

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FLP-885

4-FLP

For: State and County Offices

Operational Review Prioritization in FY 2023

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A Background

4-FLP, Amend. 35 issued on May 10, 2022, implements the biennial operational reviews as published in the final rule at 86 FR 43392, August 9, 2021.

B Purpose

This notice:

- updates information on phased implementation of operational reviews
- obsoletes FLP-874.

C Contact

If there are questions about this notice:

- County Offices will contact their State Office
- State Offices will contact Janet Kramer at janet.kramer@usda.gov.

| Disposal Date | Distribution |
|-----------------|--|
| January 1, 2024 | State Offices; State Offices relay to County Offices |

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2 Operational Reviews Prioritization

A FY 2023 Prioritization

During FY 2023, agency officials should plan to complete a full operational review for 50 percent of active caseloads that are either unflagged or are flagged for primary loan servicing (PLS) only.

The following account types are a priority in FY 2023:

- borrowers with active deferrals in FY 2023
- limited resource borrowers if a year-end analysis and classification were **not** completed in FY 2022
- borrowers with new loans or PLS approved in FY 2023
- borrowers with new subordinations approved in FY 2023
- borrowers that received an Inflation Reduction Act (IRA) payment to bring their account current.

Note: This includes all financially distressed borrowers who apply for IRA assistance and submit documentation to support that request in FY 2023. The IRA application will be processed before completion of the operational review. The service center should request tax return, production information, and assessment update before completing the operational review.

B FY 2024 Prioritization

During FY 2024, agency officials should plan to complete a full operational review for 50 percent of active caseloads that are either unflagged or are flagged for PLS only.

The following account types are a priority in FY 2024:

- borrowers with active deferrals in FY 2024
- limited resource borrowers if a year-end analysis and classification were **not** completed in FY 2023
- borrowers with new loans or PLS approved in FY 2024
- borrowers with new subordinations approved in FY 2024
- borrowers who did not have a full operational review completed in FY 2023.