



Building Rural America
National Association of Credit Specialists
of the
USDA – Farm Service Agency
INFORMATION TECHNOLOGY COMMITTEE

THE INFORMATION TECHNOLOGY COMMITTEE MET AT THE MENGER HOTEL IN SAN ANTONIO, TX, ON JUNE 25-27, 2018 TO REVIEW RESOLUTIONS SUBMITTED BY THE MEMBERSHIP.

THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR ADOPTION:

Resolution 1

CONCERN: When a FSA-2248 is entered into GLS to show a loan has been brought current, it will not change the loan payments that are shown as Behind. In order to update the GLS system to reflect the correct status of the loan, the authorized agency official must complete and input an FSA-2241 to show the loan current and the amount Behind is shown as \$0.00 in accordance with 2-FLP Subparagraph 266C.

SOLUTION: Include an “Amount Ahead/Behind” item box on the form in GLS that will update the system when FSA-2248 is entered to bring the borrower current. This will eliminate the need for the agency official to have to complete and enter an additional form which will save time, and also ensure that the information in GLS is current.

Resolution 2

CONCERN: Whereas the form FSA 850, Part 2 B, require the loan official to look up the listing of Categorical exclusion codes listed in Exhibit 17 of 1-EQ handbook that matches the application purpose.

SOLUTION: Therefore, be it resolved to have IT revise the form to include a drop-down menu of choices from Exhibit 17 of 1-EQ handbook. Results of this change will provide more consistent use of the handbook and complete description of project cat exclusion since most applications do not have ground disturbance.

Resolution 3

CONCERN: With the stream lining regulations implemented in 2016 the Agency revised the FSA-850 and it became the one form used for documentation of categorical exclusions. this form is a burdensome as you have flip to 1-FLP Exhibit 17 to get the list of available CATEXs. This takes time and could be completed more efficiently.

SOLUTION: The form should be updated to allow for a drop-down menu that the preparer could complete. The user would first select the CATEX type (L, S, SG) This menu should be

tiered to allow only the available selections under the CATEX type selected to be available. This Form would save much time for both FP and FLP users. The Farm Business Plan version should also be updated to allow for the selection process described above.

Resolution 4

CONCERN: Our electronic systems for FLP capture environmental evaluations completed for Direct Applications and Guaranteed Applications. However, there is no reportable way to capture information regarding the level of review for a subordination. Additionally, the Farm Program electronic systems do not capture any reportable information regarding the level of review completed. This information exists only on paper in individual files.

This lack of capturing data may leave the agency with no way to effectively answer FOIA request and no way to evaluate the level of activity or the time and effort our employees expend to complete these activities.

PROPOSED SOLUTION: The Agency should create a portal, that all FSA-850 are submitted, so they can be attributed to the program they are in. This could be easily accomplished by attaching a button on the bottom that submits it to an email address where the information in the form is transferred to a data base.

As software is developed for the new farm bill, the ability to capture this data could be built in.

Another possible solution is the creation of a Data Mart report to capture all FSA-850s completed within Farm Business Plan.

Resolution 5

CONCERN: When a loan reaches the final year, the 540 Report no longer shows the payment date but changes it to FYLN. This can be frustrating when keeping track of your portfolio and payment information.

PROPOSED SOLUTION: Change it to having the FYLN next to the date (example: FYLN, 0101), similar to what they do to loans that are not fully advanced and have LNFA next to the date.

Resolution 6

CONCERN: With the goal of providing opportunity for direct online applications for FSA Services, the online interface and data input may struggle with having the most current version of the forms as has happened in the Guaranteed Program in GLS.

PROPOSED SOLUTION: Agency staff should work with Forms and Document Division to put in place a process that requires all customer completed forms to have the capability of being

pre-filled from Business Partner data. It would be beneficial if the agency could pre-fill all forms before providing to the customer.

Resolution 7

CONCERN: Youth loans have much different servicing requirements than regular loans however, there is no way to quickly identify them on any Data Mart reports or the DLS dashboard.

SOLUTION: Create a new report specifically to list active youth loan borrowers.

THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR NON-ADOPTION:

Resolution 8

CONCERN: The Payment Status Column on the 540 Report does not have a total like the other columns and has to be calculated manually. Errors in manual calculations can result in incorrect information being quoted to the borrower when making their delinquent loan payments.

SOLUTION: Have the Payment Status Column total for each borrower.

EXPLANATION FOR NON-ADOPTION BY THE COMMITTEE: This information is available in other places and it is not necessary to revise the 540 report.

Resolution 9

CONCERN: Directions in the FBP User Guide (1-FLP Exhibit 15) for Building the Collateral Analysis as revised in December 2015 became much more cumbersome and prone to errors. These revisions resulted in building the collateral analysis from the current balance sheet rather than the post close balance sheet and separating existing loans from new loans, including separating annual operating loans from term loans.

Using the current balance sheet requires additional manual entries in the collateral analysis for assets to be purchased. This is a potential duplication of effort since the Post Close Balance Sheet will include the assets to be purchased with appraised values, which is potentially more accurate than the current balance sheet provided by the applicant. This results in a duplication of effort and confusion in regard as to how to complete Reports Setup so the Credit Presentation shows the correct information to evaluate the loan request.

The requirement to enter separate loan groups for existing and new loans requires numerous manual calculations to adjust for calculation methodology in the FBP system. Completing and understanding the manual calculations to complete the process as directed in the User Guide is exceedingly difficult to understand and complete correctly, and thus more prone to errors.

Directions in Exhibit 15, state that only existing loans can be grouped together unless they are secured by the exact same security and new term loans and annual OL may not be grouped together. Most state's lien filings for chattels tend to be blanket lien filings and do not refer to specific loans. 3-FLP Part 5 (Par. 91A and 91B) does not indicate that security requirements

are different for new and existing loans, which this process tends to imply. The revised process creates the appearance that existing loans may only be secured at 100%, while a new loan may appear to be oversecured. In some cases, it is possible to make a new loan meeting the 150% security requirement while existing loans are secured at less than 150%.

Collateral analysis examples created for FLOT Training can be entered with combined loan groups for OL and/or FO loans and result in the same combined overall collateral margin ratio as indicated in the solution. This is similar to the old method described in the User Guide, is quicker and easier to complete and is less likely to result in calculation errors.

In summary, the revised process does not appear to be a requirement according to 3-FLP, takes significant additional time to complete the process, and is potentially more prone to calculation errors.

SOLUTION: 1. Revise Exhibit 15 to use the Post Close Balance Sheet with accurate appraised values for the purpose of completing the Collateral Analysis.

2. Revise Exhibit 15 to group existing and new loans secured by the same lien filings in the collateral analysis (OL/chattel secured loans and FO/real estate secured loans)

3. Provide guidance in Exhibit 15 to avoid potential entries in the Collateral Analysis which may result in system calculation errors, or provide guidance on making manual adjustments when necessary. Example may include loading multiple prior liens in same loan group affecting the same collateral group (i.e. machinery and equipment) to avoid having to make additional manual adjustments.

EXPLANATION FOR NON-ADOPTON BY THE COMMITTEE:

Resolution 10

CONCERN: Currently when completing an income and expense a loan official has to manually input all the land being farmed under "Rent-Land/Animals" so that it will populate the security agreement (FSA-2028), page 2, when making a crop loan. For a borrower who has a lot of farms this is very time consuming.

PROPOSED SOLUTION: Enable FBP to be able to pull the Producer Data Report and populate the respective fields in the I&E- Rent-Land/Animals so that FSA-2028 can be properly populated.

EXPLANATION FOR NON-ADOPTON BY THE COMMITTEE: Although a good idea in theory, the information loaded in the Producer Farm Data Report is usually based off of the previous year's reported acreage, which may not be correct for the upcoming production cycle. There are some producers that do not participate in USDA programs so the Producer Farm Data Report would be incomplete, and the large expense related to such a major revision to FBP would better be utilized for other more urgent revisions.

Resolution 11

CONCERN: Currently, there is a significant portion of staff meeting time that is spent determining which loan approval official is working on which loans. It would be a significant time savings to FLMs and all office staff to know which loan approval official is working on each loan.

PROPOSED SOLUTION: Add the data elements for loan official and type of review so that these elements can be added to reports and assist in the management of the office and loan portfolio.

EXPLANATION FOR NON-ADOPTION BY THE COMMITTEE: There are currently other ways within DLS application package to record additional information. The Comment box can be used to list the loan approval official, etc. All comments entered will appear on the Direct Loan Application Report. While the Committee agrees that this information could be very useful in office management, it is the Committee's belief that this is a concern that can be best addressed by the states rather than from the National Office level.

Respectfully submitted by the 2017/2018, Farm Loan Program Loan Servicing Committee:

LeAnn Gibbs, Zone A - Chairperson

Aren Dameron, Zone B

Vicki Askins, Zone C

Tonya Washington, Zone D