

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration
1-FLP (Revision 1)

Amendment 285

Approved by: Acting Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 48 J has been amended to update processing of credit report fees.

Paragraph 241 has been amended to update the farm operating plan.

Paragraphs 261 and 262 have been withdrawn.

Paragraph 263 has been amended to update minimum requirements of operations requiring analysis.

Exhibit 7 has been amended to:

- update SED delegations for estimating value for release without compensation when an appraisal is not obtained under 4-FLP, subparagraph 146 F
- reference FSA-2132.

Page Control Chart		
TC	Text	Exhibit
3, 4	3-25, 3-26 8-85, 8-86 8-121 through 8-126 8-127, 8-128 (remove) 8-129 (remove)	1, pages 1, 2 pages 5-8 7, pages 1, 2

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Section 2 (Withdrawn—Amend. 252)

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48 Credit Reports (Continued)**E Ordering Mortgage Credit Report**

Authorized agency officials who have access to FBP will access Equifax, Experian, and Trans Union data through the FBP “General” menu screen.

See the Farm Business Plan User Guide at <https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index> for ordering credit reports through FBP.

F When Mortgage and Commercial Credit Reports Are Not Acceptable

If a County Office has problems with a credit report or credit reporting agency (e.g. data on the report is incomplete or the contractor is not complying with contract terms), then the County Office will contact the State Office for assistance.

Note: Agency officials will not intervene on behalf of the applicant/borrower in matters about disputed information, balances, or credit scores or ratings. These disputes will *--be handled according to subparagraph G.--*

If the issue is significant and the State Office needs assistance in resolving, the State Office will contact DAFLP according to subparagraph 4 D.

G When the Applicant Disputes Information on the Credit Report

If the applicant/borrower disagrees with or disputes information reflected on the credit report, refer the applicant/borrower to the company or companies issuing the credit report at the following phone numbers:

- Trans Union at 312-258-1717 to obtain a copy of their credit report or 800-916-8800 for customer service
- Experian at 888-397-3742 to obtain a copy of their credit report or 800-831-5614, extension 3 for customer service
- Equifax at 800-685-1111 to obtain a copy of their credit report or 800-685-5000, extension 2 for customer service.

Note: Agency officials will not intervene on behalf of the applicant/borrower in matters concerning disputed information, balances, credit scores, or ratings.

48 Credit Reports (Continued)

H Credit Report Fees - Cost to the Applicant

Applicants will be charged for reports according to the following.

Applicant	Cost
Individual	\$16.00
Joint	\$24.50
Entity	\$50.00

Notes: Married persons, who are members of an entity, **will** be charged a joint credit report fee. Individual credit reports will then be obtained for each.

No fee will be collected for servicing only applications according to 4-FLP, subparagraph 116 A or 5-FLP, subparagraph 81 C.

The credit report fee change is effective on October 17, 2016.

Applicants submitting applications through OLA have the option to pay their credit report fee online. OLA will determine the amount owed by the applicant based on applicant type and number of co-applicants.

I Recording Fees

The appropriate fee for credit reports collected will be recorded on FSA-2001, FSA-2301, FSA-2314, and FSA-2683.

J Processing Credit Report Fees

--NRRS users will use FMD External SOP [ES2200-10-001](#), Establishing and Reporting Receipts and Receivables for instructions on processing credit reports fees.--

K Payment of Invoices for Credit Reports

The National Office will:

- receive monthly invoices showing State usage
- submit payment to the vendor for credit reports generated through FBP.

Section 3 Farm Operating Plan

241 Overview

A Objective

The primary objective of the farm planning process is to develop a plan that most accurately reflects the expected cash flow and business activities for the operating cycle. The developed production cycle plan is consistent with the applicant's or borrower's growth and *--development plan goals. The farm operating plan consists of the Balance Sheet Trends, Income/Expense Trends, and Farm Assessment. The farm operating plan documents the--* operation's:

- financial position
- cash flow
- repayment ability
- planned savings for working capital reserves, savings, and retirement and education expenses.

FSA uses FBP to evaluate loan feasibility and the likelihood of achieving financial viability. An applicant or borrower may use an alternative format for the farm operating plan that contains the same information as required by FBP. An original signed copy of the farm operating plan must be retained in the case file.

B Farm Operating Plan Format

FSA uses FBP to perform financial planning, analysis, loan origination and servicing functions, and manage the FLP portfolio. The instructions found in the Farm Business Plan User Guide must be followed to ensure proper documentation. The User Guide is located on the FSA FLP Intranet website under Software User Guides at <https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index>.

C Timing of Farm Operating Plan

The period of time covered by a farm operating plan should reflect the norm for the type of commodity or agricultural enterprise being farmed in a particular area, considering climate conditions and other factors vital to the successful production of the commodity or agricultural enterprise. If there are any changes to the operation during the cycle of the plan, the changes will be noted on the plan. The revised operating plan will be signed and dated by the borrower and the authorized agency official and will be documented in FBP. In most cases, the period covered by the plan should not exceed 18 months unless special circumstances dictate a longer planning period.

242 Developing Farm Operating Plans

A General

[7 CFR 761.104(a)] An applicant or borrower must submit a farm operating plan to the Agency, upon request, for loan making or servicing purposes.

--A farm operating plan used for loan making or loan servicing decisions will be developed in a manner that advances the applicant's or borrower's plan for short- and long-term goals and will be based on:--

- a typical year's plan for existing farm operations or enterprises without changes
- accurate, verifiable, reliable, and realistic information for new enterprises.

[7 CFR 761.104(b)] An applicant or borrower may request Agency assistance in developing the farm operating plan.

--Applicants are encouraged to obtain technical assistance from their local Service Center or 1 of the many stakeholder organizations that work with farmers and ranchers. Sources of technical assistance include, but are not limited to, Land Grant Universities, Extension Service, State programs, and partner organizations, including 1 of the many grants or cooperative agreements administered by USDA. States may contact their State Outreach or Beginning Farmer and Rancher Coordinator for assistance.--

Note: Applicants using OLA have the option to specifically request FSA assistance in developing the farm operating plan. Assistance should be provided according to 3-FLP, subparagraphs 41 A and D.

[7 CFR 761.104(c)] The farm operating plan will be based on accurate and verifiable information.

Poultry or hog production contracts are the basis of grower income and facility value. The dependability of production contracts has a profound impact on the prospect for loan repayment. "Flock-to-flock" or "turn-by-turn" type arrangements alone may not be a dependable source of income or a reasonable projection of income for poultry or hog applicants who do **not** have current financial performance history with FSA.

Note: For contract income to be considered dependable, the contract must:

- be for a minimum period of 3 years
- provide for termination based on objective "for cause" criteria only
- require that the grower be notified of specific reasons for cancellation
- provide assurance of the grower's opportunity to generate income to ensure loan repayment, by incorporating requirements, such as a minimum number of flocks or turns per year, minimum number of bird or hog placements per year, or similar quantifiable requirements.

Section 5 * * * Analysis

261, 262 (Withdrawn--Amend. 285)

263 Minimum Requirements of the Analysis

--A Operations Requiring Analysis--

[7 CFR 761.105(a)] The Agency conducts an analysis at its discretion or if the borrower:

(1) Is being considered for a new direct loan or subordination;

*--Notes: See 4-FLP, subparagraphs 22 A and 116 B for analysis requirements for subordinations.

Only existing borrowers are subject to a full analysis when they are being--* considered for a new subsequent direct loan. This is not a requirement for a new applicant.

--Note: Application Fast Track Pilot program loans are excluded from an analysis under this paragraph.--

(2) Is financially distressed or delinquent;

(3) Has a loan deferred, excluding deferral of an installment under Subpart B of *--part 766; (5-FLP, Part 2) or--*

(4) Is receiving a limited resource interest rate on any loan, in which case the review will be completed at least every 2 years.

*--Completion of an analysis is mandatory for any borrower meeting the criteria above. An analysis will be completed as part of the operational review under 4-FLP, Part 2. Information needed to complete an analysis will be requested according to 4-FLP, subparagraph 116 B. A "Full Operational Review" workflow must be completed in DLS upon determination that a borrower meets any requirement for a mandatory analysis.

The decision to perform an analysis on other borrowers is at the discretion of the authorized agency official. An analysis should not be completed for borrowers with:--*

- youth loans only
- loans flagged as having bankruptcy, foreclosure, or court action pending
- streamlined CL's unless they have been delinquent or are financially distressed.

263 Minimum Requirements of the Analysis (Continued)***--A Operations Requiring Analysis (Continued)--***

The authorized agency official will use knowledge, experience, and judgment to identify high-risk operations requiring such additional supervisory attention. Supervisory judgments must be objective and apply sound credit and financial management principles.

--Operations that may benefit from a full analysis include those that are:--

- undergoing major changes
- experiencing adverse production or financial conditions
- subject to volatile changes in the business climate.

B Timing

[7 CFR 761.105(b)] The analysis must include a review of the previous production cycle's actual income, expense, and production performance, as well as a farm operating plan for the new operating cycle.

*--An analysis should coincide as close as possible to the borrower's production and marketing cycle.

The authorized agency official will use the financial information provided by the borrower to develop a farm operating plan according to section 3. The farm operating plan will be used to complete the components of the operational review, including the analysis. See 4-FLP, subparagraph 16 C.

The authorized agency official must review existing assessments, FBP, written correspondence, and FSA-2040. If this review raises issues or questions, the authorized agency official must record these items in FBP to use when meeting with the borrower.

C Identifying and Evaluating Significant Changes

The analysis must identify and evaluate any significant changes to the borrower's farming operation, expenses, or financial condition that have occurred since the most recent assessment or operational review. In most cases, however, significant changes will not--* have occurred or, if such changes have occurred, they will be limited to 1 or 2 aspects of the borrower's situation. The authorized agency official will pay particular attention to the following:

- changes in operations or goals
- status of progress toward goals
- need for changes in the progression lending plan
- need for additional borrower training.

263 Minimum Requirements of the Analysis (Continued)

D Comparing Actual Performance to Projections and Calculating Variances

--The analysis must present the borrower's actual production data and financial data for the-- completed year and compare the actual data to the projections made in the prior year farm operating plan. Based on this comparison, the analysis must calculate variances from the projections.

*--**Note:** If a cash flow was prepared in the previous production cycle, the analysis will compare previous year projections to the actuals. If a cash flow was not prepared in the previous production cycle, use prior year actuals to ensure projections are realistic.--*

The authorized agency official will collect other pertinent information related to the farm's operation, such as changes or improvements in real estate, changes in key personnel, and any other alterations that significantly impact the operation. The authorized agency official must briefly explain the process, emphasizing the borrower's benefits rather than FSA requirements.

The evaluation of actual performance can be enhanced by:

- obtaining and reviewing the borrower's actuals using pertinent information about the farm operation, such as changes or improvements in real estate, changes in key personnel, and any other alterations that significantly impact the operation
- reviewing production by obtaining and/or calculating yields (production), price per unit, and the amounts in inventory (held for sale)

Note: Production numbers should roughly correspond with the new balance sheet and numbers sold.

- *--evaluating debt service margin. See 4-FLP, paragraph 21 for LR review requirements.--*

* * *

The authorized agency official must consider the following issues when comparing actual performance to projections and calculating variances.

- The authorized agency official must review planned versus actual expenses for family living, farm operating, and capital expenditures.
- *--The analysis must discuss credit used for farm operating, capital, and family living--* expenses.

263 Minimum Requirements of the Analysis (Continued)**D Comparing Actual Performance to Projections and Calculating Variances (Continued)**

- Sometimes proceeds are recorded as net figures with commission, sales expenses, yardages, seed, and storage costs removed. Using gross proceeds with the associated costs captured under operating expenses is preferable.
- The analysis must calculate yields (production), price per unit, and amounts in inventory (held for sale). Numbers should roughly correspond with the new balance sheet and numbers sold.
- FSA-2040 must be reconciled with the farm operating plan (or other plan) and the security agreement. Differences from projections and the need to amend the security agreement must be discussed.
- Interest figures must include all interest, not just operating interest.
- Any proceeds from the sale of capital items must be subtracted when evaluating income from operations.
- The analysis must evaluate and document the sources of nonfarm income. Income and tax information must be verified as applicable.
- The analysis must consider debts and debt repayments to FSA and other lenders. Breakdowns of principal and interest can serve as a cross check for interest actually paid by the borrower. This information must match FSA-2040.
- The analysis must report expenditures net of trade-ins.
- Income and Social Security taxes must be included in the analysis.

263 Minimum Requirements of the Analysis (Continued)**E Determining and Documenting Reasons for Variances**

After variances between the projected budget in the farm operating plan and the borrower's actual performance have been identified, the borrower and the authorized agency official must determine and concisely document the reasons for the variances. The analysis must:

- consider both the borrower's and the authorized agency official's perceptions of the borrower's successes, failures, and the reasons that specific items were not completed
- determine why income was not used as planned
- discuss operational performance, achievement of short-term goals, progress toward medium-term and long-term goals, and living expenses.

263 Minimum Requirements of the Analysis (Continued)**F Analyzing How Performance Can Be Improved**

After determining the reasons for any deviations in the preceding year's performance, the borrower and the authorized agency official together must analyze how the borrower's performance can be improved in the coming year. The authorized agency official and borrower may identify areas for improvement based on the reasons for the variances between actual and planned performance. The analysis will address concerns in the following areas:

- unplanned sales
- changes in marketing plans
- sales of basic security
- use of proceeds
- debts paid
- amount of money released for family living and farm operating expenses
- progress towards working capital reserve and savings goals.

The analysis must consider whether the borrower is making adequate progress towards established goals. Ratios, historical trends, and production records are good sources of information for evaluating business goal achievements. Alternatively, if the borrower's goals (for either business or family) were unrealistic, the analysis must reevaluate them and establish new, obtainable goals.

Areas for improvement also might follow from recent changes in farm operations and family conditions. Therefore, the authorized agency official will work with the borrower to identify any changes or alterations that significantly affect the operation.

If the authorized agency official determines that the borrower's * * * financial performance may be improved by training, the authorized agency official may require that the borrower meets training requirements. See 3-FLP, Part 18 for more information on borrower training.

If performance is better than projected, the analysis should evaluate repayment issues, as well as income taxes and Social Security taxes.

The authorized agency official should remind the borrower that deviations from the agreed-upon farm operating plan must be discussed with FSA.

* * *

264-400 (Reserved)

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

This table lists the required reports of this handbook.

Reports Control Number	Title	Reporting Period	Submission Date	Negative Reports	Reference
FLP4	FLPRA Annual Report	Annually	By February 1 each year	Required	403

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
FmHA 2006-21	Information Systems Management (ISM) Request for Changes to User Documentation		52
FD-258	Fingerprint Chart		Ex. 44
FSA-13-A	Data Security Access Authorization Form		54, 56
FSA-137	Address Information Request		46
FSA-159	Request for Supplies, Forms, and/or Publications		Ex. 5, 17
FSA-858	Determining if a Wetland May Be Present		222
FSA-2001	Request for Direct Loan Assistance		44, 47, 48
FSA-2025	Notice of Approval, Terms and Conditions and Borrower Responsibilities		3, Ex. 7
FSA-2026	Promissory Note		3
FSA-2028	Security Agreement		3, Ex. 44
FSA-2029	Mortgage/Deed of Trust		3
FSA-2040	Agreement for Use of Proceeds and Security		263, Ex. 7
FSA-2043	Assignment of Proceeds from the Sale of Dairy Products and Release of Security Interest		3
FSA-2044	Assignment of Income from Real Estate Security		3
FSA-2065	Annual Statement Loan Account		5, 49, 52

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

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation		171
FSA-2103	Direct Loan Making File Review Questionnaire		28
FSA-2120	Moratorium Notice		41
FSA-2121	Termination of Moratorium		41
FSA-2125	Farm Loan Program County Information File Changes		46
FSA-2127	Request for CED FLP Loan Approval Authority		25
FSA-2128	Program Loan Cost Expense (PLCE) Request		Text, Ex. 21, 23
FSA-2132	Real Estate Evaluation		148, Ex. 7
FSA-2140	Deposit Agreement		3, 101, 102
FSA-2141	Interest-Bearing Deposit Agreement		102
FSA-2142	Statement of Deposits and Withdrawals		103
FSA-2144	Designated Financial Institution Pledge of Collateral		102
FSA-2145	Demand for Withdrawal of Supervised Bank Account Funds		103
FSA-2150	Development Plan		122, 125
FSA-2153	Release by Claimants		122
FSA-2154	Release by Contractor		122
FSA-2155	Vendor Appraiser Registration		141
FSA-2160	Appraisal of Chattel Property		142, Ex. 44
FSA-2165	Administrative Appraisal Review		143, 167
FSA-2166	Technical Appraisal Review and Certification		143
FSA-2167	Administrative Appraisal Review for Chattel Appraisals		143, 167
FSA-2171	Substitute Invoice		166, 167, Ex. 20
FSA-2172	Request for Emergency Payment		166, 167, 171
FSA-2173	Program Loan Cost Expense (PLCE) Vendor Code Request		165-167

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
CMT	Constant Maturity Treasury	Ex. 17
CNC	currently not collectible	41, 251, Ex. 5
CO	Contracting Officer	23, Ex. 44
CONACT	Consolidated Farm and Rural Development Act	1, 21, 29, 142, 251
CPA	Certified Public Accountant	Ex. 26
CRM	Customer Relationship Management	49
CSA	community supported agriculture	242, Ex. 28
DATA	Digital Accountability and Transparency Act	Part 7
DMB	Debt Management Branch, RD Business Center	5, 61
DNP	Do Not Pay	43, 53, Ex. 15.5, 15.6
ECM	Enterprise Content Management	5, 52, 171
eDALR\$	electronic Debt and Loan Restructuring System	242, Ex. 17
EIN	employee identification number	Ex. 15.6
FAIN	Federal Award Identification Number	162, 166, Ex. 21
FAR	Federal Acquisitions Regulation	141, 161, 163, 167, 168, Ex. 2, 21, 24
FBC	Farm Production and Conservation Business Center	161-163, 167, 168, Ex. 21
FHP	Farm and Home Plan	Ex. 5
FLB	Rural Development Farm Loan Branch	5, 41, 52, Ex. 18
FLOTRACK	Farm Loan Officer Trainee Tracking System	25
FLPIDS	Farm Loan Programs Information Delivery System	56
FLPRA	Farm Loan Programs Risk Assessment	28, 143, 401-403, Ex. 18
FmHA	Farmers Home Administration	52, Ex. 5
FMMI	Financial Management Modernization Initiative	Part 7, Ex. 19-23
FPAC	Farm Production and Conservation	22, 49, 161, 162, 168, 169, Ex. 2, 17
FPDS-NG	Federal Procurement Data System -New Generation	163, 168
GCB	Guaranteed Commercial Branch, Servicing Office	50, 52
IAS	Integrated Acquisition System	161, 163, 164, 168, Ex. 21-23
IRM	Information Resource Management	49-51, 54, 56
ITLAP	Indian Tribal Land Acquisition Program	2, Ex. 16
KZ	cancellation	171
LOA	Loan Analyst	23, 26, Ex. 7
LOC	line of credit	29, Ex. 16
LR	limited resource	242, 263, Ex. 16, 70
LRA	Local Registration Authority	4
LRS	Loan Resolution Specialist	23, 26, Ex. 7

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
ML	microloan	165, 222, 242, Ex. 2, 16
NAPHSIS	National Association for Public Health Statistics and Information Systems	53
NATS	National Appraisal Tracking System	Text, Ex. 19, 21
OA	Office of Adjudication	41
OAC1	Office of Adjudication and Compliance flag denoting acceptance of program discrimination complaint	41, Ex. 18
OBIEE	Oracle Business Intelligence Enterprise Edition	46, 56, 167
OLA	Online Loan Application	3, 48, 242
PAC	Program Authority Code	163, 165, 166, 168, Ex. 21, 25
POA	Policy Oversight and Accountability	161-163, 167
PCA	Production Credit Association	Ex. 18
PIID	Placeholder Procurement Identification Number	162, 168, Ex. 21
PLP	Preferred Lender Program	28, 29, 43, Ex. 5, 18
PLS	Primary Loan Servicing	25, 27, 28, 42, 144, 242, Ex. 5, 18, 70
PLV	potential liquidation value	142, Ex. 40
POAD	Program Operations and Appraisals Division	Text, Ex. 15.5, 21, 40
PRB	Programs Report Branch, RD Business Center	5, 54.5
PVND	Term in the FMMI User Guide representing the creation of a vendor record	165, 166
RCN	replacement cost new	Ex. 51-53
RDBCSO	Rural Development Business Center Servicing Office	46, 52, 54.5
REO	real estate owned	Ex. 40
RRA	Regional Review Appraiser	4
SALP	Special Apple Loan Program	2
SAM	System for Award Management	43, 53, 141, 161, 162, 165, 167, Ex. 20, 23, 44
SDMS	State Directives Management System	3
SEL	standard eligible lender	25, 28, 43, Ex. 5, 18
SLR	Security Liaison Representative	54.5
SOW	Statement of Work	141-143, Ex. 2, 20, 40, 44, 64
SRA	supervisory review appraiser	141-143
TC	transaction code	46, 49, 50, 52, 165, 170, 171, Ex. 18

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
TDCLC	term debt capability lease coverage	252
TI	treasury in transit	170, 171
TPOC	Technical Point of Contact	162, 163, 166-168, Ex. 19-21
TR	treasury reversal	171
TROR	Treasury Report on Receivables	5
TY	payment voucher transaction	162, 166-168, 170, 171, Ex. 21
UAAR	Uniform Agriculture Appraisal Report	142
UEI	unique entity identifier	165, 167, Ex. 44
USPAP	Uniform Standards of Professional Appraisals Practice	141-144, 146, 149, Ex. 2, 40, 64
WP	Western Pacific	5
YEA	year-end analysis	201, 251, 263, Ex. 18, 26
ZMY	Obligating document or purchase order created in FMFI.	Part 7, Ex. 21, 23

Redelegations of Authority

The following provides authorities SED's may redelegate. A new redelegation of authority must be completed when the permanent SED changes. Redelegations of authority are not required when an employee is serving in an acting SED capacity.

Authority	Redelegate to				
	FLC	FLS	DD	FLM	SFLO
SED's loan approval authority:	X	X	X		
• approve subordinations, or release and refiling lien instruments instead of subordinations	X	X	X		
• approve severance agreements	X	X	X		
• 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)	X	X	X		
• approve transfer and assumption	X	X	X		
• release of real estate or personal property security without compensation through execution of FSA-2045, FSA-2061, FSA-2470, or other documents approved by OGC	X	X	X		

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

Redelegations of Authority (Continued)

Authority	Redelegate to				
	FLC	FLS	DD	FLM	SFLO
•*--release of guaranteed loan real estate or personal property security without compensation	X	X--*			
• waive real estate appraisal (requirement for CMVB when chattel security appraised value exceeds total debt)	X	X	X		
• approve PLS where the borrower (or any entity member) has received PLS two or more times in the previous 5 years	X				
• reject debt settlement requests when debtors do not provide all necessary documentation or information	X	X	X	X	X
• cancel delinquent debt settlement adjustment agreement.	X	X	X	X	X

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

- approve any action that will result in a loss to the Government
- approve voluntary conveyance
- approve subordination of real estate security for operating-type loan purposes
- approve release of chattel or real estate security because of mutual mistakes or valueless liens
* * *
- 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.

Delegating FLP Authority

A SED Delegations

SED may delegate the following authorities to employees who have experience and completed the required training authority to:

- *--prepare personal property appraisals and real estate evaluations--*
- complete administrative appraisal reviews
- establish and document the estimated value of real estate security when an appraisal has been waived for an EM according to 3-FLP, subparagraph 248 A
- *--estimate market value of remaining real estate security greater than \$50,000 for:--*
- extending the maturity date of balloon payments according to 5-FLP, subparagraph 129 A
- *--release without compensation under 4-FLP, subparagraph 146 F if an appraisal is not obtained.--*

See subparagraph B for authority to estimate real estate value less than \$50,000.

*--**Note:** Real estate evaluations and estimates will be documented on FSA-2312. See paragraph 148.--*

B FLC/DD/FLM/SFLO Delegations

The following is a list of authorities that may be delegated to employees who have experience and have completed any required training according to subparagraph 23 C.

Authority	AS	FLO	LOA	*--FLOT	LRS	PT
Sign correspondence as regular signing official.		X	X	X	X	
Sign correspondence "for" (see note).	X	X	X	X	X	X
Establish supervised bank account and deposit loan checks.	X	X	X	X	X	X
Countersign supervised bank account checks/withdrawals.	X	X	X	X	X	X
Input pre-note information for EFT.	X	X	X	X	X	X
Plan and inspect site development work.	X	X				
Check preliminary title opinion for exceptions.	X	X	X	X	X	X
Check final title opinion or mortgage policy for proper lien position.	X	X	X	X	X	X
Review loan closing statement for proper funds disbursement.	X	X	X	X--*	X	X

Delegating FLP Authority (Continued)

B FLC/DD/FLM/SFLO Delegations (Continued)

Authority	AS	FLO	LOA	*--FLOT	LRS	PT
Execute financing statements or other legal instruments to obtain and preserve security on chattel loans.	X	X	X	X	X	X
Approve FSA-2242.	X	X	X	X	X	X
Review loan closing and issue FSA-2235.		X				
Approve satisfaction/release of security instruments.	X	X	X	X	X	X
Prepare FSA-2040.	X	X	X	X	X	
Release chattel/crop security per approved FSA-2040.	X	X	X	X	X	X
Revise Farm Business Plan and FSA-2040 when necessary.	X	X	X	X	X	
Approve replacement/development - use of insurance proceeds.	X	X				
Approve servicing actions, including liquidation plans submitted by lenders.	X	X				
Requests for PLCE goods and services.	X	X	X	X	X	X
Approve loan restructuring.	X	X				
Approve emergency advance requests.	X	X	X	X	X	
Complete lender reviews.	X	X	X	X	X	
Ordering credit reports.	X	X	X	X--*	X	X
Execute FSA-2232.		X				
Execute FSA-2235.		X				
Consent to a junior lien.		X				
Estimate value of real estate for dispositions less than \$50,000.		X				
Execute FSA-2025.		X				

Notes: Routine correspondence and form letters may be signed by a delegated employee on behalf of the authorized agency official. This includes, but is not limited to, forms FSA-2304, FSA-2305, FSA-2307 and FSA-2313. To effectively sign on behalf of an authorized agency official, the delegated employee must ensure the name of the official they are signing for is included in the document signature block. The signature of the delegated employee should be preceded by either the word “for” or “p.p.”, short for per procuracionem.

Delegated authorities for agency officials that were granted before December 31, 2007, using previous form numbers or regulation citation will not have to be reissued. These delegations remain valid and it is not necessary to modify them if the reason is only to change references to streamlined handbooks.