

# GUARANTEED NEWS

Volume No. 8

July 2006

## Funding at a Glance\*

\*This table shows loans made and funds available for various loan programs nationwide as of July 6, 2006. Availability of funds for a particular loan will depend on allocations and targeting.

| Program                                   | FY 2006 Allocations    | Funds Used as of 07/06/06 | No. of Loans Made |
|---|------------------------|---------------------------|-------------------|
| Direct Operating                          | \$645,353,000          | \$557,480,000             | 12,920            |
| Guaranteed Operating - Unsubsidized       | \$1,197,029,000        | \$824,820,000             | 4,561             |
| Guaranteed Operating- Interest Assistance | \$271,888,000          | \$265,378,000             | 1,318             |
| Direct Farm Ownership                     | \$205,927,000          | \$187,297,000             | 1,470             |
| Guaranteed Farm Ownership                 | \$1,409,982,000        | \$753,609,000             | 2,529             |
| Emergency                                 | \$173,675,000          | \$44,180,000              | 620               |
| Boll Weevil                               | \$100,000,000          | \$22,000,000              | 5                 |
| Indian Land Acquisition                   | \$1,999,000            | \$360,000                 | 1                 |
| <b>National Totals</b>                    | <b>\$4,005,853,000</b> | <b>\$2,655,124,000</b>    | <b>23,424</b>     |

## New Guaranteed Loan System Automation Coming Soon

FSA is currently working on two automation projects that will assist Lenders in completing Guaranteed Status Reporting and Loan Closing Requirements.

### Coming Soon - Guaranteed Web-based Status Reporting:

- Lenders will be able to directly enter borrower Loan Status and Default Status report data through web screen process
- Eliminate mailing of forms 1980-41 and 1980-42 to the lender and FSA entering Lender submitted information in Guaranteed Loan System (GLS)

### Coming Soon - Guaranteed Loan Closing GLS Web Process:

- Lenders will be able to directly enter loan closing information in the FSA's GLS.
- Lenders will be able to view loan closing data and perform loan maintenance processes through GLS.

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## FSA e-Forms FAQs

Q. Is an employee of a lending institution required to provide their personal social security number to be granted authorization to file FSA forms electronically?

- A. No, a Social Security number is not required if the employee is only being added to the FSA database for e-File purposes only. A social security number is required for anyone seeking Farm Service Agency program benefits.

Q. Does FSA permit lenders to image their loan files?

- A. Yes, the lender should consult with their own legal counsel to determine what, if any, original documents are required to be maintained to protect the lender's ability to collect on the loan and interest in the collateral. The lender should be able to provide FSA access to electronic documents to enable FSA to complete required file reviews.

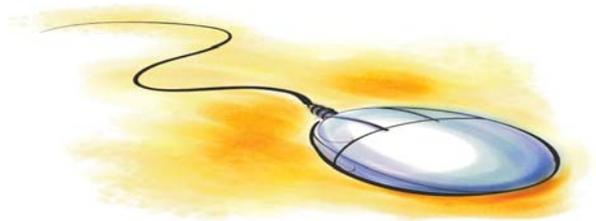
Q. Can forms, other than the Application for Guarantee, be electronically filed to FSA?

- A. Any form available on the e-Forms site can be submitted to FSA electronically.

Q. What if I need help with a form?

- A. Contact your USDA Service Center. If you need to find a Service Center near you, click on Offices at the top of e-Forms web site.

FSA e-Forms can be accessed at:  
<http://forms.sc.egov.usda.gov/eforms>



## Lender Submissions of General Reporting Requirements

All lenders are required to meet certain general reporting requirements in accordance with FSA Handbook 2-FLP, "Guaranteed Loan Making and Servicing", paragraph 266B, in addition to the following:

\* FSA 1980-44 Past Due Default Status Report is used to:

- inform FSA of the status of borrowers in default
- report the lender's progress to make the loan current again
- **notify FSA of the new loan terms and conditions, once the loan is current.**

This form should be submitted when the guaranteed loan becomes 30 days delinquent, and resubmitted 60 days until the default is cured.

\* FSA 1980-41 Guarantee Farm Loan Status Report is used to:

- update the status of each borrower's loans and to keep data for all guaranteed loans up to date in FSA accounting records.

\* FSA 1980-26 is used to:

- satisfy the requirements for an annual report on collection activities for 3 years following the payment of a loss claim.

\* PLP lenders will submit additional reports as required in their Lender's Agreement.

Recently, there were 787 guaranteed loans with past due default status reports and 2146 loans with past due semi-annual status reports. Lender's continued cooperation in providing updated loan account information is essential.

### FYI:

FSA 2-FLP "Guaranteed Loan Making and Servicing" Handbook can be accessed at:  
[http://www.fsa.usda.gov/Internet/FSA\\_File/2-flp-guar.pdf](http://www.fsa.usda.gov/Internet/FSA_File/2-flp-guar.pdf)

## FSA Lender File Review Reminder:

According to FSA Handbook 2-FLP, "Guaranteed Loan Making and Servicing", paragraph 267, lender file reviews are performed to protect the guarantee, preserve lender status, minimize losses and the need for adjustments to loss claims.

The reviews of lender loan files are based on the terms and conditions specified in FSA -1980-38 Lenders Agreement. PLP loan files reviews are also subject to the terms and conditions of their Credit Management System (CMS), in addition to the FSA -1980-38 Lenders Agreement.

Lenders are encouraged to continually be proactive in resolving guaranteed loan servicing deficiencies to eliminate a possible loan loss or loss claim reduction or denial.



## Feedback

FSA encourages lenders to provide suggestions, comments or ideas for future newsletter articles. Please contact the Farm Service Agency, Guaranteed Loan Branch, Washington DC.

Phone: 202-720-3889.



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