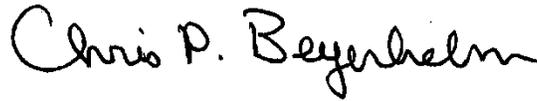


UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration 1-FLP (Revision 1)	Amendment 48
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Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Paragraph 43 has been amended to update debarment and suspension CFR references.

Paragraph 252 has been amended to clarify borrower classification.

Exhibit 5 has been amended to update MSD warehouse contacts.

Exhibit 15 has been amended to clarify language, provide instructions, and update screen prints.

Exhibit 17 has been amended to:

- update MSD warehouse contacts
- provide the monthly interest rates applicable to FLP.

Page Control Chart		
TC	Text	Exhibit
	3-9 through 3-12 6-1, 6-2 6-5 through 6-8 6-11, 6-12 8-49, 8-50 8-103 through 8-120	1, pages 1, 2 5, pages 3, 4 pages 7, 8 pages 33, 34 15, pages 1-6 pages 6.5, 6.6 pages 7-10 pages 10.5, 10.6 (add) pages 11-42 pages 42.5, 42.6 (add) pages 43, 44 pages 111, 112 17, pages 1, 2 35, pages 3, 4

42 Appeals (Continued)**E Chattel Appraisals**

The following text shall be added to the reconsideration paragraph in adverse decision letters involving a chattel appraisal.

You may request a copy of the chattel appraisal used in our decision. We will provide you with a copy within five days of your request. If you would like to discuss the appraisal, or you believe there are errors, including mathematical or property description errors in the appraisal, you should request reconsideration.

Independent Appraisal Review

If you believe the chattel appraisal FSA obtained is incorrect for reasons other than those stated above, you may obtain an independent appraisal review. The issue under reconsideration will be whether FSA's chattel appraisal is consistent with the present market value of like items in your area. If you want this option, you must include a copy of the independent appraisal review, or notify this office of your intent to obtain an independent appraisal review, in your request for reconsideration. You must pay to obtain a current independent appraisal review from a qualified appraiser. This review must be provided to this office at the time of or before the reconsideration meeting. The appraiser and the appraisal review must meet standards contained in FSA regulations. You may request a copy of the regulations from this office. If you cannot find a qualified appraiser to conduct the independent appraisal review, a list of qualified appraisers is available in this office.

If you do not submit an independent appraisal review at the time of or before the reconsideration meeting, you waive your right to have us reconsider the appraisal. If you submit an independent appraisal review, we will determine whether the appraiser and the appraisal review meet FSA requirements. If the independent appraisal review meets FSA requirements, we will consider all comments contained in the independent appraisal review and determine if the appraisal obtained by FSA should be revised.

F Nondiscrimination Statement

The nondiscrimination statement in subparagraph 41 C must be included in all adverse decision letters.

43 Debarment and Suspension**A Purpose**

Individuals and entities, other than loan recipients, who have been debarred or suspended from Government procurement or nonprocurement programs cannot participate in *--transactions with FSA. See 2 CFR 180.115 and 417.10.--*

Note: This does not apply to individuals and entities entering into transactions with applicants and borrowers without FSA involvement.

--Obtain current copy of 2 CFR Parts 180 and 417 from the Internet at--
<http://ecfr.gpoaccess.gov>.

B Direct Loanmaking

Loan approval officials shall check the debarment and suspension list before providing FSA-2341 or FSA-2342, as appropriate, to attorneys, title companies, title insurance companies, or closing agents conducting loan closing activities.

Notes: Loan approval officials may obtain reports containing debarment and suspension lists from the Internet at **<http://epls.arnet.gov>**. When prompted, enter the user's name and read and accept the Privacy Act terms and conditions. After accepting the terms and conditions, access will be granted to view, download, or print the available Excluded Parties List System reports. A copy of the screens will be filed in the case file.

If the attorney, title company, title insurance company, or closing agent selected is debarred or suspended, the applicant must make a new selection.

43 Debarment and Suspension (Continued)**C Guaranteed Loanmaking**

SED shall review CLP and PLP lenders and their officers and agents for debarment or suspension as follows:

- before submitting to DAFLP for approval to obtain status
- during the annual review of lender's status according to 2-FLP, paragraph 267.

Loan approval officials shall review SEL's and their officers and agents before issuing FSA-2232.

D Causes for Debarment or Suspension

The causes for initiating and the actions required to initiate:

- *--debarment are in 2 CFR Part 180, Subparts F and H, and 2 CFR Part 417, Subpart H
- suspension are in 2 CFR Part 180, Subparts F and G, and 2 CFR Part 417, Subpart G.--*

E Exceptions

The Secretary of Agriculture or designee may grant a written exception permitting a debarred or suspended person or entity to participate in a covered transaction according to *--2 CFR 180.135.--*

44 Collecting and Coding Ethnicity, Race, and Gender Information

A Purpose

FSA collects ethnicity, race, and gender information for reporting purposes and to ensure that targeted funds are made available to SDA's and monitor SDA participation rates in FLP.

B Procedure for Collecting and Coding Ethnicity, Race, and Gender Information

FSA-2001, FSA-2211, FSA-2212, and FSA-2301 are used to request ethnicity, race, and gender information of the applicant. This information may be requested only on an FSA approved form. An applicant's response to this request is optional. However, the authorized agency official must inform all applicants that for an applicant to be eligible for socially disadvantaged funds, FSA will need his or her ethnicity, race, and gender information.

--When FSA receives a loan application, FSA will enter the ethnicity, race, and gender-- information into SCIMS so that the information can be downloaded to DLS and GLS.

Part 6 Appraisals**141 General Appraisal Requirements****A General**

[7 CFR 761.7(a)] This section describes the requirements for:

- (1) Real estate and chattel appraisals made in connection with the making and servicing of direct FLP loans and Nonprogram loans**
- (2) appraisal reviews conducted on appraisals made in connection with the making and servicing of direct and guaranteed FLP and Non-program loans.**

B Purpose

FSA uses appraisals to determine the value of real and personal property or other security pledged or to be pledged to support direct loans and loan servicing actions. FSA requires a lender to obtain an appraisal in certain guaranteed loanmaking and loan servicing cases.

Appraisals are an integral part of the loan evaluation and servicing processes to determine whether there is adequate security to support a loan or servicing action.

C USPAP Compliance

[7 CFR 761.7(b)(1)] Real estate appraisals, technical appraisal reviews and their respective forms must comply with the standards contained in USPAP, as well as applicable Agency regulations and procedures for the specific FLP activity involved. A current copy of USPAP along with other applicable procedures and regulations is available for review in each Agency State Office.

***--Note:** The process for, and cost of, obtaining a copy of USPAP may be found at--*
<http://www.appraisalfoundation.org>

To comply with OMB Circular No. A-129, the employee making a real estate appraisal may not approve any action in which the real estate appraisal was used, including loan approval or any servicing action.

141 General Appraisal Requirements (Continued)**D Appraisal Costs**

FSA is responsible for the costs of obtaining an appraisal associated with direct loanmaking and loan servicing activities, except for appeal and negotiation of appraisals. See Part 7 for information on FSA appraisal costs and payments.

The applicant or borrower is responsible for costs associated with appealing FSA appraisals. See paragraph 144 for information on appraisal appeals.

E Obtaining Appraisals

A chattel appraisal may be conducted by either an FSA employee who has been delegated chattel appraisal authority from SED or a contract appraiser.

A real estate appraisal may be conducted by either an FSA employee or contract appraiser, subject to the following:

- for all direct credit transactions equal to or over \$100,000, the appraisal must be completed by a State-certified general contract appraiser, or an FSA full-time or part-time designated appraiser/reviewer
- for all direct credit transactions under \$100,000:
 - an appraisal of noncomplex property may be completed by a licensed or certified general contract appraiser, a full-time or part-time designated appraiser/reviewer, or an FSA limited authority appraiser
 - an appraisal of complex property must be completed by a certified general contract appraiser or an FSA full-time or part-time appraiser/reviewer.

Note: A credit transaction includes any action or existing debt secured by real estate and any proposed loans, subordinations, prior liens, or guarantees.

SED shall issue a State supplement providing guidance on the process to request:

- a chattel appraisal from a contract appraiser
- a real estate appraisal.

FSA offices shall release information requested by the appraiser to complete real estate appraisals.

142 Appraisal Reports**A Chattel Appraisals**

[7 CFR 761.7(b)(2)] When a chattel appraisal is required it must be completed on an applicable Agency form (available in each Agency State Office) or other format containing the same information.

FSA may use FSA-2160. If FSA-2160 is not used, the chattel appraisal, as a minimum, will identify all chattel items appraised, including the following details:

- the quantity, kind, sex, breed, color, weight or average weight, brands or other identification, and value of livestock

***--Note:** Weight is not required for breeding stock.--*

- the quantity, kind, manufacturer, size and type, condition, year of manufacture, serial or motor number, and value of machinery and other equipment.

The appraised value of chattel property will be based on public sales of the same or similar property in the market area. In the absence of public sale data, reputable publications may be used to establish market value provided the appraisal is documented to reflect that the market value was established based on wholesale values, rather than retail values.

Note: Retail values include the cost of rehabilitation and other factors that are not typically included in a public sale.

142 Appraisal Reports (Continued)

B Real Estate Appraisals

A real estate appraisal, as a minimum, will be a summary appraisal report as defined by USPAP. Any exception to allow the use of a restricted report requires prior written approval by SED. SED may redelegate this authority to the designated State staff appraiser. Approval of restricted reports will only be granted under extraordinary circumstances, limited to situations where there will be only a single user of the report.

Real estate appraisals must include as a minimum, the following details:

- documentation of the results of the following 3 approaches to estimating value, except as provided in the scope of work in USPAP:
 - sales comparison approach
 - cost approach
 - income approach
- if adjustments are made, the basis for these adjustments, including land mix, time, water, buildings, depreciation, soils, and any other applicable adjustments recognized by the market and supported by adequate documentation in the appraisal
- at least a 3-year sales history of the property
- the comparable sales used, including a breakdown of land contribution by land class, building contribution by improvement, derived depreciation rates, basis for the cost of new improvements, remaining life of improvements, timber, mineral value, water rights and volume, water delivery system, photographs of improvements and land, etc.

***--Note:** Using the subject property's pending sale as a comparable is prohibited.--*

- the value of any mineral rights.

Note: Because of CONACT requirements, a separate valuation of any mineral rights must be identified in appraisals, completed for any direct loan, to perfect the lien on any minerals. Because the particular CONACT requirement does not apply to guaranteed loans, a separate mineral valuation on an appraisal done for guaranteed loans is not required; however, the value of any mineral rights should still be considered in determining the overall value.

142 Appraisal Reports (Continued)

B Real Estate Appraisals (Continued)

When the value of mineral rights:

- *--can be determined, and/or is needed to collateralize the loan, FSA-2164, Part D or other formats that provide the same information, will be included in the appraisal report to support the market value arrived at by the appraiser
- is only nominal, FSA-2164, Part D or other formats that provide the same information, will reflect an amount as determined by the appraiser; the appraisal report shall document the basis for the appraiser's findings

Note: The nominal value may be determined to be as low as \$1.

- cannot be determined, instead of FSA-2164, the appraisal report will include language--* to specify that it includes any mineral rights of the subject property. In these cases, the following language may be used:

“The precise value of mineral interests in existence, as well as the economic feasibility to extract minerals from the subject property, or any anticipated future annual production or income from the production of minerals is unknown to the appraiser. This appraisal is not an exhaustive study of the actual or potential mineral production, and is based on the best information available as of the effective date of the appraisal. The final opinion of value in the appraisal report includes mineral rights of the subject property.”

C Approved Appraisal Formats

Any appraisal format that meets USPAP requirements is acceptable.

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

- FSA-2161
- * * *
- FSA-2162
- FSA-2163
- *--FSA-2164.--*

D Real Estate Appraisal Software

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

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

143 FSA Review of Appraisal Reports

A Overview

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

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

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

B Administrative Appraisal Reviews

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

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

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

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

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

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

143 FSA Review of Appraisal Reports (Continued)

E Conducting Technical Appraisal Reviews

FSA will complete a technical appraisal review of the following:

- first direct loan appraisal completed by a contract appraiser with whom FSA has had no appraisal experience and then 1 appraisal every 2 FY's thereafter
- first third party appraisal used for direct loan appraisals completed by an appraiser with whom FSA has had no appraisal experience and then 1 appraisal every 2 FY's thereafter
- first guaranteed loan appraisal completed by appraisers with whom FSA has had no appraisal experience and then 1 appraisal every 2 FY's thereafter--*

Note: If an appraisal has been technically reviewed under any of the previous bullets, it is **not** necessary to conduct another review of another appraisal completed by the same appraiser on a different category, such as appraisal reviewed with a guaranteed loan and the same appraiser subsequently completes another assignment that is submitted to FSA as a third party appraisal. A review would **not** be necessary.

- 1 appraisal (or technical review when an appraisal has not been completed during the cycle) completed by FSA staff appraisers every 2 FY's

Note: The National Office will coordinate peer desk type reviews and monitor completion and results. Peer reviewers and appraisal/technical reviews selected for review will be on a random basis.

- direct or guaranteed loan appraisals when an administrative review detects serious problems
- all appraisals completed by limited authority appraisers
- of appraisals conducted by contractors and FSA employees in a random spot check method that is established by SED

Note: Each year, SED will vary the method used to select appraisals for review to ensure that adequate internal controls are established.

- on a more frequent basis, if problems have been detected in the scheduled spot check review
- upon request of the loan approval official anytime before loan approval.

143 FSA Review of Appraisal Reports (Continued)**F Recordkeeping and Internal Management Controls**

Each State must maintain a recordkeeping system and internal management controls to
-ensure that all administrative, technical (desk and field) reviews, and compliance activities--
are accomplished according to 25-AS, Exhibit 40.5.

G USPAP Records Retention

USPAP requires that appraisers retain documentation about appraisal reviews and technical appraisal reviews they conduct for whichever of the following is longer:

- 5 years from date of completion
- 2 years from the date all appeals and litigation about the appraisal are concluded.

SED's shall provide adequate storage space to staff appraisers for the duration of the required documentation retention period.

H FLP Appraisal Work Files

Appraisal work files **must**:

- **not** be destroyed or otherwise removed from FSA when USPAP retention requirements expire
- be relinquished when appraisers leave FSA employment positions.

Note: Appraisers may make copies of their work files at no cost before departing.
Appraisers will be provided access to their work files on an as-needed basis to address State board concerns.

222 Elements of an Initial Assessment (Continued)

G Historical Performance (Continued)

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

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

H Farm Operating Plan

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

(7) Farm operating plan.--*

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

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

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

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

(10) Training plan.

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

J Loan Evaluation

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

(8) Loan evaluation, except for Streamlined CL.

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

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

The loan evaluation is similar to the loan narrative, which is discussed in 3-FLP, *-paragraph 351. The loan evaluation and loan narrative must be consistent.--*

252 Borrower Account Classification System

***--A Calculating Account Classifications**

Borrower account classifications are completed using the most current balance sheet and income/expense statements available. FBP calculates the financial indicators used in the classification analysis and assigns a score for the 4 ratios addressed in subparagraphs B through E. A weighted percentage of each score is used to obtain the total overall score that determines the account’s classification according to subparagraph F.

B Current Ratio (Liquidity)

This ratio indicates the extent to which current farm assets, if liquidated, would cover current farm liabilities.

FBP calculates the current ratio as follows.

$$\text{Current Ratio} = \text{Total current farm assets} \div \text{Total current farm liabilities.}$$

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

C Debt to Asset Ratio (Solvency)

This ratio measures the operation’s solvency by comparing total farm debt obligations owed against the value of total farm assets. The ratio expresses what proportion of total farm assets is owed to creditors and is 1 way to express the risk exposure of the farm business.

FBP calculates the debt to asset ratio as follows.

$$\text{Debt to Asset Ratio} = \text{Total farm liabilities} \div \text{Total farm assets.}$$

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

--*

252 Borrower Account Classification System (Continued)

***--D Return on Assets Ratio (Profitability)**

This ratio measures the rate of return on farm assets and is often used as an overall index of profitability.

FBP calculates the return on assets ratio as follows.

$$\text{Return on Assets Ratio} = \frac{\text{Net farm income from operations} + \text{Farm interest expense} - \text{Owner withdrawals}}{\text{Total farm assets}}$$

Note: FBP calculates net farm income from operations as follows.

$$\text{Net farm income from operations} = \text{Total operating income} - \text{Purchases for resale} - \text{Total operating expenses}$$

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

E TDCLC Ratio (Repayment Capacity)

This ratio measures the operation's ability to cover all term debt and capital lease payments.

FBP calculates TDCLC ratio as follows.

$$\text{TDCLC Ratio} = \frac{\text{Net farm income from operations} + \text{Non-farm income} + \text{Depreciation expense} + \text{Term debt/capital lease interest} - \text{Income tax expense} - \text{Owner withdrawals} - \text{Non-farm expense}}{\text{Term debt/capital lease annual principal/interest payments}}$$

TDCLC Ratio	Score
1.15 or greater	1
1.08 to 1.14	2
1.00 to 1.07	3
0.01 to 0.09	4
-0.01 to 0	1
-0.02 or less	4

--*

252 Borrower Account Classification System (Continued)

***--F Account Classification**

A weighted percentage of the score for each of the 4 measures of financial performance and operation stability identified in subparagraphs B through E, are used in the FBP to calculate the total overall score.

Total Overall Score = weighted current ratio score + weighted debt to asset ratio score + weighted return on assets ratio score + weighted TDCLC ratio score.

The following table provides the borrower account classification based on the total overall score.

Total Overall Score	Classification	Classification Category
1 to 1.59	1	Commercial
1.6 to 2.19	2	Standard
2.2 to 2.79	3	Acceptable
2.8 to 4	4	Marginal

--*

252 Borrower Account Classification System (Continued)

G Determining Account Classification Code

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

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

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

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

253-260 (Reserved)

Reports, Forms, Abbreviations, and Delegations of Authority

Reports

This table lists the required reports of this handbook.

Reports Control Number	Title	Reporting Period	Submission Date	Negative Reports	Reference
FLP4	FLPRA Annual Report	Annually	By February 1 each year	Required	403

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		Ex. 35
CCC-257	Schedule of Deposit		Ex. 35
FmHA 2006-21	Information Systems Management (ISM) Request for Changes to User Documentation		52
FSA-13-A	Data Security Access Authorization Form		Ex. 15
FSA-137	Address Information Request		46
FSA-159	Request for Supplies, Forms, and/or Publications		Ex. 5, 17
FSA-470	Tractor Feed Post Card for Metered Postage		46
FSA-603	Collection Register for State and County Offices		Ex. 35
FSA-851	Environmental Risk Survey Form		Ex. 35
FSA-2164	Appraisal for Mineral Rights		142
FSA-2001	Request for Direct Loan Assistance		44, 47, 48, Ex. 35
FSA-2007	Statement Required by the Privacy Act for Non-Applicants		48
FSA-2037	Farm Business Plan Worksheet Balance Sheet		Ex. 15

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

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		Ex. 15
FSA-2040	Agreement and Record of the Disposition of FSA Security/Release of Proceeds		262, 263, Ex. 7, 35
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation		168
FSA-2101	DD FLP Oversight Report Guide		443
FSA-2103	Direct Loan Making File Review Questionnaire		28
FSA-2104	Guaranteed Loan Making File Review Questionnaire		28
FSA-2119	Delinquent Borrower Servicing File Review Questionnaire		28
FSA-2125	Farm Loan Program County Information File Changes		46
FSA-2126	Program Loan Cost Expense (PLCE) Request (Non-Contractuals only)		166-168
FSA-2139	Notification of Exemption From Requirement to Provide Social Security Number		102
FSA-2140	Deposit Agreement		101, 102
FSA-2141	Interest-Bearing Deposit Agreement		102
FSA-2142	Statement of Deposits and Withdrawals		103
FSA-2144	Designated Financial Institution Pledge of Collateral		102
FSA-2145	Demand for Withdrawal of Supervised Bank Account Funds		103
FSA-2150	Development Plan		122, 125
FSA-2153	Release by Claimants		122
FSA-2154	Release by Contractor		122
FSA-2160	Appraisal of Chattel Property		142
FSA-2161	Appraisal Report - Agricultural Tract		142
FSA-2162	Real Estate Sales Data		142
FSA-2163	Supplemental Forms-Agricultural Appraisal		142
FSA-2165	Administrative Appraisal Review		143
FSA-2166	Technical Appraisal Review and Certification		143
FSA-2171	Substitute Invoice		166
FSA-2172	Request for Emergency Payment		168
FSA-2173	Foundation Financial Information System (FFIS) Vendor Code Request		162
FSA-2201	Lender's Agreement		47, Ex. 35
FSA-2211	Application for Guarantee		44, 47

Forms List (Continued)

B Forms (Continued)

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

Forms List (Continued)

B Forms (Continued)

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

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FSA 462-4	FSA-2465	Assignment, Acceptance, and Release (Wool and Mohair)	
FmHA 462-7 (State)		Continuation Statement (Generic Version)	12-31-07
FSA 462-11	4-FLP, Exhibit 28	Request for Continuation Statement Filing Fee	
FmHA 462-12		Statements of Continuation, Partial Release, Assignment, Etc.	12-31-07
FmHA 462-12 (State)		Continuation of Termination Statement	12-31-07
FmHA 462-14		Change in List of Farmers Home Administration Borrowers Note: Reinstated as Exhibit 30 to 4-FLP.	5-18-04
RD 465-1	FSA-2060	Application for Partial Release, Subordination, or Consent	
RD 465-5	FSA-2476	Transfer of Real Estate Security	
FmHA 465-12 (State)		Quitclaim Deed	12-31-07
FSA-580	FSA-2580	Primary and preservation Loan Servicing Checklist	
FSA-581	FSA-2581	Review data for inequitable treatment	
FmHA 838-B		Invoice - Receipt Certification	12-31-07
FSA-838-C	FSA-2171	Substitute Invoice	
FSA-839	FSA-2172	Request for Emergency Payment	
FSA-845	FSA-2173	Foundation Financial information System (FFIS) Vendor Code Request	
FmHA 1007		Square Foot Appraisal Form	12-31-07
FmHA 1900-1		Request for Appeal of Adverse Action	7-8-98
FmHA 1902-7		Financial Institution Summary For CBS	7-8-98
FmHA 1905-1		Management System Card-Individual	12-31-07
FmHA 1905-4		Application and Processing Card--Individual	12-31-07
RD 1905-12		Monthly Expirations	12-31-07

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
RD 1910-5	FSA-2014	Verification of Income	
FmHA 1910-11		Applicant Certificate Federal Collection Policies For Consumer or Commercial Debts	9-9-03
FmHA 1922-1		Appraisal Report - Farm Tract	10-99
FSA-1922-1 & Addendum	FSA-2161	Appraisal Report - Agricultural Tract	
FmHA 1922-2		Supplemental Report-Irrigation Drainage, Levee, and Mineral	*--10-99--*
FmHA 1922-3 & L3		Map of Property	4-12-00
FmHA 1922-4		Township Plate Map	4-12-00
FmHA 1922-5		Appraisal Review Note: Reinstated as FSA-2166.	1-9-04
FmHA 1922-6		Multiple Township Plat Map	4-12-00
FmHA 1922-8		Uniform Residential Appraisal report	4-12-00
FSA 1922-9	FSA-2162	Real Estate Sales Data	
FSA 1922-10	FSA-2163	Supplemental Forms-Agricultural Appraisal--*	
FSA 1922-11	*--FSA-2164--*	Appraisal for Mineral Rights	
RD 1922-12		Nonfarm Tract Comparable Sales Data	12-31-07
RD 1922-14		Residential appraisal review for SFH	1-9-04
RD 1922-15	(*)	Administrative Appraisal Review For Single Family Housing	
FSA 1922-16	FSA-2165	Administrative Appraisal Review	
FSA-1922-17		Appraisal certification program semiannual report	6-17-08
RD 1924-1	FSA-2150	Development Plan	
FmHA 1924-2		Description of Materials	12-31-07
FmHA 1924-3		Service Building Specifications	12-31-07
FmHA 1924-5		Invitation for Bid (Construction Contract)	12-31-07
FmHA 1924-6		Construction Contract	12-31-07
FmHA 1924-7		Contract Change Order	12-31-07
FmHA 1924-9		Release by Contractor Note: Reinstated as FSA-2154.	7-26-04
RD 1924-10	FSA-2153	Release by Claimants	

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 816-823-4740 or 816-823-4741--*
- 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 System

with *Web* **EQUITY MANAGER®**

A component of *eLoans*

FSA User Guide



USDA... electronically available any place, any time.



Farm Service Agency

Farm Business Plan - FSA User Guide (Continued)

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Farm Business Plan - FSA User Guide (Continued)

A Overview

1 Farm Business Planning

FSA uses the FBP system to perform farm planning and analysis, loan origination and servicing functions, and manage the FLP loan portfolio. This will allow FSA to:

- assist customers in planning their business operations, either on-line or through traditional business methods
- improve the timeliness and quality of service
- thoroughly analyze credit actions with an improved, yet consistent process
- use accrual analysis, when appropriate, in analyzing credit decisions and preparing plans
- improve loan documentation and compliance with audits
- empower States to proactively manage their loan portfolio by providing access to a data mart of financial information.

Because the FBP system is flexible, there are many ways to deal with different circumstances. This user guide is designed as a starting point to provide overall FSA policy in farm planning and analysis, and discuss policies and business practices FSA has implemented in FBP. Additional information about actual software usage is available through the on-line eHelp or WEM user guide available from Web Equity Solutions at 1-800-264-0787. The information in both sources of help is the same. WEM is the software used to create FBP.

The term “FBP” is used in the following 2 contexts:

- collecting documents that compose FBP
- the system used to create the document FBP.

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 7.0+ 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 FBP, users must have both of the following:

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

Note: * * *

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 FBP after 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 as follows.--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

2 System Access and Security

a User Access to the FBP System (Continued)

For FSA State and Service Center Employees.

•*--The immediate supervisor or FLM is responsible for completing the following sections on FSA-13-A for all FBP user requests:

- Items 1-11, as applicable
- Other/Comments
- Justification
- Print User's Approving Official Name and Title
- Signature
- Date.

• A request to “Add” a user to FBP should be completed as soon as an employee has obtained an eAuthentication ID.

Other/Comments: Add FBP Access	Section is completed to "Add" or "Delete" a user from the FBP.
Justification: Per 1-FLP, Exhibit 15, paragraph A 2 a	

• A request to “Delete” a user from FBP should be completed as soon as the supervisor determines the employee no longer requires access.

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

Other/Comments: Modify FBP Access – last name has been changed from (previous name) to (current name).	Section is completed to “Modify” (Example: last name change) a user in the FBP.
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 the "Other/Comments" and "Justification" sections are completed as instructed.

• Submit completed FSA-13-A to the State Office according to State-established procedures.--*

Farm Business Plan - FSA User Guide (Continued)

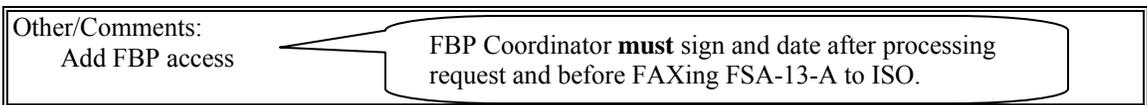
A Overview (Continued)

2 System Access and Security

a User Access to the FBP System (Continued)

- FLC or FBP Coordinator will:
 - ensure that a completed/signed FSA-13-A has been received before FBP user access request is processed
 - * * *
 - process FSA-13-A according to FBP - State FBP Coordinator User Guide, Section C1 or C3
 - *--sign and date FSA-13-A, in the "Other/Comments" section when the request has been processed

Note: FSA-13-A must be signed and dated before it is FAXed to ISO at 816-627-0687.



- notify the immediate supervisor and employee when FSA-13-A has been processed
 - monitor emails received from ISO when an employee has left FSA. If FSA-13-A has not already been received, then notify the employee's supervisor that FSA-13-A needs to be completed.
- Note:** The ERSR on-line system cannot be used for FBP access requests.
- ISO will send a confirmation email when FSA-13-A is received.--*

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 the FBP System

Customer access to FBP 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)

A Overview (Continued)

4 Defaults (Continued)

b Crop and Livestock NAICS Codes

Commonly used crop and livestock categories have been established and will appear as defaults on Income/Expense drop-down menus. Users cannot add additional crop or livestock categories to the commonly used list for a Service Center or State; however, users can add additional defaults for individual customers. Additional categories can be added when actual or projected income/expenses are entered on the crop or livestock schedules or when inventories are entered on balance sheet schedules.

*--After accessing the Livestock & Poultry Sales schedule, CLICK “Description Per Unit Defaults” in the left corner to add a new category.



Figure 1

Select the needed category from the “Description” drop-down menu, enter “Type” and “Measure” information, and CLICK “Add”. This category will now be available in the defaults whenever this customer is selected.



Figure 2

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

*--5 Adding and Accessing Customers in FBP

The Locator Screen is where the user will manage their list of customer records and is also the first screen that displays when you log in to FBP.

a Adding a New Customer

Before attempting to add a new customer to FBP, ensure that the customer and all related entity members have been added to the SCIMS database and have an “Active” status record.

To add a new customer record, CLICK “Add New” on the Locator Screen.

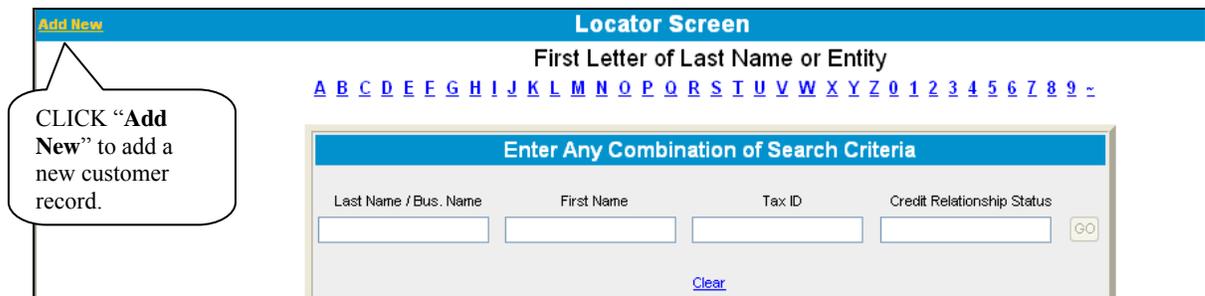


Figure 3

Complete the New Customer Setup Screen according to the following:

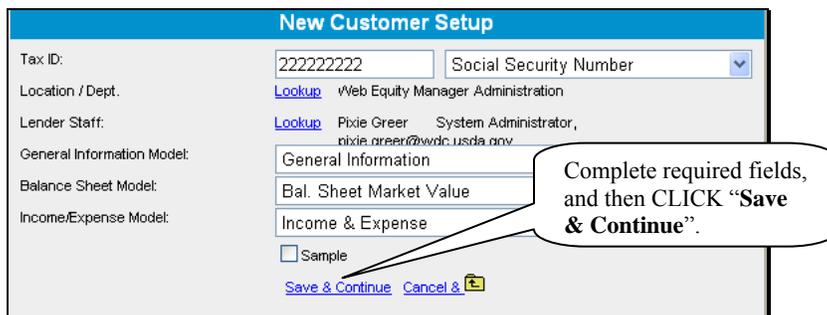


Figure 4

- enter “**Tax ID**” of the new customer that **must** match the tax ID that is entered into SCIMS

Note: For FLP, tax ID will usually be described as either of the following:

- “Social Security Number” for individuals
- “Employer Identification Number” for entities.--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

*--5 Adding and Accessing Customers in FBP (Continued)

a Adding a New Customer (Continued)

- “**Location/Dept**” defaults to the location of the user adding the new customer; the location/department is where the customer will receive FLP services, if incorrect, CLICK “**Lookup**” link and select the correct location/department
- “**Lender Staff**” defaults to the user adding the new customer; if a different user will be servicing the customers loans, CLICK “**Lookup**” link and select the correct lender staff
- “**General Information Model**” defaults to “General Information”
- select 1 “**Balance Sheet Model**” from the following:
 - “**Market Value**” is used when the balance sheet is based upon market values; this option will be selected for the majority of customers
 - “**Costs Basis**” is used typically for entities who keep records on a cost basis
 - “**Personal**” is used when a customer record has been added for an individual entity member to collect personal financial statements

Note: New customer records will **not** be added for individual entity members unless approved by the State FBP Coordinator.

- “**Income/Expense Model**” defaults to “Income & Expense”.

CLICK “**Save & Continue**” to add the new customer.

If a customer file with the same tax ID already exists in the system; the Locator, Recycle, or Archive Screen will be displayed with a “Customer(s) With same Tax ID:” dialog box. Do **not** add this customer as it will create a duplicate account. CLICK “**Cancel and Return to Locator**”.



Figure 5

--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

*--5 Adding and Accessing Customers in FBP (Continued)

a Adding a New Customer (Continued)

Search for the existing customer on the Locator Screen; see **Accessing an Existing Customer** (Section A 5 b). If the customer cannot be located, contact the State FBP Coordinator.

b Accessing an Existing Customer

Existing customer records are accessed through the Locator Screen. To be able to access the customer in FBP, the customer and any related entity members **must** be in the SCIMS database and maintain an “Active” record status.

To access an existing customer, enter any combination of search criteria and CLICK “GO”.

Figure 6

A list of customer records meeting the search criteria entered will be displayed. Click the appropriate name to access the customer record.

Name	Analysis	Credit Relationship Status	Phone	Address	Email
<input type="checkbox"/> -Greer 28200310160021021491.1 ,Pixie	Ultra	99-99-999999999			Duplicate Track

Figure 7

c FSFL Borrowers

Farmers who only have FSFL accounts are **not** to reside in FBP. FSFL’s provided to existing FLP borrowers shall use the established FBP customer record.--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

6 Navigating FBP

*--FBP is menu driven. Everything needed to originate, analyze, print, make, and service loans can be accessed using the menu bar. After users select a customer from the Locator Screen, the first screen displayed will contain the full menu bar. Click any menu item and a drop-down menu of available forms or reports will be displayed. Click the individual form or report to open.

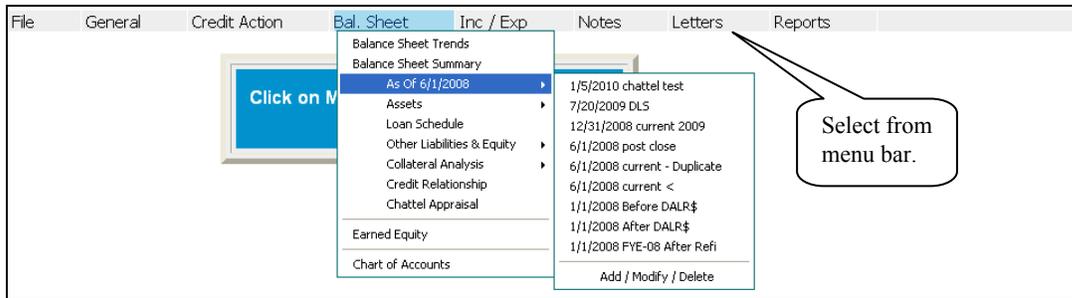


Figure 8a

Another way to navigate through FBP is by using the “Dashboard” feature. CLICK “small chart icon” (“Dashboard”) on the top of the screen. The “Dashboard” feature provides users with quick and easy access to forms and frequently used reports by clicking 1 of the following tabs:

- “Navigation” provides quick and easy access to forms within the system
- “Balance Sheet Trends” provides quick access to view and print the report
- “I/E Trends” provides quick access to view and print the report
- “Ratios & Indicators” provides quick access to view and print the report
- “Repayment Capacity/Sensitivity” provides quick access to view and print the report.



Figure 8b

--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

6 Navigating FBP

*--a Functionality Features

Most of the data entry in FBP is completed by using text input fields, check boxes, radio buttons, drop –down menus, and hypertext links.



The screenshot shows a web form with the following elements:

- Loan Type:** A dropdown menu with "Int." selected and a "+" icon to its right.
- Requested Amount:** A text input field containing "143,000" and a green circular icon with a right-pointing arrow next to it, labeled "To Collateral Analysis".
- Payment to Inc / Exp?:** A checkbox that is checked with a green checkmark.
- Eligibility Determination:** A blue hypertext link.

Figure 8c

Some additional functionality features include the following:

- vertical and horizontal “**scroll bars**” that are automatically displayed when the on-screen content is larger than the size of the window it occupies
- because there can be several screens to a customer record, each screen provides users the opportunity to **save** the information before continuing their data entry

Note: There are several types of data saving features as follows:

- “**Save & Stay**”, to save changes while working on the screen
- “**Save & Menu**”, to save user’s work and return the menu bar
- “**Save & **” to save user’s work and return to the previous screen
- “**Cancel & **” to cancel any changes and return to the previous screen
- **deleting data;** to delete an item, depending on the screen, either:
 - check (✓) the box next to the item you want to delete and CLICK “

12-16-10

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

7 Importing/Exporting Data

--Financial information can be imported from other lenders that use WEM, in addition to being-- exported in a form that other lenders using WEM can use. The data file is created in XML format and is contained within a ZIP file. As a security precaution, the system will ensure that only recognized data files are accepted; all other files will be rejected.

a Exporting Files to Other Lenders

*--To export customer data, the customer's record **must** be open within FBP:

- with the customer's record open, CLICK "**File**" and "**Export Selected Data**"--*
- use the checkboxes to select the financial data to be exported.

The file name may have the following format, "**LastName,FirstName.ZIP**". This file can be imported by another lender using WEM.

b Importing Files from Other Lenders

*--To import customer data, the customer's record **must** be open within FBP. New customers **must** first be added to FBP. See **Adding a New Customer** (Section A 5 a).

- With the customer's record open, CLICK "**File**" and "**Import Selected Data**"--*
- The "Select Customer File to Import" dialog box will be displayed.
- CLICK "**Browse**" to locate the customer data file on the local computer or network.
- Use the checkboxes (✓) to select the financial data to be imported.

The file name may have the following format, "LastName,FirstName.ZIP".

*--**Note:** When importing from a lender, carefully select and import **only** the information that is needed. Importing excess information can slow down the import, or cause the system to time out.--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

7 Importing/Exporting Data (Continued)

c Exporting Reports

Reports:

- can be exported into multiple formats for further analysis and use
- can be exported into the following formats:
 - Crystal Reports
 - Microsoft Excel (formatted or data only)
 - Microsoft Word
 - Rich Text Format (RTF)
 - Adobe Acrobat (PDF)
- **cannot** be imported into FBP.

See **Electronic File Maintenance, Reports, and Signatures** (Section B) for more information on how to export reports.

--8 Transfers/Deceased Borrower/Releases/Import/Copy Data Within FBP--

a Transfers and Assumptions

When an existing or new customer (transferee) applies to assume the existing debt of another FSA customer (transferor), the FSA loan official may determine that the transferor's historical financial records may be used to develop a projection. According to the agency's policy, the records may be imported into the transferee's FBP customer record.

Perform transfers and assumptions according to the following.

- The transferee's customer record must already exist in FBP. If the customer record does not exist, see **Adding a New Customer** (Section A 5) to add a new customer record.
- Access the transferee in FBP and CLICK "**File**" and "**Import Selected Data**".
- On the Select Customer File to Import Screen, CLICK "**From Web Equity Manager Locator**" radio button and "**Search Locator**".

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

--8 Transfers/Deceased Borrower/Releases/Import/Copy Data Within FBP (Continued)--

a Transfers and Assumptions (Continued)

- Enter the search criteria for the “transferor” on the Customer Lookup Screen, CLICK “**GO**” or PRESS “**Enter**”; and when displayed, click the transferor’s name.
- When returned to the Select Customer File to Import Screen, CLICK “**Continue**”.
- The Select Data to Import Screen will be displayed; CLICK “**Import Selected Data**” to complete the import of financial information into the transferee’s file and a message will be received when the import is completed.
- *--Remove the transferor's customer record from the Locator Screen, see **Moving FBP Customer Records to the Recycle Bin** (Section B 6 a).--*

b Deceased or Released of Liability Borrowers

When the primary customer in FBP, who is jointly liable with another, becomes deceased *--or is released of liability, the customer record **must** be pointed to the other customer’s--* SCIMS data.

- On the Locator Screen, access the primary customer’s record.
- CLICK “**General**” and “**General Information**” and the General Information Screen will be displayed.
- At the bottom of the screen, CLICK “**Change SCIMS Customer**”.
- Enter the tax ID of the customer that should now be associated with the record and select the ID type.

*--c Copy Data Between FBP Customers

Sometimes it becomes necessary to import or copy financial information from 1 customer record to another. Information can be imported between duplicate records of the same customer or between different customers.

See **Transfers and Assumptions** (Section A 8 a) for instructions on importing information between customer records.--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

9 Calculators

Several loan and amortization table calculators are available online. To access calculators, CLICK “**Calculators**” at the top of the screen.

The results of the calculations, which is the amortization table. To print, **right-click** in the pop-up calculator window and CLICK “**Print**” from the menu.

10 Customer Worksheets and Providing Data to FSA

Customers can provide balance sheet or projected and actual income/expense data to FSA with either of the following 2 types of FBP worksheets.

Type of Worksheet	How to Access	Description
FSA-2037 and FSA-2038	<ul style="list-style-type: none"> • USDA eForms web site • FFAS Employee Forms web site 	These worksheets are useful to provide to new customers where existing financial information in FBP is not available, and to place in application packages.
Existing Customer Worksheets	CLICK “ Reports ” and “ Customer Worksheets ”.	The existing customer worksheets provide an easy way for customers to supply information needed to complete FBP. These worksheets allow customers to make manual entries and compare to what was entered in the previous year.

Note: Customers may also provide signed balance sheets, actuals, and projections, in alternative formats, provided it contains substantially similar information as the worksheets.

11 Credit Reports

a General Information

Credit Reports for FLP customers should be requested using FBP. Before ordering a *--Credit Report, a customer record **must** be established in FBP and the General Information--* Screen needs to be completed. See **General Information** (Section C). Complete the “Related Entities” information, if applicable.

For new customers, on the General Information Screen, CLICK “**Credit Rpt./Elig.Only Act**” as the FBP account type. After the Credit Report is received, if the customer is determined ineligible, complete the eligibility only credit action to document eligibility. Do **not** create a balance sheet or income/expense in FBP. Accounts developed for Credit Reports and eligibility purposes only do **not** count toward FSA’s active FBP accounts.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

a General Information (Continued)

If the customer is determined eligible, a balance sheet and income/expense will be completed to document feasibility/security. At this point of the process, the FBP account type on the General Information Screen will automatically change to an “Active Account”.

Exception: For all youth loans, CLICK “Active Account” as the FBP account type.

* * *

Note: Do **not** change the FBP account type from “Active Account” to “Credit Rpt./Elig. Only Act” when ordering Credit Reports for subsequent loans.

b Accessing Credit Reports Feature

Access Credit Reports options according to the following.

- *--Select a customer record.
- CLICK “General”, “Credit Reports”, and [name of applicant]. All applicants needing a Credit Report for an account must be listed as “Related Entities” on the General Information Screen. The primary applicant of the account, as well as the related entities, will be listed on the “Credit Reports” options.
- CLICK [name of applicant] for which a Credit Report is being requested. Any Credit Reports that were previously obtained will be listed and “Add/Delete” will be displayed.

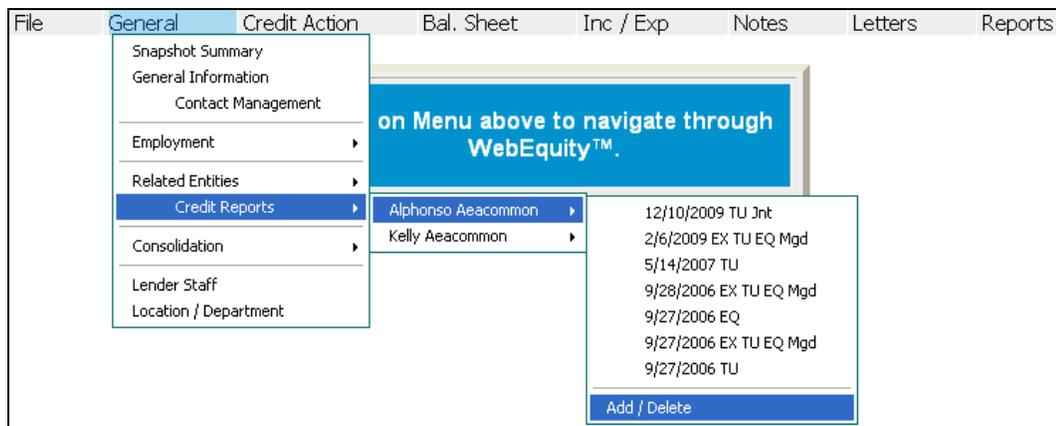


Figure 9a

--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

c Ordering Credit Reports for Individuals

Order a Credit Report for an individual according to the following.

- CLICK “**Add/Delete**” for the individual for whom a Credit Report is needed. The Credit Report Information Screen will be displayed with the applicant’s name, address, and tax ID from General Information that originates in SCIMS.
- FBP defaults to a Merged Report, automatically requesting information for the Get New Report from all 3 credit bureaus. Ordering the Merged Report ensures that full and complete information on the applicant’s credit is received.

Note: For individual type accounts, a joint report that includes a spouse can be ordered according to the following.

- The spouse **must** be identified as a “Spouse” and “Co-Applicant” in the “Related Entities” Section on the General Information Screen **before** ordering the report for the primary applicant.
- CLICK “**Yes**” for the “Joint Report” radio button, if applicable. The name and tax ID of the spouse/co-applicant will be displayed.
- CLICK “**GET CREDIT REPORT NOW**”.

*--

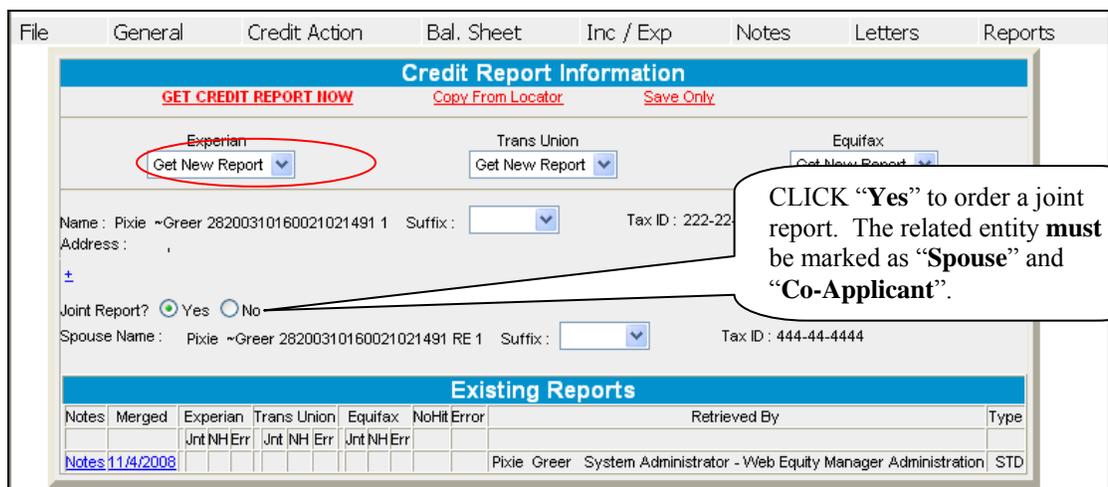


Figure 9b

--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

c Ordering Credit Reports for Individuals (Continued)

After a short interval, the Credit Report Information Screen will be redisplayed with the “Existing Reports” Section. A date link will be displayed under the Credit Reporting company names, indicating there is a Credit Report that was obtained on that date from that company. Click the date to see a copy of the report.

d Ordering Credit Reports for Entities

To order a Credit Report for an entity, click the name of the entity applicant and CLICK “Add/Delete”.

On the Credit Report Information Screen:

- CLICK “**Experian Business**” radio button
- CLICK “**Business Profile**” from the “Product” drop-down menu
- CLICK “**GET CREDIT REPORT NOW**”.

*--

Credit Report Information

GET CREDIT REPORT NOW Copy From Locator Save Only

Select Bureau: Experian Business Dun & Bradstreet Product: Business Profile

Name: A-1 Auto Glass Inc. Tax ID: 00-0000000 Phone:

Address: 27061 Mill Seat Mechanicsville, MD 20659

File Number: 031801725

Credit Bureaus use a very specific address format. Please enter all applicable data.

Street, R.R., or P.O. Box #: 27061 Street Direction: Street Name: Mill Seat

Street Type: Address Type: Standard Suite #:

Figure 9c

A “List of Similar” will be displayed.

Note: If no similars are displayed, or there is no match in the “List of Similar”, then no information is available from the credit bureau. Exit the screen at this time and there will be no charge to the customer.--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

d Ordering Credit Reports for Entities (Continued)

CLICK “Select” next to the entity name.

*--



Figure 9d

--*

The Credit Report Information Screen will be redisplayed. Click the date to view a copy of the Business Report.

*--To order Credit Reports for each entity member, they must first be added to the “Related Entities” Section on the General Information Screen. Credit Reports can then be ordered on each individual entity member according to **Ordering Credit Reports for Individuals** (Section A 11 c).

Note: A husband and wife, who are members of an entity, **will** be charged a joint Credit Report fee even though individual Credit Reports will be obtained for each.--*

e To Print a Report

With the report displayed, **right-click** and CLICK “Print”.

f Failed Attempt

On rare occasions, an attempt to pull a Credit Report will not be successful and will generate an error. If an error occurs, the pull process will stop and the screen will be displayed with a cryptic error message. When this happens, it is important to navigate back to the Credit Report Information Screen to investigate the cause of the error.

As displayed on the following screen print, the attempted pull event will display the word “Error” after the pull date. CLICK “Error” to see a more descriptive message.

If the message refers to a problem with address information, it is possible that the credit bureau did not recognize the address that was populated here from the General Information Screen.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

f Failed Attempt (Continued)

To resolve an address format problem, CLICK “±” above “Joint Report?” and additional address fields will be displayed.

Note: Clicking “±” to display additional address fields is **only** required when requesting consumer bureau reports. The additional address fields are always viewable when requesting business bureau reports.

*--

Credit Report Information
GET CREDIT REPORT NOW Copy From Locator Save Only

Single Merged

Experian Trans Union Equifax
Get New Report Get New Report Get New Report

Name : Alphonso P Aeacommon Suffix :
Address : 5 Compliant Ave Fantasy Island, IL 60750

±

Joint Report? Yes No
Spouse Name : Kelly Aeacommon Suffix : Tax ID : 050-60-5998

Existing Reports

Notes	Merged	Experian	Trans Union	Equifax	NoHit Error	Retrieved By	Type
<input type="checkbox"/> Notes						Equity Manager Administration	STD
<input type="checkbox"/> Notes 2/6/2009		2/6/2009				Equity Manager Administration	STD
<input type="checkbox"/> Notes						- Web Equity Manager Administration	STD
<input type="checkbox"/> Notes		5/14/2007 Error	X			Kevin A. Britten VP Sales - Web Equity Manager Administration	STD
<input type="checkbox"/> Notes 9/28/2006		9/28/2006		9/28/2006		Steven Rubin USDA Program Sponsor - Web Equity Manager Administration	STD

Figure 9e

Credit Report Information
GET CREDIT REPORT NOW Copy From Locator Save Only

Single Merged

Experian Trans Union Equifax
Get New Report Get New Report Get New Report

Name : Alphonso P Aeacommon Suffix : Tax ID : 133-40-5381
Address : 5 Compliant Ave Fantasy Island, IL 60750

±

Credit Bureaus use a very specific address format. Please enter all applicable data.

House #, R.R., or P.O. Box # : Street Direction :
Street Type : Address Type : Apt # :

Joint Report? Yes No
Spouse Name : Kelly Aeacommon Suffix : Tax ID : 050-60-5998

Figure 9f

--*

These additional input fields allow the user to provide the street address in a format that is standard to the credit bureau.

Note: These fields pertain only to the street address, **not** to the city, State, or ZIP Code.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

f Failed Attempt (Continued)

Once the address has been re-entered in the fields, CLICK “**GET CREDIT REPORT NOW**” to obtain the report. If this does not resolve the error, or if the original error does not refer to an address issue, contact the State FBP Coordinators.

Note: The additional information provided in the Credit Report address fields will be stored on the Credit Report Information Screen. After the initial Credit Report is pulled, the address will **not** repopulate from General Information on any subsequent visits to the Credit Report Information Screen.

If the borrower does have a change of address, the new address will need to be entered in the fields and saved by clicking “Save Only”. This pertains only to the street address or post office box information, **not** to the name, tax ID, city, State, or ZIP Code.

Changes to the name, tax ID, city, State, and ZIP Code should be entered in SCIMS and will repopulate FBP each time the Credit Report Information Screen is accessed.

***--g Time Out Errors**

Occasionally a report may display a “Time Out Error” in the upper right corner. This can occur for several reasons including lag-time on the Internet. This is considered an error and FSA will not be charged for the report. A second report will need to be pulled within 24 hours to prevent duplicate hits from registering with the bureau against the customer.

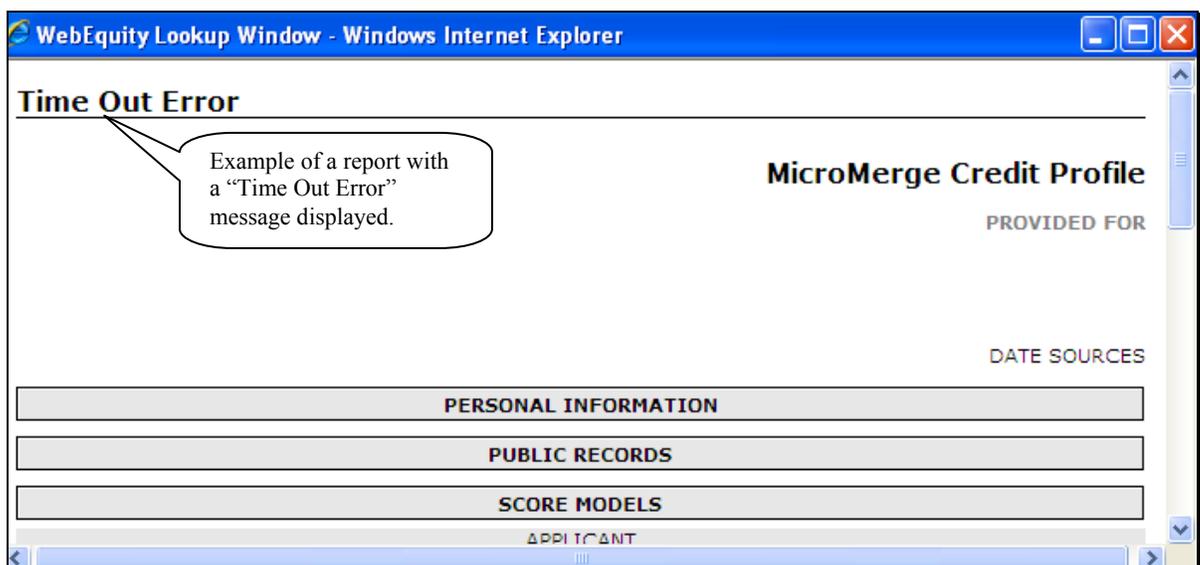


Figure 9g

--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

h Accessing Existing Reports

*--Current and historical Credit Reports for the customer and all related entities are stored in the customer’s record. To access an existing Credit Report, do the following:

- select a customer record
- CLICK “General”, “Credit Reports”, [*name of customer*]
- click date of report from the drop-down menu or and CLICK “Add/Delete”; the Credit Report Information Screen will be displayed

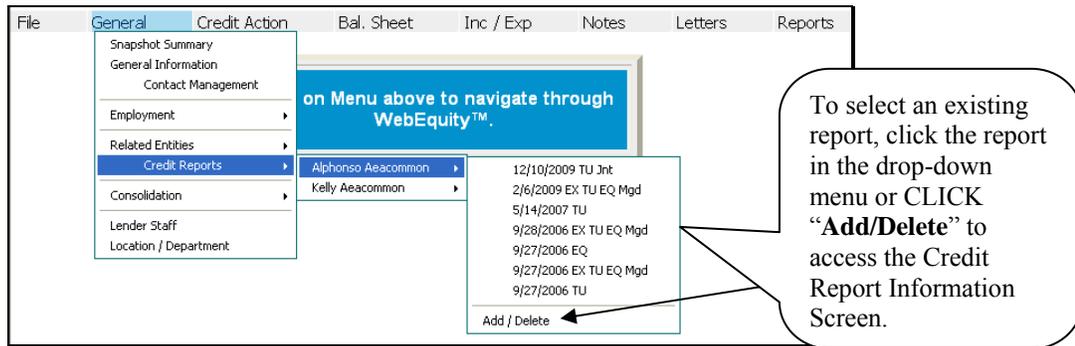


Figure 9h

- CLICK date to select and view any existing Credit Report.

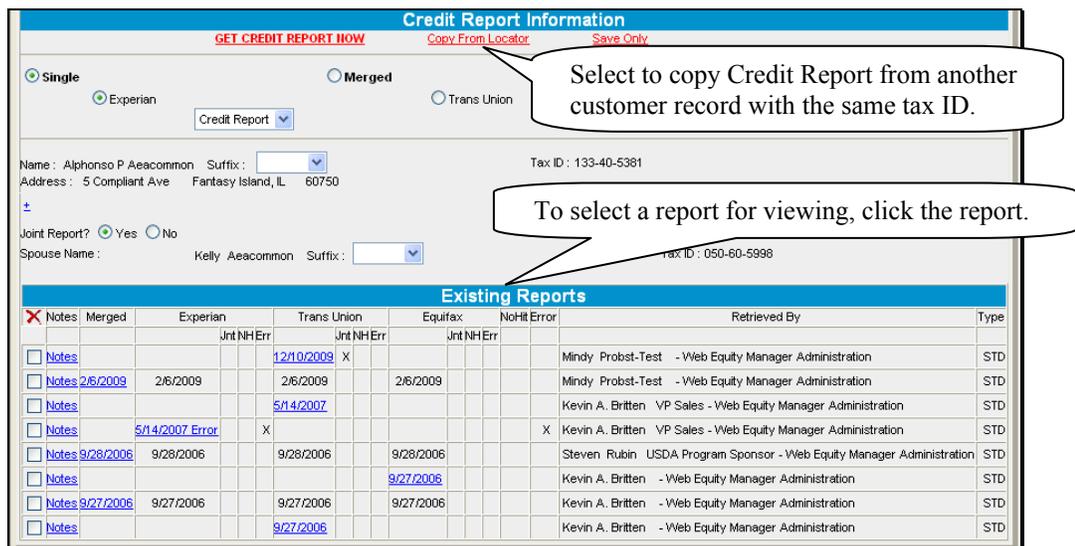


Figure 9i

--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

i Copy from Locator

*--“Copy from Locator” is used to copy Credit Reports from an existing customer or related entity into another customer record with the same “tax ID”.

Example: New customer record was created and a Credit Report was ordered. Subsequently, the customer was added as a related entity to another customer’s record. The Credit Report could be copied into the new customer record using the “Copy from Locator” option.

Note: Only Credit Reports less than 60 calendar days old are available for copying.--*

j Notes and Deleting Reports

There is a NotePad attached to each Credit Report date that will allow users to enter additional notes and messages about that report. To access the NotePad, CLICK “General”, “Credit Reports”, [name of customer], and “Add/Delete”. On the Credit Report Information Screen, under “Existing Reports”, CLICK “Notes”.

Note: Credit Reports will **not** be deleted from FBP.

k Reading the Credit Report

A Credit Report is divided into sections, starting with the header. In each section, all of the possible fields that could be returned will be included on the report.

Example of Header Section

PROVIDED FOR Toontown Credit Services 1123 Disney Ave Toontown, CA 90010 210.555.1212	MicroMerge Credit Profile Reported: 04/27/05
SOURCES <input checked="" type="checkbox"/> EQUIFAX <input checked="" type="checkbox"/> EXPERIAN <input checked="" type="checkbox"/> TRANS UNION	

The “Header” Section will display the company that requested the report, date the report was created, and the list of bureau sources for the report requested.

Example of Application Data Section

APPLICATION DATA					
APPLICANT	NAME	AEACOMMON, ALFONSO	SOCIAL	133-40-5381	DEPENDENTS
	AKA				
	ADDRESS	5 COMPLIANT , TOMORROW IL 60750			LENGTH
	PREV ADDRESS				LENGTH
	EMPLOYER POSITION VERIFIED BY		SINCE PHONE INCOME		
CO-APPLICANT	NAME	AEACOMMON, KELLY	SOCIAL	050-60-5998	
	AKA				
	EMPLOYER POSITION VERIFIED BY		SINCE PHONE INCOME		

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

k Reading the Credit Report (Continued)

The “Application Data” Section will display all available applicant personal data from the selected bureaus.

Example of Public Records Section

PUBLIC RECORDS			
COURT	COURT UNKNOWN	AMOUNT	
PLAINTIFF		FILED	12/03
TYPE	Civil judgement	PAID	
REF NO.	98643314	REPORTED BY	Trans Union

The “Public Records” Section will include the name of the reporting court, plaintiff, type of record, court reference number, amount associated with the record, date filed (MM/YY), if the record has been paid, and which credit bureau the public record was reported by.

Score Models

The “Score Models” Section is for information purposes only. FSA does **not** consider Credit Report scores when evaluating Credit Reports for creditworthiness determination.

Example of Credit Section

CREDIT									
Account	CREDITOR ACCOUNT NUMBER	REPORTED OPENED	HIGH CREDIT	BALANCE PAST DUE	MO PAYM TERMS	MONS RATED	30 60 90+ PAYMENT PATTERN	Type	
OPEN ACCOUNTS									
⊖	C WACH BKCRD 43272	03/06 03/00	\$3000	\$1886	\$10 MIN	19	0x30 0x60 0x90 -1111-1111-1 -111	R1	
AT:Revolving or Option (open-end account). KB:Banks and S and Ls SD:Pays account as agreed OD:Co Maker									
*** TRANS UNION ***									
⊕	C WACH BKCRD 43272	03/06 03/00	\$3000	\$1886	\$10 MIN	19	0x30 0x60 0x90 1111X1111X1X 111	R01	
02/02 - 12, 01/02 - 12, 12/01 - 12, 10/01 - 12, 09/01 - 12									
*** TRANS UNION ***									
⊖	C GMAC 555555555	06/02 06/97	\$68000	CLOSED	- 360 Mth	20	8x30 1x60 3x90 ---222-2222 21-554311	13	
02/02 - 12, 01/02 - 12, 12/01 - 12, 10/01 - 12, 09/01 - 12									
*** TRANS UNION ***									
⊕	C GMAC 555555555	06/02 06/97	\$68000	\$0	\$758 - 360 Mth	20	8x30 1x60 3x90 XXX222X2222 1X554311	103	

Accounts in the “Credit” Section are sorted by account balance. This section also includes information for open accounts, collections, and other derogatory and closed accounts. Each section type is comprised of several fields described in the following.

Note: Optional fields are chosen in the “Access Code” setup.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

k Reading the Credit Report (Continued)

Field	Description
ECOA – Account Designator Code	<p>Applicable codes are the following:</p> <ul style="list-style-type: none"> • “A”, Authorized User • “B”, On behalf of another • “C”, CoMaker • “I”, Individual • “J”, Joint • “M”, Maker • “P”, Participant • “S”, Shared • “T”, Terminated • “U”, Undesignated • “X”, Consumer Deceased.
Creditor	Name of the tradeline reporting.
Account Number	Account number as reported by creditor.
Reported	Date this tradeline last reported to the bureau.
Opened	Date this tradeline opened.
High Credit	Amount of high credit on account.
Balance	Balance on account as reported by tradeline.
Past Due	Amount of payments past due.
Mo Paym	Amount of monthly payment for tradeline.
Terms	Terms of the account.
Mons Rated	Number of months this tradeline has been rated.
30 60 90+	Number of 30, 60, and 90 or more calendar days late for tradeline.
Payment Pattern	<p>Consumer payment history for the past 24 months, beginning with Reported Date:</p> <ul style="list-style-type: none"> • “-”, no rating • “1”, Current • “2”, 30 calendar days late • “3”, 60 calendar days late • “4”, 90 calendar days late • “5”, 120+ calendar days late • “7”, making payments in Wage Earner Plan • “8”, repossession/foreclosure • “9”, Charge Off.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

k Reading the Credit Report (Continued)

Field	Description
Type	<p>The following are types of accounts:</p> <ul style="list-style-type: none"> • “R”, Revolving or Option (open-end account) • “I”, Installment (fixed number of payments) • “O”, Open Account (30, 60, or 90 calendar day account) <p>The following are types of status:</p> <ul style="list-style-type: none"> • “-”, No rating • “1”, Pays account as agreed • “2”, 30 calendar days past due • “3”, 60 calendar days past due • “4”, 90 calendar days past due • “5”, 120 calendar days past due • “6”, Wage Earner or similar plan • “7”, Repossession • “8”, Collection/Bad Debt/Charge Off • “9”, Bad Debt, Place for Collection.
Codes	<ul style="list-style-type: none"> • “OD”, Show Ownership Description • “AT”, Show Account Type Description • “SD”, Show Account Status Description • “TT”, Show Trade Type Description • “KB”, Show Kind of Business Description • “N1”, Show Narrative Description 1 • “N2”, Show Narrative Description 2.
Late Dates	Format = MM/YY – Type & Status, multiples are delimited with a comma, options include from “None” to 5 dates.

Example of Credit Summary Section

CREDIT SUMMARY									
	COUNT	W/BAL	BALANCE	PAYMENTS	PASTDUE	30	60	90	LAST LATE
MORTGAGE	0	0	0	0	0	0	0	0	
INSTALLMENT	2	2	27,860	796	0	0	0	0	
REVOLVING	7	3	2,594	40	0	0	0	0	
COLLECTION	1	0	0	0	0	0	0	0	
OTHER	0	0	0	0	0	0	0	0	
TOTAL	10	5	\$30,454	\$836	\$0	0	0	0	
PAID AS AGREED	9			LIENS					
CURR DELINQUENT	1			JUDGEMENTS	1				
TOTAL DELINQUENT	1			FORECLOSURES	0				
INQUIRES	1			BANKRUPTCIES	0				64% Available
PUBLIC RECORDS	1			GARNISHMENTS	0				

The “Credit Summary” Section summarizes all of the tradelines in the “Credit Summary” Section by trade type.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

k Reading the Credit Report (Continued)

Field	Description
Type of Tradeline	<ul style="list-style-type: none"> • Mortgage • Installment • Revolving • Collection • Other
Count	Count of trades by type.
W/Bal	Count of trades that have a balance.
Balance	Sum of trade balance by type.
Payments	Sum of payments by type.
Pastdue	Sum of payments that are past due by type.
30	Count of trades by type that are currently past due.
60	Count of trades by type that are 60 calendar days past due.
90	Count of trades by type that are 90 calendar days past due.
Last Late	Date the account was last reported late.
Paid as agreed	Count of satisfactory trades.
Curr Delinquent	Count of trades that are currently past due.
Total Delinquent	Count of trades that have ever been delinquent.
Inquiries	Number of inquiries.
Public Records	Count of public records.
Liens	Count of liens.
Judgements	Count of judgments.
Foreclosures	Count of foreclosures.
Bankruptcies	Count of bankruptcies.
Garnishments	Count of payroll garnishments.
Other Public Records	Count of other public records.
% Available	Percentage of revolving credit available for all open trades. ((High Credit minus Balance) divided by High Credit)

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

k Reading the Credit Report (Continued)

Example of Employment Section

In the case of a joint application, the “Employment” Section will include a section for the “Applicant” and “Co-Applicant”.

EMPLOYMENT			
APPLICANT			
COMPANY NAME BANK	OCCUPATION		
DATE HIRED	SEPARATION DATE		
INCOME			
COMPANY NAME HAL	OCCUPATION MGR		
DATE HIRED	SEPARATION DATE		
INCOME			
CO-APPLICANT			
COMPANY NAME QSASF	OCCUPATION	ASFD	
DATE HIRED	SEPARATION DATE		
INCOME			
COMPANY NAME ASDAS	OCCUPATION	ADASDA	
DATE HIRED	SEPARATION DATE		
INCOME			

The “Employment” Section includes known current and former employers and status of employment for each.

Example of Inquiries Section

INQUIRIES					
DATE	SUBSCRIBER NAME	TYPE	SUBSCRIBER NO.	AMOUNT	
04/26/05	CENTRIX FINA	Miscellaneous and public record	01000725		

The “Inquiries” Section provides a list of the inquiries by the bureaus requested and is restricted to only the inquiries in the last 90 calendar days.

Example of Sources Section

SOURCES
EQUIFAX P O BOX 740241 ATLANTA, GA 30374-0241 800-685-1111
EXPERIAN P O BOX 2002 ALLEN, TX 75013-00036 888-397-3742
TRANS UNION 555 W. ADAMS CHICAGO, IL 60661 312-258-1717

The “Sources” Section provides a list of the bureaus that are included in the Credit Report.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

k Reading the Credit Report (Continued)

Example of Messages Section

MESSAGES
<p>APPLICANT</p> <p>*** EQUIFAX ***</p> <p>SAFESCAN Warning: Social Security number is issued to person who has been reported deceased. INQR Subject's SSN is 133405381 Year Issued: 1965; State: NY OFAC: No match found in OFAC Database.</p> <p>*** EXPERIAN ***</p> <p>FACS+ Message: Inquiry Address Message - CKPT: BUSINESS SERVICE ON FACS+ FILE/JOHNS PREMIERE LANDSCAPING/5 EAST AVE/TOMMORROW IL 60750/847.555.1336 FACS+ SOCIAL COUNTER: Social has been used 2 times since 02/01/03 FACS+ SOCIAL ERROR: Indicates that no error conditions occur. FACS+ ADDRESS COUNTER: Address has been used 6 times since 02/01/03 FACS+ ADDRESS ERROR: Indicates that no error conditions occur. FACS+ POSSIBLE YEARS SSN ISSUED: 1994 - 1996 FACS+ Fraud Services Indicator: FACS+ Fraud Services Indicator: FACS+ Message: Onfile Address Message - CKPT: TRADE CONTRACTOR-SPECIAL TRADE ON FACS+ FILE/ROCKY ELECTRIC SERVICE/7 EAST AVE/TOMMORROW IL 60750 FACS+ Message: Onfile Address Message - CKPT: AUTOMOBILE SERVICE ON FACS+ FILE/RJF AUTOMOTIVE SERVICES INC./7 5TH AVE/TOMMORROW IL 60750/847.555.1818</p> <p>*** TRANS UNION ***</p> <p>SSN Match: Exact match between SSN on input and SSN on file Phone Append: Default product delivered; Search Status - Area code and phone number not found on new source. Phone number on CRONUS database is returned. HAWK: Requested product delivered HAWK: Input SSN issued:1965-1967; state: NY; (est. Age obtained: 00 to 00) HAWK: File SSN issued:1965-1967; state: NY; (est. Age obtained: 00 to 00) Add-on Product Code - 00P02: Default product delivered Geo Code: Requested product delivered; Search Status - Insufficient Current Address Geo Code: Requested product delivered; Search Status - No Future Address Entered OFAC Advisor: Default product delivered; Search Status - OFAC Advisor Clear.</p>
<p>CO-APPLICANT</p> <p>*** EQUIFAX ***</p> <p>SAFESCAN: Your inquiry has gone through our SAFESCAN data base. Subject Former Name: HYH EHUFRLFL INQR Subject's SSN is 050605998 Year Issued: 1976; State: NY OFAC: No match found in OFAC Database.</p> <p>*** TRANS UNION ***</p> <p>SSN Match: Exact match between SSN on input and SSN on file Phone Append: Default product delivered; Search Status - Area code and phone number not found on new source. Phone number on CRONUS database is returned. HAWK: Requested product delivered HAWK: Input SSN issued:1976-1978; state: NY; (est. Age obtained: 00 to 00) HAWK: File SSN issued:1976-1978; state: NY; (est. Age obtained: 10 to 10) Add-on Product Code - 00P02: Default product delivered Geo Code: Requested product delivered; Search Status - Insufficient Current Address Geo Code: Requested product delivered; Search Status - No Future Address Entered OFAC Advisor: Default product delivered; Search Status - OFAC Advisor Clear.</p>

The “Message” Section includes the warning messages from each of the bureaus requested, for both the applicant and the co-applicant, when requesting a joint application.

1 Payment of Invoices for Credit Reports

See 1-FLP, subparagraph 48 L.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

m When Mortgage and Commercial Credit Reports Are Not Acceptable

See 1-FLP, subparagraph 48 G.

n When the Applicant Disputes Information on the Credit Report

See 1-FLP, subparagraph 48 H.

B Electronic File Maintenance, Reports, and Signatures

--1 Customer Record--

All electronic information stored within FBP is considered part of the customer file and record as if it were in written form.

Farm Business Plan - FSA User Guide (Continued)

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

2 Running Record

The Running Record maintained in FBP is designed to be reviewed online by FSA personnel *--during the course of normal business operations. To avoid potential space limitations, it is recommended that a new Running Record be created for each calendar year. CLICK “Notes”, “Running Record”, “Add/Modify/Delete”, and type the description in the “Note Title/Description” box; for example, “2010 Running Record”.

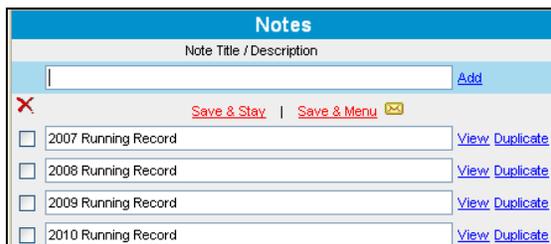


Figure 10a

When using the electronic Running Record, it is recommended that the most recent entries be made at the top of the page with the date, initials, and comments of the user.

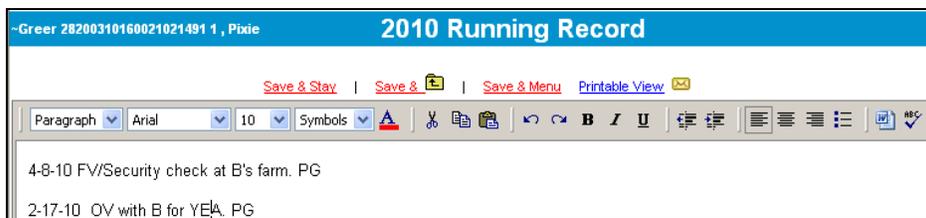


Figure 10b

The “Notes”, “Running Record” feature of FBP may be used to record all entries that would have traditionally been written in the file, which are farm visit notes and comments on interactions with customers **except** the following:

- the narratives and comments about loanmaking or loan servicing actions that **must** be documented in the applicable FBP Credit Presentation

Note: The Credit Presentation is designed to encompass the entire loan narrative and analysis documentation of loanmaking or loan servicing actions. Therefore, it is **not** expected that the “Notes”, “Running Record” will be used to store narrative comments about a loanmaking or loan servicing action when a Credit Presentation is prepared.

- comments and entries that are exempt from disclosure according to FOIA.

Note: No running records will be deleted from FBP.--*

Farm Business Plan - FSA User Guide (Continued)

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

2 Running Record (Continued)

a FOIA Running Record

All comments and entries that are exempt from disclosure according to FOIA should be documented in a running record separate from the customer's standard running record. To create the new running record, CLICK “**Notes**” and “**Add/Modify/Delete**”. The suggested Note Title/Description of the new running record should be “FOIA Running Record” or something similar.

* * *

b Printing Running Records

Running case records will be printed and placed in the County Office file under the following circumstances:

- preparation for NAD appeals
- preparation for civil and criminal inquiries, investigations, audits, and litigations in conjunction with OIG, OGC, OCR, GAO, and CDAT.

3 Footnotes and Comment NotePads

Footnotes are narrative comments which can be added in the WordPad block located at the bottom of the balance sheet, income and expense summary; and other documents.

Comment NotePads provide the capability to add comments on the balance sheet or income and expense schedules, as well as other areas of the applications. What looks like a small piece of paper next to a field indicates that comments can be entered in small text boxes once the indicator is clicked. After entering a comment, this same indicator will look like a sheet of paper with writing. The information entered in the text boxes will be saved and linked to the respective field.

Farm Business Plan - FSA User Guide (Continued)

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

3 Footnotes and Comment NotePads (Continued)

a Printing Footnotes and Comment NotePads

To allow footnotes and/or comment NotePads to print on a selected report, CLICK “**Reports**” and “**Reports Setup**”, and CHECK (✓) the appropriate boxes under “Print Footnotes on:” and “Print Comments”.

*--

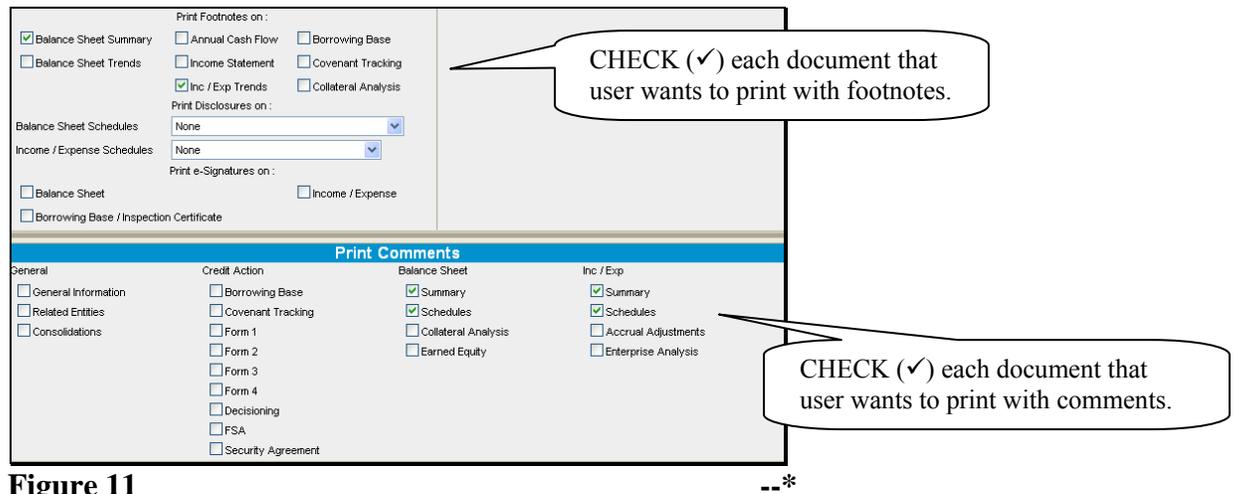


Figure 11

--*

4 Reports and Forms – Signature and Filing Requirements

a General – Generating and Printing Reports

Reports are generated using a Crystal Reports ActiveX component. When selecting a report from “Reports”, a new browser window will be displayed with the report. The report can be printed using the printer icon.

Note: All reports should be printed using Crystal Reports.

Reports can also be exported into various other file format types for further analysis and use. While the report is open, CLICK “**envelope icon**” in the toolbar and select the export format.

Reports can be exported into the following programs or formats:

- Crystal Reports
- Microsoft Excel (formatted or data only)
- Microsoft Word
- Rich Text Format (RTF)
- Adobe Acrobat (PDF).

Color charts can also be generated by clicking “Charts” on the Reports Screen next to the other report options.

* * *

Farm Business Plan - FSA User Guide (Continued)

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

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

b Reports and Signature Requirements

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

Report or Form Name	Customer Signature Required <u>1/</u>	FSA Signature Required <u>1/</u>	Must be Locked	Report Must be Printed <u>2/</u>
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, see Locking Credit Action Forms (Section J 3).--*	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)

b Reports and Signature Requirements (Continued)

Report or Form Name	Customer Signature Required <u>1/</u>	FSA Signature Required <u>1/</u>	Must be Locked	Report Must be Printed <u>2/</u>
Security Agreement	Yes	No	No	Yes
Chattel Appraisal	No	Yes or notation made in the Credit Presentation. See Credit Actions , *--“Collateral” (Section J 7 b).--*	N/A	Optional
Analysis Reports & Charts	No	No	N/A	Optional
Running Record	No	No	N/A	Optional, see Running Record (Section B 2)

1/ The term “Signature” includes “eSignature”, if available.

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

*--**Note:** When a loan approval decision is made, the case file **must** contain the Balance Sheet and Income & Expense Trends on which the decision was based. These 2 documents **must** be signed by the applicant.--*

c 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 *--determined that “Value of Farm Production” and “Ag Only” will be used in all--* ratios and for classifications.

Farm Business Plan - FSA User Guide (Continued)

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

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

d Reports Setup (Continued)

Reports should be set-up from left to right with the most current to least current information, respectively. At a minimum, the following will be included:

- income/expenses:
 - *--Column 1, current year's or After DALR\$ plan, if completed
 - Columns 2 through 4, preceding years using actual history, if available
 - Columns 5 and 6, may be used for Before DALR\$, After Deferral, or Typical-year projections, as needed--*

Note: The FSA loan official will select which years are most relevant to include in the average from the Reports Setup Menu by checking the box above the year.

- balance sheets:
 - *--Column 1, current or Post-Close/After DALR\$ plan, if completed
 - Columns 2 through 4, preceding years
 - Columns 5 and 6, may be used as needed.--*

5 eSignature Policy

The electronic signatures (“eSigned”) used for some documents complies with the Federal ESIGN act. An eSignature involves electronically authenticating the user, and using an unalterable signature that contains a date and time stamp.

FSA considers a locked eSignature within FBP to be the equivalent of a written signature.

Important: **Never share user eAuthentication passwords with anyone.** The eAuthentication user ID and password combination represents an eSignature, which is equivalent to a written signature. Sharing of the password has the same effect as authorizing someone else to sign your name. Users are responsible for maintaining the authenticity of their own credentials.

See **System Access and Security** (Section A 2) for more information on system access and security.

Farm Business Plan - FSA User Guide (Continued)

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

6 Maintaining FBP Customer Records

*--a Moving FBP Customer Records to the Recycle Bin

When a customer record no longer has a credit relationship with FSA, the record should be removed from the Locator Screen. **Before** removing the customer from the Locator Screen, change the information in the Credit Relationship Status field on the General Information Screen. Remove customer records as follows:

- access the General Information Screen in the customer record:
 - remove all information from the “Credit Relationship Status” field
 - enter an account description and date, such as “Paid in Full, XX/XX/XXXX”, “Application Rejected, XX/XX/XXXX”
 - from the Locator Screen:
 - select the record to be moved to the recycle bin by checking (✓) the box in front of the name--*
- Note:** Individual or multiple records may be moved at 1 time.
- CLICK red “X” located above the list of names
 - verify the radio button for “Recycle Bin” is clicked
 - CLICK “Send”.

Note: Do **not** click the “Archive” radio button.

*--b Moving FBP Duplicate Customer Accounts to the Recycle Bin

Duplicate customer records shall not reside in the FBP active database. These records will be labeled “Duplicate File, XX/XX/XXXX” in the “Credit Relationship Status” field on the General Information Screen. Delete the account from the Locator Screen according to--* **Moving FBP Customer Accounts to the Recycle Bin** (Section B 6 a).

Farm Business Plan - FSA User Guide (Continued)

C General Information

General Information includes basic information about the customer, borrower training, employment, associated persons or entities, and farm assessment details.

The following information is populated from SCIMS:

- entity type
- name, address, city, State, ZIP+4
- tax ID
- e-mail, phone number, FAX, and date of birth.

Data that is populated from SCIMS **cannot** be changed within FBP. Each time a customer record is selected, the relevant SCIMS data is transferred to General Information. Any changes to this data **must** be made in SCIMS, not in FBP.

*--Enter the following on the General Information Screen. There are 4 **required** fields that must be completed before exiting the General Information Screen.

Field	Notes
Credit Relationship Status	Each State may provide guidance on using the field. Entries may be text or numerical, but will not contain "SS#" or "TaxID#". After a customer no longer has a credit relationship with FSA, the record should be removed. See Maintaining FBP Customer Records (Section B 6).--*
Type of Operation – Primary	Required. Select the customer’s predominant enterprise by either: <ul style="list-style-type: none"> • clicking “Select” and choosing from the list in the pop-up menu • entering the NAICS code manually. * * *
County	Optional. Enter the customer’s county of residence.
Borrower Type	Required. Use the radio buttons to select “Direct,” “Guaranteed,” or “Both” to designate the customer’s FLP assistance.
Year Started Farming	Required. Use the drop-down menu to indicate the year the customer started farming.
FBP Account Type	Required. Click the link to select 1 of the following FBP account types. <ul style="list-style-type: none"> •*--“Active Account” will be selected for the majority of customers. • “Credit Rpt. /Elig. Only Act” is only selected for new customers when ordering a Credit Report or when completing a “D-Loan/Eligibility Only” credit action. If BS or IE information is subsequently added, the “FBP Account Type” will automatically change to “Active Account”. <p style="margin-left: 20px;">Note: Do not select the “Credit Rpt. /Elig. Only Act” account type if BS or IE information has already been added to the customer’s account.</p> • “Special Classification Act” is only selected for flagged customers where no new or updated financial information has been added to FBP since conversion in 2004.--* • “Guaranteed Loan Import” is used to identify files imported from guaranteed lenders. • “Producer Import” is used to identify files imported from producers.
D&B D-U-N-S# / Experian File #	Optional.

Farm Business Plan - FSA User Guide (Continued)

C General Information (Continued)

1 Borrower Training

When a new “Credit Presentation” is prepared for existing customers, the date borrower training is to be or was completed or waived should be entered and/or updated. For new customers, enter the applicable dates when known.

Caution: Borrower training dates should **always** be entered into General Information. The Credit Presentation is updated from General Information; changing the dates in other parts of FBP will **not** change the information in General Information.

2 Related Entities

*--All related entities associated with the customer should be added to FBP, and include spouses, co-applicants, co-owners of the business, co-signors, and any other entities of which the customer is a member or owner. To add related entities, CLICK “**Related Entities**” link.

Note: All persons or entity members must be active in SCIMS **before** being entered as a--* related entity.

3 Employment Information

*--To add employment information for the primary customer and each related entity member, CLICK “**Employment**” link. Employment information should be added or updated whenever a Credit Presentation is prepared.

Note: Employment information added for entity members will **not** be displayed on the General Information Screen; however, it will display in the “Employment Information” Section of any Credit Presentation that is prepared.--*

4 Lender Information

a Lender Staff

Each customer should have 1 or more FSA loan officials designated as the customer’s lender. This item is informational and will assist in preparing reports and future loan servicing functions. It will usually be the primary FSA loan official who services the account, which is FLM, FLO, or both. There is **no** limit to number of lenders identified with each account.

- **For new customers.** The user adding a new customer will automatically be displayed as the lender staff. To change the lender staff, on the General Information Screen, CLICK “**Lender Staff**” and “**Add New**”.
- **For existing customers.** Customers with data converted from FHP to FBP will **not** have an FSA loan official designated as a customer’s lender. Therefore, the first time a converted customer is accessed, the FSA lender should be designated on the General Information Screen. To designate, CLICK “**Lender Staff**” and “**Add New**”.

Farm Business Plan - FSA User Guide (Continued)

C General Information (Continued)

4 Lender Information (Continued)

b Location/Department

The “Location/Department” on the General Information Screen is the Service Center where the customer currently receives FLP services.

- *--When a new customer is added, the “Location/Department” defaults to the Service Center location of the user adding the customer. If the location is **not** correct, it should be changed. CLICK “**Location/Department**” link and selecting the correct Service Center from the drop-down menu.--*
- “Restricted Loans” location, visible only to administrative users, is reserved for employee relationship and sensitive accounts. After an account has its location designated as “restricted loans,” only FLC, FBP Coordinator, and employees specifically designated by the FBP Coordinator as the customer’s “Lender Staff” can access the account.

--c Special Handling of Employee Relationship Records--

Any existing or new customer defined according to 3-PM, paragraph 141, as an FSA employee, or related to or closely associated with an FSA employee, will have their location/department designated as “restricted loans”.

For new customers, the FBP Coordinator will create a new customer record for FSA employee or employee relationship accounts. The Service Center **must** immediately notify the FBP Coordinator after receiving an application and provide the applicant’s tax ID. Unless otherwise determined by the FBP Coordinator or FLC, the FBP Coordinator will:

- create the customer record
- designate the customer’s “Location/Department” as “Restricted Loans”
- add the necessary FLP employees to the customer’s lender staff * * *
- notify the designated Service Center when the record is created and restricted.

For existing customers, the FBP Coordinator will place FSA employee or employee relationship accounts into the restricted loan area. In addition, the lender staff designated by *--SED or DD to service this record will be associated by the FBP Coordinator as the--* customers’ “Lender Staff”.

Farm Business Plan - FSA User Guide (Continued)

C General Information (Continued)

5 Farm Assessment Information

Initial farm assessments and updates must always be entered on the General Information Screen. Use the WordPad below each topic of the assessment to enter the information and make changes.

Farm assessments do **not** document loan feasibility. The farm assessment is intended to summarize and describe the operational business, resources, and assets of the business, and not to duplicate those areas addressed in the Credit Presentation.

a New Customers

See 1-FLP, paragraph 222 for instructions on the documentation required for an initial assessment. Enter the information in the WordPad below each topic of the Farm Assessment Narrative on the General Information Screen.

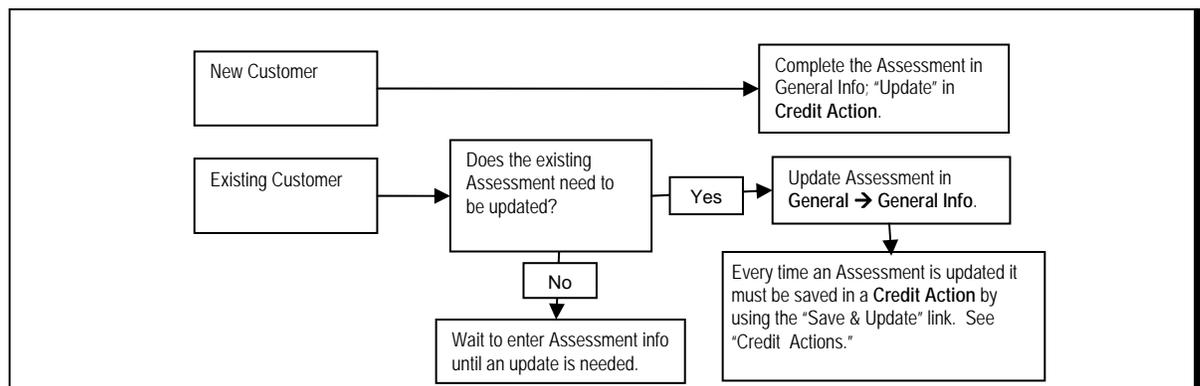
b Assessment Review and Updates

See 1-FLP, paragraph 223 for instructions on the documentation required for updates to the assessment. Enter the information in the WordPad below each topic of the Farm Assessment Narrative on the General Information Screen.

Note: Farm assessments, if completed or updated, will be printed, signed, and dated by the customer to acknowledge participating in completing the document.

See **Credit Actions** (Section J) for information on printing, locking, and associating a farm assessment update with a “Credit Presentation”. The following is an example of a farm assessment workflow.

*--



Note: Assessment must be “Save & Updated” in a Credit Action for the date to transfer to the Customer Profile Screen in DLS. A credit action need only be created; the Credit Presentation does not have to be approved.--*

Farm Business Plan - FSA User Guide (Continued)

C General Information (Continued)

5 Farm Assessment Information (Continued)

c Copying from Word Documents

If an existing assessment is available in an electronic format, i.e. Microsoft Word (MS Word), the text may be copied and pasted from that document into General Information. MS Word applies special formatting to word documents so that the text appears correctly. When copying to a WordPad in FBP, the text must be stripped of the formatting for the text to print correctly using the Crystal Reports feature.

Copy text from MS Word to the WordPad located in General Information according to the following:

- highlight desired text in MS Word
- copy and paste in the appropriate WordPad block
- CLICK “**Clean MS Word HTML**” on the right side of the WordPad.

Notes: Any bolding or bullet points will be removed during the “cleaning” process.

Do **not** use MS Word to create new assessments.

*--6 Change Existing General Information Model

New customers added to FBP will have the most current General Information model automatically displayed.

Existing customers, who are displayed with a red alert “Default Model changed” in the upper left corner of the General Information Screen, have **not** had their General Information model changed to the latest default model that is available.

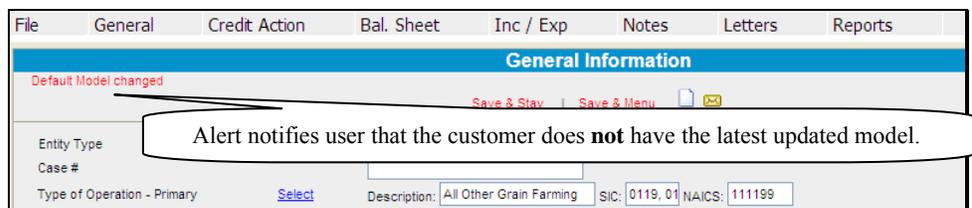


Figure 12

--*

Farm Business Plan - FSA User Guide (Continued)

C General Information (Continued)

*--6 Change Existing General Information Model (Continued)

Change the General Information model on existing customers as follows:

- select the customer account record
- CLICK “General”
- CLICK “Related Entities” from drop-down menu
- from fly –out menu, CLICK “Add/Modify/Delete”

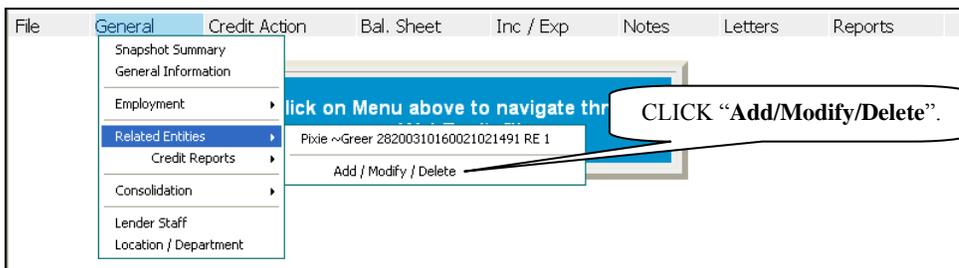


Figure 13a

- CLICK “General Information” link of the principal entity member.

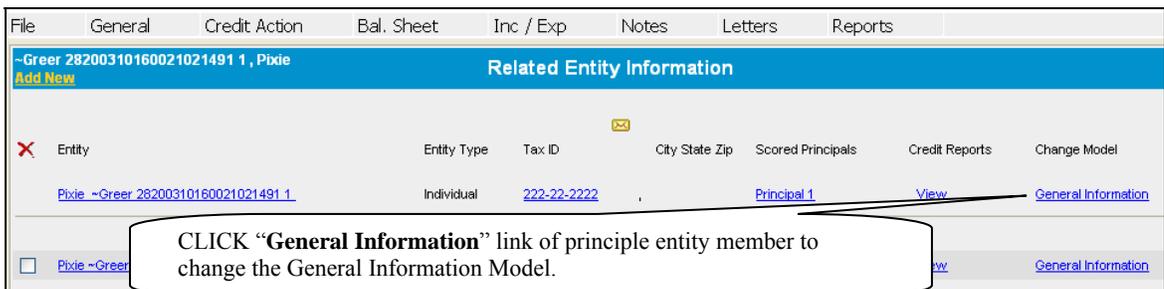


Figure 13b

- the “Change General Information Model” box will be displayed
- use the drop-down arrow and select “General Information” --*

Farm Business Plan - FSA User Guide (Continued)

C General Information (Continued)

*--6 Change Existing General Information Model (Continued)

- CLICK “Change”
- the New General Information model will be displayed.

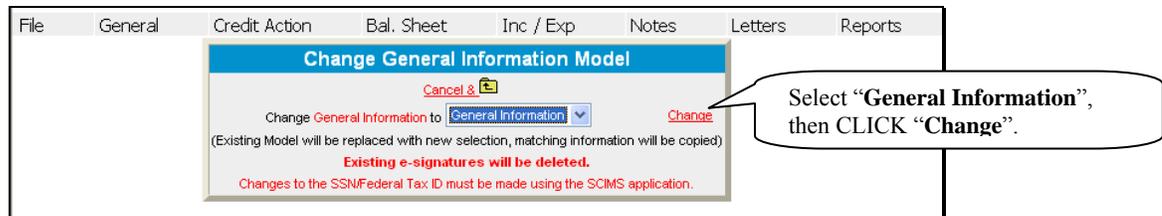


Figure 13c

--*

D Balance Sheet

Balance sheets can be created for a current date or future date, or a previous date if necessary to reconstruct a customer’s historical financial position. In most cases, obtaining balance sheets as of the end of each business year is preferable, if possible.

1 Balance Sheet Descriptions

--A meaningful description, such as “FYE 12/31/08” or “After DALR\$ 2009”, should be used when a balance sheet is created. The description becomes especially important in years where multiple balance sheets are created and will appear on all reports.--

Farm Business Plan - FSA User Guide (Continued)

D Balance Sheet (Continued)

2 Current and Forward Looking Balance Sheets

Type of Balance Sheet	Additional Details
Current	A balance sheet prepared as of the current date. It is generally a snap-shot of the customer’s assets and debts as of a certain date, assuming no credit action will take place.
Post-Close	<p>A balance sheet prepared assuming that the planned loanmaking or loan servicing action has just taken place.</p> <p>Note: The credit action does not have to be closed before a post-close balance sheet is created to classify the account.</p> <p>A post-close balance sheet must be completed for the following credit actions:</p> <ul style="list-style-type: none"> • D-Loan Making (for term loans only) • D-Loan Regular Servicing • D-Loan Special Servicing.
Pro-Forma	A balance sheet prepared assuming that the projected income/expenses have occurred during the plan period. A pro-forma balance sheet can be prepared to analyze what a customer’s financial position would be in the future, i.e. after a 1 year period.

3 Add/Modify/Delete Balance Sheets

To add, modify, or delete a balance sheet, the customer must first have been added to FBP, see **Adding a New Customer** (Section A 5). “Add/Modify/Delete” is available by accessing the *--balance sheet summary or the balance sheet trends. “Add/Modify/Delete” also gives users the ability to “Duplicate” and/or “Lock” the balance sheet.--*

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:

- *--Current Ratio (Liquidity)
- Debt to Assets Ratio (Solvency)
- Return on Assets Ratio (Profitability)
- TDCLC Ratio (Repayment Capacity).--*

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

FBP 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 provides interest rates for FLP's as of January 1, 2011.--

Loan Type	Current Rate (%)	Date Set
Rural Housing - Farm Loan Purposes		
Note: For the current interest rate, contact the National Office.		
Operating	1.75	12/1/10
Operating – Limited Resource	5.00	12/1/90
Farm Ownership and Conservation Loans	*--4.5	1/1/11--*
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	*--4.5	1/1/11--*
Soil and Water – Limited Resource	5.00	7/1/92
Recreation – Individual	*--4.5	1/1/11
Farmer Program – Homestead Protection	4.5	1/1/11
Shared Appreciation Amortization	3.5	1/1/11
Softwood Timber Loans	4.5	1/1/11--*
Economic Emergency – Operating	1.75	12/1/10
Economic Emergency – Real Estate	*--4.5	11/1/10
Emergency – Amount of Actual Loss	3.75	1/25/94
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	*--7.0	1/1/11--*
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	5.00	12/1/10
Emergency – Annual Production	5.00	12/1/10
Nonprogram - Chattel Property	5.00	12/1/10
Nonprogram - Real Property	*--7.0	1/1/11--*
Apple Loans	.625	12/1/10
Association – Grazing	*--4.5	1/1/11
Association – Irrigation and Drainage	4.5	1/1/11--*
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 816-823-4740 or 816-823-4741--*
- 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)	*--0.29	1/1/11--*

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 December 10, 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 (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-SR04; GLS-SR02--*
 - (2) FLM should initial reviews (not required)
 - (3) *--GLS4265; GLS-SR04; 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