DFAP VALIDATION REVIEW GUIDE

Version 1.12

Version History

Version #:	Approved By:	Date Approved:	Changes Incorporated:
1.7	Margo Schlanger, USDA		• Original version of the Validation Guide approved
1.8	Margo Schlanger, USDA		• See Appendix D, changes as of 1/29/24
1.9	Margo Schlanger, USDA		• Provided updated guidance for Step 6 – Losses • Revised Team Names • See Appendix D for additional changes as of 2/15/24
1.10	Margo Schlanger, USDA		• Updated answer selections to include "Yes – Government Confirmed" option • See Appendix D for additional changes as of 3/16/24
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1.12	Margo Schlanger, USDA	7/13/2024	• Part VI (Post Validation Quality Control Checks); • Appendix A; • Plus minor changes throughout. • See Appendix D for additional changes as of 7/12/24.
1.12 Final	Margo Schlanger and Victoria Collin, USDA	7/16/2024	• Upon USDA endorsement of award payment file, this document is considered final.

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Part I: Overview of Discrimination Financial Assistance Program (DFAP)

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Introduction

Section 22007 of the Inflation Reduction Act (IRA) established the USDA Discrimination Financial Assistance Program (DFAP). DFAP offers financial assistance to farmers, ranchers, and forest landowners who experienced discrimination by the U.S. Department of Agriculture (USDA), prior to 2021, in their participation (or attempt to participate) in one or more of USDA's farm loan programs. DFAP plays a crucial role in USDA's efforts address discrimination issues; as such, handling these applications requires careful attention.

DFAP applications contain a significant amount of information, including personally identifiable information (PII), that requires confidential and careful handling. Every detail provided by the applicant is critical to the review process; what may seem like a minute detail could affect an applicant's eligibility for this program or the amount of financial assistance granted.

It is essential to diligently review applications to validate whether the application documents a case of discrimination for purposes of DFAP eligibility in USDA's farm loan programs and qualifies for financial assistance. To complete the review process for each application:

- Carefully read through the entire application first;
- Review any supporting documentation provided;
- Review FSA data;
- Review Award data;
- Go through each section of the application to answer questions and score the application.

The commitment to confidentiality, objectivity, and adherence to guidelines will contribute significantly to the integrity of the review process. *Pay attention to detail*. Keep a sharp focus to ensure all applications are correctly reviewed and handled.

DFAP is a financial assistance program and is not intended to serve as a determination or admission of liability under the Equal Credit Opportunity Act or any other federal or state law. USDA does not make any findings of discrimination in the DFAP program, does not perform investigations or adjudications of claims, and does not issue decisions. A DFAP application is not treated as a complaint of discrimination under Departmental civil rights regulations (7 C.F.R.

15d) or any other USDA internal agency civil rights compliance processes. Filing an application in the DFAP process does not toll the time for filing timely complaints of program discrimination with USDA or in federal district court. A determination that an application satisfies the DFAP eligibility criteria for issuance of financial assistance, as described in this guide, does not constitute an admission of liability under the Equal Credit Opportunity Act or any other federal or state statute. Terms such as "evidence" or "validation" are not intended to be legal terms of art but instead to be understood using their common meanings. Neither the determination to pay money nor the payment of money to an applicant in the DFAP program shall be deemed to be a finding of fact, conclusion of law, or an admission of liability or damages by the Secretary or any USDA designee or employee in their official capacities.

Purpose of this Guide

The purpose of this document is to provide a detailed step-by-step guide on how to validate an application and determine scoring. Following these guidelines closely will streamline later processes. (Note: this Validation Review Guide provides examples of discrimination under DFAP program eligibility standards only; these are not intended for broader application.) This Validation Guide does *not* address the disbursement eligibility requirements (e.g., identity verification) covered in the completeness review process or subsequently.

Confidentiality

Treat *all* information as confidential, including but not limited to personally identifiable information (PII), financial documents, loan history, and discrimination experiences that are described within the application. Protect the identity of each applicant from release to any person or entity outside of the program. It is crucial to avoid any breach of confidentiality, as the consequences could be substantial. Commit to taking all necessary measures to ensure data security and uphold the trust placed in this program. Members of the Blue and Green Validation Review Teams should never discuss and/or share specific information about an applicant with members of the other team. Any information sharing needs to be generalized, so as not to create any biases in the validation review process.

The following actions are ***strictly prohibited*** as they pose a significant threat to confidentiality:

- Sharing login information
- Leaving a password in an easily accessible location
- Leaving a computer open and unattended
- Sharing names or information of an applicant with anyone outside the review team
- Putting any applicant information in writing, electronically or physically
- Printing or emailing any documents that contain applicant information
- Downloading any documents that contain applicant information to an electronic device
- Accessing applications that are assigned to a different person
- Taking a photo or screenshot of anything within the e-filing system

Violation of any of the above prohibited actions will result in, at a minimum, immediate removal from the program, including the revocation of all of your database access and decision-making duties, and may result in further legal action by the government.

To escalate a question, Reviewers may (orally) ask their Team Lead for assistance. The Team Lead will maintain a Validation Issue Tracker to log these instances, tracking who the question was escalated to, and the resolution of the issue. See Part IV: Escalate an Application section for more details. There is also a feature in AART that allows an application to be escalated to the Team Lead, which will transfer the application and open question(s) to the Team Lead's queue to review the application and provide a response. Through this escalation process, Team Leads will be able to identify any issues or patterns that need to be systemically addressed and coordinate with each other in an anonymized fashion, without identifying any applicant-specific information. The Blue and Green Leads then will communicate updated written guidance to the entire review team to maintain consistent guidelines for application review and scoring.

NOTE: For any applications that require additional escalation to USDA or the Agricultural Experts, care ***must*** be taken to preserve applicant confidentiality in all cases.

Prior Class and Group Actions

There are four (4) prior USDA class and group actions that are identified in the DFAP application and referenced throughout this Validation Review Guide.

Name of Prior Class and Group Action	Dates of Discrimination Claims Covered by Prior Class and Group Action	Target Population (who was the target of discrimination)
Pigford v. Glickman ("Pigford I")	• Discrimination occurred between January 1, 1981, and December 31, 1996.	African American Farmers
Black Farmers Discrimination Litigation ("Pigford II")	• Discrimination occurred between January 1, 1981, and December 31, 1996.	African American Farmers
Keepseagle v. Vilsack ("Native American Farmers" or "Keepseagle")	• Discrimination occurred between 1981 and 1996 or between November 24, 1997, and November 24, 1999.	Native American Farmers
Garcia v. Vilsack ("Hispanic Farmers", also part of "Garcia-Love")	• Discrimination occurred between January 1, 1981, and December 31, 1996, or between October 13, 1998, and October 13, 2000.	Hispanic Farmers
Love v. Vilsack ("Women Farmers", also part of "Garcia-Love")	• Discrimination occurred between January 1, 1981, and December 31, 1999; or between October 19, 1998 and October 19, 2000.	Women Farmers

1. **Pigford v. Glickman ("Pigford I").** Lawsuit that addressed claims of discrimination by USDA against African American farmers.
2. **Black Farmers Discrimination Litigation ("Pigford II").** Following the original Pigford I settlement, Pigford II covered only Class Members who filed late claims in Pigford I that were not processed or considered by the Pigford I Claims Administrator.

3. **Native American Farmers ("Keepseagle").** Lawsuit that resulted in a settlement involving allegations of USDA discrimination against Native American farmers and ranchers.
4. **Hispanic and Women Farmers ("Garcia-Love").** A USDA-initiated claims program aimed to provide payments for individual claims of alleged USDA discrimination in USDA farm credit transactions from Hispanic/Latino and women farmers. The Garcia and Love putative class actions were never certified and later dismissed in favor of USDA by the courts. Sometimes referred to as HWFRCP (Hispanic and Women Farmers and Ranchers Claims Process).
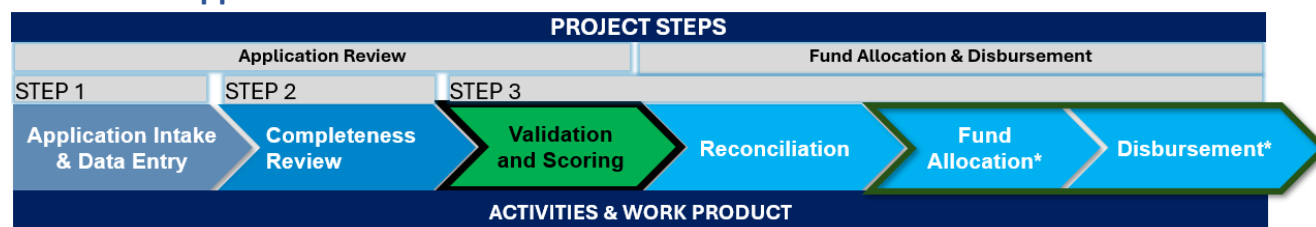
Definitions

Term	Description
Agricultural Expert ("Ag Expert")	Independent farming specialist responsible for addressing agriculture-related escalated questions that internal Team Leads cannot answer.
Application Administration Reporting Tool (AART)	AWS Software used to score and review applications.
Application Pool	The collection of applications made available to team members (Reviewers, QC Reviewers, etc.) to score and assess.
Blue Team	Reviews, scores, and confirms applications independently from the Green Team.
Corroboration	There is evidence in addition to the applicant's statement that helps to confirm the applicant's assertions.
Direct Loan/Lending	When USDA acts as the lender to the farmer/applicant.
Discrimination	Occurs when someone is treated differently by USDA in USDA farm lending based on a covered basis. "Validation" of discrimination is for purposes of the DFAP program eligibility only. A determination that an application satisfies DFAP eligibility criteria for issuance of financial assistance does not constitute an admission of discrimination or liability under the Equal Credit Opportunity Act or any other federal or state statute. Terms such "evidence" or "validation" found within program materials are not intended to be legal terms of art but instead apply to any type of information submitted by applicant or processes used by program in evaluating applications.
Discrimination Financial Assistance Program (DFAP)	Program established from the Inflation Reduction Act (IRA) to provide financial assistance for eligible farmers, ranchers, and forest landowners who "experienced discrimination prior to January 1, 2021, in Department of Agriculture farm lending programs".
Double Blind Review Process	Each application will be reviewed independently by the Blue Validation Review Team and undergo a Blue Team Quality Control (QC) review, and separately by the Green Validation Review team, including a Green Team QC review. Ensuring that the Blue and Green Teams' reviews are independently conducted without access to the other team's score or notes, mitigates bias and serves a quality assurance function.

Term	Description
Escalate	Button utilized in AART in the event that unfamiliar content or issues within an application are encountered at any level in both the Blue and Green review teams. Utilizing the escalate button will send the application to the Team Lead, who will determine if additional support is needed from the Agricultural Experts or other support teams.

Facially Ineligible Application	A DFAP application is Facially Ineligible if it meets one or more of the following criteria:
	
	• No reported acts of discrimination occurred before January 1, 2021.
	• Reports discrimination in a program that is <u>NOT</u> USDA farm lending.
	• Reports only discrimination by a non-USDA entity.
	   o This can apply in many different circumstances. To be applicable for a DFAP applicant who participated in USDA guaranteed lending, it applies if USDA was not involved in the reportedly discriminatory loan decision.
	• Reports only discrimination with a non-covered basis (e.g., based on veteran status or type of crop).
	• Reports only discrimination against someone other than the applicant (and the applicant is not the current holder of assumed/ assigned debt on the relevant loan). NOTE: See pg. 15 on the topic of Co-Borrowers.
	   o In order for an applicant to be considered the "current" holder of assumed/assigned debt, there must be FSA loan data available for that applicant.
	• Reports only discrimination against an individual who was deceased at the time of the application (and the applicant is not the current holder of assumed/assigned debt on the relevant loan).
	
	NOTE: Reviewers should not rate DFAP application Facially Ineligible based on the reviewer's conclusion that the applicant was not eligible for a farm loan; this issue is covered (if at all, in the discrimination element).
	
	Applications that meet one or more of these criteria will not move forward with a financial assistance payment.

Farmer (includes farmers, ranchers, and forest landowners)	An applicant who—at any point—owned/leased land with the commercial purpose of farming, which includes producing agricultural product(s) for sale in the market.
Garnishment	Court order directing that money or property of a third party (often wages paid by an employer, but can include IRS tax returns, etc.) be seized to satisfy a debt owed by a debtor to a plaintiff creditor.
Green Team	Reviews, scores, and confirms applications independently from the Blue Team.

Term	Description
Guaranteed Loan/Lending	Private lenders fund the loan while the USDA backs each loan against default.
Holistic Judgment	All of the information contained in the application must be taken into account to properly contextualize the information.
Lease	A rental agreement. A farmer may lease their farmland from the landowner.
Loan Participant	Applicant who received a loan.
Lost Yield	The difference between actual and attainable yield on the same measure of land.
Owner	A farmer who owns the land they farm.
Potential Producer	An applicant who intended to have a ranching/farming operation but was unable to because of discriminatory USDA farm loan access/denial. Note: The term "Potential Producer" was referred to as a "Would-be Producer" for a period of time during the Validation Review process. AART was not updated to reflect the recent change to "Potential Producer, and any AART screenshots contained in this document still reflect "Would-be Producer". All other references have been updated.
Quality Control Review (QC or QC Review)	QC receives the Reviewer's completed application scores and either submits the application to continue the application scoring process, or sends the application back to the Reviewer to resolve discrepancies/errors.
Reviewers	Reviewers analyze and score each individual application using the rubrics developed in AART.
Substantial evidence	Relevant evidence—including the narrative and responses to the questions—that a reasonable person could accept as adequate to support the conclusion, even if it would be possible for another reasonable person to draw other conclusions from the evidence. Documentation is not an absolute requirement; the applicant's self-certified responses constitute evidence. Substantial evidence is a legal standard. Don't be misled by the word "substantial." A determination that an application provides substantial evidence for purposes of DFAP does not constitute an admission of discrimination or liability under the Equal Credit Opportunity Act or any other federal or state statute.
Tax Lien	Government's ability to seize assets and property if taxes are unpaid.
Validate/Validation	There is sufficient evidence, including (and perhaps only including) the applicant's own statement, to confirm what the applicant is asserting in the application. Each element of the application must be validated separately.
Would-be Participant	An applicant who did not receive a USDA farm loan, but who applied or attempted to apply for one.

End-to-End Application Process

*USDA is providing oversight of the Fund Allocation and Disbursement processes.

This manual describes the **Validation and Scoring** step only.

DFAP Program Rules

This part summarizes the DFAP program participation requirements and the rules to guide a Reviewer in validating a submitted application. It's an overview to orient the Reviewer; many more details are included in <u>Part III: Conduct an Application Review</u>.

Distinction Between Farmers and "Potential Producers"

A key distinction is worth emphasizing at the outset for everyone involved in the validation review of applications. The DFAP application and the program distinguish between Farmers/Ranchers/Forest Landowners (sometimes summarized as "Farmers"), on the one hand, and "Potential Producers", on the other. The former group ("Farmers") includes applicants who—at any point—owned or leased a farming/ranching/forestry operation with the commercial purpose of farming, which includes producing agricultural product(s) for sale in the market. The latter group ("Potential Producers") includes applicants who *never* owned or leased a farming/ranching/forestry operation, but whose DFAP application demonstrates that they had a bona fide intention to do so but were unable to because of discrimination by USDA in farm lending.

The DFAP application itself refers to the "Potential Producer" category as applicants who "would have operated a farm or ranch if they had received a loan through a USDA farm loan program." Sometimes, for short-hand, program materials call these individuals "would-be farmers". They fit the statutory reference to "farmers, ranchers, and forest landowners" because they demonstrate sufficient connection (e.g., experience or training in farming) to farming/ranching to qualify for a loan.

Application Summary

To summarize the application, it provides four major categories of information.

Note: The use of the word "Demonstrate" means that the application meets the substantial evidence standard for this factor after validation/corroboration on the factor is completed by the Reviewer.

Element	Farmers/Ranchers	Potential Producers
Farming eligibility (Step 3)	Demonstrate that they have at any point had a farming/ranching operation with the commercial purpose of farming, which includes producing	Never (at any time) had a farming/ranching operation, but demonstrate that at the time of the discrimination they

Element	Farmers/Ranchers	Potential Producers
	agricultural product(s) for sale in the market.	intended to have such an operation.
Farm Lending Participant (Step 4)	Demonstrate that they participated or attempted to participate in USDA farm lending.	Demonstrate that they attempted to participate in USDA farm lending.
Discrimination (Step 5)	- Covered basis. - Covered date (before January 1, 2021). - Related to farm programs. - Related to farm lending. - By USDA personnel. - At least one instance of discrimination under the DFAP substantial evidence standard (e.g., requested a loan action for which the applicant was eligible, and the denial is determined to be discriminatory for purposes of DFAP eligibility).	
Losses (Step 6)	- Loss of owned land. - Loss of owned home. - Garnishments, judgments, and/or tax liens. - Lost land appreciation. - Lost farming profits: - Lost yield/reduced productivity. - Increased interest cost. - Other Losses.	Not calculated (too speculative).

For each element, assess whether the applicant has sufficiently demonstrated that element—this is "validating" the element.

- **Validation** rests on the reviewer's determination that the self-certified narrative, along with any submitted supporting documents and any FSA-provided data, holistically and credibly depict a profile of an eligible candidate, which a reasonable person could believe. Validation *can* rest entirely on the applicant's own statement (which is subject to penalty of perjury) because documentation or corroborating statements from a third party are not required in order to be eligible for financial assistance. An element can be deemed *Not Validated* if, for example, information about it is missing, if the narrative is internally contradictory, or doesn't make sense.
- Sometimes, however, the Reviewer is asked not just to "validate" the element, but to assess whether it is "corroborated." **Corroboration** is more than validation. It means that there is evidence other than the applicant's statement to confirm the applicant's assertions. Corroboration is *not* required for validation—but for some issues, the absence of corroboration may limit the financial assistance provided. For other issues, the presence or absence of corroboration is flagged for purposes of possible analysis or oversight. When an application is corroborated on one or more of the eligibility

criteria, the applicant will be considered to be in a lower risk bracket for purposes of payment integrity and potential fraud mitigation.

Do not confuse corroboration with validation. *Validation* of an issue means that there is sufficient evidence on that issue, including (and perhaps only including) the applicant's own statement. *Corroboration* means there is evidence <u>in addition to</u> the applicant's statement.

More on Program Participation Requirements

Requirement	Description
Eligibility Requirements	To be eligible to participate in the program, an applicant must: • Be or have been a Farmer or a Potential Producer. • Be or have been a Participant or Would-be Participant in USDA farm lending. • Have experienced discrimination prior to January 1, 2021 by USDA in USDA farm lending, which is currently administered by the Farm Service Agency (FSA), previously administered by the Farmers Home Administration (FmHA); or be a debtor with assigned or assumed USDA farm lending debt that was the subject of USDA discrimination prior to January 1, 2021. • Be able to verify his/her identity with government certified documentation. • Provide information to substantiate the discrimination experienced.
Lending Covered by the DFAP Program	Both Direct and Guaranteed USDA farm lending: • Farm Ownership Loans (FO). • Farm Operating Loans (OL). • Microloans (ML) – both FO and OL. • Emergency Loans (EM); currently direct lending only, but previously both direct and guaranteed. Direct USDA farm lending only: • Youth Loans (YL). • Farm Storage Facility Loans (FSFL). • Softwood Timber Loans (ST). Guaranteed USDA farm lending only: • Emergency Livestock Loans (EL). • Conservation Loans (CL). Not funded anymore: • Economic Emergency Loans (EE); previously both direct and guaranteed loans. • Soil and Water Loans (SW); previously both direct and guaranteed loans. • Grazing Loans; previously only direct loans. If an applicant mentions some other USDA loan type (e.g., down payment loan), escalate the application to the Team Lead, who will provide guidance.

Types of Discrimination Covered	DFAP covers discrimination based on different treatment an applicant experienced because of: • Race, color, or national origin/ethnicity (including status as a member of an Indian Tribe). • Sex, sexual orientation, or gender identity. • Religion. • Age. • Marital status. • Disability. • Reprisal/retaliation for prior civil rights activity. NOTE: If the application lists both uncovered and covered bases, the covered basis is sufficient.
How Discrimination Occurred	If discrimination was the cause of the loss, the following are examples of how that discrimination may have been experienced. Please note that this list does not indicate all potential, covered discrimination, nor does it limit a potential applicant's ability to apply: • Failure to provide appropriate assistance to an applicant. • Delay in processing a loan or loan servicing application. • Denial of a loan (or of part of a loan) or loan servicing. • Prevention from applying for a loan or loan servicing. • Adverse loan terms. • Requesting too much collateral to secure the loan. • Unduly onerous supervision of loan requirements. • Discriminatory criteria used in foreclosure process. • Perceived discrimination. • Hostile environment that directly impacted ability to apply for a USDA program.

Application Validation Rules

General Information

Rule	Description
Corroboration versus Validation	For some issues, the AART system asks whether there is corroboration. This is NOT the same as whether the element is validated. It is possible for an element to be validated even with no corroboration at all, based on a holistic review of the application itself. When asked about corroboration, there are several answers allowed: • **"None":** Applicant does not provide any supporting information besides what is available in the application answers. (This does not mean that the discrimination did not occur, the applicant's signed sworn statement may provide sufficient evidence of discrimination, if it offers sufficient detail and internal consistency). ○ This can also include an example where an applicant provides a sworn statement from a witness that does **NOT** corroborate the applicant's account. • **"OK" Corroboration:** Applicant provides evidence that is not necessarily reliable. (E.g., a signed affidavit from a family member or a signed affidavit from a non-family member). • **"Good" Corroboration:** Applicant provides documents confirming the applicant's account (e.g., emails/letters from FSA official detailing unduly burdensome loan requirements or confirming significant delay in loan processing or servicing, tax lien documentation, garnishment order, or various other documents).
FSA data can be used to help evaluate the applicant's story, but it will not prevail; the FSA data may be incomplete if a farmer did not self-report all information	• There may be a difference between the information in the application and the available FSA data. Make a Reviewer note in AART to indicate the discrepancy if it occurs in a scoring category. • It is possible for an applicant to have attempted to participate or even to have participated in a farm loan and there not be FSA data available. The following table defines how far back FSA data is available for the different FSA data Reports available to a Reviewer.

Farm Program Data Extraction Reports:	How far back does this data provide?
Acreage Data Report (newer acreage)	2008 to 2014
Application Data	1989
Application Data_Primary – CoB	1989
Business Partner Data Report	BP data is not year specific
Compliance Data Report (older acreage)	1995 to 2007
Guaranteed Loans	1973
Guaranteed Loans_Primary -CoB	1973
Guar Package	1995
Loan 540 Data	2013

Loan From DLS Data	1989
Member Hierarchy Report	2011-current from Business File
Producer Farm Data Report	Do not use
USDA Compliance Data Report	Prior to 2008

Farmer Eligibility (Step 3)

Rule	Description
Applicant must demonstrate that they were a farmer/ rancher or attempted to have a farming/ranching operation	• "Farmer/Rancher": Owned or leased a farming or ranching operation **at any point** with the commercial purpose of farming, which includes producing agricultural product(s) for sale in the market**.** • "Potential Producer": Intended to become a Farmer or Rancher at the time of the discrimination, but was unable to because they were discriminatorily denied access to a USDA farm loan program. • An applicant who self-certified as a "Potential Producer" should **only** be assigned to the "Farmer" category if the Reviewer is confident that the reassignment is appropriate. ○ The reassignment to "Farmer" should not be based only on the tense used in the narrative (i.e., "I sold crops" instead of "I planned to sell crops").
Applicant farm type must be eligible for USDA farm lending	• If the applicant's enterprise was not eligible for USDA farm lending, the Reviewers should *not* validate the applicant as a Farmer or Potential Producer.

Borrower Eligibility (Step 4)

We use government-provided training videos to help educate our Reviewers on the USDA farm lending programs. All Team Leads, Reviewers and QC Reviewers are required to watch the following training videos *prior to scoring any applications in AART*:

- **Different Types of FSA Loans:** https://www.youtube.com/watch?v=c_mBQzc9oiM
- **FSA Application Process:** https://www.youtube.com/watch?v=_PV89--E5yg
- **FSA Guaranteed Loans:** https://www.youtube.com/watch?v=_gXjVmRPpbw

If a Reviewer has *any* questions on Borrower Eligibility (Step 4) questions in AART, escalate to the Team Lead. If the Team Lead has additional questions, he/she will escalate that to FSA for further discussion.

NOTE: For any applications that require additional escalation to FSA or the Agricultural Experts, care **must** be taken to preserve applicant confidentiality in all cases.

Rule	Description
Applicant must demonstrate that they were a Participant in farm lending or a Would-be Participant in farm lending	• **Participant in farm lending:** Providing the farm loan data such as the loan number, loan details, and the applicant's sworn statement are indicative of participation in a USDA farm loan. (Also, *having* a farm loan establishes that an applicant was *eligible* for the loan.) ○ FSA data should be available to the Reviewer, automatically in AART. Please refer to the Farm Program Data Extraction Reports table on page 13 for details on the earliest year information is available, by report. • **Would-be Participant:** Providing details about the steps taken to obtain a loan, the amount sought, specific information about the loan or attempts to get a loan, and the applicant's sworn statement are indicative of would-be participation in farm lending. • It is possible for an applicant to have been *both* a farm loan recipient and a Would-be Participant in farm lending; many farmers have multiple and different types of USDA farm loans in their careers.
Guaranteed and Direct loans are the two types of USDA farm loan programs that are covered under DFAP.	• Many USDA farm loan types are available as either a Guaranteed loan or a Direct loan. • Guaranteed loans are made and serviced by *non-government lenders*, such as banks, credit unions, institutions in the Farm Credit System, or other lenders. The FSA guarantees up to 95% of the lender's loan against loss. The FSA approves all eligible loan guarantees and provides oversight of the lender's activities; however, the loan is between the lender and the producer. • Direct loans are made and serviced by *FSA*. The funding comes from the Federal Government. The loan is between the FSA and the Farmer or Rancher. • The application, supporting documents, and FSA data will help determine which type of loan an applicant received, or attempted to receive. For guaranteed loans, Reviewers should be especially mindful of whether discrimination was committed by someone other than the USDA (e.g., a commercial bank). Discrimination by a non-government lender, rather than by USDA, is Facially Ineligible for DFAP participation, even if the loan was an FSA guaranteed loan.
Applicant is eligible for DFAP if he/she is one of several Co-Borrowers or one of several Participants in a business entity and experienced discrimination by USDA in USDA farm lending	• If applicant is a Co-Borrower or a Participant in a business entity and one of the other Co-Borrowers or business entity partners directly experienced discrimination by USDA in USDA farm lending, but applicant **did not** experience discrimination, the applicant **IS** eligible for financial assistance if they can *provide evidence that discrimination occurred, and that it **adversely affected the applicant's participation in USDA farm lending***.

Discrimination (Step 5)

Rule	Description

Applicant must provide evidence of discrimination for purposes of program eligibility	• Remember that the applicant is submitting the application under penalty of perjury; this means it deserves more weight than an unsworn statement.
	• Also look at supporting evidence for related documentation, such as any attachments to the application, witness statements, participation in prior litigation, etc.
	  ○ The discrimination element should be validated as "Yes-Government Confirmed" whenever an applicant asserts the **same discrimination** during the **same timeframe** as successfully claimed in one (or more) of the four USDA class actions/group matters (Pigford v. Glickman (Pigford I), Black Farmers Discrimination Litigation (Pigford II), Native American Farmers (Keepseagle), or Hispanic and Women Farmers (Garcia-Love)) or a successful discrimination case/matter brought individually. A prior case award is also dispositive as to at least the Would-be Participation element. In other words, a prior case award can confirm discrimination for a Potential Producer, establishing that USDA was involved. BUT: even though discrimination for the purposes of DFAP eligibility is validated, the applicant will still need to establish that he or she is a Farmer or a Potential Producer.
	  ○ NOTE: Getting an award does not mean the applicant is a Farmer or Rancher; the applicant could also be a Potential Producer.
	• Reviewers need to carefully check the supporting documents and the FSA data.
	• Reviewers should consider the application packet as a whole: reviewing the applicant's statements/information in their application, the provided supporting documents, and the FSA data to decide if there's enough evidence for the purposes of DFAP that discrimination occurred.
	• Reviewers should be mindful that many of these narratives and experiences happened years, or even decades in the past. Witnesses are no longer available to offer sworn statements or accounts, records may not have been retained or preserved, and supporting documents may otherwise be lost or long missing. Part of the process in reviewing these applications is giving the applicants a chance to be heard and share their experiences of discrimination in the USDA farm loan program. Reviewers should not expect every application to provide irrefutable proof that discrimination took place; applications will contain varying degrees of detail and corroboration. Reviewers should mark the claim of discrimination as valid if it's reasonable to accept that the described discrimination occurred.
	• If there's nothing suggesting discrimination, the application should be marked "Not Validated".
	  ○ Example: Applicant does not check any covered bases of discrimination boxes, and in the application states, "No one answered the phone, and I called 5 times during my lunch break, no one wants to work anymore!" This discrimination element of this application should be marked as "Not Validated".

Rule	Description
Discrimination should be based on a type of covered discrimination (see list above under Types of Discrimination Covered)	• If the discrimination is attributed to an uncovered basis, such as military status (e.g., veteran), type of crop, or any other not covered type of discrimination, the discrimination should not be validated. However, if the application lists *both* a covered and a non-covered basis, the covered basis is the one that matters for eligibility. ○ Covered discrimination may take many forms. If it is a listed basis, be mindful not to apply your own personal expectations or judgment. For example, a white man is eligible under race or gender discrimination, if he demonstrated that either type of discrimination occurred. • For each type of discrimination, the covered discrimination may have been because of how the discriminator *perceived* the applicant. That is, an applicant may have experienced disability or religious or sexual orientation (etc.) discrimination even if the applicant didn't have a disability/religion/sexual orientation etc., if the discrimination occurred because the discriminator *perceived* the applicant as having a disability/religion/sexual orientation/etc. • In particular, if an applicant demonstrates that they were discriminated against because they are Native American, but doesn't provide tribal ID, this can be noted as a "perceived as" example of discrimination. • If an applicant's description of discrimination does not contain a reference to being discriminated against, closely check the supporting documentation and the rest of the application to determine if the applicant provided *any* account of covered discrimination. • If the discrimination cannot be validated, this element of the application should be marked "Not Validated."
Discrimination may have occurred at any time during the lifecycle of the loan process	• If an applicant asserts discrimination, the discrimination may have occurred during the application process, or during the lifetime of the loan, for example in a denial of loan servicing or restructuring. • An applicant may have already had a loan, and assert that discrimination affected a subsequent loan or attempt to get a subsequent loan. ○ Review the relevant timeframe, along with the application and FSA information.
Adverse treatment isn't discrimination if it wasn't the result of the covered basis	• It's not discrimination to deny someone a loan or other requested action if that denial has no connection to the alleged discriminatory basis. For example, if someone is turned down for a loan because they want to raise exotic fish, that's not discrimination—FSA doesn't provide loans for that purpose.

DFAP covers losses based upon discrimination by USDA personnel who engaged in discriminatory actions while working in the farm lending programs	• DFAP does *not* cover discrimination committed by someone other than USDA personnel (personnel includes both employees and contractors, if that comes up).
	    ○ *Example*: Applicant goes to Big Bank to apply for a Guaranteed FO Loan while wearing religious jewelry. The bank manager tells applicant that Big Bank does not lend to people of the applicant's religion and to try a different bank. This discrimination is not covered under DFAP because it was performed by the bank manager.
	• NOTE: Discrimination by an FSA County Committee or member or State Committee or member *is* counted as by FSA, even though those committee members are not technically Federal employees.
	• Discrimination committed by USDA farm loan personnel, but not related to the loan program, is not covered under DFAP.
	    ○ Example: An applicant is participating in an agricultural competition hosted by the Local Farming Club ("LFC"). The competition is being judged at the local high school by USDA personnel. After the applicant's presentation, the loan officer asks the applicant how he would help the LFC preserve traditional family values, which according to their 2001 policy statement included banning gay marriage. This is not covered discrimination under DFAP because it was not connected to farm lending. (It may, however, be evidence that supports an assertion of lending discrimination, if such an assertion is made.)
	    ○ Example: An applicant describes discrimination by USDA personnel in calculation of farm conservation program payments. This is not covered discrimination under DFAP because the farm conservation program is not connected to farm lending.
	• For these examples, Reviewers would select either "Yes" discrimination from someone other than USDA, and describe who in the relevant rating field, or "Yes" discrimination not in farm lending, and describe the circumstances in the relevant field.
	• If the application contains no other instances of DFAP covered discrimination, the discrimination element should be marked as "Not Validated".

Losses (Step 6)

Rule	Description
Summary	**Potential Producers do NOT have their losses calculated; this section applies only to applicants who had farming/ranching operations.** For applicants who had a farming/ranching operation (at any time), the types of economic losses included are: • Loss of owned land. • Loss of owned home: Foreclosure/collateral-related losses only. • Garnishments, judgments, and/or tax liens: based on application and other documentation. Available regardless of whether the farmer-applicant owned or leased their farmland. • Lost land appreciation: for applicants (who may be Participants in USDA farm lending, or attempted Participants) who demonstrate that because of discrimination they were unable to purchase farmland, and therefore lost the appreciation in land value. • Lost farming profits from lost land/land not purchased/land not leased: Calculated per acre for applicants who demonstrate that discrimination cost them some or all of their farm, or the opportunity to increase farm size and therefore lost farming profits. Available whether the farmland is owned or leased. Capped at 5 years. • Lost farming profits from inability to run the farming operation: Calculated on number of years profits were lost. ○ NOTE: This does NOT include land loss or the ability to acquire additional land. • Lost yield/reduced productivity: Available for owners or leasers. Capped at 5 years. • Increased interest cost. • Other losses.

Rule	Description
Discrimination, for the purposes of DFAP eligibility, is validated when the basis of discrimination is the same discrimination that the applicant successfully asserted in one of the 4 USDA prior class or group actions (Pigford v. Glickman (Pigford I), Black Farmers Discrimination Litigation (Pigford II), Native American Farmers (Keepseagle), or Hispanic and Women Farmers (Garcia-Love)) *or* in other administrative/judicial action	• If an applicant received an award from one of the prior class or group actions or other administrative/judicial action against USDA, that prior decision means that the "discrimination" and participation elements should be marked as "Validated". • The applicant will still need to demonstrate eligibility based on the remaining element—that is status as a Farmer or Potential Producer. In addition to the application, Reviewers need to carefully check the supporting documents, the FSA data, and the Award data. • If there is a discrepancy between the Award data and the application, the amounts listed in the Award data will control. • If the applicant states they received an award from one or more of the prior class and group actions or other administrative/judicial action, and there is **no** Award data available to match the assertion, escalate to a Team Lead who will confirm with USDA whether the applicant received an award.

Defined Roles

Blue Team Lead ("Team Lead"): Individual responsible for loading applications into the application pool for Blue Reviewers to complete. The lead also facilitates answers to questions escalated during the validation review process and coordinates with the Agriculture Experts on challenging questions.
Blue Reviewer ("Reviewer"): Individual responsible for conducting Blue Team validation reviews on applications.
Blue QC Reviewer ("QC Reviewer"): Individual responsible for conducting QC reviews on a subset of applications completed by Blue Team Reviewers to evaluate the timeliness of the application, look for errors in scoring, and look for trends in how answers are scored.
Green Team Lead ("Team Lead"): Individual responsible for loading applications into the application pool for Green Team Reviewers to complete. The lead also facilitates answers to questions escalated during the validation review process and coordinates with the Agriculture Experts on challenging questions.
Green Reviewer ("Reviewer"): Individual responsible for conducting validation reviews on applications.
Green QC Reviewer ("QC Reviewer"): Individual responsible for conducting QC reviews on a subset of applications completed by Green Team Reviewers to evaluate the timeliness of the application, look for errors in scoring, and look for trends in how answers are scored.

Acronyms and Abbreviations

Acronym	Title
AART	Application Administration Reporting Tool
Ag Expert	Agricultural Expert
ARPA	American Rescue Plan Act
BIA	Bureau of Indian Affairs

CED	County Executive Director (hired by the County Committee and typically supervises a small number of county offices)
CFAP	Coronavirus Food Assistance Program
CL	Conservation Loan
COC	County Committee
CRP	Conservation Reserve Program (part of NRCS; not eligible for DFAP)
CSP	Conservation Stewardship Program (part of NRCS; not eligible for DFAP)
DAP	Disaster Assistance Programs (DAP; not eligible for DFAP)
DD	District Director (hired by FSA and typically supervises an area of a State)
DFAP	Discrimination Financial Assistance Program
DLS	Direct Loan Services
EE	Economic Emergency
EFRP	Emergency Forest Restoration Program (part of DAP; not eligible for DFAP)
EL	Emergency Livestock
ELAP	Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (part of DAP; not eligible for DFAP)
EM	Emergency Loan
EQIP	Environmental Quality Incentives Program (part of NRCS; EQIP is a reimbursement, not a loan, and therefore is not eligible for DFAP)
FHA	Federal Housing Association
FmHA	Farmer's Home Administration; loans previously under FmHA (up until 1995) are now administered under FSA
FLM	Farm Loan Manager
FLO	Farm Loan Officer
FO	Farm Ownership Loan; this includes "down payment loans"
FSA	Farm Service Agency
FSFL	Farm Storage Facility Loan
GLOC	Guaranteed Line of Credit
IRA	Inflation Reduction Act
LFP	Livestock Forage Disaster Program (part of DAP; not eligible for DFAP)
LIP	Livestock Indemnity Program (part of DAP; not eligible for DFAP)
ML	Microloan
NAD	National Appeals Division
NAP	Noninsured Crop Disaster Assistance Program (part of DAP; not eligible for DFAP)
NRCS	National Resources Conservation Service
OL	Farm Operating Loan
PCA	Production Credit Association
QC	Quality Control
ST	Softwood Timber

SW	Soil and Water
TAP	Tree Assistance Program (part of DAP; not eligible for DFAP)
UAT	User Acceptance Testing
USDA	United States Department of Agriculture
YL	Youth Loan

Loan Types

Conservation Loan (CL)	Loans designed to help farmers implement conservation practices on their agricultural land, promoting environmental stewardship and sustainable farming methods. • Earliest date of loan type: 9/15/2010 o NOTE: As of May 13, 2011, funding was no longer available for conservation loans. FO and OL loans cover the same purpose of a CL. • NOTE: FSA guaranteed CLs differ from Natural Resources Conservation Service (NRCS) direct payment programs like Environmental Quality Incentive Programs (EQIP)
Economic Emergency Loan (EE)	A loan type (no longer available) made or guaranteed to allow for continuation of the operation during an economic emergency caused by a lack of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities. • Earliest date of loan type: 9/20/1978
Emergency Livestock Loan (EL)	Provides financial assistance to eligible livestock producers for losses due to adverse weather conditions, including hurricanes, floods, blizzards, disease, and other qualifying emergencies.
Emergency Loan (EM)	Designed to assist farmers who have suffered significant production or physical losses due to natural disasters or other emergencies, providing financial support for recovery and rebuilding. • Earliest date of loan type: 3/1/1955
Farm Ownership Loan (FO)	Loan established to help assist farmers in acquiring or expanding their farms by providing affordable financing for land purchase, construction of farm buildings, and other essential farm improvements. • Earliest date of loan type: 5/6/1937
Farm Storage Facility Loan (FSFL)	Serves to assist farmers in building or upgrading on-farm storage facilities for eligible commodities, promoting better storage practices and reducing post-harvest losses.
Grazing Loan	Loans used to plant wheat, barley, hay, or oats for grazing purposes. • Earliest date of loan type: 4/22/1963
Microloan (ML)	Small-scale loans designed to assist small and beginning farmers, as well as certain veterans, with their operating and ownership needs, providing financial support for start-up costs, equipment, and day-to-day expenses.

Farm Operating Loan (OL)	Loan designed to provide financial assistance to farmers for ongoing operating expenses, such as purchasing seed, fertilizer, livestock, and other inputs, as well as covering family living expenses and essential farm operating costs. • Earliest date of loan type: 1/7/1954
Softwood Timber Loan (ST)	Retired loan service.
Soil and Water Loan (SW)	Provided funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water removal. • Earliest date of loan type: 7/11/1962
Youth Loan (YL)	Designed to support young individuals (typically ages 10 to 20) in their pursuit of agricultural projects, educational initiatives, or small business ventures.

Part II: Prepare an Application for Review

Assign an Application for Review

Check out an Application for Review

Read through Entire Application and Supporting Documentation

PART II: Prepare an Application for Review

The following section is designed to walk Team Leads and Reviewers through the process to assign and check out applications for review. Most importantly, it emphasizes the importance of conducting a thorough review of the entire application, supporting documentation, and FSA data to familiarize the Reviewer with the applicant's story *prior* to initiating the application review.

Assign an Application for Review

Role: Team Leads

Team Leads are responsible for assigning applications to their respective teams and monitoring the validation review process. Within the AART system, Team Leads have the capacity to view applications that have passed the Completeness Review Process and are ready for Validation Review. The following guidelines describe how Team Leads use AART to assign applications to Reviewers.

Team Leads should note that:

1. Reviewers will not be able to check out any applications for review until their respective Team Lead has assigned applications to their respective application pools.
2. The Team Leads have the responsibility to ensure applications are consistently assigned for the Reviewers to check out and begin the validation process. This needs to be monitored throughout the day to ensure there are enough applications for Reviewers to check out.
3. The Team Lead will receive new applications for review once an application has passed the *Completeness Review Process*, which ensures that an application has met all of the minimum required documentation (i.e., identification card, social security card, and signed W-9 form). E-filed applications, bulk applications received from law firms, and paper applications are all required to go through the *Completeness* and *Validation Review Processes.*
4. The Blue Team and the Green Team will complete independent reviews, which can happen concurrently. The Green Team and the Blue Team will <u>not</u> be able to view the scores assigned by the other team.
5. After applications have completed the double-blind review, and the QC process, they will then move on to the reconciliation process to compare the results of each application's scoring differential by the Blue and Team Greens. This occurs outside of the Validation Review Process and is not described in this USDA Validation Review Guide.

To assign an application for review, Team Leads will:

Step 1: Monitor the Application Repository for Incoming Applications
• Review newly received applications throughout the day to add to the application pool. • Apply filters to select applications to assign to the application pool. **Objective:** Team Leads will monitor the AART Application Repository throughout the day. When new applications appear in the Application Repository, Team Leads will use the filter function to select applications to assign to the Application Pool.
Select the "Application Management" button.   The page is split into two (2) components: • **Application Repository:** list of applications that have been sent to the Blue and Green Team queues, which require the Team Lead to assign applications to the review team. Filters can be applied to select parameters for the applications.
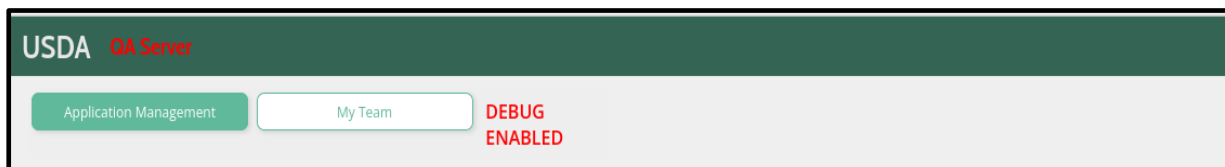
Step 1: Monitor the Application Repository for Incoming Applications

- **Blue or Green Team Application Pool:** shows the list of all applications that have been assigned by the Team Lead to the Reviewers.

Under Application Repository, select "Choose Filters" and use the "Farmer" or "Potential Producer" filter. This is an example of a filter that can be used to assign applications to the application pool.

Note that the filter function is designed to help Team Leads manage the application pool. As such, the "Farmer" and "Potential Producer" tag is a preliminary label and does not impact the final rating. Reviewers must complete a holistic review of the application before determining whether an applicant meets the criteria for Potential Producer (Non-Farmer) or Farmer.

Filters Include:

- Farmer Eligibility:
  - Farmer; or
  - Potential Producer.
- Loan Participation:
  - Attempted to participate in a loan with USDA but was denied; or
  - Participated with the USDA on a loan, but was discriminated against.
- Payment Integrity Detection:
  - Duplicate address;
  - Duplicate description of farm/ranch;
  - Duplicate discrimination reason;
  - Duplicate documents submitted;
  - Duplicate email address;
  - Duplicate location of farmland;
  - Duplicate name;
  - Duplicate phone number;
  - Duplicate SSN;
  - Duplicate zip code over threshold;
  - Filed outside of USA; or
  - Minor applied for farm operating / ownership loan.

Step 1: Monitor the Application Repository for Incoming Applications
- Provides No Supporting Documentation: - Does not have supporting documentation; or   - Has supporting documentation.   - Region: - Region 1;   - Region 2;   - Region 3; or   - Region 4.   - Application Number List.   - Filed Date From/To.   - Application Filed Type.   - Preparer Name.   - Application Already Completed by Blue or Green Team (but needs to be completed by the other team).

Step 2: Assign Applications to Reviewers
Objective: In AART, Team Leads will move applications from the Application Repository into the Application Pool. Applications can be moved as a group or assigned individually. Throughout the day, Team Leads will ensure there are applications available in the Application Pool for Reviewers to "check out" and begin reviewing. Where possible, Team Leads will maintain a high volume of applications in the Application Pool at all times to ensure Reviewers have 2-3 days of work available.
To add all filtered applications (e.g., Farmer, Potential Producer) to the application pool, click "Add All to Pool".   Alternatively, a Team Lead can individually assign applications to the pool. Scroll down the page and click the green "+" box for each application to add to the application pool.
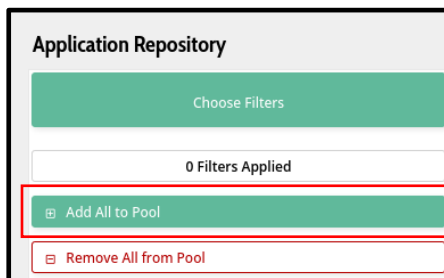
Check out an Application for Review

Role: Blue or Green Validation Team Reviewers

The following guidelines are intended for Reviewers and outline the steps to check out an application to complete a validation review. The same steps apply for Blue Team Leads and Green Team Leads. Reviewers will have access to the following screens in AART:

- **My Applications:** this section enables a Reviewer to check out an application for validation review.
- **My Completed Applications:** this section enables a Reviewer to view a full list of his/her completed applications.
- **Reconciliation Applications:** this section enables a Reviewer to view their applications that have been returned for further review.

Reviewers should note that:

- Each application will go through a Blue validation review *and* a Green validation review; this is the "double blind" review process.
- A Reviewer can check out up to 35 applications at once.
- A Reviewer should **only review one application at a time**. If an application needs to be escalated for further review, the Reviewer can begin working on another application.
- Once an application has completed the validation review, the Reviewer cannot reopen it to make changes, unless the Blue Team Lead or Green Team Lead returns it to the Reviewer for re-review.
- Neither the Blue nor Green Validation Review Teams will be able to see scoring completed by the other team.
- After the validation team has completed a validation review, the application will move on to its respective QC team for a review of a subset of the applications. The QC process is described in detail in Part VI: Quality Control (QC) Reviews.

To check out an application for review, Reviewers will:

Step 1: Check Out an Application
Objective: When a Reviewer has no more applications left to be reviewed, they should check out new applications from the application pool.
Select the "Check Out Next Application" button and a new application will populate under "My Checked Out Applications."
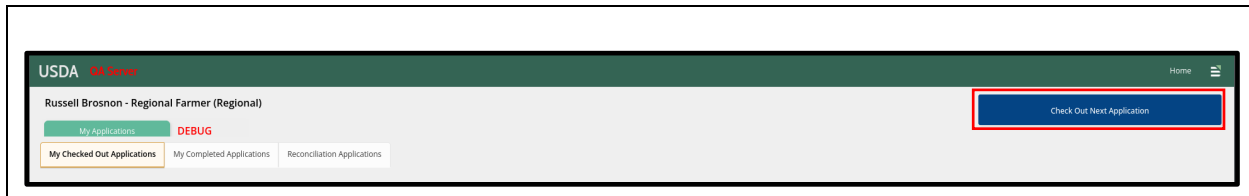
Read Through Entire Application and Supporting Documentation

Role: Blue or Green Validation Team Reviewer

Reviewers should note that:

- Only covered forms of discrimination (race, color, sex, etc.) will receive financial assistance.
- When reviewing an application, **do not make assumptions**. For example, if the applicant is a white male and he claims race discrimination, do not assume that he did not experience it. Read the application and all supporting documentation in its entirety to understand what support he has for his allegations.
- In addition, do not assume that just because there is evidence of discrimination by someone in something, that the applicant is eligible for financial assistance. **The discrimination has to be because of a covered basis, before January 1, 2021, linked to a USDA farm program, linked to a USDA lending program, and by USDA personnel**.
- If, after the initial review of the entire application, supporting documentation, and FSA data, the Reviewer determines that the application does not meet the basic eligibility criteria, the Reviewer will mark the application "Facially Ineligible." The following are included in "Facially Ineligible" criteria:
  - **No** reported acts of discrimination occurred before January 1, 2021.
  - Applicant asserts only discrimination by a non-USDA entity.
  - Applicant asserts only discrimination in a non-lending program.
  - Applicant asserts only discrimination in a non-farm program.
  - Applicant only reports discrimination with a non-covered basis (e.g., based on veteran status).
  - Applicant asserts only discrimination against an individual other than the applicant AND the applicant is not the current holder of affected assumed/assigned debt. (NOTE: if the applicant was a Co-Borrower of the individual who experienced discrimination, and the applicant's loan was affected, that counts as discrimination against the applicant on the relevant basis; if that basis is covered by DFAP, then the application is *not* Facially Ineligible.)
  - Applicant asserts only discrimination against an individual who is now deceased and is not the current holder of assumed/assigned debt.
  - Other *(if multiple reasons, please list here)*.

*Before Reviewers begin scoring an application in AART, the Reviewer should **read through the application in its entirety, including supporting documentation, and FSA data**. The pre-review process includes the following steps:*

Step 1. Select an application to review

Objective: Reviewers will progress on application validation by starting or continuing to review applications in their pool.

Select an application to start reviewing by navigating to "My Checked Out Applications" and then selecting the green "Start Rating" or "Continue Rating" button on a given application.
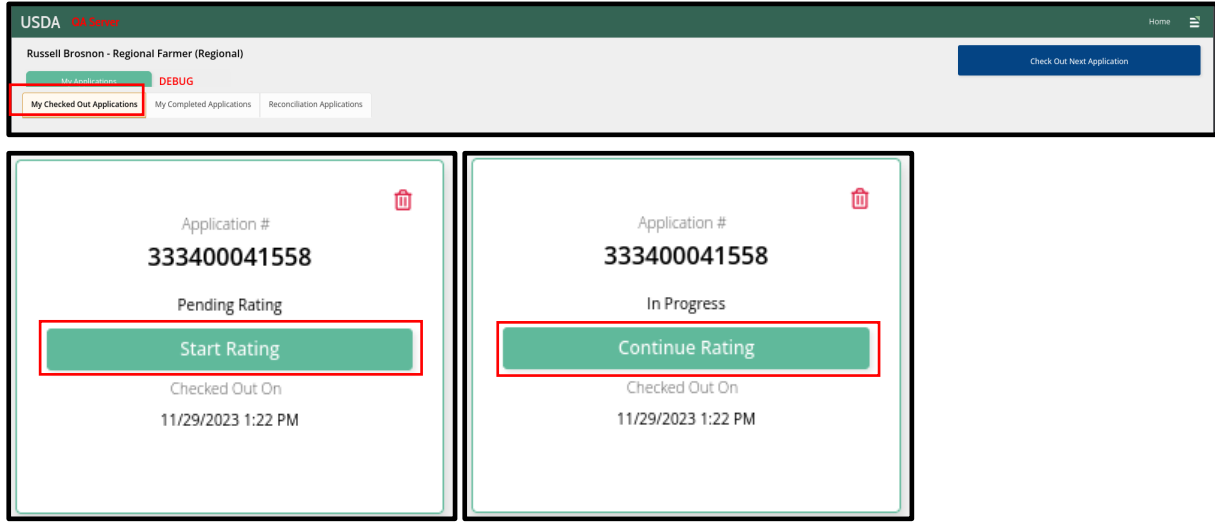
Step 2. Verifying Facial Eligibility

Objective: So Reviewers do not spend extra time on Facially Ineligible applications*, verify that any given application meets the general eligibility requirements at the beginning of the review process*. This also contributes to the overall understanding of the application.

Before reviewing an application, ensure it is eligible to be reviewed in the first place. Navigate to supporting documents.
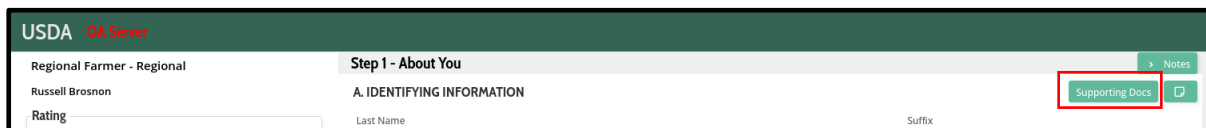
Close out of the supporting documents page and go to Step 5 (Discrimination)

Ensure at least one reported instance of discrimination occurred before January 1, 2021.

Criteria for Facially Ineligible Applications:

- No reported acts of discrimination occurred before January 1, 2021.
  - Example: An applicant asserts loss from not receiving ARPA funds to repay a USDA loan. ARPA was enacted into law on March 11, 2021, that is, *after* January 1, 2021. Applicant does not state any other instance of discrimination other than ARPA. The application would be deemed "Facially Ineligible".
  - NOTE: Even if the application identifies a date AFTER January 1, 2021, the Reviewer must review the **entire application** to determine if there is any additional information provided elsewhere in the application or supporting documents that would identify discrimination occurring prior to January 1, 2021. The Reviewer needs to look at the entire application and supporting documentation before selecting "No reported acts of discrimination occurred before January 1, 2021" as a Facially Ineligible reason.
- Applicant asserts only discrimination in a non-farm program.
  - Example: An applicant asserts loss from discrimination in a **housing loan program** administered by **Rural Development** or **FmHA**. This is not a farm loan; the application would be deemed "Facially Ineligible". (Note: FmHA did *also* administer USDA farm loans before the USDA Farm Loan Program was transferred to FSA in 1995. But in the example, the loan is a housing loan.).
  - **Rural Development loans (NOT covered under DFAP) include:**
    - **Section 523 loans** are used to acquire and develop sites only for housing to be constructed by the Self-Help method. Private or public non-profit organizations that will provide sites solely for self-help housing.

- - **Section 524 loans** are made to acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction. This applies to Private or public non-profit organizations. The building site may be sold to low- or moderate-income families utilizing USDA's **Single Family Housing (SFH) loan** programs, or any other mortgage financing program which serves low- and moderate-income families
  - **FmHA loans (NOT covered under DFAP) include:**
    - **203(b) mortgage**: The 203(b) is the traditional FHA loan, ideal for buying a new home. Both fixed-rate and adjustable-rate mortgages are available, and you can use the loan to buy a single-family home, multi-family home, or condo.
    - **203(k) rehabilitation mortgage**: This type of FHA loan lets you finance an additional $35,000 into your home loan, to be used to fund repairs and home improvements.
    - **245(a) graduated payment mortgage**: The FHA insures mortgages where the monthly payment gradually increases. These loans are designed for low-income buyers who expect their incomes to rise over time.
    - **Energy-efficient mortgage**: An FHA energy-efficient mortgage provides funding that helps homeowners install energy-efficient improvements to their homes, thereby lowering their utility costs.
    - **Reverse mortgage:** The FHA also allows homeowners over the age of 62 to take out a home equity conversion mortgage (HECM), or reverse mortgage. This type of mortgage provides a way for homeowners to borrow against the equity in their home.
- Applicant asserts only discrimination in a non-lending program.
  - Example: Applicant asserts instances of discrimination in an NRCS program (i.e., EQIP). Discrimination in seeking an EQIP loan is not eligible for financial assistance.
- Applicant asserts only discrimination by a non-USDA entity.
  - Example: Applicant asserts instances of discrimination from someone other than USDA (i.e., the Small Business Association, a private bank, or a Farm Credit institution). Since there's no report that USDA discriminated against the applicant, the application would be deemed "Facially Ineligible". Remember, FSA's county and state committees, and their members, count as part of USDA.
- Applicant only asserts discrimination on a non-covered basis (e.g., based on veteran status).
- Applicant only asserts discrimination against an individual other than the applicant AND is not the current holder of affected assumed/assigned debt.
  - In order for an applicant to be considered the "current" holder of assumed/assigned debt, there **must** be FSA loan data available for that applicant.
  - (NOTE: if the applicant was a Co-Borrower of the individual who experienced discrimination, and the applicant's loan was affected, that counts as discrimination against the applicant on the relevant basis; if that basis is covered by DFAP, then the application is *not* Facially Ineligible.)
- Applicant asserts only discrimination against an individual who is now deceased, and the applicant is not the current holder of assumed/assigned debt.
  - Applicant applies on behalf of an "estate" of a deceased person, or as their heir.
  - BUT NOTE: If the applicant is the current holder of assumed or assigned debt (which might have been the debt of a deceased person), that is a potentially valid application. The Reviewer will score the application as he/she would any other application.
- Other.

NOTE: If an application is determined to be Facially Ineligible, *it will not proceed in the validation review process* **but will be sent to the Team Lead to confirm if the application is Facially Ineligible.**
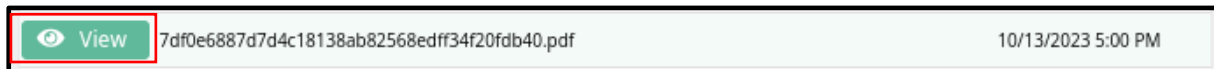
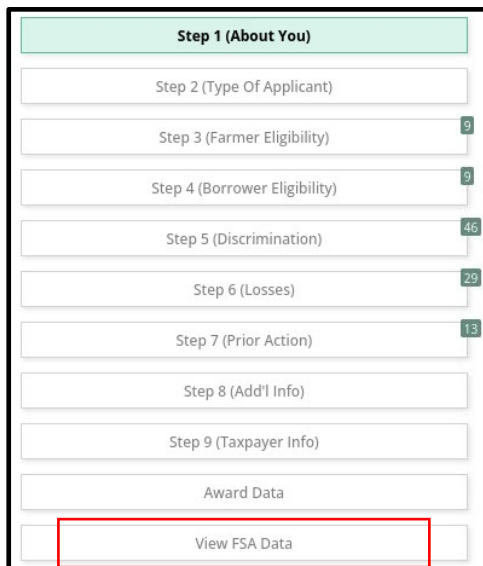| Step 3. Application Review |
|---|
| **Objective**: Reviewers should read the entire application for any given application before scoring so they can understand the entirety of the applicant's circumstances and the evidence behind it. |
| Navigate to Supporting Documents.
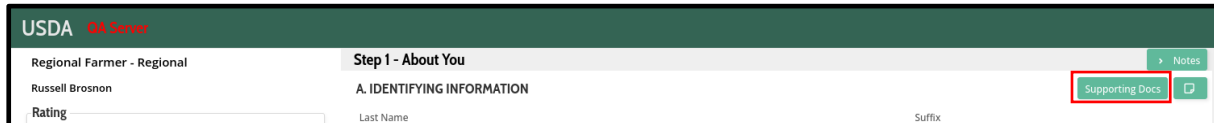
Review the document that is a series of numbers and letters (This is the full application as a pdf).

Read through the application in its entirety. Navigate back to the supporting documents tab and read through all the other supporting documentation. Then navigate to the "View FSA Data" button and review any available FSA farming and loan data.

Navigate to the "Award Data" button and review any available Award data from past USDA awards or recoveries. |

After reviewing all the application data, move on to Part III: Conduct an Application Review.

Enter any notes in the screen and click "Save" when finished. Click the "X" on the upper right corner to exit the screen.

Part III: Conduct an Application Review

Evaluate Applicant Eligibility:

- Farmer or "Potential Producer"
- Participant or "Would-be Participant" in USDA Farm Loan Programs
- Discrimination by USDA in USDA Farm Loan Programs

Calculate Reported Losses

Part III: Conduct an Application Review

This part of the Validation Guide is designed to guide Blue and Green Validation Team Reviewers through the entire application review process.

All applicants will be evaluated to determine if they are eligible to participate in the program. To be considered an eligible applicant, they must meet three criteria:

1. Be a current or former Farmer or "Potential Producer"; **AND**
2. Be a Participant or "Would-be Participant" in USDA's farm loan programs; **AND**
3. Experienced discrimination by USDA in USDA's farm loan programs.

In addition, Blue and Green Validation Team Reviewers will calculate reported losses for applicants who are current or former Farmers (not for "Potential Producers").

Evaluate Applicant Eligibility

Role: Blue or Green Validation Team Reviewer

There are three (3) primary elements to determine the <u>validity</u> of an application for financial assistance:

1. The applicant is a Farmer/Rancher or "Potential Producer".
2. The applicant is a Participant or "Would-be Participant" in USDA's farm loan program.
3. The applicant experienced discrimination by USDA in USDA's farm loan program.

Review each of the sections below to determine application validity. If any of these three (3) elements are determined to be "Not Validated", the Reviewer can mark the entire application "Not Validated". Reviewers will complete Steps 3, 4, and 5 before ending the review of the application and the application will proceed to the next phase, QC Review.

I.   Farmer/Rancher or "Potential Producer"

Review the following application steps to determine:

- If the applicant was *either* a farmer or rancher (who had a farming/ranching operation), or a Potential Producer (who *intended* to have a farm or ranch operation);
- If the land was owned or leased;
- The value of the land per acre; and
- The number of acres owned or leased.

For   (Farmer Eligibility), the Reviewer should read the application **in its entirety**, **including all supporting documents, FSA data, and Award data,** to understand what the applicant is stating in the application. Note that applicants may include details in other sections of the application, so read the entire application thoroughly.

NOTE: FSA data may not be available, or contain complete records, as some FSA data is self-reported by Farmers.

DFAP Application Step 3 (Farmer Eligibility)	
Question a1. Did the applicant have a farming operation? FARMING OPERATION a1. Did the applicant have a farming operation? Search... Yes Yes – Government Confirmed No N/A **This question applies to:** ☐ Farmers ☐ Potential Producers	**DFAP Application Steps to Review:** The Reviewer must review the following application steps to determine if the applicant asserts they are a Farmer or a Potential Producer. • Step 3 – Have you ever been a farmer or a rancher? • Step 6(B)(1) – Have you ever been a farmer or rancher? Then read the rest of Step 3 (Farmer Eligibility), the supporting documentation, and the FSA data to validate the applicant's assertion. **Answer:** Yes – Government Confirmed = • *Auto-populating feature:* This question will auto-populate if there is FSA data for the applicant (Obligation Data, USDA National Producer Acreages Report, or USDA Compliance Data Report). Yes = • The application needs to demonstrate, with a plausible story or other evidence, that the applicant had a farming operation. For example, if the narrative states "I owned 520 acres of land, producing wheat and soybeans for the last 20 years", this would indicate the applicant is a Farmer. **OR** • Applicant provides official government documentation that corroborates their farming operation. This documentation could include, but is not limited to, tax documents, a promissory note, deed, or lease agreement. NOTE: If the applicant was not a Farmer/Rancher at the time the discrimination took place, but later became a Farmer/Rancher, they *are* considered a Farmer; answer this question "Yes".

DFAP Application Step 3 (Farmer Eligibility)	
Question a1. Did the applicant have a farming operation? FARMING OPERATION a1. Did the applicant have a farming operation? Search... Yes Yes – Government Confirmed No N/A **This question applies to:** ☐ Farmers ☐ Potential Producers	No = • The applicant states that they have a farming operation, but there is no evidence of a farming operation in the application narrative OR their story is not plausible. **OR** • The applicant states that they worked on a farm (but without mentioning having a farming operation) -- including working as a migrant worker, working on another farmer's farm operation, working on their family's farm with no evidence of owning or leasing that land. • NOTE: Working on a farm is **not** the same as having a farm operation, although it *does* substantiate the applicant is a Potential Producer. N/A = • Applicant is a Potential Producer. For example, if the applicant states "I <u>attempted</u> to get an FSA loan to buy 100 acres of land and start a beef cattle ranch", this would indicate the applicant is a Potential Producer and did not have a farming operation. Simply checking the box that says "Farmer" is not sufficient here; there needs to be something more for a "Yes." NOTE: If the Reviewer cannot determine whether or not the applicant is a Farmer or Potential Producer, or which one, escalate the application to a Team Lead.

DFAP Application Step 3 (Farmer Eligibility)

FSA Data to Review:

- Review "USDA Customer Data" Report.
    - Fields to Review: Confirm the Customer Name is the same name as listed in the Application.
- Review "USDA Application Data" Report.
    - Fields to Review: Fiscal Year, Direct Loan Request Type, Loan Request Date, Amount of Loan Requested, Application Disposition (approved/rejected/withdrawn), Status of Loan Request, and Reason for Loan Rejection.
- Review "USDA Obligation Data" Report.
    - Fields to Review: Fiscal Year, Loan Number, Loan, Loan Obligation Amount, Interest Rate, Loan Approval Date, and Date Funds Obligated.
- Review "USDA Loan for DLS Data" Report.
    - Fields to Review: Loan Relationship Type, Loan Amount, Interest Rate(s), and any security interest that was taken as part of the loan. For example, if an applicant is claiming a home loss, and they have a farm ownership loan that lists "Real Estate Only" as collateral, it is supportive that their home was used as collateral as part of a farm loan.
- Review "USDA Guaranteed Loan Data" Report.
    - Fields to Review: Guaranteed Loan Type, Loan Amounts, Originating Bank Name, Loan Security Description, and Interest Rate.
- Review "USDA Producer Farm Data" Report.
    - Fields to Review: Year, Farm Number, Tract Number, Farm Land Acreage, and Total Base Acres.
- Review "USDA National Producer Farm Acreages" Report.
    - Fields to Review: Program Year, Reported Acreage, and Crop Name(s).
- Review "USDA Business Partner Data" Report.
    - Fields to Review: Business Name, Current Role, Inactive.
- Review "Foreclosure Data" Report.
    - Fields to Review: Real Estate Chattel Only, Chattel Only, and Both Real Estate and Chattel.
- Review "USDA Compliance Data" Report (prior to 2008).
    - Fields to Review: Program Year, Farm Number, Tract Number, Reported Quantity.

Notes:

- If the applicant self-certified as a "Potential Producer", that applicant should only be re-assigned to a "Farmer/Rancher" if the Reviewer is really confident that the reassignment is appropriate. It shouldn't be based only on the tense used in the narrative (i.e., "I sold crops" instead of "I planned to sell crops").
- Even if the applicant does not state he/she was a Farmer/Rancher in Step 3 or Step 6(1), this **does not mean that the applicant did not have a farming operation**. Reviewers must review the supporting documentation and FSA data to confirm if there is information that demonstrates that they had an actual, not merely intended, farming operation. That said, if an applicant describes themselves as *intending* to farm, rather than as a Farmer, only validate them as a Farmer if you think that's clearly correct – not, for example, based on just a single sentence in the narrative (e.g., in an application that describes a planned vegetable farm, but in one sentence about planned crops, says "I grew potatoes"), that is not sufficient to move the application from the "Potential Producer" to the "Farmer" category.
- For both the "Farmer" and "Potential Producer" questions, it is insufficient to simply verify that the applicant checked a box in the application. This is a holistic judgment.

DFAP Application Step 3 (Farmer Eligibility)
• There may not be FSA data available for an applicant.

Rules:

- Applicant must demonstrate that they were a Farmer/Rancher. For example, the applicant might have farmed or leased farmland during the period of discrimination.
- Applicant farm type must be eligible for USDA farm lending. An eligible farm often has the purpose of food, fuel, and/or fiber, but can also have other purposes such as tobacco or animals for breeding. USDA farm loans cannot be used to finance nonfarm or other ineligible enterprises.
  - Examples of ineligible farm purposes include racehorse farms, pet boarding/grooming, pet or show animals – dog breeding, tropical birds, and exotic fish.
  - There are other exclusions: for example, prohibited plants include marijuana, coca bushes, opium poppies, cacti of genus Lophophora, and other drug producing plants prohibited by Federal or State law. NOTE: the 2018 Farm Bill allowed for hemp farming to be approved. Hemp is considered an eligible crop under the DFAP program only after 2018.
  - Escalate to Team Lead if there is any uncertainty if the farm has an eligible farm purpose.
  - Escalate marginal cases to FSA for discussion and be careful not to release confidential applicant information to FSA.
- If an applicant was not a Farmer at the time the discrimination occurred, but later became a Farmer (and this is demonstrated in the application, supporting materials, or FSA data), the applicant **will** be considered a Farmer.

Question a2. Are they still farming?	DFAP Application Steps to Review:

FARMING OPERATION
 	
a2. Are they still farming?
 	
Search...
 	
Yes
No
Unknown
 	
This question applies to:
 	
☒ Farmers
 	
☐ Potential Producers
	• Step 3(A)(4): What years did you farm or ranch?
	• Step 3(A)(11): Any other evidence or description to support that you were a farmer or rancher (if unable to provide FSA Number)?
	
	Answer:
	
	Yes =
	
	• The application narrative contains sufficient detail to identify that the applicant is still farming or ranching (e.g., "I operate a 150 acre farm producing corn and hay");
	   OR
	• The supporting documentation or FSA data shows current records of a farming operation.
	
	No =
	
	• The application narrative identifies that the applicant is no longer farming or ranching (e.g., "I had to sell my farm in 2015").
	
	Unknown =
	
	• The application is not documented adequately, and as a result, it is not possible to determine if the applicant is still farming or ranching;
	   AND
	• There is no supporting documentation or FSA data to indicate there is a current farming operation.
	
	Auto-populating feature:
	
	• This question will auto-populate to "N/A" if the Question a1 (Did the applicant have a farming operation) is either "No" or "N/A".

FSA Data to Review:
• Review "USDA Producer Farm Data" Report.   o Fields to review: Producer name, county, partner level (owner/operator; owner), if there was a farm or tract number, and acreage information.
Notes:
• **N/A**
Rules:
• **N/A**

Question a3. Did the applicant *intend* to have a farming operation?	DFAP Application Steps to Review:

Question a3. Did the applicant *intend* to have a farming operation? **This question applies to:** ☐ Farmers ☒ Potential Producers	**DFAP Application Steps to Review:**
	
	 • Step 3: Have you ever been a farmer or a rancher?
	 • Step 3(B)(1): Did you plan to buy or lease the land you intended to farm?
	 • Step 3(B)(2)(d): Things you did to prepare to farm, including education or other activities.
	 • Step 3(B)(2)I: Investments you made to prepare to farm.
	 • Step 3(B)(2)(j): Provide any other details that demonstrate you intended to farm or ranch.
	 • At the end of Step 5(A), review the years the applicant states the discrimination took place.
	
	 Answer:
	
	 Yes – Government Confirmed =
	
	 • *Auto-populating feature:* This question will auto-populate if there is FSA data for the applicant (USDA Application Data).
	
	 Yes – With High Confidence =
	
	 • The application includes **substantial narrative and/or confirmable evidence** that the applicant attempted to become a Farmer.
	 • Select this option when the applicant convincingly demonstrated a bona fide attempt to become a Farmer; i.e., has **multiple examples** of confirmable evidence and/or the substantial narrative. Examples of these include but are not limited to:
	  o Substantial narrative contains a good deal of detail, describing multiple clear and cohesive steps by the applicant to become a Farmer. For example, substantial narrative describes enrollment in bona fide agricultural education program, drafting a business plan, or other similar preparatory actions.
	  AND/OR
	  o Confirmable Evidence Examples:
	   ▪ Loan Application.
	   ▪ Business Plan.
	   ▪ Sworn statement from a third party confirming the applicant's bona fide attempt to be a Farmer.

Question a3. Did the applicant *intend* to have a farming operation?	Answer (continued):

This question applies to: ☐ Farmers ☒ Potential Producers	**Yes – With Low Confidence =**
	
	• The application provides **less** evidence, but still enough that a reasonable conclusion is that the applicant did have a bona fide intent to farm.
	• Select this option when the applicant meets the definition of Potential Producer, but provides:
	  ○ A **limited** narrative;
	    AND/OR
	  ○ Inconsistent information in the narrative or supporting documentation.
	    OR
	  ○ **No confirmable evidence** to substantiate their claim.
	
	Yes (DO NOT SELECT) =
	
	• **Reviewers should NOT select this option under any circumstances.**
	  ○ **This option should not be selected.** Due to AART constraints, we cannot remove at this time.
	
	No =
	
	• **Not a Potential Producer.** The application:
	  ○ Provides no narrative or supporting documentation that demonstrates that they are a Potential Producer.
	  ○ Does not demonstrate that they attempted to have a farming/ranching operation.
	  ○ There is no clear connection to the agricultural industry (e.g., no prior work on a farm, no agricultural education, and no marketing plan).
	• Select this option when the applicant does not meet the criteria to be considered a Potential Producer.
	  ○ This type of applicant should NOT be found eligible for the DFAP program.
	
	N/A =
	
	• Not Applicable. Applicant is a Farmer or Rancher.
	
	Auto-populating feature:
	
	This question will auto-populate to "N/A" if the Question a1 (Did the applicant have a farming operation) is "Yes".

FSA Data to Review:
Review "USDA Application Data" Report.

Notes:

- N/A
- For DFAP's purposes, a "Farmer" is defined as: an applicant who—at any point—owned or leased a farming/ranching/forestry operation with the commercial purpose of farming, which includes producing agricultural product(s) for sale in the market.
- By contrast, a "Potential Producer" is defined as: an applicant who "would have operated a farm or ranch if they had received a loan through a USDA farm loan program."
  - Potential Producers fit the program's statutory reference to "Farmers, Ranchers, and Forest Landowners" because they demonstrate sufficient connection (e.g., experience or training in farming) to farming/ranching to qualify for a USDA farm loan.
  - This group includes applicants who never owned or leased a farming/ranching/forestry operation, but whose DFAP application demonstrates that they had a bona fide intention to do so but were unable to because of discriminatory actions in FSA farm lending.
  - A mere thought about being a farmer is insufficient, but if an applicant believably certifies to one or more specific steps towards farming—education, employment, investment, planning—that is sufficient.
  - Note that employment experience as a farm worker supports an applicant's assertion that they are a Potential Producer, but does not convert them to a Farmer.
  - Note, also, that if the application is not credible, on this element, it can be denied on that basis. For example, merely putting the word "tractor" in the box for investments is not a credible assertion of a real investment, without something more from the holistic review of the application.

An applicant's self-classification as a Farmer or Potential Producer is not conclusive; you need to assess the application, holistically, to decide what the correct classification is (or that the applicant has not met the criteria for either).

Rules:
Applicant must demonstrate that he/she attempted to have a farming/ranching operation (i.e., intended to become Farmer or Rancher, but was unable to because he/she was discriminatorily denied access to a USDA farm loan program).

Question b1. Is the farm location known? (for Farmers or Potential Producers)	DFAP Application Steps to Review:
FARMING OPERATION b1. Is the current/intended farm location known? (for farmers or would-be producers) Search... Known, and Searchable Known, and Not Searchable Unknown **This question applies to:** ☒ Farmers ☒ Potential Producers	• Step 3(A)(2): Where is the farmland that you owned or leased during the period of discrimination? • Step 3(B)(2)(b): Land location (required). • Review the supporting documentation for FSA Farm Number(s), FSA Farm Tract Number(s), and FSA Loan Number(s), or other data that identifies which county the farm was or would have been located. • Review the provided FSA data to see if the county is listed. **Answer:** Known, and Searchable = • The application narrative provides a specific address which can be searched online (e.g., 1621 Burke Lane); **OR** • The supporting documentation contains references to the farming address which matches what is listed in the application. Known, and Not Searchable = • The application narrative provides an address or location, even though it cannot be searched/found online. (E.g., "Main Street"). Unknown = • There was no farming address or location provided in the application (either it's blank or too general (e.g., "in Smith County") or it's a non-locational address, such as a P.O. Box.

FSA Data to Review:

• Review USDA National Producer Acreages Report.
    o Fields to Review: State Name and County Name.
    o Assuming it is not available in the narrative, line items may contain information which assists in determining the farm's location (county, state, etc.).

Notes:
N/A
Rules:
• If there is a discrepancy between the county provided on the application and the county listed in the FSA data, use the application narrative. • If the applicant does not provide a county, the Reviewer will look up the address to determine the correct county. • If two or more counties with acreage are provided, the Reviewer should look up the county values and select the county with the highest land value. Steps on how to do this in AART are included in Question b2 below. Include a note in AART identifying the county and amount for each county. The county will be used to calculate land value and/or lost profits for a farmer who lost farmland or lost the opportunity to farm additional land. • Include a Reviewer note in AART for this type of application, if there is a discrepancy between the application and the FSA data. If there is no identifiable county from the application, supporting documents, or FSA data, this may affect the points for some types of losses. This does not mean that the application is Not Validated, it just impacts the scoring. Use the lowest county land value for the state.

Question b2. What County Name was provided?	DFAP Application Steps to Review:
FARMING OPERATION Question b2. What County Name was provided? Franklin, MS ▼ ✕	*Auto-populating feature:* • This answer will be **auto-populated** in AART. Escalate to a Team Lead if: • There is no county. NOTE: If more than one county is provided in the application, select the drop-down arrow next to the county name. This will expand the drop-down list and allow you to type in a different county manually. In this example, the value of land per acre for Franklin, MS is $3,778.57. FARMING OPERATION b2. What County Name was provided? Franklin, MS ▼ FARMING OPERATION b3. Value of land per acre (from NASS/ERS data) 3778.57142857 3,778.57 To look up the value of land per acre for the second county, select the dropdown arrow next to the county, and manually type in the new county. Take care to select the correct county and state, as there are similar county names across multiple states. In this example, type in Prentiss, MS. FARMING OPERATION b2. What County Name was provided? Franklin, MS ▼ ✕ Prentiss 🔍 Prentiss, MS

	This will auto-populate the value of land per acre for Prentiss, MS, which is $2,435.71.
	FARMING OPERATION b2. What County Name was provided? Prentiss, MS ▾ **FARMING OPERATION** b3. Value of land per acre (from NASS/ERS data) 2435.71428571 2,435.71
	Compare the two values. The higher of the two values will need to be selected. In this example, Franklin, MS has the higher value. Update AART to select Franklin, MS, and review the value of land per acre value in Question b3 to ensure the higher of the two values populated correctly.

Question b3. Value of land per acre (from NASS/ERS data) **FARMING OPERATION** b3. Value of land per acre (from NASS/ERS data) 3778.57142857 3,778.57	**DFAP Application Steps to Review:** *Auto-populating feature:* • This answer will be **auto-populated** in AART. Escalate to a Team Lead if: • If there is a county/state clearly identified in Question b2 (What county name was provided?) and this auto-populated answer results in "$0". The Team Lead will need to verify if there is a problem with the state index lookup. Escalate to USDA if $0 is confirmed.

Question c1. Did the applicant own or lease the land they are/were farming on, or intend to own or lease the land?	**DFAP Application Steps to Review:** • Step 3(A)(1): Did you own or lease your farmland during the period of discrimination? • Step 3(B)(1): Did you plan to buy or lease the land you intended to farm? **Answer:** Yes – Government Confirmed = • *Auto-populating feature:* This question will **auto-populate** if there is FSA data for the applicant (USDA

FARMING OPERATION
 	
c1. Did the applicant own or lease the land they are/were farming on, or intend to own or lease the land?
 	
Search... 🔍
Yes
Yes – Government Confirmed
No
Unknown
 	
This question applies to:
 	
☒ Farmers
 	
☒ Potential Producers
	Producer Farm Data Report, to reflect applicant ownership).
	
	Yes =
	
	• There is sufficient information in the application narrative to validate the applicant either owned the land they are/were farming on or intended to own the land. For example:
	   o Applicant states that he/she purchased 200 acres of land to raise cattle to sell; or
	   o Applicant states that he/she had to sell 75 acres of land that had been in their family for generations because they couldn't get a loan to keep their farming operations going.
	   OR
	• The supporting documentation includes details to validate the applicant's assertion. For example:
	   o Property deed, sworn statement from a friend/family member, official documents containing information on the applicant's owned land.
	
	No =
	
	• The applicant did not own (or intend to own) the land, or the current/previous farming operation is on leased land.
	
	Unknown =
	
	• There is not sufficient information in the application to validate the applicant's current/previous farming operation is on owned land, or that the applicant intended to own the land.

FSA Data to Review:
• Review "USDA Farm Producer Report".   o Fields to Review: CCID, Partner Level (i.e., Owner, Owner/Operator), and Producer Name.
Notes:
N/A
Rules:
N/A

Question c2. Is acreage information available from applicant or FSA data?	DFAP Application Steps to Review:
FARMING OPERATION **c2. Is acreage information available from Applicant or FSA data?** Search... Yes Yes – Government Confirmed No N/A **This question applies to:** ☒ Farmers ☐ Potential Producers	• Review Step 3(A)(6): In a few sentences, please describe your farm or ranch during the period of discrimination. **Answer:** Yes – Government Confirmed = • *Auto-populating feature:* This question will **auto-populate** if there is FSA data for the applicant. Yes = • Applicant provided acreage information in the application or supporting documentation. No = • Applicant did not provide acreage information in the application or supporting documentation; and • Acreage information is not available in the FSA data. N/A = • Not Applicable. Applicant is a Potential Producer. Escalate to a Team Lead if: • A Potential Producer asserts that they owned land. The applicant might have inherited land. Include a note in AART to document resolution. *Auto-populating feature:* This question will auto-populate to "N/A" if the Question c1 (Did the applicant own the land they are/were farming on or intend to own the land?) is "No" or "Unknown".

FSA Data to Review:

• Review USDA National Producer Acreages (2008 – 2021).
   ○ Fields to Review: Program Year and Reported Quantity.
   ○ Look up the year and add the total acreage for that year.
• Review "USDA Compliance Data Report (Prior to 2008)".
   ○ Fields to Review: Program Year and Reported Quantity.
   ○ Look up the year and add the total acreage for that year.

Do not use USDA Producer Farm Data Report.

Notes:	
There is no question for Farmers in Step 3(A) of the application that specifically asks for acreage.	
Rules:	
• Check the FSA data to determine if the acreage is listed. o If the application narrative and the FSA data are less than 2x different, use the larger of them.	

Question c3. Number of total acres (owned + leased) in the operation (Answer "0" if this question is Not Applicable to the applicant, because there were no owned or leased acres).	DFAP Application Steps to Review:
FARMING OPERATION c3. Number of total acres (owned + leased) in the operation (Answer "0" if this question is Not Applicable to the applicant, because there were no owned or leased acres). **This question applies to:** ☒ Farmers ☐ Potential Producers	• Step 3(A). o Review Step 3(A) in its entirety to confirm if the applicant listed any owned acreage. o Review all supporting documentation to confirm if the applicant included any documents identifying the amount of acreage owned. **Answer:** Reviewer Input: • Reviewer will input the number of <u>actual</u> owned acres (not acres they *intended* to own) provided either in the application, or by the FSA data, whichever is larger (BUT if the FSA data is > 2x the narrative data, then escalate to a Team Lead to determine if follow up is needed with FSA or the Agricultural Expert). • If this does not apply (e.g., the applicant is a Potential Producer), list "0" acres. o Note: the answer field **does not allow "N/A"**; this is a numerical field. NOTE: The Reviewer needs to include a note in AART to identify the ACTUAL amount of acres listed in the application (i.e. Step 3 Qa2: Applicant listed 6 acres in the application). *Auto-populating Feature:* • This question will auto-populate to "N/A" if Step 3 Question a3 "Did the applicant intend to have a farming operation?" = "Yes – Government Confirmed", "Yes – With High Confidence", or "Yes – With Low Confidence". This question will auto-populate to "N/A" if Step 3 Question c1 (Did the applicant own the land they are/were farming on or intend to own the land?) is "No – Applicant Did Not Intend to Own Land (or farm is on leased land)".

FSA Data to Review:

- Review USDA National Producer Acreages (2008 – 2021).
    - Filter for Program Year (e.g., Year of Discrimination) – **required.**
    - Filter for Farm Number (if available).
    - Filter for Tract # and/or Field # (if available).
    - Compare the Year of Discrimination, Tract #, and Field # with the application information provided to see if it closely matches.
    - Check the <u>Reported Quantity column</u> and add all rows under that column that are associated with a unique tract number to calculate the estimated acreage amount (avoids double counting).
    - Use the total number to support acreage number provided in the application narrative or supporting documentation.
- Review "USDA Compliance Data Report (Prior to 2008)".
    - Filter for Program Year (e.g., Year of Discrimination) – **required.**
    - Filter for Farm Number (if available).
    - Filter for Tract # and/or Field # (if available).
    - Compare the Year of Discrimination, Tract #, and Field # with the application information provided to see if it closely matches.
    - Check the <u>Reported Quantity column</u> and add all rows under that column that are associated with a unique tract number to calculate the estimated acreage amount (avoids double counting).
    - Use the total number to support acreage number provided in the application narrative or supporting documentation.

Do not use USDA Producer Farm Data Report

Notes:

N/A

Rules:

- The Acreage information for owned farmland should be available from either the applicant or in the FSA data.

If the applicant does not list their owned acreage, carefully read the entire application and supporting documentation to see if it is disclosed somewhere else on the application.

Question c4. Number of total acres (owned + leased), with state minimum.	**DFAP Application Steps to Review:**
FARMING OPERATION c4. Number of total acres (owned + leased), with state minimum. 0 .00	*Auto-populating feature:* - This answer will be **auto-populated** in AART.

II.   Participant or "Would-be Participant" in USDA Farm Loan Programs

Review the following application steps to determine:

- Participant:
  - If the applicant participated in direct or guaranteed lending.
  - If the applicant has assigned or assumed debt that comes from direct or guaranteed lending.
- Would-be Participant:
  - Tried to, but could not get a USDA farm loan (whether the applicant is a Farmer or a "Potential Producer")
- Details about the direct or guaranteed loan or the attempted direct or guaranteed loan.

For Step 4 (Borrower Eligibility), the Reviewer must read the application **in its entirety, including all supporting documents, FSA data, and Award data,** to understand what the applicant is stating in the application. Note that applicants will include details in other sections of the application, so read the entire application thoroughly.

DFAP Application Step 4 (Borrower Eligibility)	

Question a1. Participant in farm lending?
 	
LOAN PARTICIPATION
 	
a1. Participant in farm lending
 	
▼
 	
Search... 🔍
 	
Yes
Yes – Government Confirmed
No
N/A
 	
This question applies to:
 	
☒ Farmers
 	
☐ Potential Producers
	DFAP Application Steps to Review:
	
	• Step 4(1): If you directly experienced discrimination, in what type of USDA farm loan program did you participate or attempt to participate during the period of discrimination?
	• Step 4(2): If you have assumed or assigned debt, what type of USDA farm loan program covered that debt during the period of discrimination?
	
	Answer:
	
	Yes – Government Confirmed =
	
	• *Auto-populating feature:* This question will auto-populate if there is FSA data for the applicant (USDA Obligation Data Report).
	
	Yes =
	
	• The application identifies details on the FSA loan(s) the applicant received to indicate the applicant participated in USDA farm lending and the applicant was a Participant for the loan they were discriminated against. For example:
	   o An applicant had an existing farm operating loan. They went to apply for a microloan when they were discriminated against;
	   OR
	• The supporting documentation includes official documents related to the FSA loan (e.g., a promissory note).
	
	No =
	
	• The application narrative does not identify that the applicant has or had FSA farm loans;
	   AND
	• There is no supporting documentation provided to confirm the applicant participated in USDA farm lending.
	
	N/A =
	Not Applicable. Applicant is neither a Potential Producer nor a Farmer.

FSA Data to Review:

- Review "USDA Loan for DLS Data" Report (direct lending).
  - Fields to Review: Loan Relationship Type, The Direct Loan type, Loan Amounts, Dates, Loan Security Description, and Interest Rate.
- Review "USDA Guaranteed Loan Data" Report (guaranteed lending).
  - Fields to Review: The Guaranteed Loan type, the loan amounts, and Originated Bank Name.
- Review "Obligation Loan Data" Report (direct and guaranteed lending).
  - Fields to Review: Fiscal Year, Loan Number, Loan Obligation Amount, Interest Rate, Loan Approval Date, and Date Funds Obligated.

NOTE: An absence of data here does not mean that that they did not receive a loan. Pay types, amounts, and dates will aid in application narrative.

Notes:

N/A

Rules:

- Applicant must demonstrate that they were a **Participant** in farm lending. For example:
  - Providing the farm loan data such as the loan number, loan details, and the applicant's sworn statement are indicative of participation in a USDA farm loan.
  - FSA data (which should be available after 2006 but can be available prior to then).
- Alternatively, an applicant can currently be a debtor with assigned or assumed USDA farm lending debt that was the subject of USDA discrimination that occurred prior to January 1, 2021. Such applicants do not have to have experienced discrimination themselves but can apply for financial assistance if they have assigned or assumed debt from someone who <u>did</u> experience discrimination by USDA in USDA farm lending. (This applies, for example, if an applicant inherited the debt that was the subject of USDA farm lending discrimination by USDA.)
  - In order for an applicant to be considered the "current" holder of assumed/assigned debt, there **<u>must</u>** be FSA loan data available for that applicant.

If applicant is a Co-Borrower or a Participant in a business entity and one of the other Co-Borrowers or business entity partners directly experienced discrimination by USDA in USDA farm lending, but applicant **did not** experience discrimination, the applicant **IS** eligible for financial assistance if they can *provide evidence that discrimination occurred, and that it adversely affected the applicant's participation in USDA farm lending*.

Question 4a1a. Did applicant assert they participated in farm lending after 12/31/2005?	DFAP Application Steps to Review:
LOAN PARTICIPATION a1a. Did applicant assert they participated in farm lending after 12/31/2005? [dropdown: Search...] Yes No N/A **This question applies to:** ☒ Farmers ☐ Potential Producers	• Review all of Step 4 in its entirety **Answer:** Yes = • IF Step 4 Question a1 = "Yes – Sufficient Detail Provided", Reviewer will review the date when the applicant took out the loan, and if after December 31, 2005, select this answer. No = • If Step 4 Question a1 = "Yes – Sufficient Detail Provided", but applicant took out the loan BEFORE December 31, 2005, select this answer; **OR** • If a1 = "No – No Information to Confirm if Applicant Participated in Farm Lending." N/A = Not applicable. Applicant is a Potential Producer.
Question a2. Attempted to participate in farm lending (would-be participant)	DFAP Application Steps to Review:

LOAN PARTICIPATION
 	
a2. Attempted to participate in farm lending (would-be participant)
 	
[dropdown: Search...]
Yes
Yes – Government Confirmed
No
N/A
 	
This question applies to:
 	
☒ Farmers
 	
☒ Potential Producers
	• Step 4(1): If you directly experienced discrimination, in what type of USDA farm loan program did you participate or attempt to participate during the period of discrimination?
	
	Answer:
	
	Yes – Government Confirmed =
	
	• *Auto-populating feature:* This will be auto-populated if there is FSA data available (USDA Application Data).
	
	Yes =
	
	• The application narrative provides sufficient evidence that the applicant <u>attempted</u> to participate in USDA's farm-lending program (e.g., an FSA denial letter). For example:
	  ○ I went to the local FSA office, reviewed the various loan options with an FSA Loan Officer, and submitted an application;
	    OR
	  ○ I went to the local FSA office and asked for an application, but they said they were out. I came back another day, and

	they said they were still out of applications; **OR** o I tried to go to the local FSA office multiple times to get help with my application, but no one there would help me. I submitted an application, but it was denied. No = • The applicant's story does not show an attempt to apply, or there is not sufficient detail to validate the applicant's assertion that they attempted to participate in USDA farm lending. For example: o I heard the FSA Loan Officer wouldn't give loans to Native Americans, so I didn't bother to apply. N/A = Not Applicable. Applicant participated in USDA farm lending, but it cannot be determined in the application that they **also** attempted to participate in additional USDA farm-lending.

FSA Data to Review:

- Review "USDA Application Data" Report.
  - Check for line items matching details of discrimination instance.
  - Refer to this section to ensure that no information exists to demonstrate that the applicant was ineligible for the loan or requested loan action.

Notes:

- A "Potential Producer" will never be a Participant in farm lending; such an applicant will either be a "Would-be Participant" or nothing.
- However, if an applicant has/had a farming operation but never received a USDA farm loan, then that applicant is considered both a "Farmer" and a "Would-be Participant" in USDA farm lending.

Rules:

- Applicant must demonstrate that they were a **Would-be Participant** in farm lending. For example:
  - Providing details about the steps taken to obtain a loan, the amount sought, specific information about the loan or attempts to get a loan, and the applicant's sworn statement are indicative of would-be participation in farm lending. The presence of FSA data for an applicant also validates that they are at least a Would-be Participant.

Question a3. Eligibility for particular requested participation/action (for the requested loan, for the requested loan servicing, etc.)	DFAP Application Steps to Review:

Question a3. Eligibility for particular requested participation/action (for the requested loan, for the requested loan servicing, etc.)
 	
LOAN PARTICIPATION
 	
a3. Eligibility for particular requested participation/action (for the requested loan, for the requested loan servicing, etc.)
 	
[dropdown] ▼
Search... 🔍
Yes
No
 	
This question applies to:
 	
☒ Farmers
 	
☒ Potential Producers
	DFAP Application Steps to Review:
	
	• Eligibility for a USDA farm loan varies by the relevant timeframe, the type of loan, and several other factors.
	   o Carefully review the applicant's full narrative, supporting documentation and FSA data.
	
	Answer:
	
	Yes =
	
	• The applicant has or intended to have an eligible farm enterprise;
	   AND
	• There's **no information that the applicant was** <u>**ineligible**</u> **for the loan or requested loan action**.
	   o Note: some eligibility requirements for FSA loan participation are NOT part of the DFAP eligibility determination (e.g., failure to cashflow; failure to try to get credit elsewhere; inexperience in farm management; poor credit). In other words, if you think someone lacked managerial experience, that is NOT a reason to deem them ineligible for an FSA loan, for purposes of DFAP, notwithstanding FSA's rules.
	
	No =
	
	• The applicant was NOT eligible for the loan or a loan action that was denied them, as evidenced in the application narrative. OR
	• There isn't enough information included in the application, supporting documentation or FSA data to determine if the applicant was eligible for the requested loan or loan servicing.
	
	NOTE: Use the following maximum loan amounts as a guide in reviewing questions related to loans.
	
	• Farm Ownership (FO): $600,000
	   o Guaranteed FO Loan: $2,236,000
	• Farm Operating Loans (OL): $400,000
	   o Guaranteed OL Loan: $2,236,000
	• Microloans (ML): $50,000
	• Youth Loans (YL) (direct only): $5,000
	• Farm Storage Facility Loans (FSFL): $500,000
	• Emergency Loans (EM) (direct only): $500,000
	• Economic Emergency Loans (EE): $500,000
	• Emergency Livestock Loans (EL): $250,000
	• Conservation Loans (CL) (guaranteed only): $2,236,000

FSA Data to Review:

- Review "USDA Application Data" Report
  - ○ Fields to Review: Direct Loan Request Type, Amount of Loan Requested, Loan Request Date, Status of Loan Request (approved/rejected/withdrawn), and Reason for Loan Rejection.
- Review "USDA Loan from DLS Data" Report (direct lending)
  - ○ Fields to Review: Direct Loan Type and Loan Amount(s).

Notes:

- For this question, the Reviewer can assume eligibility for the USDA loan or loan action the applicant sought, unless the application demonstrates Ineligibility (in which case the Reviewer should enter "No."
- This question should be evaluated in tandem with what the applicant is claiming they were discriminated against.
  - ○ For example, if the applicant's assertion of discrimination is that they should have gotten a loan that was denied, you can assume that they were eligible for that loan UNLESS the application demonstrates they were not. (For example, the application may have information in it that means they were ineligible; perhaps they were too young, or the enterprise was not growing an allowed crop.) If the applicant's claim is that they were discriminated against in the amount of collateral required, then this gets a "No" if the application shows they were Ineligible for a lower amount of collateralization.

Rules:

- **Eligibility for a USDA farm loan:** Eligibility for a USDA farm loan varies by the relevant timeframe, the type of loan, and several other factors; carefully review the applicant's full narrative, supporting documentation, and FSA data.
  - ○ Eligibility for specific loan requirements can be established through education, on-the-job training, farming experience, or a combination of these experiences.
  - ○ Exclusions (That is, for purposes of DFAP, <u>do not find ineligibility for a loan</u> based on any of the following, which could have served as excuses for discrimination):
    - ▪ Failure to cashflow.
    - ▪ Failure to try to get credit elsewhere.
    - ▪ Inexperience in farm management.
    - ▪ Poor credit.
      - ▪ Thus, for a "Potential Producer" in the Potential Producer element, the Reviewer should evaluate whether they demonstrate sufficient connection to agriculture to support their assertion that they intended to farm. But, in this element, you should *not* evaluate whether they had sufficient managerial experience to make them eligible for a loan.
- **Eligibility for loan servicing:** The loan servicing requirements and eligibility vary by the action; review the applicant's sworn statement, supporting documents, witness statements, and the FSA data to determine what type of loan servicing was being requested and eligibility.
  - ○ Escalate servicing questions to a Team Lead.

Examples:
- Applicant claims discrimination in his attempt to obtain a Direct Farm Ownership Loan in the amount of $1 Million. The supporting documents contain correspondence from USDA stating the amount requested exceeds the permissible size of the loan, and FSA data reflects the loan was

denied because the funding request exceeded program loan limits. This applicant was not eligible for the FO Loan requested as the amount sought exceeded the amount available in a direct FO. (NOTE: if the applicant says something like "I would have applied for a smaller loan, if they'd explained it to me", that might be discriminatory.)

- Applicant signed a collateral agreement with the FSA that when she sold cattle in the spring, she would make an annual payment of $35,000 towards her OL. In January, her loan officer called and told her the payment would need to be $50,000 that year because he was worried about her ranching operation. After she made the revised payment, she found out all her neighboring male ranchers made their annual payment per their collateral agreement and were not required to pay more because of unspecified worries about their ranching operations. Applicant was eligible for the agreed annual payment, and for purposes of DFAP program eligibility can be validated as having experienced discrimination in loan servicing.

Additional eligibility requirements (Appendix A, Table 2):

- Farm Ownership Loan (FO)
  - Must be the owner-operator of a family farm after loan closing.
- Operating Loan (OL)
  - N/A
- Emergency Loan (EM)
  - Intends to continue farming.
  - Have suffered at least a 30% loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property.
  - Loan application must be received no later than 8 months after the date of the disaster.
  - Crop insurance is not required at the time of loss but is a requirement for the coming year.
  - Can provide collateral to secure the loan (EM loans must be fully collateralized, type of collateral can vary. First lien is requirement.).
- Conservation Loan (CL)
  - Loans must be used for conservation activity that is included in a NRCS approved conservation plan or Forestry Management Plan.
- Youth Operating Loan (YL)
  - May not be used for noneligible farming enterprises, such as exotic fish, Christmas Tree farms, or show dog operation.
  - May not be used to process or market farm products, goods, or services not personally produced by the YL applicant (even for otherwise qualifying agricultural products).
- Farm Storage Facility Loan (FSFL)
  - Producer must demonstrate storage needs based on 3 years of production history; FSFL Microloan has reduced documentation requirements (Producer can self-certify storage needs for eligible commodity and are not required to demonstrate storage needs based on production history).
  - Loans must be approved by FSA committee before any site preparation or construction can be commenced; loan requests are subject to environmental evaluation.
  - Eligible storage structures and handling equipment must have a useful life for the entire life of the loan.
  - Insurance requirement: Multi-Peril Crop Insurance (MPCI), NAP or dairy coverage, all-peril structural coverage, automobile insurance, and flood insurance is required.
- Microloans

o Loan limitation is $50,000 per loan but can be combined with other loans for more financing (ex. A producer can have a $50,000 OL Microloan and a $50,000 FO Microloan for a total of $100,000). o It has the same requirements as the loan it is under, but in reduced loan amounts with shorter repayment periods. Requires less documentation and is a simplified loan application process. Must have some minimal farming experience or work with a mentor. May use small business experience or agricultural internships or apprenticeship programs to qualify.	

Question a4. Name of commercial bank (for guaranteed loans)	DFAP Application Steps to Review:
LOAN PARTICIPATION a4. Name of commercial bank (for guaranteed loans) **This question applies to:** ☒ Farmers ☒ Potential Producers	• Step 4(B)(1) – participated in direct lending: Guaranteed Loan Bank Name. • Step 4(D)(6) – attempted to participate in guaranteed lending: From what bank? **Answer:** Reviewer Input = • Input the name of the bank identified in the application narrative; **OR** • FSA data listing the guaranteed bank lending name. If there is no bank listed, type in "Unknown" or "N/A".

FSA Data to Review:
• Review "USDA Guaranteed Loan Data" Report (guaranteed lending) o Fields to Review: Originating Bank Name.
Notes:
This is not just for loans with findings. It's for loans with any bank.
Rules:
N/A

III. Experienced Discrimination by USDA in USDA Farm Loan Programs

Review the following application steps to determine:

- If discrimination can be validated, because there's substantial evidence that it occurred.
- Substantial evidence is a legal standard. Don't be misled by the word "substantial." What it means is **relevant evidence—including the narrative and responses to the questions—that a reasonable person could accept as adequate to support the conclusion, even if it would be possible for another reasonable person to draw other conclusions from the evidence.** Documentation is not an absolute requirement; the applicant's self-certified responses constitute evidence.
- The number of discrete events validated by the Reviewer.
- If the discrete events reported by the applicant can be validated with corroborating evidence.

For Step 5 (Discrimination), the Reviewer should read the application **in its entirety, including all supporting documents, FSA data, and Award data,** to understand what the applicant is stating in the application. Note that applicants will include details in other sections of the application, so read the entire application thoroughly. In addition, the Reviewer should review Step 7 Prior Complaints to determine if an applicant participated in a prior complaint and received an award.

DFAP Application Step 5 (Discrimination)	
Discrimination for Instance #(1,2,3…) **Question a1. Instance of discrimination validated?** **Question a2a. Reason if Not Validated.** **Question a2b. Describe "Other" reason.** **Question a3. Year of discrimination? (for the instance of discrimination)** **Question a4. Was the year provided an exact or an estimate?** **This question applies to:** ☒ Farmers ☒ Potential Producers	**DFAP Application Steps to Review:** • Step 5(B) (Instance #) (a): Description of this instance of discrimination by USDA. • Step 5(B) (Instance #) (b): Describe your eligibility for the requested loan or loan action. • Step 5(B) (Instance #) (c): Alleged basis of this discrimination. • Step 5(B) (Instance #) (d): What features of the instance make you believe it was discriminatory? • Step 5(B) (Instance #) (e): When and where did you experience discrimination? • Step 5(B) (Instance #) (f): What type of location was this? • Step 5(B) (Instance #) (g): What were the reasons given for the discriminatory decision you are describing? • Step 5(B) (Instance #) (h): Include as much information as you can about the individual(s) you believe discriminated against you. • Step 5(B) (Instance #) (i): Did anyone else observe the discrimination or otherwise become aware of the discriminatory act against you? Who and how? • Step 5(B) (Instance #) (j): Is there any other relevant information that supports your assertion that discrimination occurred? • Step 8(5): Supplemental information for Step 5. **Answer:** **Question a1. Instance of discrimination validated?** Yes – Government Confirmed = • *Auto-populating feature:* This question will be auto-populated if there is Award data. Yes = • The details contained in the application boxes, narrative, or supporting documents (or all three together) describe discrimination for

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purposes of program eligibility by USDA in USDA farm loan programs. For example:

- o Because I'm a woman, the FSA Loan Officer wouldn't help me understand the application; he said my husband should be the applicant. So, I just never submitted one.
- o I went to the FSA office and they made me wait to get an application while they gave out applications to white farmers.
- o I submitted an FSA loan application; my Anglo neighbors got their loans on time, but mine took so long to process, I missed out on an opportunity to farm that year.

OR

- The applicant received an award in a prior USDA class or group action, or another USDA case where applicant asserted discrimination, and asserts the same discriminating event in the same timeframe as the prior class or group action in the application narrative.

OR

- The applicant experiences <u>overt</u> discrimination in USDA farm lending.
  - o An applicant was called derogatory words, but still received assistance from an FSA loan officer.

No =

- The details contained in the application narrative <u>do not</u> describe discrimination by USDA in USDA farm loan programs. For example:
  - o I couldn't get a loan to buy a house on my farmland.
  - o My white neighbors harassed me and my family on a regular basis because they didn't want Hispanic farmers in the community.
  - o FSA is such a joke. They make everything so hard; nobody I know wants to deal with them.

OR

- The details contained in the application narrative are so inconsistent or incoherent that no reasonable person would conclude that discrimination occurred.

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	o If the details are implausible, escalate to a Team Lead to confirm before answering "No."
	NOTE: If question a1 is answered "No", the remaining questions related to the instance of discrimination will auto-populate with "Excluded".
	Question a2a. Reason if Not Validated.
	Drop-down list =
	• This instance was January 1, 2021 or later.
	• Instance of discrimination was not validated.
	• Instance only asserts discrimination in a non-lending program.
	• Instance only asserts discrimination by a non-USDA entity.
	• Instance only asserts discrimination in a non-farm program.
	• Instance only asserts discrimination on a non-covered basis (e.g., veteran status)
	• Instance only asserts discrimination against an individual who is now deceased, AND applicant is not the current holder of assumed/ assigned debt. Instance described is not unique (i.e., applicant repeats the same details or narrative across multiple instances).
	o In order for an applicant to be considered the "current" holder of assumed/assigned debt, there must be FSA loan data available for that applicant.
	• Instance described is not unique (i.e., applicant repeats the same details or narrative across multiple instances).
	• Instance only asserts discrimination against an individual other than the applicant AND applicant is not the current holder of assigned/ assumed debt or a Co-Borrower.
	• Instance does not provide sufficient detail to make it a determination OR details provided are so inconsistent or incoherent that no reasonable person would conclude discrimination occurred. Instance only asserts discrimination in a non-covered basis (e.g., veteran status).
	• Other *(If multiple reasons, please list here).*

NOTE: If there is a typo in the applicant's Date of Discrimination (e.g., 3/1/**2029**) or the applicant does not include a date of discrimination, the Reviewer should review the rest of the narrative and supporting documents to identify if there are any other details to confirm the actual date of discrimination. If not, the instance of discrimination will be marked Not Validated and select "This instance was January 1, 2021, or later".

Question a2b. Describe "other" reason.

Reviewer Input =

- Input the reason for not validating the discrimination if the reason does not fit one of the provided drop-down selections.

Question a3. Year of discrimination? (in the instance of discrimination)

Reviewer Input =

- Input the year identified in the application.
  - The applicant may be vague about when discrimination occurred, and only provide a range:
    - If the applicant provides a decade, (i.e., 1970s), use the last year of the decade (i.e. 1979).
    - For reference to a late decade, use XXX9 (i.e. 1999).
    - For reference to a mid-decade, use XXX5 (i.e. 1975).
  - Sometimes an applicant providing a range is trying to say that the discrimination occurred beginning in the first year of the range, until the last year. In that situation, count the discrimination in the first year. For example:
    - The discrimination began in 1981-1992. Use 1981.
  - If, however, the date range seems to indicate a lack of specificity, use the last year. For example:
    - I don't remember, but it was somewhere from 1972-1977. Use 1977.
  - If the instance of discrimination is missing the year of discrimination, and there is no

	way to determine the year from the supporting documentation or FSA data, that instance of discrimination <u>cannot</u> be validated.
	Auto-populating feature:
	• This question will auto-populate to "Excluded" if the Question a1 (Instance of discrimination validated?) is "No".
	Question a4. Was the year provided an exact or an estimate?
	Exact =
	• A single year is listed, i.e., 1985; or • A specific range is provided, with a definitive starting year, i.e., 2013-2018.
	Estimate =

	• A range of years is listed, for example:
	   o In the 1970's.
	   o Mid-to-late 1990's.
	   o My whole life.

	Auto-populating feature:
	This question will auto-populate to "Excluded" if the Question a1 (Instance of discrimination validated?) is "No".

DFAP Application Step 5 (Discrimination)
FSA Data to Review:
Review "FSA Consolidated Awards" Report located in the "Award Data" section of AART.
Notes:
• The Reviewer will determine if each individual instance of discrimination for the purposes of DFAP eligibility is validated.
The application is considered to be a sworn statement by the applicant.
Rules:

• Applicant must provide at least some evidence of discrimination (this can rest entirely on applicant's self-certified narrative).
• Discrimination in DFAP is automatically validated where an applicant asserts the same discrimination as successfully claimed in one (or more) of the four prior class or group actions (Pigford v. Glickman (Pigford I), Black Farmers Discrimination Litigation (Pigford II), Native American Farmers (Keepseagle), or Hispanic and Women Farmers (Garcia-Love)) or other administrative or judicial action and received an award.
• Multiple discriminating events occurring on the same day is a single instance of discrimination.
    ○ Example: Applicant requested an application from the FSA office and was told no applications were available for "City Girls". On the same day, she asked questions about the application process and the types of loans available. Applicant was told she had no business being a farmer because she was blind. This scenario is a single instance of discrimination because it took place on the same day.
• Multiple discriminating events occurring on different days but involving the same experience/ USDA personnel are a single instance of discrimination.
    ○ NOTE: Multiple discriminating events can include multiple discriminating events involving the same or different types of loans.
    ○ Example: An applicant went in to apply for a Microloan in January and was told there were no applications available. They went in again in March for an Operating Loan and was told there were no applications available. Count as one instance because they had the same "experience" (being told there was no applications available).
    ○ Example: Because of his race, an applicant is told that he will need additional documentation and requirements to ensure he will repay an Operating Loan. The loan officer requests a 500-page detailed farm management plan, proof of produce distribution contracts for the next 3 years, and a commitment to monthly farm inspections. Three weeks later, the loan officer tells the applicant the USDA will need to take a 350% collateral interest in his livestock for him to be approved. Then when the applicant applies, the loan is denied. This scenario is a single instance of discrimination because it involves the applicant's experience trying to get approved for the same OL.
• Multiple discriminating events occurring in different years (outside of a 12-month period) are multiple instances of discrimination, even if the experience is similar or the same.
    ○ Example: An applicant goes into the FSA office to get an OL in 1979 and is turned down based on her race. The following year she returns to try again to get an OL and is told the same

thing. This is two instances of discrimination because it involves a different time period, and different loans (a 1979 OL and a 1980 OL).

- NOTE: If an applicant asserts an instance of discrimination in December 2010, and the same instance of discrimination in March 2011, even though different years are provided, this is still a single instance of discrimination.

- Multiple discriminating events occurring in different offices are multiple instances of discrimination, even if the experience is similar or the same and they happen at close to the same time.
  - Example: An applicant goes into one FSA county office to get an OL in 1979 and is turned down based on her race. She tries again at a neighboring county and again experiences discrimination. This is considered two instances of discrimination because it involves different offices.

Reviewers must determine if discrimination for the purposes of DFAP eligibility is validated; make a note in the application in AART and escalate the application to a Team Lead if there is any uncertainty in how to score the application.

DFAP Application Step 5 (Discrimination)	

Discrimination Narrative Questions (applies for the entire application, not for each instance of discrimination).
 	
 Question b1. Race
 	
 Question b2. Race - Describe
 	
 Question b3. Color
 	
 Question b4. Color - Describe
 	
 Question b5. National Origin.
 	
 Question b6. National Origin – Describe.
 	
 Question b7. Sex.
 	
 Question b8. Sex – Describe.
 	
 Question b9. Sexual Orientation.
 	
 Question b10. Sexual Orientation – Describe.
 	
 Question b11. Gender Identity.
 	
 Question b12. Gender Identity – Describe.
 	
 Question b13. Religion.
 	
 Question b14. Region – Describe.
 	
 Question b15. Age.
 	
 Question b16. Age – Describe.
 	
 Question b17. Marital Status.
 	
 Question b18. Marital Status – Describe.
 	
 Question b19. Disability.
	DFAP Application Steps to Review:
	
	 • The Reviewer must review Step 5 in its entirety to identify if the applicant asserts he/she was discriminated against on a covered basis.
	
	 Answer:
	
	 Question b1 through b22
	
	 • The Reviewer may use any identifiers or check boxes noted by the applicant in Step 5(A) – Basis of Discrimination *and* Step 5(B)(c) "Alleged basis of this discrimination" (in the application) in addition to the application narrative, which may reference the basis of discrimination. For example:
	    ○ The FSA loan officer discriminated against me <u>because I was a woman</u> and had no business farming.
	      ▪ Check "Sex" in question b7.
	      ▪ List "Woman" in question b8.
	    ○ The FSA loan officer discriminated against me <u>because I am black, I lost a leg while serving in the Army, and I'm a female</u>.
	      ▪ Check "Race" in b1, "Color" in b3, "Sex" in b7, and "Disability" in question b19.
	      ▪ List "Black" in question b2 and b4, "Female" in question

Question b20. Disability – Describe.

Question b21. Reprisal or retaliation for prior civil rights activity.

Question b22. Reprisal or retaliation – Describe.

Question b23. Check here ONLY IF the applicant was discriminated against based on a *perceived* basis of discrimination.

This question applies to:

☒ Farmers

☒ Potential Producers

b8, and "Lost leg serving in Army" in question b20.

- For **each "Describe" question**, if the applicant stated in the application narrative there are one or more bases of discrimination, provide the details to describe each one. In each "Describe" box, keep the description **simple** (e.g., if Race is checked and "Black" is listed on the application, enter "Black" into the "Describe" box. Do not include unnecessary details such as "Applicant is Black" or "The application narrative identifies the applicant as being Black."

Basis of Discrimination and Definition:

- **Race:** Includes the American Indian or Alaskan Native, Asian, Black or African American, Native American or Other Pacific Islander, White, or Other.

- **Color:** Includes the lightness, darkness, or other color characteristic of the person.

- **National Origin (including Ethnicity):** Refers to where a person was born (e.g., Filipino, Mexican, African American, etc.). People of Hispanic or Latino origin can be from any race, so they are captured under National Origin, instead of Race.

- **Sex:** Includes the person's sex at birth (e.g., male, female), pregnancy or pregnancy-related condition, or a sex stereotype. **OR**

  Includes telling someone they **have to be married** in order to apply for a farm loan. This is a type of sex discrimination. This is true whether the applicant is single or married in an unrecognized (same-sex) marriage. OR

  Include telling someone they are not allowed to file jointly as a married couple.

  NOTE: Individuals are not required to be married to file jointly. A person can file an

	application as an individual but there are conditions when a spouse may be required to sign deeds, etc. when a loan is approved. In addition, a loan approval does not mean discrimination did not occur.
	o **Sexual Orientation:** Includes the person's real or perceived sexual orientation: lesbian, gay (homosexual), bisexual, asexual, pansexual, straight (heterosexual), etc.
	o **Gender Identity:** This is the gender an individual personally *identifies with*, such as male, female, nonbinary, or some other identification. Gender identity is not necessarily the gender or sex a person was assigned at birth.
	o **Religion:** Includes all aspects of religious observance and practice, as well as belief.
	o **Age:** Includes being treated differently because of his or her age (e.g., too young, too old).
	o **Marital Status:** Includes being treated differently because of their marital status (e.g., being single, married, divorced). NOTE: Individuals are not required to be married to file jointly. A person can file an application as an individual but there are conditions when a spouse may be required to sign deeds, etc. when a loan is approved. In addition, a loan approval does not mean discrimination did not occur.
	o **Disability:** Includes having a physical or mental disability, perceived disability, or association with a disabled person.
	o **Reprisal or Retaliation for prior civil rights activity:** Includes anyone who has participated in civil rights activities, which was later held against them and they

	were prevented from applying from an FSA loan.
	
	NOTE:
	
	• If an applicant checks boxes indicating the basis of discrimination and it is <u>reasonable</u> that they would be discriminated against, the Reviewer will check the corresponding boxes in Step 5 Questions b1 through b23 even if they did not explicitly describe the discrimination in regard to the alleged adverse action. For example:
	    ○ Applicant checks the following boxes: Race: Black; Sex = female. However, the applicant only describes in the narrative that she was discriminated against because she is **b**lack. The Reviewer will select both Race AND Sex.
	• If the application identifies a complex Indian Country issue, mark Question b1. Race as "Native American – COMPLEX (SIGNAL WORD)". Signal words include:
	
	Category:
	1. Land title and eligibility for USDA farm lending
	
	   Signal Words:
	    ○ Trust land.
	    ○ Reservation land.
	    ○ Not fee simple.
	    ○ Fractionated land.
	    ○ Allotment.
	    ○ Indian County.
	    ○ Tribal land.
	    ○ Tribal lease.
	
	2. Issues involving the Bureau of Indian Affairs (BIA)
	
	   Signal Words:
	    ○ BIA.
	    ○ Department of Interior.
	    ○ Secretary of Interior.

	3. Issues involving loan eligibility and "graduation" from beginning farmer or other more favorable loan programs
	
	Signal Words:
	    ○ Graduation.
	    ○ Used up eligibility.
	
	Question b23. Check here ONLY IF the applicant was discriminated against based on a perceived basis of discrimination.
	
	• For each type of discrimination, the program can cover discrimination that occurs because of how the discriminator *perceived* the applicant. That is, an applicant may have experienced disability or religious or sexual orientation (etc.) discrimination even if the applicant didn't have a disability/ religion/ sexual orientation etc., if the discrimination occurred because the discriminator *perceived* the applicant as having a disability/ religion/ sexual orientation etc.
	• If the applicant reports discrimination on the perception of a covered basis of discrimination, check the box to answer the question. If not, leave blank.
	    ○ Example: The FSA loan officer discriminated against me because he thought I was gay, but I am not. Check the box to indicate perceived discrimination, in addition to checking the box for Sexual Orientation.
	• In particular, if an applicant demonstrates that they were discriminated against because they are Native American, but doesn't provide tribal ID, this can be noted as a "perceived as" example of discrimination.
	• Additionally, if there is perceived discrimination, the Reviewer will ALSO need to validate the underlying discrimination.
	In the same example, "The FSA loan officer discriminated against me because he thought I was gay, but I am not", the Reviewer will check the box to indicate perceived discrimination AND check the box in Question b10. Sexual Orientation.

FSA Data to Review:
• N/A
Notes:
• Applicants do not seem to have understood the concept of perceived discrimination, but that is ok. Recovery under DFAP does not require the applicant to <u>be</u> what the discriminator thought the applicant is (e.g., race, etc.).
• If a person is Native American but is not a member of a tribe or does not have a tribal identification card, that can still be validated as discrimination; it can count as perceived discrimination. Check the box for question b23 "Check here ONLY IF the applicant was discriminated against based on a **_perceived_** basis of discrimination", in addition to checking the box for Race (or National Origin, depending on how the application was filled out).
Rules:
• N/A

Discrimination Rating – Loan Questions for Instance #TBD (1,2,3…) (Only applies to applicants on the Lifetime Ban List)	**DFAP Application Steps to Review:**
Question c1. Direct Loan Type (with a discrimination finding)	• To answer questions c1 through c6, the Reviewer first needs to review all of Step 4 (Borrower Eligibility) and Step 5 (Discrimination) in the application.
Question c2. Direct Loan Number (with a discrimination finding)	• Step 4(C)(2) – attempted to participate in direct lending: What type of USDA farm loan did you seek? (CL, EE, EL, EM, OL, FO, FSFL, Grazing Loan, ML, or ST)
Question c3. Direct Loan Year (with a discrimination finding)	**Answer:**
Question c4. Guaranteed Loan Type (with a discrimination finding)	**Question c1. Direct Loan Type (with a discrimination finding)**
Question c5. Guaranteed Loan Number (with a discrimination finding)	**Answer will automatically default to "N/A" if applicant is NOT on the Lifetime Ban List. If Applicant IS on the Lifetime Ban List, the answer field will be available to allow the Review to input an answer.**
Question c6. Guaranteed Loan Year (with a discrimination finding)	Reviewer Input =

Discrimination Rating Questions Loan Questions for Instance #1

Question	Answer
c1. Direct Loan Type (with a discrimination finding)	N/A
c2. Direct Loan Number (with a discrimination finding)	N/A
c3. Direct Loan Year (with a discrimination finding)	N/A
c4. Guaranteed Loan Type (with a discrimination finding)	N/A
c5. Guaranteed Loan Number (with a discrimination finding)	N/A
c6. Guaranteed Loan Year (with a discrimination finding)	N/A

• If the application narrative contains details of the loan type, use the drop-down list to the select the loan type(s) associated with the discrimination:
  ○ Economic Emergency Loan (EE).
  ○ Emergency Loan (EM).

| This question applies to:

☒ Farmers

☒ Potential Producers | o   Farm Ownership Loan (FO).
o   Farm Storage Facility Loan (FSFL).
o   Grazing Loan.
o   Microloan (ML).
o   Farm Operating Loan (OL).
o   Softwood Timber Loan (ST).
o   Soil and Water Loan (SW).
o   Youth Loan (YL).
o   N/A. If no loan was identified in these steps, input "N/A".
•   There must be reference to the loan in the application, not just checking a box that the applicant has that type of loan.

Question c2. Direct Loan Number (with a discrimination finding)

Answer will automatically default to "N/A" if applicant is NOT on the Lifetime Ban List. If Applicant IS on the Lifetime Ban List, the answer field will be available to allow the Review to input an answer.

Reviewer Input =

•   If the application narrative provides details on the direct loan number, or that information is included in the supporting documentation or FSA data, list the loan number in the answer field.
•   If no direct loan number was identified in these steps, select "N/A".
•   NOTE: Loan numbers are only available for applications that get obligated. No loan number will be available for Potential Producers who never received a loan.

Auto-populating feature:

•   This question will auto-populate to "N/A" for all applicants who are **not** on the Lifetime Ban list.

Question c3. Direct Loan Year (with a discrimination finding)

Answer will automatically default to "N/A" if applicant is NOT on the Lifetime Ban List. If Applicant IS on the Lifetime Ban List, the answer field will be available to allow the Review to input an answer.

Reviewer Input = |

	• If the application narrative provides details on the year of the direct loan, or that information is included in the supporting documentation or FSA data, list the loan number in the answer field. • If no direct loan year was identified in these steps, input "N/A".
	Question c4. Guaranteed Loan Type (with a discrimination finding)
	Answer will automatically default to "N/A" if applicant is NOT on the Lifetime Ban List. If Applicant IS on the Lifetime Ban List, the answer field will be available to allow the Review to input an answer.
	Reviewer Input =

	• If the application narrative contains details of the loan type, use the drop-down list to the select the loan type(s) associated with the discrimination:
	   o Conservation Loan (CL).
	   o Economic Emergency Loan (EE).
	   o Emergency Livestock Loan (EL).
	   o Emergency Loan (EM).
	   o Farm Ownership Loan (FO).
	   o Microloan (ML).
	   o Farm Operating Loan (OL).
	   o Soil and Water Loan (SW).
	   o N/A. If no loan was identified in these steps, input "N/A".

	There must be reference to the type of loan in the application, not just checking a box that the applicant has that type of loan.
	Question c5. Guaranteed Loan Number (with a discrimination finding)
	Answer will automatically default to "N/A" if applicant is NOT on the Lifetime Ban List. If Applicant IS on the Lifetime Ban List, the answer field will be available to allow the Review to input an answer.
	Reviewer Input =
	• If the application narrative provides details on the guaranteed loan number, or that information is included in the supporting

	documentation or FSA data, list the loan number in the answer field.
	If no guaranteed loan number was identified in these steps, input "N/A".
	Question c6. Guaranteed Loan Year (with a discrimination finding)
	Answer will automatically default to "N/A" if applicant is NOT on the Lifetime Ban List. If Applicant IS on the Lifetime Ban List, the answer field will be available to allow the Review to input an answer.
	Reviewer Input =
	• If the application narrative provides details on the year of the guaranteed loan, or that information is included in the supporting documentation or FSA data, list the loan number in the answer field.
	If no guaranteed loan year was identified in these steps, input "N/A".

FSA Data to Review:

- Review "USDA Loan from DLS Data" Report (direct lending)
  - Fields to Review: The Direct Loan type(s) and the loan amount(s).
- Review "USDA Application Data" Report (direct lending)
  - Fields to Review: Loan type and status of application.

Notes:

- The Reviewer can select multiple loans.

Rules:

- If there is more than one type of loan listed with a finding, list all such loans in the answer field.
- If a loan did *not* have a finding of discrimination, do not list the loan information in the answer field.
- If the applicant attempted to participate in direct lending prior to 2001, and there is no corresponding FSA data, the application serves as a sworn statement and the Reviewer should accept the applicant's response of their participation in farm lending at face value and answer the question accordingly.

Adverse Alleged Action for Instance #TBD (1,2,3…) (Applies to ALL applicants)

Question d1. Failure to provide appropriate assistance.

Question d2. Delay in processing loan or loan servicing application.

Question d3. No funds available.

Question d4. Denial of a loan.

Question d5. Prevention from applying for a loan or loan servicing.

Question d6. Adverse loan terms.

Question d7. Unduly onerous supervision of loan requirements.

Question d8. Denial of appropriate loan servicing (inappropriate loan foreclosure).

Question d9. Requesting too much collateral to secure the loan.

Question d10. Denial of a loan, while funds were available for socially disadvantaged farmers.

Question d11. Others.

This question applies to:

☒ Farmers

☒ Potential Producers

DFAP Application Steps to Review:

- Step 5(B) (Instance #) (a): Description of this instance of discrimination by USDA.
- Step 5(B) (Instance #) (b): Describe your eligibility for the requested loan or loan action.
- Step 5(B) (Instance #) (d): What features of the instance make you believe it was discriminatory? Step 5(B) (Instance #) (e): When and where did you experience discrimination?
- Step 5(B) (Instance #) (g): What were the reasons given for the discriminatory decision you are describing?
- Step 5(B) (Instance #) (h): Include as much information as you can about the individual(s) you believe discriminated against you.
- Step 5(B) (Instance #) (j): Is there any other relevant information that supports your assertion that discrimination occurred?
- Step 8(5): Supplemental information for Step 5.

Answer:

Questions d1 through d10 have "Yes/No" answers, while Question d11 is fill in the blank.

Questions d1 through d10:

Yes =

- Details in the application narrative indicate the type of adverse action alleged. For example:
  - It took over 2 years to get my loan approved, while other farmers got their loan approved right away. Use "delay in processing loan or loan servicing application."
  - I applied for a loan, but the FSA Loan Officer told me I had to pay more on a down payment than my neighbors did for the same loan. Use "Adverse Loan Terms."

  OR

- Supporting documentation identifies adverse action(s).

	No =
	• No adverse actions identified in the application narrative; and
	• Supporting documentation does not identify any adverse actions.
	• NOTE: **If the Reviewer finds there are NO adverse actions, then <u>no discrimination is validated</u>.** Question a1 (Instance of discrimination validated?) should be answered "No".
	• **Exception:** If the applicant **demonstrates abusive language or other loan-related harassment**, then there doesn't have to be an adverse action, otherwise there does. For example, these are examples of situations that DO count:
	o An applicant went to an FSA office and was told to sit and wait for an FSA loan officer, and they were ignored for 6 hours.
	o An applicant was called derogatory words, but still received assistance from an FSA loan officer.
	Question d11. Others.
	Reviewer Input =
	If there are any other adverse actions that do not fit into the categories identified in Questions d1 through d9, list them in this free-form answer field.

FSA Data to Review:
Delay in processing loan or loan servicing application.
• Review "USDA Application Data" Report
o Fields to Review: Loan request date and date the loan decision was made<u>, the disposition of the loan (approved/rejected/withdrawn/closed), and any reason listed for loan rejection.</u>
No funds available.
• Review "USDA Application Data" Report
o Fields to Review: <u>Reason listed for loan rejection.</u>
Denial of a loan.
• Review "USDA Application Data" Report
o Fields to Review: <u>Reason listed for loan rejection.</u>
Delay in processing loan or loan servicing application.
• Review "USDA Application Data" Report

o Fields to Review: Loan request date, date of the loan decision, <u>any reason listed for loan rejection.</u>

- NOTE: Information may be used to compare with applicant's claims of adverse actions. Check to ensure that no information exists that may counter the applicant's claim of adverse actions.

Notes:

- This step will be repeated for each instance of discrimination on the application.

Rules:

- N/A

Discrimination

Question e1. Were there more than 10 instances of discrimination asserted?

This question applies to:

☒ Farmers

☒ Potential Producers

DFAP Application Steps to Review:

- At the end of Step 5(A) Basis of Discrimination, AART lists a summary of the instances of discrimination imported from the application. This is capped at 10 instances.

- If this section identifies 10 instances of discrimination, the Reviewer needs to pull the PDF scanned version of the application and review it to determine if additional instances of discrimination are documented (on supplemental pages in the application).

Answer:

Yes =

- AART listed 10 instances of asserted discrimination, and Reviewer confirmed there are additional instances of discrimination provided in the PDF scanned version of the application.
- NOTE: AART only allows listing of no more than 10 instances, so the Reviewer needs to check the PDF version of the application.

No =

There are not more than 10 instances of discrimination provided by the applicant.

FSA Data to Review:

- N/A

Notes:

- N/A

Rules:

- Each instance of discrimination asserted by the applicant in Step 5 needs to be reviewed individually to validate if there was a unique instance of discrimination by USDA in USDA's farm loan program.
  - If there are *any* instances of discrimination listed in Step 5 that occurred **after** January 1, 2021, those instances will be marked as "Not Validated" as a discrete event/instance of discrimination and will not be included in the total number of discrete events that are validated for the application. Continue the validation process for instances of discrimination that occurred prior to January 1, 2021.
  - If the only instance, or *all* instances, of discrimination occurred **after** January 1, 2021, and there is no other information in the application or supporting documentation to demonstrate otherwise, then the overall application will be deemed **Facially Ineligible**. Mark the application as Facially Ineligible in AART. The application will not proceed in the validation review process but will be sent to the Team Lead to confirm the application is Facially Ineligible.
- Reviewers should make notes for discrepancies between the narrative, the supporting documentation, or FSA data that affect whether discrimination for the purposes of DFAP eligibility is validated with their reasoning.
- *Losses* may have occurred after January 1, 2021. As long as the discriminatory event took place prior to the deadline, a total of five (5) years of lost profits can be calculated if land was lost as a result of the discrimination.

Discrimination	DFAP Application Steps to Review:
Question e2. Any discrimination validated?	*Auto-populating feature:*
	• This answer will be **auto-populated** in AART to "Yes" if there are any instances of discrimination validated in question a1 (Instance of discrimination validated?).
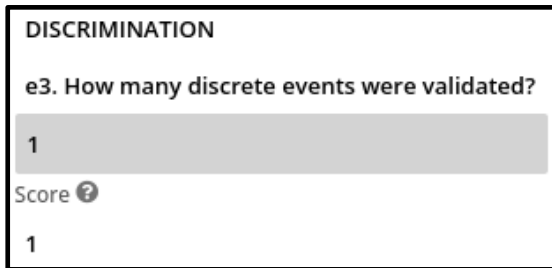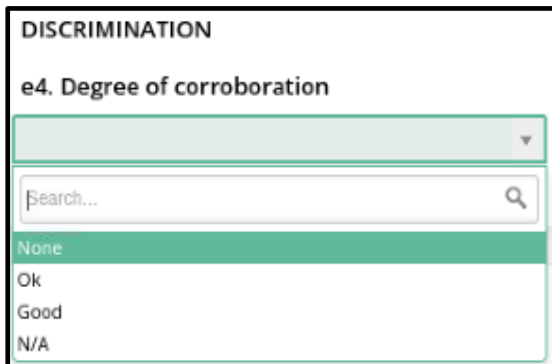
Discrimination	DFAP Application Steps to Review:
Question e3. How many discrete events were validated?	*Auto-populating feature:*
DISCRIMINATION e3. How many discrete events were validated? 1 Score ❓ 1	• This answer will be **auto-populated** in AART based on the number of instances of discrimination validated in question a1 (Instance of discrimination validated?). If 3 out of 5 instances are validated, question e3 will auto-populate "3". NOTE: If more than 10 <u>unique</u> instances of discrimination are provided, add a note in AART to identify there were additional unique instances of discrimination.

Discrimination	DFAP Application Steps to Review:
Question e4. Degree of corroboration	• Review supporting documentation provided by the applicant.
DISCRIMINATION e4. Degree of corroboration [▼] Search... 🔍 None Ok Good N/A **This question applies to:** ☒ Farmers ☒ Potential Producers	**Answer:** None = • There are no supporting documents corroborating the discrimination. • Supporting documents provided are for a non-USDA case. • Supporting documents provided do not add any reliability to the applicant's own account. Ok = • Sworn statements from an interested party (e.g., family member); or • Sworn statements from an uninterested party (e.g., someone other than a family member, such as a friend, a neighbor, a co-worker). Good = • If the applicant participated in a prior claim and received an award or debt relief, and the discrimination listed in the application occurred at the same time and has the same circumstances, the favorable assessment in the prior claim serves as corroboration. • However, if the applicant claimed to participate in one of the prior cases, and there is no Award data, this will **not** be considered "Good" corroboration.

	N/A = Not Applicable.

FSA Data to Review:

- N/A

Notes:

- N/A

Rules:

- *Validation* can rest entirely on applicant's self-certification/sworn statement about the circumstances, if the story is specific and fairly consistent. But *corroboration* requires more.
- Look at supporting evidence for related documentation, such as any attachments to the application, witness statements, participation in prior litigation, etc. for increased levels of corroboration.
- Reviewers should check carefully the supporting documents and the FSA data.
- If the discrimination cannot be validated, the application should be marked "Not Validated". For example:
  - Applicant checks a covered basis of discrimination box, but in the application states, "No one answered the phone, and I called 5 times during my lunch break, no one wants to work anymore!" This application should be marked as Not Validated, because the applicant's account does not suggest any type of discrimination.

| **Discrimination**

Question e5. Discrimination by someone other than USDA?

Question e6. If Yes, by who?

 | **DFAP Application Steps to Review:**

- Step 5(B) (Instance #) (a): Description of this instance of discrimination by USDA.
- Step 5(B) (Instance #) (d): What features of the instance make you believe it was discriminatory?
- Step 5(B) (Instance #) (f): What type of location was this?
- Step 5(B) (Instance #) (h): Include as much information as you can about the individual(s) you believe discriminated against.
- Step 5(B) (Instance #) (j): Is there any other relevant information that supports your assertion that discrimination occurred?

Answer:

Question e5: Discrimination by someone other than USDA?

Yes =

- The application's information suggests that it was someone <u>other than USDA personnel</u> |

These questions apply to:	(and not USDA personnel, including a County or State Committee or its member) who discriminated against the applicant.
☒ Farmers	No =
☒ Potential Producers	• The application alleges that <u>USDA personnel</u> discriminated against the applicant in the USDA farm lending program.
	Unknown =
	• The application describes discrimination; however, it is unclear exactly who did the discriminating. For example:
	○ The application for someone who attempted to participate in **guaranteed** lending states the "loan officer" discriminated against them, but there is no indication if it was an FSA loan officer or a bank officer, and there is nothing else in the application narrative or supporting documents to provide more clarity; **OR**
	○ Applicant did not indicate they went into an FSA Office.
	Question e6: If Yes, by who?
	Reviewer Input =
	• If the answer to Question c5. Discrimination by someone other than USDA? is "yes", input the name of the non-USDA person/ agency/ entity identified in the application.
	Auto-populating feature: If the answer to question e5. Discrimination by someone other than USDA? is "No", the answer will fill in "N/A".

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• DFAP covers losses based upon discrimination **by USDA personnel** who engaged in discriminatory actions in USDA farm lending.

- If the application reports that each instance of discrimination was committed by someone **other than USDA personnel working on farm lending,** the application would be considered **Facially Ineligible** under DFAP. Note that FSA County and State Committees and their members, while not technically FSA employees, count as USDA personnel. For examples of non-USDA personnel:
  - Applicant goes to the bank to get a Guaranteed FO Loan while wearing religious jewelry. The bank manager says they do not lend to people of the applicant's religion and try another bank. This is not eligible discrimination because it was by the private bank manager, not by USDA personnel.

Discrimination	DFAP Application Steps to Review:
Question f1. If asserted basis is status as Native American, validating document submitted? **This question applies to:** ☒ Farmers ☒ Potential Producers	• Supporting documentation. Reviewer should review all supporting documentation if the applicant lists "American Indian or Alaska Native" in Step 5(A)(a) Basis of Discrimination – Race. **Answer:** Yes = • Applicant provided proof of Native American tribal identification, which can be current or expired. No = • Applicant did not provide proof of Native American tribal identification. N/A = Not Applicable. Applicant is not Native American.

FSA Data to Review:

- N/A

Notes:

- This question is <u>only</u> trying to determine if the applicant provided documentation to confirm Native American ethnicity.
- Absence of documentation will *not* make the applicant ineligible. And no cure letter will be sent if proof of Native American tribal identification is not provided.
- Step 5 of the application does not require that tribal identification cards are current. Some tribes are not current on issuing identification cards. For the DFAP program, expired tribal identification cards are fine. State tribal ID cards, or letters or the like, are also fine.

Rules:

- N/A

Calculate Reported Losses

THIS ENTIRE SECTION IS FOR FARMERS/RANCHERS – NOT POTENTIAL PRODUCERS

Review the following application steps to determine:

- If the applicant documented losses resulting from discrimination in USDA farm lending programs.
- If the losses can be verified with supporting documentation and FSA data.

For Step 6 (Losses), the Reviewer should read the application in its entirety, including all supporting documents and FSA data, to understand what the applicant is stating in the application. Note that applicants will include details in other sections of the application, so read the entire application thoroughly.

NOTE:

- If an applicant is validated as a Potential Producer, not a farmer/rancher, AART will automatically grey-out all of these questions, so the Reviewer cannot answer the questions.
- Some applications may include "**Complex Losses**" (also referred to as "Complex Calculations" or "Complex Loss Calculations"). Complex Losses are calculations that account for the cost of the lost item(s) and provide specific details on the type or amount of equipment, agricultural product, etc. that can be researched and verified by an Agricultural Expert.
  - For example, an applicant states they lost their 2019 John Deere 310L EP 4x4 Backhoe Loader which cost them $47,000 and 54 Hereford cattle which cost them $162,000.
- Calculating losses for an applicant with Complex Losses requires multiple steps:
  - Fill out the relevant questions in Step 6 Losses (e.g., lost land, lost farming profits, etc.) based on how the applicant identified their losses.
    - If a loss is shown as only a dollar amount or number of livestock lost or equipment lost and no supporting documentation is provided, only use what AART calculates for the loss.
    - If a loss is shown and provides support and it is within 30% of what AART calculates, we should **use the higher value**. This needs to be by loss type, land loss, profit loss, etc.
    - If a loss is shown and includes support and it is not within 30 % of what AART calculates, it must be **escalated to the Team Lead, who will escalate to the Agricultural Expert**.
  - The Agricultural Expert will evaluate the complex loss calculations and provide their own estimate of what the losses should be, based on their expertise.
  - Fill in the Agricultural Expert's values for each category of loss in AART.
  - AART will automatically compare the calculated losses against the loss estimates provided by the Agricultural Expert and select the higher of the two values. AART will also exclude the lower of the calculations from being included in the scoring.

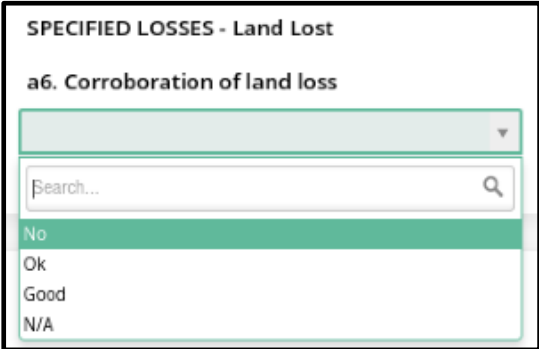| DFAP Application (Losses)	
Specified Losses – Land Lost **Question a1a. Was there owned land lost?** SPECIFIED LOSSES - Land Lost a1a. Was there owned land lost? Search... 🔍 Yes Yes – Government Confirmed No **This question applies to:** ☒ Farmers ☐ Potential Producers	**DFAP Application Steps to Review:** • Step 3(1): Did you own or lease your farmland during the period of discrimination? • Step 6(2): Did you lose any agricultural land you owned because of the discrimination you described in STEP 5? • Step 6(2)(c): How many acres did you lose? **Answer:** Yes – Government Confirmed = • *Auto-populating feature:* This question will auto-populate if there is FSA data for the applicant (USDA Foreclosure Data). Yes = • If the application narrative identifies that the Farmer lost owned land, and includes a description of the loss, answer the question "Yes". For example: ○ Applicant states they owned their farming operation for 14 years, but had to sell 75 acres because they were denied an operating loan; or • There is evidence in the supporting documentation indicating owned land was lost. No = • There is no evidence or description in the application narrative or supporting documentation indicating the Farmer lost owned land. *Auto-populating feature:* This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• N/A

Specified Losses – Land Lost	DFAP Application Steps to Review:
Question a1b. Was all farming equipment lost?	• Step 6 – Review in its entirety.
	• Review all supporting documentation.
SPECIFIED LOSSES - Land Lost a1b. Was all farming equipment lost? ▾ Search... 🔍 Yes No N/A	**Answer:** • Yes = ○ Application narrative and/or supporting documentation describes all farming equipment was lost. • No = ○ Application narrative identifies that applicant lost no farming equipment, or some farming equipment, not ALL farming equipment. • N/A =
This question applies to:	Auto-populating feature: This question will auto-populate "N/A" if applicant is a Potential Producer
☒ Farmers	
☐ Potential Producers	

FSA Data to Review:
• N/A
Notes:
• If only <u>some</u> of the equipment was lost, the Reviewer should answer **Step 6 Question e6** instead "Did NOT getting a farm loan result in loss of farming profits due to reasons other than land loss or the inability to acquire additional land? (NOTE: In most cases, if E1 "lost farming profits from acreage unable to be leased or bought" is "yes", then this question will normally be "no", except for rare occasions)."
Rules:
• Lost equipment will not be awarded for an applicant who lost profits but did not lose land or specifically state loss of equipment. • Lost equipment will not be awarded for an applicant who stated that they were unable to buy or lease land unless loss of equipment is specifically stated.

Specified Losses – Land Lost	DFAP Application Steps to Review:

Question a2. How many owned acres were lost due to discrimination (e.g., foreclosure/forced sale, other?).
 	
SPECIFIED LOSSES - Land Lost
 	
a2. How many owned land acres were lost due to discrimination (e.g., foreclosure/forced sale, other? if none, list "0")
 	
This question applies to:
 	
☒ Farmers
 	
☐ Potential Producers
	• Step 6(2)(c): Did you lose any agricultural land you owned because of the discrimination you described in STEP 5?
	   ○ How many acres did you lose?
	• Step 8(6): Supplemental information for Step 6.
	
	Answer:
	
	Reviewer Input =
	
	• If the application narrative identifies the number of total acres lost due to the discrimination, and includes descriptive information in the narrative, input the **owned** number of acres lost. For example:
	   ○ I tried to get a new loan but was discriminated against and was denied. As a result, I couldn't make payments and was forced to sell 500 acres of land to stay afloat. Input "500" in the answer field.
	• If the application narrative or supporting documentation does not identify that any acres were lost due to discrimination, the minimum per state will be used.
	
	Auto-populating feature:
	
	• This question will auto-populate to "N/A" if the answer to a1 (Was there owned land lost?) is "No".
	
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• Review "USDA Producer Farm Data" Report • Fields to Review: Producer name and acreage information
Notes:
• N/A
Rules:

• Owned land loss is only calculated for Farmers or Ranchers who lost their land because of covered discrimination.
• The Reviewer will enter the number of lost acres (i.e., applicant lost 50 acres). Once the lost acreage is input in AART, the land loss calculation will auto-populate in AART.
• Acreage should be available from the application and may be confirmed in the FSA data. Reviewers should look at what the applicant has listed, check the supporting documents, and compare the FSA data.
    ○ List the actual number of acres provided.
    ○ If this <u>does not apply</u>, list "0".
        ▪ Note: the answer field is numerical and does not allow "N/A".
• Land loss is just one type of loss a Farmer or Rancher may experience when they lose their farm/ranch. Some examples of possible other losses include lost yield/productivity, home loss, lost farming profits, increased interest costs, and losses associated with garnishments/judgments/tax liens. **These losses are calculated separately.**
• NOTE: applicants are not provided with both land loss consequences AND lost appreciation for the same parcel of land, because the land loss calculation already includes appreciation).
    ○ Example: A rancher attempting to expand his cattle farm puts down $5,000 in earnest money to buy additional acreage. He is discriminated against in his FO loan application and loses his earnest money and the opportunity to purchase the additional acreage. He cannot claim the 50 acres as a land loss because he did not own the land. He can claim the lost earnest money, lost appreciation and lost farming profits.
    ○ Example: An applicant's chicken farm was foreclosed upon after her chickens became sick and she fell behind on mortgage payments. She applied for an emergency loan, but the FSA officer told her that sick chickens did not meet the eligibility criteria for an EM. Although the applicant was a Farmer who owned land and lost that farmland to foreclosure, her land loss consequences cannot be validated unless she can show its relationship to a validated instance of discrimination. (EM loans are generally awarded for losses and/or damages caused by a natural disaster; sick chickens on their own would likely not qualify.) The Reviewer would need to look through the application and determine if the FSA officer discriminated against the chicken Farmer by not offering loan servicing options on her other farm loans, or by not giving her information on a microloan or other financing options. Careful review of the application will allow the Reviewer to determine if there was discrimination.

Specified Losses – Land Lost	DFAP Application Steps to Review:
Question a3. Value of owned land lost and equipment lost (if applicable) (number of acres x value of land per acre).	*Auto-populating feature:*
SPECIFIED LOSSES - Land Lost a3. Value of owned land lost and equipment lost (if applicable) (number of acres x value of land per acre) 0.000000 .00 Score ❓ 0	• This answer will be **auto-populated** in AART with the value of owned land and equipment lost if the applicant is a Farmer/Rancher and indicated that they lost owned land and equipment. • This answer will be greyed out and not allow the Reviewer to input a value if the answer to a1 (Was there owned land lost?) is "No". Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

Specified Losses – Land Lost	DFAP Application Steps to Review:
Question a4. Was there leased land lost? SPECIFIED LOSSES - Land Lost a4. Was there leased land lost? [▾] 🔍 Search... Yes No **This question applies to:** ☒ Farmers ☐ Potential Producers	• Step 3(1): Did you own or lease your farmland during the period of discrimination? • Step 6(5): Did you have other economic loss, not already listed, because of the discrimination? • Step 6(5)(b): Describe the loss. • Step 6(5)(c): Describe the circumstances of the loss. **Answer:** Yes = • If the application narrative identifies the applicant leased land and it was subsequently lost, and includes a description of the loss, answer the question "Yes". For example: o I leased 300 acres of farmland and had to cut my lease back by 100 acres because I was denied an operating loan; or • There is evidence in the supporting documentation indicating leased land was lost. No =

	• There is no evidence or description in the application narrative or supporting documentation indicating leased land was lost.
	Auto-populating feature:
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• N/A

Specified Losses – Land Lost	**DFAP Application Steps to Review:**
Question a5. How many leased acres were lost?	• Step 6(5): Did you have other economic loss, not already listed, because of the discrimination?
SPECIFIED LOSSES - Land Lost a5. How many leased acres were lost?	• Step 8(6): Supplemental information for Step 6.
	Answer:
	Reviewer Input =
This question applies to:	• If the application narrative identifies the number and leased acres lost resulting from foreclosure/forced sale, or if this information is included in the supporting documentation, list the number of leased acres identified.
☒ Farmers	
☐ Potential Producers	*Auto-populating feature:*
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• There is no question in the application that specifically asks the applicant to identify the number of leased acres lost due to discrimination. The Reviewer will need to read through the application carefully to see if that information is contained anywhere in the application narrative or in the supporting documentation.
Rules:
• N/A

Specified Losses – Land Lost **Question a6. Corroboration of land loss.** SPECIFIED LOSSES - Land Lost a6. Corroboration of land loss Search... No Ok Good N/A **This question applies to:** ☒ Farmers ☐ Potential Producers	**DFAP Application Steps to Review:** • Review supporting documentation to determine if there are any documents that verify land loss. **Answer:** No = • No supporting documentation provided with the application to demonstrate loss of land. Ok = • Sworn statement from an interested party (e.g., a family member) that demonstrates loss of land; • **OR** • Sworn statement from an uninterested party (e.g., friend, neighbor, co-worker) that demonstrates loss of land. Good = • Letter from USDA stating they are taking the land; **OR** • Other legal documents that demonstrate loss of land N/A = • Not Applicable. *Auto-populating feature:* This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• Loss of land needs to be the result of discrimination.
• A decrease in acreage identified in FSA data is not enough on its own to corroborate land loss, because it does not explain *why* the acreage decreased.
Rules:
• N/A

Specified Losses – Land Lost	DFAP Application Steps to Review:

Question a7. Percent of owned land lost as a result of discrimination (only covers owned land)
 	
 This question applies to:
 	
 ☒ Farmers
 	
 ☐ Potential Producers
	• Step 6(2)(c): How many acres did you lose?
	 • Step 6(2)(d): At the time you lost the owned agricultural land, how much other agricultural land did you own?
	
	 Answer:
	
	 Drop-down list =
	
	 • 0-32%
	 • 33-49%
	 • 50-66%
	 • 67-82%
	 • 83% or more
	 • N/A
	
	 NOTE:
	
	 • The application narrative must provide sufficient information to be able to calculate the percent of farm lost as a result of discrimination. For example:
	   o Applicant states they owned 400 acres, and were forced to sell 100 acres, the percent loss would be 25%. Select the "0 to 32%" option in the drop-down list.
	   o Applicant indicates that they owned and leased land. They state that they farmed 2,000 acres and lost 133 acres during the period of discrimination. The percent loss would be 6.65%. Select the "0 to 32% option in the drop-down list."
	
	 Auto-populating feature:

	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• If an applicant identifies that they lost some of their land but does not indicate how much additional land they own so you cannot determine a percentage, select "0 to 32%" as a minimum.

Specified Losses – Land Lost	DFAP Application Steps to Review:
Question a8. Calculation of equipment lost, if no land was lost. SPECIFIED LOSSES - Land Lost a8. Calculation of equipment lost, if no land was lost 0.000000 .00 Score ❓ 0	*Auto-populating feature:* • This answer will be **auto-populated** in AART if the applicant is a Farmer/Rancher or if the answer to Step 6 Question a1b (Was all farming equipment lost?) is "Yes". Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?), OR when Step 6 Question a1b (Was all farming equipment lost?) is "No".
Specified Losses – Home Loss	**DFAP Application Steps to Review:**
Question b1. Home used as collateral, and lost. SPECIFIED LOSSES - Home Loss b1. Home used as collateral, and lost ▼ Search... 🔍 Yes No **This question applies to:**	• Step 6(3): If your home was used as collateral for the loan, did you lose your home because of the discrimination? • Step 6(3)(a): My home was used as a loan for collateral. **Answer:** Yes = • The application narrative describes that discrimination caused the applicant to lose a home that was used as collateral for a USDA loan; OR

☒ Farmers ☐ Potential Producers	• The application narrative explains the connection to discrimination AND there is supporting documentation or FSA data indicating the home had been used as collateral for a loan that document the home was lost (e.g., loan documentation that shows the home was used as collateral, official bank letters, etc.). No = • Applicant's home was <u>not used as collateral</u> for the loan, or the home was not foreclosed. OR • The home applicant asserts was used as collateral was lost after 2001 (when FSA data would be available), but there is no relevant FSA data to indicate the house was foreclosed. *Auto-populating feature:* This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
 	
• Review "USDA Foreclosure Data" Report to check if an applicant's home was foreclosed.
    o Fields to Review: Borrower Name, Real Estate Only, Chattel Only, Both Real Estate and Chattel
• Review "USDA Loan for DLS Data" Report
    o Fields to Review: Direct Loan type, for example, if an applicant is claiming a home loss, and they have a farm ownership loan that lists "Real Estate Only" as collateral, it is supportive that their home was used as collateral as part of a farm loan.
• <u>Review "Guaranteed Loan Data" Report.</u>
    o Fields to Review: Guaranteed Loan Type and Amount, Loan Security Description.

Notes: • If the home was not used as collateral for the USDA direct or guaranteed farm loan, any home losses will not be included. • In addition to the application and FSA data, supporting documentation can be used to show that the house was used as collateral and lost. • Home loss is not sufficient by itself; it has to be connected to discrimination.
Rules: • Home loss is only calculated for Farmers or Ranchers who used their home as collateral as part of a USDA farm loan and lost their home because of discrimination.

- This type of loss is not calculated for Potential Producers, or for farmers or ranchers who did not use their home as collateral in a farm loan. **It applies only for Farmers/Ranchers who lost their secured home because of a validated instance of discrimination.**
- Review the application, FSA data, and supporting documentation to verify that the house was used as collateral for a USDA farm loan. The loan could be a Direct or Guaranteed loan. Supporting documentation might include:
  - Loan documentation that indicates the house was included in the loan approval.
  - Deed reflecting the lien.
  - USDA security instruments.
  - Bank security instrument, documentation, or correspondence.
  - Additional paperwork/correspondence showing a house was lost.
  - Example: A Farmer was struggling to make their farm payments and decided to sell his large home and move to a trailer near their farm. He used the home sale proceeds to pay down his USDA loan. He experienced discrimination in loan servicing and lost the farm in foreclosure. He is not eligible for a home loss on either the large home or the trailer because neither home was collateralized as part of the farm loan. (The lost farm would, however, be considered economic loss—both for the lost profits and any lost land.)

Specified Losses – Home Loss	DFAP Application Steps to Review:
Question b2. Corroboration of Home Loss. SPECIFIED LOSSES - Home Loss b2. Corroboration of Home Loss Search... No Ok Good N/A **This question applies to:** ☒ Farmers ☐ Potential Producers	• Review supporting documentation to verify any additional documentation provided by the applicant to substantiate loss of home. **Answer:** No = • No supporting documentation was provided to corroborate the loss of the home besides what is available in the application answers. This does not mean that the home loss did not occur, the applicant's signed sworn statement is enough to provide some evidence of discrimination. ○ If the loss happened after 2001, there should be FSA data indicating that the home could have been a security asset in a farm loan. For instance, a farm ownership loan would be more likely than an emergency loan to require a home as collateral. Ok =

	• Sworn statement from an interested party (e.g., a family member) that the applicant lost his/her home. • Sworn statement from an uninterested party (e.g., friend, neighbor, co-worker) that the applicant lost his/her home. Good = • FSA data detailing the foreclosure of the home; or • Documents confirming the home loss, USDA emails or correspondence confirming foreclosure, real estate listing, sale contract, tax deficiency notice, bank letter, and various other documents). N/A = • Not Applicable. *Auto-populating feature:* This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:

• Review "Foreclosure Data" Report.
  ○ Fields to Review: Borrower Name, Real Estate Only, Chattel Only, Both Real Estate and Chattel.
• Review "USDA Loan for DLS Data" Report.
  ○ Fields to Review: The loan type and any listed collateral.
• Review "Guaranteed Loan Data" Report.
• Fields to Review: Guaranteed Loan Type and Amount, Loan Security Description.

Notes:

• FSA data and supporting documentation can be used to corroborate that the house was used as collateral and that it was lost.

Rules:

• Home loss validation can rely heavily on applicant's sworn statement documentation to verify that the house was lost in foreclosure or a forced sale. But there may be supporting documentation such as:
  ○ Sale of land.
  ○ Quit claim deed.
  ○ Loan servicing letters.
  ○ Foreclosure notice.

- In addition, the AART system asks the Reviewer if there is corroboration. *Corroboration* and *validation* are separate. Corroboration occurs when additional information or documentation is provided in addition to the applicant's sworn statement.
- If the corroboration is "None" and there is NO FSA DATA, home loss cannot be corroborated. Note: this does not mean the home loss is Not Validated. The two are separate.
- Generally, home losses attributable to natural disasters are not a covered loss because it would be unusual for discrimination to cause the loss.

Specified Losses – Garnishments/judgments/tax lien	DFAP Application Steps to Review:
Question c1. Garnishment present? **Question c2. Garnishment Amount (estimate).** SPECIFIED LOSSES - Garnishments/judgments/tax lien c1. Garnishment present Search... Yes No SPECIFIED LOSSES - Garnishments/judgments/tax lien c2. Garnishment amount (estimate) Score ❓ **These questions apply to:** ☒ Farmers ☐ Potential Producers	• Step 6(4): Were any offsets, garnishments, or deficiency judgments imposed on you resulting from default on your USDA farm loan or USDA foreclosing on your USDA farm loan? • Step 6(4)(a): When did the offsets, garnishments, or deficiency judgments occur? • Step 6(4)(b): Describe the offsets, garnishments, or deficiency judgments. • Step 6(4)(c): Describe the circumstances of the offsets, garnishments, or deficiency judgments. • Step 6(4)(d): What was the approximate value of the offsets, garnishments, or deficiency judgments? **Answer:** **Question c1. Garnishment present?** Yes = • If the application narrative, supporting documentation, or FSA data provides detail of the garnishment—and explains how that garnishment was caused by discrimination, answer "Yes". No = • If there is no detail in the application narrative, supporting documentation, or FSA data indicating a garnishment occurred, answer "No". *Auto-populating feature:* This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3

	Discrimination, Question a1 (Did the applicant have a farming operation?).
	Question c2. Garnishment amount (estimate).
	Reviewer Input =
	• If the application narrative or supporting documentation provides detail of the garnishment amount, list the amount.
	Auto-populating feature:
	• If the applicant is a Farmer/Rancher and the answer to Question c1 (Garnishment present?) is "No", this question will auto-populate to "N/A".
	Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:

N/A

Notes:

• Garnishments, judgments, and tax liens are possible regardless of whether the applicant Farmer owned or leased their farmland.
• The Treasury Offset Program (TOP) is a source of potential garnishment. After 1996, FSA and other Federal agencies required to refer delinquent cases to TOP for potential collections from other sources of Federal payments.
• Loss of owned land, home loss, and garnishments, judgments, and tax liens are calculated separately from other claims of loss.
• Reviewers will not have access to Treasury Offset Program totals. Garnishment amounts provided will be estimated by the applicant or set out in supporting documents.
• Escalate any instances of applications with garnishments to the Team Lead. No escalation is required if sufficient documentation is provided.

Rules:

• Garnishments, judgments, and tax lien losses are only calculated for Farmers or Ranchers who experienced this type of economic loss because of discrimination.
• Like other types of economic consequences, this type is not available for applicants who are Potential Producers. This loss should only be validated for Farmers/Ranchers who owned or leased land and who demonstrate a loss attributable to garnishments, judgments, and/or tax liens because of a validated instance of discrimination.
• Garnishment is the process of withholding amounts from an employee's disposable pay or other payment and paying those amounts to a creditor in satisfaction of a withholding order.

- o   As an example, an applicant gets an operating loan to obtain livestock. USDA then contacts the local livestock markets to register the loan/lien. Once livestock are sold, the market puts a garnishment on the proceeds until the debt is satisfied.
- A judgment is a court decision adjudicating the rights of parties in a legal action.
- Review the application, FSA data, and supporting documentation to verify if applicants received a garnishment, judgment, or a tax lien. The Team has not seen many examples of garnishments, judgments, and/or tax liens. Escalate to respective Green or Blue Lead to highlight examples.

Specified Losses – Garnishments/judgments/tax lien

Question c3. Tax lien present?

Question c4. Tax lien Amount (estimate).

SPECIFIED LOSSES -
Garnishments/judgments/tax lien

Question

c3. Tax lien present

[▼]

[Search...   🔍]

Yes
No

SPECIFIED LOSSES -
Garnishments/judgments/tax lien

c4. Tax lien amount (estimates)

[   ]

Score ❓

This question applies to:

☒ Farmers

☐ Potential Producers

DFAP Application Steps to Review:

- Step 6(4): Were any offsets, garnishments, or deficiency judgments imposed on you resulting from default on of your USDA farm loan or USDA foreclosing on your USDA farm loan?
- Step 6(4)(a): When did the offsets, garnishments, or deficiency judgments occur?
- Step 6(4)(b): Describe the offsets, garnishments, or deficiency judgments.
- Step 6(4)(c): Describe the circumstances of the offsets, garnishments, or deficiency judgments.
- Step 6(4)(d): What was the approximate value of the offsets, garnishments, or deficiency judgments?

Answer:

Question c3. Tax lien present?

Yes =

- If the application narrative, supporting documentation, or FSA data provides detail of the tax lien—and explains how that tax lien was caused by discrimination, answer "Yes".

No =

- If there is no detail in the application narrative, supporting documentation, or FSA data indicating a tax lien occurred, or connecting it to discrimination, answer "No."

Auto-populating feature:

- This question will auto-populate to "N/A – No Farming Operation" if the applicant is

	validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).
	Question c4. Tax lien amount (estimate).
	Reviewer Input =
	• If the application narrative or supporting documentation provides detail about the tax lien amount, list the amount.
	Auto-populating feature:
	• If the applicant is a Farmer/Rancher and the answer to Question c3 (Tax Lien present?) is "No", this question will auto-populate to "N/A".
	Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation).

FSA Data to Review:
• N/A
Notes:
• Garnishments, judgments, and tax liens can be for any applicant validated as a Farmer, whether they owned or leased their farmland.   • Loss of owned land, home loss, and garnishments, judgments, and tax liens are calculated separately from other claims of loss.
Rules:
• Tax lien losses are only calculated for Farmers or Ranchers who experienced this type of economic loss because of discrimination. N/A

Specified Losses – Garnishments/judgments/tax lien **Question c5. Other judgment present?** **Question c6. Other judgment amount (estimates).**	**DFAP Application Steps to Review:** • Step 6(4): Were any offsets, garnishments, or deficiency judgments imposed on you resulting from a default on your USDA farm loan or USDA foreclosing on your USDA farm loan? • Step 6(4)(a): When did the offsets, garnishments, or deficiency judgments occur? • Step 6(4)(b): Describe the offsets, garnishments, or deficiency judgments.

SPECIFIED LOSSES - Garnishments/judgments/tax lien Question c5. Other judgment present [▼] [Search... 🔍] Yes No **SPECIFIED LOSSES -** Garnishments/judgments/tax lien Question c6. Other judgment amount (estimates) [ ] Score ❓ **This question applies to:** ☒ Farmers ☐ Potential Producers	• Step 6(4)(c): Describe the circumstances of the offsets, garnishments, or deficiency judgments. • Step 6(4)(d): What was the approximate value of the offsets, garnishments, or deficiency judgments? **Answer:** **Question c5. Other judgment present?** Yes = • If the application narrative, supporting documentation, or FSA data provides detail of the judgment—and explains how that judgment was caused by discrimination, answer "Yes". No = • If there is no detail in the application narrative, supporting documentation, or FSA data indicating a judgment occurred, or connecting it to discrimination, answer "No." *Auto-populating feature:* • This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?). **Question c6. Other judgment amount (estimates).** Reviewer Input = • If the application narrative or supporting documentation provides detail about the other judgment amount, list the amount. *Auto-populating feature:* • If the applicant is a Farmer/Rancher and the answer to Question c5 (Other judgment present?) is "No", this question will "grey out" so the Reviewer cannot provide an answer. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A

Notes:
• Garnishments, judgments, and tax liens are possible regardless of whether the Farmer applicant owned or leased their farmland.   • Loss of owned land, home loss, and garnishments, judgments, and tax liens are calculated separately from other claims of loss.   • Escalate any instances of this to the Team Lead.

Rules:
• Loss of owned land and garnishments, judgments, and liens are calculated separately from other claims of loss.   • Other Judgment losses are only calculated for Farmers or Ranchers who experienced this type of economic loss because of discrimination.   • N/A

Specified Losses – Garnishments/judgments/tax lien	DFAP Application Steps to Review:
Question c7. Corroboration of garnishments, judgments, tax liens. **This question applies to:** ☒ Farmers ☐ Potential Producers	• Review supporting documentation provided by the applicant to *corroborate* that they had a garnishment, tax lien, or other judgment imposed on them. The applicant's narrative alone is enough for validation, above – but NOT enough for corroboration, here. **Answer:** No = • No supporting documentation was provided to supplement the applicant's narrative and corroborate garnishments, judgments, or tax liens against the applicant. Ok = • Sworn statement from an interested party (e.g., family member) that the applicant experienced garnishments, judgments, or tax liens. • Sworn statement from an uninterested party (e.g., friend, neighbor, co-worker) that the applicant experienced garnishments, judgments, or tax liens. Good =

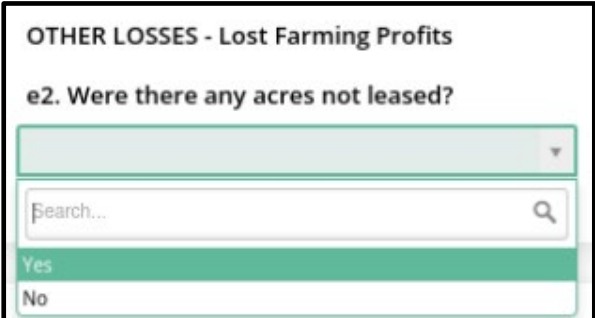| | • Formal paperwork documenting garnishments, judgments, or tax liens. |
	N/A =
	• Not Applicable. Applicant is a Potential Producer.
	Auto-populating feature:
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• The application itself does not count as corroborating evidence; for corroboration (though not necessarily for validation) the applicant must provide additional documentation.   • Answering this question of corroborating the garnishments, judgments, and tax liens as "None" does NOT mean that these types of loss are Not Validated, or that there will be no recovery. This question about corroboration serves as a flag.   • Loss of owned land, home loss, and garnishments, judgments, and tax liens are calculated separately from other claims of loss.
Rules:
• N/A

| **Other Losses – Lost Appreciation in land value**

 Question d1. Was there lost appreciation in land value?

 OTHER LOSSES - Lost Appreciation

 d1. Was there lost appreciation in land value?

 Search...
 Yes
 No

 ☒ Farmers
 ☐ Potential Producers | **DFAP Application Steps to Review:**

 • Review Step 5 and Step 6 in its entirety to determine if the applicant identified any information on the attempt to purchase land.
 • Review Step 8(6) to determine if the applicant provided any additional information.

 Answer:

 Yes =

 • There is information in the application or supporting documentation to demonstrate the applicant was unable to purchase farmland because of |

	discrimination (and therefore lost appreciation in land value). For example:
	o Applicant states that it took more than 2 years to get the loan they applied for, and as a result, they missed out on an opportunity to purchase land; now, that land is worth much more. Answer "Yes".
	No =
	• There is no information in the application or supporting documentation to demonstrate the applicant was unable to purchase land because of discrimination.
	Auto-populating feature:
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• Lost appreciation is calculated only for Farmers/Ranchers (who may be Participants in USDA farm lending, or attempted Participants) who demonstrate that because of discrimination they were unable to purchase farmland.   • Many applicants may have OTHER farm loans that they did receive; this type of loss logically applies for loans they did <u>not</u> receive.   • This type of loss is NOT capped at 5 years; it's auto-populated based on the year of the discrimination and the county/state.

Other Losses – Lost Appreciation	**DFAP Application Steps to Review:**
Question d2. What year was land purchase attempted? OTHER LOSSES - Lost Appreciation d2. What year was land purchase attempted?	• There is no question in Step 3 to define what year the applicant intended to purchase the land. o This should ordinarily be the year of the discrimination that prevented the purchase. • Review Step 3, Step 5, and Step 6 in its entirety to see if the applicant identified

This question applies to:	any information on the year of land purchase attempt.
☒ Farmers ☐ Potential Producers	○ Step 6(2)(b) When did the loss occur? • Review Step 8(3) and Step 8(6) to determine if the applicant provided any additional information. **Answer:** Reviewer Input = • If the application narrative or supporting documentation identifies the year of the land purchase attempt, **and** that year matches the year of discrimination identified in Step 5 (Discrimination), list the year identified. *Auto-populating feature:* • If the applicant is a Farmer/Rancher and the answer to Question d1 (Was there lost appreciation?) is "No", this question will auto-populate to "N/A". • Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review: • N/A
Notes: • The year of land purchase attempt should be associated with the year of discrimination.
Rules: • Lost appreciation is for land that an applicant was unable to buy because of discrimination. Capture the year that the land would have been purchased, if not for discrimination. • If no year is provided, use the year of the discrimination.

Other Losses – Lost Appreciation	DFAP Application Steps to Review:
Question d3a. How many acres were not purchased?	• Review Step 3, Step 5, and Step 6 in its entirety to see if the applicant identified any information on the amount of acres they were not able to purchase.
OTHER LOSSES - Lost Appreciation d3a. How many acres were not purchased?	**Answer:** Reviewer Input =
This question applies to:	• If the application narrative clearly identifies the amount of acreage that was unable to be purchased, list this amount in the answer field. For example:
☒ Farmers	○ Applicant states he/she tried to purchase 25 acres, list "25" in the answer field.
☐ Potential Producers	• If this <u>does not apply</u>, list "0" acres. Note: the answer field is numerical and does not allow "N/A".
	Auto-populating feature:
	• If the applicant is a Farmer/Rancher and the answer to Question d1 (Was there lost appreciation?) is "No", this question will auto-populate to "N/A".
	Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:

• Review "USDA Application Data" Report
  ○ Fields to Review: Loan Request Date and Application Disposition (i.e., rejected, approved, withdrawn).
  ○ NOTE: Information may be used to assist with applicant claims of acres that were not able to be purchased due to discrimination from USDA. Check for loan information, particularly disposition, to assist with narrative.

Notes:
• N/A
Rules:
• Capture the number of acres that would have been purchased.   ○ If the question does not apply, list "0".

Other Losses – Lost Appreciation	DFAP Application Steps to Review:
Question d3b. Number of acres that were not purchased, with state minimum.	*Auto-populating feature:*
OTHER LOSSES - Lost Appreciation d3b. Number of acres that were not purchased, with state minimum. 0 .00	• This answer will be **auto-populated** in AART if the applicant is a farmer/rancher. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).
Other Losses – Lost Appreciation	**DFAP Application Steps to Review:**
Question d4. Value of ag land in county/state?	*Auto-populating feature:*
OTHER LOSSES - Lost Appreciation d4. Value of ag land in county/state 3778.57142857 3,778.57	• This answer will be **auto-populated** in AART if the applicant is a Farmer/Rancher. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).
Other Losses – Lost Appreciation	**DFAP Application Steps to Review:**
Question d5. State-index for the year of purchase attempt?	*Auto-populating feature:*
OTHER LOSSES - Lost Appreciation d5. State-index for the year of purchase attempt	• This answer will be **auto-populated** in AART if the applicant is a Farmer/Rancher. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).
Other Losses – Lost Appreciation	**DFAP Application Steps to Review:**
Question d6. Calculated lost appreciation?	*Auto-populating feature:* • This answer will be **auto-populated** in AART if the applicant is a

OTHER LOSSES - Lost Appreciation d6. Calculated Lost Appreciation [ ] Score ❓	Farmer/Rancher. This will auto-populate to "0" if there is no lost appreciation. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

Other Losses – Lost Farming Profits
 	
Question e1. Were there lost farming profits as a result of discrimination, from acreage that wasn't able to be leased or bought; or because owned or leased land was lost due to discrimination.
 	
OTHER LOSSES - Lost Farming Profits
 	
e1. Were there lost farming profits as a result of discrimination, from acreage that wasn't able to be leased or bought; or because owned or leased land was lost due to discrimination?
 	
[▼]
 	
Search... 🔍
 	
Yes
No
 	
This question applies to:
 	
☒ Farmers
 	
☐ Potential Producers
	DFAP Application Steps to Review:
	
	• Review Step 6 in its entirety to determine if the applicant identified any information on the lost farming profits.
	• Review Step 8(6) to determine if the applicant provided any additional information.
	
	Answer:
	Yes =
	• If there is foregone/lost land or lost appreciation, answer "Yes".
	  ○ For example, applicant states that they could have earned $150,000 in farming profits over the course of three years if they hadn't lost the land (or been prevented from buying land).
	• Note: This question should be answered "Yes" even if the applicant doesn't state it <u>explicitly</u>.
	  ○ For example, applicant states that they lost 50 acres, but doesn't explicitly state that there were lost farming profits. Answer "Yes".
	No =
	• If the application narrative or supporting documentation does not provide any information indicating that land was lost/forgone, answer "No".
	Auto-populating feature:
	
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• This applies to both owned and leased land.
Rules:
• Lost farming profits are calculated only for applicants who demonstrate that they were a Farmer or Rancher, and meet at least one of the following conditions: lost their land in a forced sale or foreclosure; lost their farm for some other reason related to discrimination; or weren't able to increase farm size and therefore lost farming profits**.** • Lost farming profits are for applicants (whether they owned or leased their farmland) who—because of discrimination—lost their farm, were unable to expand their farm; or were unable to purchase a farm or ranch. • Lost farming profits are calculated for land losses (whether of owned or leased land), for intended purchases or expansion that could not be realized because of discrimination. Unlike lost land, there is NO requirement that the land be owned, and no requirement that any loss occurred by foreclosure or forced sale. If the application identifies other land losses, escalate to a Team Lead to take to USDA. • Lost Farming Profits are capped at a five (5) year span. • Otherwise, the acreage listed in the application will apply. Note: If this <u>does not apply</u>, "0" acres will apply. Note: the answer field is numerical and does not allow "N/A". • List one (1) year.

Other Losses – Lost Farming Profits	DFAP Application Steps to Review:
Question e2. Were there any acres not leased? OTHER LOSSES - Lost Farming Profits e2. Were there any acres not leased? [▾] Search... 🔍 Yes No **This question applies to:** ☒ Farmers ☐ Potential Producers	• Review Step 3, Step 5, and Step 6 in its entirety to see if the applicant identified any information on acres they were not able to lease. **Answer:** Yes= • If the applicant was unable to lease land, answer "Yes". For example: o Applicant states he/she tried to get an operating loan to lease 25 acres. No= • If the application narrative or supporting documentation does not provide any information indicating that land was unable to be leased, answer "No".

	Auto-populating feature:
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• N/A

Other Losses – Lost Farming Profits	**DFAP Application Steps to Review:**
Question e3. If Yes, How many acres were not leased.	• Review Step 3, Step 5, and Step 6 in its entirety to see if the applicant identified any information on the amount of acreage they were not able to lease.
OTHER LOSSES - Lost Farming Profits e3. If Yes, How many acres were not leased.	**Answer:** Reviewer Input =
This question applies to:	• If the application narrative clearly identifies the amount of acreage that was unable to be leased, list this amount in the answer field. For example: o Applicant states he/she tried to lease 25 acres, list "25" in the answer field.
☒ Farmers	• List the number the applicant states, whatever its size. If it's smaller than the program's floor or default, the system will use the correct number instead.
☐ Potential Producers	• If this <u>does not apply</u>, list "0" acres. Note: the answer field is numerical and does not allow "N/A".
	Auto-populating feature:
	• If the applicant is a Farmer/Rancher and the answer to Question e1 (Were there any acres not leased?) is "No", this question will auto-populate to "N/A".

	Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• Capture the number of acres that would have been leased.   o If the question does not apply, list "0".

Other Losses – Lost Farming Profits **Question e4. Annual county net farm income?** OTHER LOSSES - Lost Farming Profits e4. Annual county net farm income. 76.90 76.90	**DFAP Application Steps to Review:** *Auto-populating feature:* • This answer will be **auto-populated** in AART if the applicant is a Farmer/Rancher. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).
Other Losses: Lost Farming Profits **Question e5. Calculation of annual lost farming profits?** OTHER LOSSES - Lost Farming Profits e5. Calculation of annual lost farming profits? 0 .00	**DFAP Application Steps to Review:** *Auto-populating feature:* • This answer will be **auto-populated** in AART if the applicant is a Farmer/Rancher. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation).

Other Losses – Lost Farming Profits	DFAP Application Steps to Review:
Question e6. Did NOT getting a farm loan result in loss of farming profits due to reasons other than land loss or the inability to acquire additional land? (NOTE: In most cases, if E1 "lost farming profits from acreage unable to be leased or bought" is "yes", then this question will normally be "no", except for rare occasions).	• Review Step 6 in its entirety to determine if the applicant identified any information about the inability to run their operation due to discrimination. • Review Step 8(6) to determine if the applicant provided any additional information. **Answer:** Yes = • If the applicant describes their inability to run their farming operation due to not getting a loan, answer "Yes". ○ For example, applicant states that they couldn't plant one year, because they couldn't get a seed loan, or couldn't harvest, because they lost equipment to foreclosure. No = • If the application narrative or supporting documentation does not provide any information indicating that the applicant was unable to run their farming operation due to not getting a loan, answer "No". *Auto-populating feature:* This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

OTHER LOSSES - Lost Farming Profits

e6. Did NOT getting a farm loan result in loss of farming profits due to reasons other than land loss or the inability to acquire additional land? (NOTE: In most cases, if E1 "lost farming profits from acreage unable to be leased or bought" is "yes", then this question will normally be "no", except for rare occasions)

Search...

Yes

No

This question applies to:

☒ Farmers

☐ Potential Producers

FSA Data to Review:
• N/A
Notes:
• Partial equipment loss is covered under this question. If all equipment was lost, the Reviewer should answer Step 6 Question a1b "Was all farming equipment lost?".
Rules:
• N/A

Other Losses – Lost Farming Profits	DFAP Application Steps to Review:

Question e7. How many years were profits lost? Only applies to lost profits for acreage not lost.
 	
OTHER LOSSES - Lost Farming Profits
 	
e7. How many years were profits lost? Only applies to lost profits for acreage not lost
 	
Search...
1
2
3
4
5
 	
This question applies to:
 	
☒ Farmers
 	
☐ Potential Producers
	• Review Step 6 in its entirety to determine if the applicant identified any information on the inability to run their farming operation.
	• Review Step 8(6) to determine if the applicant provided any additional information.
	
	Answer:
	Drop-down list =
	
	• 1
	• 2
	• 3
	• 4
	• 5
	
	NOTE:
	
	• The application narrative must provide sufficient information to be able to determine how many years the applicant was unable to run their farming operation. For example:
	  o Applicant states they were unable to get an operating loan which prevented them from producing corn for 3 years. Select the "3" option in the drop-down list.
	  o Applicant **does not specify** the number of years of lost profits. Select "1" in the drop-down list.
	
	Auto-populating feature:
	
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• Lost Farming Profits are capped at a five (5) year span. If an applicant states they were unable to run their operation for more than 5 years, select the maximum amount of "5" from the dropdown menu.
• If an applicant does not specify how many years they were unable to run their operation, but they refer to years (plural), select "1" as the amount of years they were unable to run their operation.

Other Losses – Lost Farming Profits	DFAP Application Steps to Review:
Question e8. Calculation of lost farming profits due to inability to run operation?	*Auto-populating feature:*
OTHER LOSSES - Lost Farming Profits e8. Calculation of lost farming profits due to inability to run operation? 0 .00	• This answer will be **auto-populated** in AART if the applicant is a Farmer/Rancher. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation).
Other Losses – Lost Farming Profits	**DFAP Application Steps to Review:**
Question e9. Calculation of the sum of annual lost farming profits resulting from the loss of land plus lost farming profits from inability to operate remaining land.	*Auto-populating feature:*
OTHER LOSSES - Lost Farming Profits e9. Calculation of the sum of annual lost farming profits resulting from the loss of land plus lost farming profits from inability to operate remaining land Score ❓	• This answer will be **auto-populated** in AART if the applicant is a Farmer/Rancher. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation).

Other Losses – Lost Yield	DFAP Application Steps to Review:
Question f1. Was there yield loss?	• Review Step 6 in its entirety to determine if the applicant identified any information on yield loss.
OTHER LOSSES - Lost Yield Question f1. Was there yield loss? [dropdown: ▾] Search... 🔍 Yes No	• Review Step 8(6) to determine if the applicant provided any additional information.
	Answer:
	Yes =
This question applies to:	• If the application narrative or supporting documentation provides details on lost yield, answer "Yes." For example:
☒ Farmers	o An Applicant was unable to obtain the fertilizer need to increase their yield from 172 bushels per acre to 200 per acre due to discrimination in USDA farm lending.
☐ Potential Producers	o An Applicant was unable to acquire hormones for their milk cows which would have increased production from 40 pounds per head to 50 pounds per head.
	No =
	• If the application narrative or supporting documentation does not contain detail on lost yield, answer "No".
	Auto-populating feature:
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A

Notes:
• N/A

Rules:
• Lost yield is defined as the difference between actual and attainable yield on the same measure of land.
• Lost yield/reduced productivity losses may be validated—but only if details are provided by the applicant.
• This could be based on an applicant not getting a loan, or on delayed approval.
• To qualify for lost yield, the applicant must demonstrate that, due to an inability to obtain a loan or timely approval, they were unable to purchase the chemicals needed to attain the intended yield.
• Note that an applicant may have been approved for one loan and been denied for a separate loan.
• Any amounts asserted related to this category must be elevated to the Team Lead for discussion with the Agricultural Expert.
• Losses are limited to five (5) years.

Other Losses – Lost Yield	DFAP Application Steps to Review:

Question f2. What is the annual lost yield/reduced productivity value provided by the applicant?
 	
OTHER LOSSES - Lost Yield
 	
Question
 	
f2. What is the annual lost yield/Reduced productivity value provided by the applicant?
 	
Score ❓
 	
This question applies to:
 	
☒ Farmers
 	
☐ Potential Producers
	• Review Step 6(5) Did you have other economic loss, not already listed, because of the discrimination?
	• Review the rest of Step 6(5):
	    ○ Step 6(5)(a) When did the loss occur?
	    ○ Step 6(5)(b) Describe the loss.
	    ○ Step 6(5)(c) Describe the circumstances of the loss.
	    ○ Step 6(5)(d) What was the estimated value of the loss.
	
	Answer:
	
	Reviewer Input:
	
	• If the application narrative includes details on the lost yield or lost productivity value, list that value in the answer field.
	
	Auto-populating feature:
	
	• If the applicant is a Farmer/Rancher and the answer to Question f1 (Was there yield loss?) is "No", this question will auto-populate to "N/A".
	
	Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

Other Losses – Increased Interest **Question g1. Was there an increase in interest rate?** OTHER LOSSES - Increased Interest Question g1. Was there an increase in interest rate? Search... Yes No **This question applies to:** ☒ Farmers ☐ Potential Producers	**DFAP Application Steps to Review:** • Review Step 5 and Step 6 in its entirety to determine if the applicant identified any information on increased interest resulting from obtaining a commercial bank loan. • Review Step 8(6) to determine if the applicant provided any additional information. **Answer:** Yes = • If the application narrative and/or supporting documentation includes details that the applicant got a loan from a commercial bank with a higher interest because they were denied an FSA loan, answer "Yes". No = • If there is no detail in the application narrative or supporting documentation that the applicant had to get commercial bank loan at a higher rate than what he/she could have gotten through FSA, or if they don't provide an interest rate, list "No". NOTE: • An applicant who describes themselves as a Potential Producer, who was denied an FSA loan and was able to receive a commercial bank loan, is actually considered a Farmer. This will make them eligible for increased interest rate losses. *Auto-populating feature:* This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• Increased interest cost is for applicants who were forced to take a loan from a commercial bank at a higher interest rate after being denied a loan through the FSA because of discrimination.

Other Losses – Increased Interest	DFAP Application Steps to Review:
Question g2. What is the bank interest rate paid? (when unable to obtain USDA loan) *Enter percent in whole number (i.e., 5.25 for 5.25%) OTHER LOSSES - Increased Interest g2. What is the bank interest rate paid? (when unable to obtain USDA loan) *Enter percent in whole number (i.e. 5.25 for 5.25%) **This question applies to:** ☒ Farmers ☐ Potential Producers	• There is no question in the application Step 4 to identify the interest paid. • Read through Step 4 in its entirety to determine if the applicant listed the interest rate in any of the fields, since Step 4 contains information on the loan(s). • In addition, read through Step 6 in its entirety to determine if the applicant describes lost interest. • Review all supporting documentation to see if there are any documents that list the bank interest rate. **Answer:** Reviewer Input = • If the application narrative or supporting documentation lists the interest rate associated with the commercial bank loan, list that value in the answer field. List the amount in real numbers, that is, with a decimal point (e.g., a 7.5% interest rate would be input as "7.5" or a 6% interest rate would be input as "6.0"). NOTE: • If a variable interest rate is provided for a loan, use the highest rate listed. *Auto-populating feature:* • If the applicant is a Farmer/Rancher and the answer to Question g1 (Was there an increase in interest rate?) is "No",

	this question will auto-populate to "N/A". Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:

- Review "Guaranteed Loan Data" Report.
  - Fields to Review: Interest Rate.
  - The interest rate listed here may be used to determine whether an applicant paid a higher interest rate with a commercial bank rather than a Direct loan (assuming that there is no information that the applicant was ineligible for the loan or requested loan action).

Notes:

- The interest rate is associated with the interest rate for a **bank** loan. This is not an interest rate for the USDA loan.

Rules:

- If the application states conflicting bank loan interest rates, select the smaller of the two interest rates.

Other Losses – Increased Interest	**DFAP Application Steps to Review:**
Question g3. What is the interest rate they could have received under USDA? *Enter percent in whole number (i.e., 5.25 for 5.25%)	- N/A
	Answer:
OTHER LOSSES - Increased Interest g3. What is the interest rate they could have received under USDA? *Enter percent in whole number (i.e. 5.25 for 5.25%)	Reviewer Input =
	- After reviewing the Consolidated Yearly Interest Rate Report (1989-2023), input the interest rate that corresponds to the Month/Year and Loan Type the applicant got from the bank.
This question applies to:	*Auto-populating feature:*
☒ Farmers	- If the applicant is a Farmer/Rancher and the answer to Question g1. (Was there an increase in interest rate?) is "No", this question will auto-populate to "N/A".
☐ Potential Producers	Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

Other Data to Review:
• Review the Consolidated Yearly Interest Rate Report (1989-2023).
o Select the Month/Year and Loan Type that correspond with the date they applied for the bank loan.

Notes:
• N/A

Rules:
• N/A

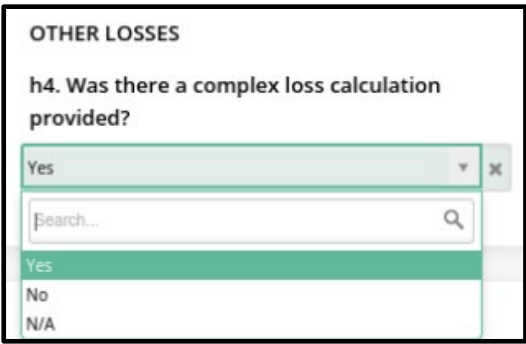| Other Losses: Increased Interest	DFAP Application Steps to Review:

Question g4. What is the length of loan in years?
 	
OTHER LOSSES - Increased Interest
Question
g4. What is the length of loan in years?
 	
This question applies to:
 	
☒ Farmers
 	
☐ Potential Producers
	• Read through Step 4 and Step 6 in its entirety to identify if the applicant listed the length of the bank loan.
	• Review supporting documents to determine if any documents identity the full length of the loan.
	
	Answer:
	
	Reviewer Input =
	
	• If the application narrative or supporting documentation identifies the **length of the commercial bank loan, input that value in the answer field**.
	• If not, default to the following:
	    o Farm Ownership Loan: 30 years.
	    o Farm Operating Loan: 1 year.
	• NOTE: If the application does not identify what type of loan it is, or what the loan is for, the Reviewer should assume it is an Operating Loan.
	
	Auto-populating feature:
	
	• If the applicant is a Farmer/Rancher and the answer to Question g1 (Was there an increase in interest rate?) is "No", this question will auto-populate to "N"A".
	
	Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• N/A

Other Losses – Increased Interest	DFAP Application Steps to Review:
Question g5. What is the amount of the commercial loan?	• Review Step 4, Step 5, and the supporting documentation in its entirety to determine if the applicant identifies the value of the commercial (that is, non-USDA farm lending) loan they received.
OTHER LOSSES - Increased Interest g5. What is the amount of the commercial loan?	• Note: This question does not apply to most applications, only for the applicants who received a commercial bank loan when they couldn't get a loan through USDA.
This question applies to:	**Answer:**
☒ Farmers	Reviewer Input =
☐ Potential Producers	• Input the amount of the commercial loan.
	Auto-populating feature:
	• If the applicant is a Farmer/Rancher and the answer to Question g1 (Was there an increase in interest rate?) is "No", this question will auto=populate to "N/A".
	Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:	
• N/A	
Notes:	
• N/A	
Rules:	
• N/A	

Other Losses – Increased Interest	**DFAP Application Steps to Review:**
Question g6. Calculation of increased interest from commercial bank loan / unable to obtain FSA loan.	*Auto-populating feature:*
	• If the applicant is a Farmer/Rancher and the answer to Question g1 (Was there an increase in interest rate?) is "No", this question will "grey out" so the Reviewer cannot provide an answer. Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).
OTHER LOSSES - Increased Interest	
Question	
g6. Calculation of increased interest from commercial bank loan / unable to obtain FSA loan	
0.000000	
.00	
Score ?	
0	
Other Losses	**DFAP Application Steps to Review:**
Question h1. Were there any other losses?	• Step 6(5): Did you have other economic loss, not already listed, because of the discrimination?
Question h2. Describe any other losses.	o (a) When did the loss occur?
Question h3. What is the amount of the other losses?	o (b) Describe the loss.
	o (c) Describe the circumstances of the loss.
OTHER LOSSES	o (d) what was the estimated value of the loss.
Question	• Step 6(6): Explain how the losses you experienced were the result of the discrimination you described in STEP 5.
h1. Were there any other losses?	• Step 8(6): Supplemental information for Step 6.
Search...	**Answer:**
Yes	**Question h1. Were there any other losses?**
No	

OTHER LOSSES

h2. Describe any other losses

OTHER LOSSES

h3. What is the amount of the Other Losses?

Score ❓

This question applies to:

☒ Farmers

☐ Potential Producers

Yes =

- If there is any indication in the application narrative or supporting documents that any other loss occurred, in addition to the other losses already captured in Step 6, answer "Yes".

No =

- If no other losses are listed in addition to the other losses already captured in Step 6, or elsewhere in the application or supporting documents, list "No".

Auto-populating feature:

- This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

Question h2. Describe any other losses.

Reviewer Input =

- If the application narrative or supporting documentation includes detail on any "other losses" not already included in the prior losses questions, provide a brief description of the loss in the answer field.

Auto-populating feature:

- If the applicant is a Farmer/Rancher and the answer to Question h1 (Were there any other losses?) is "no", this question will auto-populate to "N/A".
- Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

Question h3. What is the amount of the Other Losses?

Reviewer Input =

- If the application narrative includes details about the amount/value of the

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	other losses, and that amount is realistic, list the amount in the answer field.
	Auto-populating feature:
	• If the applicant is a Farmer/Rancher and the answer to Question h1 (Were there any other losses?) is "No", this question will auto-populate to "N/A".
	Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• There is no FSA data to demonstrate other losses, so rely on the applicant's statement and other supporting documentation to answer this question. • Other losses will capture any losses which do not fit into one of the prior categories. Applications with other losses that include complex loss calculations must be escalated to a Team Lead for discussion with an Agricultural Expert.

Other Losses	**DFAP Application Steps to Review:**
OTHER LOSSES h4. Was there a complex loss calculation provided? Yes ▾ ✕ Search... 🔍 Yes No N/A	• Review all of Step 6 in its entirety to identify any loss calculations provided. • Step 8(6): Supplemental information for Step 6. • Review all supporting documentation to verify if there are any calculated losses provided in addition to what is included in the application. This can include, for example, a list of purchased equipment. o If there **is** lost owned land, <u>do not</u> include lost equipment in the losses. Lost land calculation takes equipment losses into consideration.

OTHER LOSSES

h5. What is the value of the complex losses the Agricultural Expert deemed reasonable?

This question applies to:

☒ Farmers

☐ Potential Producers

- o If there is <u>no</u> owned land lost, **include** lost equipment in the calculation.
- Calculating complex loss occurs in two steps:
  - o (1) review the automated calculations in the steps above that result from inputting the applicant's losses into AART;
    - ▪ If a loss is shown as only a dollar amount or number of livestock lost or equipment lost and no supporting documentation is provided. Use what AART calculates for the loss.
  - o (2) If a loss is shown and provides support and it is within 30% of what AART calculates, we should use the higher value. This needs to be by loss type, land loss, profit loss, etc.
  - o (3) If a loss is shown and includes support and it is not within 30 % of what AART calculates, it must be elevated to the Agricultural Expert.
  - o The Agricultural Expert will review the loss calculation, determine whether it is reasonable, and provide a revised loss calculation.
  - o Take care not to include the same losses in the steps above *in addition to* Other Losses Question h3 (What is the amount of the Other Losses?).

Question h4. Was there a complex loss calculation provided?

Yes =

- The applicant provided detailed calculations in the application or in the supporting documentation; or a complex calculation was provided by the applicant's CPA, attorney or other supportive person;
  AND
- The application was escalated to (and reviewed by) an Agricultural Expert who provided an opinion on the reasonableness of the complex loss calculation. Answer "Yes".
- NOTE: Applications should only be escalated to an Agricultural Expert when the AART-

	generated calculation is > 30% of the value asserted by the applicant.
	No =
	• No calculation was provided on the loss(es), either in the application or in the supporting documentation; **OR**
	• A dollar value was provided with minimal or no detail on how the applicant developed the calculation.
	○ For example: Applicant states that they lost $12M because they were denied a loan.
	N/A =
	○ Applicant is a Potential Producer.
	Auto-populating feature:
	• This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).
	Question h5. What is the value of the complex losses the Agricultural Expert deemed reasonable?
	Reviewer Input =
	• List the total value of complex losses determined by the Agricultural Expert opinion and rationale for any differences in the loss calculation. For Example:
	○ The Agricultural Expert reviewed the complex loss calculation in totality for all losses, and determined the total value of complex losses to be $500,000.
	NOTE: Individual loss calculations provided by the Agricultural Expert will be identified in the next step below.
	Auto-populating feature:
	This question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

FSA Data to Review:	
• N/A	
Notes:	
• Check supporting documents to determine if a calculation was provided within the submitted documents. • Escalate instances of applications with complex loss calculations that are not within 30% of what AART calculates to the Team Lead, so the application can be reviewed by an Agricultural Expert.	
Rules:	
• If an applicant provides land lost calculations for more than two (2) counties, that will be considered a complex calculation.	

Farmer Minimum	**DFAP Application Steps to Review:**
Question h6. Farmer minimum of 1 point for losses	*Auto-populating feature:*
FARMER MINIMUM h6. Farmer minimum of 1 point for losses No Bonus Point Issued Score ❓ 0	• This answer will be **auto-populated** in AART if the applicant is a farmer/rancher. • Alternatively, this question will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?). NOTE: • If there are ZERO points scored in the Losses section of the application for applicants determined to be Farmers/Ranchers, AART will automatically assign one (1) point to this section. If there ARE points scored in the Losses section of the application, AART will automatically assign zero (0) minimum points.
Complex Losses / Agricultural Expert Calculations	**DFAP Application Steps to Review:**
Question i1. Owned Land Lost? **Question i2. How much in Owned Land Lost?** **Question i3. Lost Appreciation?** **Question i4. How much in Lost Appreciation?** **Question i5. Lost Profits?**	• **N/A** NOTE: The Team Lead will escalate all instances of complex losses to the Agricultural Expert to review. Identify each category of loss included in the complex calculation, and the amount the Agricultural Expert determined is reasonable.

Question i6. How much in Lost Profits?

Question i7. Increased Interest?

Question i8. How much in Increased Interest?

Question i9. Lost Yield?

Question i10. How much in Lost Yield?

Question i11. Garnishments?

Question i12. How much in Garnishments?

Question i13. Tax Liens?

Question i14. How much in Tax Liens?

Question i15. Other judgments?

Question i16. How much in Other judgments?

Question i17. Other Losses?

Question i18. How much in Other Losses?

COMPLEX LOSSES

i1. Owned Land Lost?

Search...

Yes

No

COMPLEX LOSSES

i2. How much in Owned Land Lost?

Score ❓

COMPLEX LOSSES

i3. Lost Appreciation?

Search...

Yes

No

Questions i1, i3, i5, i7, i9, i11, i13, i15, and i17.

Answer:

Yes =

- The type of loss was included by the applicant in the complex loss calculation provided.

No =

- The type of loss was <u>not</u> included by the applicant in the complex loss calculation.

Questions i2, i4, i6, i8, i10, i12, i14, i16, and i18.

Reviewer Input =

- List the amount the Agricultural Expert determined to be reasonable for each type of loss.

Auto-populating feature:

Each of these questions will auto-populate to "N/A – No Farming Operation" if the applicant is validated as a Potential Producer in Step 3 Discrimination, Question a1 (Did the applicant have a farming operation?).

COMPLEX LOSSES

i4. How much in Lost Appreciation?

Score ❓

COMPLEX LOSSES

i5. Lost Profits?

▾

Search... 🔍

Yes
No

COMPLEX LOSSES

i6. How much in Lost Profits?

Score ❓

COMPLEX LOSSES

i7. Increased Interest?

▾

Search... 🔍

Yes
No

COMPLEX LOSSES

i8. How much in Increased Interest?

Score ❓

COMPLEX LOSSES

i9. Lost Yield?

▼

Search...	🔍

Yes
No

COMPLEX LOSSES

i10. How much in Lost Yield?

Score ❓

COMPLEX LOSSES

i11. Garnishments?

▼

Search...	🔍

Yes
No

COMPLEX LOSSES

i12. How much in Garnishments?

Score ❓

COMPLEX LOSSES

i13. Tax Liens?

▼

Search...	🔍

Yes
No

COMPLEX LOSSES

i14. How much in Tax Liens?

Score ?

COMPLEX LOSSES

i15. Other Judgements?

Search...

Yes

No

COMPLEX LOSSES

i16. How much in Other Judgements?

Score ?

COMPLEX LOSSES

i17. Other Losses?

Excluded

COMPLEX LOSSES

i18. How much in Other Losses?

Score ?

This question applies to:

☒ Farmers

☐ Potential Producers

FSA Data to Review:

- N/A

Notes:
• N/A
Rules:
• N/A

Verify Prior Complaints

Review the following application steps to determine:

• If the applicant participated in one of the prior class or group actions (Pigford v. Glickman (Pigford I), Black Farmers Discrimination Litigation (Pigford II), Native American Farmers (Keepseagle), or Hispanic and Women Farmers (Garcia-Love)) and received an award.

• If the applicant participated in any other cases or administrative actions against the USDA or other federal agency, and to document case information and award amounts.

Note:

• Questions b1, b2, b3 and b4 are being grouped together because they are the same type of question and easy to answer at once.

• If an applicant received an award in a prior class or group action and the discrimination they describe in the application occurred in the years covered by that group or class action, their instance of discrimination will automatically be validated.

• Potential Producers *did* participate in prior cases. Reviewers can use settlements to validate discrimination.

For Step 7 (Prior Complaints), the Reviewer should read the application in its entirety, including all supporting documents and FSA data, to determine understand what the applicant is stating in the application. Note that applicants will include details in other sections of the application, so read the entire application thoroughly.

NOTE: If there are <u>no</u> prior complaints of discrimination, the remaining questions will be greyed out, preventing the Reviewer from having to answer any additional questions in this section.

DFAP Application Step 7 (Prior Complaints)	
Prior Complaint **Question a1. Any prior complaints of discrimination?** PRIOR COMPLAINT a1. Any prior complaints of discrimination? [dropdown] Search... 🔍 Yes Yes – Government Confirmed No **This question applies to:**	**DFAP Application Steps to Review:** • N/A **Answer:** Yes – Government Confirmed = • *Auto-populating feature:* This will **auto-populate** if there is any Award data for the applicant. Yes = • There is no Award data, however, the applicant provides documentation that clearly demonstrates the applicant received an award.

☒ Farmers ☒ Potential Producers	No = • If the application does not identify any participation in prior complaints, cases, or claims of discrimination. Escalate to a Team Lead if: There is no Award data information for the applicant for a prior complaint, case, or claim, but they assert in their application that they received an award previously.

FSA Data to Review: • Review Award data: "FSA Consolidated Awards"
Notes: • N/A
Rules: • N/A

Prior Complaint
 	
Question b1. Participated in prior case: Pigford I?
 	
Question b2. Participated in prior case: Black Farmers Discrimination Litigation (Pigford II)?
 	
Question b3. Participated in prior case: Native American Farmers (Keepseagle)?
 	
Question b4. Participated in prior case: Hispanic and Women Farmers (Garcia-Love)?
 	
Question b5. Was the applicant successful in their participation in prior cases (and received a monetary award or financial relief)?
 	
PRIOR COMPLAINT
 	
b1. Participated in prior case: Pigford I?
 	
Search...
 	
Yes
Yes – Government Confirmed
No
	DFAP Application Steps to Review:
	
	• Step 7(1): Did you file a claim in any of the following USDA prior group and class actions?
	  ○ Pigford v. Glickman (Pigford I)
	  ○ Black Farmers Discrimination Litigation (Pigford II)
	  ○ Native American Farmers (Keepseagle)
	  ○ Hispanic and Women Farmers (Garcia-Love)
	• Step 7(1)(a): Did you receive a monetary award from any of the above USDA claims resolution programs? If yes, how much?
	• Step 7(1)(b): As a result of any of the above USDA claims resolution programs, did you receive any relief of any USDA farm loan debts held prior to January 1, 2021?
	• Step 8(7): Supplemental information for Step 7.
	
	Answer:
	
	Questions b1, b2, b3, and b4: Participation in prior case.
	
	Yes – Government Confirmed =

PRIOR COMPLAINT

b2. Participated in prior case: Black Farmers Discrimination Litigation (Pigford II)

Search...

Yes
Yes – Government Confirmed
No

PRIOR COMPLAINT

b3. Participated in prior case: Native American Farmers (Keepseagle)?

Search...

Yes
Yes – Government Confirmed
No

PRIOR COMPLAINT

b4. Participated in prior case: Hispanic and Women Farmers (Garcia-Love)?

Search...

Yes
Yes – Government Confirmed
No

PRIOR COMPLAINT

b5. Was the applicant successful in their participation in prior cases (and received a monetary award or financial relief)?

Search...

Yes
No

This question applies to:

☒ Farmers

☒ Potential Producers

- *Auto-populating feature:* This will **auto-populate** if there is any Award data for the applicant.

Yes =

- The application identified that the applicant Participated in Pigford v. Glickman (Pigford I), Black Farmers Discrimination Litigation (Pigford II), Native American Farmers (Keepseagle), or Hispanic and Women Farmers (Garcia-Love) (answer separately); **OR**
- There is supporting documentation confirming the applicant participated in a prior case (This might include a retainer agreement for one of the prior cases, or an official letter documenting that the Participant was part of the prior case); **OR**
- The Award data confirms the applicant participated in the prior case, answer "Yes".
- If the applicant identified that they participated in a prior case and received an award, but the Award data does not contain any information, escalate to a Team Lead to verify with USDA if the applicant ever participated in a prior case.
  - If USDA indicates that the applicant did receive an award, answer "Yes".

No =

- The application narrative does not identify that the applicant participated in Pigford v. Glickman (Pigford I), Black Farmers Discrimination Litigation (Pigford II), Native American Farmers (Keepseagle), or Hispanic and Women Farmers (Garcia-Love); **AND**
- There is no supporting documentation provided that suggests participation; **AND**
- There is no Award data documenting an amount awarded to the applicant for a prior case.

Auto-populating feature:

	• This question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".
	Question b5. Was the applicant successful in their participation in prior cases (and received a monetary award or financial relief)?
	Yes =
	• The applicant identified in Step 7(1)(a) or Step 7(1)(b) that they received a monetary award or loan forgiveness; **OR**
	• The FSA Award data shows that the applicant received a monetary award or loan forgiveness assertion, answer "Yes".
	o If there is no FSA Award data, escalate to a Team Lead to confirm if the applicant ever received an award or loan forgiveness.
	No =
	• The applicant answered "No" to participating in any of the prior cases **and** there is no FSA Award data; **OR**
	• The applicant answered "Yes" to participating in any of the prior cases and asserted they received an award (with no corresponding FSA data), but after escalating the application to USDA, it was confirmed the applicant never received an award or loan forgiveness.
	• NOTE: There is no need to escalate instances where an applicant answered "Yes" to participating in prior cases but they <u>do not</u> claim to have received an award.
	Auto-populating feature:
	This question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".

FSA Data to Review:
• Review Award data: "FSA Consolidated Awards".
Notes:
• N/A

Rules:

- If the application identified participation in a prior case and asserts that they received an award, but the Award data does not contain any information, escalate to a Team Lead to verify with USDA if the applicant ever received an award in a prior case.

Prior Complaint	DFAP Application Steps to Review:
Question b6. Amount of prior award?	• Step 7(1)(a): Did you receive a monetary award from any of the above USDA claims resolution programs? If yes, how much?
PRIOR COMPLAINT b6. Amount of prior award 0.00000 .00	• Step 7(6): Did you receive a monetary award from the lawsuit, claim, complaint, or appeal? • Step 8(7): Supplemental information for Step 7.
This question applies to:	**Answer:**
☒ Farmers	Reviewer Input =

☒ Potential Producers	• Review the amount of the prior award listed in the application and compare that to the Award data.
	  o Award data listed will be used if there is a discrepancy with what is listed in the application.
	  o NOTE: This is a numerical field. If there is no prior award, list "0".

	Auto-populating feature:
	This question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".

FSA Data to Review:
• Review Award data: FSA Consolidated Awards
Notes:
N/A
Rules:
• If there is a discrepancy between the application and the Award data, the Award data will prevail. • However, if the application states that the applicant received an award for one or more of the prior class and group actions, and there is **no** Award data available for the applicant, escalate the application to a Team Lead, who will confirm with USDA that the applicant did or did not receive an award. • If applicant has received an award from a group or class action (e.g., Pigford I) but you cannot validate their instance of discrimination and the years of their alleged discrimination in the

narrative do not match up with the years of the group or class action, delete the auto-populated value and enter "0" so that you may mark the application as "Not Validated" and submit.

Prior Complaint	DFAP Application Steps to Review:
Question c1. Other complaint to USDA? (e.g., lawsuit, administrative claim, complaint, appeal made to USDA Office of the Assistant Secretary for Civil Rights, or USDA Office of Administrative Law Judge) PRIOR COMPLAINT c1. Other complaint to USDA? (e.g., lawsuit, administrative claim, complaint, appeal made to USDA Office of the Assistant Secretary for Civil Rights, or USDA Office of Administrative Law Judge) Search... Yes No **This question applies to:** ☒ Farmers ☒ Potential Producers	• Step 7(2): Have you previously received money or other relief as a party to any other lawsuit, administrative claim, or appeal against USDA, in which discrimination in USDA farm loan programs was alleged, prior to January 1, 2021? • Step 8(7): Supplemental information for Step 7. **Answer:** Yes = • The application narrative and/or supporting documentation identifies additional information documenting the applicant filed an "other complaint" against USDA. **Escalate to a Team Lead.** The Team Lead will need to follow up with USDA to determine if the other complaint is valid. No = • No additional information provided in the narrative or supporting documentation to demonstrate the applicant submitted an additional complaint to USDA. *Auto-populating feature:* This question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".

FSA Data to Review:
• Review Award data: FSA Consolidated Awards
Notes:
• This question is included for scoring and eligibility. It helps bolster their overall story for eligibility purposes.
Rules:
• The additional complaint should be considered ONLY if the applicant did not receive an award from Pigford v. Glickman (Pigford I), Black Farmers Discrimination Litigation (Pigford II), Native

American Farmers (Keepseagle), or Hispanic and Women Farmers (Garcia-Love) cases, *and* the complaint is related to the case he/she participated in.
- The additional complaint has to be related to USDA discrimination in farm lending.

Prior Complaint	DFAP Application Steps to Review:
Question c2. Description of Other Complaint. PRIOR COMPLAINT Question c2. Description of Other Complaint **This question applies to:** ☒ Farmers ☒ Potential Producers	- Step 7(3): What type of action did you participate in? o An action can be a lawsuit, administrative claim, complaint, appeal to USDA, or to another office. - Step 8(7): Supplemental information for Step 7. **Answer:** Reviewer Input = - The application narrative or supporting documentation identifies that the applicant was involved in an additional complaint(s) against the USDA; **AND** - USDA confirms the existence of the complaint, describe the nature of the complaint in the answer field. *Auto-populating feature:* - This question will auto-populate to "N/A" if the answer to c1 (Other complaint to USDA? (e.g., lawsuit, administrative claim, complaint, appeal made to USDA Office of the Assistant Secretary for Civil Rights, or USDA Office of Administrative Law Judge) is "No". Alternatively, this question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".

FSA Data to Review: - Review Award data: FSA Consolidated Awards
Notes: - N/A
Rules: - The additional complaint should be considered only if the applicant did not receive an award in Pigford v. Glickman (Pigford I), Black Farmers Discrimination Litigation (Pigford II), Native American

Farmers (Keepseagle), or Hispanic and Women Farmers (Garcia-Love) cases, AND the complaint is related to the case he/she participated in.
• The additional complaint has to be related to USDA discrimination in farm lending.

Prior Complaint	DFAP Application Steps to Review:
Question c3. List the amount of recovery.	• Step 7(6): Did you receive a monetary award from the lawsuit, claim, complaint, or appeal? If yes, how much?
PRIOR COMPLAINT Question c3. List the amount of recovery	• Step 8(7): Supplemental information for Step 7.
	Answer:
	Reviewer Input =
This question applies to:	• The application narrative or supporting documentation identifies that the applicant was involved (and successful) in an additional complaint(s) against the USDA **and** identifies there was a <u>recovery amount</u>, insert the recovery amount in the answer field.
⊠ Farmers	
⊠ Potential Producers	• If the applicant was not successful in the additional complaint against USDA, or the application narrative does not list a recovery amount, list "Unknown" or "N/A" in the answer field.
	Auto-populating feature:
	• This question will auto-populate to "N/A" if the answer to c1 (Other complaint to USDA? (e.g., lawsuit, administrative claim, complaint, appeal made to USDA Office of the Assistant Secretary for Civil Rights, or USDA Office of Administrative Law Judge) is "No".
	Alternatively, this question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".

FSA Data to Review:
• Review Award data: FSA Consolidated Awards
Notes:
• N/A
Rules:
• N/A

Prior Complaint	DFAP Application Steps to Review:
Question d1. Other complaint to a different federal department? (e.g., lawsuit, administrative claim, complaint, or appeal) PRIOR COMPLAINT d1. Other complaint to a different federal department? (e.g., lawsuit, administrative claim, complaint, or appeal) Search... Yes No **This question applies to:** ☒ Farmers ☒ Potential Producers	• Step 7(3): What type of action did you participate in? If "other," please specify. • Step 7(4): Please provide information about the lawsuit, claim, complaint, or appeal. • Step 7(8): Was the lawsuit, claim, complaint, or appeal based on the same conduct described in this application? • Step 8(7): Supplemental information for Step 7. **Answer:** Yes = • The application narrative or supporting documentation identifies the applicant filed an "other complaint" against a different federal department. No = • No additional information provided in the narrative or supporting documentation to demonstrate the applicant submitted an additional complaint against another federal department. *Auto-populating feature:* • This question will auto-populate to "N/A" if the answer to question d1 (Other complaint to a different federal department? (e.g., lawsuit, administrative claim, complaint, or appeal)) is "No". Alternatively, tis question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".

FSA Data to Review: • N/A
Notes: • N/A
Rules: • The additional complaint has to be related to USDA discrimination in farm lending.

Prior Complaint	DFAP Application Steps to Review:
Question d2. List the federal department(s).	• Step 7(4): Please provide information about the lawsuit, claim, complaint, or appeal. ○ Court or Administrative/Tribunal Office. • Step 8(7): Supplemental information for Step 7.
PRIOR COMPLAINT Question d2. List the federal department(s)	**Answer:** Reviewer Input = • The application narrative or supporting documentation identifies another federal department(s) was involved. List the names of each federal department identified.
This question applies to: ☒ Farmers ☒ Potential Producers	*Auto-populating feature:* • This question will auto-populate to "N/A" if the answer to question d1 (Other complaint to a different federal department? (e.g., lawsuit, administrative claim, complaint, or appeal)) is "No". This question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".

FSA Data to Review:
• N/A

Notes:
• N/A

Rules:
• The additional complaint has to be related to USDA discrimination in farm lending.

Prior Complaint	DFAP Application Steps to Review:
Question d3. List the amount of recovery.	• Step 7(6): Did you receive a monetary award from the lawsuit, claim, complaint, or appeal? • Step 8(7): Supplemental information for Step 7.
PRIOR COMPLAINT Question d3. List the amount of recovery	**Answer:** Reviewer Input =
This question applies to:	• If the applicant was successful in the other complaint, and the application narrative or

☒ Farmers ☒ Potential Producers	supporting documentation identifies an amount recovery from a lawsuit, claim, complaint, or appeal involving another federal department(s), list the amount of the recovery in the answer field. *Auto-populating feature:* This question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".

FSA Data to Review: • N/A
Notes: • N/A
Rules: • The additional complaint has to be related to USDA discrimination in farm lending.

Prior Complaint
 	
Question e1. List the prior court/docket number for the lawsuit, claim, complaint, or appeal.
 	
PRIOR COMPLAINT
 	
e1. List the court/docket number for the lawsuit, claim, complaint, or appeal
 	
This question applies to:
 	
☒ Farmers
 	
☒ Potential Producers
	DFAP Application Steps to Review:
	
	• Step 7(4) Please provide information about the lawsuit, claim, complaint, or appeal.
	  ○ Complaint number or proceeding number.
	• Step 8(7): Supplemental information for Step 7.
	
	Answer:
	
	• A court/docket number was provided in the application and/or supporting documentation;
	  AND
	• After escalating the application to a Team Lead to submit the court case information to USDA, if USDA verifies the information and Award data is correct, list the court/docket number in the answer field.
	• If USDA cannot verify there was a prior court case, answer the question "Not verified".
	
	Auto-populating feature:
	This question will auto-populate to "N/A" if the answer to question a1 (Any prior complaints of discrimination?) is "No".

FSA Data to Review:
• N/A
Notes:
• N/A
Rules:
• N/A

Part IV: Escalate an Application

Part IV: Escalate an Application

The following section is designed to guide Blue and Green Validation Team Reviewers through the process to escalate an application that requires additional assistance in completing the review.

Reviewers are encouraged to escalate an application if:

• There are questions about the application or supporting documentation the Reviewer is uncertain how to handle.
• There are inconsistencies in the application and supporting documentation.
• There are complex loss calculations provided by the applicant.
• There are questions that require the attention of an Agricultural Expert.
• QC Review of an application was returned to the Reviewer to resolve issues in the scoring of the application, and they need further guidance.

Escalating an application is an important step in helping to ensure that applications are fairly and consistently reviewed by Blue and Green Team Reviewers, as well as providing guidance for similar future cases.

NOTE: For any applications that require additional escalation to FSA or the Agricultural Experts, care ***must*** be taken to preserve applicant confidentiality in all cases.

Escalate Application to Team Lead

Role: Blue or Green Validation Team Reviewer
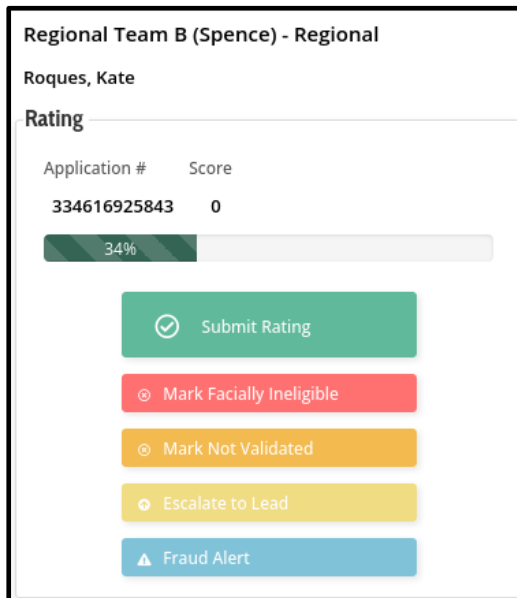
Step 1: Flagging Applications for Escalation

- Select the yellow "Escalate to Lead" button in the rating panel.

After accessing an individual application, the Reviewer will be taken to the application review interface. Navigate to the rating panel on the left side of the screen where there will be multiple-colored boxes:

- Submit Rating (Green)
- Mark Facially Ineligible (Red)
- Mark Not Validated (Orange)
- **Escalate to Lead (Yellow)**
- Fraud Alert (Blue)

Select the Yellow button in the ratings panel labeled "Escalate to Lead."
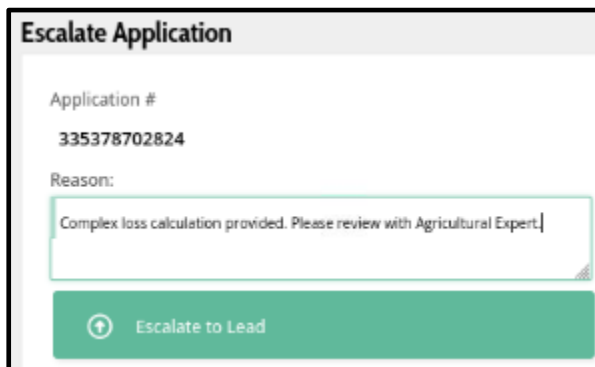
Step 2: Provide Reasoning for Escalation

- Enter Escalation reasoning in pop up textbox.
- Provide any additional or relevant notes on the application using the notes feature.
- The following is a list of reasons to escalate an application to a Team Lead:
  - Application mentions some other USDA loan type (e.g., down payment loan).
  - Application references loan servicing options.
  - Reviewer is uncertain if the farm has an eligible farm purpose.
  - Application is in Spanish.
  - Application details are so inconsistent or incoherent that no reasonable person would conclude that discrimination occurred.
  - Application narrative is greater than 2x the FSA data.

Step 2: Provide Reasoning for Escalation
- Application demonstrates Yield Loss in Step 6 or supporting documents.   - Applicant demonstrates a complex calculation or loss corroboration in Step 6 OR supporting documents and the loss value AART calculates is not within 30% of what the applicant has stated and shown in their complex calculation or supporting documents.   - Application states in Step 7 that the applicant received monetary compensation from Pigford I, Black Farmers Discrimination Litigation (Pigford II), Native American Farmers (Keepseagle), or Hispanic and Women Farmers (Garcia-Love) but there is no Award data.   - Application includes a garnishment, tax lien, or judgment.   - Application identifies additional information documenting the applicant filed an "other complaint" against the USDA.   - Application receives a score above 500 points.
The "Escalate Application" pop up interface will appear. Provide reasoning for escalation then press the button labeled "Escalate to Lead." The application is successfully escalated to Team Lead. **Escalate Application** Application # 335378702824 Reason: Complex loss calculation provided. Please review with Agricultural Expert. ⊕ Escalate to Lead Note: - N/A   Common reasons for Team Lead escalation: - Inconsistency in application and supporting documentation.   - Complex loss calculations provided by applicant.   - The Reviewer is otherwise uncertain on how to handle or score an application.

Escalate Application to Agricultural Expert

Role: Team Leads

Step 1: Review Escalated Application Queue
- Access AART Team Lead Dashboard   - Select application from Escalated Application queue
Log into AART Team Lead Dashboard. Locate the "Escalated Applications" panel on the main page of the Team Lead dashboard. A list of escalated applications will populate containing Reviewer name, escalation reason, and days in queue.

Step 1: Review Escalated Application Queue

Select the application number in order to access the application review interface.

Step 2: Conduct Complete Application Review

- Team Lead will complete review in accordance with Part III: Conduct an Application Review.
- Team Lead will resolve the issue and de-escalate the application; OR
- Team Lead will elevate the issue to an Agricultural Expert.

Access the escalated application and complete review in accordance with Part III: Conduct an Application Review. Team Lead Rating Panel will have the option to De-Escalate the application to the Reviewer if the issue is successfully resolved, which would require the Reviewer to update the application.

Step 3: Escalation to Agricultural Expert

- Team Lead will schedule a meeting with an Agricultural Expert to resolve an identified issue within an application.
- Document the escalation and resolution in the Validation Issue Tracker / Escalation Log.

Step 3: Escalation to Agricultural Expert
• Add notes into the application in AART to document resolution of the feedback from the Agricultural Expert.

AART has no functionality for Team Leads to escalate applications to an Agricultural Expert. The Team Lead will schedule a meeting with Agricultural Expert to discuss the escalated issue.

To maintain a log of escalated issues, the Team Lead will document the following fields in the Validation Issue Tracker/ Escalation Log:

- **Application ID** – ID Number of escalated application for future reference
- **Issue Description** – Describe issue causing escalated application.
- **Further Escalation** – Agricultural Expert application issue is escalated to.
- **Status** – Active or Inactive
- **Resolution** – Consensus resolution, to be used as precedent/guidance in future cases.

Validation Issue Tracker - Farmer Applications

Issue No	Application ID	Status	Issue Type	Farmer or Non Farmer	Describe Issue	Date Raised	Raised By	Escalated To	Further Escalation	Resolution	Note
1		Active	Other		Supporting docs do not match	11/13/2023					
2		Resolved	AART Development	N/A	Cannot log into the system	11/13/2023				AART fixed system issue	If this happens again, contact Isaac
											review/validation process and address missing doc
											On 11/21 Regional Leads decided that we will not
3		Active	Validation Process Flow		How to handle "incomplete" applications that should have been flagged for curing	11/20/2023					encounter an incomplete application, they should f the application.

NOTE:

- Resolutions from Agricultural Expert meetings will be used as guidance for future cases and will be shared across the Blue and Green teams with generalized details, so both teams will learn from the guidance.

Escalate an Application Returned by QC Review to Team Lead for Assistance

Role: Blue or Green Validation Team Reviewer

An application reviewed by a QC Reviewer that is determined to have issues that require resolution, the QC Reviewer will return the application to the Reviewer to resolve the identified issues. After receiving a returned application, the Reviewer will review the QC comments. If the Reviewer is unable to resolve the issues on their own, they can escalate the returned application to their Team Lead for further assistance.

Step 1. Escalate to Team Lead
Navigate to the "Reconciliation Applications" tab located at the top. The Reconciliation Applications section will identify any applications that have been returned by QC Reviewers and the reason the application was returned. To address this, select the "View Application" button in green for each application in this section.
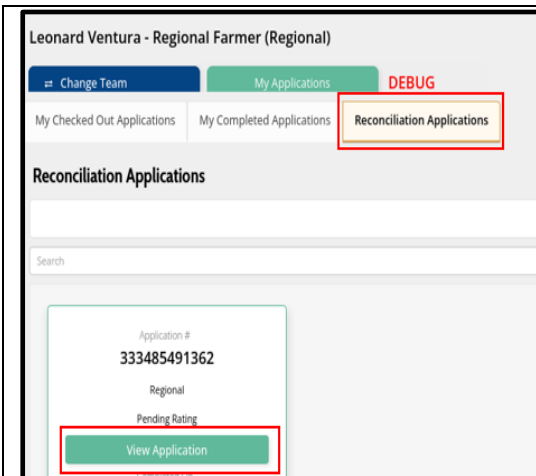
Navigate to the flagged question and re-read any materials required to come to a new conclusion (or provide evidence as to why the Reviewer believes his/her original answer was correct). Include a note in the application to identify that correction(s) have been made.

After reviewing the reason for return and related notes from QC, if the Reviewer needs additional assistance, he/she can escalate the application to the Team Lead for further assistance.

In the application, select the "Escalate to Lead" button.
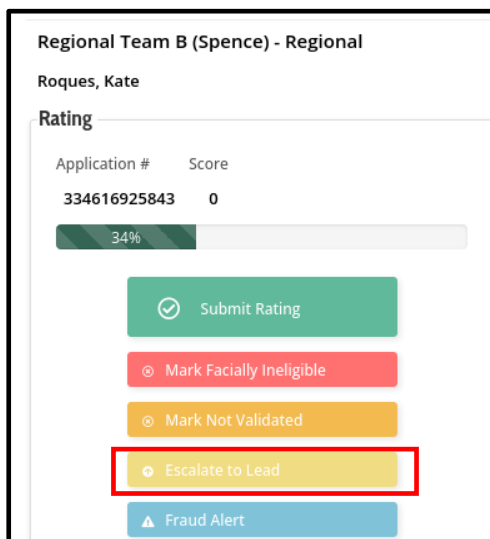
Enter the reason for escalation and select the "Escalate to Lead" button to submit.
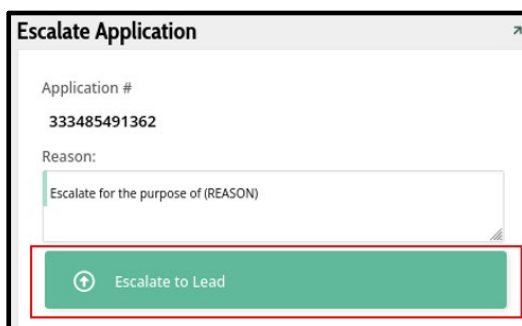
Once the Team Lead has assisted the Reviewer, and the Reviewer has completed all updates to the Application, the Reviewer will select "Submit Rating" to resubmit the application back to QC to finalize the QC Review.

Part V: Submit an Application

The following section is designed to guide Blue and Green Validation Team Reviewers through the process to submit a completed application.

If an application is deemed to be Facially Ineligible, the Blue or Green Validation Team Reviewer will mark the application "Facially Ineligible", and the application will be sent to the Team Lead for review. The Team Lead will review the entire application and supporting documentation to confirm the application is Facially Ineligible.

If the Team Lead determines that the application is still eligible, the application will be sent back to the Reviewer to complete the review of the application.

Any applications determined to be facially eligible but "Not Validated" will not be escalated to the Team Lead, but will continue the normal process and be included in the 5% of applications that get reviewed for QC.

There are built-in checks to ensure the Reviewer responds to all questions prior to submitting an application.

Submit a Completed Application

Role: Blue or Green Validation Team Reviewer

Step 1: Submitting an application for review (Reviewer)
- Ensure that the application is fully completed, unless the Reviewer determines the application is "Not Validated" during review of Step 3 (Farmer Eligibility), Step 4 (Borrower Eligibility), or Step 5 (Discrimination). If the application is "Not Validated", the Reviewer does not need to complete the rest of the application scoring.   - Select the green "Submit Rating" button in the Rating Panel.
After scoring each question in Step 3 (Farmer Eligibility), Step 4 (Borrower Eligibility), Step 5 (Discrimination), Step 6 (Losses), and Step 7 (Prior Cases), the Reviewer will confirm that all questions were answered. The green bar at the top indicates the percent of the application that has been completed. In addition, the green boxes to the right of each step below indicate the number of questions that have not been answered for each step.   After fully completing an individual application, submit the application. Navigate to the Rating Panel on the upper left side of the application and select the green "Submit Rating" button. This will prompt a percentage of applications to be selected for QC approval.
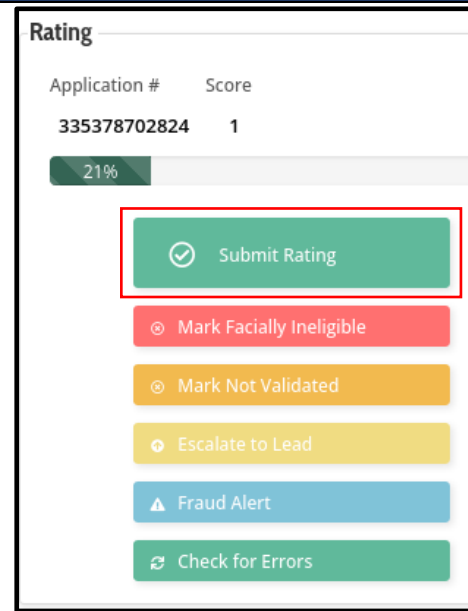
Step 1: Submitting an application for review (Reviewer)

Mark an Application as Facially Ineligible for Team Lead Review

Role: Blue or Green Validation Team Reviewer

Step 1: Mark an application as Facially Ineligible
At any point throughout the review of the application, if it becomes apparent that the application is Facially Ineligible, the Reviewer may navigate to the rating screen and select the red "Mark Facially Ineligible" button. Note: • When an application has been identified as being Facially Ineligible, include notes to identify why the application is ineligible. Notes need to include **ALL reasons why the application is Facially Ineligible**. • The Team Lead will review all applications determined to be Facially Ineligible. The notes will help the Team Lead quickly understand the Reviewer's rationale for marking the application Facially Ineligible.

Step 1: Mark an application as Facially Ineligible

Select the "Mark Facially Ineligible" button, then select the reason from the following drop-down list.

If "Other" is selected, type in the description in the "Please specify" box. Then click "Mark Facially Ineligible".

Step 2: Clarify Reasoning

The Reviewer will then identify the reason for facial ineligibility. The following criteria are all reasons to mark the application Facially Ineligible:

- **No** reported acts of discrimination occurred before January 1, 2021.

Step 2: Clarify Reasoning

- Applicant asserts only discrimination by a non-USDA entity.
- <u>Applicant asserts only discrimination in a non-farm program.</u>
- Applicant asserts only discrimination in a non-lending program.
- Applicant only asserts discrimination on a non-covered basis (e.g., veteran status).
- Applicant only asserts discrimination against an individual other than the applicant AND applicant is not the current holder of affected assumed/assigned debt.
  - In order for an applicant to be considered the "current" holder of assumed/assigned debt, there must be FSA loan data available for that applicant.
  - NOTE: if the applicant was a Co-Borrower of the individual who experienced discrimination, and the applicant's loan was affected, that counts as discrimination against the applicant on the relevant basis; if that basis is covered by DFAP, then the application is not Facially Ineligible.
- Applicant only asserts discrimination against an individual who is now deceased and is not the current holder of assumed/assigned debt.
- No reported acts of discrimination occurred before January 1, 2021.
- Other *(If multiple reasons, please list here)*
  - The Reviewer will be asked to provide further reasoning. In situations where the Reviewer is unsure, they should complete the application as they would otherwise, and write notes with in-depth descriptions to the Team Lead identifying the potential cause for ineligibility.
  - The "Other" category does not include instances of potential fraud.

Step 3: Escalate to Lead

After selecting a Facially Ineligible rationalization, proceed to escalate the application by selecting the yellow "Escalate to Lead" button. This will flag the application for additional review by the Team Lead,

Step 3: Escalate to Lead

to confirm Facially Ineligible rating or disagree and return to the Reviewer to continue scoring the application:

Note:
- N/A

Review Facially Ineligible Applications

Role: Team Leads

Step 1: Access Application through Team Lead Portal

Access the applications by entering through the "Escalated Applications" on the Team Lead home page, highlighted below:

Verify that the application selected is listed as "Application marked Facially Ineligible by Reviewer. Please confirm Facial Ineligibility." To enter the application, click on the application ID.

Step 2: Determine Ineligibility

The Team Lead will then review the application to determine whether the Reviewer's case for facial ineligibility was appropriate or not. Note that the Team Lead is only required to confirm a single Facially Ineligible reason, not all identified in the application by the Reviewer. The two scenarios are as follows:

The Facial Ineligibility was appropriate:

Navigate to the Rating section. Select the "Mark Facially Ineligible" button to proceed.

Once selected, there will be a drop down list to select the reason why the Reviewer marked the application as Facially Ineligible. If the Team Lead's assessment of the application confirms the reason for facial ineligibility, leave the reason as-is. If, however, the Team Lead determines the application is Facially Ineligible for a different reason, select the appropriate reason. To continue, select the "Mark Facially Ineligible" button.

Select "Proceed" or "Cancel" as appropriate.

Step 2: Determine Ineligibility

Application Facially Ineligible

Application #

335378702824

Reason

No reported acts of discrimination occurred before January 1, 2021.

ⓧ Mark Facially Ineligible

This will mark the Application as Facially Ineligible. This action cannot be undone, proceed? Cancel Proceed

If eligibility rationalizing is not valid:

Upon completing a review of the application, if the Team Lead determines the application is appropriately considered NOT Facially Ineligible, it needs to be sent back to the Reviewer. Insert a note in AART for the Reviewer, stating the reasons why their determination of facial ineligibility was incorrect.

Select the green 'De-Escalate' button. This will return the application to the Reviewer and return the Team Lead to the home screen.

Rating

Application #   Score

338929886537   0

31%

⊗ Mark Facially Ineligible

⊙ De-Escalate

Escalation Reason

Step 3: Mark an application as Not Validated

After reviewing the entire application and supporting documents, and completing Steps 3, 4, and 5, the Reviewer should select "Mark Not Validated" for the entire application and provide a "Not Validated" reason.

Reasons to mark an entire application "Not Validated" include:

- Not a Farmer/Rancher or a Potential Producer
- Not a Participant or Would-be Participant in a USDA farm lending program.
- Discrimination was Not Validated.
- Other *(If multiple reasons, please list here)*.

Selecting a "Not Validated" rationalization will send the application to QC for further review.

Step 3: Mark an application as Not Validated

Rating

Application #	Score
335378702824	1

21%

- ⊘ Submit Rating
- ⊗ Mark Facially Ineligible
- ⊗ Mark Not Validated
- ⊕ Escalate to Lead
- ⚠ Fraud Alert
- ⟳ Check for Errors

Note:
- N/A

Part VI: Quality Control (QC) Reviews

Check out an Application for QC Review

Conduct a QC Review

Return Application to Regional or National Validation Team Reviewer to Resolve Errors

Submit an Application that Passed QC Review

Identify Training Needs for Regional and National Validation Team Reviewers

Part VI: Conduct Quality Control (QC) Reviews

The following section is designed to guide QC Reviewers through the process to conduct a QC Review of random applications, and how to coordinate with Blue and Green Validation Team Reviewers to resolve errors in the application.

QC Reviews will be conducted on five percent (5%) of all applications. At the start, applications will be randomly selected for QC review by the AART system; it's possible that after some time, a risk-based selection protocol will be substituted.

Check Out an Application for QC Review

Role: QC Reviewer

| Step 1. Check Queue for Applications Randomly Selected for QC |
| --- |
| • Review applications selected for QC within the different batches.
• Add applications selected for QC to "My QC" to review. |
| QC Reviewers will have the option to review two (2) different QC pages in AART: the "QC Dashboard" and the "Search QC Ratings" page after logging in and selecting a team.

QC Dashboard: QC Reviewers will have access to five (5) fields:

• **Batch Dropdown Menu:** Applications move through the AART Review System in batches of 100 applications. This menu allows the QC Reviewers to select different batches of applications for review.
• **Selected for QC:** This screen shows all applications in the batch that are selected for QC review. Five (5) percent of applications from each batch will be randomly selected for QC.
• **Not Selected for QC:** This screen shows all applications in the batch that were not selected for QC review.
• **All QC Ratings in Batch:** This screen shows all application numbers in a given batch, which Reviewer completed the application review (and on what date), and which QC Reviewer completed the QC review (and on what date).
• **My QC Pending Applications:** This list includes all applications that the QC Reviewers have added to the QC batch pool that are not yet complete.

Search QC Ratings: QC Reviewers will have access to three (3) fields:

• **Search Bar:** This allows the QC Reviewer to search for specific applications in the QC stage based on application number, Reviewer name, or QC Reviewer name.
• **All QC Ratings:** This screen shows all completed or uncompleted applications that have reached the QC stage.
• **My QC Approved Applications:** This list includes all applications that have been completed by the QC Reviewer across all batches.

In the "QC Dashboard", select an incomplete batch from the Batch Dropdown Menu and click on the "Selected for QC" tab. |
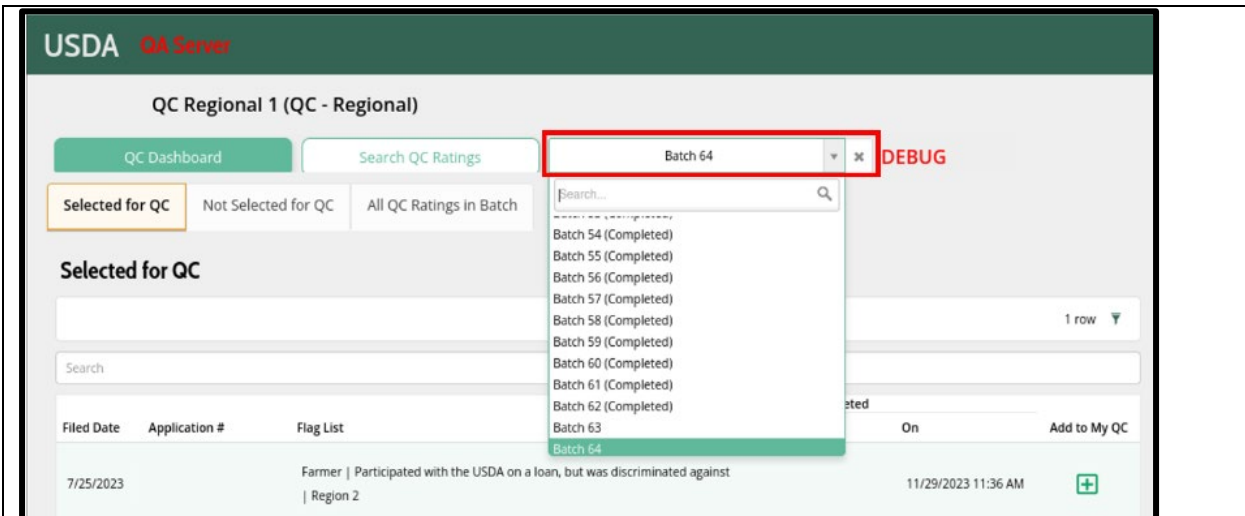
Select the plus button underneath "Add to My QC" to move the application to "My QC Pending Applications".

Conduct a QC Review

Role: QC Reviewer

Step 1. Read the Entire Application, FSA data, and Supporting Documentation.
Navigate through the tabs for Steps 1-9, FSA data, and supporting documents to read the application and its supporting information in its entirety.

Select each green "View" button to view the supporting documents.

Select "View FSA Data" button in red box below to view the FSA data.
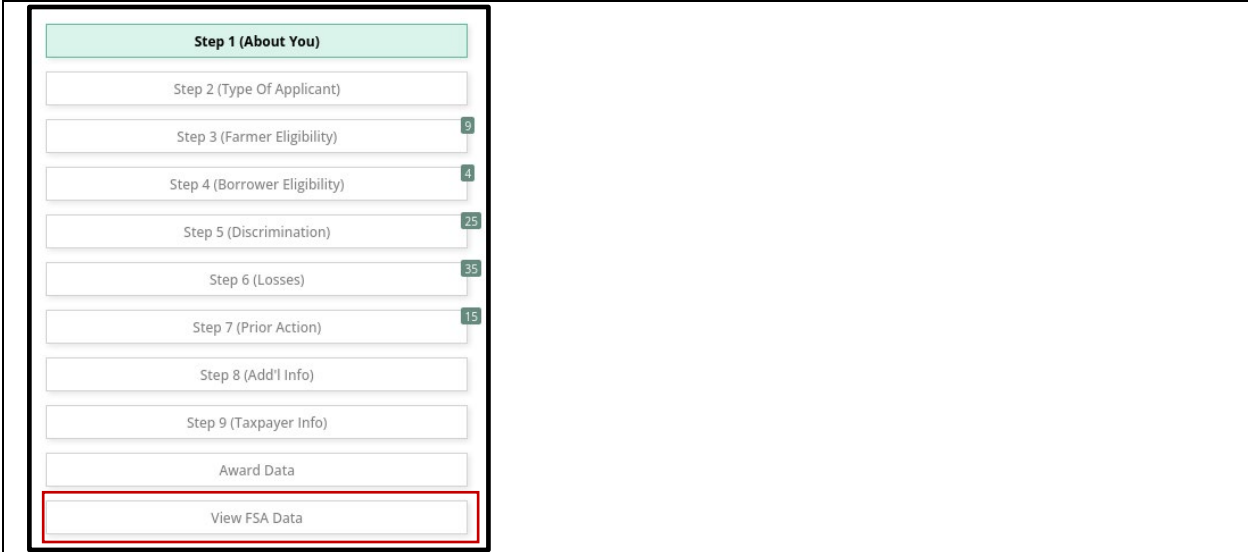
A new tab will open to allow the Reviewer to review any available data.
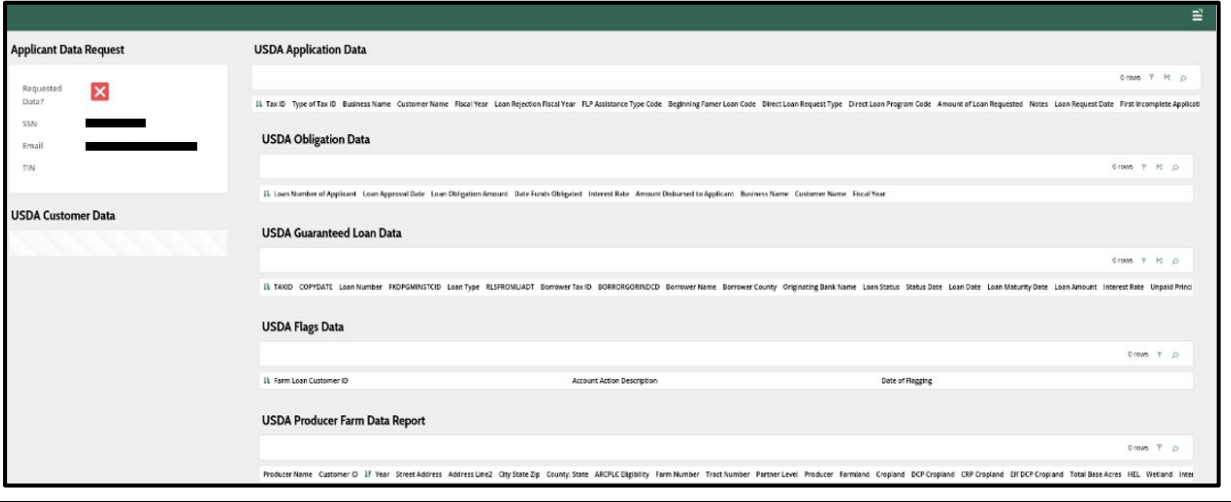
Step 2: Read Application's Notes

Read all notes left by the Reviewer.

Navigate to the "Application's Notes" tab to review notes left by the Reviewer.
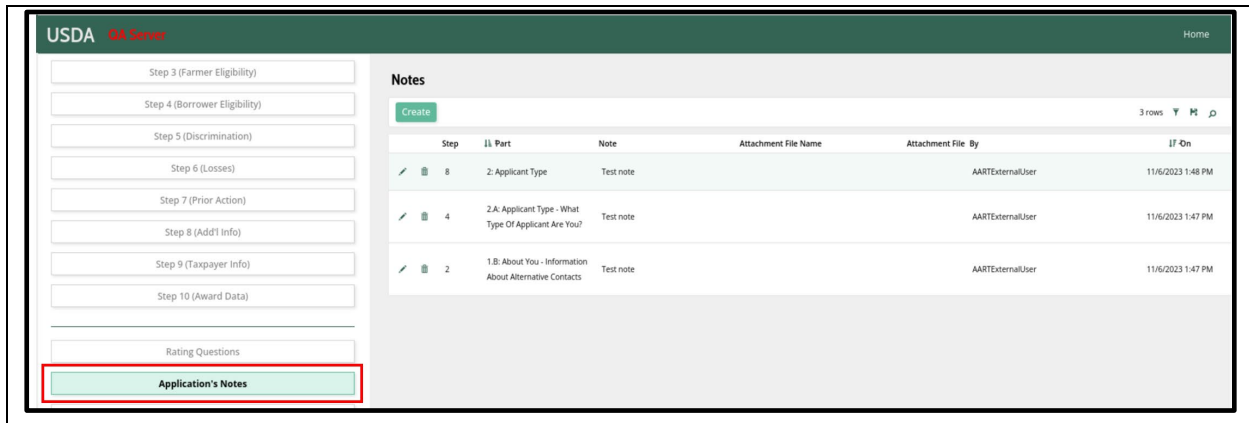
Step 3. Review Application

Review the entire application using the "Steps to Complete a Validation Review" within this guide.

To facilitate the review, navigate to and open the "Rating Questions" tab on one screen/monitor and open a new tab to view the application. Use the "Steps to Complete a Validation Review" within this guide to evaluate how the Reviewer answered each question in AART.

- AART Tip: To expedite this process, use the "Duplicate Tab" and "Toggle Multiple Screens" features to review the application and supporting documents alongside the Rating Questions.

Note:

- Add QC labeled notes regarding any inconsistencies or nuances between the "Rating Questions" answers provided by the Reviewer and the content of the application, FSA data, and supporting documentation.
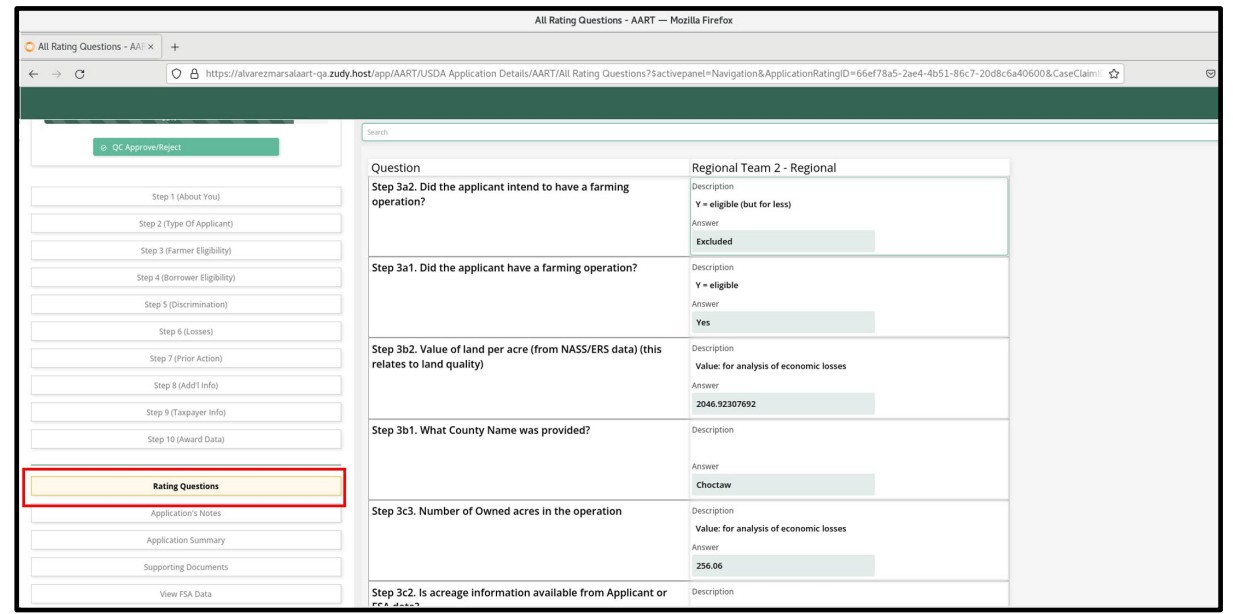
Return an Application to Blue or Green Validation Team Reviewer to Resolve Errors

Role: QC Reviewer

Step 1. Return Application to Reviewer

Select the "QC Approve/Return" button to approve or return the application.

The QC Reviewer can use the "QC Comments" field to document their rationale to return the application. Upon thorough review, the QC Reviewer may select "Return" in the Rating Section.

Note:

- If a QC Reviewer is going to return an application, there should be a specific reason in the "QC Comments" identifying why the application was returned and which application step(s) and/or Rating Question(s) the decision to return pertains to.

Before returning the application, the QC Reviewer must provide a detailed description for the reason why the application was returned and where the Reviewer should look to make changes. The QC Reviewer should never change the scoring of a question.

Note: The QC Reviewer should not "tell" the Reviewer how to fix the application's errors, rather to recommend questions the Reviewer should look to review.

Rules:

- Return an application if:

  o The QC Reviewer disagrees with any answers to the Rating Questions completed by the Reviewer.

  o The answers to the Rating Questions are answered inconsistently across the application and/or compared to other applications.

  o The QC Reviewer identified conflicting information in the application/FSA data/supporting documents and the Reviewer's answer(s) while conducting the QC review.

  o The application needs to be escalated to resolve questions/issues identified during the QC review process.

    ▪ In the QC Comments, include "escalate to Team Lead" and the reason for escalation.

    ▪ Also instruct the Reviewer to include a comment/note to identify the reason for escalating the application to the Team Lead.

  o Note: If an application is returned, it will be sent back to the same Reviewer who completed the validation review for that application. Once the Reviewer addresses the reason for return, the application will be assigned to a new batch and selected for QC again to ensure the reason for return has been resolved. View the "Application's Notes" tab to see the original reason for return and confirm that it is reconciled.

  o Example of QC comments in returned applications:
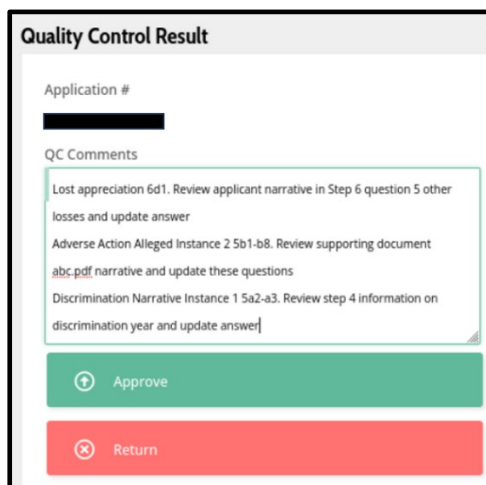
Submit an Application that Passed QC Review

Role: QC Reviewer

Step 1. Submit an Application that Passed QC Review
After the QC Reviewer has completed his/her review of the Application, and any returned applications have been resolved, the QC Reviewer will select the "QC Approve/Return" button.

Rating

Application #   Score

95%

⊘ QC Approve/Return

⟳ Check for Errors

Step 1 (About You)

Step 2 (Type Of Applicant)

Step 3 (Farmer Eligibility)

Step 4 (Borrower Eligibility)

Step 5 (Discrimination)

Step 6 (Losses)

Insert comments into the "QC Comments" field to support your decision to approve the application and select "Approve".

Quality Control Result

Application #

QC Comments

⊕ Approve

⊗ Return

Rules:

- Approve application if:
  o The QC Reviewer agrees with the answers to the Rating Questions completed by the Blue or Green Reviewer; and
  o The answers to the Rating Questions are answered consistently compared to other applications.
  o Once an application is approved, the QC review is complete.
  o Example of an approved QC review comments:

Step 2. Complete the Batch

Select "Complete Batch" once all applications selected for QC in the batch are reviewed and approved. The system will not allow this button to be selected if there are any incomplete QC reviews for the batch. If an application in the batch is remanded for QC, that application will be removed from the current batch to enable a batch to be completed. Once you complete a batch, it will move to the next stage of review.

Identify Training Needs for Blue and Green Validation Team Reviewers

Role: QC Lead, Team Leads

Once the QC Lead notices errors that are appearing more than once or twice, as escalated by QC Reviewers or through metrics, the QC Lead will notify the Team Leads of the need to conduct additional training for the Blue and Green Team Reviewers.

Reasons for additional training can include, but are not limited to:

- High volume of applications getting returned to an individual Reviewer.
- High volume of applications with the same question getting scored incorrectly by a Reviewer.
- High volume of applications with the same question getting scored incorrectly across multiple Reviewers, either within the same team, or across both Blue and Green Validation Review teams.

The QC Lead and Team Leads will discuss if an individual training opportunity is required, or generalized training for the entire team. Training materials will be documented and formally presented to the Reviewers.

Following the training the QC Lead will continue to review the batches of applications for QC Review, to determine if the training has resulted in lower errors.

If an individual Reviewer continues to have scored applications get returned to him/her and does not demonstrate an aptitude for learning to score the applications correctly, the Team Leads may make the determination to remove that Reviewer from the program. In that event, all of the applications previously reviewed by that Reviewer will need to be recalled and undergo a fresh review by both Blue and Green Review Teams, including a fresh QC review by both Blue and Green QC Teams.

Post-Validation Quality Control Checks

Role: QC Lead, Team Leads

Applications submitted through DFAP went through validation reviews and QC reviews in a double-blind process to confirm eligibility for the program and calculate losses, as documented in this Validation Review Guide. Following the double-blind review, the results for each application were compared with each other, to determine if further application specific reviews were needed to finalize eligibility, and, where relevant, the calculation of losses. Further, to obtain the most accurate results and maintain integrity of the process review, additional review steps were implemented in certain categories, providing an extra layer of Quality Control. The following post-validation QC checks were performed on applications that met targeted criteria as outlined in the sections below. Systematic checks were conducted across all applications for each of these categories, flagging applications that met the specified criteria based on the applicant provided data and/or validation reviewer findings.

I. **Confirm the correct information was recorded in AART** (e.g., Farmer vs. Potential Producer, Date of Discrimination where an application received a revised classification as a Farmer, Step 6 Losses were re-scored, etc.).

QC Procedure	Description
Re-Review Applicant Type - Potential Producer vs. Farmer	To confirm that Farmers and Potential Producers were being evaluated appropriately, applications where conflicting information was provided were re-reviewed. Additionally, due to DFAP providing applicants with an opportunity to cure identification-related omissions or inconsistencies in their applications, numerous additional identifying factors were obtained, allowing for matches to existing FSA data to confirm applicants' category through that data. Applications were re-reviewed to determine the correct category (Farmer versus Potential Producer) based upon all data obtained and where disagreements occurred in the double-blind process. Any applications with resulting changes from Potential Producer to Farmer or vice versa were re-scored under Step 6 losses.
Re-review Applications with FSA Data to determine if they were Correctly Scored as Farmers	Any applicant who has FSA data (other than loan application data) was considered a Farmer under this program. Applications were re-reviewed to confirm that applicants with any FSA data were classified as a Farmer and Step 6 losses were re-scored.
Validate County Data for All Farmer Applicants is Correct	Applications were re-reviewed to confirm that all applicants identified as a Farmer have a county designated.
Validate County Data for All Potential Producer Applicants is Correct	Applications were re-reviewed to confirm that all applicants identified as a Potential Producer have a county designated.
Re-review Applications to Confirm Facially Ineligible vs. Not Validated Determination	Applications were re-reviewed to confirm that either a Facially Ineligible or a Not Validated listing was provided for all applications that did not receive a Validated rating. Applications were further re-reviewed to confirm the most appropriate reason(s) that an applicant was ineligible under DFAP. Any differences in the double-blind review were reconciled and the most appropriate ineligibility reason(s) selected as the final application outcome.
Validate Farmers with Intended Property	Some application narratives referenced "intended" farming or ranch land yet described farming operations in Step 3 narrative and were recorded as Farmers. Applications were re-reviewed, including FSA data and Step 3 narratives, to determine the most appropriate outcome for these applications. Validated applications were further re-reviewed to determine if the applicants should be classified as Farmers or Potential Producers. Applications resulting in a Farmer rating were re-scored for Step 6 losses.

QC Procedure	Description
Re-review Applications to Confirm Farmer or a Potential Producer Rating	Applications were re-reviewed to confirm if the applicant was scored as a Farmer or Potential Producer. Applications resulting in a Farmer rating were re-scored for Step 6 losses.
Re-review Step 3 Question c1 (Did the applicant own or lease the land they are/were farming on, or intend to own or lease the land?)	Applications were re-reviewed to confirm if Farmers had owned or leased land at the time of discrimination and provided the actual acreage if there was owned or leased land. If no acreage was provided, the state defaults were applied to the application.
Re-review Validated Applications to Confirm Applicant was Scored as a Participant or Would-be Participant in USDA Farm Lending	Applications were re-reviewed to confirm if every application was marked as either a participant or would-be participant in USDA farm lending. Where applicants had been marked as both, one was chosen; where applicants had been marked as neither, the application was re-assessed, and if the applicant was determined to be neither a participant nor a would-be participant, the application was marked Not Validated.

II.   Confirm Step 6 Losses Were Recorded Correctly in AART.

QC Procedure	Description
Revise Step 3 Question c3 - Correct Acreage Values	During the Validation Review process, programmatic rules for recording acreage (where none was provided by FSA data or the applicant) were changed from a "one size fits all" approach where all applications default to state-specific defaults. – Applications scored prior to the rule change originally were assigned a default value of ten acres if the applicant reported owning less than ten acres or if a value could not be determined. – After the rule change was implemented, Reviewers recorded the actual acreage value OR input the value zero if no value could be determined. Recording a value of zero resulted in the state default being used for system-generated loss calculations. Previously validated applications were re-reviewed to correct the acreage to what the applicant listed in the application or to apply the state-specific defaults for consistency across all applications.
Compare Applicant's Economic Losses - Self-Reported vs. System-Generated	During the Validation Review process, Reviewers filled out Step 6 questions to calculate losses for applicants with a farming or ranch operation. These calculated losses were applied where the applicant provided insufficient information to determine losses or where the applicant provided revenue figures for losses with no associated costs to determine actual lost profits. Applicants who provided revenue and costs to determine actual lost profits were reviewed by an Agricultural Expert to evaluate reasonableness.

QC Procedure	Description
	Applications were re-reviewed to confirm that programmatic rules/AART system generated calculations (based on Reviewer responses and associated programmatic rules) were not higher than the applicant's stated lost profits.
Revise Step 6 Question d3a (How Many Acres were Intended for Purchase?) to Ensure Correct Acreage Value	Due to the change in state-specific default applications, applications scored with less than earlier state default (less than ten acres) needed re-review to enable automated system updates. Applications were re-reviewed to update Step 6 acreage to apply actual acres or state defaults. – If an applicant did not provide any acreage, Step 6 Question d3a was set at zero acres, which triggered the state specific default. – If an applicant provided acreage, Step 6 Question d3a was confirmed/updated for the actual acreage provided in the application.
Re-Review Applications with Scores over one hundred Points	Due to the complexity and volume of information provided in the application, any applications with a score of one hundred points or higher were re-reviewed to confirm they were scored correctly.
Confirm One Year was Recorded for Step 6 Question d2 (What Year was Land Purchase Attempted?)	Applications were re-reviewed to confirm that only a single year was recorded for a land purchase attempt. Where more than one year was included in the application, the earliest year was recorded. Any applications where the year of land purchase attempt was changed, Step 6 losses were re-reviewed to confirm accuracy.
Update Losses for Farmers with Land-Related Loss - Step 6 Question e1 (Were There Lost Farming Profits as a Result of Discrimination, From Acreage that Wasn't Able to be Leased or Bought; or Because Owned or Leased Land was Lost Due to Discrimination)	Applications were re-reviewed to confirm that Step 6 Question e1 was scored properly for lost profits related to land under three separate scenarios: appreciation from a purchase attempt; lost leased land; or lost owned land.
Re-review Applications to Verify Correct Losses Recorded in Step 6 Question a2, a6, and a7.	Some applications were recorded for land loss with zero acres lost, while other applications were recorded as "N/A" for the percent of farm lost due to discrimination. Step 6 Questions include: • Question a2. How many owned acres were lost due to discrimination (e.g., foreclosure/forced sale, other?) • Question a6. Corroboration of land loss

QC Procedure	Description
	• Question a7. Percent of owned land lost as a result of discrimination (only covers owned land) Applications were re-reviewed to confirm if land losses were recorded correctly.

III. **Confirm Facially Ineligible Applications are Correctly Marked as Ineligible Applications** (e.g., date of discrimination occurred prior to January 1, 2021; applicant asserted they had applied online before capability existed to apply online for USDA farm lending (December 5, 2023); applicant asserted discrimination in a non-farm program; applicant asserted discrimination by a non-USDA entity; applicant asserted discrimination in a non-lending program; applicant asserted discrimination on a non-covered basis; applicant asserted discrimination against an individual other than the applicant AND Applicant is not the current holder of assigned/assumed debt; applicant asserted discrimination against an individual who is now deceased, and is not the current holder of assumed/assigned debt; etc.).

QC Procedure	Description
Confirm Applicant Reported Discrimination Prior To January 1, 2021	Many applications described the rescission of debt relief offered through ARPA as discrimination. Some applications *only* listed instance(s) of discrimination related to ARPA. ARPA is not a USDA farm lending program nor is it covered under DFAP as it occurred after January 1, 2021, which is the cutoff for eligibility. Applications were re-reviewed to ensure applications only referencing ARPA rescission were marked as Facially Ineligible.
Confirm Applicant Reported Discrimination Prior To January 1, 2021	Some applications only listed instance(s) of discrimination that occurred after January 1, 2021, which would make the application Facially Ineligible. Applications with applicant-provided dates of discrimination after January 1, 2021 were re-reviewed to confirm there were no additional instances of discrimination that occurred prior to that date.
Verify Applicants Who Report Assigned/ Assumed Debt	Many applicants reported being the recipient of assumed/assigned debt from someone who experienced discrimination by USDA in USDA's farm lending program. Applicants were only be considered to have assumed/assigned debt if there is FSA data verifying the transfer to the applicant. Applications that were validated were re-reviewed against FSA data demonstrating whether the applicant assumed debt related to the instance(s) of discrimination. Applicants' categorization was verified through FSA data.

QC Procedure	Description
Confirm Applicants did not Attempt to Apply for a Loan Online	Some applicants referenced attempting to apply online for a USDA loan. The ability to apply online did not exist until December 5, 2023, which is after the January 1, 2021 DFAP cutoff date. As a result, if this was the only referenced application attempt, those applications were deemed Facially Ineligible.

Applications were further re-reviewed to confirm there were no additional instances of discrimination prior to January 2021 that could be validated. |
| Confirm Applicants did not Solely Allege Discrimination in Seeking Housing Loans | Some applications only referenced discrimination in attempting to get a housing loan through Rural Development. Such loans are not farm lending and therefore not eligible under DFAP.

Applications were re-reviewed to confirm there were no additional instances of discrimination and no attempts at farm lending which are eligible under DFAP. If none were found, applications were marked Facially Ineligible. |
| Re-Review Applicants Seeking Guaranteed Loans & Alleging Discrimination by a Non-USDA Entity | Some applications referenced discrimination occurred as part of a guaranteed loan process and described discrimination that occurred by a commercial bank, not USDA.

While guaranteed lending could be the basis of a DFAP application if there was USDA discrimination, these applications were re-reviewed and marked as Facially Ineligible where there was no discrimination by USDA. |
| Review Date of Loan Decision for Applications Marked Facially Ineligible for Discrimination after 2021 | Some applicants entered a date in 2021 or later as the date of discrimination, but other parts of their application made clear that the incident in question was actually prior to 2021.

Applications marked Facially Ineligible because the reported instance of discrimination was after January 1, 2021 were re-reviewed to confirm the date of the loan decision. If the date of the loan decision was prior to 2021 the application was evaluated again to ensure a holistic review of all facts in the application. |
| Re-Review Applicants with Non-Revenue Generating Farming Operations | Some applications contained narratives that indicated they were farming for personal consumption only. Such applications are not eligible for DFAP.

Applications were re-reviewed to mark farming solely for personal consumption only as Facially Ineligible. |

IV.   Conduct Systemic Checks to Identify Anomalies and Outliers

QC Procedure	Description
Confirm Applications Contain At Least One Validated Instance of Discrimination	Re-reviewed applications to confirm "Validated" applications have at least one validated instance of discrimination in Step 5. Validated applications were required to have a minimum of one validated instance of discrimination. Any applications with no validated instances were not validated.
Determine if Date of Discrimination Aligns with Date of Reported Economic Losses	Applications with credited losses were reviewed to determine if any or all reported losses occurred *before* the date of discrimination, in which case the applicant did not receive credit for those losses. Applications were re-reviewed to confirm that the date of discrimination at or before the date of reported economic losses.
Determine if Applicants had an Implausible Age During Period of Discrimination	Applications were re-reviewed to determine if the applicant was a minor at the time the discrimination occurred in farm lending, and in accordance with FSA guidelines for farm lending eligibility. – Applicants who asserted that discrimination in a youth loan where the loan amount did not exceed $10K are considered eligible under DFAP. – Applicants who asserted that discrimination in an operating loan for $10K were assumed to be for a youth loan. – Applicants who asserted discrimination in any other type of loan or a youth loan in excess of $10K were deemed ineligible since they were ineligible for the loan type/amount under USDA farm lending regulations. Applications were re-reviewed to confirm if an applicant was eligible for the loan type they asserted (e.g., under 18 is only eligible for a youth loan, an 8-year-old is not eligible for any type of USDA farm lending, etc.). In addition, where three or more applications were submitted by one applicant, each application was re-reviewed to determine which application contained the strongest support. Applications were also re-reviewed to evaluate if the applicant's date of birth and date of discrimination were plausible (e.g., applicant's date of discrimination is *before* the applicant's date of birth). Applications that were not plausible were marked as Facially Ineligible.

QC Procedure	Description
Determine if Multiple Applications have Duplicative Social Security Numbers	Applicants were not allowed to make revisions to submitted applications. As a result, applicants were allowed to submit multiple applications to provide updated information related to their application. Under program rules, applicants had all applications validated and the outcome is to receive payment under the highest scored application. Applications with a duplicate social security number but differing other identifying information were reviewed for Payment Integrity to determine program eligibility. Individuals who submitted multiple applications were reviewed and validated according to the same rules as an applicant who submitted a single application. The applicant received the outcome from the highest scoring application.
Re-review Applications with Minimal Narrative in Step 3	Some applications contained minimal narrative in Step 3 (e.g., answer fields were marked "N/A" by the applicant or mostly left blank). Applications were re-reviewed to determine if the application should be Validated or Not Validated. Applicants who provided insufficient information to determine farming or attempted farming operations were determined to be ineligible under the program rules.
Re-review Duplicate Farming Addresses	Applications were re-reviewed for applicants where more than five applicants listed the same farm or intended farming address; these were evaluated holistically.

V.   Conduct Additional Reviews on Applications that Reference Co-Borrower and Entities.

QC Procedure	Description
Re-review Applications that Listed an Entity Name as their Name on the Application	Some applications were identified that list the entity name in the applicant's name field. DFAP applications are only eligible from individuals under program rules. Applicants were allowed to file applications as individuals as part of the entity but were not allowed to apply *as* the entity. Applications were re-reviewed to determine if the application contained the name of a person and not an entity. Applications that only identified an entity name as the applicant's name were marked Facially Ineligible.

VI.   Confirm Flags were Recorded Correctly and Open Text Fields Reflect Standardized Answers.

QC Procedure	Description
Discrimination Bases Alignment	Applications were re-reviewed to confirm that the applicant's race and/or color description from Step 5 were properly recorded and consistent.
Standardize Reasoning for Facially Ineligible & Not Validated Applications	Some applications were marked Facially Ineligible or Not Validated, with additional "reason" selections to choose from. The option to select "Other" on the drop-down menu provided an open text response. Applications were re-reviewed to apply the standardized reasoning in the open text fields, remove unnecessary punctuation, and ensure the correct reasoning had been provided.

VII. Conduct Additional Re-reviews of Applications bases on Availability of FSA Data.

QC Procedure	Description
Re-Evaluate Eligibility of Applicants Without FSA Data	Some applications claimed that the applicant received an FSA loan with discriminatory features (for example, undue collateralization) after October 1, 2005, however, there is no FSA data for the applicant. Given the ability of the FSA to produce electronic records on or after October 1, 2005, such applicants are expected to have FSA data, which would confirm lending relationship with FSA. Applications were re-reviewed to ensure any FSA data available was associated with the applicant.
Re-review Applications with Updated FSA Data	The DFAP program allowed applicants to correct identity-based deficiencies associated with their applications, (a cure process) and additional data was provided for some applicants. Provisions of this additional data resulted in the ability to match FSA data after the initial validation review occurred. Applications were re-reviewed in all cases. Validation scoring was updated to reflect any new information gleaned from this FSA data.
Re-review Step 5 Adverse Alleged Actions	During the Validation Review process, some applications provided narrative that they applied for a loan after 2005, but suggest that they never received the loan, as evidenced by no FSA data being available for the applicant. Applications were re-reviewed to confirm that the Adverse Alleged Actions identified in Step 5 were correctly recorded.

In addition to the above items, Quality Control was performed on Reconciliation reviews to confirm that reconciliation activities were completed accurately and consistently.

Part VII: Appendices

Part VII: Appendices

The following section contains appendices for this Validation Guide.

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Appendix A: USDA Scoring Rubric

For purposes of making award determinations under the DFAP program, this document constitutes USDA's scoring rubric.

As applications are reviewed through the validation process, reviewers make determinations of eligibility and validation against the established criteria. Depending on which factors are validated, the Application Administration Reporting Tool (AART) system assigns points to each applicant automatically following the rubric below.

The rubric applies to applications validated as "producers." Points are not used for potential producers; their award is assessed by using a base rate and an added increment based on the time elapsed since the validated discrimination incident.

> PRODUCERS (Not potential producers)
> Points calculations: Producers describing economic losses are assigned 1 point per $10,000 in losses, rounded. *Items in blue are based on National Agricultural Statistics Service (NASS) or other governmental data, described in column (d). Items in red are based on the application or the default, described in column (c).*

(a) Type of consequence	(b) Calculation	(c) Details on DFAP sources/calculations	(d) Details on administrative data sources
1) Default acreage	Used below (not a direct conversion to points)	Used in several of the calculations below: The default is used to estimate the size of an operation. The default*25% is used to estimate expansion of an operation.	Where applicants provide the size of their operation, that will be used instead of a default. For those operators who have not provided an operation size, the default acreage is set at the state level, equal to the median 2022 NASS Agricultural Census farm size (in acres) for that state.

(a) Type of consequence	(b) Calculation	(c) Details on DFAP sources/calculations	(d) Details on administrative data sources
2) Owned land lost.	Owned acres lost x $/acre	The application asks directly for acreage of lost owned land. Use applicant-supplied data only. No minimums, no defaults on acres. Where the application does not provide the farm county, use the value for the lowest county in the applicable state. Corroboration of loss: 0 = None, 1 = Ok, 2 = Good: Points capped at 10 if corroboration = 0.	$/acre uses 2017 NASS data on agricultural land value (including buildings) to estimate the 2022 value of the land, calculated as the average value of farmland in the county, per acre. Then a floor is applied: any county below the bottom 25% of values is set at that 25% point. The number is augmented by 11.5%, as an estimate of related equipment value based on NASS data. For U.S. territories, these data points are not available, and estimated substitutions are used.
3) Owned land lost as % of farm	Owned land lost / Whole farm size	The application asks directly for both owned land lost and other land in the operation. No minimums or estimates. Points based on how much of the farm was lost: Loss as % of farming operations - Points <49% - Nothing additional 50% to 82% - 1 point 83% or more - 2 points	None.

(a) Type of consequence	(b) Calculation	(c) Details on DFAP sources/calculations	(d) Details on administrative data sources
4) Lost appreciation on land never bought	Acres not purchased * $/acre * State index (adjusted by year of purchase attempt)	Used only where the application says that the applicant lost the opportunity to purchase land. The number of acres not purchased is based on narrative or application loss calculations, using the lowest of: • Maximum direct farm ownership loan for the relevant year, divided by the average price per acre of land in that state in that year. • The size of the pre-expansion operation, OR (if that's not known) 25% of the default acres for that state. • The actual number of acres not purchased, as described by the applicant.	Maximum direct farm ownership loan amounts are from statutory review, provided by USDA. Average value per acre of land by state is NASS data. Details at (2) above. Current value of land by county is based on NASS data on value of ag land. Details at (2) above. State appreciation index is an ERS estimation based on the year of the attempted purchase for how much of the current value is appreciation. The state appreciation index has a floor of 0 and no cap.
5) Lost farming profits, because lost owned or leased land, or couldn't buy or lease land.	(Lost owned land + lost leased land + acres not purchased + acres not leased) * estimated profits per acre * 5 years. Adjusted into real dollars	Estimated profits per acre; Used only when the application says that applicant EITHER lost (owned or leased) land or lost the opportunity to buy or lease land). For the size of an lost operation, use the applicant-provided data, or if there is none, the default acreage. For intended but unaccomplished expansions, follow the rules in item (4), above.	Estimated annual profits per acre is based on NASS data: annual net farm income by county ÷ acres of farmland per county With a floor of $34 (the 25%ile)/ and cap of $1500/acre/year. Adjustment for inflation uses the Gross Domestic Product: Implicit Price Deflator (GDPDEF), https://fred.stlouisfed.org/series/GDPDEF. The index year = the estimated year of land loss (which is year of discrimination + 8, the median in the data) & the year of discrimination for other lost profit.

(a) Type of consequence	(b) Calculation	(c) Details on DFAP sources/calculations	(d) Details on administrative data sources
6) Lost farming profits based on inability to run operation	(owned acres + leased acres) * annual net farm income per acre * 1-5 years, depending on circumstances described. Adjusted into real dollars.	Used only when the application says the applicant lost the ability to plant or run the operation (e.g., because didn't get an operating loan). Validators should enter the applicant's provided profit data if it exists, with the following limitations to ensure reliability: • If the provided data is based only on income, rather than net profits, use the default. • If the provided data is more than 130% of the default, refer the application to an ag expert. • If the provided data is more than $10,000 less than the default, use the provided data. Otherwise, use the default.	Estimated annual profits per acre is based on NASS data: See row 5, above. Adjustment for inflation uses the Gross Domestic Product: Implicit Price Deflator (GDPDEF), https://fred.stlouisfed.org/series/GDPDEF. The index year = the year of discrimination.
7) Lost home (foreclosure)	5-10	Corroboration of loss 0 = None, 1 = Ok, 2 = Good 10 points if corroboration = Ok or Good. 5 points if no corroboration.	Corroboration is from the application or from FSA data.
8) Lost equipment	For one or two specified pieces of equipment: 1 point. For all equipment: 11.5% * acres * $/acre	Applicant provided data is used where possible. The other calculations are defaults.	The 1 point is based on consultation with a DFAP Ag Expert on value of used farm equipment. 11.5% is the median relationship between value of equipment and value of land, in NASS data. For acres, see row 1, above; for $/acre, see row 2, above.

(a) Type of consequence	(b) Calculation	(c) Details on DFAP sources/calculations	(d) Details on administrative data sources
9) Judicial/ administrative losses (garnishments, tax liens, other judgments)	1 point based on these happening at all, and then following the general rule ($10,000 = 1 point) based on the size of the loss.	Corroboration of loss 0 = None, 1 = Ok, 2 = Good Nothing more than the base level 1 point if corroboration is 0	
10) Reduced productivity/yield	Based on applicant data, vetted by ag expert.	Capped at 5 years.	
11) Excess interest payments.	(Loan Amount * Years * USDA Interest Rate) - (Loan Amount * Years * Bank Interest Rate).	If loan term is provided, use that. If loan term is *not* provided, use 30 years for ownership loans, and 1 year for operating loans.	FSA interest records, plus formula: 30 years is the median term of FSA's farm ownership loans. 1 year is typical for many operating loan types such as seed loans
12) Number of incidents		1-2 discrimination incident = 1 point 3+ incidents = 2 points	
13) No other losses scored		1 point Note: No points assigned simply for years since the discrimination. This is incorporated into various loss calculations above.	

Appendix B: Calculation of Awards for Discrimination Financial Assistance Program (DFAP)

This appendix describes the policy and methodology for calculating award amounts under DFAP following the validation process described in this Validation Guide. As applications are reviewed through the validation process, reviewers make determinations of eligibility and validation against the established criteria. Depending on which factors are validated, the Application Administration Reporting Tool (AART) system assigns points to each applicant automatically following the program's scoring rubric (see Appendix A). The rubric applies to applications validated as "producers." Points are not used for potential producers; their award is assessed by using the policy and methodology described below.

Policy

Each Potential Producer receives a base award of $3500, plus an added increment of $500 for each 5-year period since the first validated incident of discrimination (up to $2500), with a setoff of $2000 against the added increment, for recipients who received awards under prior discrimination case settlements (the setoff is larger for the small group who received more than $50,000). Awards involving entities and co-borrowers are divided among the co-borrowers/members who applied to DFAP. However, no individual may receive less than $3,500, whether as a result of a setoff or the entity/co-borrower division.

Each Producer receives an award that is calculated by dividing the remaining award pool by the total amount of points in the pool, with the ultimate per point dollar value being limited to a number divisible by 10. There is a setoff of $2000 for recipients who received awards under prior discrimination case settlements (the setoff is larger for the small group who received more than $50,000). Awards involving entities and co-borrowers are divided among the co-borrowers/members who applied to DFAP. No individual recipient may receive more than $500,000, and no individual recipient may receive less than $10,000, whether as a result of the setoff or the entity/co-borrower division.

Award Calculation Methodology:

Potential Producers

For validated Potential Producers, calculation of award amounts follows this methodology:

1) Each validated Potential Producer is allocated a "base amount" of $3500. This applies to individual recipients. For applicants that are part of an entity or co-borrower group, the base amount applies to the group as a whole.

2) For each 5-year period since the earliest validated year of discrimination, each award is allocated a time-based added increment. The amount of the increment is $500 for each 5 years that has elapsed since the discrimination (up to 2021), capped at $2500. The increment applies to individual awardees and to entity/co-borrower groups.

3) For awards to entities or groups of co-borrowers, awards are then divided among members or co-borrowers who applied to DFAP. This split uses each applicant's share of the enterprise in question, as represented in DFAP applications. For example: Entity X had 3 members (applicant A, B, and C), where A has a 50% share, and B and C each have a 25% share. Only A and C applied for DFAP. Applicant A would receive 67% of the resulting award (50%/(50%+25%); Applicant C would receive 33%.

4) Each individual recipient's award amount is then subject to a setoff based on any prior award they received from an antidiscrimination case or matter (e.g., Pigford, Keepseagle, Garcia, Love). If they received a "Track A" award ($50,000 plus additional money for taxes), the setoff is $2000. For the very small number of DFAP potential producer awardees (< 10) who received more than that, the setoff is $2000 plus 20% of the difference between the amount they received and $50,000. The setoff is taken only against the time-based increment.

5) No individual recipient may receive less than $3500.

Producers

For validated Producers, calculation of award amounts follows this methodology, in order:

1) The total award pool is $2 billion less the amount awarded to the Potential Producers following the above rules.

2) All individual recipients and the highest-scoring recipient in each entity/co-borrower group are added together to sum all the points in the award pool.

3) Using a minimum award of $10,000 and the sum of points, a per point value is calculated.

4) Entity/co-borrower awards are divided among the individual recipients in each group, using their share of the enterprise in question, as represented in DFAP applications. For example: Entity X had 3 members (applicant A, B, and C), where A has a 50% share, and B and C each have a 25% share. Only A and C applied for DFAP. Applicant A would receive 67% of the resulting award (50%/(50%+25%); Applicant C would receive 33%.

5) Individual recipients are subject to a setoff based on any prior award they received from an antidiscrimination case or matter (e.g., Pigford, Keepseagle, Garcia, Love). If they received a "Track A" award ($50,000 plus additional money for taxes), the setoff is $2000. For the very small number of DFAP producer awardees (< 75) who received more than that, the setoff is $2000 plus 20% of the difference between the amount they received and $50,000. The setoff should be calculated before awards are reduced to the statutory cap of $500,000. If a recipient would (absent the cap) receive $600,000, and has a setoff of $50,000, that setoff should not take the recipient below the cap.

6) For any individual recipient whose resulting award would be above the statutory cap of $500,000, the award is lowered to $500,000 and the resulting funds are redistributed across the rest of the recipient pool, by raising the per point value. (This step is repeated as many times as needed.)

7) No individual should get less than $10,000, whether because of the setoff or division among members of a co-borrower/entity group.

8) At the end, the per point value must be a number divisible by 10.

Appendix C: USDA Farm Loan Eligibility

Purpose: The USDA offers direct and guaranteed loans to farmers and ranchers to promote, build, and sustain family farms. Many types of USDA Farm Loans are available as either a Guaranteed Loan or a Direct Loan. Guaranteed loans are made and serviced by commercial lenders, such as banks, credit unions, the Farm Credit System, or other commercial lenders. Although rare, it is possible for a guaranteed loan to be financed and serviced by a private lender. The USDA guarantees up to 95% of the lender's loan against loss. The USDA/FSA approves all eligible loan guarantees and provides oversight of the lender's activities; however, the loan is between the commercial lender and the producer. Direct loans are made and serviced by the FSA. The funding comes from the Federal Government as part of the USDA budget. The loan is between the USDA and the farmer or rancher.

Table 1: Types of USDA Farm Loans:

Farm Ownership Loan (FO)

Purpose	Overview	Eligibility Requirements
- Purchase or expand a farm or ranch - Make a downpayment or pay closing costs - Purchase easements - Promote soil and water conservation and protection - Construct, purchase or improve farm dwellings, service buildings or other facilities and improvements essential to the farm operation	- Offers up to 100% Financing - Maximum Loan Limitation: $600,000 - Maximum repayment period is 40 years	1. Eligible Farm Enterprise: Must be an eligible farm (raising/growing for food, fuel, fiber). Non-farm enterprises such as exotic birds, tropical fish, racehorses are used for non-farm purposes and excluded 2. General Eligibility Requirements: See Table 2 below 3. Farm Management Experience: **Not evaluated for DFAP eligibility.** Instead, consider only whether the applicant demonstrated sufficient farming experience/education to support the plausibility of their account that they wished to farm/take out a loan.

Operating Loan (OL)

Purpose	Overview	Eligibility Requirements
- Purchase livestock/poultry - Purchase farm equipment - Normal farm operating expenses - Minor improvements or repairs to buildings/fencing - Land rents/leases - Costs associated with reorganizing a farm to improve profitability Common reorganization or profitability costs include purchasing better storage equipment, marketing, certifications (GAP/GHP, organic certification, OSHA), changes/updates to crops and/or livestock production. Normal operating expenses include feed, seed, fertilizer, pesticides, farm supplies, fuel, insurance, fencing, trellising, bees/bee equipment, essential tools, cash rent, and family living expenses.	- Maximum Loan Limitation: $400,000 - Maximum Guaranteed Loan Limitation: $2,236,000 - Maximum Microloan Limitation: $50,000, max repayment is 7 years - Maximum repayment period is 7 years - Larger expenses like equipment, minor repairs, or livestock are likely to have a longer term than funds for general operating and living expenses which are normally due within 12 months, or when the AG commodities sell.	1. Eligible Farm Enterprise: Must be an eligible farm 2. General Eligibility requirements (see Table 2 below): Managerial Ability: **Not evaluated for DFAP eligibility.** Instead, consider only whether the applicant demonstrated sufficient farming experience/education to support the plausibility of their account that they wished to farm/take out a loan.

Emergency Loan (EM)

Purpose	Overview	Eligibility Requirements
• Made to farmers/ranchers located in a county declared by the President or designated by the Secretary of AG as a primary disaster or quarantine area • Generally used for losses and/or damages due to a natural disaster • Restore or replace essential property • Pay all, or part, of production costs associated with the disaster year • Pay essential family living expenses • Reorganize the farming operation Refinance certain non-real estate operating debts	• Maximum Loan Limitations: 100% of actual production/physical losses, up to $500,000. For production losses, a 30% reduction in a primary crop is required (i.e. receiving reduced price for flood damaged crops) Repayment Terms: Typically, 1-7 years on loans made for crop, livestock, and non-real estate losses. Loans for operating expenses must be repaid within 12 months, max 18 months. Repayment schedule requires at least 1 payment annually. Loans for physical losses to real estate are normally repaid within 30 years, max 40 years	1. Eligible Farm Enterprise: Must be an eligible farm 2. General Eligibility Requirements: See Table 2 below

Conservation Loan (CL)

Purpose	Overview	Eligibility Requirements

• Guaranteed loans that promote conservation practices on farms and ranches to protect natural resources.
• Used to promote improving farmland, converting land to proper use, and developing water resources.
• The loans must implement USDA Natural Resources Conservation Service (NRCS) approved conservation practices
   o including reducing soil erosion
   o improving water quality
   o promoting sustainable and organic agricultural practices
   o establishing forest cover
   o managing manure
   o establishing and improving permanent pastures
and installing conservation structures.
	• Maximum Guaranteed Loan Limitation: $2,236,000
	• Maximum repayment period is 30 years
	• Only available as guaranteed loans
		1. Eligible Farm Enterprise: Must be an eligible farm
		2. General Eligibility Requirements: See Table 2 below

Youth Operating Loan (YL)

Purpose	Overview	Eligibility Requirements
• Available to individuals aged 10-20 years old for projects that provide experience and education in AG-related skills • including to purchase livestock, seed, equipment and supplies, pay rent, repair equipment, purchase or repair tools, and Future Farmers of America Projects.	• Maximum Loan Limitation: $5,000 • Only available as direct loans • Successful repayment of a Youth Operating Loan can help an applicant get access to future FSA loans	1. Eligible Farm Enterprise: Must be an eligible farm 2. General Eligibility Requirements: See Table 2 below

Farm Storage Facility Loan (FSFL)

Purpose	Overview	Eligibility Requirements

• Provide producers with financing to store, handle and/or transport eligible commodities they have produced, including
   ○ to acquire new or used storage and handling trucks
   ○ acquire/construct/upgrade new or used on-farm/ranch storage and handling facilities (can be portable or permanently affixed)
   ○ to acquire storage and handling equipment (portable or permanently affixed)
• Eligible commodities include whole grain harvested rice, soybeans, or peanuts
   ○ Corn, grain sorghum, oats, wheat, and barley are eligible regardless of whether they were harvested wholegrain
   ○ grains (buckwheat, triticale, and speltz)
   ○ pulse crops (lentils, chickpeas and dry peas)
   ○ hay
   ○ honey
   ○ renewable biomass
   ○ fruits (including nuts)
   ○ vegetable cold storage facilities
	• Maximum Loan Limitation: $500,000, with minimum downpayment of 15% (maximum loan limitation for storage and handling trucks is $100,000)
	• Maximum repayment period is 12 years
	• FSFL Microloan: Max Loan Limitation: $50,000, with 5% minimum downpayment and shorter repayment period
	• FSFLs often used in addition to other USDA loans producers already have or later pursue
		1. Eligible Farm Enterprise: Must be an eligible farm
		2. General Eligibility Requirements: See Table 2 below

○ hops ○ maple syrup ○ milk ○ cheese ○ butter ○ yogurt ○ eggs ○ unprocessed meat and poultry ○ wool ○ seed cotton ○ hemp ○ aquaculture - Eligible facilities, equipment, and upgrades include ○ conventional cribs/bins ○ flat-type storage facilities ○ safety equipment (such as interior/exterior ladders and lighting) ○ equipment to improve, maintain, or monitor quality of stored grain ○ oxygen limiting structures ○ grain handling and drying equipment ○ concrete foundations, aprons, pits and pads ○ structures that are bunker-type, horizontal or open silo structures, with at least 2 concrete walls and a concrete floor ○ hay storage structures ○ bulk tanks for storing milk or maple sap; cold storage buildings storage and handling trucks (including refrigerated		

Table 2: General USDA Farm Loan Eligibility Requirements:

Eligibility Requirements:

Farmer/rancher has to be eligible *and* the farm/ranch has to be eligible
- Must not have Federal or State conviction(s) for planting, cultivating, growing, producing, harvesting, storing, trafficking, or possession of controlled substances
- Have the legal ability to accept responsibility for the loan obligation
- Be a United States citizen, non-citizen national or legal resident alien of the United States, including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Trust Territory
- Have no previous USDA debt forgiveness, including a guarantee loan loss payment
- Not be delinquent on any Federal debt, other than IRS tax debt, at the time of loan closing
- Not be ineligible due to disqualification resulting from Federal Crop Insurance violation
- Pay nonrefundable application fee
- Note: there are some other eligibility requirements for FSA loan participation, but they are *not* part of the DFAP eligibility determination.

Additional Eligibility Requirements:

Farm Ownership Loan (FO)	• Must be the owner-operator of a family farm after loan closing
Operating Loan (OL)	• N/A
Emergency Loan (EM)	• Intends to continue farming • Have suffered at least a 30% loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property • Loan application must be received no later than 8 months after date of the disaster • Crop insurance not required at the time of loss, but is requirement for coming year • Can provide collateral to secure the loan (EM loans must be fully collateralized, type of collateral can vary. First lien is requirement
Conservation Loan (CL)	• Loans must be used for conservation activity that is included in a NRCS approved conservation plan or Forestry Management Plan
Youth Operating Loan (YL)	• May not be used for noneligible farming enterprises, such as exotic fish, Christmas Tree farms, or show dog operation • May not be used to process or market farm products, goods, or services not personally produced by the YL applicant (even for otherwise qualifying agricultural products)

Farm Storage Facility Loan (FSFL)	• Producer must demonstrate storage needs based on 3 years of production history; FSFL microloan has reduced documentation requirements (Producer can self-certify storage needs for eligible commodity and are not required to demonstrate storage needs based on production history) • Loans must be approved by FSA committee before any site preparation or construction can be commenced; loan requests subject to environmental evaluation • Eligible storage structures and handling equipment must have a useful life for the entire life of the loan. • Insurance requirement: Multi-Peril Crop Insurance (MPCI), NAP or dairy coverage, all-peril structural coverage, automobile insurance, and flood insurance is required
Microloans	• Loan limitation is $50,000 per loan, but can be combined with other loans for more financing (ex. A producer can have a $50,000 OL Microloan and a $50,000 FO Microloan for a total of $100,000) • Have the same requirements as the loan it is under, but in reduced loan amounts with shorter repayment periods. Requires less documentation and is a simplified loan application process • Must have some minimal farming experience or work with a mentor. May use small business experience or agricultural internships or apprenticeship programs to qualify

Table 3: Early Loans

These are historical USDA loan types with inactive loan lending programs. Some of these loans may still be currently outstanding and being serviced by the FSA, as well as being active during the discrimination coverage period. The information available about these loans is limited.

Early Loan Guide:

	Soft Timber (ST)	Grazing Loan	Economic Emergency Loan (EE)	Soil & Water Loan (SW)	Emergency Livestock Loan
Purpose	• Loan program that started in 1985 as part of the Food Security Act to insure protection of highly erodible cropland and wetlands • ST loans were available to distressed farmers to take highly erodible cropland out of traditional crop agriculture and convert to the production of softwood timber	• Meant to encourage producers of wheat, barley, or oats to dedicate the crops for grazing animals and not to other harvesting efforts or sources	• Introduced in 1978 for farmers experiencing a shortage in credit from regular commercial sources. Available as direct or guaranteed loans	• Loan program that started in 1985 as part of the Food Security Act to insure protection of highly erodible cropland and wetlands • SW loans were to assist farmers in applying conservation practices to reduce erosion and to stop farmers from converting wetlands into farmland	• Loan available around the mid-1970s to assist ranchers and farmers to continue livestock operations. Operations included breeding, raising, fattening, or marketing livestock
Overview	• Inactive financing • FSA monitors and services any outstanding loans	• Inactive financing • FSA monitors and services any outstanding loans	• Inactive financing • FSA monitors and services any outstanding loans • Maximum Loan Limitation: $500,000	• Inactive financing • FSA monitors and services any outstanding loans	• Inactive financing • Maximum Historical Loan Limitation: $250,000, aggregate loan amount of all active USDA limited to $350,000 • FSA monitors and services any outstanding loans

Appendix D: Validation Review Guide Change Log

Change Log: Validation Guide 1.11 vs. Validation Guide 1.12 (7/8/24)

Page # v1.11	Page # v1.12	Change
Multiple	Multiple	Added the term "Potential Producer" to replace "Potential Producer" throughout the document.
N/A	8, 32, 52, 61, 154	Added clarification that in order for an applicant to be considered the "current" holder of assumed/assigned debt, there must be FSA loan data available for that applicant.
82	81-82	Removed Step 5 Question g1 "Calculation of Bonus Points for Years Since Discrimination Based on Farmer/Potential Producer"
N/A	168 - 176	Added a new Post-Validation Quality Control Checks section
N/A	177	Added a new section break: Part VII - Appendices
N/A	178 - 183	Added new Appendix A – USDA Scoring Rubric
N/A	184 - 186	Added new Appendix B – Calculation of Awards for Discrimination Financial Assistance Program (DFAP)
170	187	Relabeled former Appendix A to Appendix C – USDA Farm Loan Eligibility
177	194	Relabeled former Appendix B to Appendix D – Validation Guide Review Change Log