

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

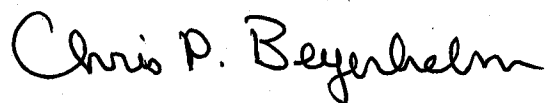
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**General Program Administration  
1-FLP (Revision 1)**

**Amendment 90**

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



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 4 C has been amended to update LMD contacts.

Subparagraph 5 D has been amended to update FLOO contacts.

Subparagraphs 22 A and C have been amended to provide when FLC changes a new delegation of authority is not required.

Subparagraphs 23 B and C have been amended to update the delegations to State Office and Service Center employees.

Paragraph 25 has been amended to update requirements for delegating loan approval authority to employees.

Subparagraph 26 D has been added to provide for delegations to AS, LOA, and LRS.

Subparagraph 27 E has been amended to provide guidance on failure to maintain loan approval authority.

Subparagraph 28 B has been added to address the completion of the appropriate continuing education requirements.

The following subparagraphs have been amended to provide important 2013 calendar year-end dates:

- 49 E
- 50 E
- 52 J.

Subparagraph 50 B has been amended to provide how to access the GLS User Guide.

Subparagraph 52 E has been amended to provide how to submit information to FLOO.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

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

Exhibit 7, subparagraph B has been amended to update FLC, FLM, and SFLO delegations.

Exhibit 15 has been amended to clarify existing instructions and add new instructions for version 9.1.

- subparagraph A 11 g has been amended to add a new credit report error message
- subparagraph B 3 a has been amended to add new instructions and screen prints for attaching footnotes and comments
- subparagraph B 4 a has been amended to add instructions and screen prints for the new Print Manager enhancement
- subparagraphs C 5 and J 3 have been amended to add new instructions for copying information into word pads
- subparagraphs D 2 and F1 have been amended to add instructions and screen prints for the new Trends Manager enhancement
- subparagraph D 5 has been amended to add instructions and screen prints for the new Balance Sheet Trends enhancement
- subparagraph D 9 c has been amended to add instructions and screen prints for the new Personal Liabilities to Owner Withdrawals enhancement
- subparagraph F 4 has been amended to add instructions and screen prints for the new Income/Expense Trends enhancement
- paragraph I has been amended to update collateral analysis screen prints.

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

**Amendment Transmittal (Continued)**

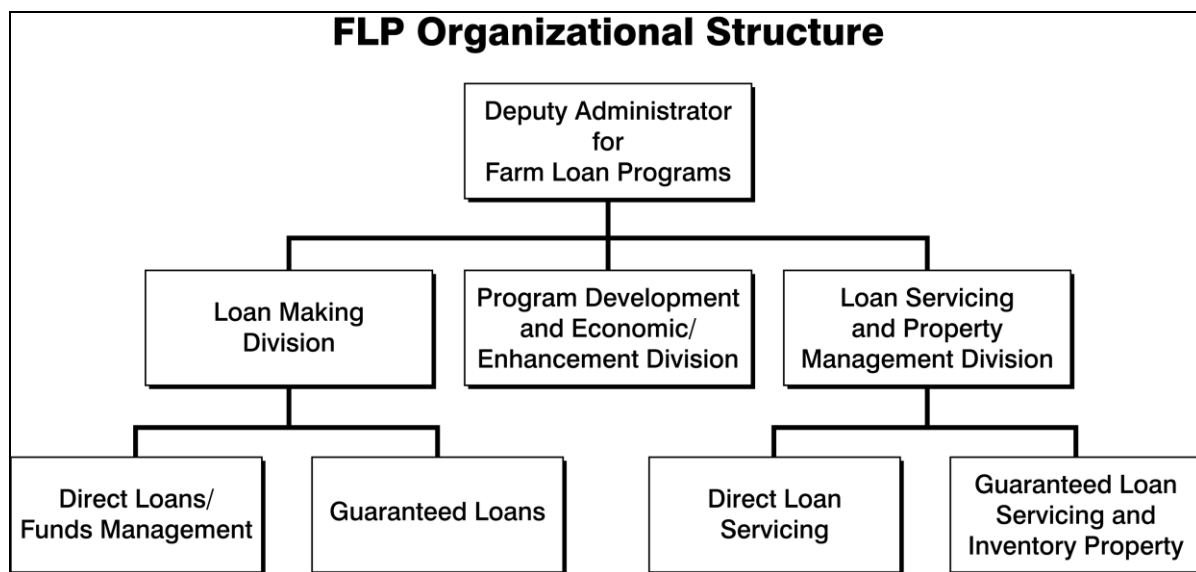
<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	1-7, 1-8 1-13 2-1 through 2-4 2-7 through 2-18 3-27 through 3-30 3-33, 3-34 3-39, 3-40	1, pages 1-4 page 5 4, page 1 7, pages 1, 2 15, pages 1-6 pages 21, 22 pages 22.5, 22.6 (add) pages 33, 34 pages 34.5, 34.6 pages 34.7-34.10 (add) pages 35, 36 pages 36.5, 36.6 (add) pages 37, 38 pages 45, 46 pages 46.5-46.10 pages 46.11-46.14 (add) pages 47-52 pages 66.5-66.14 pages 66.15, 66.16 (add) pages 67, 68 pages 85-88 pages 91-98 pages 98.5-98.10 pages 98.13-98.22 pages 98.23, 98.24 (add) pages 99-104 pages 107-110 pages 113-116 pages 116.5, 116.6 17, pages 1, 2



## 4 FLP Organizational Structure

### A National Office FLP Organizational Structure

The following is the National Office FLP organizational structure.



### B Contacts for the Office of the Deputy Administrator

The following provides the address for the Office of the Deputy Administrator.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP STOP 0520 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0520	USDA FSA DAFLP ROOM 3605 SOUTH BUILDING 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0520

**Note:** County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

The following provides names, titles, and telephone and FAX numbers for the Office of the Deputy Administrator.

Office of the Deputy Administrator FAX Number 202-690-3573		
Name	Title	Phone Number
Chris Beyerhelm	Deputy Administrator	202-720-4671
James F. Radintz	Assistant Deputy Administrator	202-720-4671
***	***	***
Lisa Slade	Secretary to the Deputy Administrator	202-720-4671
***	***	***

4 **FLP Organizational Structure (Continued)****C LMD Contacts**

The following provides names, address, and telephone and FAX numbers for LMD.

<b>For USPS delivery</b>	<b>For FedEx or UPS delivery</b>
USDA FSA DAFLP LMD STOP 0522 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0522	USDA FSA DAFLP LMD ROOM 3629 SOUTH BUILDING 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0522

**Note:** County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

<b>LMD FAX Number 202-720-6797</b>		
<b>Office of the Director</b>		
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>
* * *	* * *	* * *
Kenneth Hill	Assistant to the Director	202-720-5199
Shanita Staten	Program Assistant	202-720-3889
<b>Direct Loans/Funds Management Branch</b>		
Connie Holman	Branch Chief	202-690-0756
Sandra Hammond	Senior Loan Officer	202-720-1647
Dan Jackson	Senior Loan Officer	202-720-0588
Joseph Marcoccia	Senior Loan Officer	202-401-0087
Mike Moore	Senior Loan Officer	202-690-0651
Jerry Moseman	Senior Loan Officer	202-690-4006
Carrie Novak	Senior Loan Officer	202-720-1643
Ann Smith	Senior Loan Officer	202-720-1656
Anne Steppe	Senior Loan Officer	202-690-4017
<b>Guaranteed Loans Branch</b>		
Randi Sheffer	Branch Chief	202-205-0682
Steve Ford	Senior Loan Officer	202-304-7932
Brad Johnson	Senior Loan Officer	202-720-5847
Tracy Jones	Senior Loan Officer	202-720-6771
Trent Rogers	Senior Loan Officer	202-720-1657

## 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.

<b>Loan Servicing Group 2 – ECM FAX Number 314-457-4539</b>			
<b>Name</b>	<b>Title</b>	<b>Phone Number</b>	<b>State Assignments</b>
Stokes, Deborah	Group Chief	314-679-6840	
* * *	* * *	* * *	
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
Harris, Timothy	Accounting Technician	314-679-6843	AK, HI, ND, TX, WP, VI
Lee, Barbara	Accounting Technician	314-679-6846	NM, PR, SD
Logan, Kyle	Accounting Technician	314-679-6847	OK, PA, VA, WV
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)





**Part 2 FLP Authorities****21 Overview****A Purpose**

This Part provides information and guidance on:

- FSA's authority to administer FLP
- delegating loan approval, loan servicing, and appraisal authorities
- redelegating SED authority
- maximum loan approval authority by grade and position
- maximum loan limits.

**B Program Authority**

CONACT, Section 339 provides the Secretary of Agriculture authority to issue regulations and make delegations of authority as necessary to administer FLP. The Secretary delegated FLP authorities to the Under Secretary for FFAS in 7 CFR 2.16. The Under Secretary further delegated these authorities to the FSA Administrator in 7 CFR 2.42. The Administrator delegates authorities to SED's, as applicable.

**[7 CFR 761.1] (a) The Administrator delegates the responsibility to administer Farm Loan Programs of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) to the Deputy Administrator for Farm Loan Programs subject to any limitations established in 7 CFR 2.16 (a) (2) and 7 CFR 2.42.**

**(b) The Deputy Administrator may:**

- (1) Redelegate authorities received under subparagraph (a); and**
- (2) Establish procedures for further redelegation of authority.**

CONACT, Section 376 provides the Secretary of Agriculture authority to use CED's to make and service FLP loans to the extent CED's have been trained to do so.

## 22 General Delegation Requirements

### A General Provisions

The following general provisions apply to FLP delegations of authority.

- SED shall consult with FLC before issuing, revising, or revoking delegations of authority.
- Authority should be delegated to the lowest level possible, consistent with employee training and experience, program requirements, and available resources.
- All delegations of authority must be in writing; the format provided in subparagraph B may be used.

**Note:** When a delegation is made to a specific individual, a specific memorandum must be sent to that person, with copies maintained in the appropriate files. However, if SED delegates a position, such as “All District Directors” or “All FLP Specialists”, then a State Supplement to the handbook should be issued establishing the delegation. Only positions should be used and not individual names.

- An employee who has been delegated an authority listed in Exhibit 7, may not redelegate their authority to another employee.

**Note:** This does not apply when designating acting officials.

- Once authority is delegated, it is retained until revised or revoked according to subparagraph C.

**Notes:** See subparagraph 27 A for information about the impact of a change in grade or position on loan approval authority.

\*--A new delegation of authority is not required when SED, FLC, or FLM who issued the original delegation changes. The new SED, FLC, or FLM may--\* modify delegations according to subparagraph C.

## 22 General Delegation Requirements (Continued)

### B Sample Delegation Letter

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

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

\*--SED, FLC, 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 or FLC 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. FLC may delegate authorities in Exhibit 7, subparagraph B to AS, LOA, or LRS, who have demonstrated experience and have received adequate training.

### 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, LOA, 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.

**24 Delegating Appraisal Authority**

**A General Requirements**

Only SED's may delegate appraisal authority according to Exhibit 7, subparagraph A. SED's may delegate appraisal authority to FSA employees who have completed the required training and have the necessary experience.

**B Chattel Appraisals**

SED may delegate chattel appraisal authority to employees who have completed the training requirements in subparagraph 145 A.

**C Real Estate Appraisals Involving Transactions of \$100,000 or Less**

SED may delegate authority to prepare real estate appraisals when the total credit transaction is less than \$100,000 to employees who have completed the training requirements in subparagraph 146 C.

**D Administrative Appraisal Reviews**

SED may delegate authority to complete administrative appraisal reviews to employees who have completed the training requirements in subparagraph 143 B.

## 25 Delegating Loan Approval Authority

### A Receiving Approval Authority

\*--Loan approval authority must be obtained by:

- employees hired as FLO's
- employees who have not been previously delegated loan approval authority and are selected for a DD or FLS position
- CED's designated to obtain loan approval authority according to subparagraph C.

To obtain loan approval authority, employees must:

- complete Phase 1 of the FLOT program according to 6-PM, Part 13
- complete Phase 2 of the FLOT program by submitting the following number of independently prepared files that meet the State-established credit quality standards.
  - FLM's, SFLO's, FLO's, and CED's must meet the State credit quality standards on a minimum of 5 files, but not more than 7 files, submitted to meet this requirement, of which at least 2 files must be term loans.
- FLOT's and CED's working toward obtaining loan approval authority shall:
  - be required to submit additional loan files meeting the State credit quality standards, until the trainee demonstrates the ability to make good credit decisions and analyze the operation proficiently

**Note:** The trainer, DD, and FLC will establish the number of files required.

- be placed on OTI or PIP, as appropriate, if the trainee fails to pass 3 of the maximum 7 independently prepared loan files

**Note:** If the trainee is placed on OTI or PIP because of failure to pass the independently prepared loan files, this action must be documented in the "Comments" section of FLOTRACK.

- submit, at the end of OTI or PIP, a new set of loan files that meet the State credit quality standards.

**Note:** If the trainee again fails to pass 3 of the maximum 7 independently prepared loan files, follow 6-PM, subparagraph 198 D to determine the next action.--\*

## 25 Delegating Loan Approval Authority (Continued)

### A Receiving Approval Authority (Continued)

- 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:** When recording trainee file reviews in FLOTRACK Docket information, note "File Review" in the "Comments" line.

- 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 include all of 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.

**\*--Document file substitutions for trainees in the "Comments" section of FLOTRACK.--\***

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 loan approval authority.

**Note:** For guidance on requesting an extension of time to complete Phase 1 or Phase 2, see 6-PM, subparagraph 198 B.

### B Failure to Receive Loan Approval Authority

Follow 6-PM, subparagraph 198 D if an employee whose position description requires the employee to obtain loan approval authority, does not successfully meet the criteria in subparagraph A.--\*

## 25 Delegating Loan Approval Authority (Continued)

**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
- \*--while completing the FLOT program and working toward obtaining loan approval authority, agrees to have added to the performance plan under Program Management, Execution of Duties, or similar element the following standard, "Successfully completes assigned training and training activities within established timeframes"--\*
- 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 FLOT program
- meets the requirements established in subparagraph A.

\*--CED's, who held FLP loan approval authority **within** the previous 12 months immediately before the SED designation, may submit a statement requesting waiver of additional training. SED, in consultation with FLC and DD, shall determine any training required before CED is delegated loan approval authority.

CED's, who held FLP loan approval authority but **not** within the previous 12 months immediately before the SED designation, must submit the number of independently prepared files required under subparagraph A. SED, in consultation with FLC and DD, shall evaluate the CED's knowledge of **current** FLP loan requirements, financial analysis, and FBP to determine required training before CED is delegated loan approval authority.--\*

**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.

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



## 25 Delegating Loan Approval Authority (Continued)

### D Circumstances for Designating CED's (Continued)

\*--FLM or SFLO is responsible for managing loanmaking and loan servicing activity in Service Centers considered to be Type 1 offices when CED with loan approval authority is headquartered in the office.--\*

- 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
- \*--that while CED is completing the FLOT program and working toward obtaining loan approval authority, has added to the performance plan under Program Management, Execution of Duties, or similar element the following standard, "Successfully completes assigned training and training activities within established timeframes".

### F National Office Approval for CED's Receiving Loan Approval Authority

SED's shall submit FSA-2127 to the National Office to request approval for all CED's designated to obtain loanmaking and loan servicing authority by e-mailing the completed FSA-2127 to Teresa Martin, National Office FLOT Coordinator, at **teresa.martin@wdc.usda.gov**.

The National Office FLOT Coordinator will notify SED when DAFO and DAFLP approval has been granted.--\*

## 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.

**26 Delegating Loan Servicing Authority (Continued)****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.

**\*--D Delegations to AS, LOA, and LRS**

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

**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 whether 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 case files on which CED completed loan servicing actions.

### E Failure to Maintain Loan Approval Authority

Follow appropriate PM directives for guidance if an employee, whose position description requires the employee to maintain loan approval authority, does not successfully meet the criteria in subparagraphs C and D.--\*

## 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.

## 28 Establishing Credit Quality Standards (Continued)

### \*--B Continuing Education Requirements

Beginning in FY 2014, FLP continuing education shall become mandatory annual training for all employees with loan approval authority. SED shall:

- add the requirement for completing continuing education to the State supplement that addresses the State's credit quality standards
- monitor AgLearn to ensure that all mandatory training for employees with loan approval authority has been completed at the time credit quality reviews are conducted.

**Note:** Failure to complete the required continuing education courses will result in a failed credit quality review.--\*

## 29 Maximum Loan Authorities

### A OL, FO, CL, and EM Program Loan Limitations

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

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

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

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

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

**Notes:** FY 2014 loan limit is \$1,355,000.

This limit includes land contract guarantees.

## 29 Maximum Loan Authorities (Continued)

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

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

**Notes:** FY 2014 loan limit is \$1,355,000.

This limit includes land contract guarantees.

#### (2) Operating loans:

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

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

**Note:** FY 2014 loan limit is \$1,355,000.

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

**Note:** FY 2014 loan limit is \$1,355,000.

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

**Notes:** FY 2014 loan limit is \$1,355,000.

This limit includes land contract guarantees.

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

**Notes:** FY 2014 loan limit is \$1,655,000.

This limit includes land contract guarantees.

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

## 29 Maximum Loan Authorities (Continued)

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

**Notes:** FY 2014 loan limit is \$2,155,000.

This limit includes land contract guarantees.

### **B Adjustment for Guaranteed Loans**

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

### **C Line of Credit Advances**

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

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

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

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

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

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

## 29 Maximum Loan Authorities (Continued)

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

Type of Loan	FLO			FLM, DD, FLS, FLC, or Senior FLO	SED
	GS-7	GS-9	GS-11	GS-11/12/13	
Maximum approval by assistance type – limitation I					
Guaranteed OL	\$100,000	\$200,000	\$400,000	\$700,000	*--\$1,355,000
Direct OL	\$50,000	\$100,000	\$175,000	\$225,000	\$300,000
Guaranteed FO+SW+CL	\$0	\$175,000	\$400,000	\$700,000	\$1,355,000
Land Contract Guarantee	\$0	\$125,000	\$150,000	\$225,000	\$500,000
Direct FO+SW+CL	\$0	\$125,000	\$150,000	\$225,000	\$300,000
Direct EM	\$50,000	\$100,000	\$150,000	\$300,000	\$500,000
Maximum approval for combined assistance types – Limitation II					
OL Total Direct & Guaranteed	\$100,000	\$200,000	\$400,000	\$700,000	\$1,355,000
FO+CL+SW+ Land Contract Total Direct & Guaranteed	\$0	\$200,000	\$400,000	\$700,000	\$1,355,000
Total approval for multiple assistance types – Limitation III					
OL+FO+CL+SW+ Land Contract Total Direct and Guaranteed	\$0	\$400,000	\$550,000	\$850,000	\$1,655,000
Total Guaranteed	\$100,000	\$400,000	\$550,000	\$850,000	\$1,355,000
Total approval for FO, CL, OL, EM and Land Contract – Limitation IV					
OL+FO+CL+SW+EM+ Land Contract Total Direct and Guaranteed	\$0	\$400,000	\$550,000	\$850,000	\$2,155,000--*

SED, in consultation with FLC, may raise the loan approval authority limits for FLM's and senior FLO's who routinely show a higher than average loanmaking proficiency by the following:

- direct loanmaking, increase up to an additional \$50,000
- guaranteed or a combination of direct and guaranteed loanmaking, increase up to an additional \$200,000.

SED, after consulting with FLC, shall issue a State supplement establishing the method and standards, including what constitutes higher than average proficiency, for monitoring and evaluating the basis for raising loan approval authorities. This State supplement must be submitted for preapproval.

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



## 49 DLS

**\*--A DLS Uses--\***

DLS is the required system for loanmaking and \* \* \* loan servicing information and activities.

DLS:

- tracks each loan request in an application package from receipt to final disposition
- obligates loans through its interaction with PLAS
- submits check/EFT requests through PLAS
- submits loan closings to PLAS
- provides an interactive tasks checklist
- monitors the disbursement of loan funds
- provides reports of loanmaking activities and processing timeframes
- tracks routine loan servicing activities, and timeframes
- has automated follow-up reminders to assist County Office employees in meeting deadlines for routine loan servicing activities
- provides loan account information, such as principal and interest amounts, and account flags
- provides the ability to manage case numbers and mail codes for customer accounts
- warehouses information for reporting purposes
- has automated reporting capabilities.

The National Office uses DLS data in reports to Congress, CR, and FSA senior management. In addition, the data is used to determine whether FSA loan servicing goals are being/have been met.

## 49 DLS (Continued)

**B User Assistance**

The DLS Loanmaking and Loan Servicing User's Guides can be referenced for any specific questions. They may be obtained by accessing the FLP web site's manuals page located \*--at <https://amistad.sc.egov.usda.gov/flp/IndexServlet> and then selecting manuals on the--\* left navigation bar.

**C Maintaining and Updating DLS**

FCAO is responsible for computer implementation and upgrades. The National Office is responsible for user requirements, updates to accommodate regulatory and statutory changes, and other revisions as needed. State and County Office employees are responsible for data entry of customer and loan information as it is received.

**D Security**

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

**\*--E Important Calendar Year 2013 Year-End Dates**

Various transactions are suspended or disabled as needed to perform calendar year-end activities. The following dates are applicable to the availability of DLS.

Action	Date	
<b>Loan Activity Cutoff</b> – the last day that loan activity dated in calendar year 2013 can be processed to be reflected on FSA-2065 for 2013 and related IRS forms	Wednesday, January 8, 2014	
Transactions, Suspension, and Enabled Dates		
Transactions	Suspension Date	Enabled Date
<ul style="list-style-type: none"><li>• TC 4A</li><li>• TC 4D</li><li>• SCIMS to PLAS data upload to create TC 4C</li></ul> <p><b>Notes:</b> SCIMS data <b>must</b> be entered by December 26, 2013, to generate TC 4C on December 27, 2013.</p> <p>Until TC 4A and TC 4D are enabled, do <b>not</b> use the following DLS sections:</p> <ul style="list-style-type: none"><li>• Transfer and Assumption</li><li>• Manage case number under Customer Management.</li></ul>	December 27, 2013	January 10, 2014

--\*

**50 GLS****A Purpose and Overview**

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

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

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

**B GLS User Assistance**

\*--For specific guidance, the GLS User Guide can be found by doing either of the following:

- logging in the GLS web site using required eAuthentication permissions and selecting "Help"
- selecting the GLS User Guide from the Farm Loan Programs Home Page.--\*

## 50 GLS (Continued)

**C Responsibility for Maintaining and Updating GLS**

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

**D Security**

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

**\*--E Important Calendar 2013 Year-End Dates**

Various transactions are suspended or disabled as needed to perform calendar year-end activities. The following dates are applicable to the availability of GLS.

Action	Date	
<b>Loan Activity Cutoff</b> – the last day that loan activity dated in calendar year 2013 can be processed to be reflected on 2013 IRS forms.	Friday, December 27, 2013	
Transactions, Suspension, and Enabled Dates		
Transactions	Suspension Date	Enabled Date
<ul style="list-style-type: none"><li>• TC 4A</li><li>• TC 4C</li><li>• TC 4D</li></ul> <p><b>Note:</b> Transactions for Debt Offset Collection, Refund, and Write-off maintenance <b>cannot</b> be processed during this period.</p>	December 27, 2013	January 10, 2014

--\*

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

ADPS Online Help is:

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

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

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

**D Requesting Changes to the User Documentation**

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

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

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

\*--When submitting transaction information through ECM to FLOO, the authorized agency--\* official must retain the original documents, screen printouts, and transmittal letters. These will be filed in the case folder after verifying that the transaction has been processed.

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

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

**F Using “OK to Apply Codes”**

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

**G Processing Schedule**

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

## 52 ADPS (Continued)

## \*--I ADPS and DLS TC's and Titles (Continued)

TC	Title
5S <u>1</u> /	Record Debt Set-Aside
5S <u>2</u> /	Record Disaster Set-Aside
5T <u>1</u> /	Reverse Debt Set-Aside
5T <u>2</u> /	Cancel Disaster Set-Aside
5W <u>2</u> /	Record Loan Deferral
5X <u>1</u> /	Reverse Loan Deferral Expiration/Cancellation
5Y <u>2</u> /	Cancel Loan Deferral
8H <u>1</u> /	Split/Combine Loans - Account Status
8M	Limited Resource Loan Review
8N	Record Borrower/Loan Classification Data
8P	Acquired Property - Subdivision
8R <u>2</u> /	Interest Rate Adjustment
9E	Suspend Code - Acquired Property
9G <u>2</u> /	Change in Borrower/Property Mail Code
GA(4030)	Guaranteed Loan Closing Report
GB(4031)	Request Interest Assistance Payment
HA(4930) <u>1</u> /	Reverse a Guaranteed Loan Closing Report
HB(4931) <u>1</u> /	Reverse/Adjust a Subsidy Payment

1/ Transactions processed by FLOO only.

2/ Transactions processed through DLS to PLAS.--\*

## 52 ADPS (Continued)

**\*--J Important Calendar 2013 Year-End Dates**

Various transactions are suspended or disabled as needed to perform calendar year-end activities. The following dates are applicable to the availability of ADPS.

Action	Date	
<b>Loan Activity Cutoff</b> – the last day that loan activity dated in calendar year 2013 can be processed to be reflected on FSA-2065 for 2013 and related IRS forms	Wednesday, January 8, 2014	
<b>Availability of ADPS Terminals</b>		
<b>Holiday Schedule:</b> Terminals available until 3 p.m. c.t. because of the holiday	Tuesday, December 24, 2013 (no update) Tuesday, December 31, 2013	
<b>Transaction Processing:</b> Terminals will be available to provide additional time for initial transaction entry and discrepancy correction before preparing the Annual Statements.	Saturday, January 4, 2013 Terminals available from 6 a.m. to 3 p.m. c.t.	
<b>Loan Activity Cutoff:</b> Transactions recorded through the terminals after the Loan Activity Cutoff, will be scheduled for update on the evening of January 8, 2014.	Wednesday, January 8, 2014 Terminals available from 6 a.m. to 7 p.m. c.t.	
<b>Transaction suspension/Enabled Dates</b>		
Transactions	Suspension Date	Enabled Date
TC 4A TC 4C TC 4D TC 4F TC 4G TC K4	December 27, 2013	January 10, 2014

--\*



## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

This table lists the required reports of this handbook.

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

### Forms

This table lists all forms referenced in this handbook.

<b>Number</b>	<b>Title</b>	<b>Display Reference</b>	<b>Reference</b>
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		Ex. 35
CCC-257	Schedule of Deposit		Ex. 35
FmHA 2006-21	Information Systems Management (ISM) Request for Changes to User Documentation		52
FSA-13-A	Data Security Access Authorization Form		53, 54, Ex. 15
FSA-137	Address Information Request		46
FSA-159	Request for Supplies, Forms, and/or Publications		Ex. 17
FSA-470	Tractor Feed Post Card for Metered Postage		46
FSA-603	Collection Register for State and County Offices		Ex. 35
FSA-851	Environmental Risk Survey Form		Ex. 35
FSA-2001	Request for Direct Loan Assistance		44, 47, 48, Ex. 35
FSA-2007	Statement Required by the Privacy Act for Non-Applicants		48
FSA-2037	Farm Business Plan Worksheet Balance Sheet		Ex. 15
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		Ex. 15
FSA-2040	Agreement and Record of the Disposition of FSA Security/Release of Proceeds		262, 263, Ex. 7, 35
FSA-2065	Annual Statement Loan Account		49, 52
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation		169
FSA-2101	DD FLP Oversight Report Guide		443
FSA-2103	Direct Loan Making File Review Questionnaire		28

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

## Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2104	Guaranteed Loan Making File Review Questionnaire		28
FSA-2119	Delinquent Borrower Servicing File Review Questionnaire		28
FSA-2120	Moratorium Notice		41
FSA-2121	Termination of Moratorium		41
FSA-2125	Farm Loan Program County Information File Changes		46
FSA-2126	Program Loan Cost Expense (PLCE) Request (Non-Contractuals only)		162, 166-169
FSA-2127	Request for CED FLP Loan Approval Authority		25
FSA-2139	Notification of Exemption From Requirement to Provide Social Security Number		102
FSA-2140	Deposit Agreement		101, 102, Ex. 15
FSA-2141	Interest-Bearing Deposit Agreement		102
FSA-2142	Statement of Deposits and Withdrawals		103
FSA-2144	Designated Financial Institution Pledge of Collateral		102
FSA-2145	Demand for Withdrawal of Supervised Bank Account Funds		103
FSA-2150	Development Plan		122, 125
FSA-2153	Release by Claimants		122
FSA-2154	Release by Contractor		122
FSA-2160	Appraisal of Chattel Property		142
FSA-2161	Appraisal Report - Agricultural Tract		142
FSA-2162	Real Estate Sales Data		142
FSA-2163	Supplemental Forms-Agricultural Appraisal		142
FSA-2164	Appraisal for Mineral Rights		142
FSA-2165	Administrative Appraisal Review		143
FSA-2166	Technical Appraisal Review and Certification		143
FSA-2167	Administrative Appraisal Review for Chattel Appraisals		143
FSA-2171	Substitute Invoice		167, 169
FSA-2172	Request for Emergency Payment		169
FSA-2173	Foundation Financial Information System (FFIS) Vendor Code Request		166, 167
FSA-2198 <u>1/</u>	Claimants With Closed Settlement Claims With No Appeal Hearing in Suspension		Ex. 13.5
FSA-2199 <u>1/</u>	Claimants With Closed Settlement Claims With Appeal Hearing in Suspension		Ex. 13.5
FSA-2201	Lender's Agreement		47, Ex. 35
FSA-2211	Application for Guarantee		44, 47

1/ Contact Jenny Breece at 202-720-4572 to obtain FSA-2198 and FSA-2199.

## 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-2311A	Emergency Loan Calculations		Ex. 15
FSA-2313	Notification of Loan Approval and Borrower Responsibilities		202
FSA-2314	Streamlined Request for Direct OL Assistance		48
FSA-2318	Agreement for Disposition of Jointly-Owned Property		Ex. 35
FSA-2330	Request for Microloan Assistance		44, 48
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](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>
ACCP	accelerated payment	169
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
AS	Agricultural Specialist	23, 26, Ex. 7
BIR	Business Information Report	48
BPA	Blanket Purchase Agreement	161, 162, 165
BOPR	Borrower Property Table	162, 166
CCR	Central Contractor Registration	162, 165
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
DUNS	Data Universal Numbering System	43
ECM	Enterprise Content Management	5, 52
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 and Home Plan	Ex. 15
FISMA	Federal Information Security Management Act	Ex. 15
FLOTRACK	Farm Loan Officer Trainee Tracking System	25
FLPRA	Farm Loan Programs Risk Assessment	Part 9
FmHA	Farmers Home Administration	2
FMMI	Financial Management Modernization Initiative	162, 163, 164, 165, 166, 168, 169
ISA	installment set-aside	Ex. 15
ITLAP	Indian Tribal Land Acquisition Program	2, Ex. 16

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

## Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
LOA	Loan Analyst	23, 26, Ex. 7
LOC	line of credit	29
LR	limited resource	Ex. 15
LRS	Loan Resolution Specialist	23, 26, Ex. 7
MADS	margin after debt service	Ex. 15
ML	microloan	222, 223, 242
OA	Office of Adjudication	41, Ex. 12, 18
OTI	Opportunity to Improve Plan	25, 27
PAC	Program Authority Code	162, 164, 167
PARLC, LAO (FFIS Team)	Policy, Accounting, Reporting, and Loan Center, Loan Accounting Office	167, 168
PIP	Performance Improvement Plan	25, 27
PLP	Preferred Lender Program	29, 43, 143
PLS	Primary Loan Servicing	25, 27, 29, 144
RCI	recoverable cost items	Ex. 15
SALP	Special Apple Loan Program	2, 29
SAM	System for Award Management	43, 166
SDMS	State Directives Management System	403
SEL	standard eligible lender	43
SLR	Security Liaison Representative	53, Ex. 14
TC	transaction code	46, 52, Ex. 14
TDCLC	term debt capability lease coverage	252
TDLCR	term debt and capital lease coverage ratio	Ex. 15
TY	payment voucher transaction	167-169
WEM	Web Equity Manager	Ex. 15
YEA	year-end analysis	Ex. 15
ZMY	Obligating document or purchase order created in FMML.	167-169

## Redelegations of Authority

SED's may redelegate their:

- loan approval authority to FLC, FLS, or DD
- authority to allow the use of a restricted appraisal report to the designated State staff appraiser.



**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.
*--28 B	Include the requirement for completing continuing education in the State's credit quality standards.
29 D	Establish method and standards for raising the loan approval authority limits for FLM's and SFLO's who routinely show a higher 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>
162 D	Guidance on PLCE funds allocated to State Offices.
242 A	<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 248 A.

### \*--B FLC/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.

\*--

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

--\*

**Delegating FLP Authority (Continued)**

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

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

with **Web EQUITY MANAGER®**

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A component of *eLoans*

## FSA User Guide



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



Farm Service Agency

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

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

### **A Overview**

#### **1 Farm Business Planning**

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

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

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

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

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



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

### A Overview (Continued)

#### 11 Credit Reports (Continued)

##### f Failed Attempt (Continued)

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

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

\*--

The screenshot shows the 'Credit Report Information' form. At the top, there are links: 'GET CREDIT REPORT NOW', 'Copy From Locator', and 'Save Only'. Below these are radio buttons for 'Single' and 'Merged' (selected). Under 'Merged', there are three bureau options: Experian, Trans Union, and Equifax, each with a 'Get New Report' button. The form contains fields for Name (Alp), Address (5 Compliant Ave, Fantasy Island, IL 60750), Suffix, Joint Report? (Yes/No), Spouse Name (Kel), and Tax ID. A callout box points to a '±' icon above the 'Joint Report?' section with the text: 'CLICK “±” to display additional address fields.'

Notes	Merged	Experian	Trans Union	Equifax	NoHit Error	Retrieved By	Type
<input type="checkbox"/> Notes							STD
<input type="checkbox"/> Notes 2/6/2009	2/6/2009						STD
<input type="checkbox"/> Notes							STD
<input type="checkbox"/> Notes 5/14/2007 Error		X			X		STD
<input type="checkbox"/> Notes 9/28/2006	9/28/2006		9/28/2006	9/28/2006			STD

A callout box points to the '5/14/2007 Error' link in the table with the text: 'Click the report link to obtain information about the type of error that was generated.'

Figure 9e

The screenshot shows the 'Credit Report Information' form. At the top, there are links: 'GET CREDIT REPORT NOW', 'Copy From Locator', and 'Save Only' (circled). Below these are radio buttons for 'Single' and 'Merged' (selected). Under 'Merged', there are three bureau options: Experian, Trans Union, and Equifax, each with a 'Get New Report' button. The form contains fields for Name (Alp), Address (5 Compliant Ave, Fantasy Island, IL 60750), Suffix, Tax ID, Joint Report? (Yes/No), Spouse Name (Kel), and Tax ID. A callout box points to the 'Save Only' link with the text: 'Click the report link to obtain information about the type of error that was generated.'

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

House #, R.R., or P.O. Box #: 5 Street Direction: Standard Street Name: Compliant Ave  
Street Type: Apt #:

Figure 9f--\*

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

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

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

### A Overview (Continued)

#### 11 Credit Reports (Continued)

##### f Failed Attempt (Continued)

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

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

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

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

##### \*--g Error Messages

Occasionally, reports may display an error message in the upper-left corner of the report, as follows.

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

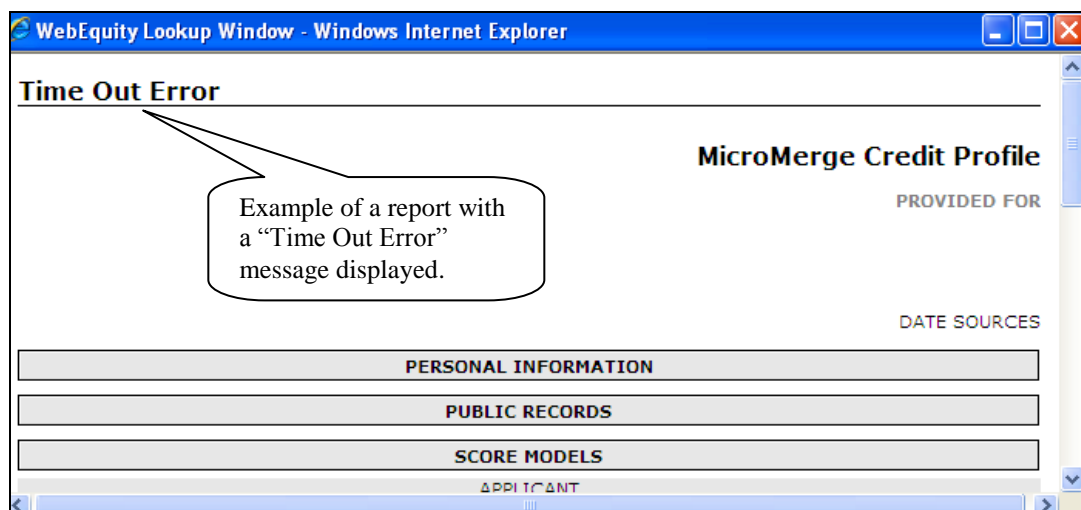


Figure 9g1--\*

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

### A Overview (Continued)

#### 11 Credit Reports (Continued)

##### g Error Messages (Continued)

- \*--“No Hit” message will be displayed when 1 or more of the credit bureaus do not have a file on the customer. The report is considered an acceptable report and a new credit report does not need to be pulled.

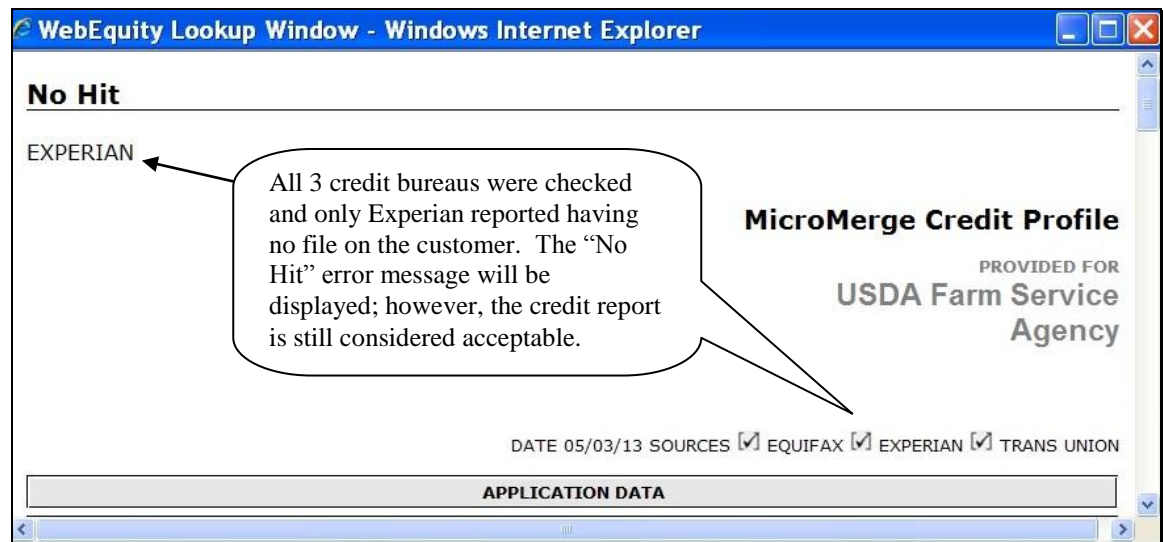


Figure 9g2--\*



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

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

#### 2 Running Record (Continued)

##### a FOIA Running Record

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

##### b Printing Running Records

\*--It is recommended that running records always be printed using the “Print Manager” option. Running case records will be printed and placed in the County Office file under the--\* following circumstances:

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

##### c Copying From Word Documents

Microsoft Word applies special formatting to word documents so that the text appears correctly. When copying to a WordPad in FBP, the text must be stripped of the formatting for the text to print correctly using the Microsoft Reporting Service (MRS) feature.

Copy text from Microsoft Word to the WordPad located in “Notes” according to the following:

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

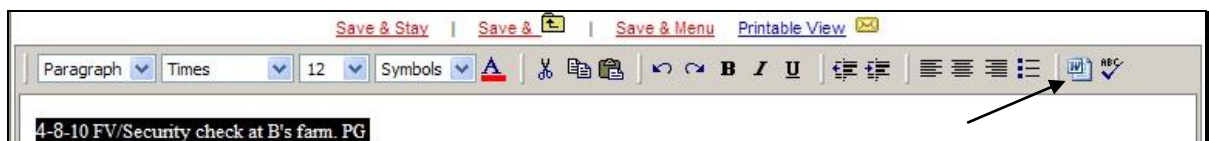


Figure 10c

**Note:** Bolding, tables, and bullet points will be removed during the “cleaning” process.

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

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

#### \*--3 Footnotes and Comments--\*

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

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

#### \*--a Printing Footnotes and Comments

To print footnotes and/or comments on a selected report, CLICK “**Reports**” and the “**Print Manager**” or “**Reports Setup**” options will be displayed, as follows.

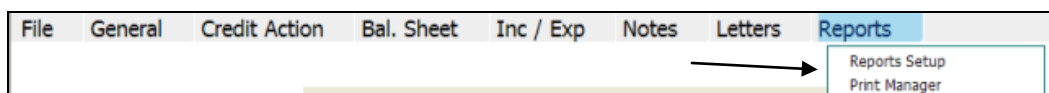


Figure 11a

**Option 1:** If users click “**Print Manager**” and click the “**Report Options**” tab, users can add comments or footnotes using the “**Comments**” or “**Footers**” drop-down menus. If users click “**Comments**”, the following “**Comments**” section will be displayed. CHECK (✓) the appropriate boxes to select the reports.

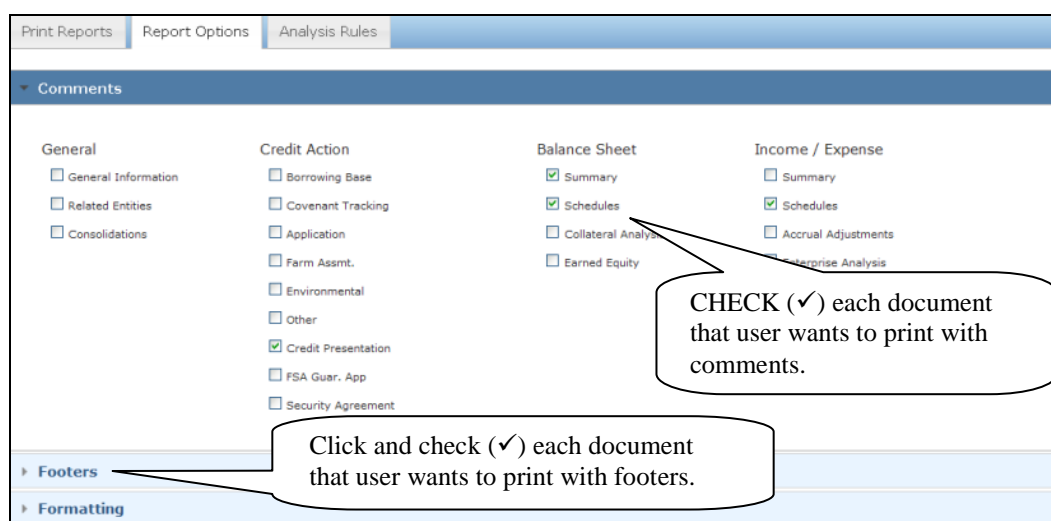


Figure 11b, Using “**Print Manager**”--\*

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

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

#### \*--3 Footnotes and Comments

##### a Printing Footnotes and Comments (Continued)

**Option 2:** Using “Reports Setup”, CHECK (✓) the appropriate boxes under “Print Footnotes on:” and “Print Comments” to select the reports.

**Print Footnotes on :**

☒ Balance Sheet Summary   ☐ Annual Cash Flow   ☐ Borrowing Base  
☐ Balance Sheet Trends   ☐ Income Statement   ☐ Covenant Tracking  
☒ Inc / Exp Trends   ☐ Collateral Analysis

**Print Disclosures on :**

Balance Sheet Schedules:    
Income / Expense Schedules:

**Print e-Signatures on :**

☐ Balance Sheet   ☐ Income / Expense  
☐ Borrowing Base / Inspection Certificate

**Print Comments**

General	Credit Action	Balance Sheet	Inc / Exp
<input type="checkbox"/> General Information	<input type="checkbox"/> Borrowing Base	<input checked="" type="checkbox"/> Summary	<input checked="" type="checkbox"/> Summary
<input type="checkbox"/> Related Entities	<input type="checkbox"/> Covenant Tracking	<input checked="" type="checkbox"/> Schedules	<input checked="" type="checkbox"/> Schedules
<input type="checkbox"/> Consolidations	<input type="checkbox"/> Form 1	<input type="checkbox"/> Collateral Analysis	<input type="checkbox"/> Accrual Adjustments
	<input type="checkbox"/> Form 2	<input type="checkbox"/> Earned Equity	<input type="checkbox"/> Enterprise Analysis
	<input type="checkbox"/> Form 3		
	<input type="checkbox"/> Form 4		
	<input type="checkbox"/> Decisioning		
	<input type="checkbox"/> FSA		
	<input type="checkbox"/> Security Agreement		

Figure 11c, Using “Reports Setup”--\*

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

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

#### 4 Reports and Forms – Signature and Filing Requirements

##### a General – Generating and Printing Reports

\*--To generate and print a report, CLICK “**Reports**” and “**Print Manager**”. “**Print Manager**” may also be accessed from the Balance Sheet or Income Expense Trends.

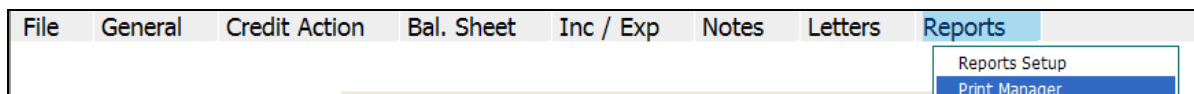


Figure 11d

If users click “Print Reports” tab, a list of all the available reports will be displayed. If next to a topic users click the drop-down arrow, a list of reports that are available to view/print will be displayed. Reports are displayed as either “Printer” or “PDF” icon.

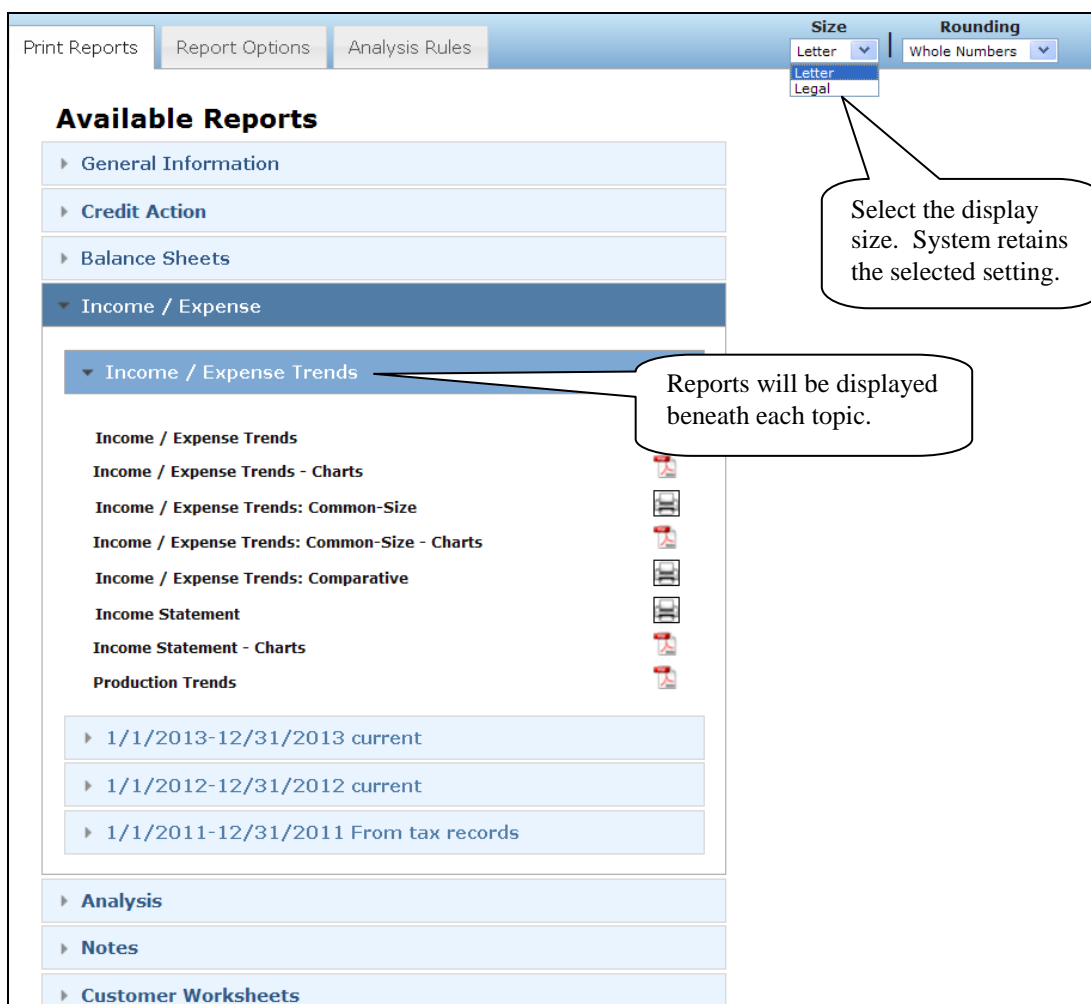


Figure 11e, Available Reports Screen--\*



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

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

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

##### a General – Generating and Printing Reports (Continued)

\*--Some reports listed on the Available Reports Screen are only available in PDF format.  
To open a report available in PDF, CLICK “PDF” icon.

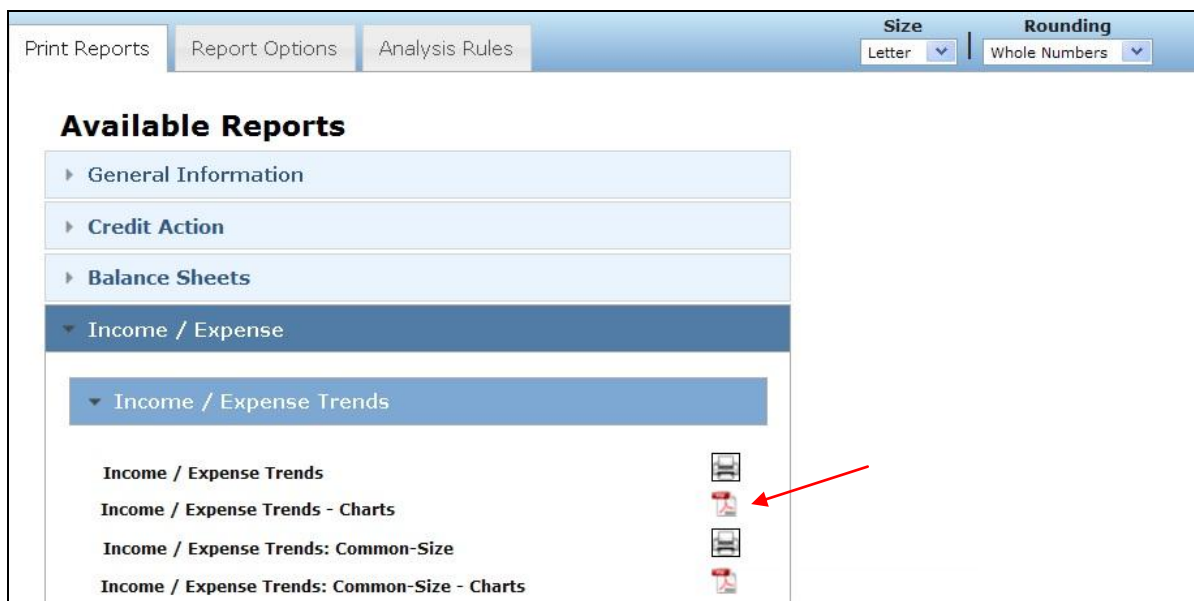


Figure 11f, Select PDF

A “File Download” dialog box will be displayed that allows users to open, save, or cancel the download. CLICK “Open” to view/print the report or “Save” to rename the report and save to another location.

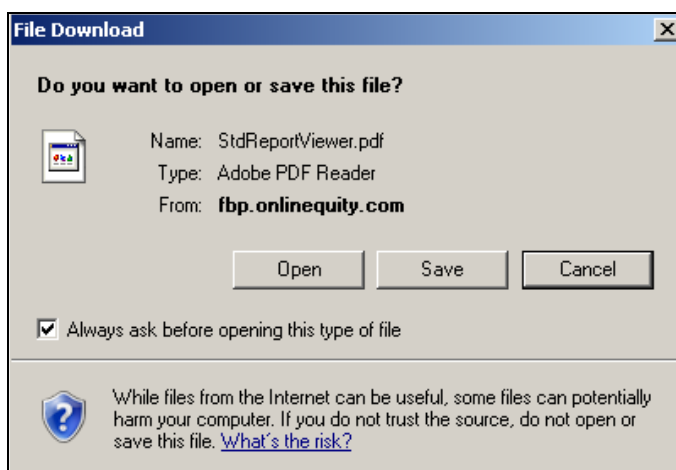


Figure 11g, Open/Print or Save Report--\*

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

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

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

##### a General – Generating and Printing Reports (Continued)

\*--If users click “Open”, the report will be displayed. CLICK “**Printer**” icon to print the report.

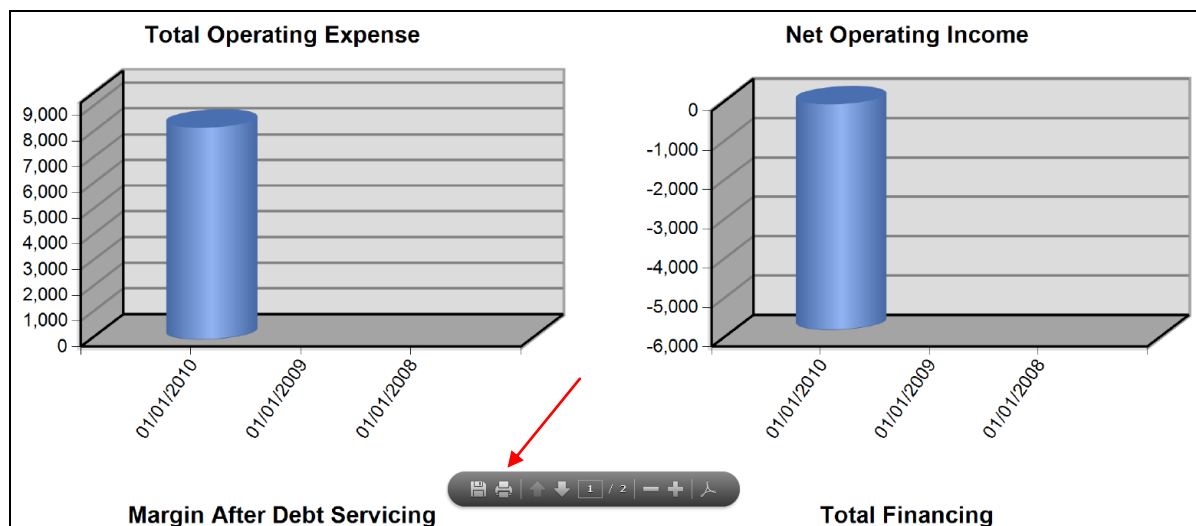


Figure 11h, Print a Report From PDF--\*

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

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

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

##### a General – Generating and Printing Reports (Continued)

\*--Some reports listed on the Available Reports Screen will display a “Printer” icon. To print a report, CLICK “**Printer**” icon.

**Note:** Do **not** click multiple times because this may open multiple windows and slow performance.

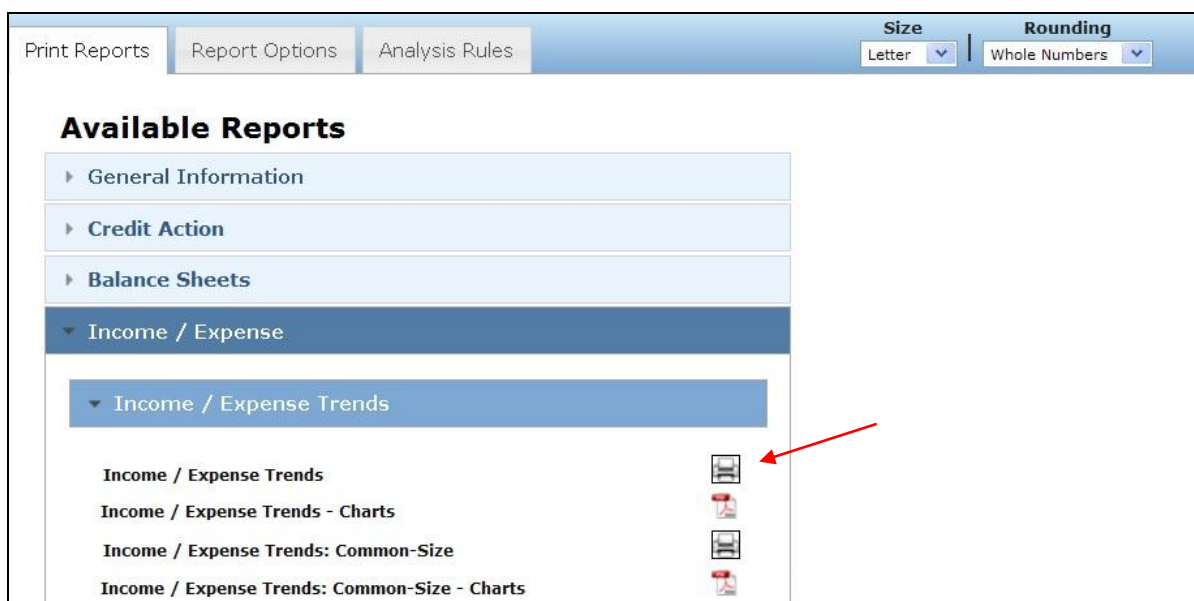


Figure 11i, Select the Printer Icon

Some reports listed on the Available Reports Screen are available in multiple formats for exporting. Note the navigation and printing options available from the Menu Bar. To print a report, CLICK “**Printer**” icon. To export in a different format, CLICK “**Export**” drop-down menu to select a format for the report. After a format is selected it will remain as the system default until a different format is selected.

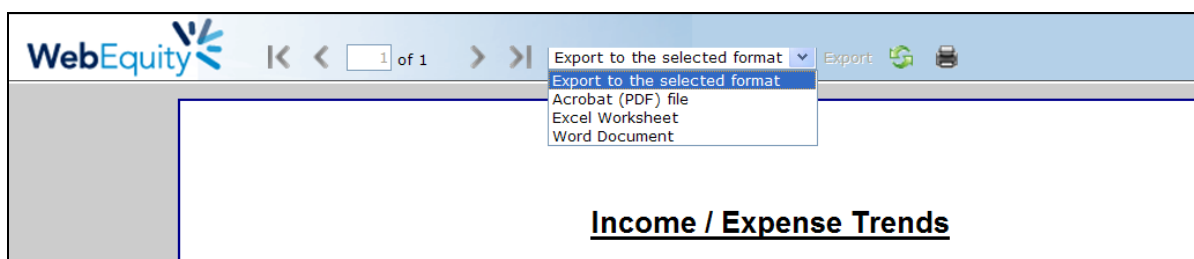


Figure 11j, Select the Report Export Format--\*

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

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

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

##### a General – Generating and Printing Reports (Continued)

\*--To export a report in the displayed format, CLICK “**Export**” link.

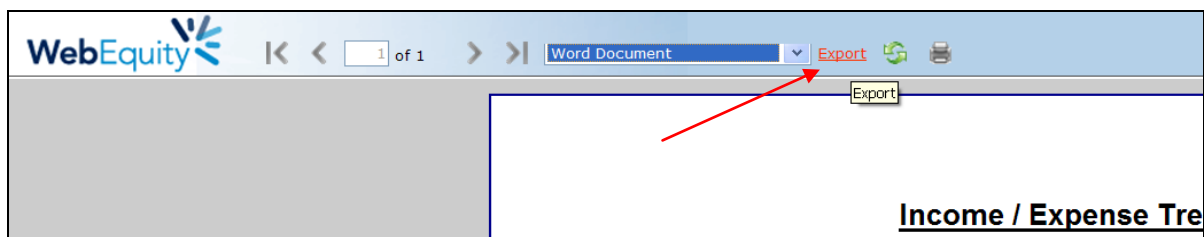


Figure 11k, Export Selected Report

A dialog box will be displayed that allows users to open, save, or cancel the download. CLICK “**Open**” to view/print the report, or CLICK **Save** to rename the report and save to a preferred location.

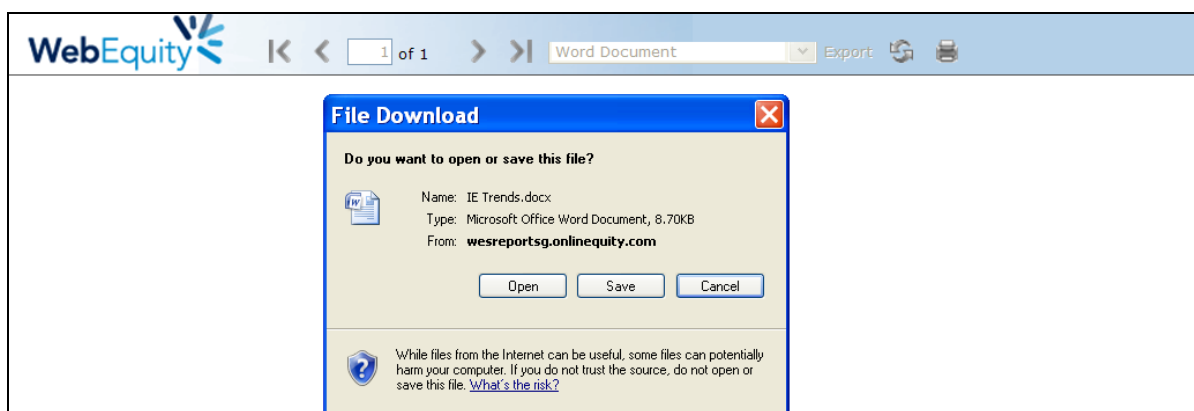


Figure 11l, Open or Save the Report--\*

**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.

<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>
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 <b>Locking Credit Action Forms</b> (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
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

**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)**

<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>
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 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**

\*--There are many options to control the appearance of reports and what records are included in the generated analysis. Up to 6 balance sheets and 6 projections/actuals can be included in reports. Options selected will affect what balance sheets and projections/actual are available or “will be used” in credit actions. Changes to the report order can be made on either the Reports Setup or Balance Sheet Trends & Income/Expense Trends Manager Screens.

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

- income/expenses:
  - Column 1, current year’s or After eDALR\$ plan, if completed
  - Columns 2 through 4, preceding years using actual history, if available
  - Columns 5 and 6, may be used as needed

**Note:** The loan official will select which years are most relevant to include in the average by checking the box above the year on either the Reports Setup or Income/Expense Trends Screen.--\*

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

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

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

##### c Reports Setup (Continued)

•\*--balance sheets:

- Column 1, current or post-close/After eDALR\$ plan, if completed
- Columns 2 through 4, preceding years
- Columns 5 and 6 may be used as needed.

The options displayed on the Reports Setup Screen and the “Print Manager”, “Analysis Rules” tab will automatically default to the National Office recommendations. **CLICK “Value Farm Prod” or “Gross Revenues”** radio button for the values to be used in all ratios.

By selecting options from the “Balance Sheet Columns” section, users can establish 2 columns to show comparisons of 2 types of calculations. See **When Customer and FSA Balance Sheet Values/Amounts Differ** (Section D 6) for more information.

**Notes:** The “Agriculture” check (✓) boxes should **not** be changed.

Any changes made to either the Reports Setup Screen or the “Print Manager”, “Analysis Rules” tab will automatically reflect on the other.

**Balance Sheet Report Format**

**Optional 2 Column Balance Sheet**

Secondary Column: ☐ Value ☐ Adj. Value ☐ Cost ☒ None

Primary Column: ☒ Value ☐ Adj. Value ☐ Cost

Print on Schedules:

- ☒ Collateral & Prior Lien Indicator
- ☐ Adj. Value
- ☐ Cost
- ☒ Machinery Condition
- ☐ Loan Terms & Comments on Loan Sch.
- ☒ Machinery Condition
- ☒ Machinery Value
- ☒ Machinery Disclosure

Print on Mach / Equip only report

Print on Customer Input Worksheet

☒ Value ☐ Adj. Value ☐ Cost

Print Footnotes on :

- ☐ Balance Sheet Summary
- ☐ Annual Cash Flow
- ☐ Borrowing Base
- ☐ Balance Sheet Trends
- ☐ Income Statement
- ☐ Covenant Tracking

**Analysis Based on:**

Balance Sheet:

- ☒ Agriculture
- ☐ Commercial
- ☐ Personal

Income Statement

- ☒ Agriculture
- Ag. Ratios based on:
  - ☐ Gross Revenues
  - ☒ Value Farm Prod.
  - ☐ Commercial
  - ☐ Personal
- Avg. Variance: ☒ Left ☐ Right
- ☐ display Variance
- ☐ display Average

Do not change.

System defaults to “Value Farm Prod.”

Print Non-Financials

Growth Ratios

- ☒ By Trends Order
- ☐ By Complete Year

Figure 11m, Reports Setup Screen--\*

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

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

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

##### c Reports Setup (Continued)

\*--

The screenshot displays the 'Print Manager', 'Analysis Rules' tab. The interface is divided into several sections:

- Balance Sheet Columns:** A red box highlights this section. It contains three columns: Secondary, Primary, and Customer Input Worksheet. Each column has radio buttons for Value, Adjusted Value, Cost, and None. The 'Value' option is selected in the Primary column.
- Average / Variance:** Radio buttons for Left and Right. The 'Left' option is selected. There are also checkboxes for 'Do not display Variance' and 'Do not display Average'.
- Statement of Cash Flows / Statement of Owner Equity Based On:** Radio buttons for Market Value BS / Cash IE and Basis BS / Accrual IE. The 'Market Value BS / Cash IE' option is selected. There is a checkbox for 'Do not display Column 1'.
- Balance Sheet Analysis Based On:** Checkboxes for Agriculture, Commercial, and Personal. The 'Agriculture' checkbox is checked. A callout box points to this checkbox with the text 'Do not change.'
- Income / Expense Analysis Based On:** Checkboxes for Agriculture, Commercial, and Personal. The 'Agriculture' checkbox is checked.
- Agriculture Ratios Based On:** Radio buttons for Gross Revenues and Value Farm Production. The 'Value Farm Production' option is selected. A callout box points to this option with the text 'System defaults to "Value Farm Prod."'
- Growth Ratios:** Radio buttons for By Trends Order and By Complete Year. The 'By Trends Order' option is selected.

Figure 11n, "Print Manager", "Analysis Rules" Tab--\*



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

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

**5 eSignature Policy**

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

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

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

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

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

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

#### 6 Maintaining FBP Customer Records

##### a Moving FBP Customer Records to the Recycle Bin

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

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

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

##### b Moving FBP Duplicate Customer Records to the Recycle Bin

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

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

### C General Information (Continued)

#### 6 Change General Information Model (Continued)

- the New General Information model will be displayed.

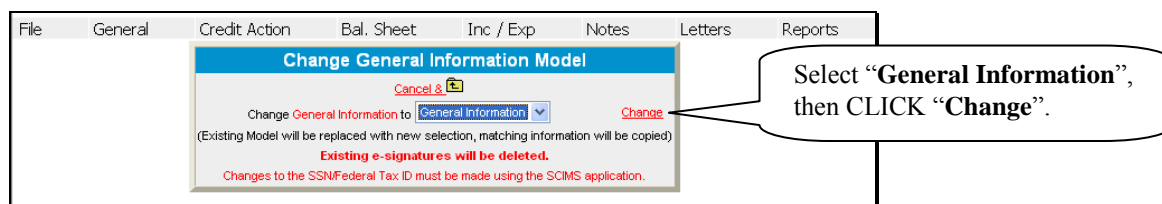


Figure 13c

### D Balance Sheet

A balance sheet is a financial statement that reflects the values of an individual or entities assets, liabilities and capital at a specific point in time. Balance sheets can be created for a current date, future date, or even a previous date, if necessary, to reconstruct a customer's historical financial position. Obtaining balance sheets at the end of each business year is preferable, if possible.

There is no limit to the number of balance sheets that can be created or maintained in FBP.

**Note:** The balance sheet summary **must be** printed and signed by the customer for all loanmaking and servicing actions.

#### 1 Types of Balance Sheets

\*--A meaningful description, such as "FYE 12/31/10" or "After eDALR\$ 2011", should be used--\* when a balance sheet is created. The description becomes especially important in years where multiple balance sheets are created and will appear on all reports.

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

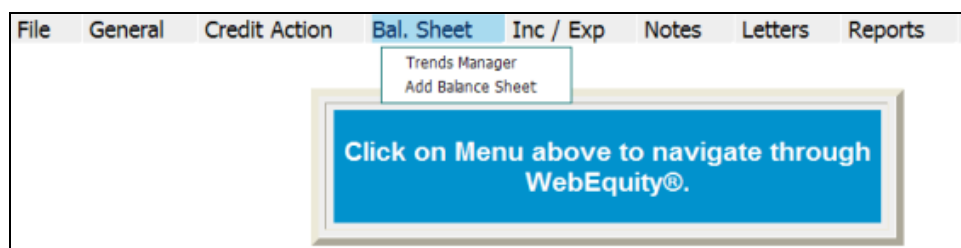
## Farm Business Plan - FSA User Guide (Continued)

### D Balance Sheet (Continued)

#### 2 Adding New Balance Sheets

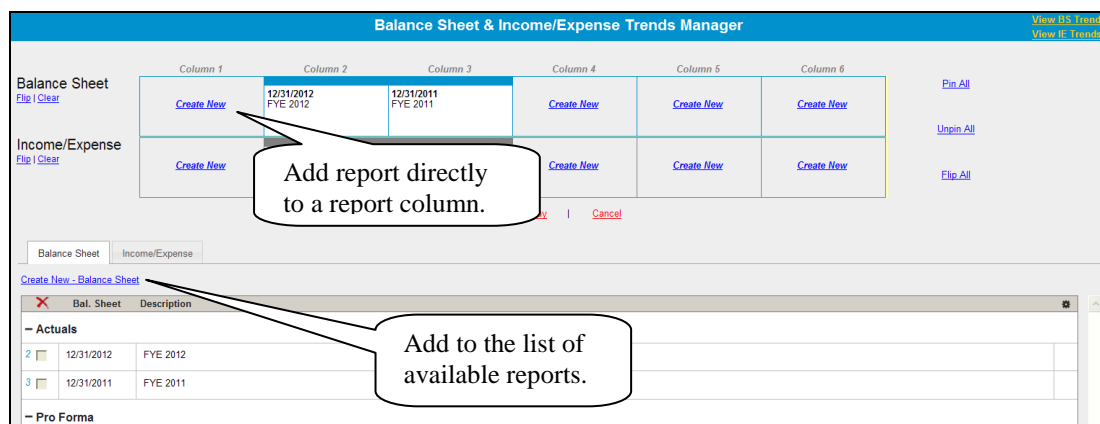
\*--To add a new balance sheet, CLICK **“Bal. Sheet”** on the toolbar. A balance sheet may be added using either the “Trends Manager” or “Add Balance Sheet” option selected from the drop-down menu.

**Option 1:** CLICK **“Trends Manager”** to access the Balance Sheet & Income/Expense Trends Manager Screen. “Trends Manager” may also be accessed through the Dashboard Navigation Screen.



**Figure 14a, Balance Sheet Trends Manager Using the Toolbar**

To add a new balance sheet report, in a column CLICK **“Create New”** link in an empty cell. Any changes made to the selection and the order of the reports will be reflected on the Reports Setup Screen. To create a report that would be available to add to the Reports Setup Screen at a later date, click the link found under the “Balance Sheet” tab.



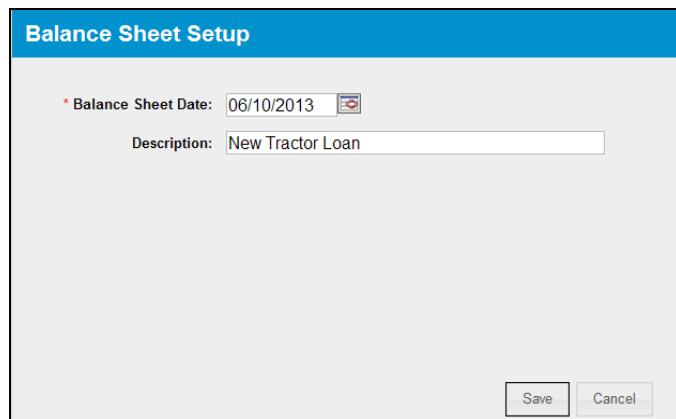
**Figure 14b, Balance Sheet & Income/Expense Trends Manager--\***

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

### **D Balance Sheet (Continued)**

#### **2 Adding New Balance Sheets (Continued)**

\*--On the “Balance Sheet Setup” dialog box, complete the required information and CLICK “**Save**” to add the report to the Balance Sheet & Income/Expense Trends Manager Screen.

A screenshot of a software dialog box titled "Balance Sheet Setup". The dialog has a blue header bar with the title. Below the header, there is a field labeled "Balance Sheet Date:" with a red asterisk indicating it is required. The date "06/10/2013" is entered in the field, and a small calendar icon is to its right. Below this is a field labeled "Description:" with the text "New Tractor Loan" entered. At the bottom right of the dialog are two buttons: "Save" and "Cancel".

**Balance Sheet Setup**

\* Balance Sheet Date: 06/10/2013

Description: New Tractor Loan

Save Cancel

**Figure 14c--\***

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

### D Balance Sheet (Continued)

#### 2 Adding New Balance Sheets (Continued)

\*--Additional features that are available on the Balance Sheet & Income/Expense Trends Manager Screen include the following.

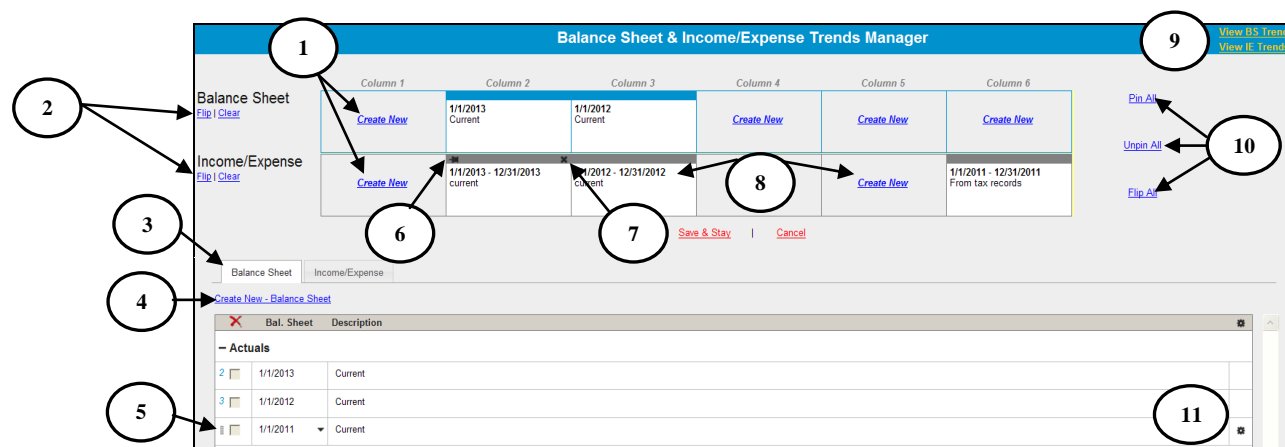




Figure 14d

Item	Feature
1	CLICK “ <b>Create New</b> ” to add a new balance sheet or income/expense.
2	CLICK “ <b>Flip</b> ” or “ <b>Clear</b> ” link to flip or clear all balance sheets or income/expenses separately.
3	CLICK “ <b>Balance Sheet</b> ” or “ <b>Income/Expense</b> ” tab to display list of available balance sheet or income/expenses.
4	CLICK “ <b>Create New - Balance Sheet</b> ” or “ <b>Create New - Income/Expense</b> ” link, as applicable, to add a new balance sheet or income/expense to the available list.
5	Click and hold “  ” (double-bar) to select a balance sheet or income/expense from the available list and drag and drop it into a column to add to the Reports Setup Screen.
6	CLICK “ <b>Pin</b> ” icon to pin a single balance sheet to the income/expense underneath. Displays when hovering over a single balance sheet or income/expense.
7	CLICK “ <b>X</b> ” to delete a balance sheet or income/expense individually. Displays when hovering over a single balance sheet or income/expense.
8	Click and hold any column, pinned or unpinned, and drag and drop the content from 1 column to another column.
9	CLICK “ <b>View BS Trends</b> ” or “ <b>View IE Trends</b> ” link to go to the balance sheet or income/expense trends.
10	CLICK: <ul style="list-style-type: none"> <li>• “<b>Pin All</b>” to attach all balance sheets to the income/expense underneath</li> <li>• “<b>Unpin All</b>” to detach all balance sheets from the income/expense underneath</li> <li>• “<b>Flip All</b>” to flip all balance sheets and income/expenses at the same time.</li> </ul>
11	To edit rows of balance sheets or income/expenses, CLICK “  ” (sprocket) to duplicate, lock, or move; use drop-down menus; or type directly into description fields.

--\*

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

### D Balance Sheet (Continued)

#### 2 Adding New Balance Sheets (Continued)

**\*--Option 2:** CLICK “Add Balance Sheet”. If the customer has existing balance sheets, CLICK “Add/Modify/Delete” from the fly-out window. “Add/Modify/Delete” may also be accessed through the Dashboard Navigation Screen.

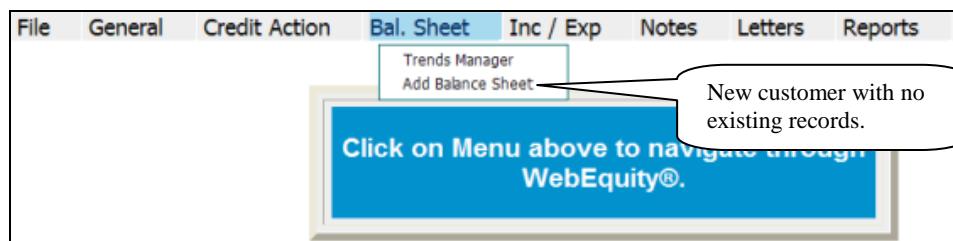


Figure 14e, Customer With No Existing Records

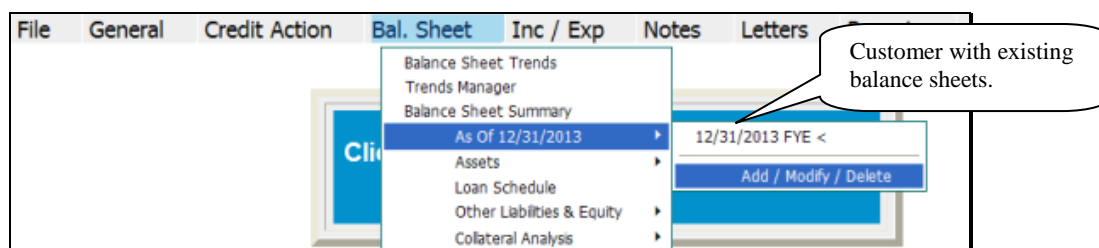


Figure 14f, Customer With Existing Records

Complete the following fields on the Balance Sheet Screen:

- “Bal. Sht. Date”, manually enter the date or click the calendar button
- “Description”, enter a meaningful description of the record.

**Note:** The “Description” field will be displayed on all printed reports and becomes especially important in years where multiple balance sheets are created.

- CLICK “Add” to display this entry in the list of balance sheet summaries.

The screenshot shows the 'Balance Sheets' form. It has a header bar with the title 'Balance Sheets'. Below the header, there are two main input fields: 'Bal. Sht. Date' and 'Description'. The 'Bal. Sht. Date' field contains '12/31/2013' and has a calendar icon to its right. The 'Description' field contains 'FYE'. To the right of the 'Description' field is a 'Use' button. At the bottom right of the form is an 'Add' button. A callout box points to the 'Add' button.

Figure 14g--\*

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

### D Balance Sheet (Continued)

#### 3 Additional Links on the Balance Sheets Screen

In addition to the list of balance sheet summaries displayed on the screen, users will see additional features and hypertext links on the right side of the screen, as follows:

Bal. Sht. Date	Description	Use
8/1/2010	New Tractor Loan	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a>
8/1/2010	New Tractor Loan - Post Close	<a href="#">View</a> * <a href="#">Duplicate</a> <a href="#">Track</a>
12/31/2009	Current FYE	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a>
9/1/2009	Before Dair\$	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a>
9/1/2009	After Dair\$	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a>
12/31/2008	Current FYE	<a href="#">View</a> <a href="#">Duplicate</a> <a href="#">Track</a>

Additional hypertext links and “Use” blocks, note that 4 reports have been selected to display in fly-out window.

Red \* denotes the last summary selected for viewing.

\*--Figure 14h--\*

- CLICK “**View**”, for quick access to the Balance Sheet Trends Screen
- CLICK “**Use**” blocks, to select which reports to display in the fly-out window or for use in the “Reports Setup”

**Note:** If box is grayed out, the report is currently in use in “Reports Setup”, or was the last report selected for viewing.

File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
							Balance Sheet Trends
							Balance Sheet Summary
							As Of 8/1/2010
							Assets
							Loan Schedule
							Other Liabilities & Equity
							Collateral Analysis
							Credit Relationship
							Add / Modify / Delete

Note that only the 4 balance sheet reports that were selected in the “Use” column are displayed in the fly-out window.

\*--Figure 14i--\*

- CLICK “**View**”, to display the Balance Sheet Summary Screen
- CLICK “**Duplicate Link**”, to duplicate a specific report. The duplicate report will be listed on the screen immediately below the original
- CLICK “**Lock**” to lock the selected balance sheet.



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

### D Balance Sheet (Continued)

#### 4 Balance Sheet Summary - Entering Data

Using this option allows the user to select and display a single balance sheet on the screen.

- CLICK “**Bal. Sheet**” on the toolbar and select a summary description from the fly-out window. A balance sheet summary may also be accessed by clicking “Add/Modify/Delete” or through the Dashboard Navigation Screen.

\*--

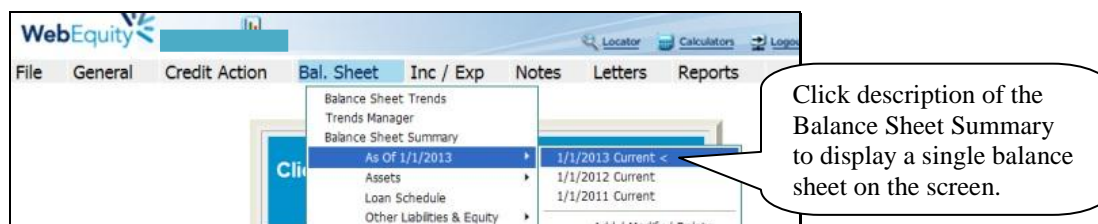


Figure 15a, Balance Sheet Summary Using the Toolbar

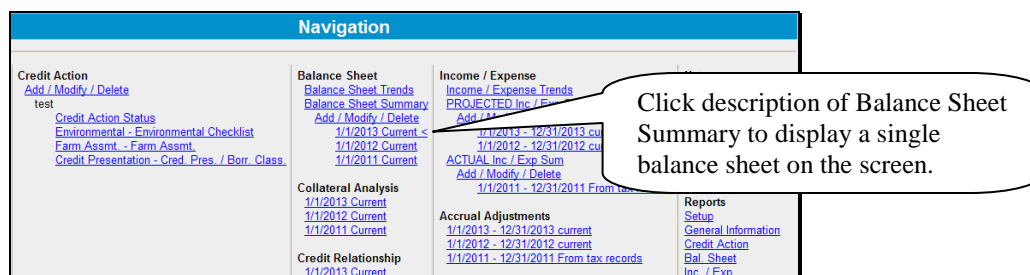


Figure 15b, Dashboard Navigation Screen--\*

Financial data can be entered as a summary dollar value or on schedules where the calculated value transfers to the Balance Sheet Summary. Sometimes a mix of summary and scheduled input is appropriate.

- To input data at the summary level, click in the applicable numeric input field and enter the total value amount.
- CLICK “**Save & Stay**” to save data; **or** navigate away from the screen by use of the toolbar menu or any hyperlink and data is automatically saved.
- CLICK “**Cancel**” and the data will not be saved and the page will refresh with the original data.

Figure 15c, Financial Data Input at the Summary Level

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

### D Balance Sheet (Continued)

#### 4 Balance Sheet Summary - Entering Data (Continued)

An option available in summary level entry is “Math in a Cell”. Enter math formulas including addition, subtraction, multiplication, division calculations, and parenthesis, in user-defined cells to perform math calculations.

- To enter a math formula, click in the cell and begin entering the values. Some basic formula examples:  $10+2=12$ ,  $10-2=8$ ,  $10*2=20$ ,  $10/2=5$ ,  $(10+2)/2=6$

Current Assets		Current Liabilities	
Cash & Equivalents	1500+25000	Accounts Payable	2,500
Marketable Bonds & Securities	0	Income Taxes Payable	0
Accounts Receivable	0	Real Estate Taxes Payable	0

Figure 15d, Enter a Math Formula

- To view a math formula, place the cursor over the plus/minus (+/-) symbol next to a cell that contains a math formula. Any new formula entered in a cell will overwrite the original calculation. Calculations are stored when screens are saved.

Current Assets		Current Liabilities	
Cash & Equivalents	26,500 +/-	Accounts Payable	2,500
Marketable Bonds & Securities	1500+25000	Income Taxes Payable	0
Accounts Receivable	0	Real Estate Taxes Payable	0

Figure 15e, View a Math Formula

- To edit a math formula, click the plus/minus (+/-) symbol next to a cell that contains a math formula. In the **Edit Formula** dialog box that is displayed, type any changes and CLICK “Save”.

WebEquity® Lookup Window - Windows Interne...

**Edit Formula**

1500+25000

Save & | Cancel &

Figure 15f, Edit Formula Window

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

### D Balance Sheet (Continued)

#### 4 Balance Sheet Summary - Entering Data (Continued)

To add information at the schedule level, click the hypertext link for the desired balance sheet item (example: Cash & Equivalents). On the Schedule Screen, enter applicable information and CLICK “Add”.

Add all applicable information and CLICK “Add”.

Figure 15g, Adding Line Items to Detail Schedule

Total value will transfer to the balance sheet summary screen.

Figure 15h, View Total Value

- When the value displayed on the Summary Screen is populated from a schedule, the numeric input field will no longer be available at the summary level. Any changes to the value **must** be made on the Schedule Screen.

Figure 15i, Financial Data Input at the Detail Schedule Level

**Note:** When editing information in the schedule, if **all** line items are deleted, the value will **not** automatically be deleted from the Summary Screen. Access the Summary Screen to delete the value amount from the field.

#### 5 Balance Sheet Trends - Entering Data

- \*--Using this option allows multiple balance sheets to be displayed and accessed. CLICK “**Bal. Sheet**” on the toolbar and CLICK “**Balance Sheet Trends**” from the drop-down menu. Balance Sheet Trends may also be accessed through the Dashboard Navigation System.

Figure 16a, Balance Sheet Trends Using the Toolbar--\*

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

### D Balance Sheet (Continued)

#### 5 Balance Sheet Trends - Entering Data (Continued)

\*--Trends may also be accessed through the Dashboard Navigation Screen.

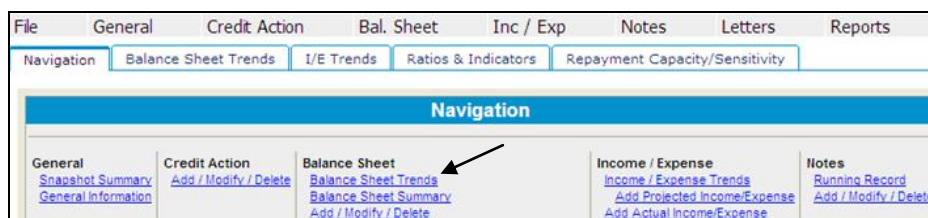


Figure 16b, Dashboard Navigation Screen

Financial data can be entered as a summary dollar value or on schedules where the calculated total value transfers to the Balance Sheet Summary. Sometimes a mix of summary and scheduled input is appropriate. Features that are available on the Balance Sheet Trends screen include the following.

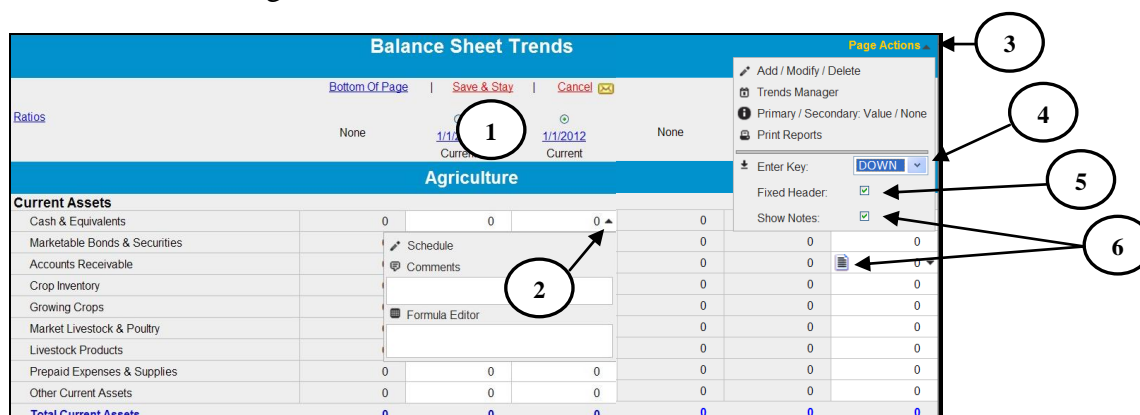


Figure 16c

Item	Feature
1	CLICK “Date” link to go directly into the individual year balance sheet.
2	Use cell drop-down menus to access additional features for an individual cell to enter: <ul style="list-style-type: none"> <li>• schedule level detail</li> <li>• or edit comments</li> <li>• or edit formulas (formulas can also be entered directly into the cell).</li> </ul>
3	Use “Page Actions” drop-down menu to access additional features, as follow: <ul style="list-style-type: none"> <li>• Add/Modify/Delete Screen</li> <li>• Trends Manager</li> <li>• Primary &amp; Secondary settings (Value/Adj. Value/Cost)</li> <li>• Print Reports.</li> </ul>
4	CLICK “Enter Key” drop-down menu to select cursor movement direction when users press “Enter”.
5	CHECK (✓) “Fixed Header” to “freeze” column headings while scrolling up and down pages.
6	The triangular marker indicates that notes, schedules, or formulas exist for a cell. CHECK (✓) “Show Notes” to display a “Page” icon, instead of the triangle, when notes exist.

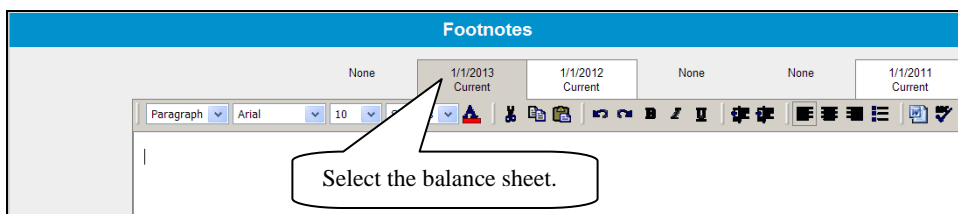
--\*

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

### D Balance Sheet (Continued)

#### 5 Balance Sheet Trends - Entering Data (Continued)

\*--Before adding documentation to the footnotes, ensure that the correct balance sheet is selected by clicking the applicable tab at the bottom of the screen.



**Figure 16d**

**Notes:** When editing information in the schedule, if **all** line items are deleted the value will not automatically be deleted from the Summary Screen. Access the Summary Screen to delete the value amount from the field.

For more complex operations requiring multiple schedule entries, it is recommended that users select the single “Balance Sheet Summary” option when entering the initial data. This will increase performance speed. See **Balance Sheet Summary – Adding Data** (Section D 4).--\*

#### 6 When Customer and FSA Balance Sheet Values/Amounts Differ

Balance Sheets are sometimes submitted with values that FSA may disagree with. This situation can be handled different ways in FBP.

Method	Additional Details
Revised Balance Sheet	Revise the balance sheet the customer submitted, using FSA values.
Dual Value Balance Sheet	This option will allow dual values to be entered on one Balance Sheet summary; the customer’s values and FSA adjusted values. FSA adjusted values will be entered into the primary column and the customer’s values into the secondary column. The value and adjusted values can be entered as a summary value or on schedules.



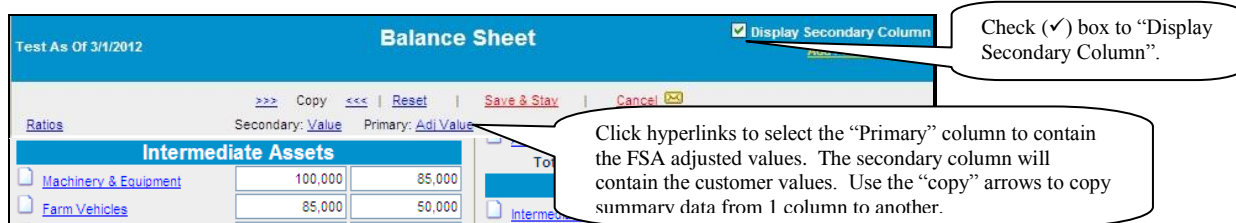
## Farm Business Plan - FSA User Guide (Continued)

### D Balance Sheet (Continued)

#### 6 When Customer and FSA Balance Sheet Values/Amounts Differ (Continued)

**Create a Dual Value Balance Sheet, as follows:**

- on the Balance Sheet Summary, CHECK (✓) “**Display Secondary Column**” in the upper-right corner of the screen
- CLICK “**Adj Value**” for the “Primary” column and use this column for FSA adjusted values
- CLICK “**Value**” for the “Secondary” column and use this column for customers’ values
- “Copy” arrows may be used to copy summary information from 1 column to another



**\*--Figure 16e, Dual Value Balance Sheet Summary**

- changes in the type of value and order of the columns on the Balance Sheet Summary will be reflected in the “Reports Setup” and on the Analysis Rules Screen.

**Note:** When using a dual value Balance Sheet for any loan making or servicing decision, the “Adjusted Values” option must be selected in the “Primary” column. This will ensure--\* that the correct values are transferred to the Credit Presentation, collateral analysis, and chattel appraisal.

\* \* \*

#### 7 Locking Balance Sheets

Balance sheets should be locked after completion to prevent further modification of the data. To lock the balance sheet, CLICK “**Add/Modify/Delete**”. The lock link can be found to the right of the list of balance sheets.

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

### D Balance Sheet (Continued)

#### 8 Assets

The asset accounts used on the balance sheet are standardized and are similar to the categories that most lenders use. However, for each asset grouping there is always the option of adding “other” assets at the summary or schedule level.

Asset values can be entered on the balance sheet as a summary dollar value for each asset type, or on detailed schedules where the calculated total transfers to the balance sheet. Frequently, a mix of summary and scheduled input is appropriate.

\*--

Description (NAICS)	Type	# Head	Per Hd	Calc. Basis	Value	Col ?
Cattle - Brdg.-Cows	Mixed	25	1,000	HD	25,000	<input checked="" type="checkbox"/>
Total		25			25,000	

Figure 16f--\*

All assets used to secure FSA loans should be entered on detailed schedules and the “Col?” box must be checked (✓) to ensure that the asset descriptions and values are available for use in the collateral analysis, chattel appraisal, and security agreement.

**Note:** Breeding livestock must be categorized as either “Raised” or “Purchased”. FBP makes this distinction for accrual analysis; changes in raised breeding livestock will affect accrual-adjusted income, while purchased livestock will not.

#### a Relationship of Asset Values for Chattel Appraisals/Collateral Analysis

The asset values entered into the balance sheet also populate the chattel appraisal and collateral analysis. See **When Customer and FSA Balance Sheet Values/Amounts Differ**

\*--(Section D 6) for information about how to enter dual values.--\*

#### 9 Liabilities

All liabilities are categorized as either “Farm” or “Personal”.

#### a Unpaid and/or Accrued Expenses

Unpaid or accrued farm expenses are expenses incurred by the farm business, but have not yet been paid. These expenses will be entered on the balance sheet as accounts payable; however, they should not be transferred to the projected loan schedules.

**Caution:** Do **not** include any unpaid or accrued expenses in the loan schedules, as that will distort the capacity analysis and feasibility determination.



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

### D Balance Sheet (Continued)

#### 9 Liabilities (Continued)

##### b Farm Liabilities

Farm related loans and notes should be input into the “Loan Schedule” so that the proper accounting and calculation of interest, principal reduction, and capacity and feasibility analysis can occur.

##### c Personal Liabilities

Personal loans and debts should always be entered on the balance sheet in the “Personal” \*--section. Payments for “Personal Current and Non-Current Liabilities” should be included in “Owner Withdrawals”. Use the drop-down menu to have the total payments automatically flow over to “Owner Withdrawals” on the income/expense record.



**Figure 16g--\***

**Caution:** Do **not** include:

- personal debt payments in the loan schedules, as that will distort the capacity analysis and feasibility determination
- FSA debt under the “Personal Debts” Section.

See **Income/Expense - Projected** (Section H) for more information on how debt repayment is handled in FBP and if certain debt payments should be designated to appear in the projection.

### 10 Additional Information about Liabilities

Type of Liability	Includes	Additional Details
<b>Farm Business or Ag Liabilities</b>		
Accounts Payable	Unpaid expenses, payables, bills, accrued leases, etc.	<ul style="list-style-type: none"> <li>• Use summary input or scheduled input, depending upon the number of debts in each category or if more detail is needed.</li> </ul>
Income Taxes Payable	Accrued or owing Federal and State income tax, FICA tax, employment taxes, etc.	
Real Estate Taxes Payable	Accrued or billed real estate taxes.	
Other Current Liabilities	Judgments, liens, etc.	<ul style="list-style-type: none"> <li>• Do <b>not</b> include loans or notes in any of these categories.</li> </ul>

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

**D Balance Sheet (Continued)**

**10 Additional Information about Liabilities (Continued)**

Type of Liability	Includes	Additional Details
<b>Farm Business or Ag Liabilities (Continued)</b>		
		<b>Note: It is recommended that the “Edit Mode” on the Loan Schedule be unchecked.</b>
FSA Direct Loans	Principal and accrued interest, including the principal portion of Disaster Set-Aside, also called ISA	<ul style="list-style-type: none"> <li>• Use of the loan schedule detail input option is recommended.</li> <li>• Add any principal ISA to the principal balance of the loan. Enter the resulting total as the principal balance for that loan.</li> <li>• “Interest Rate” drop-down menu: <ul style="list-style-type: none"> <li>• Limited Resource loans should be designated as “Variable”</li> <li>• “Regular Rate” and all other loans should be designated as “Fixed”.</li> </ul> </li> <li>• Enter either LR or REG, or similar identifier in the text box to the right of the “Interest Rate” drop-down menu.</li> <li>• CLICK “<b>Pmt. Method</b>”.</li> <li>• “Purpose of Loan” may be completed including relevant information, i.e. purchase tractor, refinance, chattel loan, reamortized, rescheduled, deferred, etc.</li> <li>• “To Credit Relationship” is checked by default for FSA loans.</li> <li>• Enter as much other additional information as necessary.</li> <li>• For past due loan payments, see “All Loans”.</li> </ul>

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

**D Balance Sheet (Continued)**

**10 Additional Information about Liabilities (Continued)**

Type of Liability	Includes	Additional Details
<b>Farm Business or Ag Liabilities (Continued)</b>		
FSA Direct Loans (Continued)	RCI not already rolled into FSA loan balances.	<ul style="list-style-type: none"> <li>• Using the loan schedule detail input option is recommended.</li> <li>• “Loan Type” should be “Cur”.</li> <li>• “Interest Rate” drop-down menu: <ul style="list-style-type: none"> <li>• “Limited Resource” loans should be designated as “Variable”</li> <li>• “Regular Rate” and all other loans should be designated as “Fixed”.</li> </ul> </li> <li>• Enter either LR or REG, or similar identifier in the text box to the right of the “Interest Rate” drop-down menu.</li> <li>• “Pmt. Method” should be “Non Rev”.</li> <li>• The payment amount should include the entire principal and interest balance, as RCI is immediately due.</li> <li>• “Purpose of Loan” may be used to indicate that it is RCI, for example, “41-99 RCI”.</li> <li>• “To Credit Relationship” is checked by default for FSA loans.</li> <li>• Enter as much other additional information as necessary.</li> </ul>

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

**D Balance Sheet (Continued)**

**10 Additional Information about Liabilities (Continued)**

Type of Liability	Includes	Additional Details
<b>Farm Business or Ag Liabilities (Continued)</b>		
FSA Direct Loans (Continued)	FSA deferred interest, noncap interest, deferred noncap interest, interest on ISA.	<ul style="list-style-type: none"> <li>Using the loan schedule detail input option is recommended.</li> <li>Add all of these types of interest for each loan, and list the resulting total as a <b>principal</b> balance on a separate FSA loan.</li> <li>The interest rate is zero percent.</li> <li>Interest Rate designation is "Fixed".</li> <li>"Purpose of Loan" may be left blank.</li> <li>Enter in the "Loan #" a description of what it includes, i.e. "41-07 ISA".</li> <li>Do <b>not</b> check the "send to I/E" box.</li> <li>"To Credit Relationship" is checked by default for FSA loans.</li> <li>Enter as much other additional information as necessary.</li> </ul>
Other Loans	Other notes, intermediate and long-term financing.	<ul style="list-style-type: none"> <li>Use the loan schedule summary or detail input option.</li> <li>Enter as much information as necessary.</li> </ul>
All Loans		<b>Caution:</b> The "Past-Due" box is informational only and is not added to any payment amount. Add past due loan payments to the normal payments for the year, and enter the total as the payment due for the year.
<b>Personal Liabilities</b>		
All personal debts	Credit cards, personal vehicle loans, home loans, student loans, personal loans, etc.	<ul style="list-style-type: none"> <li>Do <b>not</b> use the loan schedule.</li> <li>Enter principal balances under the categories "Personal Current Liabilities" if the debt is short-term, or "Personal Non-Current Liabilities" if it is intermediate or long-term.</li> <li>•*--Select the option to have the total payments appear in "Owner Withdrawals" on the income/expense record.--*</li> </ul>

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

### E Refinancing and Restructuring (Continued)

#### 2 Direct Loan Servicing (Continued)

**Step 4.** Use “1/1/2010 After DALR\$” to “Save & Update” the Credit Presentation in the “D-Loan/Special Serv.” credit action. See **Income/Expenses – Projected – Feasibility** (Section H 1) for information on feasibility of restructured plans.

### F Income/Expense

This section allows the user to add new actual or projected income/expense (cash flow) information for a customer or access income/expense records currently residing in FBP. There is no limit to the number of projected or actual income/expense records that can be created or maintained for each customer.

**Note:** Income/expense (cash flow) information is **not** required for Streamlined CL’s according to 3-FLP.

The Income/Expense Trends **must be** printed and signed by the customer for all loan making and servicing actions.

#### 1 Adding a New Income/Expense

To add a new projected or actual income/expense record CLICK “**Inc/Exp**” on the toolbar.

\*--An income/expense may be added using either the “**Trends Manager**” or “**Add Income/Expense**” option selected from the drop-down menu, as follows.

**Option 1:** CLICK “**Trends Manager**” to access the Balance Sheet & Income/Expense Trends Manager Screen. “Trends Manager” may also be accessed through the Dashboard Navigation Screen.

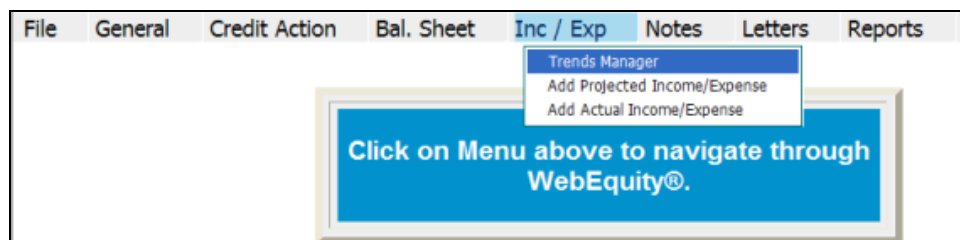


Figure 34a--\*

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

### F Income/Expense (Continued)

#### 1 Adding a New Income/Expense (Continued)

\*--To add a new income/expense report in a column, CLICK “**Create New**” link in an empty cell. Any changes made to the selection and order of the reports will be reflected on the Reports Setup Screen. To create a report that will be available to add to the Reports Setup Screen at a later date, CLICK “**Create New-Income/Expense**” link under the “Income/Expense” tab.

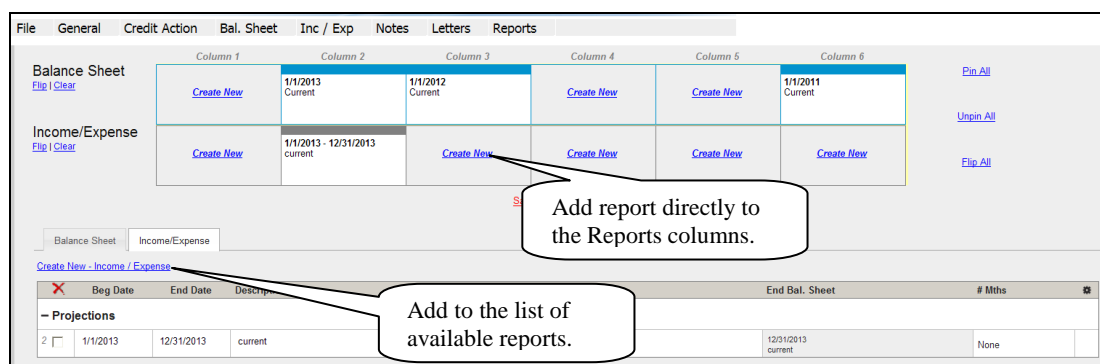


Figure 34b

Complete the required information in the “Income/Expense Setup” dialog box and CLICK “**Save**” to add the report to the Balance Sheet & Income/Expense Trends Manager Screen.

Income/Expense Setup

Projected/Actual:
Projected

I/E Beginning Date:
1/1/2013

I/E Ending Date:
12/31/2013

Description:
current

# Mths:
None

Beginning Balance Sheet:
1/1/2013 :Current

Ending Balance Sheet:
None

Save
Cancel

Figure 34c, Income/Expense Setup--\*

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

### F Income/Expense (Continued)

#### 1 Adding a New Income/Expense (Continued)

\*--Additional features that are available on the Balance Sheet & Income/Expense Trends Manager Screen include the following.

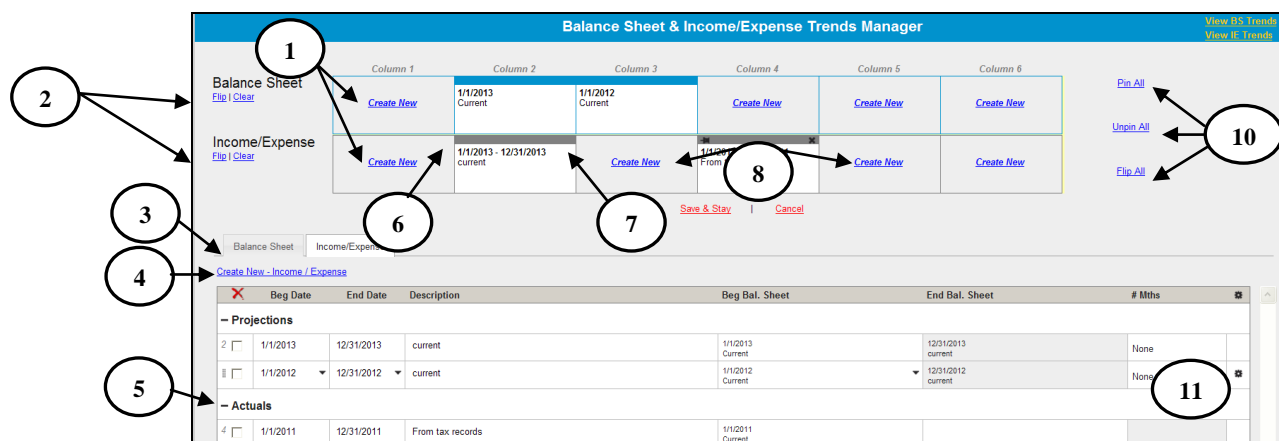


Figure 34d, Balance Sheet & Income/Expense Trends Manager

Item	Feature
1	CLICK “ <b>Create New</b> ” to add a new balance sheet or income/expense.
2	CLICK “ <b>Flip</b> ” or “ <b>Clear</b> ” link to flip or clear all balance sheets or income/expenses separately.
3	CLICK “ <b>Balance Sheet</b> ” or “ <b>Income/Expense</b> ” tab to display list of available balance sheet or income/expenses.
4	CLICK “ <b>Create New - Balance Sheet</b> ” or “ <b>Create New - Income/Expense</b> ” link, as applicable, to add a new balance sheet or income/expense to the available list.
5	Click and hold “ <b>  </b> ” (double-bar) to select a balance sheet or income/expense from the available list and drag and drop it into a column to add to the Reports Setup Screen.
6	CLICK “ <b>Pin</b> ” icon to pin a single balance sheet to the income/expense underneath. Displays when hovering over a single balance sheet or income/expense.
7	CLICK “ <b>X</b> ” to delete a balance sheet or income/expense individually. Displays when hovering over a single balance sheet or income/expense.
8	Click and hold any column, pinned or unpinned, and drag and drop the content from 1 column to another column.
9	CLICK “ <b>View BS Trends</b> ” or “ <b>View IE Trends</b> ” link to go to the balance sheet or income/expense trends.
10	CLICK: <ul style="list-style-type: none"> <li>• “<b>Pin All</b>” to attach all balance sheets to the income/expense underneath</li> <li>• “<b>Unpin All</b>” to detach all balance sheets from the income/expense underneath</li> <li>• “<b>Flip All</b>” to flip all balance sheets and income/expenses at the same time.</li> </ul>
11	To edit rows of balance sheets or income/expenses, CLICK “ <b>⚙</b> ” (sprocket) to duplicate, lock, or move; use drop-down menus; or type directly into description fields.

--\*

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

### F Income/Expense (Continued)

#### 1 Adding a New Income/Expense (Continued)

**\*--Option 2:** CLICK “Add Income/Expense”. If the customer has existing records CLICK “Add/Modify/Delete” on the fly-out window. The “Add/Modify/Delete” option may also be accessed through the Dashboard.

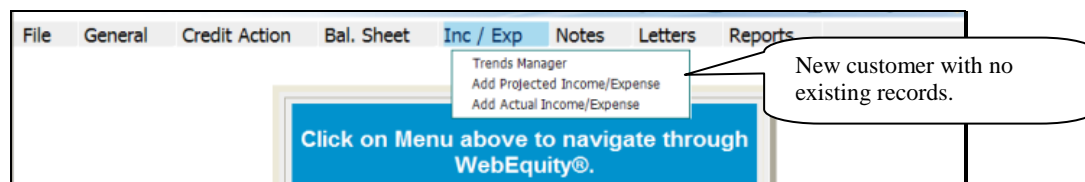


Figure 34e, Customer with No Existing Records

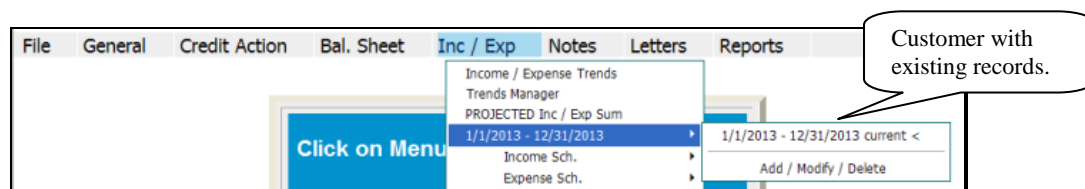


Figure 34f, Customer with Existing Records--\*

Complete the following fields on the Income/Expense Screen.

Field	Action
Projected Actual	From the drop-down menu, select either “Proj.” or “Actual”.
Beg. Date	Manually enter the date or CLICK “Calendar Icon”.
End. Date	Manually enter the date or CLICK “Calendar Icon”.
Description	Manually enter a description of the record.  <b>Note:</b> The “Description” field appears on all printed reports and should contain a meaningful description of the income/expense being added.  <b>*--Example:</b> “Before eDALR\$ 2010” or “OL loan 2010.”--*
Beg. Bal. Sht	CLICK “None Selected” link and select a balance sheet date that is displayed in the pop-up window.
End. Bal. Sht	CLICK “None Selected” link and select a balance sheet date that is displayed in the pop-up window. This field is only displayed for actual income/expense.
Monthly CF Setup	<b>This is an Optional field.</b> Select number of months for the monthly cash flow. See <b>Using Income/Expense Categories</b> (Section F 5).
Add	CLICK “Add” to display in the list of income/expense summaries.
	<b>Note:</b> When a record is created, a balance sheet should be associated with it, if possible, so that certain ratios are correctly calculated. For an actual income/expense record, if beginning and ending balance sheets cannot be matched, then select the same balance sheet for both the beginning and ending.



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

### F Income/Expense (Continued)

#### 1 Adding a New Income/Expense (Continued)

\*--

The screenshot shows the 'Income / Expense' screen with a table for adding new entries. The table has columns: Projected Actual, Beg. Date, End. Date, Description, Beg. Bal. Sht., End. Bal. Sht., Monthly # Mths, and an 'Add' button. A callout box points to the 'Add' button with the text: 'Complete all fields, then CLICK "Add" to display entry in the list.'

Figure 34g, Income/Expense Screen--\*

#### 2 Additional Links on the Income/Expense Screen

In addition to the list of income/expense summaries displayed on the screen, users will see additional features and hypertext links on the right side of the screen.

The screenshot shows the 'Income / Expense' screen with a list of entries. Each entry has a checkbox, a 'Project' dropdown, 'Beg. Date', 'End. Date', 'Description', 'Beg. Bal. Sht.', 'End. Bal. Sht.', 'Monthly CF Setup # Mths', and a 'Use' checkbox. A callout box points to the 'Use' checkbox with the text: 'Additional hypertext links and use blocks. Note: 5 reports have been selected to display in the fly-out window. Red\* denotes last summary selected for viewing.'

\*--Figure 34h, Income/Expense Screen--\*

Field	Action
View Trends	CLICK "View Trends" for quick access to Income/Expense Trends Screen.
Use	<p>Check (✓) "Use" blocks to select which reports to display in the fly-out window or for use in "Reports Setup". If box is grayed out, the report is currently in use in "Reports Setup", or was the last report selected for viewing.</p> <div data-bbox="435 1522 1471 1732"> <p>Only the 5 income/expense reports that were selected in the "Use" column, display in the fly-out window.</p> </div> <p>*--Figure 34i--*</p>
Rev Loc	Will only be displayed if users choose the Monthly CF Setup. CLICK "RevLoc" to display the "Revolving LOC Setup" box if customer has a loan with a Rev. LOC. Enter the interest rate for the LOC loan in the field on the left and click boxes next to the months on the right if users want interest paid other than year end. Save and return.

Farm Business Plan - FSA User Guide (Continued)

F Income/Expense (Continued)

2 Additional Links on the Income/Expense Screen (Continued)

\*--Figure 34j, Revolving LOC Setup Screen--\*

Field	Action
View	CLICK “ <b>View</b> ” to display the Income/Expense Summary Screen.
Accrual	<b>Optional.</b> May be used for customers who use an accrual recordkeeping system.
PF	Will only be displayed after a beginning balance sheet date is selected. CLICK “ <b>PF</b> ” to display the pro forma (projected) information for that year.
Dupl.	CLICK “ <b>Dupl.</b> ” to duplicate that particular year’s information. The duplicate will be displayed under the year user wanted to duplicate.
Move	CLICK “ <b>Move</b> ” to move a projected income/expense year down to an actual year and vice versa. CLICK “ <b>Move</b> ” for the year user wants to move and the system will automatically move the year.
Lock	CLICK “ <b>Lock</b> ” to lock the selected income/expense screen.

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

### F Income/Expense (Continued)

#### 3 Income/Expense Summary – Entering Data

Using this option allows the user to select and display a single projected or actual income/expense summary on the screen.

CLICK “**Inc/Exp**” on the toolbar, highlight “Projected Inc/Exp Sum” or “Actual Inc/Exp Sum”, and select a summary description from the fly out window. The summary may also be accessed through the Dashboard Navigation Screen.

\*--

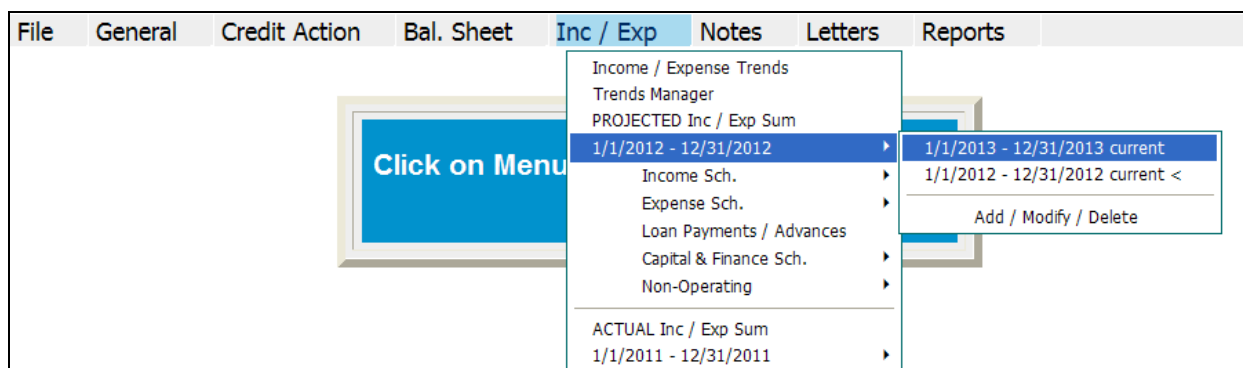


Figure 34k, Inc/Exp Summary Using the Toolbar

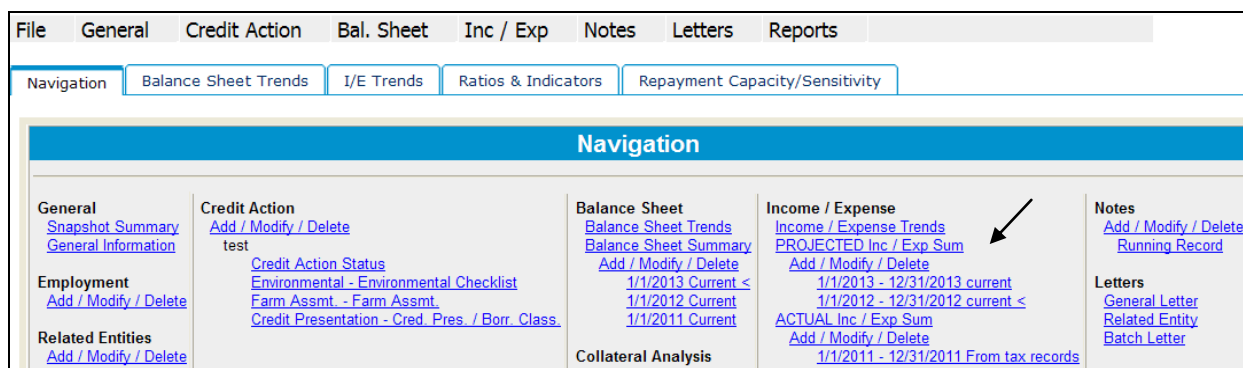


Figure 34l, Dashboard Navigation Screen--\*

Projected and actual amounts can be entered as a summary dollar value or on schedules where the calculated total transfers to the income/expense summary. Sometimes a mix of summary and scheduled input is appropriate. Scheduled information is especially appropriate when planning with production and yields.

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

### F Income/Expense (Continued)

#### 3 Income/Expense Summary – Entering Data (Continued)

- To input data at the summary level, click in the applicable numeric input field and enter the total value amount.
- CLICK “**Save & Stay**” to save data; **or** navigate away from the screen by use of the toolbar menu or any hyperlink and data is automatically saved.
- CLICK “**Cancel**” and the data will not be saved and the page will refresh with the original data.

Current  
1/1/2012 To 12/31/2012

Proj. Inc/Exp Summary

Add / Modify / Delete

Ratios

Save & Stay | Cancel

Operating Income Copy Avg.

Crop Sales

Livestock & Poultry Sales

Projected	Avg.(3)	None
100,000	75,500	
35,000	26,044	

\*--Figure 34m, Financial Data input at the Summary Level--\*

Field	Action
Copy Avg.	Will copy the average of the previously selected years to the summary input column. Using this feature can be a time-saving tool for preparing a projection; however, it should <b>not</b> be used when creating actual records.
Avg.	Will display in parentheses, the number of years included in the average (in this example, 3). To modify the number of years represented in the average, CLICK “Avg.”. This will display the Report Setup Screen where users can select the number of years they want in the average.  <b>Caution:</b> Be careful when selecting the years to be included so that atypical years, or years that include different enterprises compared to the projection, are not included.

Current  
1/1/2010 To 12/31/2010

Proj. Inc/Exp Summary

Add / Modify / Delete

Ratios

Save & Stay | Save & Menu

Operating Income Copy Avg.

Crop Sales

Livestock & Poultry Sales

Projected	Avg.(3)	None
108,333	108,333	
40,877	40,877	

\*--Figure 34n, Copy Average to Projection--\*


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

### F Income/Expense (Continued)

#### 3 Income/Expense Summary – Entering Data (Continued)

An option available in summary level entry is “Math in a Cell”. Enter math formulas including addition, subtraction, multiplication, division calculations, and parenthesis, in user-defined cells to perform math calculations.

- To enter a math formula, click in the cell and begin entering the values. Some basic formula examples:  $10+2=12$ ,  $10-2=8$ ,  $10*2=20$ ,  $10/2=5$ ,  $(10+2)/2=6$ .



File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
				Freight & Trucking		0	0
				Gas / Fuel / Oil		(750+333)*12	0
				Insurance Exp.		0	0

\*--Figure 34o, Enter a Math Formula--\*

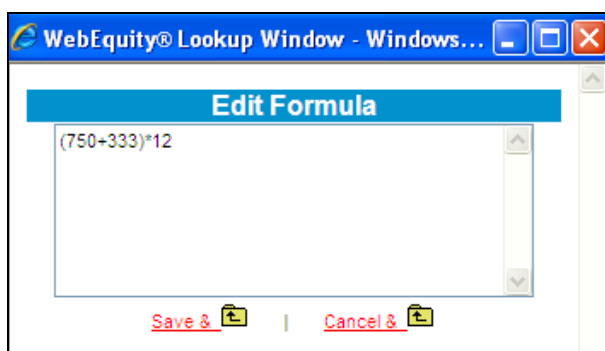
- To view a math formula, place the cursor over the plus/minus (+/-) symbol next to a cell that contains a math formula. Any new formula entered in a cell will overwrite the original calculation. Calculations are stored when screens are saved.



File	General	Credit Action	Bal. Sheet	Inc / Exp	Notes	Letters	Reports
				Freight & Trucking		0	0
				Gas / Fuel / Oil		12,996 +/-	0
				Insurance Exp.		0	0
				Labor Hired		(750+333)*12	0

\*--Figure 34p, View a Math Formula--\*

- To edit a math formula, click the plus/minus (+/-) symbol next to a cell that contains a math formula. An **Edit Formula** dialog box will be displayed, type any changes and CLICK “Save”.



\*--Figure 34q, Edit Formula Window--\*

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

### F Income/Expense (Continued)

#### 3 Income/Expense Summary – Entering Data (Continued)

To add information at the schedule level, click on the hypertext link for the desired income/expense item. This will open up the schedule for that line item.

Current  
1/1/2012 To 12/31/2012

**Proj. Inc/Exp Summary** [Add / Modify / Delete](#)

[Ratios](#) [Save & Stay](#) [Cancel](#) [Copy Avg.](#)

Operating Income Projected Avg.(0) None

[Crop Sales](#) 0 0

[Livestock & Poultry Sales](#) 0 0

\*--Figure 34r, Opening Schedule--\*

Using crop sales as the example, enter the applicable information in each field from left to right, and then CLICK “Add” on the far right side of the schedule to add the crop. After all crops have been added, the “Total Sales” amount will be displayed on the Inc/Exp Summary Screen.

**Crop Sales** [Print](#) [Word](#) [Excel](#) [Summary](#) [Detail](#) [Group By](#)

[Add New](#) [Save & Stay](#) [Save & Add](#) [Save & Menu](#)

	Yield	%	Prod. U.	Farm Use	Sale U.	Per Unit	Sales	End U.	Dbt
Com-	500	125	100	62,500	0	62,500	4.85	303,125	0
Com-	500			62,500	0	62,500		303,125	0
Soybeans-	200	35	100	7,000	0	7,000	10.75	75,250	0
Soybeans-	200			7,000	0	7,000		75,250	0
Total Production	700			69,500	0	69,500		378,375	0
Total to Inc/Exp Summary								378,375	

\*--Figure 34s, Financial Data Input at the Schedule Level--\*

Current  
1/1/2012 To 12/31/2012

**Proj. Inc/Exp Summary** [Add / Modify / Delete](#)

[Ratios](#) [Save & Stay](#) [Cancel](#) [Copy Avg.](#)

Operating Income Projected Avg.(0) None

[Crop Sales](#) 378,375 0

[Livestock & Poultry Sales](#) 0 0

\*--Figure 34t, Total Sales Amount--\*

**Note:** When editing information in the schedule, if **all** line items are deleted, the value will not automatically be deleted from the Proj. Inc/Exp Summary Screen. Access the Proj. Inc/Exp Summary Screen to delete the value amount from the field.

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

### F Income/Expense (Continued)

#### 3 Income/Expense Summary – Entering Data (Continued)

The crop sales schedule also includes a “Land Owner” link where information is entered about the customer’s land owners. CLICK “**Land Owner**” to access the “Land Owners” dialog box.

\*--Figure 34u, Crop Sales Schedule--\*

- Type the land owner’s name in the “Description” field and CLICK “**Add**”.
- CLICK “**Detail**” to enter additional demographic information about the land owner.
- CLICK “**Print**” to print a Land Owner Information Report.

\*--Figure 34v, Land Owners Dialog Box--\*

- Return to the crop sales schedule, CLICK “**Select Land Owner**” to select a land owner for each crop listed.
- Use the “Group By” option to group crops by either land owner or crop.
- CLICK “**Print**” to print a Crop Sales Report.



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

### F Income/Expense (Continued)

#### 3 Income/Expense Summary – Entering Data (Continued)

Another option on the schedule is the **optional “Ent”** link, where a user can enter information needed for crop and livestock enterprise analysis. Break-even analysis is a useful farm management tool because it allows calculation of various combinations of price and yield that will cover anticipated costs. To access the Enterprise Analysis Section, **CLICK “Ent.”** link on the schedule.

**Enterprise Analysis**  
Corn --

[Save & Stay](#) | [Save & Menu](#) | [Save & Menu](#)

[Copy Enterprise Defaults](#)

	Income	Prchs.	Exp.	Margin	B/E
	100,000	0	0	100,000	0

	Acres	Yield	% Share	Units	Per Unit	Sales
<input checked="" type="radio"/> Projected	200	125	100	25,000	4	100,000
<input type="radio"/> What-If	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	<input type="text" value="0"/>	<input type="text" value="0"/>
<input type="radio"/> What-If	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	0	<input type="text" value="0"/>	<input type="text" value="0"/>

Type	Description	Calc Basis	Exp. U.	Per Exp. U.	Per A. or U.	%	Total	% C.F.	C.F.
<a href="#">-- Add New --</a>					0	100	0	100	0

[Add](#)

Add anticipated total costs.

\*--Figure 34w, Enterprise Analysis Screen--\*



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

### F Income/Expense (Continued)

#### 4 Income/Expense Trends - Entering Data

Using this option allows multiple income/expense summaries to be displayed and accessed.

\*--CLICK “**Inc/Exp**” on the toolbar and select “**Income/Expense Trends**” from the drop-down menu. Trends may also be accessed through the Dashboard Navigation Screen.

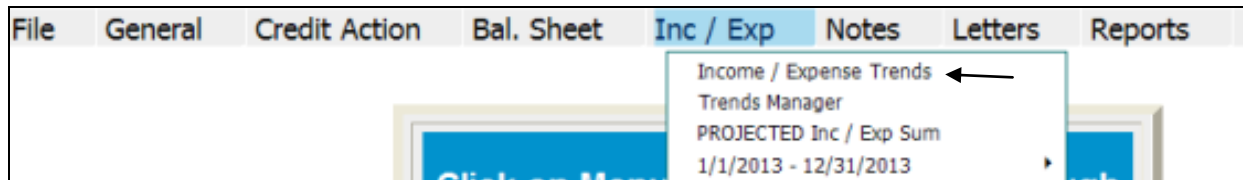


Figure 35a, Income/Expense Trends Using the Toolbar

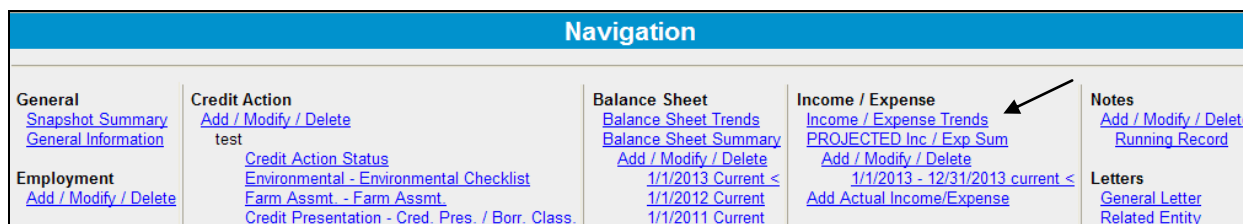


Figure 35b, Dashboard Navigation Screen--\*

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

### F Income/Expense (Continued)

#### 4 Income/Expense Trends - Entering Data (Continued)

\*--Projected and actual amounts can be entered as a summary dollar value or on schedules where the calculated total transfers to the income/expense summary. Sometimes a mix of summary and scheduled input is appropriate. Scheduled information is especially appropriate when planning with production and yields. Features that are available on the Income/Expense Trends Screen include the following.

The screenshot shows the 'Income / Expense Trends' screen. At the top, there are tabs for 'Bottom of Page', 'Save & Stay', and 'Cancel'. Below this, there are date pickers for '1/1/2013' and '1/1/2012', with 'current' selected for both. A 'Use In Average' checkbox is present. The main table is titled 'Agriculture' and lists various income and expense items. A callout '1' points to the date pickers. A callout '2' points to the 'Comments' and 'Formula Editor' dropdown menu for a cell. A callout '3' points to the 'Page Actions' dropdown menu. A callout '4' points to the 'Add / Modify / Delete' option. A callout '5' points to the 'Fixed Header' checkbox. A callout '6' points to the 'Show Notes' checkbox. The table includes sections for 'Operating Income' and 'Purchases for Resale', with a 'Gross Margin' at the bottom.

Figure 36a, Income/Expense Trends Screen

Item	Feature
1	Use “ <b>Date</b> ” link to go directly into the individual year income/expense.
2	Use drop-down menu to access additional features for an individual cell to enter: <ul style="list-style-type: none"> <li>• schedule level detail</li> <li>• or edit comments</li> <li>• or edit formulas (formulas can also be entered directly into the cell).</li> </ul>
3	Use “Page Actions” drop-down to access additional features, as follow: <ul style="list-style-type: none"> <li>• Add/Modify/Delete Screen</li> <li>• Trends Manager</li> <li>• Copy Average</li> <li>• Print Reports.</li> </ul>
4	CLICK “ <b>Enter Key</b> ” drop-down menu to select cursor movement direction when users press “Enter”.
5	CHECK (✓) “ <b>Fixed Header</b> ” to “freeze” column headings while scrolling up and down pages.
6	The triangular marker indicates that notes, schedules, or formulas exist for a cell. CHECK (✓) “ <b>Show Notes</b> ” to display a “Page” icon, instead of the triangle, when notes exist.

--\*

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

### I Collateral Analysis/Chattel Appraisals

Collateral analysis involves assessing the adequacy of collateral pledged for a loan and must be completed when a Credit Presentation is prepared for a loanmaking or loan servicing action.

In addition to populating the Credit Presentation, a separate collateral analysis report can be printed that shows the calculations involved in the analysis.

For all direct FSA loans, the default collateral discount factor is 100 percent. **This must not be changed.**

#### 1 Describing the Collateral Position

The collateral position is usually described in the following 2 ways.

Description	Calculation
Margin of Collateral to Loan	(Amount of collateral <b>minus</b> prior liens) <b>divided by</b> total FSA loans.
Percent Loan to Collateral	(Total FSA loans <b>divided by</b> (amount of collateral <b>minus</b> prior liens)) <b>multiplied times</b> 100.

For new chattel loans, use the “Margin of Collateral to Loan” to determine if the 150 percent (1.50) security requirement is met.

#### 2 Completing the Chattel Appraisal

The descriptions and values in the chattel appraisal are derived from the balance sheet schedules. After a loan official has visited the farm and completed an appraisal of the chattel, the appraised values will need to be entered in the corresponding schedules. After the Balance Sheet has been updated, CLICK “**Balance Sheet**” and “**Chattel Appraisal**” to update the chattel appraisal information.

\*--

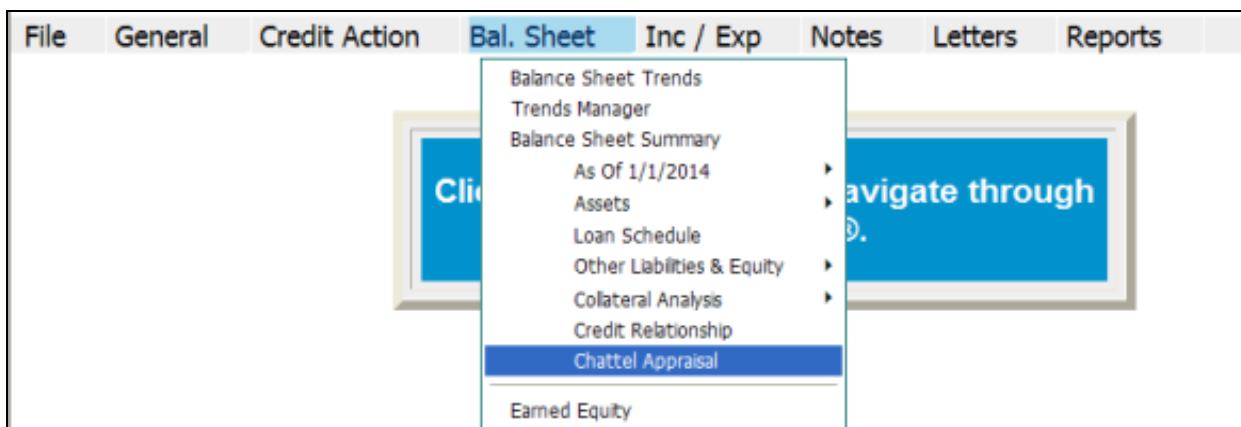


Figure 45a--\*

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

**I Collateral Analysis/Chattel Appraisals (Continued)**

**\*-2 Completing the Chattel Appraisal (Continued)**

Complete the Chattel Appraisal Screen. Use the Footnote Section for any additional information as needed.

**Chattel Appraisal**  
1/1/2010 - Current

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

Who provided the Chattel Appraisal? ☐ Contractor ☐ Lender ☒ FSA ☐ Other

Date of Chattel Appraisal? 6/10/2010 [calendar icon]

Schedule	Value
Market Livestock & Poultry	25,000
Machinery & Equipment	100,000
Farm Vehicles	10,000
Raised Breeding Stock	10,000
Total value of Appraised Property	145,000

Paragraph Arial 10 Symbols [icons]

Add any additional information as needed.

Defaults to "FSA". Ensure that it is changed if chattel appraisal was completed by someone other than an FSA employee.

Manually enter or use the calendar to select the date the chattel appraisal was completed.

Use Footnotes Section for any additional information as needed.

**Figure 45b--\***

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

### I Collateral Analysis/Chattel Appraisals (Continued)

#### \*--2 Completing the Chattel Appraisal (Continued)

If the chattel appraisal is completed by the same official who recommends or approves the Credit Presentation, the Appraisal form does not need to be printed or signed. If not printed, there **must** be a notation in the Collateral Section of the Credit Presentation that a chattel appraisal was completed, date of appraisal, and that the eSignature stamp of the recommending or approving official represents the person who completed the appraisal.

In all adverse actions, or if the appraisal was completed by someone other than the recommending/approving official, the chattel appraisal will need to be printed and signed.

To generate the printed chattel appraisal CLICK **“Reports”**, **“Balance Sheet”**, **“Chattel Appraisal”**, and select the chattel appraisal to be printed from the list provided.

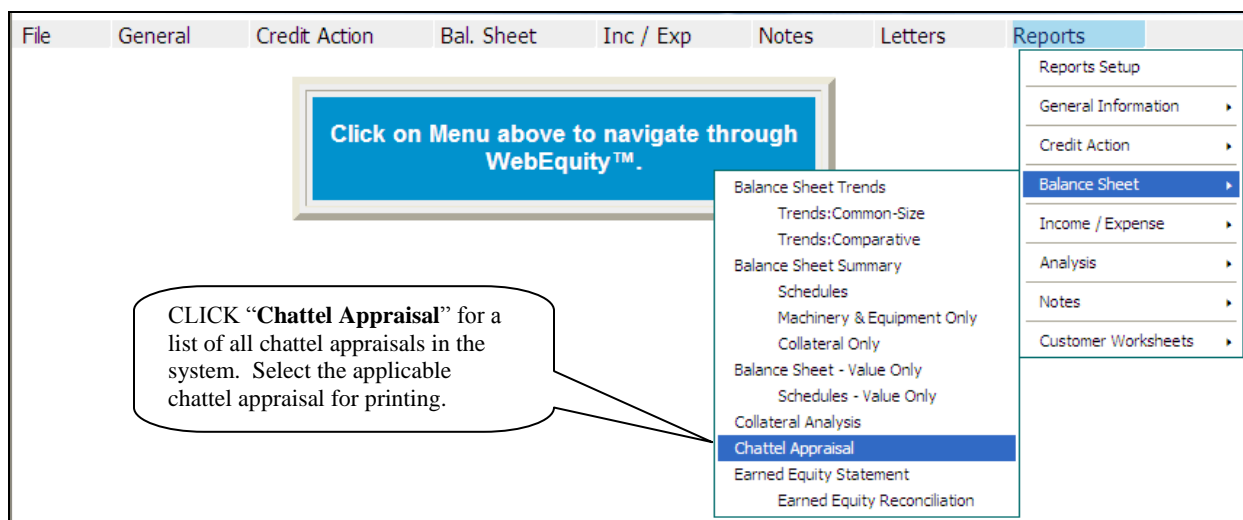


Figure 45c--\*

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

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis

The collateral analysis is where a user can access, view, add, modify, or delete information specific to any collateral value for loans held by FSA and any prior lien holders. The values in the collateral analysis are derived from the associated balance sheet summary and schedules.

When building the collateral analysis, loans and the collateral used to secure the loan can be grouped together by creditors. For example, if all the FSA loans are secured by the same collateral, the loans and collateral could be grouped together. Separate FSA loan groups may be created when different collateral is used to secure different FSA loan types.

For prior lienholders, there can be a loan group for each creditor; or all prior lienholders can be grouped together. If there are prior liens, they **must** be added to the collateral analysis **before** adding any FSA loan group.

##### a Customer With No Prior Liens

Assume in this example that there are no prior liens on the collateral used to secure the FSA loans. Use the following steps to build the collateral analysis for the FSA loan group.

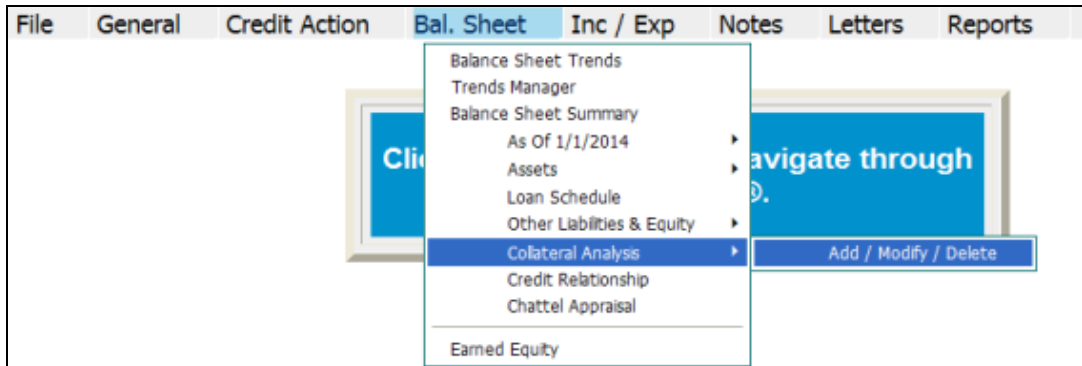
Step	Action
1	Verify the correct balance sheet is selected to use in building the collateral analysis.
2	<p>CLICK “<b>Bal. Sheet</b>”, “<b>Collateral Analysis</b>”, and “<b>Add/Modify/Delete</b>”. When user first clicks this menu item, the only submenu item displayed is the “<b>Add/Modify/Delete</b>”. As users add loan groups, they will automatically be displayed in the submenu and be available for selection.</p> <p>*--</p>  <p>The screenshot shows a software menu with 'Bal. Sheet' highlighted. A dropdown menu is open, listing options: Balance Sheet Trends, Trends Manager, Balance Sheet Summary, As Of 1/1/2014, Assets, Loan Schedule, Other Liabilities &amp; Equity, Collateral Analysis (highlighted), Credit Relationship, and Chattel Appraisal. A secondary submenu is open for 'Collateral Analysis', showing 'Add / Modify / Delete'.</p>

Figure 45d--\*

Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

a Customer With No Prior Liens (Continued)

Step	Action																																																																																
8	<p>Verify that the correct loans and collateral have been added for the loan group. If additional documentation is needed, it can be added to the Notes Section.</p> <p>*--</p> <p><b>FSA Loans</b></p> <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>44-01</td> <td>FSA</td> <td>Int.</td> <td>90,000 *</td> <td>90,000</td> <td>90,000</td> <td></td> </tr> <tr> <td>**44-02</td> <td>FSA</td> <td>Int.</td> <td>10,000 *</td> <td>0</td> <td>10,000</td> <td></td> </tr> <tr> <td colspan="3"><b>Totals</b></td> <td>100,000</td> <td>90,000</td> <td>100,000</td> <td></td> </tr> </tbody> </table> <p>**Denotes "New" Loans      *Total Of Loans For Collateral Analysis: 100,000</p> <p><b>Collateral</b></p> <table border="1"> <thead> <tr> <th>Description</th> <th>Type</th> <th>Value</th> <th>Adv Rate (%)</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>Machinery &amp; Equipment</td> <td></td> <td>150,000</td> <td>100</td> <td>150,000</td> <td>0</td> <td>✓</td> <td>150,000</td> <td>✓</td> <td>99,338</td> <td>50,662</td> </tr> <tr> <td>Farm Vehicles</td> <td></td> <td>1,000</td> <td>100</td> <td>1,000</td> <td>0</td> <td>✓</td> <td>1,000</td> <td>✓</td> <td>662</td> <td>338</td> </tr> <tr> <td colspan="2"><b>Totals</b></td> <td>151,000</td> <td></td> <td>151,000</td> <td></td> <td></td> <td>151,000</td> <td></td> <td>100,000</td> <td>51,000</td> </tr> </tbody> </table> <p><b>Analysis</b></p> <table border="1"> <tbody> <tr> <td>Total Loan Amount</td> <td>100,000</td> <td>Discounted Margin of Collateral to Loan</td> <td>1.51</td> </tr> <tr> <td>Discounted Collateral Value</td> <td>151,000</td> <td>Discounted LTV</td> <td>66.23%</td> </tr> </tbody> </table> <p><b>Notes</b></p> <p>Paragraph Arial 10 Symbols</p> <p>Add any additional documentation in the "Notes" section.</p>	Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose	44-01	FSA	Int.	90,000 *	90,000	90,000		**44-02	FSA	Int.	10,000 *	0	10,000		<b>Totals</b>			100,000	90,000	100,000		Description	Type	Value	Adv Rate (%)	Disc Value	Prior Lien	Auto Calc	Coll. Amt.	Auto Calc	Used	Available	Machinery & Equipment		150,000	100	150,000	0	✓	150,000	✓	99,338	50,662	Farm Vehicles		1,000	100	1,000	0	✓	1,000	✓	662	338	<b>Totals</b>		151,000		151,000			151,000		100,000	51,000	Total Loan Amount	100,000	Discounted Margin of Collateral to Loan	1.51	Discounted Collateral Value	151,000	Discounted LTV	66.23%
Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose																																																																											
44-01	FSA	Int.	90,000 *	90,000	90,000																																																																												
**44-02	FSA	Int.	10,000 *	0	10,000																																																																												
<b>Totals</b>			100,000	90,000	100,000																																																																												
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Machinery & Equipment		150,000	100	150,000	0	✓	150,000	✓	99,338	50,662																																																																							
Farm Vehicles		1,000	100	1,000	0	✓	1,000	✓	662	338																																																																							
<b>Totals</b>		151,000		151,000			151,000		100,000	51,000																																																																							
Total Loan Amount	100,000	Discounted Margin of Collateral to Loan	1.51																																																																														
Discounted Collateral Value	151,000	Discounted LTV	66.23%																																																																														

Figure 50--\*

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

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### \*--b Customer With Prior Liens

When the customer has loans with creditors who have prior liens on the collateral used to secure the FSA loan, those creditors **must** be added to the collateral analysis **before** the FSA loan group.

**Example:** Assume in this example that the customer owes John Deere Credit \$26,000, secured by a first lien on a tractor worth \$35,000. The customer also has an FSA OL with a balance of \$90,000, secured by a lien on all machinery and equipment worth \$150,000, including the tractor.

Step	Action
1	<p>Complete the following fields to add the John Deere Credit loan group:</p> <ul style="list-style-type: none"> <li>“Loans Description”, enter a description of loans associated with the collateral</li> <li>“Lien?”, select “<b>Prior</b>” for all prior loans</li> <li>“Amt to Use”, select “<b>As Marked On Schedule</b>”.</li> </ul> <p>CLICK “<b>Add</b>” to begin building the collateral analysis.</p> <p><b>Figure 51a</b></p>
2	<p>CLICK “<b>Add from Loan Schedule</b>” to choose the loans.</p> <p><b>Figure 51b</b></p>

--\*



Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

\*--b Customer With Prior Liens (Continued)

Step	Action
3	<p>Select the John Deere Credit loan and CLICK “Add Loans”.</p> <p><b>Figure 51c</b></p>
4	<p>CLICK “Add Collateral” to choose the collateral for the loan group being built.</p> <p><b>Figure 51d</b></p>
5	<p>Select collateral to be included in the loan group being built. CLICK “Add Collateral”.</p> <p><b>Figure 51e</b></p>

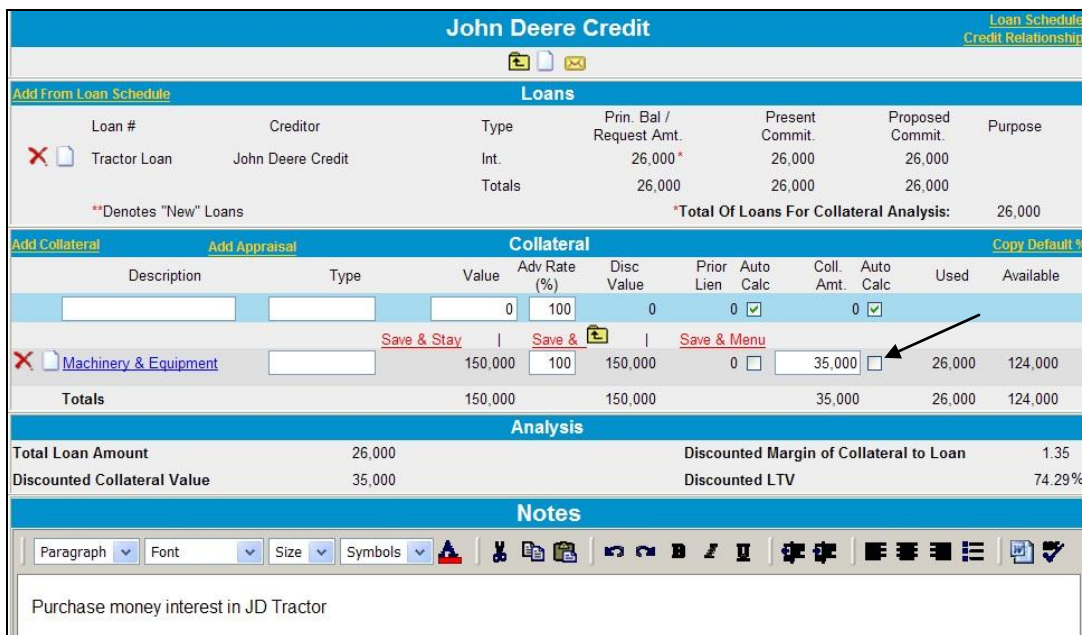
--\*

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

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### b Customer With Prior Liens (Continued)

Step	Action
6	<p>To adjust the value of the collateral securing the prior lien holder, uncheck (✓) the “<b>Auto Calc</b>” box and enter the value of the asset securing the loans in the “<b>Coll. Amt</b>” field.</p> <p>*--</p>  <p>The screenshot displays the 'John Deere Credit' software interface. At the top, there's a header bar with 'John Deere Credit' and a 'Loan Schedule Credit Relationship' link. Below this is a 'Loans' section with a table listing loan details. The 'Collateral' section follows, showing a table with columns for Description, Type, Value, Adv Rate (%), Disc Value, Prior Lien, Auto Calc, Coll. Amt, and Used. A row for 'Machinery &amp; Equipment' is highlighted, with a value of 150,000 and a discounted value of 150,000. The 'Auto Calc' checkbox is unchecked, and the 'Coll. Amt' field is set to 35,000. An arrow points to the 'Coll. Amt' field. The 'Analysis' section shows the 'Total Loan Amount' as 26,000 and the 'Discounted Collateral Value' as 35,000. The 'Notes' section at the bottom contains the text 'Purchase money interest in JD Tractor'.</p>

**Figure 52, John Deere Credit Prior Lien Loan Group--\***

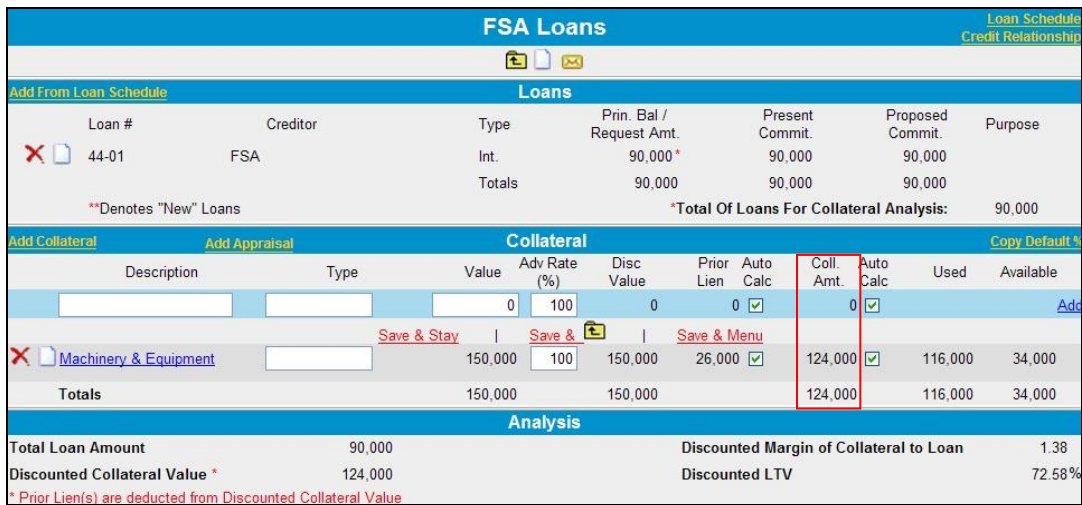

**Caution:** If more than 1 “Prior Lien” group is added to a collateral analysis, uncheck the “**Auto Calc**” box and enter \$0 in the “**Prior Lien**” field before saving to allow the system to calculate correctly.

Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

b Customer With Prior Liens (Continued)

Step	Action
7	<p>Create the FSA loan group; add the FSA loans from the loan schedule, and then add the collateral securing those loans. In this example, even though all machinery and equipment is securing the FSA loan, there is only \$124,000 of collateral available for FSA (value of all machinery and equipment of \$150,000 <b>minus</b> John Deere prior lien of \$26,000 <b>equals</b> \$124,000). This amount is calculated automatically and captures any remaining equity in the tractor.</p> <p>*--</p>  <p><b>Figure 53, FSA Loan Group--*</b></p>
8	<p>Access the Collateral Analysis Summary Screen and verify that the margin of collateral to loan is correct in the “Margin Col/Ln” Column.</p> <p>*--</p>  <p><b>Figure 54, Collateral Analysis Screen--*</b></p>

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

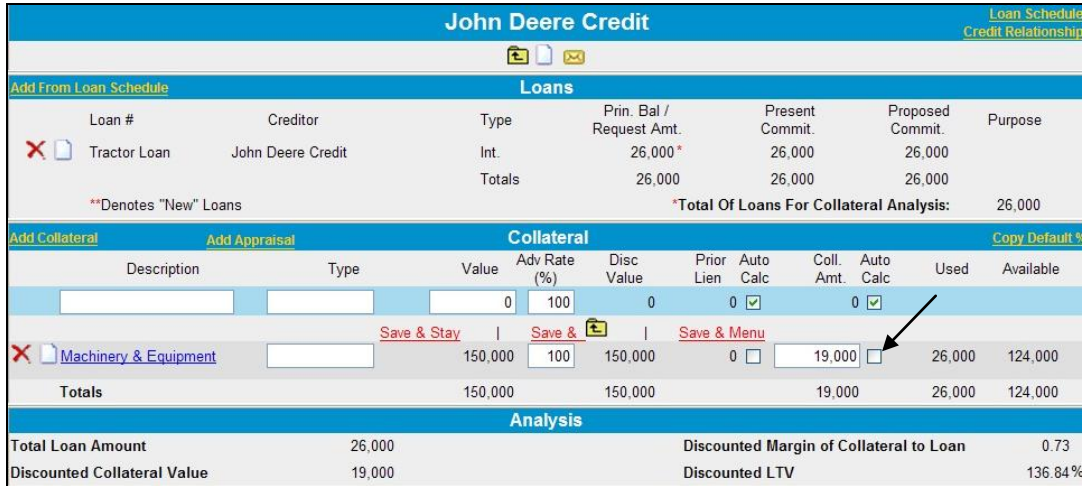
### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### c Customer With Negative Equity Prior Liens

When the customer has loans with creditors who have prior liens on the collateral used to secure the FSA loan, those creditors **must** be added to the collateral analysis **before** the FSA loan group. These prior liens may be under secured and are sometimes referred to as “upside-down” or negative equity loans.

**Example:** Assume in this example that the customer owes John Deere Credit \$26,000, secured by a first lien on a tractor worth only \$19,000. The customer also has an FSA OL with a balance of \$90,000, secured by a lien on all machinery and equipment worth \$150,000, including the tractor. FSA is secured; however, John Deere Credit is under secured by \$7,000 (tractor value of \$19,000 **minus** loan balance of \$26,000).

Step	Action
1	<p>Add the John Deere Credit loan group, select the John Deere Credit \$26,000 loan from the loan schedule, and then add <b>all</b> the machinery and equipment as collateral, even though only the John Deere tractor is collateral for this loan.</p> <p>To adjust the value of the collateral securing the prior lien holder, uncheck (✓) the “<b>Auto Calc</b>” box and enter the value of the asset securing the loans in the “<b>Coll. Amt</b>” field. In this example the tractor is worth \$19,000.</p> <p>*--</p>  <p><b>Figure 55, John Deere Credit Prior Lien Screen--*</b></p> <p>When user clicks “<b>Save &amp; Stay</b>”, only the value of the tractor will be deducted from the total of “<b>Machinery and Equipment</b>”. <b>No</b> equity from the equipment will be used to secure the John Deere Credit loan.</p>

Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

c Customer With Negative Equity Prior Liens (Continued)

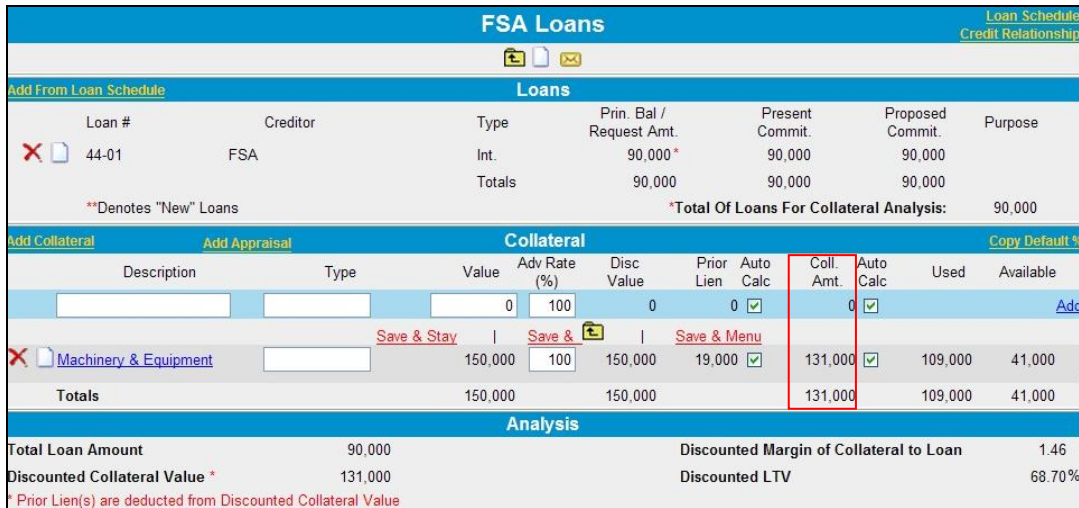

Step	Action
2	<p>Add the FSA loan group, select the FSA OL \$90,000 loan from the loan schedule, and then add the collateral securing the loan. In this example, the amount of collateral available is \$131,000 (value of equipment of \$150,000 <b>minus</b> value of tractor secured by prior lien of \$19,000). This amount is automatically calculated.</p> <p><b>Note:</b> Although there is negative equity in the tractor, John Deere Credit's adverse collateral position does <b>not</b> impact FSA's position.</p> <p>*--</p>  <p>The screenshot shows the 'FSA Loans' screen. It includes a table for 'Loans' with columns: Loan #, Creditor, Type, Prin. Bal / Request Amt., Present Commit., Proposed Commit., and Purpose. Below this is a 'Collateral' section with columns: Description, Type, Value, Adv Rate (%), Disc Value, Prior Lien, Auto Calc, Coll. Amt., Auto Calc, Used, and Available. The 'Collateral' table shows 'Machinery &amp; Equipment' with a value of 150,000 and a prior lien of 19,000, resulting in a collateral amount of 131,000. An 'Analysis' section at the bottom shows 'Total Loan Amount' of 90,000, 'Discounted Collateral Value' of 131,000, and a 'Discounted Margin of Collateral to Loan' of 1.46.</p>
3	<p>Access the Collateral Analysis Screen and verify that the margin of collateral to loan in the "Margin Col/Ln" Column is correct.</p> <p>*--</p>  <p>The screenshot shows the 'Collateral Analysis' screen. It includes a table with columns: Loan(s) Description, Lien?, Scoring &amp; Rating, Amt to Use, # Of Loans, Loan Amt, Collateral Value, Margin Coll / Ln, % Loan to Coll., and Use ?. The table shows 'FSA Loans' with a margin of 1.46 and 'John Deere Credit' with a margin of 0.73. A 'Total' row shows a combined margin of 1.46.</p>

Figure 56, FSA Loans Screen--\*

Figure 57, Collateral Analysis Screen--\*

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

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### d Customer With FSA Cross-Collateralized Loans

Sometimes the same asset may be used as collateral for multiple FSA loans. This is called, “cross-collateralization”. To correctly display the available collateral, the loan group that has the primary security interest in that asset must be added first.

**Example:** Assume that the customer has an FSA FO loan with a balance of \$165,000, secured by a first mortgage on a farm worth \$280,000. The farm also serves as additional collateral for the FSA OL loan, with a loan balance of \$90,000. The FSA OL is also secured by all machinery and equipment, valued at \$100,000.


Step	Action
1	<p>Add the FSA Real Estate loan group first. Select the FSA \$165,000 FO loan from the loan schedule and then add the real estate land, valued at \$280,000, as collateral. To ensure that the real estate security value is not double counted, the “<b>Auto Calc</b>” box must be unchecked (✓). In the “<b>Col Amt.</b>” field, enter an amount equal to the “Total of Loans for Collateral Analysis”. For this loan group, it will appear as if the loan is secured on a 1.1 basis.</p> <p>*--</p>  <p>The screenshot displays the 'FSA Real Estate Loan' interface. At the top, there's a 'Loan Schedule' tab. Below it, a table lists loans with columns: Loan #, Creditor, Type, Prin. Bal / Request Amt., Present Commit., Proposed Commit., and Purpose. A loan with ID 41-01 from FSA is listed with a principal balance of 165,000. Below this, a 'Collateral' table is shown with columns: Description, Type, Value, Adv Rate (%), Disc Value, Prior Lien, Auto Calc, Coll. Amt., Auto Calc, Used, and Available. A row for 'Real Estate - Land' is added with a value of 280,000 and an advance rate of 100%. The 'Auto Calc' checkbox is unchecked, and the 'Coll. Amt.' is set to 165,000. At the bottom, an 'Analysis' section shows the 'Total Loan Amount' as 165,000 and the 'Discounted Collateral Value' as 165,000, resulting in a 'Discounted Margin of Collateral to Loan' of 1.00 and a 'Discounted LTV' of 100.00%.</p>

Figure 58, FSA Real Estate Loan Screen--\*

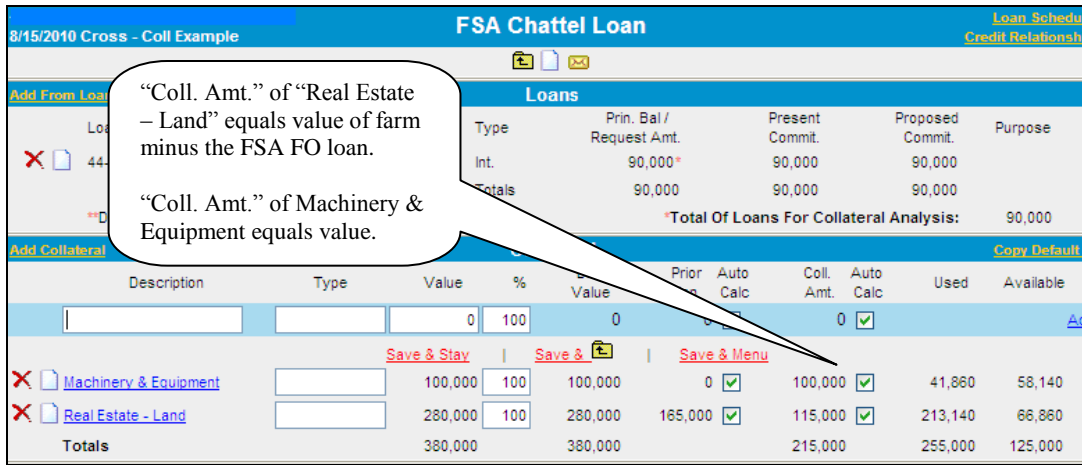
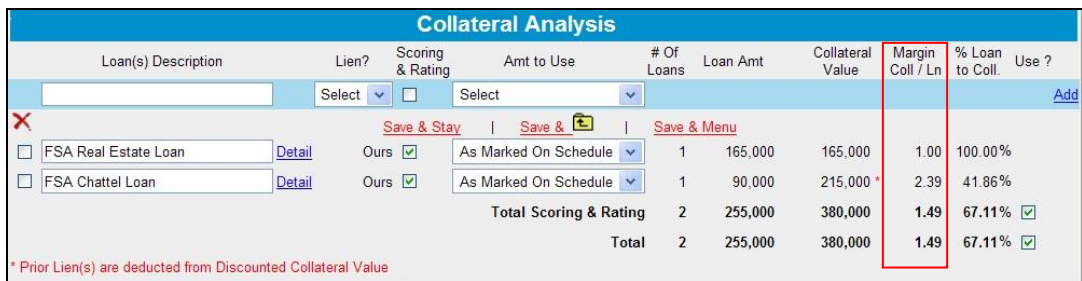


## Farm Business Plan - FSA User Guide (Continued)

### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### d Customer With FSA Cross-Collateralized Loans (Continued)

Step	Action
2	<p>Add the FSA Chattel Loan group, select the FSA \$90,000 OL loan from the loan schedule, and add the real estate land and the machinery and equipment as collateral.</p> <p><b>Note:</b> Even though the farm is valued at \$280,000, the amount available for this loan group is only \$115,000. This amount is automatically calculated and represents the difference between the value of the farm (\$280,000) and the FSA FO loan secured by a first lien on the farm (\$165,000).</p>  <p><b>Figure 59, FSA Chattel Loan Screen</b></p>
3	<p>Access the Collateral Analysis Screen and verify that the margin of collateral to loan is correct.</p> <p>*--</p>  <p><b>Figure 60, Collateral Analysis Screen--*</b></p>

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

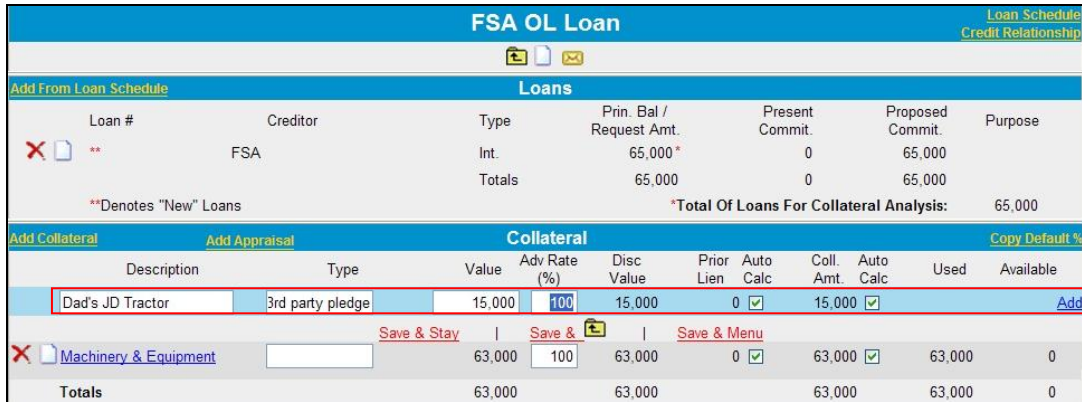
### I Collateral Analysis/Chattel Appraisals (Continued)

#### 3 Building the Collateral Analysis (Continued)

##### e Customer With Third-Party Pledge of Security

Sometimes, outside individuals or entities may provide third-party pledges of collateral. Because the customer does not own the collateral, it does not appear on their balance sheet and is; therefore, not available to be selected on the Select Collateral Detail Screen when building the collateral analysis. In these circumstances, the collateral pledged by the third party must be manually entered in the loan group.

**Example:** Assume that Dad pledged a tractor worth \$15,000 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.

Step	Action
1	<p>Add the FSA OL loan group, select the FSA \$65,000 OL loan from the loan schedule, and then add the machinery and equipment valued at \$63,000, as collateral. Manually add the third-party additional collateral to the “Collateral” Section and CLICK “Add”.</p> <p>*--</p>  <p>The screenshot shows the 'FSA OL Loan' screen. At the top, there are tabs for 'Loan Schedule' and 'Credit Relationship'. Below this is a table titled 'Loans' with columns: Loan #, Creditor, Type, Prin. Bal / Request Amt., Present Commit., Proposed Commit., and Purpose. A loan is listed with Loan # '**', Creditor 'FSA', Type 'Int.', Prin. Bal / Request Amt. '65,000 *', Present Commit. '0', Proposed Commit. '65,000', and Purpose blank. Below the table, it says '**Denotes "New" Loans' and '*Total Of Loans For Collateral Analysis: 65,000'. Below the loans table is a section for 'Collateral' with a 'Copy Default %' link. It has a table with columns: Description, Type, Value, Adv Rate (%), Disc Value, Prior Lien, Auto Calc, Coll. Amt., Auto Calc, Used, and Available. Two items are listed: 'Dad's JD Tractor' with Type '3rd party pledge', Value '15,000', Adv Rate '100', Disc Value '15,000', Prior Lien '0', Auto Calc checked, Coll. Amt. '15,000', Auto Calc checked, Used blank, and Available blank. Below this is 'Machinery &amp; Equipment' with Value '63,000', Adv Rate '100', Disc Value '63,000', Prior Lien '0', Auto Calc checked, Coll. Amt. '63,000', Auto Calc checked, Used '63,000', and Available '0'. At the bottom, a 'Totals' row shows Value '63,000', Disc Value '63,000', Coll. Amt. '63,000', Used '63,000', and Available '0'. There are 'Save &amp; Stay', 'Save &amp; Add', and 'Save &amp; Menu' buttons at the bottom of the collateral section.</p>

**Figure 61a, Third Party Pledge of Security--\***


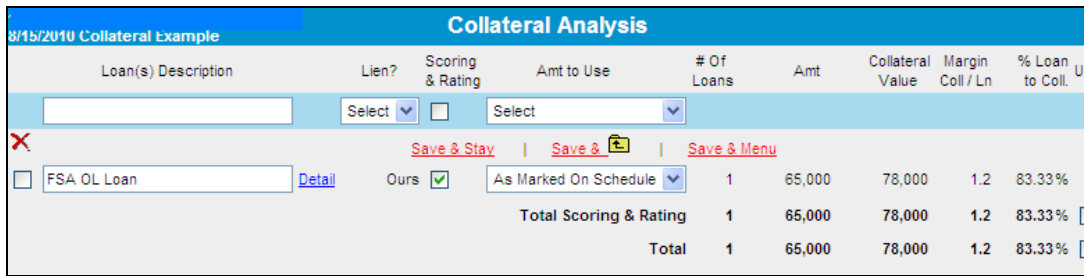


Farm Business Plan - FSA User Guide (Continued)

I Collateral Analysis/Chattel Appraisals (Continued)

3 Building the Collateral Analysis (Continued)

e Customer With Third-Party Pledge of Security (Continued)

Step	Action
2	<p>The \$15,000 will now be displayed in the “Coll. Amt.” Column. *--</p>  <p><b>Figure 61b, FSA OL Loan Group--*</b></p>
3	<p>Access the Collateral Analysis Screen and verify that the margin of collateral to loan is correct.</p>  <p><b>Figure 61c, Collateral Analysis Screen</b></p>

## 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

Sometimes a customer's personal property is needed as additional security. There are 2 methods that can be used to add the personal property as security to the collateral analysis. If additional documentation is needed, it can be added to the attached WordPad.

**Method 1:** 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" and "Nonfarm Real Estate" as collateral. To adjust the value of the "Nonfarm Real Estate", uncheck (✓) the "Auto Calc" box and enter the equity value (\$40,000) in the "Coll. Amt" field. "Total Collateral Amount" equals \$103,000 (Machinery & Equipment **plus** equity in Nonfarm Real Estate).

\*--

FSA Loan										Loan Schedule Credit Relationship	
Add From Loan Schedule											
Loans											
Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose					
✗ **	FSA	Int.	63,000 *	0	63,000						
Totals			63,000	0	63,000						
**Denotes "New" Loans						*Total Of Loans For Collateral Analysis:		63,000			
Add Collateral      Add Appraisal											
Collateral											
Description	Type	Value	Adv Rate (%)	Disc Value	Prior Lien	Auto Calc	Coll. Amt.	Auto Calc	Used	Available	Copy Default
		0	100	0	0	<input checked="" type="checkbox"/>	0	<input checked="" type="checkbox"/>			
✗ Machinery & Equipment		63,000	100	63,000	0	<input checked="" type="checkbox"/>	63,000	<input checked="" type="checkbox"/>	21,112	41,888	
✗ Nonfarm Real Estate	Equity	125,000	100	125,000	0	<input type="checkbox"/>	40,000	<input type="checkbox"/>	41,888	83,112	
Totals		188,000		188,000			103,000		63,000	125,000	
Analysis											
Total Loan Amount		63,000		Discounted Margin of Collateral to Loan				1.63			
Discounted Collateral Value		103,000		Discounted LTV				61.17%			

Figure 61d, Personal Property for Additional Security--\*

## 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											Loan Schedule	Credit Relationship	
Add From Loan Schedule													
Loans													
Loan #	Creditor	Type	Prin. Bal / Request Amt.	Present Commit.	Proposed Commit.	Purpose							
**	FSA	Int.	63,000 *	0	63,000								
Totals			63,000	0	63,000								
**Denotes "New" Loans											*Total Of Loans For Collateral Analysis:		63,000
Add Collateral													
Collateral													
Description	Type	Value	Adv Rate (%)	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"/>					
SF rental property	equity	40,000	100	40,000	0	<input checked="" type="checkbox"/>	40,000	<input checked="" type="checkbox"/>	24,466	15,534			
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			
Analysis													
Total Loan Amount		63,000		Discounted Margin of Collateral to Loan						1.63			
Discounted Collateral Value		103,000		Discounted LTV						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 10 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
*--Microloan	Microloan applications	Available	Available	N/A	Microloan	Available--*

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)

#### 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"/>				<a href="#">Model Selection Filter</a>		Select <input type="text"/>		<a href="#">Add</a>	
<a href="#">Save &amp; Stay</a>									
<input type="checkbox"/>	Description	Status	<input type="checkbox"/>	Application	Environmental	Farm Assmt.	Other	Credit Presentation	Security Agreement
<input type="checkbox"/>	2010 OL - loan	<a href="#">Withdrawn</a>	<input type="checkbox"/>	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	<a href="#">Approved</a>	<input type="checkbox"/>	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	<a href="#">End</a>	<input type="checkbox"/>	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 \* \* \* Credit Action Forms

##### \*--a Locking 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 \*\*\* Credit Action Forms (Continued)

##### \*--a Locking 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 form to lock
- a small lock will be displayed on the Credit Action Screen next to the “Locked” form.

The screenshot displays the 'Credit Action' screen in the FSA User Guide. The 'Credit Action' tab is selected, and a fly-out menu is open, showing options like 'Credit Action Status', 'Environmental - Environmental Checklist', 'Farm Assmt. - Farm Assmt.', 'Credit Presentation - Cred. Pres. / Borr. Class.', 'Security Agreement - Security Agreement', and 'Lock Forms'. The 'Lock Forms' option is highlighted. The main screen shows a table of credit actions with columns for Description, Status, and Action Model. The table lists several credit actions, including '2010 OL - loan', '2005 Restructuring', 'Refinancing 2010', '2010 Emergency Loan', '09 OL for Tractor Dupe', and '1951-S 09'. The 'Status' column shows 'None' for all listed actions. The 'Action Model' column shows 'Environmental Checklist' for the first five actions and 'Farm Assmt.' for the last one. A small lock icon is visible next to the '1951-S 09' action.

Description	Status	Action Model
2010 OL - loan	None	Environmental Checklist
2005 Restructuring	None	Environmental Checklist
Refinancing 2010	None	Environmental Checklist
2010 Emergency Loan	None	Environmental Checklist
09 OL for Tractor Dupe	None	Environmental Checklist
1951-S 09	None	Farm Assmt.

Figure 61k, Locking Forms

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

### J Credit Actions (Continued)

#### 3 \* \* \* Credit Action Forms (Continued)

##### \*--b Copying Data Into WordPad

The WordPad on a Credit Action form has features that are not available on WordPad's located in other parts of FBP. Data from Microsoft Word/Excel can be copied and pasted into the WordPad and the data will retain the Microsoft formatting. Additional features available in the WordPad include the following.

The screenshot displays the 'Credit Presentation' tab within the 'Farm Assmt.' section. The 'Capacity' section contains a table with the following data:

Description	Type	Measure	Code
<i>Crops</i>			
Other Crops	Guar Farming	lb	111998
Oilseed (except Soybean) Farming	Sesame	lb	111120
Oilseed (except Soybean) Farming		lb	111120
<i>Livestock &amp; Poultry</i>			

Below the table, the 'Report Appearance' section includes a checkbox for 'Includes imported images and/or pasted data' (checked), a 'Save & Stay' link, a 'Select Image (insert above)' link, and two radio buttons for 'Crop content' (selected) and 'Wrap content'. A 'Wordpad Height' dropdown menu is set to 'Quarter'.

Figure 61I, Credit Action WordPad

Item	Feature
1	Word processing options are available to customize entries, including a "Spell Check" feature.
2	CHECK (✓) box when including data copied from Microsoft Word/Excel and the WordPad will retain the Microsoft formatting.
3	CLICK "Save & Stay" link to refresh the screen after each step.
4	<b>Do not use.</b> FCAO and International Technology Services have requested that pictures and images <b>not</b> be uploaded because of performance, storage space, and bandwidth concerns.
5	<p>"Report Appearance" radio buttons can be used to determine how information on the report will be printed. If users click:</p> <ul style="list-style-type: none"> <li>"Crop content", WordPad will only print what is visible on the screen; however, size can be changed with WordPad Height (item 6)</li> <li>"Wrap content", WordPad will print the entire WordPad content.</li> </ul> <p><b>Note:</b> Ensure that horizontal information can be seen without scrolling to prevent report from displaying excess information on second page.</p>
6	Use "Wordpad Height" drop-down menu to select the height for the WordPad.

--\*

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

**J Credit Actions (Continued)**

**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)

#### 4 Farm Assessment (Continued)

\*--CLICK “**Credit Action**” [*Credit Action Name*], 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
Environmental - Environmental Checklist	-
Other - DALRS Input Rpt.	-
<input checked="" type="checkbox"/> General Information - General Information	7/22/2011-8:48:31 AM

\*--Figure 61m, 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.

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

### J Credit Actions (Continued)

#### 6 DALR\$ Input Report (Continued)

The “Update Other” dialog box will be displayed. CHECK (✓) **only** the following boxes:

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

CLICK “Update & 

Copy From	Last Updated
<input checked="" type="checkbox"/> Ultra Financials	-
<input checked="" type="checkbox"/> Collateral Analysis 1/1/2010 Before DALR\$	-
<b>Forms</b>	
<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

\*--Figure 61n, Update Other--\*

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.

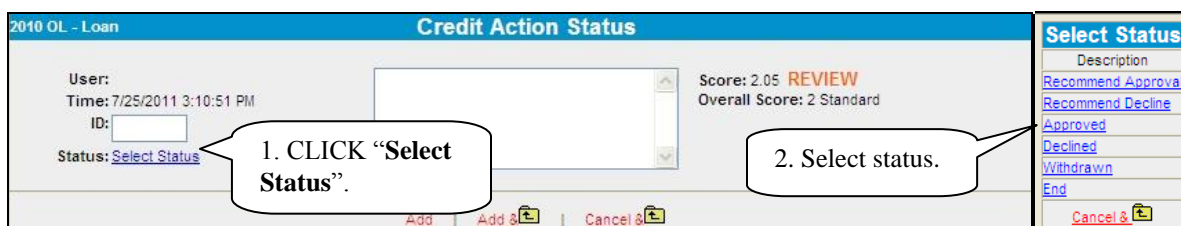
##### a Approval Decision

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 61o, Plan Approval--\*

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



\*--Figure 61p, Select Status--\*

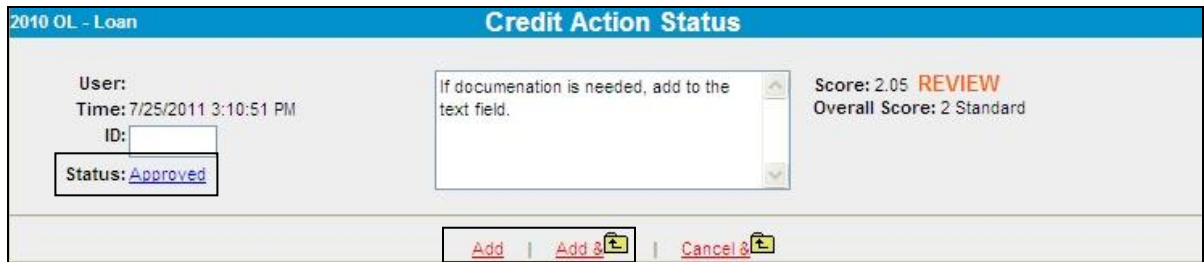

**Note:** Limit comments in the text field; should **not** include loan closing requirements, etc.

## 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 & 

\*--Figure 61q, 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*], “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)

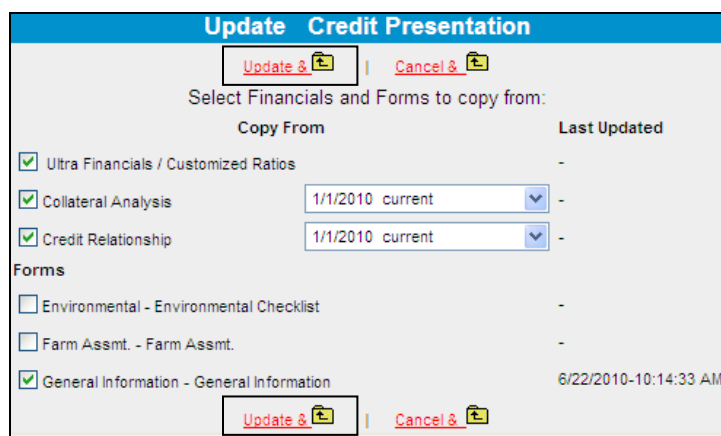
### J Credit Actions (Continued)

#### 7 Credit Presentation (Continued)

##### b Completing the Credit Presentation/Borrower Classification (Continued)

CLICK “Update & 

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

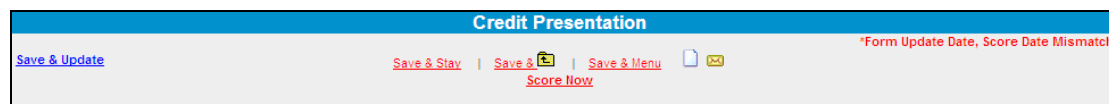


\*--Figure 61r, Update Credit Presentation--\*

**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 Streamlined OL’s and CL’s are very low. Minimal completion of the Credit Presentation is expected according to 3-FLP.

When a credit presentation is updated after scoring, a red alert, “Form Update Date, Score Date Mismatch”, will be displayed in the upper right hand corner of the credit presentation. This alert does not apply to FSA, and can be ignored.



\*--Figure 61s, Credit Presentation--\*

**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.

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



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"><li>• CLICK “<b>Score Now</b>” to calculate the classification score.</li><li>• An “<b>Update</b>” dialog box will be displayed. Select the balance sheet and income/expense projection from which the classification score will be calculated.</li><li>• Select the current or post-close balance sheet according to the following type of credit action.</li></ul>	
	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"><li>• D-Loan Making (term loans and combination term and annual loans, excludes youth loans)</li><li>• D-Loan Regular Servicing</li><li>• D-Loan Special Servicing.</li></ul>	<b>Note:</b> 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.

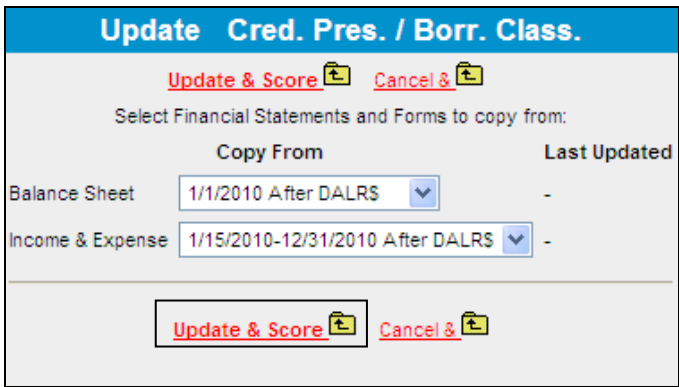
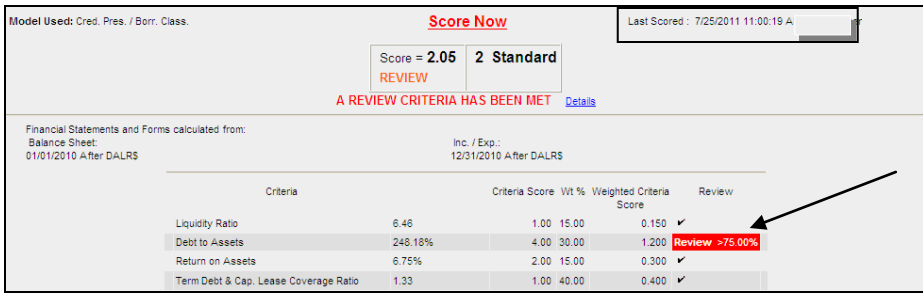
--\*

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"> <li>Select the appropriate income/expense projection.</li> <li>CLICK “Update &amp; Score”.</li> </ul>  <p><b>*--Figure 61t, Update Cred. Pres./Borr. Class.--*</b></p> <ul style="list-style-type: none"> <li>Classification displays eSignature and date/time stamp of the loan official.</li> </ul>  <p><b>*--Figure 61u, Scored Classification--*</b></p> <ul style="list-style-type: none"> <li>Use “Comments” area below score for discussion of “Review” criteria.</li> <li>Classification section must be scored before using the credit action approval date in DLS.</li> </ul>

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

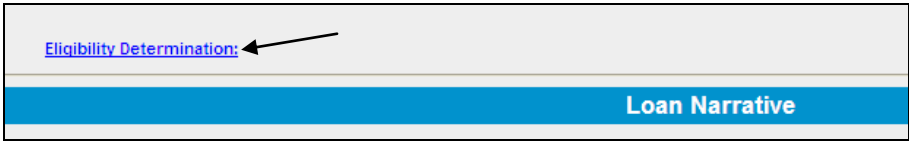
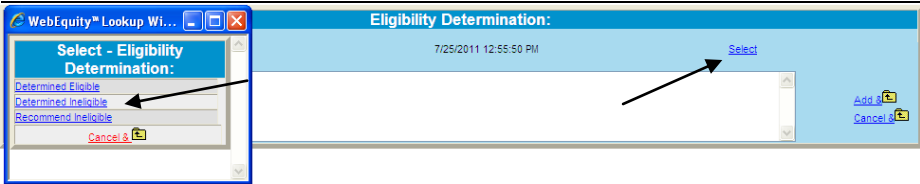
Component	Details
Eligibility	<ul style="list-style-type: none"> <li>Answer the applicable eligibility questions with the radio buttons.</li> </ul> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p style="text-align: center;"><b>General Loan Making Eligibility</b></p> <p>Does customer 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>Loan Servicing Eligibility/Conditions</b></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><b>*--Figure 61v--*</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> </ul>

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

7 Credit Presentation (Continued)

b Completing the Credit Presentation/Borrower Classification (Continued)

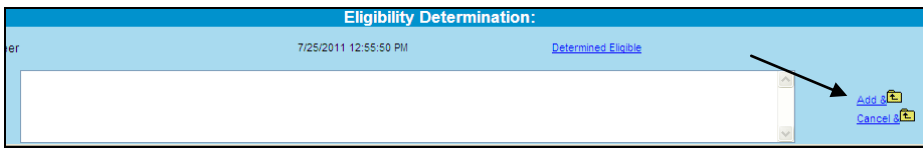
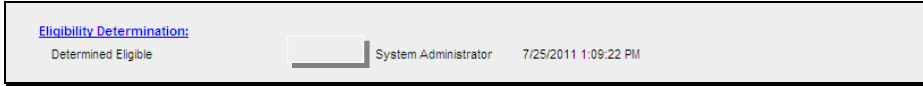
Component	Details
Eligibility (Continued)	<ul style="list-style-type: none"> <li>Use the text box to address any additional program specific eligibility issues and/or conditions, such as qualifying for EM loans. States will issue guidance on amount of detail needed and format required.</li> <li>The FSA loan official must CLICK “<b>Eligibility Determination</b>” to determine or recommend eligibility.</li> </ul>  <p><b>*--Figure 61w--*</b></p> <ul style="list-style-type: none"> <li>CLICK “<b>Select</b>” to display the “Select-Eligibility Determination” lookup window.</li> <li>Click the appropriate eligibility determination.</li> <li>Add any needed documentation to the text field.</li> </ul>  <p><b>*--Figure 61x--*</b></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"> <li>CLICK “Add &amp;  <p><b>*--Figure 61y--*</b></p> <ul style="list-style-type: none"> <li>Credit Presentation will be displayed with the eligibility determination with eSignature and date/time stamp of the loan official.</li> </ul>  <p><b>*--Figure 61z--*</b></p> </li></ul>
Collateral	<p><b>What is collateral?</b> 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"> <li>In the WordPad, describe the adequacy of the collateral.</li> <li>If the chattel was appraised by the same official recommending/approving the Credit Presentation, the Appraisal form does <b>not</b> 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.</li> <li>Answer the security questions with the radio button.</li> </ul>

**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><b>What is capacity?</b> 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"> <li>• In the WordPad, discuss the repayment capacity of the borrower, and any assumptions used in the income/expense projection.</li> <li>•*--Answer the limited resource rate question with the radio button. See 4-FLP, Part 3 for more information on determining if rates are justified.--*</li> </ul>
Capital	<p><b>What is capital?</b> 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"> <li>• provide a cushion for repayment in the event of having a financial setback</li> <li>• indicate an ability and willingness of the customer to save and accumulate assets</li> <li>• confirm that the borrower manages his/her financial affairs adequately and within his/her income.</li> </ul> <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)

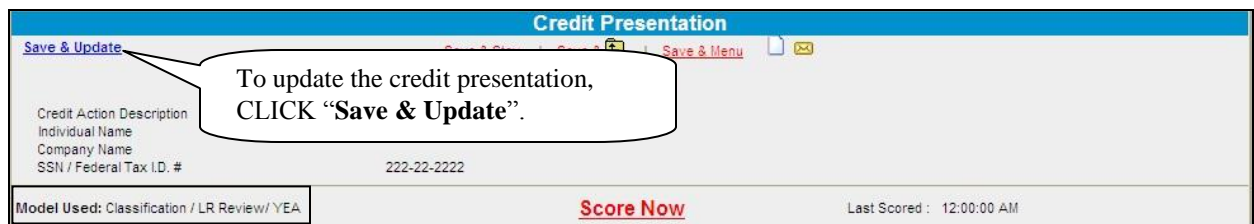
### J Credit Actions (Continued)

#### 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 61aa, Credit Presentation--\*

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

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

CLICK “**Update & **” 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.

<b>Component</b>	<b>Details</b>
Balance Sheet, Income Statement, Repayment Capacity	<ul style="list-style-type: none"> <li>• CLICK “<b>Reports</b>” and “<b>Reports Setup</b>” to select which balance sheets and income/expense statements will be displayed in the Credit Presentation.</li> <li>• CLICK “<b>Save &amp; Update</b>” 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 <b>must</b> be updated.</li> <li>• Ensure that the correct information was transferred into these sections.</li> </ul>
Classification	See <b>Classification Component</b> (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. When report is printed, if “Ending Cash on Hand” fails to print, abbreviate 1 of the description fields.

- 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 menu is set to '3 - Acceptable'. Below this, the 'Model Used' is 'Youth Loan'. A 'Score Now' button is visible, along with a score of '3.00' and a 'REVIEW' button. A 'Last Scored' timestamp of '10/25/2011 10:37:36 AM' is shown. A note box with a red border contains the text: 'Note: User must select the “Assigned classification level” and then CLICK “Score Now”.' At the bottom, the 'Criteria' section shows 'Assigned classification level: 3 - Acceptable'.

\*--Figure 61ab, Score Now--\*

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)

#### 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	0
Nature of Disaster	drought and rain	Disaster Compensation / Insurance	0
Period of Disaster	3/1/2010 TO 11/15/2010	Net Loss	0
Existing EIM Loan Balance	0	Available Loan Amount	0
		Existing EIM Loan Balance	0
		Total EIM Loan at Closing	0

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

\*--Figure 61ac, 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
										Total	0

[Add](#)

\*--Figure 61ad, 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	APH	Override	-1 Year	Normal	% Loss	Total
		Acres	Yield per Acre	Price	Yield		Yield per Acre	Year Yield		Loss
<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 61ae, Crop Enterprises Using APH Yield--\*

Crop Enterprises											
Crop Enterprises	Units (bin,ton,etc.)	Disaster Year		STO	APH	Override	-1 Year	-2 Year	-3 Year	Normal	% Loss
		Acres	Yield per Acre	Price	Yield		Yield per Acre	Source	Yield per Acre	Source	Yield per Acre
<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 61af, Multiple Crop Enterprises Using APH Yield and Applicant Records--\*

Crop Enterprises														
		Save & Stay		Save & 										
Disaster Year	es	Yield per Acre	STO	APH	Override	-1 Year	-2 Year	-3 Year	Normal	% Loss	Total			
			Price	Yield		Yield per Acre	Source	Yield per Acre	Source	Year Yield	Loss			
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 61ag, 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	<a href="#">Add</a>	
Total		0
Farm Buildings and Other	<a href="#">Add</a>	
Total		0
Livestock	<a href="#">Add</a>	
Total		0
Total Losses		0

\*--Figure 61ah, Physical Losses

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

Figure 61ai, 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	<a href="#">Add</a>	
Total		0
Physical Loss	<a href="#">Add</a>	
Total		0

\*--Figure 61aj, Disaster Compensation/Insurance

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

Figure 61ak, Adding Information--\*

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

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

FSA Form 2311 A		
Year of Disaster	2010	
County	Somewhere	
Disaster No.	SXXXX	
Nature of Disaster	Drought	
Period of Disaster	3/1/2010 TO 11/15/2010	
Existing EM Loan Balance	50,000	
Qualifying Crop Loss	Yes	
Qualifying Physical Loss	Yes	
Total Loss Amount	5,000	83,887
Disaster Compensation / Insurance	0	10,000
Net Loss	5,000	73,880
Available Loan Amount	78,890	
Existing EM Loan Balance	50,000	
Total EM Loan at Closing	128,890	

\*--Figure 61al, 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)


### 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.

Component	Details
General Information, Credit Relationship	See <b>paragraph J 7 b</b> for instruction on completing these components.
Loan Narrative	<p>*--Required documentation for the narrative should be completed in the Assessment. See paragraph 222 to determine which elements need to be completed.</p> <p>ENTER “Refer to Assessment” in the narrative text box.</p> <p>Use the text box to address any additional documentation that may be needed.--*</p>
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.</li> </ul> <div style="border: 1px solid black; 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> <p><b>*--Figure 61am--*</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 style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p><a href="#">Eligibility Determination:</a> </p> <p style="text-align: right; background-color: #0070C0; color: white; padding: 5px;"><b>Loan Narrative</b></p> </div> <p><b>*--Figure 61an--*</b></p>



**FLP Rates**

**A Interest Rates for FLP's**

\*--The following provides interest rates for FLP's as of December 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	*--1.875	12/1/13--*
Operating - Limited Resource	5.000	12/1/90
Farm Ownership and Conservation Loans	*--4.125	12/1/13--*
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	*--4.125	12/1/13--*
Soil and Water - Limited Resource	5.000	7/1/92
Recreation - Individual	*--4.125	12/1/13
Farmer Program - Homestead Protection	4.125	12/1/13
Shared Appreciation Amortization	3.125	12/1/13
Softwood Timber Loans	4.125	12/1/13
Economic Emergency - Operating	1.875	12/1/13
Economic Emergency - Real Estate	4.125	12/1/13
Emergency - Amount of Actual Loss	2.875	12/1/13
Emergency - Major Adjustment: Subtitle A Purpose (Excess of Loss)	6.250	12/1/13--*
Emergency - Major Adjustment: Subtitle B Purpose (Excess of Loss)	4.375	10/1/13
Emergency - Annual Production	4.375	10/1/13
Nonprogram - Chattel Property	4.375	10/1/13
Nonprogram - Real Property	*--6.250	12/1/13
Apple Loans	0.625	12/1/13
Association - Grazing	4.125	12/1/13
Association - Irrigation and Drainage	4.125	12/1/13--*
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**
- 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.

<b>Treasury Rates</b>	<b>Current Rate (%)</b>	<b>Date Set</b>
90-Day Treasury Bill	0.125	10/1/09
Treasury Judgment Rate (see Note)	*--0.110	12/1/13--*

**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 November 1, 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.

<b>Effective Date</b>	<b>Rate (%)</b>	<b>Effective Date</b>	<b>Rate (%)</b>
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