



Building Rural America
National Association of Credit Specialists
of the
USDA - Farm Service Agency
Information Technology Committee

THE INFORMATION TECHNOLOGY COMMITTEE MET AT THE TOWN AND COUNTRY RESORT IN SAN DIEGO, CALIFORNIA ON JUNE 24, 2013, TO REVIEW RESOLUTIONS SUBMITTED BY THE MEMBERSHIP. NATIONAL OFFICE REVIEWED THE ADOPTED RESOLUTIONS AND MET WITH THE NACS IT COMMITTEE ON NOVEMBER 19, 2013.

THE NATIONAL OFFICE AND IT COMMITTEE RESPONSES ARE AS FOLLOWS:

Resolution 1

CONCERN:

FSA-2065 Annual Statement of Account is mailed to both the borrowers and to the FSA servicing office. The copy mailed to the FSA office is costly, requires much filing time and is unnecessary.

PROPOSED SOLUTION:

Store the information contained in FSA-2065 Annual Statement of account in a Hyperion Report and eliminate the mailing of the file copy to the FSA servicing office.

NATIONAL OFFICE RESPONSE:

Hyperion Reports are being developed as tools to help manage FLP portfolio. FSA-2065 is generated from FCAO as an official record of the customer's account and, therefore, a copy should be maintained in the customer case file.

IT COMMITTEE RESPONSE:

Further discussion with National Office has revealed that from a "cost saving" perspective the mailing of these statements continues to be more cost effective than the reprogramming costs required to make them electronically available. As ADPS is maintained by RD, the level of complexity is further increased making this resolution impractical at this time.

Resolution 2

CONCERN:

Many offices are requiring the RD 1940-20 form as part of a complete application on proposals that are evaluated as CATEXs. This form is only required for Environmental Assessments. So the customer is being required to complete more paperwork than required and the office is wasting time. This is a training issue that can be easily over come with a better description on the checklist.

eCFR Reference below:

"(c) Form FmHA or its successor agency under Public Law 103-354 1940-20, Request for Environmental Information, will be used for obtaining environmental information from applicants whose proposals require an environmental assessment under the requirements of this subpart."

<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=4a0f7ab35e07b3b50a885ebda0633e45&rgn=div6&view=text&node=7:13.1.1.1.1.2&idno=7#7:13.1.1.1.1.2.1.39.13>

PROPOSED SOLUTION:

Revise the Check List in 3-FLP Exhibit 5 Item 19 to read: RD-1940-20, "Request for Environmental Information" (For Class I or II EA only).

NATIONAL OFFICE RESPONSE:

We agree with this resolution and will be making the change.

IT COMMITTEE RESPONSE:

This change was not published at the time of the committee call. N/O stated they were waiting to compile some additional revisions prior to issuing a new amendment; this should be forthcoming.

Resolution 3 CONCERN:

NRRS only allows a credit report fee of \$99 or less. When processing credit report fees for an entity and all members, the fee collected can easily exceed \$99.00.

PROPOSED SOLUTION:

Change the software to allow more than a \$99.00 credit report fee to be processed.

NATIONAL OFFICE RESPONSE:

For FLP, NRRS now has the capability to apply one check to multiple customers. In the case of an entity and all entity members, the fees would be broken down as such using \$75.00 for the entity and then the fees for each individual using separate ID numbers. Therefore, based on budgetary constraints and the ability to process these fees, we will not be making a change in the software at this time.

IT COMMITTEE RESPONSE:

It appears the process described by N/O is workable, but the committee is concerned that this process has not been widely published as many C/O's and S/O's contacted were not aware that this is the recommended process. N/O has agreed to make these instructions more widely available.

Resolution 4

CONCERN:

We are relying on Customer Profile in DLM to alert us of debt forgiveness. All Past Debt Forgiveness does not appear in current/past debt from NITC nor does it show up under the heading of Previous Debt Forgiveness-Direct because older loan history has been purged from the system. Even though it has been purged, the loans written off do appear with a fully paid code under Past Debt Information-Direct. Not everyone will be able to recognize fully paid codes that should be investigated to find out what it means. Since nothing showed up in current/past debts in NITC and Previous Debt Forgiveness-Direct, the loan officer could potentially make an applicant a Term Loan which would be

an illegal loan. There needs to be a more reliable system to show previous debt forgiveness.

PROPOSED SOLUTION:

When fully paid codes involving Loss To The Government show up on previous debt, it should cause the Previous Debt Forgiveness field to be populated with the loans that were written down/off.

NATIONAL OFFICE RESPONSE:

If the data no longer exists in PLAS, it will not be displayed on Customer Profile. There is the exception of any data that was migrated from the MAC system in 2007. This MAC data was manually input by the field office user to supplement automated system data. There are several enhancements on the list to improve how DLS provides prior debt forgiveness information; however, due to limited resources for development we do not have a firm timeline on when the enhancements will be completed. We would suggest that employees review the DLS Loan Servicing User's Guide Exhibit 1 that provides a brief explanation of each settlement code. This should assist the employee with what each settlement code represents.

IT COMMITTEE RESPONSE:

We hope this can be improved in a future "enhancement" of DLS. In the meantime, N/O has added Exhibit 1 to the DLS User's Guide to help identify what the various settlement codes indicate.

Resolution 5

CONCERN:

Farm Business Plan allows you to input a crop share in the crop schedules for when a borrower only receives a percentage of the crop. However, the livestock schedules do not allow for a similar type of entry method. Many livestock producers lease cattle on a share basis, where the borrower may only receive a percentage of the calf crop instead of the entire calf crop. Currently, the only way to input this forces you to either leave an ending inventory, which is not an actual ending inventory, or you must do the calculation before inputting which will not accurately represent the actual number of calves raised.

PROPOSED SOLUTION:

The Livestock Sales schedule in the farm business plan should allow for a percentage input to accurately represent when a borrower has lease cows on shares.

NATIONAL OFFICE RESPONSE:

While we agree with this resolution, due to budget constraints, we are unable to make any enhancements to the Farm Business Plan. However, we will submit the suggestion to Web Equity for their consideration for a possible enhancement to a future version release.

IT COMMITTEE RESPONSE:

Nation Office forwarded this recommendation to the WEM development team on 8/30/2013. FSA lacks the funds to request special revisions to FBP outside of WEM's regular releases.

Resolution 6

CONCERN:

Payment reminder letters are sent to borrowers from FLOO in St. Louis. These letters provide the borrower with the address of where to send the payment. However, the letter does not direct them to whom to make the check payable.

PROPOSED SOLUTION:

Add a statement in the body of the letter similar to the following: Please make checks payable to USDA - Farm Service Agency.

NATIONAL OFFICE RESPONSE:

We concur with the recommendation and will work with FLOO to implement as soon as practicable.

IT COMMITTEE RESPONSE:

This change was complete as of the date of the committee call. The committee thanks N/O and FLOO for their timeliness.

Resolution 7

CONCERN:

According to the National Office, when payments are applied in the FLPIDS/DLS-DRT-Special Servicing system and there is a loan being rescheduled/reamortized, the system works on an "account level", rather than the loan that is being rescheduled/reamortized. For example, a restructure of only one of the borrower's loans (an FO) was in process when the borrower brought in a payment for one of his operating loans. The payment was applied to his operating loan in NRRS. When the special servicing transaction was initiated in DLS-DRT on the FO loan for the restructure, the county office got an "error" message of "payoff: accrual date provided by the user cannot be before Loan/DSA cash or non-cash payment date xx/xx/xxxx."

The NTO advised us that the DRT system looks at ALL payments on ALL loans. In order for the rescheduling transaction to continue to be processed on the farm ownership loan, a problem case had to be submitted to finance office to REVERSE the payment made to the operating loan. After the overnight process was complete, the IM transaction was completed and the payment was then reapplied to the operating loan.

PROPOSED SOLUTION:

When processing the IM transactions during rescheduling/reamortizing loans, the transaction should only affect the loan being rescheduled (not all of the loan accounts), so any payments on other loans will not affect the reschedule/reamortization transaction.

NATIONAL OFFICE RESPONSE:

While DLS has been developed to mitigate many discrepancies that result from overlooked pre-transaction checks, it is not possible to address every potential scenario. Due to budget limitations, cost effective solutions must be developed and in this case, there is a system validation in place (both PLAS and DLS) to ensure that restructures are processed correctly, including use of correct unpaid principal and interests amounts. The Credit Action and eDALR\$ are designed to look at the process on a global scale, not just at a per loan basis. As provided on page 309 of the DLS User Guide, when recent

payments are pending or on discrepancy, transactions should not be submitted until the payment successfully processes. Therefore, we do not plan to make any modifications at this time.

IT COMMITTEE RESPONSE:

Committee accepts the N/O response; understanding the reasoning behind this process and the current fiscal constraints. It appears that the concern may be a somewhat isolated incident.

Resolution 8

CONCERN:

In FBP, categories of collateral such as machinery/equipment or raised/purchased breeding livestock one must select the box for each item to be used as collateral. For customers with a large number of equipment items or several different categories it can be time consuming to go through and click each box.

PROPOSED SOLUTION:

Add a "select all" feature that would select all of them to go to the Security Agreement. (When budget allows)

NATIONAL OFFICE RESPONSE:

Due to budget constraints, FSA is unable to make any enhancements to the FBP at this time. However, we will submit the suggestion to Web Equity for their consideration for a possible enhancement to a future version release.

IT COMMITTEE RESPONSE:

National Office forwarded this recommendation to the WEM development team on 8/30/2013. FSA lacks the funds to request special revisions to FBP outside of WEM's regular releases.

Resolution 9

CONCERN:

On DLM checklist for each section there is a Select All, *N/A* all or Per Package button. This now requires it to be done for each section.

PROPOSED SOLUTION:

Make a per package button at the top that applies it to each section.

NATIONAL OFFICE RESPONSE:

The DLM checklist was developed with the assistance of field office personnel, including Association representatives. This change will be added to the list of enhancements; however, at this time IT resources are not available to make this change. The Association will be contacted if funding becomes available to review this request.

IT COMMITTEE RESPONSE:

Due to funding shortages this cannot be completed at this time, but NACS and N/O agree this would be a worthwhile improvements the DLM system.

Resolution 10

CONCERN:

When a jointly payable check is applied into NRRS and a receivable is established, the only means for the refund is via a paper check which causes delays.

PROPOSED SOLUTION:

Allow the refund to be done via EFT if an account has been established for that producer.

NATIONAL OFFICE RESPONSE:

FLP and FP use two completely different systems for EFT. The receivable established for a FLP Refund is established and closed immediately in the background. The process to issue the FLP Refund is completed through OLP and then NPS and offices should be able to select the refund to be sent EFT. If the customer does not already have EFT established for FP, enter the information that was used to establish EFT for FLP.

IT COMMITTEE RESPONSE:

It seems an acceptable process is available. The committee feels that this process should be more widely publicized, as many C/Os are not familiar with this possibility.

Resolution 11

CONCERN:

On the FLP 540 report in data mart, total columns do not currently calculate for Payment Status, Total Other Borrowers, or Total Borrowers Past Due.

PROPOSED SOLUTION:

Provide totals for these items.

NATIONAL OFFICE RESPONSE:

The total for Payment Status was intentionally removed from the 540 Report in the FLP Data Mart as it simply provided the **net** amount ahead or behind. Given that a borrower with multiple loans can have loans that are both ahead and behind, the net total can be misleading and could easily lead to borrowers being given an incorrect amount needed to bring their account current. In addition, the 541 Report, now available in the FLP Data Mart, provides summary information including Total Other Borrowers, Total Borrowers Past Due, and a breakout based on aging category.

IT COMMITTEE RESPONSE:

The committee agrees with the N/O position that the "payment status amount" total could be misleading in certain situations and agrees that it should be omitted from the 540 report. The delinquency information is now available in the 541 report referenced in the N/O response.

Resolution 12

CONCERN:

2-FLP par.108 L and M state that no guaranteed OL shall be made to any applicant after the 15th year that an applicant receives a direct or guaranteed OL. In the case of a Line of Credit, each year in which an advance is made counts towards the 15 year term limit. The eligibility report assumes that an advance was made each year the LOC was

outstanding, however there may not have actually been advances each of the years a LOC was outstanding.

PROPOSED SOLUTION:

Add a column under the Lender Status Reports section of the FSA Loan View screen to bring forward the Last Advance Date to readily assist and save time when making eligibility decision.

NATIONAL OFFICE RESPONSE:

We understand that the assumptions made by the Term Limit Data Report are not always accurate, especially when calculating the number of years an LOC is advanced. We have looked at this issue and determined that revising the report to capture when LOC advances have occurred or adding a column to the Loan View Screen as proposed would consume limited IT resources. Considering that the guaranteed loan term limits may be eliminated with the passage of a Farm Bill, it would not be prudent to invest limited IT resources in such an effort at this time. If the Farm Bill does not eliminate this requirement, we will re-evaluate this proposal.

IT COMMITTEE RESPONSE:

Further discussion of this change will be delayed until we determine how the pending farm bill will affect Guaranteed OL term limits.

Resolution 13

CONCERN:

Paper Checks are processed if a loan is not linked in EFT.

PROPOSED SOLUTION:

Flag a loan on the check request screen if the loan is not linked to an EFT account to avoid erroneously processing a paper check. This would not inhibit a paper check from being issued if that is the desired result.

NATIONAL OFFICE RESPONSE:

While the proposed additional safeguard may reduce the number of paper checks erroneously issued, we do not believe the enhancement would be an effective use of limited funds available given other priorities. The EFT steps are part of the Loan Making Checklist in DLS-LM. Requesting the information to establish EFT for a new/existing FLP customer should be done at the time of final eligibility or loan approval. If this is a returning customer and EFT has already been established (verified), once the new loan number has been assigned, link it to the existing EFT to avoid a paper check being issued.

IT COMMITTEE RESPONSE:

The committee continues to feel that the process to establish EFT for loan disbursement is cumbersome and if eliminating paper checks is a priority an additional "safeguard" is warranted. The committee will continue to work with N/O to achieve this solution, or identify other ways to streamline the process. N/O feels that this is a low priority given current IT budget constraints.