



MACS Newsletter



February 2007

Zone B Meeting

The NACS and NASE Zone B meeting was held Feb. 8-10th in Kansas City, MO. Members attending included Sheree Krogstad, Lynn Meyer, Lee Crawford, Becky Martinson, Derek Nelson, Kirk Phelps, Bob Vaughn and Mark Drewitz.

A complete outline of the meeting is attached to this newsletter. If there are any questions, please contact one of the attendees.

Meetings with State Office/SED

The MACS Annual Consultative meeting with the SED and state office will be held Tuesday, March 13th. Please submit any issues, concerns or suggestions for your MACS officers by March 5th. This can be done in person, via email, phone call or to the MACS_FSA@yahoo.com email address. This meeting will be a joint meeting for part of the day with MNASCOE for their negotiating session.

Also, a meeting with SED Perry Aasness was held Friday, Feb. 23th. Kevin Beekman for MNASCOE

attended as well. A wide ranging discussion on issues facing MN FSA was held.

NACS / NASE Fundraisers

NASE - The NASE fundraiser is underway with a chance to win. The drawing will be held at the Annual NASE Convention which will be held in Cincinnati, OH.

Please contact any Minnesota NASE member if you would like to purchase a ticket. If you don't know who they are contact Jean Post at Jean.Post@mn.usda.gov.

NASE thanks you for your support.

NACS – NACS is conducting a lottery raffle with the aid of the Pennsylvania Association (PACS). Tickets cost \$10.00 each and may be purchased from any of the MACS District Representatives. **Checks should be made payable to PACS.** You may pool your resources and buy tickets together as well. Any tickets in excess of 90 sold by MACS will earn \$2.50 per ticket for our state association. If we sell all 90 tickets our Association will earn 3 paid delegate registrations at the National Convention in Cincinnati, OH.

Please consider supporting this effort.

Membership Data

If you have not yet done so, please go to the MACS web site **NOW**, and update your membership data. Click on the "Update your Contact Info!" link and enter the appropriate info. Many have responded thus far and note is made of several corrections that are necessary. These addresses will be used to ensure mailings and contacts from FMA or our National Associations are sent to the right addresses thereby reducing costs for returned mail.

In this Issue.....

- 1 Zone B Meeting - 2007
- 1 Meetings with SED/State Office
- 1 NACS/NASE Fund raisers
- 1 Membership Data
- 2 FMA Info
- 2 Upcoming Meetings
- 2 MACS Annual Meeting – July 20th
- 2 NACS/NASE Info
- 3-10 Zone B Notes

If you do not have a personal email address, you are strongly encouraged to go to yahoo.com, aol.com or hotmail.com or a similar site and sign up for a free personal email address. This will allow you to be contacted via email at home when there is prohibition on using government email addresses.

FMA Information

The FMA Washington Report newsletter is located at: <http://www.fedmanagers.org/public/washingtonreport.cfm>. Members are encouraged to monitor the FMA site to keep abreast of the latest events with FMA and legislative actions in Washington.

FMA is considering an \$8.00 dues increase at their upcoming meetings (\$2.00 per quarter) to aid in support of FMA activities. If anyone has strong opinion on this please contact Russell Miller or Mark Drewitz.

2006-07 MACS Board

President – Mark Drewitz
Vice President – Lee Crawford
Secretary – Becky Martinson
Treasurer – Sue Westrom
NASE State Contact – Jean Post
Past President – Russell Miller
District 1 Representative - Kirk Phelps
District 2 Representative – Jim Velde
District 3 Representative – Mike Smith
District 4 Representative – Kevin Lehman
District 5 Representative – Rick Ray
District 6 Representative – Scott Nordby
District 7 Representative – Cindy Vukasin
District 8 & STO Representative – Kevin Elton

Upcoming Meetings

2007 National Conventions - June 25-27, 2007
Millennium Hotel Cincinnati, OH.

MACS Annual Meeting – July 20, 2007, Fergus Falls.

Zone B Meeting – Sioux Falls, South Dakota, February 2008.

MACS/MNASCOE Annual Meeting – July 20th

Plans are progressing for the annual meeting to be held in Fergus Falls, on Friday, July 20, 2007. Activities will begin Thursday, July 19th in the afternoon and evening with the meeting to be held the next day.

Plan now to attend this meeting. Resolutions for improvements to policy, process or procedure will be acted on, discussion and questions with State Office personnel will be possible, as well as election of all MACS officer positions.

If you wish to volunteer your time and service please contact our MACS organizers, Wendy Erickson and Mark Bertram.

NACS/NASE Information

Newsletters are available at their respective web sites:

NACS – www.nacfsa.org

NASE – www.nasefsa.org

Links to these sites as well as FMA are maintained on the MACS web site under "Links".

**Zone B Meeting
February 9-10, 2007
Kansas City, MO**

Donald Sanders, Chief Human Resources Office

Looking for input in two areas

1. Recruitment, ideas for farm loan officer trainees
2. Retention, ideas to keep experienced employees

Problem of knowledge transfer with retirement. People were working 3-5 yrs past retirement age but now leaving within 6-9 months. Email him at Donald.sanders@kcc.usda.gov with ideas on how to recruit & retain employees.

Carol Matthews – Human Capital Management Team – established 1 yr. ago. Have recruitment & hiring strategies. Wants input on what we can do to get and keep people on board. Put competencies in performance plan & job advertisements.

Julie Bowen – on performance management – Human Capital Management Plan (H Cap) can identify top performers and reward them. OPM requires Beta sites – FSA is one of two. Many notices were issued during the year but the new draft notice combines all notices – will be able to work with one notice (PM2538 & PM2519).

Karen Campbell, Chief Program Reporting Branch Finance Office

Changes to GLS

- Status report – lenders to input their own status/default status reports – 2007
- Automate FLP loss claims – process via Internet – late summer 07
- Interest assistance changes – new limits
- 5 years loan amount limit \$400,000
- Beginning farmer can get extended for 5 years more waiting for regulations

SCIMS & GLS not connected as is also the case with PLAS & GLS. 4C has to be done in GLS & then told to update PLAS, too.

Excess payments – if less than \$250 check is issued to FSA office; if more than \$250 then they research from schedule of remittance or have to call us.

EFT for borrower payments – application of payments to multiple loans for borrowers is the problem
60 day payment reminder letters – going to clarify text of letters. Adding statement to letter “if other loans you will get another letter” and “if amount due has been submitted please disregard”. Will also add 800 phone number. Letters are printed every Wednesday – if payment is due in 60 days unless they’re flagged or ahead (accrued to that Wednesday). Time lag of getting payments applied.

Looking at changes in process for dealing with finance office, fax, and phone contacts. Currently the lead tech. has to assess & pass out to others to be input. They want to procure imaging system – we would fax to imaging system. F.O. may be changing their phone system – you would get whoever is next available– we wouldn’t be assigned a lead tech. This is in planning but will be a longer term plan.

Guidelines on their priorities: 17 days for complex cases, 17 days bankruptcies, 8 days statement of account, 11 days 51-S, 4 days IA & guaranteed loss, 1 day electronic processes.

Privacy Act

- Have to better protect privacy data
- Reports will be modified
- Social Security numbers will be suppressed
- 540 Report will be first impacted
- We can use the whole case number when dealing with finance office

CAIVRS – HUD controls CAIVRS and the password expiration time. HUD recommends that you change your password every Friday.

FI 2769 will have some new TOP delete codes:

- 1 – stayed same
- 3 – handled by attorney
- 4 – judgements not eligible for offset
- 5 – serviced by DOJ
- 6 – disaster designation, etc (Katrina)
- 7 – soldiers/sailors
- 9 – past statute of limitations

- B = bankruptcy
- F – foreclosure
- J – judgements

Statements of Account that went to wrong borrowers – Finance Office personnel came in on a Saturday and tried calling the 450 “B”s but had many bad phone numbers. Statements remained 1-30-07.

SCIMS

Returned mailings have increased since the SCIMS to PLAS update

Carolyn Cooksie, Deputy Administrator Farm Loan Programs

Funding

Still in continuing resolution

D-FO-out

G-OL-IA-out

Have now received extra funds which should clean up IA, but unsure about FO

Loans and Obligations are up

Funding issues expected in D-OL because there will be less funding category transfers available

May have a funding delay between CRs affecting D-OL

Maybe short in D-OL D-FO IA

Direct loan making system

Pilot going well

Still planning to go nationwide with system sometime in March

FLP notice 433 – records check

1700 reported cases

Nationwide FLOT positions pool

30 FLOT positions in nationwide pool in 06

15 additional in pool provided in 07 (Minnesota got 1 of the 45)

When a hire is given to a state's ceiling slot then nationally another non-ceiling slot is available.

Pool position doesn't count against state's FTE ceiling until FLOT is trained.

Knows the county offices do not have locking file cabinets (in PT breakout she said that a locked room counts as a locked cabinet.)
Have to plan and budget for the cost
Need to redo forms and processes to eliminate Social Security Number where possible

Streamlining

Still in process
Expects it out this year
Is adamant it will be done this year
4-FLP – chiefs have it now, draft to association late March.
Regulations out in September to be effective late November
Will be many help screens, queries. Will be able to put in old form # and have it tell you the new form #.

Farm Bill Proposals

Double beginning farmer requirement to 70%
Also increases target on SDAs
100% D-FO to beginning farmer and SDA
Increase loan limit to \$500,000 OL/FO combined
Change down payment program 5% down, defer first payment, eliminate \$250,000 cap, 2% interest rate.
She is concerned about targets for D-OL/FO

Numbers best in 30 years – lending is up and delinquency is lowest. The “Hill” doesn’t want to cut FLP funding

PT Breakout Session

She is concerned with brain drain with loss of PTs. This is not a ploy to get PTs upgraded but with all the changes – FLPIDS, etc. PTs should be 8s or 9s. If we need it – if there is a business need for it – it’s what’s best for program delivery not that we are after someone’s job – there is enough “job” to go around.

Talked about securing our privacy information – an Arizona DD’s car was stolen which contained a briefcase with a 540 inside. Homeland Security wanted everyone on the 540 contacted.

Question on the difference between FLPR & COR review. FLPR – Carolyn’s office looks at. COR – doesn’t mean LN is feasible – just means stuff is there and everything is checked and signed.

FLPIDS is 70% done – spent \$20 million so far.

Jim McCoy, Farm Credit Applications Branch, Kansas City

Direct loan making to come out in March, loan servicing will stay with MAC
E-DALR\$ September to October 07 release
FLPR adjusting calculations and fine-tuning process
Frontline Program - This would take an FBP file off the web to your computer to be used on the farm or elsewhere and then allow it to upload with the data changes back to the FBP. This is currently in testing.
Private Sector Programmers recommended that no additional web programs be added until they figure out what the web problems are; however, new programs will likely be added anyway.

Q&A – A question and answer session was held with the National Office and KCC speakers that were present.

Q. Many employees were rated only as fully successful in FY06. Is this why supervisors are now considered accountable?

A. No. Supervisors have always been accountable.

Q. Our state allows no flexibility in our performance plan. Is there any ability to individualize the performance plan?

A. Review the appropriate notice – are the plan elements as they are in the notice.

Q. What is the end product of the organization review of KCC and WDC?

A. A report to the director in how to be most effective and efficient will be made. Don't know yet what the organization plan will be.

Q. Will employees be allowed to receive a superior rating? In our state, we were advised no employee can receive anything rated superior.

A. There is no directive from national office limiting ratings. This should not be the case.

Q. My district director told me no one can get above fully successful on the EEO/CR element because there are no minorities in my area. How does one exceed fully successful in this case?

A. This performance element is not just for minorities. It includes all people, all ages, all sexes, etc.

Q. Were frontline employees given input to management regarding human capital management issues?

A. Yes. They did this through surveys, phone calls, etc.

Q. Can you update us on the status of the law suits?

A. Legislation has been introduced to allow 60,000 more late filers to the Pigford case. May be unconstitutional. Cooksie will be making visits to explain.

Garcia and Love – Agency won both decision and both appeals.

Keepseagle - Plaintiff wants to go into mediation. Probably go into court in 2008.

Q. How do we pay interest accrual on loan set aside amounts?

A. Code it D.

Q. Gateway computers are failing at an accelerated rate. Is there a plan to replace?

A. Don't know.

Q. Is it possible to retain retired employees as part-time employees?

A. Yes. It is possible when practical. States need to talk to HR and also has to make economic sense for the employee.

Q. Why can't loans be approved subject to the completion of the environmental reviews much the same as we do for appraisals?

A. Probably will be able to do this once streamlining regulations are issued.

Q. What is the policy on vacancy announcements for FLMs as Grade 11 vs. Grade 12?

A. There have been HR policy discussions with DAM and DAFO. A supervisory Grade 12 need 3 employees. The full FLM performance level is Grade 12. It should be posted as Grade 12 only within the state. If not filled, then post nationwide or could reassign a non-supervisory Grade 12 within the state. All options need to be exhausted before a Grade 11 is considered. The Grade 11 is a FLO position. HR and DAM looking at internal determination of philosophy. Discussions are continuing.

Q. If guaranteed status reports and loss claims by lenders goes online, will we be able to check for accuracy on input data?

A. Don't know.

Q. With the network problems and the slow-down occurring in FBP, is there a plan to hold off on deploying DLM? Is there a back-up plan in the DLM causes further network problems?

A. No delays have been noted on the FLP part of the network. Unsure about the 48 state deployment of DLM. Network problems are USDA-wide and USDA knows the network is not sufficient, but this is not an FSA issue. It is a USDA issue.

Q. What are the statuses of the state restructure plans?

A. 24 plans are in, 21 have been reviewed. Thus far, there is little impact on FLP. 3 plans were not approved because they were partial plans which only addressed FLP (MN is one of these). Did not want to approve the plans that were partial plans because did not want only FLP doing restructure. Alaska is done, Virginia is approved, Georgia is approved with lots of offices closing, Texas and Kentucky are next to be looked at. There is no deadline for states to submit plans; however, the Administrator has indicated that if state's don't submit plans soon, there will be a deadline set.

Q. What impact is expected on FLP and FSA by the new farm bill? We have heard of possible cuts.

A. Premature to worry about cuts. Do not anticipate cuts for FLP; however, there will be many variations to the farm bill before it is completed.

Q. Can the payment reminder letters be modified to include the original loan balance, a mention of assignments, and to leave the amount due off the letter?

A. Original loan balance would be OK. Language covering assignments would be OK. The amount due will be on the letter and would be as of the date of the letter.

Q. Problems have been identified with the husband/wife definitions in FLP vs. FP that are being brought out by FLP notice 433.

A. Have to look closer at definitions, but many are in statute. If possible, some of these definitions could be clarified.

Q. District Directors must supervise 3 FLMs to be Grade 13s in our state. Which is more important? FLMs with 3 employees or a DD with 3 FLMs?

A. There is not standard of 3 FLMs for a DD to be a Grade 13. Farm loans is a component of being a GS 13 DD. More discussion is needed with DAFO.

Regarding FLP Notice 447 Privacy and Security.

Q. Why remove the addresses from the file label? It can be easily obtained on the Internet.

A. That's the way it is.

Q. Will there be a similar requirement for FP?

A. FLP/FP started together on a task force. FLP proceeded without waiting for farm programs after differences of opinion arose. It is expected FP will probably have something out sooner rather than later.

Q. Should we leave off the Soc. Sec. No. on forms except for the last 4 digits?

A. Streamlining will address this with forms change.

Q. Why are interest rates now coming out late in the month?

A. Budget department issues the interest rates. They are aware that this is a concern.

Q. Are non-ceiling positions available to be used for other positions?

A. No. They may only be used for FLOT.

Q. Travel budgets have been allocated heavily to DDs in our state. Could this be reallocated so FLMs can complete FLP work?

A. There are no allocations while under the continuing resolution. We have been using salary funds to supplement travel needs and do not wish to continue to do that. We are working on getting FSA to understand how travel restrictions affect FLP; however, once the money has been issued by the National Office, control over funds is gone and it becomes a state issue.

Q. After the Finance Office phone system changes, will we still be able to request to talk to a specific tech?

A. We have not gotten the green light to change the system; however, we will consider this instead of the phone call just going to the first available tech.

Q. Is the Agency considering revisiting the FLO standards to require a college education to qualify for the job?

A. No. This is because the Agency lost a court case.

Sherry Hashimoto, Senior Loan Officer / Loan Servicing Division

Provided a demo of the DLS system under development.

NACS Zone B Business Meeting

Zone B Representative Denise Lickteig reported that she has served on 2 task forces; one on performance management issues, the other on the awards committee. A QSI is not automatic for a rating of superior. Performance management task force recommendations have been accepted by FSA. Recommendations are now at OPM. Email Denise with distinct thoughts on awards for the ongoing task force. She requests that FMA home addresses and home email be updated.

The meeting broke into groups for members to meet with the program committees to discuss resolutions that have been submitted to NACS thus far. These included the ones from Minnesota that were acted upon at last year's annual meeting.

State President's Reports

Each state president gives a report on activities, membership, etc. in their state.

Texas

72 members
10 associate members
1 retired member

There are another 25 potential members

Hiring and training of FLOTs is a big issue in Texas. The SED plans to base the FLOTs in the state office during their training.

Oklahoma

36 members
65 potential total members
5 retiring or retired members
12 total retirements are possible at this time

Kansas

42 / 48 possible members
22 offices
12 employees could retire in the next 5 years

Nebraska

48 / 60 possible members
3 FLMs are not members
Busy planning for the 08 National Convention

South Dakota

35 members out of 74 potentials
5 FLMs are not members

North Dakota

39 members
3 FLMs are not members

Iowa

59 members out of possible 80 total

Missouri

29 / 56 total potentials

Minnesota

59 members / 73 total potential
Tied for second highest number of members in the Zone with Iowa
New SED

Eric Guenther, FMA Zone 5 President

He spoke about the FMA activities that are ongoing including the legislative briefs, the FMA meeting at the end of March, and the need to get NACS members to attend.

Your FMA user and user id passcode to access the "members only" area of the FMA web site is on your membership card which was mailed last November.

An \$8/year dues increase for FMA is being considered due to the bylaws requiring dues to keep pace with inflation.

Darren Metzger, NACS FSA President

He sees 5 big issues facing FSA.

1. Improper Payment. It is currently the #1 priority of FSA and where resources are being directed.
2. 1165 issue and state restructure plans including advertising FLM vacancies as Grade 11 which is not supposed to be happening.
3. Budget. The budget is not good and doesn't look like it is going to get better.
4. IT problems. System cannot handle web applications as set up. Large company reps participated in testing and did not determine problem. No answer to when relief will be possible.
5. Performance management issues. Lack of sufficient training. NACS is pushing for more. Some States also thought that only fully successful was rating option.

Other topics

NACS relationship with management is good. FLOT training positions are now 45 in the country. He thinks the FBP is working well. There will be some new computers for FLOTs and appraisers. Committees were able to go to National Office for discussion of resolutions. This is the first time in a couple of years because of travel budget restrictions in the

past. NACS participates on many task forces. He encouraged members present to become involved in leadership and committee positions.

The Zone B Meeting for 2008 will be held in Sioux Falls, SD.

Meeting Adjourned.