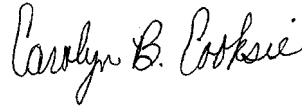


UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration 1-FLP (Revision 1)	Amendment 15
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Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraphs 29 A and D have been amended to update the maximum loan authorities for direct loans.

Exhibit 5 has been amended to updated the forms list.

Exhibit 17 has been amended to provide the monthly interest rates applicable to FLP.

Page Control Chart		
TC	Text	Exhibit
	2-15 through 2-18	5, pages 3, 4 17, pages 1, 2

29 Maximum Loan Authorities

A OL, FO, 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:

Note: The Food, Conservation, and Energy Act of 2008, signed into law on May 22, 2008, included provisions impacting maximum loan limits. Changes to CFR contained in this subparagraph that were effective immediately are printed in *italics*. These revisions have not yet been published in the Federal Register, but should be followed when approving loan applications.

(1) Farm Ownership loans, Beginning Farmer Down payment 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);

***--Note:** FY 2009 loan limit is \$1,094,000.--*

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

***--Note:** FY 2009 loan limit is \$1,094,000.--*

(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);

***--Note:** FY 2009 loan limit is \$1,094,000.--*

29 Maximum Loan Authorities (Continued)

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

(3) Operating loans:

- (i) 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);**

***--Note:** FY 2009 loan limit is \$1,094,000.--*

- (4) Any combination of guaranteed Farm Ownership 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);**

***--Note:** FY 2009 loan limit is \$1,094,000.--*

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

***--Note:** FY 2009 loan limit is \$1,094,000.--*

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

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

***--Note:** FY 2009 loan limit is \$1,094,000.--*

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>.

29 Maximum Loan Authorities (Continued)

C Line of Credit Advances

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

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

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

29 Maximum Loan Authorities (Continued)

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

The following identifies the maximum loan approval authority for OL, FO, and EM by grade and title of loan 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. A loan 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 loan approval official for action.

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

Type of Loan	FLO			FLM, DD, FLS or FLC	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	\$600,000	*--\$1,094,000--*
Direct OL	\$50,000	\$100,000	\$175,000	\$225,000	\$300,000
Guaranteed FO + SW	\$0	\$175,000	\$400,000	\$600,000	*--\$1,094,000--*
Direct FO + SW	\$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	\$600,000	*--\$1,094,000--*
FO + SW Total Direct and Guaranteed	\$100,000	\$200,000	\$400,000	\$600,000	*--\$1,094,000--*
Total Approval for Multiple Assistance Types - Limitation III					
OL + FO + SW Total Direct and Guaranteed	\$100,000	\$400,000	\$550,000	\$750,000	*--\$1,394,000--*
Total Guaranteed	\$100,000	\$400,000	\$550,000	\$750,000	*--\$1,094,000--*
Total Approval for FO, OL, and EM - Limitation IV					
OL + FO + SW + EM Total Direct and Guaranteed	\$100,000	\$400,000	\$550,000	\$750,000	*--\$1,894,000--*

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.

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FmHA 432-1	FSA-2036	Farm Family Record Book	7-14-08
FmHA 432-1-, Supp 1		FHP Supplement 1 - Money Received	8-22-07
FmHA 432-1, Supp 2		FHP Supplement 2 - Expenses Paid	8-22-07
FmHA 432-1, Supp 3		FHP Supplement 3 - Expense Distribution Codes	8-22-07
FmHA 432-2		Five-Year Inventory Record	12-31-07
FmHA 432-10		Business and Family Record Book	12-31-07
FmHA 440-2		County Committee Certification or Recommendation	7-24-02
FSA-440-2		Eligibility certification or recommendation	12-31-07
FmHA 440-4		Security Agreement (Chattels and Crops)	9-9-03
FSA-440-4A	FSA-2028	Security Agreement	
FmHA 440-8		Notice of Check Delivery	12-31-07
FSA 440-9	FSA-2027	Supplementary Payment Agreement	
RD 440-11		Estimate of Funds Needed For 3- Day Period Commencing	12-31-07
FmHA 440-12		Acknowledgement of Payment for Recording, Lien, Search, and Releasing Fees	12-31-07
RD 440-13	FSA-2360	Report of Lien Search	
FmHA 440-15		Security Agreement (Insured Loans to Individuals)	12-31-07
FmHA 440-21		Appraisal of Chattel Property	12-31-07
FSA 440-21	FSA-2160	Appraisal of Chattel Property	
RD 440-22		Promissory Note (Association or Organization)	12-31-07
FSA-440-25		Financing Statement	12-31-07
FmHA 440-A25		Financing Statement (Carbon-Interleaved)	12-31-07
FSA 440-26	FSA-2317	Consent and Subordination Agreement	
FmHA 440-29		Semiannual Labor Compliance Report	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FmHA 440-32		Request for Statement of Debts and Collateral	2-17-99
FSA-440-32	FSA-2015	Verification of Debts and Assets	
FmHA 440-34		Option to Purchase Real Property	12-31-07
FmHA 440-35		Acceptance of Option	11-17-03
FmHA 440-45		Nondiscrimination Certificate (Individual Housing)	12-31-07
FmHA 440-47		Statement of Account	12-31-07
RD 440-57A		Supplemental Installment Information	10-14-88
FmHA 440-58		Estimate of Settlement Costs	12-31-07
FSA 441-5	FSA-2361	Lender Subordination Agreement	
FSA 441-8	FSA-2041	Assignment of Proceeds from the Sale of Products	
FmHA 441-10		Nondisturbance Agreement	12-31-07
RD 441-12	FSA-2318	Agreement for Disposition of Jointly Owned Property	
FmHA 441-13		Division of Income and Nondisturbance Agreement	12-31-07
FmHA 441-17		Certification of Obligation to Landlord	12-31-07
FSA 441-18	FSA-2042	Consent to Payment of Proceeds from Sale of Products	
FSA-441-25	FSA-2043	Assignment of Proceeds from the Sale of Dairy Products and Release of Security Interest	
RD 442-2		Statement of Budget, Income and Equity	7-26-04
RD 442-3		Balance Sheet	7-26-04
RD 442-4		District Directors Report	7-26-04
RD 442-7		Operating Budget	7-26-04
RD 442-20		Right of way easement	12-31-07
RD 442-21		Right of way certificate	12-31-07
RD 442-22		Opinion of Counsel relative to rights of way	12-31-07
RD 443-16	FSA-2044	Assignment of Income from Real Estate Security	
FmHA 443-17		Agreement to sell nonessential real estate	12-31-07

FLP Rates

A Interest Rates for FLP's

--The following table provides interest rates for FLP's as of October 1, 2008.--

Loan Type	Current Rate (%)	Date Set
Rural Housing – Farm Loan Purposes	5.75	8/1/08
Operating	*--3.75	10/1/08--*
Operating – Limited Resource	5.00	12/1/90
Farm Ownership	5.125	9/1/08
Farm Ownership – Limited Resource	5.00	4/1/86
Farm Ownership – Down Payment	1.50	5/22/08
Farm Ownership – Joint Financing	5.00	3/24/97
Soil and Water	5.125	9/1/08
Soil and Water – Limited Resource	5.00	7/1/92
Recreation – Individual	5.125	9/1/08
Farmer Program – Homestead Protection	5.125	9/1/08
Shared Appreciation Amortization	4.125	9/1/08
Softwood Timber Loans	5.125	9/1/08
Economic Emergency – Operating	*--3.75	10/1/08--*
Economic Emergency – Real Estate	5.125	9/1/08
Emergency – Amount of Actual Loss	3.750	1/25/94
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	*--7.875	10/1/08
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	6.25	10/1/08
Emergency – Annual Production	6.25	10/1/08
Nonprogram - Chattel Property	6.25	10/1/08
Nonprogram - Real Property	7.875	10/1/08--*
Apple Loans	2.875	9/1/08
Association – Grazing	5.125	9/1/08
Association – Irrigation and Drainage	5.125	9/1/08
Indian Land Acquisition	5.00	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://165.221.16.90/dam/ffasforms/forms.html>, and submit it by 1 of the following methods.

- FAX to 816 363-1762
- e-mail to ra.mokansasc2.kcasbwhse
- mail to:

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

FLP Rates (Continued)

B Treasury Rates

The following table provides the applicable Treasury rates.

Treasury Rates	Current Rate (%)	Date Set
90-Day Treasury Bill	1.75	9/1/08
Treasury Judgment Rate (see Note)	*--2.17	10/1/08--*

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

The treasury judgment rate is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961). The rate is based on the weekly average 1-year CMT yield published by the Federal Reserve System, Board of Governors. The rate shown is the most current rate posted to the Federal Reserve web site and is dated the *--week ending August 29, 2008. 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 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