

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration
1-FLP (Revision 1)

Amendment 39

Approved by: Deputy Administrator, Farm Loan Programs

Chris P. Beyershelm

Amendment Transmittal

A Reason for Amendment

Paragraph 4 has amended to update FLP contacts.

The following subparagraphs have been amended to remove reference to MAC or ADPS and replace with DLS:

- 46 A
- 49 A
- 49 C
- 222 F
- 244 B

Subparagraph 442 C has been amended to provide an alternate web site for accessing DDORS.

Paragraph 443 has been amended to provide changes made to DD Oversight Reports and to remove references to MAC.

Exhibit 15 has been amended to include reference to DLS.

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

Exhibit 35 has been amended to:

- provide changes made to DD Oversight Reports
- remove reference to MAC.

Amendment Transmittal (Continued)

Page Control Chart		
TC	Text	Exhibit
1, 2	1-7 through 1-10 1-11 3-19, 3-20 3-27, 3-28 8-47, 8-48 8-91, 8-92 9-79, 9-80 9-81 (add)	1, pages 3-6 15, pages 35, 36 pages 105-112 17, pages 1, 2 35, pages 1-6

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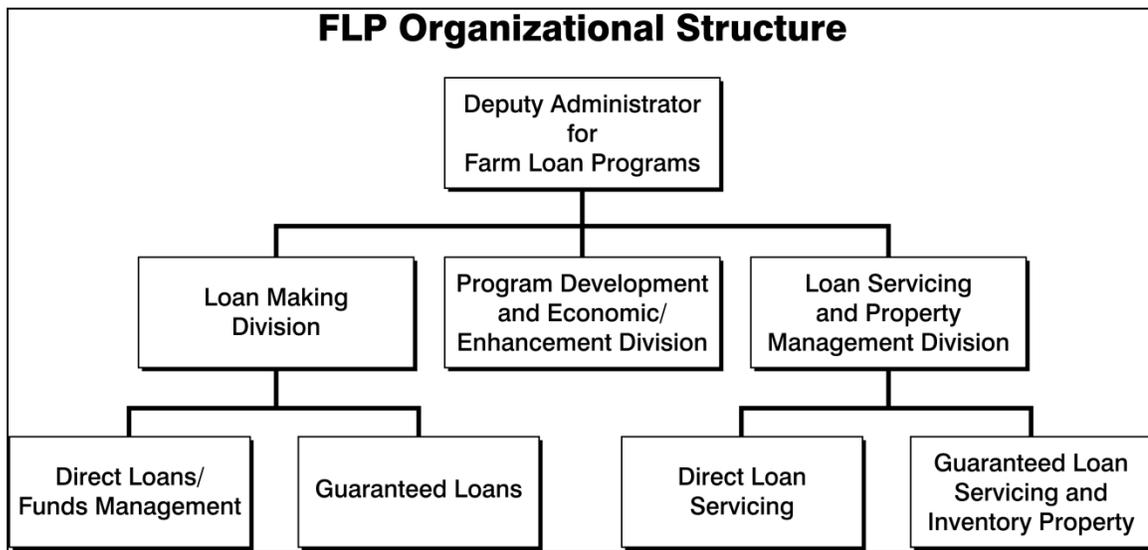
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4 FLP Organizational Structure

A National Office FLP Organizational Structure

The following is the National Office FLP organizational structure.



B Contacts for the Office of the Deputy Administrator

The following provides the address for the Office of the Deputy Administrator.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP STOP 0520 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0520	USDA FSA DAFLP ROOM 3605 SOUTH BUILDING 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0520

Note: County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

The following provides names, titles, and telephone and FAX numbers for the Office of the Deputy Administrator.

Office of the Deputy Administrator FAX Number 202-690-3573		
Name	Title	Phone Number
--Chris Bererhelm--	Deputy Administrator	202-720-4671
***	***	***
Clara Moore	Secretary to the Deputy Administrator	202-720-4671
***	***	***
Niki Chavez	Senior Loan Officer	202-690-6129
William Cobb	Special Programs Coordinator	202-720-1059

4 FLP Organizational Structure (Continued)

C LMD Contacts

The following provides names, address, and telephone and FAX numbers for LMD.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP LMD STOP 0522 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0522	USDA FSA DAFLP LMD 1280 MARYLAND AVE SW SUITE 240 WASHINGTON DC 20024

Note: County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

LMD FAX Number 202-690-1117		
Office of the Director		
Name	Title	Phone Number
James Radintz	Director	202-720-1632
***	***	***
Cheryl Marbury-Spence	Division Secretary	202-720-1632
Kenneth Hill	Assistant to the Director	202-720-5199
Direct Loans/Funds Management Branch		
Michael R. Hinton	Branch Chief	202-720-1472
Kevin Alexander	Branch Secretary	202-720-1472
--Sandra Hammond	Loan Officer	202-720-1647--
Connie Holman	Senior Loan Officer	202-690-0756
--Dan Jackson	Loan Officer	202-720-0588--
Joe Marcoccia	Senior Loan Officer	202-401-0087
Kathleen Miller	Senior Loan Officer	202-720-1643
Mike Moore	Senior Loan Officer	202-690-0651
Jerry Moseman	Senior Loan Officer	202-690-4006
Ann Smith	Loan Officer	202-720-1656
Anne Steppe	Loan Officer	202-690-4017
Corena Williams	Office Assistant	202-720-1638
Guaranteed Loans Branch		
Robert (Bob) Bonnet	Branch Chief	202-720-3889
***	***	***
Joanna Apergis	Program Analyst	202-720-5847
Patricia Elzinga	Senior Loan Officer	202-690-1729
Tracy Jones	Senior Loan Officer	202-720-6771
Trent Rogers	Senior Loan Officer	202-720-1657
Charles Russell	Loan Officer	202-720-3309
--Randi Sheffer	Loan Officer	202-205-0682--

4 FLP Organizational Structure (Continued)

D PDEED Contacts

The following provides names, address, and telephone and FAX numbers for PDEED.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP PDEED STOP 0521 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0521	USDA FSA DAFLP PDEED 1280 MARYLAND AVE SW SUITE 270 WASHINGTON DC 20024

Note: County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

PDEED FAX Number 202-720-8474		
Name	Title	Phone Number
Nancy L. New	Director	202-720-7719
Galen VanVleet	Deputy Director	202-720-3647
Teresa Martin	Program Analyst	202-690-0431
Pixie Greer	Senior Loan Officer	202-720-1652
Bruce Peters	Senior Loan Officer	202-720-7003
Clarence (Chuck) Ropp	Senior Loan Officer	202-690-4008
Clarence (Sam) Snyder	Chief Appraiser	202-720-0599
--Shanita Staten	Program Assistant	202-690-4903--
Gail Wargo	Senior Loan Officer	202-690-4003

4 FLP Organizational Structure (Continued)

E LSPMD Contacts

The following provides names, address, and telephone and FAX numbers for LSPMD.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP LSPMD STOP 0523 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0523	USDA FSA DAFLP LSPMD 1250 MARYLAND AVE SW SUITE 500 WASHINGTON DC 20024

Note: County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

Office of the Director FAX Number 202-720-5804		
Name	Title	Phone Number
Arthur (Veldon) Hall	Director	202-720-4572
Craig Nehls	Deputy Director	202-720-4572
Michael Cumpton	Assistant to the Director	202-690-4014
Jennifer Haley	Program Analyst	202-720-9898
***	***	***
Brenda McNeill	Program and Management Assistant	202-720-4572
Sheila Oellrich	Program Analyst	202-720-2990
Marquita Peoples	Program Analyst	202-720-8320
Direct Loan Servicing Branch FAX Number 202-690-0949		
Bruce Mair	Branch Chief	202-720-1645
--Jacqueline King	Program Analyst	202-720-2820--
Jenny Breece	Senior Loan Officer	202-690-4011
Gene Christie	Senior Loan Officer	202-690-2517
Richard Cardona-Diaz	Senior Loan Officer	202-720-0078
Mary Durkin	Senior Loan Officer	202-720-1658
Sharilyn Hashimoto	Senior Loan Officer	202-720-2743
Jonathan (Lee) Nault	Loan Officer	202-720-6834
L.D. Pletcher	Senior Loan Officer	202-720-1654
Gary Wheeler	Senior Loan Officer	202-690-4021
Tamara Wilson	Loan Officer	202-690-4012

4 FLP Organizational Structure (Continued)

E LSPMD Contacts (Continued)

Guaranteed Loan Servicing and Inventory Property Management Branch *--FAX Number 202-690-0949--*		
Name	Title	Phone Number
Jeff King	Branch Chief	202-720-1651
Polly Anderson	Senior Loan Officer	202-720-2558
Courtney Dixon	Senior Loan Officer	202-720-1360
Marcus Graham	Senior Loan Officer	202-720-3103
Sharon Harris	Senior Loan Officer	202-401-0191
Marilyn Meese	Senior Loan Officer	202-690-4002
Cynthia Pawlikowski	Loan Officer	202-720-0900
Joseph Pruss	Senior Loan Officer	202-690-2854

5-20 (Reserved)

46 Maintaining Borrower Addresses and Service Center Office Codes

A Changing Borrower Address Records

An authorized agency official must maintain correct addresses for all direct and guaranteed loan borrowers within the authorized agency official's jurisdiction and caseload.

--An authorized agency official should make borrower address changes by processing DLS-- transactions 4A, 4B, 4C, or 4D, and by updating GLS or SCIMS, as appropriate.

Forms for requesting updated addresses include FSA-470, which FSA mails to the borrower's last known address, and FSA-137, which requests address information from USPS.

B Related Instructions

See 4-FLP, Part 12 for transferring servicing responsibilities when an existing borrower moves to an area serviced by a different County Office.

C Changing Servicing Office Codes

FSA-2125 will be used by State Offices to change servicing office codes and mail codes when all files for 1 or more County Office are moved.

47 Ensuring Borrower Compliance with Restrictions on Lobbying**A Overview**

[7 CFR 761.5] A person who applies for or receives a loan made or guaranteed by the Agency must comply with the restrictions on lobbying in 7 CFR Part 3018.

USDA regulations about restrictions on lobbying are published in 7 CFR Part 3018. This paragraph provides guidance about the implementing 7 CFR Part 3018 for FLP loan applicants and borrowers.

Note: CFR citations refer to Departmental regulations.

B Applicant and Lender Certification

Any applicant for a direct or guaranteed loan exceeding \$150,000 must certify compliance with lobbying activities requirements. The certification is obtained from all loan applicants on FSA-2001, FSA-2211, and FSA-2212.

Lenders applying for a loan guarantee exceeding \$150,000 must certify compliance with lobbying activities requirements. The certification is obtained from all lenders on FSA-2201.

Additional information on certification requirements is available in 7 CFR 3018.110, which is included in subparagraph D.

49 DLS and MAC

A DLS

--DLS is the required system for loanmaking and routine loan servicing information and activities.--

DLS:

- tracks each loan request in an application package from receipt to final disposition
- obligates loans through its interaction with PLAS
- submits check/EFT requests through PLAS
- submits loan closing to PLAS
- provides an interactive task checklist
- monitors the disbursement of loan funds
- provides reports of loanmaking activities and processing timeframes

* * *

- *--tracks routine loan servicing activities, and timeframes
- has automated follow-up reminders to assist County Office employees in meeting deadlines for routine loan servicing activities
- provides loan account information, such as principal and interest amounts, and account flags--*

* * *

- warehouses information for reporting purposes
- has automated reporting capabilities.

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

49 DLS and MAC (Continued)

B User Assistance

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

C Maintaining and Updating DLS * * *

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

D Security

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

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 and record review and track through DLS by using the Farm Visit scheduling, tracking, and monitoring workflow activities
- ensure that the operational analysis will be done in FBP.--*

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.

244 Revisions to the Farm Operating Plan**A Revising Plans**

The authorized agency official and the applicant or borrower must revise the farm operating plan when changes occur in the farming operation or in the planned or actual use of loan funds. Any revisions made to the plan must be circled, dated, and initialed by the borrower and the authorized agency official. If major revisions cannot be accommodated in the original farm operating plan, a new plan must be completed and attached to the original. This new plan must be labeled, "Revision I, II, III," etc. to reflect the latest revision under consideration.

B FSA Responsibility for Revisions

The authorized agency official will meet with the applicant or borrower to discuss, date, and sign the revised farm operating plan. The revised plan must be placed in the applicant's or borrower's file and follow-up actions posted to DLS * * *. The authorized agency official will provide a copy of the revised farm operating plan to the applicant.

245 Considering New Enterprises When Developing the Farm Operating Plan**A Reviewing and Evaluating the Farm Operating Plan**

When reviewing a farm operating plan that includes a new enterprise, the authorized agency official shall not assume that historical cost structures and rates of return for existing enterprises apply to the proposed new enterprise. According to subparagraph 241 B, positive and negative trends, mutually agreed upon changes and improvements, and current input prices will be considered. Since new enterprises are **not** a part of the applicant's history, reliable sources, such as enterprise budgets from Extension Service and Land Grant Universities, are acceptable documentation to support the farm operating plan. These plans must use acceptable State or county average production levels. However, local conditions (soil productivity, climate, etc.) that will affect the enterprise and current realistic income and expense information shall also be considered when State or county averages are used.

B Farm Assessments

A farm assessment, as required in Section 2, is critical when an applicant or borrower adds a new enterprise. The farm assessment shall be completed jointly with the applicant as required before any decision is made on a farm operating plan that includes a new enterprise.

C Technical Assistance

Applicants shall be provided technical assistance or encouraged to obtain it. Sources of technical assistance include Extension Service, Land Grant Universities, State Programs, USDA 2501 grant recipient organizations and institutions, and private consultants. Program loan cost contracting funds are available and may be used to procure technical assistance for applicants planning new enterprises if public sector institutions (Extension Service, State Government, Land Grant Universities, etc.) cannot provide the assistance necessary.

442 DDORS (Continued)

C System Access

Access DDORS from the Farm Loan Programs Systems Home Page, located at <https://arcticocean.sc.egov.usda.gov/flp/IndexServlet>, according to the following.

Step	Action
1	CLICK “Logon” and enter the eAuthentication ID and password.
2	CLICK “District Director Oversight Reporting System (DDORS)” listed under “Other FLP Systems”.
3	Select the Service Center to be accessed.

--Notes: DDORS may also be accessed at <https://wdcprod80.sc.egov.usda.gov/Ddors/homepage.aspx>. Review items for-- the current reporting period will be accessed from the Service Center report outline page. DD’s can navigate back to the report outline for a Service Center by clicking “Go Back to Report Outline” on the submenu at the left of the screen. CLICK “Home” at the top of the screen to bring the user back to his or her homepage.

Access to Service Center reports are based on the user’s jurisdictional privileges. DD’s will have access to the FLP Service Centers for which they have FLP oversight responsibility. FLC and SED will have view-only access to all reports completed on all Service Centers within the State or States over which they have program oversight responsibilities. Other State users, such as FLS’, will have access to Service Centers as designated by FLC or SED. Users who need access to DDORS should contact the State Systems Administrator.

FLM’s, FLO’s, and PT’s will be able to view the reports completed for the Service Centers they manage. In a future phase of production, these users will have permission to follow-up on action items for their Service Centers that are established by DD’s in DDORS.

443 Responsibilities

A DD Responsibilities

DD’s shall:

- coordinate and plan all FLP oversight review site visits with FLP State Office staff 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

443 Responsibilities (Continued)**A DD Responsibilities (Continued)**

- use DDORS to:
 - document specific findings for each case file or operational file reviewed
 - *--complete reviews for each Service Center quarterly
 - submit completed Service Center oversight reports.--*

Note: Submitting the report online in DDORS is the:

- certification for that report
- same as the signature on FSA-2101.
- *--use the “Action Item” functionality in DDORS to record and follow up on any noted problems or inconsistencies.--*

B Service Center Responsibilities

FLM’s, FLO’s, or PT’s shall:

- assist in obtaining the reports needed for items to be reviewed

Note: Exhibit 35 is provided as a guide to reports that are needed for the various review items.

- be available to discuss specific cases or to answer questions from DD
- follow-up on any action items identified by DD’s in DDORS.

C State Office Responsibilities

SED’s shall ensure that timely FLP oversight reviews are completed by DD’s in DDORS.

FLC’s shall:

- *--assign a State System Administrator for DDORS
- review reports submitted for previous quarter and current quarter reports that are in progress
- follow up on any identified action items--*
- discuss concerns with DD and SED
- fully document actions taken to remedy identified deficiencies in the operational file.

443 Responsibilities (Continued)

D National Office Responsibilities

DDORS oversight reports shall be reviewed with the FLPPRA process. Reports for each FLP Service Center within a State shall be reviewed to ensure that:

- consistent oversight reviews are being conducted by DD's in the State
- SED's and FLC's are monitoring and addressing any deficiencies or apparent problems identified by DD's.

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2212	Preferred Lender Application For Guarantee		44, 47
FSA-2232	Conditional Commitment		43, Ex. 7
FSA-2233	Lender Certification		43
FSA-2235	Loan Guarantee		Ex. 7
FSA-2242	Assignment of Guarantee		Ex. 7
FSA-2254	Guaranteed Loan Report of Loss		Ex. 35
FSA-2292	Guaranteed Loan Processing Checklist		Ex. 35
FSA-2301	Request For Youth Loan		Ex. 15
FSA-2304	Notice of Incomplete Application		Ex. 35
FSA-2305	Second Notice of Incomplete Application		Ex. 35
FSA-2306	Notice of Application Withdrawal/Pending Withdrawal		Ex. 35
FSA-2307	Notice of Complete Application		Ex. 35
FSA-2308	Notice of Eligibility for FSA Assistance		Ex. 35
FSA-2313	Notification of Loan Approval and Borrower Responsibilities		202
FSA-2318	Agreement for Disposition of Jointly-Owned Property		Ex. 35
FSA-2341	Certification of Attorney		43
FSA-2342	Certification of Title Insurance Company		43
FSA-2510	Notice of Availability of Loan Servicing to Borrowers who are 90 Days Past Due		3
FSA-2512	Notice of Availability of Loan Servicing to Borrowers Who Are Current, Financially Distressed, or Less than 90 Days past Due		3
FSA-2514	Notice of Availability of Loan Servicing to Borrowers Who are in Non-Monetary Default		3
FSA-2535	Conservation Contract		3
FSA-2543	Shared Appreciation Agreement		3
RD 1922-15	Administrative Appraisal Review for Single Family Housing		143
RD 1940-22	Environmental Checklist for Categorical Exclusions		Ex. 15, 35

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
ACIF	Agricultural Credit Insurance Fund	163
ADPS	Automated Discrepancy Processing System	Text
ADR	alternative dispute resolution	42
AO	Administrative Officer	25, 27
ARRA	American Recovery and Reinvestment Act of 2009	28
BIR	Business Information Report	48
BOPR	Borrower Property Table	166
CDAT	Consent Decree Action Team	Ex. 12, 15
CIP	critical information protection	Ex. 15
CLP	Certified Lender Program	Text
CMT	Constant Maturity Treasury	Ex. 17
CNC	currently not collectable	Ex. 12
CONACT	Consolidated Farm and Rural Development Act	1, 21, 29, 251
eDALR\$	Debt and Loan Restructuring System	Ex. 15
DDORS	District Director Oversight Reporting System	442, 443
DLS	Direct Loan System	Text, Ex. 15
DOJ	Department of Justice	41
ECOA	Equal Credit Opportunity Act	41
EFT	electronic funds transfer	Text, Ex. 7
EIN	employer identification number	162, Ex. 15
EM	Emergency loans	29
ERSR	Electronic Repository of Security Requests	53
FAR	Federal Acquisitions Regulation	162, 165
FBP	Farm Business Plan	Text, Ex. 35
FCAO	Farm Credit Applications Office	49
FFIS	Foundation Financial Information System	162, 166, 167, 168
FFIS Team	PARLC, LAO	167, 168
FHP	Farm Home Plan	Ex. 15
FISMA	Federal Information Security Management Act	Ex. 15
FLC	Farm Loan Chief	Text, Ex. 15
FLM	Farm Loan Manager	Part 2, 441-443, Ex. 7, 15
FLO	Farm Loan Officer	Text, Ex. 7, 15
FLOT	Farm Loan Officer Trainee	25, Ex. 15
FLPRA	Farm Loan Programs Risk Assessment	Part 9
FLS	Farm Loan Specialist	23, 25, 29, 442, 443
FmHA	Farmers Home Administration	2
FO	Farm Ownership	29, 45, Ex. 15
FSC, FLOO	Financial Services Center, Farm Loan Operations Office	50, 52, 162, 167
GLS	Guaranteed Loan System	44, 46, 50

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
ISA	installment set-aside	Ex. 15
ITLAP	Indian Tribal Land Acquisition Program	2
LOC	line of credit	29
LOD	Loan Operations Division	168
LR	limited resource	Ex. 15
MADS	margin after debt service	Ex. 15
OAC	Office of Adjudication and Compliance	Ex. 12
OL	Operating Loans	29, 45, Ex. 15
OTI	Opportunity to Improve Plan	25, 27
PAC	Program Authority Code	164, 166, 167
PARLC, LAO	Policy, Accounting, Reporting, and Loan Center, Loan Accounting Office	167, 168
PIP	Performance Improvement Plan	25, 27
PLCE	Program Loan Cost Expense	Part 7, Ex. 4, 26
PLP	Preferred Lender Program	29, 43, 143
PLAS	Program Loan Accounting System	49
PLS	Primary Loan Servicing	25, 27, 29, 144
PT	program technician	23, 26, 442, 443, Ex. 7
PVHT	Voucher Header Inquiry Table	167, 168
PVLT	Voucher Line Inquiry Table	167, 168
RCI	recoverable cost items	Ex. 15
RD	Rural Development	Text
SALP	Special Apple Loan Program	2, 29
SCIMS	Service Center Information Management System	44, 46, 49
SDMS	State Directives Management System	403
SEL	standard eligible lender	43
SLR	Security Liaison Representative	53
SSN	Social Security number	Ex. 13
TC	transaction code	52
TDCLC	term debt capability lease coverage	252
TDLCR	term debt and capital lease coverage ratio	Ex. 15
TIN	taxpayer identification number	162, Ex. 13
TY	payment voucher transaction	166, 167, 168
USPAP	Uniform Standards of Professional Appraisal Practice	Part 6
VID	vendor identification	162, 166
WEM	Web Equity Manager	Ex. 15
YEA	year-end analysis	Ex. 15

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Re delegations of Authority

SED's may redelegate their:

- loan approval authority to FLC, FLS, or DD
- authority to allow the use of a restricted appraisal report to the designated State staff appraiser.

Farm Business Plan - FSA User Guide (Continued)

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

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

c Reports and Signature Requirements

The following details which reports or forms must be signed, locked, and printed.

Report or Form Name	Customer Signature Required*	FSA Signature Required*	Must be Locked*	Report Must be Printed**
FBP				
Balance Sheet Summary	Yes	No	Yes	Yes
Balance Sheet Schedules	No	No	N/A	Yes
Income & Expense Trends	Yes	No	Yes	Yes
Projected Income & Expense Schedules	No	No	N/A	Yes
Farm Assessment	Farm assessments will be signed and dated by the customer to acknowledge participation in completing the document.	Yes	Yes	Yes, if completed or updated.
All Credit Presentations (Direct Loanmaking, Classification/LR Review/ YEA, Special Loan Servicing, Regular Loan Servicing, Eligibility Only, and Youth Loans)	No	Yes, eSigned	Yes	Optional
DALR\$ Input Report	No	Yes, eSigned	Yes	Optional
Environmental Checklist (RD 1940-22)	No	Yes, eSigned	Yes	Optional

Farm Business Plan - FSA User Guide (Continued)

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

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

c Reports and Signature Requirements (Continued)

Report or Form Name	Customer Signature Required*	FSA Signature Required*	Must be Locked*	Report Must be Printed**
Security Agreement	Yes	No	No	Yes
Chattel Appraisal	No	Yes or notation made in the credit presentation. See Credit Actions (Section I 3 j)	N/A	Optional
Analysis Reports & Charts	No	No	N/A	Optional
Running Record	No	No	N/A	Optional. See Running Record (Section B 2)

* The term “Signature” includes “eSignature”, if available.

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

Note: Customers may also provide signed balance sheets, actuals, and projections, in alternative formats, provided they contain substantially similar information as FBP components.

d Reports Setup

“Reports”, “Reports Setup” contains many options to control the appearance of reports and what records are included in the generated analysis. Options selected affect each customer only. Up to 6 balance sheets and 6 projections/actuals can be included in reports. Options selected in “Reports”, “Reports Setup” will affect what balance sheets and projections/actuals are available or “will be used” in credit actions.

Caution: The options in the “Reports”, “Reports Setup”, titled “Analysis Based On” should **not** be changed. FSA has established these defaults on the national level and has established that “Value of Farm Production” and “Ag Only” will be used in all ratios and for classifications.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation and Classification (Continued)

b Components of the Credit Presentation

The following are components of the credit presentation.

Component	Details
General Information	<ul style="list-style-type: none"> • Most of this information will be pre-filled and not need further completion. • Select the radio button to designate whether the farm assessment was completed, updated, or no update is required.
Credit Relationship	<ul style="list-style-type: none"> • Loan Amount Requested For Approval. For new loans, indicate the total amount of new loans being requested. For subordinations, indicate the total amount of subordination being requested. For all other purposes, leave blank. • Ensure that the credit relationship information transferred in is correct. • In the text box indicate: <ul style="list-style-type: none"> • loan purposes and use of loan funds for: <ul style="list-style-type: none"> • direct loanmaking, transfer this information to FSA-2140 when a supervised bank account will be used to disburse loan funds • subordinations, transfer this information to the applicable subordination agreement • any other information relevant to FSA’s credit relationship with the customer.
Collateral Analysis	Ensure that the collateral and loan information transferred into this section is correct.
Employment Information, Related Entities, Balance Sheet, Income Statement, Repayment Capacity	<ul style="list-style-type: none"> • CLICK “Reports” and “Reports Setup” to select which balance sheets and income/expense statements appear in the credit presentation. • See Reports Setup (Section B 4 d) for information on what financial data should be included. • Ensure that the correct information was transferred into these sections.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation and Classification (Continued)

b Components of the Credit Presentation (Continued)

Component	Details
Classification	<p>See Classification Component (Section J 8 a) for an explanation of how *--to complete the classification section for ADPS DLS transactions.--* An explanation of the scores is also within the table under “Classification” and “LR Review/YEA Narrative”.</p>
Eligibility	<ul style="list-style-type: none"> • Answer the applicable eligibility questions with the radio buttons. • When making these determinations, the loan official is certifying that the applicant meets the requirements for the eligibility criteria and/or conditions as outlined in the respective FSA handbook. • Use the text box to address any additional program specific eligibility issues and/or conditions, such as qualifying for EM loans. States will issue guidance on amount of detail needed and format required. • The FSA loan official will CLICK “Eligibility Determination” to determine or recommend eligibility.
Collateral	<p>What is collateral? Collateral or guarantees are forms of security the customer can provide to secure an FSA loan. If for some reason, the business cannot repay its loan through business operations, there needs to be a second source of repayment. Assets such as equipment, livestock, real estate and in some cases, inventory, are considered possible sources of repayment if they are liquidated and sold for cash. Both business and personal assets can be sources of collateral for a loan according to FSA handbooks.</p> <ul style="list-style-type: none"> • In the WordPad, describe the adequacy of the collateral. • If the chattel was appraised by the same official recommending/approving the credit presentation, the appraisal form does not need to be printed or signed if the “Collateral” section of the credit presentation contains a notation that it was appraised, date of appraisal, and that the eSignature stamp of the recommending or approving official represents the person who appraised it. • Answer the security questions with the radio button.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation and Classification (Continued)

b Components of the Credit Presentation (Continued)

Component	Details
Capacity	<p>What is capacity? FSA must know how the customer intends to repay the loan. Consider the cash flow from the business, the timing of the repayment, and the probability of successful repayment of the loan. Discuss all the assumptions, marketing, pricing, income, production, expenses, withdrawals, etc., in preparing FBP, the basis for the assumptions, and comparisons to the financial history. Payment history on existing credit relationships, personal and business, is considered an indicator of future payment performance. Also consider contingent sources of repayment, if available.</p> <ul style="list-style-type: none"> • In the WordPad, discuss the repayment capacity of the borrower, and any assumptions used in the income/expense projection. • Answer the questions about limited resource rates with the radio button. See <u>Classification/LR Review/YEA</u> (Section J 8 a) credit action for information on determining if limited resource rates are justified and for *--ADPS DLS transactions.--*
Capital	<p>What is capital? Capital is the money the customer has personally invested in the business and is an indication of how much is at risk should the business fail. Most lenders generally expect some contribution of the customer's own assets and that they have undertaken personal financial risk to establish the business before asking a lender to commit any funding. In addition, many lenders believe if the customer has a significant personal investment in the business, the customer is more likely to do everything in their power to make the business successful. Lack of accumulated net worth could be a danger signal unless the applicant is fairly new. Consider that capital also can:</p> <ul style="list-style-type: none"> • provide a cushion for repayment in the event of having a financial setback • indicate an ability and willingness of the customer to save and accumulate assets • confirm that the borrower manages his/her financial affairs adequately and within his/her income. <p>In the WordPad, discuss the customer's capital position which may include working capital, debt to asset level, and other elements of available capital.</p>

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation and Classification (Continued)

b Components of the Credit Presentation (Continued)

Component	Details
Conditions	<p>What are conditions? Conditions are loan covenants and conditions that are placed upon approval and/or closing. Conditions may also include observations about local and general economic conditions affecting the business.</p> <p>Enter the approval conditions into the WordPad. The radio buttons and date fields should be answered to include additional conditions about borrower training, SBA accounts, and hazard insurance.</p>
Loan Closing Requirements	<p>Optional. Can be used for any additional loan closing requirements imposed by the approval official after reviewing the recommending officials requirements.</p>

c Approving or Declining a Credit Presentation

When the recommending and approving official are the same the FSA loan official will CLICK “Plan Approval” to approve or decline the credit decision.

Note: The user’s eSignature and the date/time stamp will appear on the credit presentation. Use the drop-down menu to indicate the action taken.

* * *

When the recommending official is different than the approving official, do the following.

- The recommending official will CLICK “Plan Approval” to recommend approval or denial of the credit decision. The user’s eSignature and the date/time stamp will appear on the credit presentation. Use the drop-down menu to indicate the recommended action.
- The recommending official will notify the approval official to review the credit presentation.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation and Classification (Continued)

c Approving or Declining a Credit Presentation (Continued)

- The approving official will review the credit presentation on-line and indicate the approval or denial decision, by clicking “Plan Approval”, including any additional approval requirements in the text box. Use the drop-down menu to indicate the action taken.

* * *

See Electronic File Maintenance, Reports, and Signatures (Section B) for more information on when a credit presentation needs to be printed and/or signed.

8 Classification/LR Review/YEA

The D-Loan/Class/LR/YEA Only credit action should be completed to document and perform any or all of the following business processes when not already documented within a direct *--loanmaking, regular loan servicing, or special loan servicing credit action:--*

- Classification
- YEA
- LR Reviews
- Graduation Reviews.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

8 Classification/LR Review/YEA (Continued)

a Preparing the Classification/LR Review/YEA

Open the form by clicking “Credit Action”, [Credit Action Name], and “Classification/LR Review/YEA”. CLICK “Save & Update” and an “Update” box will be displayed. Check (✓) “General Information” and “Ultra Financials” and CLICK “Update”.

Caution: Do not check “Farm Assmt”.

Component	Details	
Balance Sheet, Income Statement, Repayment Capacity	<ul style="list-style-type: none"> CLICK “Reports” and “Reports Setup” to select which balance sheets and income/expense statements appear in the credit presentation. CLICK “Save & Update” to transfer in the financials. Ensure that the correct information was transferred into these sections. 	
Classification	<ul style="list-style-type: none"> CLICK “Score Now” to calculate the classification score. An “Update” dialog box will be displayed. Select the balance sheet and income/expense projection from which the classification score will be calculated. Select the current or post-close balance sheet according to the following type of credit action. 	
	Type of Credit Action	Type of Balance Sheet for Classification
	Classification/LR Review/YEA Credit Presentation	Current
	Credit presentation prepared for D-Loan Making (annual operating loans, excludes youth loans)	Current
	Credit presentation prepared for: <ul style="list-style-type: none"> D-Loan Making (term loans and combination term and annual loans, excludes youth loans) D-Loan Regular Servicing D-Loan Special Servicing 	Post-close Note: These accounts should be classified at the time of credit action approval based upon a post-close balance sheet. The credit action does not have to be closed before the account is classified.
<ul style="list-style-type: none"> Select the appropriate income/expense projection. The user’s name and the date/time stamp will appear on the classification. <p>•*--Use the score for loan servicing actions.--*</p>		

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

8 Classification/LR Review/YEA (Continued)

a Preparing the Classification/LR Review/YEA (Continued)

Component	Details
LR Review/YEA Narrative	The WordPad should be used to document the assumptions about the year-end analysis, classification, and/or limited resource review, as applicable.
Graduation Review	<ul style="list-style-type: none"> • Answer the applicable questions about the graduation review, if applicable. • Use the eSignature date stamp as the date for graduation review completion.
Limited Resource Rates	<ul style="list-style-type: none"> • Answer the applicable questions about the limited resource rate review, if applicable. See 4-FLP, Part 3 for more information about determining if rates are justified. • Use the eSignature date stamp as the date of the limited resource review *--for DLS tracking and ADPS transactions.--*
Year-end Analysis	Answer the applicable question related to completion of the year-end analysis, if applicable.
Farm Assessment Status	Select the radio button to designate whether the farm assessment was completed/updated or no update is required.

CLICK “Completed By” to eSign the form.

See [Electronic File Maintenance, Reports, and Signatures](#) (Section B) for more information on when this credit action needs to be printed and/or signed.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

8 Classification/LR Review/YEA (Continued)

b Classification Scores

Accounts will be classified according to 1-FLP, Part 8, Section 4. The classification process generates the following ratios:

- Liquidity
- Debt to Assets
- Return on Assets
- Term Debt and Capital Lease Coverage.

Note: CLICK “Detail” of the borrower classification within FBP for an explanation of how the system calculates scores for each of these ratios.

The FBP system will generate the following account classification codes.

Classification Score	Description of Score
1 - Commercial	Commercial classified accounts are FSA’s highest rated direct loan accounts. The debt/asset ratio, cash flow, and general financial health of a commercial-grade farming operation allow it to withstand adverse farming conditions while maintaining loan payments.
2 - Standard	Standard classified accounts are financially sound, cash flow is adequate, and on-time loan repayment is probable.
3 - Acceptable	Acceptable classified accounts are those that present some degree of financial risk. These loans have adequate to marginal security and are generally experiencing some financial stress.
4 - Marginal	A marginal account is 1 that poses a high degree of financial risk. These loans may or may not be secured and repayment ability is marginal.
5 - Not Classified	See Special Classification (Section J 12).

c Limited Resource Rates

See 4-FLP, Part 3 about the process for routine interest rate review of limited resource loans.

FLP Rates

A Interest Rates for FLP's

--The following table provides interest rates for FLP's as of June 1, 2010.--

Loan Type	Current Rate (%)	Date Set
Rural Housing – Farm Loan Purposes	4.875	11/1/09
Operating	*--3.125	6/1/10--*
Operating – Limited Resource	5.00	12/1/90
Farm Ownership	*--5.125	6/1/10--*
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	6/1/10--*
Soil and Water – Limited Resource	5.00	7/1/92
Recreation – Individual	*--5.125	6/1/10
Farmer Program – Homestead Protection	5.125	6/1/10
Shared Appreciation Amortization	4.125	6/1/10
Softwood Timber Loans	5.125	6/1/10
Economic Emergency – Operating	3.125	6/1/10
Economic Emergency – Real Estate	5.125	6/1/10--*
Emergency – Amount of Actual Loss	3.75	1/25/94
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	*--7.125	6/1/10
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	4.875	6/1/10
Emergency – Annual Production	4.875	6/1/10
Nonprogram - Chattel Property	4.875	6/1/10
Nonprogram - Real Property	7.125	6/1/10
Apple Loans	1.625	6/1/10
Association – Grazing	5.125	6/1/10
Association – Irrigation and Drainage	5.125	6/1/10--*
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	0.125	10/1/09
Treasury Judgment Rate (see Note)	*--0.39	6/1/10--*

Notes: The 90-Day Treasury Bill rate is entered in eDALR\$ 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 May 7, 2010. 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

DD FLP Oversight Review Source Documents

Review Part: A Quarterly Review Items

--All review items are to be completed for each quarter of each FY. The minimum number of files to be reviewed is indicated; more than the minimum number of files may be reviewed.--

Review Area: 1. A. Direct Loan Making - Complete Applications

--Review 5 applications received since last review; review all if less than 5.--

Review Items:

SOURCE DOCUMENTS

- (1) DLS FLP Application Report
- (2) * * * FSA-2001
- (3) FSA-2307; DLS Loan Making Checklist
- (4) FSA-2308; DLS Loan Making Checklist
- (5) RD 1940-22; FSA-851; 1940-G-1 Letter
- (6) DLS Loan Request Detail Screen
- (7) DLS FLP Application Report; FSA-2001; case file correspondence; FBP Credit Action

Review Area: 1. B. Direct Loan Making - Incomplete Applications

--Review 3 applications received since last review; review all if less than 3.--

Review Items:

SOURCE DOCUMENTS

- (1) DLS FLP Application Report
- (2), (3), and (4) DLS FLP Application Report; DLS Loan Making Checklist; FSA-2001; FSA-2304; FSA-2305

Review Area: 1. C. Direct Loan Making - Withdrawn Applications

--Review 3 applications withdrawn since last review; review all if less than 3.--

Review Items:

SOURCE DOCUMENTS

- (1) and (2) DLS FLP Application Report; FSA-2001
- (3) and (6) FSA-2306; case file documentation
- (4) DLS FLP Application Report; FSA-2001
- (5) FSA-2304; FSA-2305

Review Area: 1. D. Direct Loan Making - Rejected Applications

--Review 3 applications rejected since last review; review all if less than 3.--

Review Items:

SOURCE DOCUMENTS

- (1) and (2) DLS FLP Application Report; DLS Rejected Application Report
- (3), (4), and (5) Case file correspondence; 1-APP, Exhibit 8, Example 3; 1-FLP

DD FLP Oversight Review Source Documents (Continued)

Review Part: A

Quarterly Review Items

Review Area: 2.

Guaranteed Loan Making - Applications

--Review 5 applications received since last review; review all if less than 5.--

Review Items:

SOURCE DOCUMENTS

(1) and (2)

Report GLSAPP02; GLS2209A

(3)

Report GLS2209A; FSA-2201

(4)

* * * FSA-2001

(5)

Case file documentation and correspondence

(6)

Case file documentation and correspondence; FSA-2292

(7)

Report GLS2209A; 2-FLP, paragraph 83

(8)

RD 1940-22; FSA-851

Review Area: 3. A. I

Direct Loan Servicing - Delinquent Accounts - 90 days or more past due

--Review all accounts in this category.--

Review Items:

SOURCE DOCUMENTS

(1)

Report Code 540

(2) and (3)

WebAgcredit Borrower History Report; case file correspondence; 5-FLP, paragraphs 66 and 68

(4)

Report Code 540; FSA-603; CCC-257; 4-FLP

Review Area: 3. A. II

Direct Loan Servicing - Delinquent Accounts - Less than 90 days past due

--Review all accounts in this category.--

Review Items:

SOURCE DOCUMENTS

(1)

Report Code 540

(2), (3), and (4)

Discussion with FLM/FLO; case file documentation

Review Area: 3. A. III

Direct Loan Servicing - Delinquent Accounts - Loans that may require attention

--Review all accounts in this category.--

Review Items:

SOURCE DOCUMENTS

(1) and (2)

Report Code 540

(3) and (4)

Case file correspondence; FSA-603; CCC-257; 4-FLP; 5-FLP

Review Area: 3. B.

Direct Loan Servicing - Payments and Collections

--Review a sample of 5 accounts.--

Review Items:

SOURCE DOCUMENTS

(1)

Random selection from FSA-603

(2)

3-FI, paragraph 37

(3)

Report Code 540; FSA-603; CCC-257

(4)

4-FLP, Part 5

(5)

3-FI, paragraphs 3 and 15; CCC-257

*--Review Area: 3. C.

Direct Loan Servicing - Chattel Security Accounting

Review a sample of 5 borrower account files; review more files if deficiencies are found.

Review Items:

SOURCE DOCUMENTS

(1)

Report Code 540

(2) and (3)

Case file documents; FSA-2040; FBP; 4-FLP

(4)

Case file documentation; FSA-2028 (work copy); FSA-2040; 4-FLP

(5)

Case file documentation--*

DD FLP Oversight Review Source Documents (Continued)

Review Part: A Quarterly Review Items

Review Area: 4. Program Delivery - FLP Goals

--State goals are established by the National Office for each FY.--

Review Items: **SOURCE DOCUMENTS**

- A. 2006 memo from DAFLP
- B. Goals set by National Office for State in the 8 goal areas
- C. Goals set by State for the FLP Service Center in the 8 goal areas
- D. Discussion with FLP Service Center staff

Review Part: B Semi-Annual Review Items

--All review items are to be completed for the second and fourth quarters of each FY. The minimum number of files to be reviewed is indicated; more than the minimum number of files may be reviewed.--

Review Area: 1. Direct Loan Making - Loan Security Instruments

--Review 5 new chattel or crop loans; review all if less than 5.--

Review Items: **SOURCE DOCUMENTS**

- (1) FBP Credit Action Report
- (2) **--Case file documentation; DLS Security Instrument Information Report--**
- (3) Physical check
- (4) FSA-2318 (if applicable)
- (5) CCC-10; security pledged by third party (if applicable)

Review Area: 2. A. Direct Loan Servicing - Special Servicing

--Review all accounts listed.--

Review Items: **SOURCE DOCUMENTS**

- (1) Report Code 565-A, "Borrowers with Expiring Equity Recapture Agreements"
- (2) Operational file FLP 4-1
- (3) Case file documentation
- (4) 5-FLP; case file documentation

Review Area: 2. B. Direct Loan Servicing - Classification of Borrower Accounts

--Review requires a count of all accounts that should be classified during current FY.--

Review Items: **SOURCE DOCUMENTS**

- (1) DLS FLP Application Report; DLS Classification Review Workflow Report;--*
FBP classification report
- (2) 8N transaction report in case file * * *
- (3) **--Report Code 736; DLS Classification Review Workflow Report--**

*Review Area: 2. C. **--Direct Loan Servicing – Year End Analysis--***

--Review requires a count of accounts with new loans, chattel subordinations, PLS or DSA in previous FY, financially distressed or delinquent accounts and accounts with limited resource loans.--

Review Items: **SOURCE DOCUMENTS**

- (1) **--Report Code 540; Year End Analysis workflow Report; 1-FLP; 3-FLP*
- (2) *Year End Analysis Workflow Report--**
- (3) (1) - (2) = (3)

DD FLP Oversight Review Source Documents (Continued)

Review Part: B Semi-Annual Review Items

Review Area: 3. A. Guaranteed Loan Servicing - Status Reports and Delinquent Accounts

--Review requires inspection of documents.--

Review Items: **SOURCE DOCUMENTS**

- (1) GLS4265; GLS-SR01; GLS-SR02
- (2) FLM should initial reviews (not required)
- (3) GLS4265; GLS-SR01; GLS-SR02
- (4) 2-FLP, paragraph 300; discussion with FLM/FLO
- (5) FSA-2254 (all outstanding)

Review Area: 3. B. Guaranteed Loan Servicing - Lender Reviews

--Review requires a count of loans or accounts for each type of lender.--

Review Items: **SOURCE DOCUMENTS**

- (1), (3), and (5) 2-FLP, paragraph 267; GLS2003
- (2), (4), and (6) Record count from operational files

Review Area: 4. Office Management

--Review requires physical inspection of handbooks and operational files.--

Review Items: **SOURCE DOCUMENTS**

- (1) 1-AS, paragraph 190
- (2) 25-AS, Exhibit 40.5

Review Part: C Annual Review Items

Review Area: 1. A. Direct Loan Servicing - Borrower Graduation

--Review all borrower accounts classified as a "1" or "2".--

Review Items: **SOURCE DOCUMENTS**

- (1) Report Code 736, "Annual Review and Classification of FLP Borrowers";
--DLS Graduation Review Monitoring Report; 4-FLP, Part 4--
- (2) Graduation operational file; 4-FLP, Part 4; case file documentation
- (3) *--DLS Graduation Review Monitoring Report; Case file--*
documentation; 4-FLP, Part 4

Review Area: 1. B. Direct Loan Servicing - Subordinations

--Review all accounts with outstanding subordinations.--

Review Items: **SOURCE DOCUMENTS**

- (1) *--DLS Subordination Tracking Report
- (2) and (3) DLS Subordination Tracking Report; Discussion with FLM/FLO;--*
4-FLP, Part 6

DD FLP Oversight Review Source Documents (Continued)

Review Part: C Annual Review Items

Review Area: 1. C. Direct Loan Servicing - Chattel Security Accounting

--Review a sample of 5 borrower accounts; review more files if deficiencies are found.--

Review Items: **SOURCE DOCUMENTS**

(1) Report Code 540

(2) and (3) *--DLS Borrower Financing Statement Detail and Monitoring Reports;

* * * case file documentation; 4-FLP--*

Review Area: 1. D. Direct Loan Servicing - Limited Resource Reviews

--Review 5 limited resource borrower accounts; review all if there are less than 5.--

Review Items: **SOURCE DOCUMENTS**

(1) *--Report Code 660D, "Limited Resource Loan Review Report"; DLS
Limited Resource Review Monitoring Report; Report Code 660A; --*
4-FLP, Part 3

(2) * * * FBP; case file; 4-FLP, Part 3

Review Area: 2. A. Program Delivery - Supervised Bank Accounts

--Review all borrower files with supervised bank accounts.--

Review Items: **SOURCE DOCUMENTS**

(1) Borrowers with a supervised bank account

(2) Case file; Documentation in FBP credit presentation

(3) 1-FLP, subparagraph 101 B; Execution of Deposit Agreement by borrower

(4) 1-FLP, subparagraph 101 C; DD documentation in case file

Review Area: 2. B. Program Delivery - Program Promotion

Review Item: **SOURCE DOCUMENTS**

(1) Discussion with borrowers and lenders; case file documentation

Review Part: D Additional Reviews

Review Area: 1. Farm Loan Programs Risk Assessment (FLPRA) Reviews

Review Items: **SOURCE DOCUMENTS**

A. FLPRA Report - completed by State Office * * * within reporting period

B. Date State Office and/or DD discussed with FLP Service Center Staff

Review Area: 2. County Operations Reviews (COR)

Review Items: **SOURCE DOCUMENTS**

A. COR Report - completed within reporting period

B. Date COR, State Office, and/or DD discussed with FLP Service Center
staff

***--DD FLP Oversight Review Source Documents (Continued)**

Review Part: E

Certification

- *DD's/Reviewer's certification of oversight review completion*
- 1. A. DD's signature
- 1. B. Type DD's name
- 1. C. Date of the review--*