

**United States Department of Agriculture
Farm Service Agency
Supporting Statement
OMB Control Number 0560-0233
7 CFR 766, Direct Loan Servicing - Special**

1. Circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

FSA is requesting OMB approval on an extension of a currently approved information collection.

FSA provides loans to family farmers to purchase real estate and equipment and finance agricultural production. The regulation covered by this information collection package describes the policies and procedures for FSA's servicing of financially distressed or delinquent direct loan borrowers in accordance with the provisions of the Consolidated Farm and Rural Development Act (CONACT), as amended (Pub. L. 87-128). FSA's loan servicing options include payment set-aside, primary loan servicing (including reamortization, rescheduling, deferral, write down and conservation contracts), buyout at market value, and homestead protection. In addition, the regulations describe FSA's policies and procedures regarding servicing of direct loan borrowers who file bankruptcy, as well as liquidation of security when available servicing options do not result in a feasible plan.

Authority to establish the regulatory requirements contained in 7 CFR 766 is provided under 5 U.S.C. 301 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 CONACT (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 USDA Secretary delegated authority to administer the provisions of the CONACT applicable to Farm Loan Programs in the Farm Service Agency. This authority is delegated to the FSA Administrator in section 2.42 of 7 CFR part 2.

2. Purpose and Use of the Information. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate how the agency has actually used the information received from the current collection.

FSA is requesting OMB approval on an extension of a currently approved information collection.

Information collections are submitted by FLP direct loan borrowers to the local FSA office serving the county in which their business is headquartered. The information is necessary to provide supervised credit and authorized servicing actions to financially distressed and delinquent direct loan borrowers as legislatively mandated and is used by Agency Officials to:

- Evaluate a borrower’s request, and determine their eligibility for, payment set-aside whereby the loan payment that cannot be made due to either an operating income shortfall or losses suffered as a result of a disaster is set-aside, and becomes due on or before the final due date of the loan.
- Evaluate a borrower’s request, determine eligibility for, and feasibility of, primary loan servicing when requested by a financially distressed or delinquent borrower, as well as borrowers who have filed bankruptcy. When considering primary loan servicing options, FSA attempts to restructure the borrower’s debts in a manner that results in the borrower being able to repay the debt, other creditors, and farm operating expenses.
- Evaluate eligibility for market value buyout, whereby a delinquent borrower who is unable to develop a feasible plan to restructure their debt is offered the opportunity to buy out their FSA loans by paying the Agency an amount equal to the market value of the security property less the amount of any prior liens. This legislatively mandated servicing action provides the borrower an opportunity to continue farming while providing FSA with a recovery greater than or equal to that which would be recovered through a forced liquidation of security.
- Evaluate a borrower’s request, determine eligibility for, and feasibility of, homestead protection whereby a borrower who is unable to develop a feasible plan for restructuring through primary loan servicing, or whose dwelling has been acquired by the Agency, is afforded the opportunity to retain their primary residence and up to ten acres through a lease-purchase agreement with the Agency.
- Liquidate security when available servicing options are not requested or do not result in a feasible plan to restructure a delinquent borrower’s debt.

The general nature of loan servicing options available from FSA is very different from that of a conventional commercial creditor. FSA borrowers tend to pose a greater economic risk of loss than those operations financed by commercial credit sources, as applicants must document that no other source of credit is available at the time of their loan application. The CONACT requires FSA to actively supervise these borrowers and provide credit counseling, management advice, and financial guidance. In addition, numerous servicing options not available with commercial credit sources are mandated by the CONACT. As a result, the information collections associated with FSA’s regulations for servicing loans of a financially distressed or delinquent borrower are more cumbersome than collections imposed by commercial credit sources.

The information collection requirements established in 7 CFR 766 are described below and on the attached excel spreadsheet Reporting and Recordkeeping Requirements. For some of the forms described, the estimated number of respondents is less than ten per year. While these forms would not be considered a “collection of information” as defined in 44 U.S.C. 3502(3)(A) (i), 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” are required under the provisions of the CONACT and therefore cannot be eliminated.

Forms

FSA-2070 – Bill of Sale

7 CFR 765.403(a), 7 CFR 765.406(b)(4), 7 CFR 766.354(a)(4)

A borrower who is transferring their security and property to another party, withdrawing from a joint operation, or conveying their chattel security, must execute a bill of sale to serve as evidence of the transfer since the ownership of chattel security is generally not reflected by a title or other legal type document. This action is required to protect the interests of the new owner, as well as protect the Agency’s lien on the property. FSA estimates that 388 respondents will complete FSA-2070. The time to complete and sign FSA-2070 is 15 minutes.

FSA-2501 – Addendum to the Promissory Note or Assumption Agreement for the Set-Aside Program

7 CFR 766.57

A borrower who operated a farm in a county designated or declared a disaster area, or contiguous county, who is unable to make all or a portion of the first or second payment due after the disaster may request the amount of the payment that cannot be made to be set-aside. The set-aside portion of the payment becomes due on or before the final due date of the loan.

Borrowers whose loans were outstanding prior to September 25, 2024, and who are unable to make their upcoming installment due to an operating income shortfall may request the amount of the payment that cannot be made to be set-aside. The set-aside portion of the payment becomes due on or before the final due date of the loan.

Borrowers who request assistance under these Set-Aside programs and meet all applicable eligibility requirements must execute FSA-2501 to amend the payment schedule reflected on their promissory note or assumption agreement. FSA estimates that 8,692 respondents will execute this form. The time to review and sign FSA-2501 is estimated to be 15 minutes.

FSA-2511 – Borrower Response to the Notice of the Availability of Loan Servicing

7 CFR 766.102(a)(1), 7 CFR 766.110(a)(3), 7 CFR 766.204(b), 7 CFR 766.302(a) & (b)

As mandated by section 331D of the CONACT, delinquent borrowers who are 90 days past due are notified of the availability of loan servicing. The provisions require that notice include a summary, including eligibility criteria, of all primary loan servicing options, homestead protection, debt settlement, and appeal procedures. Additionally, FSA requires to include a summary of the application process as well as a copy of forms relevant to an application. As part of a complete application for loan servicing, the borrower, including all members of the entity,

must execute FSA-2511. Completion of the FSA-2511 ensures that the borrower is aware of the statutorily imposed 60-day time frame to submit a complete application. FSA estimates that 3,871 respondents (or their attorney in the case of a borrower who has filed bankruptcy) will complete FSA-2511. The time to complete FSA-2511 is estimated at 30 minutes which includes the time required to read the notice of availability of servicing provided on FSA-2510 and execute FSA-2511.

FSA-2513 – Borrower Response to Notice of the Availability of Loan Servicing

7 CFR 766.102(a)(1), 7 CFR 766.110(a)(2), 7 CFR 766.204(b), 7 CFR 766.302(a) & (b)

As mandated by section 331D of the CONACT, FSA must provide notice of the availability of loan servicing upon written request of a borrower. As with delinquent borrowers, the provisions require that notice include a summary, including eligibility criteria, of all primary loan servicing options, homestead protection, debt settlement, appeal procedures the application process and a copy of forms relevant to an application. While not statutorily mandated to do so, FSA also provides notice of loan servicing to current borrowers when it becomes aware they are unable to make their next scheduled installment, a situation referred to as financially distressed. As part of a complete application for loan servicing, a current or financially distressed borrower, including all members of the entity, must execute FSA-2513.

The notice provided to current and financially distressed borrower differs from that provided to delinquent borrowers in that debt write-down and current market value buyout are only available to delinquent borrowers. In addition, there are no statutorily imposed 60-day time frame to submit a complete application. Those borrowers who do not apply and later become 90-days past due will again be provided notice of loan servicing as mandated. FSA estimates that 2,845 respondents (or their attorney in the case of a borrower who has filed bankruptcy) will complete FSA-2513. The time to complete FSA-2513 is estimated at 30 minutes which includes the time required to read the notice of availability of servicing provided on FSA-2512 and execute FSA-2513.

FSA 2515, Borrower Response to Notice of the Availability of Loan Servicing

7 CFR 766.102(a)(1), 7 CFR 766.302(a) & (b)

FSA loan and security instruments include provisions with which the borrower must comply, such as operating the security for the loan and graduating to commercial credit when it is available. A borrower that fails to comply with the provisions of their loan and security instruments is considered to be in nonmonetary default and is subject to liquidation. As mandated by section 331D of the CONACT, FSA must provide notice of the availability of loan servicing prior to initiating liquidation or foreclosure. As with delinquent borrowers, the provisions of the Act require that notice include a summary, including eligibility criteria, of all primary loan servicing options, homestead protection, debt settlement, appeal procedures the application process and a copy of forms relevant to an application. As part of a complete application for loan servicing, a borrower in nonmonetary default, including all members of the entity, must execute FSA-2515.

The notice informs the borrower that the nonmonetary default must be cured prior to receiving loan servicing and that debt write-down and current market value buyout are only available to delinquent borrowers. Completion of the FSA-2515 ensures that the borrower is aware of the statutorily imposed 60-day time frame to submit a complete application. FSA estimates that 197 respondents (or their attorney in the case of a borrower who has filed bankruptcy) will complete FSA-2515. The time to complete FSA-2515 is estimated at 30 minutes which includes the time required to read the notice of availability of servicing provided on FSA-2514 and execute FSA-2515.

FSA-2518, Acceptance of Primary Loan Servicing

7 CFR 766.106(b)(1)(i), 7 CFR 766.111(b)(1)

Section 353 of the CONACT allows FSA 90 days to consider, and provide written notification of the results of its consideration to, a delinquent borrower or borrower in nonmonetary default that requested loan servicing. When FSA determines the borrower meets the applicable eligibility requirements and a feasible plan was found to restructure the borrower's debt, this provides the borrower 45 days to accept FSA's offer to restructure. FSA's offer is made using FSA-2517 when the borrower is delinquent or in nonmonetary default. Since the CONACT establishes a limitation of not more than one debt forgiveness, and further limits the eligibility for loans to borrowers that have received debt write-down to only annual operating loans, FSA allows those borrowers who qualify for restructuring with debt write-down and also have a feasible plan for restructuring at a lower debt service margin without debt write-down, to choose between the two options.

FSA is also prohibited from writing down any portion of debt that could be paid from the liquidation of the borrower's nonessential assets. As part of its consideration of a borrower's request for loan servicing, FSA calculates the net recovery that would be realized from the liquidation on nonessential assets and provides those borrowers who are eligible and have a feasible plan for restructuring, the option of paying this amount to reduce the debt and having their repayment structure modified accordingly.

FSA uses FSA-2518 to document the borrower's acceptance of an offer to restructure within the statutorily mandated time frame. FSA estimates that 2,845 respondents will execute FSA-2518. The time to complete FSA-2518 is estimated to be 30 minutes which includes the time required for the borrower to review FSA-2517 and the Debt and Loan Restructuring System report reflecting the calculations for the loan servicing options considered.

FSA-2520, Acceptance of Primary Loan Servicing

7 CFR 766.106(a)(1)(i)

While not statutorily mandated to do so, FSA provides notice of loan servicing to current borrowers when it becomes aware they are unable to make their next scheduled installment, a situation referred to as financially distressed. When FSA determines the borrower meets the

applicable eligibility requirements and a feasible plan was found to restructure the borrower debt, the Act provides the borrower 45 days to accept FSA's offer to restructure. FSA's offer is made using FSA- 2519 when the borrower is financially distressed or less than 90 days past due. The borrower's acceptance of the offer is documented by their execution of FSA-2520.

FSA is unable to use the same notice of offer used for borrowers who are more than 90 days past due as the financially distressed borrower is not subject to the statutorily mandated time frames. FSA-2520 is similar to FSA-2518 in that it allows delinquent borrowers to choose restructuring with or without writedown, when applicable and provides the option to pay the net recovery value of nonessential assets. However, FSA-2519 and FSA-2520 clarify that the borrower will be re-notified of the availability of loan servicing if they do not accept the offer and later become 90 days past due.

FSA estimates that 1,101 respondents will execute FSA-2520. The time to complete FSA-2520 is estimated to be 30 minutes, which includes the time required for the borrower to review FSA-2519 and the Debt and Loan Restructuring System report reflecting the calculations for the loan servicing options considered.

FSA-2522, Borrower Response to Denial of Primary Loan Servicing and Intent to Accelerate

7 CFR 766.113(b)

Borrowers requesting loan servicing who are 90 days past due on their FSA debt, or are in nonmonetary default, must develop a feasible plan and meet certain statutory eligibility requirements. When a borrower is unable to meet one or both of these conditions, FSA notifies the borrower of their right for Current Market Value Buyout, if applicable, whereby the borrower has 90 days to pay the Agency the market value of loan security, less prior liens. The borrower is also notified of their right to request reconsideration, mediation, and appeal to the National Appeals Division as required by 7 CFR parts 11 and 780, as well as the opportunity to request negotiation of appraisal as mandated by section 353 of the Act.

FSA provides notice of available options using FSA- 2521. The borrower notifies FSA of requested actions by executing FSA- 2522. FSA estimates that 218 respondents will complete FSA- 2522. The time to complete the form is estimated to be one hour, which includes the time required for the borrower to read about and evaluate their options described in FSA- 2521, and review the Debt and Loan Restructuring System report reflecting the calculations for the loan servicing options considered.

FSA-2524, Borrower Response to Denial of Primary Loan Servicing

7 CFR 766.106(a)(2)

Borrowers requesting loan servicing who are financially distressed or less than 90 days past due on their FSA debt must develop a feasible plan and meet certain eligibility requirements. When a borrower is unable to meet one or both of these conditions, FSA notifies the borrower of their

right for Current Market Value Buyout, if delinquent and applicable, whereby the borrower has 90 days to pay the market value of loan security, less prior liens. The borrower is also notified of their right to request reconsideration, mediation, and appeal to the National Appeals Division as required by 7 CFR parts 11 and 780, as well as the opportunity to request negotiation of appraisal as mandated by section 353 of the Act.

FSA provides notice of available options using FSA-2523. The borrower notifies FSA of requested actions by executing FSA-2524. FSA estimates that 432 respondents will complete FSA-2524. The time to complete FSA-2524 is estimated to be one hour, which includes the time required for the borrower to read about and evaluate their options described in FSA-2521, and review the Debt and Loan Restructuring System report reflecting the calculations for the loan servicing options considered.

FSA-2526, Borrower Response to Notice of Intent to Accelerate

7 CFR 766.355

Section 331D of the CONACT provides borrowers who are 90 or more days past due, or are in nonmonetary default, must respond within 60 days of receipt of FSA's notification of available loan servicing programs. Section 353 of the CONACT provides borrowers who are 90 or more days delinquent or in nonmonetary default that meet applicable eligibility requirements and develop a feasible plan must accept FSA's offer for loan restructuring within 45 days. If the borrower does not respond to the initial notification, or does not accept the offer to restructure, FSA notifies the borrower of its intent to accelerate.

The notice of intent to accelerate is considered an adverse action under 7 CFR parts 11 and 780. Therefore, FSA must offer the borrower the option of requesting reconsideration, mediation and/or appeal to the National Appeals Division. In addition, for borrowers that were offered restructuring, FSA must offer negotiation of appraisal, if applicable, as mandated by section 353 of the Act. FSA notifies the borrower of available options using FSA- 2525. The borrower notifies FSA of requested options by executing FSA-2526. FSA estimates 662 respondents will complete the form. The time to complete FSA-2526 is estimated to be 10 minutes which includes the time required to review FSA-2525 describing the available options.

FSA-2529, Negotiated Appraisal Agreement

7 CFR 766.115

Section 353(c)(7) of the CONACT provides that FSA will enter into negotiation of appraisal at the borrower's request when considering a request for loan servicing. If, based on a separate appraisal obtained by the borrower, they disagree with the Agency's appraisal, the borrower and FSA will select an independent appraiser to complete another appraisal of the property. The average of the two appraisals closest in value will become the final appraisal. The borrower is required to pay one half of the cost of the independent appraisal. This cost is included in question 13.

When a borrower requests negotiation of appraisal, FSA will prepare FSA-2529 establishing the terms and conditions for the appraisal to be executed jointly by the borrower, appraiser, and Agency. FSA estimates that only 5 respondents per year will execute FSA-2529 as the statute mandates the borrower pay the cost of the separate appraisal and one half of the cost of the independent appraisal. The time to complete FSA-2529 is estimated to be 30 minutes which includes the time required for the borrower and FSA to reach agreement on the selection of the independent appraiser. No burden is imposed on appraisers as they are paid to perform their normal business service.

FSA-2535, Conservation Contract

7 CFR 766.110

As provided for in section 349 of the CONACT, a borrower (current or delinquent) may request a cancellation of a portion of their FSA debt in return for granting a Conservation Contract on the security property. Contracts can be established for conservation, recreational, and wildlife purposes on farm property that is wetland, wildlife habitat, upland, or highly erodible land. The borrower selects a contract term of 10, 30, or 50 years.

Borrowers participating in the Conservation Contract program must review and sign FSA-2535 which is recorded in the local real estate records to establish the terms and conditions that the borrower or any subsequent owner will be subject to during the contract period. FSA estimates that 136 respondents per year will execute FSA-2535. The time to review and sign the form is estimated to be one hour, which also includes the time required for the borrower to review the management plan that will be followed by the easement manager.

FSA-2538, Response to Notification of Consideration for Homestead Protection

7 CFR 766.151(a)(1)

The notice of availability of loan servicing provided to a financially distressed or delinquent borrower, or a borrower in nonmonetary default, informs the borrower of their right to be considered for primary loan servicing (rescheduling, reamortization, deferral, and write-down), conservation contract, market value buyout, homestead protection, and debt settlement. A borrower that requested loan servicing that is unable to develop a feasible plan, or is ineligible for primary loan servicing, will automatically be considered for homestead protection, whereby the borrower may retain their principal dwelling and up to 10 adjoining acres as authorized by section 352 of the Act.

FSA notifies the borrower they have 30 days to provide any additional information needed to consider Homestead Protection using FSA-2537. If the borrower does not respond, the Agency will deny Homestead Protection and is required to provide appeal rights mandated for all adverse decisions. Borrowers who are not interested in Homestead Protection may execute FSA-2538, thus eliminating the adverse decision and allowing liquidation of the security to proceed in a timely manner. The Agency estimates that 9 respondents per year will execute FSA-2538. The

estimated time to complete the form is 5 minutes which includes the time required to read the accompanying FSA-2537.

FSA-2539, Homestead Protection Agreement

7 CFR 766.154(a)(1)

As noted above, FSA automatically considers a borrower for Homestead Protection if the borrower does not qualify for Primary Loan Servicing options. When the borrower meets all applicable homestead protection eligibility requirements and has sufficient income to maintain the property for the term of the lease, the borrower may enter into a lease-purchase agreement subject to FSA obtaining title to the property by executing FSA-2539. Execution of the agreement ensures the borrower's right to lease the property, with an option to purchase, for up to five years.

FSA estimates that only 1 respondent per year will execute FSA-2539. The estimated time to review and execute the form is 15 minutes.

FSA-2543, Shared Appreciation Agreement

7 CFR 766.111(b)(4), 7 CFR 766.201(a)

As provided in section 353(e) of the CONACT, FSA requires borrowers that own real estate that serves, or will serve, as security for the loan to execute a Shared Appreciation Agreement when the loan restructuring includes write-down of their FSA debt. This agreement permits FSA to recapture a portion of any appreciation in value based on the appraised value at the time of restructuring and at the time of recapture. FSA-2543 establishes the terms and conditions of recapture as mandated by the CONACT.

FSA estimates that 85 respondents per year will execute FSA-2543. The estimated time to review and sign the document is 20 minutes.

FSA-2569, Warranty Deed

7 CFR 766.353(a)(4)

As authorized by 335(a) of the CONACT, FSA affords borrowers the opportunity to voluntarily convey their security property to the Agency. This servicing action often results in greater returns to FSA as it eliminates the need to pursue a forced liquidation which takes a significant amount of time in many States and results in the payment of numerous liquidation costs. Borrowers who request voluntary conveyance of their real estate security must execute FSA-2569, in addition to the FSA- 2570, in order for FSA to become the owner of record.

FSA estimates that 21 respondents will execute FSA-2569 offering conveyance of their real estate security. The estimated time to complete FSA-2569 is 15 minutes.

FSA-2570, Offer to Convey Security

7 CFR 766.152(a)(4), 7 CFR 766.353(a)(1), 7 CFR 766.354(a)(1)

Under the provisions of section 335(a) of the CONACT, FSA is authorized to bid for and purchase, or otherwise acquire property on which it has a lien. FSA affords borrowers the opportunity to voluntarily convey their security property to FSA. This servicing action often results in greater returns to FSA as it eliminates the need to pursue a forced liquidation which takes a significant amount of time in many States and results in the payment of numerous liquidation costs. Borrowers who request voluntary conveyance of their security property must execute FSA- 2570, establishing the terms and conditions of their offer.

FSA estimates that 21 respondents will execute FSA-2570 offering conveyance of their real estate security. Additionally, 2 of these borrowers will also execute the form offering conveyance of chattel security. The estimated time to complete FSA-2570 is 15 minutes, regardless of whether real estate or chattel security is being conveyed. This does not include the time required to prepare other information, such as current financial statement or Warranty Deed, as the time required to prepare, and submit, these documents is accounted for separately in the FSA's request for approval of those forms.

FSA-2571, Agreement for Voluntary Liquidation of Chattel Security

7 CFR 766.351(c)(2), 7 CFR 766.352(b), 7 CFR 766.353(a)(2)

The security instruments executed by a borrower at the time a loan is made require the borrower obtain FSA approval prior to the sale of security property. FSA approval is required to ensure security property is sold for its market value, thereby reducing the potential for losses. A borrower may opt to reduce their indebtedness by selling chattel security that is no longer functional for their operation. Additionally, a borrower who has ceased farming or is unable to develop a feasible plan of operation may choose to voluntarily liquidate the security property. A voluntary liquidation will generally result in a greater recovery of FSA's indebtedness than a forced liquidation as the borrower is more likely to obtain a higher sales price, the sale is completed in a timely manner, and associated liquidation costs are less. A borrower obtains FSA's approval, as well as that of any other lienholder, by completing FSA-2571. FSA-2571 is utilized to document the proposed method of sale, such as private sale or public auction, as well as establish applicable terms and conditions.

FSA estimates that 256 respondents will complete FSA-2571 annually. The estimated time required for the borrower to complete the form and obtain approval of other lienholders is one hour. In addition, the borrower must obtain approval of other lienholders' concurrence. FSA estimates that each of the 256 borrowers completing FSA-2571 will need to obtain the signature of three other lienholders for a total of 769 lienholder respondents. The estimated time for the lienholder to review and sign the form, as well as review their records regarding their lien is 15 minutes.

FSA 2572, Agreement of Secured Parties of Sale of Security Property

7 CFR 766.357(c)(2)

When FSA is liquidating chattel security that is subject to prior liens, FSA must either pay the prior liens in full prior to the foreclosure sale, or obtain the prior lien holders' concurrence to sell the security property and apply proceeds from the sale in order of lien priority. FSA obtains the prior lien holder's consent using FSA-2572.

FSA estimates that 4 prior lien holders will complete the form each year for 5 accounts each year for a total of 23 respondents. The estimated completion time, which includes the time for each lien holder to review their records, as well as complete and return the form, is 15 minutes.

FSA-2591, Lease of Real Property

7 CFR 766.154(b)(4), 7 CFR 767.101(a)(1) & (2)

As mandated by the provisions of section 352 of the CONACT, FSA must offer a former owner the opportunity to lease, with an option to purchase, their dwelling and up to 10 acres of adjoining land if the property served as security for their loan and is acquired by the Agency. In addition, under the authority provided in section 335(b) of the CONACT, FSA may lease property acquired into inventory when a beginning farmer has been selected to purchase the property, but direct or guaranteed loan funds are unavailable, or when the Agency is unable to advertise the property for sale because of lengthy litigation. When a property is leased, FSA prepares FSA-2591 to establish the terms and conditions of the lease.

FSA estimates that FSA-2591 will be executed by 22 respondent former owners under the Homestead Protection Program and 5 beginning farmer respondents who were selected to purchase the property subject to the availability of direct or guaranteed loan funds. The estimated time for the lessee to review and sign FSA-2591 is 15 minutes.

FSA-2198, Claimants With Closed Settlement Claims With No Appeal Hearing in Suspension

7 CFR 766.101(a)

Borrowers with closed settlement claims who remain delinquent on loan obligations must be notified that FSA intends to make a decision on their previously submitted loan servicing application. By completing this form, the borrower is given the opportunity to request a new notification of loan servicing options available to them and complete a new loan servicing application. FSA prepares FSA-2198 to notify borrowers who have no outstanding appeal hearings of these options.

FSA estimates that FSA-2198 will be executed by 86 respondent borrowers and estimates the time required to complete the form to be 5 minutes.

FSA-2199, Claimants With Closed Settlement Claims With Appeal Hearing in Suspension

7 CFR 766.101(a)

Borrowers with closed settlement claims who remain delinquent on loan obligations must be notified that FSA intends to make a decision on their previously submitted loan servicing application. By completing this form, the borrower is given the opportunity to request a new notification of loan servicing options available to them and complete a new loan servicing application. FSA prepares FSA-2198 to notify borrowers who have an outstanding appeal hearings of the option to still receive a new notification of servicing and application materials.

FSA estimates that FSA-2199 will be executed by 17 respondent borrowers and estimates the time required to complete the form to be 5 minutes.

Also, some borrowers may respond to either of the new forms and indicate that they elect to restart the loan servicing process. This required an upward adjustment to the projected hours for several direct loan servicing forms in order to account for the burden associated with the completion of these forms.

Non-form collections

7 CFR 766.54(a) - Written Request for Disaster Set-Aside

A borrower who operated in a county designated or declared a disaster area, or contiguous county, who is unable to make all or a portion of the first or second payment due after the disaster may request the amount of the payment that cannot be made to be set-aside. The set-aside portion of the payment becomes due on or before the final due date of the loan. To be considered for Disaster Set-Aside, the borrower, including each member of the entity, must make a written request for consideration. FSA estimates that 8,693 respondents will request consideration. The time to prepare the request is estimated to be 15 minutes.

7 CFR 766.54(b)(2) – Additional Information Needed to Determine Eligibility for Disaster Set-Aside

To be eligible for Disaster Set-Aside, the borrower must submit financial records for the for the production cycle during which the disaster occurred. Approval of the collection of financial information was obtained with the approval of FSA-2037 and FSA-2038. The regulation also allows FSA to request any additional information needed to determine the borrower's eligibility, such as documentation that nonmonetary default has been, or will be, cured prior to approval of Disaster Set-Aside. The need to request additional information is highly unusual. Therefore, FSA estimates that approximately five percent of the 8,693 borrowers (435 respondents) approved for Disaster Set-Aside will be required to provide such information. The estimated time for the borrower to provide copies of any requested information is 15 minutes.

7 CFR 766.102(b) – Aerial Photo Delineating Requested Conservation Contract

Borrowers requesting conservation contract as authorized by section 349 of CONACT must submit a map or aerial photo of the property delineating the proposed easement area. FSA estimates that 145 borrowers will request consideration under the conservation contract program. This projection includes the estimated 125 that will be approved as well as those whose request will not be approved as a result of ineligibility or inability to develop a feasible plan. The estimated time to provide a copy of the map or aerial photo is 20 minutes, which includes the time to obtain an aerial photo of the property from the FSA office as well as outlining the proposed easement area.

7 CFR 766.102(f)(2) & (3) – Copy of Divorce Decree and Evidence of Conveyance

When jointly liable borrowers are divorced and one has withdrawn from the operation, the withdrawing individual may request they be released from liability for the FSA debt at the time loan servicing is considered. A copy of the divorce decree reflecting the remaining individual is solely responsible to the FSA debt and evidence the withdrawing individuals interest in the security have been conveyed to the remaining individual are required.

FSA estimates that 17 respondents per year will request release of liability at the time loan servicing is requested. The estimated time to locate the required documents and submit copies to the FSA office is 30 minutes.

7 CFR 766.110(d) – Borrower Selection of Conservation Contract Term

Under the provisions of section 349 of the CONACT, FSA may reduce a borrower's outstanding debt in return for the entering a contract for conservation, recreation, or wildlife purposes. The amount of debt reduction granted is based, in part, on the duration of the contract. Borrowers requesting a conservation contract may select either a 10, 30, or 50 year term. FSA will generally review the calculations for the amount of debt reduction for each of the three available contract terms with the borrower prior to making a final offer to the borrower. This allows the borrower to make an informed decision regarding the duration of the contract.

FSA estimates that conservation contract requests will be approved for 135 respondents. The estimated time required for a borrower to select a contract term after reviewing calculations for the three available contract periods is 30 minutes.

7 CFR 766.115(2) & (3) – Independent Appraisal

As provided by the provisions of section 353(c)(7) of the CONACT, a borrower who disagrees with the value established by the appraisal used by FSA to evaluate available loan servicing options may dispute the appraisal by obtaining an independent appraisal or requesting negotiation of appraisal. If the borrower obtains an independent appraisal completed according the requirements of the Uniform Standards of Professional Appraisal Practices (USPAP) that is within five percent or less of the FSA appraisal, the borrower may select the appraisal to be used. If the appraisals differ by more than five percent, the borrower may select an appraiser to complete a third appraisal. The average of the two appraisals closest in value will serve as the

value used in considering available loan servicing options. The CONACT requires the borrower pay the cost of the independent appraisal. This cost is reflected in question 13.

FSA estimates that 17 respondents will obtain an independent appraisal. The estimated time to obtain and provide the independent appraisal is 30 minutes.

7 CFR 766.151(a)(3), 7 CFR 766.151(b)(3) – Consideration for Pre-Acquisition and Post Acquisition Homestead Protection

Borrowers who requested primary loan servicing, but were not eligible, could not develop a feasible plan, or did not accept FSA's offer of restructuring are automatically considered for pre-acquisition homestead protection, whereby the borrower may retain their principal dwelling and up to 10 adjoining acres as authorized by section 352 of the Act. Much of the information needed by FSA was provided with the borrower's request for primary loan servicing, or will be submitted as part of the request for voluntary conveyance under 7 CFR 766.353. Information collections associated with primary loan servicing and voluntary conveyance are approved under the applicable form used for the collection. However, in order for FSA to consider pre-acquisition homestead protection, the borrower must identify the up to ten acres adjacent to the dwelling they wish to retain.

Under the provisions of section 352 of the CONACT, if FSA did not enter into a Homestead Protection Agreement (FSA-2539) prior to the acquisition of real estate containing the borrower's primary residence that served as security for the FSA loans, FSA will notify the former owner of homestead protection after acquisition. As with pre-acquisition, the former borrower must identify the up to 10 adjacent acres they wish to retain.

FSA estimates that 26 respondents per year will request pre-acquisition Homestead protection and an additional 10 respondent former borrowers will request post-acquisition homestead protection. The time required for both the borrower or former borrower, to identify the acreage they wish to retain is 20 minutes, which includes time required to obtain an aerial photo from FSA which may be used to reflect this delineation.

7 CFR 766.154(c)(1) – Request to Exercise Option to Purchase With Homestead Protection Lease

In accordance with the provisions of the CONACT's section 352(c)(4)(B), a lease under the homestead protection program includes an option to purchase that may be exercised at any time during the term of the lease. The 2008 Farm Bill extended this option to a designated family member of the lessee if they are socially disadvantaged. FSA requires the lessee or designee exercise the option in writing as it must incur the cost of allowing the lessee to select from a list of appraisers for completion of an independent appraisal establishing the purchase price of the property. FSA estimates that 16 respondent former owners per year will exercise their option to purchase. The estimated time to prepare and submit a written request is 15 minutes.

7 CFR 766.154(e) – Selection of Appraiser for Homestead Protection

Under the provisions of section 352(b)(3) of the CONACT, FSA must determine the value of homestead protection by an “independent appraisal.” FSA provides the former owner a list of qualified appraisers from which to select. FSA estimates that 35 respondent former owners entering a homestead protection lease/purchase agreement, and 17 respondent former owners exercising their option to purchase under an existing lease/purchase agreement will need to select an appraiser. The estimated time to review the list and inform FSA of the appraiser selected is 10 minutes.

7 CFR 766.202(a)(1) – Identification of Capital Improvements to Real Estate

Under the provisions of section 353(d) of the CONACT, a borrower who receives a write-down of their FSA debt must sign a Shared Appreciation Agreement under which FSA may recover a portion of the amount written down. The amount of recapture due is based on the appreciation that occurs based on the appraised values at the time of write-down and the time recapture is due. FSA’s regulations permit the borrower to identify any capital improvements that have been added to the real estate since the execution of the shared appreciation agreement. The contributory value of these improvements will be deducted when determining the appraised value of the property.

FSA estimates that 85 respondents per year will identify capital improvements at the time the amount of recapture is calculated. The estimated time to submit a written list of improvements is 30 minutes. This estimate does not include the time required to submit copies of tax returns documenting the capitalization of the improvements as that collection is approved under 0560-0238 (7 CFR 761).

7 CFR 766.251(b) – Refute Finding of Unauthorized Assistance

FSA regulations require that borrowers repay Farm Loan Programs benefits or assistance for which they were not entitled. Unauthorized assistance may result from a borrower providing false information, or from borrower or FSA’s error. When FSA determines that unauthorized assistance was received, the borrower is provided an opportunity to discuss or refute the FSA’s findings. Based on information submitted by the borrower, it may be determined that the assistance or benefits received were in fact authorized.

FSA estimates that 158 respondents are notified they received unauthorized assistance each year. Most, if not all, of these borrowers will want to discuss the Agency’s findings, as well as possibly refute the findings. The estimated time for the borrower to review the FSA’s findings, prepare for a meeting to discuss or refute the findings, and attend the meeting is estimated to be 4 hours.

Information Collections With Less than 10 Respondents Per Year

7 CFR 766.101(a)(5) – Borrower Request to Receive Notification of Loan Servicing Options

Section 331D of the CONACT list the circumstances that is requiring FSA to notify borrowers of the availability of loan servicing options. These include prior to taking a collection action or adverse action, as well as upon on written request of the borrower. FSA provides “supervised credit” and routinely meets with its borrowers to assess their financial progress. Under FSA servicing regulations, notification of the availability of loan servicing is provided as soon as FSA becomes aware a borrower is in financial distress, as well as when the borrower is 90 days past due. Therefore, most, if not all borrowers in need of loan servicing are provided notification, and it is estimated that less than 10 borrowers per year will request such notification.

7 CFR 766.115(a)(1) – Technical Appraisal Review

If a borrower disagrees with the appraised value of the security used by FSA in evaluating available servicing options, they may obtain and present a technical appraisal review as part of the appeal process. The technical appraisal review is used to determine whether the appraisal is in compliance with the Uniform Standards of Professional Appraisal Practices.

FSA estimates that 5 borrowers per year will exercise this option. The estimated time required for the borrower to locate a qualified appraiser to complete the review and provide a copy of the completed review to FSA is 30 minutes.

7 CFR 766.153 – Transfer of Homestead Protection Rights to Spouse

Section 352(c)(5) of the CONACT prohibits the transfer or assignment of homestead protection rights except in the case of a spouse upon the death or incompetency of the borrower-owner, provided the spouse agrees to comply with the terms and conditions of the lease. FSA estimates that transfer of homestead protection rights, which requires the spouse to agree to comply with the terms and conditions of the lease, to occur less than 10 times per year. The number of homestead protection leases outstanding has declined steadily. The number of deaths or cases of incompetence occurring per year based on this small number would be few if any.

7 CFR 766.353(a)(5) and 7 CFR 766.354(a)(5) – Resolution by Entity Members Approving Voluntary Conveyance of Real Estate or Chattel Security

FSA estimates that 18 borrowers per year will request voluntary conveyance of real estate security and two borrowers per year will request voluntary conveyance of chattel security as authorized by section 335 of the CONACT. Of these 18 borrowers, 9.5 percent, less than two borrowers per year, will be an entity required to present evidence of a resolution by entity members authoring the conveyance of the security.

7 CFR 766.353(a)(6) – Assignment of Outstanding Lease on Real Estate Security Being Conveyed

Borrowers requesting to voluntary convey their real estate security who have leased the property must assign the outstanding lease to FSA. Based on historical records, FSA only accepts a voluntary conveyance of real estate from 18 borrowers per year. FSA loan security instruments require the borrower to operate the security, with limited exceptions. Therefore, the provision

requiring the assignment of the lease is established to address the few, if any, cases which may occur each year.

7 CFR 766.356(b)(1) and 7 CFR 766.3565(b)(2) – American Indian Borrower Request Loan Be Assigned to Tribe or Secretary of Interior

As provided by section 335(e)(1)(D)(v) of the CONACT, an American Indian borrower whose real estate security is being foreclosed on, will be notified of their right to request their loan be assigned to the either the tribe having jurisdiction over the Indian reservation on which the property is located or the Secretary of the Interior. Based on historical information maintained by FSA, it is estimated that less than 10 borrowers per year will make such requests.

7 CFR 766.356(b)(1)(i) – Tribe’s Acceptance of Assignment of Loan

The Tribe having jurisdiction over the Indian reservation must notify FSA of its intent to accept assignment of an American Indian borrower’s loan being foreclosed. Since less than 10 borrowers will request assignment, the number of Tribes accepting assignment will also be less than 10.

Collections contained in 7 CFR 766 that are approved under OMB Control Numbers for other CFR parts/OMB Control Numbers

The following table summarizes the information collections included in 7 CFR 766, for which approval has been obtained or requested under the OMB Control Number for another CFR part that requires the same collection of information for a difference purpose.

| CFR Citation | Description | Approved Under |
|---|--|-----------------------|
| 766.52(a)(2) 766.52(a)(4) 766.53(a)(2) 765.54(b) | Documentation the borrower does not have the ability to pay all expenses and creditors due to circumstances beyond their control using FSA-2001 or similar form. | 0560-0238 |
| 766.52(a)(5) | Documentation the borrower has a feasible plan for next operating plan after receiving disaster set-aside using FSA-2001 or similar form. | 0560-0238 |
| 766.52(a)(7) 766.54 (a) | Written request for disaster set-aside and certification the borrower is not ineligible due to crop insurance violation on FSA-2001 or similar format. | 0560-0237 |
| 766.56 | Borrower pledging lien on all assets using FSA-2028 and/or FSA-2029. | 0560-0237 |
| 766.102(a)(2) | Application, FSA-2001, requesting primary loan servicing. | 0560-0237 |
| 766.102(a)(2) | Entity member financial statements, using FSA-2001 or similar form, when entity requests primary loan servicing. | 0560-0238 |
| 766.102(a)(3) | Most recent three years financial records on FSA- | 0560-0238 |

| CFR Citation | Description | Approved Under |
|---------------|---|----------------|
| | 2001 and copy of applicable tax returns. | |
| 766.102(a)(3) | Copy of tax return documenting capital improvements claimed for shared appreciation recapture reduction were capitalized. | 0560-0238 |
| 766.102(a)(4) | Three years of production records on FSA-2003 for borrowers requesting primary loan servicing. | 0560-0238 |
| 766.204(a)(6) | Amortization of shared appreciation using FSA-2026 as the loan agreement. | 0560-0237 |
| 766.353(a)(7) | Title record using FSA-2352 when real estate security is voluntarily conveyed. | 0560-0237 |

3. Use of information technology and burden reduction. 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 decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

FSA makes every effort to comply with the E-Government Act, 2002 (E-Gov) and to provide for alternative submission of information collections for the respondents. Information collections obtained using agency forms may be submitted electronically provided the borrower has obtained and activated a USDA account with Level 2 access that allows for electronic submissions. All forms that the borrower has 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 borrower 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 borrower'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, or by facsimile. Further, borrowers 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.

Even though forms are available on the e-Gov forms website, public input on this information collection package indicated that very few borrowers utilize this option. Most respondents stated that they obtain and return forms and non-forms to the agency office as they feel a person-to-person meeting is beneficial, especially when requesting loan servicing. The information required from borrowers is mainly financial in nature, and farmers are not comfortable with providing it through electronic means, notwithstanding the adequacy of agency security safeguards in place. Most of the agency's borrowers reside in rural areas, which often do not

have access to high speed internet connection. Moreover, borrowers often seek additional clarification and explanation of the requirements, as well as explanation of the consequences of not complying with the requirements, from agency officials.

Several forms and non-forms in this collection allow applicants and borrowers to respond to, and provide minimal information to, agency pre-fill forms. FLP continues to review upcoming information technology initiatives that would present additional opportunities to initiate electronic interactions and transactions which would only require the borrower's review and approval or disapproval, as in those situations the borrower may not need to visit the agency office to complete the transaction.

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 borrowers 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 three 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.

The burden established in this regulation is required under the provisions of the Act which mandates specific actions be taken when servicing loans to direct FLP borrowers. Agency personnel with expertise in servicing loans continually review the information collections required under this CFR part to eliminate any duplicative or unnecessary collections of information. 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 borrower. However, financial information that is collected at another time may be dated and not useful for the specific action being considered. 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. Efforts to identify duplication. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Question 2.

FSA has made every effort to minimize burden on small businesses and small entities. FSA only requires collection of information when necessary to act on an applicant or borrower's request for assistance. 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 servicing from any commercial lender. Thus, it places no additional burden on small businesses above that required in the normal course of business. There are 13,780 small businesses or entities.

6. Efforts to identify duplication. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Question 2.

The collection is voluntary and ongoing information collection request. FSA is mandated to provide supervised credit; therefore, failure to collect the information, or collecting it less frequently, could result in the failure of the farm operation or loss of security property. The collection of information is required as a result of an applicant or borrower's specific request, is obtained on an as-needed basis, and is used to document the applicant or borrower's eligibility for the requested benefit. Accurate decisions, when servicing an account, largely depend on current financial information and actual history and the potential of the farming operation to carry out the purposes for which the loan was made. There is no regular reporting schedule related to the information collection requirements in this part. If the information was not collected, or collected less frequently, FSA would be unable to meet the Congressionally-mandated mission of its loan programs.

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 information more frequently than quarterly.
- b. Requiring written responses in less than 30 days. There are no information collection 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. There are no such requirements.
- e. No 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 the pledge of confidentiality. There are no such requirements.
- h. Requiring submission of propriety trade secrets. There are no such requirements.

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

8. Comments to the Federal Register Notice and efforts for consultation. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

On July 22, 2024, FSA published a 60-day information collection notice regarding its intention of requesting OMB extension with a revision of the existing collections and inviting comments.

One comment was received in response to the published notice. The comment was not related to the Farm Loan Programs or to this information collection.

Information collection is regularly reviewed by agency personnel, borrowers, and applicants for accuracy of estimated burden required, whether the information collected is excessive or intrusive, and to determine if the information collected is still necessary or if it can be collected through different means.

On a frequent basis, the agency consults with applicants, borrowers, representatives of private lending institutions, representatives of the Farm Credit Administration, as well as FSA employees and other USDA employees as part of ongoing program administration, national oversight and national risk assessment reviews. During these discussions no group has raised concerns regarding estimated burden of forms collection information or that collection information may be excessive or intrusive.

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.

For initial submission for approval of this collection, FSA contacted applicants and borrowers to assist the agency in developing and reviewing burden estimates. Field office employees assisted FSA in identifying applicants and borrowers and assisted in reviewing the information collection instruments and the applicable instructions. Three (3) individuals were contacted during the information collection public comment period.

Individuals contacted in conjunction with the original submission of the collection for approval are as follows:

W. Shelley, SC
843-289-1168

C. Adamson, VA
804-252-9081

C. Ivison, NY
315-783-0843

As part of this extension request, FSA reviewed and determined that no changes were made to any of the forms that would cause a change to the previously denoted estimated completion times. All persons contacted reviewed information collection instruments and the instructions for their completion and provided answers to the same questions.

One individual provided that the information FSA requests are not excessive or intrusive. No other feedback indicating that there were any issues with time estimates or information requested was received. Commercial lenders were not contacted for this information collection as FSA's

processes for special servicing are statutorily mandated and do not match commercial lenders' requirements.

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

No other payment, gift or incentive will be provided through this information collection request.

10. Assurances of confidentiality provided to respondents. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

FSA forms that serve as collection instruments contain a Privacy Act statement identifying circumstances under which the information collected may be released. This statement is based on the Privacy Act, the Freedom of Information Act and the FSA System of Records that has been published in the Federal Register. FSA policies, as well as a copy of the System of Records Notices (USDA/FSA-2 and FSA-14), are published in FSA handbooks (2-INFO and 3-INFO). No further assurance of confidentiality is provided to applicants or borrowers.

This request was reviewed and approved by FPAC Senior Government Information Specialist, Samantha Jones, on **September 9, 2024**.

11. Justification for any questions of a sensitive nature. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The information collected is of a financial nature. As a condition for the receipt of program benefits, applicants and borrows must provide total disclosure of income data and a history of their business dealings that is often considered sensitive. Regardless, the information is required to properly document the agency's decision pertaining to loan making and servicing actions.

12. Estimates of the hour burden of the collection of information. Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.

The breakout for the burden is also in the Reporting and Recordkeeping Requirements spreadsheet.

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

| | |
|------------------------------------|-------------|
| Total Number of Respondents..... | 32,496 |
| Reports Filed Per Person..... | 1.00 |
| Total Annual Responses..... | 32,496. |
| Total Annual Burden Hours..... | 12,221. |
| Average Burden Per Collection..... | 23 minutes. |
| Per Respondent..... | 23 minutes. |

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

| | |
|--|------------|
| Respondent’s Cost Per Hour - Farmers..... | \$43.35. |
| - Creditors/Financial Institutions..... | \$40.62. |
| Total Annual Respondent Cost - Farmers..... | \$521,196. |
| - Creditors/Financial Institutions (198).... | \$ 8,043. |
| - Total..... | \$529,239. |

Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

Respondent cost per hour for farmers was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2023, Table 11-9013-Farmers, Ranchers and Other Agricultural Managers. Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2023, 11-9013 Farmers, Ranchers, and Other Agricultural Managers. The U.S. mean household income, as measured by the Bureau of Labor, is \$43.35.

Respondent cost per hour for business was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2023, Table 13-2072-Loan Officers. The U.S. mean as measured by the Bureau of Labor is \$84,490 annually or \$40.62 hourly.

The annual burden hours and the number of respondents and responses is estimated to remain the same despite anticipated use of a new servicing option available to distressed borrowers, Distressed Borrower Set-Aside (DBSA). This servicing option will utilize the same collection already established under the Disaster Set-Aside process. Since the last OMB approval, most special servicing activities have been stayed due to FSA’s response to the Coronavirus (COVID-19) National Emergency, unless a borrower requested servicing assistance. Therefore, estimates prior to the stay are considered the most accurate and no additional revisions to the estimated annual burden hours and number of respondents have been made.

In accordance with the CONACT provisions, a borrower is required to pay the cost of an independent appraisal when they disagree with the value determined in the appraisal obtained by FSA. In addition, those borrowers who pursue negotiation of appraisal must pay one half of the cost of the third appraisal. The estimated average appraisal cost of an agricultural property is \$2,000. FSA estimates that 15 borrowers will obtain an independent appraisal and an additional 6 will incur one half the cost of a third appraisal as part of the negotiation of appraisal process. Therefore, the total estimated cost to borrowers for real estate appraisals is \$36,000.

13. Estimates of other total annual cost burden. Provide estimates of the total annual cost burden to respondents or recordkeepers resulting from the collection of information, (do not include the cost of any hour burden shown in questions 12 and 14). The cost estimates should be split into two components: (a) a total capital and start-up cost component annualized over its expected useful life; and (b) a total operation and maintenance and purchase of services component.

The regulation and associated information collections does not impose any burden costs on respondents for capital, start-up, operation, maintenance, or the purchase of services.

14. Provide estimates of annualized cost to the Federal government. Provide estimates of annualized cost to the Federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

The forms are computer generated so the costs are minimal.

FSA employees review information provided by applicants, borrowers, and third parties and make feasibility determinations. FSA estimates that its employees spend 287,810 hours reviewing and processing the collections included in this docket. Primary loan servicing actions have been hold due to an ongoing moratorium. FSA anticipates this moratorium will be lifted in the coming months and loan servicing activities will begin again. The estimated hours figure represents the most recent estimate prior to the moratorium and is most reflective of what FSA can expect over the time period covered by this renewal request.

Averaging the GS-9 through GS-12 (2024 RUS-Salary Table) salaries indicates an average employee salary of \$82,085 per year. Standard adjustments recommended by FSA's Budget Division of 33.3% are added for benefits and miscellaneous expenses (\$27,359), for a total average cost for a Farm Loan Program employee salary of \$ 109,444 per year, which divided by 2,080 hours equals an hourly salary of \$52.62.

Therefore, the estimated annual cost to the Federal Government is 287,810X
\$52.62=\$15,144,562.20.

Note: The agency utilized the most recent County Office Workload Report to estimate the costs to the Federal Government.

15. Explanation of program changes or adjustments. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

There are no changes to the burden hours since the last OMB submission. In this request, the number of respondents and total annual responses are 32,496 with a total estimated burden of 12,221 hours.

16. Plans for tabulation, and publication and project time schedule. For collections of information whose results are planned to be published, outline plans for tabulation and publication.

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

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

The FSA forms are currently displayed the OMB expiration date.

18. Exceptions to the certification statement identified. Explain each exception to the certification statement identified in ROCIS under "Certification for Paperwork Reduction Act."

FSA is able to certify compliance with all provisions in the certification statement.