

For: State and County Offices

**Implementing Credit Alert Interactive Voice Response System (CAIVRS) Requirements**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

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**Background**

OMB Circular A-129 requires that Agencies make a determination on whether or not applicants are delinquent on any Federal debt before loans or other types of Federal assistance are provided. In implementing this circular, OMB has indicated that Agencies should use CAIVRS, which was developed by the Department of Housing and Urban Development, to conduct re-screening of applications to determine a loan applicant's credit status with the Federal Government.

The Debt Collection Improvement Act of 1996 provides that a person owing a delinquent non-tax debt to the Federal Government is ineligible for Federal financial assistance, including direct loans (other than disaster loans) or loan insurance or guarantee.

A delinquent non-tax Federal debt is a debt other than taxes that has not been paid by the payment date or by the end of any grace period contractually provided. The date of delinquency is the payment due date for an installment payment and the date of mailing of notice for an administrative debt.

**B**

**Purpose**

This notice provides information needed to install and use the automated CAIVRS access software.

<p><b>Disposal Date</b></p> <p>October 1, 2001</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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## Notice LP-1736

### 2 Installing and Using CAIVRS Software

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#### Installing Software

CAIVRS software will be installed only on CCE/NT workstations that have On-Net Host Suite 4.0 software installed. On-Net software upgrades must be installed before installing the CAIVRS software. The following action will be taken in each office processing loans and LDP applications by the system administrator to install the On-Net and CAIVRS software.

Step	Action
1	Access the On-Net upgrade and CAIVRS software on the Rural Development web page at <a href="http://www.RDIRM.USDA.gov/simb/">www.RDIRM.USDA.gov/simb/</a> .
2	Select the link for the On-Net Patch CCE/NT version 1.0 software, download and follow instructions for installing software.
3	After installing the On-Net Patch, select the link for the CAIVRS software, download and follow instructions for installing software.
4	Print the CAIVRS User's Guide, become familiar with the screening process, and provide guidance to office staff on the proper use of the screening software.
5	The first time CAIVRS is accessed from each workstation, select "transfer set-up" to assign an NIS ID number, which consist of any 7 unique characters. Each workstation must be assigned its own unique NIS ID number.

When uploading or downloading a request, use "fsa123" as the Agency authorization code.

**Note:** Type "fsa" in lowercase letters.

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### 3 CAIVRS Screening Requirements

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#### Loan and LDP Processing

State and County Offices shall:

- before approval of an application, process a CAIVRS inquiry for the applicant, including, if the applicant is an entity, its individual members
- review the CAIVRS status report to determine whether the applicant or any individual member of the entity is delinquent on other Federal debt
- upon determining that the applicant or any individual member of the entity is delinquent on other Federal debt:
  - notify the loan applicant that they or, if an entity, the individual member, have been identified as being delinquent of Federal debt
  - reject the loan application and provide applicant review rights
  - include a copy of the CAIVRS status report as an attachment
  - inform the applicant that to reinstate the application they must supply evidence from the creditor identified, that the delinquency has been resolved, or will be resolved by the disbursement date.

If an application is otherwise ready for approval, but a CAIVRS report has not been received, the approval is subject to receiving an acceptable CAIVRS report.

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