

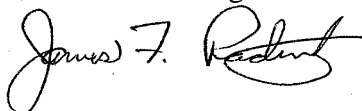
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration
1-FLP (Revision 1)

Amendment 155

Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 29 A has been amended to provide the maximum loan authorities for FY 2018.

Note: Maximum loan authorities remain the same as in FY 2107.

Subparagraphs 49 E, 50 E, and 52 J have been amended to update important calendar 2017 year-end dates.

Subparagraph 103 H has been amended to reduce reporting requirements for SBA's.

Exhibit 7 has been amended to update SED delegations.

Exhibit 15 has been amended as follows, subparagraph:

- B 4 d to update guidance for the reports setup
- E 2 to update guidance on setting up reports for direct loan servicing.

Page Control Chart		
TC	Text	Exhibit
	2-15 through 2-18 3-27 through 3-30 3-39, 3-40 4-7, 4-8	7, pages 1, 2 15, pages 35, 36 pages, 36.5, 36.6 pages, 64.5, 64.6 (add) pages, 65, 66

29 Maximum Loan Authorities

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

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

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

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

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

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

***--Notes:** FY 2018 loan limit is \$1,399,000.--*

This limit includes land contract guarantees.

29 Maximum Loan Authorities (Continued)

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

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

--Notes: FY 2018 loan limit is \$1,399,000.--

This limit includes land contract guarantees.

(2) Operating loans:

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

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

--Note: FY 2018 loan limit is \$1,399,000.--

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

--Note: FY 2018 loan limit is \$1,399,000.--

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

--Notes: FY 2018 loan limit is \$1,399,000.--

This limit includes land contract guarantees.

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

--Notes: FY 2018 loan limit is \$1,699,000.--

This limit includes land contract guarantees.

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

29 Maximum Loan Authorities (Continued)**A OL, FO, CL, and EM Program Loan Limitations (Continued)**

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

***--Notes:** FY 2018 loan limit is \$2,199,000.--*

This limit includes land contract guarantees.

B Adjustment for Guaranteed Loans

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

C LOC Advances

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

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

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

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

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

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

29 Maximum Loan Authorities (Continued)

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

Type of Loan	FLO			FLM, DD, FLS, FLC, or Senior FLO	SED
	GS-7	GS-9	GS-11	GS-11/12/13	
Maximum approval by assistance type – limitation I					
Guaranteed OL	\$100,000	\$200,000	\$400,000	\$700,000	*--\$1,399,000
Direct OL	\$50,000	\$100,000	\$175,000	\$225,000	\$300,000
Guaranteed FO+SW+CL	\$0	\$175,000	\$400,000	\$700,000	\$1,399,000
Land Contract Guarantee	\$0	\$125,000	\$150,000	\$225,000	\$500,000
Direct FO+SW+CL	\$0	\$125,000	\$150,000	\$225,000	\$300,000
Direct EM	\$50,000	\$100,000	\$150,000	\$300,000	\$500,000
Maximum approval for combined assistance types – Limitation II					
OL Total Direct & Guaranteed	\$100,000	\$200,000	\$400,000	\$700,000	\$1,399,000
FO+CL+SW+ Land Contract Total Direct & Guaranteed	\$0	\$200,000	\$400,000	\$700,000	\$1,399,000
Total approval for multiple assistance types – Limitation III					
OL+FO+CL+SW+ Land Contract Total Direct and Guaranteed	\$0	\$400,000	\$550,000	\$850,000	\$1,699,000
Total Guaranteed	\$100,000	\$400,000	\$550,000	\$850,000	\$1,399,000
Total approval for FO, CL, OL, EM and Land Contract – Limitation IV					
OL+FO+CL+SW+EM+ Land Contract Total Direct and Guaranteed	\$0	\$400,000	\$550,000	\$850,000	\$2,199,000--*

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

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

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

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

49 DLS***--A DLS Uses--***

DLS is the required system for loan making and * * * servicing information and activities.

DLS:

- tracks each loan request in an application package from receipt to final disposition
- obligates loans through its interaction with PLAS
- submits check/EFT requests through PLAS
- submits loan closings to PLAS
- provides an interactive tasks checklist
- monitors the disbursement of loan funds
- provides reports of loanmaking activities and processing timeframes
- tracks routine loan servicing activities, and timeframes
- has automated follow-up reminders to assist County Office employees in meeting deadlines for routine loan servicing activities
- provides loan account information, such as principal and interest amounts, and account flags
- provides the ability to manage case numbers and mail codes for customer accounts
- warehouses information for reporting purposes
- has automated reporting capabilities.

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

49 DLS (Continued)

B User Assistance

The DLS Loan Making and Loan Servicing User's Guides can be referenced for any specific questions. They may be obtained by accessing the FLP web site's manuals page located at <https://amistad.sc.egov.usda.gov/flp/IndexServlet> and then selecting manuals on the left navigation bar.

C Maintaining and Updating DLS

FCAO is responsible for computer implementation and upgrades. The National Office is responsible for user requirements, updates to accommodate regulatory and statutory changes, and other revisions as needed. State and County Office employees are responsible for data entry of customer and loan information as it is received.

D Security

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

***--E Important Calendar Year 2017 Year-End Dates**

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

Action	Date	
Loan Activity Cutoff – the last day that loan activity dated in calendar year 2017 can be processed to be reflected on FSA-2065 for 2017 and related IRS forms	Monday, January 8, 2018	
Transactions, Suspension, and Enabled Dates		
Transactions	Suspension Date	Enabled Date
<ul style="list-style-type: none">• TC 4A• TC 4D• SCIMS to PLAS data upload to create TC 4C <p>Notes: SCIMS data must be entered by December 27, 2017, to generate TC 4C on December 28, 2017.</p> <p>Until TC 4A and TC 4D are enabled, do not use the following DLS sections:</p> <ul style="list-style-type: none">• Transfer and Assumption• Manage case number under Customer Management.	December 28, 2017	January 11, 2018

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A Purpose and Overview

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

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

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

B GLS User Assistance

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

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

50 GLS (Continued)

C Responsibility for Maintaining and Updating GLS

FCSB is responsible for system upgrades. The National Office is responsible for user requirements, updates to accommodate regulatory and statutory changes, and other revisions as needed. County Office and FCSB employees are responsible for data entry of customer and loan information.

D Security

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

***--E Important Calendar 2017 Year-End Dates**

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

Action	Date	
Loan Activity Cutoff – the last day that loan activity dated in calendar year 2017 can be processed to be reflected on 2017 IRS forms.	Monday, January 8, 2018	
Transactions, Suspension, and Enabled Dates		
Transactions	Suspension Date	Enabled Date
<ul style="list-style-type: none">• TC 4A• TC 4C• TC 4D <p>Note: Transactions for Debt Offset Collection, Refund, and Write-off maintenance cannot be processed during this period.</p>	December 28, 2017	January 11, 2018

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52 ADPS (Continued)

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

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

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

2/ Transactions processed through DLS to PLAS.

52 ADPS (Continued)

***--J Important Calendar 2017 Year-End Dates**

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

Action	Date	
Loan Activity Cutoff – the last day that loan activity dated in calendar year 2017 can be processed to be reflected on FSA-2065 for 2017 and related IRS forms.	Monday, January 8, 2018	
Availability of ADPS Terminals		
Holiday Schedule: Terminals available until 3 p.m. c.t. because of the holiday	Friday, December 29, 2017	
Transaction Processing: Terminals will be available to provide additional time for initial transaction entry and discrepancy correction before preparing the Annual Statements.	Saturday, December 30, 2017 and Saturday, January 6, 2018 Terminals available from 6 a.m. to 3 p.m. c.t.	
Loan Activity Cutoff: Transactions processed through the terminals before the Loan Activity Cutoff will be reported for 2017.	Monday, January 8, 2018 Terminals available from 6 a.m. to 7 p.m. c.t.	
Transaction suspension/Enabled Dates		
Transactions	Suspension Date	Enabled Date
TC 4A TC 4C TC 4D TC 4F TC 4G TC K4	December 28, 2017	January 11, 2018

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103 Supervised Bank Account Transactions and Monitoring (Continued)**E Documentation**

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

F Interest

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

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

G Reconciliation

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

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

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

H Annual Report

--The State Office will review all SBA's at least annually. Each State Office with 10 or more outstanding SBA's will submit the annual SBA Review Report, as of September 30-- through SDMS, documenting the number of SBA accounts that are open, total present balance in all accounts, and justification for all accounts open longer than 12 months no later than October 31.

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

104 Closing Accounts**A Account No Longer Needed**

[7 CFR 761.55(a)] If the supervised bank account is no longer needed and the loan account is not paid in full, the Agency will determine the source of the remaining funds in the supervised bank account. If the funds are determined to be:

(1) Loan funds:

- (i) From any loan type, except Youth loan, and the balance is less than \$1000, the Agency will provide the balance to the borrower to use for authorized loan purposes;**
- (ii) From a Youth loan, and the balance is less than \$100, the Agency will provide the balance to the borrower to use for authorized loan purposes;**

(2) Loan funds:

- (i) From any loan type, except Youth loan, and the balance is \$1000 or greater, the Agency will apply the balance to the FLP loan;**
- (ii) From a Youth loan, and the balance is \$100 or greater, the Agency will apply the balance to the FLP loan;**
- (3) Normal income funds, the Agency will apply the balance to the remaining current year's scheduled payments and pay any remaining balance to the borrower; and**
- (4) Basic security funds, the Agency will apply the balance to the FLP loan as an extra payment or the borrower may apply the balance toward the purchase of basic security, provided the Agency obtains a lien on such security and its security position is not diminished.**

B Uncooperative Borrowers

[7 CFR 761.55(b)] If the borrower is uncooperative in closing a supervised bank account, the Agency will make written demand to the financial institution for the balance and apply it in accordance with paragraph (a) (subparagraph 104A) of this section.

Written demand will be made by SED according to subparagraph 103 D.

Delegating FLP Authority

A SED Delegations

SED may delegate the following authorities to employees who have experience and completed the required training:

- *--authority to prepare chattel appraisals and real estate evaluations--*
- authority to approve PLS when the borrower (or any entity member) has received PLS 2 or more times in the previous 5 years

Note: This authority may only be delegated to FLC.

- authority to complete administrative appraisal reviews
- loan approval authority
- authority to establish and document the estimated value of real estate security when an appraisal has been waived for an EM according to 3-FLP, subparagraph 248 A.

B FLC/FLM/SFLO Delegations

The following is a list of authorities that may be delegated to employees who have experience and have completed any required training according to subparagraph 23 C.

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

Delegating FLP Authority (Continued)

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

Authority	AS	FLO	LOA	LRS	PT
Review loan closing and issue FSA-2235.		X			
Approve satisfaction/release of security instruments.	X	X	X	X	X
Prepare FSA-2040.	X	X	X	X	
Release chattel/crop security per approved FSA-2040.	X	X	X	X	X
Revise Farm Business Plan and FSA-2040 when necessary.	X	X	X	X	
Approve replacement/development - use of insurance proceeds.	X	X			
Approve servicing actions, including liquidation plans submitted by lenders.	X	X			
Requests for PLCE goods and services.	X	X	X	X	X
Approve loan restructuring.	X	X			
Approve emergency advance requests.	X	X	X	X	
Complete lender reviews.	X	X	X	X	
Ordering credit reports.	X	X	X	X	X
Execute FSA-2232.		X			
Execute FSA-2235.		X			

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Note: Delegated authorities for agency officials that were granted before December 31, 2007, using previous form numbers or regulation citation will not have to be reissued. These delegations remain valid and it is not necessary to modify them if the reason is only to change references to the new streamlining handbooks.

Farm Business Plan - FSA User Guide (Continued)

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

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

c Reports and Signature Requirements

The following table provides a list of forms or reports with signature, locking, and printing requirements.

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

Farm Business Plan - FSA User Guide (Continued)

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

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

c Reports and Signature Requirements (Continued)

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

1/ The term “Signature” includes “eSignature”, if available.

2/ When the printing of certain credit actions and reports is optional, the electronic versions stored in FBP are considered to be the equivalent of a paper version for all purposes, including source documents for ADPS and DLS transactions.

Note: When a loan approval decision is made, the case file **must** contain the Assessment, Balance Sheet Summary, and Income & Expense Trends on which the decision was based. These 3 documents **must** be signed by the applicant.

d Reports Setup

There are many options to control the appearance of reports and what records are included in the generated analysis. Up to 6 balance sheets and 6 projections/actuals can be included in reports. Options selected will affect what balance sheets and projections/actual are available or “will be used” in credit actions. Changes to the report order can be made on either the Reports Setup or Balance Sheet Trends & Income/Expense Trends Manager Screens.

Reports should be set-up from left to right with the most current to least current information, *--respectively. Reports will need to be updated to display information needed for the current action taking place. At a minimum, the following will be included:--*

- income/expenses:
 - Column 1, current year * * *
 - Columns 2 through 4, preceding years using actual history, if available
 - Columns 5 and 6, may be used as needed

*--**Notes:** When completing a Direct Loan Servicing action, refer to **Direct Loan Servicing** (Section E2) for “Report Setup” instructions.--*

The loan official will select which years are most relevant to include in the average by checking the box above the year on either the Reports Setup or Income/Expense Trends Screen.

Farm Business Plan - FSA User Guide (Continued)

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

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

d Reports Setup (Continued)

- balance sheets:
 - Column 1, current * * *
 - Columns 2 through 4, preceding years
 - Columns 5 and 6 may be used as needed, for example Post Close

***--Note:** When completing a Direct Loan Servicing action, refer to **Direct Loan Servicing** (Section E2) for “Report Setup” instructions.--*

The options displayed on the Reports Setup Screen and the “Print Manager”, “Analysis Rules” tab will automatically default to the National Office recommendations. CLICK “**Value Farm Prod**” or “**Gross Revenues**” radio button for the values to be used in all ratios.

By selecting options from the “Balance Sheet Columns” section, users can establish 2 columns to show comparisons of 2 types of calculations. See **When Customer and FSA Balance Sheet Values/Amounts Differ** (Section D 6) for more information.

Notes: The “Agriculture” check (✓) boxes should **not** be changed.

Any changes made to either the Reports Setup Screen or the “Print Manager”, “Analysis Rules” tab will automatically reflect on the other.

Balance Sheet Report Format

Optional 2 Column Balance Sheet

Secondary Column: ☐ Value ☐ Adj. Value ☐ Cost ☒ None

Primary Column: ☒ Value ☐ Adj. Value ☐ Cost

Print on Customer Input Worksheet

☒ Value ☐ Adj. Value ☐ Cost

Print Footnotes on :

☐ Balance Sheet Summary ☐ Annual Cash Flow ☐ Borrowing Base

☐ Balance Sheet Trends ☐ Income Statement ☐ Covenant Tracking

Analysis Based on:

Balance Sheet:

☒ Agriculture ☐ Commercial ☐ Personal

Income Statement

☒ Agriculture

Ag. Ratios based on:

☐ Gross Revenues ☒ Value Farm Prod.

Commercial ☐ Personal ☐

Avg. Variance : ☒ Left ☐ Right

display Variance ☐ display Average ☐

Print Non-Financials

Growth Ratios

☒ By Trends Order ☐ By Complete Year

Do not change.

System defaults to "Value Farm Prod."

Figure 11m, Reports Setup Screen

Farm Business Plan - FSA User Guide (Continued)

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

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

d Reports Setup (Continued)

The screenshot displays the 'Print Reports', 'Report Options', and 'Analysis Rules' tabs. The 'Analysis Rules' tab is active. The 'Balance Sheet Columns' section is highlighted with a red box. It contains three columns: 'Secondary', 'Primary', and 'Customer Input Worksheet'. Each column has radio buttons for 'Value', 'Adjusted Value', 'Cost', and 'None'. The 'Primary' column has 'Value' selected. The 'Balance Sheet Analysis Based On' section has checkboxes for 'Agriculture', 'Commercial', and 'Personal'. The 'Agriculture' checkbox is checked. A callout box points to this checkbox with the text 'Do not change.'. The 'Agriculture Ratios Based On' section has radio buttons for 'Gross Revenues' and 'Value Farm Production'. The 'Value Farm Production' radio button is selected. A callout box points to this radio button with the text 'System defaults to "Value Farm Prod."'. The 'Income / Expense Analysis Based On' section has checkboxes for 'Agriculture', 'Commercial', and 'Personal'. The 'Agriculture' checkbox is checked. The 'Growth Ratios' section has radio buttons for 'By Trends Order' and 'By Complete Year'. The 'By Trends Order' radio button is selected.

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

Farm Business Plan - FSA User Guide (Continued)

E Refinancing and Restructuring (Continued)

2 Direct Loan Servicing

In connection with any direct loan servicing action, a current balance sheet will need to be prepared and attached to an income/expense summary for the customer. It is helpful when creating the documents to include a meaningful description such as “1/1/2015 Before DALR\$”. The “1/1/2015 Before DALR\$” balance sheet should be entered in the first column of the Reports Setup * * * and will be selected to update the “**DALR\$ Input Report**”.

*--Before a deferral can be approved, a “Post-deferral” plan would also need to be prepared according to 5-FLP, paragraph 159. The “Post-deferral” plan should be entered in column 2 of the Reports Setup, while 3 years of actuals will be displayed in columns 3-5.

	Column 1	Column 2	Column 3	Column 4	Column 5
Balance Sheet Flip Clear	1/1/2015 Before DALR\$	1/1/2020 Post Deferral	12/31/2013 Year End	12/31/2012 Year End	12/31/2011 Year End
Income/Expense Flip Clear	1/1/2015 - 12/31/2015 Before DALR\$	1/1/2020 - 12/31/2020 Post Deferral	1/1/2014 - 12/31/2014 tax returns	1/1/2013 - 12/31/2013 tax returns	1/1/2012 - 12/31/2012 tax returns

Figure 32a, Report Setup for “DALR\$ Input Report”--*

Notes: * * *

When a loan is restructured, it becomes a regular loan. **Do not** identify line items as Microloan (M) collateral in the asset description fields.

When restructuring a delinquent borrower, a lien on all assets must be taken according to 5-FLP, paragraph 211.

Farm Business Plan - FSA User Guide (Continued)

E Refinancing and Restructuring (Continued)

2 Direct Loan Servicing (Continued)

The DALR\$ report, according to 5-FLP, subparagraph 103 A, determines the servicing options that may be available to the customer and will be used to create a “After DALR\$” balance sheet with the DALR\$ results. Duplicate the “1/1/2015 Before DALR\$” balance sheet and attach this balance sheet to a duplicated income/expense summary, and give both documents a meaningful description, such as “1/1/2015 After DALR\$”. The “1/1/2015 After DALR\$” should be entered in the first column of the Reports Setup * * * and will be selected to update the Credit

*--Presentation. The “1/1/2015 Before DALR\$” and the “1/1/2020 Post Deferral” plans will be shifted to columns 2 and 3 of the Reports Setup, while 3 years of actuals will be displayed in columns 4–6.

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Balance Sheet Flip Clear	1/1/2015 After DALR\$	1/1/2015 Before DALR\$	1/1/2020 Post Deferral	12/31/2013 Year End	12/31/2012 Year End	12/31/2011 Year End
Income/Expense Flip Clear	1/1/2015 - 12/31/2015 After DALR\$	1/1/2015 - 12/31/2015 Before DALR\$	1/1/2020 - 12/31/2020 Post Deferral	1/1/2014 - 12/31/2014 tax returns	1/1/2013 - 12/31/2013 tax returns	1/1/2012 - 12/31/2012 tax returns

Figure 32b, Report Setup for “Credit Presentation”--*

The following example can be applied to all loan servicing authorities or combination of authorities.

Example: Make the following assumptions and also assume that the customer cannot make the existing debt payments and that FSA will use DALR\$ to restructure the debt.




- FSA 44-01 loan was for annual operating purposes, and has a balance of \$20,000 with \$2,000 of accrued interest. DALR\$ indicated rescheduling the loan over 15 years with equal payments, which turns the loan into an intermediate loan.
- FSA 44-02 loan was for term loan purposes, and has a principal balance of \$100,000 with \$1,000 of accrued interest. DALR\$ indicated rescheduling the loan with a 15 year term and equal payments.
- FSA 41-03 loan was for a real estate purchase, and has a principal balance of \$150,000 and no accrued interest. DALR\$ indicated reamortizing the loan with a 30 year amortization and equal payments.

Farm Business Plan - FSA User Guide (Continued)

E Refinancing and Restructuring (Continued)

2 Direct Loan Servicing (Continued)

Step 1. Create the current balance sheet and income/expense summary named “1/1/2015--* Before DALR\$” for use in the DALR\$ Input Report. The loan schedule should reflect the “Before DALR\$” balances and payments due.

1/1/2015 Before DALR\$		Loan Schedule - Existing Loans										Edit Mode	
Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To I/E ?	Loan #	Add New	
 FSA	Cur.	20,000	2.25	2,000	Non Rev	22,000	1	2,000	20,000	X	44-01	Detail	Ag.
 FSA	Int.	100,000	2.25	1,000	Equal	15,601	1	2,250	13,351	X	44-02	Detail	Ag.
 FSA	L.T.	150,000	2	0	Equal	6,727	1	3,000	3,727	X	44-03	Detail	Ag.
Totals:		270,000		3,000		44,328		7,250	37,078				

--Figure 32c, “Before DALR\$” Loan Schedule--

Step 2: Create the “D-Loan/Special Serv.” credit action. Access and CLICK “Save & Update” the DALR\$ Input Report. Use the results to run DALR\$.

Farm Business Plan - FSA User Guide (Continued)

E Refinancing and Restructuring (Continued)

2 Direct Loan Servicing (Continued)

Step 3. Duplicate the “1/1/2015 Before DALR\$” balance sheet and income/expense summary and rename both documents “1/1/2015 After DALR\$”. Update the loan schedule with the--* DALR\$ results.

- “Loan Type” of the current loan to intermediate, to reflect that the account has been rescheduled and it now has a term of greater than 1 year. Change the “Pmt. Method” to “Equal”.
- Principal balance will reflect any capitalized interest, if any.
- “Pmt. Amount” will reflect the new restructured payment according to DALR\$.
- “Loan #” will be a description that reflects the restructure action.




1/1/2015 After DALR\$		Loan Schedule - Existing Loans										Edit Mode	
Creditor	Loan Type	Prin. Bal	Int. %	Accr. Int.	Pmt. Method	Pmt Amt P & I	Pmts /Yr	Int. Pmt./Yr.	Prin. Pmt./Yr.	To I/E ?	Loan #	Add New	
 FSA	Int.	22,000	2.25	0	Equal	1,745	1	495	1,250	X	Old 44-01Resc	Detail	Ag.
 FSA	Int.	101,000	2.25	0	Equal	8,009	1	2,273	5,737	X	Old 44-02 Res	Detail	Ag.
 FSA	L.T.	150,000	2	0	Equal	6,698	1	3,000	3,698	X	Old 41-03 Rea	Detail	Ag.
Totals:		273,000		0		16,453		5,768	10,685				

Figure 33, “After DALR\$” Loan Schedule