

For: State and Concentration Banking County Offices

Electronic Funds Transfers (EFT) for FLP Disbursements

Approved by: Deputy Administrator, Management



1 Overview

A

Background

The Debt Collection Improvement Act (DCIA) of 1996 contained provisions that required using EFT for most Federal payments starting in January of 1999. To implement this provision of DCIA, the St. Louis Finance Office developed, with Rural Development, an interim process for EFT/ACH direct farm loan disbursements and interest assistance payments to Guaranteed Loan Lenders. This process is intended to be used temporarily for FLP. In the future, an FSA EFT System is planned that will be used for both farm programs and FLP's.

In accordance with DCIA, County Offices shall issue disbursements for FLP direct loan and interest assistance payments electronically, unless a waiver is in place. Electronically disbursing loan funds is a benefit to a borrower, because in most cases, the funds are made available to a borrower 2 calendar days after the disbursement transaction is successfully processed.

In March of 1999, Notice FLP-36 and an EFT handbook were issued and made available through BBS. The EFT handbook shall no longer be used for direct loan disbursements.

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| | |
|---|--|
| Disposal Date May 1, 2002 | Distribution State Offices; State Offices relay to applicable County Offices |
|---|--|

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1 Overview (Continued)

B

Purpose

This notice:

- instructs County Offices to make all direct loans and interest assistance payments by EFT, unless a waiver is in place
 - provides instructions for using the EFT system
 - obsoletes the EFT handbook for direct loans
 - provides information on granting waivers of the EFT requirements.
-

C

Contacts

If there are any questions about this notice, County Offices shall contact their State Office. State Offices shall contact Carolyn Lane at 314-539-3481.

D

**Finance Office
Contacts**

When required State and County Offices shall contact the St. Louis Finance Office for EFT processing according to the following table.

| Office | Phone | Fax |
|----------------------------------|------------------------------------|--------------|
| Loan & Grant Servicing Branch I | | |
| States 01-17 | 314-539-3114 | 314-539-3111 |
| States 18-32 | 314-539-3967 | 314-539-3111 |
| Loan & Grant Servicing Branch II | | |
| States 33-64 | 314-539-6321 or 314-539-6647 | 314-539-6447 |

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2 Action

**A
County Office
Action**

County Office shall:

- immediately implement EFT processing for direct loan and interest assistance payments
 - encourage applicants and borrowers to use EFT.
-

**B
State Office
Action**

State Offices shall monitor County Offices to ensure that they implement EFT processing.

Note: FSA is required to report to Treasury the percentage of payments that are made by EFT versus paper check. The Finance Office will monitor County Office implementation and will contact the State Offices for those counties that do not implement this process.

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3 EFT System Access

A

Update/Inquiry Authority

Update and/or inquiry authority in the Guaranteed Loan System (GLS) is required to access the EFT system. County Office employees, who perform ADPS functions and do not have this authority, shall complete security request form, "Field Office Request For Access to NITC", and submit through the State Office Automation Coordinator to the FSA Kansas City Security Office.

B

Security Access

The State Office Automation Coordinator shall submit the security request form to the FSA Kansas City Security Office via FAX at 816-926-6090.

Include the following information on the security request form:

- full name, position, telephone number, SSN, and current "C" mainframe ID
- a check mark for the "Type of Maintenance"
- the "Servicing Office Code"
- a check mark next to "EFT" under Mainframe System Applications and list the function you require access to in the space allocated

Example: ED15 Function P; Access to ED18.

- a check next to "inquiry" or "update"
- signature of Automation Coordinator and SED.

Note: State Offices may contact the FSA KC Information Systems Security Office at 816-926-6537 if there are questions.

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4 Terminology Used in Processing EFT for FLP

A

Terms

The following table provides the definition of the terminology used in this notice for EFT processing.

| Term | Definition |
|-----------------|---|
| ACH | <u>Automated Clearing House</u> is an allowable EFT method for next day disbursement of funds through Treasury. This Interim EFT system will disburse funds through ACH on the second business day following the update of the check request transaction. |
| Closing Agent | A <u>closing agent</u> will be required for all FLP Farm Ownership loans. These agents will hold all funds for FSA until all loan closing documents are signed. |
| EFT | <u>Electronic funds transfer</u> refers to any transfer of funds, other than cash, check or similar paper instrument, that is initiated through an electronic terminal (i.e. ACH or WIRE). |
| NACHA | <u>National Automated Clearing House Association</u> establishes the rules and regulations for processing ACH transactions. |
| PLAS | <p><u>Program Loan Accounting System</u> supports the following loan and grant programs:</p> <ul style="list-style-type: none"> • Business Programs • Soil and Water Programs • Self-Help Housing Grants • Community Programs • FLP's • Housing Preservation Grants. <p>Note: Transactions processed under ADPS are reflected in PLAS.</p> |
| Pre-closing | <u>Pre-closing</u> is the process of obtaining the necessary signatures on a Borrower's Note before disbursing funds. |
| Pre-note | <u>Pre-note</u> is the process used to verify banking information. This process sends a zero dollar transaction to the bank. When the pre-note is sent, the bank is required to verify the information. |
| Pre-note Status | <u>Pre-note status</u> is a field in the EFT system that is updated when pre-note activity occurs. See subparagraph 16 C. |

Continued on the next page

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4 Terminology Used in Processing EFT for FLP (Continued)

**A
Terms
(Continued)**

| Term | Definition |
|----------------|---|
| Routing Number | The <u>routing number</u> is a unique 9-digit number obtained from the financial institution identifying them to the Federal Reserve Banking System. |
| SF-1199A | Direct Deposit Sign-up Form. This is the form that is currently used to obtain banking information for Farm Programs. |
| SF-3881 | Electronic Funds Transfer (EFT) Payment Enrollment Form. This form is used to obtain banking information. |
| TIN | <u>Tax Identification Number</u> which consists of the Employee Identification Number (EIN) or the Social Security Number (SSN). |
| Waiver | <p>A <u>waiver</u> is a means of granting the recipient of Federal funds an exception to the EFT process. A borrower may request a waiver from EFT disbursements for the following conditions:</p> <ul style="list-style-type: none"> • financial hardship • physical disability • mental disability • geographic location • language/literacy barrier. <p>Note: A waiver is granted by completing FFAS-12 according to 1-FI, paragraph 46.5.</p> |
| Wire Transfer | A <u>wire transfer</u> is an allowable EFT method for same day disbursement through Treasury. |

5 Procedures for EFT Processing

A
Immediate
Implementation

County Offices shall immediately begin processing disbursement by EFT for all borrowers, unless a waiver is in place. A borrower's banking information shall be obtained as early as possible, to allow for the account verification process to occur.

Banking information from new borrowers, shall be requested early in the application process and County Offices shall immediately contact established borrowers to obtain their banking information.

Note: If a borrower also receives farm program payments, SF-1199A may already be on file in the County Office. If so, verify that the banking information has not changed and input the banking information in the EFT system according to the instructions in this notice.

B
Loan Closed by
Agency Official

When a closing agent is not required to perfect a lien on real estate offered as security or no real estate is taken as security, the loan can be closed by an Agency official. The County Office shall request the applicant's banking information early in the application process. The banking information shall be input into the EFT system immediately, to allow for the 14-calendar-day pre-note processing to be completed before the actual disbursement of the funds.

Note: This pre-note processing is not intended to delay the disbursement of funds on any loan. If necessary, a manual pre-note can be completed, which will allow for immediate activation of the banking information for the disbursement of funds electronically. See paragraph 17 for instructions on requesting emergency payments.

The loan should be closed or legal documents signed before ordering funds using a "1C-Check Request" transaction in ADPS. If the information entered into the EFT system matches the ADPS screen, the funds will be electronically transferred to the borrower's account within 2 business days. If the information does not match, the funds will be disbursed by check and mailed to the County Office.

County Offices may check the UN status screen in ADPS for the date of the disbursement. The funds should be in the bank account on that date and the Promissory Note Record of Advances should also be annotated. The County Office should then enter transaction code, "1-F-Loan Closing", to record the loan closing date.

Continued on the next page

5 Procedures for EFT Processing (Continued)

C

**Loan Closed by
Attorney or
Closing Agent**

An attorney or closing agent is used to close farm ownership loans and direct loans when real estate is required as primary security. In these cases, the funds may be electronically transferred to the attorney or closing agent's bank account. County Offices shall begin collecting banking information from all anticipated closing agents and enter the data into the EFT system. After the banking information has been verified, all borrower loan disbursements associated with that closing agent can be disbursed immediately via EFT.

When an attorney or closing agent is used to close the loan, the County Office shall enter transaction code, "1C-Check Request", in ADPS early enough for the funds to be in the attorney's or closing agent's bank account by the scheduled loan closing date.

Note: If the information entered into the EFT system does not match the ADPS screens, a paper check will be issued instead of EFT. County Offices shall follow the directions in this notice carefully to ensure that the information entered into the EFT system is accurate so that the loan is disbursed by EFT.

Once the borrower has signed all legal documents, the attorney or closing agent will release the funds. The County Office shall then enter transaction code, "1-F-Loan Closing", to record the loan closing date.

Note: For an initial disbursement, interest on the account will begin on the date of disbursement or the date of loan closing, whichever is most advantageous to the borrower. Subsequent disbursements for a multiple advance loan accrue interest on the date of disbursement.

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6 Obtaining Bank Account Information

A

SF-3881 to Elect Direct Deposit

County Offices shall provide SF-3881 to new applicants or their attorney early in the application process. It shall also be provided to established borrowers who have not already provided their banking information to the County Office on SF-1199A. If a borrower wishes to use multiple bank accounts, a separate SF-3881 must be completed for each account. The current version (12/90) of SF-3881 is available from the GSA website at <http://www.gsa.gov/forms>.

Note: If SF-1199A for farm programs is already on file in the County Office, the borrower does not have to complete SF-3881. Verify the banking information and enter it into the EFT system.

B

Completing SF-3881

Complete SF-3881 according to this table.

| Field | Action |
|----------------------------|---|
| Agency Information | |
| Federal Program Agency | ENTER "USDA/Farm Service Agency". This information will be conveyed to the financial institution as part of the electronic deposit. |
| Agency Identifier | ENTER "FSA". |
| Agency Location Code (ALC) | ENTER "12200408". |
| Address | ENTER "P.O. Box 20000, St. Louis, MO 63120-0003". |
| ACH Format | Select "CCD+". This indicates the type of electronic disbursement file the financial institution will receive. |
| Contact Name | ENTER "Loan Operations Division". Any questions that the financial institution may have should be directed to this contact. |
| Telephone Number | ENTER "314-539-6638". |

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6 Obtaining Bank Account Information (Continued)

**B
Completing
SF-3881
(Continued)**

| Field | Action |
|--|--|
| Payee/Company Information | |
| Name | Enter the borrower's name as shown on 1 of the legacy systems. Note: This may also be a payee (i.e. Management Agent, Lender or Closing Agent) and not a borrower. The names of the payees should then be entered in this block. |
| SSN No. or Taxpayer ID No. | Enter the borrower's or payee's Social Security Number or Employer's Identification Number, both of which are considered Tax Identification Numbers. |
| Address | Enter the borrower's or payee's address as it relates to the loan. |
| Contact Person Name | Enter the name of the person who should be contacted if any of the information provided for the financial institution fails during the pre-note process (i.e., the borrowers name or management agent name). |
| Telephone Number | Enter the telephone number for the contact person |
| Financial Institution Information | |
| Name | Enter the name of the borrower's or payee's financial institution. |
| Address | Enter the address of the financial institution. |
| ACH Coordinator Name | Enter the name of the individual who should be contacted at the financial institution if the pre-note fails or if a manual pre-note is required. |
| Telephone Number | Enter the telephone number of the ACH Coordinator. |
| Nine-Digit Routing Transit Number | Enter the 9-digit number for the financial institution which identifies them to the Federal Reserve Banking System. |
| Depositor Account Title | Enter the title of the account at the financial institution. This information will be used only if a manual pre-note is required, and will help in identifying the particular account to the ACH Coordinator. |
| Depositor Account Number | Enter the borrower's or payees' account number at the financial institution. |
| Type of Account | Check either "Checking" or "Savings". |
| Signature And Title of Authorized Official | The signature and title of a financial institution representative who has reviewed this information for completeness and accuracy. This may be the ACH Coordinator. |
| Telephone Number | Enter the telephone number of the authorized official. |

Continued on the next page

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6 Obtaining Bank Account Information (Continued)

C

Filing SF-3881

File completed SF-3881 in the same file where SF-1199's are maintained.

Note: File SF-3881's that have the hardship waiver checked in the same file where FFAS-12's are maintained.

D

Example of SF-3881

| ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM | | OMB No. 1510-0055 Expiration Date 01/31/2000 |
|---|--|--|
| <p>This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.</p> | | |
| <p>PRIVACY ACT STATEMENT</p> <p>The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.</p> | | |
| <p>AGENCY INFORMATION</p> | | |
| <p>FEDERAL PROGRAM AGENCY: _____</p> | | |
| <p>AGENCY IDENTIFIER: _____</p> | <p>AGENCY LOCATION CODE (ALC): _____</p> | <p>ACH FORMAT: <input type="checkbox"/> CCD+ <input type="checkbox"/> CTX <input type="checkbox"/> CT³</p> |
| <p>ADDRESS: _____</p> | | |
| <p>CONTACT PERSON NAME: _____</p> | | <p>TELEPHONE NUMBER: (____) _____</p> |
| <p>ADDITIONAL INFORMATION: _____</p> | | |
| <p>PAYEE/COMPANY INFORMATION</p> | | |
| <p>NAME: _____</p> | | <p>SSN NO. OR TAXPAYER ID NO. _____</p> |
| <p>ADDRESS: _____</p> | | |
| <p>CONTACT PERSON NAME: _____</p> | | <p>TELEPHONE NUMBER: (____) _____</p> |
| <p>FINANCIAL INSTITUTION INFORMATION</p> | | |
| <p>NAME: _____</p> | | |
| <p>ADDRESS: _____</p> | | |
| <p>ACH COORDINATOR NAME: _____</p> | | <p>TELEPHONE NUMBER: (____) _____</p> |
| <p>NINE-DIGIT ROUTING TRANSIT NUMBER: _____</p> | | |
| <p>DEPOSITOR ACCOUNT TITLE: _____</p> | | |
| <p>DEPOSITOR ACCOUNT NUMBER: _____</p> | | <p>LOCK BOX NUMBER: _____</p> |
| <p>TYPE OF ACCOUNT: <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> LOCKBOX</p> | | |
| <p>SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (Could be the same as ACH Coordinator)</p> | | <p>TELEPHONE NUMBER: (____) _____</p> |
| <p>NSN 7540-01-274-9925</p> | | <p>SF 3881 (Rev 12/90) Prescribed by Department of Treasury 31 U.S.C. 3322; 31 CFR 210</p> |

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6 Obtaining Bank Account Information (Continued)

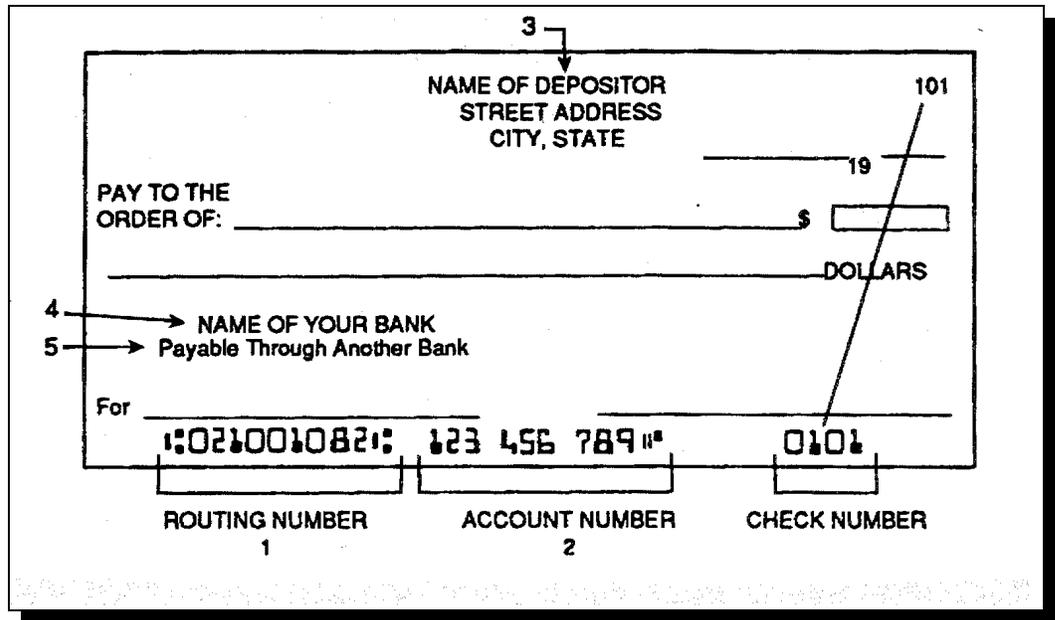
E

Using a Voided Check to Verify Bank Info

Instead of having the financial institution complete SF-3881, the borrower may provide a voided check (do **not** use a deposit slip). If a voided check is provided, the County Office shall contact the financial institution to verify:

- routing number
- account number
- type of account
- if the financial institution accepts ACH transmissions.

The following is an example of a standard check showing the banking information needed for SF-3881.



The following table explains the items on the voided check in relation to SF-3881.

| Item on Check | Field on SF-3881 |
|---------------------------------|---|
| 1, Routing Number | Nine-Digit Routing Transit Number |
| 2, Account Number | Depositor Account Number |
| 3, Name of Depositor | Payee/Company Name |
| 4, Name of Bank | Financial Institution Name |
| 5, Payable Through Another Bank | If "Payable through" appears on the check, contact the financial institution to determine the bank routing number to enter in the "Routing Number" field. |

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7 Accessing EFT Main Menu

A

NITC Televue Menu

The banking information obtained on SF-3881 or SF-1199A shall be input into the EFT System to enable EFT disbursement processing. The EFT system allows County Offices to capture banking information outside the PLAS and GLS Legacy Systems for the purpose of disbursing funds electronically. The system is accessed from the NITC Televue Menu, which is the main menu for the mainframe environment. Following is an example of the NITC Televue Menu.

Note: The EFT session number in this example may be different from the number on your system.

```
-----  
MODEL : LU0 -2/2E      U S D A      USERID: FHXXX  
LUNAME: TCPT0182      TELEVIEW 4.3    ESCAPE: PA1  
  
COMMAND =====>  
  
Sesnum  System  Tag  I  Application Status  Remarks / Description  
-----  -  -  -  -----  
48  DLOSFREL  N  Available  DLOS FiServ Rel System  
49  DLOSRSYS  N  Available  DLOS Release Test System  
50  DLOXPRD  N  Available  DLOS Prod Simulate System  
51  USERPFIX  N  Available  Prod. Emergency Access  
52  USERDVLP  N  Available  Development Area  
53  USERTEST  N  Available  Test Area  
54  USERPROD  N  Available  Production Area  
55  EFT       N  Available  EFT Info Database  
  
-----  
PF1= HELP PF3= END PF7= PAGE UP PF8= PAGE DOWN PF9= NOTEPAD PF10= ERASE NOTES
```

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7 Accessing EFT Main Menu (Continued)

B

EFT Main Menu

On the EFT Main Menu, enter the desired option number and PRESS "Enter" to proceed to the appropriate screen.

Following is an example of the EFT Main Menu.

| | | |
|------|--|----------|
| ED00 | Electronic Funds Transfer of Funds | 01/20/99 |
| | <ol style="list-style-type: none">1. UPDATE Payee Details2. LIST SELECT Payee Account3. UPDATE GLAS Payment Profile Detail4. LIST SELECT PLAS Borrower Routing5. UPDATE PLAS Payment Profile Detail6. LIST SELECT AMAS Borrower Routing7. UPDATE AMAS Payment Profile Detail8. LIST SELECT Active Financial Institution9. LIST SELECT Obsolete Financial Institution | |

Continued on the next page

Notice FI-2482

7 Accessing EFT Main Menu (Continued)

C

EFT Menu Options

The following table describes the function of each option on the EFT Main Menu and the paragraph number for instructions on using the option.

| Option | Title | Function | Paragraph |
|---------------|---|--|------------------|
| 1 | UPDATE Payee Details | Use to input name and account information for establishing the pre-note for accounts that do not already exist. Note: The screen to enter new or update information to establish bank account details can be accessed from this screen. See paragraph 9. | 8 |
| 2 | LIST Select Payee Account | View and select payees and their bank accounts by inputting the borrower ID. This information can later be associated to a loan or refund. Note: The screen to enter new or update established bank account details can be accessed from this screen. See paragraph 9. | 10 |
| 3 | UPDATE GLAS Payment Profile Detail | Use to enter all of the information for a Guaranteed Lender, including the Lender ID and Branch Number and the related banking information. | See EFT Handbook |
| 4 | LIST SELECT PLAS Borrower Routing | Use to view a list of all the bank accounts that have been associated to a borrower on PLAS. | 11 |
| 5 | UPDATE PLAS Payment Profile Detail | Use to enter all of the information that relates to a borrower whose loan information is stored on PLAS. | 12 |
| 6 | LIST SELECT AMAS Borrower Routing | Use for AMAS. | N/A |
| 7 | UPDATE AMAS Payment Profile Detail | Use for AMAS. | N/A |
| 8 | LIST SELECT Active Financial Institutions | Use to view a list of all the active financial institutions (banks) that are available for use in the EFT database. | 13 |
| 9 | LIST SELECT Obsolete Financial Institutions | Use to view a list of all the obsolete financial institutions (banks) that are no longer available for use in the EFT database. | 14 |

Notice FI-2482

8 Entering and Updating Payee Detail in EFT System

A

Using the Update Payee Detail Screen

This screen is accessed from Option 1 on the EFT Main Menu. County Offices shall follow the instructions in this table to:

- enter payee detail to establish a pre-note
- update a payee’s detail
- delete a payee’s detail.

| Function | Action |
|---|--|
| Add a new payee | <p>Enter the tax ID, type, and name on the bank account and PRESS “Enter”.</p> <p>Note: ENTER “?” in the "Type" field and PRESS "F4" to obtain a list of valid payee types.</p> <p>ENTER “A” in the "Option" field and PRESS “Enter”.</p> <p>“Create Successful” will be displayed, if the payee has successfully been added to the EFT database.</p> |
| View or modify the details of the payees’ bank account | <p>Enter tax ID and type, and PRESS “Enter”.</p> <p>ENTER “X” in the “Selection” field of the entry to be viewed or modified.</p> <p>ENTER “AD” on the “Go To” line and PRESS “Enter”.</p> <p>The Update Bank Account Information will be displayed. Go to paragraph 10.</p> |
| Update payee attributes | <p>Enter tax ID and type.</p> <p>Note: If a payee currently has bank accounts which have been associated to a PLAS refund, updating the type attribute to “CLS AGENT” will not be permitted.</p> <p>ENTER “C” in the "Option" field and PRESS “Enter” to update attributes.</p> |
| Delete a payee’s record | <p>ENTER “D” in the "Option" field.</p> <p>Note: If a payee has bank accounts listed, deletion will not be permitted.</p> |
| Determine whether an account is currently associated to any payments. | <p>Enter tax ID and type and PRESS “Enter”.</p> <p>ENTER “X” in the “Selection” field of the entry to be viewed or modified..</p> <p>ENTER “PA” on the “Go To” line and PRESS “Enter”.</p> |

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Notice FI-2482

8 Entering and Updating Payee Detail in EFT System (Continued)

B
Update Payee
Detail Screen
Display

The following is an example of the Update Payee Detail Screen.

```
FHXXX                UPDATE Payee Detail                11:36:58
                                                           Page  1
Payee Tax Id  433575599
Type  BORROWER  +
Name  JESSIE JAMES

----- Payee Bank Accounts -----

Sel   Routing Nbr   Bank Name   Account   C/S   Pre-note   Status Dt
     075012683     M & I BANK  1004001   C     P         01/18/1999

Use AD Goto to create Bank Accounts for Payee

Option  (A)dd (C)hange (D)elete and press ENTER
Go To   AD=Account Details  PA=Payee Associations
CI00809I: Display was successful
F3=Exit F4=Prompt F5=Clear F7=Prev F8=Next F12=Cancel
```

Notice FI-2482

9 Create or Modify Bank Account Detail

A

Using the Update Account Screen Once a payee has been established, County Offices shall follow the instructions in the following table to create or modify bank account information.

Note: This screen is accessed from the Update Payee Detail or the List Select Payee Account Screen.

| Function | Action |
|---|---|
| <p>Create a payee's banking details</p> <p>Notes: The payee attributes will be pre-filled from a prior screen and are protected.</p> <p>Duplicate bank data accounts cannot be established for the same payee.</p> | <ul style="list-style-type: none"> • TAB to "Go To" line, ENTER "AD", and PRESS "Enter" • Enter the following: <ul style="list-style-type: none"> • routing number: the number will be validated against the financial institution list • Note: To obtain a list of valid routing numbers ENTER "?" in the field and PRESS "F4". • account ID: the bank account number • type: ENTER "C" for checking or "S" for savings • ENTER "A" in the "Option" field and PRESS "Enter". <p>Notes: Pre-note Status: This field will default to "Pending" so that a pre-note can be triggered.</p> <p>"Create Successful" will be displayed if the banking information has successfully been added to the EFT database.</p> |
| <p>Update bank information</p> <p>Note: Updating the bank information will cause the pre-note status to reset to "Pending" to trigger a pre-note.</p> | <p>Enter a new routing number, account ID, or type.</p> <p>ENTER "C" in the "Option" field and PRESS "Enter"</p> <p>Note: The pre-note field can only be updated by the Finance Office. See paragraph 16 for a list of abbreviations used in the pre-note field.</p> |
| <p>Delete an account</p> <p>Note: If an account is currently associated to a payment, it cannot be deleted until all related payments have been deleted first.</p> | <p>ENTER "D" in the "Option" field and PRESS "Enter".</p> |
| <p>View a list of payments associated to the payee bank account</p> | <p>ENTER "PA" on the "Go To" Line and PRESS "Enter".</p> |

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9 Create or Modify Bank Account Detail (Continued)

B
Update Account
Detail Screen
Display

The following is an example of the Update Account Detail Screen.

| | | |
|-----------------|---|---------------|
| FHXXX | UPDATE Account Detail | 15:57:50 |
| Payee Tax Id | 987654321 | |
| Name | ANDREW SMITH | |
| Type | DESIGNEE | |
| Routing Number | 063213038 + C & L BK OF BLOUNTSTOWN | |
| Account Id | 344879 | |
| Type | C (C=Checking, S=Saving) | |
| Pre-note Status | P PENDING | |
| As of | 01/18/1999 | |
| Obsolete as of | | |
| Updated by | FHXXX | On 01/15/1999 |
| Option | (A)dd (C)hange (D)elete and press ENTER | |
| Go To | PA=Payee Associations | |
| CI00809I: | Display was successful | |
| F3=Exit | F4=Prompt F5=Clear F12=Cancel | |

Notice FI-2482

10 List Select Payee Account Information

A

**Using the List
Select Payee
Account Screen**

This screen is accessed from Option 2 on the EFT Main Menu. Follow the directions in this table to view a list of payees and their corresponding bank accounts. The primary function of this screen is to provide a selection list for the payment profile screens for payee and/or account maintenance.

| Function | Action |
|--|---|
| View a list of borrowers | Enter the tax ID or name and PRESS "Enter".. Note: Use the "Tab" key to move to a specific borrower's line. |
| View the account details of a specific borrower. | ENTER "X" in the "Selection" field next to the borrower ID and ENTER "AD" on the "GO TO" line. The Accounts Detail Screen will be displayed for account maintenance. |
| View the payee details of a specific borrower | ENTER "X" in the "Selection" field next to the borrower's ID and ENTER "PD" on the "GO TO" line. The Payee Details Screen will be displayed for account maintenance. |

B

**Example of List
Select Payee
Account Screen**

The following is an example of the List Select Payee Account Screen.

| | | | | | |
|---|---------------------------|-------------------|--------------|--------------|------|
| ED14 | | | | | |
| Electronic Funds Transfer System | | | | | |
| 01/20/99FHXXX | LIST SELECT Payee Account | 17:20:48 | Page 13 MORE | | |
| Search by Tax Id or Name | | | | | |
| Sel | Tax Id | Payee Name | Payee Type | Account Id | Type |
| | 323232324 | JOHN SMITH | CLS AGENT | 322222222 | C |
| | 410575757 | FRED A. JONES | BORROWER | 410555555 | S |
| | 674674674 | COM FAC LOAN EZ/E | CLS AGENT | 677777777 | C |
| | 376673376 | COTTO VIR | BORROWER | 037373737 DD | C |
| Go To AD=Account Details PD=Payee Details | | | | | |
| CI00809I: Display was successful | | | | | |
| F3=Exit F7=Prev F8=Next F12=Cancel | | | | | |

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11 List Select PLAS Borrower Routing

A

**Using the List
Select PLAS
Borrower
Routing Screen**

This screen is accessed from Option 4 on the EFT Main Menu. Follow the directions in this table to view a list of bank accounts that have been associated to a borrower on PLAS. Information will be displayed by loan and disbursement type.

| Function | Action |
|---|---|
| View the Payment Profile Detail Screen | ENTER“X” in the “Selection” field next to the bank account and ENTER “PP” on the "GO TO" line. |
| View the routing History of a specific bank | ENTER“X” in the “Selection” field next to the bank account and ENTER “RH” on the "GO TO" line. The Payee Details Screen will be displayed for account maintenance. |

B

**Example of List
Select PLAS
Borrower
Routing Screen**

The following is an example of the List Select PLAS Borrower Routing Screen.

| | | | | | | | |
|---|-----------------------------------|-------------|----------------------|-------------|--------------|---------|------------|
| ED01 | Electronic Funds Transfer System | | | | 01/20/99 | | |
| FHXXX | LIST SELECT PLAS Borrower Routing | | | 17:20:48 | Page 1 | | |
| State Code | 10 | County Code | 030 | Borrower Id | 131313131 | | |
| Sel | Loan | Disb | Bank | Routing | Account Id | Prenote | Date |
| | 00 | RF | PAULS VALLEY NATL BK | 103101987 | 322222222 | P | 02/24/1998 |
| | 01 | LN | C & L BK OF BLOUNTST | 063213038 | 410555555 | V | 02/04/1998 |
| | 02 | LN | C & L BK OF BLOUNTST | 063213038 | 677777777 | V | 02/04/1998 |
| | 03 | LN | FRB-BOSTON ACH | 011000015 | 67777777 | P | 02/24/1998 |
| | 03 | LN | FRB-BOSTON ACH | 011000015 | 037373737 DD | P | 02/24/1998 |
| | 04 | LN | FRB-BOSTON ACH | 011000015 | 22021111111 | P | 02/24/1998 |
| Go To PP=Payment Profile RH=Routing History | | | | | | | |
| CI00809I: Display was successful | | | | | | | |
| F3=Exit F7=Prev F8=Next F12=Cancel | | | | | | | |

12 Update PLAS Payment Profile Detail

A

**Using PLAS
Payment Profile
Detail Screen**

This screen is accessed from Option 5 on the EFT Main Menu. Follow the directions in this table to perform maintenance on the bank information related to the occurrence of any loans/grants that are found in PLAS.

Access this screen to enter the loan data from the 1C-Check Request in ADPS. Once this data has been input, all future disbursements for that specific loan number will automatically be made to the bank account.

Note: This screen can be accessed from the Main Menu or from the List Select PLAS Borrower Routing Screen or the List Select Payee Association Screen.

| Function | Action |
|--|---|
| <p>Add a new payment profile</p> <p>Notes: A payment profile cannot be created without complete payee information.</p> <p>The information entered is not matched to ADPS or PLAS to verify its accuracy. If the information entered does not match a disbursement transaction input into ADPS, the payment will not be sent electronically, a check will be issued instead.</p> | <p>Enter data in the following fields:</p> <ul style="list-style-type: none"> • State Code - a 2-digit code • County Code - a 3-digit code • Borrower ID - taxpayer ID or SSN • Loan Number - associated with obligation on the UN screen in ADPS • Disbursement Type - (ENTER "?" and PRESS "F4" for a list of valid disbursement types) • Servicing Contact - Enter County Office employee processing the disbursement • Phone - Enter telephone number of County Office employee input as servicing contact. <p>ENTER "PL" on the "GO TO" line and Press "Enter". The "List Select Payee Account Screen" will be displayed.</p> <p>On the "List Select Payee Account Screen":</p> <ul style="list-style-type: none"> • Enter tax ID number or name and PRESS "Enter" • ENTER "X" in the "Selection" field next to the correct borrower ID and PRESS "Enter". <p>Note: The "Update PLAS Payment Profile Detail" Screen will be displayed with the payee account information pre-filled.</p> <p>ENTER "A" in the "Option" field and PRESS "Enter" to add the record.</p> |

Continued on the next page

12 Update PLAS Payment Profile Detail (Continued)

A
Using PLAS
Payment Profile
Detail Screen
(Continued)

| Function | Action |
|---|--|
| Change ADPS payment profile on an existing payee account. Note: A change can occur if the 1-C transaction has not already been processed in ADPS. Only the PLAS payment detail on the top half of the screen can be modified. | Enter the borrower's information as it appears on SF-3881. ENTER "C" and PRESS "Enter". |
| Go to the List Select PLAS Borrower Routing Screen. | ENTER "RH" on the "GO TO" line and PRESS "Enter". |

B
Example of
Update PLAS
Payment Profile
Detail Screen

The following is an example of the Update PLAS Payment Profile Detail Screen.

```

FHXXX                UPDATE PLAS Payment Profile Detail                14:21:34

      State Code 10 County Code 030 Borrower Id 131313131
      Loan Number 10
      Disbursement Type LN + LOAN/GRANT

      Servicing Contact Alex Smith
      Phone Number 111 111 1111
      ----- Payee Account Information -----
      Tax Id 555555555
      Payee Name CRAIG CONROY Payee Type BORROWER +
      Routing Number 011000015 + FRB-BOSTON ACH
      Account Id 220211111111111111 Type S Obsolete as of
      Pre-note status P PENDING Pre-note Status date 01/18/1999

      Updated by FHXXX Updated On 01/14/1999
      Option (A)dd (C)hange (D)elete and press ENTER
      Go To PD=Payee Details RH=Routing History PL=Payee Account List
      CI00809I: Display was successful
      F3=Exit F4=Prompt F5=Clear F12=Cancel
    
```

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13 List Select Active Financial Institutions

A
List Select
Active Financial
Institutions
Screen

This screen is accessed from Option 8 on the EFT Main Menu. The following screen can be used to view all the active financial institutions (banks) that are available for use in the EFT database. The financial institutions can be accessed by either tax ID or bank name.

| | | |
|--------------------|---|----------|
| FHXXX | VIEW Active Financial Institution Detail | 07:34:38 |
| Routing Number | 011000015 | |
| Name | FEDERAL RESERVE BANK OF BOSTON | |
| Address | ATTN: ACH COORDINATOR 600 ATLANTIC AVE | |
| City/State | BOSTON MA | |
| Zip Code | 02106 2076 | |
| Phone Number | 617 973 3745 Extension | |
| F3=Exit F12=Cancel | | |

Note: This information is updated by Treasury and cannot be modified.

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14 List Select Obsolete Financial Institutions

A

List Select
Obsolete
Financial
Institutions
Screen

This screen is accessed from Option 9 on the EFT Main Menu. The following screen can be used to view all financial institutions/banks that are no longer available in the database.

Enter a starting routing number of financial institution's name as search criteria.

Note: ENTER "X" next to the financial institution to view all payments associated with it.

| | | | |
|--|--|----------------|---|
| ED08 | Electronic Funds Transfer System | 02/09/99 | |
| FHXXX | LIST SELECT Obsolete Financial Institution | 08:00:22 | |
| | | Page 1 MORE | |
| | Routing Number 000000000 or Starting Name | | |
| Select | Routing Number | Effective Date | Name/Address |
| | 011000015 | 01/05/1999 | FRB-BOSTON ACH ATTN: ACH COORDINATOR BOSTON MA |
| | 011000028 | 01/05/1999 | STATE STREET BANK AND TRUST CO 225 FRANKLIN STREET BOSTON MA |
| | 011000138 | 01/05/1999 | FLEET SERVICES CORPORATION P.O. BOX 2197 BOSTON MA |
| | 011000206 | 01/05/1999 | FLEET BANK-MA ONE FEDERAL STREET BOSTON MA |
| | 011000390 | 01/05/1999 | BANK BOSTON MACPK 05-02-04 DORCHESTER MA |
| Select an entry and press ENTER to view Obsolete Detail Routing List | | | |
| CI00809I: Display was successful F3=Exit F7=Prev F8=Next F12=Cancel | | | |

Continued on the next page

Notice FI-2482

14 List Select Obsolete Financial Institutions (Continued)

B

**List Select
Obsolete
Financial Detail
Routing Screen**

The following screen will be displayed after selecting a financial institution on the List Select Obsolete Financial Institution Screen. All payees associated with the obsolete financial institution will be displayed on this screen.

| | | | | |
|---|-------------------------------------|------------|-----------------|------------|
| ED11 | Electronic Funds Transfer System | 02/09/99 | | |
| FHXXX | LIST SELECT Obsolete Detail Routing | 08:00:22 | | |
| | | Page 1 END | | |
| Routing Number 242448997 BANK FOR TESTING | | | | |
| Sel | Account Id | Tax Id | Payee Name | Payee Type |
| | 01112443 | 922400140 | OBSOLETE LENDER | LENDER |
| | 24488779 | 543223221 | TEST PAYEE | BORROWER |
| | 5001003 | 522400000 | MARILYN'S PAYEE | CLS AGENT |
| | 6652203 | 522400000 | MARILYN'S PAYEE | CLS AGENT |
| | 66540 | 543223221 | TEST PAYEE | BORROWER |
| | 773324 | 622011140 | OBSOLETE PAYEE | MAN AGENT |
| | 7774203 | 522400000 | MARILYN'S PAYEE | CLS AGENT |
| | 844444 | 622011140 | OBSOLETE PAYEE | MAN AGENT |
| Go To AD=Account Details PA=Payee Associations | | | | |
| CI00809E: Message was not found; contact Finance Office | | | | |
| F3=Exit F7=Prev F8=Next F12=Cancel | | | | |

Notice FI-2482

15 Examples of EFT Loan Disbursement Procedures

A

**Example for
Loan Closed by
Agency Official**

The following table shows the steps that should be taken in the EFT system for a loan closed by an Agency Official for a new or established borrower who is not already established in the EFT system.

| Step | County Office Action | | Action in EFT System |
|------|--|---|--|
| 1 | Review County Office files to determine whether the producer has SF-1199 on file. | | Use Option 1 on the EFT Main Menu to enter borrower's banking account information from SF-1199 or SF-3881, to establish a pre-note. See paragraphs 8 and 9 for instructions on entering borrower and banking information. |
| | IF... | THEN... | |
| | SF-1199 is on file | verify the banking information with the borrower. | |
| | SF-1199 is not on file | request that the Borrower complete SF-3881. | |
| 2 | Check the pre-note status code 14 calendar days after entering pre-note information. Note: See paragraph 16 for a list of valid pre-note status codes. | | See paragraph 9 for instructions on viewing the pre-note status. |
| | IF... | THEN... | |
| | the pre-note status has been updated to a valid code | follow directions in step 3 to disburse the loan. | |
| | 14 calendar days have elapsed and the pre-note status code has been updated to a non-valid code | re-enter banking information. | Use Option 1 on the EFT Main Menu |
| | 14 calendar days have not elapsed and the loan is ready to be disbursed | see paragraph 16 to request a manual pre-note. | |
| 3 | When the loan is closed and the 1-C transaction has been entered in ADPS. | | Use Option 5 to enter the loan information entered in ADPS. See paragraph 12 for instructions on entering loan information. |

Continued on the next page

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15 Examples of EFT Loan Disbursement Procedures (Continued)

B

**Example for
Loan Closed by
an Attorney or
Closing Agent**

The following table shows the steps that should be taken in the EFT system for a loan closed by a new or established attorney or closing agent who is not already established in the EFT system.

| Step | County Office Action | Action in EFT System |
|------|---|---|
| 1 | Request that the attorney or closing agent complete SF-3881. | Use Option 1 on the EFT Main Menu to enter the banking account information from SF-3881 to establish a pre-note. See paragraphs 8 and 9 for instructions on entering borrower and banking information. |
| 2 | Check the pre-note status code 14 calendar days after entering pre-note information. Note: See paragraph 15 for a list of valid pre-note status codes. | See paragraph 9 for instructions on viewing the pre-note status. |
| | IF... | THEN... |
| | the pre-note status has been updated to a valid code | follow directions in step 3 to disburse the loan. |
| | 14 calendar days have elapsed and the pre-note status code has been updated to a non-valid code | re-enter banking information. |
| | 14 calendar days have not elapsed and the loan is ready to be disbursed | see paragraph 16 to request a manual pre-note. |
| 3 | The attorney or closing agent contacts the County Office and advises of the loan closing date, and a "1-C" transaction has been entered in ADPS. Note: A "1-F"- Loan Closing transaction should be entered in ADPS to record the loan closing date. Interest will begin to accrue on the date of disbursement or loan closing date, whichever is most advantageous to the borrower. | Use Option 5 to enter the loan information entered in ADPS. See paragraph 12 for instructions on entering loan information. |

Continued on the next page

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15 Examples of EFT Loan Disbursement Procedures (Continued)

C

Loan Disbursement When Account Information Is Established in EFT System

The following table provides an example of the steps that should be taken when the banking information for the borrower, attorney, or closing agent has already been established in the EFT system.

| Step | County Office Action | Action in EFT System | |
|------|--|---|--|
| 1 | Verify that the banking information for the borrower, attorney, or closing agent has not changed. The County Office should also ensure that the pre-note status has not been changed to "O"- Obsolete. | | |
| | IF... | | THEN... |
| | the banking information has not changed | | follow directions in step 3 to disburse the loan. |
| | the banking information has changed or the pre-note status has changed to "O" | re-enter banking information. | Use Option 1 on the EFT Main Menu to update the banking account and establish a new pre-note if the banking information has changed. See paragraphs 8 and 9 for instructions on updating banking information. |
| 2 | The loan is closed by an Agency official and the "1-C" Check Request transaction has been entered in ADPS. | Use Option 5 to enter the loan information entered in ADPS. | |
| | The attorney or closing agent contacts the County Office and advises that the loan closing date, and a "1-C" transaction has been entered in ADPS. | See paragraph 12 for instructions on entering loan information. | |

16 Pre-Note Information

A

Overview

A pre-note is a pre-verification of the banking information that has been established within the EFT database. This pre-verification will reduce the agency's liability for disbursing funds into an incorrect bank account. A pre-note consists of the same banking information that a normal EFT disbursement transaction will hold, except that it is flagged as a pre-note and the dollar amount of the transaction is zero.

B

Verifying Bank Account Information

As part of the pre-note verification process, the financial institution is required by NACHA rules to verify that the bank account number is correct, and either the type of account (checking or savings) or the payee's tax identification number. The financial institution has 7 calendar days to respond to Treasury if the pre-note is incorrect. Correct notifications are not sent. Treasury then has 7 calendar days to pass the notice of the rejected pre-note to the Agency. A pre-note is sent every time the banking information for a payee is added and when any of the following information is changed on an existing record:

- routing number
- bank account number
- TIN of the payee
- type of account (checking or savings)
- payee name.

Once the payee's bank account information is entered or changed, the pre-note status on the EFT database is set to "P" (Pending Pre-note). Nightly, the database will search and find all of the "P" status codes and create a file of pre-notes to process. This same process systematically changes the pre-note status to "S" (Submitted Pre-note).

After the 14-calendar-day time period has elapsed, the pre-note status will be changed to "A" (Assumed Valid), if the bank does not respond that the pre-note is incorrect. Any new disbursement requests that are processed in the legacy systems (ADPS) that relate to a borrower or lender that has been associated with this banking information will now be sent out via EFT.

Continued on the next page

16 Pre-Note Information (Continued)

C

Valid Pre-Note Codes

The following is a list of all the valid pre-notes used in the EFT database. The pre-note status field will be updated automatically or by the Finance Office when there is a change in the pre-note status.

- “P” Pending - Pre-note scheduled to be sent to the financial institution during current night’s update.
- “S” Submitted - Pre-note has been sent to the financial institution for approval.
- “A” Assumed Valid - Systematically changed after the required 14-calendar-day timeframe for banking information to be verified has elapsed.
- “V” Valid (Manual) - DCFO contacts the banking institution to verify the banking information. When verified, DCFO personnel will manually change the pre-note status to valid.
- “I” Invalid (Manual) - DCFO received notification from the bank that the information was invalid.
- “O” Obsolete - Systematically set if the routing information drops from the monthly list of valid routing numbers provided by Treasury.

Note: If the 14 calendar days does not meet the disbursement dates needed, contact the Finance Office to request a manual pre-note. See paragraph 10 for Finance Office contacts. The Finance Office will call the financial institution and verify the banking information over the phone. A manual pre-note will change the pre-note status to "V "(Valid Manual).

If during the 14-calendar-day time period the financial institution rejects the pre-note, the Finance Office will be contacted and the pre-note status will be changed to "I" (Invalid Pre-Note). The payment profile will have to be corrected.

17 Emergency Payment Requests

A

Manual Request

In the event that the banking information for a pre-scheduled loan closing disbursement date has not been entered into the EFT database, a rush request can be sent to the Finance Office. These requests will be limited and processed on an emergency basis only. The information captured on the EFT Enrollment Form and the disbursement request information must be given to the Finance Office either by telephone or FAX. Finance Office will monitor the number of rush requests, and report to the program staff those locations that are doing an excessive number.

At the time of the request, Finance Office personnel will verify there are sufficient undisbursed funds for the amount of the request. The banking information will be verified with the financial institution and the pre-note status will be changed to record a successful pre-note. Once the funds have been released, the borrower's account will be updated to show the request.

Note: Rush requests will be processed on an emergency basis only. The automated EFT system should be used for routine disbursements. The Finance Office will monitor the number of rush requests and report to the program staff those locations that request an excessive number.

B

**Finance Office
Contact
Information**

See subparagraph 1 D for Finance Office telephone and FAX numbers.

18 Return of ACH Disbursements

A Returns

ACH may be returned for the following reasons:

- a loan closing is canceled
- an obligation and advance is canceled
- an error in the amount of a disbursement is identified.

In the event that the funds are returned, follow the ACH rules in subparagraph B.

B ACH Rules

The borrower must be contacted immediately to authorize the return of ACH. The ACH rules state that the borrower/lender has 2 calendar days in which to contact the financial institution for the funds to be returned to Treasury. Once the financial institution has returned the funds, the Finance Office can access the Treasury On-Line Disbursement System within 3 calendar days to verify the funds were returned to the Agency's account. The Finance Office will process a cancellation against the borrower's account, which will reduce the amount advanced on that loan.

In situations where the borrowers or payees cannot be contacted, the Finance Office should be contacted immediately. As the originator of the disbursement, the Finance Office can request the bank to return the funds. This request must be made within 5 calendar days of receipt by the bank and specific information related to the ACH transaction must be provided. If this type of action is needed, contact the designated Finance Office contact according to subparagraph 1 D.

C Completing FmHA 1940-10

If a return was processed by the financial institution, complete FmHA 1940-10 and FAX to the Finance Office. Note in "Remarks" (Block 16) of the form that the funds were returned electronically and the date the return was requested.

If 5 calendar days have passed since funds were electronically deposited in the recipient's account, the borrower/lender must write a check to the agency for the amount of the disbursement. This check must be written on the fifth business day following the receipt of funds in the recipient's account. Checks related to FLP disbursements will be deposited using current deposit mechanisms and program code "FCPLC" to record the FLP data. These methods of return will expedite processing of appropriate transactions to the borrower's account. When the funds have been returned and updated to the borrower's account, subsequent disbursement requests can be made through the legacy system.
