

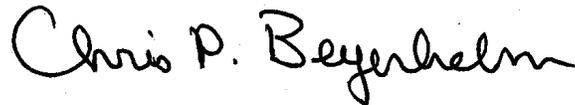
**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**General Program Administration  
1-FLP (Revision 1)**

**Amendment 50**

**Approved by:** Deputy Administrator, Farm Loan Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 5 C has been amended to update FLOO contacts.

Subparagraphs 23 C, 23 E, 25 A, 25 D, 26 A, 26 B, 27 C, 29 E, 29 F, 442 C, 443 B, Exhibit 7, subparagraph B, Exhibit 15, subparagraphs A 2 a and C, 4 a, and Exhibit 35 have been amended to add the newly established Senior Farm Loan Officer (SFLO) position references.

Subparagraph 251 C and Exhibit 15, subparagraph J 12 have been amended to clarify when to use CNC.

Subparagraph 441 A has been amended to clarify DD responsibility.

Exhibit 4 has been amended to update the list of State supplements.

Exhibit 15, subparagraph B 4 c has been amended to clarify option selections.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	1-11, 1-12	1, pages 3, 4
	2-3 through 2-6	4, page 1
	2-9 through 2-14	7, pages 1, 2
	2-19, 2-20	15, pages 6.5, 6.6
	8-101, 8-102	pages 35, 36
	9-77 through 9-80	pages 39, 40
		pages 117, 118
		35, pages 1-4



4 FLP Organizational Structure (Continued)

E LSPMD Contacts (Continued)

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

\*--5 FLOO Contacts

A FLOO Contact List

The following provides the address for FLOO.

For USPS delivery	For FedEx or UPS delivery
USDA FARM SERVICE AGENCY FARM LOAN OPERATIONS OFFICE BLDG 103 PO BOX 200003 SAINT LOUIS MO 63120-0003	USDA, Farm Service Agency Farm Loan Operations Office 4300 Goodfellow Blvd, Bldg 103, 2 <sup>nd</sup> Floor St. Louis, MO 63120-1703

The following provides names, titles, and telephone numbers for FLOO.

Name	Title	Phone Number
Main Line		314-679-6800
McKinley, Mark	FLOO Chief	314-679-6810
Wheelis, Edna	Administrative Assistant	314-679-6803
Cooney-Smith, Sharon	Management Analyst	314-679-6805
Sachs, Sharon	Accountant	314-679-6804

Subparagraphs B through D provide contact information for employees within the Program Reporting Group, Loan Servicing Group 1, and Loan Servicing Group 2.--\*

## 5 FLOO Contacts (Continued)

**B Program Reporting Group**

The following provides names, titles, and telephone and FAX numbers for the Program Reporting Group.

<b>Program Reporting Group - ECM Fax Number 314-457-4478</b>		
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>
Campbell, Karen	Group Chief	314-679-6861
Harstick, Mariella	Accountant	314-679-6863
Haymon, Wyvone	Accountant	314-679-6864
Silcott, Tonia	Accountant	314-679-6868
Johnisee, Karen	Financial Specialist	314-679-6865
Marcano, Deborah	Financial Specialist	314-679-6866
Borrower Inquiry Line		800-428-9643

**C Loan Servicing Group 1**

The following provides names, titles, telephone and FAX numbers, and State assignments for Loan Servicing Group 1.

<b>Loan Servicing Group 1 - ECM Fax Number 314-457-4539</b>			
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>	<b>State Assignments</b>
Vacant	Group Chief	314-679-6820	
Jones, Germaine	Accountant/Acting Chief	314-679-6832	
Davis, Keith	Accountant	314-679-6825	
Gladney, Shantaye	Accountant	314-679-6827	
Harry, Michael	Accountant	314-679-6828	
Jones, Germaine	Accountant	314-679-6832	
Mims, Katina	Accountant	314-679-6833	
Quante, Paul	Accountant	314-679-6836	
Jackson, Carrie	Lead Accounting Technician	314-679-6830	
***	***	***	***
Broeckling, Jeanette	Accounting Technician	314-679-6823	*--AZ, CT, LA, MS, NE
Collins-Myers, Yvonne	Accounting Technician	314-679-6824	AR, FL, KY, UT
Farid, Kathleen	Accounting Technician	314-679-6826	CA, DE, GA, MD, ME
Hutchins, Terry	Accounting Technician	314-679-6829	AL, CO, ID, MI
Jordan, Mary	Accounting Technician	314-679-6831	IL, MA, OR, WY
Mullen, Lawrence	Accounting Technician	314-679-6834	IN, IA, KS, MO
Pennock, Susan	Accounting Technician	314-679-6835	MN, MT, SC, SD, WDC--*

22 General Delegation Requirements (Continued)

**B Sample Delegation Letter**

The following letter may serve as a template for delegating authority.

To: Name Title
Subject: Delegation of Authority
In my authority as <b>(Title of Delegator)</b> , I hereby delegate to you the following authority(ies):
<ul style="list-style-type: none"><li>• _____</li><li>• _____</li><li>• _____.</li></ul>
This/these delegation(s) will continue until revoked or revised in writing.
<b>(Signature)</b>
<b>(Title)</b>
<b>(Date)</b>
cc: State Office (2 copies)

**C Revising and Revoking Delegated Authority**

SED or FLM may revise or revoke any authority they have delegated to an employee as justified by the employee’s performance and need for the authority. FLM may not revise or revoke any authority delegated by SED. Any revision or revocation of authority must be in writing. When an individual’s authority is reduced or revoked, the employee must be given specific reasons for the action.

**23 State Office and Service Center Authorities****A Overview**

FSA's decisions to approve or reject a loan or servicing request have broad implications for the applicant or borrower and FSA. These decisions affect the applicants' lives, the achievement of program objectives, and FSA's risk exposure. Therefore, it is imperative that certain authorities be limited to those employees who have met the training and experience requirements and have been formally delegated authority.

**B State Office Employees**

FLP authorities, except those in Exhibit 7, subparagraph A, are inherent to the position for FLC, FLS, and DD.

**C Service Center Employees**

\*--FLP authorities, except those in Exhibit 7, subparagraph A, are inherent to the positions of FLM and SFLO. FLM and SFLO may delegate authorities in Exhibit 7, subparagraph B--\* to FLO or PT.

Authorities listed in Exhibit 7, subparagraph B may be delegated to other Service Center employees, if necessary, based on the State organizational structure, as follows:

- FLM, in consultation with CED, may delegate authorities to CO PT's
- SED, in consultation with FLC, may delegate authorities to CED's who are deemed by them to have demonstrated experience and have received adequate training.

23 State Office and Service Center Authorities (Continued)

D Acting Officials

Acting officials, other than SED, have the inherent authorities of their regular position and the inherent authorities of the acting position, unless otherwise restricted on the designation document. An acting designation does not increase an employee’s loan approval authority. Loan approval authority may only be revised according to subparagraph 22 C.

Acting SED is authorized to approve:

- loans up to the maximum limits established in subparagraph 29 D
- actions which will result in a loss to the Government.

**Note:** The acting FLM will be designated according to 16-AO, subparagraph 287 E.

The following letter may serve as a template for designating acting officials.

<p>To:        Name               Title</p> <p>Subject:    Delegation of Authority</p> <p>You are hereby designated to serve as Acting (<b>Title of Delegator</b>), from (<b>Starting Date</b>) to (<b>Ending Date</b>). I hereby delegate to you all rights, privileges, and powers of the position (except the following:</p> <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> <li>• _____.)</li> </ul> <p><b>(Signature)</b></p> <p><b>(Title)</b></p> <p><b>(Date)</b></p> <p>cc: State Office (2 copies)</p>
--

**23 State Office and Service Center Authorities (Continued)**

**E Limitations on Inherent Authorities**

SED must:

- \*--provide a State Office employee, FLM, or SFLO written notification of any limitations on inherent authorities
- limit inherent authorities of employees selected as DD, FLS, FLM, or SFLO who have--\* not completed required training.

**F Redelegating SED Authorities**

SED's may:

- redelegate their loan approval authority to FLC, FLS, or DD
- redelegate their authority to allow the use of a restricted appraisal report to the designated State staff appraiser
- not redelegate their approval authority for any action that will result in a loss to the Government.

## 25 Delegating Loan Approval Authority (Continued)

## A Receiving Approval Authority (Continued)

•\*--FLM's, SFLO's, FLO's, DD's, FLS's, and CED's must submit the following number of independently prepared files that meet the State credit quality standards, as established in subparagraph 28 A.

- FLM's, SFLO's, FLO's, and CED's must meet the State credit quality standards--\* on a minimum of 5 files of which, at least 2 must be term loans. Not more than 7 files may be submitted to meet this requirement.
- DD's and FLS's must meet the State credit quality standards on a minimum of 3 files of which, at least 1 must be a term loan. Not more than 4 files may be submitted to meet this requirement. In addition, DD's and FLS's must submit a minimum of 4 acceptable file reviews. Not more than 6 file reviews may be submitted to meet this requirement.

**Note:** The requirements will be applied to employees hired into these positions after June 17, 2008. Employees currently seeking loan approval authority will be subject to current State policies in existence.

- The files submitted for review must be of sufficient complexity to reflect the ability to make good credit decisions and analyze an applicant's or borrower's operation. The files submitted must be the following types of loans:
  - direct loans
 

**Note:** Do not submit youth loans.
  - guaranteed loan applications from SEL only
  - PLS applications.

**Notes:** In cases where SEL and PLS applications are not available, FLC may substitute direct loans, excluding youth loans, to meet this requirement.

Files submitted for review may include credit actions recommended for approval or rejection.

- DD's without existing FLP approval authority have 1 calendar year from assuming the position of DD to complete the required training and all testing and an additional 6 months to be delegated loanmaking authority.

## 25 Delegating Loan Approval Authority (Continued)

### B Failure to Receive Loan Approval Authority

If an employee whose position description requires the employee to obtain loan approval authority, does not successfully meet the criteria in subparagraph A within the specified timeframe, the supervisor shall develop an OTI or PIP, as appropriate, with the guidance of the trainer and AO.

### C CED Loan Approval Authority

SED's, in consultation with FLC and the appropriate DD, may designate CED's to obtain loan approval authority if CED:

- agrees to maintain competency with ongoing FLP activity
- is able to perform the duties according to 27-PM, Exhibit 4.4

**Note:** 27-PM, Exhibit 4.4 will be attached to the CED's position description when loan approval authority has been delegated.

- completes the formal FLO training program
- meets the requirements established in subparagraph A.

### D Circumstances for Designating CED's

SED's, in conjunction with FLC, should identify areas of their State that could justify and benefit from CED having loan approval and servicing authority.

The office or area where CED would be designated by SED to obtain loanmaking and loan servicing approval authority must meet both of the following conditions.

- Direct and/or guaranteed caseload in the office or area is high, complex, or \*--geographically challenging and FLM, SFLO, or FLP team servicing the office or area--\* needs additional help.

**Note:** The requirement established in subparagraph 27 D shall be considered when evaluating this condition.

- CED has sufficient time for additional responsibilities required to obtain and maintain loanmaking and loan servicing authority without negatively impacting CED's current farm program obligations.

### E COC Concurrence

COC will be required to concur in writing with the additional FLP responsibilities that CED will be incurring.

**26 Delegating Loan Servicing Authority**

**A Delegations to FLO**

\*--FLM or SFLO may delegate loan servicing authorities to FLO according to Exhibit 7, subparagraph B. Loan servicing authorities shall not be delegated until FLO has successfully completed the FLO training program.

**B Delegations to PT**

FLM or SFLO may delegate loan servicing authorities to PT, who has the appropriate--\* training and experience, according to Exhibit 7, subparagraph B.

**C Delegations to CED**

See 27-PM, Exhibit 4.4 for FLP responsibilities that may be performed by CED's designated by SED to obtain loan servicing authority.

## 27 Maintaining Approval Authority

### \*--A Employee Who Accepts New FLP Position Within the State--\*

When an \*\*\* FLP employee with \*\*\* loan approval and servicing authority accepts a new FLP position within the State, a new delegation of authority is not required.

Loan approval authority is automatically increased when the employee's grade increases, unless:

- SED issues a new delegation of authority limiting the authority
- the original delegation of authority established limitations on approval authority.

### \*--B Hires With Prior Loan Approval Authority in Another State--\*

Employees who held FLP loan approval authority for at least 1 year immediately before the selection to the new position, may submit a copy of the previous delegation letter, and a statement from the previous FLC, reflecting the quality of docket reviews based upon credit quality review guidelines.

This information shall be used to establish the following:

- necessary actions for obtaining FLP loan approval in the new State
- number of dockets to be submitted in the new State to determine whether approval authority should be delegated to the employee.

New employees who did not hold FLP loan approval authority for at least 1 year immediately before the selection to the position, must submit the number of independently prepared

\*--files required under subparagraph 25 A. SED, in consultation with FLC, shall determine--\* any training required for the employee to be delegated approval authority.

## 27 Maintaining Approval Authority (Continued)

### \*--C FLM's, SFLO's, FLO's, and CED's Maintaining Loan Approval Authority

After loan approval and servicing authority is granted, FLC's will continue to monitor the loanmaking and loan servicing activities of employees to ensure that loanmaking and servicing actions meet the established State credit quality standards.

This will require that FLM's, SFLO's, FLO's, and CED's submit files that meet the credit--\* quality standard established by SED and FLC in subparagraph 28 A, on a sufficient number of independently prepared files to show continued proficiency. Each State will set a minimum number, no less than 3, of files that must meet the standard. The files submitted for review must be of sufficient complexity to reflect the ability to make good credit decisions and analyze an applicant's or borrower's operation. Files submitted must meet the requirements in subparagraph 25 A.

### D CED's Maintaining Responsibility for FLP Activities

SED, in conjunction with FLC, must determine if circumstances warranting the granting of loan approval to CED continue to exist according to subparagraph 25 D. If the circumstances warranting the granting of loan approval authority no longer exist, CED should be advised their loan approval authority will be suspended. Suspension of loan approval authority based on these circumstances will not be considered as a performance issue.

CED's, with only loan servicing responsibilities, will be required at a minimum to service 10 case files according to their servicing authorities each year.

To meet the minimum number of files required each year, CED may be required to process cases outside of their immediate County Office area.

**Note:** Actions that may be counted include, but are not limited to the following:

- PLS
- disaster set-aside
- subordinations
- partial releases.

DD will be responsible for tracking the number of completed case files per CED.

### E Failure to Maintain Loan Approval Authority

If an employee whose position description requires the employee to obtain loan approval authority, does not successfully meet the criteria in subparagraphs C and D, the supervisor must develop an OTI or PIP, as appropriate, with the guidance of AO.

## 28 Establishing Credit Quality Standards

### A Credit Quality Reviews

SED, after consulting with FLC, shall issue a State supplement establishing the method and standards, including what constitutes an acceptable score, for monitoring and evaluating the State's credit quality standards. The supplement must identify the minimum and maximum number of files that will be reviewed, as well as the frequency of credit quality reviews to obtain and maintain loan approval and servicing authority. These credit quality reviews will determine whether an employee's loan approval and/or servicing authority will be granted, revised, limited, or revoked.

**\*--Note:** The State supplement must specify that if the office being reviewed made any loans using ARRA funds, a minimum of 1 file that used ARRA funds must be included in credit quality reviews.--\*

In developing credit quality standards and completing reviews, States may use FSA-2103, FSA-2104, FSA-2119, or any other alternative evaluation guide provided, and, at a minimum, must include the critical items from each of the following:

- FSA-2103, items 2M, 2Q, 2S, and 2U
- FSA-2104, items 2A, 2H, and 2I
- FSA-2119, items 2A, 2B, 2H, 2J, and 2M.

Each quarter FLC will review at least 2 restructured accounts, if available, to ensure that they are processed correctly. These reviews will be completed in conjunction with or in addition to reviews completed under subparagraph 27 C.

**Notes:** All completed FSA-2103's, FSA-2104's, FSA-2119's, and/or alternative evaluations must be filed in operational file FLP 1-4. No original or copy will be filed in the borrower case file.

SED should take into consideration available staff and resources when developing the credit quality review process. SED and FLC may:

- consider establishing a credit quality team in the State Office or using existing FLP underwriting staff with loan approval and servicing authority, if resources are available
- want to consider establishing the process on a district or FLP team basis.

All employees completing credit quality reviews must have approval authority and a good background in loanmaking and loan servicing.

29 Maximum Loan Authorities (Continued)

**D Official Loan Approval Limitations for OL, FO, CL, and EM (Continued)**

Four loan approval criteria need to be considered when determining whether a loan is within an approval official's authority. Each loan approval decision must meet all applicable criteria. Approval limitation I establishes the maximum by assistance type. Approval limitation II establishes the maximum for combinations of direct and guaranteed by assistance type. Approval limitation III establishes the maximum for combinations of all direct and guaranteed assistance types, except EM. In addition, it provides total guaranteed assistance limits. Approval limitation IV establishes the maximum for combinations of all direct and guaranteed assistance types.

A loan official can determine an applicant eligible when the loan request exceeds the official's loan approval authority at the time eligibility is determined. This decision of eligibility will be reviewed by the approval official at the time of approval. However, a loan official cannot determine an applicant ineligible if the loan request exceeds their approval level at the time the decision is made. They can recommend that the applicant be determined ineligible, but since this determination will result in a loan being rejected it can only be made by an approval official whose approval authority level would allow them to approve the loan.

**E Official Loan Approval Limitations for SALP and Emergency Loans for Seed Producers**

The following identifies the maximum loan approval authority for SALP and Emergency Loans for Seed Producers by grade and title of approval officials.

Type of Loan	FLO			FLM, DD, FLS, *--SFLO, or--*	SED
	GS-7	GS-9	GS-11	FLC GS-11/12/13	
Special Apple Loan	\$50,000	\$100,000	\$150,000	\$200,000	\$200,000
Emergency Loan for Seed Producers	\$50,000	\$100,000	\$150,000	\$200,000	Over \$200,000

29 Maximum Loan Authorities (Continued)

**E Official Loan Approval Limitations for SALP and Emergency Loans for Seed Producers (Continued)**

Outstanding loan balances from other direct or guaranteed FLP loans will not affect the amount an applicant is eligible to receive under these programs or the amount an approval official is authorized to approve. Any outstanding SALP or Emergency Loan for Seed Producers loan balances will not affect the amount an applicant is eligible to receive under any other FLP loan program.

**F Official Loan Approval Limitations for Nonprogram Loans**

The following table identifies the maximum loan approval authority for nonprogram loans by grade and title of approval officials.

Type of Loan	*--FLM, SFLO--*		
	GS-11/12	DD, FLS, or FLC	SED
Real Estate	\$400,000	\$500,000	Any amount
Chattels	\$200,000	\$300,000	Any amount
Recreation Loans to Individuals	\$175,000	\$300,000	Any amount

**Note:** Approval authority for recreation loans to individuals applies only to property that secured a recreation loan to an individual or farming corporation, not a recreation association.

Outstanding loan balances from other direct or guaranteed FLP loans will not affect the amount an applicant is eligible to receive under nonprogram loans. Any outstanding nonprogram loan balances will not affect the amount an applicant is eligible to receive under any other FLP.

**Section 4 Borrower Account Classification**

**251 Overview**

**A CONACT Requirements**

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

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

**B Classification Categories**

Accounts will be identified as 1 of the following.

<b>Classification</b>	<b>Classification Category</b>
1	Commercial
2	Standard
3	Acceptable
4	Marginal
5	Not Classified

**C When Classification Is Required**

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

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

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

\*--Before an account is identified as “Currently Not Collectible (CNC)” according to 5-FLP, subparagraph 126 A, a classification will be completed using FBP. The D-Loan/Special Classification Credit Action shall be used and will be assigned a score of “5”, “Not Classified”. Post cross servicing referral, CNC accounts are not required to be classified.--\*

**251 Overview (Continued)****D Classification of Youth Loans**

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

**E Classification of CL’s**

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

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

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

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

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

**F Classification Reporting**

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

**Section 2 DD FLP Oversight****441 General Provisions****A Overview**

\* \* \* It is incumbent upon DD to monitor the FLP delivery to ensure adherence to appropriate laws, policies, and procedures.

**B Purpose**

The DD FLP oversight process provides a standardized and consistent reporting format and means by which DD can:

- document results from quarterly FLP oversight reviews
- view previously completed quarterly reports
- monitor and follow-up on actions to be taken by FLP Service Center staff.

**442 DDORS****A Overview**

Reporting of FLP oversight review results will be completed on a quarterly basis using DDORS.

DDORS:

- was developed to assist DD with completing FLP oversight reviews conducted in the FLP Service Centers
- provides the means by which DD can document and submit review results to State and Field Offices
- contains the review items for each reporting quarter.

**B Reporting Timeframes**

The first quarter report:

- will be available for completion in DDORS starting November 1 and ending on January 31
- should reflect first quarter data gathered between October 1 and December 31
- is comprised of quarterly review items, additional review items, and certification.

## \*--442 DDORS (Continued)

**B Reporting Timeframes (Continued)**

The second quarter and first semi-annual report:

- will be available for completion in DDORS starting February 1 and ending on April 30
- should reflect:
  - second quarter data gathered between January 1 through March 31 for quarterly review items
  - data gathered between October 1 through March 31 for the first semi-annual review items
- is comprised of quarterly review items, first semi-annual review items, additional review items, and certification.

The third quarter report:

- will be available for completion in DDORS starting May 1 and ending on July 31
- should reflect third quarter data gathered between April 1 and June 30
- is comprised of quarterly review items, additional review items, and certification.

The fourth quarter, second semi-annual, and annual report:

- will be available for completion in DDORS starting August 1 and ending on October 31
- should reflect:
  - fourth quarter data gathered between July 1 and September 30 for quarterly review items
  - data gathered between April 1 and September 30 for the second semi-annual review items
  - data gathered between October 1 at the beginning of FY through September 30 at the end of FY to complete the annual review items
- is comprised of quarterly review items, second semi-annual review items, annual review items, additional review items, and certification.

**Note:** The quarterly report that corresponds to the current reporting period will be displayed when DD clicks on the link for the Service Center to be reviewed from the DDORS homepage. Review results for all review areas corresponding to each quarter will be captured when the report is submitted or archived by the system when the reporting period has ended. All past reports completed for the FLP Service Center in DDORS will be available for five FY's.--\*

442 DDORS (Continued)

C System Access

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

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

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

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

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

443 Responsibilities

A DD Responsibilities

DD’s shall:

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

## 443 Responsibilities (Continued)

### A DD Responsibilities (Continued)

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

**Note:** Submitting the report online in DDORS is the:

- certification for that report
- same as the signature on FSA-2101.
- “Action Item” functionality to record and followup on any noted problems or inconsistencies.

### B Service Center Responsibilities

\*--FLM's, SFLO's, FLO's, or PT's shall:--\*

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

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

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

### C State Office Responsibilities

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

FLC's shall:

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

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

## Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2212	Preferred Lender Application For Guarantee		44, 47
FSA-2232	Conditional Commitment		43, Ex. 7
FSA-2233	Lender Certification		43
FSA-2235	Loan Guarantee		Ex. 7
FSA-2242	Assignment of Guarantee		Ex. 7
FSA-2254	Guaranteed Loan Report of Loss		Ex. 35
FSA-2292	Guaranteed Loan Processing Checklist		Ex. 35
FSA-2301	Request For Youth Loan		Ex. 15
FSA-2304	Notice of Incomplete Application		Ex. 35
FSA-2305	Second Notice of Incomplete Application		Ex. 35
FSA-2306	Notice of Application Withdrawal/Pending Withdrawal		Ex. 35
FSA-2307	Notice of Complete Application		Ex. 35
FSA-2308	Notice of Eligibility for FSA Assistance		Ex. 35
FSA-2313	Notification of Loan Approval and Borrower Responsibilities		202
FSA-2318	Agreement for Disposition of Jointly-Owned Property		Ex. 35
FSA-2341	Certification of Attorney		43
FSA-2342	Certification of Title Insurance Company		43
FSA-2510	Notice of Availability of Loan Servicing to Borrowers who are 90 Days Past Due		3
FSA-2512	Notice of Availability of Loan Servicing to Borrowers Who Are Current, Financially Distressed, or Less than 90 Days past Due		3
FSA-2514	Notice of Availability of Loan Servicing to Borrowers Who are in Non-Monetary Default		3
FSA-2535	Conservation Contract		3
FSA-2543	Shared Appreciation Agreement		3
RD 1922-15	Administrative Appraisal Review for Single Family Housing		143
RD 1940-22	Environmental Checklist for Categorical Exclusions		Ex. 15, 35
SF-1449	Solicitation/Contract/Order for Commercial		165

**Note:** SF-1449 is available on GSA's form web site at [www.gsa.gov/portal/forms/type/TOP](http://www.gsa.gov/portal/forms/type/TOP).

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

## Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

<b>Approved Abbreviation</b>	<b>Term</b>	<b>Reference</b>
ACIF	Agricultural Credit Insurance Fund	163
ADR	alternative dispute resolution	42
AO	Administrative Officer	25, 27
AOB	Administrative Operations Branch	162
ARRA	American Recovery and Reinvestment Act of 2009	28, 163
BIR	Business Information Report	48
BOPR	Borrower Property Table	162, 166
CDAT	Consent Decree Action Team	Ex. 12, 15
CIP	critical information protection	Ex. 15
CL	conservation loan	29, 45, 201, 222, 223, 251, 263, Ex. 2, 15, 16
CMT	Constant Maturity Treasury	Ex. 17
CNC	currently not collectible	251, Ex. 12, 15
CONACT	Consolidated Farm and Rural Development Act	1, 21, 29, 251
DDORS	District Director Oversight Reporting System	442, 443
EIN	employer identification number	162, Ex. 15
ERSR	Electronic Repository of Security Requests	53
FAR	Federal Acquisitions Regulation	162, 165
FCAO	Farm Credit Applications Office	49
FCG	financial control group	162
FHP	Farm Home Plan	Ex. 15
FISMA	Federal Information Security Management Act	Ex. 15
FLPRA	Farm Loan Programs Risk Assessment	Part 9
FmHA	Farmers Home Administration	2
ISA	installment set-aside	Ex. 15
ITLAP	Indian Tribal Land Acquisition Program	2, Ex. 16

**State Supplements**

<b>Subparagraph</b>	<b>State Supplement</b>
3 C	Guidance on notary acknowledgement.
3 D	Guidance on signature requirements.
*--28 A--*	Guidance on completing Credit Quality Reviews.
29 D	Establish method and standards for raising the loan approval authority limits for FLP's and senior FLO's who routinely show a high than average loanmaking proficiency.  <b>Note:</b> This State supplement must be submitted for preapproval.
141 E	Guidance on the process to request: <ul style="list-style-type: none"> <li>• chattel appraisal from a contract appraiser</li> <li>• real estate appraisal.</li> </ul>
163 C	Guidance on PLCE funds allocated to State Offices.
241 B	<ul style="list-style-type: none"> <li>• List of unit prices for all commodities produced in the State.</li> <li>• 3-year history of disaster declarations by: <ul style="list-style-type: none"> <li>• county</li> <li>• type of disaster</li> <li>• incident period.</li> </ul> </li> </ul>

**Note:** SED's shall:

- issue State supplements according to 1-AS, paragraph 216
- obtain approval of State supplements according to 1-AS, paragraph 220.



**Delegating FLP Authority**

**A SED Delegations**

SED may delegate the following authorities to employees who have experience and completed the required training:

- authority to prepare chattel appraisals
- authority to prepare real estate appraisals when the total credit transaction is less than \$100,000
- authority to complete administrative appraisal reviews
- loan approval authority
- authority to establish and document the estimated value of real estate security when an appraisal has been waived for an EM according to 3-FLP, subparagraph 238 A.

**\*--B FLM/SFLO Delegations--\***

The following is a list of authorities that may be delegated to employees who have experience and have completed any required training according to subparagraph 23 C.

<b>Authority</b>	<b>FLO</b>	<b>PT</b>
Sign correspondence as regular signing official.	X	
Sign correspondence "for".	X	X
Establish supervised bank account and deposit loan checks.	X	X
Countersign supervised bank account checks/withdrawals.	X	X
Input pre-note information for EFT.	X	X
Plan and inspect site development work.	X	
Check preliminary title opinion for exceptions.	X	X
Check final title opinion or mortgage policy for proper lien position.	X	X
Review loan closing statement for proper funds disbursement.	X	X
Execute financing statements or other legal instruments to obtain and preserve security on chattel loans.	X	X
Approve FSA-2242.	X	X

**Delegating FLP Authority (Continued)**

**\*--B FLM/SFLO Delegations (Continued)--\***

<b>Authority</b>	<b>FLO</b>	<b>PT</b>
Review loan closing and issue FSA-2235.	X	X
Approve satisfaction/release of security instruments.	X	X
Prepare FSA-2040.	X	X
Release chattel/crop security per approved FSA-2040.	X	X
Revise Farm Business Plan and FSA-2040 when necessary.	X	X
Approve replacement/development - use of insurance proceeds.	X	X
Approve servicing actions, including liquidation plans submitted by lenders.	X	X
Requests for contractual services and noncontractual cost items.	X	X
Approve loan restructuring.	X	X
Approve emergency advance requests.	X	X
Complete lender reviews.	X	X
Ordering credit reports.	X	X
Execute FSA-2232.	X	X
Execute FSA-2235.	X	X

**Note:** Delegated authorities for agency officials that were granted before December 31, 2007, using previous form numbers or regulation citation will not have to be reissued. These delegations remain valid and it is not necessary to modify them if the reason is only to change references to the new streamlining handbooks.

## 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](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
- \*--SFLO’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)**

**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.

<b>Report or Form Name</b>	<b>Customer Signature Required <u>1/</u></b>	<b>FSA Signature Required <u>1/</u></b>	<b>Must be Locked</b>	<b>Report Must be Printed <u>2/</u></b>
<b>FBP</b>				
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 <b>Locking Credit Action Forms</b> (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 <b>Credit Actions</b> , “Collateral” (Section J 7 b).	N/A	Optional
Analysis Reports & Charts	No	No	N/A	Optional
Running Record	No	No	N/A	Optional, see <b>Running Record</b> (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.

\*--The option titled “Analysis Based On” should **not** be changed. User can select either “**Gross Revenues**” or “**Value Farm to Prod.**” to be used in all ratios and for classifications.--\*

**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 <b>not</b> contain "SS#" or "TaxID#". After a customer no longer has a credit relationship with FSA, the record should be removed. See <b>Maintaining FBP Customer Records</b> (Section B 6).--*
Type of Operation – Primary	<b>Required.</b> Select the customer’s predominant enterprise by either: <ul style="list-style-type: none"> <li>• clicking “<b>Select</b>” and choosing from the list in the pop-up menu</li> <li>• entering the NAICS code manually. * * *</li> </ul>
County	<b>Optional.</b> Enter the customer’s county of residence.
Borrower Type	<b>Required.</b> Use the radio buttons to select “Direct,” “Guaranteed,” or “Both” to designate the customer’s FLP assistance.
Year Started Farming	<b>Required.</b> Use the drop-down menu to indicate the year the customer started farming.
FBP Account Type	<b>Required.</b> Click the link to select 1 of the following FBP account types. <ul style="list-style-type: none"> <li>•*--“Active Account” will be selected for the majority of customers.</li> <li>• “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;"><b>Note:</b> Do <b>not</b> select the “Credit Rpt. /Elig. Only Act” account type if BS or IE information has already been added to the customer’s account.</p> </li> <li>• “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.--*</li> <li>• “Guaranteed Loan Import” is used to identify files imported from guaranteed lenders.</li> <li>• “Producer Import” is used to identify files imported from producers.</li> </ul>
D&B D-U-N-S# / Experian File #	<b>Optional.</b>

## 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, SFLO, or FLO. 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)

### J Credit Actions (Continued)

#### 12 Special Classification

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

- flagged accounts where FSA cannot obtain current financial or production information for a customer
- \*--accounts identified as CNC according to subparagraph 251 C--\*
- youth loans according to subparagraph 251 D
- streamlined CL's unless they become delinquent or distressed (subparagraph 251 E).

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

Complete a special classification credit action according to the following.

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

Farm Business Plan - FSA User Guide (Continued)

K Special Features

1 eNotice

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

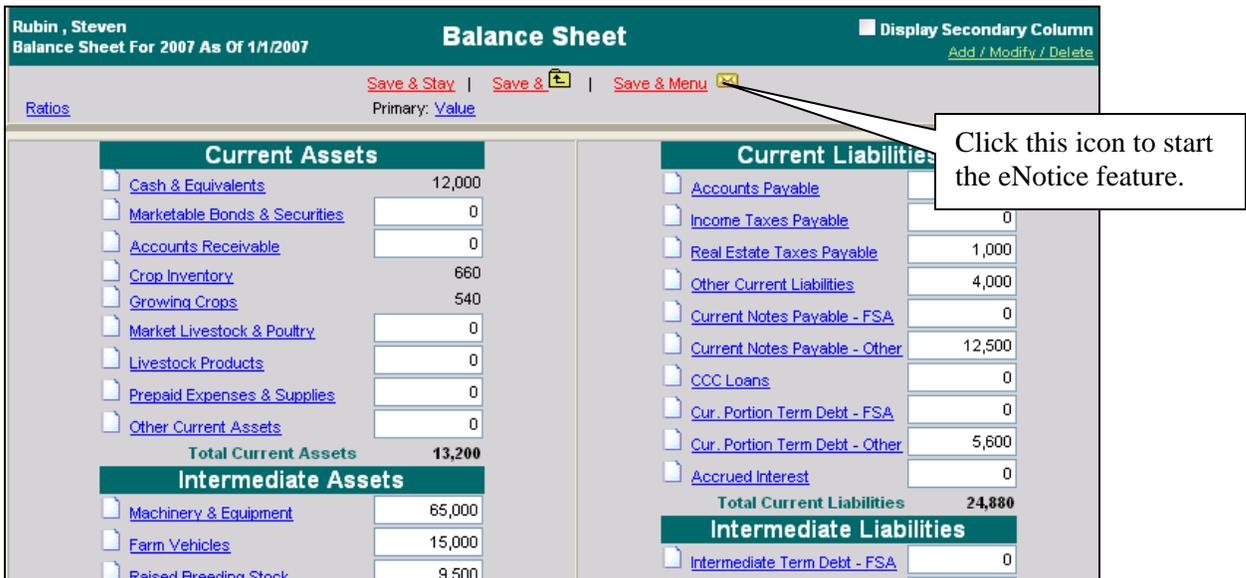


Figure 62

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

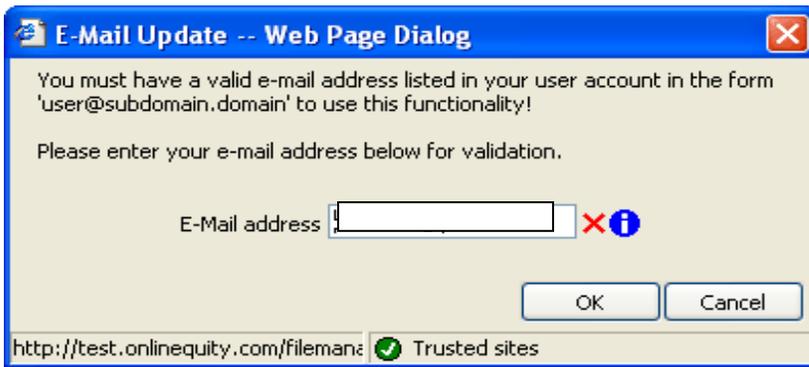


Figure 63

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

**DD FLP Oversight Review Source Documents**

**Review Part: A      Quarterly Review Items**

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

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

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

Review Items:

**SOURCE DOCUMENTS**

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

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

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

Review Items:

**SOURCE DOCUMENTS**

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

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

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

Review Items:

**SOURCE DOCUMENTS**

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

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

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

Review Items:

**SOURCE DOCUMENTS**

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

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

**Review Part: A**

**Quarterly Review Items**

*Review Area: 2.*

*Guaranteed Loan Making - Applications*

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

Review Items:

**SOURCE DOCUMENTS**

(1) and (2)

Report GLSAPP02; GLS2209A

(3)

Report GLS2209A; FSA-2201

(4)

FSA-2001

(5)

Case file documentation and correspondence

(6)

Case file documentation and correspondence; FSA-2292

(7)

Report GLS2209A; 2-FLP, paragraph 83

(8)

RD 1940-22; FSA-851

*Review Area: 3. A. I*

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

Review all accounts in this category.

Review Items:

**SOURCE DOCUMENTS**

(1)

Report Code 540

(2) and (3)

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

(4) and (5)

\*--Report Code 540; 4-FLP; Discussion with FLM/SFLO/FLO; Case file--\* documentation

*Review Area: 3. A. II*

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

Review all accounts in this category.

Review Items:

**SOURCE DOCUMENTS**

(1)

Report Code 540

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

\*--Discussion with FLM/SFLO/FLO; case file documentation--\*

*Review Area: 3. A. III*

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

Review all accounts in this category.

Review Items:

**SOURCE DOCUMENTS**

(1) and (2)

Report Code 540

(3) and (4)

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

*Review Area: 3. B.*

*Direct Loan Servicing - Payments and Collections*

Review a sample of 5 accounts.

Review Items:

**SOURCE DOCUMENTS**

(1)

Random selection from FSA-603

(2)

3-FI, paragraph 37

(3)

Report Code 540; FSA-603; CCC-257

(4)

4-FLP, Part 5

(5)

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

*Review Area: 3. C.*

*Direct Loan Servicing - Chattel Security Accounting*

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

Review Items:

**SOURCE DOCUMENTS**

(1)

Report Code 540

(2) and (3)

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

(4)

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

(5)

Case file documentation

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

**Review Part: A      Quarterly Review Items**

*Review Area: 4.      Program Delivery - FLP Goals*

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

Review Items:      **SOURCE DOCUMENTS**

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

**Review Part: B      Semi-Annual Review Items**

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

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

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

Review Items:      **SOURCE DOCUMENTS**

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

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

*\*--Review all accounts listed.--\**

Review Items:      **SOURCE DOCUMENTS**

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

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

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

Review Items:      **SOURCE DOCUMENTS**

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

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

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

Review Items:      **SOURCE DOCUMENTS**

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

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

**Review Part: B      Semi-Annual Review Items**

*Review Area: 3. A.      Guaranteed Loan Servicing - Status Reports and Delinquent Accounts*  
Review requires inspection of documents.

- Review Items:      **SOURCE DOCUMENTS**
- (1)                    GLS4265; GLS-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/SFLO/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/SFLO/FLO; 4-FLP, Part 6--\*