

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration
1-FLP (Revision 1)

Amendment 44

Approved by: Deputy Administrator, Farm Loan Programs

Chris P. Beyershelm

Amendment Transmittal

A Reasons for Amendment

Paragraph 4 has been amended to update contact information.

Paragraph 29 has been amended to reflect new loan limits resulting from annual adjustments to guaranteed loans.

Subparagraph 46 A has been amended to change the method for changing borrower addresses.

Subparagraphs 49 A and 251 E have been amended to update language.

Subparagraphs 50 C and 168 D have been amended to update FLOO according to 1-CM, Exhibit 102.

Paragraph 52 has been amended to remove obsolete provisions and update ADPS requirements.

Paragraph 54 has been added to provide the availability and use of the Hyperion Data Mart.

Subparagraph 60 B has been removed because the reference is not applicable.

Exhibit 5 has been amended to provide guidance for ordering FSA-2008.

Exhibit 15 has been amended to update procedures for obtaining access to FBP.

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

Exhibit 35 has been amended to update DD FLP oversight review requirements.

Note: FSA-2101 has been revised and is anticipated to be posted on the FFAS Employee Forms Web Site the week of September 27, 2010.

Amendment Transmittal (Continued)

Page Control Chart		
TC	Text	Exhibit
1, 2	1-9, 1-10 2-15 through 2-18 3-19, 3-20 3-27 through 3-52 3-53 7-15 8-101, 8-102	1, page 5 5, pages 33, 34 15, pages 6.5, 6.6 pages 7, 8 pages 117, 118 17, pages 1, 2 35, pages 1-4

Table of Contents

Page No.

Part 1 Introduction and Purpose

1	Purpose and Sources of Authority	1-1
2	Related References	1-2
3	FLP Forms	1-4
4	FLP Organizational Structure	1-7
5-20	(Reserved)	

Part 2 FLP Authorities

21	Overview	2-1
22	General Delegation Requirements	2-2
23	State Office and Service Center Authorities	2-4
24	Delegating Appraisal Authority	2-7
25	Delegating Loan Approval Authority	2-8
26	Delegating Loan Servicing Authority	2-11
27	Maintaining Approval Authority	2-12
28	Establishing Credit Quality Standards	2-14
29	Maximum Loan Authorities	2-15
30-40	(Reserved)	

Part 3 Miscellaneous Procedures and Systems

41	Nondiscrimination in FLP	3-1
42	Appeals	3-6
43	Debarment and Suspension	3-10
44	Collecting and Coding Ethnicity, Race, and Gender Information	3-12
45	Allocating Loan Program Funds	3-14
46	Maintaining Borrower Address	3-19
47	Ensuring Borrower Compliance with Restrictions on Lobbying	3-20
48	Credit Reports	3-24
49	DLS	3-27
50	GLS	3-29
51	FOCUS	3-31
52	ADPS	3-32
53	CAIVRS	3-40
54	Hyperion Data Mart	3-42
55-59	(Reserved)	
60	Interest Rates	3-53
61-100	(Reserved)	

Table of Contents (Continued)

Page No.

Part 4 Supervised Bank Accounts

101	Overview.....	4-1
102	Establishing a Supervised Bank Account	4-3
103	Supervised Bank Account Transactions and Monitoring	4-5
104	Closing Accounts	4-8
105-120	(Reserved)	

Part 5 Planning and Performing Construction and Other Development

121	Overview.....	5-1
122	Borrower Requirements for Preparing a Construction and Development Plan...	5-2
123	Review of Proposed Construction and Development Plan	5-7
124	Inspections	5-9
125	Changing the Planned Development.....	5-11
126	Surety Bonds.....	5-12
127-140	(Reserved)	

Part 6 Appraisals

141	General Appraisal Requirements	6-1
142	Appraisal Reports	6-5
143	FSA Review of Appraisal Reports	6-8
144	Appeals of Decisions Based on Appraisals	6-13
145	Appraiser Qualifications	6-17
146	Appraiser Training Requirements	6-18
147-160	(Reserved)	

Part 7 PLCE's

161	Overview	7-1
162	FFIS.....	7-2
163	Allocating PLCE Funds	7-5
164	Program Authority Codes	7-7
165	Using PLCE for Contractual Purchases and Services.....	7-9
166	Using PLCE for Noncontractual Cost Items.....	7-10
167	Modification or Cancellation of Obligation.....	7-12
168	Stopping Payments, Substituting or Replacing Checks, Canceling Checks, and Requesting Emergency Payments	7-13
169-200	(Reserved)	

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
Craig Nehls	Deputy Director	202-720-4572
--Lisa Slade	Secretary	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	*--Senior 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

29 Maximum Loan Authorities

A OL, FO, and EM Program Loan Limitations

Limitations on maximum loan amounts for OL, FO, and EM are established in CONACT. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 1999 (Pub. L. 105-277), amended the limitations applicable to guaranteed OL and FO by providing for an annual adjustment based on the rate of inflation applicable to FY.

[7 CFR 761.8 (a)] The outstanding principal balances for a farm loan applicant or anyone who will sign the promissory note cannot exceed any of the following at the time of loan closing or assumption of indebtedness. If the outstanding principal balance exceeds any of the limits at the time of approval, the farm operating plan must reflect that funds will be available to reduce the indebtedness prior to loan closing or assumption of indebtedness.

(1) Farm Ownership, Down payment loans, Conservation loans, and Soil and Water loans:

(i) Direct--\$300,000;

(ii) Guaranteed--\$700,000 (for fiscal year 2000 and increased at the beginning of each fiscal year in accordance with paragraph (b) of this section);

--Note: FY 2010 loan limit is \$1,119,000.--

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

--Note: FY 2010 loan limit is \$1,119,000.--

(2) Operating loans:

(i) Direct--\$300,000;

(ii) Guaranteed--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section);

--Note: FY 2010 loan limit is \$1,119,000.--

29 Maximum Loan Authorities (Continued)

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

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

***--Note:** FY 2010 loan limit is \$1,119,000.--*

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

***--Note:** FY 2010 loan limit is \$1,119,000.--*

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

***--Note:** FY 2010 loan limit is \$1,419,000.--*

(5) Emergency loans--\$500,000;

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

***--Note:** FY 2010 loan limit is \$1,919,000.--*

B Adjustment for Guaranteed Loans

[7 CFR 761.8 (b)] The dollar limits of guaranteed loans will be increased each fiscal year based on the percentage change in the Prices Paid by Farmers Index as compiled by the National Agricultural Statistics Service, USDA. The maximum loan limits for the current fiscal year are available in any FSA office and on the FSA website at <http://www.fsa.usda.gov>.

29 Maximum Loan Authorities (Continued)**C Line of Credit Advances**

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

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

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

29 Maximum Loan Authorities (Continued)

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

The following identifies the maximum loan approval authority for OL, FO, CL, and EM by grade and title of approval officials at the time of loan closing. All loan approval limitations include the loan being made plus any outstanding principal balances owed by anyone who will sign the promissory note. For LOC's, the maximum amount of the LOC ceiling will be considered the outstanding principal balance. An approval official cannot approve or reject a loan request that will exceed the official's approval authority at the time of loan closing. The official must forward the loan and recommendations to the appropriate approval official for action.

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

*--

Type of Loan	FLO			FLM, DD, FLS or FLC	SED
	GS-7	GS-9	GS-11	GS-11/12/13	
Maximum Approval by Assistance Type - Limitation I					
Guaranteed OL	\$100,000	\$200,000	\$400,000	\$600,000	\$1,119,000
Direct OL	\$50,000	\$100,000	\$175,000	\$225,000	\$300,000
Guaranteed FO + SW	\$0	\$175,000	\$400,000	\$600,000	\$1,119,000
Direct FO + CL + SW	\$0	\$125,000	\$150,000	\$225,000	\$300,000
Direct EM	\$50,000	\$100,000	\$150,000	\$300,000	\$500,000
Maximum Approval for Combined Assistance Types - Limitation II					
OL Total Direct & Guaranteed	\$100,000	\$200,000	\$400,000	\$600,000	\$1,119,000
FO + CL + SW	\$100,000	\$200,000	\$400,000	\$600,000	\$1,119,000
Total Direct and Guaranteed					
Total Approval for Multiple Assistance Types - Limitation III					
OL + FO + CL + SW	\$100,000	\$400,000	\$550,000	\$750,000	\$1,419,000
Total Direct and Guaranteed					
Total Guaranteed	\$100,000	\$400,000	\$550,000	\$750,000	\$1,119,000
Total Approval for FO, CL, OL, and EM - Limitation IV					
OL + FO + CL + SW + EM	\$100,000	\$400,000	\$550,000	\$750,000	\$1,919,000
Total Direct and Guaranteed					

--*

Note: Loans to employees in a County Office must be approved by the State Office. Loans to State Office employees must be approved by the National Office.

45 Allocating Loan Program Funds (Continued)

M CL Funds (Continued)

- (3) An applicant who will use the loan funds to build conservation structures or establish conservation practices to comply with 16 U.S.C. 3812 (section 1212 of the Food Security Act of 1985) for highly erodible land.

N Transfer of Funds

[7 CFR 761.211] If sufficient unsubsidized guaranteed OL funds are available, then beginning on:

- (a) August 1 of each fiscal year, the Agency will use available unsubsidized guaranteed OL loan funds to make approved direct FO loans to beginning farmers and socially disadvantaged farmers under the Downpayment loan program; and
- (b) September 1 of each fiscal year the Agency will use available unsubsidized guaranteed OL loan funds to make approved direct FO loans to beginning farmers.

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 for customers with the following:

- Direct loans only, by updating SCIMS
- both Direct and Guaranteed loans, by updating SCIMS and by processing a PLAS Transaction 4C in GLS
- Guaranteed loans only, by updating SCIMS and processing a PLAS Transaction 4C in GLS.

Note: Name and address data entered in GLS for a customer should exactly match SCIMS data for the same customer.

See 1-CM, paragraph 198 for documenting customer data changes in SCIMS.--*

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.

46 Maintaining Borrower Addresses and Service Center Office Codes (Continued)**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**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 closings to PLAS
- provides an interactive tasks 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
- *--provides the ability to manage case numbers and mail codes for customer accounts--*
- 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 * * * (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://arcticocean.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.

A Purpose and Overview

GLS was designed to account for all loanmaking and loan servicing activity for guaranteed loans. GLS is used to:

- track the processing of guaranteed loan applications, including obligation and loan closing
- process all loan servicing transactions, including interest assistance claims, transfers and assumptions, repurchases, reamortizations, and loss claims
- record guaranteed loan status and default status reports
- maintain lender information, including lender status
- obtain reports for monitoring the guaranteed loan portfolio.

The data entered into GLS is used to monitor individual loan accounts, as well as to provide reports to Congress, CR, Executive Branch, FSA senior management, and parties making FOIA requests. It is FSA's accounting tool for the Guaranteed Loan Program.

B GLS User Assistance

For specific guidance, the following user guides can be found by logging in the GLS web site using required eAuthentication permissions and selecting "Loan Servicing User Guide".

- FLP Applications System, FLP Application Package Maintenance, FLP Loan Request Maintenance, FLP Quick Reference Guide, FSA Forms can be found by accessing "Help" link from the GLS Home Page.
- GLS Farm Loan Guaranteed Loan Servicing Detailed Transactions, dated May 2001 can be found by accessing the "Loan Servicing User Guide" link from the FSA Home Page.
- FLP Loan Maintenance can be found by accessing the "Help" link from the Loan List Page.

Additional information is provided in the Guaranteed Loan System Farm Loan User Guide, Status and Default Status Reporting, dated March 1998.

50 GLS (Continued)

C Responsibility for Maintaining and Updating GLS

* * * FLOO is responsible for system upgrades. The National Office is responsible for user requirements, updates to accommodate regulatory and statutory changes, and other revisions as needed. County Office and * * * FLOO employees are responsible for data entry of customer and loan information.

D Security

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

51 FOCUS**A Purpose and Overview**

FOCUS is an ad-hoc reporting system used by the National and State Offices for monitoring purposes. Users may choose to use “canned” reports or may prepare specific reports, as needed, using:

- direct loan data entered through ADPS
- application data entered in DLS.

B User Assistance

Refer to the USDA FOCUS Ad Hoc Reporting System Manual – Field Office User’s Manual for guidance. The User’s Manual may be obtained by ordering Item 257 from the Kansas City Warehouse.

C Training

State Office employees shall submit requests for training, through SED, to either of the following:

- USDA FSA DAFLP
STOP 0520
1400 INDEPENDENCE AVE SW
WASHINGTON DC 20250-0520
- FAX: 202-690-3573

D Security

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

52 ADPS

A Purpose

ADPS is a terminal application system that allows users to process FLP accounting transactions and view borrower or acquired property information. ADPS connects users located at State and County Offices to FLOO and PLAS. Authorized users shall enter and use information in ADPS for both loanmaking and loan servicing purposes.

B Overview

ADPS is used to:

- manuscript select transactions and analyze and correct those transactions if rejected from PLAS (discrepancies)
 - view a borrower's loan status information, which lists the following:
 - unpaid balances of existing direct loans along with basic information about each loan
 - cross-reference data from throughout the nation
 - detailed history of transactions
 - route selected ADPS-manuscripted or discrepancy transactions that are only processed by *** FLOO using special routing codes
- ***
- view received, processed, and corrected payment activity
 - view acquired property information and detailed history of transactions processed for an acquired property.

52 ADPS (Continued)**C ADPS Assistance**

ADPS Online Help is:

- a computer-based system that provides ADPS processing information in the form of online reference material (Reference) and pop-up windows
- accessed from the terminal screen.

The online material reference provides general information about ADPS transactions, definitions, and code values for all short descriptions and mnemonics on transaction detail screens and status screens, discrepancy code definitions, and corrective actions. Pop-up windows provide information for pre-manuscripting validations and manuscript transactions.

For information on ADPS, contact the State Office Automation Coordinator or, if authorized, the Help Desk at 1-800-457-3642. The Help Desk will provide information, guidance, and technical assistance in resolving problems about ADPS operations.

D Requesting Changes to the User Documentation

To initiate a change to the user documentation, submit FmHA 2006-21 to the following.

USDA RURAL DEVELOPMENT
USER DOCUMENTATION STAFF
MAIL CODE 421
*--430 GOODFELLOW BOULEVARD
ST LOUIS MO 63120--*

52 ADPS (Continued)**E Maintaining Program Records**

* * *

When routing or mailing transactions to * * * FLOO, the authorized agency official must retain the original documents, screen printouts, and transmittal letters. These will be filed in the case folder after verifying that the transaction has been processed.

*--ADPS screen printouts must be retained in position 2 of the case folder according to 25-AS retention requirements for the folder and its entire contents.

When applicable, users must access ADPS to determine that the selected transactions have--* been processed or rejected. Users must file processed transaction screens, correct discrepancies, and annotate the related source/input document with the corrected information. Users must generate screen printouts of all corrections and file them with the original input document.

F Using “OK to Apply Codes”

“OK to Apply Codes” are used to process a transaction or correct a discrepancy as required by the online assistance for processing transactions. The user shall file a copy of the screen printout to verify the use of an “OK to Apply Code”. Screen printouts will be retained in the case folder according to 25-AS retention requirements for the folder and its entire contents.

G Processing Schedule

Users must process transactions within 10 calendar days of the effective date. If a discrepancy occurs, the transaction must be corrected within 5 calendar days of the initial rejection date. An additional 15 calendar days are allowed for correcting discrepancies with a suspend code on the borrower account. * * *

52 ADPS (Continued)

H State Office Action

* * *

--SED shall ensure timely automation processing and that a County Office is at an-- acceptable level by:

- training at least 2 employees to process transactions

* * *

- *--processing ADPS transactions as of the effective date or the next workday thereafter--*
- using “Action Pending Codes” from Online Help when necessary to delay initial processing or make discrepancy corrections.

I ADPS TC’s and Titles

The following provides ADPS TC’s and titles.

TC	Title
1A**	*--Direct or Guaranteed Loan - Obligation Only--*
* * *	* * *
1C **	Check Request
1D**	Cancellation of Loan/Grant - Obligation Only
1E*	Check Cancellation - Obligation Retained

52 ADPS (Continued)

I ADPS TC's and Titles (Continued)

TC	Title
1F**	Loan Closing
1G	Credit Sale
1H	Cash Sale/Transfer - Acquired Property
1I	Judgment Cost
1J*	Cancellation of Loan and/or Check
1K*	Nonrecoverable Cost
1L/L1	Recoverable Loan Cost
*--1M	New Rates and Terms - Real Estate/Operating Loan
1M**	New Rates and Terms - Real Estate/Operating Transfers and Assumptions--*
1O*	Natural Resource Conservation Service Advance
1P*	Insurance Charge
1R*	Default Charge
1S	Lease of Real Property
1T	Correction of Statistical Information
1W*	Loan Charge Adjustment
1X	Acquired Property Cost
1Y*	Loan/Grant Cancellation - Obligation and Check
2A*	Field Office Cash Collection - Initial Update
2B*	Field Office Cash Collection - Subsequent Update
2C*	Cash Uncollectible - Field Office Payment
2E*	Cash Collection - Acquired Property or Lease Payment
2F*	Reversal and Reapplication of Payment - Same Borrower
2R*	Cash Collection Refund
2U*	Reversal and Reapplication of Payment - Different Borrower
2W*	Cash Uncollectible - Direct Payment
2X*	Direct Payment Cash Collection - Initial Update
2Y*	Direct Payment Cash Collection - Subsequent Update
2Z*	Reapplication - Correct Payment Type
3B	Notice of Judgment
3C*	Default Credit

52 ADPS (Continued)

I ADPS TC's and Titles (Continued)

*--

TC	Title
3E	Acquisition - Property
3F*	Employee Defalcation
3G*	Noncash Credit - Administrative Adjustment
3H	Noncash Credit - Conservation Contract
3K	Debt Settlement
3L	Writeoff Lease Account
3N*	Noncash Application - Assumption Agreement
3O*	Equity Receivable Amortization - Shared Appreciation Loan
3P*	Noncash Credit - 3 rd Party Judgment
3Q	Net Recovery Buyout/SFH Equity Recapture
3R	Shared Appreciation Writedown
3T	Notice of 3 rd Party Judgment
3V	Equity Receivable
3Y	Acquired Property - Conservation Easement
4A**	Change in Case Number and Loan Number
4C*	Change in Name and Address
4D**	Change in Case Number, Name, and Address
4E*	Replacement of Interim Instruments - Amortized/Bond Accounts
4F*	Change in Loan Number
4G*	Assumption Agreement - Same Rates and Terms
4J*	Focal Interest Adjustment
4K*	Reopen Closed Property/Lease Account
4K/K4	Reopen Closed Borrower/Holder/Equity Account - Establish Settlement Code
4L*	Correction of Annual Installments
4M*	Maturing of Account
4N*	Acceleration of a Borrower Account
4O*	Deceleration of a Borrower Account

--*

52 ADPS (Continued)

I ADPS TC's and Titles (Continued)

TC	Title
4P*	Schedule Status Adjustment
4Q*	Loan Bond Installments
4R*	Adjustment of Bond Installments
4S*	Miscellaneous Adjustments
4U*	Reestablish Loan Account - Name and Address
***	***
5A	Case Reclassification - Collection Only to Active
5B	Case Reclassification - Active to Collection Only
5C*	Change in Kind Code
5D	Change in Veteran Status - to Veteran
5E*	Establish Suspend Code
*--5F**	Remove Suspend Code
5G**	Establish Descriptive Code
5H**	Remove Descriptive Code
5J* --*	Change Purchase Code
5K	Change in Veteran Status - to Nonveteran
5L	Acquired Property Maintenance
5M	Change in Race/Type of Applicant/Collateral/Acceleration Date/Training Code and Dates
5N	Change in Statistical Codes
5Q*	Correction of Association/Bond/Document/Payment Code
5R*	File Adjustment

52 ADPS (Continued)

I ADPS TC's and Titles (Continued)

TC	Title
5S*	Record Debt Set-Aside
5S	Record Installment Set-Aside
5T*	Reverse Debt Set-Aside
5T	Reverse/Cancel Installment Set-Aside
5W	Record/Reverse Loan Deferral
5X*	Reverse Loan Deferral Expiration/Cancellation
5Y	Record Loan Deferral Expiration/Cancellation
8H*	Split/Combine Loans - Account Status
*-8M** -*	Limited Resource Loan Review
8N	Record Borrower/Loan Classification Data
8P	Acquired Property - Subdivision
*-8R** -*	Interest Rate Adjustment
9E	Suspend Code - Acquired Property
*-9G** -*	Change in Borrower/Property Mail Code
GA(4030)	Guaranteed Loan Closing Report
GB(4031)	Request Interest Assistance/Interest Rate Buydown/Subsidy Payment to Guaranteed Loan Lender
HA(4930)*	Reverse a Guaranteed Loan Closing Report
HB(4931)*	Reverse/Adjust a Subsidy Payment to Guaranteed Loan Lender

Note: The asterisk (*) denotes transactions processed by * * * FLOO only. The double asterisk (**) denotes transactions that are processed through DLS to PLAS.

*--53 CAIVRS

A Requesting CAIVRS ID and Password

Employees who perform CAIVRS checks shall request a CAIVRS ID and password according to the following.

Step	Action
1	Access the CAIVRS web site at http://www.hud.gov/offices/hsg/sfh/sys/caivrs/caivrs.cfm .
2	CLICK "Using CAIVRS".
3	Under "Government Agencies", CLICK "Registration for Government User ID".
4	Follow the instructions to obtain a government user ID. For "Select Agency/Program", CLICK "USDA/Farm Service" and continue entering the required information.
5	CLICK "Send Application" and the request for a government user ID will be processed.

Once the CAIVRS ID and password request has been completed, users must:

- complete FSA-13-A, items 1 through 13 and item 37
- forward the completed FSA-13-A to the State SLR.

The State SLR must enter FSA-13-A information into ERSR before a CAIVRS ID and password can be issued.

Upon receiving ERSR from the State SLR, the FSA CAIVRS administrator will provide by e-mail, a CAIVRS ID and password to the requesting employee within 3 working days.

Note: CAIVRS passwords are valid for 21 calendar days and must be reset before expiring. Passwords must be exactly 6 characters, are case sensitive, and must contain at least 1 letter and 1 number. For forgotten or expired password assistance, contact the Security Operations Help Desk at 800-255-2434, option 2.--*

53 CAIVRS (Continued)

B Using CAIVRS

Perform a CAIVRS inquiry according to the following.

Step	Action
1	Access the CAIVRS web site at https://entp.hud.gov/caivrs/public/home.html .
2	CLICK "Government User Menu".
3	Enter CAIVRS ID and password.
4	Select the function to perform when prescreening an applicant, such as "CAIVRS Authorization".
5	Select the agency or program that is prescreening the applicant from the agency list.
6	Enter the applicant's Social Security number or EIN and select the appropriate Social Security number or EIN indicator.
7	CLICK "Submit".
8	Print the "CAIVRS Authorization Results" and place in case file.

Note: If there are no claims, defaults, or foreclosures reported to CAIVRS, then CAIVRS will respond that there are no cases and provide a confirmation number.

--54 Hyperion Data Mart*A Purpose and Overview**

The Hyperion Data Mart is an ad-hoc reporting system used by the National Office and State Offices for monitoring purposes. FLP users who request and are granted access to the Hyperion Data mart will be given access to the FLP Data Mart folder within the Hyperion Data Mart. A user with access to the FLP Data Mart folder can pull direct loan making and loan servicing data as entered through DLS. Reports can be downloaded to Hyperion, Excel, or PDF format.

B User Assistance

The Hyperion Data Mart may be accessed on the FSA Data Warehouse Home Page at <https://fsadwhouse.sc.egov.usda.gov/FSA-DataMarts/FSAdataMartsHomePage.htm> by clicking “Hyperion Data Marts”.

The Hyperion Reports User Guide for FLP Data Mart may be accessed on the FSA - Farm Loan Programs Systems Manual web site at <https://arcticocean.sc.egov.usda.gov/flp/InformationalLinks?Action=Manuals&caller=index> by clicking “Hyperion Reports User Guide”.

C Security

Authorized users may access the Hyperion Data Mart reporting system using their eAuthentication ID. New users can be requested by completing and submitting FSA-13-A according to appropriate IRM directives.--*

55-59 (Reserved)

60 Interest Rates

A Interest Rates for Direct Loans

[7 CFR 761.9] Interest rates for all direct loans are set in accordance with the Act. A copy of the current interest rates may be obtained in any Agency Office.

Note: See Exhibit 17 for current interest rates.

* * *

61-100 (Reserved)

168 Stopping Payments, Substituting or Replacing Checks, Canceling Checks, and Requesting Emergency Payments (Continued)

D Requesting Emergency Payments (Continued)

- The authorized agency official should express mail or FAX the OBLH/OBLL screens, invoice, and FSA-2126 to the applicable LOD contact according to the following.

State Code	Contact	Address	Telephone	FAX
States "01" through "32"	Loan and Grant Servicing Branch I	Farm Service Agency Loan Operations Division Mail Code 532 PO Box 200003 St. Louis MO 63120	<ul style="list-style-type: none"> • 314-539-3114 • 314-539-3967 	314-539-3111
States "33" through "64"	Loan and Grant Servicing Branch II	Farm Service Agency Loan Operations Division Mail Code 533 PO Box 200003 St. Louis MO 63120	<ul style="list-style-type: none"> • 314-539-6321 • 314-539-6647 	314-539-6447

- After sending the documents, the authorized agency official should call the appropriate LOD branch to confirm receipt.
- The authorized agency official also must send a completed FSA-2172.
- To authorize the emergency payment, SED or designee must sign FSA-2172.
- The Department of Treasury shall transfer the funds approximately 2 workdays after receiving the request. FSA may request same-day electronic disbursements.
- If EFT is not available, * * * FLOO shall ensure that a Treasury check is issued within 2 workdays after receiving the request.

169-200 (Reserved)

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, except CL. 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
5	Not Classified

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

At the closing of a direct loan, classification will be completed using FBP. If the account is classified as commercial or standard, the authorized agency official must thoroughly document that the borrower has met the test for credit and therefore meets the eligibility requirements for the loan being granted.

At the time of a year-end analysis, done according to Section 5, the authorized agency official must also classify the account.

Subsequently, the authorized agency official at minimum must classify the account every 2 years with the updated data collected according to 4-FLP, subparagraph 47 B.

D Classification of Youth Loans

New youth loans will be classified as “3” when completing the Youth Loan Credit Action. For existing youth loans, that are current, complete a D-Loan/Special Classification Credit Action. A score of “3”, “Acceptable” will be assigned. For existing youth loans that are delinquent, the D-Loan/Special Classification Credit Action shall be used and will be assigned a score of “5”, “Not Classified”. The values of FSA’s Security Margin and percent of FSA Loss will be calculated from the best information available for the borrower. The basis for these values will be documented in the borrower’s case file.

E Classification of CL’s

CL’s will be classified at loan closing using FBP. There is no test for credit for CL’s, so a classification of commercial or standard is acceptable without further documentation.

At the time of a year-end analysis, completed according to Section 5, the authorized agency official must classify the account.

Subsequently, the authorized agency official at minimum must classify the account every 2 years with the updated data collected according to 4-FLP, subparagraph 47 B.

Streamlined CL’s will be classified as “2” using the D-loan/special classification credit action.

If CL, including Streamlined, subsequently becomes delinquent or financially distressed, all documents will be obtained to complete an analysis and the account will be classified using the updated information.

F Classification Reporting

*** 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. ***

--When a classification is performed, the authorized agency official must process an ADPS-- Transaction *** 8N within 10 calendar days.

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
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
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
PLP	Preferred Lender Program	29, 43, 143
PLAS	Program Loan Accounting System	52
PLS	Primary Loan Servicing	25, 27, 29, 144
PVHT	Voucher Header Inquiry Table	167, 168
PVLT	Voucher Line Inquiry Table	167, 168
RCI	recoverable cost items	Ex. 15
SALP	Special Apple Loan Program	2, 29
SDMS	State Directives Management System	403
SEL	standard eligible lender	43
SLR	Security Liaison Representative	53
TC	transaction code	52
TDCLC	term debt capability lease coverage	252
TDLCR	term debt and capital lease coverage ratio	Ex. 15
TY	payment voucher transaction	166, 167, 168
VID	vendor identification	162, 166
WEM	Web Equity Manager	Ex. 15
YEA	year-end analysis	Ex. 15

Redelegations 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.

Forms List (Continued)

D Exhibits (Continued)

Old Number	New Number	Title	Date Made Obsolete
1962-A, Exhibit D	5-FLP, Exhibit 34	Notice to Borrower's Attorney Regarding Loan Servicing Options	
1962-A, Exhibit D-1		Notice to Borrower Regarding Loan Service Options (B/no longer under the jurisdiction of Bankruptcy)	12-31-07
1965-A, Exhibit B		Notification of Other Lienholders Intent to Foreclose	12-31-07
1965-A, Exhibit D		Equity Recapture Agreement (RH loan when liquidating the FP loans)	12-31-07
1980-B, Exhibit A, Attachment 1		FmHA Approved Lender Program Lender's Agreement for OL, FO, SW	2-17-99
1980-B, Exhibit A, Attachment 2		FmHA Approved Lender Program Lender's Agreement for OL Line of Credit Guarantee	2-17-99
1980-B, Exhibit A, Attachment 3		Request for Loan Note Guarantee under ALP Agreement Applicable to Loan Note Guarantee Cases	2-17-99
1980-B, Exhibit D, Attachment 1		Request for Interest Assistance	2-17-99
1980-B, Exhibit D, Attachment 2		Interest Assistance Worksheet/Needs Test	2-17-99
1980-B, Exhibit D, Attachment 3		Interest Assistance Information Letter	2-17-99

Forms List (Continued)

E Items and Publications

The following lists all FmHA and FSA items or publications used for FLP delivery.

Notes: The “Old Number” column provides the prefix and number of the item or publication before December 2007. If the item will be used after December 31, 2007, the new number and title are listed in the second and third column, respectively.

Items that will continue to be used after December 31, 2007, may be obtained from MSD Warehouse. To request items or publications, complete FSA-159, available at <http://165.221.16.90/dam/ffasforms/forms.html>, and submit 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.

Old Number	New Number	Title	Date Made Obsolete
FmHA Item 219		Instruction for form FmHA 431-2	12-9-03
FmHA Item 221	FSA-2008	Recorded security instrument envelope, 9x12” with 1 1/2 “ expansion *--Notes: When completing FSA-159 to order FSA-2008 from MSD Warehouse in item 12 include: <ul style="list-style-type: none"> • FSA-2008-N for not expandable • FSA-2008-E for expandable. A large supply of not expandable FSA-2008 is currently available. When possible, order the not expandable version of FSA-2008.--*	
FmHA Item 246		Farm assessment and supervision reference (Includes quick reference laminated card on field visits and farm planning and analysis and farm assessment market placement, and graduation videoconference training event questionnaire.)	12-9-03
FmHA Item 246-A		Quick reference (Guide to Item No. 246.)	12-9-03

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

2 System Access and Security

FSA authorized users can access the system using Microsoft Internet Explorer 6.0+ directly through the Internet at https://wem.sc.egov.usda.gov/fem_web_webcaaf.asp or through the FSA Intranet at <http://intranet.fsa.usda.gov/fsa>, under “FSA Applications”:

- CLICK “Farm Loan Programs Systems”
- CLICK “Logon”
- enter eAuthentication credentials
- under “Applications”, CLICK “Farm Business Plan”.

The authentication and authorization of users is made using USDA’s eAuthentication application. To use the FBP system, users must have both of the following:

- valid eAuthentication ID and password
- access authorized by the State FBP Coordinator.

Notes: Do **not** open 2 sessions of Web Equity Manager at the same time as this may cause corruption of data.

For problems logging in, see [Getting Help](#) (Section L).

a User Access to the FBP System

Unless otherwise determined by the FBP Coordinator or FLC, the following employees will be provided with access to the FBP system once their eAuthentication ID has been obtained:

- FLM’s
- FLO’s
- FLOT’s
- FLP technicians
- DD’s
- COR’s
- FLC and staff
- CED’s with loan approval authority.

--User access requests, which include “Add”, “Delete”, or “Modify”, must be submitted and processed using the guidelines provided.--

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

2 System Access and Security

a User Access to the FBP System (Continued)

FSA State and Service Center Employees.

- *--FSA-13-A is required for all FBP user access requests (“Add”, “Delete”, or “Modify”).--*
- The immediate supervisor or FLM is responsible for completing FSA-13-A, items 1-11, 51-52, and 54A-54D, and submitting FSA-13-A to FLC or FBP Coordinator * * * .
- An access request to “Add” a user to FBP should be completed as soon as an employee has obtained eAuthentication ID.
- *--An access request to “Delete” a user from FBP should be completed as soon as the employee has left FSA.

51. Other: Access to FBP	Items 51-52 are completed as shown to “Add” or “Delete” an employee from
52. Justification: Per 1-FLP, Exhibit 15, paragraph A 2 a	

- An access request to “Modify” (name change) a user in the FBP should be completed as soon as the employee notifies the supervisor of the change.

51. Other: Access to FBP – last name has been changed from (previous name) to (current name).	Items 51-52 are completed as shown to “Modify” (name change) an employee
52. Justification: Per 1-FLP, Exhibit 15, paragraph A 2 a	

Note: A request for FBP access may be combined with multiple system requests on a single FSA-13-A as long as Sections 51 and 52 are completed.--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

2 System Access and Security

a User Access to the FBP System (Continued)

- The FLC or FBP Coordinator will:
 - *--ensure that a completed/signed FSA-13-A has been received before an FBP user access request is processed

Note: ISO will send an e-mail to the FLC and FBP Coordinator when an employee has left FSA. If FSA-13-A has not already been received, notify the employee's supervisor that FSA-13A needs to be completed.

- process FSA-13-A according to Farm Business Plan - State FBP Coordinator User Guide, Section C1 or C3.
- Sign and date FSA-13-A, item 51 when the access request has been processed. There **must** be a signature and date in item 51 before FAXing FSA-13-A to ISO.

51. Other: Access to FBP	FBP Coordinator must sign and date before FAXing FSA-13-A to ISO.
-----------------------------	--

- Notify the immediate supervisor and employee when FSA-13-A has been processed.
- **FAX** the completed/processed FSA-13-A to ISO at 816-627-0687. ISO will send a confirmation e-mail when FSA-13-A is received. **The ERSR on-line system cannot be used for FBP access requests.--***

FSA National Office and Other Employees

FSA-13-A's for National Office, KCMO, contractors, and other employees will be completed by the immediate supervisor and submitted to Pixie Greer, FBP Program Manager by e-mail to pixie.greer@wdc.usda.gov or by FAX to 202-720-8474.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

2 System Access and Security (Continued)

b Exiting the FBP System

FSA users **must** always exit FBP by clicking “Log Out” at the top of the page.

c Customers Obtaining Access to FBP System

Customer access to the FBP system is **not** currently available.

3 Privacy of Information

All data communications between the client web browser and server, including user ID’s, passwords, and all financial information, is protected by industry standard 128-bit SSL encryption. For more information on eSignatures, see **Electronic File Maintenance, Reports, and Signatures** (Section B).

4 Defaults

Most system defaults are controlled at either the national or State level; however, the following defaults listed may be modified by Service Center users.

a Creditors

A default list of commonly used creditors has been established nationally. Users should always select a default creditor from the drop-down menu if the creditor is displayed.

Service Centers can also add frequently used creditors. To add default creditors for a Service Center:

- CLICK “Defaults”

Note: This option is only available **before** selecting a customer file.

- CLICK “Creditors” from the drop-down menu.

Enter applicable creditor information either at the summary or detail level. Address and phone number entries are optional, although it is preferred as future business processes may use this information.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

12 Special Classification

The D-Loan Special Classification Credit Action will be used to classify the following:

- Flagged accounts where FSA cannot obtain current financial or production information for a customer
- Youth Loans according to 1-FLP, subparagraph 251 D

* * *

- *--Streamlined CL's unless they become delinquent or distressed. See subparagraph 251 E.--*

Before completing a classification, the General Information Screen must be completed. See [General Information](#) (Section C) for more information on what fields are required.

Complete a special classification credit action according to the following.

- Open the form by clicking “Credit Action”, “[Credit Action Name]”, and “Credit Presentation – Special Classification”.
- CLICK “Save & Update”. An “Update” box will be displayed. Check (✓) “General Information” **only** and CLICK “Update”.
- Manually calculate the FSA security margin by estimating the value of FSA’s total collateral **minus** prior liens **minus** FSA’s total loans. This value shall be entered in the provided field as either a positive or negative number.
- To calculate the percent of FSA loss take the FSA security margin (if negative) **divided by** FSA total loans.
- Select the “Assigned Classification Level” from the drop-down menu. All nonactive flagged accounts will be classified as “5”. Youth loans will be classified according to 1-FLP, subparagraph 251 D.
- CLICK “Score Now” to complete the process.
- Any documentation to support the calculations may be added in “Comments”.

Farm Business Plan - FSA User Guide (Continued)

K Special Features

1 eNotice

This feature allows e-mails to other FBP users from within specific areas of FBP. The e-mail that is generated will contain a link to the program area the user is currently at so the recipient can access that information and provide the applicable response to the eNotice. While working on a specific section of FBP, the user can generate an e-mail to FLC or FSL to review the same section and answer any questions about the development of FBP.

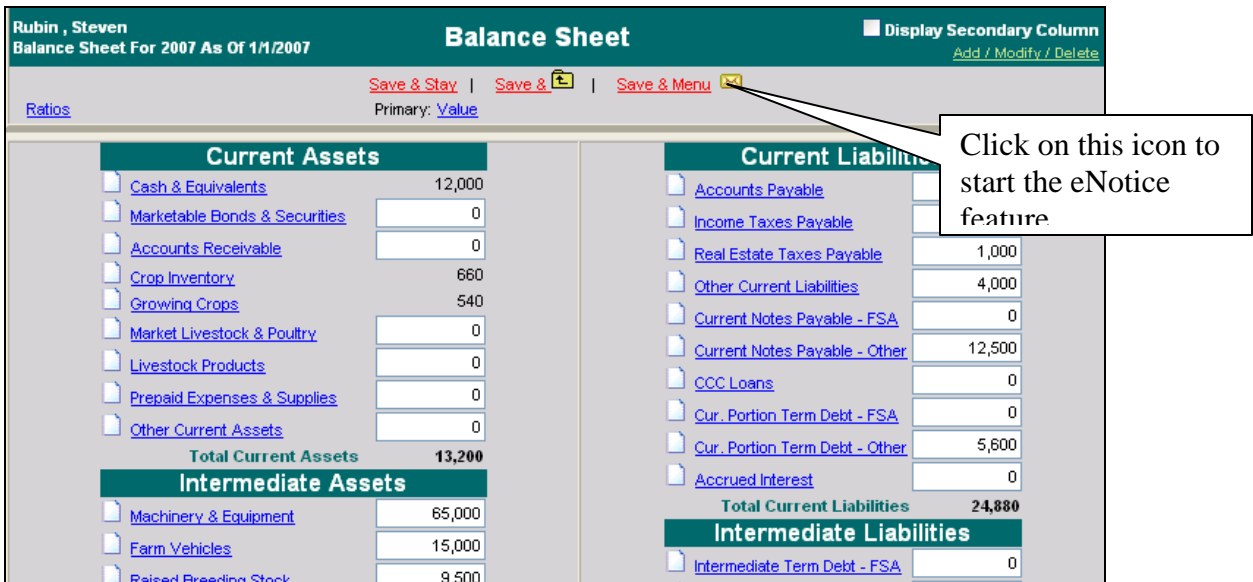


Figure 62

The first time the eNotice feature is accessed, the following prompt will be displayed.

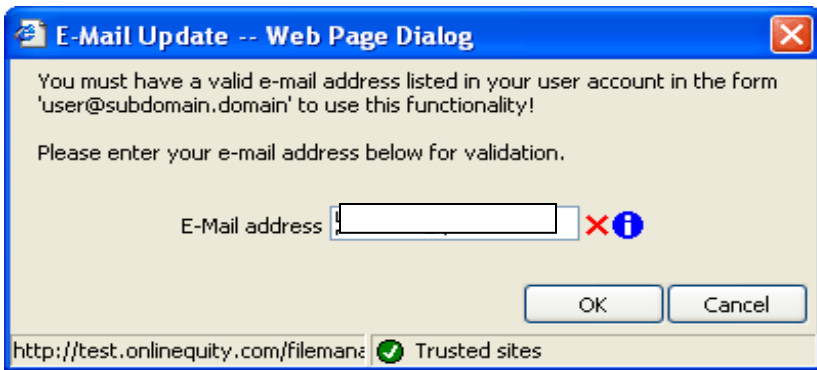


Figure 63

Ensure that the e-mail address is correct. CLICK “OK” to continue the validation process.

FLP Rates

A Interest Rates for FLP's

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

Loan Type	Current Rate (%)	Date Set
Rural Housing - Farm Loan Purposes		
Note: For the current interest rate, contact the National Office.		
Operating	*--2.125	10/1/10--*
Operating – Limited Resource	5.00	12/1/90
Farm Ownership and Conservation Loans	4.375	9/1/10
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	4.375	9/1/10
Soil and Water – Limited Resource	5.00	7/1/92
Recreation – Individual	4.375	9/1/10
Farmer Program – Homestead Protection	4.375	9/1/10
Shared Appreciation Amortization	3.375	9/1/10
Softwood Timber Loans	4.375	9/1/10
Economic Emergency – Operating	*--2.125	10/1/10--*
Economic Emergency – Real Estate	4.375	9/1/10
Emergency – Amount of Actual Loss	3.75	1/25/94
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	*--6.375	10/1/10--*
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	5.00	9/1/10
Emergency – Annual Production	5.00	9/1/10
Nonprogram - Chattel Property	5.00	9/1/10
Nonprogram - Real Property	*--6.375	10/1/10
Apple Loans	.875	10/1/10--*
Association – Grazing	4.375	9/1/10
Association – Irrigation and Drainage	4.375	9/1/10
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)	0.25	9/1/10

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 September 3, 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) and (5) Report Code 540; 4-FLP; Discussion with FLM/FLO; Case file documentation--

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) and (5) 2-FLP, paragraph 300; discussion with FLM/FLO; 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 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