

# Farm Loan Programs

## Streamlining Project

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When we met in September in San Antonio and Annapolis, I told you that this project was probably the most ambitious effort ever attempted in the farm loan programs area. I also mentioned that my office would keep you updated on the progress of the project, which we intend to do at least every two months. However, if there is something significant to report, especially in the early stages, we will keep you posted on a monthly basis.

### **Status of Streamlining Contract & Project Plan**

We met with the contractor (Soza & Co.) and our General Services Agency (GSA) contracting representative on November 25th to accept delivery of the final version of the project plan. The plan will be the general blueprint and time line for carrying out all of the tasks needed to complete the streamlining project. I would like to thank the following FSA employees who spent a week here in Washington, DC, working with the National Office and contractor on the development of the plan:

Bob Jedlicka, Ag. Credit Director, Nebraska  
Ray Naeyaert, Ag. Credit Director, Florida  
Helena Pitcock, Ag. Credit Manager, Kentucky  
Cheryl Walker, Ag. Credit Specialist, Florida  
Darrel Zerger, Ag. Credit Director, California

## **Status of Streamlining Contract & Project Plan (Cont)**

We will be meeting again with GSA on December 8th to finalize the selection of the contractor(s) that will coordinate the business process and document reengineering aspects of the project. We expect to have the contractor(s) on board in December and the implementation phase underway in January.

## **Brief Recap of the Project Scope**

The scope of the project includes the following: (1) The Code of Federal Regulations (CFR) will be streamlined to allow *internal* policy and procedural changes to be made without going through the time consuming formal rulemaking process. (2) We will examine the way we make and service loans to determine if improvements can be realized by simply changing the steps and processes. (3) FmHA Instructions will be converted to FSA handbooks and reorganized and rewritten for clarity. Shared CFRs and instructions with Rural Development will be eliminated. (4) FSA Forms will be reviewed, and wherever possible, eliminated, consolidated and/or simplified.

As a starting point, we will use the assumption that the FSA handbooks will be organized as follows:

1-FLP - General. This will contain crosscutting administrative items, such as loan approval authorities, real estate appraisal procedures and credit report procurement.

2-FLP - Guaranteed Loans. Consolidation of current FmHA Instructions 1980-A and 1980-B.

3-FLP - Direct Loan Making. Consolidation of all major direct loan programs and related procedures.

4-FLP - Direct Loan Servicing: Normal. Consolidation of procedures covering items such as graduation of direct loan borrowers, real estate tax servicing, servicing accounts of borrowers entering the armed forces, and so forth.

5-FLP - Direct Loan Servicing - Delinquent & Problem Accounts, and Acquired Property Management. Consolidation of current procedures covering unauthorized assistance, delinquent account servicing, disposal of inventory property, etc.

6-FLP - Special Programs. Will contain miscellaneous minor loan programs such as those for grazing association, Indian tribal land acquisition, and boll weevil eradication loans.

### **Streamlining Task Forces**

Since the implementation phase should be underway in January, we need to begin forming teams of county, state and national office credit personnel, for each of the six areas listed above. The teams will serve as subject matter experts and will review, critique, provide suggestions, and recommend solutions before, during and after products are developed by the contractor. The teams will be representative of all farm loan positions, geographic locations, agricultural enterprises, and employee organizations such as NACS and NASE. In addition, the Agency will seek input from external stakeholders as part of the project development process.

We will be contacting several States within the next 30-45 days to request task force participants. Some travel to Washington, DC will be required but we expect that it will not exceed four weeks over the course of the project. Team members will also be asked to review draft documents throughout the duration of the project. If you have questions, please contact Bill Cobb or Steve Bazzell at 202-720-1059 and 202-690-4022, respectively.

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