

**Guaranteed Loan and Feasibility Evaluation (for internal use only)**

(Use for documentation along with Form FSA 1980-02)

**1. General Information**

Name of Lender:

Lender Status: PLP  CLP  SEL

(For SEL's only -- Does the lender meet the lender eligibility criteria of Par. 46?  Yes  No)

Name of Applicant:

Date Application Received:

Date information entered into GLS:

Guaranteed Request(s) - Type and Amount		Guaranteed Percentage			
		with I/A			Other
LOC	\$	<input type="checkbox"/>	<input type="checkbox"/> 90%	<input type="checkbox"/> 95%	<input type="checkbox"/> %
OL-G	\$	<input type="checkbox"/>	<input type="checkbox"/> 90%	<input type="checkbox"/> 95%	<input type="checkbox"/> %
FO-G	\$		<input type="checkbox"/> 90%	<input type="checkbox"/> 95%	<input type="checkbox"/> %

**2. Application Review**

**a. Complete Application**

- Yes  No Did the lender properly complete all parts of the application including obtaining **original** signatures of the applicant(s) and the lender. (NOTE: If entity applicant then the application must be signed by both the entity and also by the individual members or stockholders of the entity, as individuals.)
- Yes  No Land to be farmed is adequately described? (For SEL's and CLP's only. Leave blank if PLP lender.)
- Yes  No The review official has reviewed the Lender's narrative and determined it is adequate and it addresses all the items listed in Par. 69.5C and 70B (NOTE: a narrative from a PLP and CLP must be more considerably more detailed than a SEL.)
- Yes  No Other information required from lender (depends on lender status) has been provided – Par 69 and Par. 70.
- Yes  No Has the review official completed Form RD 1940-22 and all the environmental reviews and/or concerns have been adequately addressed?

If all the above are check "yes" then the complete application letter can be mailed to the lender. If any of the above are check "no" then notify the lender in writing.

**Comments:** (comments are required if application is not complete.)

**Application Letter -- Par. 95, 96 and 97**

Date Application determined incomplete (if applicable) and letter mailed to lender

Date Application is determined complete and letter mailed to lender.

**b. Eligibility, Loan Purposes, Rates and Terms**

- Yes  No Caivrs, Past Debt and Borrower Cross-reference screens have been obtained and reviewed.
- Yes  No A copy of the CCC-502 has been obtained and the proposed loan operator/entity is consistent with FSA farm program records.
- Yes  No The review official has reviewed Par. 108 through Par. 111 and determined the loan applicant meets all the eligibility requirements.
- Yes  No Loans (both proposed and existing) are within Statutory Authority. Par. 244A
- Yes  No The review official has determined the proposed loans are for authorized purposes. Par. 122 - Par. 124.
- Yes  No The review official has determined loan terms, interest rate, fees being charged, and insurance requirements are in accordance with 2-FLP manual. Par. 135 – 139.

If any of the above are check "No" then notify the lender in writing and include the appropriate review/appeal rights..

**Comments:** (comments need to be entered regarding any "No" answer):

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**3. Loan Feasibility and Soundness of Plan(s) – Par. 151, Par. 152, Par. 153, Par. 154, Par. 223, Par. 224, Par. 225 & Par. 226**

*(NOTE: for CLP lenders items “d” can be marked N/A. CLP lenders are not required to provided 3-yr. production or financial history; however these items, if not provided, should be addressed in the narrative.  
(for PLP lenders items “a, b, c, d, , f, g ,h, i, & j” can be marked N/A if properly addressed in the narrative)*

- a)  Yes  No  N/A Is there a properly completed balance sheet?
- b)  Yes  No  N/A Is there a properly completed cash flow budget?
- c)  Yes  No  N/A All debts and scheduled payments accurately listed in the plan?
- d)  Yes  No  N/A Has non-farm income been verified?
- e)  Yes  No  N/A Does the lender’s proposal address both the current year and a typical year operation?
- f)  Yes  No  N/A Are realistic commodity prices used and documented?
- g)  Yes  No  N/A Are projected yields realistic and supported by past history/performance or past financial trends?
- h)  Yes  No  N/A Are projected expenses (including family living) realistic and supported by past history or past financial trends?
- i)  Yes  No  N/A Is projected income supported and realistic?
- j)  Yes  No  N/A Is the operation’s projected income/expense ratio consistent with history or past trends?
- k)  Yes  No  N/A Did the lender justify any deviation to the proposed plan that is not supported by past history?
- l)  Yes  No  N/A Part G of Form 1980-25 correctly completed and corresponds to the proposed cash flow budget or loan narrative if PLP lender?
- m)  Yes  No  N/A If interest assistance, was the cash flow or analysis completed with and without IA?

*NOTE: Complete the following table for the typical year plan (not needed if PLP’s if cash flows were not submitted.)*

\$	1. GROSS FARM INCOME (for the operating year – do not include cash or projected cash carryover)
\$	2. FARM OPERATING EXPENSES (excluding interest and depreciation)
%	3. OPERATING RATIO
\$	4. INTEREST EXPENSE
\$	5. NON-FARM INCOME
\$	6. FAMILY LIVING EXPENSES
\$	7. CASH CARRY OVER
\$	8. LOANS AND OTHER CREDIT
\$	9. CAPITAL EXPENDITURE/DEBT REFINANCED
\$	10. BALANCE AVAILABLE FOR ANNUAL DEBT PAYMENTS <i>(line 1 – line 2 – line 4 + line 5 – line 6 + line 7 + line 8 – line 9)</i>
\$	TOTAL ANNUAL DEBT PAYMENTS (provide a breakdown of all payments–include interest on all payments) :
\$	11. REPAYMENT MARGIN <i>(line 10 minus line 11)</i>
n) <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	If interest assistance, does the cash flow show less than a feasible plan without IA?
o) <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Is the plan realistic and does the operation project a feasible plan in the current operating year and also in a typical year?

**(Comments Required)** *Summarize your review and analysis of the feasibility/soundness of the proposed operation:*

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**3. Collateral/Security – Par. 166, Par. 167, Par. 168 & Par. 169**

Equity Margin (%) for the loan(s): *{The guaranteed loan amount plus any prior lien divided by total security for the proposed guarantee loan.}*

LOC:       %     OL-G:       %     FO-G:       %

Yes  No Security is adequate for proposed loan request and term.

**(Comments)** *Summarize your review and analysis of the proposed security:*

**3. Final Disposition - Par. 244 – Par. 250**

<b>Based on this Evaluation, I:</b>	<b>FSA Review Official Signature</b>	<b>Title</b>	<b>Date</b>
<input type="checkbox"/> Recommend Approval			
<input type="checkbox"/> Recommend Disapproval			
<input type="checkbox"/> Approve	<b>FSA Approval Official Signature</b>	<b>Title</b>	<b>Date</b>
<input type="checkbox"/> Disapprove			

**Date Loan Approved or Rejected**  
**Number days from date received to final disposition.**

Yes  No Is loan(s) within approval official authority?  
 Yes  No Was Form 1980-15 properly completed including items 14, 15, 16, 17 and 18

**Comments:** *Final comments concerning lender's proposal along with recommendations regarding the lenders servicing plan, loan closing requirements, record keeping, etc.*