

# MINNESOTA ASSOCIATION OF CREDIT SPECIALISTS



FARM SERVICE AGENCY  
USDA



## *2007 Resolutions*

### Committee: Farm Loan Program

Procedure: New Streamlining regulations

Concern: New and revised National Handbooks are to be introduced this fall in order to implement the new streamlining regulations. This will result in the need to rewrite or amend a number of Minnesota procedures.

Solution: STO allow the immediate input and assistance of MACS in order to provide for the timely release of Minnesota procedure as soon as the streamlined handbooks are released. The process could be initiated based on the draft copies to determine the Minnesota procedure to be affected.

State Office Response: We are in the process of updating instructions and are sending to MACS for review. We have prioritized development of these instructions, ie. 4-FLP on inventory property is a low priority. Tom DeCock is coordinating these efforts.

MACS  
Discussion:

Procedure: 1951-S and 1-FLP

Concern: The most recent training in the use of DALR\$ was in November, 2001 with the release of DALR\$ 3.3. Since that time there are a number of new FLP employees as well as existing employees who could benefit from training.

Solution: Minnesota State Office Farm Loan Program staff provide updated training on the use of the DALR\$ program and the use of the DALR\$ input information contained in the Farm Business Plan.

STO Response: Mike Norberg and Mike Walzak have attended EDALRS training and sessions are scheduled across the state. A case study is included in the training.

MACS

Discussion:

Procedure: 1-EQ and 1940-G

Concern: The full scope of environmental assessment is difficult for lenders, applicants, and loan officials to understand and fully implement.

Solution: 1) National Office and Minnesota State Office create an environmental checklist similar to the checklist in 2-FLP for direct loan processing.

2) National office creates an environmental assessment flowchart to guide loan officials and Guaranteed lenders with the process.

STO Response: We assume that you mean Exhibit 11. This has been provided to the NO as an example but there is -no indication that it will be adopted. 1-EQ is being revised with the 2<sup>nd</sup> revision in review at this time. There will be additional flowcharts as part of this document though it is unlikely that they will be as explicit as Exh 11. The concept is that 1-EQ itself will perform much like the EXH 11 though broader as there are many more resources for FSA to consider in addition to the 4 NEPA questions on the guaranteed lender guide. FSA STO in Minnesota has also provided all offices with a checklist identifying the minimum level of review and public notice required for many of the actions that we undertake in both FLP and FP.

MACS Discussion:

Procedure: 2-FLP

Concern: When FSA and Lender's share financial information such as Balance Sheets and Cash flows as attachments to email FSA is now required to encrypt the information with WinZip and a password. The problem is that many lenders do not have the software installed that is necessary to open the encrypted files.

Solution: Information be issued by Minnesota State Office Farm Loan Programs to all lenders and Farm Business Management instructors on a statewide basis concerning FSA's required protection of customer financial data. This could be included in the Guaranteed loan newsletter and included in the annual FSA meetings held with Minnesota Bankers Association, Farm Credit Services and Ag Star. The information could provide directions or links to allow lenders to download the software needed in order to open the encrypted data received from FSA.

STO Response: The State Office will send out guidance for County Offices to share with lenders and others. Our target date to get this out is April.

MACS Discussion:

Procedure: 1-EQ

Concern: Practical applications using GIS have the potential to improve the ability to assemble and present information necessary as part of the environmental assessment process. Across the state there is a large difference in the GIS technical capabilities of Farm Loan Program staff.

Solution: GIS be utilized to assist Farm Loan Program staff in assembling and presenting information needed in the environmental assessment process. Specific templates should be developed that will assist the loan officials without the need to become totally proficient in GIS. Training in the use of the templates should

be provided in a hands-on basis on a District or bi- District level.

STO Response: The Minnesota FLP has developed a template for completing environmental assessments that is currently in use in a trial basis by portions of 3 districts. In order to properly deploy this tool it will be necessary for FLP Field staff to request training through their DD. Training will be provided by Jeff Johnson and Keith Hobbie on a district basis provided funding and time is available. In addition, training is also being coordinated with the GIS section for basic Arc Gis usage. Credit staff are encouraged to obtain assistance from Agency staff who are skilled in GIS when needed.

MACS Discussion:

## Committee: Management/Personnel

Concern: Changes in application of FLM 1165 classification standards has resulted in an inability to back fill certain positions that become vacant. This is causing reduced customer service due to the inadequate staffing, increased workload for remaining employees in the vacant FLP office, and increased workload for other FLP offices called upon to provide work assistance. Further, because of this change in application of the 1165 standard, many more FLP offices are subject to this situation should the FLM position become vacant. This increases the stress most notably on FLP PT's and FLO's.

Solution: (Solution #3) Realign office structure so that FLM position supervises a minimum of 2.75 positions as identified by the 1165 classification standard. Accomplish this through a "paired" office structure whereby presence in existing FLP offices is maintained; however, caseloads are combined into one service center.

(Solution #4) Realign office structure so that FLM position supervises a minimum of 2.75 positions as identified by the 1165 classification standard. Accomplish this through a consolidation of offices and caseloads yielding approximately 21 FLP offices. *(Solution #4 failed on it's own merit but was up held with a combination of solution #3 and \$4)*

(Solution #5) Utilizing caseload and other data, realign office structure so that FLM position supervises a minimum of 2.75 positions as identified by the 1165 classification standard. Accomplish this through a combination of solutions 3-4 taking into account geographic issues, caseload, customer base and other relevant factors.

Additional Contributing Factors Solution #3 – Pair offices, caseloads combined.

Pros

1. Office structure is not changed for customers.
2. FLM position becomes stable.
3. Caseload is centralized for planning and supervision issues.

Cons

1. Caseload may be too large.
2. Difficulty in choosing supervisory FLM from the affected FLM's.
3. Caseload and future staffing is unknown.
4. May be difficult to revert to decentralized structure if 1165 issue is resolved.

Solution #4 – Consolidate into approximately 21 offices.

Pros

1. Office structure and FLM position becomes stable.
2. FLO's will know where promotion opportunities are.
3. Equalization of caseload can be accomplished.

4. Larger office will ease burdens on one single employee for A/L, S/L, etc.

Cons

1. Fewer offices from which to service customers.
2. Areas, caseloads could become too large.
3. Little possibility of going back to more FLP offices.
4. Increased outreach difficulties
5. Increased travel costs due to larger geographic areas.
6. Employee relocation may be necessary.

Solution #5 – Combination of solutions 3-4.

Pros

1. Can accomplish the pro's of the other solutions.

Cons

1. Has the same con's of the other solutions.
2. Difficulty in assessing which solution to apply to each office.

This is a National issue.

STO  
Response:

MACS  
Discussion:

## Committee: Farm Program

Procedure: 6-CP Par 201 (A), 6-CP Par 504 (B), 6-CP Par 504 (C)

Concern: County offices around the state have been basing their decision to not have producers obtain a written conservation plan based on 6-CP Par 201 (A) where it states that the "producer is not required to have a written conservation plan to be in compliance w/HEL provisions. The producer must still be actively applying an NRCS approved conservation system to HEL to retain eligibility for USDA program benefits". The Web Based eligibility system requires that the borrower have a conservation plan in place with all HEL land in order to make program payments. This resulting to the COF staff assuming that the producers will go to NRCS and sign on to the existing conservation plan that is active or create a revised plan making them in compliance making their "Y" flag (statement in the system) to be true. FLP is to entrust the Farm Program PT that all data in the system is correct resulting in us making eligibility decisions.

Solution: Either allowing the system to make payments without a written conservation plan (CPA-027) so to not falsify future AD 1026-A print outs (also allowing credit officials to more fully understand where the producer's eligibility status is at), or change the requirements in 6-CP Par 201 (A) to force all producers that operate HEL land to have a written plan in place prior to government program payments

STO  
Response: This is a National issue.

MACS  
Discussion:

## Committee: IT / GIS / GPS / FBP / GLS

Procedure:

Concern:	DLS - Now that we have moved to a much improved DLS system for loan making, the software should be continually updated to improve speed and efficiency of the data entry required.
Solution:	Setup the select customer screen in SCIMS to automatically default to the users state, or at a minimum have a map of the US show up and the user would then click the appropriate state. Once this is initially completed it would be beneficial if the software would hold this as the default for the balance of the session when one works with multiple applicants.
STO Response:	This is a National issue.
MACS Discussion:	

Procedure:	
Concern:	The DLM will allow the entry of direct applications for a customer who signed a 1924-23 but never completed the Borrower Training.
Solution:	Program the DLM to look at the Borrower Training entry to determine if the 2 year limit has past as of the date of the application. If beyond the 2-year period a red warning or a warning box could come up to warn the person inputting data that applicant may not be eligible to receive additional assistance and to review with the loan official. Recommend warning to appear on the Process Application Screen.
STO Response:	This is a National issue.
MACS Discussion:	

Procedure:	
Concern:	GIS Floodplain Map Project - The FLP structure is such that the headquarters or satellite offices handle multiple counties. The existing project directions only address the project for one's "base" county. The data for the neighboring counties is not located on the "base" county server; thus, making access to the other counties floodplain inefficient or impossible without permissions or copying the data from the neighboring counties servers and placing on one's c: drive.
Solution:	At a minimum have a copy of the neighboring counties floodplain data which either the FLP and/or FP staff work with on the "base" counties server to save time and improve efficiency.
STO Response:	This is an issue for Jeff Bloomquist.

MACS Discussion:	
Procedure:	
Concern:	User's ability to quickly and efficiently search for a particular section within ones service area (multiple counties).
Solution:	Recommend creating PLSS layers which contain the multiple counties serviced by each FLP team; thus, allowing quick searching of any particular section within the FLP teams service area via the CLU Maintenance tool – search tool.
STO Response:	This is a National issue.
MACS Discussion:	

Procedure:	
Concern:	FBP printouts include the complete SSN
Solution:	Eliminate the SSN or all but the last 4 on the FBP printouts
STO Response:	This is a National issue.
MACS Discussion:	

Procedure:	
Concern:	FBP requires one to click on four different areas to print out the balance sheet, cashflow, balance sheet schedule, cashflow schedule. Typically, the FLM, FLO, or FLOT will print all for the customer and case file.
Solution:	Create a report option which would allow the user to choose the cashflow plan to print, which will then print the cashflow plan, cashflow plan schedule, and the balance sheet related to the plan and the balance sheet schedule.
STO Response:	This is a National issue.
MACS Discussion:	

Procedure:	
Concern:	The present GLS system does not contain a safeguard to stop an office from obligation or payment of Interest Assistance when beyond the allowed limits (10th year-cases prior to the change or the 5th year on the recent IA approvals.
Solution:	Create safeguards within the GLS system which will warn the user that it appears the obligation or payment request of Interest Assistance is beyond the allowed eligibility limit for Interest Assistance and it should be reviewed prior to completing the obligation or payment request of Interest Assistance. F/O should send out a "Maturity" letter 90 days prior to the expiration of the pending Interest Assistance Agreement, similar to the 90 maturity letter for guaranteed loans that F/O now sends out.
STO Response:	This is a National issue.
MACS Discussion:	