

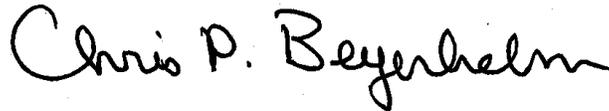
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration
1-FLP (Revision 1)

Amendment 97

Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 142 B has been amended to provide guidance applicable to mineral rights as included in the Agricultural Act of 2014 (Pub. L. 113-79).

Subparagraph 144 E has been amended to provide that applicants or borrowers may provide an independent chattel appraisal review when appealing a chattel appraisal.

Exhibit 15 has been amended as follows:

- subparagraph A 4 a has been amended to insert note not to add FSA as creditor
- subparagraph A 11 k has been amended to remove instruction
- subparagraph D 1 has been amended to require post-close balance sheet for Microloans
- subparagraph J 2 has been amended to replace the screen print
- subparagraph J 3 a has been amended to replace the screen print
- subparagraph L 1 has been amended to remove instruction.

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

| Page Control Chart | | |
|--------------------|-------------------------------|---|
| TC | Text | Exhibit |
| | 6-5 through 6-8 6-13, 6-14 | 15, pages 1, 2 pages 5, 6 pages 8.5, 8.6 pages 29-32 pages 45, 46 pages 98.13, 98.14 pages 129, 130 17, pages 1, 2 |

142 Appraisal Reports**A Chattel Appraisals**

[7 CFR 761.7(b)(2)] When a chattel appraisal is required it must be completed on an applicable Agency form (available in each Agency State Office) or other format containing the same information.

FSA may use FSA-2160. If FSA-2160 is not used, the chattel appraisal, as a minimum, will identify all chattel items appraised, including the following details:

- the quantity, kind, sex, breed, color, weight or average weight, brands or other identification, and value of livestock

Note: Weight is not required for breeding stock.

- the quantity, kind, manufacturer, size and type, condition, year of manufacture, serial or motor number, and value of machinery and other equipment.

The appraised value of chattel property will be based on public sales of the same or similar property in the market area. In the absence of public sale data, reputable publications may be used to establish market value. * * *

142 Appraisal Reports (Continued)

B Real Estate Appraisals

A real estate appraisal, as a minimum, will be an appraisal report as defined by USPAP. Any exception to allow the use of a restricted report requires prior written approval by SED. SED may redelegate this authority to the designated State staff appraiser. Approval of restricted reports will only be granted under extraordinary circumstances, limited to situations where there will be only a single user of the report.

Real estate appraisals must include as a minimum, the following details:

- documentation of the physical onsite inspection of the subject and comparable properties by the appraiser

Note: Physical inspections are required for the appraisal unless an exception in writing is provided by an FSA appraiser.

- documentation of the results of the following 3 approaches to estimating value, as determined to be applicable and necessary, except as provided in the scope of work in USPAP:
 - sales comparison approach
 - cost approach
 - income approach
- if adjustments are made, the basis for these adjustments as recognized by the market and supported by adequate documentation in the appraisal
- at least a 3-year sales history of the property
- the comparable sales used, including a breakdown of land and improvement features and photographs of improvements and land.

Note: Using the subject property's pending sale as a comparable is prohibited.

* * *

142 Appraisal Reports (Continued)

B Real Estate Appraisals (Continued)

*--Before the passage of the Agricultural Act of 2014 (Pub. L. 113-79) on February 7, 2014, CONACT provided for direct FO loans secured by real estate after December 23, 1985, the appraisal must consider the value of oil, gas, and other minerals for FSA to perfect its lien on the minerals. FSA is no longer required to include the value, even if nominal, of oil, gas, and other minerals to perfect its lien.

When the value of mineral rights is needed to adequately collateralize the loan, FSA-2164,--* Part D or other formats that provide the same information, will be included in the appraisal report to support the market value arrived at by the appraiser.

* * *

C Approved Appraisal Formats

Any appraisal format that meets USPAP requirements is acceptable.

FSA has the following available formats that may be used along with additional documentation to meet USPAP requirements:

- FSA-2161
- FSA-2162
- FSA-2163
- FSA-2164.

D Real Estate Appraisal Software

FSA has appraisal software available for full-time and part-time staff appraisers/reviewers. To obtain a copy of the software, or if there are questions about the software, contact Thomas Dobbin, Chief Appraiser, by either of the following:

- e-mail at **thomas.dobbin@wdc.usda.gov**
- telephone at 208-378-5671.

143 FSA Review of Appraisal Reports

A Overview

[7 CFR 761.7(d)(1)] With respect to a real estate appraisal, the Agency may conduct a technical appraisal review or an administrative appraisal review, or both.

[7 CFR 761.7(d)(2)] With respect to a chattel appraisal, the Agency may conduct an administrative appraisal review.

Real estate appraisals used for any direct or guaranteed loan making or servicing purpose are subject to a technical appraisal review or an administrative appraisal review by FSA for compliance with applicable FSA regulations and procedures.

--Chattel appraisal administrative reviews will be completed on FSA-2167.--

B Administrative Appraisal Reviews

Administrative appraisal reviews are conducted by FSA employees, other than an FSA full-time or part-time State-designated appraiser/reviewer, delegated the responsibility by SED. Employees must have completed training on conducting appraisal reviews, according to paragraph 147, before receiving this delegation.

An administrative appraisal review is performed as a due diligence function in the context of a loan making or servicing decision and to ensure compliance with organizational requirements. After the administrative appraisal review, the appraisal user will be in a position to understand the strengths and weaknesses of the information in the report. An administrative appraisal review is completed to verify that the:

- correct property was appraised
- math is correct
- appraisal is logical and understandable
- appraisal complies with FSA contracting requirements.

Note: An administrative appraisal review does not include a determination of compliance with USPAP.

The administrative reviewer will refer to the designated State staff appraiser any areas of concern or problems detected. An administrative reviewer may not express a different opinion of value and may not certify to the type and extent of review.

The administrative appraisal review is completed for farm properties on FSA-2165 and for residential properties on RD 1922-15, or in any other format containing, at a minimum, the same information.

144 Appeals of Decisions Based on Appraisals

A Scope

This paragraph provides general information on appealing a direct loan making or loan servicing decision based on an appraisal. See 1-APP and paragraph 42 for additional information on appeals.

B When a Decision Based on an Appraisal May Be Challenged

An applicant or borrower may request reconsideration or appeal of any adverse decision based on an FSA appraisal. However, when the appraisal was obtained in connection with a request for PLS and negotiation of the appraisal has been completed according to 5-FLP, paragraph 230, the negotiated value is not appealable.

C Reconsideration of Real Estate Appraisals

An applicant or borrower may request reconsideration of an adverse decision based on a real estate appraisal and provide an independent technical appraisal review, completed by a State-certified general appraiser.

The independent technical appraisal review:

- is performed to determine whether the analysis, opinions, and conclusions in the appraisal report obtained by FSA are appropriate and reasonable
- may include either a desk review and/or a field review.

Note: The appraiser conducting the technical appraisal review must certify as to the type and extent of the review process.

At the applicant's or borrower's request, the agency official shall provide a list of State-certified general appraisers. The applicant or borrower may select an appraiser from the list or retain any other State-certified general appraiser to conduct the independent technical appraisal review according to USPAP Standard 3. The applicant or borrower must pay the cost of the independent technical appraisal review.

FSA will review the independent technical appraisal review, as well as the appraisal used to *--make the decision, and determine the final appraisal report to be used. The authorized--* agency official will notify the applicant or borrower of the outcome of reconsideration according to 1-APP.

144 Appeals of Decisions Based on Appraisals (Continued)

D Reconsideration of Chattel Appraisals

An independent appraisal review is performed to determine whether the analysis, opinions, and conclusions in the appraisal report obtained by FSA are appropriate and reasonable.

FSA will review the chattel independent appraisal received from the applicant or borrower, along with a copy of the appraisal, and decide the chattel's final appraised value. The authorized agency official will notify the applicant or borrower of the outcome of reconsideration according to 1-APP.

E Real Estate and Chattel Appraisal Appeals

[7 CFR 761.7(e)] Challenges to an appraisal used by the Agency are limited as follows:

- (1) **When an applicant or borrower challenges a real estate appraisal used by the Agency for any loan making or loan servicing decision, except primary loan servicing decisions as specified in § 766.115 of this chapter (5-FLP, paragraph 230), the issue for review is limited to whether the appraisal used by the Agency complies with USPAP. The applicant or borrower must submit a technical appraisal review prepared by a State Certified General Appraiser that will be used to determine whether the Agency's appraisal complies with USPAP. The applicant or borrower is responsible for obtaining and paying for the technical appraisal review.**

Note: The applicant or borrower does **not** have the right to provide a second independent appraisal for consideration.

- (2) **When an applicant or borrower challenges a chattel appraisal used by the Agency for any loan making or loan servicing decision, except for primary loan servicing decisions as specified in § 766.115 of this chapter (5-FLP, paragraph 230), the issue for review is limited to whether the appraisal used by the Agency is consistent with present market values of similar items in the area. The applicant or borrower must**
~~*--submit an independent appraisal review that will be used to determine whether the appraisal is consistent with present market values of similar items in the area. The applicant or borrower is responsible for obtaining and paying for the independent appraisal review.~~

Note: Applicants or borrowers challenging a chattel appraisal must submit an independent chattel appraisal review. This CFR text will be amended in a forthcoming rule to correctly reflect this requirement.--*

Farm Business Plan System

with *Web* **EQUITY MANAGER®**

A component of *eLoans*

FSA User Guide



USDA... electronically available any place, any time.



Farm Service Agency

Farm Business Plan - FSA User Guide (Continued)

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Farm Business Plan - FSA User Guide (Continued)

A Overview

1 Farm Business Planning

FSA uses the FBP system to perform farm planning and analysis, loan origination and servicing functions, and manage the FLP loan portfolio. This will allow FSA to:

- assist customers in planning their business operations, either online or through traditional business methods
- improve the timeliness and quality of service
- thoroughly analyze credit actions with an improved, yet consistent process
- use accrual analysis, when appropriate, in analyzing credit decisions and preparing plans
- improve loan documentation and compliance with audits
- empower States to proactively manage their loan portfolio by providing access to a data mart of financial information.

Because the FBP system is flexible, there are many ways to deal with different circumstances. This user guide is designed as a starting point to provide overall FSA policy in farm planning and analysis, and discuss policies and business practices FSA has implemented in FBP. Additional information about actual software usage is available through the online eHelp or WEM user guide available from Web Equity Solutions at 1-800-264-0787. The information in both sources of help is the same. WEM is the software used to create FBP.

The term “FBP” is used in the following 2 contexts:

- collecting documents that compose FBP
- the system used to create the document FBP.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

4 Defaults

Most system defaults are controlled at either the national or State level; however, the following defaults listed may be modified by Service Center users.

a Creditors

Commonly used creditors have been established for each service center and appear as defaults in the customer’s balance sheet loan schedules. New creditors can be added to the “Service Center Creditors” list as needed, however changes will only be available in new customers added after the change is made. For existing customers, changes to the creditor list will need to be made in the individual customer’s creditor list.

To access the Service Center creditor list:

- CLICK “Defaults”, “Creditors” from the toolbar
- enter the new creditor information; example “Bank of Hope”, then CLICK “Add”.

--Note: FSA has already been added as a default and is tied to the collateral analysis. Do not add FSA as a creditor because the duplicate will not be tied to the collateral analysis.--

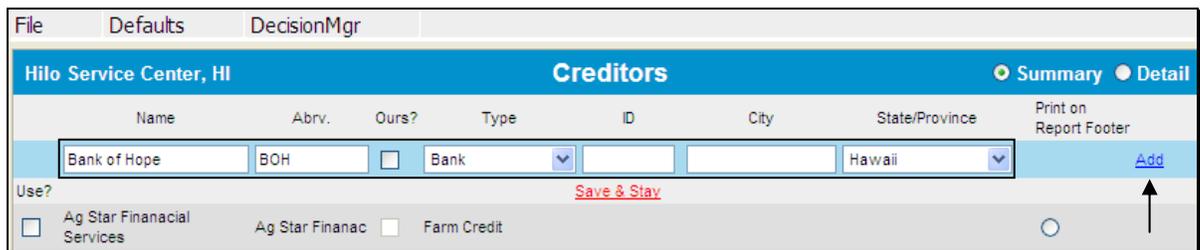


Figure 0a, Adding creditor to Service Center Default List

The new creditor will be added with a check (✓) in the “Use?” column. The new creditor will automatically be available for selection in all new customers added to the FBP.

If users uncheck (✓) the “Use?” box, the creditors will no longer be available for selection.

| Use? | Name | Abrv. | Ours? | Type | City | State/Province | Print on Report Footer |
|-------------------------------------|--------------------------|----------------|--------------------------|-----------------|------|----------------|------------------------|
| <input checked="" type="checkbox"/> | Bank of Hope | BOH | <input type="checkbox"/> | Bank | | Hawaii | <input type="radio"/> |
| <input type="checkbox"/> | Bureau of Indian Affairs | BIA | <input type="checkbox"/> | Govt - Other | | | <input type="radio"/> |
| <input checked="" type="checkbox"/> | Case IH Credit | Case IH Credit | <input type="checkbox"/> | Mach/Equip. Co. | | | <input type="radio"/> |

Figure 0b

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

4 Defaults (Continued)

a Creditors (Continued)

*--For existing customers, users will need to access the individual customer record and “Copy” the new creditor into the Creditor List, as follows:

- access the existing customer’s Loan Schedule or Loan Detail Screen
- CLICK “Creditor”.

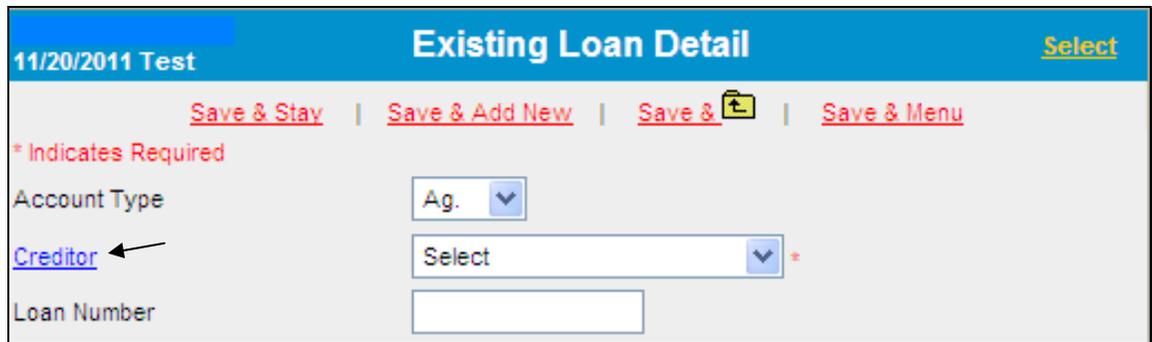


Figure 0c, Adding Creditor to Customer Creditor List

- CLICK “Copy Location Creditor”



Figure 0d, Copy Creditor--*

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

k Reading the Credit Report (Continued)

Example of Employment Section

In the case of a joint application, the “Employment” Section will include a section for the “Applicant” and “Co-Applicant”.

| EMPLOYMENT | | | |
|--------------|-------|-----------------|--------|
| APPLICANT | | | |
| COMPANY NAME | BANK | OCCUPATION | |
| DATE HIRED | | SEPARATION DATE | |
| INCOME | | | |
| COMPANY NAME | HAL | OCCUPATION | MGR |
| DATE HIRED | | SEPARATION DATE | |
| INCOME | | | |
| CO-APPLICANT | | | |
| COMPANY NAME | QSASF | OCCUPATION | ASFD |
| DATE HIRED | | SEPARATION DATE | |
| INCOME | | | |
| COMPANY NAME | ASDAS | OCCUPATION | ADASDA |
| DATE HIRED | | SEPARATION DATE | |
| INCOME | | | |

The “Employment” Section includes known current and former employers and status of employment for each.

Example of Inquiries Section

| INQUIRIES | | | | | |
|-----------|-----------------|---------------------------------|----------------|--------|--|
| DATE | SUBSCRIBER NAME | TYPE | SUBSCRIBER NO. | AMOUNT | |
| 04/26/05 | CENTRIX FINA | Miscellaneous and public record | 01000725 | | |

The “Inquiries” Section provides a list of the inquiries by the bureaus requested and is restricted to only the inquiries in the last 90 calendar days.

Example of Sources Section

| SOURCES |
|---|
| EQUIFAX P O BOX 740241 ATLANTA, GA 30374-0241 800-685-1111 |
| EXPERIAN P O BOX 2002 ALLEN, TX 75013-00036 888-397-3742 |
| TRANS UNION 555 W. ADAMS CHICAGO, IL 60661 312-258-1717 |

The “Sources” Section provides a list of the bureaus that are included in the Credit Report.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

k Reading the Credit Report (Continued)

Example of Messages Section

| MESSAGES | | | |
|---|------------------------|----------------|------|
| APPLICANT | | | |
| *** EQUIFAX *** | | | |
| SAFESCAN Warning: Social Security number is issued to person who has been reported deceased. | | | |
| INQR Subject's SSN is Year Issued: 1965; State: NY | | | |
| OFAC: No match found in OFAC Database. | | | |
| *** EXPERIAN *** | | | |
| FACS+ Message: Inquiry Address Message - CKPT: BUSINESS SERVICE ON FACS+ FILE/ | LANDSCAPING/ | AVE/ | IL |
| 60750/847.555.1336 | | | |
| FACS+ SOCIAL COUNTER: Social has been used 2 times since 02/01/03 | | | |
| FACS+ SOCIAL ERROR: Indicates that no error conditions occur. | | | |
| FACS+ ADDRESS COUNTER: Address has been used 6 times since 02/01/03 | | | |
| FACS+ ADDRESS ERROR: Indicates that no error conditions occur. | | | |
| FACS+ POSSIBLE YEARS SSN ISSUED: 1994 - 1996 | | | |
| FACS+ Fraud Services Indicator: | | | |
| FACS+ Fraud Services Indicator: | | | |
| FACS+ Message: Onfile Address Message - CKPT: TRADE CONTRACTOR-SPECIAL TRADE ON FACS+ FILE/ | | SERVICE/ | |
| AVE/ | IL | | |
| FACS+ Message: Onfile Address Message - CKPT: | SERVICE ON FACS+ FILE/ | SERVICES INC./ | AVE/ |
| IL | / | | |
| *** TRANS UNION *** | | | |
| SSN Match: Exact match between SSN on input and SSN on file | | | |
| Phone Append: Default product delivered; Search Status - Area code and phone number not found on new source. Phone number on CRONUS database is returned. | | | |
| HAWK: Requested product delivered | | | |
| HAWK: Input SSN issued:1965-1967; state: NY; (est. Age obtained: 00 to 00) | | | |
| HAWK: File SSN issued:1965-1967; state: NY; (est. Age obtained: 00 to 00) | | | |
| Add-on Product Code - 00P02: Default product delivered | | | |
| Geo Code: Requested product delivered; Search Status - Insufficient Current Address | | | |
| Geo Code: Requested product delivered; Search Status - No Future Address Entered | | | |
| OFAC Advisor: Default product delivered; Search Status - OFAC Advisor Clear. | | | |
| CO-APPLICANT | | | |
| *** EQUIFAX *** | | | |
| SAFESCAN: Your inquiry has gone through our SAFESCAN data base. | | | |
| Subject Former Name: H L | | | |
| INQR Subject's SSN is Year Issued: 1976; State: NY | | | |
| OFAC: No match found in OFAC Database. | | | |
| *** TRANS UNION *** | | | |
| SSN Match: Exact match between SSN on input and SSN on file | | | |
| Phone Append: Default product delivered; Search Status - Area code and phone number not found on new source. Phone number on CRONUS database is returned. | | | |
| HAWK: Requested product delivered | | | |
| HAWK: Input SSN issued:1976-1978; state: NY; (est. Age obtained: 00 to 00) | | | |
| HAWK: File SSN issued:1976-1978; state: NY; (est. Age obtained: 10 to 10) | | | |

The "Message" Section includes the warning messages from each of the bureaus requested, for both the applicant and the co-applicant, when requesting a joint application.

Farm Business Plan - FSA User Guide (Continued)

A Overview (Continued)

11 Credit Reports (Continued)

l When Mortgage and Commercial Credit Reports Are Not Acceptable

See 1-FLP, subparagraph 48 G.

m When the Applicant Disputes Information on the Credit Report

See 1-FLP, subparagraph 48 H.

B Electronic File Maintenance, Reports, and Signatures

1 Customer Record

All electronic information stored within FBP is considered part of the customer file and record as if it were in written form.

Farm Business Plan - FSA User Guide (Continued)

B Electronic File Maintenance, Reports, and Signatures (Continued)

2 Running Record

--The “Notes”, “Running Record” feature of FBP should be used to record all entries that would-- have traditionally been written in the file, which are farm visit notes and comments on interactions with customers **except** the following:

- the narratives and comments about loanmaking or loan servicing actions that **must** be documented in the applicable FBP Credit Presentation

Note: The Credit Presentation is designed to encompass the entire loan narrative and analysis documentation of loanmaking or loan servicing actions. Therefore, it is **not** expected that the “Notes”, “Running Record” will be used to store narrative comments about a loanmaking or loan servicing action when a Credit Presentation is prepared.

- comments and entries that are exempt from disclosure according to FOIA.

Note: No running records will be deleted from FBP.

* * * To avoid potential space limitations, it is recommended that a new Running Record be created for each calendar year. CLICK “Notes”, “Running Record”, “Add/Modify/Delete”, and type the description in the “Note Title/Description” box; for example, “2010 Running Record”.

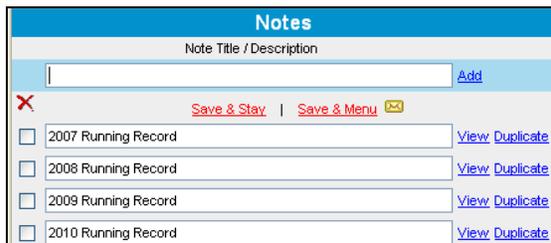


Figure 10a

When using the electronic Running Record, it is recommended that the most recent entries be made at the top of the page with the date, initials, and comments of the user.



Figure 10b

Farm Business Plan - FSA User Guide (Continued)

C General Information (Continued)

6 Change General Information Model (Continued)

- the New General Information model will be displayed.

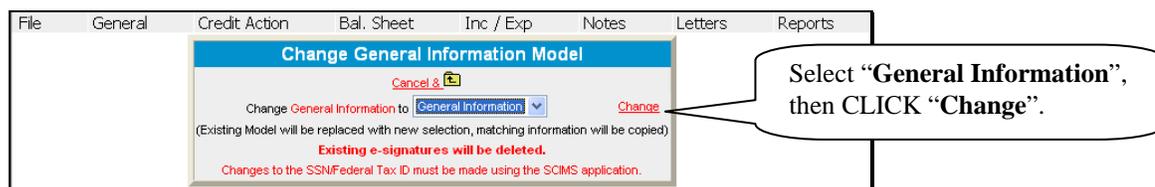


Figure 13c

D Balance Sheet

A balance sheet is a financial statement that reflects the values of an individual or entities assets, liabilities and capital at a specific point in time. Balance sheets can be created for a current date, future date, or even a previous date, if necessary, to reconstruct a customer’s historical financial position. Obtaining balance sheets at the end of each business year is preferable, if possible.

There is no limit to the number of balance sheets that can be created or maintained in FBP.

Note: The balance sheet summary **must be** printed and signed by the customer for all loanmaking and servicing actions.

1 Types of Balance Sheets

A meaningful description, such as “FYE 12/31/10” or “After eDALR\$ 2011”, should be used when a balance sheet is created. The description becomes especially important in years where multiple balance sheets are created and will appear on all reports.

| Type of Balance Sheet | Additional Details |
|-----------------------|--|
| Current | A balance sheet prepared as of the current date. It is generally a snap-shot of the customer’s assets and debts as of a certain date, assuming no credit action will take place. |
| Post-Close | <p>A balance sheet prepared assuming that the planned loanmaking or loan servicing action has just taken place.</p> <p>Note: The credit action does not have to be closed before a post-close balance sheet is created to classify the account.</p> <p>A post-close balance sheet must be completed for the following credit actions:</p> <ul style="list-style-type: none"> • D-Loan Making (for term loans only) • D-Loan Regular Servicing • D-Loan Special Servicing •*--Microloan (for term loans only).--* |
| Pro-Forma | A balance sheet prepared assuming that the projected income/expenses have occurred during the plan period. A pro-forma balance sheet can be prepared to analyze what a customer’s financial position would be in the future, i.e. after a 1 year period. |

Farm Business Plan - FSA User Guide (Continued)

D Balance Sheet (Continued)

2 Adding New Balance Sheets

*--To add a new balance sheet, CLICK **“Bal. Sheet”** on the toolbar. A balance sheet may be added using either the “Trends Manager” or “Add Balance Sheet” option selected from the drop-down menu.

Option 1: CLICK **“Trends Manager”** to access the Balance Sheet & Income/Expense Trends Manager Screen. “Trends Manager” may also be accessed through the Dashboard Navigation Screen.



Figure 14a, Balance Sheet Trends Manager Using the Toolbar

To add a new balance sheet report, in a column CLICK **“Create New”** link in an empty cell. Any changes made to the selection and the order of the reports will be reflected on the Reports Setup Screen. To create a report that would be available to add to the Reports Setup Screen at a later date, click the link found under the “Balance Sheet” tab.

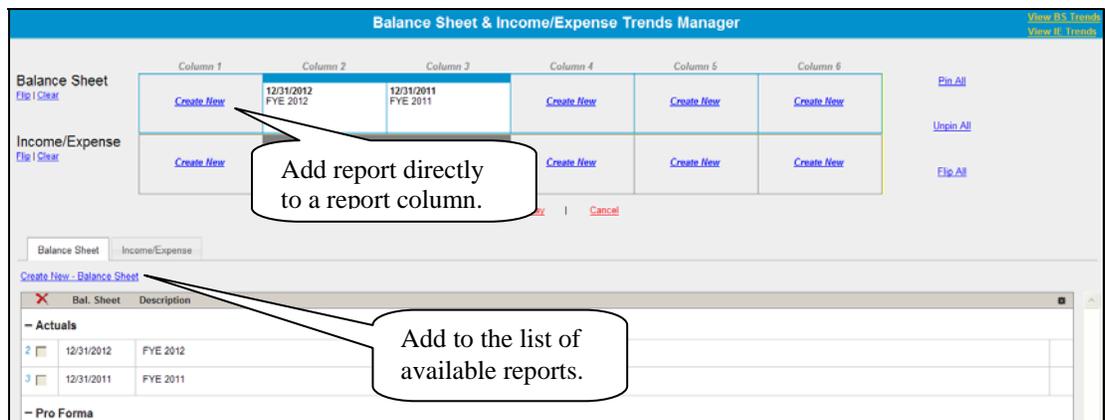


Figure 14b, Balance Sheet & Income/Expense Trends Manager--*

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

2 Credit Action Status

The “Status” column is an eSignature feature on the Credit Action Screen that helps track the progress of the credit action. When a Credit Presentation that requires “Plan Approval” is acted on by a loan official, the “Status” on the Credit Action Screen will automatically be updated to indicate if it was:

- “Approved” or “Declined”
- “Recommend Approval” or “Recommend Decline”
- “Withdrawn”
- “End”, to be used **only** by the FBP coordinator.

*--

| Credit Action | | | | | | |
|---------------------------------|---------------------|--|-----------------------------|---|------------------------------------|-----------------------|
| Description | Credit Action Model | | | | | |
| <input type="text"/> | Select | | | | | Add |
| Save & Stay | | | | | | |
| Description | Status | | Farm Assmt. | Credit Presentation | Security Agreement | |
| 2012 CR, GR & S/A | Approved | | Farm Assmt. | Classification / LR Review/ YEA | Security Agreement | Track |
| 2011 Security Inspection | Select | | None | None | Security Agreement | Track |
| 2009 YEA | Approved | | Farm Assmt. | Classification / LR Review/ YEA | Security Agreement | Track |

Figure 61j, Credit Action Status--*

3 Credit Action Forms

a Locking Forms

As soon as a credit action has been completed and eSigned, lock all the forms used in the credit action. See **Reports and Signature Requirements** (Section B 4 b) for a list of forms and locking requirements.

Exception: If a delay in loan closing is anticipated, such as when funding is limited, the forms do not need to be locked until loan closing. This allows for the input of any changes in the financial or farming situation that have occurred since loan approval. In no situation will a loan be closed without locking the forms used in the credit action. Do **not** delete any of the documentation that was used to make the original credit decision.

Farm Business Plan - FSA User Guide (Continued)

J Credit Actions (Continued)

3 Credit Action Forms (Continued)

a Locking Forms (Continued)

To lock the forms in a credit action:

- CLICK “**Credit Action**” [*Credit Action Name*]
- from the fly-out menu, select “**Lock Forms**”
- click the form to lock
- a small lock will be displayed on the Credit Action Screen next to the “Locked” form.

*--



Figure 61k, Locking Forms--*

Farm Business Plan - FSA User Guide (Continued)

K Special Features (Continued)

4 Letters (Continued)

After the body of the letter has been completed, CLICK “**Printable View**” hyperlink to print the letter. Letters shall be printed on paper with appropriate letterhead. The letter will remain available on the General Letter Screen and can be edited as needed.

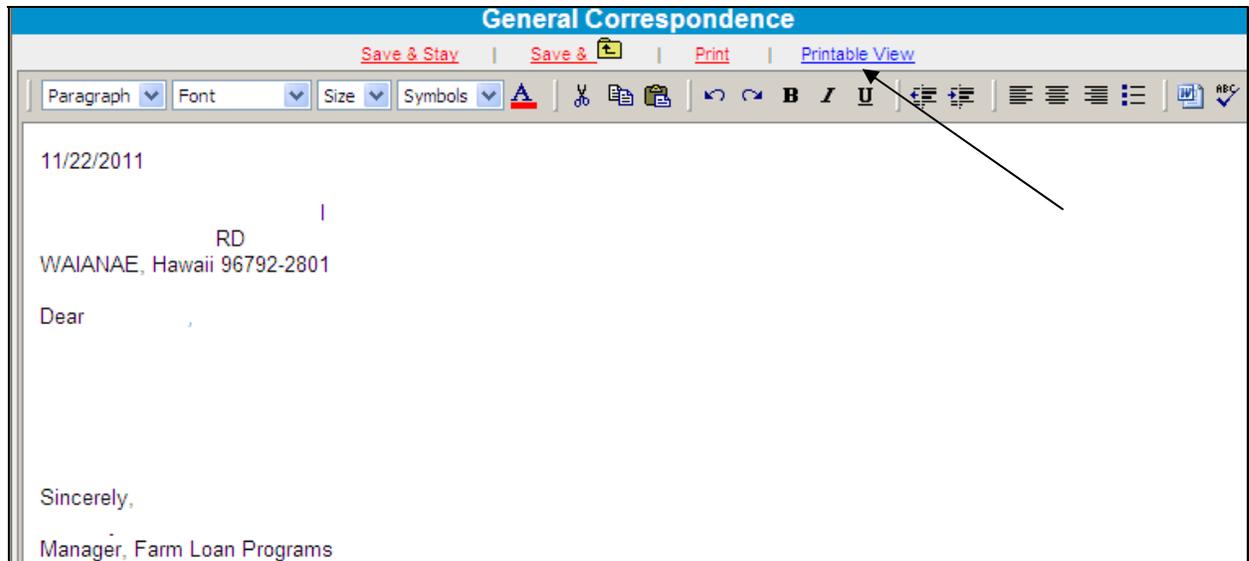


Figure 87

L Getting Help

For help using the FBP software, CLICK “**eHelp**” from the Web Navigation Manager main navigation bar or consult this user guide. For questions about issues not available online or in this user guide, State and County Offices should contact the FBP Coordinator. References to “FBP Coordinator” include FBP State Coordinators, as appropriate.

* * *

Farm Business Plan - FSA User Guide (Continued)

M Glossary of Terms

| Term | Definition |
|--------------------------|--|
| Ag or Farm Debt | Any debt incurred for which the majority was for farm or agricultural related purposes. |
| eAuthentication | The system used to authenticate and authorize users of USDA web-based applications. Previously referred to as "WebCAAF". |
| Ending Cash | MADS plus beginning cash plus operating and term loan advances minus operating principal repayment minus capital expenditures plus capital sales plus capital contributions minus capital withdrawals. |
| eSignature | An electronic signature that conforms to the ESIGN act. An eSignature requires electronically authenticating the user, and using an unalterable signature that contains a date and time stamp. |
| FBP | Farm Business Plan. The FBP document, at a minimum consists of a balance sheet with schedules, and income/expense trends with projected cash flow schedules. |
| Loan Group | A term used in collateral analysis. A group of loans grouped together by creditor and the collateral that secures those loans. |
| MADS | Operating income minus purchases for resale minus operating expenses including interest and depreciation plus nonfarm income minus owner withdrawals minus nonfarm expense minus income taxes minus term principal payments plus depreciation. |
| NAICS | North American Industry Classification System. Most government and commercial businesses have moved toward NAICS as a way of classifying U.S. and Canadian businesses based upon a standardized coding system. |
| Personal or Nonfarm Debt | Any debt incurred for which the majority was for nonfarm purposes. |
| PLAS | Program Loan Accounting System. |
| Post Close Balance Sheet | A balance sheet prepared assuming that the planned loanmaking or loan servicing transaction has just taken place. |
| Pro-Forma Balance Sheet | A balance sheet prepared assuming that the projected plan year has taken place and all assumptions in that plan occurred. |
| Regular Loan Servicing | Loan servicing actions including subordinations, partial releases of real estate, transfer and assumptions, etc. |
| Scheduled Input | A method of inputting data into FBP where details are entered and the total of the details are transferred to the summary. |
| SIC | Standard Industry Classification. This classification system is being phased out in favor of NAICS. |
| Special Loan Servicing | Loan servicing actions that are identified as 1951-S primary and preservation loan servicing, and Disaster Set-Aside. |
| Summary Input | A method of inputting data into FBP where detailed information is not used. |
| TDCLCR | (Net farm income from operations plus nonfarm income plus depreciation plus interest on term debt minus income taxes minus owner withdrawals minus nonfarm expense) divided by total principal and interest on term debts. TDCLCR is sometimes referred to as "Capital Debt Repayment Capacity" or "CDRC" by FSA and other lenders. |
| WEM | Web Equity Manager. Software used to generate FBP. |

FLP Rates

A Interest Rates for FLP's

--The following provides interest rates for FLP's as of May 1, 2014.--

| Loan Type | Current Rate (%) | Date Set |
|--|------------------|-----------|
| Rural Housing - Farm Loan Purposes | | |
| Note: For the current interest rate, contact the National Office. | | |
| Operating | *--2.125 | 5/1/14--* |
| Operating - Limited Resource | 5.000 | 12/1/90 |
| Farm Ownership and Conservation Loans | 4.000 | 4/1/14 |
| 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 | 4/1/14 |
| Soil and Water - Limited Resource | 5.000 | 7/1/92 |
| Recreation - Individual | 4.000 | 4/1/14 |
| Farmer Program - Homestead Protection | 4.000 | 4/1/14 |
| Shared Appreciation Amortization | 3.000 | 4/1/14 |
| Softwood Timber Loans | 4.000 | 4/1/14 |
| Economic Emergency - Operating | *--2.125 | 5/1/14 |
| Economic Emergency - Real Estate | 4.000 | 4/1/14 |
| Emergency - Amount of Actual Loss | 3.125 | 5/1/14--* |
| Emergency - Major Adjustment: Subtitle A Purpose (Excess of Loss) | 6.375 | 4/1/14 |
| Emergency - Major Adjustment: Subtitle B Purpose (Excess of Loss) | 4.375 | 10/1/13 |
| Emergency - Annual Production | 4.375 | 10/1/13 |
| Nonprogram - Chattel Property | 4.375 | 10/1/13 |
| Nonprogram - Real Property | 6.375 | 4/1/14 |
| Apple Loans | 0.750 | 3/1/14 |
| Association - Grazing | 4.000 | 4/1/14 |
| Association - Irrigation and Drainage | 4.000 | 4/1/14 |
| 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
9240 Troost Ave
Kansas City MO 64131.

FLP Rates (Continued)

B Treasury Rates

The following table provides the applicable Treasury rates.

| Treasury Rates | Current Rate (%) | Date Set |
|-----------------------------------|------------------|-----------|
| 90-Day Treasury Bill | 0.125 | 10/1/09 |
| Treasury Judgment Rate (see Note) | *--0.130 | 5/1/14--* |

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 March 28, 2014. 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 |