

Strong vs. Weak Adverse Decision Letters: The Body

A **strong** adverse decision letter body will present the regulations, guidelines or rules, followed by supporting evidence that is unique to the case. For example:

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

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 identifiable 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 Commercial Lending Institution.

A **weak** adverse decision letter body may lack the specific supporting documentation to back up the ruling. For example:

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.

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