



FSA Guaranteed *Express*

January 2017

Winter Edition



DEPUTY ADMINISTRATOR'S MESSAGE

Happy New Year! I hope everyone enjoyed the holiday season and you were able to spend time with your family and friends. I want to thank each of you for your support this past year. It has been a year with many changes, challenges and demands, and everyone rose to the occasion. I count myself fortunate to be able to work with such a great group of dedicated people. The work you do, makes a positive impact on those farmers and ranchers, whom we are here to help and serve. I look forward to a busy, challenging and successful 2017. In this newsletter we have included some tidbits we hope will be helpful as you work your way through the lending season.

Jim Radintz, Deputy Administrator for Farm Loan Programs

HELPFUL TIDBITS TO START THE NEW YEAR LOAN MAKING

Lenders Agreement:

2-FLP, Subparagraph 47A

FSA-2201 "Lenders Agreement" has been revised. SEL lenders are reminded to execute new agreements. CLP and PLP lenders will execute a new agreement at the time of renewal. [Click here](#) to download the most recent version of FSA-2201 "Lenders Agreement."

Application Requirements:

2-FLP, Part 5

Lenders must perform at least the same level of evaluation and documentation for a guaranteed loan as would be done for a nonguaranteed loan of the similar size and type. All documentation must be maintained in the lender's loan file. The amount of information required to be submitted to FSA is determined by the lender status and the amount of the loan. (See table in subparagraph 70) Submitting a complete application saves everyone time and gets you a faster decision.

Loan Applicant:

2-FLP, Subparagraphs 108M, 109A and 110A

The applicant must be the operator of the farm. The applicant can be an individual or an entity and must be the same as documented for Farm Program payments. Farm income is usually reported for income tax purposes under the name of the farm operator. The operator must meet the definition of a family farm as defined in Exhibit 2 and must produce an agricultural commodity.

Loan Narratives:

2-FLP, paragraph 66C, Exhibit 14.5

FSA requires SEL, CLP and PLP to provide a narrative with each loan request. Exhibit 14.5 has been added to provide guidance for both lenders and FSA personnel in preparing proper loan narratives.

Appraisals:

2-FLP, Paragraph 183, Exhibit 14 and 15

Exhibits 14 and 15 have been added to provide additional guidance for lenders and appraisers when completing USPAP compliant appraisal reports acceptable to FSA.

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HELPFUL TIDBITS CONTINUED.....

LOAN SERVICING

Annual Requirements for Lines of Credit (LOC):

2-FLP, Subparagraph 265C and E

SEL lenders are required to submit a cash flow showing a feasible plan for the upcoming operating cycle. CLP lenders are required to provide an annual certification stating a feasible plan has been developed and the previous year's income, loan funds, and security proceeds have been accounted for. PLP lenders will service LOCs in accordance with their PLP Agreement and CMS.

Servicing Options:

2-FLP, Part 11

Loan does not have to be in default to be considered for servicing. Servicing options available for guaranteed loan customers include; restructuring, subordination, interest rate adjustments, deferrals, or consolidation of debt.

FSA Form 2248, Default Status Report:

2-FLP Paragraphs 300, 358, and 359

Submit within 45 days of default and every 60 days until the delinquency has been resolved. Include comments to document progress of account servicing. If liquidation becomes imminent, all lenders must prepare a plan of liquidation and submit an Estimated Loss Claim no later than 150 days of the missed payment due date.

GET CONNECTED WITH USDA CONNECT

FSA's new communication website provides our lenders access to more information, including;

- Updates and revisions to policy
- Information for Agency sponsored webinars and special events
- Access to National training presentations, and many more features.

To be part of FSA's USDA Connect Guaranteed Lender Community, please email us at:

FSAguaranteedloans@wdc.usda.gov

Include your name, email contact information, and lender institution name.

FUNDING

On December 9, 2016, the President signed a continuing resolution to fund the government through April 28, 2017. At this time funding is available in all FSA loan programs.



WEBINAR ANNOUNCEMENT

The next webinar is scheduled for February 2017. The presentation will cover FSA's updated Environmental Policy. Watch for the notice coming out soon.

Did you miss an FSA Webinar? No Problem. Join USDA Connect Guaranteed Lender Community and you can download your own copy of the presentation.

Recent Webinar Topics Include:

Preferred Lender Program Webinar
Guaranteed Loan Narrative Webinar
EZ Guarantee Loan Webinar

WELCOME NEW PLP LENDERS

- IAB-Fort Wayne, Indiana
- Bank of the Rockies-Livingston, Montana
- First State Bank Nebraska-Lincoln, Nebraska