Farm Service Agency **May 1998**

Farm Loan Programs Streamlining Project

NEW TASK FORCE MEMBERS

Union representatives were recently added as members to the six task forces which will work on the FLP streamlining project. These individuals and the task forces they will serve on are:

- Mark Huntington, AFGE Local 3354, OK: 1-FLP-General
- Creg Ivison, AFGE Local 2831, NY: 2-FLP-Guaranteed Loans
- Tom Hunton, AFGE Local 1019, NM: 3-FLP-Direct Loan Making
- Pat Eckroth, AFGE Local 888, ND: 4-FLP-Direct Loan Servicing-Routine
- Lisa Smith, AFGE Local 2831, NY: 5-FLP-Direct Loan Servicing-Delinquent & Problem Accounts, and Acquired Property Management
- Sherley Moore, AFGE Local 108, AR: 6-FLP-Special Programs

PROJECT IMPLEMENTATION SCHEDULE

Within the next few weeks the implementation schedule that lays out all the steps involved in the project will be finished. The projected schedule has been prepared with the benefit of the experience that our primary contractor, ICF-Kaiser, gained while working on a similar project with Rural Development.

PRODUCTIVITY GAINS

Although the most dramatic changes will be felt after the streamlining project is fully complete, FLP wants to go on ahead and make some administrative improvements now. Examples of some of the streamlining activities completed or currently underway include:

Completed:

- Bankruptcy regulations were completed and will be in the field around the end of this month. These will eliminate the need to renotify borrowers of the availability of loan servicing when a bankruptcy case has been dismissed by the court.
- County Committee was eliminated from the Guaranteed Loan Programs' eligibility determination process.
- Authority was redelegated to the field to convert recapture amounts due under a shared appreciation agreement to a non-program loan.
- New regulations that (1) allow the Agency to subordinate basic security to secure a guaranteed operating line of credit, and (2) to allow another lender to refinance a borrower's debt.

In Process:

- The capability to obtain online credit reports in the county offices is being procured.
- MRS and AGCREDIT are being consolidated under a new software program called MAC.
- FLP is awaiting a policy decision from the Secretary to eliminate the County Committees from the direct loan eligibility certification process.
- Revised guaranteed loan program regulations are being proposed and are presently being reviewed by the Department and OMB. Some of the items contained in this proposed rule include: (1) The new preferred lender program, (2) elimination of the approved lender program, (3) significant documentation reductions on loans less than $50,000, (4) an increase in the real estate appraisal diminimus level to $250,000, and (5) a broadening of the scope of allowable bankruptcy fees.

WRAP-UP

As most of you have noticed, the gearing up for this project has taken a considerable amount of time. However, the contract has been awarded and the level of activity is picking up every day. We are satisfied that we have the right mix of employees and a well thought out approach to tackle this long-term project.

Carolyn B. Cooksie
Deputy Administrator for Farm Loan Programs