

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration 1-FLP (Revision 1)	Amendment 119
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Approved by: Acting Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 23 F has been amended to add additional authorities that SED's may not redelegate.

Subparagraph 25 A has been amended to provide the docket types for DD and FLS file reviews.

Subparagraph 26 A has been amended to clarify delegating loan servicing authorities to FLO.

Subparagraph 27 B has been amended to clarify the number of dockets needed for hires with prior loan approval authority in another State.

Exhibit 17 has been amended to provide interest rates for FLP's.

Page Control Chart		
TC	Text	Exhibit
	2-5, 2-6	1, pages 5, 6
	2-9, 2-10	17, pages 1, 2
	2-11, 2-12	

23 State Office and Service Center Authorities (Continued)

D Acting Officials

Acting officials, other than SED, have the inherent authorities of their regular position and the inherent authorities of the acting position, unless otherwise restricted on the designation document. An acting designation does not increase an employee’s loan approval authority.

*--However, SED may increase the loan approval authority of FLO-GS-11 who is acting FLM for an extended period of time, because of a vacancy or illness, to that of FLM-GS-11 or FLM-GS-12 level, if justified by the employee’s performance and FSA’s need.

The loan approval authority for employees temporarily promoted, according to 3-PM, paragraph 47, will increase for the duration of the temporary promotion.--*

Acting SED is authorized to approve:

- loans up to the maximum limits established in subparagraph 29 D
- actions which will result in a loss to the Government.

Note: The acting FLM will be designated according to 16-AO, subparagraph 287 E.

The following letter may serve as a template for designating acting officials.

<p>To: Name Title</p> <p>Subject: Delegation of Authority</p> <p>You are hereby designated to serve as Acting (Title of Delegator), from (Starting Date) to (Ending Date). I hereby delegate to you all rights, privileges, and powers of the position (except the following:</p> <ul style="list-style-type: none"> • _____ • _____ • _____.) <p>(Signature)</p> <p>(Title)</p> <p>(Date)</p> <p>cc: State Office (2 copies)</p>

23 State Office and Service Center Authorities (Continued)

E Limitations on Inherent Authorities

SED must:

- provide a State Office employee, FLM, or SFLO written notification of any limitations on inherent authorities
- limit inherent authorities of employees selected as DD, FLS, FLM, or SFLO who have not completed required training.

F Redelegating SED Authorities

SED's may redelegate their:

- loan approval authority to FLC, FLS, or DD
- authority to allow the use of a restricted appraisal report to the designated State staff appraiser
- authority to approve subordinations, or release of refinancing lien instruments instead of subordinations, to FLC, FLS, or DD
- authority to approve surface leases for farm property no longer in use (such as old barns) or for nonfarm purposes (such as wind turbines, communication towers, or other similar installations) to FLC, FLS, or DD.

SED's may **not** redelegate their authority to:

- approve any action that will result in a loss to the Government
- approve subordination of real estate security for operating-type loan purposes
- approve release of chattel or real estate security with no compensation
- *--approve cancellation of undisbursed loan funds after all PLS options have been exhausted
- approve alternative repayment agreements in lieu of offset--*
- request an Administrator's exception.

25 Delegating Loan Approval Authority (Continued)

A Receiving Approval Authority (Continued)

- have an additional 1 calendar year to complete Phase 2 and be delegated loan approval authority, after completing Phase 1, training
- DD's and FLS' working toward obtaining loan approval authority shall:
 - meet the State-established credit quality standards on a minimum of 3 files of which at least 1 must be a term loan. Not more than 4 files may be submitted to meet this requirement
 - submit a minimum of 4 acceptable file reviews. Not more than 6 file reviews may be submitted to meet this requirement

Note: When recording trainee file reviews in FLOTRACK Docket information, *--choose "Docket Type:

- File Review - Direct Loan
- File Review - Guaranteed Loan (SEL)
- File Review: PLS.--*
- be placed on an OTI or PIP as appropriate, if the trainee's:
 - 3 of the maximum of 4 independently prepared loan files fail to meet the State-established credit quality standards
 - 4 of the maximum of 6 file reviews are not acceptable.

Note: If trainee is placed on an OTI or PIP due to failure to meet the State-established credit quality standards on the independently prepared loan files or file reviews, this action must be documented in the "Comments" section of FLOTRACK.

- submit, at the end of the OTI or PIP, a new set of loan files that meet the State credit quality standards

Note: If the trainee's 3 of the maximum of 4 independently prepared loan files again fail to meet the State-established credit quality standards, or 4 of the maximum of 6 file reviews are not acceptable, follow 6-PM, subparagraph 198 D to determine next action.

- have an additional 6 months to complete Phase 2 and be delegated loan approval authority, after completing Phase 1 training.

25 Delegating Loan Approval Authority (Continued)

A Receiving Approval Authority (Continued)

The files trainees submit for State Office review and approval must be of sufficient complexity to reflect the ability to make good credit decisions and analyze an applicant's or borrower's operation. The files submitted must include **all** of the following types of loans:

- direct loans

***--Notes:** May submit no more than **1** Microloan.--*

May **not** submit youth loans.

- guaranteed loan applications from SEL only
- PLS applications.

Notes: In cases where SEL and/or PLS applications are **not** available, FLC may substitute direct loans, excluding youth loans, to meet this requirement.

When substituting a direct loan for SEL and/or PLS, note "File Substitution for SEL or PLS" in the "Comments" section.

Files submitted for review may include credit actions recommended for approval or rejection.

B Failure to Receive Loan Approval Authority

Follow 6-PM, subparagraph 198 D if an employee (DD, FLS, FLM, FLO, or FLOT) whose position description requires the employee to obtain loan approval authority, or CED designated to obtain loan approval authority, does not successfully meet the criteria in subparagraph A.

C CED Loan Approval Authority

SED's, in consultation with FLC and the appropriate DD, may designate CED's to obtain loan approval authority if CED:

- agrees to maintain competency with ongoing FLP activity
- while completing the FLOT program and working toward obtaining loan approval authority, agrees to have added to the performance plan under Program Management, Execution of Duties, or similar element the following standard, "Successfully completes assigned training and training activities within established timeframes"

25 Delegating Loan Approval Authority (Continued)

D Circumstances for Designating CED's (Continued)

FLM or SFLO is responsible for managing loan making and servicing activity in Service Centers considered to be Type 1 offices when CED with loan approval authority is headquartered in the office.

- CED has sufficient time for additional responsibilities required to obtain and maintain loan making and servicing authority without negatively impacting CED's current farm program obligations.

E COC Concurrence

COC will be required to concur in writing:

- with the additional FLP responsibilities that CED will be incurring
- that while CED is completing the FLOT program and working toward obtaining loan approval authority, has added to the performance plan under Program Management, Execution of Duties, or similar element the following standard, "Successfully completes assigned training and training activities within established timeframes".

F National Office Approval for CED's Receiving Loan Approval Authority

SED's shall submit FSA-2127 to the National Office to request approval for all CED's designated to obtain loan making and servicing authority by e-mailing the completed FSA-2127 to Teresa Martin, National Office FLOT Coordinator, at teresa.martin@wdc.usda.gov.

The National Office FLOT Coordinator will notify SED when DAFO and DAFLP approval has been granted.

26 Delegating Loan Servicing Authority

A Delegations to FLO

FLM or SFLO may delegate loan servicing authorities to FLO according to Exhibit 7, subparagraph B.

- *--Note:** Loan servicing authorities may be delegated to FLOT's who have the appropriate training and experience. Use caution in delegating authority to employees still in training.--*

B Delegations to PT

FLM or SFLO may delegate loan servicing authorities to PT, who has the appropriate training and experience, according to Exhibit 7, subparagraph B.

26 Delegating Loan Servicing Authority (Continued)

C Delegations to CED

See 27-PM, Exhibit 4.4 for FLP responsibilities that may be performed by CED's designated by SED to obtain loan servicing authority.

D Delegations to AS, LOA, and LRS

FLC, FLM, or SFLO may delegate loan servicing authorities to AS, LOA, or LRS who has the appropriate training and experience, according to Exhibit 7, subparagraph B.

27 Maintaining Approval Authority

A Employee Who Accepts New FLP Position Within the State

When an FLP employee with loan approval and servicing authority accepts a new FLP position within the State, a new delegation of authority is not required.

Loan approval authority is automatically increased when the employee's grade increases, unless:

- SED issues a new delegation of authority limiting the authority
- the original delegation of authority established limitations on approval authority.

B Hires With Prior Loan Approval Authority in Another State

Employees who held FLP loan approval authority for at least 1 year immediately before the selection to the new position, may submit a copy of the previous delegation letter, and a statement from the previous FLC, reflecting the quality of docket reviews based upon credit quality review guidelines.

This information shall be used to establish the following:

- necessary actions for obtaining FLP loan approval in the new State
- *-determining whether the employee will be required to submit dockets for review, and if so, the number of dockets to be submitted in the new State to determine whether approval authority will be delegated to the employee--*.

New employees who did not hold FLP loan approval authority for at least 1 year immediately before the selection to the position, must submit the number of independently prepared files required under subparagraph 25 A. SED, in consultation with FLC, shall determine any training required for the employee to be delegated approval authority.

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
FaSB	Farm Services Branch, NFAOC	5, 41, 52
FAR	Federal Acquisitions Regulation	162, 165, 166
FCSB	Farm and Community Services Branch, NFAOC	5, 50, 52
FCAO	Farm Credit Applications Office	49, Ex. 15
FHP	Farm and Home Plan	Ex. 5, 15
FLOTRACK	Farm Loan Officer Trainee Tracking System	25
FLPRA	Farm Loan Programs Risk Assessment	401-403, 443, Ex. 36
FmHA	Farmers Home Administration	52, Ex. 5
FMMI	Financial Management Modernization Initiative	162-169
ISA	installment set-aside	Ex. 15
ITLAP	Indian Tribal Land Acquisition Program	2, Ex. 16
KZ	cancellation	169
LOA	Loan Analyst	23, 26, Ex. 7
LOC	line of credit	29, Ex. 15, 16
LR	limited resource	223, 261, 263, Ex. 15, 16
LRS	Loan Resolution Specialist	23, 26, Ex. 7
MADS	margin after debt service	Ex. 15
ML	microloan	222, 242, Ex. 15, 16
MRT	Master Reference Table	444
NFAOC	National Financial Accounting and Operations Center	5, Ex. 14
OA	Office of Adjudication	41
OTI	Opportunity to Improve Plan	25
PAC	Program Authority Code	162, 164, 167
PARLC, LAO (FFIS Team)	Policy, Accounting, Reporting, and Loan Center, Loan Accounting Office	169
PCA	Production Credit Association	Ex. 18
PIP	Performance Improvement Plan	25
PLP	Preferred Lender Program	29, 43, 143, Ex. 5
PLS	Primary Loan Servicing	23, 25, 27, 29, 42, 144, Ex. 5, 36
PRB	Programs Report Branch, NFAOC	5
RCI	recoverable cost items	Ex. 15
SALP	Special Apple Loan Program	2, 29
SAM	System for Award Management	43, 166
SEL	standard eligible lender	25, 43, 143, Ex. 5, 36
SLR	Security Liaison Representative	53, Ex. 14, 15

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
TC	transaction code	46, 49, 50, 52, 164, 169 Ex. 14
TDCLC	term debt capability lease coverage	252, Ex. 15
TI	treasury in transit	169
TR	treasury reversal	169
TY	payment voucher transaction	161, 165-169
WEM	Web Equity Manager	Ex. 15
WP	Western Pacific	5
YEA	year-end analysis	162, 201, 251, 261-263, Ex. 15, 26, 36
ZMY	Obligating document or purchase order created in FMML.	161, 163, 165-166, 168-169

Re delegations of Authority

SED's may redelegate their:

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

FLP Rates

A Interest Rates for FLP's

--The following provides interest rates for FLP's as of August 1, 2015.--

Loan Type	Current Rate (%)	Date Set
Rural Housing - Farm Loan Purposes		
Note: For the current interest rate, contact the National Office.		
Operating	*--2.625	8/1/15--*
Operating - Limited Resource	5.000	12/1/90
*--Operating - Microloan - "Special Interest Rate"	5.000	2/7/14
Farm Ownership and Conservation Loans	*--4.000	8/1/15--*
Farm Ownership - Limited Resource	5.000	4/1/86
Farm Ownership - Down Payment	1.500	5/22/08
Farm Ownership - Joint Financing	2.500	2/7/14
Soil and Water	*--4.000	8/1/15--*
Soil and Water - Limited Resource	5.000	7/1/92
Recreation - Individual	*--4.000	8/1/15
Farmer Program - Homestead Protection	4.000	8/1/15
Shared Appreciation Amortization	3.000	8/1/15
Softwood Timber Loans	4.000	8/1/15
Economic Emergency - Operating	2.625	8/1/15
Economic Emergency - Real Estate	4.000	8/1/15
Emergency - Amount of Actual Loss	3.625	8/1/15--*
Emergency - Major Adjustment: Subtitle A Purpose (Excess of Loss)	5.625	7/1/15
Emergency - Major Adjustment: Subtitle B Purpose (Excess of Loss)	4.875	6/1/15
Emergency - Annual Production	4.875	6/1/15
Nonprogram - Chattel Property	4.875	6/1/15
Nonprogram - Real Property	5.625	7/1/15
Apple Loans	1.000	7/1/15
Association - Grazing	*--4.000	8/1/15
Association - Irrigation and Drainage	4.000	8/1/15--*
Indian Land Acquisition	5.000	2/1/91

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

- FAX to 816-823-4740 or 816-823-4741
- e-mail to ra.mokansasc2.kcasbwhse
- mail to:

USDA/FSA/Kansas City Warehouse
2312 East Bannister Road
Kansas City MO 64131-3011.

FLP Rates (Continued)

B Treasury Rates

The following table provides the applicable Treasury rates.

Treasury Rates	Current Rate (%)	Date Set
90-Day Treasury Bill	0.125	10/1/09
Treasury Judgment Rate (see Note)	0.270	7/1/15

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

The treasury judgment rate is the interest rate applicable to deficiency judgments for all loan types (pursuant to 28 U.S.C. Section 1961). The rate is based on the weekly average 1-year CMT yield published by the Federal Reserve System, Board of Governors. The rate shown is the most current rate posted to the Federal Reserve web site and is dated the *--week ending July 3, 2015. The actual judgment rate is the rate for the calendar week--* preceding the date the defendant becomes liable for interest. Access the Federal Reserve web site www.federalreserve.gov/releases/H15/current for the weekly average 1-year CMT yield.

C Historical 90-Day Treasury Bill Rates

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

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