

For: State and County Offices

Updating Delinquency Status of Guaranteed Loans

Approved by: Deputy Administrator, Farm Loan Programs



1 Entering Information into the Guaranteed Loan System (GLS)

**A
Background**

Several comments have been received from State and County Offices about loans that continue to appear on delinquency reports after they have:

- been brought current
- updated Farm Loan Default Status Report information, showing the loan's current status has been entered into the Guaranteed Loan System (GLS).

Lenders report the status of guaranteed loans using the following 2 source documents:

- FSA-1980-41, which a lender must submit on all guaranteed loans semi-annually
- FSA-1980-44, which a lender must submit 15 calendar days after a loan becomes delinquent and every 60 calendar days thereafter, while the guaranteed loan remains delinquent.

According to 2-FLP, paragraph 300, a loan is in default when it is 30 calendar days past due. Because a borrower can be behind on payments and not be considered delinquent, the "Amount Ahead/Behind" field, which is entered into GLS from FSA-1980-41, is separate from the "Total Past Due Amount" field, which is entered from FSA-1980-44.

**B
Purpose**

This notice informs State and County Offices of the correct procedure for entering information into GLS when a guaranteed loan has been returned to current status.

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Disposal Date	Distribution
November 1, 2001	State Offices; State Offices relay to County Offices

Notice FLP-175

1 Entering Information into the Guaranteed Loan System (GLS) (Continued)

C

Contact

For further information about this notice, contact Joseph Pruss, LSPMD, at 202-690-2854.

D

Discussion

Entering information into GLS from FSA-1980-44, showing a loan has been returned to current status will change the “Total Past Due Amount” field, but will not change the “Amount Ahead/Behind” field, because that information is captured from FSA-1980-41. This action will:

- remove the loan from delinquency status
 - return the loan to current status
 - have no effect on the amount of the loan shown in the “Amount Ahead/Behind” field.
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E

Implementation

To ensure that GLS contains accurate information and management reports accurately reflect the correct status of loans and payments, County Offices **must** do the following when a lender has submitted FSA-1980-44 showing that a loan has been brought current:

- enter information on FSA-1980-44 into GLS
- prepare an updated FSA-1980-41, using the information from FSA-1980-44
- enter information on updated FSA-1980-41 into GLS

Note: If “C” is entered in the “Payment Status Code” field and “0” is entered in the “Amount Ahead/Behind” field, the loan will no longer indicate payments behind schedule on subsequent management reports.

Note: Both reports may be processed on the same day, but FSA-1980-44 must be entered into GLS before FSA-1980-41.
