UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-36

For: State and County Offices

Electronic Funds Transfer (EFT) Interim Period

Approved by: Acting Deputy Administrator, Farm Loan Programs

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1 Overview

A Background

The Debt Collection Improvement Act of 1996 contains provisions that require all Federal payments to a recipient be made by EFT.

The Department of Treasury has mandated that all disbursements by paper check be discontinued as of January 1, 1999. An interim EFT capability is being implemented to reduce or eliminate paper check processing for loan programs and disbursement types with a high volume of disbursements.

The Department of Treasury is allowing agencies to authorize waivers on certain types of payments that require the removal of some type of barrier.

B Purpose

This notice:

- informs Offices that interim EFT capabilities are being implemented to reduce or eliminate paper check processing for loan programs
- informs Offices that the projected interim implementation date was February 26, 1999
- informs Offices that EFT training manuals will be forthcoming
- provides information on granting waivers of the EFT requirement.

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Disposal Date	Distribution
March 1, 2000	State Offices; State Offices relay to County Offices

1 Overview (Continued)

C Training Information

EFT training manuals will provide direction on completing required EFT transactions by providing:

- step-by-step instructions for processing EFT transactions
- visual display screens for guidance.

Training manuals will be distributed to State and County Offices before the EFT initial implementation period.

D Contacts

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Jonathan Howard, LMD at 202-720-0588.

2 Action

A State Office Action

State Offices shall ensure that all individuals that perform ADPS transactions have updating capabilities for the Guaranteed Loan System (GLS). The password that is used for updating information on GLS will allow individuals to obtain access and update EFT transactions.

If an employee does not have updating capabilities for GLS, inform the employee that they need to contact the State Office computer specialist. This computer specialist will contact the St. Louis security office to obtain password access for the employee.

B County Office Action

County Offices shall:

- provide SF-3881, "Electronic Funds Transfer Payment Enrollment Form" or SF-1199A to applicants

  Note: SF-3881 will be in the EFT training manual and may be reproduced locally.

- obtain applicant or borrower financial institution information within a reasonable timeframe to allow time for the account verification process to occur.

3 EFT Waivers

A Applicant or Borrower Request for Waiver

FSA will allow an applicant or borrower to request a waiver of the EFT requirement. Reasons for waivers may include any of the following:

- financial hardship
- physical or mental disability
- geographic location.

Requests for waivers may be submitted by the applicant or borrower on SF-3881 or verbally. Each waiver request must be documented and attached to the applicant's or borrower's application or documented in the running record of the case file.

B FSA Waiver

In addition to granting the applicant or borrower waiver, according to subparagraph A, FSA waivers may also be granted. Reasons for granting an FSA waiver may include initial opening of a Supervised Bank Account or Farm Ownership loan closings using title companies or similar closing representatives.

Additional instructions for specific FSA EFT transactions will be issued in a future notice.