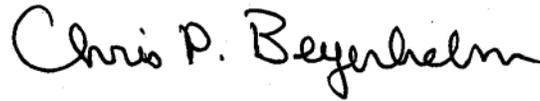


**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

<b>General Program Administration 1-FLP (Revision 1)</b>	<b>Amendment 3</b>
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**Approved by:** Acting Deputy Administrator, Farm Loan Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraphs 101 C, 241 B, 251 C, and 252 C, D, E, and F have been amended to make minor changes.

Subparagraph 441 D has been amended to remove incorrect reference.

Exhibit 5:

- subparagraph A has been amended to clarify forms included in the exhibit
- subparagraph B has been amended to update the forms list.

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>
	4-1, 4-2 8-85, 8-86 8-101 through 8-120 9-77 through 9-78	5, pages 1, 2 pages 13, 14 17, pages 1-4



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

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

**B Establishing a Supervised Bank Account**

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

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

FSA-2140 will be signed by all borrowers.

A supervised bank account will be used only when necessary to ensure that loan or security proceeds are used according to the farm operating plan, agreement to use proceeds, or other agreement with FSA.

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

101 Introduction (Continued)

**C Justification for Using a Supervised Bank Account**

County Offices must:

- ensure that a supervised bank account is established according to this Part
- document in the loan assessment under Part 8, Section 2 the reason a supervised bank account was established.

See 3-FLP, 4-FLP, and 5-FLP for specific loanmaking and loan servicing situations where a supervised bank account is needed.

DD's and State Offices must review case files of borrowers with supervised bank accounts \*--during County Office reviews to:--\*

- verify that documentation is in place
- indicate concurrence by initialing and dating the justification found in the loan assessment that the supervised bank account is needed.

If the review determines that the supervised bank account is not needed, DD or State Office must:

- document the results of the review in the case file
- instruct the authorized agency official to close the supervised bank account.

### Section 3 Farm Operating Plan

#### 241 Overview

##### A Objective

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

- financial position
- cash flow
- repayment ability.

The applicant or borrower must use a farm business planning system. FSA primarily uses an automated system to evaluate loan feasibility and the likelihood of achieving financial viability. An applicant or borrower may use an alternative format for the farm operating plan if approved by FSA, as noted in subparagraph 242 B.

##### B Developing and Approving the Farm Operating Plan

**[7 CFR 761.104(a)] An applicant or borrower must submit a farm operating plan to the Agency, upon request, for loan making or servicing purposes.** (See paragraph 243 for more specifics on the timing of the plan.)

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

The authorized agency official will review the farm operating plan to ensure that it is reasonable, relative to historical performance and local practices and conditions. An original signed copy of the farm operating plan must be retained in the case file of the applicant or borrower.

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

- (1) Historical information will be used as a guide.**
- (2) Positive and negative trends, mutually agreed upon changes and improvements, and current input prices will be taken into consideration when arriving at reasonable projections.**

## 241 Overview (Continued)

**B Developing and Approving the Farm Operating Plan (Continued)**

**(3) Projected yields will be calculated according to the following priorities;**

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

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

Conversely, if the trend is negative, the average may overstate production, and the most recent year's level is probably the most realistic projection. However, a higher production level may be projected if the negative trend is the result of disaster conditions, or if actions have been taken which will definitively reverse the trend. Additionally, 3 years is the minimum years of records to be considered, if available. The applicant, at their discretion, can provide more than 3 years of records if these additional records provide a more realistic yield projection. The basis for the yield used should be adequately documented in FBP or running case record.

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

**[7 CFR 761.104(c)(3)(iii)] FSA Farm Program actual yield records;**

**[7 CFR 761.104(c)(3)(iv)] County Averages**

**[7 CFR 761.104(c)(3)(v)] State averages.**

## Section 4 Borrower Account Classification

### 251 Overview

#### A CONACT Requirements

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

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

#### B Classification Categories

Accounts will be identified as 1 of the following.

Classification	Classification Category
1	Commercial
2	Standard
3	Acceptable
4	Marginal

**251 Overview (Continued)****C When Classification is Required**

At the closing of a borrower's first direct loan, the authorized agency official must classify ~~the borrower's account as standard or acceptable. According to CONACT, a loan~~ classified as commercial or standard must be reviewed for graduation, even if the loan has just been closed.

Classification at the closing of a borrower's first loan is made at the discretion of the authorized agency official, without necessarily using the classification methodology described in the rest of this paragraph. This option to not use the classification methodology enables the authorized agency official to avoid classifying the loan as standard or commercial and thereby avoid the CONACT requirement that borrowers with such loans must be reviewed for graduation. Also, classifying an account as commercial at the closing of a first loan could falsely imply that the borrower has a significant probability of graduating to commercial credit, which is highly unlikely given that the borrower has taken a loan with FSA, rather than a commercial lender.

At the time of the first year-end analysis, which follows the closing of an initial direct loan, the authorized agency official must classify the account using the methodology described below. See Section 5 for year-end analysis.

Subsequently, the authorized agency official must classify the account every 2 years with updated data, using the methodology described below.

FSA does not necessarily classify a borrower account at the closing of a subsequent direct loan.

**D Classification Reporting**

FSC, FLOO sends Report Code (RC) 736, "Annual Review and Classification of Farm Loan Borrowers," to each County Office in January and July each year. This report identifies the classification category and date for the previous classifications for each borrower. The report has a space for the date of the next classification. When a classification is performed, the authorized agency official must file an ADPS Transaction #8N within 10 days.

**252 Borrower Account Classification System****A Calculating Key Financial Indicators**

Borrower account classification uses data from the year-end analysis (see Section 5), balance sheet, and cash flow statements. If these data are not available, the authorized agency official will develop conservative estimates of the missing values.

The authorized agency official will use discretion to classify the accounts of the following types of borrowers as “2” (standard) or “3” (acceptable), without using the following classification methodology:

- farmers receiving their first direct loan, as noted above
- beginning farmers
- youth loan borrowers.

As discussed in subparagraph 251 C, classifying these accounts as commercial could falsely imply that these borrowers have a significant probability of graduating to commercial credit, which is highly unlikely.

For farmers not classified as standard or acceptable by the Authorized Agency Official, historical financial data from the most recent one-year period available must be used to calculate the security margin and key financial ratios used in the classification analysis.

**B Calculating Security Margin**

The authorized agency official will determine the value of FLP security for all direct FLP loans. The following steps are used to calculate security margin. First determine the security share, then use the resulting number to calculate security margin.

- Security share = value of the FLP security - value of any prior liens.

If this result is negative, the FLP security share is valued as zero.

- Security margin = security share - FLP direct loan debt (principal + interest).

The security margin can be positive, zero, or negative.

252 Borrower Account Classification System

**C Calculate Debt to Asset Ratio**

The following equation is used to calculate debt to asset ratio.

- Debt to asset ratio = total debts/total assets.

This ratio must be based on the borrower’s most recent historical balance sheet. All debts and assets, including direct and guaranteed FSA loans and non-FSA loans, are included in this calculation. The authorized agency official must assign points based on the ratio, as indicated in the following table, and use the points in determining account classification, as described in subparagraph G.

Debt to Asset Ratio	Points
40 or less	1
40.01 to 69	2
69.01 to 99	3
99.01 or greater	4

**D Calculate Return on Assets Ratio**

This ratio is based on net cash return. The authorized agency official must use the following equation to calculate net cash return and use the result in the equation for return on assets ratio.

- Net cash return = farm income – owner withdrawals.
- Return on assets ratio = net cash return / total property owned.

The authorized agency official will assign points based on the ratio, as indicated in the following table, and use the points in determining account classification, as described in subparagraph G.

Return on Assets Ratio	Points
7 or greater	1
3.6 to 6.99	2
0.01 to 3.59	3
0 or less	4

252 Borrower Account Classification System (Continued)

**E Calculate the Current Ratio (Liquidity Ratio)**

The following equation is used to calculate the current ratio.

- Current ratio = current assets / current liabilities.

Current asset and liability values must be taken from the most recent balance sheet. Only easily liquidated assets are included as current assets. Items such as household goods, personal vehicles, life insurance, and non-liquid securities are not included as current assets.

The authorized agency official will assign points based on the ratio, as indicated in the following table, and use the points in determining account classification, as described in subparagraph G.

Current Ratio	Points
1.25 or greater	1
1.16 to 1.24	2
1.00 to 1.15	3
0.99 or less	4

**F TDCLC Ratio (Repayment Capacity Ratio)**

The TDCLC ratio is calculated using data from the most recent FBP based on historical figures. The authorized agency official will use the following equation to calculate the repayment capacity ratio.

- TDCLC ratio =  $\frac{\text{Net farm income from operations} +/\text{- total miscellaneous revenue/expense} + \text{total non-farm income} + \text{depreciation/amortization expense} + \text{interest on term debt} + \text{interest on capital leases} - \text{total income tax expenses} - \text{owner withdrawals (total)}}{\text{annual scheduled principal and interest payments on term debt} + \text{annual scheduled principal and interest payments on capital leases}}$

The authorized agency official will assign points based on the ratio, as indicated in the following table, and use the points in determining account classification, as described in subparagraph G.

TDCLC	Points
1.15 or greater	1
1.08 to 1.14	2
1.00 to 1.07	3
0.01 to 0.99	4
-0.01 to 0	1
-0.02 or less	4

252 Borrower Account Classification System (Continued)

**G Determining Account Classification Code**

The total points for each of the 4 measures of financial performance and operation stability identified in subparagraphs C through F are added to obtain the total classification points.

- Total classification points = debt to asset ratio points + return on assets ratio points + current ratio points + repayment capacity (TDCLC) ratio points.

The authorized agency official will use the following to determine the borrower account classification based on the security margin and the sum of classification points. If the borrower’s security margin is negative, the borrower account classification category will be 4 (marginal), regardless of the number of classification points.

<b>Security Margin</b>	<b>Total Classification Points</b>	<b>Classification</b>	<b>Classification Category</b>
Positive or zero	1 to 1.59	1	Commercial
Positive or zero	1.6 to 2.19	2	Standard
Positive or zero	2.2 to 2.79	3	Acceptable
Negative	2.8 to 4	4	Marginal

253-260 (Reserved)

**Section 2 DD FLP Oversight Activities**

**441 DD FLP Oversight Reviews**

**A Overview**

This section covers the FLP oversight activities to be completed by DD's in FLP Service Centers.

**B Purpose**

This section:

- establishes the methodology for DD oversight of FLP activities
- provides guidance for documenting findings and results of DD FLP oversight reviews.

**C Relationship Between DD Oversight and FLPPRA**

DD's shall:

- become familiar with and use FLP's internal control system
- have a clear understanding of the relationship between the FLPPRA process and the DD FLP oversight review process.

## 441 DD FLP Oversight Reviews (Continued)

**D Oversight Reviews**

DD's shall:

- complete FLP oversight reviews using FSA-2101 \* \* \*

**Notes:** Once a particular file or case has been reviewed for a particular review item during the review period, this file or case needs to only be reviewed again to check correction of any deficiencies found.

FSA-2101 is available on the FFAS Employee Forms Online Intranet web site. Access the web site from the FSA Intranet at <http://intranet.fsa.usda.gov>.

Instructions for completing FSA-2101 (04-02-03) are currently **not** available. A revised FSA-2101 is forthcoming. DD's shall contact State Office FLP staff with questions. State Offices shall contact PDEED.

- coordinate and plan FLP oversight review visits with the State Office FLP Section so that participation by FLC or FLS can be arranged when necessary
- notify SED or FLC of any apparent problems that may require immediate attention.

FLM's or FLO's shall:

- assist in obtaining the reports needed for items to be reviewed
- be available to discuss specific cases or to answer questions from DD.

**Forms List**

**A General Information**

\*--This exhibit provides:

- information on forms that were renumbered or made obsolete as part of FLP Streamlining
- RD forms that are still used by FLP
- some forms, but is not all inclusive of forms used in FLP delivery.--\*

See subparagraph:

- B for FmHA, FSA, and RD forms
- C for FmHA, FSA, and RD form and guide letters
- D for FmHA and RD Instruction exhibits
- E for items and publications
- F for a numerical list of new FSA forms
- G for a list of new handbook exhibits.

The following is applicable to this exhibit.

- The “Old Form Number” column provides the prefix and number used before December 31, 2007.
- The “New Form Number” column provides the prefix and number to be used after December 31, 2007.

**Note:** An asterisk (\*) in the “New Number” column indicates the document will remain under the current number.

- The “Title” column provides the title of the document.

**Note:** This column provides the form’s title that will be used after December 31, 2007.

**B Forms**

The following lists \* \* \* FmHA, FSA, and RD forms used for FLP delivery.

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA 021-1		Request for Procedure	8-29-01
RD 021-1		Request for Procedure	12-31-07
FmHA 021-46		Procedure Notice	12-31-07
FmHA 070-1		A Program to Recognize the Farm Family of the Year of the FHA, USDA	2-17-99
FmHA 102-1		Request for Check Delivery	12-31-07
FmHA 104-1		Public Information Transmittal and/or Receipt	4-16-99
RD 140-4	FSA-2071	Transmittal of Documents	
FmHA 160-3		Request for Travel Authorization or Amendment	12-31-07

**Forms List (Continued)**

**B Forms (Continued)**

<b>Old Form Number</b>	<b>New Form Number</b>	<b>Title</b>	<b>Date Made Obsolete</b>
FmHA 336		Continuation Sheet	12-31-07
FSA-386	FSA-2202	Certified Lender Sticker	
FSA-386-1	FSA-2203	Preferred Lender Sticker	
FmHA 400-1		Equal Opportunity Agreement	12-31-07
FmHA 400-3		Notice to Contractors and Applicants	7-26-04
FmHA 400-4		Assurance Agreement	7-26-04
FmHA 400-6		Compliance Statement	7-26-04
FmHA 400-7		Compliance Review for Recreational Loans to Associations (FHA Borrowers)	12-31-07
FmHA 400-8		Compliance Review	7-26-04
RD 402-1	FSA-2140	Deposit Agreement	
RD 402-2	FSA-2142	Statement of Deposits and Withdrawals	
FmHA 402-6		Termination of Interest in Supervised Bank Account	12-31-07
FmHA 403-1		Debt Adjustment Agreement	7-8-98
FmHA 404-1		Case Reclassification	11-10-99
FmHA 405-A1		Operating Type Loans Maturity Schedule	12-31-07
FmHA 410-07		Notification to Applicant on Use of Financial Information from Financial Institution	2-17-99
FSA 410-1	FSA-2001	Request for Direct Loan Assistance	
FmHA 410-8		Applicant Reference Letter	12-31-07
RD 410-9	FSA-2007	Statement Required by the Privacy Act	
FmHA 410-10		Privacy Act Statement to References	12-31-07
FmHA 426-1		Valuation of Building	12-31-07
RD 426-2	FSA-2320	Property Insurance Mortgage Clause	
FmHA 426-4		Notice of Expiration of Insurance	12-31-07
RD 426-6		Transmittal of Property Insurance Mortgage Clause	12-31-07
FmHA 431-1		Long-Time Farm and Home Plan	12-31-07
FmHA 431-2		Farm and Home Plan	12-31-07
FmHA 431-4		Business Analysis - Nonagricultural Enterprise	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
RD 1955-47	FSA-2596	Bill of Sale "A" (Sale of Government Property)	
RD 1955-49	FSA-2595	Quitclaim Deed	
FmHA 1955-50	FSA-2594	Advice of Inventory Property Sold	
FmHA 1955-62		Request for Contract Services for Custodial/Inventory Property or Program Services	12-31-07
RD 1956-1	(*)	Application For Settlement of Indebtedness	
FSA-1956-10	(*)	Debt Settlement and Release of Liability Checklist	
FSA-1956-20	(*)	*--Checklist for "Currently Not Collectible" Debt	
FSA-1956-21	(*)	List of Currently Not Collectible (CNC) Debts Eligible to Be Referred to Treasury for Cross-Servicing	
FSA-1956-22	(*)	Update to TOP and Cross-Servicing Information--*	
FmHA 1960-12		Financial and Production Farm Analysis Summary	12-31-07
FSA 1962-1	FSA-2040	Agreement For the Use of Proceeds/Release of Chattel Security	
FSA 1962-3	4-FLP, Exhibit 29	List of FmHA Borrowers	
FSA 1962-9	FSA-2450	Temporary Amendment of Consent to Payment of Proceeds From Sale of Farm Products	
RD 1962-20	FSA-2576	Notice of Judgment	
FSA-1962-21 and 1962-21A	FSA-2574	Confirmed reorganization plan worksheet and cancellation of unsecured debt	
RD 1965-8	FSA-2080	Release From Personal Liability	
FmHA 1965-11		Accelerated Repayment Agreement	12-31-07
FSA-1965-13	FSA-2489	Assumption Agreement (Farm Loan Programs)	
RD 1965-14		Proof of Claim of the United States of America (Individual)	12-31-07
FmHA 1965-15		Assumption Agreement	12-23-96

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FSA-1980-01	FSA-2291	Lenders Processing Checklist	
FSA-1980-02	FSA-2292	Guaranteed Loan Processing Checklist	
FSA-1980-03	FSA-2293	Annual File Review Checklist for SEL and CLP Lenders	
FSA-1980-04		Annual File Review Checklist for PLP Lenders	12-31-07
FSA-1980-05	*--FSA-2294--*	Debt Writedown Review Checklist	
FSA-1980-06	FSA-2295	Guaranteed Estimated Loss Review Checklist for SEL and CLP Lenders	
FmHA 1980-07		Notification of Transfer and Assumption of a Guaranteed Loan	7-26-04
FSA-1980-07	FSA-2296	Guaranteed Loan Final Loss Review Checklist	
FSA 1980-15	FSA-2232	Conditional Commitment	6-8-07
RD 1980-19	FSA-2236	Guaranteed Loan Closing Report	
FSA-1980-22	FSA-2233	Lender Certification	
FSA-1980-24	FSA-2222	Request for Interest Assistance Payment	6-8-07
FSA-1980-25	FSA-2211	Application for Guarantee	
FSA-1980-26	FSA-2261	Report On Collection Activities On Liquidation Accounts	
FSA-1980-27	FSA-2235	Loan Guarantee	
FSA-1980-28	FSA-2212	Preferred Lender Application for Guarantee	

**FLP Rates**

**A Interest Rates for FLP's**

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

<b>Loan Type</b>	<b>Current Rate (%)</b>	<b>Date Set</b>
Rural Housing – Farm Loan Purposes	5.625	1/1/08
Operating	*--3.875	2/1/08--*
Operating – Limited Resource	5.00	12/1/90
Farm Ownership	*--5.00	2/1/08--*
Farm Ownership – Limited Resource	5.00	4/1/86
Farm Ownership – Beginning Farmer Down Payment	4.00	4/1/86
Farm Ownership – Joint Financing	5.00	3/24/97
Soil and Water	*--5.00	2/1/08--*
Soil and Water – Limited Resource	5.00	7/1/92
Recreation – Individual	*--5.00	2/1/08
Farmer Program – Homestead Protection	5.00	2/1/08
Shared Appreciation Amortization	4.00	2/1/08
Softwood Timber Loans	5.00	2/1/08
Economic Emergency – Operating	3.875	2/1/08
Economic Emergency – Real Estate	5.00	2/1/08--*
Emergency – Amount of Actual Loss	3.750	1/25/94
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	*--7.750	2/1/08
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	7.50	2/1/08
Emergency – Annual Production	7.50	2/1/08
Nonprogram - Chattel Property	7.50	2/1/08
Nonprogram - Real Property	7.750	2/1/08
Apple Loans	3.125	2/1/08
Association – Grazing	5.00	2/1/08
Association – Irrigation and Drainage	5.00	2/1/08--*
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](mailto: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	*--3.00	2/1/08
Treasury Judgment Rate (see Note)	3.180	2/1/08--*

**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 January 4, 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](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

FLP Rates (Continued)

C Historical 90-Day Treasury Bill Rates (Continued)

Effective Date	Rate (%)	Effective Date	Rate (%)
October 1, 1992	3.250	November 1, 1997	4.875
November 1, 1992	3.125	December 1, 1997	5.000
December 1, 1992	2.875	January 1, 1998	5.250
January 1, 1993	3.125	June 1, 1998	4.875
February 1, 1993	3.375	November 1, 1998	4.875
March 1, 1993	3.125	December 1, 1998	4.250
April 1, 1993	3.000	January 1, 1999	4.375
August 1, 1993	3.125	February 1, 1999	4.500
November 1, 1993	3.000	May 1, 1999	4.625
January 1, 1994	3.125	June 1, 1999	4.375
April 1, 1994	3.250	July 1, 1999	4.625
May 1, 1994	3.500	September 1, 1999	4.750
June 1, 1994	3.625	November 1, 1999	4.875
July 1, 1994	4.125	January 1, 2000	4.875
August 1, 1994	4.250	February 1, 2000	5.375
September 1, 1994	4.375	April 1, 2000	5.625
October 1, 1994	4.500	May 1, 2000	5.875
November 1, 1994	4.750	July 1, 2000	6.000
December 1, 1994	5.000	August 1, 2000	5.875
January 1, 1995	5.250	September 1, 2000	6.000
February 1, 1995	5.750	October 1, 2000	6.250
April 1, 1995	6.000	January 1, 2001	6.375
May 1, 1995	5.875	February 1, 2001	6.125
August 1, 1995	5.750	March 1, 2001	5.500
September 1, 1995	5.625	April 1, 2001	4.875
November 1, 1995	5.500	May 1, 2001	4.750
February 1, 1996	5.375	June 1, 2001	4.125
March 1, 1996	4.875	July 1, 2001	3.750
April 1, 1996	5.000	August 1, 2001	3.625
June 1, 1996	4.875	October 1, 2001	3.500
August 1, 1996	5.250	November 1, 2001	3.125
December 1, 1996	4.875	December 1, 2001	2.250
February 1, 1997	5.000	January 1, 2002	2.000
March 1, 1997	4.875	February 1, 2002	1.750
May 1, 1997	5.250	March 1, 2002	1.625
June 1, 1997	5.375	April 1, 2002	1.750
July 1, 1997	5.250	October 1, 2002	1.625
August 1, 1997	4.875	January 1, 2003	1.375
October 1, 1997	5.250	February 1, 2003	1.250

FLP Rates (Continued)

C Historical 90-Day Treasury Bill Rates (Continued)

Effective Date	Rate (%)	Effective Date	Rate (%)
April 1, 2003	1.125	January 1, 2006	4.00
August 1, 2003	1.000	March 1, 2006	4.125
September 1, 2003	0.875	April 1, 2006	4.500
October 1, 2003	1.000	May 1, 2006	4.625
December 1, 2003	0.875	July 1, 2006	4.875
January 1, 2004	1.000	September 1, 2006	5.00
February 1, 2004	0.875	October 1, 2006	5.125
May 1, 2004	1.000	November 1, 2006	5.00
August 1, 2004	1.250	January 1, 2007	5.125
September 1, 2004	1.375	February 1, 2007	5.00
October 1, 2004	1.500	April 1, 2007	5.125
November 1, 2004	1.625	June 1, 2007	5.00
December 1, 2004	1.750	July 1, 2007	4.875
January 1, 2005	2.000	August 1, 2007	4.75
February 1, 2005	2.250	September 1, 2007	4.875
April 1, 2005	2.50	October 1, 2007	4.625
May 1, 2005	2.75	November 1, 2007	4.125
June 1, 2005	2.875	December 1, 2007	4.000
July 1, 2005	2.875	January 1, 2008	3.625
August 1, 2005	3.000	*--February 1, 2008	3.000--*
September 1, 2005	3.125		
October 1, 2005	3.50		
December 1, 2005	3.625		

D Current Percentage – Cash Preference

The following table provides the current percentage for cash offers in purchasing inventory property.

Property Type	Percentage
Real Property	97
Chattel Property	96