



MACS Newsletter



September 2006

2006 MACS/MNASCOE Meeting Minutes

Following are the full minutes from the July 21st MACS Annual Meeting are included in this newsletter. Please take the time to review these and the included resolutions that were acted on.

The passed resolutions will be forwarded to the State Office for their response as appropriate. Issues of a national nature will be passed along to NACS/NASE as appropriate.

The minutes are attached at the end of this newsletter.

Member Participation Opportunities

There is still time for members to volunteer to serve in a number of capacities for the 2006-07 year. The following positions have been filled:

Farm Loan Program Committee— Last year's members of Kevin Hagan, Rod DeGraaf, Doug Kunde and Bev Turner have agreed to continue in this role.

Management/Personnel Committee – Gary Schommer and James Velde will serve on this committee.

Convention Coordinator – 2007 – Wendy Erickson will head this up for MACS along with Mark Bertram. They will be working with similar designees from MNASCOE.

The following participation opportunities remain:

Farm Program Committee
Legislative Committee
Information Technology Committee

If you have an interest in serving on one of these please contact Mark Drewitz at Mark.Drewitz@msn.com or the MACS_FSA@yahoo.com address.

NASE State Contact Elected

Jean Post, FLP PT, Preston has been nominated and confirmed to serve as the NASE State Contact for the 2006-07 year. Jean will be the contact point for NASE at the National level.

Please forward any issues to be directed to NASE to Jean at Jean.Post@mn.usda.gov.

Jean's willingness to serve in this capacity is greatly appreciated!

District Representative Elections Completed

Elections have finalized in District 2 and District 4. Jim Velde has been elected as the District 2 representative and Kevin Lehmann's has been re-elected for District 4. Persons in those districts may contact the district representative about any issue that MACS/NACS/NASE should be concerned about or you may contact any officer directly.

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On-Line MACS Survey

An online survey regarding MACS' issues has been posted. All members as well as any interested non-members, are requested to complete the survey. It should take 5-10 minutes at most to complete. This survey is a follow-up to a similar survey that was completed a year ago. You may access the survey by clicking on a link on the main page.

Please complete this by October 15th. Results will be included in an upcoming newsletter.

2007 MACS/MNASCOE Meeting

Discussion has begun on the 2007 MACS/MNASCOE meeting. Though not yet formally approved, work is centering on Fergus Falls for Friday, July 20, 2007. Be sure to note this date and location so that you can plan to attend.

More information will be provided as details develop.

NACS/NASE Information

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

NACS – www.nacsfisa.org

NASE - www.geocities.com/judy_potter_2000/

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

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.

NACS/NASE Upcoming Meetings

Zone B Meeting – Feb., 2007 – Kansas City, MO

National Meeting – June 2007 – Cincinnati, Ohio.

If interested in attending these meetings and you are looking for someone to share a room with, share travel with, etc., please contact me at:

mark.drewitz@msn.com.

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 – Michael Smith

District 4 Representative – Kevin Lehmann

District 5 Representative – Rick Ray

District 6 Representative – Scott Nordby

District 7 Representative – Cindy Vukasin

District 8 & STO Representative – Kevin Elton



MINNESOTA ASSOCIATION OF CREDIT SPECIALISTS

FARM SERVICE AGENCY
USDA



2006 Minnesota Association of Credit Specialists (MACS) Annual Meeting

Date: Friday, July 21, 2006

Time: 8:30 a.m.

Location: Holiday Inn
Owatonna, MN

GENERAL SESSION held with MNASCOE and MACS.

Pledge of Allegiance was recited by the group.

President's Opening Remarks: Kevin Beekman, MNASCOE and Mark Drewitz, MACS thanked everyone for attending. Guest speakers were introduced.

Guest Speakers:

John Monson, State Executive Director

- This past year has been a rocky year beginning with FSA Tomorrow and office restructuring taking a lot of time.
- John shared his appreciation with Mark Drewitz and Kevin Beekman on how they have handled issues with the state office on behalf of their respective associations.
- The associations have set a good precedence with the joint meeting being held today.
- He appreciates and needs transparency in this agency. John stressed the need for continual input to the State Executive Director and State Office.
- The challenge for the upcoming year is that we come together as "one" FSA. This requires more communication, teamwork, and commitment to each other. We will need to realize there will be sacrifices and need to respect each other during this time. There are two things that limit us from coming together:

1. Individual Staff Ceilings
2. Separate Budgets – State Office will flex budgets as best possible.

It would be much easier if we could manage with one staff ceiling and one budget.

Office Restructuring

- This has been a difficult issue this past year.
- It has to focus on customer service – must have customers as first priority. What do customers want?
 - Timeliness of Decisions.
 - Accuracy in the work we do on their behalf.
 - Communicate to them.
- Accuracy has become a "hot" topic recently.
 - Program delivery is at stake if our programs accuracy continues to decline.
 - OMB has their eyes on the Agency.
 - CAP (Corrective Action Plans) Reviews by COR will become very critical.
 - The extent of the problem needs to be identified.
 - Programs need to be streamlined.

- We have transitioned to a point where we need more accountability.
- We need to rebalance our focus. The balance between accuracy and timeliness needs to be found.
- We as employees need to feel good about quality and timeliness.
- He emphasized that we need to keep our perspectives – KEEP FAMILY FIRST!

Dan Hockert, State Executive Officer

- Since 2004, FSA has lost 38 full time positions. In the next year, we will reduce 10 maybe 20 staff. The thinning of resources has caused all kinds of stresses on county offices.
- There are big challenges now and into the future.
- The biggest challenge facing FSA is the inequitable distribution of staff. The budget reductions, staff reductions, and workload are the biggest challenges & issues.
- Options that may be available to use with the staff reductions:
 - Temporary employees
 - Moving workload
 - Open enrollment
 - Consolidating offices
 - Reassigning employees

None of these options are appealing. We need to work on open face-to-face discussions.

- 5 FLOTS have been hired.
- In the process of hiring 1 COT.
- Sharing FLP duties with Farm Program PT's is an idea on how to assist PT's who work with FLP.
- Moving to strengthen program sections.
- STO created a position (Bankruptcy Specialist – FLP/FP) – this is the first position of this kind in the nation.
- Considering hiring a GIS Assistant Specialist
- Jeff Bloomquist is working on a floodplain layer.
- We need to create efficiencies to lighten workload stresses.
- There will be various trainings the last couple months of the fiscal year.
- We continue to have a high-quality workforce in FSA.

Teresa Lasseter, FSA Administrator

- Teresa commended the associations for coming together as associations for an annual meeting.
- She is the first FSA employee who has worked in the county office to become Administrator.
- The primary reason for our agency is the customers we serve.
- The FSA restructuring proposal “FSA Tomorrow” was not a plan she could support as it was.
- We don't have a choice but to make changes. There is a larger competition for the federal budget. Without the unobligated funds carryover, we would have had much more problems this year.
- She has asked each SED to put together a “State Structure Team” to analyze the structure of the agency in their state and to put together a state restructuring plan. It is very important that we look at the best ways to structure FSA for the future. Only the people at the local level should be recommending structure changes to the Administrator.
- 16 states have submitted restructuring plans.
- There are changes that cause FSA to look at its structure – budget, agriculture, workload.
- We have the support from the Administrator.
- Security – we need to be careful with our information that we handle in our day-to-day operations.
- It has been challenging to her to learn all the different issues affecting agriculture across the country.
- She emphasized that there is nothing more important then our personal priorities (family and faith).

Meg Johnson, State Committee

- The State Committee feels a responsibility to the Minnesota farmers.
- County Office employees knowledge and skills make the State Committee's job easier.
- There have been fewer cases to the State Committee. She expressed thanks to the county office for doing a good job.

Jim Mace, J & M Marketing

- Jim did a short presentation on a dental program becoming available to its members.

Question and Answer Session

Question: Will all CED Hirings be open to CED's only?

Answer: (John) Due to current staff ceiling issues, all CED vacancies will be filled from within the CED rank.

Question: How will FSA be involved in the Animal ID for food safety?

Answer: (Teresa) Not sure that FSA will have a role. Secretary is working on this.

Question: What is the status of the proposed guarantee fees?

Answer: (Teresa) Congress said no to fees.

Question: NRCS decreased role in CRP.

Answer: (Teresa) FSA will need to pick up what NRCS is not doing.

Question: Will additional dollars follow with the additional responsibilities for CRP?

Answer: (Teresa) Will try but OMB will have to look at it.

Question: No late payment interest – somebody needs to tell offices that is it OK to pay late payment interest.

Answer: (Teresa) There is a fine line to manage this. Do the best you can – make payments according to procedure and make payments as timely as possible. Do the job as best as possible the first time around.

(John) SED will defend Minnesota's best effort to get job done and accurately.

Question: Minnesota's FLP caseload has been increasing – will this increase FTE's from other states.

Answer: (Teresa) It should in the long-term but won't happen immediately.

(John) He hopes the Right-Sizing team will do right-sizing.

Question: Shared Management – Will PT's decline if shared management isn't used?

Answer: (John) The pool of PT's will decline if shared management is not used. PT's will not be able to be hired at present staffing levels if COT's are being hired.

Question: What is the status of the Restructure Plan?

Answer: (Teresa) Steve Connolly's office reviews it.

(John) Middle of next week, we could receive an answer.

Question: One ceiling – one budget – will this ever happen at the national level? Will it cause problems?

Answer: (John) Yes, it could cause problems on the national level. Business need outweighs the problem.

(Teresa) New idea and open to discussion.

BUSINESS MEETING - MACS

Stuart Shelstad, Farm Loan Program Chief

- Congratulations to new Farm Loan Manager in Kittson County – Paula Lund.
- Congratulations to FLOT receiving loan approval authority – Mike Olsonawski.
- Funding – 2007 Projections – close to 2006 for direct operating; reduction in guaranteed operating unsubsidized and guaranteed farm ownership. An increase in direct farm ownership (good news – Congress recognizes the efforts and successes in this program). The concern is with the decrease in guaranteed funds. It can reduce monies available to transfer to direct operating. The demand continues to be strong in Minnesota. Minnesota has made 90 emergency loans which is second in the nation. Why aren't other states (states affected by Hurricane Katrina) using emergency loans?
- Goals – new baseline will be 2007 – 2011 – targets to remain close to what they currently are – direct loan processing will go from date of receipt to disposition. The concern is with direct loan processing time frames – any lower will question if we are doing supervised credit. The delinquent dollars rate is 1.47% for Minnesota and 8.65% for the nation.
- Workload – count everything – one office missed county 36 YEA's in 2005. Double check the system for ensuring data gets entered. We hope to check on some of this during FLPRAs reviews. Minnesota FLP may be in good shape.
- Caseload – increased 196 direct borrowers since low point (2/05). The concern is that further reductions in FTE's while workload is increasing – where is the breaking point – what if this trend continues – serious delinquencies may come about.

- PT Situations – work collectively to get backfilled. They must want to do the work whether GS/CO. FLM's will need to be persistent where resistance to backfilling with GS exists and it is not realistic that county PT coverage will work. Stuart will support FLM in working with SED/EO.
- FLM's / FLO's doing PT work – all managers do some PT work – in St. Paul Stuart obligates loans at times and does other things. When managers do a lot of PT work, it creates an image that the need isn't as critical.
- Overtime – dollars available – do not be afraid to use it. If we don't use at least a share of our allocation – it creates an appearance that we don't need it. The new process of FLM having authority is a great improvement.
- FLPPRA Scores – data is so poor as to be useless. The margin between the highest office and lowest office is not that large – new process is generally liked – STO welcomes input.
- Retention of Loan Approval Authority – NIR – now need to develop a process. They will score dockets at FLPPRA time and occasionally other times when it works out.
- IRM 371 – Management of Sensitive (Privacy Act Protected) Data – Literal interpretation – names, social security, financial information, etc. I can't take my laptop out of my office. My laptop is full of protected data. Can laptops be out of county office? National office is checking into it.
- Interest Assistance Regulation Changes – National Office – will be out by end of fiscal year. OMB didn't even want to see it – high confidence in FLP national office – still going to have issues for beginning farmers.
- Guarantee Fee Increase – House and Senate bills prohibit the increase – no budget in President's proposal for guarantees. The comment period had to be extended due to the wrong fax number in the federal register. The concern is that if a continuing resolution – President's budget – no money for guarantees. Options – waive the increased fees, do nothing, charge higher fees first part of year and refund later. Another concern is that no increase in fees may be at the expense of the direct program – hurt beginning farmers.
- Spousal Signatures on Guarantees – FDIC – violates ECOA Title 12 – can't require spouses signature – not interested in why we put on conditional commitments – June 1st letter to FDIC – OGC and national office guidance. Amendment coming – state procedure clarifying that lender must obtain 3rd party signatures on note if another persons income is included in the plan – need to train lenders.
- Economically/Functionally Obsolete Facilities/Dwellings – Look out – make sure to see if facilities are adequate.
- Construction cost over runs – Borrower method vs. contractor method – have dealt with them so far – good planning – State Committee is hearing about this happening more and more.
- Coop Stock – Ethanol Plants – only finance if stock needed to deliver to facility – most are LLC's and anyone can invest – can't refinance debt either.
- CAP Reviews – make sure that if you sign off on the CAP (corrective action plan) – make sure it is done.
- 1927-B is still not out – it has been with OGC since January.
- 1-EQ Training – try to have training this summer.
- Mid-Year Workload Report – mid-year projection is almost the same as mid-year actual.
- FLP (STO) Input on Restructure Plan – State office had input but may not have had much influence.

Roll Call

A motion was passed to dispense with roll call – all attendees have been recorded. There were 39 members in attendance (see Attachment "A" for roll call).

Additions to Agenda

There were no additions to the agenda.

Minutes of Last Annual Meeting

Secretary's report had been provided in the newsletter and the meeting packet.

It was moved to approve the minutes of the last meeting as printed by Sue Westrom, seconded by Cindy Vukasin, and passed unanimously.

Reports of Officers

Treasurer's Report – Sheree Krogstad

Sheree distributed a copy of the Treasurer's Report. See Attachment "B" for a copy of the Treasurer's Report.

It was moved to accept the treasurer's report subject to audit by Kevin Kvistero, seconded by Jerry Hurtle, motion passed.

An audit of the Treasurer's Report was requested by President Drewitz. Karen Welander and James Eberhard were asked to complete the audit and report later during the meeting.

Secretary's Report – James Kruize

Nothing to Report.

Vice President's Report – Lee Crawford

- His written report was in the last published newsletter prior to the annual meeting.
- He thanked Cindy Vukasin for organizing the convention.
- He thanked everyone for attending the convention.

Past President's Report – Russell Miller

- He thanked everyone for continued and new membership.
- We need to continually promote MACS to new employees.
- Keep key objectives of MACS in mind daily and share them with new staff.
- The tools are in place on the MACS website to help promote and share information about MACS.
- Promoted payroll deduction.

President's Report – Mark Drewitz

- Keep objectives in line.
- Discussed meeting with state office on September 9th.
- September 16th – letter sent to State Office – not received well in state office.
- November – met with State Office.
- Good turn out at Zone B meeting.
- Restarted Program Committees.
- Has been disappointed with communication from members to board members.
- Members need to feel that they can contact board members at any time.
- Good on-going continual process of communication with state office.
- Upcoming Issues (Nationwide)
 - PT Issues (being able to retain PT's that work FLP and report to FLM)
 - Farm Loan Officer Training – they need to be able to get up to speed and productive sooner with the shortage of FTE's. Present FLOT program being revamped.
 - IT/Network – more stuff on web without increased space on server. We will continue to have network problems.
- MACS – 2nd largest association within NACS. 1st is Texas.
- Encourage members to participate in national committees.

Reports of Committees

Lender Survey Report – Sue Westrom

- Responses were not large (24 responses).
- Survey results attached as Attachment "C".

Farm Loan Program Committee Report – Kevin Hagan

- See Attachment "D" for the resolutions submitted.

Management/Personnel Committee Report – James Velde

- See Attachment "D" for the resolutions submitted.

MNASCOE President Kevin Beekman came into meeting to discuss convention.

- MNASCOE members lived the joint convention format and time of year.
- They received a lot of positive feedback.
- He remains as President.

Information Technology Committee Report – Cindy Vukasin

- See Attachment “D” for the resolutions submitted.

Legislative Committee Report – Mike Norberg

- James Kruize and Mike Norberg attended the Federal Manager’s Association National Convention held in the Washington DC area during March 2006.

Several legislative issues were addressed through the Federal Manager’s Association at the “Day on the Hill” including; Impacts of a proposed increase in guaranteed fees to external customers (banks and producers), impact on producer of existing term limits, need for increased loan limits for direct loans, need for more beginning farmer incentives, maintenance of FSA loan funding levels, staffing needs for effective delivery of FLP and need for increased funding for Information Technology.

Farm Bill issues in 2007 will require your support for FMA initiatives through your personal contact with your local legislative representatives.

There were no new resolutions for the MACS legislative committee.

- Congressman Collin Peterson Golf Tournament fundraiser will be on Friday, August 11th. FMA PAC fund will pay for the fundraiser. Jim Velde will try to organize this event.

Farm Program Committee Report – Scott Nordby

- See Attachment “D” for the resolutions submitted.

Old Business

No old business.

New Business

- Constitution Change – Jerry Hurrle

The proposed constitution change has been published in the newsletters as required.

Article III-Membership is to be amended to the following:

A. Membership shall consist of ~~five~~ six kinds:

ADD:

6. REGULAR – MANAGERIAL TRAINEE – Membership shall consist of those field employees involved in farm loan program services that are in the Farm Loan Training program and have not received loan approval authority, who pay annual dues, and agree to abide by the Constitution and By-laws of this Association. Members shall affiliate with and pay annual dues to NACS.

It was moved by Jerry Hurrle and seconded by Cindy Vukasin to amend the amendment to:

6. REGULAR – MANAGERIAL TRAINEE – Membership shall consist of those field employees involved in farm loan program services that are in the Farm Loan Training program and have not received loan approval authority, who pay annual dues, and agree to abide by the Constitution and By-laws of this Association. ~~Members shall affiliate with and pay annual dues to NACS.~~

The constitutional amendment passes unanimously as amended.

- By-law Change – Mark Drewitz

The proposed By-law change has been published in the newsletters as required.

The proposed By-law change is to add the following Article:

Article – VI – Association Records

- A. Financial/Treasurer records shall be retained as prescribed by IRS requirements.
- B. Official Records of the Association shall be retained indefinitely and consist of:
 - a. Annual meeting minutes
 - b. Board/Executive Committee meeting minutes
 - c. Annual consultative meeting minutes
 - d. Issue or Position Papers
 - e. Organizational documents consisting of the constitution, bylaws, and consultative agreement
- C. An Annual Report of the Association shall be prepared for the specific year, be retained for five years and consist of:
 - a. Copies of current official records
 - b. Roster of MACS Board Members
 - c. MACS Newsletters
 - d. Adopted Budget
 - e. Treasurer's Annual Report
- D. Records may be kept in paper or other electronic media as appropriate.
- E. Treasury records shall be kept in the custody of the Treasurer. All other records shall be kept in the custody of the MACS President.

The by-law changes were seconded by Lee Crawford.

The by-law amendment passes unanimously.

- Audit Report of the Treasurer's Report

Karen Welander and James Eberhard reported that all debits and credits were accounted for and the books are all in order. It was moved by Russell Miller and seconded by Sue Westrom to accept the Treasurer's report as presented along with the audit report. Motion passed.

- The MACS Executive Committee presented Sheree Krogstad with an award of appreciation for her 7 years of dedicated service as Treasurer.

- Election of Officers

President:

It was moved by Becky Martinson and seconded by Cindy Vukasin that Mark Drewitz be nominated for President. It was moved by Cindy Vukasin and seconded by Lee Crawford to cast a unanimous ballot. Motion Passed. Mark Drewitz was elected President.

Vice President:

It was moved by Cindy Vukasin and seconded by Russell Miller that Lee Crawford be nominated for Vice-President. It was moved by Kevin Kvistero and seconded by Cindy Vukasin to cast a unanimous ballot. Motion Passed. Lee Crawford was elected Vice-President.

Secretary:

It was moved by Sheree Krogstad and seconded by Wendy Bruce that Becky Martinson be nominated for Secretary. It was moved by Russell Miller and seconded by Kevin Hagan to cast a unanimous ballot. Motion Passed. Becky Martinson was elected Secretary.

Treasurer:

It was moved by Sheree Krogstad and seconded by Wendy Bruce that Sue Westrom be nominated for Treasurer. It was moved by Russell Miller and seconded by Cindy Vukasin to cast a unanimous ballot. Motion Passed. Sue Westrom was elected Treasurer.

- The terms for district representatives in the even numbered districts expire. They will need to have an election and report the findings to MACS President Mark Drewitz.
- It was a consensus of the members present that the Joint MACS/MNASCOE meeting was successful.

It was moved and seconded to adjourn the 2006 MACS annual meeting. Motion passed. Meeting was adjourned at 3:50 p.m.

Respectfully Submitted,

/s/ James D. Kruize

JAMES D. KRUIZE
MACS Secretary

ATTACHMENT "A" - Roll Call

MACS Meeting - July 21, 2006	
Name	Name
Lee Crawford	Jerry Hurle
Kevin Kristero	Jean Post
Kirk Phelps	Wendy Bruce
Rick Ray	Judy Grams
James Krize	Mark Bauwain
Michael W. Kiser	Sheree Krogstad
Kevin Lehman	Becky Martinson
Mike Forsberg	Kevin Elton
Sue Westrom	Tom DeCock
Mike O'Connell	Jim Eberhard
Scott Nordby	Kevin Hagom
Cory J. Christensen	Tom Haubrich
Deek Nelson	DAVE PETRY
Jim Velde	Mark E. Smith
Cindy Luckasin	Tom Smith
Jenny Robinson	Tom Smith
Paula Lund	
Mike Norberg	
Russell Miller	
Glenn Zelandet	
Mike Watcat	
Greg Jankovic	
Tom Anderson	

ATTACHMENT "B" – Treasurer's Report
 MINNESOTA ASSOCIATION OF CREDIT SPECIALISTS
 Treasurer's Report
 July 21, 2006

Beginning Balance – 9/9/2005 \$4,871.78

Income

Regular Managerial Members (34 @ \$124.00)	\$4,216.00
Regular Support Members (9 @ \$58.00)	522.00
MACS Associate/NASE Regular	46.00
Associate (4 @ \$20.00)	80.00
Payroll Deduction (28 managerial/10 support - currently)	3,342.41
2005 Annual Meeting Lunch	350.00
2005 Annual Meeting Fundraiser	242.00
NACS/PACS Fundraiser	180.00
NACS/PACS Incentive	215.00
Annual Meeting Registration	975.00
Interest	14.60

Total Income \$10,183.01

Total Available \$15,054.79

Expenses

FMA Dues	\$3,846.60
'05 4 th Quarter – 60 @ \$18.00 = \$1,080.00	
'06 1 st Quarter - 62 @ \$18.00 = \$1,116.00	
'06 2 nd Quarter – 62 @ \$18.00 = \$1,116.00	
'06 3 rd Quarter – 62 @ \$18.00 = \$1,116.00 less \$581.40 FMA voucher = \$534.60	
NACS Membership Dues (62 @ \$20.00)	1,240.00
NASE Membership Dues (21 @ \$26.00)	546.00
2005 Annual Meeting	305.09
2006 Zone Meeting	850.00
2006 FMA Convention Reimbursement	1,231.40
2006 National Convention	965.00
NACS/PACS Raffle	180.00
Postage	7.80

Total Expenses \$9,171.89

Ending Balance – 7/21/2006 \$5,882.90

Respectfully submitted,

Sheree Krogstad
 SHEREE KROGSTAD
 MACS Treasurer

ATTACHMENT "C" – Lender Survey Committee Report
Minnesota Association of Credit Specialists
Agricultural Lender Questionnaire Report
July 20, 2006

- 1) *Is the loan officer a full time agricultural loan officer?*
a. Yes **54%** b. No **46%**
- 2) *As an individual agricultural loan officer, how much time is spent in the recruitment of customers/ outreach activities?*
a. 0-10% **29%**
b. 11-30% **63%**
c. 31-50% **8%**
d. Over 50% **0%**
- 3) *As an individual agriculture loan officer, how many customers does the loan officer work with?*
a. 0-20: **17%**
b. 21-40: **21%**
c. 41-60: **8%**
d. 61-80: **21%**
e. 81-100: **25%**
f. More than 100: **8%**
- 4) *Annually, how many loans do the loan officer, as an individual loan officer, process for the purposes?*
Average of respondents: Annual operating; **30.4** Chattel; **26.9** Real Estate; **12.3**
- 5) *How many of the loan officer's customers, as an individual loan officer, only have real est. loans?*
a. 0-20: **63%**
b. 21-40: **29%**
c. 41-60: **4%**
d. 61-80: **0%**
e. 81-100: **4%**
f. More than 100: **0%**
- 6) *Does the loan officer personally service customers at more than one branch locations?*
a. Yes **21%** b. No **79%**
- 7) *How many problems (delinquent) accounts does the loan officer service?*
6.1 accounts average per loan officer
- 8) *What is the total loan volume that the loan officer manages?*
\$11.2 million average
- 9) *What is the total loan volume the loan officer manages that has an FSA guarantee?*
\$1.9 million average

10) *What is the total Ag loan volume of the loan officer's lender location (all officers):*

\$16.5 million average

11) *How many agricultural loan officers are at this lender's location?*

- a. 1; **25%**
- b. 2; **45%**
- c. 3; **20%**
- d. 4; **12%**
- e. 5 or more; **0%**

12) *Does this lender have a special/ problem credit specialist?*

- a. Yes **20%**
- b. No **80%**

13) *Check the items that the loan officer indicates are required for a loan application:*

<u>Chattel</u>	<u>Real Estate</u>
*90% required	*90% required
Visit with lender	Visit with lender
Credit report	Credit report
Balance sheet	Balance sheet
Copies of tax forms	Copies of tax forms
Financial History	Security of at least 175%
*Only 8% required	*Only 13% required
Security of at least 150%	Cash flow projection
Crop/ livestock production History	Security of at least 150%
	Financial History
*Less than 30% required	*Less than 30% required
Cash flow projection	Security of at least 150%
Security of at least 100%	Security of at least 175%
Security of at least 175%	Crop/ livestock production History

14) *What is the typical loan processing time? (From time of receipt of request/application to approval of loan.)*

100% completed chattel loans in 10 days or less.

100% completed Real Estate loans in 40 days or less.

15) *Who prepares and processes loan applications that this loan officer works with?*

- a. Loan officer only; **29%**
- b. Loan officer and loan assistant or credit analyst; **63%**
- c. Loan assistant or credit analyst only; **8%**

Comments or additional information:

- Loan assistant does documents
- Lender had more than 1 assistant
- Turn around days depend on size of loan
- Required documents depend on history lender has with customer and what balance sheet looks like

ATTACHMENT "D" – Resolutions

Committee: Farm Loan Program

Procedure:	Various		
Concern:	MN Procedure is in need of updating.		
Solution:	Prepare and issue (updated) Minnesota Instruction.		
Amendment:	Prepare and issue (updated) Minnesota Instruction. Priorities for updating include: <ul style="list-style-type: none">■ Minnesota Instruction 1924-A – last updated 2-11-94■ Minnesota Instruction 1924-B including the Disaster Designation List that has not been updated since 10-10-01.■ Minnesota Instruction 1927-B that exists only in Draft form.■ Minnesota Instruction 1943-A including Exhibits A & B – last updated 3-13-91.■ Minnesota Instruction 1965-A – last updated 5-12-87		
	Moved by:	Kevin Hagan	Seconded by: Kevin Kvistero Amendment <input checked="" type="checkbox"/> Passed <input type="checkbox"/> Failed
Action:	Passed as Amended		

Procedure:	1951-S and Farm Business Plan (Exhibit 17 to 1-FLP)		
Concern:	When creating a DALR\$ input report in the Farm Business Plan, it includes an average column and all five years worth of history on the report. The inclusion of this extra information is not necessary to obtain the data to input into DALR\$ and can cause confusion.		
Solution:	Modify the DALR\$ input report in order that only the first 2 plans in the Reports Setup are included. This would allow for capture of a first year and post-deferral plan and make use of the report easier.		
Amendment:	The most recent training in the use of Farm Business Plan was in November 2004 and the most recent training in the use of DALR\$ was in November 2001 with the roll-out of DALR\$ Version 3.3. Recommend update training in the use of Farm Business Plan when preparing DALR\$ input information.		
	Moved by:	Kevin Hagan	Seconded by: None Amendment <input type="checkbox"/> Passed <input checked="" type="checkbox"/> Failed
	Original resolution seconded by Tom DeCock.		
Action:	Passed as Submitted.		

Procedure:	1940-G, 1-EQ		
Concern:	The environmental assessment process is difficult to understand for offices, lenders and applicants. This causes problems in meeting the environmental requirements as well as getting the assessment completed efficiently.		
Solution:	An environmental checklist/flowchart be created to assist applicants, lenders, and employees in meeting environmental assessment requirements.		
	Moved by:	Kevin Hagan	Seconded by: Kevin Elton
Amendment:	The Minnesota State Office Farm Loan Program staff to provide training on 1-EQ to all Farm Loan Managers and Officers; prepare and issue the State Instruction to 1-EQ; and create a State environmental checklist/flowchart to assist employees in meeting assessment requirements.		
	Moved by:	Kevin Hagan	Seconded by: Kirk Phelps Amendment <input checked="" type="checkbox"/> Passed <input type="checkbox"/> Failed
Action:	Passed as Amended		

Procedure:	1940-G, 1-EQ		
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Concern: The environmental assessment process is difficult to understand for offices, lenders and applicants. This causes problems in meeting the environmental requirements as well as getting the assessment completed efficiently.

Solution: Create a National Office environmental checklist/flowchart to assist applicants, lenders and employees in meeting assessment requirements

Amendment: None

Moved by: Kevin Hagan Seconded by: Tom Anderson Resolution Passed Failed

Action: Passed

Procedure: Various

Concern: Much of FSA's procedure and handbooks are severely out of date. Many references call for forms that are obsolete. When these areas have questions, individual offices received guidance on the proper avenue to follow. This direction is not passed on to all offices leaving a variety of methodology being followed. Examples of this include prior lien holder agreements, proper insurance and bonding levels for closing agents, etc.

Solution: 1) Update the procedure and handbooks.
-- or as a minimum:
2) Share information more uniformly. When Farm Loan Specialists issue guidance not as directed by procedure, issue this to all FLP Teams (Perhaps a FLP Specialist section could be added to Pat's FLP Tech Newsletter).

Moved by: Kevin Hagan Seconded by: Sheree Krogstad

Amendment: Share information more uniformly. When Farm Loan Specialists issue guidance not as directed by procedure, additional FLP Notices and/or Unnumbered letters be issued to further define Minnesota policy as it is developed and/or revised.

Moved by: Kevin Hagan Seconded by: Sue Westrom Amendment Passed Failed

Amendment: Share information more uniformly. When Farm Loan Specialists issue guidance not as directed by procedure, additional FLP Notices, Unnumbered letters, and/or e-mail be issued to further define Minnesota policy as it is developed and/or revised.

Moved by: Cindy Vukasin Seconded by: Tom Anderson Amendment Passed Failed

Action: Passed as Amended

Concern: DALR\$ training in Minnesota has not been provided since November 2001. We have had numerous changes in procedure, Farm Business Plan, and DALR\$ input report.

Solution: Recommend updated training be provided for DALR\$ and the use of the Farm Business Plan when preparing DALR\$ input information.

Amendment: None

Moved by: Jerry Hurrle Seconded by: Sue Westrom Resolution Passed Failed

Action: Passed

Committee: Management/Personnel

Concern: NASCOE is in consultation with National Office regarding possible upgrades for PT's to a grade 8 if their duties and responsibilities justify a grade increase. This is not an across the board grade increase for all

PT's. A PT reclassification Working Group is to be established at the National Office level in conjunction with NASCOE.

Solution: MACS needs to inform NACS leadership of this issue and request NACS leadership to participate with NASCOE in the PT Reclassification Working Group to ensure all PT's are represented.

Amendment: None

Moved by: Jim Velde Seconded by: Cindy Vukasin Resolution Passed Failed

Action: Failed (This is already happening)

Concern: Adequate staffing of FLP offices is necessary to assure program delivery and program integrity are maintained. This includes the presence of a Farm Loan Program Technician. This also includes supervision by the Farm Loan Manager of employees performing the Farm Loan Program work.

Solution: Each credit team be staffed with a full time FLP PT under the full supervision of the Farm Loan Manager.

Amendment: None

Moved by: Jim Velde Seconded by: Russell Miller Resolution Passed Failed

Action: Passed

Concern: Farm Loan Officer Trainees receive training in loan making and servicing but do not receive adequate training in program management, personnel management, and performance management. This leaves a newly promoted Farm Loan Manager less prepared than desired when they assume their new position.

Solution: The state develop and implement additional training to cover these supervisory and management areas. Additionally, qualified outside vendors be identified to supplement the training as appropriate.

Moved by: Jim Velde Seconded by: Cindy Vukasin

Amendment: Concern has been amended to the following:

~~Farm Loan Officer Trainees~~ **Non-Supervisory Loan Approval Officials** receive training in loan making and servicing but do not receive adequate training in program management, personnel management, and performance management. This leaves a newly promoted ~~Farm Loan Manager~~ **employee** less prepared than desired when they assume their new position.

Moved by: Mike Norberg Seconded by: Sue Westrom Amendment Passed Failed

Action: Passed as Amended

Concern: Recent FLP staffing plans, personnel moves, and District Director meetings appear to have not had representation by the State Office FLP section. One response by the FLP Chief was that the District Directors were in, but did not meet with the FLP section. This was when the "Phase One" office plans were discussed.

The state office FLP section has been silent on this issue, and no information has been issued.

Solution: The State office FLP section should be involved in any decision making process where the placement of FLP programs/personnel is being determined and should keep field offices informed.

Moved by: Jim Velde Seconded by: Mike Kiser

Amendment: The solution has been amended to the following:

The State office FLP section should be involved in any decision making process where the placement of

FLP programs/personnel is being determined ~~and should keep field offices informed.~~

Moved by: Jerry Hurrle Seconded by: Jean Post Amendment Passed Failed

Amendment: The concern has been amended to the following:

Recent FLP staffing plans, personnel moves, and District Director meetings appear to have not had representation by the State Office FLP section. ~~One response by the FLP Chief was that the District Directors were in, but did not meet with the FLP section. This was when the "Phase One" office plans were discussed.~~

~~The state office FLP section has been silent on this issue, and no information has been issued.~~

Moved by: Cindy Vukasin Seconded by: Mike Norberg Amendment Passed Failed

It was moved for the Question by Mike Norberg and seconded by Kevin Kvistero. There was no objection so the "Question" unanimously passed. Vote took place on the second amendment – passed.

Action: Resolution as amended fails.

Division of the House was called. Hand vote was 7 for the amendment and 28 against.

Committee: Information Technology

Concern: The National Finance Office sends out 60 day payment reminder letters. Sometimes letters are sent out erroneously and lead to more phone calls to the county office. For instance: 2 youth loans were paid in full on 4/17/06. Payment was originally due 8/1/06. Automated 60 day payment reminder letter sent 5/31/06. Received phone call from parent wondering why they were receiving this reminder letter when they paid off over a month earlier.

There appeared to be plenty of lag time in this case for the system to be able to catch that the loans were paid in full and not send the letter.

Solution: Fix the program so it recognizes the loan is paid and doesn't send the letter, or get rid of the automated 60 day payment reminder letter completely.

Moved by: Cindy Vukasin Seconded by: Wendy Bruce Resolution Passed Failed

Amendment: None

Action: Failed

Committee: Farm Program

Concern: PT's handling the Farm Storage Facility Loan (FSFL) program are not comfortable in working with and explaining the balance sheet and cashflow documentation requirements. Some have difficulty in understanding or knowing what a balance sheet and farm plan involves. This causes delays in the processing of facility loans by submission of incomplete requests to a loan approval official for recommendation.

Solution: State or District-wide training be provided to FSFL PT's to assist them in working with obtaining balance sheets and cashflows from applicants.

Moved by: Scott Nordby Seconded by: Cindy Vukasin

Amendment: Concern has been amended to the following:

~~CED's & PT's handling the Farm Storage Facility Loan (FSFL) program are not comfortable in working with and explaining the balance sheet and cashflow documentation requirements. Some have difficulty in understanding or knowing what a balance sheet and farm plan involves. This causes delays in the processing of facility loans by submission of incomplete requests to a loan approval official for~~

recommendation.

Solution has been amended to the following:

State or District-wide training be provided to FSFL PT's & CED's to assist them in working with obtaining balance sheets and cashflows from applicants.

Moved by: Cindy Vukasin Seconded by: Lee Crawford Amendment Passed Failed

Action: Passed as Amended