

GUARANTEED LOAN REPORT OF LOSS

INSTRUCTIONS FOR PREPARATION

Purpose: This form is used to obtain information from the lender about a loss on a FSA Guaranteed loan. A separate form for each loan incurring a loss is used.	
Handbook References: 2-FLP	Number of Copies: Original only
Signatures Required: Original by Lender Representative, Authorized FSA Review Official and FSA SED	
Distribution of Copies: Lenders submit the original of the completed form in hard copy or facsimile to the appropriate FSA servicing office and retain a copy for their records.	

All guaranteed lenders complete Items 1, 2, 4 through 11, 15 through 51, 54 through 56, and 60.

FSA completes Items 3, 12 through 14, 52, 53, and 57 through 59.

Items 1 -11

Fld Name / Item No.	Instruction
1 Borrower Name	Enter the borrower’s name – abbreviate when necessary. Example: Thompson, Robert L.
2 FSA ID Number	Enter the borrower’s system generated FSA ID number.
3 State/County Code	Enter the state and county code.
4 Agency Loan Number	Enter Agency assigned loan number. Example: Loan No. 50

Fld Name / Item No.	Instruction
5 Report Type Code	Enter applicable Report Type Codes: 01 – Estimated Loss – (Liquidation) 02 – Final Loss – (Liquidation) 04 – Recovery after Final (type 2) Loss 05 – Loss – Bankruptcy Reorganization Loss 06 – Debt Restructure Loss (Write Down- without Shared Appreciation) 07 – Debt Restructure Loss (Write Down- with Shared Appreciation) 08 – Interest Loss Payments (in connection with a bankruptcy reorganization) 09 – Shared Appreciation Recapture (Full) 10 – Shared Appreciation Recapture (Partial) 13 – Voluntary Payment from Unsecured Debt (in connection with a Bankruptcy reorganization) 14 – Compromise Offer Receipt (scheduled payments from borrower after a final liquidation) Note: If the borrower has been dismissed in bankruptcy and the lender will continue foreclosure actions, the State Office shall immediately contact the Finance Office to have the Report Type 05 converted to a Report Type 01. This will allow a Report Type 02 to be entered. If the Report Type 02 results in a refund, the lender would be exempt from paying additional interest due to the previous Report Type 05. Document this case in Item 60.
6 Loan Type	Enter applicable Loan Type: FO = Farm Ownership EE = Economic Emergency CL = Conservation Loan OL = Operating Loan SW= Soil and Water OL-LOC = Operating Loan-Line of Credit
7 Interest Rate	Enter the current interest rate for the loan.
8A Lender ID Number	Enter the lender’s internal revenue service identification number.
8B Lender’s Branch Number	Enter the lender’s branch number that has been assigned by the Agency.
9 Lender’s Routing Number	Enter the lender’s routing number where the loss claim payment can be transmitted.

Fld Name / Item No.	Instruction
10 Lender's Account Number	Enter the lender's account number where the loss claim payment can be transmitted. This should be a general account where all payments from FSA will be deposited. The account should not be specific to a borrower or loan.
11 Lender's Account Type	Enter the lender's account type where the loss claim payment can be transmitted. Options: C = Checking S = Savings

Items 12-14 to be completed by the Finance Office.

Items 12-14

Fld Name / Item No.	Instruction
12 Payment Type Code	To be completed by the Finance Office only. Options: 1- System Generated Payment 2- Manual Payment 3- No Payment Issued 4- Refund 5- EFT
13 Payment Date	To be completed by the Finance Office only.
14 Date of Deposit	To be completed by the Finance Office only.

Items 15-38

Fld Name / Item No.	Instruction
<p>15 Date of Settlement</p>	<p>Enter the Date of Settlement according to the instructions for the corresponding Report Type: <u>Note: All Guaranteed Lenders will complete Item 15 for Report Types: 01, 02, 05, 06, and 07.</u></p> <p><i>01 – Estimated Loss – (Liquidation) –</i> Settlement date is the date interest accruals termination is computed.</p> <p><i>02 – Final Loss – (Liquidation) -</i> Settlement date is the date the lender signs or electronically submits the loss claim. If no estimate is filed, the settlement date is the date interest accrual terminates.</p> <p><i>04 – Recovery after Final (Report Type 2) Loss –</i> Settlement date is the date the recovery was received by FSA.</p> <p><i>05 – Loss – Bankruptcy Reorganization Loss –</i> Settlement date is the effective date of the Bankruptcy Plan.</p> <p><i>06 – Debt Restructure Loss (Write Down- without Shared Appreciation) –</i> Settlement date is the date of the loan closing for the restructured loan.</p> <p><i>07 – Debt Restructure Loss (Write Down- with Shared Appreciation)-</i> Settlement date is the date of the loan closing for the restructured loan.</p> <p><i>08 – Interest Loss Payments (in connection with a bankruptcy reorganization) –</i> Settlement date is one year from the effective date of the bankruptcy plan and subsequently one year from the previous interest loss payment settlement date. Note: the settlement date for the final interest loss payment can be more or less than one year.</p> <p><i>09 – Shared Appreciation Recapture (Full)-</i> Settlement date is the date the Shared Appreciation Agreement was triggered.</p> <p><i>10 – Shared Appreciation Recapture (Partial)-</i> Settlement date is the date the Shared Appreciation Agreement was triggered.</p> <p><i>13 – Voluntary Payment from Unsecured Debt (in connection with a Bankruptcy reorganization)-</i> Settlement date is the date the voluntary payment from unsecured debt was received by FSA.</p> <p><i>14 – Compromise Offer Receipt (scheduled payments from borrower after a final liquidation) –</i> Settlement date is the date the compromise offer was received by FSA.</p> <p>Example: 06-15-06</p>
<p>16 Original Loan Amount</p>	<p>Enter the original loan amount established at closing.</p>

Fld Name / Item No.	Instruction
17 Original Date of Loan	Enter the original date of the loan established at closing.
18 Percent of Guaranteed Portion Held by Lender	Enter the percent of the guaranteed portion held by the lender. If the Agency has purchased the entire guaranteed portion of the loan, then enter 0. If the loan was not sold or the lender will forward the holder or holders their pro-rata share of any loss payment received, then enter 100.
<p>Part B – Complete the following items for the corresponding Report Type: (if applicable)</p> <p>Report Type 01 - Complete Items: 19-36, 38-46, 48 Report Type 02 – Complete Items: 19-36, 38-51 Report Type 05 – Complete Items: 19,20, 22-26, 35-36, 38-51 Report Type 06 – Complete Items: 19,20, 22, 35-42, 45,46, 48 Report Type 07 – Complete Items: 19,20, 22, 27, 29, 34, 35-42, 45,46, 48 Report Type 08 – Complete Items: 20, 22, 40-42, 45,46, 48 Report Types 04, 13, 14 – Complete Item: 51 Report Types 09, 10 – Complete Items: 51 and see instructions for Item 27.</p>	
19 Principal Balance	Enter unpaid principal balance on the loan. Example: \$98,545.00 Items 19 and 20 on this form, when coded as a Report Type 02, should not reflect that the Agency estimated loss claim has been applied as a payment on the loan.
20 Accrued Interest Owed	Enter the accrued interest owed amount. Lender must provide, as an attachment, its calculation of unpaid accrued interest showing advances, payment, periods of time, interest rate and amount. Report Type 08 - Interest Reduction Loss Cases – Accrued Interest Owed will be the average outstanding principal balance for the past 12 months multiplied by the difference between the original note rate of interest and the court ordered rate. The Lender must attach a copy of their loan ledger for the claim period and calculation of the average principal balance.
21 Emergency Advances	Enter the amount of the emergency advances. Itemize separate advances in Item 60.
22 Total Guaranteed Loan Items	Enter total of Items 19 thru 21.

Fld Name / Item No.	Instruction
23 Principal Balance on Protective Advances	Enter unpaid principal balance on protective advances. Itemize separate advances in Item 60. Item 23 should not be completed on an estimated loss claim, except in accordance to subparagraph 342A of FSA Handbook 2-FLP.
24 Accrued Interest on Protective Advances	Enter the accrued interest on protective advances. Lender must provide, as an attachment, its calculation of unpaid accrued interest on protective advances showing advances, payment, periods of time, interest rate and amount of accrued interest. Item 24 should not be completed on an estimated loss claim, except in accordance to subparagraph 342A of FSA Handbook 2-FLP.
25 Total Protective Advances	Enter total of Items 23 thru 24.
26 Legal Expenses	Enter the amount for legal expenses. For Report Type 01 and 02, complete if legal expenses or liquidation expenses exceed the Total Collateral value. For example, a liquidation expense can represent an appraisal expense. For Report Type 05, complete if the lender incurred this expense due to the borrower filing for bankruptcy protection. Itemize separate values for Legal Expenses in Item 60.
27 Collateral/ Proceeds	Enter the total amount for the real estate and chattel values. Itemize separate values for real estate and chattels in Item 60. If zero, enter 0.00. Example: 57,500.00 For Report Type 07- Enter the value the Shared Appreciation is based on. For Report Types 09 and 10 - Document the value of the property at the time of the Shared Appreciation Recapture in Item 60.
28 Value of Personal and Corporate Guarantee	Enter the total value amount. If zero, enter 0.00. Itemize separate values for personal and corporate guarantee amounts in Item 60.
29 Total Collateral	Enter total of Items 27 and 28.

Fld Name / Item No.	Instruction
Items 30 thru 32: Include principal and interest, or other items for which lien priority exists.	
30 Liquidation Cost	Enter the total amount for liquidation cost. Itemize separate liquidation cost values in Item 60. Do not include legal expenses in the total amount for liquidation cost, if Item 26 has been completed. If zero, enter 0.00.
31 Prior Liens	Enter the total amount. Itemize separate prior lien values in Item 60.
32 Unpaid Taxes, Assessments, Ground Rents	Enter the total amount. Itemize separate values for unpaid taxes, assessments, and ground rents in Item 60.
33 Total Prior Liens/Liq. Expense	Enter total of Items 30 thru 32.
34 Net Collateral	Enter the total amount of net collateral. Item 29 minus Item 33; if negative enter 0.00.
Items 35 thru 37: Include amount(s) of other assets of the borrower which have not been pledged as collateral.	
35 Funds Being Held	Enter the total amount. Itemize separate values in Item 60.
36 Income to be Applied to Debt	Enter the total amount. Itemize separate values in Item 60.
37 Borrower's Debt Payment Ability – Present Value	Enter the total amount. Itemize separate values in Item 60.
38 Other Deductions	Enter total amount of other deductions such as negligent servicing, unaccounted collateral value, and/or other deductions. Itemize separate values for negligent servicing, unaccounted collateral value, and/or other deductions in Item 60.

Fld Name / Item No.	Instruction
	For Report Types 05, 06 – Enter the sum amount for the new loan balance and any accrued interest.

Items 39-51

Fld Name / Item No.	Instruction
39 Total Adjustment	Enter total of Items 35 thru 38.
40 Basic Loss	Enter the sum. (Item 22, Item 25 and Item 26 minus Item 34 minus Item 39)
41 Percent of Loss Guarantee	Enter applicable percentage of guarantee.
42 Maximum Loss	Enter the amount. (Item 40 multiplied by Item 41)
43 Total Protective Advance Payment	Enter the amount. (Item 25 multiplied by Item 41)
44 Legal Expenses Payment	Enter the amount. (Item 26 multiplied by Item 41)
45 Remaining Balance Loss Guarantee	Enter the amount. (Item 42 minus the sum of Item 43 and Item 44 multiplied by Item 18)
46 Amount Due Lender	Enter the amount due lender. (Sum of Items 43, 44, and 45)
47 Amount Paid on Estimated Loss	If an estimated loss claim was filed, enter the total amount paid to lender on the estimated loss claim. If zero, enter 0.00.
48 Balance Due Lender	Enter balance due lender. If zero, enter 0.00. (Item 46 minus Item 47). FSA will verify this amount and issue payment.
49 Amount of	Enter amount of overpayment. (Item 46 minus Item 47). If a negative number, enter dollar amount overpaid by FSA.

Fld Name / Item No.	Instruction
Overpayment	
50 Interest on Overpayment	When the estimated loss payment made by FSA exceeds the actual loss, FSA is entitled to interest on the overpayment. Interest will be charged on the amount of overpayment at the note rate from the payment date of the estimated loss payment to the final date of settlement. In the case of an overpayment, the date of settlement for Report Types 02 is the date the lender signs or electronically submits the loss claim. The date of settlement for Report Type 05 is the effective date of the bankruptcy plan. The lender must attach a loan ledger to this form showing advances, interest charges and payments. The ledger should reflect the application of liquidation proceeds and the termination of interest accrual no later than the date of the estimated loss payment. If an estimated loss claim was not submitted, enter zero, 0.00.
51 Amount Due FSA by Lender	Enter the amount due to FSA. If zero, enter 0.00. (Item 49 plus Item 50). Lender’s check for overpayment of this amount should accompany report and be delivered to a FSA authorized representative. If the loss is a Report Types 09 or 10, enter FSA’s share of the recapture. If the loss is a Report Types 04, 13 or 14, enter the recovery amount due FSA.

Items 52 and 53 are for FSA use only.

Item 52 and 53

Fld Name / Item No.	Instruction
52 Additional Interest Indicator	Check “YES” or “NO”, if additional interest should be paid to the lender.
53 Principal Portion of Loss Claim	To be completed by FSA Field Office. This is the guaranteed portion of principal on which additional interest will be paid. Examples where additional interest may be paid are: <ol style="list-style-type: none"> 1. Loss claim approval was delayed by the Agency. 2. The negotiated interest accrual termination date is subsequent to the settlement date of the loss 3. The lender is entitled to, but did not claim, additional interest on an estimated loss claim prior to a final loss claim being paid. If there was additional interest that was due on the estimated claim but not paid at that time, the days of interest that should be paid needs to be included.

Items 54-56

Fld Name / Item No.	Instruction
54 Lender Representa- tive Signature	Enter the lender’s signature.
55 Name of Lender	Enter the name of the lending institution.
56 Lender Submission Date	Enter the date the form was prepared.

Items 57-59 are for FSA use only.

Items 57-59

Fld Name / Item No.	Instruction
57 FSA Review Official Signature	Enter the printed or typed name of the Agency Official that reviewed the form.
58 FSA SED Signature	Enter the signature of the State Executive Director for Farm Service Agency. If you are mailing, faxing, or electronically submitting this form to the Finance Office, print the form and manually enter your signature.
59 Date Approved	Enter date FSA approved the loss claim.

Item 60

Fld Name / Item No.	Instruction
60 Comments	Enter any further remarks that may further explain any of the above information. Use additional sheets if necessary.