

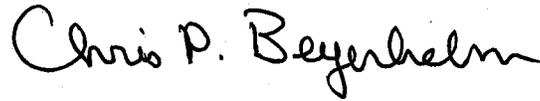
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Guaranteed Loan Making and Servicing
2-FLP (Revision 1)**

Amendment 9

Approved by: Acting Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 244 A has been amended to update the statutory loan limits for guaranteed loans.

Page Control Chart		
TC	Text	Exhibit
	10-1, 10-2	

Part 10 Processing Approvals and Issuing the Guarantee

244 Loan Approval (7 CFR 762.122)

A Loan Limits

***--The agency will not guarantee any loan that would result in the applicant's total indebtedness exceeding the limits established in § 761.8 of this chapter. (1-FLP,--* paragraph 29).**

The maximum FO or OL levels outlined in this subparagraph include the guaranteed loan being made plus any outstanding direct or guaranteed principal balances, as indicated, owed by anyone who will sign the promissory note.

The total outstanding combined guaranteed FO, SW, and OL principal balance cannot exceed ***--\$1,112,000.--***

The total outstanding direct and guaranteed FO and SW principal balance cannot exceed ***--\$1,112,000.--***

The total outstanding direct and guaranteed OL principal balance cannot exceed ***--\$1,112,000.--***

The total combined outstanding direct and guaranteed FO, SW, and OL balance cannot ***--exceed \$1,412,000.--***

The total combined outstanding direct and guaranteed FO, SW, OL, and EM balance cannot ***--exceed \$1,912,000.--***

Note: The dollar limit of guaranteed loans is adjusted annually based on the percentage change in the Prices Paid by Farmers Index, as compiled by USDA.

FSA personnel should see 1-FLP for information on loan approval authorities.

244 Loan Approval (Continued)**B Submitting FSA-2231 to the Loan Approval Official**

When the loan exceeds the authorized agency official's approval authority, the authorized agency official should send the approval official any information the approval official needs to evaluate the loan request, including the following:

- a completed FSA-2231
- GLS Loan Approval Screens
- Application for Guarantee for SEL and CLP applicants or Preferred Lender Application for PLP applicants
- Conditional Commitment with recommended changes
- the balance sheet and cash flow statement (for SEL applicants)
- the loan narrative
- any other information the approval official requests.

Once the loan approval official executes FSA-2231, the authorized agency official may then proceed to execute all other loan-related documents, unless otherwise specified by the loan approval official.

C Lender Notification of Authorized Agency Official Decision

The lender and applicant should be informed of the approval decision in writing.

- If the application is approved and funds are available, the authorized agency official shall prepare a letter to the lender (subparagraph D), with a copy to the applicant, and a Conditional Commitment, and proceed to paragraph 245.
- If the application is approved and funds are not available, the authorized agency official shall prepare a letter (subparagraph E) to the lender with a copy to the applicant, informing them the loan is approved, subject to the allocation of funding. This letter should inform the lender that funding is being requested and the loan should not be closed until they receive the Conditional Commitment, agree to the conditions, and execute the document.
- If the application is rejected, the authorized agency official shall prepare a letter to the applicant with a copy to the lender informing them the loan is rejected, the reasons for rejection, and their right to appeal the decision as outlined in 1-APP.