

For: State and County Offices

Digital Signatures for FLP

Approved by: Acting Deputy Administrators, Farm Loan Programs



1 Overview

A Background

The Electronic Signatures in Global and National Commerce Act (E-Sign Act), (Pub. L. 106-229), ensures that a signature, contract, or other record relating to e-signed transactions may **not** be denied legal effect, validity, or enforceability solely because they are in electronic form. It is an FSA policy decision whether a certain electronic format is practicable for certain transactions.

FSA deployed a digital signature pilot initiative in Indiana and Texas to evaluate using digital signatures by FSA officials. During the pilot period, FSA officials were authorized to execute certain forms and correspondence using digital signatures. Success of the pilot project has proven digital signatures to be a viable tool and will give FSA officials the tools to streamline and improve delivery of services to FSA applicants, borrowers, and lenders.

Effective on issuance of this notice, FLP staff is authorized to digitally sign approved forms. Forms approved for digital signatures are listed in Exhibit 1 and will be available for FSA FLP use **only**. Further instructions will be provided in forthcoming FLP handbook amendments about digital signatures.

B Purpose

This notice provides policy and guidance on:

- implementing the digital signature initiative
- using digital signatures for FLP
- notifying guaranteed lenders, applicants, and borrowers
- establishing electronic file systems
- training resources.

Disposal Date	Distribution
August 1, 2015 2-19-15	State Office; State Offices relay to County Offices

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1 Overview (Continued)

C Contacts

If there are questions about this notice:

- County Offices shall contact their State Office
- State Offices shall contact:
 - Trent Rogers, Guaranteed Loan Making, by either of the following:
 - e-mail to **trent.rogers@wdc.usda.gov**
 - telephone at 202-720-3889
 - Polly Anderson, Guaranteed Loan Servicing, by either of the following:
 - e-mail to **polly.anderson@wdc.usda.gov**
 - telephone at 202-720-2558.

2 Implementing the Digital Signature Initiative

A Digital Signatures

Digital signatures are authorized for **FLP employees use only**. Digital signatures by lenders, applicants, and borrowers are **not** authorized at this time. FLP employees will create a valid digital signature using their LincPass. Information on LincPass credentials may be found at USDA's HSPD-12 web site at **<https://lincpass.usda.gov>**.

B Designating State Points-of-Contact

Each State will designate one FLP official to act as point-of-contact. This will ensure that all information, questions, and concerns can be addressed through the designated State point-of-contact.

Each person designated as State point-of-contact shall notify Trent Rogers by e-mail to **trent.rogers@wdc.usda.gov**, no later than **February 27, 2015**.

All questions about establishing or using digital signatures shall be routed through the designated State point-of-contact to the National Office. Additional information and guidance on the digital signature initiative will be distributed to the designated State point-of-contact for dissemination to the field.

2 Implementing the Digital Signature (Continued)

C Training for Implementing Digital Signatures

To assist in implementing the digital signature initiative, DAFLP will conduct training on creating and using digital signatures. SED's, FLC's, and designated State points-of-contact should attend either of the following Live Meeting training sessions:

- March 10, 2015, 10 a.m. e.t.
- March 11, 2015, 2 p.m. e.t.

Note: SED's may designate additional individuals to attend this training.

Audio will **not** be available through Live Meeting. State points-of-contact will receive instructions by e-mail before the training sessions on accessing the Live Meeting training sessions, along with the conference telephone line dial-in instructions.

Note: Because the capacity of the conference line is limited, consolidated use is encouraged.

3 Guidance on Using Digital Signatures

A Definition

Digital signature means an electronic signature that can be used to authenticate the identity of the sender of a message or document. Besides being easily transportable, a digital signature can also add assurance that the content of the message or document that has been sent is unchanged.

Digital signatures are based on public key infrastructure (PKI), and are a result of a cryptographic operation that guarantees signer authenticity, data integrity, and nonrepudiation of signed documents. Digital signatures use a digital certificate to validate the signer's identity. Digital signatures **cannot** be copied, tampered, or altered, and; therefore, are nonrepudiable.

Note: Although the terms "digital signatures" and "electronic signatures" are sometimes used interchangeable, they are **not** the same. Digital signatures are a very specific type of electronic signature.

3 Guidance on Using Digital Signatures (Continued)

B General Authorization

Digital signatures:

- are authorized for **FLP officials only**
- **must** be completed using the official's LincPass.

Note: Current policy on signatures from FLP applicants, borrowers, and lenders will **not** be affected. This includes electronic signatures in FSA applications, such as eForms or Lender Interactive Network Connection (LINC).

C Digitally Signing a Document

To assist FLP officials in implementing digital signatures, a User Guide for Digital Signatures in Adobe Acrobat XI Standard has been developed. The user guide can be found on DAFLP's presentation web page on the Farm Loan Programs Systems web page at <https://amistad.sc.egov.usda.gov/flp>, under "Presentations".

FLP personnel shall refer to the user guide to create a digital signature, digitally sign and protect a document, remove a digital signature from a document signed in error, and encrypt and password protect e-mails.

D Documents Authorized for Digital Signature

Digital signatures are authorized for documents in Adobe portable document format (PDF) **only**. Authorized documents not available in PDF can be converted and digitally signed. For general correspondence, that is documents created using Microsoft Word with appropriate letterhead, will be saved and then converted to PDF and digitally signed. In addition, Adobe Acrobat software **must** be used to create the digital signature. See Exhibits 1 for the FLP documents authorized for digital signature.

Note: The MSD, Forms and Graphics Section has converted many of the authorized documents to PDF that include digital signature fields (placeholders). Forms authorized for FSA digital signatures only will be available on FSA's Intranet site at <http://intranet.fsa.usda.gov/dam/ffasforms/currentforms.asp>.

For State and National Office documents **not** listed in Exhibit 1, designated State points-of-contact may request authorization to use a digital signature. This request should be routed through SED to:

- Trent Rogers by e-mail to trent.rogers@wdc.usda.gov, for guaranteed loan making FLP forms and documents
- Polly Anderson by e-mail to polly.anderson@wdc.usda.gov, for guaranteed loan servicing FLP forms and documents.

3 Guidance on Using Digital Signatures (Continued)

E Verifying Signer's Authenticity and Data Integrity

Adobe PDF documents provide several features to verify the signer's authenticity and data integrity. Put simply, the signer is who they say they are and the document has **not** been altered after it was digitally signed.

For all documents digitally signed, an FLP official **must** ensure that:

- digital signature is valid
- after the last digital signature is applied, document is locked to prevent alteration.

The FLP official will notify recipient by telephone or separate e-mail with information to access the documents.

Note: Refer to the user guide (subparagraph C) for instructions:

- to ensure that a digital signature is valid and the document has **not** been altered
- on how to encrypt and e-mail files using WinZip.

F Record Retention

FLP officials shall:

- electronically retain all digitally signed PDF documents

Note: Electronic records **must** be accessible to all appropriate FSA staff. Electronic records shall be maintained on the County/District/State Office network (S drive) or Intranet site.

- set up and maintain electronic folders in the appropriate County/District/ State Office network (S drive) or Intranet site, in which to file all digitally signed PDF documents.

Note: The electronic folders shall be developed similar to the paper folders developed according to 25-AS.

- note in the appropriate paper file, the location of the digitally signed document.

Note: Retaining a printed copy of the digitally signed document is **not** necessary.

For all digitally signed documents e-mailed to an external customer, such as a guaranteed lender or secondary market holder, the FLP official shall also retain an electronic copy of the e-mail.

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4 Notification of Guaranteed Lenders

A Notification Letter

State or County Office officials shall mail or e-mail all active guaranteed lenders Exhibit 2. This is to inform the lender that FSA-2104, “Guaranteed Loan Making File Review Questionnaire”; FSA-2232, “Conditional Commitment”; FSA-2235, “Loan Guarantee”; FSA-2242, “Assignment of Guarantee”; and other authorized documents will be digitally signed by an FSA official and provided to the lender through e-mail. Exhibit 2 is available in a fillable format on either of the following:

- Farm Loan Programs Systems web page at <https://amistad.sc.egov.usda.gov/flp>, under “Presentations”
- FFAS Employee Forms/Publications Site at <http://intranet.fsa.usda.gov>.

Note: CLICK “FFAS Employee Forms/Publications Site”, “Find Current Forms Using Our Form Number Search”, in “Form Number” field, ENTER “Notice FLP-697, Exhibit 2”, and CLICK “Submit”.

B E-Mailing Digitally Signed Documents to Guaranteed Lenders or Secondary Market Holders

Authorized guaranteed loan documents will be digitally signed and provided by e-mail. A paper copy of the digitally signed document need **not** be mailed. For all documents e-mailed, FLP officials shall request a delivery receipt in Microsoft Outlook to ensure that the document was delivered to the intended recipient.

Note: For all documents containing PII or sensitive information, the FLP official **must** ensure that the document is encrypted and password protected **before** e-mailing.

5 Training Resources

A AgLearn

FLP officials may want to complete the Digital Signatures training course in AgLearn. This course provides an overview of digital signatures and their use. To access this course, on the AgLearn Home Page in the “Search Catalog” box ENTER “**Digital Signatures**” and CLICK “**Browse**”. Scroll down to find the Digital Signatures training course, “**Digital Signatures Item Summary Web Based OCIO-ITS-Digital Signatures Revision: 1 - 8/23/2012 12:28 PM America/New York**”, that provides simple steps for setting up digital signatures.

B Other Training Resources

Additional digital signature training and informational resources are located on the USDA OCIO Digital Signature webpage at <http://www.ocio.usda.gov/> or through application software Internet sites including “adobe.com”, “winzip.com”, and “youtube.com”.

FLP Documents Approved for Digital Signatures

The following table provides FLP documents that are authorized for digital signatures.

Form Number	Title
CCC-257	Schedule of Deposit
FmHA 2006-21	Information Systems Management (ISM) Request
FSA-13-A	Data Security Access Authorization Form
FSA-159	Request for Supplies, Forms, and/or Publications
FSA-851	Environmental Risk Survey Form
FSA-1956-22	Update to TOP and Cross-Servicing Information
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation
FSA-2103	Direct Loan Making File Review Questionnaire
FSA-2104	Guaranteed Loan Making File Review Questionnaire
FSA-2119	Delinquent Borrower Servicing File Review Questionnaire
FSA-2124	Farm Loan Programs Certification of Farm Loan Officer Training Orientation
FSA-2125	Farm Loan Program County Information File Changes
FSA-2126	Program Loan Cost Expense (PLCE) Request (Non-Contractuals only)
FSA-2127	Request for CED FLP Loan Approval Authority
FSA-2144	Designated Financial Institution Pledge of Collateral
FSA-2160	Appraisal of Chattel Property
FSA-2161	Appraisal Report - Agricultural Tract
FSA-2164	Appraisal for Mineral Rights
FSA-2165	Administrative Appraisal Review
FSA-2166	Technical Appraisal Review and Certification
FSA-2167	Administrative Appraisal Review for Chattel Appraisals
FSA-2171	Substitute Invoice
FSA-2172	Request for Emergency Payment
FSA-2173	Foundation Financial Information System (FFIS) Vendor Code Request
FSA-2231	Request for Obligation of Funds Guaranteed Loans
FSA-2232	Conditional Commitment
FSA-2234	FSA Review of Lender's Evaluation of Collateral
FSA-2235	Loan Guarantee
FSA-2242	Assignment of Guarantee
FSA-2243	Notice of Substitution of Lender (Transaction 4034)
FSA-2244	Guaranteed Loan Status Update Adjustment (Transaction 4048)

FLP Documents Approved for Digital Signatures (Continued)

Form Number	Title
FSA-2246	Notification of Transfer and Assumption of a Guaranteed Loan Transaction Code 4037
FSA-2247	Guaranteed Loan Borrower Adjustments
FSA-2249	Request for Restructuring Guaranteed Loans
FSA-2250	FSA Purchase of a Guaranteed Loan Portion
FSA-2262	Notice of Liquidation Responsibility
FSA-2293	Annual File Review Checklist for SEL and CLP Lenders
FSA-2294	Debt Writedown Review Checklist
FSA-2295	Guaranteed Estimated Loss Review Checklist for SEL and CLP Lenders
FSA-2296	Guaranteed Loan Final Loss Review Checklist
FSA-2429	Request for Change in Application
FSA-2490	Deceased Borrower Report
FSA-2495	Application to Move Security Property
FSA-2550	Report of Problem Case
FSA-2551	Request for Nonmonetary Default Determination
FSA-2560	Request for Statement of Account
FSA-2562	Borrower Account Description Flag
FSA-2574	Confirmation Reorganization Plan Worksheet
FSA-2576	Notice of Judgment
FSA-2594	Advice of Inventory Property Sold
FSA-2731	Cancellation of Debt Without Application
RD 1922-15	Administrative Appraisal Review for Single Family Housing
RD 1940-22	Environmental Checklist for Categorical Exclusions

For guaranteed loans only, the following additional documents are authorized for digital signatures:

- First Incomplete Application Notification Letter, according to 2-FLP, subparagraph 97 B
- Second Incomplete Application Notification Letter, according to 2-FLP, subparagraph 97 D
- all PLP Annual File Review Checklists
- all general correspondence to guaranteed lender.

Note: Digital signatures are **not** authorized for Application Withdrawn Letter (according to 2-FLP, subparagraph 97 F) and all adverse decision letters.

Digital signatures on general correspondence to **direct** borrowers who have provided their e-mail address to FSA are authorized.

Notification Letter to Guaranteed Lenders

The following letter shall be mailed to all lenders with active guaranteed loans. Follow subparagraph 4 A to access the letter.

Notice FLP-697, Exhibit 2

[Use Agency Letterhead format with local return address]

RE: FSA's Digital Signature

[Lender's name]

Farm Service Agency (FSA) is excited to announce the use of digital signatures by Farm Loan Program (FLP) officials. Beginning *[enter date]*, FLP officials will have the capability to digitally sign a limited number of guaranteed loan program forms and correspondence. The Electronic Signatures in Global and National Commerce Act (E-Sign Act), Pub. L. 106-229, ensures that a signature, contract, or other record relating to such transaction may not be denied legal effect, validity, or enforceability solely because it is in electronic form.

FLP officials will be digitally signing several authorized documents. Forms authorized for FSA's guaranteed loan program will be limited to the following forms:

- Form FSA-2232, Conditional Commitment
- Form FSA-2235, Loan Guarantee
- Form FSA-2242, Assignment of Guarantee
- Incomplete application notification letters
- General correspondence.

These forms and documents will be provided to you by e-mail, encrypted and password sensitive.

To ensure that you receive all FLP documents provided via e-mail, please provide us with either your group e-mail address or the e-mail addresses for at least two individuals, along with their name and phone number.

If you have any questions or concerns, please e-mail *[FLP official's name]* at *[FLP official's e-mail address]*, or call our office at *[enter office phone number]*.

Sincerely,

[Name of Employee]

[Title of Employee]