

For: State and County Offices

Farm Storage Facility Loan (FSFL) Credit Reports

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Credit reports are required as part of the financial analysis to determine eligibility for FSFL's. Credit reports must be obtained and analyzed before loan approval by COC.

An FLP employee with loan approval authority is responsible for performing the financial analysis of an FSFL applicant. Currently, credit reports are obtained by using either the FSFL or FLP contractor, and can be the same contractor.

In March 2007, FLP will be receiving an update to the Farm Business Plan (FBP) enabling them to receive credit reports directly through FBP. FBP will **not** be used to obtain credit reports needed for FSFL's.

B Purpose

This notice informs State and County Offices that they must request credit reports for FSFL applicants through the contractor obtained for FSFL's by their State.

FBP will **not** be used to obtain credit reports for FSFL applicants.

C Contact

State specialists with questions about this notice shall contact DeAnn Allen, PSD, by either of the following:

- e-mail at deann.allen@wdc.usda.gov
- telephone at 202-720-9889.

Disposal Date	Distribution
July 1, 2007	State Offices; State Offices relay to County Offices

Notice FSFL-39

2 Action

A County Office Action

County Offices shall continue to:

- follow State supplements for ordering:
 - credit reports from the credit reporting agency their State has contracted with following the procedure their State has put into place
 - analyze credit reports to detect:
 - patterns of late payments or nonpayments
 - bankruptcy and foreclosures
 - heavy use of short-term or high interest loans or credit cards
- use pertinent information from the financial statements and credit history reports to prepare recommendations to COC
- provide the credit report to the FLP loan approval official to use in preparing the financial analysis.

The cost of the credit reports shall:

- not be collected from the applicant
- be paid for by CCC
- be paid for using CCC-184 with the program code “XXFSFLRF”, where “XX” is the last 2 digits of the fiscal year, following the procedure initiated by the State Office.

In some States, County Offices request the credit reports from the State Office and the State Office pays the credit reporting agency.

B State Office Action

State Offices shall ensure that County Offices are following this notice and using the credit reporting agency obtained for FSFL credit reports.

The cost of the credit reports shall be paid for by CCC using CCC-184 with the program code “XXFSFLRF”, where “XX” is the last 2 digits of the fiscal year, following the procedure initiated by the State Office.

In some States, County Offices request the credit reports from the State Office and the State Office pays the credit reporting agency.