

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration
1-FLP (Revision 1)

Amendment 18

Approved by: Acting Deputy Administrator, Farm Loan Programs

Chris P. Beyershelm

Amendment Transmittal

A Reasons for Amendment

Paragraph 4 has been amended to update FLP contacts.

Subparagraph 22 A has been amended to clarify procedures for delegations of authority.

Subparagraph 28 A has been amended to clarify filing procedures.

Subparagraph 29 A has been amended to:

- remove the note referring to the Food, Conservation, and Energy Act as the Farm Bill provisions were published in the FR on December 8, 2008
- correct numbering to be in compliance with the CFR.

Subparagraph 45 M has been amended to allow the transfer of unsubsidized guaranteed OL funds to make approved direct FO loans to socially disadvantaged farmers.

Subparagraph 102 D has been amended to conform with changes to FDIC regulations resulting from the Emergency Economic Stabilization Act of 2008.

Subparagraph 141 G has been amended to add clarifying language to the note.

Subparagraph 143 E has been amended to add:

- clarifying language
- an additional note to clarify how to conduct technical reviews.

Subparagraph 402 B has been amended to clarify State Office review responsibilities.

Subparagraph 403 A has been amended to add a requirement to input Service Center review comments into the automated FLRA system no later than October 15.

Subparagraph 404 A has been amended to clarify requirements for State visit reports.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Part 9, Section 2 has been amended to revise DD FLP oversight reporting requirements.

Exhibit 5 has been amended to update the forms list.

Exhibit 17 has been amended to provide the monthly interest rates applicable to FLP.

Exhibit 35 has been added to include DD FLP oversight review source documents.

B Action

All offices shall review this amendment to become familiar with the updated DD FLP oversight review process.

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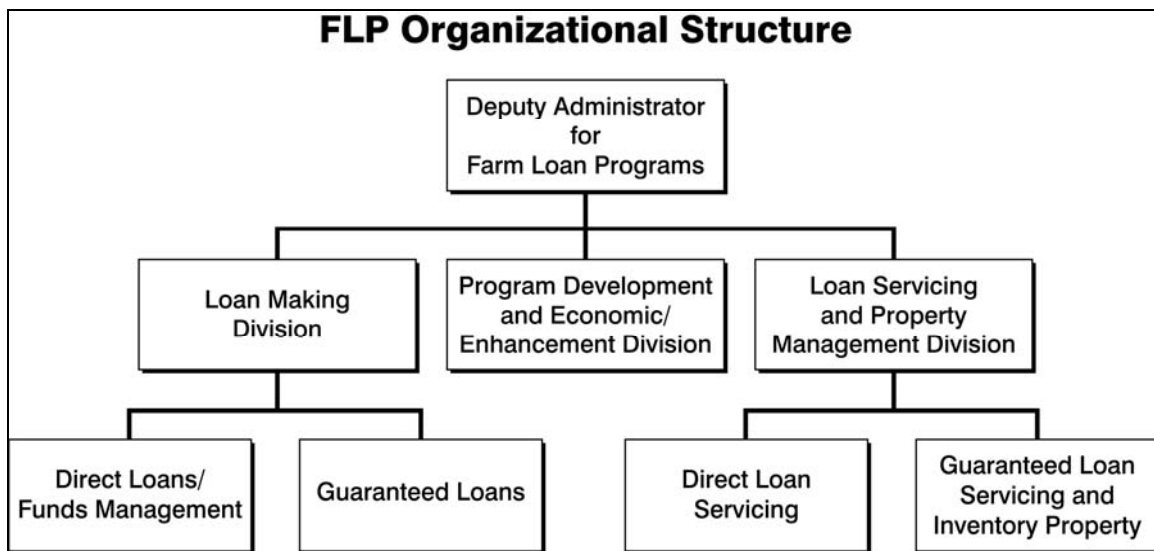
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4 FLP Organizational Structure

A National Office FLP Organizational Structure

The following is the National Office FLP organizational structure.



B Contacts for the Office of the Deputy Administrator

The following provides the address for the Office of the Deputy Administrator.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP STOP 0520 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0520	USDA FSA DAFLP ROOM 3605 SOUTH BUILDING 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0520

Note: County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

The following provides names, titles, and telephone and FAX numbers for the Office of the Deputy Administrator.

Office of the Deputy Administrator FAX Number 202-690-3573		
Name	Title	Phone Number
Carolyn B. Cooksie	Deputy Administrator	202-720-4671
Chris Beyerhelm	Assistant Deputy Administrator	202-720-7597
Clara Moore	Secretary to the * * * Deputy Administrator	*--202-720-4671
Rita A. Proctor	Secretary to the Assistant Deputy Administrator	202-720-7597--*
Niki Chavez	Senior Loan Officer	202-690-6129
William Cobb	Special Programs Coordinator	202-720-1059

4 FLP Organizational Structure (Continued)

C LMD Contacts

The following provides names, address, and telephone and FAX numbers for LMD.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP LMD STOP 0522 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0522	USDA FSA DAFLP LMD 1280 MARYLAND AVE SW SUITE 240 WASHINGTON DC 20024

Note: County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

LMD FAX Number 202-690-1117		
Office of the Director		
Name	Title	Phone Number
James Radintz	Director	202-720-1632
Mark Falcone	Deputy Director	202-720-1632
Cheryl Marbury-Spence	Division Secretary	202-720-1632
Kenneth Hill	Assistant to the Director	202-720-5199
Direct Loans/Funds Management Branch		
Michael R. Hinton	Branch Chief	202-720-1472
--Kevin Alexander--	Branch Secretary	202-720-1472
Linda L. Baker	Senior Loan Officer	202-720-1647
Connie Holman	Senior Loan Officer	202-690-0756
Jonathan Howard	Senior Loan Officer	202-720-0588
--Joe Marcoccia	Senior Loan Officer	202-401-0087--
Kathleen Miller	Senior Loan Officer	202-720-1643
Mike Moore	Senior Loan Officer	202-690-0651
Jerry Moseman	Senior Loan Officer	202-690-4006
Ann Smith	Loan Officer	202-720-1656
Anne Steppe	Loan Officer	202-690-4017
Corena Williams	Office Assistant	202-720-1638
Guaranteed Loans Branch		
Robert (Bob) Bonnet	Branch Chief	202-720-3889
Shanita Staten	Branch Secretary	202-720-3889
Joanna Apergis	Program Analyst	202-720-5847
Patricia Elzinga	Senior Loan Officer	202-690-1729
Tracy Jones	Senior Loan Officer	202-720-6771
Trent Rogers	Senior Loan Officer	202-720-1657
Charles Russell	Loan Officer	202-720-3309

4 FLP Organizational Structure (Continued)

D PDEED Contacts

The following provides names, address, and telephone and FAX numbers for PDEED.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP PDEED STOP 0521 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0521	USDA FSA DAFLP PDEED 1280 MARYLAND AVE SW SUITE 270 WASHINGTON DC 20024

Note: County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

PDEED FAX Number 202-720-8474		
Name	Title	Phone Number
Nancy L. New	Director	202-720-7719
--Galen VanVleet--	Deputy Director	202-720-3647
Pamela Wagner	Program Assistant	202-690-4983
Teresa Martin	Program Analyst	202-690-0431
Pixie Greer	Senior Loan Officer	202-720-1652
Bruce Peters	Senior Loan Officer	202-720-7003
Clarence (Chuck) Ropp	Senior Loan Officer	202-690-4008
Clarence (Sam) Snyder	Chief Appraiser	202-720-0599
Gail Wargo	Senior Loan Officer	202-690-4003

4 FLP Organizational Structure (Continued)

E LSPMD Contacts

The following provides names, address, and telephone and FAX numbers for LSPMD.

For USPS delivery	For FedEx or UPS delivery
USDA FSA DAFLP LSPMD STOP 0523 1400 INDEPENDENCE AVE SW WASHINGTON DC 20250-0523	USDA FSA DAFLP LSPMD 1250 MARYLAND AVE SW SUITE 500 WASHINGTON DC 20024

Note: County Offices shall address questions to the State Office. State Offices shall contact the National Office as needed.

Office of the Director FAX Number 202-720-5804		
Name	Title	Phone Number
Arthur (Veldon) Hall	Director	202-720-4572
Craig Nehls	Deputy Director	202-720-4572
--Jacqueline King	Division Secretary	202-720-3646--
Rebecca Carpenter	Program Analyst	202-720-9398
Michael Cumpton	Assistant to the Director	202-690-4014
Brenda McNeill	Program and Management Assistant	202-720-4572
Sheila Oellrich	Program Analyst	202-720-2990
Marquita Peoples	Program Analyst	202-720-8320
Direct Loan Servicing Branch FAX Number 202-690-0949		
Bruce Mair	Branch Chief	*--202-720-1645--*
--Lynzi Richardson--	Branch Secretary	202-720-6293
Jenny Breece	Senior Loan Officer	202-690-4011
Gene Christie	Senior Loan Officer	202-690-2517
Shelley Davis	Senior Loan Officer	202-720-0078
Mary Durkin	Senior Loan Officer	202-720-1658
Sharilyn Hashimoto	Senior Loan Officer	202-720-2743
Jonathan (Lee) Nault	Loan Officer	202-720-6834
L.D. Pletcher	Senior Loan Officer	202-720-1654
Gary Wheeler	Senior Loan Officer	202-690-4021
Tamara Wilson	Loan Officer	202-690-4012

Part 2 FLP Authorities**21 Overview****A Purpose**

This Part provides information and guidance on:

- FSA's authority to administer FLP
- delegating loan approval, loan servicing, and appraisal authorities
- redelegating SED authority
- maximum loan approval authority by grade and position
- maximum loan limits.

B Program Authority

CONACT, Section 339 provides the Secretary of Agriculture authority to issue regulations and make delegations of authority as necessary to administer FLP. The Secretary delegated FLP authorities to the Under Secretary for FFAS in 7 CFR 2.16. The Under Secretary further delegated these authorities to the FSA Administrator in 7 CFR 2.42. The Administrator delegates authorities to SED's, as applicable.

[7 CFR 761.1] (a) The Administrator delegates the responsibility to administer Farm Loan Programs of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) to the Deputy Administrator for Farm Loan Programs subject to any limitations established in 7 CFR 2.16 (a) (2) and 7 CFR 2.42.

(b) The Deputy Administrator may:

- (1) Redelegate authorities received under subparagraph (a); and**
- (2) Establish procedures for further redelegation of authority.**

CONACT, Section 376 provides the Secretary of Agriculture authority to use CED's to make and service FLP loans to the extent CED's have been trained to do so.

22 General Delegation Requirements

A General Provisions

The following general provisions apply to FLP delegations of authority.

- SED shall consult with FLC before issuing, revising, or revoking delegations of authority.
- Authority should be delegated to the lowest level possible, consistent with employee training and experience, program requirements, and available resources.
- *--All delegations of authority must be in writing; the format provided in subparagraph B may be used.

Note: When a delegation is made to a specific individual, a specific memorandum must be sent to that person, with copies maintained in the appropriate files. However, if SED delegates a position, such as “All District Directors” or “All FLP Specialists”, then a State Supplement to the handbook should be issued establishing the delegation. Only positions should be used and not individual names.--*

- An employee who has been delegated an authority listed in Exhibit 7, may not redelegate their authority to another employee.

Note: This does not apply when designating acting officials.

- Once authority is delegated, it is retained until revised or revoked according to subparagraph C.

Notes: See subparagraph 27 A for information about the impact of a change in grade or position on loan approval authority.

A new delegation of authority is not required when SED or FLM who issued the original delegation changes. The new SED or FLM may modify delegations according to subparagraph C.

27 Maintaining Approval Authority (Continued)

*--C FLM's, FLO's, and CED's Maintaining Loan Approval Authority

After loan approval and servicing authority is granted, FLC's will continue to monitor the loanmaking and loan servicing activities of employees to ensure that loanmaking and servicing actions meet the established State credit quality standards.

This will require that FLM's, FLO's, and CED's submit files that meet the credit quality standard established by SED and FLC in subparagraph 28 A, on a sufficient number of independently prepared files to show continued proficiency. Each State will set a minimum number, no less than 3, of files that must meet the standard. The files submitted for review must be of sufficient complexity to reflect the ability to make good credit decisions and analyze an applicant's or borrower's operation. Files submitted must meet the requirements in subparagraph 25 A.

D CED's Maintaining Responsibility for FLP Activities

SED, in conjunction with FLC, must determine if circumstances warranting the granting of loan approval (to CED) continue to exist according to subparagraph 25 D. If the circumstances warranting the granting of loan approval authority no longer exist, CED should be advised their loan approval authority will be suspended. Suspension of loan approval authority based on these circumstances will not be considered as a performance issue.

CED's, with only loan servicing responsibilities, will be required at a minimum to service 10 case files according to their servicing authorities each year.

To meet the minimum number of files required each year, CED may be required to process cases outside of their immediate County Office area.

Note: Actions that may be counted include, but are not limited to the following:

- PLS
- disaster set-aside
- subordinations
- partial releases.

DD will be responsible for tracking the number of completed case files per CED.

E Failure to Maintain Loan Approval Authority

If an employee whose position description requires the employee to obtain loan approval authority, does not successfully meet the criteria in subparagraphs C and D, the supervisor must develop an OTI or PIP, as appropriate, with the guidance of AO.--*

28 Establishing Credit Quality Standards

A Credit Quality Reviews

SED, after consulting with FLC, shall issue a State supplement establishing the method and standards, including what constitutes an acceptable score, for monitoring and evaluating the State's credit quality standards. The supplement must identify the minimum and maximum number of files that will be reviewed, as well as the frequency of credit quality reviews to obtain and maintain loan approval and servicing authority. These credit quality reviews will determine whether an employee's loan approval and/or servicing authority will be granted, revised, limited, or revoked.

In developing credit quality standards and completing reviews, States may use FSA-2103, FSA-2104, FSA-2119, or any other alternative evaluation guide provided, and, at a minimum, must include the critical items from each of the following:

- FSA-2103, items 2M, 2Q, 2S, and 2U
- FSA-2104, items 2A, 2H, and 2I
- FSA-2119, items 2A, 2B, 2I, and 2L.

***--Notes:** All completed FSA-2103's, FSA-2104's, FSA-2119's, and/or alternative evaluations must be filed in operational file FLP 1-4. No original or copy will be filed in the borrower case file.--*

SED should take into consideration available staff and resources when developing the credit quality review process. SED and FLC may:

- consider establishing a credit quality team in the State Office or using existing FLP underwriting staff with loan approval and servicing authority, if resources are available
- want to consider establishing the process on a district or FLP team basis.

All employees completing credit quality reviews must have approval authority and a good background in loanmaking and loan servicing.

29 Maximum Loan Authorities

A OL, FO, and EM Program Loan Limitations

Limitations on maximum loan amounts for OL, FO, and EM are established in CONACT. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 1999 (Pub. L. 105-277), amended the limitations applicable to guaranteed OL and FO by providing for an annual adjustment based on the rate of inflation applicable to FY.

[7 CFR 761.8 (a)] The outstanding principal balances for a farm loan applicant or anyone who will sign the promissory note cannot exceed any of the following at the time of loan closing or assumption of indebtedness. If the outstanding principal balance exceeds any of the limits at the time of approval, the farm operating plan must reflect that funds will be available to reduce the indebtedness prior to loan closing or assumption of indebtedness.

* * *

(1) Farm Ownership loans, * * * Down payment loans and Soil and Water loans:

(i) Direct--\$300,000;

(ii) Guaranteed--\$700,000 (for fiscal year 2000 and increased at the beginning of each fiscal year in accordance with paragraph (b) of this section);

Note: FY 2009 loan limit is \$1,094,000.

(iii) Any combination of a direct Soil and Water loan, direct Farm Ownership loan, guaranteed Soil and Water loan, and guaranteed Farm Ownership loan--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section); (subparagraph B);

Note: FY 2009 loan limit is \$1,094,000.

(2) Operating loans:

(i) Direct--\$300,000;

(ii) Guaranteed--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section);

Note: FY 2009 loan limit is \$1,094,000.

29 Maximum Loan Authorities (Continued)

A OL, FO, and EM Program Loan Limitations (Continued)

* * *

- (iii) Any combination of a direct Operating loan and guaranteed Operating loan--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section);

Note: FY 2009 loan limit is \$1,094,000.

- (3) Any combination of guaranteed Farm Ownership loan, guaranteed Soil and Water loan, and guaranteed Operating loan--\$700,000 (for fiscal year 2000 and increased each fiscal year in accordance with paragraph (b) of this section);

Note: FY 2009 loan limit is \$1,094,000.

- (4) Any combination of direct Farm Ownership loan, direct Soil and Water loan, direct Operating loan, guaranteed Farm Ownership loan, guaranteed Soil and Water loan, and guaranteed Operating loan--the amount in paragraph (a)(1)(ii) (subparagraph A) of this section plus \$300,000;

Note: FY 2009 loan limit is \$1,094,000.

- (5) Emergency loans--\$500,000;

- (6) Any combination of direct Farm Ownership loan, direct Soil and Water loan, direct Operating loan, guaranteed Farm Ownership loan, guaranteed Soil and Water loan, guaranteed Operating loan, and Emergency loan--the amount in paragraph (a)(1)(ii) (subparagraph A) of this section plus \$800,000.

Note: FY 2009 loan limit is \$1,094,000.

B Adjustment for Guaranteed Loans

[7 CFR 761.8 (b)] The dollar limits of guaranteed loans will be increased each fiscal year based on the percentage change in the Prices Paid by Farmers Index as compiled by the National Agricultural Statistics Service, USDA. The maximum loan limits for the current fiscal year are available in any FSA office and on the FSA website at <http://www.fsa.usda.gov>.

45 Allocating Loan Program Funds (Continued)

G Distribution of Farm Loan Funds by State Offices

[7 CFR 761.207] A State Office may distribute its allocation of loan funds to District or County level using the same allocation methods that are available to the National Office. State Offices may reserve a portion of the funds to meet unexpected or justifiable program needs during the fiscal year.

H Target Participation Rates for Socially Disadvantaged Target Groups

[7 CFR 761.208(a)] (1) The Agency establishes target participation rates for providing FO and OL loans to members of socially disadvantaged groups.

(2) The Agency sets the target participation rates for State and County levels annually.

(3) When distributing loan funds in counties within Indian reservations, the Agency will allocate the funds on a reservation-wide basis.

(4) The Agency reserves and allocates sufficient loan funds to achieve these target participation rates. The Agency may also use funds that are not reserved and allocated for socially disadvantaged groups to make or guarantee loans to members of socially disadvantaged groups.

I FO's Based on Ethnicity or Race

[7 CFR 761.208(b)] The FO loan target participation rate based on ethnicity or race in each:

(1) State is equal to the percent of the total rural population in the State who are members of such socially disadvantaged groups.

(2) County is equal to the percent of rural population in the county who are members of such socially disadvantaged groups.

J OL Based on Ethnicity or Race

[7 CFR 761.208(c)] The OL loan target participation rate based on ethnicity or race in each:

(1) State is equal to the percent of the total number of farmers in the State who are members of such socially disadvantaged groups.

(2) County is equal to the percent of the total number of farmers in the county who are members of socially disadvantaged ethnic groups.

45 **Allocating Loan Program Funds (Continued)****K Target Participation Rate for Women Farmers**

[7 CFR 761.208(d)] (1) The target participation rate for women farmers in each:

- (i) State is equal to the percent of farmers in the State who are women.**
 - (ii) County is equal to the percent of farmers in the county who are women.**
- (2) In developing target participation rates for women, the Agency will consider the number of women who are current farmers and potential farmers.**

L Loan Funds for Beginning Farmers

[7 CFR 761.209] Each fiscal year, the Agency reserves a portion of direct and guaranteed FO and OL loan funds for beginning farmers in accordance with section 346(b)(2) of the Act.

Direct FO and OL funds are reserved until September 1 of each FY. Beginning farmer downpayment funds are reserved until April 1 of each FY.

Note: Between April 1 and September 1 of each FY, beginning farmer downpayment funds may be used by any eligible beginning farmer.

Guaranteed FO and OL funds are reserved until April 1 of each FY.

Note: An FLP notice will be issued before the lifting of targets.

M Transfer of Funds

[7 CFR 761.210] If sufficient unsubsidized guaranteed OL funds are available, then beginning on:

- (a) August 1 of each fiscal year, the Agency will use available unsubsidized guaranteed *--OL loan funds to make approved direct FO loans to beginning farmers and socially disadvantaged farmers under the Downpayment loan program; and--***
- (b) September 1 of each fiscal year the Agency will use available unsubsidized guaranteed OL loan funds to make approved direct FO loans to beginning farmers.**

102 Establishing a Supervised Bank Account

A Selecting a Financial Institution

[7 CFR 761.51(b)] The borrower may select the financial institution in which the account will be established, provided the institution is Federally insured. If the borrower does not select an institution, the Agency will choose one.

[7 CFR 761.51(c)] Only one supervised bank account will be established for any borrower.

[7 CFR 761.51(d)] If both spouses sign an FLP note and security agreement, the supervised bank account will be established as a joint tenancy account with right of survivorship from which either borrower can withdraw funds.

B Opening a Supervised Bank Account

The authorized agency official must provide the financial institution with FSA-2140, which addresses:

- services to be provided
- frequency and method of transmission for account statements
- countersignature requirements
- waiving of service charges whenever possible.

The authorized agency official, the financial institution, and any borrower authorized to write checks must sign FSA-2140. File the original in the borrower's case file and provide 1 copy to the borrower and 1 copy to the financial institution.

The authorized agency official is not required to provide his or her SSN to the financial institution. Government agencies are exempt from the requirements of the Customer Identification Program. FSA-2139 will be sent to financial institutions that require documentation of the exempt status of Government agencies on this issue.

C Type of Account

[7 CFR 761.53(a)] A supervised bank account, if possible, will be established as an interest bearing deposit account provided that funds will not be immediately disbursed, and the account is held jointly by the borrower and the Agency if this arrangement will benefit the borrower.

The authorized agency official, the borrower, and the financial institution must complete FSA-2141 when an interest bearing account is used.

102 Establishing a Supervised Bank Account (Continued)

***--D Account Balance Exceeding the Maximum Amount Insured by the Government**

[7 CFR 761.51(e)] If the funds to be deposited into the account cause the balance to exceed *the maximum amount insurable by the Government*, the financial institution must agree to pledge acceptable collateral with the Federal Reserve Bank for the excess over *the insured amount*, before the deposit is made.

Note: The Emergency Economic Stabilization Act of 2008, effective October 3, 2008, through December 31, 2009, put into law provisions that impact the maximum deposit amounts insured by the Government. A revision to FSA's CFR text printed in italics has not yet been published in the FR, but should be followed when using supervised bank accounts based on an interim rule published by FDIC on October 17, 2008.

Agency officials should use EFT or multiple advances when possible to minimize instances where the balance in supervised bank accounts will exceed the maximum insurable amount.

If an account balance will exceed \$250,000, County Offices must complete FSA-2144 and--* forward it to the State Office. The State Office shall submit FSA-2144 to:

FMD FINANCIAL SYSTEMS AND PROCEDURES BRANCH
STOP 0581
1400 INDEPENDENCE AVE SW
WASHINGTON DC 20250-0581

FAX: 703-305-1144.

FMD will coordinate the collateralization with the financial institution.

[7 CFR 761.51(e)] (1) If the financial institution is not a member of the Federal Reserve System, the institution must pledge acceptable collateral with a correspondent bank that is a member of the Federal Reserve System. The correspondent bank must inform the Federal Reserve Bank that it is holding securities pledged for the supervised bank account in accordance with 31 CFR Part 202 (Treasury Circular 176).

(2) When the balance in the account has been reduced, the financial institution may request a release of part or all of the collateral, as applicable, from the Agency.

Requests for release of collateral will be forwarded to FMD, Financial Systems and Procedures Branch.

141 General Appraisal Requirements (Continued)

F Using an Existing Appraisal

[7 CFR 761.7(c)] Except where specified elsewhere, when a real estate appraisal is required, the Agency will use an existing real estate appraisal to reach loan making or servicing decisions under either of the following conditions:

- (1) The appraisal was completed within the previous 12 months and the Agency determines that:**
 - (i) The appraisal meets provisions of this section and applicable Agency loan making and servicing requirements, and**
 - (ii) Market values have remained stable since the appraisal was completed; or**
- (2) the appraisal was not completed in the previous 12 months, but has been updated by the appraiser or appraisal firm that completed the appraisal and both the update and original appraisal were completed in accordance with USPAP.**

Note: Current USPAP requirements provide that an update of an appraisal is a new appraisal assignment. The appraiser may provide a new report:

- without incorporating the prior report
- by incorporating the prior report by attachments
- by incorporating the prior report by reference only if the original appraiser's firm and original intended users agree.

141 General Appraisal Requirements (Continued)**G Using Third Party Appraisals**

FSA may use an appraisal that has been completed by a third party for any direct or guaranteed loanmaking or loan servicing action, provided the appraisal meets all of the following:

- appraisal was completed within the previous 12 months
- appraisal was signed by a State-certified general appraiser licensed in the State where the property is located
- intended use stated in the report is consistent with FSA's need.

Notes: FSA does not need to be listed as an intended user in a third party appraisal report for any direct or guaranteed loanmaking or loan servicing action; however, FSA must verify that the appraisal was ordered by and prepared for a financial institution or land trust. Borrower-ordered appraisals are not acceptable for loanmaking or loan servicing actions except as provided in 5-FLP for special servicing actions.

*--If the administrative review concludes the appraisal is **not** acceptable for FSA use, a technical review should **not** be completed, nor should the report be used.--*

H Contracts for Appraisal Services

Contracts for obtaining real estate or chattel appraisals shall be established according to Part 7.

143 FSA Review of Appraisal Reports (Continued)

--E Conducting Technical Appraisal Reviews--

FSA will complete a technical appraisal review of the following:

- first direct loan appraisal completed by a contract appraiser with whom FSA has had no appraisal experience within the past 2 FY's
- first third party appraisal used for direct loan appraisals completed by an appraiser with whom FSA has had no appraisal experience within the past 2 FY's
- *--first guaranteed loan appraisal completed by appraisers with whom FSA has had no appraisal experience within the past 2 FY's

Note: If an appraisal has been technically reviewed under any of the previous bullets, it is **not** necessary to conduct another review of another appraisal completed by the same appraiser on a different category, such as appraisal reviewed with a guaranteed loan and the same appraiser subsequently completes another assignment that is submitted to FSA as a third party appraisal. A review would **not** be necessary.--*

- 1 appraisal (or technical review when an appraisal has not been completed during the cycle) completed by FSA staff appraisers every 2 FY's

Note: The National Office will coordinate peer desk type reviews and monitor completion and results. Peer reviewers and appraisal/technical reviews selected for review will be on a random basis.

- direct or guaranteed loan appraisals when an administrative review detects serious problems
- all appraisals completed by limited authority appraisers
- of appraisals conducted by contractors and FSA employees in a random spot check method that is established by SED

Note: Each year, SED will vary the method used to select appraisals for review to ensure that adequate internal controls are established.

- on a more frequent basis, if problems have been detected in the scheduled spot check review
- upon request of the loan approval official anytime before loan approval.

143 FSA Review of Appraisal Reports (Continued)**F Recordkeeping and Internal Management Controls**

Each State must maintain a recordkeeping system and internal management controls to ensure that all administrative, technical, and field reviews and compliance activities are accomplished according to 25-AS, Exhibit 40.5.

G USPAP Records Retention

USPAP requires that appraisers retain documentation about appraisal reviews and technical appraisal reviews they conduct for whichever of the following is longer:

- 5 years from date of completion
- 2 years from the date all appeals and litigation about the appraisal are concluded.

SED's shall provide adequate storage space to staff appraisers for the duration of the required documentation retention period.

***--H FLP Appraisal Work Files**

Appraisal work files **must**:

- **not** be destroyed or otherwise removed from FSA when USPAP retention requirements expire
- be relinquished when appraisers leave FSA employment positions.

Note: Appraisers may make copies of their work files at no cost before departing. Appraisers will be provided access to their work files on an as-needed basis to address State board concerns.--*

263 Minimum Requirements of the Analysis (Continued)

F Analyzing How Performance Can be Improved (Continued)

The authorized agency official should remind the borrower that deviations from the agreed-upon farm operating plan must be discussed with FSA.

G Preparing an Updated Farm Operating Plan

The year-end analysis must include a current farm operating plan. Unlike other parts of an assessment, the farm operating plan is prepared by the applicant, with FSA's assistance if needed.

264-400 (Reserved)

402 FLPRA Review Process

A Administering FLPRA Reviews

FLPRA reviews will be administered and the results reported both at the State Office and National Office levels. The National Office and State Offices can access the FSA Intranet at <http://intranet.fsa.usda.gov/fsa/> to obtain guides detailing the process to complete the reviews according to the following.

Step	Action
1	Under the “Links” section on the left side of the homepage, CLICK “FSA Applications”.
2	On the FSA Applications page, CLICK “Farm Loan Program Systems”.
3	On the Farm Loan Program Systems homepage under the “Informational Links” section, CLICK “Manuals” and CLICK “FLPRA National Office Review Process Guide” or “FLPRA State Office Review Process Guide”.

B State Office Review Responsibilities

*--State Offices will be required to complete FLPRA reviews as follows:

- **States with 9 or more FLP Service Centers** will be required to review a minimum of one-third of their FLP Service Centers annually, with all FLP Service Centers reviewed at least once every 5 years
- **States with 8 or fewer FLP Service Centers** will be required to conduct at least one FLP Service Center review per year and review all of their FLP Service Centers within a 3-year period.

The process for selecting the FLP Service Centers and high risk program areas to be reviewed is set forth in the FLPRA State Office Review Process Guide.

C National Office Review Responsibilities

The National Office will complete FLPRA reviews in 10 to 13 States per year. The reviews evaluate State FLP delivery and include visits to a limited number of FLP Service Centers.--* The process used by the National Office to select States to be reviewed is set forth in the FLPRA National Office Review Process Guide.

403 State Office Reporting Requirements***--A FLP Service Center Report**

State Offices will provide a report to each FLP Service Center reviewed within 30 calendar days after completing the review. The reports will be developed in the format set forth in FLPPRA State Office Review Process Guide, Exhibit 2. Reports for each FLP Service Center will include FLPPRA State Office Review Process Guide, Exhibits 4 through 7 that will:

- rate each FLP Service Center reviewed in the 3 risk areas
- provide a composite score for the FLP Service Center.

The scores for each FLP Service Center will be:

- input in the automated FLPPRA system within 30 calendar days of completing the review
- documented in the comment box provided to support the scores reported
- input in the automated FLPPRA system no later than October 15.--*

B Annual Report

No later than November 1, each State will submit the annual FLP4 Report to PDEED using the template provided in the State Office Review Process Guide, Reports Section.

404 National Office Reporting Requirements**A State Visit Reports**

The National Office will provide a findings report from on-site visits to State management within 30 calendar days after completing the review. The format of this report is detailed in the National Office Review Process Guide, Section 6. This report will:

- *--clearly present conclusions that are supported by facts obtained during the review--*
- include recommended mitigative actions.

Mitigative actions will:

- be developed in conjunction with State management during the on-site visit
- have a specified date to provide an update on the State's progress in mitigating identified risks.

B PDEED Action

Upon receiving a State's risk mitigation plans, PDEED shall:

- evaluate and approve risk mitigation plans
- establish a follow-up system to ensure that risk mitigation plans are implemented
- assess the success of the risk mitigation plan on reducing identified high risks
- provide an annual report to DAFLP summarizing the area of potential risk in the States visited.

405-440 (Reserved)

***--441 General Provisions**

A Overview

As the FLM's first-line supervisor who manages the FLP activities in the Service Center, it is incumbent upon DD to monitor the FLP delivery to ensure adherence to appropriate laws, policies, and procedures.

B Purpose

The DD FLP oversight process provides a standardized and consistent reporting format and means by which DD can:

- document results from quarterly FLP oversight reviews
- view previously completed quarterly reports
- monitor and follow-up on actions to be taken by FLP Service Center staff.

442 DDORS

A Overview

Reporting of FLP oversight review results will be completed on a quarterly basis using DDORS.

DDORS:

- was developed to assist DD with completing FLP oversight reviews conducted in the FLP Service Centers
- provides the means by which DD can document and submit review results to State and Field Offices
- contains the review items for each reporting quarter.

B Reporting Timeframes

The first quarter report:

- will be available for completion in DDORS starting November 1 and ending on January 31
- should reflect first quarter data gathered between October 1 and December 31
- is comprised of quarterly review items, additional review items, and certification.--*

*--442 DDORS (Continued)

B Reporting Timeframes (Continued)

The second quarter and first semi-annual report:

- will be available for completion in DDORS starting February 1 and ending on April 30
- should reflect:
 - second quarter data gathered between January 1 through March 31 for quarterly review items
 - data gathered between October 1 through March 31 for the first semi-annual review items
- is comprised of quarterly review items, first semi-annual review items, additional review items, and certification.

The third quarter report:

- will be available for completion in DDORS starting May 1 and ending on July 31
- should reflect third quarter data gathered between April 1 and June 30
- is comprised of quarterly review items, additional review items, and certification.

The fourth quarter, second semi-annual, and annual report:

- will be available for completion in DDORS starting August 1 and ending on October 31
- should reflect:
 - fourth quarter data gathered between July 1 and September 30 for quarterly review items
 - data gathered between April 1 and September 30 for the second semi-annual review items
 - data gathered between October 1 at the beginning of FY through September 30 at the end of FY to complete the annual review items
- is comprised of quarterly review items, second semi-annual review items, annual review items, additional review items, and certification.

Note: The quarterly report that corresponds to the current reporting period will be displayed when DD clicks on the link for the Service Center to be reviewed from the DDORS homepage. Review results for all review areas corresponding to each quarter will be captured when the report is submitted or archived by the system when the reporting period has ended. All past reports completed for the FLP Service Center in DDORS will be available for five FY's.--*

***--442 DDORS (Continued)**

C System Access

Access DDORS from the Farm Loan Programs Systems homepage, at <https://indianocean.sc.egov.usda.gov/flp/IndexServlet>, according to the following.

Step	Action
1	CLICK “Logon” and enter the eAuthentication ID and password.
2	CLICK “District Director Oversight Reporting System (DDORS)” listed under “Other FLP Systems”.
3	Select the Service Center to be accessed.

Notes: Review items for the current reporting period will be accessed from the Service Center report outline page. DD’s can navigate back to the report outline for a Service Center by clicking “Go Back to Report Outline” on the submenu at the left of the screen. CLICK “Home” at the top of the screen to bring the user back to his or her homepage.

Access to Service Center reports are based on the user’s jurisdictional privileges. DD’s will have access to the FLP Service Centers for which they have FLP oversight responsibility. FLC and SED will have view-only access to all reports completed on all Service Centers within the State or States over which they have program oversight responsibilities. Other State users, such as FLS’, will have access to Service Centers as designated by FLC or SED. Users who need access to DDORS should contact the State Systems Administrator.

FLM’s, FLO’s, and PT’s will be able to view the reports completed for the Service Centers they manage. In a future phase of production, these users will have permission to follow-up on action items for their Service Centers that are established by DD’s in DDORS.

443 Responsibilities

A DD Responsibilities

DD’s shall:

- coordinate and plan all FLP oversight review site visits with FLP State Office staff so that participation by FLC or FLS can be arranged when necessary
- notify SED or FLC of any apparent problems that may require immediate attention--*

--443 Responsibilities (Continued)*A DD Responsibilities (Continued)**

- use DDORS to:
 - document specific findings for each case file or operational file reviewed
 - complete all quarterly review items for each Service Center
 - submit Service Center oversight reports for review by other users.

Note: Submitting the report online in DDORS is the:

- certification for that report
- same as the signature on FSA-2101.

B Service Center Responsibilities

FLM's, FLO's, or PT's shall:

- assist in obtaining the reports needed for items to be reviewed

Note: Exhibit 35 is provided as a guide to reports that are needed for the various review items.

- be available to discuss specific cases or to answer questions from DD
- follow-up on any action items identified by DD's in DDORS.

C State Office Responsibilities

SED's shall ensure that timely FLP oversight reviews are completed by DD's in DDORS.

FLC's shall:

- review reports in progress and submit and follow-up on action items as needed
- discuss concerns with DD and SED
- fully document actions taken to remedy identified deficiencies in the operational file.

D National Office Responsibilities

DDORS oversight reports shall be reviewed with the FLPRA process. Reports for each FLP Service Center within a State shall be reviewed to ensure that:

- consistent oversight reviews are being conducted by DD's in the State
- SED's and FLC's are monitoring and addressing any deficiencies or apparent problems identified by DD's.--*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

This table lists the required reports of this handbook.

Reports Control Number	Title	Reporting Period	Submission Date	Negative Reports	Reference
FLP4	FLPRA Annual Report	Annually	By November 1 each year	Required	403

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		Ex. 35
CCC-257	Schedule of Deposit		Ex. 35
FmHA 2006-21	Information Systems Management (ISM) Request for Changes to User Documentation		52
FSA-137	Address Information Request		46
FSA-159	Request for Supplies, Forms, and/or Publications		Ex. 5, 17
FSA-470	Tractor Feed Post Card for Metered Postage		46
FSA-603	Collection Register for State and County Offices		Ex. 35
FSA-851	Environmental Risk Survey Form		Ex. 35
FSA-1922-1	Appraisal Report - Farm Tract		142
FSA-1922-2	Supplemental Report		142
FSA-1922-9	Real Estate Sales Data		142
FSA-1922-10	Appraiser's Worksheet - Farm Tracts - Study of Comparable Properties		142
FSA-1922-11	Appraisal for Mineral Rights		142
FSA-1922-16	Administrative Appraisal Review		143
FSA-1980-15	Conditional Commitment		15, Ex. 7
FSA-2001	Request for Direct Loan Assistance		44, 47, 48, Ex. 35
FSA-2007	Statement Required by the Privacy Act for Non-Applicants		48
FSA-2037	Farm Business Plan Worksheet Balance Sheet		Ex. 15

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		Ex. 15
FSA-2040	Agreement and Record of the Disposition of FSA Security/Release of Proceeds		262, 263, Ex. 7, 35
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation		168
FSA-2101	DD FLP Oversight Report Guide		443
FSA-2103	Direct Loan Making File Review Questionnaire		28
FSA-2104	Guaranteed Loan Making File Review Questionnaire		28
FSA-2119	Delinquent Borrower Servicing File Review Questionnaire		28
FSA-2125	Farm Loan Program County Information File Changes		46
FSA-2126	Program Loan Cost Expense (PLCE) Request (Non-Contractuals only)		166-168
FSA-2139	Notification of Exemption Social Security Number Requirement		102
FSA-2140	Deposit Agreement		101, 102
FSA-2141	Interest-Bearing Deposit Agreement		102
FSA-2142	Statement of Deposits and Withdrawals		103
FSA-2144	Designated Financial Institutions Collateral Pledge		102
FSA-2145	Demand for Withdrawal of Supervised Bank Account Funds		103
FSA-2150	Development Plan		122, 125
FSA-2153	Release by Claimants		122
FSA-2154	Release by Contractor		122
FSA-2160	Appraisal of Chattel Property		142
FSA-2171	Substitute Invoice		166
FSA-2172	Request for Emergency Payment		168
FSA-2173	Foundation Financial Information System (FSIS) Vendor Code Request		162
FSA-2201	Lender Agreement		47, Ex. 35
FSA-2211	Application For Guarantee		44, 47

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2212	Preferred Lender Application For Guarantee		44, 47
FSA-2232	Conditional Commitment		43, Ex. 7
FSA-2233	Lender Certification		43
FSA-2235	Loan Guarantee		Ex. 7
FSA-2242	Assignment of Guarantee		Ex. 7
FSA-2254	Guaranteed Loan Report of Loss		Ex. 35
FSA-2292	Guaranteed Loan Processing Checklist		Ex. 35
FSA-2301	Request For Youth Loan		Ex. 15
FSA-2304	Notice of Incomplete Application		Ex. 35
FSA-2305	Second Notice of Incomplete Application		Ex. 35
FSA-2306	Notice of Application Withdrawal/Pending Withdrawal		Ex. 35
FSA-2307	Notice of Complete Application		Ex. 35
FSA-2308	Notice of Eligibility for FSA Assistance		Ex. 35
FSA-2313	Notification of Loan Approval and Borrower Responsibilities		202
FSA-2318	Agreement for Disposition of Jointly-Owned Property		Ex. 35
FSA-2341	Certification of Attorney		43
FSA-2342	Certification of Title Insurance Company		43
FSA-2510	Notice of Availability of Loan Servicing to Borrowers who are 90 Days Past Due		3
FSA-2512	Notice of Availability of Loan Servicing to Borrowers Who Are Current, Financially Distressed, or Less than 90 Days past Due		3
FSA-2514	Notice of Availability of Loan Servicing to Borrowers Who are in Non-Monetary Default		3
FSA-2535	Conservation Contract		3
FSA-2543	Shared Appreciation Agreement		3
FSA-2580	Primary and Preservation Loan Servicing Checklist		Ex. 13
FSA-2581	Inequitable Treatment Review Data		Ex. 13
RD 1922-15	Administrative Appraisal Review for Single Family Housing		143
RD 1940-22	Environmental Checklist for Categorical Exclusions		Ex. 15, 35

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
ACIF	Agricultural Credit Insurance Fund	163
ADPS	Automated Discrepancy Processing System	Text
ADR	alternative dispute resolution	42
AO	Administrative Officer	25, 27
BIR	Business Information Report	48
BOPR	Borrower Property Table	166
CDAT	Consent Decree Action Team	Ex. 12
CLP	Certified Lender Program	Text
CMT	Constant Maturity Treasury	Ex. 17
CONACT	Consolidated Farm and Rural Development Act	1, 21, 29, 251
DDORS	District Director Oversight Reporting System	442, 443
DLS	Direct Loan System	44, 49, 51, 244
DOJ	Department of Justice	41
ECOA	Equal Credit Opportunity Act	41
EFT	electronic funds transfer	Text, Ex. 7
EIN	employer identification number	162
EM	emergency loans	29
ERSR	Electronic Repository of Security Requests	53
FAR	Federal Acquisitions Regulation	162, 165
FBP	Farm Business Plan	Text, Ex. 35
FCAO	Farm Credit Applications Office	49
FFIS	Foundation Financial Information System	162, 166, 167, 168
FFIS Team	PARLC, LAO	167, 168
FLC	Farm Loan Chief	Text
FLM	Farm Loan Manager	Part 2, 441-443, Ex. 7
FLO	Farm Loan Officer	Text, Ex. 7
FLOT	Farm Loan Officer Trainee	25
FLPRA	Farm Loan Programs Risk Assessment	Part 9
FLS	Farm Loan Specialist	23, 25, 29, 442, 443
FmHA	Farmers Home Administration	2
FO	Farm Ownership	29, 45
FSC, FLOO	Financial Services Center, Farm Loan Operations Office	50, 52, 162, 167
GLS	Guaranteed Loan System	44, 46, 50
ITLAP	Indian Tribal Land Acquisition Program	2

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
LOC	line of credit	29
LOD	Loan Operations Division	168
MAC	Management of Agricultural Credit	49, 222, 244
OAC	Office of Adjudication and Compliance	Ex. 12
OL	Operating Loans	29, 45
OTI	Opportunity to Improve Plan	25, 27
PAC	Program Authority Code	164, 166, 167
PARLC, LAO	Policy, Accounting, Reporting, and Loan Center, Loan Accounting Office	167, 168
PIP	Performance Improvement Plan	25, 27
PLCE	Program Loan Cost Expense	Part 7, Ex. 4, 26
PLP	Preferred Lender Program	29, 43, 143
PLAS	Program Loan Accounting System	49
PLS	Primary Loan Servicing	25, 27, 29, 144
PT	program technician	23, 26, 442, 443, Ex. 7
PVHT	Voucher Header Inquiry Table	167, 168
PVLT	Voucher Line Inquiry Table	167, 168
RD	Rural Development	Text
SALP	Special Apple Loan Program	2, 29
SCIMS	Service Center Information Management System	44, 46, 49
SEL	standard eligible lender	43
SLR	Security Liaison Representative	53
SSN	Social Security number	Ex. 13
TC	transaction code	52
TDCLC	term debt capability lease coverage	252
TIN	taxpayer identification number	162, Ex. 13
TY	payment voucher transaction	166, 167, 168
USPAP	Uniform Standards of Professional Appraisal Practice	Part 6
VID	vendor identification	162, 166

Re delegations of Authority

SED's may redelegate their:

- loan approval authority to FLC, FLS, or DD
- authority to allow the use of a restricted appraisal report to the designated State staff appraiser.

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
RD 2006-38		Civil Rights Impact Analysis Certification	7-8-98
RD 2021-6	FSA-2125	Farm Loan Programs - County Information File Changes	
FmHA 2027-3		Request and Justification for Reproduction Equipment	12-11-96
RD 2030-6		Record of telephone call or office visit	12-31-07
RD 2033-3		Correspondence Charge and Routing Slip	7-8-98
FmHA 2033-5		Request for Future Delivery of File(s) and/or Establishing a Follow-up	2-17-99
FmHA 2033-6		File Cover Sheet-Restricted (For Official Use only)	4-9-97
RD 2036-1		Travel Record	9-27-00
FmHA 2039-1		Request for Authorization to Incur Transfer Expense	5-8-96
FmHA 2039-4		Service Agreement	5-8-96
FmHA 2051-1		Application for Change in Tour of Duty	12-31-07
FmHA 2051-5		Record of FLSA Travel Time	7-8-98
FmHA 2054-1		Letter to Nominees	7-8-98
FmHA 2054-2		Letter to Elected County Committee Member	7-8-98
FmHA 2054-3		County Committee Membership Record	7-8-98
FmHA 2054-4		Separation Notice to County/Area Committee Members	7-8-98
FmHA 2054-5		Nominating Petition	7-8-98
FmHA 2054-6		Mileage Certification for County Committee Member	7-8-98
FmHA 2054-7		Record of County/Area Committee Meeting	7-8-98

Forms List (Continued)

B Forms (Continued)

Old Form Number	New Form Number	Title	Date Made Obsolete
FmHA 2057-9		Executive-Management-Supervisory (E-M-S) Individual Development Plan	7-8-98
RD 2057-10		Executive-Management-Supervisory (E-M-S) Individual Development Planning Report	7-8-98
RD 2057-11		Individual Development Plan ADP Coordinator/ADPC Assistant	7-8-98
FmHA 2057-13		Individual Development Plan	7-8-98
***	***	***	
FSA-2037	(*)	Farm Business Plan Worksheet, Balance Sheet	
FSA-2038	(*)	Farm Business Plan, Projected Income and Expenses	
FSA-2039	(*)	Farm Business Plan Worksheet - Summary of Year's Business	
FSA-2101	(*)	DD FLP Oversight Report Guide	
FSA-2102		Report and Summary Schedule for DD FLP Oversight Reviews	12-31-07
FSA-2103	(*)	Direct loan making file review questionnaire	
FSA-2104	(*)	Guaranteed loan making file review questionnaire	
FSA-2105		Routine Direct loan servicing of current borrowers file review questionnaire	3-3-06
FSA-2106		Guaranteed loan servicing file review questionnaire	3-6-06
FSA-2107		Collection and resolution of direct FLP debts file review questionnaire	3-6-06
FSA-2108		Guaranteed loan loss claims file review questionnaire	3-6-06
FSA-2109		Farm inventory property file review questionnaire	6-8-04

FLP Rates

A Interest Rates for FLP's

--The following table provides interest rates for FLP's as of January 1, 2009.--

Loan Type	Current Rate (%)	Date Set
Rural Housing – Farm Loan Purposes	5.375	11/1/08
Operating	*--3.00	1/1/09--*
Operating – Limited Resource	5.00	12/1/90
Farm Ownership	4.875	11/1/08
Farm Ownership – Limited Resource	5.00	4/1/86
Farm Ownership – Down Payment	1.50	5/22/08
Farm Ownership – Joint Financing	5.00	3/24/97
Soil and Water	4.875	11/1/08
Soil and Water – Limited Resource	5.00	7/1/92
Recreation – Individual	4.875	11/1/08
Farmer Program – Homestead Protection	4.875	11/1/08
Shared Appreciation Amortization	3.875	11/1/08
Softwood Timber Loans	4.875	11/1/08
Economic Emergency – Operating	*--3.00	1/1/09--*
Economic Emergency – Real Estate	4.875	11/1/08
Emergency – Amount of Actual Loss	3.750	1/25/94
Emergency – Major Adjustment: Subtitle A Purpose (Excess of Loss)	*--8.125	1/1/09
Emergency – Major Adjustment: Subtitle B Purpose (Excess of Loss)	5.250	1/1/09
Emergency – Annual Production	5.250	1/1/09
Nonprogram - Chattel Property	5.250	1/1/09
Nonprogram - Real Property	8.125	1/1/09
Apple Loans	1.625	1/1/09--*
Association – Grazing	4.875	11/1/08
Association – Irrigation and Drainage	4.875	11/1/08
Indian Land Acquisition	5.00	2/1/91

Publication 622, which provides amortization tables and financial basic payment tables, is available from MSD Warehouse. To request Publication 622, complete FSA-159, available at <http://165.221.16.90/dam/ffasforms/forms.html>, and submit it by 1 of the following methods.

- FAX to 816 363-1762
- e-mail to ra.mokansasc2.kcasbwhse
- mail to:

USDA/FSA/Kansas City Warehouse
9240 Troost Ave
Kansas City MO 64131.

FLP Rates (Continued)

B Treasury Rates

The following table provides the applicable Treasury rates.

Treasury Rates	Current Rate (%)	Date Set
90-Day Treasury Bill	*--0.500	1/1/09
Treasury Judgment Rate (see Note)	0.690	1/1/09--*

Notes: The 90-Day Treasury Bill rate is entered in DALR\$ as the “Discount Rate” and is used to calculate present value and net recovery value.

The treasury judgment rate is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961). The rate is based on the weekly average 1-year CMT yield published by the Federal Reserve System, Board of Governors. The rate shown is the most current rate posted to the Federal Reserve web site and is dated the *--week ending December 5, 2008. The actual judgment rate is the rate for the calendar--* week preceding the date the defendant becomes liable for interest. Access the Federal Reserve web site www.federalreserve.gov/releases/H15/current for the weekly average 1-year CMT yield.

C Historical 90-Day Treasury Bill Rates

The following table provides the historical 90-day Treasury bill rates.

Effective Date	Rate (%)	Effective Date	Rate (%)
December 1, 1988	7.500	December 1, 1990	7.500
January 1, 1989	7.875	January 1, 1991	7.375
February 1, 1989	8.250	February 1, 1991	7.125
March 1, 1989	8.500	March 1, 1991	6.500
April 1, 1989	8.750	April 1, 1991	6.250
May 1, 1989	9.000	May 1, 1991	6.125
June 1, 1989	9.150	June 1, 1991	5.875
July 1, 1989	8.750	July 1, 1991	5.750
August 1, 1989	8.625	October 1, 1991	5.625
September 1, 1989	8.250	November 1, 1991	5.375
October 1, 1989	8.125	December 1, 1991	5.250
December 1, 1989	8.000	January 1, 1992	4.875
February 1, 1990	7.875	February 1, 1992	4.375
April 1, 1990	8.000	March 1, 1992	3.875
May 1, 1990	8.125	May 1, 1992	4.125
July 1, 1990	8.000	June 1, 1992	4.000
October 1, 1990	7.750	July 1, 1992	3.750
November 1, 1990	7.625	September 1, 1992	3.500

FLP Rates (Continued)

C Historical 90-Day Treasury Bill Rates (Continued)

Effective Date	Rate (%)	Effective Date	Rate (%)
October 1, 1992	3.250	November 1, 1997	4.875
November 1, 1992	3.125	December 1, 1997	5.000
December 1, 1992	2.875	January 1, 1998	5.250
January 1, 1993	3.125	June 1, 1998	4.875
February 1, 1993	3.375	November 1, 1998	4.875
March 1, 1993	3.125	December 1, 1998	4.250
April 1, 1993	3.000	January 1, 1999	4.375
August 1, 1993	3.125	February 1, 1999	4.500
November 1, 1993	3.000	May 1, 1999	4.625
January 1, 1994	3.125	June 1, 1999	4.375
April 1, 1994	3.250	July 1, 1999	4.625
May 1, 1994	3.500	September 1, 1999	4.750
June 1, 1994	3.625	November 1, 1999	4.875
July 1, 1994	4.125	January 1, 2000	4.875
August 1, 1994	4.250	February 1, 2000	5.375
September 1, 1994	4.375	April 1, 2000	5.625
October 1, 1994	4.500	May 1, 2000	5.875
November 1, 1994	4.750	July 1, 2000	6.000
December 1, 1994	5.000	August 1, 2000	5.875
January 1, 1995	5.250	September 1, 2000	6.000
February 1, 1995	5.750	October 1, 2000	6.250
April 1, 1995	6.000	January 1, 2001	6.375
May 1, 1995	5.875	February 1, 2001	6.125
August 1, 1995	5.750	March 1, 2001	5.500
September 1, 1995	5.625	April 1, 2001	4.875
November 1, 1995	5.500	May 1, 2001	4.750
February 1, 1996	5.375	June 1, 2001	4.125
March 1, 1996	4.875	July 1, 2001	3.750
April 1, 1996	5.000	August 1, 2001	3.625
June 1, 1996	4.875	October 1, 2001	3.500
August 1, 1996	5.250	November 1, 2001	3.125
December 1, 1996	4.875	December 1, 2001	2.250
February 1, 1997	5.000	January 1, 2002	2.000
March 1, 1997	4.875	February 1, 2002	1.750
May 1, 1997	5.250	March 1, 2002	1.625
June 1, 1997	5.375	April 1, 2002	1.750
July 1, 1997	5.250	October 1, 2002	1.625
August 1, 1997	4.875	January 1, 2003	1.375
October 1, 1997	5.250	February 1, 2003	1.250

FLP Rates (Continued)

C Historical 90-Day Treasury Bill Rates (Continued)

Effective Date	Rate (%)	Effective Date	Rate (%)
April 1, 2003	1.125	October 1, 2006	5.125
August 1, 2003	1.000	November 1, 2006	5.00
September 1, 2003	0.875	January 1, 2007	5.125
October 1, 2003	1.000	February 1, 2007	5.00
December 1, 2003	0.875	April 1, 2007	5.125
January 1, 2004	1.000	June 1, 2007	5.00
February 1, 2004	0.875	July 1, 2007	4.875
May 1, 2004	1.000	August 1, 2007	4.75
August 1, 2004	1.250	September 1, 2007	4.875
September 1, 2004	1.375	October 1, 2007	4.625
October 1, 2004	1.500	November 1, 2007	4.125
November 1, 2004	1.625	December 1, 2007	4.000
December 1, 2004	1.750	January 1, 2008	3.625
January 1, 2005	2.000	February 1, 2008	3.000
February 1, 2005	2.250	March 1, 2008	3.125
April 1, 2005	2.50	April 1, 2008	2.25
May 1, 2005	2.75	May 1, 2008	1.50
June 1, 2005	2.875	June 1, 2008	1.250
July 1, 2005	2.875	July 1, 2008	1.625
August 1, 2005	3.000	August 1, 2008	1.875
September 1, 2005	3.125	September 1, 2008	1.75
October 1, 2005	3.50	November 1, 2008	1.375
December 1, 2005	3.625	December 1, 2008	0.750
January 1, 2006	4.00	*--January 1, 2009	0.500--*
March 1, 2006	4.125		
April 1, 2006	4.500		
May 1, 2006	4.625		
July 1, 2006	4.875		
September 1, 2006	5.00		

D Current Percentage – Cash Preference

The following table provides the current percentage for cash offers in purchasing inventory property.

Property Type	Percentage
Real Property	97
Chattel Property	96

***--DD FLP Oversight Review Source Documents**

Review Part: A

Quarterly Review Items

Review Area: 1. A.

Direct Loan Making - Complete Applications

Review Items:

SOURCE DOCUMENTS

- (1) DLS FLP Application Report
- (2) Report ID: MABDIG-R001; FSA-2001
- (3) FSA-2307; DLS Loan Making Checklist
- (4) FSA-2308; DLS Loan Making Checklist
- (5) RD 1940-22; FSA-851; 1940-G-1 Letter
- (6) DLS Loan Request Detail Screen
- (7) DLS FLP Application Report; FSA-2001; case file correspondence; FBP Credit Action

Review Area: 1. B.

Direct Loan Making - Incomplete Applications

Review Items:

SOURCE DOCUMENTS

- (1) DLS FLP Application Report
- (2), (3), and (4) DLS FLP Application Report; DLS Loan Making Checklist; FSA-2001; FSA-2304; FSA-2305

Review Area: 1. C.

Direct Loan Making - Withdrawn Applications

Review Items:

SOURCE DOCUMENTS

- (1) and (2) DLS FLP Application Report; FSA-2001
- (3) and (6) FSA-2306; case file documentation
- (4) DLS FLP Application Report; FSA-2001
- (5) FSA-2304; FSA-2305

Review Area: 1. D.

Direct Loan Making - Rejected Applications

Review Items:

SOURCE DOCUMENTS

- (1) and (2) DLS FLP Application Report; DLS Rejected Application Report
- (3), (4), and (5) Case file correspondence; 1-APP, Exhibit 8, Example 3; 1-FLP--*

*--DD FLP Oversight Review Source Documents (Continued)

Review Part: A

Quarterly Review Items

Review Area: 2.

Guaranteed Loan Making - Applications

Review Items:

SOURCE DOCUMENTS

(1) and (2)

Report GLSAPP02; GLS2209A

(3)

Report GLS2209A; FSA-2201

(4)

Report ID: MABDIG-R001; FSA-2001

(5)

Case file documentation and correspondence

(6)

Case file documentation and correspondence; FSA-2292

(7)

Report GLS2209A; 2-FLP, paragraph 83

(8)

RD 1940-22; FSA-851

Review Area: 3. A. I

Direct Loan Servicing - Delinquent Accounts - 90 days or more past due

Review Items:

SOURCE DOCUMENTS

(1)

Report Code 540

(2) and (3)

WebAgcredit Borrower History Report; case file correspondence; 5-FLP, paragraphs 66 and 68

(4)

Report Code 540; FSA-603; CCC-257; 4-FLP

Review Area: 3. A. II

Direct Loan Servicing - Delinquent Accounts - Less than 90 days past due

Review Items:

SOURCE DOCUMENTS

(1)

Report Code 540

(2), (3), and (4)

Discussion with FLM/FLO; case file documentation

Review Area: 3. A. III

Direct Loan Servicing - Delinquent Accounts - Loans that may require attention

Review Items:

SOURCE DOCUMENTS

(1) and (2)

Report Code 540

(3) and (4)

Case file correspondence; FSA-603; CCC-257; 4-FLP; 5-FLP

Review Area: 3. B.

Direct Loan Servicing - Payments and Collections

Review Items:

SOURCE DOCUMENTS

(1)

Random selection from FSA-603

(2)

3-FI, paragraph 37

(3)

Report Code 540; FSA-603; CCC-257

(4)

4-FLP, Part 5

(5)

3-FI, paragraphs 3 and 15; CCC-257--*

***--DD FLP Oversight Review Source Documents (Continued)**

Review Part: A

Quarterly Review Items

Review Area: 4.

Program Delivery - FLP Goals

Review Items:

SOURCE DOCUMENTS

- A.
- B.
- C.
- D.

- 2006 memo from DAFLP
- Goals set by National Office for State in the 8 goal areas
- Goals set by State for the FLP Service Center in the 8 goal areas
- Discussion with FLP Service Center staff

Review Part: B

Semi-Annual Review Items

Review Area: 1.

Direct Loan Making - Loan Security Instruments

Review Items:

SOURCE DOCUMENTS

- (1)
- (2)
- (3)
- (4)
- (5)

- FBP Credit Action Report
- Case file documentation; MAC Security Instrument Information
- Physical check
- FSA-2318 (if applicable)
- CCC-10; security pledged by third party (if applicable)

Review Area: 2. A.

Direct Loan Servicing - Special Servicing

Review Items:

SOURCE DOCUMENTS

- (1)
- (2)
- (3)
- (4)

- Report Code 565-A, "Borrowers with Expiring Equity Recapture Agreements"
- Operational file FLP 4-1
- Case file documentation
- 5-FLP; case file documentation

Review Area: 2. B.

Direct Loan Servicing - Classification of Borrower Accounts

Review Items:

SOURCE DOCUMENTS

- (1)
- (2)
- (3)

- DLS FLP Application Report; FBP classification report
- 8N transaction report in case file; WLS report
- Report Code 736; WLS report

Review Area: 2. C.

Direct Loan Servicing - Annual Analysis

Review Items:

SOURCE DOCUMENTS

- (1)
- (2)
- (3)

- Report Code 540; WLS report; 1-FLP; 3-FLP
- WLS report
- (1) - (2) = (3)--*

*--DD FLP Oversight Review Source Documents (Continued)

Review Part: B **Semi-Annual Review Items**

Review Area: 3. A. *Guaranteed Loan Servicing - Status Reports and Delinquent Accounts*

Review Items: **SOURCE DOCUMENTS**

- (1) GLS4265; GLS-SR01; GLS-SR02
- (2) FLM should initial reviews (not required)
- (3) GLS4265; GLS-SR01; GLS-SR02
- (4) 2-FLP, paragraph 300; discussion with FLM/FLO
- (5) FSA-2254 (all outstanding)

Review Area: 3. B. *Guaranteed Loan Servicing - Lender Reviews*

Review Items: **SOURCE DOCUMENTS**

- (1), (3), and (5) 2-FLP, paragraph 267; CA4810; GLS2003
- (2), (4), and (6) Record count from operational files

Review Area: 4. *Office Management*

Review Items: **SOURCE DOCUMENTS**

- (1) 1-AS, paragraph 190
- (2) 25-AS, Exhibit 40.5

Review Part: C **Annual Review Items**

Review Area: 1. A. *Direct Loan Servicing - Borrower Graduation*

Review Items: **SOURCE DOCUMENTS**

- (1) Report Code 736, "Annual Review and Classification of FLP Borrowers"; 4-FLP, Part 4
- (2) Graduation operational file; 4-FLP, Part 4; case file documentation
- (3) Case file documentation; 4-FLP, Part 4

Review Area: 1. B. *Direct Loan Servicing - Subordinations*

Review Items: **SOURCE DOCUMENTS**

- (1) UAA926-ROO, Subordination Report
- (2) and (3) UAA926-ROO, Subordination Report; Discussion with FLM/FLO; 4-FLP, Part 6--*

***--DD FLP Oversight Review Source Documents (Continued)**

Review Part: C

Annual Review Items

Review Area: 1. C.

Direct Loan Servicing - Chattel Security Accounting

Review Items:

SOURCE DOCUMENTS

(1)

Report Code 540

(2) and (3)

Case file documentation; FSA-2040; FBP; 4-FLP

(4)

Case file documentation; Security Agreement; FSA-2040; 4-FLP

(5)

UAAAE-ROO, Financing Statement Report; case file documentation; 4-FLP

(6)

WLS reports; case file; 4-FLP

Review Area: 1. D.

Direct Loan Servicing - Limited Resource Reviews

Review Items:

SOURCE DOCUMENTS

(1)

Report Code 660D, "Limited Resource Loan Review Report"; 660A; 4-FLP, Part 3

(2)

WLS-4000; FBP; case file; 4-FLP, Part 3

Review Area: 2. A.

Program Delivery - Supervised Bank Accounts

Review Items:

SOURCE DOCUMENTS

(1)

Borrowers with a supervised bank account

(2)

Case file; Documentation in FBP credit presentation

(3)

1-FLP, subparagraph 101 B; Execution of Deposit Agreement by borrower

(4)

1-FLP, subparagraph 101 C; DD documentation in case file

Review Area: 2. B.

Program Delivery - Program Promotion

Review Item:

SOURCE DOCUMENTS

(1)

Discussion with borrowers and lenders; case file documentation

Review Part: D

Additional Reviews

Review Area: 1.

Farm Loan Programs Risk Assessment (FLPRA) Reviews

Review Items:

SOURCE DOCUMENTS

A.

FLPRA Report - completed by State Office personnel within reporting period

B.

Date State Office and/or DD discussed with FLP Service Center Staff

Review Area: 2.

County Operations Reviews (COR)

Review Items:

SOURCE DOCUMENTS

A.

COR Report - completed within reporting period

B.

Date COR, State Office, and/or DD discussed with FLP Service Center staff--*

***--DD FLP Oversight Review Source Documents (Continued)**

Review Part: E

Certification

- *DD's/Reviewer's certification of oversight review completion*
- 1. A. DD's signature
- 1. B. Type DD's name
- 1. C. Date of the review--*