

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

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

Amendment 232

Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 26 A has been amended to clarify delegation of authority policies.

Subparagraph 28 A has been amended to:

- clarify loan approval officials who are subject to subparagraph 28 A
- remove the possible appearance that FLC would select the dockets for FLC and DD reviews by the National Office.

Subparagraph 28 C has been amended to:

- allow FLC's to consider a broader range of FLM's as potential reviewers of FLO credit quality reviews
- clarify that the reviewer will perform a credit quality review by completing the automated FSA-2103 located in the Microsoft Teams channel.

Exhibit 5 has been amended to change a form title.

Exhibit 16 has been amended to add a new type of assistance code description.

Exhibit 20 has been added to provide guidance on information required for a contractual invoice.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Exhibit 25 has been amended to:

- add language relating to obtaining prior authorization for certain PAC codes
- clarify note descriptions in items 4 and 6.

| Page Control Chart | | |
|---------------------------|---|---|
| TC | Text | Exhibit |
| 5, 6 | 2-11, 2-12 2-12.5 through 2-12.8 2-13, 2-14 | 5, pages 7, 8 16, pages 7, 8 20, page 1 (add) 25, pages 7, 8 page 9 (add) |

Table of Contents (Continued)

Exhibits

| | |
|--------|--|
| 1 | Reports, Forms, Abbreviations, and Redelegations of Authority |
| 2 | Definitions of Terms Used in This Handbook |
| 3 | Menu and Screen Index |
| 4 | State Supplements |
| 5 | Forms List |
| 6 | Regional Appraiser Area of Responsibility Map |
| 7 | Delegating FLP Authority |
| 8-11 | (Reserved) |
| 12 | Discrimination Complaint E-mail Clearance System |
| 13 | Instructions for E-Mail to the National Office for Discrimination Complaint Status |
| 13.5 | Servicing Settlement Claimants and National Office FLP Programmatic Review |
| 14 | (Withdrawn--Amend. 193) |
| 15 | (Withdrawn--Amend. 183) |
| 16 | Type of Assistance, Fund, and Kind Codes |
| 17 | FLP Rates |
| 18 | List of Available Reports |
| 19 | NATS AgLearn Training Modules |
| 20 | Invoices for Non-Contractual, Micropurchase, and Contractual PLCE Transactions |
| 21 | PLCE Roles and Responsibilities |
| 22 | Accessing IAS for New users |
| 23 | Creating IQ-Program Loan Cost Fund Requisitions |
| 24 | Agency Representative for Micropurchase (ARMP) Request for Delegation |
| 25 | Program Authority for PLCE Goods and Services and Recoverability of PLCE's After September 30, 2010 |
| 26 | Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's - Before October 1, 2010 |
| 27 | (Withdrawn--Amend. 136) |
| 27.5 | (Withdrawn--Amend. 136) |
| 28 | Alternative Production and Marketing Price Determination Guide |
| 29-34 | (Reserved) |
| 35 | (Withdrawn--Amend. 94) |
| 36 | DD FLP Oversight Review User Guide |
| 37, 38 | (Reserved) |
| 39 | Real Estate Appraisal Statement of Work |
| 40 | Statement of Work Addendum for Potential Liquidation Value Appraisals |
| 41, 42 | (Withdrawn--Amend. 227) |
| 43 | (Withdrawn--Amend. 206) |
| 44 | Chattel Appraisal – SOW |
| 45 | (Withdrawn--Amend. 206) |
| 46-49 | (Reserved) |

Table of Contents (Continued)

Exhibits (Continued)

- 50 (Withdrawn--Amend. 227)
- 51 Dairy Addendum to FSA Appraisal Guidelines
- 52 Hog Addendum to FSA Appraisal Guidelines
- 53 Poultry Addendum to FSA Appraisal Guidelines
- 54-59 (Reserved)
- 60-62 (Withdrawn--Amend. 177)
- 63 (Reserved)
- 64 Appraisal Engagement Letter
- 65 (Reserved)
- 66 Applicant/Borrower Notification of Appraisal
- 67, 68 (Withdrawn--Amend. 227)
- 69 (Withdrawn--Amend. 206)

25 Delegating Loan Approval Authority (Continued)

E COC Concurrence

COC will be required to concur in writing:

- with the additional FLP responsibilities that CED will be incurring
- that while CED is completing the FLOT program and working toward obtaining loan approval authority, has added to the performance plan under Program Management, Execution of Duties, or similar element the following standard, “Successfully completes assigned training and training activities within established timeframes”.

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

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

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

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

26 Delegating Loan Servicing Authority

A Delegations to FLO

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

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

B Delegations to PT

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

26 Delegating Loan Servicing Authority (Continued)

C Delegations to CED

See 27-PM, Exhibit 4.4 for FLP responsibilities that may be performed by CED's designated by SED to obtain loan servicing authority.

D Delegations to AS, LOA, and LRS

FLC, FLM, or SFLO may delegate loan servicing authorities to AS, LOA, or LRS who has the appropriate training and experience, according to Exhibit 7, subparagraph B.

27 Maintaining Approval Authority

A Employee Who Accepts New FLP Position Within the State

When an FLP employee with loan approval and servicing authority accepts a new FLP position within the State, a new delegation of authority is not required.

Loan approval authority is automatically increased when the employee's grade increases, unless:

- SED issues a new delegation of authority limiting the authority
- the original delegation of authority established limitations on approval authority.

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

B Hires With Prior Loan Approval Authority

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

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

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

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

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

27 Maintaining Approval Authority (Continued)

B Hires With Prior Loan Approval Authority (Continued)

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

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

C Maintaining Loan and Servicing Approval Authority

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

D CED's Maintaining Responsibility for FLP Activities

SED, in conjunction with FLC, must determine whether circumstances warranting the granting of loan approval to CED continue to exist according to subparagraph 25 D. If the circumstances warranting the granting of loan approval authority no longer exist, CED should be advised their loan approval authority will be suspended. Suspension of loan approval authority based on these circumstances will not be considered as a performance issue.

CED's, with only loan servicing responsibilities, will be required at a minimum to service 10 case files according to their servicing authorities each year.

To meet the minimum number of files required each year, CED may be required to process cases outside of their immediate County Office area.

Note: Actions that may be counted include, but are not limited to the following:

- PLS
- disaster set-aside
- subordinations
- partial releases.

DD will be responsible for tracking the number of case files on which CED completed loan servicing actions.

27 Maintaining Approval Authority (Continued)

E Failure to Maintain Loan Approval Authority

Follow appropriate PM directives for guidance if an employee, whose position description requires the employee to maintain loan approval authority, does not successfully meet the criteria in subparagraphs C and D.

28 Credit Quality Standards

A Credit Quality Review Requirements

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

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

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

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

28 Credit Quality Standards (Continued)**A Credit Quality Review Requirements (Continued)**

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

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

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

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

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

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

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

28 Credit Quality Standards (Continued)**A Credit Quality Review Requirements (Continued)**

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

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

B Exceptional Previous Performance

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

* * *

C Credit Quality Review Procedures

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

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

28 Credit Quality Standards (Continued)

C Credit Quality Review Procedures (Continued)

FLC's are responsible for identifying review officials who will complete credit quality reviews of all employees with delegated loan approval authority other than FLC's and DD's. Formal credit quality reviews will typically be completed by State Office employees with *--delegated loan approval authority. However, at the discretion of FLC, FLM's who met credit quality review standards in the previous FY and have not failed a credit quality review in the previous or current FY may also be eligible to complete formal credit quality reviews of FLO's not supervised by FLM. FLC's are encouraged to involve trainees and other loan--* staff to observe the review process for training and employee development purposes when appropriate.

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

--The reviewer will perform a credit quality review by completing the automated FSA-2103 located in the Microsoft Teams channel for any of the 3 types of reviews:--

- (1) Review of Loan Processor – This review type is applicable when the reviewee processed and approved the loan action, or processed an action approved by another employee. The reviewer will answer questions 2 A through 2 N based on a file review. A loan docket satisfies credit quality standards if 160 points or more are awarded with no critical questions being scored “Low”. The reviewer will enter the credit quality review result as one of the following:
 - Passed
 - Failed on Points
 - Failed on Critical
 - Failed on Critical and Points.

- (2) Review of Approval-Only Official - This review type is applicable when the loan action was processed by another employee and approved by the reviewee. Those credit quality review questions 2 A through 2 N which the approval official had resources available at the time of approval to correctly evaluate will be scored according to FSA-2103 instructions.

28 Credit Quality Standards (Continued)

C Credit Quality Review Procedures (Continued)

Many States authorize loan approval to be completed remotely, without the benefit of the entire docket on hand. If approval was based solely on a review of automated FBP *--documentations, any question which FSA-2103 instructions provide should be answered "Medium" or "Low", and which the response of "Medium" or "Low" would only be reasonably determined based on a review of the physical file or other applicable documents, will be scored "High" and the circumstances documented in the Summary--* of Deficiencies. Points will be tabulated by the automated FSA-2103 and an Assessment Result entered by the reviewer as stated in Review of Loan Processor above.

(3) Review of Docket Reviewer - This review type is to be used when a credit quality review is being completed to evaluate a previous credit quality review by the reviewee. The reviewer completing the Review of Docket Reviewer will complete a credit quality review of the loan action, answering FSA-2103 questions 2 A through 2 N according to FSA-2103 instructions. The automated credit quality review will tabulate Total Docket Points. Assessment Results will be entered as:

- Pass – if the total points in the initial credit quality review and the Review of Reviewer credit quality review are within 25 points and any critical answer of "Low" is answered the same on both credit quality reviews
- Failed on Points – if the total point difference between the two credit quality reviews is greater than 25
- Failed on Critical – if any critical answer of "Low" is answered differently between the two credit quality reviews
- Failed on Critical and Points - if the total point difference is greater than 25 and any critical answer of "Low" is answered differently between the two credit quality reviews.

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

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

Forms List (Continued)

B Forms (Continued)

| Old Form Number | New Form Number | Title | Date Made Obsolete |
|---------------------|-------------------|--|--------------------|
| FSA 462-4 | FSA-2465 | Assignment, Acceptance, and Release (Wool and Mohair) | |
| FmHA 462-7 (State) | | Continuation Statement (Generic Version) | 12-31-07 |
| FSA 462-11 | 4-FLP, Exhibit 28 | Request for Continuation Statement Filing Fee | |
| FmHA 462-12 | | Statements of Continuation, Partial Release, Assignment, Etc. | 12-31-07 |
| FmHA 462-12 (State) | | Continuation of Termination Statement | 12-31-07 |
| FmHA 462-14 | | Change in List of Farmers Home Administration Borrowers Note: Reinstated as Exhibit 30 to 4-FLP. | 5-18-04 |
| RD 465-1 | FSA-2060 | Application for Partial Release, Subordination, or Consent | |
| RD 465-5 | FSA-2476 | Transfer of Real Estate Security | |
| FmHA 465-12 (State) | | Quitclaim Deed | 12-31-07 |
| FSA-580 | FSA-2580 | Primary and preservation Loan Servicing Checklist | |
| FSA-581 | FSA-2581 | Review data for inequitable treatment | |
| FmHA 838-B | | Invoice - Receipt Certification | 12-31-07 |
| FSA-838-C | FSA-2171 | Substitute Invoice | |
| FSA-839 | FSA-2172 | Request for Emergency Payment | |
| FSA-845 | FSA-2173 | *--Program Loan Cost Expense (PLCE) Vendor Code Request--* | |
| FmHA 1007 | | Square Foot Appraisal Form | 12-31-07 |
| FmHA 1900-1 | | Request for Appeal of Adverse Action | 7-8-98 |
| FmHA 1902-7 | | Financial Institution Summary For CBS | 7-8-98 |
| FmHA 1905-1 | | Management System Card-Individual | 12-31-07 |
| FmHA 1905-4 | | Application and Processing Card--Individual | 12-31-07 |
| RD 1905-12 | | Monthly Expirations | 12-31-07 |

Forms List (Continued)

B Forms (Continued)

| Old Form Number | New Form Number | Title | Date Made Obsolete |
|-----------------------|-----------------|--|--------------------|
| RD 1910-5 | FSA-2014 | Verification of Income | |
| FmHA 1910-11 | | Applicant Certificate Federal Collection Policies For Consumer or Commercial Debts | 9-9-03 |
| FmHA 1922-1 | | Appraisal Report - Farm Tract | 10-99 |
| FSA-1922-1 & Addendum | FSA-2161 | Appraisal Report - Agricultural Tract | *--6-30-21--* |
| FmHA 1922-2 | | Supplemental Report-Irrigation Drainage, Levee, and Mineral | 10-99 |
| FmHA 1922-3 & L3 | | Map of Property | 4-12-00 |
| FmHA 1922-4 | | Township Plate Map | 4-12-00 |
| FmHA 1922-5 | | Appraisal Review Note: Reinstated as FSA-2166. | 1-9-04 |
| FmHA 1922-6 | | Multiple Township Plat Map | 4-12-00 |
| FmHA 1922-8 | | Uniform Residential Appraisal report | 4-12-00 |
| FSA 1922-9 | FSA-2162 | Real Estate Sales Data | *--6-30-21 |
| FSA 1922-10 | FSA-2163 | Supplemental Forms-Agricultural Appraisal | 6-30-21 |
| FSA 1922-11 | FSA-2164 | Appraisal for Mineral Rights | 6-30-21--* |
| RD 1922-12 | | Nonfarm Tract Comparable Sales Data | 12-31-07 |
| RD 1922-14 | | Residential appraisal review for SFH | 1-9-04 |
| FSA 1922-16 | FSA-2165 | Administrative Appraisal Review | |
| FSA-1922-17 | | Appraisal certification program semiannual report | 6-17-08 |
| RD 1924-1 | FSA-2150 | Development Plan | |
| FmHA 1924-2 | | Description of Materials | 12-31-07 |
| FmHA 1924-3 | | Service Building Specifications | 12-31-07 |
| FmHA 1924-5 | | Invitation for Bid (Construction Contract) | 12-31-07 |
| FmHA 1924-6 | | Construction Contract | 12-31-07 |
| FmHA 1924-7 | | Contract Change Order | 12-31-07 |
| FmHA 1924-9 | | Release by Contractor Note: Reinstated as FSA-2154. | 7-26-04 |
| RD 1924-10 | FSA-2153 | Release by Claimants | |

Type of Assistance, Fund, and Kind Codes (Continued)

*--L Heirs Property Relending Program

| Type of Assistance | Description | Fund Code (2-Digit) | Kind Code |
|--------------------|----------------------------------|---------------------|-----------|
| 856 | Heirs Property Relending Program | 90 | 01 |

--*

M Inactive or Expired Loan Programs

The types of assistance codes in the following table reflect inactive (currently not funded) loan programs. New loan obligations may not occur using these fund codes; however, they may be applicable for a loan servicing activity, such as an assumption.

| Type of Assistance | Description | Fund Code (2-Digit) | Kind Code |
|--------------------|---|---------------------|-----------|
| 033 | FO - Farm Enterprise - Debt Adjusted | 41 | 07 |
| 038 | Soil and Water - Direct Conservation | 35 & 45 | 00 |
| 109 | Soil and Water - LR | 45 | 03 |
| 130 | Soil and Water - Dire Emergency - Secured with Real Estate | 45 | 00 |
| 039 | Recreation Land | 48 | 00 |
| 040 | Grazing Loan - Association | 74 & 94 | 00 |
| 046 | OL - Disaster Assistance | 44 | 01 |
| 047 | OL - LR - Delinquent Borrower | 44 | 04 |
| 049 | OL - Debt Adjusted | 44 | 07 |
| 102 | OL - LR - Delinquent Borrower - SDA | 44 | 45 |
| 053 | Economic Emergency - Operating | 29 | 11 |
| 054 | Emergency Livestock | 15 | 00 |
| 055 | Economic Emergency - Real Estate | 29 | 21 |
| 110 | Homestead Protection - Credit Sales | 41, 43, 44, and 45 | All |
| 118 | Homestead Protection - Credit Sales- LR | 41, 43, 44 and 45 | All |
| 180 | Emergency - Natural Disaster | 43 | 61 |
| 213 | OL - Beginning Farmer - Regular - Special Assistance - 1 year | 44 | 33 |
| 214 | OL - Beginning Farmer - Regular - Special Assistance - SDA - 1 year | 44 | 34 |
| 215 | OL - Beginning Farmer - Regular - Special Assistance - 7 year | 44 | 33 |
| 216 | OL - Beginning Farmer - Regular - Special Assistance - SDA - 7 year | 44 | 34 |
| 221 | OL - Beginning Farmer - LR - Special Assistance - 1 year | 44 | 43 |

Type of Assistance, Fund, and Kind Codes (Continued)

M Inactive or Expired Loan Programs (Continued)

| Type of Assistance | Description | Fund Code (2-Digit) | Kind Code |
|--------------------|--|---------------------|-----------|
| 222 | OL - Beginning Farmer - LR - Special Assistance - SDA - 1 year | 44 | 44 |
| 223 | OL - Beginning Farmer - LR - Special Assistance - 7 year | 44 | 43 |
| 224 | OL - Beginning Farmer - LR - Special Assistance - SDA - 7 year | 44 | 44 |
| | | | |
| 298 | Emergency Loan for Seed Producers Program | 44 | 23 |
| 299 | Special Apple Loan Program | 39 | 01 |
| | | | |
| 327 | Horse Breeder Loan Program | 43 | 71 |

N Direct Farm OL's - ARRA ("Stimulus")

Note: All loans with types of assistance codes shown in this table were obligated with appropriated funding received under ARRA ("Stimulus"). These types of assistance codes are not available for new loan applications; however, they are applicable for loan servicing activity.

| Type of Assistance | Description | Fund Code (2-Digit) | Kind Code |
|--------------------|--|---------------------|-----------|
| 564 | OL - Regular (Except Youth) - 1 year | 44 | 01 |
| 565 | OL - Youth - 1 year | 44 | 02 |
| 566 | OL - Regular (Except Youth) - SDA - 1 year | 44 | 05 |
| 567 | OL - Youth - 1 year - SDA | 44 | 55 |
| 568 | OL - Beginning Farmer - Regular - 1 year | 44 | 01 |
| 569 | OL - Beginning Farmer - Regular - 1 year - SDA | 44 | 05 |
| 570 | OL - Regular (Except Youth) - 7 year | 44 | 01 |
| 571 | OL - Youth - 7 year | 44 | 02 |
| 572 | OL - Regular (Except Youth) - 7 year - SDA | 44 | 05 |
| 573 | OL - Youth - 7 year - SDA | 44 | 55 |
| 574 | OL - Beginning Farmer - Regular - 7 year | 44 | 01 |
| 575 | OL - Beginning Farmer - Regular - 7 year - SDA | 44 | 05 |
| 576 | OL - LR - 1 year | 44 | 03 |
| 577 | OL - LR - 1 year - SDA | 44 | 15 |
| 578 | OL - Beginning Farmer - LR - 1 year | 44 | 03 |
| 579 | OL - Beginning Farmer - LR - 1 year - SDA | 44 | 15 |
| 580 | OL - LR - 7 year | 44 | 03 |
| 581 | OL - LR - 7 year - SDA | 44 | 15 |
| 582 | OL - Beginning Farmer - LR - 7 year | 44 | 03 |
| 583 | OL - Beginning Farmer - LR - 7 year - SDA | 44 | 15 |

Invoices for Non-Contractual, Micropurchase, and Contractual PLCE Transactions

A. Invoices

Contractors are required to submit proper invoices according to Federal Acquisitions Regulation Part 32.905 - [32.905 Payment documentation and process. | Acquisition.GOV](#). Except for appraisal acquisitions, TPOC's, or ARMP's will communicate the following written guidance to the contractors upon issuance of a task order, purchase order, or delivery order.

The following information must be included on invoices submitted to the agency:

1. Name and address of the contractor
2. Invoice date and invoice number
3. Contract number or other authorization for supplies delivered or services performed (including order number and line-item number)
4. Description of goods or supplies, quantity, unit of measure, unit price, and extended price of supplies delivered, or services performed
5. Shipping and payment terms
6. Name and address of contractor official to whom payment is to be remitted (must be the same information as the original task order, purchase order, or delivery order)
7. Name (where practical), title, telephone number, and mailing address of person to notify in the event of a defective invoice
8. Taxpayer Identification Number (TIN)
9. Electronic Funds Transfer (EFT) banking information (if the contractor has a current SAM.gov registration or FMMI record they are not required to include banking information on the invoice)
10. Other information the agency official deems necessary according to the contract agreement.

Clarification of Item 4: Unit of measure, unit price, and extended price of supplies delivered not required for PLCE invoices, unless necessary due to type of agreement.

Note: The Statement of Work (SOW) (Exhibit 39) for appraisal acquisitions provides guidance regarding invoice requirements.

B. Non-Contractual Invoices

In rare instances when a vendor does not submit an invoice, statement, or notice for non-contractual requirement, an FSA-2171 will be completed by the local officials. The original completed/signed FSA-2171 will be retained for agency records and a copy will be sent to the vendor if local official is delivering a physical check.

C. Processing of Invoice Payments

Upon receipt of a proper contractor invoice, the designated agency official will follow procedures set forth in Exhibit 21 of this handbook relating to established roles for reviewing, accepting, and processing of invoices.

Note: Designated TPOC **and** ARMP/APOC will notate review and acceptance on the invoice.

Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)

| Note | Description |
|------|---|
| 1 | Requires written permission to use from the Administrator or Administrator's designee; contact LMD or LSPMD, as applicable. |
| 2 | Includes NEPA Environmental Assessments and Miscellaneous NEPA Studies. |
| 3 | These activities refer to due diligence investigations conducted to evaluate real property for the presence of contamination in loan making and loan servicing activities according to 1-EQ. |
| 4 | *--Includes recording and filing fees; expenses relating to obtaining copies of legal documents, i.e., PACER, plats, mortgages, judgments, etc.; other similarly related expenses at offices such as Clerk of Court, Register of Mesne Conveyance, Register of Deeds, Department of Motor Vehicles, regional or federal court records; etc.--* |
| 5 | Use for UCC lien and State or county records searches, recordings and filings in situations only when funds have been collected from the applicant and remitted with miscellaneous code 36 or 38 (3-FI, Exhibit 5) to pay Secretary of State or third party vendor charges, or to replenish prepaid accounts. |
| 6 | Process as a single source financial transaction; includes access to * * *, State databases for real estate, equipment sales, historical sites, monthly or annual subscription or service fees for third party vendors relating to lien and/or record searches, etc. |
| 7 | Use in the acquisition of real estate or property rights necessary only to sell inventory real property, not for the purpose of increasing the financial return to FSA. Includes easement, right-of-way, ingress/egress. |
| 8 | Includes online auction fees, auction storage fees, auction rental fees, auctioneer fees/commission, and other similarly related costs. |
| 9 | For appraisals completed for Homestead Protection, use ND, "Co-Pay/Homestead Appraisals". Co-Pay appraisals are not authorized for Government Inventory Property. |
| 10 | Activities may be conducted on custodial property if necessary to protect the Agency's security interest. |
| 11 | These activities are applicable for pre-remedial and remedial response actions conducted pursuant to the Comprehensive Environmental Response Compensation and Liability Act, Resource Conservation and Recovery Act, and Toxic Substance Control Act or State laws governed by these statutes. All response actions shall be conducted by environmental professionals. |

***--Program Authority to Request Contract Goods and Services and Recoverability of PLCE's
After September 30, 2010 (Continued)**

| Note | Description |
|------|--|
| 12 | Servicing activities should be charged as a recoverable cost, except when State law, supported by an opinion from the Regional Attorney , provides otherwise. |
| 13 | Expenditures in excess of aggregate amount of \$1,000 per property as provided in 4-FLP and 5-FLP must have prior written approval from SED. |
| 14 | Includes payment for serving Summons and Complaint in foreclosure proceedings; costs incurred during an eviction; other similar expenses. |
| 15 | Only essential utilities will be paid, including fuel oil, gas, electricity, and propane according to 4-FLP and 5-FLP. |
| 16 | Includes cost reimbursement. |
| 17 | Includes payments to the Bureau of Land Management, Forest Service, etc. |

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Program Authority to Request Contract Goods and Services and Recoverability of PLCE's After September 30, 2010 (Continued)

*--According to this exhibit certain PAC codes require prior written approval from the Administrator or their designee to execute contracts for goods, products, services, etc. This table lists the PAC codes requiring written authorization prior to execution of a financial commitment.

| Program Authority Code | Detail Description | Written Authorization Required |
|-------------------------------|--|---------------------------------------|
| 1Z1, 2Z1, 5Z1 | Miscellaneous | Administrator or designee |
| 2N3 | Insurance | Administrator or designee |
| 4NG | Online Bidding Registration Fees – Foreclosure Action Only | Administrator or designee |
| 4F3 | Expense for Temporary Custodial Actions greater than \$1,000 | Administrator or SED |
| 4G1 | Repairs greater than \$1,000 | Administrator or SED |
| 5G1 | Repairs greater than \$1,000 | Administrator or SED |

State officials will use similar language when requesting written authorization prior to any financial commitment action. Retain the signed memorandum with the supporting documentation according to agency recordkeeping guidelines.

| |
|--|
| <p>FROM: Requesting Official</p> <p>TO: Agency Official Authorizing Use of PAC Code</p> <p>“This memorandum authorizes the use of program activity code <u>insert code and description</u> to pay for <u>provide a brief description of the requirement.</u></p> <p>The <u>Program Office and/or State/US Territory Office</u> is requesting authorization to utilize \$<u>amount</u> of Program Loan Cost Expense (PLCE) funds for the stated requirement.</p> <p>Upon receipt of approval of use of the program authorization code, the requesting office will take one of the following actions: (1) process requirement according to procedures for PLCE micropurchase items, or (2) for requirements exceeding the micropurchase limit a formal requisition will be sent to the Acquisitions Division through the Integrated Acquisition System. A warranted contracting officer will be required to execute a contractual award to the vendor.”</p> <p>Attachments: Supporting Documents</p> |
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