



**MINNESOTA ASSOCIATION  
OF CREDIT SPECIALISTS  
FARM SERVICE AGENCY  
USDA**



*2008 Resolutions*

**Committee: Farm Loan Program**

Procedure: MN

Concern: Why do we still not have MN procedure regarding the streamlining regs?

Solution: STO issues MN procedure.

State Office  
Response:

MACS  
Discussion:

Procedure: 1-FLP

Concern: 1-FLP paragraph 101(c) requires that justification for establishing a supervised bank account be documented in the Farm Assessment. This is redundant since the Credit Presentation includes a section for documenting the justification for establishing a supervised bank account.

Solution: Eliminate the requirement to document the Farm Assessment to provide justification for establishing a supervised bank account.

STO  
Response:

MACS  
Discussion:

Procedure: 1-FLP, Exhibit 15

Concern: Credit Presentations for Y-OL eligibility contains several points that are not applicable.

Solution: Remove from the Youth OL credit presentation eligibility section all buttons that are not applicable to Youth OL loans.

STO  
Response:

MACS  
Discussion:

Procedure: 3-FLP

Concern: 3-FLP requires the collection of 3 years of income tax returns in order to consider an application complete. There are alternate formats for collecting the same information.

Solution: Allow the use of actual records in lieu of income tax returns as long as the records contain the same information contained in the income tax records.

STO  
Response:

MACS  
Discussion:

Procedure: 3-FLP and DLM Checklist

Concern: 3-FLP no longer requires the ADPS Borrower Cross Reference and Current /Past Debt screens when processing an application.

Solution: Eliminate this item from the DLM Checklist since it has been replaced by the Borrower Profile printout.

STO  
Response:

MACS  
Discussion:

Procedure: 3-FLP

Concern: 3-FLP requires a lien on all non-essential assets with a value of at least \$5,000. This will create future servicing problems and is not likely to increase the collection potential for the loan.

Solution: Increase the threshold for liens on non-essential assets to a minimum of \$20,000 per asset.

STO  
Response:

MACS  
Discussion:

Procedure: 1-FLP

Concern: 1-FLP requires the collection be applied to the annual operating loan first. This can result in unnecessary loan delinquencies when term loan payments are due prior to annual operating loans.

Solution: Modify 1-FLP to allow the loan official to alter the order of payment application in order to pay the loan payments that are due first, then back to the order based on the security position.

STO  
Response:

MACS  
Discussion:

Procedure: 1-FLP

Concern: 1-FLP requires the collection be applied to the annual operating loan first. This can complicate the borrower's ability to do sound tax planning.

Solution: Modify 1-FLP to allow the loan official to alter the order of payment application in order to pay the accrued interest before January 1st on all loan installments due by January 1st, then allow the Borrower to pay the remaining balance of the loan installments due January 1st after January 1st . This will allow the Borrower to reduce potential tax liability by allowing the payment of all interest prior to the end of the calendar tax year. This method could not be used if detrimental to the interest of the agency.

STO  
Response:

MACS  
Discussion:

Procedure: 3-FLP

Concern: Chattel loan closings require the Borrower to pay the fees for lien searches and recording of UCC-1 and CNS-1. Filing these documents electronically would reduce the financial burden on the Borrower by reducing the cost of filing fees.

Solution: Allow FSA to move to the electronic filing of lien instruments.

STO  
Response:

MACS  
Discussion:

Procedure: 3-FLP

Concern: FSA 2313 does not have a section concerning Borrower Training.

Solution: Modify FSA-2313 to include an area specific to Borrower Training with space or a checklist of specific courses that could be checked instead of the need to type in all of the information for each loan approval when Borrower Training is being required by the loan approval official.

STO  
Response:

MACS  
Discussion:

Procedure: Farm Business Plan (FBP) Issues:

Concern:

1. FBP has been slow to the point of being non-functional each year since it was implemented. This occurs during peak loan season when it is most needed. This results in great loss of time and great frustration for employees and customers.
2. The program itself could be greatly improved in terms of user friendliness. These improvements would greatly aid efficiency saving the agency time and money.
3. FBP is used as a method of arriving at a borrower classification. However, the system consistently produces what appears to be flawed information. This information is of limited value for its intended purposes including graduation reviews.

Solution: Although these issues will probably be considered National Issues, they go beyond that. The State Office must aggressively continue to highlight these problems to the National Office and push for meaningful improvements.

STO  
Response:

MACS  
Discussion:

## Committee: Management/Personnel

Concern: There is a continued projected shortage of Farm Loan Officers. This will be exacerbated by future retirements and transfers of Farm Loan Managers or specialists.

Solution: FSA hire up to or above the employment ceiling taking into consideration of the rate of historical losses of Farm Loan Officers.

STO  
Response:

MACS  
Discussion:

Concern: Several Farm Loan Officer Trainees have not been retained in the past for many reasons.

Solution: An exit conference be held by the State Office for the Farm Loan Officers leaving for unknown reasons.

STO  
Response:

MACS  
Discussion:

Concern: In 2007, certain standards and elements were required to be revised well into the rating period. It appears some employees had little or no chance of meeting the revisions at the late time but were rated on them anyway.

Solution: Elements and standards not change after they are in place, unless agreed to by the employee and supervisor.

STO  
Response:

MACS  
Discussion:

## Committee: Farm Program

Procedure: Farm Storage Facility Loans

Concern: In several cases throughout the state, the Program Technician in charge of the FSFL program is not adequately trained to decide if the proper financial information (i.e. current and complete financials, etc.) has been submitted by the applicant. This results in the PT submitting an FSFL application for feasibility review prior to having all the necessary information. As a result, the reviewing official (FLM, FLO) must return the application to the PT requesting the additional information, must meet with the applicant to explain what items are needed, or, in some cases, both.

Solution: It would be beneficial if the STO provided additional training to the FSFL PT and/or the CED regarding the FSFL program. This training should include STO FLP staff to lead the discussion regarding the financial information.

STO  
Response:

MACS  
Discussion:

## Committee: IT/Automation

Procedure:

Concern: GS Managers have no central place to obtain New Employee information packets like the CO Managers do. There also has been some confusion about what is required of a new GS employee. IE: Form SF61, "Appointment Affidavits"

Solution: STO provide a link on the intranet to a complete new employee packet for GS Managers based on GS regulations.

STO  
Response:

MACS  
Discussion:

Procedure:

Concern: Some new employees have had a difficult time getting correct passwords and permissions set up for computer systems. These employees have had to go without permissions/passwords for weeks and contact the STO numerous times to try to get this process completed. There are some instructions on the FSA intranet, however they are incomplete and difficult to follow. IE: not knowing what permissions/passwords a new employee will be required to have or need to do their job efficiently. Our PT has been trying to get permission to print 540 since December and has only received partial information each time she has contacted the STO. She now has been told it is her responsibility to contact Kansas City since it was not set up properly the first time. This should not be her responsibility.

Solution: Within the first week of the new employee's employment, the STO spend 1 hour with new employee and manager either in person or via teleconference to ensure proper permissions and passwords are set up correctly the first time.

STO  
Response:

MACS  
Discussion: