



BUILDING RURAL AMERICA

NATIONAL ASSOCIATION OF CREDIT SPECIALISTS

OF THE

USDA - FARM SERVICE AGENCY



Old/New NACS Board - Back Row: Wayne Sisson, Allen Hall, Mark Drewitz, Maureen Mausbach, Marla Koerner, Katie Richburg Front Row: Lisa Liska, Theresa Windham, Tanya Dostal, Kim DePasquale (Not Present: Clifford Russell)

MEET YOUR 2013-2014 NACS BOARD

I am Allen Hall and I have the honor of serving as your NACS President for the coming year. I started working in 1985 as a temporary Assistant County Supervisor. I have been a NACS member since 1987. I work in the Boone County FSA Office in Albion, NE as a Farm Loan Manager, which provides loan services in a 3 county area. I live in Neligh, NE with my wife Anita who is an Extension Educator with the University of Nebraska. We have two grown sons that are married and we are expecting our first grandchild in October. Anita, my sons and I are all graduates of the University of Nebraska, so we are Cornhusker fans! GO BIG RED!

My name is Tanya Dostal and I work in the State of Washington as a Farm Loan Specialist. My career began as an Assistant County Supervisor in 1985 after graduating from Washington State University. I later went on to become a County Supervisor and Farm Loan Manager for Western Washington. I currently work for the State Office in a remote location both from the office in Mt. Vernon and on a regular telework schedule from home. I have served in various offices with NACS over the years and am a recipient of the Blood, Sweat and Tears Award. My husband and I live on a small beef operation. He is a Senior Vice President for a local bank and we have 6 kids ranging from the age of 16 to 26. Our son and son-in-law are active duty military and our 3 daughters will be attending WSU this year. Our oldest daughter is in San Diego attending SDSU and raising the grandkids, and our youngest son is still at home. As you can see, we live a busy life. I look forward to serving as your NACS Vice President this coming year.

July 2013 Issue

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Allen Hall
NACS President



Tanya Dostal
NACS Vice President



Lisa Liska
NACS Secretary

I started working for the Agency as a Farm Loan Officer Trainee in 2004 after graduating from the University of Nebraska-Lincoln. After completing training in David City, NE, I was placed in Columbus, NE as a Farm Loan Officer. In December 2011, I became a Farm Loan Manager in North Platte, NE. I attended my first Zone Meeting in 2005 and have been hooked ever since! Over the years, I served on multiple committees, held state officer positions, and most recently served as your Zone B Representative and NACS Secretary. I currently reside in North Platte, NE with my husband, Brad, who is an Accountant at a local firm. I grew up on the family farm near Sutton, NE. In my spare time, I enjoy traveling, photography, reading and spending time with family. I look forward to serving you as the NACS Secretary again this year!

I have worked for the Agency for ten years, starting as a Farm Loan Officer Trainee. I was a Farm Loan Officer in the Wetumpka, Alabama Office and currently am the Farm Loan Specialist in the Alabama State Office. I have been involved with NACS for the past eight years, serving as Zone Representative for two years, and currently as Treasurer. In my free time, I enjoy photography, gardening, and cooking.



Katie Richburg
NACS Treasurer



Maureen Mausbach
NACS Past President

I am Maureen Mausbach and am currently serving as your Past President. I am a Farm Loan Manager in David City, NE where I began my career in 1983 as an Assistant County Supervisor with FmHA. I became a member of NACS in 1987. Over the years, I have served NACS in various capacities both at a State and National level, including most recently NACS President. I graduated from the University of Nebraska-Lincoln and currently reside in Columbus, NE. I enjoy my friends and family, my dog, shopping, and traveling.

I am Clifford Russell, the new NACS Zone A Representative. In 2007, I began my FSA career with a summer internship in Preston, Idaho. Since then, I have gained experience as a Farm Loan Officer in both Miles City, Montana and my current location, Tremonton, Utah. I have been an active member of NACS since 2009 serving on the Membership Committee and as the UACS Vice President. I currently reside in Thatcher, Utah with my wife, Misty, and our son, William. Agriculture has been a vital part of my life from a young age and continues to be something my family enjoys together. I am excited to be involved with NACS and do all that I can to ensure the growth and further development of the agricultural industry in our country.



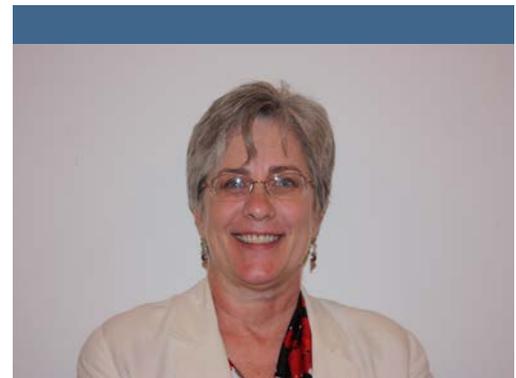
Clifford Russell
Zone A Representative



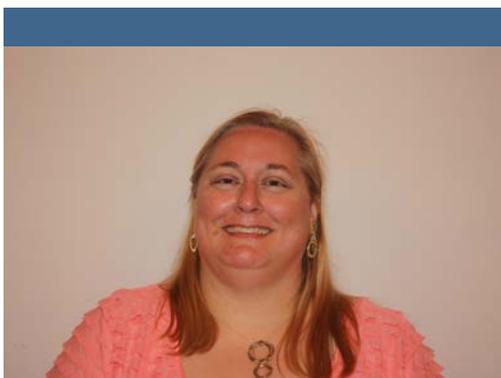
Wayne Sisson
Zone B Representative

I began my career in November 1991 as a Program Assistant with the Yoakum County ASCS Office. In 1996, I was trained and assigned to AG Credit in the county office. I was hired as a Farm Loan Officer Trainee in 1997 and served as a Farm Loan Officer in the Terry County FSA Office. In June of 2002, I was hired into my current position as a Farm Loan Manager in Lamesa, TX. In 1998, I became a member of NACS where I have served as State Area Representative, State Secretary and State President. I currently am in my second term as Zone B Representative. I enjoy hunting, fishing, playing guitar and singing, but my favorite pastime these days is my granddaughter.

My name is Marla Koerner. I am the Zone C Representative for the 2013-2014 year. I have served in this position for the last two years and am honored to have been elected for a third term. I have been with USDA for 25 years. I started my career as an Assistant County Supervisor in Albion, IN with FmHA. I have served as an Ohio credit manager for 24 years and am currently serving as a Senior Farm Loan Officer in Celina, OH. I joined NACS early in my career after seeing the good the association has done in improving program delivery. I wanted to get involved to meet people and find out how I can do my job better. I was impressed by the conversations NACS members were having with National Office and wanted to hear what was being said first hand. Since joining NACS, I have served on the IT Committee, the FLP committee, and as Zone C Representative. I am married to Greg Koerner, a Senior Farm Loan Officer in Bellefontaine, OH. We live in Wapakoneta, OH, boyhood home of Neil Armstrong. We have one daughter who resides in Charleston, SC.



Marla Koerner
Zone C Representative



Theresa Windham
Zone D Representative

I began my career, after graduating from the University of Georgia, with FSA as a temporary PT in Farm Programs and moved through the ranks to become a Farm Loan Manager in 2005. I joined NACS after becoming an FLOT in 2001. I attended my first convention in 2005 (Arlington, Texas) after being persuaded by the then GACS President to get more involved and how much "fun" the conventions are; and, I have been to every convention since. I attended my first Zone Meeting in 2006, after going to my first convention, and have helped to host a National Convention and Zone D Meeting in Georgia since that time as well. I was appointed as a member to my first committee (IT) following the 2007 National Convention, where I served as a member for 3 years and as chairperson for 2 years. In 2012, I was elected as the Zone D Representative and re-elected for this position in 2013.

MESSAGE FROM THE PRESIDENT: “AN IDEA”

On October 27, 1973, eight County Supervisors from eight states met at a Holiday Inn in Kansas City, Missouri because they had an idea. This group of leaders wanted to make a difference and put their idea into motion by forming a professional organization that would be called the National Association of County Supervisors (NACS). At that first meeting, a Statement of Principles was read which stated the organization should provide constructive suggestions and the number one assignment was to better serve the public. On June 24-26th, 2013 in San Diego, California the 40th Anniversary of the National Association of Credit Specialist (NACS) was celebrated at the 41st National Convention.

At the convention, NACS continued to honor the founding principles. A total of 84 ideas were submitted by the membership and 51 were adopted by the delegates at the convention as resolutions that will be submitted to the National Office or worked on through the legislative process to make changes to help us better serve the public through FSA programs.

If you were a member that submitted a resolution this past year, the organization thanks you. All resolutions submitted required people to take time and think about how we do things, how we can do the things we do better and how we can better serve our customers. Maybe the original idea submitted did not generate the asked for change, but, in many cases, it will lead to other ideas which will result in positive change.

As a result of NACS’s commitment, we have six regularly appointed committees, and members that are working on special task forces to examine how FSA programs are delivered. We are represented on the New Employee Training Initiative Task Force and NACS also has appointed a Working Group/Committee on FLP Staffing.

If you are a member of NACS, we need your ideas. Your ideas and your participation in Zone Meetings and National Convention make NACS a stronger organization and you have the opportunity to develop your professional skills. If you are not a member, please consider becoming one to share your ideas with us, take on new opportunities and make a difference within the Farm Service Agency.

2013 NACS NATIONAL CONVENTION RECAP

The 41st Annual NACS National Convention was held June 24 – 26, 2013 in San Diego, California at the Town and Country Resort. The California delegation did a wonderful job hosting this year’s convention. Attendees heard from Greg Diephouse, Deputy Administrator for Field Operations; Juan Garcia, FSA Administrator; and Chris Beyerhelm, Deputy Administrator for Farm Loans Programs, as well as other National Office staff via a teleconference call.

MIDAS and technology updates were provided via a teleconference call with Tonye Gross, MIDAS; Mark McKinley, Chief of Farm Loan Operations Office; and Mike Matthews, Acting Chief of Farm Credit Applications Office. Tonye provided an update on MIDAS. They have completed 10 weeks of training with about 8600 employees trained so far. There are now sections available on the website with Frequently Asked Questions and a User’s Guide. Everyone is very aware of the issues MIDAS is causing with “down time” and “locking up.” They are working to resolve the issues and we need to recognize it will take time. Fixes will occur weekly and bulletins will be issued to announce down times for updates being promoted. Work flow emails are being sent erroneously and they are trying to fix them. Remedy tickets need to be submitted. The software is very complex and is a major project. GIS data has caused a lot of problems, mostly because it goes through three servers when making GIS changes. There is a lot of pressure to get the system working as soon as possible, and especially before Phase II training begins.



Mark McKinley and Mike Matthews discussed some upcoming changes as well. They have been working to get the TOP screens up and working again. Farm Storage Facility Loans will be moved from System 36 to the Direct Loan System (DLS) with a target date of spring 2014. However, leap year payment corrections need to be completed before the transfer of data to DLS. The deadline to complete the fixes is August 31st, but can be extended due to limited staff per state. A new version of Farm Business Plan is coming in August. MS Reporting Services will replace Crystal Viewer for reports. Customer Status screens from ADPS will be moving to DLS with an implementation date of October.

Greg Diephouse was appointed to Deputy Administrator for Field Operations just three weeks before National Convention and provided us with his three primary objectives: 1.) Listen and learn from us, 2.) Impart initial observations of FSA and 3.) Introduce himself to us. Greg's hometown is Grand Rapids, MI where he attended high school and college. Some observations he noted included; there is a strong sense of work ethic among FSA employees, FSA is at a point in time where we are at the mercy of Congress and FSA is in for a major transformation over the next few years. He mentioned how the budget outlook is decreasing and we have continued to do more with less. FSA has learned to live within its means. He also wanted to recognize cultural transformation and civil rights will continue to be a major priority of the USDA and Secretary Vilsack. Greg stated he enjoys feedback from the field employees, especially since he is new to the job. He will continue to be patient and flexible going forward and also strive to put customer's first.



Greg Diephouse

Juan Garcia, FSA Administrator, provided a recap of last year's budget. The 12.5% cut across the board found our Agency in a tight budget situation. FSA closed 125 offices across the nation. The continuing resolution at the beginning of FY13 and the looming sequestration caused a decision to be made of an 8% reduction in budget. Discretionary spending was cut to save. However, we need to realize that salaries make up to 83% of our budget. The cut because of the proposed sequestration totaled over 7%. FSA was able to meet the budget cuts with discretionary spending and the use of CCC 714 funds to administer CRP, thus by-passing furloughs.

Juan commented on how successful the Microloan Program has been, with 66% of funds are going to beginning farmers. Secretary Vilsack has been a large promoter of the Microloan Program and is very pleased with its success. Juan also noted we are at a record low number of civil rights complaints.

The Administrative Services Program (ASP) is currently being piloted in the southwest region of states by consolidating administrative services mainly at a state level. They are being proactive by consolidating services provided by a contracting officer, retirement counselor, etc. A pilot program is also being considered to improve services provided by CORs and GIS Specialists.

Sequestration has also had its effects on FSA program payments. It decreased the final DCP to make up for sequestration on payments already made to avoid producers having to return subsidies received already. The final result will be in September with an expected cut of 8% on DCP.



Juan Garcia

The Agency is now treading into the unknown for the FY14 Budget. Sequestration is still looming for the next 9 years. A continuing resolution will be based on FY13 budget levels if a budget is not set by October 1st. The uncertainty of the Farm Bill also poses concern for the budget. Farm Loan Program loan funds appear to be at the same level when looking at the proposed Farm Bill. Juan also mentioned the Senate passed the Immigration Bill, which involves FSA administering the registration of guest agriculture workers.

Juan also discussed the upcoming VERA to be offered to all employees during the month of July with a departure date of August 3rd. They may not take all applications when looking at how it will affect an office. In order to avoid furloughs in the future, they are also looking at plans for a possible VSIP, but must obtain funding for it. Nothing has been approved at this time for a VSIP.

Juan commented about the use of the Activity Reporting Service (ARS). A group of SEDs and Specialist met to review the results from ARS and provided suggestions. There is a possibility usable data will be available later this year.

The Federal View Point survey was completed and Juan provided some of the results. Employees feel their work is important, but gave negative scores to employee pay and performance, namely that poor performances are not dealt with. He also mentioned that training needs are not assessed and that management training needs to be on-going, but money is needed.

In closing, Juan provided his predictions for the future of FSA. We need a balance of IT and infrastructure. Budget is our control factor, but do not assume every dollar is well spent. He posed the questions; what are the most important things that we do and how much does it cost to do these things? Juan's biggest priority is training needs and the need for management training as well. FSA is at a crossroads and status quo is not an option. Discretionary spending can only be cut so far. We have to have a plan to move forward. "FSA needs to have long term investment, not short term success."

Chris Beyerhelm, Deputy Administrator for Farm Loans Programs, began with encouraging us to improve our "story." He stated we need to concentrate on the good things we do with Farm Loan Programs and the impact we have done for farmers and ranchers. We have many success stories to tell. Rather than telling others we make loans to farmers, we may need to consider telling others we fulfill the dreams of farmers that otherwise would not have happened. We should focus on our successes rather than failures.

Chris also discussed our current loan portfolio. We have consistently been around 70,000 direct borrowers and 63,000 guaranteed borrowers the last few years. FSA graduates about 3,500 borrowers per year, while making 36,000 loans per year. From September 30, 2011 to March 31, 2013, FSA graduated 25% of borrowers. Over the past five years, 42% of borrowers were graduated. Of the direct farm ownership borrowers from the year 2000, only 30% remain in our portfolio.

We currently have an 8% market penetration when compared to other lenders. However, when compared to individuals who pay more than \$500 in interest per year, as reported to the IRS, we have a 20% market penetration.



Chris Beyerhelm

The new servicing regulations are expected to roll out in July. Some changes to expect include the FSA-2040 form to be replaced by a new form; an appraisal of mineral rights will only be needed if making a direct farm ownership; an appraisal is only needed on guaranteed loans with a value higher than \$250,000; more flexibility when looking at releasing security, if our security position is strong; more uniformity for conservation contracts and the availability of wage garnishment on all wages in order to collect back on delinquencies.

Chris provided an update on the status of pending lawsuits. He stated the Keepseagle lawsuit is finished. The Pigford II claims period is done and payments will be made in the fall. The Hispanic and Women Farmers and Ranchers Claims period has ended and 47,000 claims were filed, but 34,000 of these claims were incomplete. The incomplete claimants have been notified and given a deadline.

He then moved into discussing some of the new items the Agency is working on and items which will affect farm loan programs in the future. The National Office is working on eliminating the duplications that exist in the COT/FLOT training program and intend to have one generalized orientation for all employees.

Emphasis was placed on the importance of mitigating risk as an Agency. There will be a targeted review of supervised bank accounts with a Notice forthcoming. FSA will begin to leverage further by working with the Small Business Association (SBA). This will assist when the borrower is exceeding FSA limits. FSA will begin to invite RD and SBA to guaranteed lender training meetings.

We will have to begin to look at our staffing and consider if a redistribution of employees or caseload is needed. A national task force has been set up to help determine this; however, a lot of factors can be changed with the Farm Bill.

Chris touched a little bit on loan approval authority. A Farm Loan Officer needs to get loan approval authority after a reasonable time of FLOT training. District Directors to obtain loan approval authority will be given more flexibility, such as longer than 18 months.



Chris discussed the changes that will be forthcoming concerning appraisers. All appraisers will be moved to the National Office staff. The National Office then plans to advertise for 3 to 5 GS-13 regional appraiser positions. After they have hired these appraisers, they will re-evaluate if there is a need for additional GS-13 regional appraisers.

Chris also spoke about potential Farm Bill changes. The Farm Bill has little effect on farm loan programs. Farm loan programs are not authorized or funded by the Farm Bill. The owner/operator issue will be resolved, particularly with embedded entities. It is expected there will be more flexibility with “experience” for farm ownership eligibility. The proposal provides an exception for youth loans to the Debt Collection Act. Language is proposed to change to using “average size farm” for farm ownership eligibility purposes. The Senate version of the Farm Bill eliminates term limits on guaranteed loans and moves from 7 to 10 years on direct operating loans with a buyback provision for years of non-use. The proposals also include commercial fisherman to be eligible for emergency loans and loan availability to gleaners. The House version of the Farm Bill changes the maximum outstanding debt for microloans to \$70,000; however, each individual microloan cannot exceed \$35,000. Priority to farm ownership participation loans is also being proposed.

In closing, Chris expressed his appreciation for everything we do as employees and NACS members.

John Gehrke; Blood, Sweat, and Tears Award Recipient

John Gehrke of Illinois is this year's Blood, Sweat, and Tears Award recipient. NACS has honored only 36 other members in our history with this most prestigious award in recognition of continued and outstanding service to NACS. John has been a school board member, church leader, and respected Agency loan officer, taking over and "digging in" to solve problems. Words that have been used to describe him are "gets involved," "common sense," and "willing to serve".

For NACS he has served as Zone C Representative and Alternate and served on the Farm Loan Program Committee and the Legislative Issues Committee, serving as chair of this committee for the past few years. In that role, he coordinates the legislative activities of the committee, consults with the NACS Board, and works closely with NACS' legislative consultant, McAllister and Quinn. Andy Quinn states that of the 100 different clients the firm works with "John is the most responsive."

Thank you John and congratulations on this much deserved award!

-Mark Drewitz, MN



John Gehrke, IL

Upcoming Events and Reminders

2014 NACS National Convention will be June 29 – July 2, 2014 at the Crown Plaza Chicago O'Hare Hotel and Convention Center in Rosemont, IL. Visit their Facebook page at <http://www.facebook.com/EnjoyIllinois2014>.



NACS – FSA on Facebook! Look for updates and comment on our wall!

Be sure to check out the new NACS website at <http://nacs-fsa.org> and sign-up for email updates!

Thank you to Jeremy Burner of Virginia for taking photos for me during National Convention. – Lisa Liska