

**nited States Department of Agriculture  
Farm Service Agency (FSA)  
Supporting Statement  
OMB Number-0560-0155  
7 CFR 762, "Guaranteed Farm Loan Programs Loans"**

March 30, 2017

The purpose of this document is to request an extension and revision of a currently approved information collection package used in support of FSA's Guaranteed Farm Loan Program (OMB 0560-0155).

FSA is requesting approval to merge the following information collection for the EZ Guarantee Program and Micro Lender Program (MLP) that is approved under OMB 0560-0288 into 0560-0155 Guaranteed Farm Loan Program. The EZ Guarantee Program and the MLP numbers are merged with the GLP ICR in this request.

There were several errors found recently in the estimates which increased the overall total burden hours by 625 hours; thus the estimates are now current as shown in this request. The collection of information is needed to evaluate those lenders that are nontraditional lenders who typically underwrite smaller size loans. The new status would allow for lenders who are not regulated by the typical federal regulatory agencies that oversee FSA's current eligible lenders to underwrite EZ guarantee loans. The current burden expires on 04/30/2017.

FSA implemented the MLP to allow current lenders and nontraditional lenders to participate in the EZ Guarantee Program. The collected information for the EZ Guarantee Program is needed to evaluate an applicant's eligibility, determine the feasibility of the proposed operation, and the adequacy of the security being offered. In addition, the MLP lender status for nontraditional lenders was added.

**Justification**

**1. Explain the circumstances that make the collection of information necessary.**

The Consolidated Farm and Rural Development Act (CONACT), as amended, authorizes the Secretary of Agriculture to make and service loans guaranteed by FSA to eligible farmers and ranchers. The statutory authority for the guaranteed loan program is set out in the Code of Federal Regulations (CFR), Title 7, Chapter VII, Part 762. The loans made and serviced under 7 CFR 762 include farm operating and farm ownership loans. Also serviced under this Subpart are emergency loans, soil and water loans, and recreation loans, which exist from past authority, but are no longer granted new guarantees by FSA.

FSA also provides guarantees of loans made by private sellers of a farm or ranch on a land contract sales basis. This information is needed to effectively administer the FSA Land Contract Guarantee Program. The annual burden hours was merged into the Guaranteed Loan Program information collection. OMB approved the request on 05/31/14. The reporting requirements imposed on the public by the regulations at 7 CFR part 763 are necessary to administer the Land Contract guaranteed loan program in accordance with statutory requirements of the CONACT as specified in the 2008 Farm Bill. Collection of information after loans are made is necessary to protect the Government's financial interest and to assure the guaranteed programs are being carried out in accordance with the applicable laws, authorities, and policy objectives.

FSA published in the Federal Register a new final rule titled EZ Guarantee Program and MLP on October 21, 2016. The EZ Guarantee Program will help lenders reduce costs of underwriting and servicing loans to help meet the unique financing needs of small farm operations. The intended effects of the rule are to make guaranteed loan programs more widely available and attractive to small farm operations and the lenders who work with those farm operations through a more flexible underwriting analysis process, reduced application requirements, and faster FSA approval.

The Secretary is authorized to define the character, scope, and frequency of information required to be collected. The law requires that certain policies be verified by FSA to assure that farmers and ranchers, joint operators, farm cooperatives, private domestic corporations and partnerships that are controlled by farmers and ranchers engaged primarily and directly in farming or ranching in the United States comply with such policies in order to obtain the requested assistance.

In general, a loan applicant for FLP type loan assistance must meet the following conditions: They must be a citizen of the United States; own and operate or become the owner and operator of not larger than a family size farm; and be unable to obtain sufficient credit elsewhere at reasonable rates and terms.

The reporting and record keeping requirements imposed on the public by regulations set out in 7 CFR part 762 and 7 CFR part 763 are necessary to administer the FLP guaranteed loan program in accordance with the statutory requirements listed above and are consistent with commonly performed lending practices. Periodic collection of information after loans are made is necessary to protect the Government's financial interest.

Authority to establish the regulatory requirements obtained in 7 CFR 762 is provided under 5 U.S.C. 301, 7 U.S.C. 1989, which provides that "The head of an Executive department or military department may prescribe regulations for the government of his department, the distribution and performance of its business." Furthermore, section 339 of the Act (7 U.S.C. 1989) provides that "the Secretary is authorized to make such rules and regulations, prescribe the terms and conditions for making loans, security instruments and agreements, except as otherwise specified herein, and to make such delegations of authority as he deems necessary to carry out this title." The Secretary delegated authority to administer the provisions of the Act applicable to FLP to the Under Secretary for Farm and Foreign Agricultural Services (FFAS) in section 2.16 of 7 CFR Part 2. FFAS further delegated this authority to the FSA Administrator in section 2.42 of 7 CFR Part 2.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.**

FSA uses Agency forms and written evidence to collect needed information. The information collected is used to determine lender and loan applicant eligibility for farm loan guarantees, and to ensure the lender protects the government's financial interests. The information is stored in FSA Service Center loan files, State Office Lender files, or in the Agency's computer systems. FSA requires lender signatures on the documents submitted. Signatures from loan applicants are required on the applications for loan guarantees. The regulations require submission of information essential to protect the Government's interest.

The information collection requirements established in 7 CFR part 762 and 7 CFR part 763 are described below and on the attached Form FSA 85-1, "Reporting and Recordkeeping Requirements." FSA's Farm Loan Programs has elected to request burden approval of all forms, regardless of the number of respondents, to ensure that all forms reflect an OMB Control Number thereby eliminating possible confusion or questions from the public. Most, if not all forms that would not be considered a "collection of information" is required under the provisions of the Act and therefore cannot be eliminated.

**FORMS:**

**Form FSA-2201 "Lenders Agreement"  
7 CFR 762.105(d)(3), 7 CFR 762.106(f)(2), 7 CFR 762.130 (d)(3)**

This form is used to establish the Lender as an approved participant in the Guaranteed Loan Program of FSA and the status approved for participation. This agreement sets forth the lenders and agency's responsibilities regarding loans made under the guaranteed program. The agreement does not need to be completed for each loan, rather the lender completes the agreement and it covers all loans made. Agreements with Certified Loan Program (CLP) lenders and Preferred Lender Program (PLP) are valid for 5 years. Agreements with Standard Eligible Lenders (SEL) are valid indefinitely, however; (SEL) are

required to execute new form each time a revision is made. The form is being revised with the new MLP status and therefore all active (SEL) lenders will be need to execute the form.

As of September 30, 2016 approximately 2000 SEL, 200 CLP and 230 PLP Lenders participated in FSA's guaranteed loan program. We estimate 10 new lenders will apply for SEL status, 5 new lenders will apply for CLP status, 5 new lenders will apply for PLP status, and 20 new lenders will apply for MLP status annually. We estimate a total of 2470 lenders will need to execute the form over the next three years. The time to review and execute this document is 60 minutes (1 hour) per response.

2000	SEL Lenders
200	CLP Lenders
230	PLP Lenders
10	New SEL Lenders
5	New CLP Lenders
5	New PLP Lenders
<u>20</u>	<u>New MLP Lenders</u>

2470 total lender over the next 3 years, or 823 annually. (Rounded)

**Form FSA-2205 “Guaranteed Micro Lender Application” (formerly of 0560-0288)  
7 CFR 762.107**

This form is used by the Lender to apply for MLP status. The lender submits this form to the appropriate FSA servicing office. Information collected on FSA-2205 includes, lenders name, address, loan portfolio characteristics (delinquency and default rates), source(s) of loan funding, and various certifications by the lender.

The information is used to:

- evaluate the MLP application against the criteria in 7 CFR 762 107(b)(2);
- ensure nontraditional lenders are subject to credit examination and supervision by an acceptable regulatory agency; and
- determine if the nontraditional lender qualifies under the proposed Guaranteed MLP provisions

Lenders who are already participating in FSA's Guaranteed Farm Loan Program will continue under their current Form FSA-2201 “Lenders Agreement” and not be required to execute Form FSA-2205.

FSA estimates 20 new nontraditional lenders will participate and execute FSA-2205 annually. The time to complete and execute this document is 60 minutes (1 hour) per response.

**Form FSA-2210 “EZ Application for Guarantee” (formerly 0560-0288) 7 CFR 762.110**

The form is an all-inclusive application form to be used only for EZ Guarantee loans. Unlike other guaranteed applications, no supporting information will need to be submitted to FSA. EZ Guarantee loans can be made for the same purposes under the regular guaranteed program. The maximum loan amount will be up to \$50,000 for loan request submitted by MLP. The maximum loan amount will be up to \$100,000 for loan request submitted by SEL, CLP and PLP lenders. The form FSA-2210 will be formatted differently than the application forms (Form FSA-2211 and Form FSA-2212) now being used by FSA guaranteed lenders. The EZ Application for Guarantee will include a series of questions that pertain to eligibility, loan repayment prospects, collateral, and environment. Therefore, the application process will require significantly less time.

FSA has required different submission requirement for each type of lender (SEL, CLP, PLP, MLP). Application requirements vary for each type of lender. SEL and CLP lenders are required to provide more documentation than a PLP lender. All lender types, including SEL, CLP, PLP, and MLP will use the FSA-2210 to apply for EZ guarantee loan.

The current burden (OMB 0560-0155) for SEL and CLP lenders using Form FSA-2211 “Application for Guarantee” shows average time to respond is 30 minutes (.5) hours for the applicant and (3.5) hours for the lender. The current burden (OMB 0560-0155) for PLP lenders using Form FSA-2212 “Preferred Lender Application for Guarantee” shows average time to respond is 15 minutes (.25) hours for the applicant and (1) hour for the lender. The application requirements and documentation for an EZ Guarantee loan will be significantly less than under the regular guaranteed program.

FSA estimates 1000 EZ guarantee loans will be made annually. We estimate 100 lenders will participate in the new guaranteed loan program and 20 nontraditional lenders will participate as new MLPs each year. The estimated time to furnish this information is 1 hour per response for each lender and 15 minutes (.25) per response for each applicant.

**Form FSA-2211 “Application for Guarantee”**  
**7 CFR 762.110(a), 762.110(b), 762.142(b)(iv)(A), 762.150(a)**

This form is used by lenders to apply to the FSA Guaranteed Loan Program. Standard Eligible Lenders (SEL) and Certified Loan Program (CLP) lenders must perform at least the same level of evaluation and documentation for guaranteed loans as for non-guaranteed loan of a similar type for loans \$125,000 more/less. This request describes the characteristics of the borrower, the purpose for which loan funds will be used, the proposed security for the loan, and the proposed terms and conditions of the loan request. Many items are customary business practice for any loan transaction between a farm business and a lender, for example, a balance sheet, cash flow, financial and production history, and verification of debt and income. Other items are additional requirements for the Agency to determine program eligibility or to comply with laws and executive orders. Application packages will vary depending on the size of the loan, the status of the lender, and the material already available to FSA. In the past 3 Fiscal Years, the Agency received on average 10,000 loan applications annually. We estimate approximately 60 percent, or 6000 of the 10,000 loan applications received annually will be submitted by SEL and CLP lenders. Approximately 2000 SEL Lenders and 200 CLP lenders participate in FSA’s guaranteed loan program.

We estimate 2200 SEL and CLP lenders will provide form FSA-2211 annually. The estimated time to furnish this information is 210 minutes (3.50 hours) per response for lenders and 30 minutes (0.50 hours) per response for each applicant.

**Form FSA-2212 “Preferred Lender Application for Guarantee”**  
**7 CFR 762.110(a)(1), 7 CFR 762.110 (6)(c)**

This form is used by Preferred Lender Program (PLP) lenders to apply for a guarantee on proposed loan(s). Since PLP lenders are those with the industry’s best practices and record, FSA only requires an application form and loan narrative to be completed. The remainder of the documentation consists of the lender’s own practices.

In the past 3 Fiscal Years, the Agency received on average 10,000 loan applications annually. We estimate approximately 40 percent, or 4000 of the 10,000 loan applications received annually will be submitted by PLP lenders. We estimate 230 PLP Lenders will provide form FSA-2212 annually. The estimated time to furnish this information is 1 hour per response for each lender and 15 minutes (.25 hour) per response for each applicant. With PLP lenders, no additional burden is required of loan applicants other than that required in the normal course of business when applying for a farm loan.

**Form FSA-2221 “Interest Assistance Agreement”**  
**7 CFR 762.150((d)(3), 7 CFR 762.150(h), 7 CFR 762.150(h)(i)(6)**

This form is used by FSA to reduce the interest rate on a Guaranteed Operating Loan. Since FY-2011 Interest Assistance or subsidized guaranteed loans have not been funded by Congress. There have been no new FSA-2221’s executed since 2011, FSA does not anticipate funding for the program in the next 3 years. The Agency does not plan to make the form obsolete at this time. The estimated number of responses will

be 0. The time required by the lender and loan applicant to read and complete this form is estimated to be 15 minutes (.25 hours) each.

**Form FSA-2222 “Request for Interest Assistance Payment”**  
**7 CFR 762.150(a)(1)(i)**

This form is used by an FSA Guaranteed Lender to request periodic interest assistance payments for Guaranteed Farm Loans that have an Interest Assistance Agreement in effect. As of October 25, 2016, 85 loans with Interest Assistance were outstanding. Lenders with existing guarantees will continue to submit their request for interest assistance payment and we estimate 85 lenders will continue to submit FSA-2222. The time required by the lender to read and complete this form is estimated to be 20 minutes (0.33 hour) per request.

**Form FSA-2232 “Conditional Commitment”**  
**7 CFR 762.130 (c)(2)**

This form is used by the lender to certify that the requirements listed on this form have been or will be met. All loans guaranteed require the lender to review and accept the conditions set forth in the Conditional Commitment. In the past 3 Fiscal Years, the Agency has approved on average 10,000 loans annually. We estimate 1000 new EZ guarantee loans will be approved annually. We estimate the same number of applications will be received annually from approximately 2470 active lenders. The estimated time to review and execute this document is 15 minutes (0.25 hour) per response.

**Form FSA-2233 “Lender Certification”**  
**7 CFR 762.130(d)**

This form is used to document certain conditions and requirements that have been or will be met in closing a farm loan and execution of loan documents required to obtain an FSA Loan Guarantee. The lender is certifying that no major changes have been made in the lender’s loan or line of credit conditions since submission of the application. All loans guaranteed require the lender to complete a “Lender Certification” form; therefore, we estimate 2470 active lenders will complete 11,000 certifications annually. The estimated time to review and execute this document is 15 minutes (0.25 hours) per response.

**Form FSA-2236 “Guaranteed Loan Closing Report”**  
**7 CFR 762.130 (d)(3)**

This form is used to prepare many types of actions on the guarantee. This form must accompany all guarantee fee payments. The lender delivers this form and applicable fee to the Agency representative. All loans guaranteed require the lender to complete a “Guaranteed Loan Closing” form; therefore, we estimate 2470 active lenders will complete 11,000 loan closing forms annually. The estimated time to review and execute this document is 60 minutes (1 hour) per response.

**Form FSA-2241 “Guaranteed Loan Status Report”**  
**7 CFR 762.141(b)**

This form is used by FSA Guaranteed Lenders. It is used to update the status of each borrower’s loan(s) and to keep data for all guaranteed loans up to date in FSA accounting records. All lenders will submit the appropriate guaranteed loan status reports as of March 31 and September 30 of each year. As of September 30, 2016 (FY-16), the Agency’s total number of outstanding guaranteed loans are approximately 57,000. Therefore, this form will be required to be submitted by 2470 lenders twice annually with each requiring approximately 20 minutes (0.33 hours) preparing and submitting.

**Form FSA-2242 “Assignment of Guarantee”**  
**7 CFR 762.160(a)(6)**

This form is used to assign an existing FSA guarantee to a holder. Once the lender accepts a specific buyer's offer, the lender notifies FSA that the loan is being assigned. The Agency has approximately 5,500 loans outstanding that have been sold to secondary market investors. FSA projects 250 lenders will sell approximately 1,400 loans annually. The Agency estimates that this form requires approximately 30 minutes (0.50 hours) completing.

**Form FSA-2248 “Guaranteed Farm Loan Default Status”  
7 CFR 762.141(a)**

This form is used to inform FSA of the status of borrowers in default. This form is completed when the guaranteed loan becomes 30 days past due and resubmitted every 60 days until the default is cured either through restructuring or liquidation. The overall guaranteed loan average delinquency rate measured in loans delinquent is 1.70 percent. Thus, approximately 1,500 of these forms are submitted every 60 days or roughly 5,700 a year. Each form requires approximately 20 minutes (0.33 hours) completing and submitting.

**Form FSA-2251 “Lender’s Guaranteed Loan Payment to USDA”  
7 CFR 762.144(c)**

This form is used to transmit any funds due USDA when USDA has purchased a part or the entire guaranteed portion of the loan. The agency estimates that 10 lenders will be required to execute FSA-2251 annually, and it will take approximately 30 minutes (.50 hours) to complete.

**Form FSA-2252 “Farm Loan Programs Guaranteed Writedown Worksheet”  
7 CFR 762.145(4)(e)**

Lenders use this form to document the decision to write down the guaranteed loan(s) and pay the required loss claim(s). The Agency estimates 15 lenders will submit one report requesting writedown. The time required to complete the form is estimated to average 120 minutes (2 hours).

**Form FSA-2253 “Shared Appreciation Agreement”  
7 CFR 762.147**

This form is used to define the agreement between the lender and borrower upon the write down of debt for future recapture of a percentage of the real estate value appreciation. This agreement requires the lender to collect from the borrower a percentage of the value increase in the property if the 5-year period of the agreement expires or another specified action occurs prior to the expiration. The Agency estimates that 5 write downs involving real estate will occur annually. It is estimated that the form will require 60 minutes (1 hour) for a lender and 60 minutes for the borrower to complete and execute the form.

**Form FSA-2254 “Guaranteed Loan Report of Loss”**

This form is used by FSA Guaranteed Lenders to report a loss on a FSA Guaranteed loan. In FY 2016, 875 lenders submitted FSA 2254 forms. The agency expects the same number of lenders to report losses to the agency and will complete an average of two reports each for a total of 1750 responses annually. The time required to complete this information collection is estimated to average 25 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**Form FSA-2254A “Guaranteed Loan Report of Loss – Report Types 1, 2, 5, 6, and 7” (Supplemental Form to FSA-2254)**

This form will be used to assist FSA Guaranteed Lenders in gathering and organizing the necessary information needed for the Loss Claim Report Types 1, 2, 5, 6, and 7 on the FSA 2254. It is optional for lenders to use this form. The FSA 2254A average burden hours is estimated at 75 minutes (1.25 hours). It is estimated 720 Lenders will execute the FSA 2254A annually.

**Form FSA-2261 “Report on Collection Activities on Liquidated Accounts”  
7 CFR 762.141(f)**

This form is used to update FSA of collection activities made by the Lender on liquidated accounts. The number of annual reports on collection activities estimated to be submitted is 1,800 by approximately 900 lenders. The time burden required to complete the form is estimated to be 10 minutes (0.17 hours).

**Non-form collections**

**7 CFR 762.105(c)(2), 762.105(c)(3) Substitution of Lenders**

A new eligible lender may be substituted for the original lender, upon the original lender’s concurrence. The new lender agrees in writing to assume all servicing and other responsibilities of the original lender. The Agency estimates 20 new lender substitutions will require a new agreement and estimates 1 hour to execute a lender’s agreement if one is not in effect.

The original lender will assign their promissory note, lien instruments, loan agreements, and other documents to the new lender. The Agency averages 10 lender substitutions annually. The time the original lender spends submitting this information is estimated at 30 minutes (0.50 hours) in each case.

**7 CFR 762.105(d)(3) Lender Name or Ownership Changes**

When a lender begins doing business under a new name or undergoes an ownership change, the lender must notify the Agency. The Agency estimates that 20 lenders per year change the name under which they are doing business or undergo ownership changes. The notification required by this section would require about 0.33 hours for each lender.

**7 CFR 762.105(b) Standard Eligible Lender Eligibility Criteria**

To participate in FSA Guaranteed Farm Loan Programs, the standard eligible lender (SEL) must provide evidence when requested that they have experience making and servicing agricultural loans and have the capability to make and service the loan for which a guarantee is requested. Lender will provide additional information if requested by the agency with the execution of FSA Form 2201-Lenders Agreement. Additional information may include; names of loan officers, experience in making and servicing agriculture loans, service area, number of agriculture loans, and example of loan narrative.

The Agency estimates that 10 new lenders will apply for SEL status annually and will spend about 5 hours to furnish additional information

**7 CFR 762.106(a) Preferred and Certified Lender Programs**

Lenders who desire PLP or CLP status must prepare a written request addressing their desire to receive PLP or CLP status and their branch office(s) which they desire to be considered by the Agency for approval. The lender may include any additional supporting evidence or other information the lender believes would be helpful to the Agency in making its determination. The Agency estimates 5 new lenders will apply for PLP status and 5 new lenders will apply for CLP status annually. The estimated time to furnish the required information from lenders is 5 hours per response.

**7 CFR 762.106(f)(2) CLP or PLP Status-Renewal**

PLP or CLP status will expire within a period not to exceed 5 years from the date the lender’s agreement is executed, unless a new lender’s agreement is executed. Renewal of PLP or CLP status is not automatic. A lender must submit a written request for renewal of a lender’s agreement with PLP or CLP status. The agency estimates approximately 70 CLP & 70 PLP lenders will continue in the guaranteed loan program

and will need to reapply for status annually. The estimated time to furnish this information is 5 hours per response.

#### **7 CFR 762.106(b)(6)(i) and 762.106(c)(1) CLP and PLP Criteria – Training**

A representative of each CLP and PLP Lender must agree to attend Agency sponsored training once every 12 months. The Agency estimates 200 CLP lenders and 230 PLP lenders will attend these training sessions. We estimate each lender will have two representatives present. The Agency estimates time to travel to trainings and attend will require around 8 hours per representative each year.

#### **7 CFR 762.106(e) Monitoring SEL, CLP and PLP Lenders**

SEL, CLP and PLP lenders will provide information and access to records upon Agency request to permit the Agency to audit the lender for compliance with regulations. The Agency reviews 40 percent of each SEL's loans, 20 percent each of CLP and 20 percent of PLP lender's loans every other year. We estimate a total of 2000 SEL lenders, 230 CLP lenders and 115 PLP lenders will be required to provide the necessary information to the agency each year. On average, the time to provide the information is 5.5 hours per response.

#### **7 CFR 762.110(f)(1) Conflict of Interest**

When a lender submits the application for a guaranteed loan, the lender will inform the Agency in writing of any relationship which may cause an actual or potential conflict of interest. The Agency estimates 800 lenders must provide additional information regarding conflict of interest on approximately 800 loan applicants. The estimated time to furnish this information is 15 minutes (0.25 hour) per request.

#### **7 CFR 762.123(a)(1) & 762.123(b) Insurance and Farm Inspection Requirements**

Lenders must require borrowers to maintain adequate property, public liability, and crop insurance to protect the lender and the Government's interests. Loan applicants must obtain flood insurance if buildings are or will be located in a special flood hazard area. Other insurance, including crop insurance, must be obtained as required by the lender or the Agency based on the strengths and weaknesses of the loan. If a lender was making a loan without a guarantee, they would as a general risk management practice, require insurance. Thus, requiring an applicant to obtain insurance is a standard industry practice and no burden is included.

Before submitting an application, lenders must make an inspection of the farm to assess the suitability of the farm and to determine any development that is needed to make it a suitable farm. The Agency estimates 2450 lenders must make an inspection for 11,000 loan applications annually. The estimated time to travel is 75 minutes (1.25 hours) for each inspection.

#### **7 CFR 762.130(xi)(2) Inspections**

The lender must notify the Agency of any scheduled inspections during construction and after the guarantee has been issued. Approximately 20 percent of Farm Ownership (FO) loans are for capital improvements. In FY 2016, the agency made approximately 4600 guaranteed farm ownership loans. The Agency estimates 1000 lenders will need to make inspections for 1000 loan applicants that will involve capital improvements. The time required for each notification is 30 minutes (0.5 hour).

#### **7 CFR 762.124(a)(1) Interest Rates, Terms, Charges, and Fees**

At the request of the Agency, the lender must provide evidence that the rate charged is not higher than the maximum rate allowed by the CFR. This evidence may consist of documented administrative differential rate schedule formulas used by the lender or a risk rate matrix. The Agency estimates 100 lenders will be required to justify the interest rate charged on 100 loan applications annually. The estimate time to furnish this information is 15 minutes (0.25 hour) per response.



### **7 CFR 762.127 Appraiser Requirements**

The Agency may require a lender to obtain an appraisal based on the type of security, loan size, and whether it is primary or additional security. The lender must demonstrate to the Agency's satisfaction that the appraiser possesses sufficient experience or training to estimate the market value of agricultural property. The Agency estimates 1,000 lenders will submit justification of the appraiser's qualifications on an average of 3 reports per lender. The estimate time to furnish this documentation is 60 minutes (1 hour) per response.

### **7 CFR 762. 127(c) Appraisal-Real Estate**

In the past 3 fiscal years, the Agency received on average 11,000 loan applications annually. During the same period, total obligations for both guaranteed operating loans and guaranteed farm ownership loans were approximately 10,000 annually. Approximately 60% (6,000) of the total guaranteed obligations were made for operating (OL) purposes and 40% (4,000) were made for farm ownership (FO) purposes. Appraisals are not required for all loans and the agency may require a lender to obtain an appraisal based on the type of security, loan size, and whether it is primary or additional security. For example, appraisals are not required when the loan amount is less than \$50,000 and there is significant equity in the security being pledged to secure the FO loan. In the past 3 fiscal years, approximately 200 FO loans annually were not required to have appraisal completed. Therefore the agency estimates 3800 guaranteed FO loans will need to have appraisal reports completed by qualified appraiser. The estimated time to complete is 5 hours.

### **7 CFR 762.127(b)(3) Appraisal-Chattels**

Loans made for operating purposes requires an appraisal to be completed to adequately justify the value of security being pledged to secure the loan. Approximately 60% (6,000) of the total guaranteed obligations were made for operating (OL) purposes. For operating term loans, equipment, livestock, machinery are primarily taken as security. For operating-line of credit (LOC) loans, crops and chattels are typically taken as primary security. Therefore, the agency estimates appraisal will be completed for all OL loans. Lenders have qualified persons who possess sufficient experience and training to establish market values of chattels (equipment, livestock, etc). Chattel appraisals require less time to complete than real estate appraisals. The agency estimates on average the time to complete a chattel appraisal report is approximately 1 hour.

### **7 CFR 762.128(d)(2) Equal Opportunity and Non-Discrimination**

When the guaranteed loan involves construction, the contractor or subcontractor must file all compliance reports, equal opportunity and non-discrimination forms, and otherwise comply with all regulations prescribed by the Secretary of Labor pursuant to Executive Orders 11246 and 11375. There are few farm construction companies with over 50 employees; however the Agency estimates that this will only affect no more than 25 lenders. The estimated time to furnish this information is 75 minutes (1.25 hours) per response.

### **7 CFR 762.130(f) Replacement of Loan Guarantee or Assignment Guarantee Agreement**

If the guarantee or assignment guarantee agreements are lost, stolen, destroyed, mutilated, or defaced, the Agency will issue a replacement to the lender or holder. The Agency estimates that 50 lenders will provide the necessary documentation to the agency annually. The time required to make the request to the Agency is estimated to take 30 minutes (0.50 hour) per response.

### **7 CFR 762.141(d) Reporting Requirements – SEL Lenders**

SEL lenders must also provide a written summary of the lender's annual analysis of the borrower's operation. SEL lenders must also provide the borrower's balance sheet and income and expense statement for the previous year, in addition to an annual farm visit report or collateral inspection. The Agency estimates that 2000 lenders require 2 hours to submit this documentation. Furthermore, the state of

Wisconsin has developed a form FSA-2200 “Lender Analysis Report by Standard Eligible Lender: to assist lenders with collecting and documenting this data.

#### **7 CFR 762.141(c) Reporting Requirements – CLP Lenders**

CLP lenders must also provide a written summary of the lender’s annual analysis of the borrower’s operation. CLP lenders must also provide the borrower’s balance sheet and income and expense statement for the previous year, in addition to an annual farm visit report or collateral inspection. The Agency estimates that 200 lenders require 60 minutes (1 Hour) to submit this documentation. This annual analysis may be waived if the borrower is financially strong, however most lenders provide the information anyway.

#### **7 CFR 762.141(3)(e) Reporting Requirements – PLP Lenders**

PLP lenders will submit additional reports as required in the lender’s agreement. A majority of PLP lenders are not required to provide the Agency with any analysis information. The Agency estimates that 20 PLP lenders will submit additional information according to their lender’s agreement. The Agency estimates 30 minutes (.5 hours) to provide this information.

#### **7 CFR 762.142(b)(2) Partial Releases**

This section allows lenders to release a portion of guaranteed loan security without consideration when certain conditions are met. Based on discussions with lenders and State Specialists, the burden estimate for this provision is 100 lenders will submit an average of 3 requests for concurrence requiring 6 hours to compile and submit the information.

#### **7 CFR 762.142(c) Subordinations**

The Agency may subordinate its security interest on a direct loan when a guaranteed loan is being made if the requirements of the regulations government Agency direct loan subordinations are met. The Agency estimates that approximately 25 lenders will submit an average of 4 subordination requests annually. The time required to complete and submit the required documentation is estimated to be 6 hours.

#### **7 CFR 762.142(d)(9) Transfer and Assumption**

Transfers and assumptions servicing action must be approved by the Agency in writing for SEL and CLP lenders. The Agency estimates that each year 25 lenders will request transfer and assumption servicing actions. The loans that were sold on the secondary market will be assumed by someone else. The estimated time it will take to notify the holder in writing of the assumption is estimated at 20 minutes (.33 hours).

#### **7 CFR 762.144(b)(1) Repurchase by the Lender**

When a lender is requested to repurchase a loan from the holder, the lender must consider the request according to the servicing actions that are necessary on the loan. It is estimated that 100 lenders will make 3 requests annually, and it will take 30 minutes (.50 hours) per response to make the demand on the lender and provide evidence of ownership.

#### **7 CFR 762.144(c)(1) Repurchase by the Agency – Holders**

If the lender does not repurchase the loan, the holder must inform the Agency in writing that demand was made on the lender and the lender refused. FSA purchases an average of 10 loans per year from the holders under this section. The Agency estimates that each request will require approximately 15 minutes (.25 hours) for the holders and 15 minutes (.25) hours for the lenders to provide evidence of ownership and to provide loan balance information.

#### **7 CFR 762.144(d) Repurchase for Servicing**

If, due to loan default or imminent loan restructuring, the lender determines that repurchase is necessary to adequately service the loan, the lender may repurchase the guaranteed portion of the loan from the holder, with the written approval of the Agency. The Agency estimates 75 lenders will make 5 requests annually. The time required for the lender to request SED concurrence with the repurchase is estimated to average 20 minutes (.33 hours) per response.

#### **7 CFR 762.145(a)(3)(iii); 762.145(b)(e); 762.145(a)(4) Restructuring Guaranteed Loans – SEL, CLP, & PLP Lenders**

To restructure guaranteed loans, SEL and CLP lenders must obtain prior written approval of the Agency for all restructuring actions. All lenders will submit copies of any restructured notes or lines of credit to the Agency. Assuming that future restructuring actions are consistent with previous years, the Agency estimates that 200 SEL lenders will make 4 requests annually. The burden to compile and provide the information, which is a normal business practice, is projected at 3 hours per request. Approximately 100 CLP lenders will make 3 requests annually and the Agency estimates 2 hours per request. PLP lenders will restructure loans in accordance with their lender's agreement. The Agency estimates 100 PLP lenders will submit copies of restructured notes or lines of credit. The Agency estimates that PLP lenders will take 20 minutes (.33 hours) to submit this information and will average 2 requests per year each.

#### **7 CFR 762.145(e) Debt Writedown**

The lender may only write down a delinquent guaranteed loan or line of credit in an amount sufficient to permit the borrower to develop a feasible plan. The Agency estimates 10 lenders will submit necessary information on 1 borrower annually. The time to furnish all of the required documentation will require an average of 10 hours per borrower.

#### **7 CFR 762.146(a)(2) Other Servicing Procedures – Additional Loans and Advances – SEL and CLP Lenders**

SEL and CLP lenders must not make additional loans or advances without prior written approval of the Agency, except as provided in the borrower's loan or line of credit agreement. The burden to the lender is estimated at 2 hours. This type of analysis is a standard business practice for SEL and CLP lenders. The Agency estimates that there will be an average of 400 loan applicant requests annually for additional loans or advances.

#### **7 CFR 762.146(c) Release of Liability after Liquidation**

After a final loss claim has been paid on the borrower's account, the lender may release the borrower or guarantor from liability if certain requirements are met. The Agency processes approximately 875 lender loss claims annually and the estimated time is 5 hours per request.

#### **7 CFR 762.146(d) Interest Rate Changes**

The lender may change the interest rate on a performing (non-delinquent) loan with the borrower's consent. To do so, the lender must repurchase the loan or obtain the holder's written consent, obtain a legally effective or amendment to the existing notes, and informs the Agency of the rate change. The Agency estimates 150 lenders on average will process 2 interest rate changes annually. The agency estimates about 1 hour for the lender to comply.

#### **7 CFR 762.147 Servicing Shared Appreciation Agreements**

This section governs collection of Shared Appreciation Agreements (SAA) required for consideration to receive a guaranteed loan writedown. The Agency estimates that 5 SAA's will be completed by lenders annually. The time required to monitor agreements and to provide FSA with the Recapture Reimbursement is 4 hours per response.

### **7 CFR 762.149(a) Mediation**

This section requires lenders to participate in borrower and creditor mediation when the loan is made in a State with a law that mandates mediation. The Agency estimates that lenders will attend 150 mediation meetings per year as a result of this requirement. The time required to prepare for and attend each meeting is estimated to be 4 hours.

### **7 CFR 762.149(b) Liquidation Plan**

If a default cannot be cured after considering servicing options and mediation, the lender will proceed with liquidation of collateral. Within 30 days of the decision to liquidate, SEL and CLP lenders will submit a written liquidation plan to the Agency. The Agency estimates lenders will process 875 liquidation plans per year. The estimated time required for a lender to provide the requested information is 6 hours.

### **7 CFR 762.149(e)(1) Protective Advances**

Prior written authorization from the Agency is required for all protective advances in excess of \$5,000 for CLP lenders and \$3,000 for SEL lenders. The dollar amount of protective advances allowed for PLP lenders will be specified when PLP status is awarded by the Agency or contained in the lender's agreement. The agency estimates 100 lenders will request on average 5 protective advances annually. The time to provide documents to support the request for concurrence is 1 hour.

### **7 CFR 762.149(g)(3) Acceleration**

If the borrower is not in bankruptcy, the lender will submit a copy of the acceleration notice or other document to the Agency. The Agency estimates 1000 lenders will process 1 delinquent borrower account (loans) annually. The estimated time to provide a copy of the notice to the Agency is 10 minutes (.17 hours).

### **7 CFR 762.160 Assignment of Guarantee**

Subject to Agency concurrence, the lender may assign all or part of the guaranteed portion of the loan to one or more holders at or after loan closing. The lender will provide the Agency copies of all appropriate forms used in the assignment. FSA estimates 250 lenders will complete on average 6 reports to complete the process for assignment of guarantee. The total estimated responses is 1,400 annually. The agency estimates lenders will spend 15 minutes (0.25 hours) to complete.

### **7 CFR 1940.4(c) Market Placement Program**

In the Market Placement Program, direct loan applications are processed under the standard direct loan procedures. If the loan applicant is eligible and may qualify to receive a guaranteed loan, the Authorized Agency Official shall present the completed guaranteed loan application to 1 or more lenders, selected by the loan applicant, who have expressed an interest in the Market Placement Program. The Agency estimates 25 lenders will submit 1 loan application annually through the Market Placement Program. The time to comply with this provision is 60 minutes (1 hour) to complete.

### **Information Collections Approved Under Other Control Numbers**

#### **7 CFR 762.128(a) Environmental and Special Laws**

This is covered under 7 CFR part 12 or 7 CFR part 799, therefore no additional burden is required of the lender.

#### **7 CFR 762.148(c)(1) Estimated Loss Claims in Reorganization**

The lender may submit an estimated loss claim upon confirmation of the reorganization plan with supporting documentation for the loss claim, and additional information requested by the Agency. The burden associated with FSA loss claims is included in 0575-0137.

### **Travel Time**

The Agency estimates that 1,200 of the 14,385 respondents will need to travel to the agency office. Average travel time is estimated at 1 hour per respondent. Therefore the Agency has included 1,200 hours travel time in this burden package.

### **Land Contract**

FSA merged previous approved OMB Control Number 0560-0279 Land Contract Guarantee Program burden hours into the Guaranteed Loan Program information collection OMB Control Number 0560-0155 on October 23, 2013. The forms listed below are specific to the FSA Land Contract Guarantee Program.

Note: Due to lack of interest for The Land Contract Guarantee Program, the number of annual responses has decreased by approximately by 143 and the total number of burden hours has decreased by approximately 110 hours. Only 3 loans have closed in past 10 years. Therefore, the burden hours for each of the forms listed below are estimated at zero.

FSA has developed five forms that are unique to the Land Contract Guarantee Program. The information collection requirements established in 7 CFR Part 763 are described below.

#### **Form FSA-2680 “Land Contract Letter of Interest” 7 CFR 763.7 (a)**

FSA-2680 is required by the Agency to document the seller’s interest in guarantee. The form provides information regarding each type of guarantee the seller may request. The two types of guarantees are “Prompt Payment” and “Standard” guarantee, with a box for the seller to check and indicate the type of FSA guarantee request. The form includes additional information, notifications, self-certifications and acknowledgements, environmental questions, and conditions of guarantee. The seller selects the type of guarantee, signs and dates it to document that they understand the program’s benefits and wish to pursue the guarantee.

Each seller will provide one FSA-2680. This form will be provided to sellers when they express an interest in the Land Contract Guarantee Program. The agency estimates a total of 2 hours for the collection is anticipated and estimates a total of 0 requests will be submitted annually. Of these, the agency estimates that 0 sellers will request the “Prompt Payment” guarantee and 0 sellers will request the “Standard Guarantee”.

The agency estimates 0 requests for the “Prompt Payment” guarantee will be completed annually and the time required to complete the time to furnish this information is 60 minutes. (1 hours)

The agency estimates 0 requests for the “Standard” guarantee will be completed annually and the time required to complete the time to furnish this information is 60 minutes. (1 hours)

#### **Form FSA-2681 “Land Contract Agreement for Prompt Payment Guarantee” 7 CFR 763.17 (c)**

FSA-2681 outlines the agreements between seller, buyer and escrow agent. At contract closing, the Agency, seller, buyer, and escrow agent will sign and date this form taking approximately 2 hours each. FSA estimates the form will be executed by a maximum of 0 buyers and 0 sellers, since it is only completed after the guarantee has been approved. FSA-2681 will also be executed a maximum of 0 times by various escrow agents who participate in the Land Contract Guarantee Program. Because this form will be executed by several different parties (buyer, seller, FSA and escrow or servicing agent), it is not

expected that it will be made available electronically. Buyers and sellers will execute FSA-2681 in person at their local escrow agent's office. Note: Buyers and sellers may include individuals, married and entities.

**Form FSA-2682 “Land Contract Agreement for Standard Guarantee”**  
**7 CFR 763.17 (c)**

FSA-2682 outlines the agreements between seller, buyer and servicing agent. At contract closing, the Agency, seller, buyer, and escrow agent will sign and date this form taking approximately 2 hours each. The Agency estimates the form will be executed by a maximum of 0 buyers and 0 sellers, since it is only completed after the guarantee has been approved. FSA-2682 will also be executed a maximum of 0 times by the various escrow or servicing agents who participate in the program. Because this form will be executed by several different parties (buyer, seller, FSA and escrow or servicing agent), it is not expected that it will be made available electronically. Buyers and sellers will execute FSA-2682 in person at the agent's office. Note: Buyers and sellers may include individuals, married and entities.

**Form FSA-2683 “Request for Land Contract Guarantee Assistance”**  
**7 CFR 763.7 (b) (1)**

FSA-2683 is a form created by the Agency specifically for the Land Contract Guarantee Program. This form is used by the buyer/applicant to apply for assistance for the Land Contract Guarantee Program. Information collected on FSA-2683 includes name, address, type and description of operation, marital status, race and ethnicity, citizenship, name and address of employer, as well as certifications pertaining to delinquent Federal debt, prior convictions for controlled substances, disqualification due to Federal crop insurance fraud, restrictions and disclosure of lobbying activities, and previous debt forgiveness by the agency. The information is used to:

- Ensure applicants requesting loan assistance meet statutory eligibility requirements.
- Determine if the applicant qualifies for funds targeted to socially disadvantaged applicants according to the Act's provisions.

The application form requires all entity members to provide information about percent of ownership in the entity, citizenship, marital status, ethnicity, race, gender, as well as read the certifications provided above and sign the form.

The Agency estimates the buyer or applicant spends approximately 40 minutes (.60) hours on average completing and signing this form and estimates 0 new applications will be submitted each year. FSA estimates total burden to be 0 hours.

**Form FSA-2684 “Land Contract Recapture Agreement”**  
**7 CFR 763.20(b)(2)(ii)(B)**

FSA-2684 is used to provide for the agreement between FSA and the seller upon the payment of a loss claim under the “Standard” guarantee for future recapture of the real estate value appreciation. This agreement requires the Agency to collect from the seller the value increase in the property if the land is sold before the expiration of the 5-year period of this agreement. The Agency estimates the seller spends approximately 15 minutes (.25) hours on average completing and signing this form and estimates 0 agreements will be submitted each year. FSA estimates total burden to be 0 hours.

The following information summarizes the information collections included in 7 CFR, for which approval has been obtained or requested under the OMB Control Numbers for other CFR parts/OMB Control Numbers.

CFR Citation	Description	Approved Under
763.7(b)(2)(iv)	Copy Business Entity Organizational Information (Charter)	0560-0237
763.7 (b)(6)	FSA-2302, Description of Farm Training and Experience	0560-0237
763.7 (b)(7) 763.18 (b)(6)	FSA-2002 Three Year Financial History	0560-0237
763.6 (b)(8) 763.18 (b)(6)	FSA-2003 Three Year Production History	0560-0237
763.7	FSA-2004, Authorization to Release Information	0560-0237
763.7	FSA-2005, Creditor List	0560-0237
763.7 (b)(9)	FSA-2014, Verification of Income	0560-0237
763.7 (b)(10)	FSA-2015, Verification of Debts and Assets	0560-0237
763.7(b)(2) 763.7(b)(3)(ii) 763.7(b)93(iii)	FSA-2037 Farm Business Plan (Financial Statement)	0560-0238
763.7(b)(5)	FSA-2037 Farm Business Plan (Income and Expense) Farm Operating Plan	0560-0238
763.7 (b)(7)	Copies of tax returns	0560-0238
763.18 (a)(10) 763.18 (b)(7)	FSA-2241 Guaranteed Loan Status Report	0560-0155
763.20	FSA-2029D Deed of Trust and FSA-2029M – Mortgage	0560-0237
763.21	FSA-2026 Promissory Note	0560-0237
763.21	FSA-2028 Security Agreement	0560-0237

#### Non-Forms

##### Copy of Insurance-Seller

7 CFR 763.15 (a), 763.18 (a)(4), 763.17 (b)(4)

Prior to loan closing, the seller must provide copies of property insurance, as appropriate, covering loan security, as loss or damage to the security property would jeopardize repayment of the loan and adversely impact the agency's financial interest. The Agency needs the information to properly complete FSA-2681 or FSA-2682. It is estimated that 0 buyer/applicants will submit a copy of property insurance policy. Further, the agency estimates it will take 15 minutes to provide the appropriate copy.

Each year, the seller is required to provide proof to the Servicing Agent or FSA of hazard insurance coverage on the property being purchased by the buyer. It is estimated that 0 sellers will submit proof of insurance coverage and it is estimated it will take 15 minutes to provide a copy of the appropriate documentation.

##### Copy of Real Estate Taxes (Seller and Agent)

7 CFR 763.15(a), 763.18 (a)(4), 763.18 (b)(4)

Prior to loan closing, the seller must provide copies of real estate taxes, as appropriate, covering loan security. Copy of the applicable real estate taxes is necessary to ensure the properly complete FSA-2681 or FSA-2682. It is estimated that 0 buyer/applicants will submit a copy of property insurance policy and the agency estimates it will take 15 minutes to provide the appropriate copy.

Each year, the seller is required to provide proof to the Servicing Agent or FSA of hazard insurance coverage on the property being purchased by the buyer. It is estimated that 0 sellers will submit proof of insurance coverage and it is estimated it will take 15 minutes to provide a copy of the appropriate documentation

**Copy of the Land Contract**  
**7 CFR 763.7 (b)(13)**

Buyers/applicant must provide the Agency with a copy of the proposed land contract. As part of a complete application, the buyer/applicant must submit a copy of the legal description of the property to be purchased. The legal description of the property to be purchased is needed for the agency to obtain the appraisal if needed and the agency expects the legal description will be part of the land contract. The agency estimates that 0 applications will be completed annually and one report for the buyer and seller and it will take an average of 15 minutes to respond.

**Additional Information:**  
**7 CFR 763.7 (b)(2)(v), 763.7(b)(14)**

The proposed rule includes requirement for a complete loan application that permits the agency to request any additional information needed to effectively evaluate the land contract application. The requirement is needed as it is impossible to list all potential information that would be needed from each and every buyer/applicant. In most cases, this will be limited to providing the agency with a copy of documents, such as a divorce decree, information pertaining to child support or alimony paid or received, or copy of driver's license or other documents if required under State law. Collection of information under this requirement will be limited to only those items that potentially impact the buyers/applicants cash flow projections or are needed to ensure the agency obtains a legally enforceable lien on the proposed loan security. It is estimated that 0 applicants will spend 15 minutes each providing copies of the appropriate documentation to the agency.

**Copy of Agents Bonding Information**  
**7 CFR 763.11(c)(1), 763.11(c)(2),**

Escrow or servicing agents for land contract guarantee program loans have to be bonded in the state where the loan will be closed; must not be debarred or suspended from participation in Federal programs; must maintain liability insurance as well as fidelity bond to cover employees with access to loan funds; have knowledge of the requirements of state law to close the loan; provide title clearance; and act promptly to provide the required services. The agency will require agents to provide evidence of being a bonded title insurance company, attorney, financial institution or fiscally responsible institution and must be approved by the agency. The agency estimates that 0 agents will be provide copies of the required documentation annually and it will take 15 minutes per response.

**Annual Inspection and Report**  
**7 CFR 763.18 (b)(5)**

The Servicing Agent must notify the Agency of annual inspections performed on the property and buildings once the guarantee has been issued. The Agency estimates 0 Standard Land Contract Guarantees will be made annually, therefore the agent will inspect the real estate, complete a written report and provide to the agency. It is estimated to take 15 minutes to complete and send notification to the Agency.



**Notice of Payment Due**  
**7 CFR 763.18 (a)(5), 763.18 (b)(8)**

Under both the Prompt Payment Guarantee and the Standard Land Contract Guarantee, the escrow and servicing agents will send a notice of payment due to the buyer at least 30 days prior to the installment due date if an annual payment. It is estimated that 0 notices will be sent each year and it will take the agent 20 minutes to prepare and send to the buyer.

**Copy of Demand for Defaulted Payment Notice**  
**7 CFR 763.20 (a)(1), 763.20 (b)(8)**

If the buyer fails to pay a scheduled installment timely, the Escrow or Servicing Agent provides a copy to the Agency of the notice sent to the buyer demanding the defaulted payment within 30 days. The Agency estimates that 0 defaulted payment will occur each year. The estimated time required for an agent to provide written evidence of the requested information is 15 minutes .25 hours.

**Demand for Agency Payment**  
**7 CFR 763.20 (a)(2), 763.20 (b)(1)**

This can be a short written request in letter form. Under the Prompt Payment Land Contract Guarantee, the Escrow Agent is required to request payment from FSA for a delinquent Prompt Payment Land Contract installment, past due real estate taxes, or a past due Hazard Insurance Premium. The Agency estimates that 0 request for payment will be submitted annually. The estimated time to submit this request is 15 minutes per request.

**Inform Agency of Liquidation-Agent**  
**7 CFR 763.20 (b)(2)**

If the default is not cured under the Standard Land Contract Guarantee the Servicing Agent will notify FSA within 60 days of the option chosen by the seller to establish the loss; either by sale or appraised value method. It is estimated this will occur 0 time and the estimated time required for an agent to provide written evidence of the requested information is 15 minutes.

**Liquidation Plan – Standard Land Contract Guarantee**  
**7 CFR 763.20 (b)(2)(i)(A)**

If the default cannot be cured within 60 days and the seller has chosen the liquidation method to resolve the default under the Standard Land Contract Guarantee, the servicing agent must submit a written liquidation plan to the Agency and proceed with liquidation of collateral. The Agency estimates that 0 liquidation will occur on one case per year. The estimated time required for a lender to provide the requested information is 6 hours. This includes advertising, showing, and maintaining the property through local sales agents and/or auctioneers and completing all documents involved in the marketing, sale, and transfer process.

**Inform Agency of Final Loss Claim – Standard Land Contract Guarantee**  
**7 CFR 763.20(b)(2)(i)(D) & 763.20 (b)(2)(ii)**

After an incurable default by the buyer and final loss amount will be calculated once the servicing agent and FSA complete processing and return the appraisal or liquidation option. The Servicing Agent will notify FSA immediately after final calculation of the appraisal method or final liquidation activities occur and must submit a complete loan ledger with a formal request for approval of the final loss claim. No form is required. The Agency estimates that a Final Loss Claim will occur on 0 case per year and the estimated time required for an agent to calculate loss and provide written evidence of the requested information is 1 hour.

**Form FSA-2241 Guaranteed Loan Status Report**  
**7 CFR 763.18 (a)(10) and 763.18 (b)(6)**

This form is used by Escrow Agents and Servicing Agents. It is used to update the status of each buyer's land contract status and to keep data for all guaranteed land contracts up to date in FSA accounting records. The Agent will submit the appropriate guaranteed loan status reports as of March 31 and September 30 of each year. Therefore, this form will be required approximately 0 times annually with each requiring approximately 20 minutes 0.33 hours preparing and submitting. The form is approved under OMB Number 0560-0155.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decisions for adopting this means of collection. Also describe any consideration of information technology to reduce burden.**

Information collections obtained using agency forms may be submitted electronically provided the applicant has obtained and activated a USDA account with Level 2 access that allows for electronic submissions. All forms that the lender and applicant have to complete in their entirety, or review and execute, are posted on the e-Gov website at <http://www.sc.egov.usda.gov>. For forms the applicant is required to complete in their entirety, the fillable version of the form, as well as detailed instructions on completing the form, are included on the e-Gov website. Forms prepared by the agency, that the public simply reviews and signs, are also provided on the e-Gov website. However, in lieu of detailed instructions for completing those forms, the instructions simply state that the forms are provided on the website for information purposes only.

Non-form information collections require providing copies of documents in the applicant's possession or providing written replies to agency requests or offers. Non-form collections, as well as all agency forms, may be submitted in person at the local agency office, by mail, email, or by facsimile. Further, applicants with established Level 2 accounts may provide non-form information collections as any kind of non-executable attachments, such as PDF, doc, xls, or text formats.

Lastly, even though USDA and the agency have publicized and provided information in outreach materials, during stakeholder meetings, as well as agriculture-related meetings and symposiums, on the option to provide information electronically, applicants and lenders still prefer going to the agency office to obtain forms and information on how to apply for loans and servicing than obtaining forms and information from the internet. Therefore, the agency estimates that less than one percent of responses will be provided through the internet.

**4. Describe efforts to identify duplication. Show specifically why similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

Information collected through this regulation duplicates some of that required of other Agency procedures. The information contained in this collection is made part of the case file and, when reasonably current, may be used in lieu of re-submission by the applicant or borrower; however, financial information that is collected at another time may be dated and not useful for the specific action being considered. Also, lenders are permitted to use their own forms to the maximum extent possible. The information collections pertain primarily to the securing and documenting decisions regarding FSA guaranteed farm loans. Various program areas within FSA share data; however, information collections established in this regulation would typically not be available from another agency. Therefore, the potential to share data is limited.

**5. Methods to minimize burden on small business or other small entities (Item 5 of OMB Form 83-I), describe any methods to minimize burden.**

FSA has made every effort to minimize burden on small businesses and other small entities. The Agency only requires the information collections when necessary to act on an applicant's or borrower's request for guaranteed loan assistance; therefore, it is unable to further reduce the frequency of the collections.

Collections are limited to those that are essential in determining that loan applicants meet statutory requirements and have adequate repayment ability and security for the requested loan. The information required by this regulation is financial in nature and similar to that required to complete Federal tax returns, make business decisions or to obtain a loan from any commercial lender. Thus, it places no additional burden on small businesses above that required in the normal course of business. There are 10,210 small businesses/entities.

**6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

FSA relies on current information to carry out the business of the program as intended and to protect the government's interest. If the information were not collected, or collected less frequently, the Agency would be unable to meet the congressionally mandated mission of the guaranteed loan program.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- a. Requiring respondents to report information more frequently than quarterly. There are no information collection requirements that require reporting more frequently than quarterly.
- b. Requiring written responses in less than 30 days. There are no information requirements that require written responses in less than 30 days.
- c. Requiring more than an original and two copies. There are no information collection requirements that require more than an original or single copy of a document.
- d. Requiring respondents to retain records for more than 3 years. Lenders are expected to retain records of loan transactions for at least the life of the loan. This is necessary to provide documentation in the event of a loss claim. It is standard business practice for a financial institution to keep loan records for the life of the loan in a customer file.
- e. Not utilizing statistical sampling. There are no such requirements.
- f. Requiring the use of statistical sampling which has not been reviewed and approved by OMB. There are no such requirements.
- g. Requiring a pledge of confidentiality. There are no such requirements.
- h. Requiring submission of propriety trade secrets. There are no such requirements.

**8. Describe efforts to consult with persons outside the Agency to obtain their view on the availability of data, frequency of collection, the clarity of instructions and record keeping disclosure, or reporting format (if any), and on data elements to be recorded, disclosed, or reported.**

The EZ Guarantee Program and Micro Lender Program (MLP) Status final rule notice was published on October 21, 2016 (81FR72686) requesting for public comments on the information collection. No comments were received on the paperwork burden estimates.

This is a revision and request to merge the information collections required by 7 CFR 762. The information requested is standard throughout the credit industry and the Agency has the expertise to make the required determinations. However, the estimate is based on the experience and expertise of the national experts on FSA Farm loans and agricultural lending. Also, the Agency consults with its borrowers, representatives of private lending institutions, Agency and other USDA employees, representatives of the Farm Credit Administration and employees of the legislative branch on a frequent basis as part of ongoing program administration, national oversight and national internal reviews.

The Agency has contacted the following individuals to obtain their views on this collection. They responded to questions used to develop and verify information required on the Reporting and Recordkeeping Requirements (FSA 85-1) in this collection.

1. Wynn M. Rasmussen  
Ag. Lending/Risk Management Specialist  
Bank Forward  
P.O. Box 850  
Jamestown, ND 58402-0850  
Telephone: 701-952-8147
2. Rick Goettlich  
Senior Vice President/ Agribusiness Division Head  
IAB Financial Bank  
180 Morse Street  
Markle, IN 46770  
Telephone: 260-758-3111
3. Lana Musil  
Branch President  
First State Bank Nebraska  
104 N. West Ave.  
Western, Nebraska 68464  
Telephone: 402-858-1256

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There are no payments or gifts provided to respondents.

**10. Confidentiality provided to respondents.**

No assurance of confidentiality is provided. Requests for information received by the Agency will be handled in accordance with the provisions of the Freedom of Information Act and the Privacy Act.

**11. Questions of sensitive nature.**

The information collected is of a financial nature. As a condition of the receipt of program assistance, respondents must provide total disclosure of income data, debts and assets, and history of business dealings that may be considered sensitive. Regardless, the information is required to properly evaluate the request for guarantee.

**12. Provide estimates of the hour burden of the collection of information.**

The estimate of hour burden of the information collections is as follows:

Estimated Number of Respondents: .....14,393.  
Estimated Average Number of Responses Per Respondent: .....15.4.  
Estimated Total Annual Responses: .....221,148.  
Estimated Average Time per Response: .....0.9986.  
Estimated Total Annual Burden on Respondents: .....220,838 hours.

The estimate of annual cost for the information collection is as follows:

Respondent's Cost Per Hour	Applicants (Farmers).....	\$34.89
	Lenders.....	\$35.42
Total Annual Respondent Cost	Applicants (Farmers) (4455 Hours)	\$155,435
	Lenders (215,427 Hours)	<u>\$7,664,272</u>
	Total	\$7,819,707

The respondents are commercial banks, the Farm Credit System, farmers and ranchers. The Agency estimates the number of respondents to be 11,000 loan applicants and 2,470 lenders annually.

Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2014, Table 11-9013-Farmers and Ranchers, and Other Agriculture Managers.

The U.S. mean hourly wage for this group is \$34.89 hourly and \$72,570.00 annually, as measured by the Bureau of Labor.

Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2014 Table 13-2072-Loan Officers. The U.S. mean for loan officer's income, as measured by the Bureau of Labor is \$73,670 annually or \$35.42 hourly.

**13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.**

There are no burden costs on respondents for capital, start-up, total operation, maintenance or purchase of services other than what is usual and customary for normal business operations.

**14. Provide estimates of annualized cost to the Federal Government.**

FSA employees review information provided by applicants, borrowers, and lenders and make eligibility and feasibility determinations. The agency estimates employees spend 206,000 hours reviewing and processing the collections included in this docket

Averaging the GS-9, GS-11, GS-12 Step-5 (2017 RUS-Salary Table) salaries indicates an average employee salary of \$68,810 per year. Standard adjustments recommended by FSA's Budget Division of 33.3% are added for benefits and miscellaneous expenses (\$22,914), for a total average cost for an FLP employee salary of \$91,724 per year, which divided by 2,080 hours equals an hourly salary of \$44.10.

The estimated annualized cost to the Federal Government is: \$9,084,600.

**15. Explain the reason for any program changes or adjustments reported in items 13 or 14 of the OMB form 83-I.**

FSA merged the information collection of EZ Guarantee Program and MLP request (0560-0288) with this information collection, as a result of the merger, the burden hours and responses did not increase. There were a few decreases that more than offset the merged-in burden. The decreases are the result of an error that resulted in a miscalculation of the collection, and the number of farmers applying for Guaranteed Loan Program decreased by 1,790 from three years ago. Thus, there are decreases of -22,259 responses and -33,259 burden hours in this request.

**\*\* For more specific reference, see attached FSA-85-1.**

**16. For collection of information whose results will be published, outline plans for the tabulation and publication.**

The information collections required under this regulation will not be tabulated or published.

**17. If seeking approval to not display the expiration date for the OMB approval of information collection, explain the reasons that display would be inappropriate.**

While FSA forms are made available electronically at [www.sc.egov.usda.gov/](http://www.sc.egov.usda.gov/), hard copies of each form are also maintained in State and County Offices. Displaying the expiration date results in the need to dispose of existing supplies and reprinting of the form with the new expiration date each time the approval is renewed. This increase printing costs for the Agency and results in the need to revise forms posed to the website.

**18. Explain each exception statement to the certification statement identified in items 19 and 20 on OMB 83-I.**

There are no items in the certification statement to which the Agency cannot certify.