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

Notice FLP-907

1-FLP

For: State Offices

FLP Goals for FY 2024 with Evaluation Methodology

Approved by: Deputy Administrator, Farm Loan Programs

1 Overview

A Background

FLP goals:

- are an important component of overall program management
- set priorities and provide credibility and direction for program implementation
- directly contribute to the accomplishment of broader strategic goals in the FSA and USDA strategic plans.

The FY 2020 through 2024 FLP goals and methodologies established in Notice FLP-805 were developed by the FLP Goal Task Force, which was comprised of representatives from the local, State, and national level.

B Purpose

This notice provides the methodology that will be used to evaluate performance for FY 2024.

C Contact

For questions about this notice, e-mail Jennifer Ranke at **jennifer.ranke@usda.gov**.

Disposal Date	Distribution
October 1, 2024	State Offices

2 FY 2024 FLP Goals

A Overview

There are ten FLP goals for FY 2024 with equal emphasis on loan making and loan servicing measurements. Exhibit 1 provides State-level goals for FY 2024. Exhibit 2 provides specific methodology and calculations for each goal.

B Monitoring FY 2024 Goals

State and County Offices should use reports available in the FLP Data Mart to monitor FY 2024 goals.

3 FY 2024 Evaluation Methodology

A Overview

The goal evaluation methodology consists of the following 2 components:

- a point value is assigned for accomplishing each goal identified in subparagraph B
- additional points may be earned based on 2 indicators according to subparagraph C.

If an aggregate score of 80 or greater is achieved, goals are considered met.

B Point Values for Goals

A 10-point value is assigned for accomplishment of each of the FLP goals, with the exception of:

- Reduce Average Days for Processing SS Applications – accomplishing this goal is a 20-point value because litigation and other program complaints can arise when not completed timely

- Guaranteed Dollar Delinquency Rate and Reduce Percentage of Seriously Delinquent Borrowers – accomplishing these goals are a 5-point value each because both have factors not completely within FSA control.

Goal	Point Value
First Installment Delinquency Rate	10
Direct Application Processing Time	10
Guaranteed Application Processing Time	10
Lending to Beginning Farmers and Ranchers	10
Lending to SDA Farmers and Ranchers	10
Direct Dollar Delinquency Rate	10
Guaranteed Dollar Delinquency Rate	5
Reduce Average Days for Processing SS Applications	20
Increase Percentage of Borrowers Receiving Security Inspections	10
Reduce Percentage of Seriously Delinquent Borrowers	5
Total	**100**

3 FY 2024 Evaluation Methodology (Continued)

C Additional Point Opportunities

An additional 10 points will be added to a State's total if any of the following conditions are met:

- Direct Application Processing Time is met when youth loans are excluded from the calculation
- Guaranteed Dollar Delinquency Rate is less than 1.0 percent
- Percentage of Borrowers Receiving Security Inspections is 90 percent or higher
- number of borrowers in the portfolio per County Office GS-1165 employee exceeds the national average by 20 percent
- dollar amount of loan obligations per County Office GS-1165 employee in a year exceeds the national average by 20 percent.

An additional 5 points will be added to a State's total if the Guaranteed Dollar Delinquency Rate is met when loans with an estimated loss claim that is more than 12 months old are excluded.

Note: No State can earn more than 10 extra points. The employee numbers that will be used in calculations are provided by DAFO.

4 Action

A State Office Action

State Offices should develop service office specific goals when possible and apply the methodology in Exhibit 2 and subparagraphs 3 B and 3 C for evaluating performance.

To ensure that service office goals are achievable, extenuating circumstances may be taken into consideration if the impact can be evaluated. Examples of these conditions include extraordinary increases in loan application activity or loan servicing activities, or staffing shortages because of circumstances beyond management's control (FLP staff illness, unanticipated resignations, etc.).

The National Office recognizes that the implementation of IRA's provisions has resulted in some goal data being substantially skewed. Program managers are advised to take a flexible approach to office performance, particularly with delinquency- and special servicing-related goals.

FY 2024 State-Level Goals

The following table provides the State-level goals for FY 2024.

STATE	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6	Goal 7	Goal 8	Goal 9	Goal 10
Alabama	10.1	45	20	59.9	37.6	7.0	2.00	50	90.0	8
Alaska	8.1	45	13	59.9	32.0	9.2	2.00	50	90.0	*
Arizona	9.4	30	13	59.9	60.4	8.7	2.00	50	90.0	4
Arkansas	10.2	30	13	59.9	25.6	8.0	2.00	50	90.0	17
California	8.0	30	13	59.9	65.1	16.8	2.00	50	90.0	1
Colorado	8.8	34	13	59.9	18.9	7.0	2.00	50	90.0	2
Connecticut	8.0	30	13	58.3	22.0	8.0	2.00	50	90.0	*
Delaware	9.4	46	18	59.9	22.3	7.0	2.00	50	90.0	*
Florida	13.4	37	13	59.9	51.6	7.0	2.00	50	90.0	4
Georgia	8.0	30	13	59.9	28.7	7.0	2.00	50	90.0	6
Hawaii	8.0	30	13	59.9	89.9	7.0	2.00	50	90.0	*
Idaho	8.0	30	13	59.9	20.0	7.0	2.00	50	90.0	*
Illinois	8.0	30	13	59.9	4.9	7.0	2.00	50	90.0	*
Indiana	8.0	30	13	56.4	6.4	7.0	2.00	50	90.0	1
Iowa	8.0	30	13	59.9	8.0	7.0	2.00	50	90.0	3
Kansas	8.0	30	13	59.9	13.3	7.0	2.00	50	90.0	2
Kentucky	8.0	30	13	59.9	17.8	7.0	2.00	50	90.0	6
Louisiana	9.8	30	13	59.9	53.7	7.4	2.00	50	90.0	8
Maine	8.2	38	14	59.9	29.4	7.0	2.00	50	90.0	1
Maryland	10.5	37	18	59.9	25.9	7.0	2.00	50	90.0	*
Massachusetts	10.7	40	23	54.8	20.9	8.6	2.00	50	90.0	1
Michigan	8.0	33	15	55.8	11.5	7.0	2.00	50	90.0	2
Minnesota	8.0	33	14	57.4	8.1	7.0	2.00	50	90.0	4
Mississippi	8.0	30	17	59.9	30.2	9.7	2.00	50	90.0	5
Missouri	8.0	35	16	59.9	12.1	7.0	2.00	50	90.0	2
Montana	8.0	30	13	59.9	27.8	7.0	2.00	50	90.0	1
Nebraska	8.0	30	15	59.9	9.3	7.0	2.00	50	90.0	1
Nevada	8.0	38	34	59.9	28.4	7.0	2.00	50	90.0	*
New Hampshire	8.0	30	16	48.4	28.3	7.0	2.00	50	90.0	*
New Jersey	11.0	30	13	50.4	20.2	10.7	2.00	50	90.0	1
New Mexico	8.8	38	14	59.2	53.8	7.0	2.00	50	90.0	*
New York	9.0	38	13	44.7	13.5	7.0	2.00	50	90.0	9
North Carolina	9.1	37	13	59.5	18.1	7.0	2.00	50	90.0	3
North Dakota	8.0	30	13	59.9	12.1	7.0	2.00	50	90.0	1
Ohio	8.0	35	16	49.6	12.5	7.0	2.00	50	90.0	1
Oklahoma	9.0	30	19	59.9	50.1	7.0	2.00	50	90.0	19
Oregon	8.0	33	14	59.9	21.1	7.0	2.00	50	90.0	1
Pennsylvania	8.1	30	13	52.4	49.2	7.0	2.00	50	90.0	2
Puerto Rico	21.5	48	28	50.7	99.8	43.0	2.00	50	90.0	30
Rhode Island	8.0	30	14	52.1	29.2	7.0	2.00	50	90.0	*
South Carolina	8.9	30	13	51.2	25.1	7.0	2.00	50	90.0	3
South Dakota	8.0	30	13	59.9	19.3	7.0	2.00	50	90.0	1

FY 2024 State-Level Goals (Continued)

STATE	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6	Goal 7	Goal 8	Goal 9	Goal 10
Tennessee	8.0	30	13	59.9	16.6	7.0	2.00	50	90.0	3
Texas	10.7	42	16	59.9	32.7	7.0	2.00	50	90.0	11
Utah	8.0	30	13	59.9	16.4	7.0	2.00	50	90.0	3
Vermont	8.0	30	15	49.3	12.7	7.0	2.00	50	90.0	1
Virginia	9.2	37	13	57.5	21.1	7.0	2.00	50	90.0	2
Washington	8.7	38	17	57.0	33.5	7.0	2.00	50	90.0	1
West Virginia	8.0	30	13	59.0	20.7	7.0	2.00	50	90.0	1
Wisconsin	8.0	30	13	50.9	11.4	7.0	2.00	50	90.0	1
Wyoming	8.0	30	13	59.5	19.6	7.0	2.00	50	90.0	3
NATIONAL	**8.0**	**30**	**13**	**59.9**	**23.6**	**7.0**	**2.00**	**50**	**90.0**	**174**

*States that ended FY 2023 with no seriously delinquent accounts have none to resolve in FY 2024.

Goal Methodology and Calculations

The following table displays the specific methodology and calculations for each goal.

Farm Loan Program Goals Goal Setting Methodology FY 2020-2024			
Linkage to USDA Strategic Plan FY 2018-2022			**Strategic Goal 2:** Maximize the Ability of American Agricultural Producers to Prosper by Feeding and Clothing the World **Objective 2.1:** Provide an Effective Financial Safety Net for Farmers and Ranchers to Sustain Economically Viable Agricultural Production and Support Rural Jobs and Economic Growth
Linkage to FSA Strategic Plan FY 2016-2018			**Strategic Goal 1:** Provide a Financial Safety Net for America's Farmers and Ranchers to Sustain Economically Viable Agricultural Production **Objective 1.1:** Provide Access to Capital
Performance Measure	**National Baseline**	**National Target FY 2024**	**Methodology**
Goal 1, First Installment Delinquency Rate	7.4% (3-year average of actual performance FY 2016-2018)	8.0%	This performance goal is an indicator of credit quality. Nationally, the goal is to maintain a first installment default rate of no more than 8.0%. For those States with a baseline of greater than 8.0%, the goal is to reduce the baseline by 50% in relation to the 8.0% performance threshold over the 5-year cycle. For example, a State with a baseline default rate of 13.5% will be expected to reduce their default rate to 10.5% by 2024. The rate of decrease will be spread equally each year throughout the 5-year cycle. Based on loans where the first installment due is in the fiscal year being measured. For example, the rate for FY 2024 is based on the number of loans where the first installment due is between October 1, 2023, and September 30, 2024. **Calculation:** The number of loans where the first installment was set-aside plus the number of loans restructured before the first installment was paid plus loans where the first installment is 30+ days delinquent divided by the total number of loans with a first installment due.

Goal Methodology and Calculations (Continued)

Farm Loan Program Goals Goal Setting Methodology FY 2020-2024			
Performance Measure	**National Baseline**	**National Target FY 2024**	**Methodology**
Goal 2, Direct Application Processing Time	32 days (3-year average of actual performance FY 2016-2018)	30 days	This performance goal is an indicator of program management, operational efficiency and customer service. Nationally, the goal is to reduce processing times to 30 days. For those States with a baseline of greater than 30 days, the goal is to reduce the baseline by 50% in relation to the 30-day performance threshold over the 5-year cycle. For example, a State with a baseline of 60 days will be expected to reduce their processing time to 45 days by 2024. The rate of decrease will be spread equally each year throughout the 5-year cycle. Based on applications where the first disposition date is in the fiscal year being measured. Excludes applications with an SCatex or EA, and applications that were withdrawn less than 45 days from application receipt date. **Calculation:** Average number of days from application receipt date to first disposition.
Goal 3, Guaranteed Application Processing Time	13 days (3-year average of actual performance FY 2016-2018)	13 days	This performance goal is an indicator of program management, operational efficiency and customer service. Nationally, the goal is to maintain a processing time of 13 days. For those States with a baseline of greater than 13 days, the goal is to reduce the baseline by 50% in relation to the 13- day performance threshold over the 5-year cycle. For example, a State with a baseline of 27 days will be expected to reduce their processing time to 20 days by 2024. The rate of decrease will be spread equally each year throughout the 5- year cycle. Based on applications where the first disposition date is in the fiscal year being measured. Excludes applications with an SCatex or EA, and applications that were withdrawn less than 40 days from application receipt date. **Calculation:** Average number of days from application receipt date to first disposition.

Goal Methodology and Calculations (Continued)

Farm Loan Program Goals Goal Setting Methodology FY 2020-2024			
Performance Measure	**National Baseline**	**National Target FY 2024**	**Methodology**
Goal 4, Lending to Beginning Farmers and Ranchers (% of borrowers)	59.9% (3-year average of actual performance FY 2016-2018)	59.9%	This performance goal is a measurement of program objectives. Nationally, the 5-year goal is to maintain targeted lending of 59.9%. For those States with a baseline below 59.9%, the goal is to increase targeted lending by 2.5% over the 5-year cycle (up to 59.9%). For example, a State with a baseline of 50% will be expected to increase to 52.5% by 2024. The rate of increase will be spread equally each year throughout the 5-year cycle. **Calculation:** Total number of beginning farmers receiving direct or guaranteed obligations during the fiscal year (FO and OL, excluding OL-Y) divided by the total number of borrowers receiving direct or guaranteed obligations during the fiscal year (FO and OL, excluding OL-Y).
Goal 5, Lending to SDA Farmers and Ranchers (% of borrowers)	23.6% (3-year average of actual performance FY 2016-2018)	23.6%	This performance goal is a measurement of program objectives. Nationally, the 5-year goal is to maintain targeted lending of 23.6%. Likewise, each State will have a 5-year goal to maintain targeted lending at its respective baseline. **Calculation:** Total number of SDA farmers receiving direct or guaranteed obligations during the fiscal year (FO and OL) divided by the total number of borrowers receiving direct or guaranteed obligations during the fiscal year (FO and OL).
Goal 6, Direct Dollar Delinquency Rate (%)	4.9% (3-year average of actual performance FY 2016-2018)	7.0%	This performance goal is a measurement of financial integrity and program objectives. Nationally, the 5-year goal is to maintain a delinquency rate at or below 7%. Those States with a baseline above 7% will be expected to reduce the delinquency rate by 1% each year of the 5-year cycle. No State will have an annual performance goal below 7%. **Calculation:** The direct delinquency rate is calculated by dividing the amount delinquent by the unpaid principal plus unpaid interest.

Goal Methodology and Calculations (Continued)

Farm Loan Program Goals Goal Setting Methodology FY 2020-2024			
Performance Measure	**National Baseline**	**National Target FY 2024**	**Methodology**
Goal 7, Guaranteed Dollar Delinquency Rate (%)	1.32% (3-year average of actual performance FY 2016-2018)	2.00%	This performance goal is a measurement of financial integrity and program objectives. Nationally, the 5-year goal is to maintain a delinquency rate at or below 2%. Likewise, all States will have a goal of 2% for the 5-year goal cycle. **Calculation:** The guaranteed delinquency rate is calculated by dividing the amount delinquent by the unpaid principal.
Goal 8, Reduce Average Days for Processing SS Applications	59 days (3-year average of actual performance FY 2016-2018)	50 days	This performance goal is an indicator of program management, operational efficiency, and customer service. Nationally, the 5-year goal is to reduce average processing times to 50 days. The goal for 2020 was 60 days and reduces as equally as possible each year to 50 days. A Special Servicing application is one where a decision has been mailed to the borrower for 90 Days Past Due, Less Than 90 Days Past Due and Current/Financially Distressed Borrower SS applications. Based on applications where the deadline for FSA to Process Servicing Appln timeclock completion date (i.e., the decision date) is within the fiscal year being measured. **Calculation:** Average number of days from SS application completion date to timeclock completion date.

Goal Methodology and Calculations (Continued)

Farm Loan Program Goals Goal Setting Methodology FY 2020-2024			
Performance Measure	**National Baseline**	**National Target FY 2024**	**Methodology**
Goal 9, Increase Percentage of Borrowers Receiving Security Inspections	50.1% (3-year average of actual performance FY 2016-2018)	90%	This performance goal is a measurement of financial integrity and program management. Nationally, the 5-year goal is to increase the percentage of completed required security inspections to 90%. The goal for 2020 was 75% and increases as equally as possible each year to 90%. A completed chattel/crop inspection is based on the DLS Farm Visit workflow. **Calculation:** The number of borrowers with active OL loans at the beginning of the fiscal year who received a security/crop inspection within the past two fiscal years, plus the number of borrowers with active OL loans at the beginning of the year who paid in full during the year, divided by the number of borrowers with active OL loans at the beginning of the fiscal year.
Goal 10, Reduce Percentage of Seriously Delinquent Borrowers	25% (3-year average of actual performance FY 2016-2018)	25%	This performance goal is a measurement of financial integrity and program management. • States who start the year with 3 or less seriously delinquent accounts must reduce at least 1 of those accounts by the end of the year; • States who start the year with less than 200 seriously delinquent accounts must reduce by 30% by end of the year; and • States who start the year with 200 or more seriously delinquent accounts must reduce by 20% by the end of the year. A seriously delinquent account is one that is 2+ years delinquent. CNCs, judgments and employee defalcation accounts, and those flagged BAP, CAP, FAP, OAC1, SAA, or TPJ are excluded. **Calculation:** The number of seriously delinquent accounts at the beginning of the fiscal year minus the number that are still delinquent at the end of the fiscal year, divided by the number of seriously delinquent accounts at the beginning of the fiscal year.