

SUPPORTING STATEMENT - PART A for

OMB Control Number 0560-0236:

Farm Loan Programs—Direct Loan Servicing— Regular

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Farm Loan Programs

7 CFR Part 765

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Table of Contents

A1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY.....	3
A2. PURPOSE AND USE OF THE INFORMATION.....	3
A3. USE OF INFORMATION TECHNOLOGY AND BURDEN REDUCTION.....	13
A4. EFFORTS TO IDENTIFY DUPLICATION.....	14
A5. IMPACTS ON SMALL BUSINESSES OR OTHER SMALL ENTITIES.....	15
A6. CONSEQUENCES OF COLLECTING THE INFORMATION LESS FREQUENTLY.....	15
A7. SPECIAL CIRCUMSTANCES RELATING TO THE GUIDELINES OF 5 CFR 1320.5.....	15
A8. COMMENTS TO THE FEDERAL REGISTER NOTICE AND EFFORTS FOR CONSULTATION....	16
A9. EXPLAIN ANY DECISIONS TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS.....	16
A10. ASSURANCES OF CONFIDENTIALITY PROVIDED TO RESPONDENTS.....	16
A11. JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE.....	17
A12. ESTIMATES OF THE HOUR BURDEN OF THE COLLECTION OF INFORMATION.....	17
A13. ESTIMATES OF OTHER TOTAL ANNUAL COST BURDEN.....	18
A14. PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT.....	19
A15. EXPLANATION OF PROGRAM CHANGES OR ADJUSTMENTS.....	19
A16. PLANS FOR TABULATION, AND PUBLICATION AND PROJECT TIME SCHEDULE.....	20
A17. DISPLAYING THE OMB APPROVAL EXPIRATION DATE.....	20
A18. EXCEPTIONS TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19.....	20

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.

FSA is requesting OMB approval on a revision of a currently approved information collection request associated with Direct Loan Servicing.

Justification

Farm Loan Programs (FLP) 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 the agency uses to service most FLP loans to ensure borrowers are meeting the requirements of their loan agreements. Servicing of accounts is administered in accordance with the provisions of the Consolidated Farm and Rural Development Act (CONACT) (Public Law 87-128), as amended.

Authority to establish the regulatory requirements contained in 7 CFR 765 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 Act (7 U.S.C. 1989) provides that “the Secretary is authorized to make such rules and regulations, prescribe the terms and conditions for making... loans, security instruments and agreements, except as otherwise specified herein, and to make such delegations of authority as he deems necessary to carry out this title.” The Secretary delegated authority to administer the provisions of CONACT applicable to FLP to the Under Secretary for Farm Production and Conservation (FPAC) in section 2.16 of 7 CFR part 2. FPAC further delegated this authority to the FSA Administrator in section 2.42 of 7 CFR part 2.

The general nature of a loan from the agency is very similar to that of any conventional commercial lender. However, the borrowers tend to pose more of an economic risk of loss than do borrowers of commercial lenders. To qualify for a direct loan (funded directly by the Federal Treasury), the applicant must document that no other source of credit is available. Under the provisions of CONACT, FSA is required to actively supervise its borrowers and provide credit counseling, management advice, and financial guidance. Thus, the monitoring, reporting, evaluation, and consent requirements of this supervision increase the information collection burden on agency borrowers above that imposed by commercial lenders.

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 are: individuals or households, farms, business or other for-profit. Information requested under this collection is submitted by borrowers to the local agency office servicing the county in which their business is headquartered. The information is used by the agency to manage application of proceeds from the sale of agency security, consider whether a borrower is in compliance with their loan covenants, assist the borrower in achieving their business goals, conduct day-to-day management of the agency's loan portfolio, and ensure that the agency's interests are protected.

FSA has made actual use of the information collected to complete servicing actions including sales proceeds application and release, limited resource reviews, commercial credit graduation reviews, payment application reviews, reviews of security maintenance and disposal, reviewing and processing requests for subordinations, partial releases, consent, transfers and assumptions, and servicing accounts of deceased borrowers.

The information collection requirements established in 7 CFR 765 are described below and on the attached Reporting and Recordkeeping Requirements spreadsheet. All forms, with the exception of the new FSA-2423 and FSA-2471, have previously been approved and unmodified under the clearance given to OMB No. 0560-0236. In addition, a non-form titled 7 CFR 765.101(d) and (e) – Lender's Review of, and Response to, Borrower's Prospectus is being converted to the FSA-2418.

Forms

FSA-2025 – Notification of Approval and Borrower Responsibilities

7 CFR 765.403(a) and 766.204

When FSA approves a borrower's request for transfer and assumption, the agency notifies the transferee of the approval by sending FSA-2025 which sets the terms and conditions the transaction will be completed. In addition, FSA-2025 notifies the transferee of the responsibilities to which agency borrowers are required to adhere. Further, when the agency approves a borrower's request for shared appreciation amortization, the agency notifies the borrower of the terms and conditions of the reamortization with FSA-2025. Under both circumstances, borrowers read and sign FSA-2025, even if they do not accept the agency's terms.

FSA estimates that 78 transferees and 79 borrowers requesting transfer and assumption, or shared appreciation will read and sign FSA-2025, and it will take 20 minutes each.

FSA-2040 - Agreement and Record of the Disposition of FSA Security/Release of Proceeds

7 CFR 765.302

The borrower and FSA complete an agreement for the disposition of security and release of proceeds for each production cycle. Proceeds may be from the sale of milk, livestock, or crops on hand or in storage, other personal property, Government payments, crop insurance payments,

or insurance proceeds from loss of security. Loan and security instruments require the borrower to report to the agency the disposition of basic and normal income security; request agency consent to dispose security; and notify the agency of the property sold to a purchaser not listed on the agreement. Borrowers report disposition until the borrowers' agency loans are paid current for the operating year. The agency estimates that 66,490 borrowers will be required to complete FSA-2040 annually. The time to complete each FSA-2040 is estimated to be 20 minutes.

Further, 4,433 borrowers will require updates to FSA-2040 twice during the year (8,866 responses). Updates may be due to a change in anticipated production, a change in purchaser, or change in agreed use of funds from disposition. FSA estimates that each update will require 10 minutes as borrowers may provide revisions by phone, letter, during field visits by agency personnel, or while visiting the FSA office for other purposes.

FSA-2061 – Application for Partial Release or Consent

7 CFR 765.253; 7 CFR 765.351; 7 CFR 765.401; 7 CFR 766.354

Borrowers must obtain FSA's consent before they enter transactions affecting agency real estate security. Such transactions include, but are not limited to, partial releases, sale, or exchange of security, granting a right-of-way, granting junior liens, and cutting, removing, or leasing timber, gravel, oil, gas, coal, or other minerals. Further, borrowers who want to cease farming must request agency consent. Lastly, borrowers requesting to voluntarily convey or liquidate real estate security must request agency consent. Borrowers will use this form to request agency approval for transactions affecting real estate that serves as security for agency loans, except for subordinations. FSA reviews the information provided on FSA-2061 and if the request is in FSA's best financial interest, it approves it. FSA estimates receiving 753 FSA-2061 annually, and the time to complete each is estimated to be 30 minutes. However, all parties that have executed the promissory note are required to sign FSA-2061; therefore, the estimated number of signatures required is 3,012.

FSA-2062 – Application for Subordination of Security for Commercial Credit

7 CFR 765.205 (a)(1); 7 CFR 765.206(a)

Borrowers must obtain FSA's consent before they enter transactions affecting agency real estate and chattel security. Borrowers requesting subordination of the agency's lien to obtain credit from other sources must obtain the agency's consent. Borrowers will use this form to request agency approval for subordinations affecting real estate and personal property that serves as security for agency loans. FSA reviews the information provided on FSA-2062 and if the request is in FSA's best financial interest, it approves it. FSA estimates receiving 2,182 FSA-2062 annually, and the time to complete each is estimated to be 30 minutes. However, all parties that have executed the promissory note are required to sign FSA-2062; therefore, the estimated number of signatures required is 8,728.

FSA-2418 – Borrower Prospectus Information

7 CFR 765.101(d) and (e)

FSA is a temporary source of credit, and as such, it attempts to identify commercial lenders willing to refinance its borrowers' loans. FSA sends to commercial lenders financial information provided by borrowers with improved financial conditions and requests the lenders to review and advise the FSA if the lender is willing to refinance the borrower's agency loans. FSA estimates that 4,883 prospectuses are sent every year to 813 commercial lenders.

It is further estimated that 75 percent of lenders respond to a prospectus sent resulting in 3,663 responses taking 10 minutes per response. It takes one half hour for lenders to review each prospectus.

[New] FSA-2423 – Addendum to the Promissory Note or Assumption Agreement Converting to NP rates and terms

7 CFR 765.102

FSA is a temporary source of credit, and as such, is required to review borrowers who score Commercial or Standard at Loan Approval for graduation. FSA evaluates the borrower's financial information to determine whether the borrower may be able to obtain commercial credit at reasonable rates and terms. When a borrower's improved financial condition meets graduation requirement, FSA sends to commercial lender's financial information provided by borrowers and requests the lenders to review and advise the FSA if the lender is willing to refinance the borrower's agency loans. If the lender indicates they would like to extend credit to the borrower, FSA then notifies the borrower of their requirement to graduate from FSA financing. The borrower will have the opportunity to refinance within 30 days. If they are unable to fully refinance their FSA loans at reasonable rates and terms, they must provide documentation that demonstrates a good faith effort to obtain alternative credit. If the borrower does not comply with the graduation requirements of the Government, the borrower may request that the Government convert the note to Non-Program rate and terms. If it is in the government's best interest, the FSA-2423 will be executed. This form was previously an exhibit in the Farm Loan Program Handbook. The change is driven by an effort to convert handbook exhibits to forms in order to streamline and provide more consistency to the county office staff. The changes allow for the new forms to have fill-in fields and detailed instructions. The content and purpose of the exhibit was not modified; however, the formatting was updated. FSA estimates that 1,221 borrowers will complete the FSA-2423 annually. However, all parties that have executed the promissory note are required to sign FSA-2423; therefore, the estimated number of signatures required is 4,844. The time to complete each FSA-2423 is estimated to be 15 minutes.

FSA-2425 – Canceling Undisbursed Loan Funds

7 CFR 765.152(b)(7)

At the time of loan making the agency obligates the total amount of the loan requested. Under certain circumstances, such as when loan funds will be used to conduct construction or development, or buy security over a period of time, the borrower may not need to utilize all the funds obligated. In those circumstances, the borrower must request the undisbursed funds be refunded back to the loan for which the funds were obligated. FSA estimates that 500 borrowers will complete FSA-2425 per year, and the time to complete it is estimated at 10 minutes.

FSA-2450 – Temporary Amendment of Consent to Payment of Proceeds from the Sale of Farm Products

7 CFR 765.302(d)

FSA obtains consent or assignment of proceeds from the sale of farm products on FSA-2042 or FSA-2043, as appropriate. However, during their term, FSA may need to modify the consent or assignment to allow the borrower to use proceeds from the sale of products in a different manner. In those circumstances, the agency temporarily relinquishes its right to collect the proceeds and obtains the purchaser's agreement on FSA-2450. The agency estimates that 500 purchasers will execute FSA-2450 annually and it will take 10 minutes each.

FSA-2465 – Assignment, Acceptance, and Release of Wool and Mohair

7 CFR 765.305(b)

Borrowers are required to assign the proceeds from the sale of wool or mohair to the agency as a condition for having the agency's lien released when the product is sold by consignment. Further, the broker, through whom the borrower will complete the sale, has to agree that the net proceeds of the wool or mohair will be paid by checks made payable jointly to the borrower and the agency. The agency has few borrowers with significant wool and mohair sales and not all of them sell their product by consignment; therefore, FSA estimates that 25 borrowers and 25 brokers will be required to complete FSA-2465. The time to complete each FSA-2465 is estimated to be 10 minutes for each borrower and each broker.

[New] FSA-2471 – Subordination, Non-Disturbance, and Attornment Agreement

7 CFR 765.205 (a)(1); 7 CFR 765.206(a)

Borrowers must obtain FSA's consent before they enter transactions affecting agency real estate security, including projects involving wind turbines, cell towers, or other situations as directed by Office of General Counsel. Borrowers will use the FSA-2062 to request agency approval for subordinations affecting real estate that serves as security for agency loans. FSA reviews the information on FSA-2062 and if the request is in FSA's best interest, it approves it. For subordinations approved involving wind turbines, cell towers, or other situations as directed by OGC, borrowers and grantees are required to review and sign the FSA-2471. This form provides a record of the agreements reached between borrowers and grantees regarding the agency's real estate security.

Prior to the creation of this form, the agency worked with energy companies to create acceptable agreements. This current format is required whenever a borrower is requesting a subordination on projects involving wind turbines. Previously the agreements would not have a consistency from state to state, in addition, the agreements that the energy companies use don't always meet the requirements needed to successfully execute. FSA estimates executing 70 FSA-2471's annually, and the time to complete each is estimated to be 20 minutes for each borrower and 20 minutes for each grantee to review and sign, as the borrower and grantee have already come to an agreement on the terms and conditions of the non-disturbance and attornment agreement before the borrower initiates completion of FSA-2062. However, all parties that have executed the promissory note are required to sign the FSA-2471; therefore, the estimated number of borrower signatures required is 280.

FSA-2476 – Transfer of Real Estate Security

7 CFR 765.401(b)

Borrowers must request and obtain agency consent before selling or transferring security to another party. Borrowers and transferees are required to complete FSA-2476 that provides a record for the agreements reached between borrowers and transferees regarding the agency's real estate security. FSA estimates that 259 FSA-2476 will be completed every year, and it will take 15 minutes for each borrower and 15 minutes for each transferee to complete, as the borrower and transferee have already come to an agreement on the terms and conditions of the transfer before they initiate completion of FSA-2476.

FSA-2489 – Assumption Agreement

7 CFR 765.401(a)(2)

FSA may approve a security transfer and the corresponding loan assumption to obligate a new borrower to repay an existing borrower's FSA debt. FSA completes FSA-2489, which details the existing indebtedness, security, existing and new borrowers, and sets forth the amount, terms, and conditions for the assumed debt. The new borrower must read and execute FSA-2489. By executing FSA-2489, the transferee becomes personally liable for the borrower's debt and assumes the full responsibilities and obligations of the debt transferred. FSA estimates that FSA-2489 will be executed 78 times per year and the estimated time to execute each is 20 minutes.

Non-form collections

7 CFR 765.101(a) – Lenders' Loan Underwriting Standards

On a regular basis, the agency obtains agricultural lenders' requirements for extending credit to farmers. Information collected includes minimum and maximum loan size, percent of equity as well as repayment margin required, type of security loan to security value and maximum loan term. FSA uses the information to determine if applicants for loans as well as borrowers whose

financial condition has improved may qualify for commercial credit. FSA estimates that 813 lenders are contacted to obtain the above information and that it takes 20 minutes for the lenders to provide it.

7 CFR 765.101 – Documenting That Borrower Cannot Graduate

Borrowers who cannot graduate to commercial credit have to provide documentation obtained from the commercial lender stating the reasons for the lender's denial of credit. FSA estimates that about 75 percent of borrowers, or 2,442 whose prospectus is sent to lenders, do not graduate to commercial credit. FSA further assumes that all 813 commercial lenders, to whom the prospectuses were sent, will provide the reasons for the denial of credit. It is estimated it takes each lender 10 minutes to provide the reasons and 15 minutes for each borrower to provide a copy to the agency.

7 CFR 765.155(c) - Request for Refund of Overpayment

If FSA miscalculation of a final payment results in an overpayment by the borrower of less than \$10.00, the borrower must request a refund from the agency in writing. This is estimated to occur on 25 occasions per year. The time to request the refund is estimated to be 10 minutes.

7 CFR 765.205(c) – Lender Consent to Second Subordination and Borrower's Assignment of Insurance Proceeds

When FSA subordinates its lien position to a commercial lender for the borrower to obtain operating credit, and the lender did not provide for payment of the current year's crop insurance premium, the agency will approve a second subordination if the lender consents to the conditions of the second subordination in writing. Further, the borrower must assign the insurance proceeds to the agency or name the agency in the loss payable clause of the policy. It is estimated that 241 commercial lenders do not provide for payment of the crop insurance premium and are required to consent in writing for FSA to grant a second subordination. The time for each commercial lender to grant consent is estimated to be 10 minutes.

Further, 241 borrowers have to provide assignment of the insurance proceeds to FSA. It is estimated it takes 10 minutes for each borrower to provide the assignment required.

7 CFR 765.206(b)(2) – Conditions for Consent to Junior Lien

Borrowers requesting agency consent to obtain a junior lien on property that serves as security for agency loans are required to provide a copy of the operating plan they submitted to the junior lienholder. The operating plan is needed for the agency to ensure that the borrower has the ability to make payments on the junior lien as well as on all agency loans. FSA estimates that 976 borrowers will provide a copy of the operating plan, and the time is estimated to be 10 minutes per response because the borrower has already completed the operating plan provided to the junior lienholder.

7 CFR 765.206(b)(4) - Junior Lienholder Agreement

If state law does not provide it, when a borrower obtains a loan that is secured by the same collateral as the agency loan, the junior lienholder must agree in writing not to foreclose on its security instrument before providing notification to the agency. FSA estimates that 976 borrowers per year obtain a junior lien. Therefore, FSA assumes that 976 junior lienholders will provide written agreements to FSA, and the time to complete each is estimated to be 10 minutes.

7 CFR 765.207 – Request for Severance Agreement

Borrowers obtaining a loan from a commercial lender to purchase an item to be fixed to the real estate that serves as security for the agency's loan, may request FSA to provide a severance agreement, acknowledging that the item is not part of the real estate. Examples include irrigation equipment, dairy milking equipment, and silos. FSA estimates that 370 borrowers request severance agreements. The time to complete each is estimated to be 10 minutes.

7 CFR 765.251(c) and 7 CFR 765.252 - Request to Lease Security – Copy of Lease

Borrowers who want to lease real estate or minerals that serve as security for an agency loan, must request agency consent. For the agency to grant consent for real estate leases, the borrower must provide a copy of the lease, documenting that the term of consecutive leases does not exceed three years, or five years if the lessee is related to the borrower by blood or marriage, and the lease does not contain an option to purchase. Further, the borrower must be unable to graduate to commercial credit and not be ineligible for benefits because of disqualification for Federal crop insurance fraud.

To obtain agency consent for mineral leases, borrowers must document that the lease will not adversely affect FSA's interest in the security. It is estimated that 461 borrowers per year will request agency consent to lease security, and the time to prepare it is estimated to be 20 minutes to provide a copy of the lease.

7 CFR 765.251(c) and 7 CFR 765.253 - Request to Cease Operating Security – Copy of Lease

FSA's authorizing statute, its loan documents, as well as its regulations, require a borrower to operate the security acquired with FSA loan funds. If borrowers cannot continue operating the security, they may request consent to cease operating it. To receive consent, borrowers must document that they will be actively involved in the continued management of the farm; the failure to operate the security is due to age or poor health; the failure to operate the security is for reasons beyond the borrower's control; and the borrower will resume operating the farm within three years. This is estimated to occur about 461 times per year and the time to complete the documentation required is estimated to be 30 minutes per response.

7 CFR 765.252(e) – Lease of allotments

Currently FSA does not have any allotment programs; however, payments for allotments on available crops may still be outstanding and borrowers may continue to request alternate

disposition of the payments received. Therefore, FSA will not eliminate this information collection at the present time, as it may still need it for servicing existing allotment payments if it reacquires statutory authority for allotments in the future.

7 CFR 765.301(d) and 7 CFR 765.303 (a)(3) - Other Lienholder Consent

Borrowers must request lienholder agreement if they wish to use proceeds from the sale of security for a purpose other than for debt repayment in the order of lien priority. In addition, borrowers must request concurrence of all lienholders to use sales proceeds to preserve the security because of a natural disaster or other severe catastrophe, when funds cannot be obtained by any other means in time to prevent the borrower and the agency from suffering substantial losses. FSA estimates that 516 borrowers will request 774 lienholders to provide the agreement. It is estimated that it will take the borrower 10 minutes to request the agreement and the lienholder 15 minutes to provide it.

7 CFR 765.351(b)(2) – Lienholder Consent to Use Timber, Gravel, Oil, Gas, Coal, or Mineral Proceeds

Borrowers for whom FSA has approved a request to sell timber, gravel, oil, gas, coal, or minerals serving as security for agency loans, must assign to FSA any compensation received for damages to the surface or the real estate security resulting from the exploration for or recovery of minerals. Any remaining funds, after the real estate has been repaired, must be remitted to lienholders in order of priority, or the borrower may request lienholders' consent to use proceeds for an authorized loan purpose. FSA estimates that 129 borrowers will request consent from 195 lienholders to use proceeds from the sale of timber, gravel, oil, gas, coal, or minerals for an authorized loan purpose. It is further estimated that all 129 borrowers will assign compensation received for damages to the surface to the agency. The time for the borrower to complete the assignment to FSA and the request to the lienholder is estimated to be 25 minutes (15 minutes for the assignment to FSA and 10 minutes for lienholder consent), and 15 minutes for the lienholder to complete the consent.

7 CFR 765.351 (b)(2) – Assignment of Deed of Trust As Collateral – CA Form Only

To obtain agency consent to sell real estate under credit terms, California borrowers must also provide an assignment of the deed of trust as collateral to FSA to ensure that the agency's security position is not compromised. FSA borrowers will rarely sell real estate on credit terms; therefore, it is estimated that 13 borrowers will be required to complete this form with the time required per response being 15 minutes. The lienholders consent to the CA assignment is counted in the other lienholder consent counts above.

7 CFR 765.351(d) - Sale of Real Estate Under Contract for Deed

To obtain consent to sell real estate under a contract for deed, the borrower must provide a copy of the contract to FSA documenting that (a) the contract provides for a 10 percent down payment; (b) there will be no impairment to the agency's security position; and (c) FSA will receive the installment proceeds by assignment. Very few borrowers sell real estate security in

this manner each year; therefore, it is estimated that 13 borrowers will sell real estate security under contract for deed annually and the time to provide a copy of the contract for deed is estimated to be 10 minutes per response.

7 CFR 765.351(c) - Exchange of Real Estate Property

In the case of real property exchange, the borrower must document that the property acquired in the exchange meets program objectives, purposes and limitations relating to the type of loan involved. The borrowers rarely exchange real estate security; therefore, it is estimated that 13 borrowers will exchange property annually and the time to provide the documentation required is estimated to be 10 minutes per response.

7 CFR 765.406(b)(4) - Withdrawal of obligated party

A jointly liable individual can be released from liability if they provide documentation that includes a divorce decree (or similar), and document that the remaining liable party can pay the loan. This is estimated to occur 660 times a year and requires the borrower to spend one half hour providing the necessary documentation.

Note: There is no travel time imposed on lenders or financial institutions providing information on behalf of the borrower as this information is provided through mail, electronic mail, facsimile, or phone call.

Collections contained in 7 CFR 765 that will be approved under OMB Control Numbers for other CFR parts/OMB Control Numbers

The following table summarizes the information collections included in 7 CFR 765, 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 different purpose.

CFR citation	Description	Approved under
765.51 (a)	Requirement to provide financial information to agency from borrowers with limited resource interest rates annually to determine continued need for limited resource interest rates	0560-0238 Exp. 10/31/2026
765.101 (c)	Borrowers have to submit financial information to the agency to assess their potential to graduate to commercial credit	0560-0238 Exp. 10/31/2026
765.155 (d)	Debt settlement of underpayment the agency cannot collect from borrower	0575-0189 Exp. 07/31/2027
765.202 (a)(3) 765.252(b)(3)	Evidence that environmental compliance requirements have been met	0575-0197 Exp. 01/31/2028
765.205 (a)(2)	Financial information to process subordination request	0560-0238 Exp.

CFR citation	Description	Approved under
		10/31/2026
765.205 (a)(4)	Verification of non-farm income	0560-0237 Exp. 02/28/2029
765.205 (a)(5)	Operating plan	0560-0238 Exp. 10/31/2026
765.205 (a)(6)	List of creditors/authorization to release information for the agency to verify debts	0560-0237 Exp. 02/28/2029
765.205 (b)(13) 765.352(a)(3)(iv)	Obtain valid mortgage on real estate in cases of purchase, exchange, or partial release of real estate security	0560-0237 Exp. 02/28/2029
765.205 (b)(14) 765.352 (a)(3)(v)	Construction or development completed with funds obtained through subordination or partial release of real estate security complies with 7 CFR 761	0560-0238 Exp. 10/31/2026
765.252	Assignment of income from lease of security (real estate or minerals)	0560-0237 Exp. 02/28/2029
765.302 (h)	Maintenance of disposition records of chattel security	0560-0238 Exp. 10/31/2026
765.303	Assignment of income from the sale of products when the agency has a security interest under the Uniform Commercial Code (UCC) and assignment of income from the sale of products when the agency does not have a security interest under UCC	0560-0237 Exp. 02/28/2029
765.352(a)(3)(iii)	Use of supervised bank account to deposit proceeds from partial release of real estate security	0560-0238 Exp. 10/31/2026
765.402(b)(2)	Release of liability when balance remains after a transfer and assumption	0575-0189 Exp. 07/31/2027
765.403(a)(1)	Eligible transferees must meet requirements of 7 CFR 764 for transfer and assumption of debt	0560-0237 Exp. 02/28/2029

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. 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 must 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, survey input on this information collection package indicated that very few borrowers utilize this option. Respondents stated that borrowers generally 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 most farmers are not comfortable with providing it through electronic means, notwithstanding the adequacy of agency security safeguards in place. Additionally, many 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 and prefer to do so in person.

Several forms and non-forms in this collection allow applicants and borrowers to respond to, and provide minimal information to, agency pre-fill forms. The agency 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 five percent of responses will be provided electronically.

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. The burden established in this regulation is required under the provisions of CONACT which mandates specific actions be taken when servicing loans to direct FLP borrowers. The personnel with expertise in servicing loans, continually review the information collections required under the 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. FSA solely manages issuance for the Direct Loan Servicing— Regular to ensure integrity. The information required for data collection is not currently reported to any other agency on a regular basis in a standardized form.

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 servicing on a loan from any commercial lender. Thus, it places very little additional burden on small businesses above that required in the normal course of business, 7% burden for small businesses.

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 or position. The collection of information is required because of a borrower's

specific request, is obtained on an as-needed basis, and is used to document the borrower's eligibility for the requested benefit. Accurate decisions, when servicing an account, largely depend on current financial information, actual production and financial 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 CFR part. If the information were not collected, or collected less frequently, the agency 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:

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

- **Requiring respondents to report information to the agency more often than quarterly;** There are no information collection requirements that require reporting on more than a quarterly basis.
- **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 document or a 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 such requirements.
- **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 such requirements.
- **Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;** There are no such requirements.
- **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;** There are no such requirements.
- **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 such requirements.

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.

A 60-day notice for public comment was published in the Federal Register on April 2, 2026, at 91 FR 16628. No action was taken in response to the one comment received, as it did not identify a specific issue requiring follow-up but instead offered an alternative data analytics software for identifying at risk loan portfolios.

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. While three new forms (FSA-2471, FSA-2423, and FSA-2418) are replacing existing collections that were formerly used as exhibits, the cumulative impact is negligible. Increases in burden hours are solely attributed to the increased use of the forms due to program changes and projected increase in future borrowers. The new forms do not change any of the information previously collected and no information collection has been identified as requiring a change or correction based on a failure in any of these areas.

Three (3) individuals were contacted during the information collection public comment period. The individuals were sent the complete package, including the forms and burden hours worksheet. The feedback received concurred with the burden hours and the content of the forms. There were no concerns or recommendations for change received. In response, the agency made no changes to the collection. Commercial lenders were not contacted for this information collection as FSA's processes for routine and regular servicing are statutorily mandated and do not match commercial lenders' requirements.

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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 is no payment or gift 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.

FSA protects information collected under this package in accordance with the Privacy Act of 1974 (5 U.S.C. 552a), the Freedom of Information Act (5 U.S.C. 552), the Federal Records Act, and confidentiality provisions related to loan servicing under 7 CFR Part 765. Each form includes a Privacy Act statement describing the authority for collection, the purpose of the information, and allowable disclosures. Information is maintained in accordance with applicable USDA Systems of Records, including USDA/FSA-2 Farm Records File, published on March 14, 2012 at 77 FR 15026. Additionally, Section 1619 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8791) restricts USDA from disclosing producer-provided agricultural, conservation, and geospatial information except as specifically authorized by statute. FSA applies administrative, technical, and physical safeguards consistent with federal privacy and security requirements.

This request was reviewed and approved by FPAC Assistant Privacy Act Officer (APO) for Privacy Act compliance, Samantha Jones, on May 8, 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 is of a financial nature. As a condition for the receipt of program benefits, respondents must provide total disclosure of income data and a history of business dealings that is often considered sensitive. Regardless, the information is required to properly document the agency's decision.

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.

A review of the most recent uses of the collection items determined a significant reduction in the uses of the collection items for routine loan servicing purposes. After discussion and analysis within FLP, it was determined that this is primarily due to the recent COVID-19 emergency and FLP's response which reduced the amount of routine servicing actions performed. It is anticipated that as operations begin to recover as FLP has returned to servicing actions effective February 20,2025 and beyond, that the requests numbers and hours identified on the previous requests would be the most applicable estimate versus the current numbers. A thorough analysis was completed to scale the numbers based on the current active borrowers at the end of the most recent fiscal year. Therefore, the estimated number of collections and burden hours have slightly increased. This is partially due to the increase in active borrowers, as well as the introduction of two new forms.

The annual cost for respondents was calculated as follows:

Total Number of Unduplicated Respondents	
Individual (Farmers).....	95,936
Business (Lender).....	9,129
Business (Lawyer).....	70
Total.....	105,135
Average Reports Filed Per Person.....	1.04
Total Annual Responses.....	109,568
Total Annual Burden Hours –	

Individual (Farmers).....	32,676
Business (Lender).....	3,576
Business (Lawyer).....	23
Total.....	36,275

Average Burden per Collection.....0.3173 hours
Per Respondent.....0.3507 hours

B. 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 Wage Statistics, May 2025, Table 11-9013 - Farmers, Ranchers, and Other Agricultural Managers. The U.S. mean household income/benefit cost for farmers, as measured by the Bureau of Labor is \$99,820 annually, or \$47.99 hourly. Fringe benefits for private industry workers are an additional 29.7 percent or \$14.25/hr for a total hourly rate of \$62.24. The estimated cost for farmers is \$2,033,754 (\$62.24 x 32,676).

Respondent cost per hour for lienholders most closely represents those for businesses and was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics, May 2025, Table 13-2072 - Loan Officers. The U.S. mean household income/benefit cost for loan officer income, as measured by the Bureau of Labor is \$87,790 annually or \$42.21 hourly. Fringe benefits for private industry workers are an additional 29.7 percent or \$12.53/hr for a total hourly rate of \$54.75. The estimated cost for lienholders is \$195,773 (\$54.75 x 3,576).

Respondent cost per hour for lawyers most closely represents those for businesses and was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics, May 2025, Table 23-1011 - Lawyers. The U.S. mean household income/benefit cost for a lawyer income, as measured by the Bureau of Labor is \$185,840 annually or \$89.35 hourly. Fringe benefits for private industry workers are an additional 29.7 percent or \$26.54/hr for a total hourly rate of \$115.89. The estimated cost for lawyers is \$2,665 (\$115.89 x 23).

The number of collection requests and burden hours are projected to increase as part of this collection revision request, resulting in an increase in total cost to the public. This increase in burden and cost to the public is due to the Agency's anticipated increase in routine servicing requests by borrowers as indicated by the historical five-year trend.

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 collection places no burden cost on respondents for capital, start-up, or ongoing 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 \$39,167,480 (725,283 x \$54.03).

FSA employees review information provided by applicants, borrowers, and third parties and make feasibility determinations. FSA estimates that its employees spend 725,283 hours reviewing and processing the collections included in this docket. This figure reflects the previous estimate as more recent workload data (588,899 hours) does not fully reflect routine operating conditions. From January 2021 to March 2025, FSA operated under “Guidance for Continuing FLP Activities During the Coronavirus (COVID-19) National Emergency”. As a result, FSA State and County Offices exercised caution and flexibility to maintain a high level of customer service and ensure delivery of essential services to customers. which significantly reduced routine servicing actions. During the moratorium, limited resource reviews, graduation reviews and enforcement, shared appreciation notifications, and operational reviews were suspended. The current workload data reflects temporary policy driven reductions in required routine servicing actions, rather than an accurate reflection of the workload.

Averaging the GS-9 through GS-12 (2026 RUS-Salary Table) salaries indicates an average employee salary of \$ \$84,490.80 per year. Standard adjustments recommended by FSA’s Budget Division of 33.3% are added for benefits and miscellaneous expenses (\$27,881.96), for a total average cost for a Farm Loan Program employee salary of \$112,372.76 per year, which divided by 2080 hours equals an hourly salary of \$54.03.

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

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.

This is a revision of a currently approved information collection request.

The current burden inventory is 103,894 estimated annual respondents: 103,894 estimated annual responses and 33,012 estimated annual burden hours. With this revision the agency is seeking 105,135 estimated annual respondents, 109,568 estimated annual responses and 36,275 estimated annual burden hours. This reflects an increase in the number of estimated respondents 1,241, increase in the estimated number of responses 5,674 and an increase in the number of estimated

annual burden hours 3,263 since the last OMB submission.

The increase in burden is attributed to both program changes and adjustments.

Program Changes:

- Additional completion time for new forms that enhance the program objectives. The FSA-2423 and FSA-2471 are both forms previously used by the agency to further the Farm Loan Program objectives of servicing borrower accounts. The FSA-2423 was previously used as an exhibit, and the FSA-2471 was used by FSA, and OGC to execute agreements for transactions that affect the real estate security involving energy companies. The FSA-2423 has added 1,211 burden hours to this collection and the FSA-2471 added 23 burden hours to this collection.

Adjustments

- Overall estimated increase in total future usage of the forms based on the number of active borrowers as of December 31, 2025.

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 required under this regulation are not tabulated or published.

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 displayed the 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.