UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-720

For: State and County Offices

Additional Guidance for Digital Signatures

Approved by: Acting Deputy Administrator, Farm Loan Programs

1 Overview

A Background

FSA issued Notice FLP-697 to:

- implement using digital signatures for FLP
- authorize FSA officials to digitally sign certain forms approved for digital signatures.

In today's new digital environment, it is vital for FSA to take a proactive approach to providing internal and external customers with tools necessary to conduct business electronically. The first step is using digital signatures for FSA's FLP's, which will provide greater integrity, reduction of costs, and improvement of delivery of all FLP's.

B Purpose

This notice provides:

- additional guidance on:
  - encrypting forms
  - naming forms and documents
  - filing digitally signed forms and documents
  - delivering FSA-2242 to secondary market holders
- updated list of authorized forms.

Disposal Date	Distribution
June 1, 2016	State Offices; State Offices relay to County Offices

1 Overview (Continued)

C Contacts

If there are questions about digital signatures:

- Service Centers shall contact their State point-of-contact
- State points-of-contact shall contact either of the following:
  - Trent Rogers, Guaranteed Loan Making, by either of the following:
    - e-mail to **trent.rogers@wdc.usda.gov**
    - telephone at 202-720-1657
  - Pat Elzinga, Guaranteed Loan Servicing, by either of the following:
    - e-mail to **pat.elzinga@wdc.usda.gov**
    - telephone at 202-690-1729.

2 Working With Digital Signatures

A Encrypting

All forms containing PII or sensitive information that are e-mailed to recipients outside of FSA will be encrypted and password-protected before e-mailing using either WinZip or Adobe encryption. Recipients of forms that are encrypted using WinZip can save the form without the password protection, making it the preferred method. However, not all recipients are able to open WinZip files. In those instances, Adobe encryption will be used. Forms encrypted using Adobe encryption will always need the password to be opened. Instructions for standardized passwords will be sent in a separate e-mail from DAFO.

Note: Forms e-mailed within FSA do **not** need to be encrypted.

B Encryption Instructions

The following are steps for encryption using WinZip.

Step	Action
1	Right click on the form to be e-mailed.
2	CLICK “WinZip”.
3	CLICK “Zip and email plus”.
4	Check the “Encrypt Zip File” box and CLICK “OK”.
5	Enter the password.
6	Re-enter the password.
7	Check the “256 Bit AES (stronger)” box and CLICK “OK”.
8	Outlook e-mail window will open. Enter the recipient’s e-mail address, subject, and text, and CLICK “Send”.

2 Working With Digital Signatures (Continued)

B Encryption Instructions (Continued)

The following are steps for encryption using Adobe.

Step	Action
1	Save the form in the borrower's file.
2	Open the saved PDF form.
3	In the menu bar, CLICK "Tools".
4	CLICK "Protection".
5	CLICK "Encrypt".
6	CLICK "Encrypt with Password".
7	CLICK "Yes" to "Are you sure you want to change security on this document?".
8	Check the "Require a password to open the document" box.
9	Enter the password.
10	Re-enter the password.
11	Digitally sign.
12	CLICK "Save".

Employees can attach FSA-2242 to any e-mail. All e-mail text will read as follows.

> "The attached FSA-2242 represents an Assignment of Guarantee of a USDA FSA loan recognized by the USDA as a valid guarantee and that the loan note guarantee constitutes an obligation supported by the full faith and credit of the United States."

C Naming Forms and Documents

To maintain continuity and ease of finding forms and documents filed in electronic files on the S drive, forms and documents will be named by form number or document name followed by the date generated (YYYY.MM.DD), such as:

- FSA-2242 – 2015.05.28
- first incomplete letter – 2015.05.28.

D Filing Digitally Signed Forms and Documents

All digitally signed forms and documents will be stored on the office S drive following the same layout as paper files as described in 25-AS, Part 4 and Exhibit 40.5.

All borrower-specific forms and documents will be stored in the borrower's subfolder.

2 Working With Digital Signatures (Continued)

D Filing Digitally Signed Forms and Documents (Continued)

Each borrower will have a subfolder within the office S drive. Within each borrower's subfolder will be subfolders representing each position in a paper file. Within each position subfolder will be the appropriate forms and documents as instructed in 25-AS.

The following is an example of a borrower's electronic file.

Office S drive
- Guaranteed Borrowers
  - Farmer, John D.
    - Position 2 – PN,repayments,financial records
      - FSA-2242 – 2015.05.28
    - Position 3 – application,budget,analysis,RCR,checklists

Additional subfolders, such as FY or loan type, may be established on an as-needed basis at the State Office's discretion.

Note: A complete list of file positions and content can be found in 25-AS, subparagraph 85 B. Running case records for direct borrowers will be maintained in FBP.

All lender-specific forms and documents will be stored in the lender's subfolder using the following format.

- FLP 2-3 Individual Guaranteed Lender Files
  - Lender Name
    - FSA-2201 – 2015.05.28

Note: A list of all FLP files can be found in 25-AS, Exhibit 40.5.

It is suggested that offices establish electronic files in the same fashion as the office's paper files to maintain continuity between the 2 mediums. Employees may refer to 25-AS, Part 4 and Exhibit 40.5 for more details about setting up files. Electronic storage may be limited in some States; therefore, **only digitally signed forms and documents** must be stored in the electronic folders. Subfolders should only be established on an as-needed basis. All other information may be stored at the State Office's discretion.

2 Working With Digital Signatures (Continued)

E Secondary Market

With the implementation of digital signatures, guaranteed loans are to be transferred to the secondary market as follows:

- lender forwards signed commitment letter or sales agreement along with prepared FSA-2242 to FSA
- FLP official will determine the following:
  - name of the holder
  - holder is not the borrower or a relation of the borrower, and is not an owner or subsidiary of the lender itself
  - loan is current
  - loan is not a line of credit
  - loan has been fully dispersed
  - lender is selling only the guaranteed portion of the loan
  - FSA is not currently holding a guaranteed portion of a loan for more than 180 calendar days that the lender refused to repurchase from a holder
- once it is determined the loan is eligible to be sold, verify that all information on FSA-2242's is consistent with FSA-2235 and the promissory note
- FLP official will digitally sign FSA-2242's and e-mail the encrypted form **directly** to the holder listed in FSA-2242, item 3 and the lender
- holder will execute FSA-2242 and retain in their files along with FSA-2235. Copies of the executed FSA-2242 shall be forwarded to the lender and FSA according to the holder's procedure.

Note: Some holders now have electronic submission and retention of documents available to lenders and do not return a hard copy of FSA-2242 to the lender or FSA. It is not necessary for FSA to have a hard copy of the executed FSA-2242 unless the holder has requested FSA to repurchase the loan.

FSA-2242 can be manually signed by the FLP official if the holder cannot or will not accept the digital signature. The National Office is currently working with the secondary market to encourage all holders to accept digital signatures.

3 Update List of Authorized Forms

A Authorized Forms

The following table provides FLP forms that are authorized for digital signatures.

Form Number	Title
CCC-257	Schedule of Deposit
FmHA 2006-21	Information Systems Management (ISM) Request
FSA-13-A	Data Security Access Authorization Form
FSA-159	Request for Supplies, Forms, and/or Publications
FSA-851	Environmental Risk Survey Form
FSA-1956-10	Debt Settlement Review checklist
FSA-1956-20	Checklist for Currently Not Collectable Debt
FSA-1956-22	Update to TOP and Cross-Servicing Information
FSA-2060	Application for Partial Release, Subordination, or Consent
FSA-2072	Cancellation of U.S. Treasury Check and/or Obligation
FSA-2103	Direct Loan Making File Review Questionnaire
FSA-2104	Guaranteed Loan Making File Review Questionnaire
FSA-2119	Delinquent Borrower Servicing File Review Questionnaire
FSA-2124	Farm Loan Programs Certification of Farm Loan Officer Training Orientation
FSA-2125	Farm Loan Program County Information File Changes
FSA-2126	Program Loan Cost Expense (PLCE) Request (Non-Contractuals only)
FSA-2127	Request for CED FLP Loan Approval Authority
FSA-2144	Designated Financial Institution Pledge of Collateral
FSA-2160	Appraisal of Chattel Property
FSA-2161	Appraisal Report - Agricultural Tract
FSA-2164	Appraisal for Mineral Rights
FSA-2165	Administrative Appraisal Review
FSA-2166	Technical Appraisal Review and Certification
FSA-2167	Administrative Appraisal Review for Chattel Appraisals
FSA-2171	Substitute Invoice
FSA-2172	Request for Emergency Payment
FSA-2173	Foundation Financial Information System (FFIS) Vendor Code Request
FSA-2201	Lender’s Agreement
FSA-2231	Request for Obligation of Funds Guaranteed Loans
FSA-2232	Conditional Commitment
FSA-2234	FSA Review of Lender’s Evaluation of Collateral
FSA-2235	Loan Guarantee
FSA-2242	Assignment of Guarantee
FSA-2243	Notice of Substitution of Lender (Transaction 4034)
FSA-2244	Guaranteed Loan Status Update Adjustment (Transaction 4048)

3 Update List of Authorized Forms (Continued)

A Authorized Forms (Continued)

Form Number	Title
FSA-2246	Notification of Transfer and Assumption of a Guaranteed Loan Transaction Code 4037
FSA-2247	Guaranteed Loan Borrower Adjustments
FSA-2249	Request for Restructuring Guaranteed Loans
FSA-2250	FSA Purchase of a Guaranteed Loan Portion
FSA-2262	Notice of Liquidation Responsibility
FSA-2293	Annual File Review Checklist for SEL and CLP Lenders
FSA-2294	Debt Writedown Review Checklist
FSA-2295	Guaranteed Estimated Loss Review Checklist for SEL and CLP Lenders
FSA-2296	Guaranteed Loan Final Loss Review Checklist
FSA-2429	Request for Change in Application
FSA-2490	Deceased Borrower Report
FSA-2495	Application to Move Security Property
FSA-2550	Report of Problem Case
FSA-2551	Request for Nonmonetary Default Determination
FSA-2560	Request for Statement of Account
FSA-2562	Borrower Account Description Flag
FSA-2574	Confirmation Reorganization Plan Worksheet
FSA-2576	Notice of Judgment
FSA-2581	Inequitable Treatment Review Data
FSA-2594	Advice of Inventory Property Sold
FSA-2731	Cancellation of Debt Without Application
RD 1922-15	Administrative Appraisal Review for Single Family Housing
RD 1940-22	Environmental Checklist for Categorical Exclusions