

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

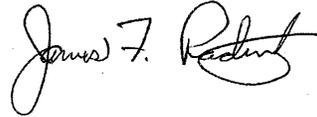
---

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

**Amendment 120**

---

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



---

**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraphs 4 A, C, and E have been amended to update National Office contacts.

Subparagraph 5 B has been amended to update Direct Loan, FaSB contacts.

Subparagraph 101 C has been amended to replace references to “running record” with “FBP”.

Subparagraphs 122 F and 202 A have been amended to replace reference to “case file” with “FBP”.

Subparagraph 124 B has been amended to replace reference to “borrower case file” with “FBP”.

Subparagraphs 223 D and 251 D have been amended to replace reference to “borrower’s case file” with “FBP”.

Subparagraph 241 C has been amended to replace reference to “running case record” with “FBP”.

Subparagraph 242 A has been amended to:

- remove reference to “running case record”
- replace references to “case file” with “FBP”.

Subparagraph 262 B has been amended to replace references to “running record(s)” with “FBP”.

Exhibit 15 has been amended as follows, subparagraph:

- A 5 a to require that all customers who submit an application will be added in FBP

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

- B 2 to require entries in the running record
- D to add instructions on balance sheet documentation
- H 2 to provide guidance on documentation requirements
- J 5 to add guidance on using the WordPad
- J 7 to clarify the purpose of the Credit Presentation document.

Exhibit 17 has been amended to update FLP interest rates.

Exhibit 18 has been amended as follows:

- Subparagraph A 1 to update:
  - the Date Last Modified column for:
    - Direct Application Report
    - Office Management Report
  - the “Report Description” for the Term Limit Report
- Subparagraph A 3 to:
  - update the “Date Last Modified” column for the:
    - Status of Farm Loan Program (540)
    - Transfer Assumption Application Processing Report
  - add the following:
    - Terminated Workflows Report
    - Transfer Assumption Completed Actions Report.

Exhibit 36 has been amended as follows, subparagraph:

- D, Part A 1 A, question 7, has been amended to provide information should be in FBP Credit Action
- D, Part A 1 C, question 3, has been amended to provide FBP should be documented
- D, Part A 3 A II, question 2, has been amended to provide that FBP should be reviewed

**Amendment Transmittal (Continued)**

**A Reasons for Amendment (Continued)**

- D, Part A 3 A III has been amended to add FBP
- D, Part A 3 C, question 1, has been amended to provide that variances are documented in FBP
- D, Part A 3 C, question 5, has been amended to provide that FBP should be reviewed
- F, Part C 1 A, question 2, has been amended to provide graduation potential will be documented in FBP
- F Part C 1 A, question 3, has been amended to provide borrower’s response to graduation requirement will be documented in FBP
- F Part C 1 C has been amended to add FBP
- F Part C 1 D, question 2, has been amended to provide need for LR rates will be documented in FBP
- F Part C 2 A has been amended to provide that documentation for supervised bank accounts is in FBP
- F Part C 2 B, question 1, has been amended to provide that FBP documentation is required.

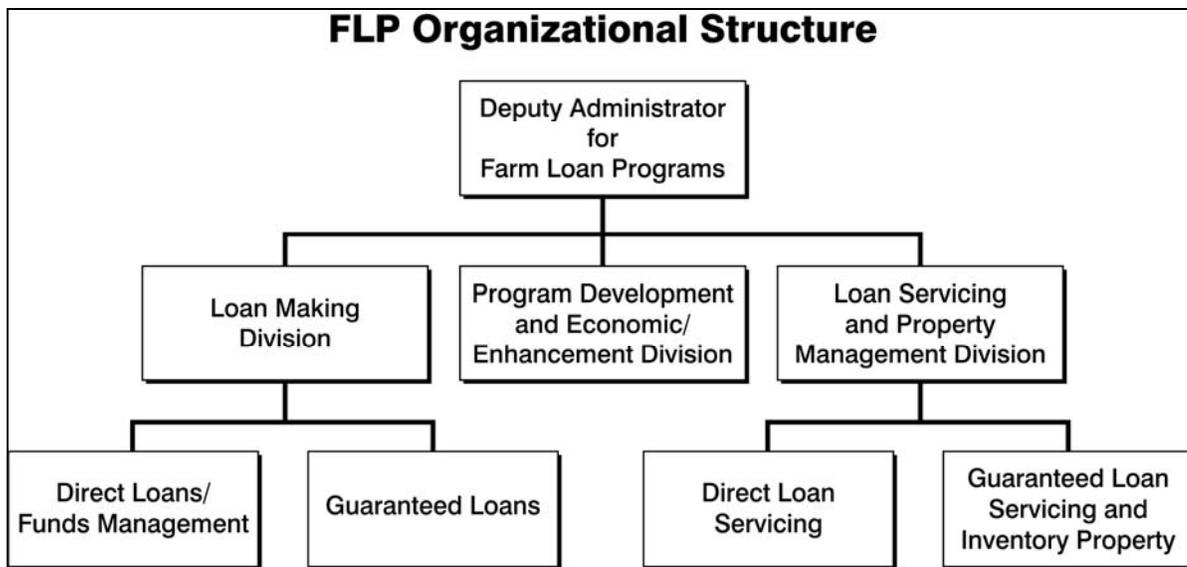
<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	1-7, 1-8	15, pages 9, 10
	1-11, 1-12	pages 10.5, 10.6
	4-1, 4-2	pages 31, 32
	5-5, 5-6	pages 43-46
	5-9, 5-10	pages 75, 76
	8-3, through 8-40	pages 98.17-98.20
	8-51 through 8-88	17, pages 1-2
	8-89, 8-90	18, pages 1, 2
	8-101, 8-102	pages 5, 6
	8-121, 8-122	pages 11, 12
		36, pages 27-30
		pages 37-42
		pages 45-48
		pages 75-78
		pages 81, 82
		pages 87-90



4 FLP Organizational Structure

A National Office FLP Organizational Structure

The following is the National Office FLP organizational structure.



B Contacts for the Office of the Deputy Administrator

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

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

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

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

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

4 FLP Organizational Structure (Continued)

C LMD Contacts

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

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

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

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

4 FLP Organizational Structure (Continued)

E LSPMD Contacts (Continued)

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

5 NFAOC Contacts

A NFAOC Contact Information

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

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

B Direct Loan Servicing

The following provides the Direct Loan Servicing address.

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

## 5 NFAOC Contacts (Continued)

## B Direct Loan Servicing (Continued)

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

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

## C Guaranteed Loan Servicing

The following provides the Guaranteed Loan Servicing address.

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

**Part 4 Supervised Bank Accounts****101 Overview****A Supervised Bank Account**

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

**B Establishing a Supervised Bank Account**

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

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

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, or other agreement with FSA.

**Note:** Supervised bank accounts must not be used in place of EFT or multiple advances.

101 Introduction (Continued)

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.

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 subpart G of 7 CFR part 1940.**

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

**I Warranty and Lien Waivers**

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

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

The borrower should obtain warranties as applicable.

## 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.

**202 Borrower Responsibilities****A Recordkeeping and Reporting**

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

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

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

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

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

**202 Borrower Responsibilities (Continued)**

**B Other Borrower Responsibilities**

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

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

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

**C Borrower Failure to Comply**

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

**203-220 (Reserved)**

## 223 Annual Review and Assessment Update

### A Objective of Annual Review

**\*--[7 CFR 761.103(e)] The Agency reviews the assessment to determine a borrower's--\* progress at least annually. The review will be in the form of an office visit, field visit, letter, phone conversation, or year-end analysis, as determined by the Agency. For Streamlined CLs, the borrower must provide a current balance sheet and income tax records. Any negative trends noted between the previous years' and the current years' information must be evaluated and addressed in the assessment of the Streamlined CL borrower.**

**\*--[7 CFR 761.103(f)] If a CL borrower becomes financially distressed, delinquent, or--\* receives any servicing options available under part 766 of this chapter (5-FLP), all elements of the assessment in paragraph (b) of this section (paragraph 222) must be addressed.**

In times of LR's the authorized agency official may prioritize the completion of the assessment according to current agency directives.

The annual review:

- monitors the borrower's progress towards the operation's goals
- evaluates supervisory assistance provided to assist borrower graduation to commercial credit.

### B Scope of Annual Review

The annual review must address any significant changes to the borrower's farming operation, expenses, or financial condition that have occurred since the most recent assessment update or annual review. The authorized agency official shall pay particular attention to the following:

- changes in operations or goals
- status of progress toward goals
- need for changes in plan of supervision
- need for additional borrower training.

### C Assessment Updates

**\*--[7 CFR 761.103(d)] An assessment update must be prepared for each subsequent--\* loan. The update must include a farm operating plan \* \* \* and any other items discussed in paragraph (b) of this section (subparagraphs 222 B through F and I through J) that have significantly changed since the initial assessment.**

This assessment update serves as a gauge for measuring the borrower's progress and the effectiveness of FSA assistance.

\* \* \*

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

**D Documentation**

If significant changes have occurred, the authorized agency official must document the nature of each change and the reason for the change.

The documentation must address only new or changed information. Documentation in \*-FBP must be adequate to record the type of supervision given, the findings of the review, -\* and any items requiring follow-up.

**224-240 (Reserved)**

## Section 3 Farm Operating Plan

### 241 Overview

#### A Objective

The primary objective of the farm planning process is to develop a plan that most accurately reflects the expected cash flow and business activities for the operating cycle. The farm operating plan documents the operation's:

- financial position
- cash flow
- repayment ability.

The applicant or borrower must use a FBP system. FSA primarily uses FBP to evaluate loan feasibility and the likelihood of achieving financial viability. An applicant or borrower may use an alternative format for the farm operating plan, if approved by FSA. An original signed copy of the farm operating plan must be retained in the case file.

#### B Farm Operating Plan Format

FSA uses FBP to perform financial planning, analysis, loan origination and servicing functions, and manage the FLP portfolio. See Exhibit 15 for instructions on using FBP.

Borrowers may use other automated or manual FBP's if they are approved by FSA. The authorized agency official may approve using other systems and formats for the farm operating plan, if formats contain the same information as required by FBP and the following statement is signed by the applicant or borrower:

“I agree to follow this plan and to discuss with the authorized agency official, any important changes that may become necessary. This is a projected plan and does not release the security interest of the Government in any security referred to in this plan. I recognize that making any false statement on this plan or any other loan document may constitute a violation of Federal criminal law.”

#### C Timing of Farm Operating Plan

The period of time covered by a farm operating plan should reflect the norm for the type of commodity or agricultural enterprise being farmed in a particular area, considering climate conditions and other factors vital to the successful production of the commodity or agricultural enterprise. If there are any changes to the operation during the cycle of the plan, the changes will be noted on the plan. The revised operating plan will be signed and dated \*--by the borrower and the authorized agency official, and will be documented in FBP. In--\* most cases, the period covered by the plan should not exceed 18 months unless special circumstances dictate a longer planning period.

**\*--242 Developing Farm Operating Plans****A General**

**[7 CFR 761.104(a)] An applicant or borrower must submit a farm operating plan to the Agency, upon request, for loan making or servicing purposes.**

A farm operating plan used for loanmaking or loan servicing decisions will be based on:

- a typical year's plan for existing farm operations or enterprises without changes
- accurate, verifiable, reliable, and realistic information for new enterprises.

**[7 CFR 761.104(b)] An applicant or borrower may request Agency assistance in developing the farm operating plan.**

Applicants will be encouraged to obtain technical assistance. Sources of technical assistance include Extension Service, Land Grant Universities, State Programs, USDA 2501 grant recipient organizations and institutions, and private consultants.

**[7 CFR 761.104(c)] The farm operating plan will be based on accurate and verifiable information.**

Poultry or hog production contracts are the basis of grower income and facility value. The dependability of production contracts has a profound impact on the prospect for loan repayment. "Flock-to-flock" or "turn-by-turn" type arrangements alone may not be a dependable source of income or a reasonable projection of income for poultry or hog applicants who do **not** have current financial performance history with FSA.

**Note:** For contract income to be considered dependable, the contract must:

- be for a minimum period of 3 years
- provide for termination based on objective "for cause" criteria only
- require that the grower be notified of specific reasons for cancellation
- provide assurance of the grower's opportunity to generate income to ensure loan repayment, by incorporating requirements, such as a minimum number of flocks or turns per year, minimum number of bird or hog placements per year, or similar quantifiable requirements.--\*

## 242 Developing Farm Operating Plans (Continued)

**A General (Continued)**

Applicants requesting loans to expand their poultry or hog operation by adding more houses/barns or purchasing additional land to increase the size of the poultry or hog operation, and who **are** presently indebted to FSA, will be required to have a contract with a minimum 3-year term. The contract must at least cover the facilities financed with the FSA loan. When contract income **cannot** be determined to be dependable and likely to continue, that is **cannot** be used to reasonably project future income, the authorized agency official shall:

- inform the grower of the contract provisions that result in the determination
- provide an opportunity for the submission of a revised contract before a final decision on the request.

**Note:** Whenever possible, loan requests should be approved subject to modification of unacceptable contract provisions.

**[7 CFR 761.104(c)(1)] Historical information will be used as a guide.**

The authorized agency official will review the farm operating plan to ensure that it is reasonable, relative to historical performance and local practices and conditions.

\*--To report past yields, documentation, such as operator's sales receipts, financial statements, contracts, and tax returns, may be used by applicants whose operations' past yields do not provide pertinent information for the projected plan. Such operations include vegetable operations in which different crops are grown to meet changing market demands, operations that produce crops using measures such as rows or partial row instead of acres, or operations that grow crops that sell in volumes, such as bunches. For such operations, past reliable history of income and expenses or cash receipts may be used to project the field, greenhouse, or operations' production revenue.--\*

**[7 CFR 761.104(c)(2)] Positive and negative trends, mutually agreed upon changes and improvements, and current input prices will be taken into consideration when arriving at reasonable projections.**

The impact of industry trends must be assessed when developing farm operating plans used in loan requests from poultry and/or hog growers, and can be based on standard production budgets developed by contractors, consultants, or extension specialists. While these budgets are accepted starting points, the authorized agency official must ensure that the farm operating plan reflects realistic performance assumptions for each individual situation, including but not limited to the following:

- increased input costs
- changes in unit numbers and weights
- increased idle time between flocks of poultry or turns of hogs
- other relevant factors that affect net income.

## 242 Developing Farm Operating Plans (Continued)

**A General (Continued)**

The impact of age, condition, and potential obsolescence of the facilities must be assessed for loans to purchase or refinance existing facilities. The farm operating plan must factor in any reduced efficiency as well as the potential costs for required modernization of existing facilities to comply with the contract's requirements.

**[7 CFR 761.104(c)(3)] Projected yields will be calculated according to the following priorities:**

- (i) The applicant or borrower's own production records for the previous 3 years;**
- (ii) The per-acre actual production history of the crops produced by the farming operation used to determine Federal crop insurance payments, if available;**

**Notes:** This does not mean that averages will be the projection used in every plan. Positive and negative trends will be considered when projecting production levels. The primary focus should always be on developing a realistic projection. If production has been increasing each year for the past 3 years, using the most recent year's production level or a higher level consistent with the trend will, in most cases, be the most realistic projection.

Conversely, if the trend is negative, the average may overstate production, and the most recent year's level is probably the most realistic projection. However, a higher production level may be projected if the negative trend is the result of disaster conditions, or if actions have been taken that will definitively reverse the trend.

Additionally, 3 years is the minimum years of records to be considered, if available. The applicant, at their discretion, can provide more than 3 years of records if these additional records provide a more realistic yield projection. The basis for the yield used should be adequately documented in FBP \* \* \*.

When the production of a growing commodity can be estimated, that estimate must be considered in production projections.

- (iii) FSA Farm Program actual yield records;**
- (iv) County averages;**
- (v) State averages.**

## 242 Developing Farm Operating Plans (Continued)

## A General (Continued)

Pricing data for alternative production and marketing methods may be available from the following:

- NASS, through its 2008 organic production survey at [http://www.agcensus.usda.gov/Publications/2007/Online\\_Highlights/Organics/index.php](http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/Organics/index.php)
- AMS:
  - grain and foodstuffs at <http://www.ams.usda.gov/mnreports/lbnof.pdf>
  - fruit and vegetables at <http://www.marketnews.usda.gov/portal/fv>
  - \*--wholesale terminal markets at <http://usdareports.com>
- RMA provides price for organically grown commodities--\*
- National Agricultural Library has resources available on sustainable and organic agriculture at <http://afsic.nal.usda.gov/organic-production>
- nonprofit organizations such as Rodale Institute's New Farm Organic Price Report
- local sources such as the State Department of Agriculture, farmers market organizations, State organic farmers and gardeners associations, roadside stand organizations, local retail outlets, and State universities.

\*--Note: See Exhibit 28 for a guide to determining projected prices.--\*

**[7 CFR 761.104(e)] For MLs, when projected yields and unit prices cannot be determined as set forth in paragraphs (c) and (d) of this section because the data is not available or practicable, documentation from other reliable sources may be used.**

**[7 CFR 761.104(f)] Except as provided in paragraph (g) of this section, the applicant or borrower must sign the final farm operating plan prior to approval of any loan or servicing action.**

**[7 CFR 761.104(g)] If the Agency believes the applicant or borrower's farm operating plan is inaccurate, or the information upon which it is based cannot be verified, the Agency will discuss and try to resolve the concerns with the applicant or borrower. If an agreement cannot be reached, the Agency will make loan approval and servicing determinations based on the Agency's revised farm operating plan.**

**242 Developing Farm Operating Plans (Continued)****A General (Continued)**

If a loan making/servicing decision is based on a revised farm operating plan the applicant ~~\*-does not agree with,~~ the authorized agency official will enter the plan on which the applicant does not agree in FBP along with the plan submitted by the applicant. The authorized agency official will document in FBP the differences in the plans and the fact that the loan~~--\*~~ making/servicing decision was based on a revised farm operating plan on which the applicant does not agree.

In FBP, the plans should be named such that it is clear which plan is the applicant's plan and which plan is developed by FSA.

**B Consideration of New Enterprises**

For new enterprises that are **not** a part of the applicant's history, the authorized agency official may use reliable sources, such as enterprise budgets from Extension Service and Land Grant Universities, as acceptable documentation to support the farm operating plan. Farm operating plans developed for new enterprises must use acceptable State or county average production levels. In addition, the local conditions (soil productivity, climate, etc.) that will affect the enterprise and current realistic income and expense information will be considered when State or county averages are used.

**Note:** Program loan cost contracting funds are available and may be used to procure technical assistance for applicants planning new enterprises if public sector institutions (Extension Service, State Government, Land Grant Universities, etc.) cannot provide the assistance necessary.

**Section 4 Borrower Account Classification**

**251 Overview**

**A CONACT Requirements**

CONACT requires FSA to classify borrower accounts and to review annually for graduation each direct loan borrower classified as “commercial” or “standard”. FSA uses the borrower account classification system to identify borrowers with the best potential to obtain commercial credit, except CL. See 4-FLP, Part 4 for graduation. Classification also identifies borrowers in need of special loan servicing and helps the National Office evaluate the quality of FSA’s direct loan portfolio.

Classifications are not disclosed to credit bureaus or other lenders. A borrower cannot appeal an account classification.

**B Classification Categories**

Accounts will be identified as 1 of the following.

<b>Classification</b>	<b>Classification Category</b>
1	Commercial
2	Standard
3	Acceptable
4	Marginal
5	Not Classified

**C When Classification Is Required**

\*--All classifications will be completed using FBP. For guidance on completing the classification, see Exhibit 15, subparagraph J 7 b. If the account is classified as--\* commercial or standard, the authorized agency official must thoroughly document that the borrower has met the test for credit and therefore meets the eligibility requirements for the loan being granted.

\*--Direct loans will be classified using the FBP credit presentation that is used to analyze and approve the loan.--\*

At the end of YEA, done according to Section 5, the authorized agency official must also classify the account.

Subsequently, the authorized agency official at minimum must classify the account every 2 years with the updated data collected according to 4-FLP, subparagraph 47 B.

Before an account is identified as “Currently Not Collectible (CNC)” according to 5-FLP, subparagraph 126 A, a classification will be completed using FBP. The D-Loan/Special Classification Credit Action shall be used and will be assigned a score of “5”, “Not Classified”. Post cross servicing referral, CNC accounts are not required to be classified.

**251 Overview (Continued)****D Classification of Youth Loans**

New youth loans will be classified as “3” when completing the Youth Loan Credit Action. For existing youth loans, that are current, complete a D-Loan/Special Classification Credit Action. A score of “3”, “Acceptable” will be assigned. For existing youth loans that are delinquent, the D-Loan/Special Classification Credit Action shall be used and will be assigned a score of “5”, “Not Classified”. The values of FSA’s Security Margin and percent of FSA Loss will be calculated from the best information available for the borrower. The \*--basis for these values will be documented in FBP.--\*

**E Classification of CL’s**

CL’s will be classified using the FBP credit presentation that is used to analyze and approve the loan. There is no test for credit for CL’s, so a classification of commercial or standard is acceptable without further documentation.

At the time of YEA, completed according to Section 5, the authorized agency official must classify the account.

Subsequently, the authorized agency official at minimum must classify the account every 2 years with the updated data collected according to 4-FLP, subparagraph 47 B.

Streamlined CL’s will be classified as “2” using the D-loan/special classification credit action.

If CL, including Streamlined, subsequently becomes delinquent or financially distressed, all documents will be obtained to complete an analysis and the account will be classified using the updated information.

**F Classification Reporting**

Field Offices must use the Active FLP Borrowers Report from FLP Data Mart at <https://fsadwhouse.sc.egov.usda.gov/FSA-DataMarts/FSAdataMartsHomePage.htm> to monitor classifications. This report identifies the classification category and date for the most recent classification for each borrower. When a new classification is completed in FBP, the authorized agency official must update the Classification Review Workflow in DLS as soon as it is possible to do so.

**Section 5 Year-End Analysis****261 Overview****A Introduction**

YEA provides an opportunity for the borrower and FSA to discuss and evaluate a borrower's financial and production performance, progress toward goals, effectiveness of operational management, and FSA supervision and oversight. It also provides an opportunity to modify the plan of supervision and to address other changes in the borrower's operations or situation.

YEA must coincide with the borrower's production and marketing cycle.

YEA may be used in place of an annual review.

YEA must be performed in as much detail as is presented in the farm operating plan.

\*--In times of LR's, the authorized agency official may prioritize the completion of YEA--\* within the requirements of the applicable statutes and regulations.

**B Overview**

FSA and the borrower jointly prepare YEA. YEA has the following 4 steps.

- The authorized agency official will identify and evaluate any significant changes to the borrower's operation or situation.
- The borrower and the authorized agency official will obtain the borrower's actual production data and financial data for the completed year and compare the actual data to the projections made in the prior year's farm operating plan by calculating variances from the projections.
- The borrower and the authorized agency official will determine and document the reasons for variances.
- The borrower and the authorized agency official will analyze how the borrower's performance can be improved in the coming year and the borrower prepares an updated farm operating plan.

When completed, the authorized agency official must place a copy of each YEA in the borrower's case file.

**262 Preparing for the Year-End Analysis****A Schedule for YEA**

The authorized agency official will schedule YEA to occur as close as possible to the end of the production cycle. It must be within the 60-calendar-day period after the borrower's production cycle ends. Borrowers must be prioritized according to need, with the greatest need cases being addressed first.

When the authorized agency official determines that YEA will be required according to subparagraph 263 A, a new YEA workflow will be created in DLS.

**B Before the Appointment**

\*--The authorized agency official must review existing assessments, FBP, written correspondence, and FSA-2040. If this review raises issues or questions, the authorized agency official must record these items in FBP to use when meeting with the borrower.--\*

The authorized agency official must send a copy of the farm operating plan to a borrower if the borrower uses FSA's system. This farm operating plan must be sent to the borrower before the end of the production cycle. The authorized agency official shall ask the borrower to have the actuals completed and to bring record books, tax information, and other verifying documents that may be needed to the meeting. Inventories, asset values, and debts must be calculated as of the COB cycle.

**C Documenting YEA's Not Completed As Scheduled**

When the authorized agency official determines that a scheduled YEA will not be completed as required, the YEA workflow in DLS shall be terminated. The terminated workflow must be documented as to why the workflow was not completed as scheduled. A new YEA workflow must be created and scheduled immediately as applicable.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

4 Defaults (Continued)

b Crop and Livestock NAICS Codes

Commonly used crop and livestock categories have been established and will appear as defaults on Income/Expense drop-down menus. Users cannot add additional crop or livestock categories to the commonly used list for a Service Center or State; however, users can add additional defaults for individual customers. Additional categories can be added when actual or projected income/expenses are entered on the crop or livestock schedules or when inventories are entered on balance sheet schedules.

\*--After accessing the Livestock & Poultry Sales schedule, CLICK “**Description Per Unit Defaults**” in the left corner to add a new category.



Figure 1

Select the needed category from the “Description” drop-down menu, enter “Type” and “Measure” information, and CLICK “Add”. This category will now be available in the defaults whenever this customer is selected.



Figure 2

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

5 Adding and Accessing Customers in FBP

The Locator Screen is where the user will manage their list of customer records and is also the first screen that displays when you log in to FBP.

a Adding a New Customer

\*-- All customers who submit an application will be added to the FBP. Before attempting to add a new customer to FBP, ensure that the customer and all related entity members have been added in BP, have an “Active” status record, and have not been duplicated.--\*

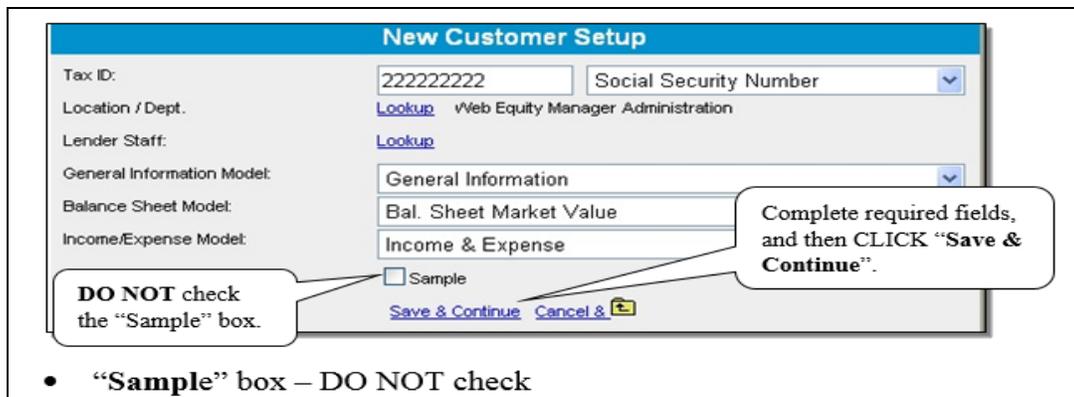
To add a new customer record, CLICK “Add New” on the Locator Screen.



Figure 3

Complete the New Customer Setup Screen according to the following:

\*--



- “Sample” box – DO NOT check

Figure 4

--\*

- enter “Tax ID” of the new customer that **must** match the tax ID that is entered into BP

**Note:** For FLP, tax ID will usually be described as either of the following:

- “Social Security Number” for individuals
- “Employer Identification Number” for entities.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

5 Adding and Accessing Customers in FBP (Continued)

a Adding a New Customer (Continued)

- “**Location/Dept**” defaults to the location of the user adding the new customer; the location/department is where the customer will receive FLP services

**Note:** If incorrect, CLICK “**Lookup**” link and select the correct location/department.

- “**Lender Staff**” defaults to the user adding the new customer; if a different user will be servicing the customer’s loans, CLICK “**Lookup**” link and select the correct lender staff
- “**General Information Model**” defaults to “General Information”
- select 1 “**Balance Sheet Model**” from the following:
  - “**Market Value**” is used when the balance sheet is based upon market values; **this option will be selected for the majority of customers**
  - “**Costs Basis**” is used typically for entities who keep records on a cost basis
  - \*--“**Personal**” is only used when a customer record has been added for an individual--\* entity member to collect personal financial statements

**Note:** New customer records will **not** be added for individual entity members unless approved by the State FBP Coordinator.

- “**Income/Expense Model**” defaults to “Income & Expense”
- \*--“**Sample**” box – Do not check.--\*

CLICK “**Save & Continue**” to add the new customer.

If a customer record with the same tax ID already exists in the system, the warning “Customer(s) With same Tax ID:” will be displayed. The red “A” or “R” after the customer’s name indicates if the record is located in the “Recycle Bin” or “Archive”. CLICK “**Cancel and Return to Locator**”.



Figure 5, Customer(s) With same Tax ID

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

5 Adding and Accessing Customers in FBP (Continued)

a Adding a New Customer (Continued)

Contact the State FBP Coordinator for help in locating the existing customer record.

b Accessing an Existing Customer

Existing customer records are accessed through the Locator Screen or the File Menu. To be able to access the customer in FBP, the customer and any related entity members **must** be in BP and maintain an “Active” record status.

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

The screenshot shows the 'Locator Screen' interface. At the top, there is a blue header with 'Add New' on the left and 'Locator Screen' in the center. Below the header, there is a search bar with the text 'First Letter of Last Name or Entity' and a list of letters and numbers: 'A B C D E E F G H I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5 6 7 8 9 ~'. Below this is a white box titled 'Enter Any Combination of Search Criteria' with four input fields: 'Last Name / Bus. Name' (containing '-Greer'), 'First Name', 'Tax ID', and 'Credit Relationship Status'. A 'Clear' link is at the bottom of this box. A callout bubble points to the search criteria box with the text 'Enter search criteria and CLICK “GO”.'.

Figure 6

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

The screenshot shows the 'Locator Screen' interface with search results. The header is the same as in Figure 6. Below the search bar, there is a blue header for 'Search Results'. Below that is a table with the following data:

Name	Analysis	Credit Relationship Status	Phone	Address	Email
-Greer	Ultra	99-99-99999999			

A callout bubble points to the name '-Greer' with the text 'CLICK “customer name” to access the record.'

Figure 7a

The File Menu provides additional options to access a limited number of customer records. CLICK “File” and then choose either of the following lists from the drop-down menu:

- “My Last 10 Selected” – provides a list of the last 10 customers selected by the user
- “View All My Customers” – provides an alphabetical list of all the user’s customers. For the customer to be listed, the user must have been added to the customer’s “Lender Staff”.

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

**A Overview (Continued)**

**11 Credit Reports (Continued)**

**l When Mortgage and Commercial Credit Reports Are Not Acceptable**

See 1-FLP, subparagraph 48 G.

**m When the Applicant Disputes Information on the Credit Report**

See 1-FLP, subparagraph 48 H.

**B Electronic File Maintenance, Reports, and Signatures**

**1 Customer Record**

All electronic information stored within FBP is considered part of the customer file and record as if it were in written form.

**2 Running Record**

\*--The “Notes”, “Running Record” feature of FBP will be used to record all comments or notes that would have traditionally been written in the paper based loan file, **except** for the following:

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

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

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

#### 2 Running Record (Continued)

- \*--narratives and comments about loan making or servicing actions that **must** be documented in:

- the applicable FBP Credit Presentation
- footnotes or comment notepads

**Note:** The Credit Presentation is designed to encompass the entire loan narrative and analysis documentation of loan making or servicing actions. Therefore, it is **not** expected that the “Notes”, “Running Record” will be used to store narrative comments about a loan making or servicing action when a Credit Presentation is prepared.

- comments and entries that are exempt from disclosure according to FOIA, see **FOIA Running Record** (Section B 2 a).

**Note:** No running records will be deleted from FBP.

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

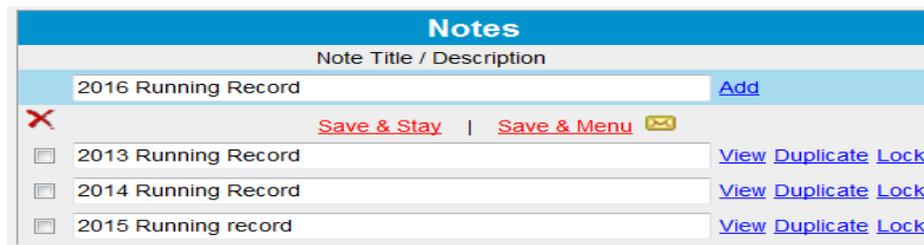


Figure 10a

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

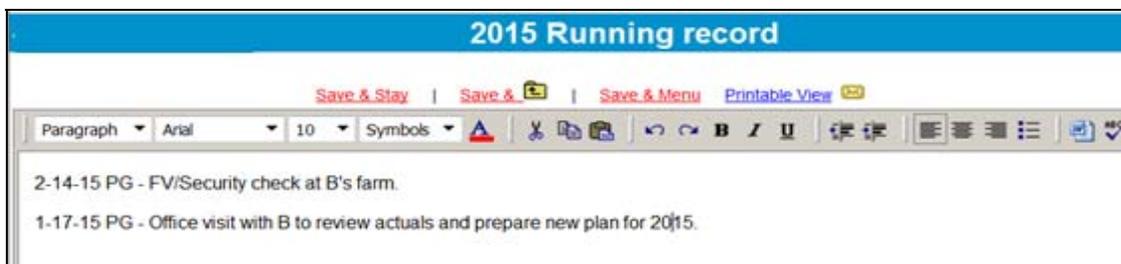


Figure 10b

--\*

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

### C General Information (Continued)

#### 5 Farm Assessment Information (Continued)

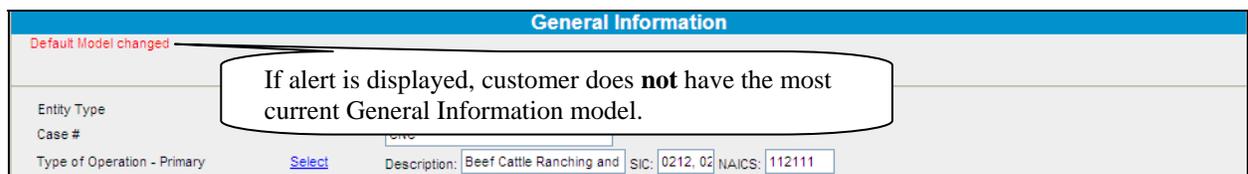
##### c Copying Data Into WordPad

See **Copying Data Into WordPad** (Section J 3 b) for instructions on copying Word or Excel information into the Assessment WordPad.

#### 6 Change General Information Model

\*--On the General Information Screen, when updating the assessment information, always ensure that the most current General Information model is displayed.

New customers added to FBP will automatically have the most current General Information model displayed. Existing customers will need to have the General Information model changed, if a red alert is displayed in the upper-left corner of the General Information Screen stating, **“Default Model changed”**.



The screenshot shows a software interface titled "General Information". In the top-left corner, there is a red alert message that reads "Default Model changed". A callout box with a white background and a black border points to this message, containing the text: "If alert is displayed, customer does not have the most current General Information model." Below the alert, the interface displays several data fields: "Entity Type", "Case #", "Type of Operation - Primary" (with a blue "Select" button), "Description: Beef Cattle Ranching and", "SIC: 0212, 02", and "NAICS: 112111".

**Figure 12a, Alert Message “Default Model changed”--\***

Farm Business Plan - FSA User Guide (Continued)

C General Information (Continued)

6 Change General Information Model (Continued)

Change the General Information model on existing customers as follows:

- select the customer account record
- CLICK “General”
- CLICK “Related Entities” from drop-down menu
- from fly-out menu, CLICK “Add/Modify/Delete”



Figure 13a

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

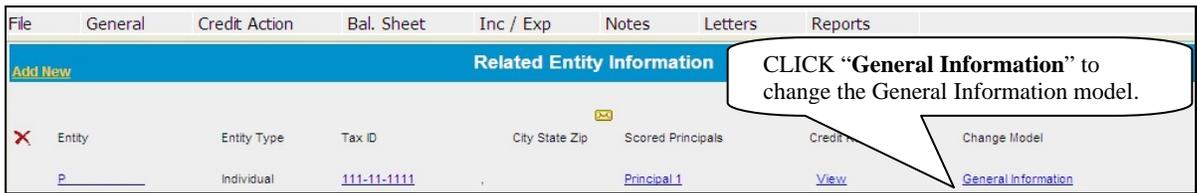


Figure 13b

- the “Change General Information Model” box will be displayed
- use the drop-down arrow and select “General Information”
- CLICK “Change”
- the New General Information model will be displayed.

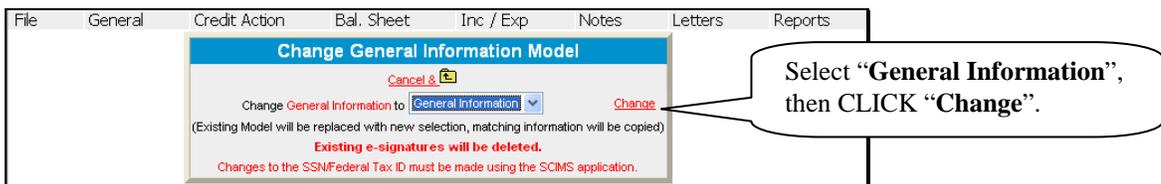


Figure 13c

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

**D Balance Sheet**

A balance sheet is a financial statement that reflects the values of an individual or entities assets, liabilities and capital at a specific point in time. Balance sheets can be created for a current date, future date, or even a previous date, if necessary, to reconstruct a customer’s historical financial position. Obtaining balance sheets at the end of each business year is preferable, if possible.

There is no limit to the number of balance sheets that can be created or maintained in FBP.

**\*--Notes:** The source or basis of the assets and liabilities must be fully documented in the schedules, footnotes, or comment notepads.

There is no limit to the number of balance sheets that can be created or maintained in FBP.

The balance sheet summary **must be** printed and signed by the customer for all loan making and servicing actions.--\*

**1 Types of Balance Sheets**

A meaningful description, such as “FYE 12/31/10” or “After eDALR\$ 2011”, should be used when a balance sheet is created. The description becomes especially important in years where multiple balance sheets are created and will appear on all reports.

<b>Type of Balance Sheet</b>	<b>Additional Details</b>
Current	A balance sheet prepared as of the current date. It is generally a snap-shot of the customer’s assets and debts as of a certain date, assuming no credit action will take place.
Post-Close	<p>A balance sheet prepared assuming that the planned loanmaking or loan servicing action has just taken place.</p> <p><b>Note:</b> The credit action does <b>not</b> have to be closed before a post-close balance sheet is created to classify the account.</p> <p>A post-close balance sheet must be completed for the following credit actions:</p> <ul style="list-style-type: none"> <li>• D-Loan Making (for term loans only)</li> <li>• D-Loan Regular Servicing</li> <li>• D-Loan Special Servicing</li> <li>• Microloan (for term loans only).</li> </ul>
Pro-Forma	A balance sheet prepared assuming that the projected income/expenses have occurred during the plan period. A pro-forma balance sheet can be prepared to analyze what a customer’s financial position would be in the future, i.e. after a 1 year period.

Farm Business Plan - FSA User Guide (Continued)

D Balance Sheet (Continued)

2 Adding New Balance Sheets

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

**Option 1:** CLICK “**Trends Manager**” to access the Balance Sheet & Income/Expense Trends Manager Screen. “Trends Manager” may also be accessed through the Dashboard Navigation Screen.



Figure 14a, Balance Sheet Trends Manager Using the Toolbar

To add a new balance sheet report, in a column CLICK “**Create New**” link in an empty cell. Any changes made to the selection and the order of the reports will be reflected on the Reports Setup Screen. To create a report that would be available to add to the Reports Setup Screen at a later date, click the link found under the “Balance Sheet” tab.

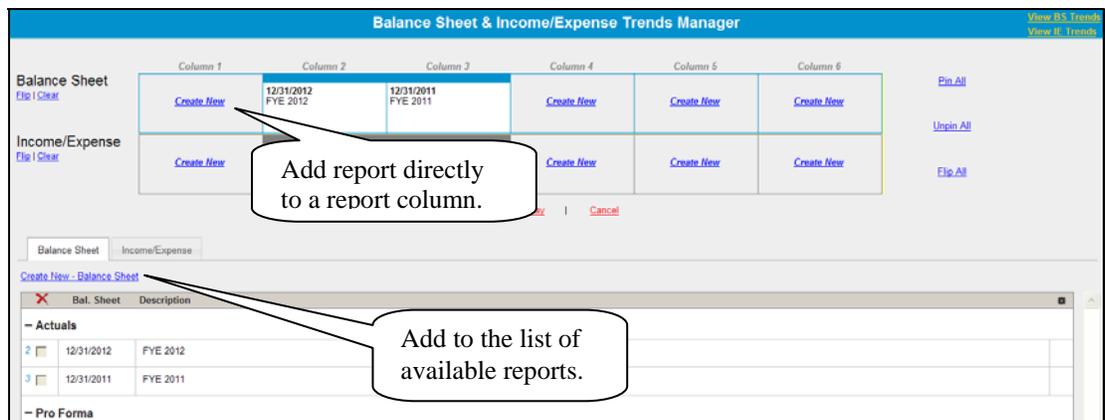


Figure 14b, Balance Sheet & Income/Expense Trends Manager--\*

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

**H Income/Expenses - Projected (Continued)**

**1 Feasibility (Continued)**

**b Special Loan Servicing Actions (Primary Loan Servicing Only)**

Feasibility for primary loan servicing actions is determined by DALR\$. See **Feasibility Definition** (Section H 1 c) for more information about feasibility.

**c Feasibility Definition**

A feasible plan or projection is demonstrated by the following.

**Note:** See 3-FLP, 4-FLP, or 5-FLP, as applicable, for additional information on feasibility.

Loan Type	MADS <u>1/</u>	Ending Cash
<b>Loan Making and Servicing Actions, Except Primary Loan Servicing</b>		
Term Loans, long term feasibility.	Must be positive.	Must be positive
Annual Operating Loans, short term feasibility.	May be positive or negative.	Must be positive
Youth Loans.	Is not applicable.	Must be positive
<b>Primary Loan Servicing</b>		
All loan types.	e-DALR\$ determination.	Must be positive

1/ A positive (zero or greater) MADS is equivalent to TDCLCR of 1.00 or greater. The terms can be used interchangeably.

**2 Creating Current Year Projections**

A projected plan for the current production cycle can be created for both short and long-run feasibility decisions. Projections can be entered using summary dollar values for each category or on schedules where the calculated total transfers to the income/expense summary. Sometimes a mix of summary and scheduled input is appropriate. Scheduled information is especially appropriate when planning with production and yields. See **Income/Expenses – Actuals** (Section G) for a description of each category and suggestions for the types of information that should be included.

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

### H Income/Expenses - Projected (Continued)

#### 2 Creating Current Year Projections (Continued)

\*--The following information must be fully documented in the schedules, footnotes, or comment notepads.

- Source of prices and yields used to develop the farm operating plan.
- Operating expenses based on accurate and verifiable information.
- Other farm income verified by written or verbal projection of FP benefits, tax records, historical records, etc.
- Verification of non-farm income.
- Owner withdrawals with documentation supporting the amount used for family living expenses and verification of the source for payments of personal debt.
- Document how the income and expenses for any household members was taken into consideration and how this affects cash flow.--\*

The income/expense projection is categorized into the following 4 parts.

- Operating Income and Expenses (including current assets, current liabilities, crop and livestock sales, other farming income, purchases for resale, all farming expenses including interest, and depreciation).

**Note:** Income and expenses from current assets and current liabilities can generally be handled by making 1 of the following selections in the beginning balance sheet schedule:

- “None”, do not send to the income/expense projection
  - “Beg. Cash on Hand”, send to schedule on income/expense projection
  - send to selected income and expense schedule on income/expense projection.
- Nonoperating Income and Expenses (including owner withdrawals, income and Social Security taxes, nonfarm income and expenses).

**Caution:** Projected owner withdrawals must include family living expenses and personal debt payments, such as, credit cards, personal vehicle payments, home mortgage payments, student loans, personal loans, etc. The total amount of payments due during the planning period will be entered on the schedules or as 1 summary entry, no itemization is necessary.

- Financing (including term and operating advances and operating principal repayments).
- Capital Sales, Expenditures, Contributions, and Withdrawals.

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

### J Credit Actions (Continued)

#### 4 Farm Assessment

Initial farm assessments and updates must always be entered on the General Information Screen. However, because the farm assessment is a living document that will change over time, it is important that changes and updates get “frozen” in time on the Farm Assessment form when a credit action is completed. This serves the following 2 important purposes:

- a snap-shot of the farm assessment is taken, recorded, and cannot be changed when locked
- farm assessment will be associated with the credit action that was completed at that point in time.

**Notes:** Any changes to the assessment **must** be entered on the General Information Screen and then updated to the credit action Assessment form. Do **not** make changes directly to the credit action Assessment form.

ENTER “N/A” in the text box of those assessment elements not completed according to paragraph 222.

CLICK “**Credit Action**” [*Credit Action Name*], to be completed. To update the form with the most current assessment information from the General Information Screen, CLICK “**Save & Update**” link in the top-left corner of the screen.

The “**Update Farm Assmt.**” dialog box will be displayed. CHECK (✓) **only** the “General Information” box, and CLICK “**Update &**”.

Copy From	Last Updated
<b>Forms</b>	
<input type="checkbox"/> Environmental - Environmental Checklist	-
<input type="checkbox"/> Other - DALRS Input Rpt.	-
<input checked="" type="checkbox"/> General Information - General Information	7/22/2011-8:48:31 AM

Figure 61m, Update Farm Assmt.

**Notes:** If assessment information is changed on the General Information Screen before plan approval of the credit action, the credit action Farm Asst. form must be updated.

**Signature requirement:** The Farm Assessment form **must** be printed and signed by the loan official and the customer’s signature **must be** obtained acknowledging participation in completing the document.

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

### J Credit Actions (Continued)

#### 5 RD 1940-22, Environmental Checklist for Categorical Exclusions

RD 1940-22 is prepared to document the environmental review. CLICK “**Credit Action**” [*Credit Action Name*], “Environmental Checklist”. The first time RD 1940-22 is accessed the “Individual and Company Name” fields are automatically updated with the most current information from the General Information Screen.

- Use the “**Save & Update**” link in the top-left of the screen, if needed, to update customer name information from the General Information Screen.
- Fill-in the text field questions and CLICK “**radio buttons**” to complete RD 1940-22. CLICK “**Save**” to save all changes to RD 1940-22.
- \*--Use the “Attached Comments for Environmental Checklist” wordpad at the bottom of the page to enter any additional environmental related information.--\*
- CLICK “**Signature of Preparer**” to eSign RD 1940-22.
- If RD 1940-22 requires concurrence, CLICK “**Signature of Concurring Official**” to eSign.

**Note: Signature requirement:** eSignature for preparer and concurring official, if required.

#### 6 DALR\$ Input Report

A DALR\$ Input Report is prepared to calculate the financial categories needed for input into the eDALR\$ program. It also includes the relevant collateral description from the collateral analysis completed in conjunction with a balance sheet. The DALR\$ Input Report is 1 of the forms in the “D-Loan/Special Serv.” credit action model.

All financial information flows from selected balance sheets and income/expense projections to the DALR\$ Input Report. CLICK “**Reports**” and “**Reports Setup**” to control which balance sheets and income/expense projections will appear in the DALR\$ Input Report.

CLICK “**Credit Action**” [*Credit Action Name*], and “**DALR\$ Input Rpt.**” to be completed. To update the DALR\$ Input Report Screen with selected financial information, CLICK “**Save & Update**” link in the top-left corner of the screen.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

6 DALR\$ Input Report (Continued)

The “Update Other” dialog box will be displayed. CHECK (✓) **only** the following boxes:

- “Ultra Financials”
- “Collateral Analysis” select balance sheet from the drop-down menu
- “General Information”.

CLICK “Update & 

Copy From	Last Updated
<input checked="" type="checkbox"/> Ultra Financials	-
<input checked="" type="checkbox"/> Collateral Analysis 1/1/2010 Before DALRS	-
<input type="checkbox"/> Environmental - Environmental Checklist	-
<input type="checkbox"/> Farm Assmt. - Farm Assmt.	-
<input checked="" type="checkbox"/> General Information - General Information	5/3/2010-3:18:19 PM

\*--Figure 61n, Update Other--\*

Complete the DALR\$ Input Report by filling-in the following date fields located at the top of the form:

- “Proposed Loan Servicing Date”
- “Plan Approval Date”.

CLICK “Completed By” link at the bottom of the form to eSign.

**Note: Signature requirement:** eSignature required.

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

### J Credit Actions (Continued)

#### 7 Credit Presentation

\*--A Credit Presentation is the primary document in a credit action that is prepared to communicate and document a loan making or loan servicing decision. The Credit Presentation encompasses the various aspects of analyzing the financial information, collateral position, eligibility, classification, and the loan narrative. The Credit Presentation should contain all relevant information involved in a loan decision and should contain sufficient detail to show a third-party reviewer why a specific action was taken. The Credit Presentation form will differ depending on the credit action model selected.--\*

A Credit Presentation **must** be prepared and eSigned for all loanmaking and loan servicing actions. It is recommended when multiple actions are being completed at the same time, that they be combined on the same Credit Presentation.

##### a Approval Decision

Each Credit Presentation that is prepared **must** have an approval decision. CLICK “**Plan Approval**” link located at the bottom of the Credit Presentation to select the appropriate approval status. Only Credit Presentations with an “Approved” status will be available for selection in DLS.

**Note:** For instructions on completing the Credit Action Status Screen for FSFL’s, see **FSFL** (Section J 15 a).



Figure 61o, Plan Approval

CLICK “**Select Status**” link to access the “Select Status” dialog box. Click on the description of the status to select.

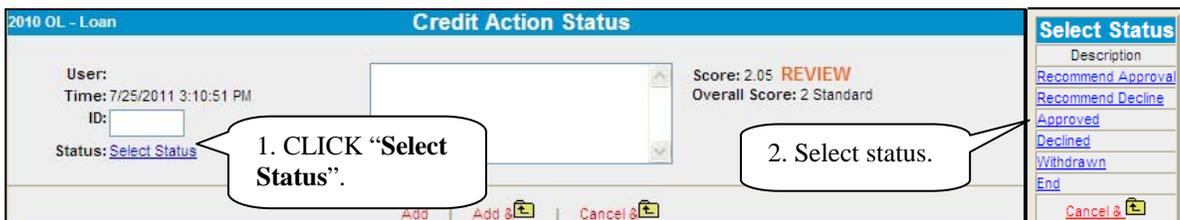


Figure 61p, Select Status

**Note:** Limit comments in the text field; should **not** include loan closing requirements, etc.

FLP Rates

A Interest Rates for FLP's

\*--The following provides interest rates for FLP's as of September 1, 2015.--\*

Loan Type	Current Rate (%)	Date Set
Rural Housing - Farm Loan Purposes		
<b>Note:</b> For the current interest rate, contact the National Office.		
Operating	2.625	8/1/15
Operating - Limited Resource	5.000	12/1/90
*--Operating - Microloan - "Special Interest Rate"	5.000	2/7/14
Farm Ownership and Conservation Loans	4.000	8/1/15
Farm Ownership - Limited Resource	5.000	4/1/86
Farm Ownership - Down Payment	1.500	5/22/08
Farm Ownership - Joint Financing	2.500	2/7/14
Soil and Water	4.000	8/1/15
Soil and Water - Limited Resource	5.000	7/1/92
Recreation - Individual	4.000	8/1/15
Farmer Program - Homestead Protection	4.000	8/1/15
Shared Appreciation Amortization	3.000	8/1/15
Softwood Timber Loans	4.000	8/1/15
Economic Emergency - Operating	2.625	8/1/15
Economic Emergency - Real Estate	4.000	8/1/15
Emergency - Amount of Actual Loss	3.625	8/1/15
Emergency - Major Adjustment: Subtitle A Purpose (Excess of Loss)	*--6.125	9/1/15
Emergency - Major Adjustment: Subtitle B Purpose (Excess of Loss)	4.625	9/1/15
Emergency - Annual Production	4.625	9/1/15
Nonprogram - Chattel Property	4.625	9/1/15
Nonprogram - Real Property	6.125	9/1/15--*
Apple Loans	1.000	7/1/15
Association - Grazing	4.000	8/1/15
Association - Irrigation and Drainage	4.000	8/1/15
Indian Land Acquisition	5.000	2/1/91

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

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

USDA/FSA/Kansas City Warehouse  
2312 East Bannister Road  
Kansas City MO 64131-3011.

**FLP Rates (Continued)**

**B Treasury Rates**

The following table provides the applicable Treasury rates.

Treasury Rates	Current Rate (%)	Date Set
90-Day Treasury Bill	0.125	10/1/09
Treasury Judgment Rate (see Note)	*--0.330	9/1/15--*

**Notes:** The 90-Day Treasury Bill rate is entered in eDALR\$ as the “Discount Rate” and is used to calculate present value and net recovery value.

The 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 July 31, 2015. The actual judgment rate is the rate for the calendar week--\* preceding the date the defendant becomes liable for interest. Access the Federal Reserve web site [www.federalreserve.gov/releases/H15/current](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

List of Available Reports

A Farm Loan Programs Data Mart

1 DLS OnDemand Reports, Loan Making Reports, Direct Applications

The following are the available Direct Application Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Borrower Training Report	Provides detailed information on borrower training requirements and completions as displayed on Customer Profile.  User must specify a date range for Effective Date, Completion Date, Cancellation Date, Expiration Date or Waived Date.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Effective Date</li> <li>• Completion Date</li> <li>• Cancellation Date</li> <li>• Expiration Date</li> <li>• Waived Date</li> </ul>	7/16/2013
Direct Application Disposition	Provides the number of applications for a variety of statuses:  Received-Approved Disposition; Received-Completed-Withdrawn; Received-Not Complete-Withdrawn; Received-Rejected Disposition; Received-No Status; Complete-Approved w/in 60 Days; Complete-Withdrawn w/in 60 Days; Complete-Rejected w/in 60 Days; Complete-Approved After 60 Days; Complete-Withdrawn After 60 Days; Complete-Rejected After 60 Days.  Results may be summarized by State, District, Office, County, Race, or Gender.  Report initially defaults to applications received during the current FY.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Application Received Date</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Borrower</li> </ul>	*--5/11/2015--*

List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

1 DLS OnDemand Reports, Loan Making Reports, Direct Applications (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Direct Application Report	Provides comprehensive information on the loan application process from Application Received Date through Loan Closing Date.  Includes both FLP and FSFL applications.  Carryover applications received in prior FY will be displayed until withdrawn, rejected or closed.  Includes Veteran code.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Pgm Type</li> <li>• Loan Type</li> <li>• Race</li> <li>• Gender</li> <li>• Ethnicity</li> <li>• Status</li> <li>• Application Received Date</li> <li>• Borrower</li> </ul>	*--8/17/2015--*
Direct Applications 60 Day Tracking	Provides number of complete applications for the following statuses:  Pending Final Disposition; Disposition within 60 Days; Disposition After 60 Days.  Results may be summarized by State, District, Office, or County.  Report initially defaults to applications received during current FY.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Application Received Date</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Borrower</li> </ul>	3/9/2015
Direct Applications by Status	Provides number of applications by loan type for a variety of statuses:  Received; Completed; Approved; Rejected; Withdrawn; Closed.  Report initially defaults to applications received during current FY.	<ul style="list-style-type: none"> <li>• State</li> <li>• Application Received Date</li> </ul>	3/20/2014

List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

1 DLS OnDemand Reports, Loan Making Reports, Direct Applications (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Office Management Report	Lists specific work tasks from the DLS loan making application checklist. (Specific tasks are listed on the report dashboard.)  User may ask for Incomplete or Complete work tasks.  Report defaults to work tasks for applications received during current FY.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Program Type</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Task Status</li> <li>• Task</li> <li>• Application Received Date</li> <li>• Task Completion Date</li> <li>• Borrower</li> </ul>	*--8/17/2015--*
Rejected Application Report	Lists rejected applications, includes reasons for rejection.  Report defaults to applications rejected during current FY.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Rejection Date</li> <li>• Borrower</li> </ul>	5/2/2013

**\*--List of Available Reports (Continued)**

**A Farm Loan Programs Data Mart (Continued)**

**1 DLS OnDemand Reports, Loan Making Reports, Direct Applications (Continued)**

Report Name	Report Description	User Selection Criteria	Date Last Modified
Related Entity Report	Lists all related entities identified during the loan application process.  <b>Note:</b> For a list of parties currently liable for a loan, use the Related Entities Report located in the Loan Servicing Reports, Routine Servicing folder.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Status</li> <li>• Borrower Type</li> <li>• Application Received Date</li> <li>• Borrower</li> </ul>	5/2/2013
Term Limit Report	Provides current term limits *--for existing borrowers as--* provided on the Customer Profile.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Ethnicity</li> <li>• Race</li> <li>• Gender</li> <li>• Borrower</li> </ul>	5/2/2013

**2 DLS OnDemand Reports, Loan Making Reports, Obligations**

The following are the available Obligation Reports.

Report Name	Report Description	User Selection Criteria	Date Last Modified
Obligation Transaction Report	Provides a list of transactions that affect the obligated loan amount. This includes obligations (1A & 1B transactions) and deobligations (1D & 1Y transactions).  This report replaces the PLDATA FOCUS Report.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Transaction Date</li> </ul>	5/27/2014

--\*

List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

3 DLS OnDemand Reports, Loan Servicing Reports, Routine Servicing (Continued)

Report Name	Report Description	User Selection Criteria	Date Last Modified
Reminder Report	Provides information on all routine loan servicing workflows.  User can select pending, postponed, closed, or all reminders.  User can search based on Alert Date, Due Date, or Closed Date.  Includes both FLP and FSFL reminders.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Program Type</li> <li>• Workflow</li> <li>• Reminder Type</li> <li>• Alert Date</li> <li>• Due Date</li> <li>• Closed Date</li> <li>• Borrower</li> </ul>	1/20/2015
Security Instrument Processing Report (SI-Other)	Provides tracking information for activities within the Security Instrument - Other workflow.  User can search on Request type, Request Date, Final Disposition Date, or Date Security Action Completed.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Request Type</li> <li>• Request Date</li> <li>• Final Disposition Date</li> <li>• Date Security Action Completed</li> </ul>	4/7/2015
Shared Appreciation Workflow Report	Provides information for tracking requests for Shared Appreciation. User can search by Request Date and Amortization Date.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Request Date</li> <li>• Final Disposition Date</li> <li>• Amortization Date</li> </ul>	4/7/2015
Status of Farm Loan Program (540)	Provides status information for all outstanding FLP loans.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• Report Date</li> <li>•*--Program Type--*</li> <li>• Report Type</li> </ul>	*--7/13/2015--*

List of Available Reports (Continued)

A Farm Loan Programs Data Mart (Continued)

3 DLS OnDemand Reports, 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.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Security Type</li> <li>• Request Date</li> <li>• Final Disposition Date</li> <li>• Expiration Date</li> </ul>	4/7/2015
*--Terminated Workflows Report	Provides a list of terminated routine servicing workflows	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Termination Date</li> <li>• Borrower</li> </ul>	8/17/2015--*
Transfer Assumption Application Processing Report	Provides information for tracking Assumption requests.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Received Date</li> <li>• Final Disposition Date</li> </ul>	8/17/2015
*--Transfer Assumption Completed Actions Report	Provides a list of transfer and/or assumption actions that have been completed. This includes actions with or without an application package.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status Date</li> </ul>	8/17/2015--*
Year End Analysis Workflow Report	Provides information for tracking YEA reviews. User can search on Due Date, Credit Action Date or Completed Date.	<ul style="list-style-type: none"> <li>• State</li> <li>• District</li> <li>• Servicing Office</li> <li>• County</li> <li>• Status</li> <li>• Scheduled Date</li> <li>• Credit Action Date</li> <li>• Completed Date</li> <li>• Reason for Review</li> <li>• Complete by Contractor</li> </ul>	5/11/2015

DD FLP Oversight Review User Guide (Continued)

C Oversight Review General Information (Continued)

3 Accessing Guaranteed Loan Reports (Continued)

Step	Action																		
11 (Cntd)	<ul style="list-style-type: none"> <li>• environmental review type and date completed</li> <li>• approval date</li> <li>• incomplete letter dates</li> <li>• closing date.</li> </ul> <p><b>Environmental Review Information - Application Package</b></p> <p>Environmental Review: CATEX          Consultation Required: No          Date Completed: 02/27/2013          Date Completed: None</p> <p>Environmental Comments: <input type="text"/></p> <p><b>Guarantee Requests</b></p> <p>Application Package Number: 2          Number of Guarantee Requests: 1          Total of All Guarantee Requests: \$52,000.00</p> <table border="1"> <thead> <tr> <th>Sequence Number</th> <th>Completion Date</th> <th>Loan Type</th> <th>Loan Amount</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>02/15/2013</td> <td>Operating Loans</td> <td>\$52,000.00</td> <td>Obligated</td> </tr> </tbody> </table> <p><b>Application Package Status and History</b></p> <p><b>Current Application Package Status:</b> APPROVED</p> <p><b>Application Package History:</b></p> <table border="1"> <tbody> <tr> <td>APPROVED</td> <td>02/27/2013</td> </tr> <tr> <td>COMPLETED</td> <td>02/15/2013</td> </tr> <tr> <td>PENDING</td> <td>01/29/2013</td> </tr> <tr> <td>RECEIVED</td> <td>01/29/2013</td> </tr> </tbody> </table> <p><b>Application Package Letter/Review Information</b></p> <p>Incomplete Letter 1: Date Sent 01/30/2013          Incomplete Letter 2: Date Sent          Real Estate Appraisal Review Date          Chattel Appraisal Review Date</p>	Sequence Number	Completion Date	Loan Type	Loan Amount	Status	01	02/15/2013	Operating Loans	\$52,000.00	Obligated	APPROVED	02/27/2013	COMPLETED	02/15/2013	PENDING	01/29/2013	RECEIVED	01/29/2013
Sequence Number	Completion Date	Loan Type	Loan Amount	Status															
01	02/15/2013	Operating Loans	\$52,000.00	Obligated															
APPROVED	02/27/2013																		
COMPLETED	02/15/2013																		
PENDING	01/29/2013																		
RECEIVED	01/29/2013																		

**DD FLP Oversight Review User Guide (Continued)**

---

**D Part A: Quarterly Review**

**Note:** Use the “**Review Area Comments**” section to note issues on which to followup or other comments relevant to the review.

**1 “Direct Loan Making: Review Of Direct Loan Applications”**

**A “Complete/Approved Application File Reviews”**

Review 5 applications received since last review; review all if less than 5. Information sources include the following:

- 1940-G-1 Letter
- DLS Loan Making Checklist
- DLS Loan Request Detail Screen
- FSA-851
- FSA-2307
- FSA-2308
- OY FLPDM Direct Application Report
- RD 1940-22 in FBP.

<b>Question</b>	<b>Source</b>
1: Applicant Name	Select 5 applications from DLS Reports, Loan Making Reports, Direct Applications, and OY FLPDM Direct Application Report.
2: Applicant representation is consistent within all FSA programs (Applicant has not applied for or received Agency benefits under any other name, entity or identification number)	Compare the application against the Farm Program Eligibility report.
3: Applicant was notified of receipt of complete application	Check the date on FSA-2307 from the borrower case file and DLS Loan Making Checklist.
4: Applicants were notified within 5 days of an eligibility determination	Check the date on FSA-2308 from the borrower case file and on DLS Loan Making Checklist.
5: Appropriate environmental assessment completed	RD 1940-22 is online under the credit action used to approve this loan in FBP. Also check FSA-851 and the date of the RD-1940-G-1 Letter.
6: If application was held over 45 days without a loan decision, was a reason entered in DLS?	Review the DLS Loan Request Detail Screen. This will also print out on the Data Mart Application Report if comments have been inserted.
7: Credit decision (approval/rejected) was made within 60 days of receipt of complete loan application	DLS FLP Application Report. Information should be *--in FBP Credit Action.--*

**DD FLP Oversight Review User Guide (Continued)**

---

**D Part A: Quarterly Review (Continued)**

**1 “Direct Loan Making: Review Of Direct Loan Applications” (Continued)**

**B “Incomplete Application File Reviews”**

Review 3 applications received since last review; review all if less than 3. Information sources include the following:

- borrower case file
- DLS Loan Making Checklist
- FSA-2304
- FSA-2305
- OY FLPDM Direct Application Report.

<b>Question</b>	<b>Source</b>
1: Applicant Name	Select 3 applications from DLS reports, Loan Making Reports, Direct Applications, and OY FLPDM Direct Application Report.
2: Required notifications were sent to applicants within required timeframes	DLS Application Report will show the date that the decision was made. Borrower case files will have copies of FSA-2304 and FSA-2305.
3: Items needed for a complete application are clearly identified in notifications	FSA-2304 and FSA-2305.  DLS Loan Making Checklist may have information if it was entered into DLS “Loan Processing” section.
4: Applicants are notified of required due dates for items needed for complete application	FSA-2304 and FSA-2305.

**DD FLP Oversight Review User Guide (Continued)**

---

**D Part A: Quarterly Review (Continued)**

**1 “Direct Loan Making: Review Of Direct Loan Applications” (Continued)**

**C “Withdrawn Application File Reviews”**

Review 3 applications received since last review; review all if less than 3. Information sources include the following:

- borrower case file
- FSA-2304
- FSA-2305
- FSA-2306
- OY FLPDM Direct Application Report.

<b>Question</b>	<b>Source</b>
1: Applicant Name	Select 3 applications from DLS reports, Loan Making Reports, Direct Applications, and OY FLPDM Direct Application Report.
2: SDA	Application report.
3: Reason for the withdrawal of application is clearly documented	*--FSA-2306 and FBP should be clearly--* documented. * * *
4: A complete application was received	Documented in DLS and on FSA-2001.
5: If a complete application was not received, an effort was made to obtain a complete application	FSA-2304 and FSA-2305.
6: ECOA and non-discrimination statements have been included in correspondence to applicant	FSA-2306 and the borrower case file.

**DD FLP Oversight Review User Guide (Continued)**

---

**D Part A: Quarterly Review (Continued)**

**3 “Direct Loan Servicing” (Continued)**

**A “Delinquent Account Servicing” (Continued)**

**I “Borrowers With Loans 90 Days Or More Past Due” (Continued)**

<b>Question</b>	<b>Source</b>
5: Enter target date for resolution of delinquency	Together, create a target date for when delinquent account may be resolved.

**DD FLP Oversight Review User Guide (Continued)**

**D Part A: Quarterly Review (Continued)**

**3 “Direct Loan Servicing” (Continued)**

**A “Delinquent Account Servicing” (Continued)**

**II “Borrowers With Loans Less Than 90 Days Past Due”**

Review all accounts in this category. Information sources include the following:

- borrower case file
- \*--FBP--\*
- DLS Special Servicing (SS) Borrower History Report
- discussions with Service Center
- OY FLPDM Status of Farm Loan Programs 540 (Routine Servicing).

Question	Source																																																															
1: Borrower Name	<p>Status of Farm Loan Programs 540, available from Data Mart, contains a section listing all borrowers who are 90 calendar days or more past due. All borrowers listed in this section will be reviewed.</p> <div data-bbox="586 1041 1451 1451" style="border: 1px solid black; padding: 5px;"> <p>Farm Loans 540 <span style="float: right;">Status of Farm Loan Programs As of: 06/30/2013</span></p> <p style="text-align: center;">SERVICING OFFICE LOCATION: _____ COUNTY FSA: _____</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">BORROWER NAME</th> <th style="text-align: left;">CASE NUMBER ST CO BORR-ID</th> <th style="text-align: left;">UNPAID BALANCES</th> <th style="text-align: left;">DAILY INTEREST</th> <th style="text-align: left;">DATE OF INTEREST LAST CASH</th> <th style="text-align: left;">PAYMENT STATUS</th> <th style="text-align: left;">SCHEDULED ANNUAL</th> </tr> <tr> <th style="text-align: left;">LOAN SERVICING INFORMATION CODES</th> <th style="text-align: left;">FD LN CD NO</th> <th style="text-align: left;">INTEREST PRINCIPAL</th> <th style="text-align: left;">ACCUAL RATE</th> <th style="text-align: left;">PAYMENT</th> <th style="text-align: left;">A - AHEAD B - BEHIND</th> <th style="text-align: left;">INSTALLMENT LN</th> </tr> </thead> <tbody> <tr> <td colspan="7"><b>BORROWERS WITH LOANS LESS THAN 90 DAYS PAST DUE :</b></td> </tr> <tr> <td colspan="7"><b>F</b></td> </tr> <tr> <td>79 PUD</td> <td>FM 41 01</td> <td>\$3.53</td> <td>\$400.36</td> <td>0.0612</td> <td>1.0/50</td> <td>05/06/2013</td> </tr> <tr> <td colspan="2">TOTAL</td> <td>\$3.53</td> <td>\$460.36</td> <td>0.0642</td> <td></td> <td>\$3.00 13</td> </tr> <tr> <td colspan="7"><b>M</b></td> </tr> <tr> <td>81 PUD</td> <td>FM 44 03</td> <td>\$558.26</td> <td>\$15,624.40</td> <td>0.9831</td> <td>2.2500</td> <td>11/17/2011</td> </tr> <tr> <td colspan="2">TOTAL</td> <td>\$558.26</td> <td>\$15,624.40</td> <td>0.9831</td> <td></td> <td>\$8,222.00 14</td> </tr> </tbody> </table> </div>	BORROWER NAME	CASE NUMBER ST CO BORR-ID	UNPAID BALANCES	DAILY INTEREST	DATE OF INTEREST LAST CASH	PAYMENT STATUS	SCHEDULED ANNUAL	LOAN SERVICING INFORMATION CODES	FD LN CD NO	INTEREST PRINCIPAL	ACCUAL RATE	PAYMENT	A - AHEAD B - BEHIND	INSTALLMENT LN	<b>BORROWERS WITH LOANS LESS THAN 90 DAYS PAST DUE :</b>							<b>F</b>							79 PUD	FM 41 01	\$3.53	\$400.36	0.0612	1.0/50	05/06/2013	TOTAL		\$3.53	\$460.36	0.0642		\$3.00 13	<b>M</b>							81 PUD	FM 44 03	\$558.26	\$15,624.40	0.9831	2.2500	11/17/2011	TOTAL		\$558.26	\$15,624.40	0.9831		\$8,222.00 14
BORROWER NAME	CASE NUMBER ST CO BORR-ID	UNPAID BALANCES	DAILY INTEREST	DATE OF INTEREST LAST CASH	PAYMENT STATUS	SCHEDULED ANNUAL																																																										
LOAN SERVICING INFORMATION CODES	FD LN CD NO	INTEREST PRINCIPAL	ACCUAL RATE	PAYMENT	A - AHEAD B - BEHIND	INSTALLMENT LN																																																										
<b>BORROWERS WITH LOANS LESS THAN 90 DAYS PAST DUE :</b>																																																																
<b>F</b>																																																																
79 PUD	FM 41 01	\$3.53	\$400.36	0.0612	1.0/50	05/06/2013																																																										
TOTAL		\$3.53	\$460.36	0.0642		\$3.00 13																																																										
<b>M</b>																																																																
81 PUD	FM 44 03	\$558.26	\$15,624.40	0.9831	2.2500	11/17/2011																																																										
TOTAL		\$558.26	\$15,624.40	0.9831		\$8,222.00 14																																																										

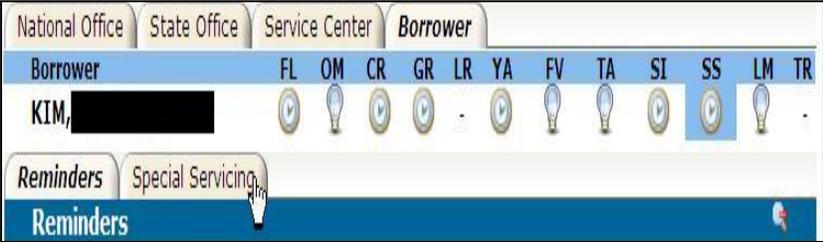
DD FLP Oversight Review User Guide (Continued)

D Part A: Quarterly Review (Continued)

3 “Direct Loan Servicing” (Continued)

A “Delinquent Account Servicing” (Continued)

II “Borrowers With Loans Less Than 90 Days Past Due” (Continued)

Question	Source
<p>2: Delinquency can be resolved before account enters 90 days past due</p>	<p>Navigate to the DLS SS Borrower History Report as follows:</p> <p>Step 1: CLICK “SS” icon from the DLS dashboard for the borrower.</p>  <p>Step 2: CLICK “Special Servicing” tab.</p>  <p>Step 3: CLICK “Open Categories Borrower History”.</p>  <p>Determine if Primary Loan Servicing notifications have been sent.</p> <p><b>Notes:</b> Servicing notification is not required for borrowers less than 90 days past due</p> <p>Borrowers may not have been initiated into DLS SS.</p>

**DD FLP Oversight Review User Guide (Continued)**

---

**D Part A: Quarterly Review (Continued)**

**3 “Direct Loan Servicing” (Continued)**

**A “Delinquent Account Servicing” (Continued)**

**II “Borrowers With Loans Less Than 90 Days Past Due” (Continued)**

Question	Source	
2: Delinquency can be resolved before account enters 90 days past due (Continued)	<b>IF notifications have...</b>	<b>THEN...</b>
	been sent	use the Borrower History Chart to determine the following: <ul style="list-style-type: none"> <li>• borrower’s response</li> <li>• whether resolution appears likely before the borrower becomes 90 calendar days past due.</li> </ul>
	not been sent	*--review case file FBP and discuss with--* the Service Center to complete this question.

DD FLP Oversight Review User Guide (Continued)

D Part A: Quarterly Review (Continued)

3 “Direct Loan Servicing” (Continued)

A “Delinquent Account Servicing” (Continued)

II “Borrowers With Loans Less Than 90 Days Past Due” (Continued)

Question	Source																																
<p>3: Anticipated resolution</p>	<p>Discuss with Service Center the anticipated resolution for the account.</p> <ul style="list-style-type: none"> <li>• Borrower to pay account current.</li> <li>• Restructuring of account will be necessary.</li> <li>• Other, restructuring not possible.</li> </ul> <div data-bbox="607 814 1490 1444" style="border: 1px solid black; padding: 5px;"> <p>CUSTOMER: [REDACTED] SPECIAL SERVICING CATEGORY: CURRENT/FINANCIALLY DISTRESSED BORROWER  RELATED ENTITIES: No STATE: [REDACTED] OPEN ACTIVITIES: Yes  SERVICING OFFICE: [REDACTED] FSAH SERVICE AGENCY DATE OF DEFAULT: [REDACTED]  LAST UPDATE BY: [REDACTED] LAST UPDATED DATE: 04-19-2013</p> <p>COMPLETE TIME CLOCKS</p> <table border="1"> <thead> <tr> <th>TIME CLOCK DESCRIPTION</th> <th>DUE DATE</th> <th>COMPLETION DATE</th> <th>ELAPSED DAYS</th> </tr> </thead> <tbody> <tr> <td colspan="4"> </td> </tr> </tbody> </table> <p>OPEN TIME CLOCKS</p> <table border="1"> <thead> <tr> <th>TIME CLOCK DESCRIPTION</th> <th>DUE DATE</th> </tr> </thead> <tbody> <tr> <td colspan="2"> </td> </tr> </tbody> </table> <p>PRIMARY BORROWER BRANCH: TAMASHIRO, [REDACTED]  ACTIVITY PATH A - Initialized [REDACTED] CURRENT/FINANCIALLY DISTRESSED BORROWER on 02-05-2013</p> <table border="1"> <thead> <tr> <th>ACTIVITY NBR</th> <th>DESCRIPTION</th> <th>COMPLETION/ DUE DATE</th> <th>ELAPSED DAYS</th> <th>CHART/ ACTIVITY</th> </tr> </thead> <tbody> <tr> <td>A1</td> <td>DETERMINE IF BORROWER IS REQUESTING CONSERVATION CONTRACT ONLY  <ul style="list-style-type: none"> <li>• NO (created activities: [REDACTED])</li> </ul> </td> <td>02-15-2013</td> <td>10</td> <td>1.1</td> </tr> <tr> <td>A2</td> <td>SEND OR PROVIDE B WITH FSA 2512 &amp; 2513  <ul style="list-style-type: none"> <li>• FSA 2512 &amp; 2513 SENT OR HAND DELIVERED AND SENT TO CURRENT BORROWER (created activities: [REDACTED])</li> </ul> </td> <td>02-15-2013</td> <td>0</td> <td>1.2</td> </tr> <tr> <td>A3</td> <td>WAIT FOR B'S RESPONSE TO FSA 2512 &amp; 2513  <ul style="list-style-type: none"> <li>• B PROVIDES COMP APPLN FOR SERVICES W/IN 60 DAYS</li> <li>• B DOES NOT PROV COMPL APPLN W/IN 60 DAYS</li> <li>• B BECOMES 90 DAYS PAST DUE</li> <li>• BORROWER REQUESTS DEBT SETTLEMENT</li> <li>• BORROWER PAYS CURRENT OR IN FULL</li> </ul> </td> <td>04-16-2013</td> <td>63</td> <td>1.4</td> </tr> </tbody> </table> </div> <p>Use the Borrower History Report to determine if the borrower has requested loan servicing and whether any servicing actions have taken place. This will help determine if the account is anticipated to be resolved before it becomes 90 calendar days past due.</p> <p><b>Note:</b> See DLS User Guide for additional instructions on navigating to a borrower and accessing the Special Servicing Borrower History Report.</p>	TIME CLOCK DESCRIPTION	DUE DATE	COMPLETION DATE	ELAPSED DAYS					TIME CLOCK DESCRIPTION	DUE DATE			ACTIVITY NBR	DESCRIPTION	COMPLETION/ DUE DATE	ELAPSED DAYS	CHART/ ACTIVITY	A1	DETERMINE IF BORROWER IS REQUESTING CONSERVATION CONTRACT ONLY <ul style="list-style-type: none"> <li>• NO (created activities: [REDACTED])</li> </ul>	02-15-2013	10	1.1	A2	SEND OR PROVIDE B WITH FSA 2512 & 2513 <ul style="list-style-type: none"> <li>• FSA 2512 &amp; 2513 SENT OR HAND DELIVERED AND SENT TO CURRENT BORROWER (created activities: [REDACTED])</li> </ul>	02-15-2013	0	1.2	A3	WAIT FOR B'S RESPONSE TO FSA 2512 & 2513 <ul style="list-style-type: none"> <li>• B PROVIDES COMP APPLN FOR SERVICES W/IN 60 DAYS</li> <li>• B DOES NOT PROV COMPL APPLN W/IN 60 DAYS</li> <li>• B BECOMES 90 DAYS PAST DUE</li> <li>• BORROWER REQUESTS DEBT SETTLEMENT</li> <li>• BORROWER PAYS CURRENT OR IN FULL</li> </ul>	04-16-2013	63	1.4
TIME CLOCK DESCRIPTION	DUE DATE	COMPLETION DATE	ELAPSED DAYS																														
TIME CLOCK DESCRIPTION	DUE DATE																																
ACTIVITY NBR	DESCRIPTION	COMPLETION/ DUE DATE	ELAPSED DAYS	CHART/ ACTIVITY																													
A1	DETERMINE IF BORROWER IS REQUESTING CONSERVATION CONTRACT ONLY <ul style="list-style-type: none"> <li>• NO (created activities: [REDACTED])</li> </ul>	02-15-2013	10	1.1																													
A2	SEND OR PROVIDE B WITH FSA 2512 & 2513 <ul style="list-style-type: none"> <li>• FSA 2512 &amp; 2513 SENT OR HAND DELIVERED AND SENT TO CURRENT BORROWER (created activities: [REDACTED])</li> </ul>	02-15-2013	0	1.2																													
A3	WAIT FOR B'S RESPONSE TO FSA 2512 & 2513 <ul style="list-style-type: none"> <li>• B PROVIDES COMP APPLN FOR SERVICES W/IN 60 DAYS</li> <li>• B DOES NOT PROV COMPL APPLN W/IN 60 DAYS</li> <li>• B BECOMES 90 DAYS PAST DUE</li> <li>• BORROWER REQUESTS DEBT SETTLEMENT</li> <li>• BORROWER PAYS CURRENT OR IN FULL</li> </ul>	04-16-2013	63	1.4																													
<p>4: Target Date for resolution of delinquency</p>	<p>Together with Service Center, create a target date for when delinquent account may be resolved.</p>																																

**DD FLP Oversight Review User Guide (Continued)**

**D Part A: Quarterly Review (Continued)**

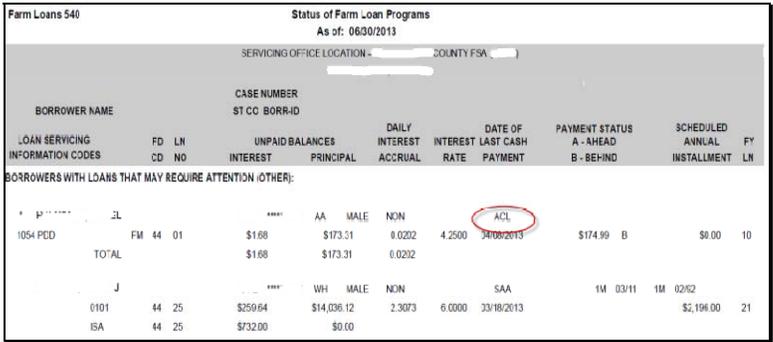
**3 “Direct Loan Servicing” (Continued)**

**A “Delinquent Account Servicing” (Continued)**

**III “Borrowers With Loans That May Require Attention”**

Review all accounts in this category. Information sources include the following:

- 4-FLP
- 5-FLP
- borrower case file
- CCC-257
- discussions with Service Center
- FSA-603
- OY FLPDM Status of Farm Loan Programs 540 (Routine Servicing).

Question	Source
1: Borrower Name	<p>Status of Farm Loan Programs 540, available from Data Mart, lists borrowers with loans that may require attention as well as the flags present on the accounts.</p> 
2: Account Flag	See to 5-FLP, Exhibit 11 for more information about account flags.
3: Payments are being made and are current according to an approved plan or agreement	<p>Questions 3 and 4 can be answered after the following:</p> <ul style="list-style-type: none"> <li>• discussing each account with the Service Center</li> <li>• reviewing the borrower’s case file, and FBP correspondence</li> </ul>
4: Accounts are serviced according to applicable regulations and/or handbook instructions	<ul style="list-style-type: none"> <li>• reviewing FSA-603 and CCC-257, if necessary.</li> </ul> <p><b>Note:</b> Use 4-FLP and 5-FLP as sources for any regulations or handbook questions.</p>

**DD FLP Oversight Review User Guide (Continued)**

**D Part A: Quarterly Review (Continued)**

**3 “Direct Loan Servicing” (Continued)**

**C “Chattel Security Accounting”**

Review a sample of 5 accounts in this category; review all if less than 5. Review additional files if deficiencies are found. Information sources include the following:

- 4-FLP
- \*--borrower case file and/or FBP--\*
- discussions with Service Center
- FBP
- FSA-2028
- FSA-2040.

Question	Source																																																																														
1: Borrower Name	<p>View 5 borrower accounts that had dispositions in the previous quarter. Review FSA-2040 to ensure that planned sales match *--actual sales and that variances are documented in FBP.--*</p> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">FSA-2040 (12-31-07) <span style="float: right;">U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency</span> <span style="float: right;">Position 1</span></p> <p style="text-align: center;"><b>AGREEMENT FOR THE USE OF PROCEEDS/RELEASE OF CHATTEL SECURITY</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4">1. NAME <u>Farmer Smith</u></td> <td colspan="4">2. CROP YEAR <u>2012</u></td> </tr> <tr> <td colspan="4">3. DATE OF SECURITY INSTRUMENT: <u>1/1/2012</u></td> <td colspan="4">4. BEGINNING DATE OF THIS AGREEMENT: <u>1/1/2012</u></td> </tr> <tr> <td colspan="8">5. Are any listed items in the property descriptions below from a previous Form FSA-2040 (or FSA-1962-01)? If so, indicate below with an asterisk (*), and enter the beginning date of that Agreement. <input type="text"/></td> </tr> <tr> <td colspan="8">6. PROPERTY DESCRIPTION: <u>Grass Hay</u></td> </tr> <tr> <th colspan="4">PLANNED</th> <th colspan="4">ACTUAL</th> </tr> <tr> <th colspan="3">Disposition</th> <th rowspan="2">D. Amount of Proceeds</th> <th rowspan="2">E. Use of Proceeds</th> <th colspan="3">Disposition</th> <th rowspan="2">I. Amount of Proceeds</th> <th rowspan="2">J. Use of Proceeds</th> <th colspan="4">K. Approved</th> </tr> <tr> <th>A Quantity</th> <th>B How</th> <th>C. Month</th> <th>F Quantity</th> <th>G How</th> <th>H. Date</th> <th>Y</th> <th>N</th> <th>Date</th> <th>Initial</th> </tr> <tr> <td><u>100 Tons</u></td> <td><u>Ball</u></td> <td><u>Various</u></td> <td><u>\$40,000</u></td> <td><u>FSA - \$10,240</u></td> <td><u>80 Tons</u></td> <td><u>Ball</u></td> <td><u>June</u></td> <td><u>\$10,920</u></td> <td><u>FSA</u></td> <td><u>Y</u></td> <td><u>N</u></td> <td><u>06-22-12</u></td> <td><u>JAN</u></td> </tr> </table> </div>	1. NAME <u>Farmer Smith</u>				2. CROP YEAR <u>2012</u>				3. DATE OF SECURITY INSTRUMENT: <u>1/1/2012</u>				4. BEGINNING DATE OF THIS AGREEMENT: <u>1/1/2012</u>				5. Are any listed items in the property descriptions below from a previous Form FSA-2040 (or FSA-1962-01)? If so, indicate below with an asterisk (*), and enter the beginning date of that Agreement. <input type="text"/>								6. PROPERTY DESCRIPTION: <u>Grass Hay</u>								PLANNED				ACTUAL				Disposition			D. Amount of Proceeds	E. Use of Proceeds	Disposition			I. Amount of Proceeds	J. Use of Proceeds	K. Approved				A Quantity	B How	C. Month	F Quantity	G How	H. Date	Y	N	Date	Initial	<u>100 Tons</u>	<u>Ball</u>	<u>Various</u>	<u>\$40,000</u>	<u>FSA - \$10,240</u>	<u>80 Tons</u>	<u>Ball</u>	<u>June</u>	<u>\$10,920</u>	<u>FSA</u>	<u>Y</u>	<u>N</u>	<u>06-22-12</u>	<u>JAN</u>
1. NAME <u>Farmer Smith</u>				2. CROP YEAR <u>2012</u>																																																																											
3. DATE OF SECURITY INSTRUMENT: <u>1/1/2012</u>				4. BEGINNING DATE OF THIS AGREEMENT: <u>1/1/2012</u>																																																																											
5. Are any listed items in the property descriptions below from a previous Form FSA-2040 (or FSA-1962-01)? If so, indicate below with an asterisk (*), and enter the beginning date of that Agreement. <input type="text"/>																																																																															
6. PROPERTY DESCRIPTION: <u>Grass Hay</u>																																																																															
PLANNED				ACTUAL																																																																											
Disposition			D. Amount of Proceeds	E. Use of Proceeds	Disposition			I. Amount of Proceeds	J. Use of Proceeds	K. Approved																																																																					
A Quantity	B How	C. Month			F Quantity	G How	H. Date			Y	N	Date	Initial																																																																		
<u>100 Tons</u>	<u>Ball</u>	<u>Various</u>	<u>\$40,000</u>	<u>FSA - \$10,240</u>	<u>80 Tons</u>	<u>Ball</u>	<u>June</u>	<u>\$10,920</u>	<u>FSA</u>	<u>Y</u>	<u>N</u>	<u>06-22-12</u>	<u>JAN</u>																																																																		
2: Dispositions and proceeds are recorded on FSA-2040	<p>Review FSA-2040 and FBP to determine if dispositions:</p> <ul style="list-style-type: none"> <li>• occurred as planned</li> <li>• were accounted for</li> <li>• were approved.</li> </ul> <p>Discuss any discrepancies with loan officers.</p>																																																																														

**DD FLP Oversight Review User Guide (Continued)**

**D Part A: Quarterly Review (Continued)**

**3 “Direct Loan Servicing” (Continued)**

**C “Chattel Security Accounting” (Continued)**

Question	Source																																																																																																																
3: Funds are released in accordance with the FBP and FSA regulations as applicable	Review 4-FLP, paragraph 163 and ensure that proceeds are applied correctly and released when appropriate. Discuss any discrepancies with loan officers.																																																																																																																
4: Work copy of Security Agreement has been notated for any changes in collateral (FSA-2028)	<p>Review the most recent work copy of FSA-2028 to verify that it matches any changes to FSA-2040.</p> <p>Items of security that have been sold, junked, traded, etc.:</p> <ul style="list-style-type: none"> <li>• should be lined off of the work copy of FSA-2028</li> <li>• notated as to the manner and date of disposition.</li> </ul> <p>Discuss any discrepancies with loan officers.</p>																																																																																																																
	<p>FSA-2028 (09-03-10) <span style="float: right;">Page 3 of 9</span></p> <p>(c) All farm and other equipment (except small tools and small equipment such as hand tools, power lawn mowers and other items of like type unless described below), and inventory, now owned or hereafter acquired by Debtor, together with all replacements, substitutions, additions, and accessions thereto, including but not limited to the following which are located in the State(s) of (1) _____:</p> <table border="1" data-bbox="604 1199 1476 1774"> <thead> <tr> <th>(2) Line No.</th> <th>(3) Quantity</th> <th>(4) Kind</th> <th>(5) Manufacturer</th> <th>(6) Size and Type</th> <th>(7) Condition</th> <th>(8) Year</th> <th>(9) Serial or Model No.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1</td> <td>DISC</td> <td>KEWANEE</td> <td>20 FT</td> <td>FAIR</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>1</td> <td>TRACTOR</td> <td>JD</td> <td>4640</td> <td>FAIR</td> <td>1982</td> <td>██████████</td> </tr> <tr> <td>3</td> <td>1</td> <td>LISTER</td> <td>R &amp; J</td> <td>8-ROW</td> <td>GOOD</td> <td></td> <td></td> </tr> <tr> <td>4</td> <td>1</td> <td>SPRING TOOTH HARROW</td> <td>NOBLE</td> <td>40 FT</td> <td>FAIR</td> <td></td> <td></td> </tr> <tr> <td>5</td> <td>1</td> <td>ROTARY HOE</td> <td>JD</td> <td>E0400</td> <td>FAIR</td> <td></td> <td></td> </tr> <tr> <td>6</td> <td>1</td> <td>PITCHOUT RIG</td> <td>R &amp; J</td> <td>8-ROW</td> <td>FAIR</td> <td></td> <td></td> </tr> <tr> <td>7</td> <td>1</td> <td>PLOW</td> <td>JD</td> <td>ROLLOVER</td> <td>FAIR</td> <td></td> <td></td> </tr> <tr> <td>8</td> <td>2</td> <td>FERT. INJ. PUMPS</td> <td>BALDOR</td> <td>1/3 HP</td> <td>GOOD</td> <td></td> <td></td> </tr> <tr> <td>9</td> <td>2</td> <td>FERT. TANK</td> <td></td> <td>1250 GAL</td> <td>FAIR</td> <td></td> <td></td> </tr> <tr> <td>10</td> <td>3</td> <td>IRRIGATION ENGINES</td> <td>CHEV</td> <td>292</td> <td>GOOD</td> <td></td> <td></td> </tr> <tr> <td>11</td> <td>1</td> <td>TRAILER UTILITY</td> <td></td> <td>16 FT.</td> <td>FAIR</td> <td></td> <td></td> </tr> <tr> <td>12</td> <td>1</td> <td>TANK MOBILE W/PUMP</td> <td></td> <td>500 GAL</td> <td>FAIR</td> <td></td> <td></td> </tr> <tr> <td>13</td> <td>1</td> <td>SHREDDER</td> <td>WOODS</td> <td>6-ROW</td> <td>FAIR</td> <td></td> <td></td> </tr> </tbody> </table>	(2) Line No.	(3) Quantity	(4) Kind	(5) Manufacturer	(6) Size and Type	(7) Condition	(8) Year	(9) Serial or Model No.	1	1	DISC	KEWANEE	20 FT	FAIR			2	1	TRACTOR	JD	4640	FAIR	1982	██████████	3	1	LISTER	R & J	8-ROW	GOOD			4	1	SPRING TOOTH HARROW	NOBLE	40 FT	FAIR			5	1	ROTARY HOE	JD	E0400	FAIR			6	1	PITCHOUT RIG	R & J	8-ROW	FAIR			7	1	PLOW	JD	ROLLOVER	FAIR			8	2	FERT. INJ. PUMPS	BALDOR	1/3 HP	GOOD			9	2	FERT. TANK		1250 GAL	FAIR			10	3	IRRIGATION ENGINES	CHEV	292	GOOD			11	1	TRAILER UTILITY		16 FT.	FAIR			12	1	TANK MOBILE W/PUMP		500 GAL	FAIR			13	1	SHREDDER	WOODS	6-ROW	FAIR		
(2) Line No.	(3) Quantity	(4) Kind	(5) Manufacturer	(6) Size and Type	(7) Condition	(8) Year	(9) Serial or Model No.																																																																																																										
1	1	DISC	KEWANEE	20 FT	FAIR																																																																																																												
2	1	TRACTOR	JD	4640	FAIR	1982	██████████																																																																																																										
3	1	LISTER	R & J	8-ROW	GOOD																																																																																																												
4	1	SPRING TOOTH HARROW	NOBLE	40 FT	FAIR																																																																																																												
5	1	ROTARY HOE	JD	E0400	FAIR																																																																																																												
6	1	PITCHOUT RIG	R & J	8-ROW	FAIR																																																																																																												
7	1	PLOW	JD	ROLLOVER	FAIR																																																																																																												
8	2	FERT. INJ. PUMPS	BALDOR	1/3 HP	GOOD																																																																																																												
9	2	FERT. TANK		1250 GAL	FAIR																																																																																																												
10	3	IRRIGATION ENGINES	CHEV	292	GOOD																																																																																																												
11	1	TRAILER UTILITY		16 FT.	FAIR																																																																																																												
12	1	TANK MOBILE W/PUMP		500 GAL	FAIR																																																																																																												
13	1	SHREDDER	WOODS	6-ROW	FAIR																																																																																																												

**DD FLP Oversight Review User Guide (Continued)**

---

**D Part A: Quarterly Review (Continued)**

**3 “Direct Loan Servicing” (Continued)**

**C “Chattel Security Accounting” (Continued)**

<b>Question</b>	<b>Source</b>
5: FLM follows up on all apparent unauthorized dispositions; using 5-FLP, Exhibit 31 to notify borrowers in all cases and obtains adequate documentation to enable post approval where applicable	For any unapproved disposition: <ul style="list-style-type: none"><li>●*--review borrower case file and FBP--*</li><li>● discuss with loan officer to determine anticipated resolution.</li></ul>

**DD FLP Oversight Review User Guide (Continued)**

**D Part A: Quarterly Review (Continued)**

**4 “Program Delivery FLP Goals: From FLP goals established by the National Office for your state”**

For all goals, enter State goal, Service Center goal, and FLP staff progress. Information sources include the following:

- direct loan making goals are available from Data Mart and Goals OnDemand reports
- guaranteed loan making goals are available from the GLS Reports.

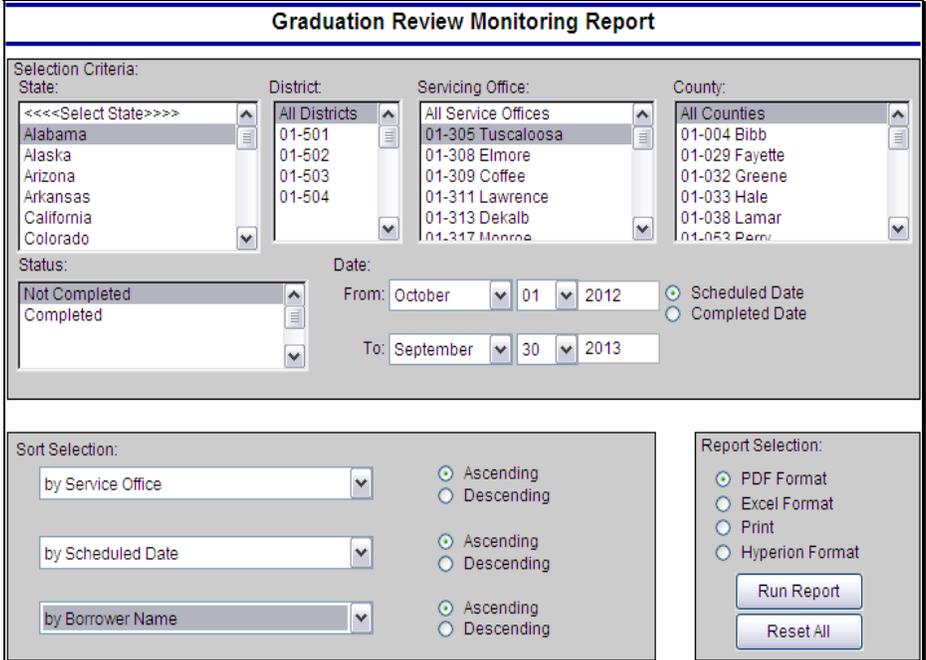
Goal	Source				
<p>1: First year delinquency rate on new loans (%). (Direct Loan Making)</p>	<p>From the Data Mart Goals On Demand Reports, select <b>“OY FLPDM Reduce 1st Year Delinquency Rates on New Loans Goal 1”</b>. To view all Service Centers within the district, make the following selections on the Reduce 1st Year Delinquency Rate on New Loans by 25% Over 5 Years Screen, and CLICK <b>“Run Report”</b>:</p> <ul style="list-style-type: none"> <li>• “Report Date”</li> <li>• “District”</li> <li>• “All Service Centers”</li> <li>• “Reduce 1st Yr Dinq by Service Office”.</li> </ul> <div data-bbox="480 1115 1346 1619" style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;"><b>Reduce 1st Year Delinquency Rate on New Loans by 25% Over 5 Years</b></p> <p>Date Selection: (MUST click "Submit" when changing date) <span style="float: right;">State Selection: <input type="text"/></span></p> <p><input checked="" type="radio"/> Date by Month or <input type="radio"/> Date by FY</p> <p>Report Date: <input type="text" value="2013/07"/> <input type="button" value="Submit"/></p> <hr/> <p>Drill Down Selection:</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"> <p>District:</p> <ul style="list-style-type: none"> <li>All Districts</li> <li>DISTRICT 01</li> <li>DISTRICT 02</li> <li>DISTRICT 03</li> <li>DISTRICT 04</li> </ul> </td> <td style="width: 50%;"> <p>Servicing Office:</p> <ul style="list-style-type: none"> <li>All Service Offices</li> </ul> </td> </tr> </table> <p style="font-size: small;">Hold the CNTL or SHIFT key down for Multiple Selections</p> <hr/> <p>Report Selection:</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 70%;"> <ul style="list-style-type: none"> <li>Reduce 1st Yr Dinq by State</li> <li>Reduce 1st Yr Dinq by District</li> <li><b>Reduce 1st Yr Dinq by Service Office</b></li> <li>Reduce 1st Yr Dinq Service Office within State</li> </ul> </td> <td style="width: 30%;"> <ul style="list-style-type: none"> <li><input checked="" type="radio"/> Brio Format</li> <li><input type="radio"/> Excel Format</li> <li><input type="radio"/> PDF Format</li> <li><input type="radio"/> Print</li> </ul> </td> </tr> </table> <p style="text-align: right;"><input type="button" value="Run Report"/></p> </div> <p><b>Notes:</b> All performance data can be input for each Service Center at 1 time.</p> <p>When closing out reports always CLICK <b>“No”</b> for <b>“Save Changes?”</b>.</p> <div data-bbox="578 1803 906 1915" style="border: 1px solid gray; padding: 5px; width: fit-content; margin: 0 auto;"> <p style="font-size: small; margin: 0;">Interactive Reporting Web Client</p> <p style="margin: 0;">Save changes ? <input type="button" value="Yes"/> <input type="button" value="No"/></p> </div> <p style="text-align: right; margin-right: 50px;">←</p>	<p>District:</p> <ul style="list-style-type: none"> <li>All Districts</li> <li>DISTRICT 01</li> <li>DISTRICT 02</li> <li>DISTRICT 03</li> <li>DISTRICT 04</li> </ul>	<p>Servicing Office:</p> <ul style="list-style-type: none"> <li>All Service Offices</li> </ul>	<ul style="list-style-type: none"> <li>Reduce 1st Yr Dinq by State</li> <li>Reduce 1st Yr Dinq by District</li> <li><b>Reduce 1st Yr Dinq by Service Office</b></li> <li>Reduce 1st Yr Dinq Service Office within State</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Brio Format</li> <li><input type="radio"/> Excel Format</li> <li><input type="radio"/> PDF Format</li> <li><input type="radio"/> Print</li> </ul>
<p>District:</p> <ul style="list-style-type: none"> <li>All Districts</li> <li>DISTRICT 01</li> <li>DISTRICT 02</li> <li>DISTRICT 03</li> <li>DISTRICT 04</li> </ul>	<p>Servicing Office:</p> <ul style="list-style-type: none"> <li>All Service Offices</li> </ul>				
<ul style="list-style-type: none"> <li>Reduce 1st Yr Dinq by State</li> <li>Reduce 1st Yr Dinq by District</li> <li><b>Reduce 1st Yr Dinq by Service Office</b></li> <li>Reduce 1st Yr Dinq Service Office within State</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Brio Format</li> <li><input type="radio"/> Excel Format</li> <li><input type="radio"/> PDF Format</li> <li><input type="radio"/> Print</li> </ul>				

DD FLP Oversight Review User Guide (Continued)

F Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

A Borrower Graduation (Continued)

Question	Source
<p>2: Graduation potential for borrowers is documented in each borrower's *--FBP file--* and the operational file as appropriate</p>	<p>Graduation reviews should be conducted for all borrowers who classify as a "1" or "2".</p> <p>From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select "<b>OY FLPDM Graduation Review Monitoring Report</b>". From the Graduation Review Monitoring Report Screen, create the report to determine borrowers who classify as "1" and "2", but have not yet had a graduation review. Discuss with the Service Center to determine when graduation reviews will be completed for these borrowers.</p> <p><b>Notes:</b> Answer "<b>Yes</b>" only if all required reviews have been completed for the FY, and explain the Service Center plan of action to complete the reviews.</p> <p>Report can be set up to pull all Graduation Reviews "Not Completed" (CLICK "<b>Scheduled Date</b>") or "Completed" (CLICK "<b>Completion Date</b>") for the Service Center during the current FY.</p>
	

**DD FLP Oversight Review User Guide (Continued)**

---

**F Part C: Annual Reviews (Continued)**

**1 Direct Loan Servicing (Continued)**

**A Borrower Graduation (Continued)**

Question	Source										
<p>3: Follow-up is completed for borrowers who are asked to graduate</p>	<p>Borrower accounts that are determined eligible for graduation will be submitted to local lenders using a borrower prospectus similar to 4-FLP, Exhibit 24.</p> <p>4-FLP, Exhibit 24 is used to determine local lender interest in refinancing a specific operation.</p> <p>Discuss the status of any borrower that has been asked to graduate with the Service Center.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p style="text-align: right;">4-FLP, Exhibit 24</p> <p>(Use Agency Letterhead format with local return address.)</p> <p style="text-align: center;"><b>BORROWER PROSPECTUS</b></p> <p>Dear:</p> <p>FSA is required to determine if direct loan applicants can obtain commercial credit with an FSA loan guarantee. Also, FSA direct loan borrowers must be referred to commercial lenders for guaranteed or nonguaranteed financing when they appear to meet the lending criteria of a cross-section of local lenders.</p> <p>Your institution is among those that asked to receive prospectus information on all such FSA applicants and borrowers. Therefore, we have attached financial summary information on the following borrower for your review and consideration:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: center;">Eligible for FSA Loan Guar.</th> <th style="text-align: center;">Total Amount Existing FSA Term Loan(s)</th> <th style="text-align: center;">Estimated Production Loan Needed</th> <th style="text-align: center;">Lender Use Do Not Refer Refer</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">YES NO</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> </div>	Name	Eligible for FSA Loan Guar.	Total Amount Existing FSA Term Loan(s)	Estimated Production Loan Needed	Lender Use Do Not Refer Refer		YES NO			
Name	Eligible for FSA Loan Guar.	Total Amount Existing FSA Term Loan(s)	Estimated Production Loan Needed	Lender Use Do Not Refer Refer							
	YES NO										

**DD FLP Oversight Review User Guide (Continued)**

---

**F Part C: Annual Reviews (Continued)**

**1 Direct Loan Servicing (Continued)**

**A Borrower Graduation (Continued)**

Question	Source
<p>3: Follow-up is completed for borrowers who are asked to graduate (Continued)</p>	<p>If lenders exhibit interest in refinancing, the borrower is provided with a letter similar to 4-FLP, Exhibit 25, instructing them to begin the process of refinancing the FSA debt.</p> <p>4-FLP, Exhibit 25 is used to notify borrowers that lenders are interested in refinancing their FSA debt. Borrower responses to this letter should *--be documented in FBP.--*</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: right;"><b>4-FLP, Exhibit 25</b></p> <p>(Use Agency Letterhead format with local return address.)</p> <p style="text-align: center;"><b>LETTER TO NOTIFY BORROWERS TO REFINANCE THEIR FSA INDEBTEDNESS</b></p> <p>Dear:</p> <p>The financial progress you have made since receiving your Farm Service Agency (FSA) loan(s) has been reviewed. You should take pride in the progress you have made. We share that pride with you and are pleased that we may have been of service.</p> <p>Your FSA loan and security instruments require you to refinance the unpaid balance of your loan(s), when you have progressed to the extent that you can obtain credit from responsible cooperative or commercial lenders.</p> <p>Lenders have been contacted to determine their requirements and the availability of credit to new customers. We have evaluated your financial progress, together with the lender requirements, and find that you should now be able to secure satisfactory credit to pay your FSA loan(s). Therefore, we request that you refinance your [Enter type of loan, FO, OL, etc] loan(s) in full.</p> <p>This approximate balance is \$ ____.</p> </div>

**DD FLP Oversight Review User Guide (Continued)**

**F Part C: Annual Reviews (Continued)**

**1 Direct Loan Servicing (Continued)**

**B Subordinations**

Review all accounts with outstanding subordinations. Information sources include the following:

- 4-FLP Part 6
- borrower case files
- discussions with Service Center
- DLS Outstanding Subordination Report
- DLS Subordination Request Report.

Question	Source
1: Borrower Name	From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select “ <b>OY FLPDM Outstanding Subordinations Report</b> ”. From the
2: FLP staff is monitoring outstanding subordination	Outstanding Subordination Report Screen, create the report to generate a list of all borrowers with outstanding subordinations.  Discuss all outstanding subordinations with the Service Center to ensure that the accounts are being monitored and serviced.
	<p><b>Note:</b> The following example report is set to provide information for a single Service Center. The report will contain information for all outstanding subordinations.</p>

**DD FLP Oversight Review User Guide (Continued)**

---

**F Part C: Annual Reviews (Continued)**

**1 Direct Loan Servicing (Continued)**

**C Chattel Security Accounting**

Review a sample of 5 borrower accounts; review all if less than 5. Review more files if deficiencies are found. Information sources include the following:

- borrower case file
- \*--FBP--\*
- discussion with Service Center officials
- DLS Borrower Financing Statement Combined Reports
- DLS Farm Visit Workflow Report
- OY FLPDM Status of Farm Loan Programs 540 (Routine Servicing).

Question	Source
1: Borrower Name	Select 5 chattel-secured borrowers at random from Data Mart Direct Loan Servicing/Routine Servicing, <b>OY FLPDM Status of Farm Loan Programs (540) Report.</b>

DD FLP Oversight Review User Guide (Continued)

F Part C: Annual Reviews (Continued)

1 Direct Loan Servicing (Continued)

C Chattel Security Accounting (Continued)

Question	Source
<p>2: UCC filings have been properly continued or amended as applicable and the management system has been updated for correct follow-up date</p>	<p>From the Data Mart DLS Loan Servicing, Routine Servicing Reports, select “<b>OY FLPDM Borrower Financing Statement Combined Report</b>”. From the Borrower Financing Statement Detail/Monitoring Report Screen, create the report for a specific borrower selected from the 540 report. To create a report for a specific borrower select the following and CLICK “<b>Run Report</b>”:</p> <ul style="list-style-type: none"> <li>• “Status”, “<b>All</b>”</li> <li>• “Date”, “From” and “To”, desired range and CLICK “<b>No Date Selected</b>” radio button</li> <li>• “Report Selection”, CLICK “<b>Detail Report</b>” radio button</li> <li>• “Borrower”, locate and select the borrower.</li> </ul>
	<p>The screenshot shows the 'Borrower Financing Statement Detail/Monitoring Report' interface. It includes several sections: 'Selection Criteria' with dropdowns for State (Alabama), District (All Districts), Servicing Office (01-305 Tuscaloosa), and County (All Counties); 'Status' with a dropdown set to 'All'; 'Date' with 'From' (January 1, 2013) and 'To' (March 31, 2013) fields, and radio buttons for 'No Date Selected', 'Alert Date', and 'Expiration Date'; 'Report Selection' with radio buttons for 'Detail Report' and 'Monitoring Report'; 'Borrower' with a dropdown set to 'All Borrowers'; 'Sort Selection' with three dropdowns set to 'by Service Office', 'None', and 'None', each with radio buttons for 'Ascending' and 'Descending'; and a 'Report Selection' section with radio buttons for 'PDF Format', 'Excel Format', 'Print', and 'Hyperion Format', along with 'Run Report' and 'Reset All' buttons.</p>

**DD FLP Oversight Review User Guide (Continued)**

**F Part C: Annual Reviews (Continued)**

**1 Direct Loan Servicing (Continued)**

**D Limited Resource Reviews (Continued)**

Question	Source																																												
<p>2: Analysis is completed and continued need for LR rates is documented *--in FBP--*</p>	<p>Using the Limited Resource Review Monitoring Report, view all reviews that were completed or not completed during FY. After creating the report for “Completed” reviews, create a second report for reviews “Not Completed”.</p> <p>Discuss with Service Center any reviews that have not been completed.</p> <p>Examine borrower case files to ensure that analysis documentation and limited resource rate determination has been made as part of all limited resource rate reviews.</p> <p>Review 4-FLP, Part 3 and discuss with Service Center if there are issues with their determination.</p> <div data-bbox="545 1031 1466 1476" style="border: 1px solid black; padding: 5px;"> <p style="text-align: right;">Page 1 07/17/2013 03:43 PM</p> <p style="text-align: center;"><b>UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY DIRECT LOAN SERVICING Limited Resource Review Monitoring Report</b></p> <p>Status: Not Completed State: District: All Districts Service Office: All Servicing Offices County: All Counties Scheduled Date: 10/01/2012 - 09/30/2013</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">FLP</th> <th colspan="2">Date Loan</th> <th>Current Interest</th> <th>Scheduled</th> <th>Effective</th> <th>Completed</th> </tr> <tr> <th>Mail Code</th> <th>Src Office</th> <th>Borrower Name</th> <th>Case Nbr</th> <th>Ln No</th> <th>Closed</th> <th>Loan Amount</th> <th>Rate</th> <th>Flags</th> <th>Date</th> <th>Date</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>Y</td> <td>8</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>06/22/2013</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Y</td> <td>4</td> <td></td> <td></td> <td></td> <td></td> <td>PLS</td> <td>09/20/2013</td> <td></td> <td></td> </tr> </tbody> </table> </div>	FLP		Date Loan		Current Interest	Scheduled	Effective	Completed	Mail Code	Src Office	Borrower Name	Case Nbr	Ln No	Closed	Loan Amount	Rate	Flags	Date	Date	Date			Y	8						06/22/2013					Y	4					PLS	09/20/2013		
FLP		Date Loan		Current Interest	Scheduled	Effective	Completed																																						
Mail Code	Src Office	Borrower Name	Case Nbr	Ln No	Closed	Loan Amount	Rate	Flags	Date	Date	Date																																		
		Y	8						06/22/2013																																				
		Y	4					PLS	09/20/2013																																				

**DD FLP Oversight Review User Guide (Continued)**

---

**F Part C: Annual Reviews (Continued)**

**2 Program Delivery**

**A Supervised Bank Accounts**

Review all borrower files with supervised bank accounts. Information resources include the following:

- \*--FBP--\*
- discussion with the Service Center
- FSA-2140
- FSA-2142
- notices.

**Note:** SBA is an approved abbreviation in 1-CM, Exhibit 102 that stands for “Small Business Administration”; however, because of software programming, SBA in the following table stands for “Supervised Bank Accounts”.

<b>Question</b>	<b>Source</b>
1: Borrower Name	FSA-2142.
2: The need for an SBA is documented by FLM/FLO	Borrower case file running record and FBP credit presentation.
3: Borrower has consented to continued use of the SBA	1-FLP, subparagraph 101 B and FSA-2140.
4: DD or State Office has documented concurrence or non-concurrence with the use of an SBA and the reasons for concurrence or non-concurrence *--in FBP--*	1-FLP, subparagraph 101 C and DD *--documentation in FBP.--*

**DD FLP Oversight Review User Guide (Continued)**

---

**F Part C: Annual Reviews (Continued)**

**2 Program Delivery (Continued)**

**B Program Promotion**

Meet with 2 to 4 randomly selected borrowers and/or guaranteed lenders to ascertain the quality of program delivery in the Service Center.

<b>Question</b>	<b>Source</b>
1: Met with 2-4 randomly selected borrowers and/or guaranteed lenders to ascertain the quality of program delivery in the Service Center.	Discussion with borrowers and/or *--lenders. FBP documentation--* <b>required.</b>

**DD FLP Oversight Review User Guide (Continued)**

**G Part D: Additional Reviews**

**Note:** This section is **mandatory** for all Service Centers that had **FLPRA** or **COR** reviews.

**1 “Farm Loan Program Risk Assessment (FLPRA) Reviews”**

**Mandatory** to be completed within **1st quarter following the FLPRA review.**

Question	Source
1: Date of FLPRA Review by State Office	All review scores are entered in the FLPRA database along with the review date.
2: Date findings were discussed with FLP staff	This date may or may not be the review date entered in FLPRA database. Check with the Service Center or State Office for this date if not present when discussed.

DD should be a part of the State FLPRA process for Service Centers they oversee by:

- being present when reviews are conducted and the findings are discussed with the FLP office
- annually reviewing FLPRA scores to be aware of the risk and potential risk of these offices.

Follow these steps to access Service Center FLPRA scores.

Step	Action
1	<p>From the Farm Loan Programs Systems Main Menu, under “Applications”, CLICK “<b>Risk Assessment FLPRA</b>”.</p> 