Defense Finance and Accounting Service

DFAS 7900.4-M

Financial Management Systems Requirements Manual

Volume 11, Direct Loans

May 2011

Financial Management Center of Excellence

SUBJECT: Financial Management Systems Requirements
           Volume 11, Direct Loans

1. <u>PURPOSE</u>

a. This Volume presents the financial management system design and implementation requirements for Department of Defense (DoD) military components' and agencies' Direct Loan financial management systems. This Volume is part of the publication which reissues Defense Finance and Accounting Service (DFAS) 7900.4-G, "Federal Requirements for Financial Management Systems," commonly known as the "Blue Book," as a multivolume Manual titled DFAS 7900.4-M. The Blue Book is a comprehensive compilation of the Federal Financial Management Improvement Act (FFMIA) and DoD system requirements.

b. The Blue Book serves as a "roadmap" to Federal and DoD financial management system requirements by major financial management functional areas and the authoritative sources, and will assist managers who are responsible for financial management systems planning, designing, enhancing, modifying, and implementing financial management systems. Managers are ultimately responsible for being knowledgeable of and complying with the various authoritative sources of financial requirements (both legislative and regulatory). The Blue Book guidance and procedures are contained in several volumes located on DFAS Reference Library at http://www.dfas.mil/dfasffmia/bluebook.html. Appendix 4 of the Blue Book includes links to where authoritative sources may be accessed.

c. Adherence to these requirements will enable DoD military components and agencies to meet Federal mandates and will help facilitate DFAS to progress toward reaching its strategic goal of providing services faster, better, and cheaper. The objective of this Volume is to promulgate the financial management systems requirements for system and program managers' use in developing Direct Loan functionality.

2. <u>APPLICABILITY</u>:

Requirements contained within this document are applicable to accounting and finance systems operated and maintained by DoD.

3. <u>POLICY</u>:

a. This Volume provides a synopsis of Federal and DoD financial system requirements, mandated by policy, for Direct Loan financial management systems. It is a comprehensive compilation of financial management systems requirements mandated by Public Law 104-208, "Federal Financial Management Improvement Act of 1996," September 30, 1996.

b. This Volume incorporates revisions to existing financial system requirements from the authoritative sources **via highlighting the appropriate text in bolded blue font**. See Appendix 2 of DFAS 7900.4-M for a complete listing and description of the financial system requirements changes, deletions, and additions, listed by major financial system requirements functional area.

c. Users of this Volume may forward questions, comments and suggested changes to:

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Defense Finance and Accounting Service
Financial Management Center of Excellence
Attn: Integration and Requirements Branch
8899 East 56th Street
Indianapolis, IN 46249

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E-mail questions, comments, and suggestions to ffmiarequirements@dfas.mil

4. <u>ORGANIZATIONAL RESPONSIBILITIES FOR FFMIA COMPLIANCE</u>

a. Within DoD, various organizations operate financial management systems. In an overall scheme, many of these systems should be linked in an integrated network. However, these systems frequently "stand-alone" or "stovepipe" systems that are not logically integrated with other related systems. Critical financial data, instead of being transferred electronically between systems through well-controlled interfaces, are often transferred manually by means of journal vouchers, hardcopy spreadsheets, "data calls," or other inefficient and error-prone methods.

b. DFAS functions as the primary Departmental entity responsible for producing a Trial Balance from the ERP general ledger and preparing the financial reports for the DoD. Much of the data used by DFAS to carry out the DoD's accounting and financial reporting functions—such as property and inventory values—originate in non-DFAS organizations or systems. Therefore, other organizations, primarily the military services and Defense agencies, should be held responsible for the compliance of their financial management systems with all applicable Federal requirements. Appendix 5 of DFAS 7900.4-M contains Federal and DoD guidance on FFMIA compliance, evaluation, and reporting.

5. <u>PROCEDURES</u>:

Procedures are presented in each Volume of this Manual as appropriate.

6. <u>RELEASABILITY</u>:

UNLIMITED. This Volume as part of DFAS 7900.4-M is approved for public release and may be accessed at http://www.dfas.mil/dfasffmia/bluebook.html

7. <u>EFFECTIVE DATE</u>: This Volume is effective immediately.

Steve Bonta
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  Center of Excellence

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DIRECT LOANS INTRODUCTION

Federal agencies make billions of dollars of direct loans to American citizens and companies annually. Direct loans disbursed and outstanding are recognized as assets of the Federal Government.

Because of the magnitude of federal loan activity, the Joint Financial Management Improvement Program (JFMIP) has established specific requirements for systems used to manage direct-loan processes and portfolios. These requirements encompass the full scope of requirements for an automated direct-loan system. Each agency must evaluate whether it is practical to automate fully all of these functions or whether manual systems and processes are justified. Chapter 4 of DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMRs)," Volume 12, "Special Accounts, Funds and Programs," (July 2009) prescribes the Department of Defense's accounting requirements for direct loans. These requirements reflect Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) No. 2, "Accounting for Direct Loans and Loan Guarantees," August 23, 1993 and subsequent amendments in SFFAS No. 18, "Amendments To Accounting Standards For Direct Loans and Loan Guarantees," (May 2000) and SFFAS No. 19, "Technical Amendments To Accounting Standards For Direct Loans and Loan Guarantees In Statement of Federal Financial Accounting Standards No. 2," (March 2001).

 Note: Users of this document will find that the web version of JFMIP-SR-99-8 does not include page numbers. The page numbers cited herein relating to that document were obtained by dragging the scroll bar within the JFMIP document. Internet Explorer creates a page number when the scroll bar is dragged.

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Application Screening Process	11.01.001			The system must record critical credit application data needed to support application screening.	JFMIP-SR-99-8, Jun 99, Pg 22		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_1
Loan Extension:Application Screening Process	11.01.002			The system must provide access to application information to all agency staff participating in the screening and credit-granting decisions.	JFMIP-SR-99-8, Jun 99, Pg 22		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_2
Loan Extension:Application Screening Process	11.01.003			The system must process and record collections of fees remitted with the application in both the system and the Core Financial System.	JFMIP-SR-99-8, Jun 99, Pg 22		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_3
Loan Extension:Application Screening Process	11.01.004			The system must compare loan application information to agency program eligibility criteria.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_4
Loan Extension:Application Screening Process	11.01.005			The system must check the appropriate system data files to determine whether the applicant has submitted a duplicate application or has had a recent loan application rejected. These situations may indicate attempts by applicants to subvert agency credit policies.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_5

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Application Screening Process	11.01.006			The system must document that borrowers have certified that they have been unable to obtain credit from private financial sources, where such certification is a program requirement.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_6
Loan Extension:Application Screening Process	11.01.007			The system must provide an automated interface with credit bureaus that allows an agency to obtain applicant credit history information (credit bureau report). For credit bureaus that do not have the capability for an automated interface, record credit history information entered by agency staff.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_7
Loan Extension:Application Screening Process	11.01.008			The system must document that applicant financial data, repayment ability, and repayment history have been verified through the use of supplementary data sources such as employment and income data, financial statements, tax returns, and collateral appraisals, where this is a program requirement.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_8

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Application Screening Process	11.01.009			The system must compare the applicant's creditworthiness information to system-stored program creditworthiness criteria and, where a program requirement, calculate a credit risk rating for the applicant.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_9
Loan Extension:Application Screening Process	11.01.010			The system must document whether the Credit Alert Interactive Voice Response System (CAIVRS) identified the applicant as a borrower who is delinquent or has defaulted on a previous federal debt. The system should allow override if the agency determines that the account was referred to CAIVRS in error.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_10
Loan Extension:Application Screening Process	11.01.011			The system must provide the information needed to compute the credit subsidy amount associated with a loan. It must do this by using projected cash flows and the applicable U.S. Treasury interest rate, in accordance with OMB Circular A-11 and SFFAS No. 2.	SFFAS-2, Jun 08, Para 88; OMB Circular A-11, Aug 09, Sec. 185.2-185.5; JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_11

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Application Screening Process	11.01.012			The system must provide an automated interface with the Core Financial System to determine if sufficient funds are available in the Program Account to cover the subsidy cost. It must also determine if available lending limits in the Financing Account are sufficient to cover the face value of the proposed loan.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_12
Loan Extension:Application Screening Process	11.01.013			The system must provide an automated interface with the Core Financial System to be able to commit funds for the loan if funds control is not done within the DL system.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_13
Loan Extension:Application Screening Process	11.01.014			The system must update the application information store to reflect the status of the loan.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_14
Loan Extension:Application Screening Process	11.01.015			The system must accept, identify, track, and report supervisor overrides of system-generated acceptance/rejection recommendations.	JFMIP-SR-99-8, Jun 99, Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_15
Loan Extension:Application Screening Process	11.01.016			The system must create and maintain a system record of accepted and rejected loan applications.	JFMIP-SR-99-8, Jun 99, Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_16

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Application Screening Process	11.01.017			The system must generate a letter notifying the applicant of rejection or acceptance of the loan application.	JFMIP-SR-99-8, Jun 99, Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_17
Loan Extension:Application Screening Process	11.01.018			The system must be able to provide for an electronic application process using various media, such as a secure internet application (WEB site).	JFMIP-SR-99-8, Jun 99, Pg 22		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_18
Loan Extension:Loan Origination Process	11.02.001			The system must record loan terms and calculate disbursement schedules and repayment amounts and schedules as needed.	JFMIP-SR-99-8, Jun 99, Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_1
Loan Extension:Loan Origination Process	11.02.002			The system must record the cohort and risk category, as defined in OMB Circular A-11, associated with the loan.	JFMIP-SR-99-8, Jun 99, Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_2
Loan Extension:Loan Origination Process	11.02.003			The system must assign a unique account number to the loan that will remain unchanged throughout the life of the loan.	JFMIP-SR-99-8, Jun 99, Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_3
Loan Extension:Loan Origination Process	11.02.004			The system must support the generation of loan documents for the borrower and the agency.	JFMIP-SR-99-8, Jun 99, Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_4
Loan Extension:Loan Origination Process	11.02.005			The system must record information concerning the loan booking process, including date of booking.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_5

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Loan Origination Process	11.02.006			The system must record the applicable Treasury interest rate for the loan at the time of obligation, in accordance with OMB Circular A-11 and agency specific guidelines. This rate is used in subsidy calculations.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_6
Loan Extension:Loan Origination Process	11.02.007			The system must provide an automated interface with the Core Financial System to record the direct loan obligation, including the obligation for the subsidy. The interface must also allow for the liquidation of commitments previously recorded.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_7
Loan Extension:Loan Origination Process	11.02.008			The system must include in credit bureau reporting all commercial accounts in excess of a pre-determined amount.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_8
Loan Extension:Loan Origination Process	11.02.009			The system must calculate and deduct the loan application and origination fee from disbursements if not previously remitted by the applicant.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_9
Loan Extension:Loan Origination Process	11.02.010			The system must provide the capability to cancel, thus de-obligating, undisbursed loans.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_10

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Loan Origination Process	11.02.011			The system must update debtor accounts to reflect management override of offsets.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_11
Loan Extension:Loan Origination Process	11.02.012			The system must record important information needed for each loan disbursement, including the amount and applicable Treasury interest rates (to support the computation of accrued interest expense on borrowings from the US Treasury), and subsidy re-estimates.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_12
Loan Extension:Loan Origination Process	11.02.013			The system must support the calculation of borrowings. The actual organization of the system processes between the system and Core Financial System is at the discretion of the agency.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_13
Loan Extension:Loan Origination Process	11.02.014			The system must provide an automated interface with the Core Financial System to initiate and record the disbursement by cohort, establish the receivable, and record the movement of the subsidy funds from the Program account to the Financing Account.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_14

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Loan Origination Process	11.02.015			The system must capture the estimated useful economic life of any pledged collateral and compare it to the proposed term of the loan.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_15
Loan Extension:Loan Origination Process	11.02.016			The system must document that transactions over a pre-determined amount have had a collateral appraisal by a licensed or certified appraiser.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_16
Loan Extension:Loan Origination Process	11.02.017			The system must compute the loan-to-value ratio and flag those loans with a ratio exceeding 100% (or more stringent standards set by the agency).	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_17
Loan Extension:Loan Origination Process	11.02.018			The system must provide the following types of management information: approval and rejection monitoring, override exception, potential application fraud, detailed transaction history, exceptions, and disbursement management summaries.	JFMIP-SR-99-8, Jun 99, Pg 26		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_18

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Loan Origination Process	11.02.019			The system must be able to annotate on the borrower record that a disbursement was offset by U.S. Treasury on behalf of another government agency.	JFMIP-SR-99-8, Jun 99, Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_19
Loan Extension:Loan Origination Process	11.02.020			The system must provide a user friendly query tool that facilitates reporting rapidly on any required data elements.	JFMIP-SR-99-8, Jun 99, Pg 26		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_20
Loan Extension:Loan Origination Process	11.02.021			The system must maintain financial accounting information at appropriate levels of summary for computational and reporting purposes. The main levels are: - transaction - loan history - risk category, - cohort, and - account.	JFMIP-SR-99-8, Jun 99, Pg 26		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_21
Loan Extension:Loan Origination Process	11.02.022			The system shall record an obligation of subsidy, in the program account, when a binding contract has been signed, in accordance with the provisions of OMB Circular A-11, "Federal Credit Programs."		DoDFMR Vol 12, Sep 08, Ch 4, 0406			

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension:Loan Origination Process	11.02.023			For direct loan programs, reporting entities should provide a description of the characteristics of the programs that they administer, and should disclose for each program: (a) the total amount of direct or guaranteed loans disbursed for the current reporting year and the preceding reporting year, (b) the subsidy expense by components as defined in paragraphs 25 through 29, recognized for the direct loans disbursed in those years, and| (c) the subsidy re-estimates by components as defined in paragraph 32 for those years.	SFFAS-18, Jun 08, Para 11 A				
Account Servicing: Billing and Collection Process	11.03.001			The system must calculate outstanding balances for each loan account invoiced. The calculation must include principal, interest, late charges, and other amounts due.	JFMIP-SR-99-8, Jun 99, Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_1

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Billing and Collection Process	11.03.002			The system must identify loan accounts to be invoiced based on agency program invoicing criteria and other loan account information, such as amount outstanding, most recent payment, payment amount due, and date due.	JFMIP-SR-99-8, Jun 99, Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_2
Account Servicing: Billing and Collection Process	11.03.003			The system must provide the capability to analyze escrow balances to adjust required deposit amounts. This will help prevent deficiencies in tax and insurance deposits and payments for housing and other long-term real estate loans.	JFMIP-SR-99-8, Jun 99, Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_3
Account Servicing: Billing and Collection Process	11.03.004			The system must generate and transmit a bill, payment coupon, invoice or other document that shows the borrower ID, amount due, date due, the date after which the payment will be considered late, and the current balance.	JFMIP-SR-99-8, Jun 99, Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_4

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Billing and Collection Process	11.03.005			The system must apply any collections, using the agency's program receipt application rules, to the appropriate liquidating or financing account. Collection sources could include cash, pre-authorized debit, check, or credit card.	JFMIP-SR-99-8, Jun 99, Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_5
Account Servicing: Billing and Collection Process	11.03.006			The system must record a prepayment (the early payoff of the entire loan balance or paying more than the scheduled monthly payment), a partial, full, or late payment indicator.	JFMIP-SR-99-8, Jun 99, Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_6
Account Servicing: Billing and Collection Process	11.03.007			The system must identify payments that cannot be applied and document why the payments cannot be applied.	JFMIP-SR-99-8, Jun 99, Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_7
Account Servicing: Billing and Collection Process	11.03.008			The system must be able to compare a borrower's pre-authorized debits, received from financial institutions and other external sources, to expected collections.	JFMIP-SR-99-8, Jun 99, Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_8

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Billing and Collection Process	11.03.009			The system must provide an automated interface with the Core Financial System to record the collection. If the system itself handles the collection processing, it must meet the requirements in the "Core Financial System Requirements" related to this activity and send summary data to the Core Financial System.	JFMIP-SR-99-8, Jun 99, Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_9
Account Servicing: Billing and Collection Process	11.03.010			The system must be able to provide a means for debtors to inquire into their account status such as electronic inquiry using a secure internet WEB site or an automated telephone program such as a voice response unit.	JFMIP-SR-99-8, Jun 99, Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_10
Account Servicing: Billing and Collection Process	11.03.011			The system must be able to apply components of payment (principle, interest, late fees) in accordance with established business rules.	JFMIP-SR-99-8, Jun 99, Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_11
Account Servicing: Billing and Collection Process	11.03.012			The system must be capable of automatically capitalizing interest in accordance with established policy.	JFMIP-SR-99-8, Jun 99, Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_12

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Billing and Collection Process	11.03.013			The system must be able to provide an electronic means to receive payments such as Automated Clearing-house (ACH) and Electronic Debit Account (EDA).	JFMIP-SR-99-8, Jun 99, Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_13
Account Servicing: Billing and Collection Process	11.03.014			For reporting collections, an automated system must be able to prepare and mail to borrowers by January 31 of each year • Internal Revenue Service (IRS) Form 1098, Mortgage Interest Statements; • IRS Form 1099-A, Acquisition or Abandonment of Secured Property; • IRS Form 1099-C, Cancellation of Debt; • IRS Form 1099-G, Certain Government Payments and • other IRS Forms as required.	JFMIP-SR-99-8, Jun 99, Pg 30				
Account Servicing: Billing and Collection Process	11.03.015			For reporting collections, an automated system must be able to transmit, to the IRS, information on interest paid and other reportable data.	JFMIP-SR-99-8, Jun 99, Pg 30				
Account Servicing: Billing and Collection Process	11.03.016			The system must be capable of interfacing with other financial management systems.	JFMIP-SR-99-8, Jun 99, Pg 13				

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Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Billing and Collection Process	11.03.017			The system must be able to perform automatic system balancing. This system balancing must ensure that direct loan partners involved in a financial information exchange agree on transaction number and dollar values passed, processed, and rejected.	JFMIP-SR-99-8, Jun 99 Pg 13				
Account Servicing: Billing and Collection Process	11.03.018			The system must be capable of supporting managerial cost accounting	JFMIP-SR-99-8, Jun 99 Pg 13				
Account Servicing: Billing and Collection Process	11.03.019			The system must contain adequate and current information reflecting loan payment history, including occurrences of delinquencies and defaults, and any subsequent loan actions that result in payment deferrals, refinancing, or rescheduling.	JFMIP-SR-99-8, Jun 99 Pg 30		Record Loans and Grants	Proposal-to-Reward	#N/A
Account Servicing: Account Status Maintenance Process	11.04.001			The system must support evaluation of accounts proposed for modification by the agency or borrower by comparing loan data to the agency's program loan modification criteria.	JFMIP-SR-99-8, Jun 99, Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_1

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Account Status Maintenance Process	11.04.002			The system must calculate rescheduled loan terms, including repayment amounts and schedules, where appropriate. It must also calculate any change in the subsidy amount as a result of the loan modifications.	JFMIP-SR-99-8, Jun 99, Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_2
Account Servicing: Account Status Maintenance Process	11.04.003			The system must perform a funds control check through an automated interface with the Core Financial System to verify the availability of a subsidy.	JFMIP-SR-99-8, Jun 99, Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_3
Account Servicing: Account Status Maintenance Process	11.04.004			The system must produce selected loan account information listings for review by internal modification groups.	JFMIP-SR-99-8, Jun 99, Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_4
Account Servicing: Account Status Maintenance Process	11.04.005			The system must establish a new loan account and collateral record for each new debt instrument and assign a unique loan account number to the new account record.	JFMIP-SR-99-8, Jun 99, Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_5
Account Servicing: Account Status Maintenance Process	11.04.006			The system must update the loan information store to reflect the modified status of the loan, including changes in the value or status of any collateral.	JFMIP-SR-99-8, Jun 99, Pg 32		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_6

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Account Status Maintenance Process	11.04.007			The system must provide an automated interface with the Core Financial System to record pre-1992 and post 1991direct loan modifications.	JFMIP-SR-99-8, Jun 99, Pg 32		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_7
Account Servicing: Account Status Maintenance Process	11.04.008			The system must be able to generate a new loan document, which displays information concerning both the original and modified direct loan.	JFMIP-SR-99-8, Jun 99, Pg 32		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_8
Account Servicing: Account Status Maintenance Process	11.04.014			The system must be able to maintain a link between the new loan account established for the new debt instrument and the old loan account records.	JFMIP-SR-99-8, Jun 99, Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_11
Account Servicing: Account Status Maintenance Process	11.04.016			For collateral requirements, an automated system must document significant changes to the condition and value of any collateral.	JFMIP-SR-99-8, Jun 99, Pg 32				

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Account Status Maintenance Process	11.04.017			To support internal management information requirements, for the account servicing function, an automated system should provide at least the following types of management information: • Detailed Transaction History, • Standard Management Control/Activity, • Exceptions.	JFMIP-SR-99-8, Jun 99, Pg 32				
Account Servicing: Account Status Maintenance Process	11.04.020			The system shall be able to demonstrate that all development requirements are incorporated into the final system output through the use of requirements traceability matrices.	JFMIP-SR-99-8, Jun 99, Pg 14				
Account Servicing: Account Status Maintenance Process	11.04.021			The system shall perform all work needed to accomplish the specified outcomes, achieve or exceed the specified performance standards, record and reconcile funds, and track and report activity.	JFMIP-SR-99-8, Jun 99, Pg 14				
Account Servicing: Account Status Maintenance Process	11.04.022			The system testing shall ensure that all related manual procedures perform according to system requirements.	JFMIP-SR-99-8, Jun 99, Pg 14				

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Account Status Maintenance Process	11.04.023			The automated system must use Configuration Management (CM) that will establish and maintain the security and integrity of the system throughout its development life cycle.	JFMIP-SR-99-8, Jun 99, Pg 14				
Portfolio Management: Portfolio Performance Process	11.05.001			The system must compare loan data to the agency's program portfolio evaluation criteria in order to identify loans that require review or evaluation.	JFMIP-SR-99-8, Jun 99, Pg 39		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Performance_1
Portfolio Management: Portfolio Performance Process	11.05.002			The system must compare loan data to the agency's program portfolio evaluation criteria to identify loans with the potential for graduation to private sector financing.	JFMIP-SR-99-8, Jun 99, Pg 39		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Performance_2

Chapter	**Req Id**	**Value Added?**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Portfolio Management: Portfolio Performance Process	11.05.003			For the Portfolio Management Identify Loans for Evaluation activity, an automated system should compute and maintain program performance information. Some examples of the types of performance measures an agency may want its automated system to compute are: • Number and dollar value of loans made • Average loan size • Loans made by geographical region • Number and amount of delinquent loans by key indicators such as loan-to-value ratios • Number and amount of defaulted loans by key indicators such as loan-to-value ratios • Number and amount of rescheduled loans • Amount of loan write-offs.	JFMIP-SR-99-8, Jun 99, Pg 39-40		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Performance_ 3

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Management: Portfolio Performance Process	11.05.004			For the Portfolio Management Identify Loans for Evaluation activity, an automated system should compute and maintain financial measures to help assess the credit soundness of a loan program. Some examples of the types of financial measures an agency may want its automated system to compute are: • Average loan-to-value ratio (for collateralized programs) • Current loans as a percentage of total loans • Delinquent loans as a percentage of total current loans • Write-offs as a percentage of seriously delinquent loans • Overall portfolio risk rate • Loan loss rates • Recovery rates on defaulted loans.	JFMIP-SR-99-8, Jun 99, Pg 40		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Performance_ 4

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Management: Portfolio Performance Process	11.05.005			For the Portfolio Management Identify Loans for Evaluation activity, an automated system should compute and maintain efficiency measures to help determine the effectiveness of use of agency resources. Some examples of the types of efficiency measures an agency may want its automated system to compute are: • Administrative cost per loan approved • Time required to process a loan application • Administrative cost per loan serviced • Administrative cost per delinquent dollar collected • Net proceeds on real property sold compared to appraised value.	JFMIP-SR-99-8, Jun 99, Pg 40		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Performance_ 5
Portfolio Management: Portfolio Performance Process	11.05.009			For each credit program, an automated system shall facilitate the use a systematic methodology, such as an econometric model, to project default costs of each risk category.	SFFAS-2, Jun 08, Para 35	DoDFMR Vol 12, Sep 08, Ch 4, 040202.E.2			

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Management: Portfolio Performance Process	11.05.010			An automated system will not recognize administrative expenses in calculating the subsidy costs of direct loans.	SFFAS-2, Jun 08, Para 38				
Portfolio Program Financing Process	11.06.001			To Support Treasury Borrowing Calculations, the Core Financial System and the system must execute SF-1151's and record amounts borrowed from the U.S. Treasury to finance loans. They must also make adjustments to borrowings during the year to reflect changes in original estimates.	JFMIP-SR-99-8, Jun 99, Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Program_Fina ncing_1
Portfolio Program Financing Process	11.06.002			To Support Treasury Borrowing Calculations, the Core Financial System and the system must be able to execute and record U.S. Treasury borrowings to finance interest payments to U.S. Treasury if insufficient funds are available to make the payment.	JFMIP-SR-99-8, Jun 99, Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Program_Fina ncing_2

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Chapter	**Req Id**	**Value Added?**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Program Financing Process	11.06.003			To Support Treasury Borrowing Calculations, the Core Financial System and the system must track the amount of un-invested funds in the financing account as needed to support the calculations of interest earnings.	JFMIP-SR-99-8, Jun 99, Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Program_Fina ncing_3
Portfolio Program Financing Process	11.06.004			To Support Treasury Borrowing Calculations, the Core Financial System and the system must compute interest expense on borrowings and interest earnings on un-invested funds.	JFMIP-SR-99-8, Jun 99, Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Program_Fina ncing_4
Portfolio Program Financing Process	11.06.005			To Support Treasury Borrowing Calculations, the Core Financial System and the system must execute and record the repayment of principal using SF-1151's, and interest to U.S. Treasury using SF-1081's.	JFMIP-SR-99-8, Jun 99, Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Program_Fina ncing_5
Portfolio Program Financing Process	11.06.006			To Support Treasury Borrowing Calculations, the Core Financial System and the system must execute and record the receipt of interest earnings from the U.S. Treasury on un-invested funds using SF-1081's.	JFMIP-SR-99-8, Jun 99, Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Program_Fina ncing_6

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Program Financing Process	11.06.007			To Support Treasury Borrowing Calculations, the system must be able to provide an automated interface with the Core Financial System to record all calculations.	JFMIP-SR-99-8, Jun 99, Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_7
Portfolio Program Financing Process	11.06.008			To support subsidy re-estimates, an automated system should support the re-estimate of the subsidy cost for each cohort and risk category of loans at the beginning of each fiscal year in accordance with OMB Circular A-11 and SFFAS No. 2.	SFFAS-2, Jun 08, Para 33; OMB Circular A-11, Aug 09, Sec. 185.2; JFMIP-SR-99-8, Jun 99, Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_8
Portfolio Program Financing Process	11.06.010			To support subsidy re-estimates, an automated system should compare the current year re-estimated subsidy cost to the prior year re-estimated loan subsidy cost to determine whether subsidy costs for a risk category increased or decreased.	JFMIP-SR-99-8, Jun 99, Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_9

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Program Financing Process	11.06.011			To support subsidy re-estimates, an automated system should transfer loan subsidy from those risk categories with an excess of loan subsidies to those risk categories in the same cohort that are deficient in loan subsidies to provide adequate funding for each risk category.	JFMIP-SR-99-8, Jun 99, Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Program_Fina ncing_10
Portfolio Program Financing Process	11.06.012			To support subsidy re-estimates, an automated system should: • Group those cohorts that need indefinite appropriation loan subsidy funds separately from those cohorts that have excess funds. • Request an apportionment and obligate funds to cover the subsidy increase for those cohorts of loans that have insufficient subsidy. • Transfer excess subsidy of cohorts of loans to the Special Fund Receipt Account.	JFMIP-SR-99-8, Jun 99, Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Program_Fina ncing_11

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Program Financing Process	11.06.014			To support analyzing of working capital needs, an automated system should be able to account for working capital cash balance in accordance with OMB Circular A-11 guidance.	JFMIP-SR-99-8, Jun 99, Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_12
Portfolio Program Financing Process	11.06.015			To support analyzing of working capital needs, an automated system should record any costs incurred, which are funded by working capital.	JFMIP-SR-99-8, Jun 99, Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_13
Portfolio Program Financing Process	11.06.016			To support analyzing of working capital needs, an automated system should compute the amount of Treasury interest earned by working capital funds and provide this amount to the Core Financial System.	JFMIP-SR-99-8, Jun 99, Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_14
Portfolio Program Financing Process	11.06.017			The system must maintain cash flow data that permits comparison of actual cash flows each year (and new estimates of future cash flows), as well as historical data from prior years to the cash flows used in computing the latest loan subsidy estimate.	JFMIP-SR-99-8, Jun 99, Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_15

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Program Financing Process	11.06.018			The system must maintain data that is predictive of loan performance and subsidy costs.	JFMIP-SR-99-8, Jun 99, Pg 42		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_16
Portfolio Program Financing Process	11.06.019			The system must maintain the actual loan terms, including maturity, interest rate, and upfront and/or annual fees.	JFMIP-SR-99-8, Jun 99, Pg 42		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_17
Portfolio Program Financing Process	11.06.020			The system must record any changes in terms and conditions in addition to the original terms and conditions, not in place of them.	JFMIP-SR-99-8, Jun 99, Pg 42		0	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_18
Portfolio Program Financing Process	11.06.021			The system must include measures of the financial condition of the business or individual receiving the loan and past credit experience if applicable since creditworthiness may be a strong predictor of defaults.	JFMIP-SR-99-8, Jun 99, Pg 42		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_19
Portfolio Program Financing Process	11.06.024			The system must maintain the primary economic factors that influence loan performance.	JFMIP-SR-99-8 Jun 99, Pg 42		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_22
Portfolio Program Financing Process	11.06.025			The system must maintain all cash transactions related to each loan for several years to allow for trend analysis.	JFMIP-SR-99-8, Jun 99, Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_23

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Program Financing Process	11.06.026			The system must support the re-estimate calculation and provide the necessary data to record the re-estimate in the core financial system.	JFMIP-SR-99-8 Jun 99, Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Program_Fina ncing_24
Portfolio Program Financing Process	11.06.027			To support subsidy estimates, an automated system should be able to calculate and report, as necessary, the aggregate repayment schedule for a cohort.	JFMIP-SR-99-8, Jun 99, Pg 42				
Portfolio Program Financing Process	11.06.029			When a pre-1992 direct loan is directly modified, an automated system must transfer the loan to a financing account and change their book value to an amount equal to their post-modification value. Any subsequent modification is treated as a modification of post-1991 loans.	SFFAS-2, Jun 08, Para 47	DoDFMR Vol 12, Sep 08, Ch 4, 040202.I.2			
Portfolio Program Financing Process	11.06.030			When a pre-1992 direct loan is indirectly modified, an automated system must keep the loan in a liquidating account. The system must also reassess the bad debt allowance and adjusted the allowance to reflect amounts that would not be collected due to the modification.	SFFAS-2, Jun 08, Para 47	DoDFMR Vol 12, Sep 08, Ch 4, 040202.I.2			

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Management: Portfolio Sales Process	11.07.001			To prepare a portfolio for sale, an automated system should compare loan information to agency program criteria to select loans for inclusion in a potential sales pool.	JFMIP-SR-99-8, Jun 99, Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Sales_1
Portfolio Management: Portfolio Sales Process	11.07.002			To prepare a portfolio for sale, an automated system should provide the ad hoc query capability needed to provide information on selected loans.	JFMIP-SR-99-8, Jun 99, Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Sales_2
Portfolio Management: Portfolio Sales Process	11.07.003			To prepare a portfolio for sale, an automated system should record OMB/Treasury approval or disapproval of the sale/prepayment of a loan.	JFMIP-SR-99-8, Jun 99, Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Sales_3
Portfolio Management: Portfolio Sales Process	11.07.004			For a prepayment program, an automated system should generate a prepayment offer to be sent to eligible borrowers for participation in the prepayment program.	JFMIP-SR-99-8, Jun 99, Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Sales_4
Portfolio Management: Portfolio Sales Process	11.07.005			For a prepayment program, an automated system should record receipt of commitment letters from borrowers.	JFMIP-SR-99-8, Jun 99, Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Sales_5

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Management: Portfolio Sales Process	11.07.007			For a prepayment program, an automated system should provide an automated interface with the Core Financial System to record the receipt of a prepayment and the changes in subsidy costs.	JFMIP-SR-99-8, Jun 99, Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Sales_6
Portfolio Management: Portfolio Sales Process	11.07.008			When executing a portfolio sale, an automated system should identify loans with incomplete documentation in the loan information store and generate a request for information to ensure loan files are complete.	JFMIP-SR-99-8, Jun 99, Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Sales_7
Portfolio Management: Portfolio Sales Process	11.07.009			When executing a portfolio sale, an automated system should generate documents and other information necessary to finalize the sales agreement with the purchaser.	JFMIP-SR-99-8, Jun 99, Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Sales_8
Portfolio Management: Portfolio Sales Process	11.07.010			When executing a portfolio sale, an automated system should update the loan information store to identify loans sold using information received from the underwriter.	JFMIP-SR-99-8, Jun 99, Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portf olio_Sales_9

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Management: Portfolio Sales Process	11.07.011			When executing a portfolio sale, an automated system should provide an automated interface with the Core Financial System to record the sale of receivables, the proceeds, changes in subsidy costs, and calculate the related gain or loss in accordance with SFFAS No. 2.	JFMIP-SR-99-8, Jun 99, Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_10
Portfolio Management: Portfolio Sales Process	11.07.012			For internal management information requirements for the Portfolio Management function, an automated system should provide at least the following types of management information: • detailed transaction history, • standard management control/activity, • portfolio sale historical payments, • portfolio sale performance, and • program credit reform status.	JFMIP-SR-99-8, Jun 99, Pg 46		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_11
Portfolio Management: Portfolio Sales Process	11.07.013			When executing a portfolio sale, an automated system should update the loan information store with any provided information.	JFMIP-SR-99-8, Jun 99, Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_12

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Management: Portfolio Sales Process	11.07.017			An automated system must recognize the sale of post-1991 and pre-1992 direct loans as a direct modification.	SFFAS-2, Jun 08, Para 53				
Delinquent Debt Collection:Collection Action Process	11.08.001			For reporting delinquent debt, an automated system should identify delinquent commercial and consumer accounts for reporting to credit bureaus (preferably by electronic interface) and Credit Alert Interactive Voice Response System (CAIVRS) by comparing reporting criteria to delinquent loan data.	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_1
Delinquent Debt Collection:Collection Action Process	11.08.002			For reporting delinquent debt, an automated system should calculate outstanding balances, including interest, penalties, and administrative charges, and include this information in credit bureau reports.	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_2

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.003			For reporting delinquent debt, an automated system should generate (or include in demand letters) a notice to inform consumer borrowers of the referral of a delinquent debt to a credit bureau and CAIVRS in accordance with regulations.	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_3
Delinquent Debt Collection:Collection Action Process	11.08.004			For reporting delinquent debt, an automated system should maintain a record of each account reported to credit bureaus to allow tracking of referred accounts.	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_4
Delinquent Debt Collection:Collection Action Process	11.08.005			For reporting delinquent debt, an automated system should prepare data on appropriate medium, on a monthly basis, of delinquent debtors to be included in the CAIVRS database.	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_5
Delinquent Debt Collection:Collection Action Process	11.08.006			For contact with debtor, the Debt Collection process of an automated system should generate and transmit dunning letters to debtors with past-due loan accounts.	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_6

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.007			For contact with debtor, the Debt Collection process of an automated system should identify debtors who do not respond to dunning letters within a specified time period.	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_7
Delinquent Debt Collection:Collection Action Process	11.08.008			For contact with debtor, the Debt Collection process of an automated system should track demand letters and borrower responses to document borrower due process notification (and borrower willingness and ability to repay debt).	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_8
Delinquent Debt Collection:Collection Action Process	11.08.009			For contact with debtor, the Debt Collection process of an automated system should track and document debtor appeals received in response to demands for payment.	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_9
Delinquent Debt Collection:Collection Action Process	11.08.010			For contact with debtor, the Debt Collection process of an automated system should provide automated support to the collection process.	JFMIP-SR-99-8, Jun 99, Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_10
Delinquent Debt Collection:Collection Action Process	11.08.011			For Treasury Offset referral, an automated system should identify accounts eligible for referral to the Treasury Offset Program (TOP).	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_11

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.013			For Treasury Offset referral, an automated system should generate written notification to the borrower that includes the following: • the nature and the amount of the debt; • the intention of the agency to collect the debt through administrative offset; • an explanation of the rights of the debtor; • an offer to provide the debtor an opportunity to inspect and copy the records of the agency with respect to the debt; and • an offer to enter into a written repayment agreement with the agency.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_12
Delinquent Debt Collection:Collection Action Process	11.08.014			For Treasury Offset referral, an automated system should be able to transmit to TOP eligible new debts, and increase, decrease, or delete previously reported debts.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_13
Delinquent Debt Collection:Collection Action Process	11.08.016			For Treasury Offset referral, an automated system should update the loan information store to reflect TOP status.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_14

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.017			For Treasury Offset referral, an automated system should update the Core Financial System to record collections from TOP.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delin quent_Debt_Collec tion_Action_15
Delinquent Debt Collection:Collection Action Process	11.08.020			For garnishment of Non-Federal Wages, an automated system should interface with the Core Financial System to record receipts remitted to the agency.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delin quent_Debt_Collec tion_Action_16
Delinquent Debt Collection:Collection Action Process	11.08.021			For referral to Collection Agencies, an automated system should compare delinquent account data to agency program collection agency referral criteria to select delinquent loan accounts for referral to collection agencies.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delin quent_Debt_Collec tion_Action_17
Delinquent Debt Collection:Collection Action Process	11.08.022			For referral to Collection Agencies, an automated system should sort and group delinquent loan accounts based on type of debt (consumer or commercial), age of debt, and location of debtor.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delin quent_Debt_Collec tion_Action_18

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.023			For referral to Collection Agencies, an automated system should calculate outstanding interest, penalties, and administrative charges for each delinquent loan account to be referred.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delin quent_Debt_Collec tion_Action_19
Delinquent Debt Collection:Collection Action Process	11.08.024			For referral to Collection Agencies, an automated system should assign selected delinquent loan account groupings to appropriate collection agencies based on collection agency selection criteria for agency programs.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delin quent_Debt_Collec tion_Action_20
Delinquent Debt Collection:Collection Action Process	11.08.025			For referral to Collection Agencies, an automated system should document that the delinquent account has been referred to a collection agency.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delin quent_Debt_Collec tion_Action_21
Delinquent Debt Collection:Collection Action Process	11.08.026			For referral to Collection Agencies, an automated system should generate and receive electronic transmissions of account balance data and status updates to and from collection agencies.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delin quent_Debt_Collec tion_Action_22
Delinquent Debt Collection:Collection Action Process	11.08.027			For referral to Collection Agencies, an automated system should record receipts remitted to the collection agency and forwarded to the agency.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delin quent_Debt_Collec tion_Action_23

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.028			For referral to Collection Agencies, an automated system should update the loan information store to reflect receipts, adjustments, and other status changes, including rescheduling, compromise, and other resolution decisions.	JFMIP-SR-99-8, Jun 99, Pg 52				Direct_Loan_Delinquent_Debt_Collection_Action_24
Delinquent Debt Collection:Collection Action Process	11.08.029			For referral to Collection Agencies, an automated system should accept and match collection agency invoices with agency records.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_25
Delinquent Debt Collection:Collection Action Process	11.08.030			For referral to Collection Agencies, an automated system should be able to request, reconcile, and record returned accounts from collection agencies.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_26
Delinquent Debt Collection:Collection Action Process	11.08.031			For referral to Collection Agencies, an automated system should interface with the Core Financial System to be able to record collections processed through collection agencies.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_27

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.032			For litigation referral activities, an automated system should compare delinquent loan account information against the agency's litigation referral criteria to identify delinquent loan accounts eligible for referral. It must also support identification of accounts to be referred to counsel for filing of proof of claim based on documentation that a debtor has declared bankruptcy.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_28
Delinquent Debt Collection:Collection Action Process	11.08.033			For litigation referral activities, an automated system should provide an electronic interface with credit bureaus to obtain credit bureau reports that will enable assessment of the debtor's ability to repay before a claim is referred to legal counsel.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_29
Delinquent Debt Collection:Collection Action Process	11.08.034			For litigation referral activities, an automated system should calculate the outstanding balance, including principal, interest penalties, and administrative charges, for each delinquent loan account to be referred to legal counsel.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_30

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.035			For litigation referral activities, an automated system should generate the Claims Collection Litigation Report (CCLR). The CCLR is used to capture collection actions and current debtor information and transmit this information to Department of Justice (DOJ).	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_31
Delinquent Debt Collection:Collection Action Process	11.08.036			For litigation referral activities, an automated system should receive electronic transmissions of account data and status updates to and from the DOJ's Central Intake Facility, or the agency's Office of General Counsel's (OGC) automated system for referrals.	JFMIP-SR-99-8, Jun 99, Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_32
Delinquent Debt Collection:Collection Action Process	11.08.037			For litigation referral activities, an automated system should update the loan status to reflect referrals for litigation so that the loan can be excluded from other collection actions, and to alert the agency to obtain approval from counsel before accepting voluntary debtor payment.	JFMIP-SR-99-8, Jun 99, Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_33

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.038			For litigation referral activities, an automated system should match agency litigation referrals with the Department of Justice listing of agency litigation referrals.	JFMIP-SR-99-8, Jun 99, Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_34
Delinquent Debt Collection:Collection Action Process	11.08.039			For litigation referral activities, an automated system should record and track recovery of judgment decisions.	JFMIP-SR-99-8, Jun 99, Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_35
Delinquent Debt Collection:Collection Action Process	11.08.040			For litigation referral activities, an automated system should update the loan information store to reflect receipts and adjustments.	JFMIP-SR-99-8, Jun 99, Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_36
Delinquent Debt Collection:Collection Action Process	11.08.041			For litigation referral activities, an automated system should interface with the Core Financial System to record any collections resulting from litigation.	JFMIP-SR-99-8, Jun 99, Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_37
Delinquent Debt Collection:Collection Action Process	11.08.042			For Treasury Offset referral, an automated system should identify, at the end of the notification period, the debtors that remain delinquent and are eligible for referral.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_38

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.043			For Treasury Offset referral, an automated system should offset delinquent debts internally before referral to TOP, where applicable.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_39
Delinquent Debt Collection:Collection Action Process	11.08.044			For Treasury Offset referral, an automated system should apply collections received through the TOP process to debtor accounts in accordance with applicable payment application rules.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_40
Delinquent Debt Collection:Collection Action Process	11.08.045			For Treasury Offset referral, an automated system should record offset fees in accordance with agency program requirements.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_41
Delinquent Debt Collection:Collection Action Process	11.08.046			For Treasury Offset referral, an automated system should process agency refunds given to borrowers erroneously, offset and transmit this information to Treasury in a timely manner.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_42
Delinquent Debt Collection:Collection Action Process	11.08.047			For Treasury Offset referral, an automated system should record refunds given by US Treasury and adjust the loan information store accordingly.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_43

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.048			For garnishment of Non-Federal Wages, an automated system should generate written notice informing the borrower of the agency's intention to initiate proceedings to collect the debt through deductions from pay, the nature and amount of the debt to be collected, and the debtor's rights.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_44
Delinquent Debt Collection:Collection Action Process	11.08.049			For garnishment of Non-Federal Wages, an automated system should document that the wage garnishment order was sent to the employer.	JFMIP-SR-99-8, Jun 99, Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_45
Delinquent Debt Collection:Collection Action Process	11.08.050			For garnishment of Non-Federal Wages, an automated system should provide ad hoc reporting capability needed to monitor the amounts recovered through non-Federal wage garnishment.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_46
Delinquent Debt Collection:Collection Action Process	11.08.051			For garnishment of Non-Federal Wages, an automated system should document that the agency provided debtors a hearing, when requested.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_47

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Collection Action Process	11.08.052			For garnishment of Non-Federal Wages, an automated system should apply collections received through wage garnishment according to agency application rules.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_48
Delinquent Debt Collection:Collection Action Process	11.08.053			For referral to Collection Agencies, an automated system should generate payment to the collection agency for services rendered through the Core Financial System.	JFMIP-SR-99-8, Jun 99, Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_49
Delinquent Debt Collection:Collection Action Process	11.08.054			For litigation referral activities, an automated system should track filing of pleadings and other motions, including proofs of claims in bankruptcy, to ensure swift legal action and to monitor litigation activity.	JFMIP-SR-99-8, Jun 99, Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_50
Delinquent Debt Collection:Collection Action Process	11.08.056			If a legitimate claim exists by a third party or by the borrower to a part of the recognized value of the foreclosed assets, the system must recognize the present value of the estimated claim as a special contra valuation allowance.	SFFAS-2, Jun 08, Para 58	DoDFMR Vol 12, Sep 08, Ch 4, 040202.L.1			

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.001			To identify and document accounts selected for write-off, an automated system should compare delinquent loan account information to agency program write-off criteria to select delinquent loan accounts for possible write-off.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_1
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.002			To identify and document accounts selected for write-off, an automated system should classify debtors based on financial profile and ability to repay.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_2
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.003			To identify and document accounts selected for write-off, an automated system should produce a CCLR for each loan account to be referred to agency counsel or the Department of Justice for approval of termination of collection action. It must also update the loan status to reflect the referral.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_3

DIRECT LOANS REQUIREMENTS

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.004			To identify and document accounts selected for write-off, an automated system should update the loan information store to reflect approval or disapproval by agency counsel or the Department of Justice for termination of collection action.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_4
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.005			To identify and document accounts selected for write-off, an automated system should update the loan information store and provide an automated interface with the Core Financial System to record the write-off of the receivable.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_5
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.006			To monitor written-off accounts, an automated system should maintain a suspense file of inactive (written-off) loan accounts.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_6
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.007			To monitor written-off accounts, an automated system should reactivate written-off loan accounts at a system user's request if the debtor's financial status or the account status changes.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_7

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.008			To document close-out of uncollectible accounts, an automated system should compare loan account data to agency closeout criteria to identify debtor accounts eligible for closeout and 1099-C reporting.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_8
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.010			To document close-out of uncollectible accounts, an automated system should prepare and send a Form 1099-C to the IRS if the debtor has not responded within the required time period.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_9
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.011			To document close-out of uncollectible accounts, an automated system should update the loan information store to reflect receipts, adjustments, and other status changes, including rescheduling, compromise, and other resolution decisions.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_10
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.012			To document close-out of uncollectible accounts, an automated system should retain electronic summary records of closed out account activity for a period of five years for use in the agency's screening of new loan applications.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_11

DIRECT LOANS REQUIREMENTS

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.013			To identify and document accounts selected for write-off, an automated system should have indicators of the financial well-being of a debtor, including debtor financial statements, credit bureau reports, and payment receipt history.	JFMIP-SR-99-8, Jun 99, Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_12
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.015			When assets are acquired in full or partial settlement of post-1991 direct loans, the system must reduce the present value of the government's claim against the borrowers by the amount settled as a result of the foreclosure.		DoDFMR Vol 12, Sep 08, Ch 4, 040202.L. 3			
Delinquent Debt Collection:Write-offs and Close-outs Process	11.09.016			When post-1991 direct loans are written off, the system must remove the unpaid principal of the loans from the gross amount of loans receivable and concurrently, the same amount is charged to the allowance for subsidy costs.		DoDFMR Vol 12, Sep 08, Ch 4, 040202.M			
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.001			To identify foreclosure candidates, an automated system should compare delinquent account data to collateral foreclosure selection criteria.	JFMIP-SR-99-8, Jun 99, Pg 55		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_1

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.002			To identify foreclosure candidates, an automated system should sort and group selected delinquent accounts by type of collateral (single family or multifamily, commercial, farm, etc.), location, loan-to-value ratios, and the amount of debt.	JFMIP-SR-99-8, Jun 99, Pg 55		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_2
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.003			To identify foreclosure candidates, an automated system should calculate outstanding principal, interest, penalties, and administrative charges for each loan account selected for review for foreclosure.	JFMIP-SR-99-8, Jun 99, Pg 55		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_3
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.004			When foreclosing a loan, an automated system should transmit a foreclosure notice to the borrower.	JFMIP-SR-99-8, Jun 99, Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_4
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.005			When foreclosing a loan, an automated system should transmit information necessary for the foreclosure to the Department of Justice (DOJ) and/or the agency's Office of General Counsel (OGC), as applicable.	JFMIP-SR-99-8, Jun 99, Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_5

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.006			When foreclosing a loan, an automated system should record the results of the foreclosure proceedings and title conveyance to the agency.	JFMIP-SR-99-8, Jun 99, Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_6
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.007			When foreclosing a loan, an automated system should provide an automated interface of data on acquired collateral to the property management system for management and liquidation of the property.	JFMIP-SR-99-8, Jun 99, Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_7
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.008			When foreclosing a loan, an automated system should provide an automated interface to the Core Financial System that permits it to record the value of the property acquired and to reduce the receivable amount.	JFMIP-SR-99-8, Jun 99, Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_8
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.009			When foreclosing a loan, an automated system should be able to generate or provide the information needed to manually prepare IRS Form 1099-A, Acquisition or Abandonment of Secured Property.	JFMIP-SR-99-8, Jun 99, Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_9

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Foreclose and Liquidate Collateral: Foreclosure on Collateral Process	11.10.011			When property is transferred from borrowers to a federal credit program through foreclosure or other means, in partial or full settlement of post-1991 direct loans, the system must recognize the foreclosed property is as an asset at the present value of its estimated future net cash inflows discounted at the original discount rate adjusted for the interest rate re-estimate.	SFFAS-2, Jun 08, Para 57; SFFAS-19, Jun 08, Para 7(e)				
Foreclose and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.001			To manage collateral, an automated system should generate payments to property management contractors for services rendered.	JFMIP-SR-99-8, Jun 99, Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Fore closure_Collateral _Liquidation_1
Foreclose and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.002			To manage collateral, an automated system should track, record, and classify operations and maintenance expenses related to the acquired collateral.	JFMIP-SR-99-8, Jun 99, Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Fore closure_Collateral _Liquidation_2
Foreclose and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.003			To manage collateral, an automated system should document rental income and other collections related to the acquired collateral.	JFMIP-SR-99-8, Jun 99, Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Fore closure_Collateral _Liquidation_3

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Foreclose and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.004			To manage collateral, an automated system should post the expenses and income to the Core Financial System through an automated interface.	JFMIP-SR-99-8, Jun 99, Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_4
Foreclose and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.005			For Disposal of Collateral, an automated system should update the loan information store to record receipts resulting from the liquidation of acquired collateral and the disposition of the collateral.	JFMIP-SR-99-8, Jun 99, Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_5
Foreclose and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.006			For Disposal of Collateral, an automated system should provide an automated interface to the Core Financial System and the property management system to record disposal of the property and associated receipts.	JFMIP-SR-99-8, Jun 99, Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_6
Foreclose and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.007			For Disposal of Collateral, an automated system should identify any deficiency balances remaining for the loan after collateral liquidation to allow for further collection activities.	JFMIP-SR-99-8, Jun 99, Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_7

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Foreclose and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.008			To support internal management information requirements for the Delinquent Debt Collection function, an automated system should provide at least the following types of management information: • detailed transaction history, • standard management control/activity, • exceptions, • offsetting agency description, • trend analysis or performance, • collection contractor compensation, and • collateral management activity and expense.	JFMIP-SR-99-8, Jun 99, Pg 58		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_8
Cost of Post-1991 Direct Loans	11.12.001			An automated system must record Post-1991 direct loans as assets at the present value of their estimated net cash inflows. The difference between the outstanding principal of the loans and the present value of their net cash inflows is recognized as a subsidy cost allowance.	SFFAS-2, Jun 08, Para 22	DoDFMR Vol 12, Sep 08, Ch 4, 040202.A	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_1

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.002			An automated system must record a subsidy expense for Post-1991 direct loans disbursed during a fiscal year. The amount of the subsidy expense equals the present value of estimated cash outflows over the life of the loans minus the present value of estimated cash inflows, discounted at the interest rate on marketable Treasury securities of similar maturity to the cash flows of the direct loan or loan guarantee for which the estimate is being made.	SFFAS-2, Jun 08, Para 24; SFFAS-19, Jun 08, Para 6(a)	DoDFMR Vol 12, Sep 08, Ch 4, 040202.C	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_2
Cost of Post-1991 Direct Loans	11.12.003			During the fiscal year in which new direct loans are disbursed, an automated system must recognize the components of the subsidy expense of those new direct loans separately as interest subsidy costs, default costs, fees and other collections, and other subsidy costs.	SFFAS-2, Jun 08, Para 25	DoDFMR Vol 12, Sep 08, Ch 4, 040202.C.1	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_3

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.004			An automated system must record the present value of fees and other collections as a deduction from subsidy costs.	SFFAS-2, Jun 08, Para 28	DoDFMR Vol 12, Sep 08, Ch 4, 040202.C.4	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_4
Cost of Post-1991 Direct Loans	11.12.005			An automated system must amortize the subsidy cost allowance for direct loans by the interest method using the interest rate that was used to calculate the present value of the direct loans when the direct loans were disbursed, after adjusting for the interest rate re-estimate. The amortized amount is recognized as an increase or decrease in interest income.	SFFAS-2, Jun 08, Para 30; SFFAS-19, Jun 08, Para 7(a)	DoDFMR Vol 12, Sep 08, Ch 4, 040202.D	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_5
Cost of Post-1991 Direct Loans	11.12.006			An automated system must re-estimate the following subsidy cost allowance, for direct loans, as of the date of the financial statements: • interest rate re-estimates and • technical/default re-estimates. Each program re-estimate should be measured and disclosed in these two components separately.	SFFAS-18, Jun 08, Para 9	DoDFMR Vol 12, Sep 08, Ch 4, 040202.D.2	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_6

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.007			An automated system must recognize any increase or decrease in the subsidy cost allowance resulting from the re-estimates as an increase or decrease in subsidy expense for the current reporting period.	SFFAS-18, Jun 08, Para 9	DoDFMR Vol 12, Sep 08, Ch 4, 040202.D.2	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_7
Cost of Post-1991 Direct Loans	11.12.008			An automated system must recognize interest accrued on direct loans, including amortized interest, as interest income.	SFFAS-2, Jun 08, Para 37	DoDFMR Vol 12, Sep 08, Ch 4, 040202.F	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_8
Cost of Post-1991 Direct Loans	11.12.009			An automated system must recognize interest due from the U.S. Treasury on un-invested funds as interest income.	SFFAS-2, Jun 08, Para 37	DoDFMR Vol 12, Sep 08, Ch 4, 040202.F	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_9
Cost of Post-1991 Direct Loans	11.12.010			An automated system must recognize interest accrued on debt to the U.S. Treasury as interest expense.	SFFAS-2, Jun 08, Para 37	DoDFMR Vol 12, Sep 08, Ch 4, 040202.F	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_10
Cost of Post-1991 Direct Loans	11.12.011			An automated system must recognize losses and liabilities of direct loans, obligated before October 1, 1992, when it is more likely than not that the direct loans will not be totally collected.	SFFAS-2, Jun 08, Para 39	DoDFMR Vol 12, Sep 08, Ch 4, 040202.G	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_11

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.012			An automated system must re-estimate the allowance of the uncollectible amounts, for pre-1992 direct loans, each year as of the date of the financial statements.	SFFAS-2, Jun 08, Para 39	DoDFMR Vol 12, Sep 08, Ch 4, 040202.G.1	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_12
Cost of Post-1991 Direct Loans	11.12.013			An automated system must recognize the amount of the modification cost of direct loans as a modification expense when pre-1992 or post-1991 direct loans are modified.	SFFAS-2, Jun 08, Para 45	DoDFMR Vol 12, Sep 08, Ch 4, 040202.I	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_13
Cost of Post-1991 Direct Loans	11.12.014			An automated system must recognize any difference between the change in book value and the cost of modification of both pre 1992 and post 1991 direct loans as a gain or loss.	SFFAS-2, Jun 08, Para 48	DoDFMR Vol 12, Sep 08, Ch 4, 040202.I.3	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_14
Cost of Post-1991 Direct Loans	11.12.015			For post-1991 direct loans, an automated system must recognize as a financing source (or a reduction in financing source) the modification adjustment transfer paid or received to offset any gain or loss.	SFFAS-2, Jun 08, Para 48	DoDFMR Vol 12, Sep 08, Ch 4, 040202.I.3	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_15

				DIRECT LOANS REQUIREMENTS					
Chapter	**Req Id**	**Value Added?**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Cost of Post-1991 Direct Loans	11.12.016			An automated system must recognize any difference between the book value loss (or gain) and the cost of modification on a sale of a pre 1992 and post 1991 direct loan as a gain or loss.	SFFAS-2, Jun 08, Para 55	DoDFMR Vol 12, Sep 08, Ch 4, 040202.I.3	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_16
Cost of Post-1991 Direct Loans	11.12.018			The actual historical experience for the performance of a risk category is a primary factor upon which an estimation of default cost is based. To document actual experience, an automated system shall maintain a database to provide historical information on actual payments, prepayments, late payments, defaults, recoveries, and amounts written off.		DoDFMR Vol 12, Sep 08, Ch 4, 040202.E.3	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_18

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.019			When a post-1991 direct loan is modified, an automated system must change the existing book value of that loan to an amount equal to the present value of the net cash inflows projected under the modified terms from the time of modification to the loan's maturity. That amount is discounted at the original discount rate (the rate that was originally used to calculate the present value of the direct loan, when the direct loan was disbursed, after adjusting for the interest rate re-estimate).	SFFAS-2, Jun 08, Para 46; SFFAS-19, Jun 08, Para 7(c)	DoDFMR Vol 12, Sep 08, Ch 4, 040202.I.1	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_19

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.020			When property is transferred from borrowers to a federal credit program through foreclosure or other means, in partial or full settlement of post-1991 direct loans or as a compensation for losses that the government sustained under post-1991 loan guarantees, an automated system must recognize the foreclosed property as an asset and record the asset at the present value of its estimated future net cash inflows discounted at the original discount rate adjusted for the interest rate re-estimate.	SFFAS-2, Jun 08 para 57; SFFAS-19, Jun 08 para 7 (e)	DoDFMR Vol 12, Sep 08, Ch 4, 040202 L	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_20
Cross Servicing	11.13.001			When using an agency authorized to cross-service, an automated system should identify the volume and type of debts serviced.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_1
Cross Servicing	11.13.002			When using an agency authorized to cross-service, an automated system should identify the tools used by the agency to collect its own debt.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_2

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cross Servicing	11.13.003			When using an agency authorized to cross-service, an automated system should provide one or more years of information on the average age of debt over 180 days.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_3
Cross Servicing	11.13.004			When using an agency authorized to cross-service, an automated system should calculate the amount of debt collected using various collection tools.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_4
Cross Servicing	11.13.005			When using an agency authorized to cross-service, an automated system should accrue late charges, as required by referring agency.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_5
Cross Servicing	11.13.006			When using an agency authorized to cross-service, an automated system should provide information to referring agency sufficient for the referring agency to satisfactorily complete the Report on Receivables Due From the Public.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_6

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cross Servicing	11.13.007			When using an agency authorized to cross-service, an automated system should track, by portfolio, age of debt referred, dollar and number of referrals, collections on referred debts and report to Treasury on a monthly basis.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_7
Cross Servicing	11.13.008			When using an agency authorized to cross-service, an automated system should provide information to referring agency as needed, i.e. collections received.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_8
Cross Servicing	11.13.009			When using an agency authorized to cross-service, an automated system should provide ad hoc reporting capability needed to satisfy referring agencies unique information requests such as, length of workout agreements, percent of debt that can be compromised, etc.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_9

DIRECT LOANS REQUIREMENTS

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cross Servicing	11.13.010			In identifying accounts to be selected for cross-servicing, an automated system should compare delinquent loan account information to statutory criteria to select delinquent loan accounts for possible referral.	JFMIP-SR-99-8, Jun 99, Pg 35		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cros s_Servicing_10
Cross Servicing	11.13.011			In identifying accounts to be selected for cross-servicing, an automated system should generate notification to the debtor of the agency's intent to refer the debt to a debt collection center.	JFMIP-SR-99-8, Jun 99, Pg 35		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cros s_Servicing_11
Cross Servicing	11.13.012			In identifying accounts to be selected for cross-servicing, an automated system should update the loan information store.	JFMIP-SR-99-8, Jun 99, Pg 35		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cros s_Servicing_12
Cross Servicing	11.13.013			In identifying accounts to be selected for cross-servicing, an automated system should identify accounts that can no longer be serviced by agency personnel.	JFMIP-SR-99-8, Jun 99, Pg 35		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cros s_Servicing_13
Cross Servicing	11.13.014			In monitoring accounts referred to the debt collection center, an automated system should identify accounts with monetary adjustments that must be reported to the debt collection center.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cros s_Servicing_14

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cross Servicing	11.13.015			In monitoring accounts referred to the debt collection center, an automated system should provide ad hoc reporting capability needed to monitor the accounts referred to a debt collection center and the amounts recovered.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_15
Cross Servicing	11.13.016			In monitoring accounts referred to the debt collection center, an automated system should interface with the Core Financial System to record receipts remitted to the agency.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_16
Cross Servicing	11.13.017			In monitoring accounts referred to the debt collection center, an automated system should apply collections received from the debt collection center according to agency application rules.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_17
Cross Servicing	11.13.018			In monitoring accounts referred to the debt collection center, an automated system should record collection fees in accordance with agency program requirements.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_18

	DIRECT LOANS REQUIREMENTS						

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cross Servicing	11.13.019			In monitoring accounts referred to the debt collection center, an automated system should process agency or debt collection center refunds, notify debt collection center as appropriate, and update the loan information store.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cros s_Servicing_19
Cross Servicing	11.13.020			In monitoring accounts referred to the debt collection center, an automated system should notify debt collection center of adjustments, recall of debt, or collections received by the agency on the referred debt.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cros s_Servicing_20
Cross Servicing	11.13.021			In monitoring accounts referred to the debt collection center, an automated system should remove from the accounting and financial records accounts that the debt collection center recommends should be written off.	JFMIP-SR-99-8, Jun 99, Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cros s_Servicing_21

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Reporting	11.14.001			An automated system must support disclosure, in footnotes to financial statements, to explain of the nature of the modifications of direct loans, the discount rate used to calculate the modification expense, and the basis for recognizing a gain or loss related to the modifications.	SFFAS-2, Jun 08, Para 56	DoDFMR Vol 12, Sep 08, Ch 04, 040202.K	Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Repo rting_1
Reporting	11.14.002			An automated system should allow a reporting entity to display a reconciliation between the beginning and ending balances of the subsidy cost allowance for outstanding direct loans and the liability for outstanding loan guarantees reported in an entity's Balance Sheet in a note to the financial statements.	SFFAS-18, Jun 08, Para 10	DoDFMR Vol 12, Sep 08, Ch 4, 040202.N.2			
Reporting	11.14.003			An automated system must be capable of producing a complete transaction history of each loan.	JFMIP-SR-99-8, Jun 99, Pg 61		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Repo rting_2

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Reporting	11.14.004			An automated system must support the following external reporting requirements of OMB and Treasury, including those associated with Federal Credit Reform Act (FCRA) of 1990 and the Chief Financial Officer (CFO) Act of 1990: • SF-132, Apportionment and Reapportionment Schedule • SF-133, Report on Budget Execution • SF-220-9, Report on Accounts and Loans Receivable Due from the Public	JFMIP-SR-99-8, Jun 99, Pg 61		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Reporting_3
Reporting	11.14.005			For direct loan programs, reporting entities should also disclose, at the program level, the subsidy rates for the total subsidy cost and its components for the interest subsidy costs, default costs (net of recoveries), fees and other collections, and other costs, estimated for direct loans in the current year's budget for the current year's cohorts.	SFFAS-18, Jun 08 para 11 B				

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Reporting	11.14.006			For direct loan programs, reporting entities should disclose, discuss, and explain events and changes in economic conditions, other risk factors, legislation, credit policies, and subsidy estimation methodologies and assumptions, that have had a significant and measurable effect on subsidy rates, subsidy expense, and subsidy re-estimates. The disclosure and discussion should also include events and changes that have occurred and are more likely than not to have a significant impact but the effects of which are not measurable at the reporting date.	SFFAS-18, Jun 08 para 11 C				
Reporting	11.14.007			An automated system should provide a user-friendly query tool (preferably graphics-based) that facilitates reporting rapidly on any required data elements.	JFMIP-SR-99-8, Jun 99, Pg 26		Record Loans and Grants	Proposal-to-Reward	#N/A

Chapter	Req Id	Value Added?	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Reporting	11.14.008			An automated system should provide at least the following types of management information: Approval and Rejection Monitoring Override Exceptions Potential Application Fraud Detailed Transaction History Exceptions Disbursement Management Summary	JFMIP-SR-99-8, Jun 99, Pg 26		Record Loans and Grants	Proposal-to-Reward	#N/A

ACRONYMS

ACH	Automated Clearing-House
CAIVRS	Credit Alert Interactive Voice Response System
CCLR	Claims Collection Litigation Report
CM	Configuration Management
DFAS	Defense Finance and Accounting Service
DoD	Department of Defense
DoDFMR	DoD Financial Management Regulation
DOJ	Department of Justice
EDA	Electronic Debit Account
FASAB	Federal Accounting Standards Advisory Board
FFMIA	Federal Financial Management Improvement Act
FSIO	Financial System Integration Office
JFMIP	Joint Financial Management Improvement Program
OFFM	Office of Federal Financial Management
OGC	Office of General Counsel
OMB	Office of Management and Budget
SFFAS	Statement of Federal Financial Accounting Standards