



BUILDING RURAL AMERICA

NATIONAL ASSOCIATION OF CREDIT SPECIALISTS OF THE USDA - FARM SERVICE AGENCY



First time attendees receiving their NACS pen for attendance of the 2017 National Convention

The 45th NACS National Convention convened at the Holiday Inn Country Club Plaza in Kansas City, MO June 25 – 29, 2017.

There were ninety-one (77) registered attendees for the NACS-FSA convention.

At delegate roll call there a total of fifty-four (54) delegates and eight (8) alternates, by zone there were:

- eleven delegates and one alternate for Zone A;
- seventeen delegates and eight alternates for Zone B;
- eighteen delegates and two alternates for Zone C; and,
- ten delegates for Zone D.

Sixteen (16) of the members present were attending their first convention and were recognized by the President and received a NACS pen from their Zone Representative.

FIRST-TIME ATTENDEE REPORT

I had the opportunity to attend the Zone A meeting a few months back and really enjoyed it. So, naturally, I was excited to attend national convention in KCMO! Attending convention gave me the opportunity to have a “break” from normal duties and left me with a refreshing outlook of continuing our mission to serve rural America.

What I enjoyed most was seeing and understanding the bigger picture of the association. At times, it is hard to really take in and notice the difference we, as an agency, make in the lives of others at the field office level, so listening to National Office personnel speak about the amount of loan numbers, dollar figures and explain how OUR role benefits more than just the borrower was impactful.

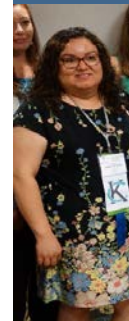
At the zone meeting, I was introduced to “resolutions,” and to say I was confused is an understatement! Now that I have been able to observe the resolution process at convention, in a much larger perspective, it makes sense. I enjoyed the debate process using Robert’s Rules of Order—In FFA, I learned and competed in Parliamentary Procedure with the thought that nobody would use these procedures for meetings outside of FFA. Boy was I wrong!

July 2017 Issue

NACS Convention Newsletter

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Convention speakers
and comments
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and comments
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happenings

NACS business meeting
news has been
provided in a second



It no longer feels as if
“we are in this
alone.”

Presentation of resolutions was an eye opener of how many employees are wanting change in order to better the delivery of our programs. For me, it is a rewarding feeling to witness the passion that many exhibited for their clients and the issues they face in their county offices. It definitely no longer feels as if “we are in this alone,” but rather that we are a much larger group wanting to better our employment and services rendered to our customers. Apart from our business proceedings, I enjoyed meeting people from other states. As a Californian, our accent may seem strange to some, but I was in mere awe of the accents of those in attendance. I could listen to everyone speak all day and never be bored. Above all, I appreciated networking opportunities and learning other things that are different from California. The 2017 National NACS Convention will not be my last convention. I look forward to attending others while I can!

~~Lyanne Mendoza, FLOT, CA

Jason Issac, KY,
NACS
Parliamentarian



On a budget?
Don't let cost
STOP you from
attending
convention! Room
sharing is a great
way to keep
expense down!



The Wunder Fund, named for the vision of Bruce Wunder, is an endowment fund for the support of first-time attendees at the annual NACS convention and other educational purposes. The fund is controlled by the NACS Board and Treasurer and funds are obtained through donations. *NACS Operating Manual, June, 2012, Page 1-16*

ROB JOHANSSON, ACTING DEPUTY UNDERSECRETARY, FPAC



NACS was honored to welcome Dr. Rob Johansson to Kansas City. Dr. Johansson has been an economist with USDA since 2001, and the Chief Economist since 2015. He is currently serving as the Acting Deputy Undersecretary of the Farm Production and Conservation branch of the USDA. He shared his thoughts on reorganization into Farm Production and Conservation:

- Secretary feels we need to improve our customer service and program delivery.
- Reorg was to combine farmer needs into one delivery area.
- FAS to just focus on trade.
- Agencies are not being eliminated, but programs need to be streamlined.
- Will have 22,000 employees—largest under USDA umbrella behind Forest Service.
- Farm Loans—few changes expected in loan programs.
- We provide vital economic support to rural communities.



Mark Rucker
DAM

Mark Rucker, DAM, Emergency Preparedness Division

- * Background investigations are necessary for our safety. There have been complaints—"I have been with the Agency 30 years!" You may have been safe 30 years ago, but not now.
- * Also over-leasing. Have had issues, but we will be doing better. Leases are now up to 200 pages. We also do a lot of NRCS's leases. We do 70% of leases.
- * Acquisitions—goal is to make sure people in the field are trained. People with purchasing warrants have to be trained.
- * HR Division—we have improved tremendously.

Thomas Mulhern, HRD

- * There are 3 facets of employment: Hire, pay, feed.
- * Care and feeding of the workforce requires significant development and training. Every hire we make is a \$1 million decision. Our workforce as a whole is a \$12 billion investment.
- * Right now we are planning the workforce of 2025
- * Working on improvement of HR footprint.
- * Fellowship program has been a tremendous asset
- * HR is focused on 5 aspects:
 - 1) Recruit & hire
 - 2) Develop
 - 3) Engage
 - 4) Retain
 - 5) Evaluate

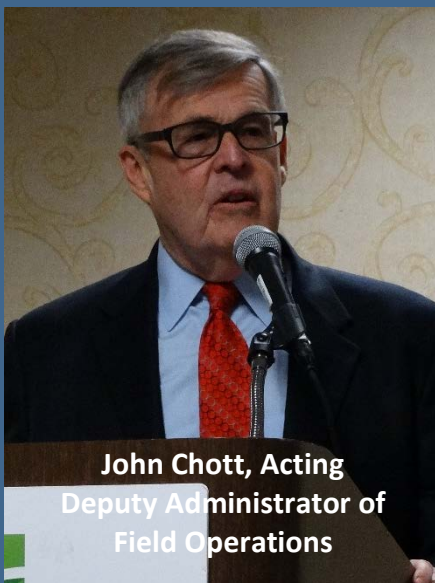


Thomas Mulhern, HRD

John Chott, Acting DAFO

Mr. Chott was present at the 2017 National Convention to speak with our membership. His main topics of discussion were staff/staffing and training.

- Average age of field operations staff is 52. We have around 11,000 field office staff now, as compared to 2001 when we had 13,373.
Hope is that current staffing numbers will be maintained
- Recently gotten word we can fill about 200 internal hires. SED's will be appointed by this fall—they should be involved in placing loan teams where they should be, including reassignments
- Management and Leadership training is still a focus. 2,100 managers in the field have been trained in the past two years. 301 course has been developed for DD's who have had leadership training
- Aspiring Leader Program hasn't seen much movement due to contract issues, but PT Counterskills course is in the works. This summer will have train-the-trainer meetings. 600 PT's will be trained.



John Chott, Acting
Deputy Administrator of
Field Operations

Jim Radintz, Deputy Administrator FLP

Mr. Radintz began his presentation with a recap of news shared at Zone meetings:

- ✓ FY-16 was a record-breaking year. More FO, BF, US & ML's than EVER in the history of farm loans!
- ✓ Current funding status (as of June 19th)—we are running 9% behind last year. Modest increase in Direct FO
- ✓ Budget—program levels are virtually the same as FY '16
- ✓ Appropriations committees continue to be concerned. FY '19 budget is already being discussed.
- ✓ There is a recognition of FLP importance (in the Administration)
- ✓ Servicing—our portfolio is pushing \$25 billion
- ✓ Delinquency rates are holding pretty steady. GL delinquency is a little higher, but on par with commercial lending sources
- ✓ Microloans—still a few skeptics. ML delinquency has crept up a little bit. “ERS report 222” found 89% of microloans go to targeted groups. Almost 60% of ML customers were new to FSA
- ✓ Take-a-ways: 1) Program works, 2) Change is possible, 3) This is the field's success
- ✓ Of farmers that have debt, about 8% borrow from us or participate in the GL program. # jumps to 17-18% for mid-size family farms

The remainder of his address focused on program goals and reminders:

Program goals:

- Have to have goals—if you don't have goals, how will you know when you get there?
- The #'s we have reflect the challenges we face.
- USDA Connect—a challenge to get more FLP employees on USDA Connect.
- Some things coming: Updated “Your Guide to FSA Loans.” “Borrower compass”—what it means to be a borrower.
- On-line borrower statement. Originally planned on using Farm+ (now looking at joint portal with NRCS). Should be up and operational by the end of the calendar year.
- Training: 500 people through new CFAT so far.
- Right now 1,100 series 1165 employees—about ½ of our 1165's came on board in the last 2-3 years. Almost ½ of remaining can retire.
- Veterans training pilot—accelerate veteran's ability to meet Direct FO requirement. \$90,000 earmarked for that initiative.
- N.O. Fellowships—program gets a lot of attention at headquarters.

Reminders:

- 1) Keep GLS and DLS up-to-date—DC uses the info in both of those systems a lot.
- 2) Follow handbooks & notices. If you follow the handbook, you're good.
- 3) Monitor your own performance. Take a step back, run a few reports & see how you're performing.
- 4) & 5) Strive to be positive and proactive

He left us with these final remarks—**remember**: We are a people organization. We have tools and authorities most lenders don't—we need to use them. We should strive to be proactive in loan servicing & promote mediation. One goal is to try not to enable failure; sometimes saying “yes” is the worst thing we can do.

Book recommendation: Malcolm Gladwell, Blank



Jim Radintz
Deputy Administrator Farm Loan Programs

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NACS-FSA



Chris Beyerhelm
Acting FSA Administrator

Chris Beyerhelm, Acting FSA Administrator

Mr. Beyerhelm began by relaying the Secretary's respect for what the "career people" do, and his belief that we are the subject matter experts. He shared that Mr. Perdue is creating a family atmosphere at USDA, and his catch-phrase is "Do right and feed everyone!"

- We (FLP) are economic development; we create clean air and water, we are responsible for 350,000 jobs.
- We were at 98% of our ceiling before hiring freeze.
- Corporate structure doesn't fit us—we have a small business model.
- Most states do not see Agriculture as an economic development factor. We HAVE to get people to understand that Ag IS economic procedure.
- A major goal is to get Handbooks up-to-date. National Office has gotten into the habit of issuing directives for field to follow. NO is going to be committed to getting back to the discipline of Handbooks.
- Going to get ARS data up-to-date and use to drive staffing. It is **VITALLY IMPORTANT** that ARS data be entered correctly. **STOP working over and not reporting the hours**
- Have your elevator story ready—be ambassadors for what you do!

- Use NACS Resolution Process to get Farm Bill ideas to National Office.
- Customer Satisfaction—need vehicle to measure customer satisfaction. In Farm Bureau Insurance survey, FSA ranked high in Agency customer satisfaction.
- Bridges to Opportunity—National Office needs to make sure Field Offices know BTO is a tool to help us, not just a way to create more work.
- 30% of farmland is owned by non-operator land owners. Pilot project in Iowa—sent 20,000 post cards and letters to land owners, trying to connect them with beginning farmers to farm and/or buy their land; 45 responses. Consider even 10 connections out of those 45 responses to be good.
- SCORE: Recruit people in our communities that would make good mentors for beginning farmers to reach out to.
- New Administration is going to clear out Statute of Limitation Civil Rights cases.



Eric Guenther, KS, presents
Chris Beyerhelm with
Honorary Lifetime
Membership to NACS

The National Association of Credit Specialists would like to say THANK YOU to all guest speakers who were able to attend & make our 45th annual convention a success!

Kimberly Viers, Acting SED, MO

Jack Salava, Acting SED, KS

Wes Daniels, NASCOE President

Dan Gieseke, FLC's Association

Michelle Motley, NADD

Bryan Maloy, FSA Appraisers Association

Cindy Haas, Direct Loan Servicing

Clinton Swett, Deputy CIO

Radha Sekar, Chief Financial Officer

Catherine Kuhlmeier, OBF

Bob McGrath, OBF

Tony Bainbridge, NFAOC Director

Sharan Sachs, Guaranteed Loan Servicing

Question/comment & response session—

- 1) Clarify 13,000 # when calculation workload?

Radha: When # of hours in ARS is divided by 2080 = we are doing the work of 13,000 employees.

- 2) Comment: Real-time example of FSA efficiency error, concerning form CCC-860: URL is incorrect on the form. Submitted to USDA connect → told to go to PEC → told to go to ITS. Needs to be addressed.

Chris: send it to me.

- 3) Who are the 200 people we are going to be able to hire?

Chris: Mostly internal hires (not really NEW employees)—75 CED's, 20 FLM's, 30 PT's (New bodies), 2 STO Specialists, 2 DD's, 11 internal Hdq., 4 external Hdq. (New bodies), 30 temps. No FLOT's or COT's at all.

- 4) Thank-you to Jim Radintz for supporting environmental training.

Jim: 858 will save time and help if you can't get a wetland determination. FSA-850 has been included in FBP.

- 5) Producer on-line statement—will it have the same lag time as DLM?

Jim: Unfortunately, initially, that will be the case.

Chris: Will state clearly on site that information may not be current. Goal is quick update.

Radha: It will take time. From us, has to go to treasury, then come back.

- 6) Veterans get marketing information with no eligibility requirements.

Jim: Has the same concerns. It is an issue. We need to make sure they understand our requirements. Working on pilot program to make vets "loan-ready."

Chris: Don't want to completely turn off people from coming in.

- 7) 200 employee #--some states have offices with no staff! At what point do we look at repositioning staff?

Rob J.: Reorg into FPAC offers some opportunities to look at and adjust staffing

Chris: Not likely that we will get more people. Need to find ways to work smarter.

- 8) Issue of making payments remotely or with a card & taking cash. No good way to take cash.

Jim: ALWAYS take money. Pay.gov is going to be pushed. We need a 21st-century IT system. Need a better customer interface. PAD goes through pay.gov.

Radha: Really want to explore other avenues than pay.gov

- 9) ARS data—are we going to be able to count time that is worked in another office?

Catherine: Trying to update ARS.

Comment from Jim: Success is not when we close a loan. Success is when we hand that borrower a Paid in Full note. Since 2005, almost 75% of our direct borrowers have gone commercial.

- 10) Subordinations aren't being counted properly for us.

- 11) 200 employees? What about attrition?

Chris: Wants to see 2018 budget. Doesn't make sense to hire people we are just going to have to let go.

John Chott: SED's put in a wish list & he will get back to the states

Comment by NO: 200 is not in excess of ceiling; only adding to the # count by 34.

- 12) Are lateral transfers allowed during hiring freeze?
Yes, if there's no budget impact. FLOT's can be placed if there's no relocation.
- 13) Trainings—what are we going to do to prepare FLO's to become FLM's? Why is Aspiring Leader Program geared to PT's?
Going to stay that way. Flo's are not a priority in training. Next will be 301 for AO's and DD's.
- 14) OMB directive in April. Plan to maximize employee efficiency. Any update on that? Did reorg affect?
Radha: Still forming groups within USDA to look at steps we have taken and how we can proceed.
Chris: Reorg between FSA and NRCS will be from bottom up, not top down like FmHA/ASCS.
- 15) Environmental—if we are now going to be under one roof with NRCS, who specialize in environmental issues, why are we still doing any environmental assessments?
Chris: Absolutely something we will look at.
- 16) Missouri (for example) is 11 under ceiling in FLP & under in County Office. Have a lot of people in acting roles (SED salary in every state not being paid). Looks like we should be sitting on money.
Radha: In 2017 budget we are down \$17 million. A lot of money has gone to travel and training. Provided more quality than quantity.
- 17) In low-staffed offices with high loan volume we are seeing a lot of incomplete applications. Have to spend a lot of man hours on eligibility, then people say they didn't want the loan anyway, were just seeing if they qualified. How can we make applicant more responsible for saving our time?
Jim: We don't want to discourage people because we don't know which applications will come to fruition. Possible application fee.
Chris: Have one day where you invite in a group of applicants and go over everything at once.
- 18) Recommendation: centralized call centers, on-line pre-screen for eligibility.
- 19) Report going around in TASCOE saying GS-12 positions will be cut by 124 this year.
Chris: Not aware of those numbers. Find me a copy of that report. Never heard 124.
- 20) Reorg—if we are going to have 3 agencies come together, are we going to cut down on redundancies?
Rob J.: Can't take it to "everyone has one thing to do." Authorities and statutes are specified differently. A lot of times we have good ideas but good ideas are prohibitive. There are a lot of task forces going on right now.

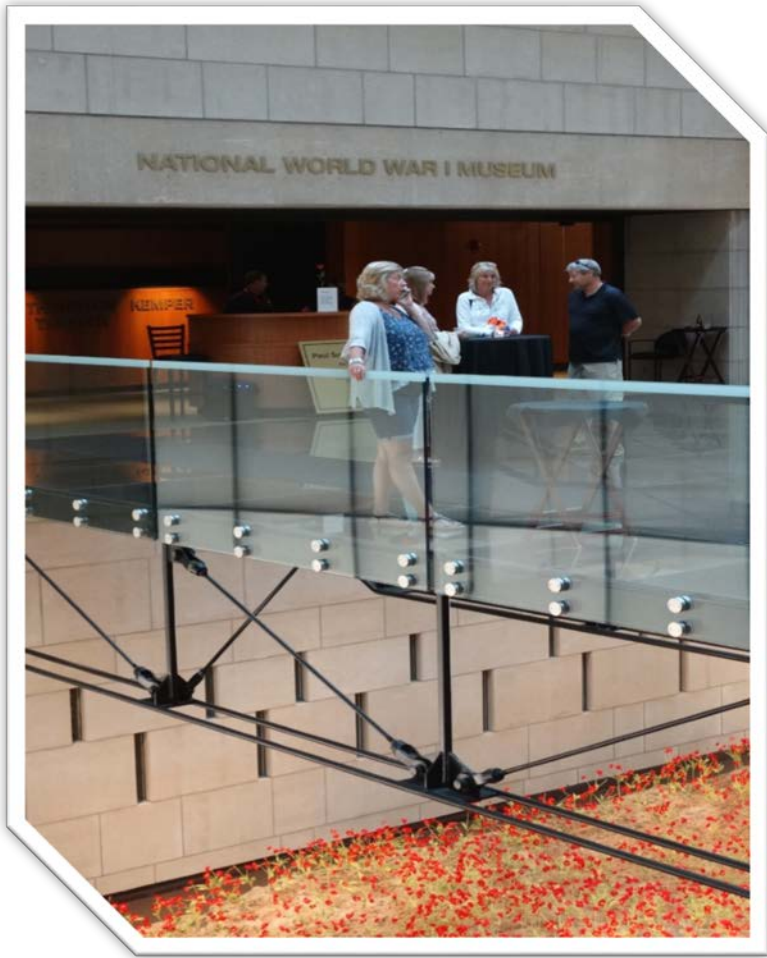
An Amendment was made to the Constitution and Bylaws, Article IV, D #1 to increase the membership delegates and alternates eligibility as follows:

D. Manner of Election

- Each state or duly recognized association in good standing on the first day of the national convention shall be entitled to the following delegates and alternates based on the regular membership in the respective association:

| Membership | Delegates | Alternates |
|------------|-----------|------------|
| 1-10 | 3 | 3 |
| 11-25 | 4 | 4 |
| 26-40 | 5 | 5 |
| 41 - + | 6 | 6 |

Membership shall be shown by the records of the National Association Treasurer as of the first day of the National Convention. Selection of each delegate and alternate shall be evidenced by a certificate signed by the President or Secretary of each state or recognized association.





Chris Beyerhelm presents John Gehrke the Administrator's Harvest Coin for his commitment to NACS & his dedication to the improvement of FSA Farm Loan Programs.

Dillard Financial Solutions, Inc. proposed sponsorship of NACS in exchange for becoming the primary Retirement Benefits Provider of the Association. John Gehrke addressed the floor in his capacity of NACS member to speak to the extent of the agreement and read the written proposed contractual agreement. After much discussion, motion was made and seconded that NACS accept Dillard Financial as our Retirement Benefits Provider for a term of 4 years. A vote was taken of members present and the motion passed.

Have a suggestion for a form correction or improvement? Submit it to any member of the NACS/NASE board and it will be shared on the USDA Connect Technical Review Forum!

And be sure to visit the FLP community on www.connections.usda.gov for all of the latest FLP updates!

**NACS extends our gratitude to all sponsors who worked with us to make the 2017 convention possible.
The following convention sponsors were in attendance at the 2017 convention:**

- Ty Christenson of **JM Marketing** discussed some of the current insurance products that they have to offer.
- Brenda Wilson of **FEDS** discussed the availability of Professional Liability coverage that has a cost of \$290/year for \$1 million in coverage.
- Patrick Kerrigan, **Farmer Mac**
- Teresa Dillard & John Lohr, **Dillard Financial Solutions**
- Ron Miller, **Blue Cross Blue Shield**
- Alan Hosking & Jerry Spruill, **National Rural Lenders Association** presented during a working lunch



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Join NACS/FSA & NASE
In San Antonio, Texas
For our 46th Annual Convention
June 24th-28th, 2018

Stay tuned to NACS-FSA.org for information regarding Zone meeting dates and locations!!