

For: State and County Offices

Important Actions Required Related to the Temporary Shutdown of the Direct Loan System (DLS) for Farm Storage Facility Loan (FSFL) Program Activities

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

In an effort to improve the FSFL system in DLS, a new enhancement is being implemented to process obligations. Beginning June 20, 2016, DLS/FSFL will be interfacing with the Common Obligation Framework (COF) to process obligations and subsequently disabling the FSFL Mainframe.

In order to prepare for the Production release and migration of COF, all FSFL processing had to be completed by May 31, 2016. Informational Bulletin No. 8171 notified DLS users of the DLS/FSFL shutdown.

Important: The DLS/FSFL shutdown does not affect FLP loan making and servicing actions.

B Purpose

This notice provides instructions to:

- close out pending DLS/FSFL transactions
- accept and enter CCC-185's during the DLS/FSFL shutdown period
- accept FSFL annual installment payments
- FSFL priorities once DLS/FSFL is functional.

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| Disposal Date | Distribution |
| January 1, 2017 | State Offices; State Offices relay to County Offices |

Notice FSFL-137

C Contact

If there are any questions about this notice, contact either of the following.

| Name | Contact Information |
|----------------------------|---|
| Laura Schlote (automation) | <ul style="list-style-type: none">• E-mail at laura.schlote@wdc.usda.gov• Telephone at 202-720-7785. |
| Toni Williams (policy) | <ul style="list-style-type: none">• E-mail at toni.williams@wdc.usda.gov• Telephone at 202-720-2270. |

2 Closing out DLS/FSFL Transactions

A Software That Will Be Disabled

Majority of FSFL activities will be shut down during the period of June 1, 2016, through June 17, 2016. The DLS/FSFL system will be operational on June 20, 2016.

The following DLS/FSFL software will be disabled:

- FSFL application processing. This will prevent County Offices from:
 - approving/obligating FSFL requests
 - increasing/decreasing approved FSFL amounts
 - canceling/deleting/withdrawing FSFL requests
 - processing any new check request.
- from closing a loan in DLS.

Notes:

If the check is received and a closing is scheduled, the closing can take place; however, recording the closing date in DLS must occur immediately on June 20, 2016.

- Check Requests. This will prevent County Offices from requesting a check from NPS.
- Other Transactions
 - administrative activities (reports)
 - corrections
 - loan servicing (assumptions, liquidations, and bankruptcy).

Note: In order to properly migrate all FSFL data residing in DLS/FSFL, FSFL transactions must be disabled according to this subparagraph.

Notice FSFL-137

2 Closing Out DLS/FSFL Transactions (Continued)

B Actions to Be Completed Before DLS/FSFL Is Disabled

County Offices must have completed the following by 12 noon ET, May 31, 2016:

- approve and obligate loans
- close loans
- submit payment requests
- cancel or certify and sign all FSFL-related payments in NPS.

3 Continuation of FSFL Transactions

A Accepting CCC-185's, FSFL Requests

State and County Offices shall continue to accept CCC-185's during the shutdown.

The following actions may be continued for FSFL approval during the shutdown:

- entering FSFL requests and the applicable application fee in DLS/FSFL
- financial analysis (including requesting a credit report through Data Facts, Inc.)
- lien searches
- filing UCC-1's
- Filing, recording, and terminating UCC-1's and UCC-3's.

Note: FSFL assumption requests may still be accepted according to 1-FSFL; however, will not be approved in DLS/FSFL until after the shutdown.

B Accepting FSFL Annual Installment Repayments

County Offices are authorized to accept and enter FSFL annual installment payments in DLS during the shutdown period.

Notice FSFL-137

3 Continuation of FSFL Transactions (Continued)

C FSFL Letters

County Offices must continue to manually prepare the following letters during the FSFL shutdown period:

- Reminder and Notification Letters
- Demand Letters
- Call Letters.

4 FSFL Priorities Beginning June 20, 2016

A FSFL Priorities

State and County Offices must process the FSFL transactions in the following order:

- disburse pending FSFL's by certifying and signing FSFL's in NPS
- approve/obligate pending FSFL's
- cancel/delete/withdraw FSFL requests.

5 Action

A State Offices

State Offices shall:

- assist County Offices with questions they may have about this notice
- contact PSD with any questions they may have about this notice according to subparagraph 1 C.

B County Offices

County Offices shall:

- contact the State Office for guidance if there are questions or concerns about procedure in this notice
- continue processing DLS transactions for FLP without interruptions.