

For: State and County Offices

Continuing Education for Loan Approval Officials

Approved by: Deputy Administrator, Farm Loan Programs

Chris P. Beyerhelm

1 Overview

A Background

Section 361 of the Consolidated Farm and Rural Development Act (CONACT) requires that FSA ensure employees receive adequate training on credit analysis, and financial and farm management to:

- better acquaint the employees with what constitutes adequate financial data on which to base direct or guaranteed loan approval decisions
- ensure proper supervision of FLP.

DAFLP formed a task force to explore the possibilities of a continuing education program for loan approval officials. The goal of this initiative is to help ensure loan approval officials are offered professional development opportunities to stay up-to-date with industry standards and learn new skills.

Various methods of delivery were analyzed and considered. While DAFLP recognizes that face-to-face training is often the most desirable, budget constraints prohibit that method as a feasible option. AgLearn was chosen as the approved learning portal because it is available from any location at any given time.

B Purpose

This notice:

- announces implementation of the FLP continuing education for loan approval officials
- introduces the first 3 courses in the series
- identifies the actions and responsibilities of State Offices
- announces the next courses to be developed in the series.

Disposal Date	Distribution
July 1, 2013	State Offices; State Offices relay to County Offices

Notice FLP-629

1 Overview (Overview)

C Contact

Direct any questions about this notice to Teresa Martin by either of the following:

- e-mail at teresa.martin@wdc.usda.gov
- telephone at 202-690-0431.

2 FLP Continuing Education Series

A Overview

In an effort to ensure that loan approval officials (FLM's, SFLO's, FLO's, CED's, DD's, and FLS's) are kept up-to-date and learning new skills, the National Office is announcing the FLP Continuing Education Series in AgLearn.

Continuing education is **now mandatory** for all field personnel who have, or are required to have, loan approval authority. All FSA employees are encouraged to take the training.

B Required Participants

The required participants for the first 3 courses were chosen based on feedback from the pilot participants who tested the courses, and a task force from the National Office comprised of representatives from both LMD and LSPMD.

The required participants for additional courses in the series will be defined at the time of their release.

3 Initial FLP Continuing Education Courses

A Course Introduction

The initial courses were purchased from Farm Credit University and although are not FSA specific, discuss common issues, methodologies, and industry standards for agricultural lending. The courses are presented by Dr. David Kohls, Professor of Agricultural Finance and Small Business Management, in the Department of Agricultural and Applied Economics at Virginia Tech.

Notice FLP-629

3 Initial FLP Continuing Education Courses (Continued)

A Course Introduction (Continued)

The following 3 courses may be taken in any sequence.

- Structuring Agricultural Loans (AgLearn ID# FSA-HQ-DAFLP-19)

The following are required participants:

- FLOT's and trainers should complete this training together
 - loan approval officials with less than 3 years experience.
- Problem Loan Identification and Workout (AgLearn ID# FSA-HQ-DAFLP-20)

The following are required participants:

- all employees with loan approval authority
- FLOT's after receiving loan approval authority.

Note: Farm Loan Teams are encouraged to take the training together to allow for group discussion.

- Financial Statement Consolidation (AgLearn ID# FSA-HQ-DAFLP-21)

The following are required participants:

- all employees with loan approval authority
- FLOT's after receiving loan approval authority.

Note: Farm Loan Teams are encouraged to take the training together to allow for group discussion.

B Timeframes

Each course takes about 1 hour to complete. The deadline to complete the initial 3 courses is **COB April 30, 2013**.

Note: State Offices shall monitor the progress of their employees to ensure the completion deadline is met for all their loan approval officials.

Notice FLP-629

3 Initial FLP Continuing Education Courses (Continued)

C State Office Actions and Responsibilities

State Office shall:

- develop a plan to introduce and assign the 3 courses in subparagraph A
- determine the best way to ensure all required employees take the courses, such as:
 - individually in AgLearn
 - FLOT and FLOT Trainer together
 - office meeting
 - district meeting
- ensure the courses are loaded to required individuals AgLearn To-Do-List
- monitor the completion of the courses for all required participants by the deadline
- e-mail Teresa Martin the status of all loan approval officials who **have not** completed the courses, by COB March 1, 2013
- encourage employees to add continuing education courses to their IDP's

Note: Contact State AgLearn coordinators for guidance about course completion credit when training is taken as part of a group.

4 Development of Subsequent FLP Continuing Education Courses

A Next Courses in the Series

The National Office will develop and deploy the next four FSA specific, FLP continuing education courses by September 30, 2013.

The new courses will be limited to approximately 30 minutes in length and will include the following:

- Lending on a Smaller Scale: Micro Loans
- Knowing the Difference Between a Partnership, Corporation, Limited Liability Corp, (LLC) and Joint Operation
- Bankruptcy; Knowing the Difference Between Chapters – do's and don'ts for County Office personnel
- Lender Reviews; Not Simply Completing a Checklist.

Notice FLP-629

4 Development of Subsequent FLP Continuing Education Courses (Continued)

B Addition Requirement to Yearly Credit Quality Review

With the release of these subsequent courses, the continuing education course requirement will be incorporated into the credit quality standards for obtaining and maintaining loan approval authority. States will be required to verify that loan approval officials have completed the required AgLearn courses as part of their regular yearly credit quality reviews.

The National Office will incorporate this requirement in a future amendment to 1-FLP.