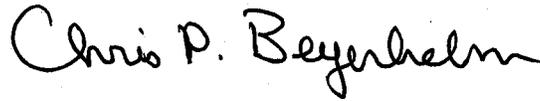


**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

<b>General Program Administration 1-FLP (Revision 1)</b>	<b>Amendment 22</b>
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**Approved by:** Acting Deputy Administrator, Farm Loan Programs



**Amendment Transmittal**

**A Reason for Amendment**

Subparagraph 142 C has been amended to update a form number reference.

Paragraph 222 has been amended to change the assessment element order to match the FBP release scheduled for May 4, 2009.

Exhibit 5 has been amended to update the forms list.

Exhibit 13 has been amended to clarify information that should be included in e-mail messages.

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

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	6-7, 6-8 8-41 through 8-50	1, pages 1, 2 5, pages 7, 8 page 37, 38 13, page 1 17, pages 1, 2



**142 Appraisal Reports (Continued)****B Real Estate Appraisals (Continued)**

When part or all of the mineral rights can:

- be appraised and minerals are known to exist, the appraised value in FSA-1922-11, Part VI or other formats that provide the same information, will be included in the final market value arrived at by the appraiser
- not be appraised or no known minerals or potential exist, the appraised value in FSA-1922-11, Part VI or other formats that provide the same information, will reflect 1 dollar (\$1.00) and document the appraiser's findings and reasons for making this valuation.

**Note:** When the precise value of minerals cannot be determined when using a narrative formatted appraisal, the following language shall be used.

“The precise value of mineral interests in existence, as well as the economic feasibility to extract minerals from the subject property, or any anticipated future annual production or income from the production of minerals is unknown to the appraiser. This appraisal is not an exhaustive study of the actual or potential mineral production, but is based on the best information available as of the effective date of the appraisal. The opinion of value of the mineral rights based on this information is \$1.00. Mineral rights run with the land and are not separate.”

**C Approved Appraisal Formats**

Any appraisal format that meets USPAP requirements is acceptable.

FSA has the following available formats that may be used along with additional documentation to meet USPAP requirements:

- FSA-2161
- FSA-1922-2
- \*--FSA-2162--\*
- FSA-1922-10
- FSA-1922-11.

**D Real Estate Appraisal Software**

FSA has appraisal software available for full-time and part-time staff appraisers/reviewers. To obtain a copy of the software, or if there are questions about the software, contact PDEED at 202-720-3647 or at the following address.

USDA FSA PDEED  
STOP 0521  
1400 INDEPENDENCE AVE SW  
WASHINGTON DC 20250-0521

## 143 FSA Review of Appraisal Reports

### A Overview

**[7 CFR 761.7(d)(1)] With respect to a real estate appraisal, the Agency may conduct a technical appraisal review or an administrative appraisal review, or both.**

**[7 CFR 761.7(d)(2)] With respect to a chattel appraisal, the Agency may conduct an administrative appraisal review.**

Real estate appraisals used for any direct or guaranteed loanmaking or loan servicing purpose are subject to a technical appraisal review or an administrative appraisal review by FSA for compliance with applicable FSA regulations and procedures.

### B Administrative Appraisal Reviews

Administrative appraisal reviews are conducted by FSA employees, other than an FSA full-time or part-time State-designated appraiser/reviewer, delegated the responsibility by SED. Employees must have received training on completing appraisal reviews before receiving this delegation.

An administrative appraisal review is performed as a due diligence function in the context of a loanmaking or loan servicing decision and to ensure compliance with organizational requirements. After the administrative appraisal review, the appraisal user will be in a position to understand the strengths and weaknesses of the information in the report. An administrative appraisal review is completed to verify that the:

- correct property was appraised
- math is correct
- appraisal is logical and understandable
- appraisal complies with FSA contracting requirements.

**Note:** An administrative appraisal review does not include a determination of compliance with USPAP.

The administrative reviewer will refer to the designated State staff appraiser any areas of concern or problems detected. An administrative reviewer may not express a different opinion of value and may not certify to the type and extent of review.

\*--The administrative appraisal review is completed for farm properties on FSA-2165 and for--\* residential properties on RD 1922-15, or in any other format containing, at a minimum, the same information.

## Section 2 Farm Assessment

## 221 Overview

## A Objective

**[7 CFR 761.103(a)] The Agency assesses each farming operation to determine the applicant's financial condition, organizational structure, management strengths and weaknesses, appropriate levels of Agency oversight, credit counseling needs, and training needs. The applicant will participate in developing the assessment.**

An assessment:

- is an evaluation of the applicant's operation, developed jointly with the applicant
- is completed after an applicant, not currently indebted to FSA, has been determined eligible for a direct loan
- identifies weaknesses in the operation, prioritizes them from most to least critical, and determines their impact on the operation's needs and goals
- helps to identify operational goals, positive and negative trends in the applicant's management, earnings and capital positions, productivity, and physical assets
- builds a strategy in the areas of planning, counseling, loan controls, analysis, monitoring, borrower training, and other supervisory needs.

The assessment process enables FSA to determine the kind and amount of financial and supervisory assistance needed by the applicant. In conducting assessments, authorized agency officials need to draw upon their knowledge, expertise, and judgment to arrive at conclusions on local economic conditions, production constraints and capabilities, the farm's historical performance, productive capabilities, adequacy of equipment and facilities, business goals, and project performance.

Listening to the applicant's perceptions of the operation is critical to the assessment process. Therefore, whenever possible, all available resources shall be used when conducting an assessment, including:

- local farm management consultants
- the Extension Service
- educational institutions
- producer associations
- successful loan farmers
- fellow FSA employees.

## 222 Elements of an Initial Assessment

### A Type of Farming Operation

**\*--[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:**

#### **(2) Type of farming operation.--\***

The initial assessment must identify or describe the type of farming operation, including:

- the business focus of the operation, including major types of crops, livestock, or other output produced by the farm
- minor commodities being produced, such as fat steers from a dairy operation
- size of the operation, such as number of milking herd and herd average, number of acres being farmed, and projected yields
- market conditions, environmental concerns, and other external factors
- production contracts, capital leases, or other special contractual arrangements that affect the farming operation
- the effects of special circumstances, if any, related to the applicant's family and organization.

Production Levels. Evaluation of production levels, such as bushels per acre, percent calf crop, pounds of milk per animal, and pounds of grain, shall include a determination of:

- whether there is sufficient capacity to generate projected income
- if present levels of production will attain the goals set by the applicant.

If production is below area standards, the authorized agency official must discuss with the applicant why this is so and develop plans to improve production. Possible strategies for improvement may include feed analysis, soil testing, or investment in different equipment. If applicable, credit needs for additional investments should be discussed.

**222 Elements of an Initial Assessment (Continued)****A Type of Farming Operation (Continued)**

Applicability and Appropriateness of Practices. The initial assessment must:

- evaluate existing farm practices, such as herd health and cropping practices, breeding and milking programs, and soil and feed testing
- determine applicability and appropriateness of practices based on what is typical for the area, cost effectiveness of the practice, type of operation, and demonstrated effectiveness.

If the authorized agency official does not know enough about a particular enterprise to make this evaluation, the authorized agency official must consult other resources, such as the Extension Service.

Timeliness of Operations. The initial assessment must evaluate the timeliness of the farm's operations. For example, the authorized agency official shall determine if each of the following operations, as applicable, is conducted in a timely manner and how this affects the performance of the operation:

- planting
- fertilizer and herbicide application
- harvesting
- calving
- marketing (weight and/or condition)
- breeding
- vaccination.

Appropriateness of Marketing Plan. The authorized agency official must assist the borrower in developing and evaluating a marketing plan. This plan must describe marketing practices and strategies, especially for any unique commodities the operation produces. The plan shall address whether marketing is accomplished so as to lock in a profit when possible or whether ~~it is done speculatively as the accruing interest on operating loans may surpass a price~~ increase obtained by holding back on the sale of commodities.

## 222 Elements of an Initial Assessment (Continued)

**B Goals for the Farming Operation**

**\*--[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:**

**(3) Goals for the farming operation.--\***

Setting goals is essential for the success of any farming operation. The applicant's goals provide the direction for the applicant's business. FSA uses the applicant's goals to help identify the need for financial and supervisory assistance. The authorized agency official must learn the personal and business aspirations of the farm family and work with the applicant to prioritize goals from most to least important. In many situations, the authorized agency official must have in-depth discussions with the applicant to identify these business aspirations.

The authorized agency official shall work with the applicant to incorporate short-, intermediate-, and long-term goals into the comprehensive farm business planning process. For example, the farm operating plan, supervisory plan, and training plan must facilitate achieving these goals. A farm operation might set goals for reducing expenses or for increasing yields and production level. Corrective measures and goals should be divided into stages for implementation over several years, when appropriate.

If the farm operation is an entity, the authorized agency official must meet with all the principals to ensure that the organization's goals are compatible with those of each principal.

The authorized agency official must also:

- identify and evaluate any changes the applicant intends to make, such as expansion of farmland, new buildings, and new management techniques
- identify increased credit needs, increased management skills, growth opportunities, and operating efficiency required to accomplish the planned changes
- determine how planned changes relate to the applicant's business goals.

**222 Elements of an Initial Assessment (Continued)****C Adequacy of Real Estate, Including Facilities, to Conduct the Operation**

**\*--[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:**

**(4) Adequacy of real estate, including facilities, to conduct the operation.--\***

In evaluating the adequacy and appropriateness of real estate used in the applicant's operations, the authorized agency official must consider the following:

- location and size, including efficiency of location to markets and farm supply dealers
- improvements and repairs needed for improved efficiency
- presence of hazardous waste and underground storage tanks, the adverse effects of their presence, and possible solutions
- conservation practices and measures and implementation of conservation plans for program compliance
- probability of continued use
- external factors, such as urban encroachment and new zoning ordinances
- ownership and leasing agreements, especially leasing arrangements relating to both land and chattel.

**222 Elements of an Initial Assessment (Continued)****D Adequacy of Chattel Property Used to Conduct the Operation**

**\*--[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:**

**(5) Adequacy of chattel property used to conduct the operation.--\***

The initial assessment must evaluate the adequacy of the chattel property, such as equipment and livestock used in the operation, relative to the applicant's goals and the planned level of production. As appropriate, the initial assessment should include comments on ownership, condition, probability for continued use, and any external factors, such as:

- operation life of chattel property relative to loan period
- necessary repairs
- improvements in operating efficiency with use of hired, leased, or owned equipment
- numbers, condition, breed suitability, and age of livestock.

**E Farm Organization and Key Personnel Qualifications**

**[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:**

**(1) Farm organization and key personnel qualifications.**

To provide adequate supervision and training recommendations, the authorized agency official must know who is performing key tasks within the farming operation. The initial assessment must identify the key individuals involved in operating the farm, including any seasonal labor. It also must:

- discuss the specific duties of each person, noting who is responsible for management, labor, resource allocation, and decision making
- evaluate the use of managerial resources and determine whether management choices are contributing to or hampering success in the operation
- determine if the time and effort spent on an enterprise or particular commodity is commensurate with the gains realized.

## 222 Elements of an Initial Assessment (Continued)

**F Supervisory Plan**

**\*--[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:**

**(9) Supervisory plan.--\***

The authorized agency official must tailor the supervisory plan to the applicant's individual needs and risks associated with the operation. An applicant's involvement and understanding of FSA's supervisory responsibilities in providing supervised credit are essential to successful supervision. The authorized agency official must work with the applicant to develop practical plans and realistic timetables for realizing improvements in critical areas. The supervisory plan shall:

- \*--identify and recommend areas of training which will help the applicant address--\* operational weaknesses, according to 3-FLP, paragraph 402
- schedule the farm visit, record review, and operational analysis and post the schedule to MAC.

**G Historical Performance**

**\*--[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:**

**(6) Historical performance;--\***

The authorized agency official must consider and analyze significant aspects of the operation's historical production and financial performance, trends, and current condition.

Production Data. The initial assessment must include and evaluate at least the last 3 years of production data for the farm, where possible \* \* \*. The applicant has the discretion to provide up to the last 5 years of production records. The evaluation must consider current production levels (e.g., bushels per acre, percent calf crop, pounds of milk per animal, and pounds of grain). It also must consider whether the farm has a capacity sufficient to generate projected production and to attain the applicant's goals. If an applicant is taking over an operation and the operation will remain substantially unchanged, the assessment may consider the most recent 3 years of production data for the existing operation.

Financial Data. The initial assessment must include and evaluate at least the last 3 years of financial data for the farm or applicant. The applicant has the discretion to provide up to the \*--last 5 years of financial records. Financial data can be gathered from tax returns, applicant records, or FSA records. If an applicant is taking over an operation and the operation will--\* remain substantially unchanged, the assessment may consider the most recent 3 years of financial data for the existing operation, if available, along with the applicant's own living expenses.

## 222 Elements of an Initial Assessment (Continued)

**G Historical Performance (Continued)**

Trend analysis must use comparable data for each year. For example, a trends analysis using balance sheets can be done properly only when the balance sheets from different years are \*--“as of” approximately the same dates. Even though the balance sheets may not be--\* submitted on, for example, December 31, 2XXX, the balance sheet may still be prepared “as of” that date.

The initial assessment must evaluate the current management and use of financial resources (income and credit), and how they contribute to or detract from the operation. The assessment shall determine how well financial resources are used in meeting \* \* \* goals and whether the applicant stays within the budget, considering the following:

- appropriateness of income sources
- adequacy of dedicated resources
- appropriateness of credit use
- productivity levels as related to profitability
- effectiveness of income use
- existence of other income opportunities.

Numerous indicators based on actual performance must be considered red flags when analyzing an operation. For example:

- increasing expense-to-income ratio for several years and a large debt load without \*--considerable nonfarm income, especially if the applicant has not suffered from natural disasters
- increasing current liabilities from year to year without corresponding increases in current assets, especially if the applicant has not suffered from natural disasters--\*
- increasing trend in debt-to-asset ratio, while considering fluctuations in land values, the economy, and price levels
- declining working capital position
- declining repayment margins.

222 Elements of an Initial Assessment (Continued)

**G Historical Performance (Continued)**

The following illustrates how some financial indicators can alert the authorized agency official to potential problems or immediate concerns about the farming operation. For instance, an expense-to-income ratio that stays at 70 percent or higher for several years could indicate a potential problem. The same ratio at 80 percent or more coupled with minimal off-farm income is a cause for immediate concern.

<b>Financial Indicator</b>	<b>Potential Problem</b>	<b>Immediate Concern</b>
Expense-to-income ratio (without interest)	70 percent or more for several years	More than 80 percent with minimal off-farm income
Increased accounts payable	Sudden increase in accounts payable	Accounts payable extended over 2 months without cash-generating assets/ receivable accounts
Liquidity	Ratio less than 1.5 to 1	Ratio less than 1 to 1
Solvency	Ratio of 60 percent or more	Ratio of 75 percent or more
Family living expenses	Unsubstantiated estimates below \$20,000 for an average family	Unsubstantiated estimates below \$10,000 for an average family

**H Farm Operating Plan**

\*--[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:

**(7) Farm operating plan.--\***

The initial assessment must include a balance sheet and provide a projected farm budget (1-year pro forma). The automated FBP system is the primary tool used in budget planning, but other systems acceptable to FSA may also be used.

A breakdown of per-acre expenses by commodity item is ideal when developing a plan of action regarding operating expenses. Examining per-unit costs assists in identifying whether expenses are being applied properly toward those income-generating areas. A per-unit cost breakdown also is useful with livestock production.

**222 Elements of an Initial Assessment (Continued)****I Training Plan**

**\*--[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:**

**(10) Training plan.**

The authorized agency official must describe FSA's initial recommendations for borrower training. The recommendations must assist the applicant in addressing operational weaknesses. See 3-FLP, Part 13 for borrower training requirements.

**J Loan Evaluation**

**[7 CFR 761.103(b)] The initial assessment must evaluate, at a minimum, the:**

**(8) Loan evaluation.--\***

The authorized agency official must evaluate and discuss whether the proposed loan is reasonable based on:

- the applicant's goals and the operation's objectives
- projected cash flow (as analyzed in the farm operating plan software or an acceptable alternative)
- loan security
- other loan risk factors.

The loan evaluation is similar to the loan narrative, which is discussed in 3-FLP, paragraph 261. The loan evaluation and loan narrative must be consistent.

## Reports, Forms, Abbreviations, and Delegations of Authority

### Reports

This table lists the required reports of this handbook.

<b>Reports Control Number</b>	<b>Title</b>	<b>Reporting Period</b>	<b>Submission Date</b>	<b>Negative Reports</b>	<b>Reference</b>
FLP4	FLPRA Annual Report	Annually	By November 1 each year	Required	403

### Forms

This table lists all forms referenced in this handbook.

<b>Number</b>	<b>Title</b>	<b>Display Reference</b>	<b>Reference</b>
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		Ex. 35
CCC-257	Schedule of Deposit		Ex. 35
FmHA 2006-21	Information Systems Management (ISM) Request for Changes to User Documentation		52
FSA-137	Address Information Request		46
FSA-159	Request for Supplies, Forms, and/or Publications		Ex. 5, 17
FSA-470	Tractor Feed Post Card for Metered Postage		46
FSA-603	Collection Register for State and County Offices		Ex. 35
FSA-851	Environmental Risk Survey Form		Ex. 35
FSA-1922-2	Supplemental Report		142
FSA-1922-10	Appraiser's Worksheet - Farm Tracts - Study of Comparable Properties		142
FSA-1922-11	Appraisal for Mineral Rights		142
FSA-1980-15	Conditional Commitment		15, Ex. 7
FSA-2001	Request for Direct Loan Assistance		44, 47, 48, Ex. 35
FSA-2007	Statement Required by the Privacy Act for Non-Applicants		48
FSA-2037	Farm Business Plan Worksheet Balance Sheet		Ex. 15

## Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		Ex. 15
FSA-2040	Agreement and Record of the Disposition of FSA Security/Release of Proceeds		262, 263, Ex. 7, 35
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation		168
FSA-2101	DD FLP Oversight Report Guide		443
FSA-2103	Direct Loan Making File Review Questionnaire		28
FSA-2104	Guaranteed Loan Making File Review Questionnaire		28
FSA-2119	Delinquent Borrower Servicing File Review Questionnaire		28
FSA-2125	Farm Loan Program County Information File Changes		46
FSA-2126	Program Loan Cost Expense (PLCE) Request (Non-Contractuals only)		166-168
FSA-2139	Notification of Exemption Social Security Number Requirement		102
FSA-2140	Deposit Agreement		101, 102
FSA-2141	Interest-Bearing Deposit Agreement		102
FSA-2142	Statement of Deposits and Withdrawals		103
FSA-2144	Designated Financial Institutions Collateral Pledge		102
FSA-2145	Demand for Withdrawal of Supervised Bank Account Funds		103
FSA-2150	Development Plan		122, 125
FSA-2153	Release by Claimants		122
FSA-2154	Release by Contractor		122
FSA-2160	Appraisal of Chattel Property		142
FSA-2161	Appraisal Report - Agricultural Tract		142
FSA-2162	Real Estate Sales Data		142
FSA-2165	Administrative Appraisal Review		143
FSA-2166	Technical Appraisal Review and Certification		143
FSA-2171	Substitute Invoice		166
FSA-2172	Request for Emergency Payment		168
FSA-2173	Foundation Financial Information System (FSIS) Vendor Code Request		162
FSA-2201	Lender Agreement		47, Ex. 35
FSA-2211	Application For Guarantee		44, 47

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  <b>Note:</b> 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	Foundation Financial information System (FFIS) 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	
FmHA 1922-2	(*)	Supplemental Report-Irrigation Drainage, Levee, and Mineral	
FmHA 1922-3 & L3		Map of Property	4-12-00
FmHA 1922-4		Township Plate Map	4-12-00
FmHA 1922-5		Appraisal Review  <b>Note:</b> 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	
FSA 1922-10	(*)	Appraiser's Worksheet - Farm Tracts (Study of Comparable Properties)	
FSA 1922-11	(*)	Appraisal for Mineral Rights	
RD 1922-12		Nonfarm Tract Comparable Sales Data	12-31-07
RD 1922-14		Residential appraisal review for SFH	1-9-04
RD 1922-15	(*)	Administrative Appraisal Review For Single Family Housing	
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  <b>Note:</b> Reinstated as FSA-2154.	7-26-04
RD 1924-10	FSA-2153	Release by Claimants	

**Forms List (Continued)**

**F New Forms**

The following lists new forms used for FLP delivery.

<b>Form Number</b>	<b>Title</b>
FSA-2002	Three Year Financial History
FSA-2003	Three Year Production History
FSA-2004	Authorization to Release Information
FSA-2005	Creditor List
FSA-2006	Property Owned or Leased
FSA-2123	Farm Loan Programs Testing Certification
FSA-2139	Financial Institution Notification of Social Security Number Requirement
FSA-2145	Demand for Withdrawal of Supervised Bank Account Funds
FSA-2302	Description of Farm Training and Experience
FSA-2306	Notice of Application Withdrawal/Pending Withdrawal
FSA-2308	Notice of Eligibility for FSA Assistance
FSA-2340	Selection of Attorney/Title Agent and Legal Services
FSA-2516	30 Day Reminder of the Notice of Availability of Loan Servicing
FSA-2523	Denial - No Feasible Plan - Current/Financially Distressed
FSA-2524	Borrower Response to Denial of PLS (Current/Financially Distressed)
FSA-2544	SAA 6 Month Contact Letter
FSA-2545	SA Due - Notification

**Forms List (Continued)**

**G New Exhibits**

The following lists new exhibits used for FLP delivery.

<b>Required Under</b>	<b>Handbook and Exhibit</b>	<b>Title</b>
FmHA GL 1943-A-1	3-FLP, Exhibit 16	Memorandum of Understanding Between FSA and [Enter Name of State Beginning Farmer Program]
Notice FLP-469, Exhibit 1	4-FLP, Exhibit 52	Borrowers Entering Active Duty
Notice FLP-469, Exhibit 2	4-FLP, Exhibit 53	Borrowers Leaving Active Duty
*--Notice FLP-128, Exhibit 1	5-FLP, Exhibit 13	Third Party Pledge of Security Notification Letter
Notice FLP-128, Exhibit 1	5-FLP, Exhibit 14	Youth Loan Notification Letter--*
FmHA Instruction 1951-J, Section 1951.457(b)	5-FLP, Exhibit 38	10-Day Notice of Non-Program Delinquency
FmHA Instruction 1951-J, Section 1951.457(b)	5-FLP, Exhibit 39	30-Day Reminder of Non-Program Delinquency
Notice FLP-467, Exhibit 2	5-FLP, Exhibit 52	Notice of Acceleration for FLP Accounts Held by Native American Borrowers and Secured by Real Estate Located Within a Recognized Reservation and Borrower Rights
Notice FLP-467, Exhibit 3	5-FLP, Exhibit 53	Notification of Options Available to the Tribe
Notice FLP-467, Exhibit 4	5-FLP, Exhibit 54	Information on Native American Borrower Rights Under the Consolidated Farm and Rural Development Act
Notice FLP-468, Exhibit 1	5-FLP, Exhibit 55	Notification to a Tribe of an American Indian Borrower's Request to Have a Loan Assigned to the Tribe (With Example Information)
Notice FLP-468, Exhibit 2	5-FLP, Exhibit 56	Notification to an American Indian Borrower of Acceptance of an Assignment Request
Notice FLP-468, Exhibit 3	5-FLP, Exhibit 57	Notification to an American Indian Borrower of Denial of an Assignment Request
RD Instruction 1955-B, Section 1955.62(a)	5-FLP, Exhibit 65	Notification of Personal Property
RD Instruction 1955-B, Exhibit B	5-FLP, Exhibit 71	Notification of Tribe of Availability of Farm Property for Purchase
RD Instruction 1955-C, Exhibit H	5-FLP, Exhibit 74	Conservation Easement for Wetlands
RD Instruction 1955-C, Exhibit I	5-FLP, Exhibit 75	Conservation Easement for Floodplains

## **Instructions for E-Mail to the National Office for Discrimination Complaint Status**

### **A E-mail Recipients**

FLC or designee shall provide an e-mail to the National Office at **FSA-DIRECTLOANS@wdc.usda.gov**.

### **B E-mail Subject**

The e-mail subject block should read, "Civil Rights Complaint Clearance - Borrower's Name and State."

### **C E-mail Message**

The e-mail message shall include the following:

- \*--borrower's name and State and county code--\*
- borrower's city and State of residence
- the type of request (pre-acceleration, pre-foreclosure, or CNC)
- review options:
  - OCR only
  - OCR and OGC
  - OCR, CDAT, and OGC

**Note:** The review options would indicate the race without specifically identifying the race of the individual in the e-mail. At this point the only added levels of review are OGC for all American Indians and CDAT and OGC for all African Americans/Blacks.

- prior review history including the following information:
  - previously cleared for acceleration by memo or e-mail on (specific date)
  - case review (specific date) and returned for additional servicing
- prior civil rights complaint information.

**Note:** The prior civil rights complaint information will help to clarify complaints that may have been previously closed or to further identify the race or involvement in pending suits against the government. That is, possible Keepseagle, Pigford, Love, or Garcia; ALJ Case #XXXXXXXX, last contact (specific date).

If the case involves an African-American borrower who is a claimant under the Pigford vs. USDA Consent Decree, FLC shall follow guidance provided under applicable FLP notices.



**FLP Rates**

**A Interest Rates for FLP's**

\*--The following table provides interest rates for FLP's as of May 1, 2009.--\*

<b>Loan Type</b>	<b>Current Rate (%)</b>	<b>Date Set</b>
Rural Housing – Farm Loan Purposes	4.625	4/1/09
Operating	*--2.375	5/1/09--*
Operating – Limited Resource	5.00	12/1/90
Farm Ownership	*--4.25	5/1/09--*
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	*--4.25	5/1/09--*
Soil and Water – Limited Resource	5.00	7/1/92
Recreation – Individual	*--4.25	5/1/09
Farmer Program – Homestead Protection	4.25	5/1/09
Shared Appreciation Amortization	3.25	5/1/09
Softwood Timber Loans	4.25	5/1/09
Economic Emergency – Operating	2.375	5/1/09
Economic Emergency – Real Estate	4.25	5/1/09--*
Emergency – Amount of Actual Loss	3.750	1/25/94
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	8.00	4/1/09
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	4.875	4/1/09
Emergency – Annual Production	4.875	4/1/09
Nonprogram - Chattel Property	4.875	4/1/09
Nonprogram - Real Property	8.00	4/1/09
Apple Loans	*--1.375	5/1/09
Association – Grazing	4.25	5/1/09
Association – Irrigation and Drainage	4.25	5/1/09--*
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	0.250	4/1/09
Treasury Judgment Rate (see Note)	*--0.580	5/1/09--*

**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 April 3, 2009. 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