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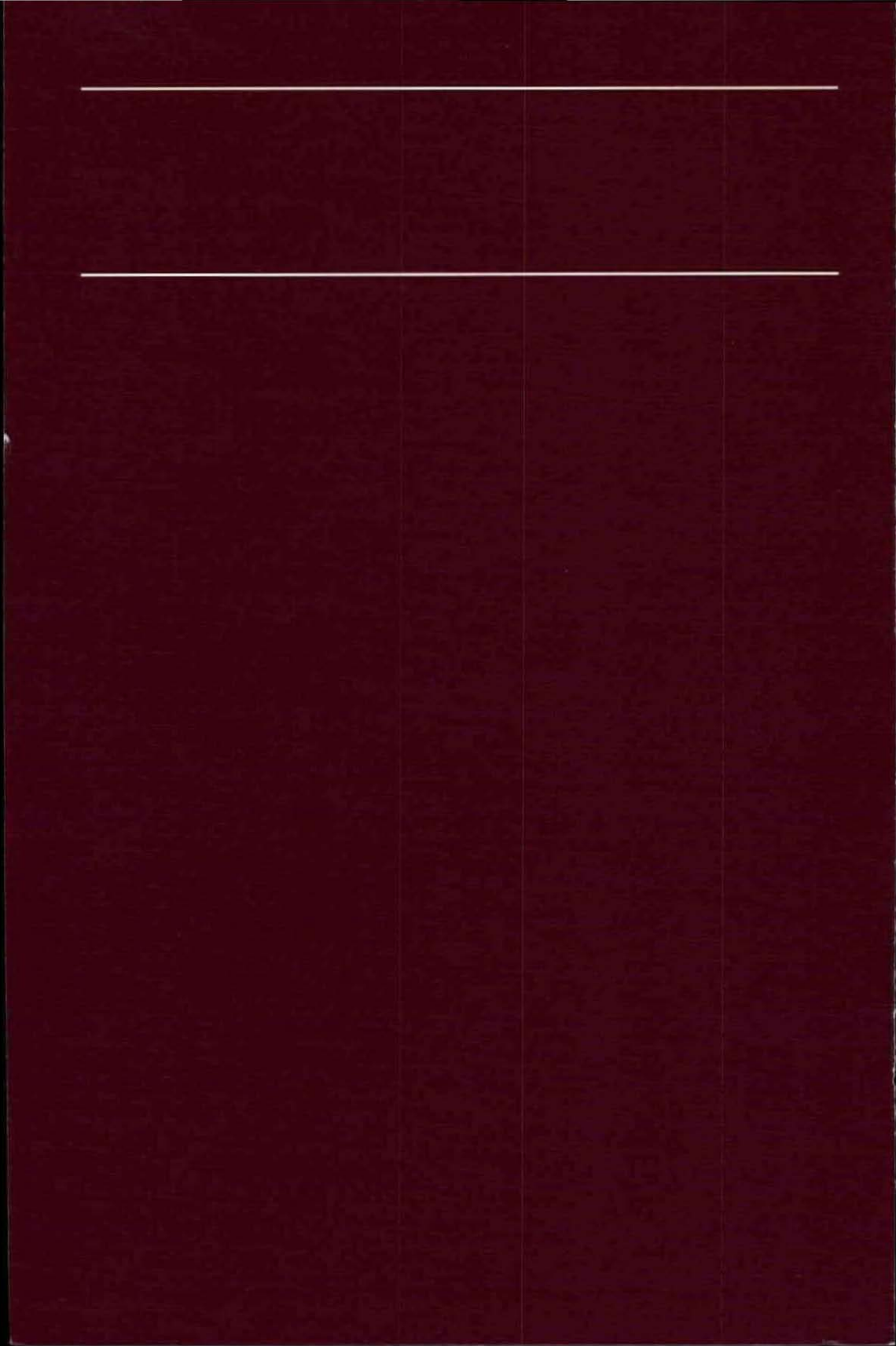
High-Risk Series

December 1992

Farmers Home Administration's Farm Loan Programs



GAO/HR-93-1





United States
General Accounting Office
Washington, D.C. 20548

Comptroller General
of the United States

December 1992

The President of the Senate
The Speaker of the House of Representatives

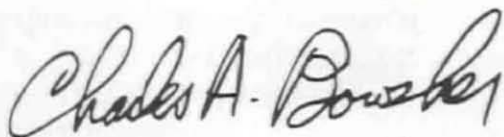
In January 1990, in the aftermath of scandals at the Departments of Defense and Housing and Urban Development, the General Accounting Office began a special effort to review and report on federal government program areas that we considered "high risk."

After consulting with congressional leaders, GAO sought, first, to identify areas that are especially vulnerable to waste, fraud, abuse, and mismanagement. We then began work to see whether we could find the fundamental causes of problems in these high-risk areas and recommend solutions to the Congress and executive branch administrators.

We identified 17 federal program areas as the focus of our project. These program areas were selected because they had weaknesses in internal controls (procedures necessary to guard against fraud and abuse) or in financial management systems (which are essential to promoting good management, preventing waste, and ensuring accountability). Correcting these problems is essential to safeguarding scarce resources and ensuring their efficient and effective use on behalf of the American taxpayer.

This report is one of the high-risk series reports, which summarize our findings and recommendations. It describes our concerns over the Farmers Home Administration's (FmHA) direct and guaranteed farm loan programs and about the agency's management of farm properties obtained as a result of defaults on federal loans. It focuses on the failure of FmHA field office lending officials to comply with existing loan and property management standards and on program policies that contribute to financial risks. We have made numerous recommendations to the Congress and to the Secretary of Agriculture that are aimed at improving program management and reducing risk.

Copies of this report are being sent to the President-elect, the Democratic and Republican leadership of the Congress, congressional committee and subcommittee chairs and ranking minority members, the Director-designate of the Office of Management and Budget, and the Secretary-designate of Agriculture.



Charles A. Bowsher

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Overview

The Farmers Home Administration (FmHA), an agency of the U.S. Department of Agriculture (USDA), is the third largest institutional lender to the nation's agricultural sector. Its mission is to provide temporary financial assistance to farmers who are unable to obtain commercial loans at reasonable rates and terms.

FmHA has two principal and often conflicting roles: (1) to provide high-risk borrowers with temporary credit to enable them to stay in farming until they are able to secure commercial credit and (2) to do so in a way that protects the taxpayers' investment.

The Problem

FmHA's loan program is marred by a high rate of defaults. This past April, we published a study of FmHA's outstanding loans as of September 30, 1990. This study revealed that of FmHA's roughly \$20 billion direct loan portfolio, 70 percent—or more than two-thirds—was held by borrowers who were either delinquent or whose loans had been restructured as a result of, or to avoid, delinquency. Because of defaults, in recent years FmHA reduced or forgave delinquent debt totaling about \$7.6 billion.

Furthermore, FmHA has evolved into a continuous source of subsidized credit for nearly half of the agency's borrowers. As repeated loan servicing has increased their debt and reduced their equity, some FmHA borrowers have actually had their financial condition worsen.

The Causes

FmHA and the Congress share responsibility for many of FmHA's problems. Although some contributing factors—such as the general decline of the agricultural economy in the 1980s—have been beyond the control of FmHA or the Congress, two major ones do lie within their authority. First, FmHA field office lending officials often fail to follow the agency's own standards for making loans, servicing loans, and managing property. Second, FmHA loan- and property-management policies—some of which are congressionally directed—do not adequately protect the taxpayers' interests. For example, these policies allow borrowers who have defaulted on past FmHA loans to obtain new ones.

GAO's Suggestions for Improvement

We have recommended that FmHA establish a system to ensure that its field office lending officials adhere to the agency's loan

standards and that the Congress enact various policy and program changes to reduce the assistance program's exposure to risk.

However, losses can be expected to continue until the Congress tells FmHA how to better balance its mission of assisting financially troubled farmers with its obligation to provide that assistance in a fiscally responsible manner. We believe that, to protect the taxpayers' interests, the balance should be shifted more toward prudent lending.

Furthermore, we believe that the Congress needs to recognize that not all financially stressed farms can be saved and that not all farm families can be expected to benefit from a government assistance program intended to keep them in farming. With this in mind, the Congress should, among other things, give FmHA firm guidance on the following: (1) the level of loan losses that the Congress is willing to accept; (2) the length of time over which borrowers should be allowed to receive FmHA assistance; and (3) the kind of assistance, if any, that should be made available to unsuccessful borrowers who want to leave farming.

FmHA's Farm Loan Programs

Under the authority of the Consolidated Farm and Rural Development Act, as amended—known as the Con Act—FmHA provides financial assistance to farmers through direct loans, which are funded by the government, and through guaranteed loans, which are made by commercial lenders and guaranteed up to 90 percent by the government. To be eligible for a direct loan, a borrower must be unable to obtain commercial credit at reasonable rates and terms. To obtain a loan guarantee, a lender must certify that it is unwilling to make the loan without a guarantee. As of September 30, 1990, FmHA's \$23.6 billion farm loan portfolio comprised \$19.5 billion in direct loans and \$4.1 billion in guaranteed loans. By June 30, 1992, the total portfolio had decreased to about \$20.5 billion—\$15.9 billion in direct loans and \$4.6 billion in guaranteed loans.

FmHA incurs a loss on a direct or a guaranteed farm program loan when a borrower defaults and the proceeds from selling the loan collateral do not equal the outstanding loan amount plus the costs of acquiring and disposing of the collateral. FmHA also incurs interest subsidy expenses because it (1) lends money at rates below its cost of borrowing and (2) provides payments

to commercial lenders so that they will lend money at rates below their cost of borrowing.

When a borrower is unable to repay a loan, FmHA may acquire the farm property that was pledged as security for the loan and subsequently try to sell that property to recover some or all of the unpaid debt. As of June 30, 1992, FmHA's inventory comprised almost 3,100 farms valued at about \$400 million. The Con Act provides several options for a former owner to recover a farm property after it has entered FmHA's inventory, such as leasing or purchasing either the entire farm property or the farm homestead, including farm buildings and up to 10 acres of land.

Billions of Dollars Are at Risk

In recent years, FmHA has provided about \$7.6 billion in debt relief to delinquent borrowers in addition to interest subsidies. Despite relief of this magnitude, billions of dollars more in outstanding direct and guaranteed loans are held by borrowers who are unlikely to meet some or all of their loan obligations.

Billions of Dollars in Debt Relief Provided to Delinquent Borrowers

During fiscal years 1989 through the first three quarters of 1992, FmHA forgave about \$3.1 billion in direct loan obligations under the debt-servicing provisions of the Agricultural Credit Act of 1987, writing down (reducing) some debts by about \$1.2 billion and writing off (forgiving) other obligations by about \$1.9 billion. FmHA wrote off another \$4.5 billion in the course of settling direct loan obligations with borrowers who had generally ceased to farm.

During this 3-3/4-year period, FmHA also paid commercial lenders about \$200 million to cover guaranteed loan losses.

Billions of Dollars Still at Risk

FmHA's farm loan portfolio continues to be financially stressed. As of June 30, 1992, borrowers were delinquent on \$7.6 billion, or about 37 percent, of the \$20.5 billion in

outstanding loans—about \$7.3 billion of the \$15.9 billion direct and about \$300 million of the \$4.6 billion guaranteed loan debt.

However, the amounts owed by borrowers classified as delinquent represent only part of the risk associated with FmHA's portfolio. Additional risk is posed by the substantial portion of FmHA's borrowers who are technically current but whose loans have been restructured (loan terms have been rescheduled or debts reduced) in response to past defaults or rescheduled to avoid delinquency. As we estimated in Farmers Home Administration: Billions of Dollars in Farm Loans Are at Risk (GAO/RCED-92-86, Apr. 3, 1992), as of September 30, 1990, 70 percent of FmHA's direct loan portfolio was held by borrowers who either were delinquent (\$8 billion, or 40 percent of total outstanding direct loans) or whose loans had been restructured as a result of, or to prevent, delinquency (\$5.9 billion, or 30 percent).

As of September 30, 1990, FmHA categorized about 28 percent of its guaranteed loan portfolio as a potential loss. FmHA revised its estimates of potential losses on guaranteed loans to about 18 percent as of September 30, 1991.

Agency Standards Have Not Been Implemented Effectively

Ineffective implementation of agency standards has significantly weakened FmHA's financial position. In both the direct and guaranteed loan programs, FmHA field office lending officials often fail to implement loan-making and loan-servicing standards established by the agency to safeguard federal financial interests. In addition, field office officials often do not follow standards for managing farm inventory property.

Noncompliance With Loan-Making Standards

In the direct loan program, FmHA field office lending officials often approve loans based on unrealistic estimates of production, income, and expenses. FmHA reviews of direct loans made from fiscal years 1988 through 1991 disclosed that 554 sampled loans, or 13.5 percent of the 4,101 loans reviewed, did not meet the lenient cash flow standard that FmHA uses to test a borrower's repayment ability. Fiscal year 1992 reviews through June 30, 1992, disclosed that 10 percent of the 653 loans reviewed did not meet this key FmHA standard. Our own work suggests that some FmHA officials consider making loans more important than adhering to the agency's loan-making standards. For example, when one loan applicant's actual production yields were too low to demonstrate a positive cash flow, a county

supervisor substituted higher county averages in order to approve a \$49,000 loan. The next year, the borrower, who had other outstanding FmHA loans, defaulted and subsequently received \$122,000 in debt relief.

Also, in the direct loan program, FmHA field office officials often fail to verify borrowers' existing debts, as required. FmHA reviews in fiscal year 1991 showed that borrowers' debts had not been verified for 18 percent of the loans sampled; reviews in the first three quarters of fiscal year 1992 showed that debts had not been verified for 20 percent of the loans sampled. One borrower who was \$545,000 delinquent on loans from one county office moved to another county and applied at a second office for new financing without disclosing the delinquent debt. The county supervisor in the second office did not verify the borrower's debts and approved two new loans totaling about \$33,000. The borrower subsequently defaulted on the new loans.

In the guaranteed loan program, FmHA field office lending officials often fail to enforce requirements that commercial lenders comply with FmHA's loan-making standards. FmHA reviews of guaranteed loans made from

Agency Standards Have Not Been
Implemented Effectively

fiscal years 1988 through 1991 showed that 349 sampled loans, or 13.4 percent of the 2,613 loans reviewed, did not meet FmHA's cash flow standard. In the first three quarters of fiscal year 1992, about 8 percent of the 585 loans reviewed did not meet this standard. One borrower received four guaranteed loans totaling almost \$533,000. Each loan had problems indicating that it should not have been approved: Projected yields were not based on production records, debt payments and operating expenses were understated, and security was overvalued. The borrower subsequently defaulted on two of the loans and FmHA paid a lender's \$251,000 loss claim.

Noncompliance
With
Loan-Servicing
Standards

In the direct loan program, FmHA field office officials have not always, as required, annually inspected property offered as loan collateral or conducted supervisory visits with borrowers. Consequently, property securing FmHA loans has disappeared or deteriorated. For example, according to a USDA Office of Inspector General (OIG) report, property pledged as loan security and valued at about \$92 million was missing, and livestock valued at about \$36 million had been disposed of without FmHA's authorization. FmHA reviews in fiscal year

1991 and the first three quarters of fiscal year 1992 disclosed that about 12 percent of the sampled loans showed no evidence that collateral had been inspected.

FmHA's loan-servicing standards also require field office officials annually to analyze borrowers' operations, assist borrowers in developing and using sound farming and management practices, and help borrowers plan for future farming operations. FmHA reviews in fiscal year 1991 and the first three quarters of fiscal year 1992 found that 20 percent and 15 percent of the sampled loans, respectively, had no evidence of such activities. An FmHA supervisor at one county office with 122 borrowers told us that he had never analyzed the operations of any of them.

In the guaranteed loan program, the story is similar. FmHA field office officials have not always, as required, monitored commercial lenders' compliance with standards for inspecting collateral, providing the same servicing for FmHA-guaranteed loans as for other loans, and ensuring proper uses of loan funds. FmHA reviews in fiscal year 1991 and the first three quarters of fiscal year 1992 showed that field office officials had not reviewed commercial lenders' servicing of

about 25 percent and 31 percent, respectively, of the sampled loans.

**Noncompliance
With Standards
for Managing
Inventory
Property**

FmHA owns about \$400 million worth of farm real estate that it acquired from borrowers who did not repay their loans. Protecting the taxpayers' interest requires prudent management of this property, but FmHA field office officials often fail to follow agency standards for leasing, inspecting, appraising, and maintaining farm inventory properties. According to the OIG, properties have frequently been used without FmHA's permission, rented without written leases, or leased for amounts below prevailing rental rates. The OIG disclosed in one report that 74 percent of 57 properties reviewed in 10 states had not been maintained well enough to protect the government's interest. The OIG disclosed in another report that it had found errors or omissions on appraisals for 46 of 95 farm properties that it reviewed. In an earlier review, we found no record of property appraisal reviews for 69 of 72 properties that we analyzed in seven states.

**Reasons for
Noncompliance
With Agency
Standards**

FmHA has not systematically analyzed why its standards have not been implemented. Agency officials have suggested various reasons for noncompliance, including

limited resources, insufficient training, and lack of accountability on the part of lending officials. In the direct loan program, some FmHA officials seem to believe that keeping farmers on the land is more important than making prudent lending decisions. In the guaranteed loan program, FmHA's emphasis on making loans has left the impression that the number of loans is more important than their quality. Furthermore, violation of property management standards reflects, in part, FmHA's having given higher priority to making and servicing loans than to managing inventory property. In addition, the agency has placed responsibility for managing the properties in the local county offices, where officials frequently have too few properties to manage to become familiar with applicable standards.

Some Policies Are at Odds With Fiscal Controls

Violation of FmHA's standards is not the only problem. In some cases, loan-making, loan-servicing, and inventory property management policies themselves increase FmHA's vulnerability to loss. Reflecting the Congress's and FmHA's goal to keep farmers in farming, these policies often show little regard to cost and are frequently inconsistent with the prudent management that would protect taxpayers' interests.

Lax Loan-Making Policies

FmHA's policies for making both direct and guaranteed loans, some congressionally directed, expose the agency to loss. First, borrowers who have defaulted on past loans are free to obtain new loans. Specifically, borrowers whose delinquent direct loan debts have been written down or written off may receive new loans. We identified 1,335 borrowers who had obtained about \$89 million in direct or guaranteed loans from fiscal year 1989 through the first three quarters of fiscal year 1992 after having previously received about \$203 million in debt relief. Furthermore, we identified 45 borrowers who had received \$5.4 million in new guaranteed loans after FmHA had paid \$3.3 million in loss claims on their previous guaranteed loans. One borrower received a \$132,000 direct loan even though, just 2

months earlier, he had received about \$428,000 in debt relief. Another borrower received a \$176,400 guaranteed loan just 6 months after FmHA had paid \$173,200 in loss claims on his previous guaranteed loans.

Second, under a congressionally directed policy, borrowers can obtain new FmHA direct loans for operating expenses without demonstrating the ability to pay their existing FmHA debt. This policy enables borrowers who are delinquent on their outstanding obligations to incur further obligations. From fiscal year 1988 through the first three quarters of fiscal year 1992, FmHA lent about \$107 million to delinquent borrowers. FmHA first established this policy in 1982 to assist financially stressed borrowers during a slump in the agricultural economy. It rescinded the policy in 1985 following our disclosure that many unsound loans were being made. However, in 1987, the Congress directed FmHA to reinstate the policy to prevent farmers from failing. FmHA officials said, and our work confirmed, that this policy makes it difficult for them to act in a fiscally prudent manner.

Third, the criteria that FmHA has established for approving loans further expose the agency's portfolios to loss. The cash flow

method that FmHA uses to calculate a loan applicant's ability to repay a debt includes no provision for contingencies and often creates an overly optimistic picture of the applicant's financial circumstances. In 1987, FmHA proposed regulations to strengthen its loan-approval criteria. FmHA withdrew the proposal in part because Members of Congress expressed concern that the proposed regulations would render many borrowers ineligible for farm loans.

Fourth, under provisions of the Con Act and FmHA's implementing regulations, private lenders can use guaranteed loans to refinance existing customers' debts and thereby shift to the federal government most of the risks of their loans to financially stressed borrowers. About \$550 million, or 44 percent, of the \$1.2 billion in guaranteed loan obligations in fiscal year 1988 was used to refinance borrowers' existing debts with lenders. Commercial lenders view FmHA's guaranteed loans primarily as a vehicle for increasing the security of their own agricultural loan portfolios. Experience has shown that this practice is risky for the government. The OIG has reported that 35 of 45 borrowers who defaulted on guaranteed loans had obtained the loans to refinance existing debt. Sixty percent of these 35

borrowers defaulted shortly after receiving the loans, often without having made a single payment.

Finally, FmHA's policy is to guarantee most loans at the maximum rate (90 percent), regardless of risk, even though the agency has authority to accept a smaller share of the risk. As we reported in April 1992, about 81 percent of all guaranteed loans have been guaranteed at the 90-percent level. Loans to borrowers who have defaulted on previous loans are guaranteed at the same rate as loans to borrowers with more solid credit histories. Loans for refinancing existing debt are guaranteed at the same rate as loans for new credit purchases. This policy strengthens the incentive for commercial lenders to use the guaranteed loan program as a way of transferring the risks in their own loan portfolios to the federal government.

**Imprudent
Loan-Servicing
Policies**

FmHA's policies governing loan servicing, some the result of legislation, also invite losses. To keep borrowers' loans technically current, FmHA routinely reschedules and reamortizes loan terms, thereby extending the period for repaying a loan. Typically, FmHA adds the unpaid interest to the

outstanding loan principal without increasing the loan security. These actions often result in excessive debt and loss of equity for borrowers and undersecured loans for the government. Although the Con Act limits borrowers to \$200,000 in new direct loan obligations, it does not limit the debt that they can accumulate through rescheduling or reamortizing existing loans. We identified 1,940 borrowers who, as of June 30, 1992, had accumulated debts totaling about \$67 million in excess of the individual \$200,000 limit.

In addition, although FmHA requires borrowers to pledge adequate security for new loans to ensure repayment in the event of default, it does not, when rewriting a loan, require additional security. Therefore, the new principal balance may exceed the value of the loan security. If the borrower defaults, the collateral may no longer cover the debt. As we reported in February 1989, loan security was inadequate for 111 of 160 borrowers in our sample.

The Agricultural Credit Act of 1987 also established a policy for servicing delinquent debts that runs counter to principles of sound financial management: debt write-down for borrowers whose loans are

restructured and debt write-off for borrowers whose loans do not qualify for restructuring. These practices are expensive for the taxpayer—costing about \$3.1 billion during fiscal years 1989 through the first three quarters of 1992—and also provide incentives for farmers to default intentionally on their loans in order to qualify for debt reduction. As we reported in August 1990, 18 of 30 nondelinquent borrowers whom we interviewed told us that they felt penalized for paying their debts, and some said that they were looking for ways to become delinquent so that they could qualify for debt reduction.

FmHA's debt-restructuring practices have generally failed to strengthen the financial positions of delinquent borrowers. In many instances, the beneficiaries of these actions have returned for additional debt restructuring, continuing the delinquency-restructuring-delinquency cycle. As our August 1990 report disclosed, over 90 percent of the 160 borrowers whom we reviewed remained financially weak after their delinquent debts were restructured. According to FmHA, about 9,500 borrowers, or about 43 percent of those whose delinquent loans were restructured from November 1988 to March 1990, became

delinquent again. Furthermore, we identified 6,222 borrowers who received multiple debt restructuring from January 1989 to June 1992. For example, one delinquent borrower's loans were restructured in 1989. At that time, he received a \$65,760 write-down. In 1990, he was delinquent again, his debt was once more restructured, and he received another loan. In 1991, he was delinquent again and received still another loan.

Costly Policies for Managing Inventory Property

The Con Act, as amended by various laws, requires FmHA to dispose of its inventory of farm properties in ways that are inconsistent with prudent management, reducing the government's opportunity to recoup losses. FmHA is required to determine whether a property is suitable for agricultural use and, if it is, to offer it at a fixed price to selected buyers, such as former owners or new farmers, to enable them to continue farming or to start new operations. These requirements may prevent the agency from obtaining the highest selling price and, by extending the time that properties remain in inventory, increase property management costs. Furthermore, this costly practice may not even promote farming and is subject to abuse by some targeted buyers. For

example, one former owner who repurchased property sold part of the land 17 months later for almost twice as much as he had paid FmHA for the entire property. In 1991, he was developing part of the remaining land for commercial use.

Clarification of FmHA's Role Is Necessary

FmHA has neither acted as a prudent lender nor enhanced the creditworthiness of the nation's financially stressed farmers. As the lender of last resort to borrowers whom commercial lenders do not consider creditworthy, FmHA would be expected to incur some losses through defaults on loans as well as through interest subsidies. However, the billions of dollars in direct loans that FmHA has already lost or may lose in the future far exceed the losses that might be anticipated even for a lender of last resort. Furthermore, the guaranteed loan program, which may grow significantly in the coming years, is vulnerable to loss because it is experiencing many of the same problems as the direct loan program.

Neither FmHA nor the Congress could have controlled some factors that have contributed to the agency's losses, such as the general decline of the agricultural economy in the 1980s. However, other factors contributing to FmHA's problems have been within FmHA's and/or the Congress's ability to influence. FmHA has failed its responsibility to manage its farm loan programs in that

- it has not ensured adherence to agency standards,
- it has adopted program policies that have increased the government's exposure to risk, and
- it has not provided its managers with the information that they have needed to operate programs effectively.

But by emphasizing FmHA's role as an assistance agency over its role as a prudent lender, the Congress may have contributed more to FmHA's problems than have deficiencies in the agency's program management. In 1987, the Congress discouraged FmHA's efforts to impose more stringent loan-making standards, and it directed FmHA to reinstate the policy of making operating loans to borrowers who are unable to pay their existing FmHA debt. The Congress also, through the Agricultural Credit Act of 1987, allowed delinquent farmers to obtain billions of dollars in debt relief and created incentives for nondelinquent borrowers deliberately to become delinquent.

More than fraud or other illegal attempts to circumvent established financial controls,

these practices and policies—while well-intentioned—have jeopardized the federal government's multibillion-dollar investment in farm loans. Furthermore, although these actions by FmHA and the Congress have reflected a desire to help farmers remain in farming until they could secure commercial credit, they have failed in many instances to achieve this objective. Nearly half of FmHA's borrowers have come to rely on the agency as a continuous source of subsidized credit. Moreover, the financial condition of some of these borrowers has deteriorated over time as repeated loan servicing has increased their debt and reduced their equity.

Conclusions and Action Needed

FmHA has not succeeded in operating simultaneously as a fiscally prudent lender and as an assistance agency. We believe that, to protect taxpayers' funds, a shift in the agency's emphasis toward prudence is in order. However, the Congress is ultimately responsible for defining FmHA's role and deciding how fiscally prudent the lender of last resort to the nation's farmers should be.

We have made numerous recommendations to the Secretary of Agriculture and to the Congress to improve compliance with loan and property management standards and to strengthen policies and program design in the direct loan, guaranteed loan, and farm inventory property areas. For example, we recommended in our April 1992 report that

- FmHA establish a system to ensure that lending officials adhere to the agency's loan standards,
- the Congress enact legislation to prohibit delinquent borrowers from receiving direct loans,
- the Congress enact legislation to require FmHA to establish a range of guarantees that places the highest percentage guarantee on the least risky loan and a lower percentage

guarantee on the most risky loan, and

- the Congress enact legislation to require that FmHA use competitive methods in selling farm inventory properties.

Many of our recommendations were directed toward improving FmHA's program management. However, if the losses in FmHA's programs are to be brought under control, the Congress needs to make clear that it expects FmHA to act as a prudent lender. In our opinion, the Congress needs to recognize that not all marginal, financially stressed farm operations can be saved and that not all farm families can benefit from attempts to keep them in farming. To communicate this recognition to FmHA and its managers, the Congress should, among other things, establish guidance concerning (1) the level of loan losses that it is willing to accept, (2) the length of time that borrowers may receive financial assistance from FmHA, and (3) the type of assistance, if any, that should be made available to help unsuccessful borrowers who want to leave farming.

Related GAO Products

Farmers Home Administration: Billions of Dollars in Farm Loans Are at Risk
(GAO/RCED-92-86, Apr. 3, 1992).

Farmers Home Administration: Debt Relief Actions for Business Entity Borrowers Are Questionable (GAO/RCED-92-29, Dec. 10, 1991).

ADP Modernization: Half-Billion Dollar FmHA Effort Lacks Adequate Planning and Oversight (GAO/IMTEC-92-9, Oct. 29, 1991).

Financial Audit: Farmers Home Administration's Financial Statements for 1989 and 1988 (GAO/AFMD-91-36, May 6, 1991).

Farmers Home Administration: Sales of Farm Inventory Properties (GAO/RCED-91-98, Apr. 9, 1991).

Farmers Home Administration: Changes Needed in Loan Servicing Under the Agricultural Credit Act (GAO/RCED-90-169, Aug. 2, 1990).

Farmers Home Administration: Use of Loan Funds by Farmer Program Borrowers
(GAO/RCED-90-95BR, Feb. 8, 1990).

Financial Audit: Farmers Home Administration's Financial Statements for 1988 and 1987 (GAO/AFMD-90-37, Jan. 25, 1990).

Farmers Home Administration: Implications of the Shift From Direct to Guaranteed Farm Loans (GAO/RCED-89-86, Sept. 11, 1989).

Information Management: Issues Important to Farmers Home Administration Systems Modernization (GAO/IMTEC-89-64, Aug. 21, 1989).

Farmers Home Administration: Sounder Loans Would Require Revised Loan-Making Criteria (GAO/RCED-89-9, Feb. 14, 1989).

Financial Audit: Farmers Home Administration's Losses Have Increased Significantly (GAO/AFMD-89-20, Dec. 20, 1988).

Farmers Home Administration: Farm Loan Programs Have Become a Continuous Source of Subsidized Credit (GAO/RCED-89-3, Nov. 22, 1988).

Farmers Home Administration: Problems and Issues Facing the Emergency Loan Program (GAO/RCED-88-4, Nov. 30, 1987).

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