

**For:** State and County Offices

**Status and Default Status Processing**

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

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**1 Overview**

**A Background**

Development is currently being completed for an electronic lender status and default status reporting system. USDA is incorporating FSA-1980-41 and FSA-1980-44 for electronic data submission through the USDA Lender Interface Network Connection (LINC) system within Guaranteed Loan Servicing (GLS) to allow lenders to submit reports electronically. The data is submitted in real time, which saves mailing time, eliminates the possibility of lost documents, and reduces paper generation. Lenders will have:

- the capability of updating borrowers' accounts
- web access to status and default status reports that have been received by FSA or past due.

**B Purpose**

This notice provides the following:

- information about lenders' notification to be provided with the March 2007 FSA-1980-41
- guidance to State and County Offices
- lenders' recertification requirements for FSA-1980-38
- lenders' Security Administrator authorities and eAuthentication requirements for lender employees
- State Office setup requirements for the Application Authorization Security Management (AASM) system.

<b>Disposal Date</b>	<b>Distribution</b>
September 1, 2007 3-30-07	State Offices; State Offices relay to County Offices

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### 1 Overview (Continued)

#### C Contact

If there any questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact either of the following:
  - Courtney Dixon, LSPMD at 202-720-1360
  - Pat Elzinga, LMD at 202-690-1729.

### 2 Notification and Guidance

#### A Lenders' Notification

**Lenders will be notified of the new electronic method by letter with the March 2007 FSA-1980-41.** FSA expects electronic submissions through the USDA LINC system for the September 2007 reporting period. Lenders should sign up for access for electronic reporting in GLS before the September 2007 reporting period. Thereafter, lenders who do not choose this method will need to complete either a manual or electronic FSA-1980-41 and/or FSA-1980-44 for each loan.

**Note:** FSA-1980-41 and FSA-1980-44 are available at the FSA e-forms site at <http://forms.sc.egov.usda.gov/eforms/mainservlet>. The forms can be e-filed or mailed to the local Service Center.

#### B State and County Office Guidance

After the March 2007 reporting period, State and County Offices will be provided with detailed guidance for the following:

- State Office setup requirements for the AASM system and St. Louis Finance Office contact information
- lenders' requirements for Level 2 eAuthentication for Security Administrators and other lender employees who will have access to the AASM system
- AASM system setup requirements for lenders' Security Administrators and other lender employees who will have access to the AASM system
- electronic data submission process for status and default status reporting.

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### 2 Notification and Guidance (Continued)

#### C Re-Certification

Lenders must sign a new FSA-1980-38 that contains the electronic data submission clause in Part H. FSA estimates that the revised FSA-1980-38 will be issued mid-May 2007. Recertifying with the new FSA-1980-38 will give authorization to the lender's Security Administrator and all other lender employees who will be responsible for completing the electronic submissions through the USDA LINC system.

- Guaranteed Standard Eligible Lenders (SEL's) shall recertify with their County Office. County Offices shall notify the State Office of all SEL recertifications.
- Preferred Lenders (PLP's) and Certified Lenders shall recertify with their State Office. State Offices shall keep a copy of all PLP recertifications and forward all PLP recertifications to LMD, Guaranteed Loans Branch.

### 3 Automation Issues

#### A Lenders' Security Administrators

Lenders must designate an employee as their Security Administrator who will:

- be authorized to process status and default status reports
- grant access to GLS to all other lender employees by adding the Lender Representative and/or Branch Representative to the AASM system.

The following are the type of roles for lender employees.

- Security Administrator – Employee authorized to input electronic data through the USDA LINC system and is responsible for adding the Lender Representative or Branch Representative to the AASM system. Security Administrators are also responsible for ensuring that all employees who will use the AASM system adhere to requirements of electronic data submission. Additional Security Administrators can be used as backup.
- Lender Representative – Employee who has authorization for all branches of the lender and is responsible for inputting electronic data through the USDA LINC system.
- Branch Representative – Employee who has authorization only for a specific branch of the lender and is responsible for inputting electronic data through the USDA LINC system.

### 3 Automation Issues (Continued)

#### B Level 2 eAuthentication Details

The Security Administrator and all other employees who will participate in the status and default status reporting system must go to [www.eauth.egov.usda.gov](http://www.eauth.egov.usda.gov) to create an eAuthentication ID with Level 2 access.

- CLICK “**Create an account**” and on the next screen CLICK “**Create an account with Level 2 Access**”.
- Once the individual has followed the prompts and clicked “**Submit**”, the individual will receive a confirmation by e-mail that requires a response to activate the account.

**Note:** In the body of the e-mail, CLICK “**ACTIVATE MY ACCOUNT**”. This gives an individual limited access to some government systems (Level 1). **The individual must activate their account within 7 calendar days or it will be discontinued.**

- An individual must print off the e-mail for their records. **To electronically submit data to FSA, an individual must personally present government photo identification along with the e-mail confirmation for LEVEL 2 eAuthentication.**

**Note:** A USDA employee, who has been trained as a Local Registration Authority, must personally verify the individual’s identity and validate the account.

- Individuals will receive an e-mail stating that they now have a Level 2 account and that they will have to update their password to meet Level 2 password requirements. This can be done by clicking “**UPDATE YOUR ACCOUNT**” in the body of the e-mail.

#### C AASM System

State Offices shall:

- maintain lenders’ Security Administrators within the AASM system
- contact the St. Louis Finance Office if a problem arises with entering data in the AASM system
- be notified when the AASM system is available for input of the lenders’ Security Administrators. The St. Louis Finance Office contact information will be provided at that time.

**Notes:** State Offices will authorize Security Administrators in the AASM system.

Once entered in the AASM system, Security Administrators will receive an e-mail that they are authorized as the lender’s Security Administrator.