



## Meeting with State Office

Posted to the web site is the written response from the SED regarding MACS concerns initially reported to the SED in the MACS Sept. 16 memo. Also posted to the web site is the response from the State Office to the resolutions acted upon by MACS at the annual meeting. We discussed these issues at length on Nov. 2 during a meeting with SED John Monson along with Dan Hockert and Stuart Shelstad. We had just over two hours of discussion where each expressed their concerns and issues. I believe progress was made and all involved have a better understanding of the perspective of the others.

The first topic discussed was improvement in the process and support of employee relocation, particularly Farm Loan Officers. The contact point for relocations is Bill Walker. Dan Hockert reported that the Admin section is putting together a checklist to assist with relocations from the State Office point of view. He also agreed that the Admin section would

contact those relocated recently to determine how the process could be improved and what major points of difficulty were.

The next point of discussion was State Office directives and procedure. Emphasis was made that MACS' concern was getting in writing changes in policy or reinterpretation of procedure and the issuance of MN procedure essential to the agency. The discussion at the recent FLP training sessions which appeared to indicate a change in policy or interpretation of procedure was discussed at length and reviewed further with the FLC afterwards. The State Office has now issued a memo regarding the subordination issue. This memo is consistent with the discussion at our meeting that the subordination of a loan just made is a possible tool; however, it is expected that all other credit tools and possibilities be examined first. Also reviewed was the different entity for Farm Programs vs. Farm Loan Programs issue. An example was cited by the FLC where the difference in entity's would not be an issue such as a corporation is cropping a farm and one of the members of the corporation, as an individual, applies for an operating loan to finance a separate livestock operation. Further information for the field from the State Office is expected on this as well. Issuance of drafted MN procedure and updating other MN procedure was reviewed and indications are this may be occurring, at least for real estate loan closing and MN 1951-S instruction.

The structure of FLP offices and staffing issues across the state was also reviewed. This discussion was in the post FSA Tomorrow environment and not much action is going to take place on this issue due to that. In the interim, movement of workload and temporary detail of employees may be necessary to meet the needs of certain offices. It was discussed that the MACS Perspective for FSA Tomorrow was relevant even without that process in case any future restructure was

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initiated. These perspectives were explored in relationship to recent office consolidations.

The impact of the FLP Strategic plan and FLP outreach was the final topic and consumed the majority of the time. The SED believes the strategic plan was essential to revitalizing the Agency Farm Loan Programs in Minnesota and that the trend of fewer borrowers was a major concern. He also stated he believes there are credit needs out there and is concerned that all offices fully implement the strategic plan and accomplish the necessary outreach.

MACS' concerns about balancing outreach, customer needs, and program integrity were explored. The State Office does not believe that program integrity is being placed at risk but did acknowledge our concerns and perceptions that this side of the issue may not have been expressed. I pointed out that research of loan application data has shown that the direct loan rejection rate fell by 50% after the strategic plan was announced. What had been a 10% rejection rate in the two years pre-strategic plan fell to a 5% rejection rate in the two years post-strategic plan. It was discussed that there should be no difference in credit decisions due to the strategic plan. This, and more, has also been included in the SED response. This area will continue to be reviewed as we move forward.

On the issues discussed it was not possible to come to agreement on all; however, significant progress was made in understanding the context and nature of each concern. There are also other areas that will require follow-up. The willingness of the SED, Dan Hockert and Stuart Shelstad to meet with and explore these concerns was greatly appreciated.

## Program Committee's Named

"Volunteers" were enlisted for the following MACS membership participation opportunities:

- Farm Loan Programs – Kevin Hagan, Rod DeGraaf, Beverly Turner, and Doug Kunde. This committee will deal with policies, procedures, forms, processes, etc., dealing

specifically with the making and servicing of direct and guaranteed loans.

- Farm Programs – Lorraine Edwards. Policies, procedures, forms, processes, etc., dealing specifically with the commodity programs such as CRP, DCP, LDP, etc are this committee's area. If you would like to assist in this committee please contact Lorraine directly.
- Information Technology – Keith Hobbie and Jeff Johnson. This committee deals with issues concerning software, computer hardware and printers, copiers, the network, and online intranet program applications.
- Management/personnel – Clayton Quade. Any issues dealing with personnel rights, administrative activities, relocation, hiring, performance, classification, office structure, etc., are in this committee's area. If you would like to assist Clayton, please contact him directly.
- Legislative – Mike Norberg. The issues with statutory law that affect the performance or activities of the Agency that require legislative action to change fall in this committee's area.

If you have any issue that you believe needs to be researched to arrive at a proposed solution, please forward that issue and request to the appropriate committee persons. A large "Thank you!" to all those who have agreed to serve.

## MACS Evaluation Survey Results

A full compilation of the survey results are posted to the MACS web site on the Home page. Please review these in full to catch the entire "flavor" of the responses.

A summary of the responses to the different areas covered in the survey and comments follows.

Major Concerns for MACS: The announcement of the FSA Tomorrow project shortly after the survey went up on the web had a large impact on this area. This

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resulted in many of the suggestions to be about FSA Tomorrow which was covered in the MACS Perspectives document. Other issues are covered in the 9/16/05 memo to the SED and the resulting Nov. 2 meeting with the SED and his response. These areas will continue to be the major emphasis.

MACS Strengths: There are varying responses to this area ranging from nothing to many things. The most common response involved communication both getting it from members and our communication with management. As a comment, we have had the opportunity to communicate with management and our respective national associations several times now. I appreciate those individuals who have responded. The entire Board would like to hear more from members when these opportunities arise. The more responses the better we can understand members concerns.

MACS Weaknesses: Getting members involved and representing all employees concerns seemed to be the most evident with other issues stated as well. Hopefully, this weakness is being addressed by offering and getting members participation in the program committees, the Goals committee, and getting members attendance at the upcoming Zone B meeting. Disappointing was that only one person actually volunteered for any of the activities. Much appreciated are those individuals who agreed to serve when they received the "call".

Joint Meeting with MNASCOE: This does not appear to be a big issue with members as to attendance. This issue is still being worked on by Lee Crawford with MNASCOE President Kevin Beekman concerning a location. Please forward your comments to Lee if you have suggestions.

Other Comments: Most of these were supportive or offered advice on how to proceed. Thanks for all the comments.

We may take a follow-up survey on similar and other issues in January or February. All members are encouraged to provide comments or suggestions on any topic at any time.

## Lender Survey - Goals

Sue Westrom, FLM, Crookston, continues to head up putting together a survey of lenders in order to gather information for use in establishing suggested goals, from MACS' perspective for loan making and servicing, as well as other issues. After consultation with the FLP Section, we've determined they will be proceeding with a survey of their own on some of the same issues that was to occur in ours. Therefore, we will be delaying the MACS lender survey until the State Office survey is ready so as to avoid duplication of efforts and data. The State Office has agreed to share their data with MACS.

When we proceed with this project, all members help will be needed to ensure the survey gets the widest distribution possible and a good quantity of responses are returned.

## 2006 Membership Dues

Please submit your dues for fiscal year 2006 to Sheree Krogstad at the Wadena Office. You may also elect to begin a payroll deduction as discussed in the September newsletter.

Managerial dues are \$124 for DD, FLM, FLO and FLS. PT dues are \$58 and Associate/Retired members dues are \$20.

The FMA quarterly dues are required to be paid by MACS in December, so your membership dues are needed now. We appreciate you taking care of this now so we can move on to other MACS concerns.

## File Exchange Update

An Outreach section has now been added to the MACS web site – File Exchange. If you have any items that you wish to share for Outreach or otherwise, please submit them by emailing them to MACS at [macs\\_fsa@yahoo.com](mailto:macs_fsa@yahoo.com). If there is any special information or directions for your item please be sure to include that as well.

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Unless otherwise informed, the submitter will be identified with the posting so as to facilitate any assistance with any of the items for other users.

## State Office Responses to MACS Resolutions

As mentioned elsewhere in this newsletter, the State Office has provided written responses to the MACS resolutions that were acted on at the 2005 annual meeting. These responses are posted to the MACS web site on the "Resolutions" page. Please review these.

We are following a similar process as used by our National Associations. Once resolutions are acted on, they are submitted to the appropriate sections who then prepare a response. Later, these responses are further reviewed or followed up on which MACS will do at the annual consultative meeting with the State Office in late winter or early spring.

The time and effort that was put into the responses to our resolutions is much appreciated.

### 2005-06 MACS Board

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**District 8 & STO Representative – Tom DeCock**

## 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.

## Upcoming NACS/NASE Meetings

The Zone B Meeting for NACS and NASE will be held at the Embassy Suites in Lincoln, Nebraska, on February 9 - 11, 2006. Watch for the Zone B registration form as it should be issued from the National Associations shortly.

The 2006 National Conventions will be held June 19-21 in Arlington, Texas.

Anyone wishing to share transportation, lodging, etc. to either or both meetings, may send an email to [MACS\\_FSA@yahoo.com](mailto:MACS_FSA@yahoo.com) and your request/notice will be forwarded to all members.

Our state has one of the largest memberships in Zone B and in the nation; therefore, it is important members attend and make our concerns known.

## Web Site Volunteer

Cindy Vukasin, FLO, Freeborn County, Albert Lea, has agreed to work on maintaining the web site. We will be working with Cindy to get her up to speed on the web site workings over the next few weeks.

Thanks to Cindy for being a real volunteer!

## Next Newsletter

The December newsletter is expected to be issued between Christmas and New Year's. If any member, committee volunteer, officer, or district representative has a topic that they would like to include, please email that in.