

**For:** State and County Offices

**Credit Alert Interactive Voice Response System (CAIVRS) Requirements and Update**

**Approved by:** Deputy Administrator, Farm Loan Programs



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**1 Overview**

**A**

**Background**

Notice FLP-171 provided that Farm Loan Programs (FLP's) must use CAIVRS to conduct pre-screening of applications to determine an applicant's credit status with the Federal Government.

**B**

**Purpose**

This notice:

- reiterates the following from Notice FLP-171:
  - that payment of a loss claim on a guaranteed loan does not convert the guaranteed debt into a Federal debt
  - loan eligibility issues about the Debt Collection Improvement Act of 1996 (DCIA of 1996)
  - information needed to install and use the automated CAIVRS access software
  - CAIVRS screening requirements for direct and guaranteed loans
  - definitions on the CAIVRS Report information fields
  - CAIVRS information timeframes

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<b>Disposal Date</b>  May 1, 2002	<b>Distribution</b>  State Offices; State Offices relay to County Offices
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## Notice FLP-206

### 1 Overview (Continued)

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#### B

##### Purpose (Continued)

- provides clarification on discrepancies between emergency (EM) loan procedure and DCIA of 1996
  - stresses the importance of selecting a unique NIS ID number when first setting up access to CAIVRS
  - obsoletes Notice FLP-171.
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### 2 New Provisions

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#### A

##### Eligibility for EM Loans

Applicants who are delinquent on Federal debt, other than debt under the Internal Revenue Code of 1986, are eligible for EM loans according to DCIA of 1996.

**Note:** Disregard the last sentence of FmHA Instruction 1945-D, section 1945.162(a).

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#### B

##### Using Unique NIS ID Number

Each workstation must be assigned its own **unique** NIS ID number.

**Note:** Suggest 1 comprised on the State number, county number, and a 2-digit workstation number. For example, 1203401.

If a unique NIS ID number is not assigned for each workstation, requested CAIVRS information may be received by any workstation with the same NIS ID number.

**Example:** If a workstation in Maine has the NIS ID of “123abcd” and a workstation in Virginia has the same NIS ID, and both request information around the same time, the first 1 to hit the database gets all the information that both Virginia and Maine requested for that NIS ID.

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**Notice FLP-206**

**3 Provisions Previously Issued Under Notice FLP-171**

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**A**

**Loan Eligibility  
and Delinquency**

DCIA of 1996 prohibits Agencies from making or guaranteeing loans to applicants who are delinquent on other Federal debt.

**Exceptions:** Delinquent Federal **tax** debt will not affect eligibility for either direct or guaranteed loans except as it may impact credit worthiness.

Delinquency on a guaranteed loan will not be considered delinquent Federal debt.

**Note:** However, CONACT, Section 373 prohibits FSA from making direct operating (OL) loans to borrowers who are delinquent on any FSA direct or guaranteed loan.

It is important that the creditworthiness provisions of FmHA Instruction 1910-A, Sections 1910.5(c)(5) and 1910.5(d) and 2-FLP, subparagraph 108 A be used to evaluate all applicants.

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## Notice FLP-206

### 3 Provisions Previously Issued Under Notice FLP-171 (Continued)

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#### **B** **Installing** **Software**

CAIVRS software will be installed only on CCE/NT workstations that have On-Net Host Suite 4.0 software installed. On-Net software upgrades must be installed before installing the CAIVRS software. The following actions will be taken in each office processing FLP direct and guaranteed loan applications, by the system's administrator to install the On-Net upgrade and the CAIVRS software.

<b>Step</b>	<b>Action</b>
1	Access the upgrade and CAIVRS software by connecting to the Rural Development webpage at <a href="http://www.RDIRM.USDA.gov/simb">www.RDIRM.USDA.gov/simb</a> .
2	Select, print, read, and follow instructions for installing On-Net Patch CCE/NT version 1.0 software.
3	After installing the On-Net Patch, select, print, and follow instructions for installing CAIVRS software.
4	Print the CAIVRS users guide, become familiar with the screening process, and provide guidance to office staff on the proper use of the screening software.
5	The first time CAIVRS is accessed from each workstation, select "transfer set-up" to assign a NIS ID number, which consists of any 7 <b>unique</b> characters. Each workstation must be assigned its own <b>unique</b> NIS ID number.

When uploading/downloading a request, use "fsa123" as the Agency authorization code.

**Note:** "fsa" must be in lower case letters.

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## Notice FLP-206

### 3 Provisions Previously Issued Under Notice FLP-171 (Continued)

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#### C

##### Direct Loans

State and County Offices shall:

- immediately upon receipt of an application, process a CAIVRS inquiry for the applicant, including, if the applicant is an entity, its individual members
- review the CAIVRS status report to determine whether the applicant or any individual member of the entity is delinquent on **non-tax** Federal debt
- upon determining that the applicant or any individual member of the entity is delinquent on **non-tax** Federal debt:
  - notify the loan applicant that they or, if an entity, the individual member, have been identified as being delinquent on **non-tax** Federal debt
  - reject the loan application giving review rights
  - include a copy of the CAIVRS status report as an attachment
  - inform the applicant that to reinstate the application, evidence from the identified creditor must be provided reflecting that the delinquency has been resolved, or will be resolved by loan closing.

If an application is otherwise ready for approval, but a CAIVRS report has not been received, the approval official may approve the loan subject to receiving an acceptable CAIVRS report.

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#### D

##### Guaranteed Loans

State and County Offices shall:

- immediately upon receipt of an application, process a CAIVRS inquiry for the loan applicant, including, if the loan applicant is an entity, its individual members.
  - review the CAIVRS status report to determine whether the loan applicant or any individual member of the entity is delinquent on **non-tax** Federal debt
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## Notice FLP-206

### 3 Provisions Previously Issued Under Notice FLP-171 (Continued)

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#### D

#### Guaranteed Loans (Continued)

- upon determining that the loan applicant or any individual member of the entity is delinquent on a non-tax Federal debt, notify the lender the loan applicant is ineligible. The notification shall:
  - identify the loan applicant or individual entity member delinquent on non-tax Federal debt
  - reject the loan application giving review rights
  - include a copy of the CAIVRS status report as an attachment
  - inform the lender that to reinstate the application, evidence from the identified creditor must be provided reflecting that the delinquency has been resolved, or will be resolved by loan closing.

If an application is otherwise ready for approval, but a CAIVRS report has not been received, the approval official may approve the loan subject to receiving an acceptable CAIVRS report.

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**Notice FLP-206**

**3 Provisions Previously Issued Under Notice FLP-171 (Continued)**

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**E  
CAIVRS Report  
Definitions**

The following is a listing of the information fields on the report:

<b>Term</b>	<b>Definition</b>
Social Security Number	Social security number of the person for whom information is requested.
Authorization Code	HUD-assigned inquiry number.
Reporting Agency	Agency that reports the information on the borrower.
Status	Codes that HUD accepts: Multiple, Claim, Default, Foreclosure, Judgment.
Case Number	Default number: This is a 9-digit field. The first 5 digits are the borrower's servicing office (for FLP, State non-FIPS code, and mail code) and the last 4 digits are the borrower's project or loan number.
Contact	Agency that has the loan.
Phone	Phone number of the contact Agency.

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**F  
Reporting**

According to 31 CFR Part 285, Section 285.13(d), borrowers whose loans have not been paid within 90 calendar days (90 days past due or more) are considered delinquent and are reported to CAIVRS.

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**G  
Information  
Requests**

Requests for CAIVRS information are gathered at midnight of the same day. The requested information is available at midnight of the following day.

The Finance Office estimates that FLP's delinquency information in CAIVRS is 30 calendar days old when the requestor receives the report. If the delinquency has been resolved within the last 30 calendar days, verify data with the agency listed under Contact on the report.

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**Notice FLP-206**

**4 Contact**

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**A  
Installation  
Questions**

Direct questions about installing the software or the NIS ID number to the FSA Help Desk at:

- 816-926-1552
  - 800-255-2434.
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**B  
CAIVRS  
Screening  
Requirements**

State Office may direct questions as follows.

<b>IF questions about screening requirements for...</b>	<b>THEN contact:</b>
direct loans	either of the following: <ul style="list-style-type: none"><li>• Mike Hinton, Direct Loans Funds Management Branch at 202-720-1472</li><li>• Kathleen Miller, Direct Loans Funds Management Branch at 202-720-1643.</li></ul>
guaranteed loans	Bob Bonnet, Guaranteed Loans Branch at 202-720-3889.

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