



Farm Loan Programs Streamlining

Overview

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) is enhancing operations by simplifying and reorganizing regulations and handbooks, and updating forms associated with its Farm Loan Programs (FLP). As part of FLP streamlining, FSA is revising loan making and servicing requirements and procedures to better serve its customers.

FLP streamlining is one of the largest initiatives to improve the usability of regulations and documents in the 60-year history of FLP. Over the past few years, FSA has streamlined specific areas within FLP, including the Guaranteed Loan and Emergency Loan Programs.

The streamlining effort culminated in fall, 2007, with the publication of the final rule which revises direct loan regulations entitled, "Regulatory Streamlining of the Farm Service Agency's Direct Farm Loan Programs." The rule incorporated about 1,500 comments from nearly 600 members of the public and is effective Dec. 31, 2007.

Benefits

FLP streamlining provides the following benefits to FSA customers, employees and America's taxpayers:

- Improves customer service by reducing the amount of paperwork needed from applicants and borrowers -- cuts nearly in half the number of forms required;
- Makes requirements more concise -- reduces the number of pages in the Code of Federal Regulations (CFR) necessary to administer FLP by more than 80 percent;
- Simplifies procedures by eliminating redundancies and making information more readily accessible to applicants, borrowers and employees; and
- Increases government efficiency, helping to fulfill the President's Management Agenda.

Major Enhancements

With FLP streamlining, FSA is more efficiently serving America's farmers and ranchers through improvements including:

Revised Loan Making and Servicing Requirements and Procedures

- Simplified FLP loan making and servicing policies and requirements.
- Modified requirements to more closely conform to those used by other lenders.

Reorganized CFR

- Relocated FLP regulations in the CFR so they are now with those for other FSA programs.
- Removed information previously published in the CFR which does not apply to the public.

Modified Forms

- Ensured forms are accessible on the Internet.
- Removed the collection of Privacy Act-protected information where possible.

New and Revised Handbooks

- Made guidance more manageable -- replaced nearly 40 instruction manuals with six handbooks.
- Eliminated duplicative information from FLP handbooks.

About Farm Loan Programs

Every year, FLP provides more than \$3 billion in direct and guaranteed loans to thousands of farmers, ranchers and other agricultural producers in the United States who are unable to obtain private, commercial credit. FLP's loan portfolio is more than \$17 billion, encompassing close to 70,000 direct and 36,000 guaranteed loan borrowers. It is one of the largest agricultural lending institutions in the United States.

For More Information

Further information about FSA is available at local FSA offices and online at www.fsa.usda.gov; click on "Farm Loan Programs" for FLP and streamlining information, including copies of handbooks.

FSA employees can access streamlining information via the agency Intranet page at: http://www.flp.fsa.usda.gov:4019/ibi_html/fcad_html/FLPStream/Streamlining.htm.

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