

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

<b>General Program Administration 1-FLP (Revision 1)</b>	<b>Amendment 96</b>
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**Approved by:** Acting Deputy Administrator, Farm Loan Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 23 D has been amended to provide guidance on loan approval authority when employees are temporarily promoted.

Subparagraph 41 H has been amended to update guidance on determining if a discrimination complaint has been filed at CR.

Exhibit 2 has been amended to remove the definitions of “complex properties” and “non-complex properties”.

Exhibit 12 has been amended to clarify the discrimination complaint clearance process.

Exhibit 13, subparagraph C has been amended to provide encryption guidance.

Exhibit 13.5, subparagraph C has been amended to clarify guidance for delinquent borrowers with no pending servicing requests.

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

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	2-5, 2-6 3-5, 3-6	2, pages 3, 4 12, page 1 page 2 (remove) page 3 (remove) 13, pages 1, 2 13.5, pages 1, 2 17, pages 1, 2



23 State Office and Service Center Authorities (Continued)

D Acting Officials

Acting officials, other than SED, have the inherent authorities of their regular position and the inherent authorities of the acting position, unless otherwise restricted on the designation document. An acting designation does not increase an employee’s loan approval authority.

\*--However, SED may increase the loan approval authority of FLO-GS-11 who is acting FLM for an extended period of time, because of a vacancy or illness, to that of FLM-GS-11 or FLM-GS-12 level, if justified by the employee’s performance and FSA’s need.

The loan approval authority for employees temporarily promoted, according to 3-PM, paragraph 47, will increase for the duration of the temporary promotion.--\*

Acting SED is authorized to approve:

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

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

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

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

**E Limitations on Inherent Authorities**

SED must:

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

**F Redelegating SED Authorities**

\*--SED's may redelegate their:

- loan approval authority to FLC, FLS, or DD
- authority to allow the use of a restricted appraisal report to the designated State staff appraiser
- authority to approve subordinations, or release of refinancing lien instruments instead of subordinations, to FLC, FLS, or DD
- authority to approve surface leases for farm property no longer in use (such as old barns) or for nonfarm purposes (such as wind turbines, communication towers, or other similar installations) to FLC, FLS, or DD.

SED's may **not** redelegate their authority to:

- approve any action that will result in a loss to the Government
- approve subordination of real estate security for operating-type loan purposes
- approve release of chattel or real estate security with no compensation
- request an Administrator's exception.--\*

## 41 Nondiscrimination in FLP (Continued)

**G Processing Loan and Servicing Applications When an Applicant Files a Discrimination Complaint (Continued)**

If an applicant or borrower files, or has filed, a discrimination complaint against the agency official responsible for processing the loan or servicing application, DD or SED will assign a different official to process the request. Processing responsibility may be reassigned to:

- an authorized agency official from either of the following:
  - same district, but a different county
  - another district
- DD.

**Note:** Reassignment of processing loan or servicing applications is temporary. When the investigation is closed, and if it is determined that discrimination did not occur, the loan or servicing application will be returned to the appropriate office.

**H Determining if a Discrimination Complaint Has Been Filed at CR**

FLC or designee will contact the National Office by e-mail to ensure that a discrimination complaint has not been filed before borrower account acceleration, again before borrower account foreclosure, and if needed, just before reclassifying debt as CNC. Before:

- acceleration, State Office must contact the National Office for civil rights filing clearance after conclusion of all primary and preservation loan servicing and related appeal rights
- foreclosure, States with:
  - judicial foreclosure, FLC must contact the National Office after account acceleration and before referring the account to OGC for liquidation action

**Note:** If a discrimination complaint is filed after referral to DOJ, then DOJ will decide if the foreclosure shall proceed.

- nonjudicial foreclosure, FLC must contact the National Office after the account has been accelerated and before the collateral is advertised for foreclosure sale
- reclassifying an account as CNC, State Offices must contact the National Office for civil rights filing clearance.

**Note:** See Exhibit 12 for \* \* \* the process used to determine if a discrimination complaint has been filed and is open at CR.

\* \* \*

## 41 Nondiscrimination in FLP (Continued)

**H Determining if a Discrimination Complaint Has Been Filed at CR (Continued)**

See Exhibit:

- 13 for information to be included in e-mail to the National Office for civil rights clearance
- 13.5 for instructions on servicing settlement claimants and National Office FLP programmatic reviews.

Discrimination complaints will be processed according to 18-AO, Part 7.

**I 2008 Farm Bill Acceleration and Foreclosure Moratorium**

**[7 CFR 766.358(a)] Notwithstanding any other provisions of this subpart, borrowers who file or have filed a program discrimination complaint that is accepted by USDA Office of Adjudication or successor office (USDA), and have been serviced to the point of acceleration or foreclosure on or after May 22, 2008, will not have their account accelerated or liquidated until such complaint has been resolved by USDA or closed by a court of competent jurisdiction. This moratorium applies only to program loans made under subtitle A, B, or C of the Act (for example, CL, FO, OL, EM, SW, or RL). Interest will not accrue and no offsets will be taken on these loans during the moratorium. Interest accrual and offsets will continue on all other loans, including, but not limited to, non-program loans.**

Under the 2008 Farm Bill, there is a moratorium on the acceleration or foreclosure for certain borrowers who have a pending program discrimination complaint, or file a program discrimination complaint that is accepted as valid by OA.

When the State Office is notified by OCR or LSPMD that the borrower has an accepted complaint, it will process DLS Transaction "5G", \* \* \* using Descriptive Code "7" to establish the indicator for accounts that may be eligible for a moratorium. The effective date of the "5G" transaction will be the date the complaint was accepted by OA.

**Note:** State Offices will monitor all accounts flagged "OAC1". The State Office will process DLS Transaction "5H", \* \* \* using Descriptive Code "7" at the conclusion of the moratorium.

If the borrower has an accepted complaint at OA and the account is at the point of acceleration or in foreclosure, interest will not accrue and no offsets will be taken on any CL's, FO's, SW's, RL's, OL's, and EM's and any recoverable costs associated with these loans.

The moratorium will end on the date the claim is resolved.

If any requests for debt settlement or payoff during the moratorium are received, contact LSPMD.

**Definitions of Terms Used in This Handbook (7 CFR 761.2 (b)) (Continued)**

\* \* \*

**Conservation Loan (CL)**

CL means a loan made to eligible applicants to cover the costs to the applicant of carrying out a qualified conservation project.

**Conservation Plan**

Conservation plan means an NRCS-approved written record of the land user's decisions and supporting information, for treatment of a land unit or water as a result of the planning process, that meets NRCS Field Office Technical Guide (FOTG) quality criteria for each natural resource (soil, water, air, plants, and animals) and takes into account economic and social considerations. The conservation plan describes the schedule of operations and activities needed to solve identified natural resource problems and takes advantage of opportunities at a conservation management system level. This definition only applies to the direct loans and guaranteed loans for the Conservation Loan Program.

**Conservation Practice**

Conservation practice means a specific treatment, such as a structural or vegetative measure, or management technique, commonly used to meet specific needs in planning and implementing conservation, for which standards and specifications have been developed. Conservation practices are contained in the appropriate NRCS Field Office Technical Guide (FOTG), which is based on the National Handbook of Conservation Practices (NHCP).

**Conservation Project**

Conservation project means conservation measures that address provisions of a conservation plan or Forest Stewardship Management Plan.

**Forest Stewardship Management Plan**

Forest Stewardship Management Plan means a property-specific, long-term, multi-resource plan that addresses private landowner objectives while recommending a set and schedule of management practices designed to achieve a desired future forest condition developed and approved through the USDA Forest Service or its agent.

## Definitions of Terms Used in This Handbook (7 CFR 761.2 (b)) (Continued)

**FSA**

FSA means **Farm Service Agency, an Agency of the USDA, including its personnel and any successor Agency.**

**Graduation**

Graduation means **the payment in full of all direct FLP loans, except for CLs, made for operating, real estate, or both purposes by refinancing with other credit sources either with or without an Agency guarantee.**

**Loan Activity**

Loan activity is any transactions processed in GLS, DLS or PLAS to a borrower's loan.

**Microloan (ML)**

ML is a type of OL of \$35,000 or less made under reduced application, eligibility, and security requirements.

\* \* \*

**PLCE Expenses**

PLCE expenses are defined as financial transactions and procurement items.

**Program Loans**

Program loans include **FO, CL, OL, and EM. In addition, for loan servicing purposes the term includes existing loans for the following programs no longer funded: SW, RL, EE, ST, and RHF.**

**Streamlined Conservation Loan**

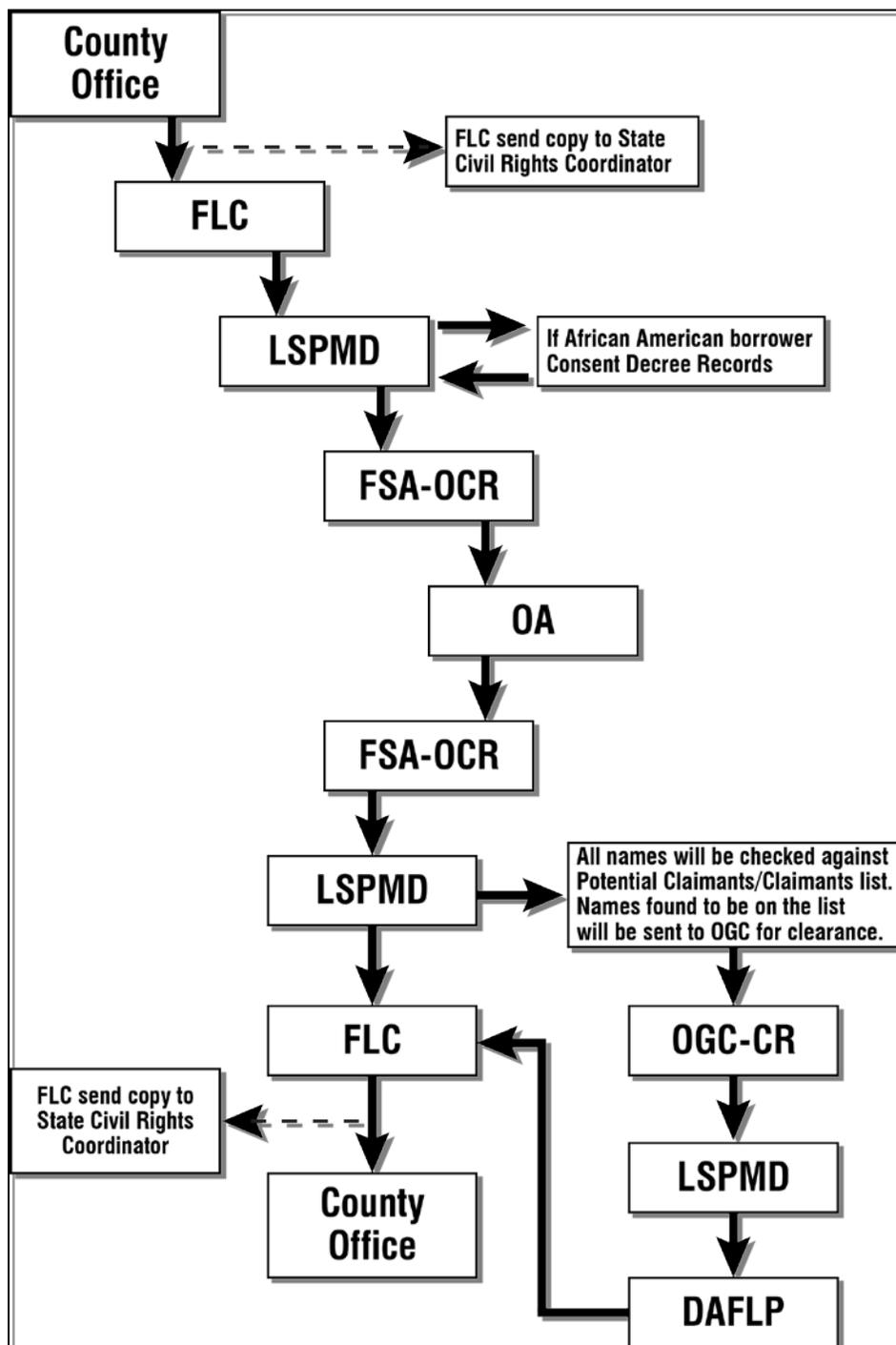
Streamlined conservation loan means **a direct or guaranteed CL made to eligible applicants based on reduced documentation.**

**Supervised Bank Account**

Supervised bank account is **an account with a financial institution established through a deposit agreement entered into between the borrower, the Agency, and the financial institution.**

**Discrimination Complaint E-Mail Clearance System**

\*--The following illustrates the clearance process used before acceleration, foreclosure, and CNC for all accounts.



**Note:** When a review has been completed through this process for pre-acceleration, the Consent Decree Record for African American borrowers, OGC CR, and DAFLP reviews will not be completed again for the pre-foreclosures and CNC clearances.--\*



## **Instructions for E-Mail to the National Office for Discrimination Complaint Status**

### **A E-Mail Recipients**

FLC or designee shall provide an e-mail to the National Office at **FSA-DIRECTLOANS@wdc.usda.gov**.

### **B E-Mail Subject**

The e-mail subject block should read, “Civil Rights Complaint Clearance - Borrower’s Name and State”.

### **C E-Mail Attachment**

\*--The e-mail attachment shall:

- be encrypted using the current FY national DAFLP password--\*
- include the following information for the primary borrower:
  - name and 12-digit account number (State and county code and SSN/TIN)
  - complete residence address
  - race
  - gender
  - ethnicity (Hispanic or not Hispanic)
  - youth loan only (yes or N/A)
- include the following information for **all liable parties**:
  - name
  - SSN
  - race
  - gender
  - ethnicity (Hispanic or not Hispanic)
- provide the type of request (pre-acceleration, pre-foreclosure, or CNC)
- include prior review history including the following information:
  - previously cleared for acceleration by memo or e-mail on (specific date)
  - case review (specific date) and returned for additional servicing
- include prior civil rights complaint information, including complaint number if known.

**Note:** The prior civil rights complaint information will help to clarify complaints that may have been previously closed or to further identify the race or involvement in pending suits against the government. That is, possible Keepseagle, Pigford, Love, or Garcia; ALJ Case #XXXXXXXX, last contact (specific date).

**Instructions for E-Mail to the National Office for Discrimination Complaint Status (Continued)**

**C E-Mail Attachment (Continued)**

If the case involves a borrower who is a claimant under a Class Action or USDA Settlement  
\*--Agreement, follow guidance in Exhibit 13.5.--\*

**\*--Servicing Settlement Claimants and National Office FLP Programmatic Review**

**A Background**

The *Pigford*, *Keepseagle*, and *Pigford II* legal settlements and USDA's initiative to settle outstanding group actions (Women and Hispanic) have affected the way FSA services delinquent loan accounts of claimants in these cases.

**B Closed Settlement Claims**

A claim is considered closed when a final decision has been issued.

State Offices:

- are advised by CDAT when a *Pigford* claim is closed
- will be advised by memorandum from DAFLP when *Keepseagle*, *Pigford II*, Women, and Hispanic claims are closed.

All closed claims will fall into 1 of the following 2 categories.

- Category 1 – individuals:
  - whose settlement claims have been closed and were **not** delinquent on their FLP debt at that time; or
  - who had no FLP loans.
- Category 2 – individuals whose settlement claims have been closed and were delinquent on their FLP debt at that time.--\*

## Servicing Settlement Claimants and National Office FLP Programmatic Review (Continued)

### C County Office Servicing Actions

Upon receiving notification that the claim of a settlement claimant has been closed, the County Office will service the account according to the following.

- Category 1 cases require no special servicing.
- Category 2 cases.
- **Delinquent borrowers with outstanding servicing applications that have not been concluded.** Contact the borrowers to determine whether they want to continue with the existing loan servicing application or receive a new notification of the availability of loan servicing.

**Note:** Use FSA-2198 or FSA-2199, as appropriate, to contact these borrowers.

- For borrowers who return FSA-2198 or FSA-2199, as appropriate, within 15 calendar days, begin the loan servicing process again by sending a new notification of the availability of loan servicing according to 5-FLP, Part 3.
- For borrowers who do not return FSA-2198 or FSA-2199, as appropriate, within 15 calendar days, continue processing the pending application.

**Note:** Claimants may have an appeal hearing in suspension, pending closure of their claim. When the authorized agency official is notified that the claim has been closed, the official should notify the Appeal Hearing Officer of the closure.

- **Delinquent borrowers with no pending servicing request.** For delinquent borrowers where the special servicing application has been concluded and the account has not been accelerated, send a new notification of the availability of loan servicing according to 5-FLP, Part 3. The decision on the settlement claim may have improved borrowers' financial conditions and could affect their ability to qualify for FSA assistance.

**Note:** When all loan servicing rights have been concluded for Category 2 borrowers, without resolving the delinquency, submit the completed FSA-2580 and FSA-2581, to the State Office, as required by 5-FLP, subparagraph 533 B.

**FLP Rates**

**A Interest Rates for FLP's**

\*--The following provides interest rates for FLP's as of April 1, 2014.--\*

<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	*--2.000	4/1/14--*
Operating - Limited Resource	5.000	12/1/90
Farm Ownership and Conservation Loans	*--4.000	4/1/14--*
Farm Ownership - Limited Resource	5.000	4/1/86
Farm Ownership - Down Payment	1.500	5/22/08
Farm Ownership - Joint Financing	2.500	2/7/14
Soil and Water	*--4.000	4/1/14--*
Soil and Water - Limited Resource	5.000	7/1/92
Recreation - Individual	*--4.000	4/1/14
Farmer Program - Homestead Protection	4.000	4/1/14
Shared Appreciation Amortization	3.000	4/1/14
Softwood Timber Loans	4.000	4/1/14
Economic Emergency - Operating	2.000	4/1/14
Economic Emergency - Real Estate	4.000	4/1/14
Emergency - Amount of Actual Loss	3.000	4/1/14
Emergency - Major Adjustment: Subtitle A Purpose (Excess of Loss)	6.375	4/1/14--*
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	*--6.375	4/1/14
Apple Loans	0.750	3/1/14
Association - Grazing	4.000	4/1/14
Association - Irrigation and Drainage	4.000	4/1/14--*
Indian Land Acquisition	5.000	2/1/91

Publication 622, which provides amortization tables and financial basic payment tables, is available from MSD Warehouse. To request Publication 622, complete FSA-159, available at <http://intranet.fsa.usda.gov/dam/ffasforms/forms.html>, and submit it by 1 of the following methods:

- FAX to 816-823-4740 or 816-823-4741
- e-mail to [ra.mokansasc2.kcasbwhse](mailto:ra.mokansasc2.kcasbwhse)
- mail to:

USDA/FSA/Kansas City Warehouse  
9240 Troost Ave  
Kansas City MO 64131.

**FLP Rates (Continued)**

**B Treasury Rates**

The following table provides the applicable Treasury rates.

Treasury Rates	Current Rate (%)	Date Set
90-Day Treasury Bill	0.125	10/1/09
Treasury Judgment Rate (see Note)	*--0.120	4/1/14--*

**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 February 21, 2014. The actual judgment rate is the rate for the calendar--\* week preceding the date the defendant becomes liable for interest. Access the Federal Reserve web site [www.federalreserve.gov/releases/H15/current](http://www.federalreserve.gov/releases/H15/current) for the weekly average 1-year CMT yield.

**C Historical 90-Day Treasury Bill Rates**

The following table provides the historical 90-day Treasury bill rates.

Effective Date	Rate (%)	Effective Date	Rate (%)
December 1, 1988	7.500	December 1, 1990	7.500
January 1, 1989	7.875	January 1, 1991	7.375
February 1, 1989	8.250	February 1, 1991	7.125
March 1, 1989	8.500	March 1, 1991	6.500
April 1, 1989	8.750	April 1, 1991	6.250
May 1, 1989	9.000	May 1, 1991	6.125
June 1, 1989	9.150	June 1, 1991	5.875
July 1, 1989	8.750	July 1, 1991	5.750
August 1, 1989	8.625	October 1, 1991	5.625
September 1, 1989	8.250	November 1, 1991	5.375
October 1, 1989	8.125	December 1, 1991	5.250
December 1, 1989	8.000	January 1, 1992	4.875
February 1, 1990	7.875	February 1, 1992	4.375
April 1, 1990	8.000	March 1, 1992	3.875
May 1, 1990	8.125	May 1, 1992	4.125
July 1, 1990	8.000	June 1, 1992	4.000
October 1, 1990	7.750	July 1, 1992	3.750
November 1, 1990	7.625	September 1, 1992	3.500