

Exercise 1 ANSWER KEY

There are 12 errors in this letter.
See if you can find:

- 10 spelling, grammar, usage
- 2 essential missing items

United States Lazy Days Farm LLC
Department of 1111 Easy Street
Agriculture Yourtown, NS 12345

New State Office
Farm Service
Agency

Dear **Mr. John Doe: (Dear Mr. Doe:)**

New State Office
1234 5th Street
Anytown, NS 98765

This letter is in response to your request for Farm Service Agency **(FAS) (FSA)** direct loan assistance. The direct term operating loan(s) you requested in the amount of \$100,000 and a direct annual operating loan in the amount of \$200,000 have been reviewed. We regret to inform you that **you're (your)** request is being denied. This determination **were (was)** made based on the following:

Phone: 123-456-7890
Fax: 123-987-6543

FSA Handbook 3-FLP Par. 66 A. [8CFR 764.101 (e)] [7CFR 764.101 (e)] states the applicant, and all entity members in the case of an entity, must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms. The agency will evaluate the ability to obtain credit based on factors including, but not limited to property **interest's (interests)**, income, and significant non-essential assets.

The individual **balance sheet (balance sheets)** you provided show there is sufficient cash on hand and/or non-essential assets that could be used to provide funding for this operation.

John Doe	Checking Account	\$100,000.00
Dorothy Voe	Checking Account	\$130,000.00
	Certificates of Deposit	\$105,000.00
	Stocks	\$310,000.00
	Other Investments	\$200,000.00
Wilhelmina Noe	Savings Account	\$ 70,000.00
	Stocks	\$ 25,000.00
	Recreational Vehicles	\$275,000.00

Farm Service Agency's evaluation shows you have sufficient non-essential **aspects (assets)** that could be used to fund your proposed operation. Combined you have \$1,215,000.00 of liquid cash or identifiable non-essential assets, which would more than cover your request of \$300,000.00. Furthermore, FSA believes your funding requests can and should be secured at a Financial Institution.

If you believe this decision or the facts used in this case are in error, you may pursue your rights by using the following options.

Reconsideration

You may request that Bart Tholemew reconsider this determination by filing a written request no later than 30 calendar days after you receive this notice in accordance with FSA's appeal procedures found at 7 CFR Part 780. If you request reconsideration, you have the right to an informal hearing with Bart Tholemew which you or your representative may attend personally or by telephone. If you choose to seek reconsideration, you may later appeal to the National Appeals Division (NAD) or Alternative Dispute Resolution (ADR). To request reconsideration, write to the Farm Service Agency at the following address and explain why you believe this determination is **errorous. (erroneous)**

George Washington
Farms Service Agency (**Farm**)
1 Cherry Tree Lane
Anytown, NS 12345

Alternate Dispute Resolution (ADR)

Mediation is available as part of FSA's informal appeal process. Mediation may enable us to narrow the issues and resolve the matter by mutual agreement. You may have to pay all or part of the cost of mediation. If you request mediation, the running of the time frame in which you may file an appeal stops. When mediation closes, the clock restarts and you will have the balance of the days remaining in that period to file an appeal. To request mediation you must submit your written request no later than 30 calendar days after you receive this notice. To request mediation write to the FSA State Executive Director at the following address:

Sandy Beach
New State FSA Office
555 5th Avenue
Othertown, NS 11111

In the alternative, you may seek another acceptable form of ADR.

Appeal to the Department of Agriculture National Appeals Division (NAD)

You may appeal this determination to NAD by filing a written request no later than 30 calendar days after you receive this notice in accordance with the NAD appeal procedures found at 7 CFR Part 11. If you appeal to NAD, you have the right to a hearing which you or your representative may attend. Once a hearing with NAD begins, you waive any rights you might have to reconsideration, appeal to FSA, and mediation. To appeal, you must write to NAD at the following address, explain why you believe this determination is erroneous, and provide a copy to FSA. You must personally sign your written appeal to NAD and include a copy of this letter.

(CONTACT INFORMATION MISSING)

If you do not timely exercise one of the preceding options, this shall be the final administrative determination with respect to this matter in accordance with regulations at 7 CFR Part 780 and 7 CFR Part 11.

The Federal Equal Credit Opportunity Act prohibits creditors from discrimination against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter a binding contract); because all or part of the applicant's income derives from public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Commission Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington DC 20580.

(USDA NONDISCRIMINATION PARAGRAPH MISSING)

Sincerely,

Bart Tholemew
Farm Loan Chief

Cc: District Director, FSA, Bigtown, NS



United States
Department of
Agriculture

New State Office
Farm Service
Agency

New State Office
1234 5th Street
Farmville, NS 22222

Phone: 555-555-5555
Fax: 555-555-4444

July 1, 2020

Lazy Days Farm LLC
1111 Easy Street
Yourtown, NS 12345

Dear Mr. Whipple:

This letter is in response to your request for Farm Service Agency (FSA) direct loan assistance. The direct term operating loan(s) you requested in the amount of \$100,000 and a direct annual operating loan in the amount of \$200,000 have been reviewed. We regret to inform you that your request is being denied. This determination was made based on the following:

FSA Handbook 3-FLP Par. 66 A. [7CFR 764.101 (e)] states the applicant, and all entity members in the case of an entity, must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms. The agency will evaluate the ability to obtain credit based on factors including, but not limited to property interests, income, and significant non-essential assets.

The individual balance sheets you provided show there is sufficient cash on hand and/or non-essential assets which could be used to provide funding for this operation.

John Doe	Checking Account	\$100,000.00
Dorothy Voe	Checking Account	\$130,000.00
	Certificates of Deposit	\$105,000.00
	Stocks	\$310,000.00
	Other Investments	\$200,000.00
Wilhelmina Noe	Savings Account	\$ 70,000.00
	Stocks	\$ 25,000.00
	Recreational Vehicles	\$275,000.00

NOTE TO LEARNERS: In the exercise example, the writer used a condescending tone to point out that the entity had sufficient funds to cover the request or could secure a loan at a traditional lending institution. This suggested rewrite uses a more professional approach.

Our evaluation shows you have sufficient non-essential assets that could be used to fund your proposed operation. Combined, you have \$1,215,000.00 of liquid cash or non-essential assets which would more than cover your request of \$300,000.00. Furthermore, we believe your funding requests can and should be secured at a Financial Institution.

Exercise 2: Writing in a Professional Tone

For the following letter excerpt, rewrite the last paragraph using a more professional tone, based on the information provided.





May 24, 2020

Ms. Melody Keys
Harmony Farm
P. O. Box 88
Singsong, NS 44444

Dear Ms. Keys:

We have reviewed your application for a Farm Operating Loan carefully. Unfortunately,

we are unable to approve your application. This letter explains the reasons for this denial based upon the following factual determination and/or reasons. It also presents your options.

FSA Handbook 3-FLP, paragraph 352C [7 CFR 764.401(a)(1)(i)] states that the Agency will approve a loan only if it determines that: The applicant's farm operating plan reflects a feasible plan, which includes repayment of the proposed loan and demonstrates that all other credit needs can be met.

FSA Handbook 1-FLP, Par. 241B [7CFR 761.104(c)(1)] states that historical information will be used as a guide.

In completing your farm operating plan, the Agency used your tax returns and historical information on yields, and the FSA-2038, "Farm Business Plan Worksheet" you submitted. The Actual Production History from your Risk Management Agency (crop insurance) was used as a guide to complete the yield projection for crop year 2010. Your yield projections were used which were higher than the Actual Production History.

The Agency also used most of your operating expense projections, where they were considered to be realistic. The expense projection on your farm operating plan is less than your projection.

The requested amount was \$300,000. The projected loan amount came to \$284,700. This left \$235,064 plus interest to CFC that would not be refinanced.

Your projected off farm income was \$50,000. In your farm operating plan, FSA used your typical year non farm income of \$100,000. Owner withdrawals were a combination of your projected \$25,000 living expenses, the \$15,000 life insurance premium, and personal debt installments. The Farm Operating Plan is not feasible; therefore, we are unable to approve your loan request.

If you believe this decision or the facts used in this case are in error, you may pursue your rights by using the following options. *(Options omitted from this example.)*

Exercise 3: Organizing the Body Answer Key

THERE ARE NO ABSOLUTE RIGHT OR WRONG ANSWERS FOR THIS EXERCISE.

However, this letter was strengthened by organizing the body to present the regulations and guidance first, and then present the facts and supporting evidence.

By breaking up one long paragraph into several short paragraphs, the reader can absorb one fact at a time.

Hint: Separate the regulatory language from the facts by using a bold font.