

Most all lenders who are subject to acceptable State or Federal regulatory agencies qualify for Standard Eligibility. A lender must have experience in making and servicing ag loans. They must maintain an office near enough to the collateral's location to adequately service the guaranteed loan. FSA 2201, "Lender's Agreement" is required.

# Lender's Guide to Elevated Lender Eligibility Status for FSA Guaranteed Loan Programs

## What is the Certified Lender Program?

The purpose of the Certified Lender Program (CLP) is to minimize the time required for experienced lenders to obtain responses to requests for guarantee, permit maximum use of the lender's own forms, and permit the lender to certify compliance rather than provide supporting documentation. Lenders with a proven ability to process and service FSA guaranteed loans will be given greater flexibility.

### **Advantages to CLP Lenders**

- Less paperwork to submit to FSA
- More flexibility to use your own forms and processes
- Approval of loan within 14 days – faster in most cases
- Increased servicing authority

### **Attaining CLP Status:**

Lenders who meet all of the following criteria may be granted CLP lender status for a 5- year period:

- Provide evidence of being an "eligible lender."
- Loan losses – net recovery – do not exceed 7 percent
- Have closed a minimum of 10 FSA guaranteed FO loans, soil and water loans, and OLs/lines of credit, with 5 of these loans closed within the past 2 years
- Have the capacity to process and service FSA guaranteed OL/lines of credit
- Certify that the person designated to process and service FSA guaranteed loans has attended FSA loan processing and servicing training within the previous 12 months or will attend training within the next 12 months
- Agree to use forms acceptable to FSA for processing, analyzing, securing, and servicing FSA guaranteed loans/lines of credit. If not previously submitted, copies of financial statements, cash-flow plans, loan agreements, analysis sheets, security agreements, and promissory notes should be submitted with the request for CLP status.



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## What is the Preferred Lender Program?

The Preferred Lender Program (PLP) was designed for elite lenders with high volume and minimal losses, and those who have demonstrated proficiency making and servicing FSA guaranteed loans. Like CLP, lenders with “preferred” status have broad authority in making and servicing FSA guaranteed loans, and PLP lenders are able to use their own forms. Lenders applying for PLP outline the manner in which they intend to process and service FSA loan guarantees. This “credit management system” becomes the basis for making approval decisions on submitted applications.

### ***Advantages to PLP Lenders:***

- Simplified application process consisting of a 1-page application form (FSA-2212) and loan narrative.
- Automatic approval of any complete loan application submitted if not acted on by FSA within 14 calendar days.
- Increased servicing flexibility and authority.

### ***Attaining PLP Status:***

Lenders who meet all of the following criteria may be granted PLP status for a 5-year period:

- Provide evidence of meeting all CLP eligibility criteria.
- Loan losses is set at 3 percent.
- Have closed on a minimum of 20 FSA guaranteed FO loans, soil and water loans, and OLs/lines of credit in the past 5 years.
- Demonstrate a consistent, above-average ability to process and service guaranteed loans.
- Have an acceptable management system (CMS), approved by FSA, for originating and servicing guaranteed loans. The CMS is based on the lender’s written credit policies and underwriting standards, loan documentation requirements, analysis of new loan requests, portfolio management, and other information.

### ***FSA Online Services:***

To participate in FSA’s guaranteed loan program, please obtain, sign and forward a FSA Lender’s Agreement, Form FSA 2201. This and other forms may be found at [www.sc.egov.usda.gov](http://www.sc.egov.usda.gov).

Additional information regarding guaranteed loan programs can be found at [www.fsa.usda.gov/ks](http://www.fsa.usda.gov/ks) or by contacting the FSA State Office, 3600 Anderson Avenue, Manhattan, KS 66503 (Phone: 785.539.3531)

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