

DEPARTMENT OF AGRICULTURE**Farm Service Agency****Notice of Eligibility Criteria for
Certified and Preferred Lenders**

AGENCY: Farm Service Agency, USDA.

ACTION: Notice of Eligibility Criteria.

SUMMARY: This notice sets forth the volume requirements and loss rates necessary for lenders to be eligible for the Farm Service Agency's Certified Lender Program (CLP) and the Preferred Lender Program (PLP).

EFFECTIVE DATE: February 12, 1999.

FOR FURTHER INFORMATION CONTACT: Steven Ford, Sr. Loan Officer, Farm Service Agency, Farm Loan Programs, Loan Making Division, Stop 0522, 1400 Independence Avenue, SW, Washington, DC 20250-0522, telephone (202) 720-1632; email Steve.Ford@usda.gov.

SUPPLEMENTARY INFORMATION:**Programs Affected**

10.406 Farm Operating Loans
10.407 Farm Ownership Loans

Background

The Farm Service Agency (FSA) is modifying its CLP and also establishing a PLP through a Final Rule published elsewhere in this issue of the **Federal Register**. The CLP and PLP are programs which provide qualifying lenders additional authorities and streamlined procedures under the Agency's guaranteed farm loan program.

To qualify for CLP or PLP status, lenders must meet certain eligibility criteria. Eligibility criteria can be found in 7 CFR 762.106 (b) and (c). Included in the eligibility criteria is the requirement for lenders to have made a certain number of Agency guaranteed farm loans and for the lender's loss rate to be less than a maximum.

With this notice, the Agency is setting the requirements as follows:

(a) 7 CFR 762.106(b)(5) requires CLP lenders to have closed a minimum number of loans. This is set at a minimum of 10 Agency guaranteed farm loans ever and five of such loans in the past two years.

(b) 7 CFR 762.106(b)(2) requires that CLP lenders not exceed a maximum loss rate. This rate is set at 7.00 percent.

(c) 7 CFR 762.106(c)(3) requires PLP lenders to have closed a minimum number of loans. This is set at a minimum of 30 Agency guaranteed farm loans in the past three years.

(d) 7 CFR 762.106(c)(4) requires PLP lenders not exceed a maximum loss rate. This rate is set at 3.00 percent.

The Agency may periodically change these eligibility criteria through a **Federal Register** notice.

Dated: January 15, 1999.

Carolyn B. Cooksie,

Acting Administrator, Farm Service Agency.

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