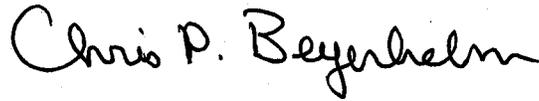


**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

<b>General Program Administration 1-FLP (Revision 1)</b>	<b>Amendment 85</b>
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**Approved by:** Deputy Administrator, Farm Loan Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Exhibit 15 has been amended to clarify existing instructions.

Exhibit 17 has been amended to provide interest rates for FLP's.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
		15, pages 98.13, 98.14 pages 116.5, 116.6 17, pages 1, 2



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- “Withdrawn”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.

-Greer 28200310160021021491 1, Pixie		Credit Action						
		Model Selection Filter		Select		Add		
		Save & Stay						
Description	Status	Application	Environmental	Farm Assmt.	Other	Credit Presentation	Security Agreement	
<input type="checkbox"/> 2010 OL - loan	Withdrawn	None	<a href="#">Environmental Checklist</a>	<a href="#">Farm Assmt.</a>	None	<a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Select</a>	
<input type="checkbox"/> 2005 Restructuring	Approved	None	<a href="#">Environmental Checklist</a>	<a href="#">Farm Assmt.</a>	None	<a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Security Agreement</a>	
<input type="checkbox"/> 2005 Restructuring	End	None	<a href="#">Environmental Checklist</a>	<a href="#">Farm Assmt.</a>	<a href="#">DALRS Input Rot.</a>	<a href="#">Cred. Pres. / Borr. Class.</a>	<a href="#">Security Agreement</a>	

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:** If a delay in loan closing is anticipated, such as when funding is limited, the forms do not need to be locked until loan closing. This allows for the input of any changes in the financial or farming situation that have occurred since loan approval. In no situation will a loan be closed without locking the forms used in the credit action. Do **not** delete any of the documentation that was used to make the original credit 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.

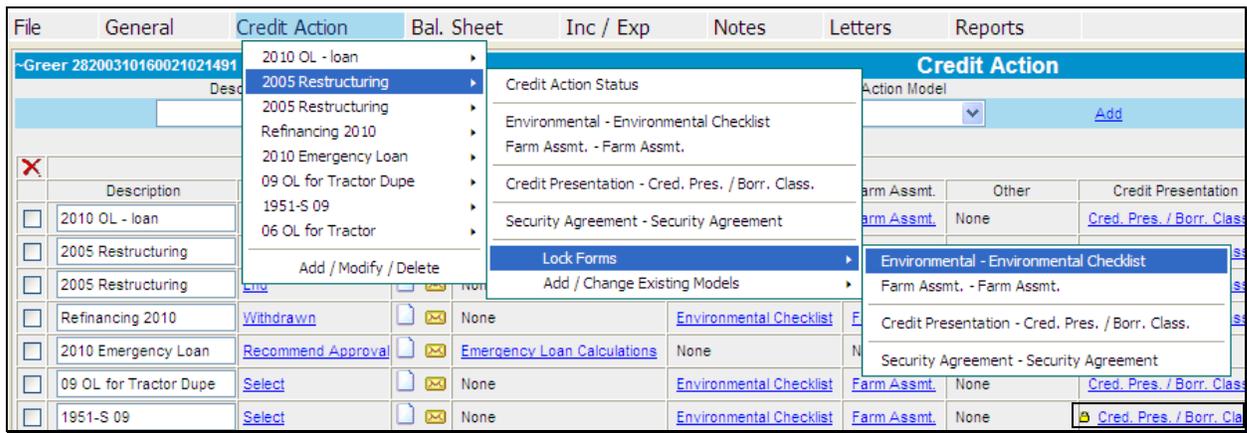


Figure 61k, Locking Forms

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.

\*--Notes: 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.

ENTER “N/A” in the text box of those assessment elements not completed according to paragraph 222.--\*

**Farm Business Plan - FSA User Guide (Continued)**

**J Credit Actions (Continued)**

**14 Microloan**

The “Microloan” credit action model should be used to process all application requests for a Microloan. For the documentation requirements, refer to 3-FLP.

To complete the Credit Presentation; CLICK “**Credit Action**”, [*Credit Action Name*], and “**Credit Presentation - Microloan**”. 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.

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**”.
- CLICK “**Update & **” to update the Credit Presentation.

Complete the Credit Presentation according to the following.

<b>Component</b>	<b>Details</b>
General Information, Credit Relationship	See <b>paragraph J 7 b</b> for instruction on completing these components.
Loan Narrative	*--Required documentation for the narrative should be completed in the Assessment. See paragraph 222 to determine which elements need to be completed.  ENTER “Refer to Assessment” in the narrative text box.  Use the text box to address any additional documentation that may be needed.--*
Collateral Analysis, Classification, Employment Information, Related Entities, Balance Sheet, Income Statement, Repayment Capacity	See <b>paragraph J 7 b</b> for instruction on completing these components.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

\*--14 Microloan (Continued)

Component	Details
Eligibility	<ul style="list-style-type: none"> <li>Answer the applicable eligibility questions with the radio buttons.           <div data-bbox="565 487 1063 961" style="border: 1px solid gray; padding: 10px; margin: 10px 0;"> <p style="text-align: center;"><b>General Loan Making Eligibility</b></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;"><b>Microloan Specific Eligibility</b></p> <p>Does customer meet the Microloan eligibility and/or conditions?</p> <p>ML managerial ability requirements? <input type="radio"/> Yes <input type="radio"/> No</p> <p>Total OL indebtedness within ML maximum limit? <input type="radio"/> Yes <input type="radio"/> No</p> </div> </li> </ul> <p><b>Figure 61ak</b></p> <ul style="list-style-type: none"> <li>When making these determinations, the loan official is certifying that the applicant <b>meets</b> the requirements for the eligibility criteria and/or conditions as outlined in the respective FSA handbook.</li> <li>Use the text box to address any additional program specific eligibility issues and/or conditions.</li> <li>The FSA loan official must <b>CLICK “Eligibility Determination”</b> to determine or recommend eligibility. See <b>paragraph J 7 b</b> for instruction on completing.</li> </ul> <div data-bbox="565 1444 1474 1585" style="border: 1px solid gray; padding: 5px; margin: 10px 0;"> <p style="text-align: center;"><a href="#">Eligibility Determination:</a> ←</p> <hr/> <p style="text-align: center; background-color: #0070C0; color: white; padding: 5px;"><b>Loan Narrative</b></p> </div> <p><b>Figure 61al</b></p>

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**FLP Rates**

**A Interest Rates for FLP's**

\*--The following provides interest rates for FLP's as of July 1, 2013.--\*

<b>Loan Type</b>	<b>Current Rate (%)</b>	<b>Date Set</b>
Rural Housing - Farm Loan Purposes		
<b>Note:</b> For the current interest rate, contact the National Office.		
Operating	1.250	6/1/13
Operating - Limited Resource	5.000	12/1/90
Farm Ownership and Conservation Loans	*--3.250	7/1/13--*
Farm Ownership - Limited Resource	5.000	4/1/86
Farm Ownership - Down Payment	1.500	5/22/08
Farm Ownership - Joint Financing	5.000	3/24/97
Soil and Water	*--3.250	7/1/13
Soil and Water - Limited Resource	5.000	7/1/92
Recreation - Individual	3.250	7/1/13
Farmer Program - Homestead Protection	3.250	7/1/13
Shared Appreciation Amortization	2.250	7/1/13
Softwood Timber Loans	3.250	7/1/13
Economic Emergency - Operating	1.250	6/1/13
Economic Emergency - Real Estate	3.250	7/1/13
Emergency - Amount of Actual Loss	2.250	6/1/13
Emergency - Major Adjustment: Subtitle A Purpose (Excess of Loss)	5.750	7/1/13
Emergency - Major Adjustment: Subtitle B Purpose (Excess of Loss)	4.750	7/1/13
Emergency - Annual Production	4.750	7/1/13
Nonprogram - Chattel Property	4.750	7/1/13
Nonprogram - Real Property	5.750	7/1/13
Apple Loans	0.375	7/1/12
Association - Grazing	3.250	7/1/13
Association - Irrigation and Drainage	3.250	7/1/13--*
Indian Land Acquisition	5.000	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](mailto: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)	*--0.140	7/1/13--*

**Notes:** The 90-Day Treasury Bill rate is entered in eDALR\$ as the “Discount Rate” and is used to calculate present value and net recovery value.

The treasury judgment rate is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961). The rate is based on the weekly average 1-year CMT yield published by the Federal Reserve System, Board of Governors. The rate shown is the most current rate posted to the Federal Reserve web site and is dated the \*--week ending May 31, 2013. 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](http://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