

SUPPORTING STATEMENT - PART A for

OMB Control Number 0560-0238

General Program Administration

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7 CFR 761, General Program Administration

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A1. 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.

The Farm Service Agency (FSA) is requesting a revision of a currently approved collection. The Farm Loan Program (FLP) provides loans to family farmers to purchase real estate and equipment and finance agricultural production. This information collection package describes the policies and procedures FSA uses to provide supervised credit to direct FLP applicants and borrowers to comply with the provisions of the CONACT (Pub. L. 87-128), as amended. Information collected is used to administer the loan making and servicing of Farm Ownership, Operating, and Emergency loans. Information collections established in 7 CFR 761 are necessary for FSA to evaluate the applicant's loan making and/or servicing request and determine if eligibility, loan repayment and security requirements can be met. Supervised credit information collection requirements include planned and actual production and financial records, balance sheets, and development plans for construction.

Authority to establish the regulatory requirements contained in 7 CFR 761 and 7 CFR 763 is derived from 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 Consolidated Farm and Rural Development Act (CONACT; 7 U.S.C. 1989) provides, in part, 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 has delegated the authority to administer the provisions of the Act applicable to FLP to the Under Secretary of Farm Production and Conservation (FPAC) in section 2.16 of 7 CFR part 2. FPAC has further delegated this authority to the FSA Administrator in section 2.42 of 7 CFR part 2.

Farm Storage and Facility Loan (FSFL) applicants provide balance sheet and income and expense information to FSA to make feasibility and eligibility determinations. FSFL program requirements are established under 7 CFR 1436. However, FSFL information collections are exempt from the requirements of the Paperwork Reduction Act according to the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F – Administration). This submission, while it accounts for FSFL applicants' use of FSA-2037 and FSA-2028, provides that their use is exempt.

A2. 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.

The affected public includes businesses who farm. Information collections are submitted by applicants and borrowers to the local FSA office serving the county in which their business is headquartered. The information is necessary to provide supervised credit as legislatively mandated and is used by FSA to:

- Ensure that when loan funds or insurance proceeds are used for construction and development projects, work is completed according to applicable state and local requirements, and in a manner that protects the government's financial interest.
- Ensure that the loan repayment plan is developed using realistic data, based on the operation's actual history and any planned improvements.
- Identify potential concerns limiting the success of the operation and develop a loan assessment outlining the course of action to be followed, to improve the operation's finances so that commercial credit will be available in the future.

The general nature of a loan from FSA is very similar to that of any conventional commercial creditor. However, FSA applicants and borrowers tend to pose more of an 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 application. Legislation requires FSA to actively supervise these borrowers and provide credit counseling, management advice, and financial guidance.

Forms

FSA-2037, Farm Business Plan – Balance Sheet

7 CFR 761.102(a); 7 CFR 761.105(b)(1); 7 CFR 763.7(b)(2); 7 CFR 763.18(b)(6); 7 CFR 764.51(b)(2)(ii) and (iii); 7 CFR 764.51(e)(6); 7 CFR 764.401(c)(1); 7 CFR 764.402(e)(2); 7 CFR 765.51(a); 7 CFR 765.101(c); 7 CFR 765.205(a)(2); 7 CFR 765.404(b)(1); 7 CFR 766.102(a)(7); 7 CFR 766.102(d); 7 CFR 766.204(a)(2); 7 CFR 766.353(a)(2); 7 CFR 766.354(a)(2); 7 CFR 1436.4.

The information requested on FSA-2037 is provided by applicants requesting loans, existing borrowers requesting a servicing action, and borrowers, as provided on loan and security instruments or at FSA's request, for FSA to determine the progress made. Use of FSA-2037 is not mandatory, as applicants and borrowers may provide the information in any alternative format used for other purposes, as well as copies of balance sheets used to apply for loans from other creditors. The information collected on FSA-2037 is a detailed listing of the applicant or borrower's assets and liabilities. FSA uses the information to make feasibility and eligibility determinations and ensure that applicants will be able to repay the requested loan. A balance sheet is required from individuals, entities, as well as entity members. FSA inputs information applicants and borrowers provide on FSA-2037 in the Farm Business Plan. After the input is complete and before the action requested is closed, applicants and borrowers sign the computer print-out that reflects the information provided. FSA has included in this information collection

package the number of entity members required to provide a balance sheet and has indicated the number of entity members required to provide the information.

FSA estimates that 29,464 individual and 6,430 entity member applicants complete FSA-2037 for loan making purposes. The average estimated time for completion is 75 minutes. An updated balance sheet is required if loan closing occurs 90 days after loan approval. It is estimated that 1,566 individual and 298 entity member applicants will provide an updated balance sheet and the time to provide it is estimated to be 15 minutes as applicants only need to provide updates for any items that have changed. Further, FSA will not automatically approve a loan when an adverse decision is overturned on an appeal but will reevaluate the applicant's information taking into consideration the hearing officer's determination. FSA estimates that in 25 cases an updated balance sheet will be required for FSA to continue processing the loan application after the conclusion of the appeals process. The time to complete FSA-2037 at the conclusion of the appeals process is estimated to be 15 minutes.

As provider of temporary credit, FSA is required to conduct graduation reviews of its borrowers to determine their ability to graduate from FSA to other sources of credit. To conduct the review, FSA needs balance sheet information. FSA typically does an operational review/year end analysis at the same time, since they all require the same information. It is estimated that 19,436 graduation/operational/YEA reviews are conducted every year. The time to complete FSA-2037 for graduation purposes is estimated to be 60 minutes.

Borrowers, as well as lenders, request FSA subordinate its lien position to a commercial lender to obtain needed financing for the operation. For FSA to approve the subordination request, it needs to analyze the borrower's balance sheet to determine if the operation can repay FSA's loans as well as the loan being requested from the commercial lender. FSA receives subordination requests from 1,368 individuals and 300 entity members per year. The time to complete FSA-2037 is estimated to be 10 minutes because the borrower already has completed a balance sheet to provide to the commercial lender and only needs to provide a copy of that balance sheet to FSA.

FSA processes 100 requests for assumption of a borrower's debt by individuals and 22 entity members per year. Applicants are required to provide a balance sheet for FSA to determine if the applicant will be able to repay the assumed debt. The time to complete FSA-2037 for this purpose is estimated at 60 minutes.

FSA receives requests for primary loan servicing per year from 3,437 individuals and 756 entity members. Delinquent as well as financially distressed borrowers are required to provide a balance sheet for FSA to make feasibility and eligibility determinations on the borrower's request. It is estimated that it takes 60 minutes to complete FSA-2037 for primary loan servicing requests.

Further, 2 individuals who request amortization of their shared appreciation agreements have to provide a balance sheet for FSA to make a feasibility determination. It takes 60 minutes for borrowers to complete FSA-2037 for this purpose.

FSA receives requests for voluntary conveyance of real estate and chattel per year from 10 individuals and 4 entity members. It takes 30 minutes to complete FSA-2037 for this purpose as the balance sheet for these borrowers will be less complicated due to the fact that liquidation of chattel and real estate may be already completed and the borrower is in the process of settling debt with other creditors.

In addition, FSA provides either a prompt payment or standard guarantee plan to sellers who enter into a land contract with a beginning or socially disadvantaged farmers. However, FSA has not received any requests for land contracts; therefore, it is estimated that there will be 0 respondents.

FSA receives 2,518 FSFL requests per year. FSFL applicants complete FSA-2037 for FSA to make eligibility and feasibility determinations. The time to complete it is estimated to be 60 minutes. Note that FSFL information collections are exempt from the requirements of the Paperwork Reduction Act according to the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F – Administration).

Note: As provided above, FSA-2037 is used for several different purposes for which the time required to complete it varies. FSA estimates that the average time to complete it for all different purposes is 1.25 hours; therefore, the estimated completion time included on FSA-2037 is 1.25 hours.

FSA-2038, Farm Business Plan – Income and Expense

7 CFR 761.2(b); 7 CFR 761.102(a); 7 CFR 761.104(a); 7 CFR 761.105(b)(1); 7 CFR 763.18(b)(6); 7 CFR 764.51(b)(9); 7 CFR 764.401(c)(1); 7 CFR 764.402(e)(2); 7 CFR 765.51(a); 7 CFR 765.101(c); 7 CFR 765.205(a) & (b); 7 CFR 765.206(b); 7 CFR 765.207(d); 7 CFR 765.253(b); 7 CFR 765.404(b)(1); 7 CFR 406(b)(4); 7 CFR 766.52(a); 7 CFR 766.53(a); 7 CFR 766.54(b); 7 CFR 766.102(a)(7); 7 CFR 766.102(d); 7 CFR 766.102(f)(4); 7 CFR 766.109(a)(4); 7 CFR 766.151(a)(3); 7 CFR 766.151(b)(3); 7 CFR 766.204(a)(2) & (4); 7 CFR 766.353(a)(3); 7 CFR 766.354(a)(3); 7 CFR 1436.4

The information requested on FSA-2038 is provided by applicants requesting loans, existing borrowers requesting a servicing action and borrowers as provided on loan and security instruments or at FSA's request, for FSA to determine the progress made. Use of FSA-2038 is not mandatory as applicants and borrowers may provide the information in any alternative format used for other purposes, as well as copies of income and expenses used to apply for loans from other creditors. The information collected on FSA-2038 is a listing of the applicant or borrower's projected income and expenses for the current or upcoming production cycle. FSA uses the information to make feasibility determinations and ensure that applicants will be able to repay the requested loan. FSA inputs the information applicants and borrowers provide either on FSA-2038 or any other format in the Farm Business Plan. After the input is complete and before the action requested is closed, applicants and borrowers sign the computer print-out that reflects the information provided.

When the loan approval or servicing request exceeds one production cycle and FSA-2038 is atypical due to cash, inventory on hand, new enterprises, carryover debt, planned purchases, operating changes, or other reasons, the applicant must provide FSA-2038 that reflects a typical cycle. The second FSA-2038 will include only income and expenses that are typical for the operation.

FSA receives 29,464 loan applications a year and FSA assumes that all applications will contain one FSA-2038. The time to complete FSA-2038 for loan making purposes is estimated to be 90 minutes.

Updates to income and expenses are required when loan closing occurs 90 days after loan approval; it is estimated that 1,566 FSA-2038s will be provided for this reason and the time to provide the updates is estimated to be 15 minutes as applicants update only the items that have changed. Further, FSA will not automatically approve a loan when an adverse decision is overturned on appeal, but FSA will reevaluate the applicant's information taking into consideration the hearing officer's determination. FSA estimates that in 25 cases updated income and expense information will be required for FSA to continue processing the loan application after the conclusion of the appeals process. The time to complete FSA-2038 at the conclusion of the appeals process is estimated to be 15 minutes as the applicant provides updates only to items revised due to the appeal.

As a provider of temporary credit, FSA is required to conduct reviews of its borrowers to determine their ability to graduate to other sources of credit. Therefore, FSA needs to review the borrower's income and expense information. FSA typically does an operational review/year end analysis at the same time, since they all require the same information. It is estimated that 19,436 graduation/operational/year end reviews are conducted per year and the time to complete FSA-2038 for this purpose is estimated to be 90 minutes.

Borrowers request FSA subordinate its lien position to a commercial lender to obtain needed financing for the operation. For FSA to approve the subordination request, it needs to analyze the borrower's income and expenses to determine if the operation can repay the FSAs loans as well as the loan being requested from the commercial lender. FSA receives 1,368 subordination requests per year. The time to complete FSA- 2038 or provide FSA with a copy of the income and expenses provided to the commercial lender is estimated to be 10 minutes because the borrower will already have compiled income and expenses to provide to the commercial lender.

Borrowers must obtain FSA's consent before granting a junior lien on the property used to secure the loan. Before granting consent, FSA must ensure that the borrower will be able to repay the loan as well as the junior lien. Annually, 800 borrowers request FSA consent to grant junior liens and the time to complete FSA-2038 or provide FSA with a copy of the income and expenses provided to the junior lien holder, is estimated to be 10 minutes as borrowers will have already compiled income and expenses to provide the junior lien holder.

For loans secured by real estate, a borrower may request FSA grant consent to a severance agreement so that chattel acquired in the future by the borrower will not become part of the real estate securing FSA debt. One of the conditions under which FSA may grant consent is that the

transaction will not jeopardize the borrower's ability to repay all outstanding debts to FSA. It is estimated that 800 borrowers request severance agreements annually and the time to complete FSA-2038 or provide FSA with a copy of the income and expenses provided to the lender, is 10 minutes as the borrower will already have compiled income and expenses to provide to the lender that is providing the financing.

Borrowers may request agency consent to cease operating security, if several conditions are met. One of the conditions is inability to graduate to commercial credit; therefore, FSA needs to analyze the operation's income and expenses to verify the borrower is unable to graduate. It is estimated that 800 borrowers request agency consent to cease operating security. FSA estimates the time to complete FSA-2038 for this purpose to be 30 minutes as borrowers making such a request have arranged for the security to be leased and the operation's income is known to the borrower.

FSA processes 125 requests for assumption of a borrower's debt by an applicant per year. Applicants are required to provide income and expenses for FSA to determine if the applicant will be able to repay the assumed debt. It is estimated the time to complete FSA-2038 for this purpose is 90 minutes.

Further, 125 borrowers will provide income and expenses for FSA to determine if the release of liability request should be granted. The time to complete FSA-2038 is estimated at 30 minutes since completion of the form for this purpose is not complicated. In these cases usually the borrower has stopped farming.

Borrowers unable to make their payments due to a natural disaster may request FSA set-aside the payment due in the year the disaster occurred. Borrowers are required to provide income and expense records for FSA to verify that the payments cannot be made. FSA processes 1,200 disaster set-aside requests per year and the time to complete FSA-2038 is 90 minutes.

FSA receives 3,437 requests for primary loan servicing per year. Delinquent, as well as financially distressed borrowers are required to provide income and expenses for FSA to make feasibility determinations on the borrower's request. It is estimated that it takes 90 minutes to complete FSA-2038 for primary loan servicing requests.

Borrowers who meet the eligibility requirements may be granted loan deferral when they apply for primary loan servicing. FSA requires that the borrower's operation reflect a feasible post-deferral plan; therefore, 81 borrowers develop post-deferral FSA-2038 that requires 30 minutes to complete. The time requirement is less because borrowers have already completed FSA-2038 as part of the request for primary loan servicing that includes deferral of loan payments and know which expenses are projected to be paid off by the end of the deferral period.

Borrowers requesting pre or post-acquisition homestead protection are required to provide updated income and expenses for FSA to determine if the borrowers will be able to make the rental payments on the homestead protection property. FSA processes 400 requests for homestead protection; FSA-2038 takes 30 minutes to complete for this purpose because

borrowers are required to provide only updates to income and expenses submitted to FSA when it was considering the borrower's primary loan servicing request.

2 borrowers who request amortization of their shared appreciation agreement have to provide income and expense records for FSA agency to make feasibility determinations. It takes 90 minutes for borrowers to complete FSA-2038 for this purpose.

In addition, buyers requesting servicing of their land contract will complete FSA-2038. FSA estimates that it will take buyers 75 minutes to complete it. However, the guaranteed land contract program is not used; therefore, 0 responses and 0 hours are reported in this request.

FSA receives 2,518 FSFL requests per year. Applicants complete FSA-2038 for FSA to make feasibility determinations. The time to complete it is estimated to be 60 minutes. Note however, that FSFL information collections are exempt from the requirements of the Paperwork Reduction Act according to the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F – Administration), and therefore, 2,518 hours will be requested as exempt.

Note: As provided above, FSA-2038 is used for several different purposes for which the time required to complete it varies. FSA estimates that the average time to complete it for all different purposes is 1.25 hours; therefore, the estimated completion time included on FSA-2038 is 1.25 hours.

FSA-2039 – Farm Business Plan – Worksheet Summary of Year's Business

FSA-2039 is an optional form developed to assist applicants in determining if their request is feasible before they apply for a loan. Applicants complete FSA-2037 and FSA-2038, or any other format, before attempting to complete FSA-2039, as all the information to be input on this form is found on the applicable lines on FSA-2037 and FSA-2038. It is FSA's experience that most applicants either do not complete FSA-2039 and therefore FSA estimates that 0 applicants may attempt to complete FSA-2039. FSA estimates that, for applicants attempting it, the time to complete FSA-2039 is 20 minutes.

FSA-2140 – Deposit Agreement and FSA-2141, Interest-Bearing Deposit Agreement

7 CFR 761.51(a)(3), (b)& (d); 7 CFR 764.402(e)(3); and 7 CFR 765.352(a)(3)

As mandated by the Act, FSA provides supervised credit to farmers unable to secure financing from commercial sources. As part of the supervised credit process, it may be necessary to deposit loan funds, insurance proceeds, or proceeds from partial release of real estate security into a supervised bank account. These accounts may be used to assure correct use of funds planned for capital purchases or debt refinancing when electronic funds transfer or treasury check processes are not practicable. Supervised bank accounts require signature by both FSA and the borrower to withdraw funds. FSA has been promoting the use of electronic funds transfer, multiple advances and treasury checks instead of using supervised bank accounts. Further, in very limited situations where loan funds are not immediately needed and electronic funds transfer or multiple advances are not practicable or feasible, or where insurance proceeds

are going to be used over a period of time, FSA may require that the excess funds be deposited in an interest-bearing account. Therefore, it is estimated that 20 applicants and borrowers will be required to select a financial institution and execute FSA-2140 to establish a supervised bank account or establish an interest-bearing account. The response time is estimated to be 10 minutes. A representative of the financial institution selected by the applicant or borrower must also sign FSA-2140. Since the use of supervised bank accounts is limited and the applicant/borrower selects the financial institution, it is estimated that 10 different institutions will be selected and that their representatives will spend 10 minutes completing the form, as they only have to sign it.

FSA-2150 – Development Plan

7 CFR 761.10(b)(1); 7 CFR 761.10(c)(1); 7 CFR 761.10(d)(4); 7 CFR 765.205 (b)(14); and 7 CFR 765.352(a)(3)

Applicants may use loan proceeds for construction or development; borrowers requesting real estate subordination or partial release may use proceeds for construction or development; and borrowers may use insurance proceeds for loss or damage to agency security for construction or development. If all construction or development is to be performed under a single contract, only a copy of the contract is required to be provided to FSA. If multiple contracts will be used, the development plan as well as copies of all the contracts is required to be provided to FSA. Further, the cost estimate needs to be provided if it is not included in the contracts.

The applicant or borrower must provide information describing the planned development, the proposed schedule, and the manner in which the development will be completed. FSA requires copies of drawings and specifications for planned construction projects as necessary to protect the Government's financial interests. The estimate of the total cost of the planned construction or development is necessary for FSA to determine that sufficient funds are available for its completion. Such evaluation is essential in assuring that the operation will generate the cash flow used in determining loan repayment. The description of the construction project or development is necessary for FSA to evaluate it and ensure that projections, including costs, are reasonable. This information is routinely obtained by applicants or borrowers considering construction; therefore, no collection time is included as the only additional collection imposed by the regulation is submission to FSA. Further, drawings and specifications are routinely obtained during the construction process; therefore, no time is included for the collection of data. Applicants or borrowers may use FSA-2150 or other documentation that provides similar information.

It is estimated that 500 applicants or borrowers conduct construction projects. The time to provide the documentation required is estimated to be 15 minutes per response.

FSA-2153 – Release by Claimants and FSA-2154 – Release by Contractor

7 CFR 761.10(f)

Before the final advance of funds is disbursed under the construction and development contract, the applicant or borrower must obtain lien waivers from the contractors that performed the construction. If the borrower fails to obtain FSA-2153 and FSA-2154, contractors or subcontractors not paid in full may file mechanics lien against FSA's security. FSA estimates that 90 subcontractors will complete FSA-2153 annually. FSA also estimates that 250 FSA-2154 will be completed annually. FSA estimates that 400 total applicants/borrowers will have to obtain FSA-2153 and FSA-2154, as appropriate. The time to complete and obtain both FSA-2153 and FSA-2154 is estimated at 30 minutes.

FSA-2155 – Vendor Appraiser Registration

7 CFR 761.7(a)

FSA must obtain an appraisal on real estate that will serve as security for a loan. The appraisal must comply with the requirements established by Uniform Standards of Professional Appraisal Practice. As FSA does not have an adequate number of appraisers on staff it relies on state-certified appraiser vendors to conduct the appraisals needed. Before FSA can use the services of a state-certified appraiser vendor, the vendor must provide certain information such as name, appraiser license number, and billing information. FSA estimates that 100 vendors will complete FSA-2155 and it will take 10 minutes per response.

Non-form collections

7 CFR 761.10(c)(5); 7 CFR 761.10(d)(5); and 7 CFR 761.10(d)(6) – Technical Data, Tests, and Engineering Evaluations

Applicants completing construction and development projects are required to provide copies of technical data, tests, or engineering evaluations, when necessary to protect FSA's financial interest. Further, applicants provide written certification that the final drawings and specifications conform to local or state building requirements. The certification must be obtained from individuals or organizations trained and experienced in the compliance, interpretation, or enforcement of the applicable standards and may include licensed architects, professional engineers, local building officials, or national code organizations. The applicant routinely obtains this information in the construction process to protect their interests; therefore, no time was included for the collection of this data. It is estimated that 400 applicants will spend 30 minutes submitting this information to FSA.

7 CFR 761.10(e)(2) and (e)(3) – Written Certification of Inspections

Applicants must obtain professional inspections when necessary to protect FSA and their interest. Inspections are necessary to ensure construction complies with the plans and specifications and are routinely obtained by the applicant during the construction process; therefore, no time was included for the collection of this data. It is estimated that 400 applicants will spend 15 minutes submitting copies of the inspection reports.

7 CFR 761.10(g) – Surety Requirement

Applicants obtain a surety bond from the contractor used to complete construction and development to guarantee the contractor's payment and performance when necessary to protect the Government's interests. It is estimated that 10 contractors will be required to provide a surety bond and that each contractor will spend an average of 10 minutes providing bond documentation. Further, if the planned development changes from the original proposal, FSA requires that the contractor provide surety bond to cover the change. FSA estimates that 3 contractors have to provide surety bond for changes in construction, and the time is estimated to be 10 minutes per response.

7 CFR 761.10(h) – Request to Change Planned Development

FSA's approval of a loan to finance construction is based on cash flow projections developed using specific plans, specifications, and costs, as well as a projected completion schedule. Any changes to the planned development can impact the total cost, completion date, or even the value of the loan security. Therefore, to protect FSA's interests, prior approval is required for any changes to construction and development plans. It is estimated that 10 applicants and borrowers will spend 15 minutes submitting documentation to change planned development.

7 CFR 761.103 (a) and (b) – Development of the Loan Assessment

FSA develops a loan assessment with each applicant to determine the applicant's financial condition, organizational structure, management strengths and weaknesses, appropriate levels of agency oversight needed, credit counseling needs, and training needs. The financial information needed for the loan assessment is collected on FSA-2037 and FSA-2038, or any other format acceptable to FSA; however, information such as the operation's goals and the organizational structure must be discussed with the applicant. The information is normally obtained at the time FSA and the applicant discusses the loan application. The loan assessment is developed at the time of the initial application. After FSA obtains the information needed from the applicant, FSA inputs it in the Farm Business Plan. Before the loan is approved the applicant signs the printed loan assessment to acknowledge participation in its development. It is estimated that 3,200 applicants will spend 15 minutes providing information for the loan assessment.

7 CFR 761.103(c) and (d) – Assessment Update

An assessment update is required to be prepared for each subsequent loan. At the time of the assessment update, FSA and the applicant or borrower review the existing assessment to determine the progress made toward goals and graduation to commercial credit. Applicants and borrowers provide the information needed and FSA completes the assessment update in the Farm Business Plan at the time a subsequent loan is requested or when the year-end analysis is completed. FSA estimates that 3,200 applicants and borrowers will spend 15 minutes to provide the information needed and sign the assessment update acknowledging their participation.

7 CFR 761.104(d) – Evidence of Premium Price for Commodities

On a state-by-state basis, FSA sets agricultural commodity prices that are to be used by applicants in developing operating plans. Applicants may enter into contracts to sell the commodities produced by the operation at a price above than the price established by FSA; therefore, FSA requires those applicants to provide evidence that the higher price will be received for the commodities produced. Evidence provided may include a copy of the contract with the specific price for each commodity. It is estimated that 16,000 applicants will provide written evidence and the time estimated to provide the information is estimated to be 15 minutes per response.

7 CFR 761.105(b) – Actual Income, Production and Expenses and Other Financial Records

FSA completes a year-end analysis to compare actual income and expenses with planned income and expenses for borrowers who:

- Received a loan, subordination or primary loan servicing within the last year.
- Are financially distressed or delinquent.
- Have a loan deferral.
- Are receiving a limited resource interest rate.

This action is part of FSA's supervised credit procedures. It is estimated that 1,500 borrowers will provide actual income, production and expenses records, as well as other financial records, to FSA to complete the year-end analysis. Since borrowers will provide only the actual records, it is estimated that each will spend 15 minutes providing this information.

A3. 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. All forms that applicants or borrowers have to complete in their entirety, or review and execute, are posted at https://forms.sc.egov.usda.gov/eForms/searchAction.do?pageAction=BrowseForms&_MenuAction=Yes. For forms applicants or borrowers are required to complete in their entirety, the fillable version of the form, as well as detailed instructions for completing the form, are provided. Forms prepared by FSA, that applicants or borrowers simply review and sign, are also provided on the e-Forms 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 are mostly limited to copies of documents in the applicant's possession or providing written replies to the requests or offers. Non-form collections, as well as all forms, may be submitted in person at the local agency office, by mail, or electronically to the

extent possible. 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.

FSA can only accept forms electronically from sole proprietorship applicants. Electronic signature authentication for entity borrowers is not currently available. The agency anticipates 10% of responses to be submitted electronically for sole proprietorships and 0% for legal entities.

A4. 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.

Every effort has been made to avoid duplication. There is similar data collected, however, those do not meet the agency's need. Most of the information collections established in this regulation is required under the provisions of the CONACT which mandates specific actions be taken when making and servicing direct loans to FLP borrowers.

Agency personnel with expertise in making and servicing loans have reviewed the information collections required under this CFR part for eliminating any duplication 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 applicant or borrower; however, financial information that is collected at another time may be dated and not useful for the specific action under consideration. 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.

A5. Impacts on small businesses or other small entities.

If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

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 a loan from any commercial lender. There are 66,041 small businesses or entities. This program is intended to provide assistance to small businesses; therefore, this estimate is 100% percent of the total respondents.

A6. Consequences of collecting the information less frequently.

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

This information collection is mandatory and is an 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 agency security property. The collection of information is needed 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, as well as to make feasibility determinations. Accurate decisions, when making a loan or 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. If the information were not collected, or collected less frequently, FSA would be unable to meet the Congressionally-mandated mission of its loan programs.

A7. Special circumstances relating to the Guidelines of 5 CFR 1320.5.

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

- **Requiring respondents to report information to the agency more often than quarterly**
 - There are no information collection requirements that require information more frequently than quarterly.
- **Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
 - There are no information collection requirements that require written responses in less than 30 days.
- **Requiring respondents to submit more than an original and two copies of any document;**
 - There are no information collection requirements that require more than an original or single copy of a document.
- **Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
 - There are no special circumstances for FSA to conduct the collection of information.
- **In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
 - There are no special circumstances for FSA to conduct the collection of information.
- **Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

- There are no special circumstances for FSA to conduct the collection of information.
- **That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
 - There are no special circumstances for FSA to conduct the collection of information.
- **Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**
 - There are no special circumstances for FSA to conduct the collection of information.

A8. 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.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years even if the collection of information activity is the same as in prior years. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The 60-day notice was published on July 6, 2026 (91 FR 40967), and there was one comment received for the information collection request via Regulations.gov, however it was not applicable to Farm Loan Program forms as it was about Farm Programs, a separate division of the Farm Service Agency.

FSA maintains close contact with borrowers through its field representatives as well as its headquarters' staff. Field employees have direct personal contact with applicants and borrowers and are readily available to assist in obtaining the information needed as well as completing forms. Field employees pass applicants and borrowers' substantive comments to the National Office to make appropriate changes to information collected. Through this indirect input from applicants and borrowers, the National Office has revised information collections instruments in the past. Suggestions and comments are always considered and FSA remains committed to

ensuring that no unnecessary information collections are imposed on its applicants and borrowers.

In addition, FSA works closely with lending institutions such as the Farm Credit System, that provide guaranteed loans to borrowers able to graduate from FSA's direct loan programs. FSA maintains its website that contains specific information about the major programs it administers, including its loan programs; a directory of program staff and contact information; regulations, handbooks and forms; and links to other relevant sites.

The 3 names in the following were contacted, and they have no comments on the information collection request.

Sheila Oellrich
(540) 710-4223
Stafford, VA

Carol Hoyt
(501) 977-3144
Perry, AR

Tim Reimer
(402) 641-2765
Brainard, NE

A9. 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.

There are no payments or gifts provided to respondents.

A10. 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.

Forms that serve as collection instruments contain FSA's 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 (Farm Records File (Automated) USDA/FSA-2 and Applicant/Borrower USDA/FSA-14) that has been published in the Federal Register on June 4, 2026 (91 FR 33682). Agency policies, as well as a copy of the System of Records, are published in FSA handbooks 2-INFO and 3-INFO. No further assurance of confidentiality is provided to applicants or borrowers.

The Acting Assistant Privacy Officer, Samantha Jones, reviewed and approved this package on September 17, 2026.

A11. 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 under this docket is financial in nature. As a condition for the receipt of program benefits, applicants and borrowers disclose income data and history of their business dealings that is often considered sensitive. However, the information is required to properly document FSA's decision pertaining to loan making and servicing actions.

A12. 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.

A. 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 in Item 13 of OMB Form 83-I.

The Reporting and Recordkeeping Requirements (spreadsheet) is attached.

Estimated Annual Number of Respondents: 66,041.

Estimated Number of Responses per Respondent: 2.33152133

Estimated Total Annual Responses: 153,976.

Estimated Average Time per Responses: 1.02784200 hours.

Estimated Total Annual Burden on Respondents: 158,263 hours.

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

The estimate of annual cost for the information collections is \$8,742,448.12.

Respondent cost per hour was derived by using May 2025 data from the Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Farmers, Ranchers, and Other Agricultural Managers, at <https://www.bls.gov/ooh/management/farmers-ranchers-and-other-agricultural-managers.htm>. The U.S. mean hourly wage for this group is \$43.22 hourly and \$89,900 annually, as measured by the Bureau of Labor Statistics. The benefit costs are averaged \$12.02 per hour so the total respondent cost for the farmers is \$55.24. The total cost was calculated with the following formula: $\$55.24/\text{hr} \times 158,263\text{hrs} = \$8,742,448.12$.

A13. 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 place no burden costs on respondents for capital, start-up, operation, maintenance, or the purchase of services.

A14. 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 estimated annual cost to the Federal Government is: $\$8,307,224.87$ ($\$52.49 \times 158,263$).

FSA employees review information provided by applicants, borrowers, and third parties and make eligibility and feasibility determinations, service loans and ensure that all other regulations are met. FSA estimates that its employees spend 158,263 hours reviewing and processing the collections included in this docket.

Averaging the GS-11 and GS-12 (2026 RUS-Salary Table) salaries indicates an employee salary of \$82,093 per year. Standard adjustments recommended by FSA's Budget Division of 33.3% are added for benefits and miscellaneous expenses (\$27,091), for a total average cost for an employee salary of \$99,512 per year, which divided by 2,080 hours equals an hourly salary of \$52.49.

A15. 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.

FSA is requesting a revision of a currently approved collection. The current burden inventory is

64,802 estimated annual respondents, 146,434 estimated annual responses, and 149,426 estimated annual burden hours. With this revision the agency is seeking 66,041 estimated annual respondents, 153,976 estimated annual responses and 158,263 estimated annual burden hours. This reflects an increase in the number of estimated respondents 1,239, increase in the estimated number of responses 7,542 and an increase in the number of estimated annual burden hours 8,837 since the last OMB submission. The changes in this request are program adjustments as FSA gets more applications per year than previously due to the downturn in the farming economy and anticipated increase in financially distressed borrowers.

A16. 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 under this OMB control number will not be tabulated or published. This collection does not employ statistical methods and there are no plans to publish the results of this collection for statistical use.

A17. 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.

FSA will display the OMB expiration date upon OMB approval.

A18. Exceptions to the certification statement identified in Item 19.

Explain each exception to the certification statement identified in Item 19 of the OMB 83-I" Certification for Paperwork Reduction Act."

There are no exceptions requested.