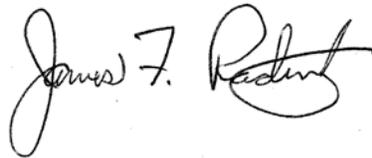


For: State and County Offices

1910-A, 1924-B, 1941-A, 1943-A,
1951-S, 1962-A, 1965-A, 3-FLP

Implementing the Farm Business Plan (FBP) System

Approved by: Acting Deputy Administrator, Farm Loan Programs



1 Overview

A Purpose

The implementation of and training schedule for the web-based FBP system was announced in Notice FLP-344. This notice:

- provides guidance about eliminating the use of the following after each State has received training:
 - Farm and Home Plan (FHP)
 - FSA-440-2
 - FSA-1960-12
 - FSA-2006-20
- obsoletes Notice FLP-345.

B Contact

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact 1 of the following:
 - Mike Hinton or Orlando Kilcrease concerning loan making issues at 202-720-1472
 - Jeff King concerning loan servicing issues at 202-720-4572
 - Steve Rubin concerning data conversion issues at 202-720-3647.

| | |
|----------------------|--|
| Disposal Date | Distribution |
| April 1, 2005 | State Offices; State Offices relay to County Offices |

Notice FLP-347

2 Implementing the Web-Based FBP

A Using FSA 431-2, FSA-440-2, FSA-1960-12, FSA-2006-20, System 36 FHP, and PCFHP

After completing the State's FBP training, employees within the State shall no longer use the following when making or servicing loans:

- FSA 431-2, including System 36 FHP and PCFHP
- FSA-440-2
- FSA-1960-12
- FSA-2006-20.

Notes: Loan eligibility and historical summary data shall be included in the credit presentation.

ADPS Transaction Code 8N shall be processed for classifications calculated using FBP. Inputting classifications using Transaction Code 8N will be discontinued under Phase 2 of FBP.

System 36 FHP will be disabled and no longer accessible 2 weeks after the State receives training.

B Using FSA-2037 and FSA-2038

FBP worksheets have been developed to collect financial data from loan applicants and borrowers. After completing the State's FBP training, employees within the State shall use:

- FSA-2037 to collect balance sheet data
- FSA-2038 to collect projected and/or actual income and expense data.

Notes: FSA-2037 and FSA-2038 have been posted to the following:

- FFAS Employee Forms Site at <http://165.221.16.90/dam/ffasforms/forms.html>
- Public Forms Site at <http://www.sc.egov.usda.gov/>.

The title of FSA-2038 is being revised to "Projected/Actual Income and Expense".

Notice FLP-347

2 Implementing the Web-Based FBP (Continued)

C Using Web-Based FBP

FBP shall be used to make eligibility and feasibility determinations for all loan making and loan servicing requests after completing the State's FBP training. Refer to the FBP System FSA User Handbook to determine what constitutes a feasible plan. All training participants will receive a copy of the handbook at the beginning of their FBP training session held in Omaha, Nebraska.

Exception: FSA 431-2, System 36 FHP, or PCFHP may be used for final action on any pending loan making or loan servicing request provided it was prepared before the State's FBP training.

D CFR, Handbooks, and Instructions

The terms "Farm and Home Plan", "FSA 431-2", "FSA-440-2", "FSA-1960-12", "FSA-2006-20", or similar text is used throughout numerous CFR parts, FSA handbooks, and FSA and RD Instruction Manuals. FSA-2037, FSA-2038, and FBP shall be used in place of these items after completing the State's FBP training.

Note: References to "Farm and Home Plan", "FSA 431-2", "FSA-440-2", "FSA-1960-12", "FSA-2006-20", or similar wording will be revised during the streamlining process.