

For: State and County Offices

Electronic Funds Transfers (EFT's) 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. According to 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 available to a borrower **2 workdays** after the disbursement transaction is successfully processed by FSA.

The number of days for availability of funds to the borrower is significantly increased when a check is issued. The check has to be mailed to the local office, which can take 3 workdays. When the borrower deposits the check, there may be a delay in availability of funds of up to 3 to 5 workdays for the check to clear because their financial institution may not make the funds immediately available after deposit.

B Purpose

This notice:

- provides instructions for issuing FLP disbursements through EFT
- provides instructions for using a voided check to obtain EFT information instead of completing SF-3881
- provides answers to frequently asked EFT questions.

Disposal Date	Distribution
August 1, 2006	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

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 St. Louis 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	Telephone Number	FAX Number
Loan & Grant Servicing Branch I		
States 01-32	314-539-6154	314-539-3111
Loan & Grant Servicing Branch II		
States 33-64	314-539-6154	314-539-6447

2 Action

A County Office Action

County Offices 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.

Notes: FSA is required to report to Treasury the percentage of payments that are made by EFT versus paper check. The St. Louis Finance Office will monitor County Office implementation and will provide the following reports to the State Office on a monthly basis:

- Report 389-03V PLAS EFT/Check Activity Report
- Report 389-03W PLAS EFT/Check Activity Report Detail Records.

State Offices shall use these reports to monitor EFT compliance. The St. Louis Finance Office shall also provide monthly reports to the National Office to be used to monitor State compliance with DCIA provisions of Federal payments.

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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 request access to the National Information Technology Center (NITC) through the State Security Officer to the FSA Kansas City Security Office.

B Security Access

County Offices should access the Electronic Repository for Security Requests (ERSR) to request access to NITC. The link to ERSR is found on the FSA Intranet homepage under the “Secured Applications” tab. County Offices shall work with the State Security Officer if there are any questions in requesting access to ERSR.

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

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 EFT system will disburse funds through ACH on the second workday following the update of the check request transaction.
Addenda Record	An <u>addenda record</u> is a record attached to each EFT transaction to identify the disbursement by name, borrower TIN, account number, and USDA loan as purpose.
Closing Agent	A <u>closing agent</u> will be required for all FLP direct loans when real estate is taken as security according to Agency regulations. These agents will hold all funds for FSA until all loan closing documents are signed.
Designee	A <u>designee</u> is a type of payee used when loans are disbursed to a creditor or bank on behalf of the borrower.
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, such as ACH or WIRE.
NACHA	<u>National Automated Clearing House Association</u> establishes the rules and regulations for processing ACH transactions.

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4 Terminology Used in Processing EFT for FLP (Continued)

A Terms (Continued)

Term	Definition
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	<p><u>Pre-closing</u> is the process of obtaining the necessary signatures on a borrower's note before disbursing funds.</p>
Pre-note	<p><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.</p>
Pre-note Status	<p><u>Pre-note status</u> is a field in the EFT system that is updated when pre-note activity occurs. See subparagraph 16 C.</p>
Routing Number	<p>The <u>routing number</u> is a unique 9-digit number obtained from the financial institution identifying them to the Federal Reserve Banking System.</p>
SF-1199A	<p>Direct Deposit Sign-up Form. This is the form that is currently used to obtain banking information for Farm Programs.</p>
SF-3881	<p>Electronic Funds Transfer (EFT) Payment Enrollment Form. This form is used to obtain banking information for Farm Loan Programs or Farm Programs.</p>
TIN	<p>A <u>tax identification number</u> consists of the Employee Identification Number (EIN) or the Social Security Number (SSN).</p>
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	<p>A <u>wire transfer</u> is an allowable EFT method for same day disbursement through Treasury.</p>

5 Procedures for EFT Processing

A Immediate Implementation

County Offices shall immediately begin processing disbursement by EFT for all borrowers. 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, regardless of whether or not the borrower has previously filed a waiver for Farm Program payments.

Notes: If a borrower also receives Farm Program payments, SF-1199A may already be on file in the County Office. If the borrower elects to use the existing SF-1199A, verify that the banking information has not changed and input the banking information in the EFT system according to the instructions in this notice.

If a borrower previously filed a waiver for Farm Program payments, they may also elect to invoke the waiver for Farm Loan Programs. However, the borrower must be given the opportunity to provide SF-3881 when the loan application is filed.

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. This 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 will be obligated using a "1A Obligation Transaction". The loan should be closed or legal documents signed before ordering funds using a "1-C Check Request" transaction in ADPS. If the information entered into the EFT system PLAS Payment Profile matches the ADPS screen, the funds will be electronically transferred to the borrower's account within 2 workdays. 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 and method of the disbursement. The "CSO" field will display "E" for electronic disbursement and "P" for paper check. If "E" is displayed, the funds will be in the bank account on that date and the Promissory Note Record of Advances should also be annotated. If "P" is displayed, the paper check will be mailed to the County Office address on that date by Treasury. The County Office should then enter transaction code "1-F-Loan Closing" to record the loan closing date.

5 Procedures for EFT Processing (Continued)

C Loan Closed by Attorney or Closing Agent

An attorney or closing agent is used to close direct loans when real estate is taken as security according to Agency regulations. In these cases, the funds may be electronically transferred to the attorney's 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.

Confirm that the bank account information provided by the closing agent will accept ACH transmissions. Farm loan disbursements are processed by ACH (2 days), not wire disbursements (1 day). After the banking information has been verified, all borrower loan disbursements associated with that closing agent can be disbursed immediately by EFT. All loans will be obligated using a "1A Obligation Transaction".

When an attorney or closing agent is used to close the loan, the County Office shall enter transaction code "1-C 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 PLAS Payment Profile 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 (02/03) of SF-3881 is available from the FFAS Employee Forms Online Website at <http://165.221.16.90/dam/ffasforms/forms.html>. The website can also be accessed from the FFAS Intranet homepage under the “Forms & Documents” menu.

Note: If SF-1199A for Farm Programs is already on file in the County Office, and a borrower elects to use the previously filed SF-1199A, 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 the following 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”.
ACH Format	Select “CCD+”. This indicates the type of electronic disbursement file the financial institution will receive.
Address	ENTER “P.O. Box 20003, St. Louis, MO 63120-0003”.
Contact Person Name	ENTER “Loan Operations Division”. Any questions that the financial institution may have should be directed to this contact.
Telephone Number	ENTER “314-539-6154”.

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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 (such as Management Agent, Lender, Designee, or Closing Agent) and not a borrower. The name of the payee should then be entered in this block.
SSN No. or Taxpayer ID No.	Enter the borrower's or payee's SSN or EIN, 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, such as the borrower's name or management agent's 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 that 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 payee's account number at the financial institution.
Lockbox Number	Enter the lockbox number, if applicable.
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.

Note: The bolded fields in this table are not required if SF-3881 is not completed by the financial institution.

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6 Obtaining Bank Account Information (Continued)

C Filing SF-3881

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

D Example of SF-3881

Following is an example of SF-3881.

ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM		OMB No. 1510-0056
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. See Page 2 for additional instructions.		
PRIVACY ACT STATEMENT		
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.		
AGENCY INFORMATION		
FEDERAL PROGRAM AGENCY:		
AGENCY IDENTIFIER:	AGENCY LOCATION CODE (ALC):	ACH FORMAT: <input type="checkbox"/> CCD+ <input type="checkbox"/> CTX
ADDRESS:		
CONTACT PERSON NAME:		TELEPHONE NUMBER (Include Area Code):
ADDITIONAL INFORMATION:		
PAYEE / COMPANY INFORMATION		
NAME		SSN NO. OR TAXPAYER ID NO.:
ADDRESS:		
CONTACT PERSON NAME:		TELEPHONE NUMBER (Include Area code):
FINANCIAL INSTITUTION INFORMATION		
NAME:		
ADDRESS:		
ACH COORDINATOR NAME:		TELEPHONE NUMBER (Include Area code):
NINE-DIGIT ROUTING TRANSIT NUMBER		
DEPOSITOR ACCOUNT TITLE:		
DEPOSITOR ACCOUNT NUMBER:		LOCKBOX NUMBER:
TYPE OF ACCOUNT: <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> LOCKBOX		
SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (Could be the same as ACH Coordinator):		TELEPHONE NUMBER (Include Area code):
AUTHORIZED FOR LOCAL REPRODUCTION		SF 3881 (Rev 2/2003) Prescribed by Department of Treasury 31 US C 3322; 31 CFR 21 0

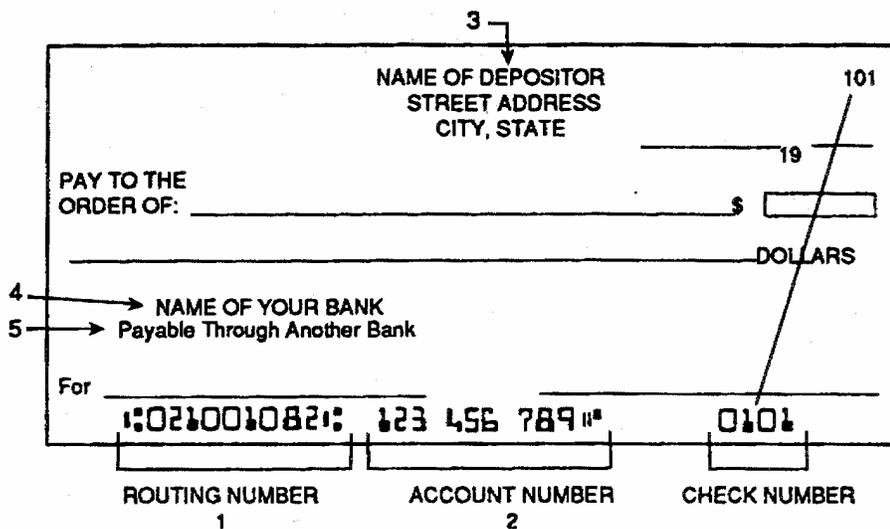
6 Obtaining Bank Account Information (Continued)

E Using a Voided Check to Verify Bank Information

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 the following:

- 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 the system.

MODEL : LUO-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	USERPFI		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 Account 3. UPDATE GLAS Payment Profile Detail 4. LIST SELECT PLAS Borrower Routing5. UPDATE PLAS Payment Profile Detail 6. LIST SELECT AMAS Borrower Routing7. UPDATE AMAS Payment Profile Detail 8. LIST SELECT Active Financial Institution9. LIST SELECT Obsolete Financial Institution10. Treasury Symbol Menu		
Select option by typing Number and Pressing Enter:		

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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 Update Account Detail 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. Note: The Update Account Detail 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 the Automated Multi-Housing Accounting System (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
10	Treasury Symbol Menu	St. Louis Finance Office use.	N/A

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8 Entering and Updating Payee Detail in EFT System

A Using the Update Payee Detail Screen

The Update Payee Detail Screen is accessed from option 1 on the EFT Main Menu. County Offices shall follow the instruction in the following 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 payee’s 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 9.</p>
Update payee attributes	<p>Enter tax ID and type.</p> <p>Note: If a payee currently has bank accounts that 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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8 Entering and Updating Payee Detail in EFT System (Continued)

B Example of Update Payee Detail Screen

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	01/18/2005
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						

9 Creating or Modifying Bank Account Detail

A Using the Update Account Detail 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: The Update Account Detail Screen is accessed from the Update Payee Detail Screen 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>	<p>Do the following:</p> <ul style="list-style-type: none"> • “Tab” to the “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 <p>Note: To obtain a list of valid routing numbers, ENTER “?” in the field and PRESS “F4”.</p> <ul style="list-style-type: none"> • 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 resent 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 St. Louis 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 Creating or Modifying Bank Account Detail (Continued)

B Example of Update Account Detail Screen

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	01/18/2005	
Obsolete as of		
Updated by	FHXXX	On 01/15/2005
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	

10 List Select Payee Account Information

A Using the List Select Payee Account Screen

The List Select Payee Account Screen is accessed from option 2 on the EFT Main Menu. Follow the directions in the following table to view a list of payees and their corresponding bank accounts. The primary function of the List Select Payee Account 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 bank 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.
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 Update Payee Detail 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					
01/20/05FHXXX 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

The List Select PLAS Borrower Routing Screen is accessed from option 4 on the EFT Main Menu. Follow the directions in the following 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 Update PLAS 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 account details of a specific borrower	ENTER "X" in the "Selection" field next to the bank account and ENTER "RH" on the "Go To" line. The Update Payee Detail 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			01/20/05			
FHXXX	LIST SELECT PLAS Borrower Routing			17:20:48			
	Page 1						
State Code 10	County Code	030	Borrower Id	131313131			
Fund	Loan	Disb	Bank	Routing	Account Id	Prenote	Date
44	01	LN	C & L BK OF BLOUNTST	063213038	410555555	V	
							02/04/2004
44	02	LN	C & L BK OF BLOUNTST	063213038	677777777	V	02/04/2004
44	03	LN	FRB-BOSTON ACH	011000015	67777777	P	02/24/2004
44	03	LN	FRB-BOSTON ACH	011000015	037373737 DD	P	02/24/2004
44	04	LN	FRB-BOSTON ACH	011000015	22021111111	P	02/24/2004
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 Update PLAS Payment Profile Detail Screen

The Update PLAS Payment Profile Detail Screen is accessed from option 5 on the EFT Main Menu. Follow the directions in the following table to perform maintenance on the bank information related to the occurrence of any loans or grants that are found in PLAS.

Access the Update PLAS Payment Profile Detail Screen to enter the loan data from the “1-C 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: The Update PLAS Payment Profile Detail Screen can be accessed from the EFT Main Menu, the List Select PLAS Borrower Routing Screen, or the List Select Payee Account 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 Unclosed Screen in ADPS • Fund Code – associated with obligation on the Unclosed 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 Number – 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 the 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>

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12 Update PLAS Payment Profile Detail (Continued)

A Using Update PLAS Payment Profile Detail Screen (Continued)

Function	Action
Change the ADPS payment profile on an existing payee account.	Enter the borrower's information as it appears on SF-3881. ENTER "C" and PRESS "Enter".
Modify the payee account information. Note: Pre-note status will change to "P" pending.	Enter the payee information as it appears on SF-3881. ENTER "M" 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                Fund Code 44
      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 22021111111111111111 Type S          Obsolete as of
      Pre-note status P PENDING          Pre-note Status date 01/18/2005

      Updated by FHXXX                Updated On 01/14/2005
      Option (A)dd (C)hange (D)elele (M)odify 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

The List Select Active Financial Institutions Screen is accessed from option 8 on the EFT Main Menu. The List Select Active Financial Institutions 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 Institution Screen

The List Select Obsolete Financial Institution Screen is accessed from option 9 on the EFT Main Menu. The List Select Obsolete Financial Institution Screen can be used to view all financial institutions (banks) that are no longer available in the EFT database.

Enter a starting routing number of the 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	02/09/05
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		

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14 List Select Obsolete Financial Institutions (Continued)

B List Select Obsolete Detail Routing Screen

The List Select Obsolete Detail Routing 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 the List Select Obsolete Detail Routing Screen.

ED11	Electronic Funds Transfer System	02/09/05		
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				

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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-1199A on file.		Use Option 1 on the EFT Main Menu to enter borrower's banking account information from SF-1199A or SF-3881, to establish a pre-note.
	IF...	THEN...	
	SF-1199A is on file	verify the banking information with the borrower.	See paragraphs 8 and 9 for instructions on entering borrower and banking information.
SF-1199A 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.		See paragraph 9 for instructions on viewing the pre-note status.
	Note: See paragraph 16 for a list of valid pre-note status codes. Pre-note status is updated on the night of the 14 th calendar day.		
	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, enter the "1-C" transaction into ADPS.		Use option 5 to enter the loan information entered in ADPS. See paragraph 12 for instructions on entering loan information.

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15 Examples of EFT Loan Disbursement Procedures (Continued)

B Example for Loan Closed by Attorney or Closing Agent

The following table shows the steps that should be taken in the EFT system when the attorney or closing agency contacts the County Office and advises the loan is closed for a new or established borrower 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 16 for a list of valid pre-note status codes. Pre-note status is updated on the night of the 14 th calendar day.	See paragraph 9 for instructions on viewing the pre-note status.	
	IF... the pre-note status has been updated to a valid code	THEN... 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	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 on the EFT Main Menu to enter the loan information entered in ADPS. See paragraph 12 for instructions on entering loan information.	

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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 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).		
2	IF... the banking information has not changed	THEN... 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.
3	The loan is closed by an Agency Official and the "1-C Check Request" transaction has been 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.		Use option 5 to enter the loan information 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 Verify 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).

In the nightly update on the 14th calendar day, the pre-note status will be changed to "A" (Assumed Valid) if the bank does not respond that the pre-note is incorrect. If the bank responds to Treasury with a corrected bank account number, the bank account number will be changed systematically, the pre-note status updated to "V" (Valid), and the "Updated by" will change to "TREASURY". 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 by EFT.

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 St. Louis 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 the 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 time period for banking information to be verified has elapsed.
- **“V” Valid (Manual)** - St. Louis Finance Office contacts the banking institution to verify the banking information. When verified, St. Louis Finance Office personnel will manually change the pre-note status to valid.
- **“I” Invalid (Manual)** - St. Louis Finance Office 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.

Notes: If the 14 calendar days do not meet the disbursement dates needed, contact the St. Louis Finance Office to request a manual pre-note. See subparagraph 1 D for St. Louis Finance Office contacts. The St. Louis Finance Office will call the financial institution and verify the banking information over the telephone. 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 St. Louis 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 St. Louis 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 **FAXed** to the St. Louis Finance Office. The St. Louis 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, St. Louis Finance Office personnel will verify that there are sufficient undisbursed funds for the amount of the request. The banking information will be verified with the financial institution. 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 St. Louis Finance Office will monitor the number of rush requests and report to the program staff those locations that request an excessive number.

B St. Louis Finance Office Contact Information

See subparagraph 1 D for St. Louis 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
- return of unused loan funds.

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

B ACH Rules

The ACH rules state that the financial institution must be contacted within 2 calendar days of disbursement for the funds to be returned to Treasury. The bank may request a Letter of Indemnity from the Agency. Once the financial institution has returned the funds, the St. Louis Finance Office can access the Treasury On-Line Disbursement System within 3 calendar days to verify that the funds were returned to the Agency's account. The St. Louis Finance Office will process the return of funds based on instructions received on RD 1940-10.

In situations where the bank will not return the funds, the St. Louis Finance Office should be contacted immediately. As the originator of the disbursement, the St. Louis Finance Office can request the bank to return the funds. To have the funds returned, contact the designated St. Louis Finance Office contact according to subparagraph 1 D. Treasury will return the funds to the Agency if notified within 5 workdays of the disbursement. After 5 workdays, Treasury will contact the financial institution directly and request the return.

C Completing RD 1940-10

If a return is to be processed by the financial institution, complete RD 1940-10 and FAX it to the St. Louis Finance Office. Indicate appropriate cancellation action requested and note in RD 1940-10, item 16, "Remarks" that the funds were returned electronically and the date the return was requested. When the funds have been returned and updated to the borrower's account, subsequent disbursement requests can be made through PLAS. If the return is of unused loan funds, notate in the "Remarks" section, "Return of unused loan funds via EFT-apply to principal only". A payment will be credited to the borrower's account as of the date of disbursement to principal only.

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19 Frequently Asked Questions

A Direct Loan Program Questions

The following table contains answers to frequently asked EFT questions for direct loan programs.

No.	Frequently Asked Question	Answer
1	Is the FLP EFT system connected to the Farm Program EFT system?	They are 2 separate systems; therefore, the information must be entered in each system, even if the same election form is used.
2	When should I obtain the bank account and payee detail information?	Include SF-3881, which is available on the Intranet FFAS Employee Forms Online Website, in the application package. Established borrowers should be contacted to obtain banking information if banking information is not already on file in the County Office. Verify the banking information on file before entering it in the EFT system.
3	What payee types are associated to direct loan borrowers?	<ul style="list-style-type: none"> • Borrower – Payment disbursed directly to bank account of borrower. • Closing Agent – Payment disbursed to bank account of closing agent. Usually used for Farm Ownership loans. • Designee – Payment disbursed to third party on behalf of borrower.
4	How do I update the payee detail and bank information?	Access the NITC Screen and choose the EFT option. Select option 1 from the EFT Main Menu to input the payee tax ID, type, and name. The Bank Account Detail Screen can be accessed from the EFT Main Menu. Entering the bank account information will trigger the zero dollar pre-note process to verify the accuracy of the information entered. See paragraph 8.
5	Why do I have to wait 14 calendar days for the system to validate the pre-note?	Per NACHA rules, which regulate all ACH transactions, the bank has 6 workdays to verify the banking information. The remaining 4 workdays allow time for Treasury to return the information to the Agency. The system changes the pre-note status to “A” after 14 calendar days if no information has been received from Treasury.

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19 Frequently Asked Questions (Continued)

A Direct Loan Program Questions (Continued)

No.	Frequently Asked Question	Answer
6	Do I have to wait the 14 calendar days to disburse funds?	No. The intent of the pre-note process is not to delay disbursement, but to ensure the accuracy of the banking information. If the 14 calendar days do not meet your disbursement needs, you may contact the St. Louis Finance Office according to paragraph 17 for instructions on acquiring a manual pre-note. When a manual pre-note is accomplished, the pre-note status will change to "V".
7	When can I update Option 5 Update PLAS Payment Profile Detail to attach the borrower information to the bank account?	<p>The PLAS Payment Profile can be entered after you have established the payee detail and bank account and processed the "1A" transaction to obligate loan funds. You must have the correct fund and loan number to update the PLAS Payment Profile. You do not have to wait for the pre-note to be validated to attach the PLAS Payment Profile to the bank account.</p> <p>The update must be accomplished before the processing of the "1-C" transaction to disburse the funds. The EFT system is on-line real time so you can update the EFT system the same day as the "1-C" transaction, if necessary. Call the St. Louis Finance Office for manual validation of the pre-note if necessary.</p>
8	How do I change the Payee Detail information?	Payee Detail information can be changed from the EFT Main Menu option 1 or the Update Payee Detail Screen, or modified from the Update PLAS Payment Profile Detail Screen. See paragraphs 8 and 12.
9	How do I change the Payee Bank Account information?	Payee Bank Account information can be changed from the Update Account Detail Screen or modified from the Update PLAS Payment Profile Detail Screen. See paragraphs 9 and 12.
10	What are the pre-note status codes?	<p>P - Initial entry of banking information.</p> <p>S - Zero dollar pre-note submitted to bank.</p> <p>A - Assumed valid is updated in the nightly update on the 14th calendar day after submission if no return is received from Treasury.</p> <p>V - Manually pre-noted in the St. Louis Finance Office. A pre-note is generated upon initial entry of the banking information and when a change is made to the banking information.</p>
11	Can I delete the banking information from the EFT system?	If a PLAS Payment Profile is attached to a bank account, it must be deleted before deleting the bank account information. If the bank account will no longer be used for disbursement, it should be deleted. The banking information will be systematically deleted after 3 years if there is no activity on the account.

19 Frequently Asked Questions (Continued)

A Direct Loan Program Questions (Continued)

No.	Frequently Asked Question	Answer
12	What is the difference between ACH and wire transfer?	ACH is an allowable EFT method for disbursement through Treasury. The EFT system will disburse the funds by ACH on the second workday following the update of the “1-C Check Request” transaction. Verify that the bank account information received from closing agents will accept an ACH disbursement. Many closing agents have provided wire bank account information in error. Wire transfer is also an allowable EFT method for same day disbursement through Treasury. The St. Louis Finance Office handles requests for wire transfers manually.
13	How can I verify the method of disbursement after I update the “1-C” transaction?	The Unclosed Screen will display the method of disbursement. The “Check Status Code” field will display “E” for ACH disbursement and “P” for paper check disbursement.
14	How do I verify the date of disbursement?	The Unclosed Screen will display the date of disbursement. For electronic disbursement, the date is when the funds will be deposited in the bank account. For paper check disbursement, the date is the date of the check and the date of mailing.
15	When does interest begin accruing on a borrower’s disbursement?	On an initial disbursement, interest will begin accruing as of the date of loan closing or date of disbursement, whichever is most advantageous to the borrower. Subsequent disbursements accrue interest as of the date of disbursement.
16	What should I do if the bank says the funds have not been received?	Check the Unclosed Screen to verify that the funds were transmitted electronically. Verify that the bank is confirming an ACH disbursement. Notify the St. Louis Finance Office to validate the status of the disbursement by Treasury’s on-line PACER System.
17	Why did I get a paper check?	<p>To successfully disburse funds by EFT, the following must be accomplished before processing the “1-C Check Request” transaction:</p> <ul style="list-style-type: none"> • updating payee detail information • establishing the bank account data • updating the PLAS Payment Profile. <p>Note: Data entered must match borrower PLAS data. The system does not validate accuracy of the data entered.</p>

19 Frequently Asked Questions (Continued)

A Direct Loan Program Questions (Continued)

No.	Frequently Asked Question	Answer
17 (Con.)	Why did I get a paper check?	The pre-note must be validated systematically (A) or manually (V) and the PLAS Payment Profile attached to the bank account for the funds to disburse EFT. If the pre-note has not been validated and the PLAS Payment Profile attached, Treasury will disburse a paper check.
18	What if I need to request a paper check for unused loan funds?	<p>If EFT has been used for other loan advances, delete the PLAS Payment Profile for the loan number in the EFT system.</p> <p>Process the “1-C” transaction to order RD 1940-10 to return the paper check. Notate in the “Remarks” section, “Return of unused loan funds-apply to principal”. Send RD 1940-10 with the paper check to the St. Louis Finance Office at the following address.</p> <p style="text-align: center;">USDA/FSA/KCMO/LAD P.O. Box 200003 St. Louis, MO 63120-0003</p> <p>Note: Do not write “Not Negotiable” on the check.</p>

B Guaranteed Loan Program Questions

The following table contains answers to frequently asked EFT questions for Guaranteed Loan Programs.

No.	Frequently Asked Question	Answer
1	What option should I use to update guaranteed lender banking information?	From the EFT Main Menu, select option 3, “Update GLAS Payment Profile Detail”. This is used to enter all information for a guaranteed lender including the lender ID and branch number for the related banking information.
2	Whose name and telephone number should be entered for contact?	The name and telephone number of the contact person in the servicing office should be entered.
3	What is the purpose of the new field on the Update GLAS Payment Profile Detail Screen?	FLP should be entered in this field for Farm Loan Programs. This field allows the lender to have a different account number for the FSA loans and the Rural Development loans.