

# MACS NEWS

Feb-Mar 2009

*Minnesota Association of Credit Specialists - FSA*

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## **Zone B Meeting – Minnesota Nails It!!**

The NACS, NASE and NASP Zone B Meeting was held February 5-7<sup>th</sup> in Bloomington, MN. Members from Minnesota were well represented by their respective FSA and RD Associations. The overall Zone B turnout was excellent with registrations numbers exceeding 100. There has been nothing but outstanding comments from Zone Members and speakers who attended!

Congratulations to everyone from Minnesota who stepped up to help out and to those who attended the meeting to make this event a huge success! Special recognition is order for several members starting with Bob Vaughn, Retired MACS member who orchestrated the Hospitality Room like the true maestro that he is. Of course, Lynn Meyer as the Hospitality Committee Chair, was instrumental in successfully showcasing the best Minnesota has to offer. Jerry Hurrle and Tom Haubrich, as Co-Chairs, put this major event together with seamless precision are also to be recognized. Sheree Krogstad as Registration Committee Chair and Cindy Vukasin as Entertainment Committee Chair both did an outstanding job of working together to ensure these two critical areas were executed with true professionalism. Thank You All!! For the MACS members that attended the meeting, thank you as well and I certainly hope you have shared with your co-workers that did not attend what they missed out on.

Zone B Comments from Lynn Meyer, FSA and Shirley Jensen, RD:

Thank you to everyone who generously donated cookies, snack mix, water, crackers, pop and time for the hospitality room at our Zone B Meeting. Because of your donations, we were able to provide breakfast, snacks and beverages to our guests from Zone B and National Office. We heard lots of good comments about the meeting and Minnesota's hospitality.

THANK YOU! THANK YOU! THANK YOU!

We couldn't have done it without you!

A complete outline of the Zone B Meeting is attached to this newsletter.

## **Conference Call Scheduled – March 30th**

In preparation for the annual meeting with the SED and State Office, a conference call has been scheduled. This is open to all membership categories including Associate and Retired Members. The MACS Executive Committee needs to know what the concerns of the members are. The MACS President will lead the discussion and begin by calling on each of the 8 District Representatives to share their concerns/issues with respect to their specific District plus overall State/National issues. We will start with District 1 and end with District 8. Please talk to your members in advance. All other members except the Executive Committee will then be asked to comment. The Executive Committee will go last.

The details:

Date: Monday, March 30, 2009

Time: 4:30 PM

Phone number: 1-605-475-6333

Participant Access Code: 979012

Use your cell phone or a calling card. Do not have this call charged to your office phone.

## **Consultative Meeting with State Office/SED**

The MACS Annual Consultative Meeting with the SED and State Office has been rescheduled to April 16<sup>th</sup>, assuming our new SED, Linda Hennen will be working for FSA and will be available at that time. The March 30<sup>th</sup> conference call is timely and very important in this regard. Don't miss that call.

## **MACS/MNASCOE Joint Convention**

The MACS Board voted a few months ago to hold the MACS Annual Meeting on Friday, July 24, 2009, at the Alexandria Holiday Inn. This would be a Thursday afternoon for leisure activities such as golfing, possible tour, etc, with the meeting to begin first thing Friday morning; same format as the past three years. Communications are ongoing with MNASCOE as to having another Joint Convention with them. MACS will have the opportunity to discuss this item further with MNASCOE during the SED Consultative Meeting should a delay occur on finalizing a Joint Convention prior to then. MACS has not booked the Holiday Inn or taken any efforts to secure the facilities to date due to the fact this has always been a joint MACS/MNASCOE effort for the past three years. Either way, MACS will need to be prepared to move quickly to make the necessary arrangements. We are looking for volunteers relatively close to the Alexandria area. Please consider helping out with this. Thank you.

## **NACS/NASE Upcoming Meetings**

National Meeting – June 2009 – Atlanta, GA.

If interested in attending these meetings and you are looking for someone to share a room with, share travel with, etc., please contact Lee Crawford or Mark Drewitz. Minnesota will be allowed 5 voting delegates at the NACS Convention. Zone B has officer candidates announced for President, Vice President (Mark Drewitz) and Secretary. Let's make all five votes count and plan on attending.

## **NACS/NASE Information**

NACS and NASE association information is available at their web sites. Information, newsletters, and other materials are available at their respective web sites:

NACS – [www.nacsfsa.net](http://www.nacsfsa.net)

NASE – [www.nasefsa.org](http://www.nasefsa.org)

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

**2008-09 MACS Board**

President Lee Crawford  
Vice President Lorraine Edwards  
Secretary Kevin Lehman  
Treasurer Scott Nordby  
NASE State Contact Karen Welander  
Past President Mark Drewitz

District 1 Representative John Jacobson  
District 2 Representative Justin Phillips  
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District 4 Representative Rebecca Stueber  
District 5 Representative Rick Ray  
District 6 Representative Kevin Hagan  
District 7 Representative Mark Baumann  
District 8 & STO Representative Cory Christensen

To support USDA military families, go to [www.usdamilitaryfamilies.org](http://www.usdamilitaryfamilies.org)

**Zone B Meeting  
Feb 6-7, 2009  
Bloomington, MN**

**GENERAL SESSION**

The 2009 NACS Zone B meeting opened with a General Session of the four associations, National Association of Credit Specialists - RD (NACS-RD), National Association of Credit Specialists - FSA (NACS-FSA), National Association of Support Employees - FSA, (NASE) and the National Association of Support Personnel - RD (NASP).

**Speakers**

Gene Hugoson - Minnesota Commissioner of Agriculture.

Mr. Hugoson spoke about the ethanol and bio-diesel industry in Minnesota and the commitment the state has made to renewable fuels.

Gene Winstead - Mayor of Bloomington

Mr. Winstead welcomed everyone to Bloomington recounting the changes in the area in and around Bloomington. Still has one sheep farm.

Glen Schafer - Acting FSA State Executive Director and Executive Officer & Michael Navin, RD Acting State Director and Administrative Officer.

Mr. Schafer and Mr. Navin welcomed everyone to Minnesota.

**2009 National Convention Presentation - Tom Hatch, GA**

The National Convention will be held in Atlanta, Georgia at the Peachtree Hotel. Cost per room is \$141/night. The hotel is close to the Georgia Aquarium, Coca Cola World and other attractions. On Tuesday will be the baseball game between the New York Yankees and Atlanta Braves. The convention will be held June 20-25, 2009.

**Bids for Zone B Meeting in February 2010**

A presentation was put on by the North Dakota Associations for the 2010 meeting. Plans are to hold the meeting in downtown Fargo at the Radisson.

The meeting then split into the FSA Associations and the RD Associations for presentations by National Office speakers.

**FSA SESSION**Todd Burke - Chief, Farm Credit Applications Office

Mr. Burke started with FSA in December and assumed his current position in January 2009. He replaces Terry Tanner who retired. He presented Direct Loan System implantation plans for Phase I, II and III.

Phase I - expects to roll this out later this year during the summer for routine loan servicing activities such as graduation reviews, limited resource reviews, YEA's and farm visits. Also expecting enhancements to the Customer Profile.

Phase II - Special servicing, interaction with DALR\$, PLAS history, additional ADPS transactions (5G, 9G, 5F, 4D), loan payoffs, guaranteed loan account # display, integrate ag credit.

Phase III - everything not completed in phases I & II. Remainder of routine servicing, security servicing, deceased borrower, offset, SBA, and collections.

Once all are implemented will be looking to eliminate ADPS.

Mr. Burke's power point presentation is posted at the NACS-FSA web site under General Zone Information.

Karen Campbell, Chief Program Reporting Group, Farm Loan Operations Office (FLOO)

A new review process of annual statements has been instituted to assure proper statement delivery. Has been some problems with SCIMS to PLAS upload which appears to be usually due to address changes input on the FP side.

CAIVRS - User ID's and passwords need to be kept up to date.

60 day payment reminders are sent out their office. Less returned mail than previous years but up some from 2007 (936 - 1149).

Paper check conversion process was put on hold - expected to resume in summer 2009. This is the conversion of a check provided by the payee into an electronic payment to the Government.

FLOO imaging project - This will result in better management of work received in Finance Office. Documents will be faxed directly into system as image. Pilot begins March 1 and ends on March 31<sup>st</sup>. Pilot states of Alabama, Texas, North Dakota, and Indiana.

Ms. Campbell's power point presentation is posted at the NACS-FSA web site under General Zone Information.

Guaranteed Loan Initiatives - already implement losses, interest assistance, historical status report list. New initiatives to include AASM changes, lender designation, BPMS data.

FLP debt reduction has occurred significantly since 2000 when there were 45,489 delinquent accounts and in 2008 this was 16,316.

Chris Beyerhelm, Acting Deputy Administrator Farm Loan Programs

Carolyn Cooksie will be back as Deputy Administrator FLP.

Portfolio is best shape in over 20 years. Question is "Have we gotten too conservative?"

Loan making activities have been increasing. Dollars obligated have been up dramatically in FY 2009. 80 million obligated through December 2008 compared to 37 million December 2007. 30 states are out of funds but too early to start pooling. 32 million backlog of OL, 130 million backlogged FO. Are hoping to get more dollars out of the continuing resolution to spend up to 43% of allocation rather than 41%. Don't let backlog stop loan making efforts as we want to demonstrate the need for funding to the new administration.

Goals are important as they want to measure the results and monitor success of programs.

Farm Bill implementation for FLP - Conservation loan program, Individual Accounts for Farmers (no funding) hope to have implemented by year end. Competing with FP resources to get Farm Bill implemented as the FP programs have gotten seriously behind. As these are programs are published in Federal Register take an active role in reviewing and making comments on these.

Pigford II - As a result of legislation in the farm bill another 83,000 claimants were to be allowed with 100 million dollars allocated for claims. This would allow 1600 to be paid if at \$50,000. If hired contractors to process claims would cost an estimated 1.5 billion. Implementation is key. Discovery period is supposed to end in May.

Knowledge Bank Report - 10 states were interviewed although no county offices. 52 recommendations were made. Study was very favorable to FLP. 32 of 52 findings have been approved and plan to implement. One recommendation was to go to one employment system. Complete report is available on the web and everyone is encouraged to review.

Farm Business Plan 6.1 update occurred. FBP is now on new state of the art servers totally dedicated to FBP. Server is "Mercedes" version server. Import/Export feature should be available soon. With this release 4 items are needed in the system - 1. New accounts, 2. Year began farming, 3. Type of borrower, 4. NAICS code and account flag.

PT Manual - are committed to keeping this up to date. Let them know if something is out of date.

Green record books are out.

Personally Identifiable Information (PII), Notice 1619, Privacy Act, record retention, email harvesting - All important issues and driven by privacy and litigation issues. Litigation hold means you must keep every thing except mass emails from outside USDA.

Notice 1619 - any info that the borrower gives us cannot be released outside USDA. How this impacts FLP -

- Can release within USDA.
- Cannot release to IRS, DOJ, law enforcement.
- Can release payment info to IRS, DOJ, etc.
- Where info required by CONACT can continue to do graduation, market placement.

Can use Iowa State University calculator for determining FP payments for cashflow purposes. Put copy in file to document.

Loan Analyst - position description includes doing everything a FLO does up to the point of loan approval. This is not an upgrade for PT's. Use as fits each individual office situation. 3 states have requested so far.

Average interest rate in regards to guaranteed loan requirements - a new procedure will be out in final regulations soon. Will outline process for setting the rate.

Receipt for Services - entitled to written receipt for question asked and answered. A poster will be coming along with a form.

Marketing - marketing vs. outreach - is a distinction. Marketing is every day. Outreach is targeting specific event to specific audience This is to ensure that all know of our programs. Challenge to get enthused and to stay enthused.

### Question and Answers

Q. Development of an organic price guide?

A. New census resulting in smaller median sized farm. This would be for those without contracts. Highly variable.

Q. When will there be a different system than the System 36 for processing payments? When will FLP be off the System 36?

A. Plan to be off system 36 by end of year.

Q. The keeping of email and all the other documents - will it cause system performance issues?

A. This is a strain on resources. Contact computer support if problems. Hoping once discovery phase is over in the litigation cases that some relief will be granted.

Q. Using mail merge for letters - must we keep a copy of each letter?

A. Yes, all renditions of documents must be kept. Everything.

Q. What happened to Web Mail access and when will it becoming back?

A. Not considered secure enough. Not likely coming back unless 2 levels of authorization are able to be implemented.

Q. When will LincPass be implemented?

A. Are stacked up trying to determine how best to implement.

Q. Is a new FSA-2040 still coming?

A. Yes, perhaps by this time next year.

Q. Is there a possibility of FLP taking over the Facility Loan Program? Some states have already done this.

A. John Johnson, Deputy Administrator, Farm Programs was not receptive to this. May be brought up to the new deputy later this year. Carolyn Cooksie says not taking this over without FTE's. Issues with IT and financial statements.

Q. What is the status of needing locking file cabinets for file storage?

A. Still need locking cabinets unless a separate room exists that is able to be locked so that not even janitorial staff gets in there. Need to request funding for this and if state does not have funds to elevate it to National level. (A show of hands indicated that almost everyone present needed cabinets and was not getting funds.)

Q. If a county office loan analyst position is filled by the PT would there still be a PT?

A. Depends on County Office situation. Caseload is main driver. Kind of figure one loan officer per 50 borrowers. General conversation was that the Loan Analyst would be doing 70% FLO work and 30% PT work.

Q. What are the plans for continuing professional education for loan officers?

A. Trying to do this every 3 years to keep them up to speed with lending changes and agricultural changes. May be online, etc.

Q. Any change to FLP chief compensation vs. FP chiefs - upgrade or split duties as have more tasks than FP chiefs.

A. Continue to look at the archaic inflexible classification system.

Q. Anything new to report on the 1165 issue?

A. Don Sanders left the Agency, everything tried but got nowhere. Will continue and bring it up with new administration.

Q. Will Farm Loan Officers be provided management training?

A. Will be incorporating management training into the FLOT training handbook. To assist in career development the FLM is encouraged to designate the FLO as Acting FLM during their absence. This counts towards management experience.

Q. When using the down payment program and adequate security is available any way to change so that some of FSA down payment or prior lien money could be used for improvements to property?

A. Concern is use of the funding. Seller could make it a condition of sale.

Q. Is there a better process coming for dealing with wind towers?

A. Trying to develop an FSA form that would be acceptable to us - much like the FSA subordination form instead of using and reviewing each wind company form.

Q. Mineral Lease - Mineral subordination form - was removed 5 years ago and is still needed. Could it be re-issued?

A. Will review.

Q. If records are to be retained and forms filled out with Acrobat 8 are not able to be saved but if used Acrobat 6 are able to be saved is this a problem?

A. No, depends on which program used. Are working on getting Acrobat 9 and will be able save fillable forms again.

Q. When will FLP payments be off the System 36?

A. NRSS system will be coming June/July 2009 for collections.

This concluded the NACS and NASE FSA session.

## **NACS-FSA SESSION**

### Committee Reports

Craig Argabright - IT Committee -Met recently in St. Louis. Craig was unable to attend due to snow storm. Did get report. Will get to web site when can. Original adopted resolutions are on the web site. Only 1 resolution has been submitted so far. Try to submit more.

Mark Moser - FLP Committee - Good feedback received form National Office, received a positive reception. \$5,000 limitation on non essential assets may be able to go up to \$10,000. National Office wasn't receptive to \$20,000 though. Enhancements to FBP has been favorable. Travel funds to perform necessary FLP task should not be an issue as dollars are available. There are forums on the NACS web site for each committee with each committee chair as the moderator. Visit for more information.

Maureen Mausbach - Management/Personnel - Reviewed performance management training. DAFO wants to keep awards budgets for GS and CO separate. Amounts given to CO and GS for awards

was determined by the average salary of the employees. Possibility of publishing the amount of the awards but not the performance rating.

Betsy Senter - Legislative - Resolutions are on the web site. Specific issues - term limits will re-introduce. NACS has hired the firm of McCallister and Quinn to aid in legislative issues. Have reviewed issues of concern for them to work on. USDA reorganization, 1165, term limits, are some of these. Legislative resolutions are only visible to registered users of the NACS web site. More resolutions are needed.

Mark Drewitz - Farm Programs - Connie Burk, Chairperson was unable to attend; however did submit a report. Only 1 resolution was submitted to National Office last year. Review and use the FP resolutions for improvements/changes in FP issues.

Steve Showalter - Membership - Goal is to get everyone registered on the web site. Will be contacting states who have yet to submit their membership lists and follow-up with them. Need name, email, home phone. Spreadsheet will be sent. Send a copy to the Zone Rep. Make sure you sign up for NACS News and Zone B News to receive mailings.

At this point individual committee sessions were held to review issues, new resolutions, etc. to be brought forward.

### State President's Reports

Iowa - Rhonda Triggs, Treasurer - Have 58 members, 49 on payroll deduction, 22 potential members. The state has 30 FLM's of which 26 are supervisory and 4 are not. There are 33 FLO's and 49 PT's. Top issue of concern in the state is the 1165 issue as this relates to backfilling. Loan funding is also an issue. Out of area job applicants block register and are not interested in moving to job location. FSFL work by FLP varies across the state.

Missouri - Jared Weydert - (submitted by email) -

South Dakota - Jim Plummer - Current have 35 members of a potential of 70 members with 34 of these on payroll deduction. Goal is to reach 40 members. 4 DD's are members along with 1 FLS. Dues are currently \$130/year and will probably need to look at increasing the dues to \$6 per pay period (\$156/year) at the annual meeting this fall. One issue of concern in the state is the FLP marketing plan. Most offices are in the very early stages of developing the marketing plan. Another issue is FLOT hires. Currently have 5 FLOT's on board and requesting to hire another 4 in FY 09. Caseloads are dwindling in many offices. Hopefully the Marketing Plan will help reverse this trend. Trying to increase membership and get some of the newer members more involved. National issues the state would like to see addressed are term limits, loan funding, consistency of performance plans, appraisals and awards. NACS decision to leave FMA and hire a lobbyist should be a positive step. Perhaps should maintain or increase incentives for new members to attend Zone and National Conventions. FSFL program is handled by FLP staff primarily in many offices. The Loan Analyst position is known but none are being considered at this point. The Association has been working on relationship with FLC and EO. The hope is for a good relationship with new SED as was the case with the last.

Kansas - Nick Bergkamp - submitted in writing as Mr. Bergkamp was unable to attend - currently have 40 members plus 1 retired member out of possible 57 potential members. Hoping to increase

membership as recent FLO's and FLOT's have indicated interest. Are awaiting arrival of new SED. First state wide policy meeting was held since 2005. Keep up the work on the web site. Communication from the NACS Board has not been as consistent or frequent as it could be. Can president's reports, resolution activities, updates, etc., be emailed to members who are signed up on the web site?

Nebraska - Lisa Hofmann - 43 members currently out of total of 67 possible. Dues increase has not impacted membership. Membership is down slightly due to retirements. Dues are currently \$8 per pay period (\$208). Top issues in the state include filling FLO vacancies. Need FLOT's to be hired timely in order to try and have people trained and ready. Marketing plan training occurred last week and created new enthusiasm around the state. Top National level concerns are funding. Improvement from NACS needed in communication. Need to encourage new employees to join. Will be sending information to potential members to increase interest. Nebraska FLP took over the FSFL program in July 2006 and has gone well. Nebraska is #1 in loan making and lowest delinquency rate. Also utilizing a 100 acre/100 cow program in partnership with the Nebraska School of Technical Ag -0 Curtis, NE to encourage beginning farmers.

Minnesota - Lee Crawford - 58 NACS members, 19 Associate members including 13 CED's. Top issues in the state are redistricting, FLP office structure, FLP marketing and performance rating inconsistencies. Top national issues include 1165, and USDA reorganization. NACS should focus on improving communications. Membership needs to be kept informed on what lobbyist is doing. Facility loans are done by FP in Minnesota. Loan Analyst position will be driven by FLM, DD and PT input. Maybe one under consideration. New SED, Linda Hennen, has been named, though not in place yet. She is the former AO and DD who retired in 2007 and we have had good relationship with her in the past.

North Dakota - Loren Drege - 38 regular members, 3 retired with most on payroll deduction. Have not had to raise dues at this point. Top issues for the state is to try and find people who will run for office, working with State Office to recruit FLO's and have a new FLC. Several FLM's also getting close to retirement. Top national issues are the NACS web site, getting ideas for getting FLOT's to join, 1165, and have a lot of non-supervisory FLM's. Like to see something from NACS like the NASE weekly newsletter. ND has put a bid in for 2010 zone meeting. Has been some push for FSFL to be done by FLP.

Oklahoma - Connie Burk - submitted in writing as Ms. Burk was unable to attend - currently have 29 members with possible of 75 or so. Dues appear to be having an impact. Getting new FLOT's to see that NACS is important is a challenge. Would like to see Zone meetings held in a more warmer climate to facilitate travel.

Texas - Randy Milloy - currently have 63 members with a potential of 41 more. No impact on membership from dues increase. Top issues in the state include filling of vacancies, increase of loan activities with less people, communication and member involvement. Will be having a membership drive at the state training next week. Top issues for NACS include vacancy announcements, 1165, and loan funds. FSFL is not done by FLP. No interest yet in Loan Analyst.

### NACS President - Stu Skidmore

NACS has been involved with a number of task forces. FLP Marketing, AO/SED Policy Meeting, FLP Steering Committee (report on web site), COT, Performance Management, and FBP.

The NACS budget is posted to the web site and includes a first year and typical year (2010) budget as the full dues increase isn't reflected in the first year. Plan will be to amend the 2010 budget when appropriate. Budget is based on 950 members. Membership list is old and needs updating. Spreadsheet has been sent out to states to obtain this information. This will be used to automatically register members at the NACS web site. Presently only 1/3 of membership is registered.

NACS may be involved in FLOT training with a presentation on the objectives, etc. of the Association. Dues have been established at \$120.00 for NACS.

Email concerns continue as well as the use of government computers. Will not be using government system.

Issues being worked on with aid of McAllister and Quinn are 1165, USDA reorganization and term limits. Do not see any negative impact on hiring firm on organization or relationship with management.

Use of the forums on the web site is encouraged. Need interested persons for officer and zone rep elections.

### NACS Web Site Tour

A "tour" of the web site was done by the use of a power point presentation. The tour focused on using the site for emailing, submitting resolutions, using the forums, and maintaining your subscriptions. This presentation is available at the web site for both registered and non-registered members located under the "How to Use this Site" link.

### NACS Leadership Workshop - Allen Hall

Reviewed the 7 habits of effective leadership by Steven Covey -

- Be Proactive: Principles of Personal Choice
- Begin with the End in Mind: Principles of Personal Vision
- Put First Things First: Principles of Integrity & Execution
- Think Win/Win: Principles of Mutual Benefit
- Seek First to Understand, Then to be Understood: Principles of Mutual Understanding
- Synergize: Principles of Creative Cooperation
- Habit 7: Sharpen the Saw: Principles of Balanced Self-Renewal

The 7 laws of leadership by Charles Jones were also reviewed.

1. Get excited about work.
2. Use of lose.
3. Production or perfection - best to start with production.

4. Give to get (really trading) = greater capacity to grow.
5. Exposure to experience.
6. Be flexible in planning - attack in different way.
7. Motivate to motivate - bring others to higher level.

Mark Drewitz, Zone Rep, identified some key ways to serve including

1. Elected officer
2. Provide input, tell your concerns, provide support, be responsive
3. Attend meetings, ask questions.
4. Bring somebody else with you.

### Candidate Announcements

NACS President - Randy Milloy, Texas  
NACS Vice President - Mark Drewitz, Minnesota  
NACS Secretary - Maureen Mausbach, Nebraska  
NACS Treasurer - No announcements  
Zone B Representative - No announcements.

Zone B meeting adjourned.