

FSA Direct Operating Loans Recovery Plan

FY 2010 Addendum

This document updates the original Program Plan published in May 2009, most notably with respect to performance measures and program milestones.

Performance

Measure	Target/Actual			
	2009	2010	2011	2012
Lending to beginning and socially disadvantaged farmers and ranchers (%) <ul style="list-style-type: none"> ○ Dollars obligated to beginning and socially disadvantaged farmers and ranchers divided by total obligations. ○ Reported quarterly 	37.9/60.0	38.3/100	NA	NA
Average loan processing time (# days) <ul style="list-style-type: none"> ○ This measure is calculated from the date a loan application is received until the date of first decision. ○ Reported quarterly 	33.5/23.2	33.0/20.6	NA	NA
Delinquency rate (% of loan dollars delinquent) <ul style="list-style-type: none"> ○ The direct delinquency rate is calculated by dividing the dollar amount delinquent by the unpaid principal plus unpaid interest. This data will not be available until the end of FY 2010. ○ Reported annually 	NA	8.5/TBD	8.5/TBD	TBD
Loss rate (%) <ul style="list-style-type: none"> ▪ Loss rate is calculated by dividing the amount of losses processed during the fiscal year by the amount unpaid principal at the beginning of the fiscal year. Depending on specific loan terms, this data will not be available until the end of FY 2010. ▪ Reported annually 	NA	3.5/TBD	3.5/TBD	TBD

Note: The May 2009 Program Plan included a performance indicator for the first year delinquency rate. That performance indicator has since been removed because of system limitations preventing FSA from isolating Recovery Act loans from other direct loans when calculating the first year delinquency rate.

Milestones

- FSA initially used Recovery Act funds to address an OL backlog of 1,783 loans valued at \$130 million on March 4, 2009.
- Once the OL backlog was eliminated, FSA used stimulus money to fund applications received on a daily basis until the FY 2009 appropriation became available. By March 26, 2009, 99 percent of the original ARRA funding was obligated.
- FSA began obligating the FY 2010 ARRA funds in February 2010 and within two weeks greater than 99 percent of funds were obligated.
- Funds were targeted to minority and beginning farmers as required by the CONACT.

Projects and Activities

FSA anticipates that approximately 2,750 low-income family farmers and ranchers will receive financial assistance as a result of the additional Direct OL funding made available through the Recovery Act.

- Estimated Amount of Funding (per award type): \$181,482,063
- Estimated \$ Total - Non-Federal Recipients: \$181,482,063
- The Recovery Act originally provided \$173 million in loan authority for the Direct OL program. A change in the loan subsidy rate for Fiscal Year 2010 provided an additional \$8.1 million in loan authority, resulting in a total loan level value of more than \$181 million.
- Targeted Type of Recipient/Beneficiaries: Recovery Act funds will be targeted to both beginning and socially disadvantaged farmers and ranchers according to the existing program requirements established in the CONACT.
- Methodology for Award Selection: Loans will be issued to eligible borrowers on a first come, first served basis. The maximum loan amount is \$300,000.