Recreation - Individual	3.625	10/1/14
Farmer Program - Homestead Protection	3.625	10/1/14
Shared Appreciation Amortization	2.625	10/1/14
Softwood Timber Loans	3.625	10/1/14
Economic Emergency - Operating	2.125	7/1/14
Economic Emergency - Real Estate	3.625	10/1/14
Emergency - Amount of Actual Loss	3.125	7/1/14
Emergency - Major Adjustment: Subtitle A Purpose (Excess of Loss)	6.375	10/1/14
Emergency - Major Adjustment: Subtitle B Purpose (Excess of Loss)	4.625	10/1/14
Emergency - Annual Production	4.625	10/1/14
Nonprogram - Chattel Property	4.625	10/1/14
Nonprogram - Real Property	6.375	10/1/14
Apple Loans	1.000	9/1/14
Association - Grazing	3.625	10/1/14
Association - Irrigation and Drainage	3.625	10/1/14--*
Indian Land Acquisition	5.000	2/1/91

Publication 622, which provides amortization tables and financial basic payment tables, is available from MSD Warehouse. To request Publication 622, complete FSA-159, available at <http://intranet.fsa.usda.gov/dam/ffasforms/forms.html>, and submit it by 1 of the following methods:

- FAX to 816-823-4740 or 816-823-4741
- e-mail to [ra.mokansasc2.kcasbwhse](mailto:ra.mokansasc2.kcasbwhse)
- mail to:

USDA/FSA/Kansas City Warehouse  
9240 Troost Ave  
Kansas City MO 64131.

**FLP Rates (Continued)**

**B Treasury Rates**

The following table provides the applicable Treasury rates.

Treasury Rates	Current Rate (%)	Date Set
90-Day Treasury Bill	0.125	10/1/09
Treasury Judgment Rate (see Note)	*--0.110	10/1/14--*

**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 weekly average 1-year CMT yield published by the Federal Reserve System, Board of Governors. The rate shown is the most current rate posted to the Federal Reserve web site and is dated the \*--week ending August 29, 2014. The actual judgment rate is the rate for the calendar--\* week preceding the date the defendant becomes liable for interest. Access the Federal Reserve web site [www.federalreserve.gov/releases/H15/current](http://www.federalreserve.gov/releases/H15/current) for the weekly average 1-year CMT yield.

**C Historical 90-Day Treasury Bill Rates**

The following table provides the historical 90-day Treasury bill rates.

Effective Date	Rate (%)	Effective Date	Rate (%)
December 1, 1988	7.500	December 1, 1990	7.500
January 1, 1989	7.875	January 1, 1991	7.375
February 1, 1989	8.250	February 1, 1991	7.125
March 1, 1989	8.500	March 1, 1991	6.500
April 1, 1989	8.750	April 1, 1991	6.250
May 1, 1989	9.000	May 1, 1991	6.125
June 1, 1989	9.150	June 1, 1991	5.875
July 1, 1989	8.750	July 1, 1991	5.750
August 1, 1989	8.625	October 1, 1991	5.625
September 1, 1989	8.250	November 1, 1991	5.375
October 1, 1989	8.125	December 1, 1991	5.250
December 1, 1989	8.000	January 1, 1992	4.875
February 1, 1990	7.875	February 1, 1992	4.375
April 1, 1990	8.000	March 1, 1992	3.875
May 1, 1990	8.125	May 1, 1992	4.125
July 1, 1990	8.000	June 1, 1992	4.000
October 1, 1990	7.750	July 1, 1992	3.750
November 1, 1990	7.625	September 1, 1992	3.500