

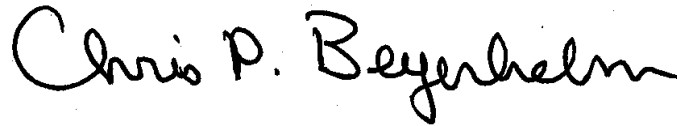
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

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

Amendment 62

Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reason for Amendment

Subparagraph 4 E and paragraph 5 have been amended to update contact information.

Exhibit 15 has been amended to add new and clarify other instructions.

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

Page Control Chart		
TC	Text	Exhibit
	1-11, 1-12 1-13	1, pages 3, 4 15, pages 5, 6 pages 35, 36 pages 98.9, 98.10 pages 98.11-98.22 (add) pages 99-118 17, pages 1, 2

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
Sharon Harris	Senior Loan Officer	202-401-0191
Marilyn Meese	Senior Loan Officer	202-690-4002
--Theresa Null	Senior Loan Officer	202-720-7862--
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 nd 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
Mark McKinley	FLOO Chief	314-679-6810
* * *	* * *	* * *
Sharon Cooney-Smith	Management Analyst	314-679-6805
Sharon Sachs	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.

Program Reporting Group - ECM FAX Number 314-457-4478		
Name	Title	Phone Number
Karen Campbell	Group Chief	314-679-6861
Mariella Harstick	Accountant	314-679-6863
Wyvone Haymon	Accountant	314-679-6864
Katina Mims	Accountant	314-679-6833
Karen Johnisee	Financial Specialist	314-679-6865
Deborah Marciano	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.

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

5 FLOO Contacts (Continued)

D Loan Servicing Group 2

The following provides names, titles, telephone and FAX numbers, and State assignments for Loan Servicing Group 2.

Loan Servicing Group 2 – ECM FAX Number 314-457-4539			
Name	Title	Phone Number	State Assignments
Stokes, Deborah	Group Chief	314-679-6840	
Marxkors, Janet	Accountant	314-679-6849	
Nunnery, Betty	Accountant	314-679-6850	
Randolph, Lisa	Accountant	314-679-6851	
White, Kathryn	Accountant	314-679-6837	
Bennett, Randall	Lead Accounting Technician	314-679-6842	All States
Warren, Effie	Lead Accounting Technician	314-679-6852	All States
Harris, Timothy	Accounting Technician	314-679-6843	AK, HI, NM, ND, VA, WV, WP, VI
Lee, Barbara	Accounting Technician	314-679-6846	*--AL, MI, OK, PA--*
Logan, Kyle	Accounting Technician	314-679-6847	TX, PR
Luster, Byron	Accounting Technician	314-679-6848	NV, NJ, NY, NC, OH, RI, WA
Willman, Linda	Accounting Technician	314-679-6853	NH, TN, VT, WI

6-20 (Reserved)

Reports, Forms, Abbreviations, and Delegations 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-2311A	Emergency Loan Calculations		Ex. 15
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
OF-347	Order for Supplies and Services		165
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 Items		165

Note: SF-1449 is available on GSA's form web site at 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.

Approved Abbreviation	Term	Reference
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
eDALR\$	electronic Debt and Loan Restructuring System	Ex. 13.5, 15, 17
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

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)

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

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

b Reports and Signature Requirements

*--The following table provides a list of forms or reports with signature, locking, and printing requirements.

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>
Balance Sheet Summary	Yes	No	Yes	Yes
Balance Sheet Schedules	No	No	N/A	Yes
Income & Expense Trends	Yes	No	N/A	Yes
Projected Income & Expense Schedules	No	No	N/A	Yes
Income & Expense Summaries	No	No	Yes	See Cash Flow Reports
Projected Annual Cash Flow	Optional	No	N/A	Optional
Monthly Cash Flow	Optional	No	N/A	Optional
Production Trends	No	No	N/A	Optional
Farm Assessment	Yes	Yes	Yes	Yes
Credit Presentations	No	Yes, eSigned.	Yes, see Locking Credit Action Forms (Section J 3).	Optional
Eligibility Only	No	Yes, eSigned.	Yes	Optional
DALR\$ Input Report	No	Yes, eSigned.	Yes	Optional
Environmental Checklist (RD 1940-22)	No	Yes, eSigned.	Yes	Optional
Emergency Loan Calculations (FSA-2311A)	No	Yes, eSigned.	Yes	Optional

--*

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.

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 Assessment, Balance Sheet Summary, and Income & Expense Trends on which the decision was based. These 3 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)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

f Customer With Personal Property Used for Security (Continued)

Method 2: Assume that a customer has nonfarm real estate valued at \$125,000, with a prior lien of \$85,000. The customer wants to use the equity in the property, \$40,000, as additional security for a FSA OL loan in the amount of \$65,000. The FSA OL is also secured by **all** machinery and equipment, valued at \$63,000.

Add the FSA OL loan group, select the FSA \$65,000 OL loan from the loan schedule, and add “Machinery & Equipment” as collateral. Manually add the nonfarm real estate description, type (equity), and equity value (\$40,000) to the Collateral Section and **CLICK “Add”**. “Total Collateral Amount” equals \$103,000 (Machinery & Equipment **plus** equity in Nonfarm Real Estate).

FSA Loan																																																													
~Greer 28200310160021021491 1, Pixie 8/15/2010 Collateral Example																																																													
<div> Add From Loan Schedule </div> <table border="1"> <thead> <tr> <th>Loan #</th> <th>Creditor</th> <th>Type</th> <th>Prin. Bal / Request Amt.</th> <th>Present Commit.</th> <th>Proposed Commit.</th> <th>Purpose</th> </tr> </thead> <tbody> <tr> <td></td> <td>FSA</td> <td>Int.</td> <td>63,000*</td> <td>63,000</td> <td>63,000</td> <td></td> </tr> <tr> <td colspan="3">Totals</td> <td>63,000</td> <td>63,000</td> <td>63,000</td> <td></td> </tr> </tbody> </table> <p>*Denotes "New" Loans</p> <p>Total Of Loans For Collateral Analysis: 63,000</p>							Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose		FSA	Int.	63,000*	63,000	63,000		Totals			63,000	63,000	63,000																																			
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Totals			63,000	63,000	63,000																																																								
<div> Add Collateral </div> <table border="1"> <thead> <tr> <th>Description</th> <th>Type</th> <th>Value</th> <th>%</th> <th>Disc Value</th> <th>Prior Lien</th> <th>Auto Calc</th> <th>Coll. Amt.</th> <th>Auto Calc</th> <th>Used</th> <th>Available</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>0</td> <td>100</td> <td>0</td> <td>0</td> <td><input checked="" type="checkbox"/></td> <td>0</td> <td><input checked="" type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> SF rental property</td> <td>equity</td> <td>40,000</td> <td>100</td> <td>40,000</td> <td>0</td> <td><input checked="" type="checkbox"/></td> <td>40,000</td> <td><input checked="" type="checkbox"/></td> <td>24,466</td> <td>15,534</td> </tr> <tr> <td><input checked="" type="checkbox"/> Machinery & Equipment</td> <td></td> <td>63,000</td> <td>100</td> <td>63,000</td> <td>0</td> <td><input checked="" type="checkbox"/></td> <td>63,000</td> <td><input checked="" type="checkbox"/></td> <td>38,534</td> <td>24,466</td> </tr> <tr> <td colspan="2">Totals</td> <td>103,000</td> <td></td> <td>103,000</td> <td></td> <td></td> <td>103,000</td> <td></td> <td>63,000</td> <td>40,000</td> </tr> </tbody> </table>							Description	Type	Value	%	Disc Value	Prior Lien	Auto Calc	Coll. Amt.	Auto Calc	Used	Available			0	100	0	0	<input checked="" type="checkbox"/>	0	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/> SF rental property	equity	40,000	100	40,000	0	<input checked="" type="checkbox"/>	40,000	<input checked="" type="checkbox"/>	24,466	15,534	<input checked="" type="checkbox"/> Machinery & Equipment		63,000	100	63,000	0	<input checked="" type="checkbox"/>	63,000	<input checked="" type="checkbox"/>	38,534	24,466	Totals		103,000		103,000			103,000		63,000	40,000
Description	Type	Value	%	Disc Value	Prior Lien	Auto Calc	Coll. Amt.	Auto Calc	Used	Available																																																			
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<input checked="" type="checkbox"/> SF rental property	equity	40,000	100	40,000	0	<input checked="" type="checkbox"/>	40,000	<input checked="" type="checkbox"/>	24,466	15,534																																																			
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<div> Analysis </div> <table border="1"> <tbody> <tr> <td>Total Loan Amount</td> <td>63,000</td> <td>Margin of Collateral to Loan</td> <td>1.63</td> </tr> <tr> <td>Total Collateral Amount</td> <td>103,000</td> <td>% Loan to Collateral</td> <td>61.17%</td> </tr> </tbody> </table>							Total Loan Amount	63,000	Margin of Collateral to Loan	1.63	Total Collateral Amount	103,000	% Loan to Collateral	61.17%																																															
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Total Collateral Amount	103,000	% Loan to Collateral	61.17%																																																										

Figure 61e, Personal Property for Additional Security

J Credit Actions

In FBP, a credit action generates forms and other documentation containing the information necessary to approve, decline, and support a loanmaking or loan servicing decision.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--The following are the 9 credit action models that are available.

Credit Action Type	Used For	Type of Forms				
		Environ-mental Checklist	Farm Assess-ment	Other	Credit Presentation	Security Agreement
D-Loan Making <u>1/</u>	Direct loan applications.	Available	Available	N/A	Cred. Pres / Borr. Class.	Available
D-Loan/Security Agreement Only	When only a security agreement is needed.	N/A	N/A	N/A	N/A	Available
D-Loan/Class/LR/YEA Only	When action is not included in another credit action.	N/A	Available	N/A	Classification/YEA/LR Review	Available
D-Loan/Special Serv. <u>1/</u>	Primary and preservation loan servicing, DSA.	Available	Available	DALR\$ Input Report	Cred. Pres / Borr. Class.	Available
D-Loan/Regular Serv. <u>1/</u>	Partial releases, subordinations, transfer, and assumptions.	Available	Available	N/A	Cred. Pres / Borr. Class.	Available
D-Loan/Eligibility Only	Used when eligibility is not included in another credit action.	N/A	N/A	Eligibility Only	N/A	N/A
Youth Loans	Processing and approval of applications.	Available	N/A	Eligibility Only	Youth Loan	Complete Form Manually
D-Loan/Special Classification	Classify select accounts.	N/A	N/A	N/A	Special Classification	N/A
Emergency Loan Calculations	Calculate qualifying losses.	N/A	N/A	Emergency Loan Calculations	N/A	N/A

1/ In cases where a direct loan is being made in conjunction with a servicing request (special or regular), use the applicable servicing credit action.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--1 Credit Action Menu

The Credit Action Menu allows a user to quickly generate a new credit action or to access an existing credit action. It is recommended that only **1** credit action be added per loan or servicing application.

Note: When an “Emergency Loan Calculations” credit action is used, an additional credit action must be added to support the loanmaking or loan servicing decision.

To add a new credit action, CLICK “**Credit Action**”, “**Add/Modify/Delete**”, to access the Credit Action Screen. The “Add/Modify/Delete” option may also be accessed through the Dashboard.

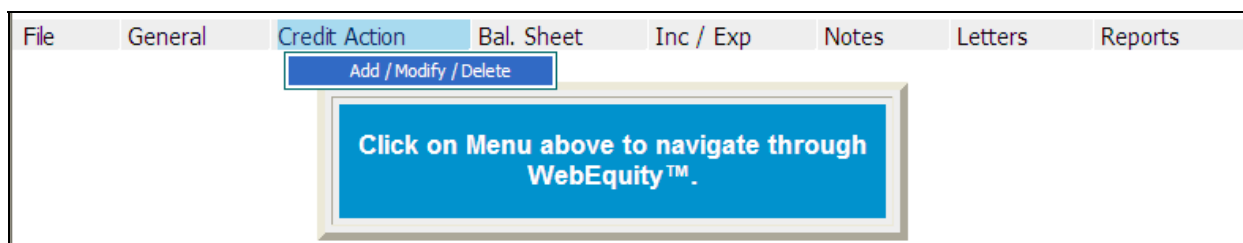


Figure 61f, Credit Action Menu

Complete the following fields on the Credit Action Screen:

- “Description”, enter a meaningful description for the specific credit action
- “Credit Action Model”, CLICK “**arrow**” drop-down menu to choose a credit action model
- CLICK “**Add**”.

Figure 61g, Add Credit Action Model--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--1 Credit Action Menu (Continued)

The new credit action will be added and contain all the forms necessary for a particular loan or servicing request. Click each individual form to access and complete.

Credit Action								
Description	Status	Environmental	Farm Assmt.	Other	Credit Presentation	Security Agreement		
2009 Restructuring	Select	Environmental Checklist	Farm Assmt.	DALRS Input Rpt.	Cred. Pres. / Borr. Class.	Select	Track	
2011 Tractor Loan	Select	Environmental Checklist	Farm Assmt.	None	Cred. Pres. / Borr. Class.	Select	Track	

Figure 61h, Credit Action Screen

To quickly access an existing credit action, CLICK “**Credit Action**”, [*Credit Action Name*], from the drop-down menu. All forms needed for that particular credit action will be displayed in the fly-out menu. Click the form link to access.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
		2009 Restructuring 2011 Tractor Loan Add / Modify / Delete					
		Credit Action Status Environmental - Environmental Checklist Farm Assmt. - Farm Assmt. Credit Presentation - Cred. Pres. / Borr. Class. Lock Forms					

Figure 61i, Existing Credit Actions--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

2 Credit Action Status

*--The “Status” column is an eSignature feature on the Credit Action Screen that helps track the progress of the credit action. When a Credit Presentation that requires “Plan Approval” is acted on by a loan official, the “Status” on the Credit Action Screen will automatically be updated to indicate if it was:

- “Approved” or “Declined”
- “Recommend Approval” or “Recommend Decline”
- “Withdrawn”
- “End”, to be used **only** by the FBP coordinator.

Credit Action									
Description				Credit Action Model					
<input type="text"/>				Model Selection Filter		Select <input type="button" value="v"/>		Add	
Save & Stay									
<input type="checkbox"/>	Description	Status	<input type="checkbox"/>	Application	Environmental	Farm Assmt.	Other	Credit Presentation	Security Agreement
<input type="checkbox"/>	2010 OL - loan	Withdrawn	<input type="checkbox"/>	None	Environmental Checklist	Farm Assmt.	None	Cred. Pres. / Borr. Class.	Select
<input type="checkbox"/>	2005 Restructuring	Approved	<input type="checkbox"/>	None	Environmental Checklist	Farm Assmt.	None	Cred. Pres. / Borr. Class.	Security Agreement
<input type="checkbox"/>	2005 Restructuring	End	<input type="checkbox"/>	None	Environmental Checklist	Farm Assmt.	DALRS Input Rpt.	Cred. Pres. / Borr. Class.	Security Agreement

Figure 61j, Credit Action Status

3 Locking Credit Action Forms

As soon as a credit action has been completed and eSigned, lock all the forms used in the credit action. See **Reports and Signature Requirements** (Section B 4 b) for a list of forms and locking requirements.

Exception: All forms used in a credit action for an approved loan **may** be locked at loan closing. This allows for additional documentation to be added to the existing credit action to support changes in the applicant’s financial information after a loan decision has been made. Do **not** delete any of the original documentation used to make the loan decision.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

3 Locking Credit Action Forms (Continued)

*--To lock the forms in a credit action:

- CLICK “Credit Action”, [*Credit Action Name*]
- from the fly-out menu, select “Lock Forms”
- Click the selected form to lock
- a small lock will be displayed on the Credit Action Screen next to the “Locked” form.

The screenshot displays the FSA User Guide interface. The top navigation bar includes tabs for File, General, Credit Action, Bal. Sheet, Inc / Exp, Notes, Letters, and Reports. The 'Credit Action' tab is active, showing a list of credit actions on the left and a detailed view on the right. The list on the left includes items like '2010 OL - loan', '2005 Restructuring', 'Refinancing 2010', '2010 Emergency Loan', '09 OL for Tractor Dupe', '1951-S 09', and '06 OL for Tractor'. The detailed view on the right shows the 'Credit Action' status, including 'Action Model', 'Environmental - Environmental Checklist', 'Farm Assmt. - Farm Assmt.', 'Credit Presentation - Cred. Pres. / Borr. Class.', and 'Security Agreement - Security Agreement'. The 'Lock Forms' option is highlighted in the 'Credit Action' menu.

Figure 61k, Locking Forms

4 Farm Assessment

Initial farm assessments and updates must always be entered on the General Information Screen. However, because the farm assessment is a living document that will change over time, it is important that changes and updates get “frozen” in time on the Farm Assessment form when a credit action is completed. This serves the following 2 important purposes:

- a snap-shot of the farm assessment is taken, recorded, and cannot be changed when locked
- farm assessment will be associated with the credit action that was completed at that point in time.


Caution: Any changes to the assessment **must** be entered on the General Information Screen and then updated to the credit action Assessment form. Do **not** make changes directly to the credit action Assessment form.--*

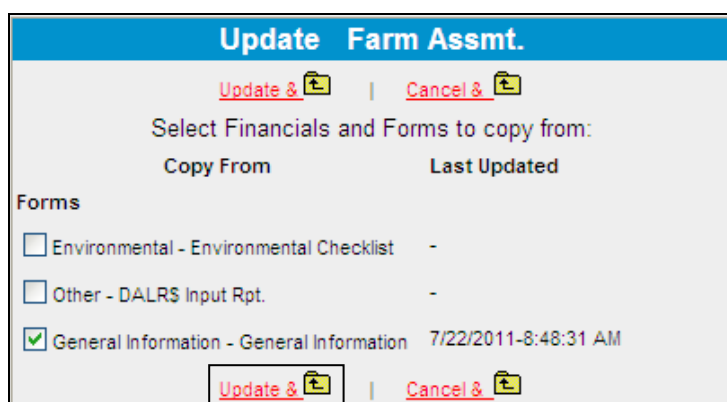
Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

4 Farm Assessment (Continued)

*--CLICK “**Credit Action**”, [*Credit Action Name*], “**Farm Assmt.**” to be completed. To update the form with the most current assessment information from the General Information Screen, CLICK “**Save & Update**” link in the top-left corner of the screen.

The “**Update Farm Assmt.**” dialog box will be displayed. CHECK (✓) **only** the “General Information” box, and CLICK “**Update &** ”.



Copy From	Last Updated
<input type="checkbox"/> Environmental - Environmental Checklist	-
<input type="checkbox"/> Other - DALRS Input Rpt.	-
<input checked="" type="checkbox"/> General Information - General Information	7/22/2011-8:48:31 AM

Figure 61l, Update Farm Assmt.

Notes: If assessment information is changed on the General Information Screen before plan approval of the credit action, the credit action Farm Asst. form must be updated.

Signature requirement: The Farm Assessment form **must** be printed and signed by the loan official and the customer’s signature **must be** obtained acknowledging participation in completing the document.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--5 RD 1940-22, Environmental Checklist for Categorical Exclusions

RD 1940-22 is prepared to document the environmental review. CLICK “**Credit Action**”, [*Credit Action Name*], “**Environmental Checklist**”. The first time RD 1940-22 is accessed the “Individual and Company Name” fields are automatically updated with the most current information from the General Information Screen.

- Use the “**Save & Update**” link in the top-left of the screen, if needed, to update customer name information from the General Information Screen.
- Fill-in the text field questions and CLICK “**radio buttons**” to complete RD 1940-22. CLICK “**Save**” to save all changes to RD 1940-22.
- CLICK “**Signature of Preparer**” to eSign RD 1940-22.
- If RD 1940-22 requires concurrence, CLICK “**Signature of Concurring Official**” to eSign.

Note: Signature requirement: eSignature for preparer and concurring official, if required.

6 DALR\$ Input Report

A DALR\$ Input Report is prepared to calculate the financial categories needed for input into the eDALR\$ program. It also includes the relevant collateral description from the collateral analysis completed in conjunction with a balance sheet. The DALR\$ Input Report is 1 of the forms in the “D-Loan/Special Serv.” credit action model.

All financial information flows from selected balance sheets and income/expense projections to the DALR\$ Input Report. CLICK “**Reports**” and “**Reports Setup**” to control which balance sheets and income/expense projections will appear in the DALR\$ Input Report.

CLICK “**Credit Action**”, [*Credit Action Name*], and “**DALR\$ Input Rpt.**” to be completed. To update the DALR\$ Input Report Screen with selected financial information, CLICK “**Save & Update**” link in the top-left corner of the screen.--*

J Credit Actions (Continued)

6 DALR\$ Input Report (Continued)

- **“Ultra Financials”**
- **“Collateral Analysis”** select balance sheet from the drop-down menu
- **“General Information”**.

CLICK “Update &





Update Other	
Update & 	Cancel & 
Select Financials and Forms to copy from:	
Copy From	Last Updated
<input checked="" type="checkbox"/> Ultra Financials	-
<input checked="" type="checkbox"/> Collateral Analysis <input data-bbox="457 911 722 930" type="text" value="1/1/2010 Before DALRS"/>	-
Forms	
<input type="checkbox"/> Environmental - Environmental Checklist	-
<input type="checkbox"/> Farm Assmt. - Farm Assmt.	-
<input checked="" type="checkbox"/> General Information - General Information	5/3/2010-3:18:19 PM
Update & 	Cancel & 

Figure 61m

Complete the DALR\$ Input Report by filling-in the following date fields located at the top of the form:

- “Proposed Loan Servicing Date”
- “Plan Approval Date”.

CLICK “**Completed By**” link at the bottom of the form to eSign.

Note: Signature requirement: eSignature required.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation

A Credit Presentation is the form in a credit action that is prepared to communicate and document a loanmaking or loan servicing decision. It encompasses the various aspects of analyzing the financial information, collateral position, eligibility, classification, and the loan narrative. The Credit Presentation should be viewed as the primary document that contains all relevant information involved in a loan decision. The Credit Presentation form will differ depending on the credit action model selected.

A Credit Presentation **must** be prepared and eSigned for all loanmaking and loan servicing actions. It is recommended when multiple actions are being completed at the same time, that they be combined on the same Credit Presentation.

a Approval Decision

Each Credit Presentation that is prepared **must** have an approval decision. CLICK “**Plan Approval**” link located at the bottom of the Credit Presentation to select the appropriate approval status. Only Credit Presentations with an “Approved” status will be available for selection in DLS.



Figure 61n, Plan Approval

CLICK “**Select Status**” link to access the “Select Status” dialog box. Click on the description of the status to select.

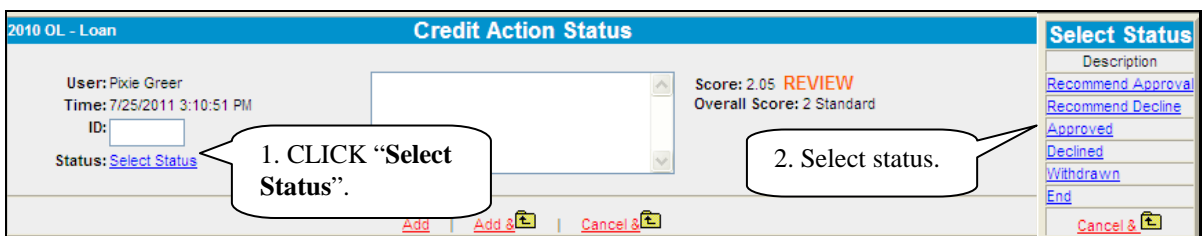


Figure 61o, Select Status


Note: Limit comments in the text field; should **not** include loan closing requirements, etc.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation (Continued)

a Approval Decision (Continued)

To eSign the approval decision, CLICK “Add” or “Add & ”.



', and 'Cancel & .

Figure 61p, Add to eSign

When both a recommending official and approving official status is needed, the following steps will be used.

- The recommending official will CLICK “**Plan Approval**” to recommend approval or denial of the credit decision. The user’s eSignature and the date/time stamp will appear on the Credit Presentation.
- The recommending official will notify the approval official to review the Credit Presentation.
- The approving official will review the Credit Presentation and CLICK “**Plan Approval**” to select the approval or declined decision. Include any additional approval requirements in the “**Loan Closing Requirements**” text box in the Credit Presentation.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

***--7 Credit Presentation (Continued)**

b Completing the Credit Presentation/Borrower Classification

One of the Credit Presentation forms that is used in FBP is the “Cred. Pres./Borr. Class.”. This same form is used in the following 3 credit action models:

- “D-Loan Making”
- “D-Loan/Special Serv.”
- “D-Loan/Regular Serv.”

To complete the Credit Presentation, CLICK “**Credit Action**”, [*Credit Action Name*], and “**Cred. Pres./Borr. Class.**”. After the Cred. Pres./Borr. Class. form is accessed, it must be updated with information from other parts of the FBP system. To update CLICK “**Save & Update**” link in the top-left corner of the screen.

In the “Update Credit Presentation” dialog box CHECK (✓) **only** the following boxes:

- “**Ultra Financials/Customized Ratios**”
- “**Collateral Analysis**”, select the balance sheet from which the collateral analysis will be calculated
- “**Credit Relationship**”, select the balance sheet from which the credit relationship information will come.
- “**General Information**” .--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

CLICK “Update & 

Caution: Do **not** check “Farm Assmt” or “Environmental”.

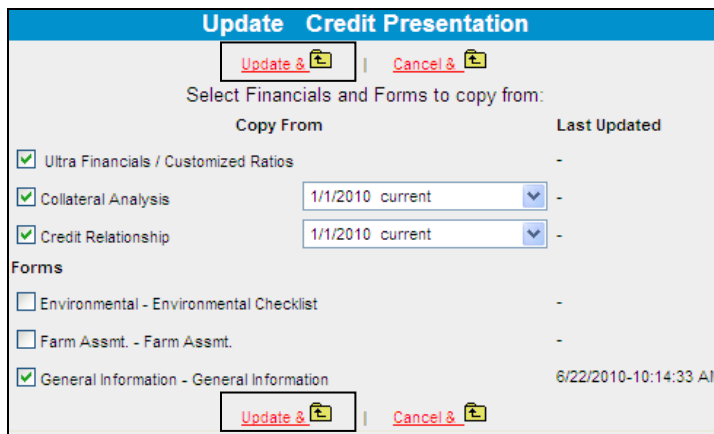


Figure 61q, Update Credit Presentation

Notes: Anytime information is changed in other parts of FBP that affect the credit action being taken, the Credit Presentation **must** be updated.

The documentation requirements for Lo-Doc Operating and Lo-Doc Conservation Loans are very low. Minimal completion of the Credit Presentation is expected according to 3-FLP.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

***--7 Credit Presentation (Continued)**

b Completing the Credit Presentation/Borrower Classification (Continued)--*

The following are components of the “Cred. Pres./Borr. Class.” Credit Presentation.

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

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details								
Classification	<ul style="list-style-type: none">• CLICK “Score Now” to calculate the classification score.• An “Update” dialog box will be displayed. Select the balance sheet and income/expense projection from which the classification score will be calculated.• Select the current or post-close balance sheet according to the following type of credit action.								
	<table><tr><th>Type of Credit Action</th><th>Type of Balance Sheet for Classification</th></tr><tr><td>Classification/LR/Review/YEA Credit Presentation.</td><td>Current.</td></tr><tr><td>Credit Presentation prepared for D-Loan Making (annual operating loans, excludes youth loans).</td><td>Current.</td></tr><tr><td>Credit Presentation prepared for:<ul style="list-style-type: none">• D-Loan Making (term loans and combination term and annual loans, excludes youth loans)• D-Loan Regular Servicing• D-Loan Special Servicing.</td><td>Note: Classification section may be scored at the time of credit action approval based upon a post-close balance sheet. The credit action does not have to be closed before the account is classified.</td></tr></table>	Type of Credit Action	Type of Balance Sheet for Classification	Classification/LR/Review/YEA Credit Presentation.	Current.	Credit Presentation prepared for D-Loan Making (annual operating loans, excludes youth loans).	Current.	Credit Presentation prepared for: <ul style="list-style-type: none">• D-Loan Making (term loans and combination term and annual loans, excludes youth loans)• D-Loan Regular Servicing• D-Loan Special Servicing.	Note: Classification section may be scored at the time of credit action approval based upon a post-close balance sheet. The credit action does not have to be closed before the account is classified.
Type of Credit Action	Type of Balance Sheet for Classification								
Classification/LR/Review/YEA Credit Presentation.	Current.								
Credit Presentation prepared for D-Loan Making (annual operating loans, excludes youth loans).	Current.								
Credit Presentation prepared for: <ul style="list-style-type: none">• D-Loan Making (term loans and combination term and annual loans, excludes youth loans)• D-Loan Regular Servicing• D-Loan Special Servicing.	Note: Classification section may be scored at the time of credit action approval based upon a post-close balance sheet. The credit action does not have to be closed before the account is classified.								

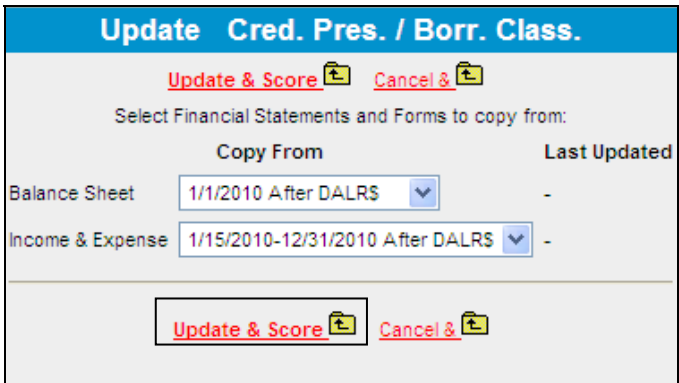
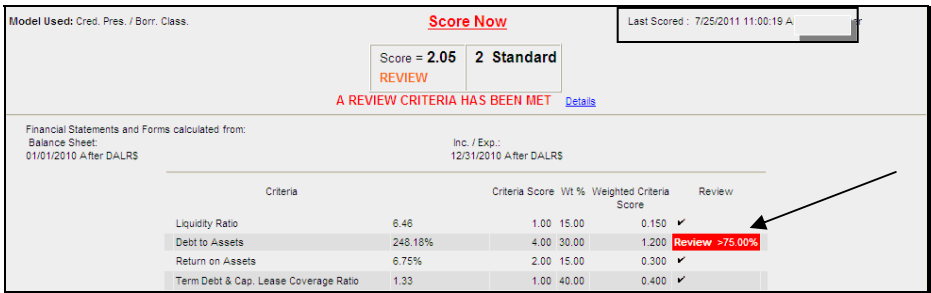
--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details
Classification (Continued)	<ul style="list-style-type: none"> Select the appropriate income/expense projection. CLICK “Update & Score”.  <p>Figure 61r</p> <ul style="list-style-type: none"> Classification displays eSignature and date/time stamp of the loan official.  <p>Figure 61s</p> <ul style="list-style-type: none"> Use “Comments” area below score for discussion of “Review” criteria. Classification section must be scored before using the credit action approval date in DLS.

--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details
Eligibility	<ul style="list-style-type: none"> Answer the applicable eligibility questions with the radio buttons. <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p style="text-align: center;">General Loan Making Eligibility</p> <p>Does customer meet the eligibility requirements of 3-FLP?</p> <p>Controlled substances? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Legal capacity? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Citizenship? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Credit history? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Credit elsewhere? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Delinquent Federal Debt and unpaid Federal Judgments? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Federal Crop Insurance violations? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Managerial ability? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Borrower training? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Owner/Operator of a Family Farm? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Entity composition? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p style="text-align: center;">Loan Servicing Eligibility/Conditions</p> <p>Does customer meet the following eligibility and/or conditions as outlined</p> <p>Subordination as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Consent to Junior Lienholders as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Severance Agreement as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Real Estate Partial Release as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Transfer/Assumption as per 4-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Primary and Preservation Loan Servicing as per 5-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Disaster Set Aside as per 5-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>Special Loan Programs Servicing Actions as per 6-FLP? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> </div> <p>Figure 61t</p> <ul style="list-style-type: none"> When making these determinations, the loan official is certifying that the applicant meets the requirements for the eligibility criteria and/or conditions as outlined in the respective FSA handbook.

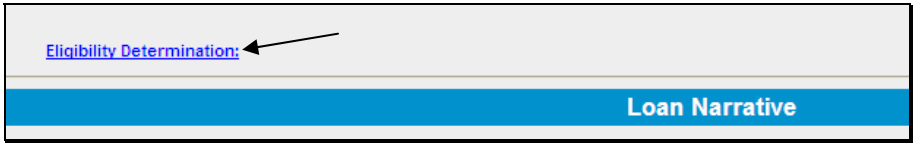
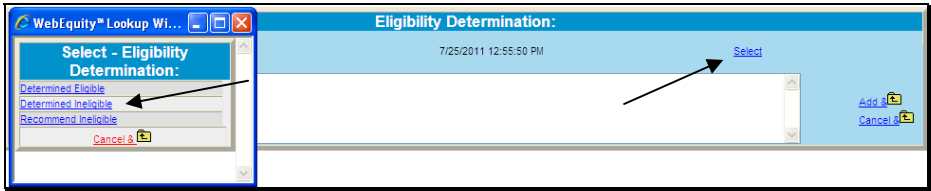
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Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details
Eligibility (Continued)	<ul style="list-style-type: none"> Use the text box to address any additional program specific eligibility issues and/or conditions, such as qualifying for EM loans. States will issue guidance on amount of detail needed and format required. The FSA loan official must CLICK “Eligibility Determination” to determine or recommend eligibility.  <p>Figure 61u</p> <ul style="list-style-type: none"> CLICK “Select” to display the “Select-Eligibility Determination” lookup window. Click the appropriate eligibility determination. Add any needed documentation to the text field.  <p>Figure 61v</p>

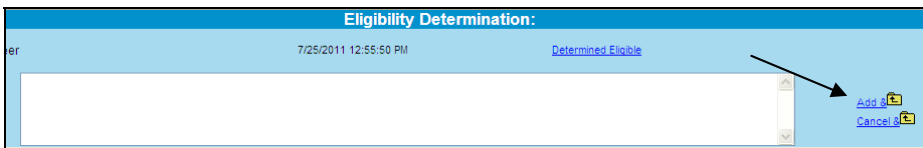
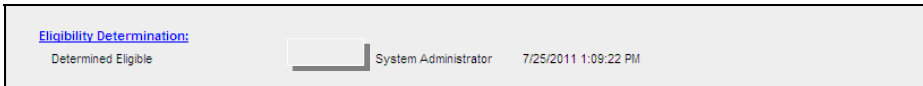
--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

Component	Details
Eligibility (Continued)	<ul style="list-style-type: none"> CLICK “Add &  <p>Figure 61w</p> <ul style="list-style-type: none"> Credit Presentation will be displayed with the eligibility determination with eSignature and date/time stamp of the loan official.  <ul style="list-style-type: none"> Figure 61x--*
Collateral	<p>What is collateral? Collateral or guarantees are forms of security the customer can provide to secure an FSA loan. If for some reason, the business cannot repay its loan through business operations, there needs to be a second source of repayment. Assets such as equipment, livestock, real estate and in some cases, inventory, are considered possible sources of repayment if they are liquidated and sold for cash. Both business and personal assets can be sources of collateral for a loan according to FSA handbooks.</p> <ul style="list-style-type: none"> In the WordPad, describe the adequacy of the collateral. If the chattel was appraised by the same official recommending/approving the Credit Presentation, the Appraisal form does not need to be printed or signed if the “Collateral” Section of the Credit Presentation contains a notation that it was appraised, date of appraisal, and that the eSignature stamp of the recommending or approving official represents the person who appraised it. Answer the security questions with the radio button.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

***--7 Credit Presentation (Continued)**

b Completing the Credit Presentation/Borrower Classification (Continued)--*

Component	Details
Capacity	<p>What is capacity? FSA must know how the customer intends to repay the loan. Consider the cash flow from the business, the timing of the repayment, and the probability of successful repayment of the loan. Discuss all the assumptions, marketing, pricing, income, production, expenses, withdrawals, etc., in preparing FBP, the basis for the assumptions, and comparisons to the financial history. Payment history on existing credit relationships, personal and business, is considered an indicator of future payment performance. Also consider contingent sources of repayment, if available.</p> <ul style="list-style-type: none"> • In the WordPad, discuss the repayment capacity of the borrower, and any assumptions used in the income/expense projection. •*--Answer the limited resource rate question with the radio button. See 4-FLP, Part 3 for more information on determining if rates are justified.--*
Capital	<p>What is capital? Capital is the money the customer has personally invested in the business and is an indication of how much is at risk should the business fail. Most lenders generally expect some contribution of the customer's own assets and that they have undertaken personal financial risk to establish the business before asking a lender to commit any funding. In addition, many lenders believe if the customer has a significant personal investment in the business, the customer is more likely to do everything in their power to make the business successful. Lack of accumulated net worth could be a danger signal unless the applicant is fairly new. Consider that capital also can:</p> <ul style="list-style-type: none"> • provide a cushion for repayment in the event of having a financial setback • indicate an ability and willingness of the customer to save and accumulate assets • confirm that the borrower manages his/her financial affairs adequately and within his/her income. <p>In the WordPad, discuss the customer's capital position which may include working capital, debt to asset level, and other elements of available capital.</p>

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)--*

Component	Details
Conditions	What are conditions? Conditions are loan covenants and conditions that are placed upon approval and/or closing. Conditions may also include observations about local and general economic conditions affecting the business. *--Enter the approval conditions into the WordPad. Answer the SBA Account and Hazard Insurance questions with the radio buttons.--*
Loan Closing Requirements	Optional. Can be used for any additional loan closing requirements imposed by the approval official after reviewing the recommending official's requirements.

*--Notes: **Plan approval:** Each Credit Presentation **must** have an approval decision. Only Credit Presentations with an “Approved” status will be available for selection in DLS. See **Credit Presentation “Approval Decision”** (Section J 7 a) for instruction on completing the approval decision.

Signature requirement: eSignature required.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*--7 Credit Presentation (Continued)

c 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 Asset 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).

--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

8 Classification/LR Review/YEA

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

- “Classification”
- “YEA”
- “LR Reviews”
- “Graduation Reviews”.

To complete the Credit Presentation form, CLICK “**Credit Action**”, [*Credit Action Name*], “**Classification/LR Review/YEA**”. After the form is accessed, it must be updated with information from other parts of the FBP system. To update CLICK “**Save & Update**” link in the top-left corner of the screen.

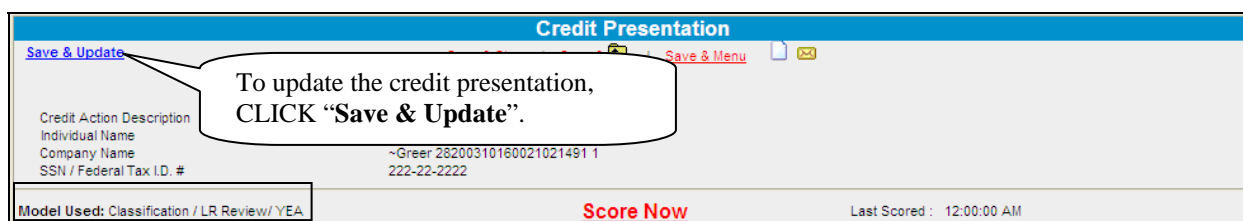


Figure 61y

In the “Update Credit Presentation” dialog box CHECK (✓) the following boxes:

- “Ultra Financials/Customized Ratios”
- “General Information”.

CLICK “**Update & [Icon]**” to update the Credit Presentation.

Caution: Do not check “Farm Assmt”.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

8 Classification/LR Review/YEA (Continued)

*--Use the instructions in the following table to complete the sections in the Credit Presentation.

Component	Details
Balance Sheet, Income Statement, Repayment Capacity	<ul style="list-style-type: none"> • CLICK “Reports” and “Reports Setup” to select which balance sheets and income/expense statements will be displayed in the Credit Presentation. • CLICK “Save & Update” to transfer in the financials. Anytime information is changed in other parts of the FBP that are related to the credit action being taken, the Credit Presentation must be updated. • Ensure that the correct information was transferred into these sections.
Classification	See Classification Component (Section J 7 b) for instruction on completing the classification.
LR Review/YEA Narrative	The WordPad should be used to document the assumptions about the year-end analysis, classification, graduation, and/or limited resource review, as applicable.
Graduation Review	Answer the graduation review question, if applicable.
Limited Resource Rates	Answer the limited resource rate question, if applicable. See 4-FLP, Part 3 for more information on determining if rates are justified.
Year End Analysis	Answer the 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.

Notes: Plan Approval: Each Credit Presentation **must** have an approval decision. Only Credit Presentations with an “Approved” status will be available for selection in DLS. See **Credit Presentation “Approval Decision”** (Section J 7 a) for instruction on completing the approval decision.

Signature requirement: eSignature required.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

9 Eligibility Only

*--The “D-Loan Eligibility Only” credit action should be used when **both of the following** apply:

- to document that an applicant is **ineligible** for FSA loan assistance
- when another type of credit action will **not** be prepared.

To complete the “D-Loan Eligibility Only” credit action:

- CLICK “**Credit Action**”, [*Credit Action Name*], and “**Eligibility Only**”
- CLICK “**Save & Update**” and an “**Update**” dialog box will be displayed
- CHECK (✓) “**General Information**” **only** and CLICK “**Update**”
- complete “Application Date” by selecting the appropriate date.

Notes: See **Eligibility Component** (Section J 7 b) for instruction on completing the eligibility determination.

Signature requirement: eSignature required.

10 Youth Loans

The “Youth Loan” credit action should be used to process all application requests for youth loans.

a Eligibility Determination

The Eligibility Only form in the “Youth Loan” credit action must be completed to determine if the applicant meets the eligibility requirements for a youth loan.

Note: See **Eligibility Component** (Section J 7 b) for instruction on completing the eligibility determination.--*

b Credit Presentation * * *

Most youth loans are simple enterprises; the “Youth Loan” Credit Presentation will collect all financial information and will not require completion of additional balance sheets or income/expense projections.

- Open the form by clicking “**Credit Action**”, [*Credit Action Name*], “**Credit Presentation - Youth Loan**”.
- CLICK “**Save & Update**”. An “Update” box will be displayed. CHECK (✓) “**General Information**” **only** and CLICK “**Update**”.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

10 Youth Loans (Continued)

b Credit Presentation (Continued)

- Complete the “Amount of Loan Request”.
- Complete all radio buttons and text boxes.
- CLICK “Annual Income and Expenses” and “Assets and Debts” to add information from FSA-2301.

Note: All description fields are limited to 29 spaces. Add any additional documentation to the “Comments” Section of FSA-2301.

- Assign classification level of “3 - Acceptable”
- *--CLICK “**Score Now**” to update the classification score.

The screenshot shows the 'Credit Presentation' tab selected. The 'Assigned classification level' dropdown is set to '3 - Acceptable'. The 'Model Used' is 'Youth Loan'. The 'Score' is 3.00, with a 'REVIEW' button. The 'Score Now' button is highlighted in red. A callout box states: 'Note: User must CLICK “Score Now” after selecting the “Assigned Classification Level”'. The 'Last Scored' information is '10/25/2011 10:37:36 AM Pixie Greer'. The 'Financial Statements and Forms calculated from:' section is visible at the bottom.

Figure 61z

Add any additional documentation to the “Comments” Section and complete the Loan Closing Requirements in the text boxes provided.

Notes: Farm assessments are **not** required for youth loans according to 3-FLP, subparagraph 226 B. However, some discussion of strengths, potential problems, and goals should be included in the “Comments” Section.

Plan Approval: Each Credit Presentation **must** have an approval decision. Only Credit Presentations with an “Approved” status will be available for selection in DLS. See **Credit Presentation “Approval Decision”** (Section J 7 a) for instruction on completing the approval decision.

Signature requirement: eSignature required.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

10 Youth Loans (Continued)

* * *

c Security Agreement – Youth Loans

The “Youth Loan” Credit Presentation does not capture the information needed to complete the FBP automated FSA-2028; therefore, FSA-2028 may be completed manually.

d Classification of Youth Loans

See 1-FLP, subparagraph 251 D for instructions on completing youth loan classifications.--*

* * *

11 Security Agreement

A new security agreement can be generated from within any credit action model, except youth loans and D-Loan/Special Classification. In addition, a separate credit action called “D-Loan/Sec Agr. Only” can be added when only a security agreement is desired and no other credit action is required.

Once the Security Agreement Screen is displayed, CLICK “**Save & Update**”.

In the “Update” dialog box, select the following sources of information:

- current income/expense projection

Notes: Chattel description information is populated from the detailed schedules of the balance sheet associated with the selected income/expense projection. The “Col?” box (✓) on the detailed schedule must be checked for the information to transfer.

By default, all real estate descriptions on the security agreement will be populated from the “Balance Sheet”, “Assets”, “Real Estate-Land”; and “Inc/Exp”, “Operating Expenses”, “Rent–Land/Animals” detailed schedules. “To SA” may be unchecked to stop the transfer of real estate descriptions to the security agreement.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

11 Security Agreement (Continued)

- general information.

Note: The name and address of the primary customer will always appear on the security agreement. The names and addresses of related entities and entities that pledge third-party security will also appear on the security if any 1 of the following are checked in “General”, “Related Entities”, and [Entity Name]:

- “Spouse”
- “Co-Applicant”
- “Co-Owner”.

Caution: Do **not** check “Farm Assmt”.

*--The following table provides information on additional fields that would be manually entered onto the form, if applicable.

Field	Details
Security Agreement Date	Effective date of the Security Agreement.
(c) State Information	List States where equipment is located.
(10) Fixtures	Enter a description of fixtures, etc. taken as collateral.
(d) State Information	List States where livestock is located.
(e) Accounts, deposit agreements, general intangibles, etc.	Enter additional information about specific accounts, contract rights, general intangibles, etc., as required by State supplements, if any.
Additional Security Agreement Verbiage	Add any additional information as needed. Information added to this section will print on the report before the signature lines.

--*

Notes: The Security Agreement may be printed by clicking “Print Security Agreement” located in the upper right hand corner of the document or “Reports Setup”.

*--**Signature requirement:** The security agreement **must** be printed and the customers’ signatures obtained.--*

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”.

***--Notes: Plan Approval:** Each Credit Presentation **must** have an approval decision. Only Credit Presentations with an “Approved” status will be available for selection in DLS. See **Credit Presentation “Approval Decision”** (Section J 7 a) for instruction on completing the approval decision.

Signature requirement: eSignature required.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*-13 Emergency Loan Calculations

FSA-2311A is used to determine the applicant's actual production and/or physical losses, and to calculate the "Available Loan Amount". Instructions for completing FSA-2311A are as follows:

- open FSA-2311A and complete the disaster designation information
- CLICK "**Crop Enterprises**" link to add crop information for production losses

FSA Form 2311 A

Year of Disaster	2010	Qualifying Crop Loss	No
County	Somewhere	Qualifying Physical Loss	No
Disaster No.	S2222	Total Loss Amount	Physical 0 Prod. 0
Nature of Disaster	drought and rain	Disaster Compensation / Insurance	0 0
Period of Disaster	3/1/2010 TO 11/15/2010	Net Loss	0 0
Existing EM Loan Balance	0	Available Loan Amount	0
		Existing EM Loan Balance	0
		Total EM Loan at Closing	0

[Crop Enterprises](#)
[Physical Losses](#)
[Disaster Compensation / Insurance](#)
[Completed By](#)

Figure 61aa, FSA-2311A

- CLICK "**Add**" on the Crop Enterprises Screen to display fields to enter the individual crop disaster information

Note: There is no limit to the number of rows of crop information that can be entered into the system.

Crop Enterprises

Crop Enterprises	Units	Disaster Year	STO	APH	Override	-1 Year	-2 Year	-3 Year	Normal	%	Total
	(bin,ton,etc.)	Acres	Yield per	Price	Yield	Yield per	Source	Yield per	Source	Year	Loss
		Acres	Acres			Acres	Acres	Acres	Acres	Yield	Loss
Add											0
										Total	

Figure 61ab, Crop Enterprises--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*-13 Emergency Loan Calculations (Continued)

- use APH yield when available, system will automatically calculate “% Loss” and “Total Loss” amount and CLICK “**Save**” to save the data

Note: If APH yield is not available, CHECK (✓) “**Override**” and manually complete the “Yield per Acre” and “Source” fields. System will automatically calculate “Normal Year Yield”, “% Loss”, and “Total Loss” amount.

Crop Enterprises										
Crop Enterprises	Units (bin,ton,etc.)	Disaster Year		STO Price	APH Yield	Override	-1 Year Yield per Acre	Normal Year Yield	% Loss	Total Loss
		Acres	Yield per Acre							
<input type="checkbox"/> Soybeans	bu	642.80	26.90	8.75	39.73	<input type="checkbox"/>		39.73	32.29	72,162.33
									Total	72,162.33

Figure 61ac, Crop Enterprises Using APH Yield

Crop Enterprises											
Crop Enterprises	Units (bin,ton,etc.)	Disaster Year		STO Price	APH Yield	Override	-1 Year		-2 Year		-3 Year
		Acres	Yield per Acre				Yield per Acre	Source	Yield per Acre	Source	
<input type="checkbox"/> Alfalfa	Ton	100.00	1.50	80.00	0	<input checked="" type="checkbox"/>	3.50	Applicant	4.00	Applicant	3.50
<input type="checkbox"/> Soybeans	bu	642.80	27.90	8.75	39.73	<input type="checkbox"/>					

Figure 61ad, Multiple Crop Enterprises Using APH Yield and Applicant Records

Crop Enterprises													
Disaster Year	Yield per Acre	STO Price	APH Yield	Override	-1 Year		-2 Year		-3 Year		Normal Year Yield	% Loss	Total Loss
					Yield per Acre	Source	Yield per Acre	Source	Yield per Acre	Source			
100	1.5	80	0	<input checked="" type="checkbox"/>	3.5	Applicant	4	Applicant	3.5	Applicant	3.67	59.09	17,349.09
42.80	27.90	8.75	39.73	<input type="checkbox"/>							39.73	29.78	66,537.83
											Total		83,886.93

Figure 61ae, Multiple Crop Enterprises Total Loss Calculations

- CLICK “**Physical Losses**” link to add information for all physical losses--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*-13 Emergency Loan Calculations (Continued)

- CLICK “Add” to display fields to enter loss information and CLICK “Save” to save the data.

Physical Losses	
Description	Amt
Harvested / Stored Crops	Add
Total	0
Farm Buildings and Other	Add
Total	0
Livestock	Add
Total	0
Total Losses	0

Figure 61af, Physical Losses

Physical Losses	
Description	Amt
Harvested / Stored Crops	Add
<input type="checkbox"/> Replanting Alfalfa	5,000
Total	5,000
Farm Buildings and Other	Add
Total	0
Livestock	Add
Total	0
Total Losses	5,000

Figure 61ag, Add Physical Loss Information

- CLICK “Disaster Compensation/Insurance” link to add information
- CLICK “Add” to display fields to enter information and CLICK “Save to save the data

Disaster Compensation / Insurance	
Description	Amt
Production Loss	Add
Total	0
Physical Loss	Add
Total	0

Figure 61ah, Disaster Compensation/Insurance

Disaster Compensation / Insurance	
Description	Amt
Production Loss	Add
<input type="checkbox"/> Crop Insurance	10,000
Total	10,000
Physical Loss	Add
Total	0

Figure 61ai, Adding Information

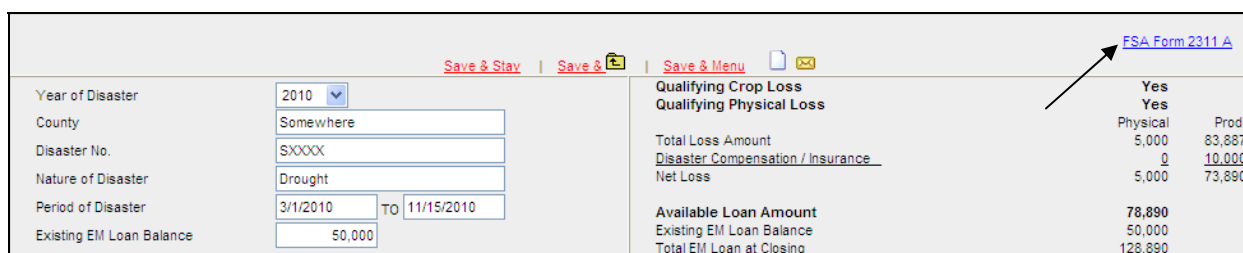
- CLICK “Completed By” link at the bottom of FSA-2311A to eSign.--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

*-13 Emergency Loan Calculations (Continued)

To print FSA-2311A, CLICK “**FSA Form 2311A**” in the upper-right corner or from the Reports Setup Menu on the toolbar.



Save & Stay Save & [Icon] Save & Menu [Icon] [Icon]		FSA Form 2311 A	
Year of Disaster	2010	Qualifying Crop Loss	Yes
County	Somewhere	Qualifying Physical Loss	Yes
Disaster No.	SXXXX		Physical Prod.
Nature of Disaster	Drought	Total Loss Amount	5,000 83,887
Period of Disaster	3/1/2010 TO 11/15/2010	Disaster Compensation / Insurance	0 10,000
Existing EM Loan Balance	50,000	Net Loss	5,000 73,890
		Available Loan Amount	78,890
		Existing EM Loan Balance	50,000
		Total EM Loan at Closing	128,890

Figure 61aj, Completed FSA-2311A

Notes: The Farm Loan Programs Systems, “FLPS”, web site contains several examples of completed FSA-2311A. Select “Manuals”, “Training Manuals”, and “**EM Loss Loan Calculation Examples**” to view the completed FSA-2311A’s.

Signature requirement: eSignature required.--*

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.

Balance Sheet

Rubin, Steven
Balance Sheet For 2007 As Of 1/1/2007

Display Secondary Column
Add / Modify / Delete

Save & Stay | Save & [icon] | Save & Menu [icon]

Ratios
Primary: Value

Current Assets		Current Liabilities	
Cash & Equivalents	12,000	Accounts Payable	
Marketable Bonds & Securities	0	Income Taxes Payable	0
Accounts Receivable	0	Real Estate Taxes Payable	1,000
Crop Inventory	660	Other Current Liabilities	4,000
Growing Crops	540	Current Notes Payable - FSA	0
Market Livestock & Poultry	0	Current Notes Payable - Other	12,500
Livestock Products	0	CCC Loans	0
Prepaid Expenses & Supplies	0	Cur. Portion Term Debt - FSA	0
Other Current Assets	0	Cur. Portion Term Debt - Other	5,600
Total Current Assets	13,200	Accrued Interest	0
Intermediate Assets		Total Current Liabilities	24,880
Machinery & Equipment	65,000	Intermediate Liabilities	
Farm Vehicles	15,000	Intermediate Term Debt - FSA	0
Raised Breeding Stock	9,500		

Figure 62

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

E-Mail Update -- Web Page Dialog

You must have a valid e-mail address listed in your user account in the form 'user@subdomain.domain' to use this functionality!

Please enter your e-mail address below for validation.

E-Mail address

OK Cancel

http://test.onlineequity.com/fileman: Trusted sites

Figure 63

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

FLP Rates

A Interest Rates for FLP's

--The following provides interest rates for FLP's as of December 1, 2011.--

Loan Type	Current Rate (%)	Date Set
Rural Housing - Farm Loan Purposes		
Note: For the current interest rate, contact the National Office.		
Operating	*--1.50	12/1/11--*
Operating – Limited Resource	5.00	12/1/90
Farm Ownership and Conservation Loans	*--3.375	12/1/11--*
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	*--3.375	12/1/11--*
Soil and Water – Limited Resource	5.00	7/1/92
Recreation – Individual	*--3.375	12/1/11
Farmer Program – Homestead Protection	3.375	12/1/11
Shared Appreciation Amortization	2.375	12/1/11
Softwood Timber Loans	3.375	12/1/11
Economic Emergency – Operating	1.50	12/1/11
Economic Emergency – Real Estate	3.375	12/1/11--*
Emergency – Amount of Actual Loss	3.75	1/25/94
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	*--6.00	12/1/11
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	4.875	12/1/11
Emergency – Annual Production	4.875	12/1/11
Nonprogram - Chattel Property	4.875	12/1/11
Nonprogram - Real Property	6.00	12/1/11
Apple Loans	0.50	12/1/11
Association – Grazing	3.375	12/1/11
Association – Irrigation and Drainage	3.375	12/1/11--*
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://intranet.fsa.usda.gov/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)	*--0.120	12/1/11--*

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 November 4, 2011. 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