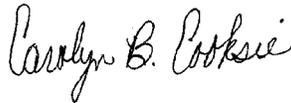


**For:** State and County Offices

**Borrower Training Requirements**

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



**1 Overview**

**A**

**Background**

Borrower training requirements affect the following:

- all customers receiving FLP direct loan assistance
- recipients of primary servicing action.

As of December 19, 1997, transaction codes and status screens were revised to include new fields for borrower training information. The 1F, 1G, 4A, 5M, and 1M transactions were revised with new fields and their ability to process is affected by the training code values. The 1A and 1B transactions contain no new fields; however, these transactions are also affected by training code values.

The training code indicates the borrower’s training status. The values are as follows:

- “C” for Training Successfully Completed
- “I” for Training Completed/Intensive Supervision
- “R” for Training Not Completed/Ineligible for Benefits
- “T” for Training Required
- “W” for Waiver Granted.

Continued on the next page

<b>Disposal Date</b>	<b>Distribution</b>
October 1, 2003	State Offices; State Offices relay to County Offices

## Notice FLP-278

### 1 Overview (Continued)

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#### A

##### Background (Continued)

The training code must be established for each borrower on the automated discrepancy processing system (ADPS). The first value entered must be “T” for training required or “W” for waiver granted.

The 1A, 1B, 4A, and 1M transactions will not process if:

- “R” is entered
  - the training expiration date exceeds 2 years from the training effective date, which is the date the agreement was signed.
- 

#### B

##### Purpose

This notice provides:

- new policy on eligibility for direct loans and primary loan servicing for guaranteed loan recipients who were required to take borrower training and did not take the training
  - guidance on handling requests from customers who previously agreed to complete borrower training as a condition of receiving assistance and for various reasons did not complete the training
  - borrower training information on ADPS and instructions for handling time frame extensions for completing borrower training and changing borrower training codes, when necessary.
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**Notice FLP-278**

**2 Criteria for Additional Assistance**

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**A**

**Determining Eligibility for Additional Assistance**

Direct loan customers who were required to take borrower training are **eligible** for additional assistance (benefits) according to the following criteria.

<b>IF...</b>	<b>AND...</b>	<b>THEN...</b>
customer requests additional assistance within the 2-year period allowed to complete the borrower training requirement		customer must be enrolled in and attending an approved training course or be able to complete an approved training course within the 2-year period.
customer agreed to complete training and has enrolled in approved classes or makes an honest effort to enroll	customer was unable to actually attend training because of cancellation, postponement, or other unforeseen circumstances	customer has met the “enrolled in and attending” rule. However, customer is still responsible for completing the required training as soon as possible.
customer is unable to complete the required training courses within the 2-year period because of circumstances beyond the customer’s control		Farm Loan Manager (FLM) may grant an extension of time based on the circumstances, usually 1 year. However, unusual circumstances may dictate an extension in excess of 1 year, such as no approved vendor, loss of approved vendor, serious illness, or other similar no-fault reasons. The Farm Loan Chief (FLC), or designee, such as the District Director or State Farm Loan Specialist, must approve in writing extensions in excess of 1 year.
customer requests assistance after the 2-year period has expired	customer has not completed training and an extension was not granted	customer is ineligible for direct loans and primary servicing. Customer must have successfully completed an approved training course to be eligible for additional assistance. When the customer successfully completes the training, he will be eligible for assistance.  <b>Exception:</b> If training was required because of receiving a <b>guaranteed</b> loan, customer is eligible to receive loan assistance or primary servicing as far as borrower training requirements are concerned. See subparagraph 3B.

**3 Borrower Training Information**

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**A**

**Borrower Training Extensions**

One-year extensions of the 2-year time frame to complete borrower training may be approved by FLM. However, FLC or designee approval will be required for extensions over 1 year.

The 5M transaction will be used to enter all training time frame extensions. Only the year can be changed, the month and day will stay the same. After the 5M transaction is completed, 1A, 1B, 4A, and 1M transactions can be processed for the customer.

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**B**

**Removing Borrower Training Requirement**

If customer is eligible for assistance, but because of a previous borrower training requirement that is no longer applicable an ADPS transaction will not process, proceed according to the following.

<b>IF borrower training code is...</b>	<b>THEN process a 5M transaction to change...</b>
"T"	"T" to "W".
"I"	"I" to "T" and a second 5M transaction to change "T" to "W".
"R"	"R" to "I", a second 5M transaction to change "I" to "T", and a third 5M transaction to change "T" to "W."

**Notes:** Do not enter "W" for waiver granted for a customer who is required to take training to make an ADPS transaction process, except as noted in this table.

A decision must be made on new direct assistance whether training is required or not and established in ADPS with either the 1F or 1M transaction depending on the type of assistance requested.

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## Notice FLP-278

### 4 Action

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#### A

#### SED Action

SED's shall direct FLC's to:

- provide the County Offices with a current list of approved borrower training vendors including descriptions of the approved courses
- provide Kathleen Miller, LMD, with an updated list of approved vendors using either of the following:
  - FAX at 202-690-1117
  - mail to:

USDA, FSA, DAFLP, LMD STOP 0522  
1400 Independence Ave. SW  
Washington, DC 20250-0522.

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#### B

#### Contact

Direct questions according to the following:

- County Offices shall contact the State Office
  - State Offices shall contact Kathleen Miller, LMD at 202-720-1643.
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