Defense Finance and Accounting Service

DFAS 7900.4-M
Financial Management Systems Requirements Manual
Volume 11, Direct Loans

September 2012

Strategy, Policy and Requirements

SUBJECT: Description of Requirement Changes

The complete listing and description of the requirements changes, deletions, and additions by chapters and systems requirements can be found below.

All changes in this volume are denoted by bold blue font.

VOLUME 11 - Direct Loans		
Req ID	**Change Type**	**Reason for Change**
11.01.011	**C**	**Requirement verbiage updated.**
11.01.019	**A**	**New Requirement**
11.01.020	**A**	**New Requirement**
11.01.021	**A**	**New Requirement**
11.01.022	**A**	**New Requirement**
11.01.023	**A**	**New Requirement**
11.01.024	**A**	**New Requirement**
11.01.025	**A**	**New Requirement**
11.01.026	**A**	**New Requirement**
11.01.027	**A**	**New Requirement**
11.02.020	**D**	**Covered in Audit Trail and System Controls.**
11.02.024	**A**	**New Requirement**
11.02.025	**A**	**New Requirement**
11.02.026	**A**	**New Requirement**
11.02.027	**A**	**New Requirement**
11.02.028	**A**	**New Requirement**
11.02.029	**A**	**New Requirement**
11.02.030	**A**	**New Requirement**
11.02.031	**A**	**New Requirement**
11.02.032	**A**	**New Requirement**
11.03.009	**D**	**Business Rule not a system function.**
11.03.010	**D**	**Business Rule not a system function.**
11.03.018	**D**	**Business Rule not a system function.**
11.04.020	**D**	**Business Rule not a system function.**
11.04.021	**D**	**Business Rule not a system function.**

VOLUME 11 - Direct Loans		
Req ID	**Change Type**	**Reason for Change**
11.04.022	**D**	**Business Rule not a system function.**
11.04.023	**D**	**Business Rule not a system function.**
11.04.024	**A**	**New Requirement**
11.04.025	**A**	**New Requirement**
11.08.010	**D**	**Business Rule not a system function.**
11.08.032	**D**	**Compound requirement, split into two stand-alone requirements 11.08.057 and 11.08.058 to add clarity.**
11.08.057	**A**	**New Requirement**
11.08.058	**A**	**New Requirement**
11.11.004	**D**	**Business Rule not a system function.**
11.14.001	**C**	**Requirement verbiage updated.**
11.14.006	**D**	**Business Rule not a system function.**

Chart Legend:

A - Added FFMRs

These are new requirements due to revised and updated source document

C - Changed FFMRs

These requirements were contained in previous versions, but were changed for various reasons, as described in the Requirement Changes Appendix.

D - Deleted FFMRs

These requirements were removed from this version because they were no longer required by the source document or were redundant with another FFMR

Note: If there is no code in the requirements value added or change type columns for an FFMR, it is by definition, unchanged from previous versions.

Defense Finance and Accounting Service

DFAS 7900.4-M
Financial Management Systems Requirements Manual
Volume 11, Direct Loans

September 2012

Strategy, Policy and Requirements

SUBJECT: Financial Management Systems Requirements
Volume 11, Direct Loans

1. PURPOSE

a. This Volume presents the financial management system design and implementation requirements for Department of Defense (DoD) military components' and agencies' Direct Loans financial management systems. This Volume is part of the publication which reissues Defense Finance and Accounting Service (DFAS) 7900.4-M, "Financial Management Systems Requirements Manual," commonly known as the "Blue Book." This manual is a comprehensive compilation of the Federal and Department of Defense (DoD) systems requirements.

b. The Blue Book serves as a "roadmap" to Federal and DoD financial management system requirements by major financial management functional areas and their authoritative sources, and will assist managers who are responsible for financial management systems in planning, designing, enhancing, modifying, and implementing financial management systems. Managers are ultimately responsible for being knowledgeable of and complying with the various authoritative sources of financial requirements (both legislative and regulatory). Guidance and procedures are contained in several volumes located on the DFAS Reference Library at http://www.dfas.mil/dfasffmia/bluebook.html. Appendix 4 of the manual includes links to where authoritative sources of requirements may be accessed.

c. Adherence to these requirements will enable DoD military components and agencies to meet Federal mandates and will help facilitate DFAS to progress toward reaching its strategic goal of providing services faster, better, and cheaper. The objective of this Volume is to promulgate the financial management systems requirements for system and program managers' use in developing Direct Loans functionality.

2. APPLICABILITY:

Requirements contained within this document are applicable to accounting and finance systems operated and maintained by DoD.

3. POLICY:

a. This Volume provides a synopsis of Federal and DoD financial system requirements, mandated by policy, for Direct Loan financial management systems. It is a comprehensive compilation of financial management systems requirements mandated by Public Law 104-208, "Federal Financial Management Improvement Act of 1996," September 30, 1996.

b. This Volume incorporates revisions to existing financial system requirements from the authoritative sources **via highlighting the appropriate text in bolded blue font**. See description of requirement changes for a complete listing and description of the financial systems requirements changes, deletions, and additions, for this volume.

c. Users of this Volume may forward questions, comments and suggested changes to:

Defense Finance and Accounting Service
Strategy, Policy and Requirements
Attn: Financial Management Systems and Requirements Branch
8899 East 56th Street
Indianapolis, IN 46249-0002

E-mail questions, comments, and suggestions to ffmiarequirements@dfas.mil

4. ORGANIZATIONAL RESPONSIBILITIES FOR FFMIA COMPLIANCE

a. Within DoD, various organizations operate financial management systems. In an overall scheme, many of these systems should be linked in an integrated network. However, these systems frequently "stand-alone" or "stovepipe" systems that are not logically integrated with other related systems. Critical financial data, instead of being transferred electronically between systems through well-controlled interfaces, are often transferred manually by means of journal vouchers, hardcopy spreadsheets, "data calls," or other inefficient and error-prone methods.

b. DFAS functions as the primary Departmental entity responsible for producing a Trial Balance from the ERP general ledger and preparing the financial reports for the DoD. Much of the data used by DFAS to carry out the DoD's accounting and financial reporting functions—such as property and inventory values—originate in non-DFAS organizations or systems. Therefore, other organizations, primarily the military services and Defense agencies, should be held responsible for the compliance of their financial management systems with all applicable Federal requirements. Appendix 5 of DFAS 7900.4-M contains Federal and DoD guidance on FFMIA compliance, evaluation, and reporting.

5. PROCEDURES:

Procedures are presented in each Volume of this Manual as appropriate.

6. RELEASABILITY:

UNLIMITED. This Volume as part of DFAS 7900.4-M is approved for public release and may be accessed at http://www.dfas.mil/dfasffmia/bluebook.html

7. EFFECTIVE DATE: This Volume is effective immediately.

TABLE OF CONTENTS

DIRECT LOANS INTRODUCTION 1

DIRECT LOANS REQUIREMENTS 2

Chapter 01 - Loan Extension: Application Screening Process 2

Chapter 02 - Loan Extension: Loan Origination Process 6

Chapter 03 - Account Servicing: Billing and Collection Process 11

Chapter 04 - Account Servicing: Account Status Maintenance Process 15

Chapter 05 - Portfolio Management: Portfolio Performance Process 17

Chapter 06 - Portfolio Program Financing Process 20

Chapter 07 - Portfolio Management: Portfolio Sales Process 24

Chapter 08 - Delinquent Debt Collection: Collection Action Process 27

Chapter 09 - Delinquent Debt Collection: Write-offs and Close-outs Process 36

Chapter 10 - Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process 39

Chapter 11 - Foreclosure and Liquidate Collateral: Manage Liquidate Collateral Process 40

Chapter 12 - Cost of Post-1991 Direct Loans 42

Chapter 13 - Cross Servicing 46

Chapter 14 - Reporting 50

ACRONYMS 53

DIRECT LOANS INTRODUCTION

Federal agencies make billions of dollars of direct loans to American citizens and companies annually. Direct loans disbursed and outstanding are recognized as assets of the Federal Government.

Because of the magnitude of federal loan activity, the Joint Financial Management Improvement Program (JFMIP) has established specific requirements for systems used to manage direct-loan processes and portfolios. These requirements encompass the full scope of requirements for an automated direct-loan system. Each agency must evaluate whether it is practical to automate fully all of these functions or whether manual systems and processes are justified. Chapter 4 of DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMRs)," Volume 12, "Special Accounts, Funds and Programs," (July 2009) prescribes the Department of Defense's accounting requirements for direct loans. These requirements reflect Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) No. 2, "Accounting for Direct Loans and Loan Guarantees," August 23, 1993 and subsequent amendments in SFFAS No. 18, "Amendments To Accounting Standards For Direct Loans and Loan Guarantees," (May 2000) and SFFAS No. 19, "Technical Amendments To Accounting Standards For Direct Loans and Loan Guarantees In Statement of Federal Financial Accounting Standards No. 2," (March 2001).

Note: Users of this document will find that the web version of JFMIP-SR-99-8 does not include page numbers. The page numbers cited herein relating to that document were obtained by dragging the scroll bar within the JFMIP document. Internet Explorer creates a page number when the scroll bar is dragged.

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Loan Extension: Application Screening Process	11.01.001		The direct loan system must record critical credit application data needed to support application screening.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 22		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_001
Loan Extension: Application Screening Process	11.01.002		The direct loan system must provide access to application information to all agency staff participating in the screening and credit-granting decisions.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 22		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_002
Loan Extension: Application Screening Process	11.01.003		The direct loan system must process and record collections of fees remitted with the application in both the direct loan system and the Core Financial System.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 22		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_003
Loan Extension: Application Screening Process	11.01.004		The direct loan system must compare loan application information to agency program eligibility criteria.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_004
Loan Extension: Application Screening Process	11.01.005		The direct loan system must check the appropriate system data files to determine whether the applicant has submitted a duplicate application or has had a recent loan application rejected. These situations may indicate attempts by applicants to subvert agency credit policies.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_005
Loan Extension: Application Screening Process	11.01.006		The direct loan system must document that borrowers have certified that they have been unable to obtain credit from private financial sources, where such certification is a program requirement.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_006

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Loan Extension: Application Screening Process	11.01.008		The direct loan system must document that applicant financial data, repayment ability, and repayment history have been verified through the use of supplementary data sources such as employment and income data, financial statements, tax returns, and collateral appraisals, where this is a program requirement.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_008
Loan Extension: Application Screening Process	11.01.009		The direct loan system must compare the applicant's creditworthiness information to system-stored program creditworthiness criteria and, where a program requirement, calculate a credit risk rating for the applicant.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_009
Loan Extension: Application Screening Process	11.01.011	C	**The direct loan system must provide the information needed to compute the credit subsidy amount associated with a loan. It must do this by using projected cash flows and the applicable U.S. Treasury interest rate, in accordance with OMB Circular A-11, A-34, and SFFAS No. 2.**	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 23□Source: OMB Circular A-11; Source Date: 8/1/2009; Source Number: Sec. 185.2-185.5□Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 88		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_011
Loan Extension: Application Screening Process	11.01.013		The direct loan system must provide an automated interface with the Core Financial System to be able to commit funds for the loan if funds control is not done within the DL system.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_013

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Loan Extension: Application Screening Process	11.01.014		The direct loan system must update the application information store to reflect the status of the loan.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_014
Loan Extension: Application Screening Process	11.01.015		The direct loan system must accept, identify, track, and report supervisor overrides of system-generated acceptance/rejection recommendations.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_015
Loan Extension: Application Screening Process	11.01.016		The direct loan system must create and maintain a system record of accepted and rejected loan applications.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_016
Loan Extension: Application Screening Process	11.01.017		The direct loan system must generate a letter notifying the applicant of rejection or acceptance of the loan application.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_017
Loan Extension: Application Screening Process	11.01.018		The direct loan system must be able to provide for an electronic application process using various media, such as a secure internet application (WEB site).	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 22		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Application_Screening_018
Loan Extension: Application Screening Process	11.01.019	A	**The system shall capture the following application information to include, but not limited to the following: applicant name, applicant address, applicant income, applicant demographic data, application amount, application date and application program.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 15				Direct_Loan_Application_Screening_026

DIRECT LOANS REQUIREMENTS								DFAS 7900.4-M, Vol. 11
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Loan Extension: Application Screening Process	11.01.020	A	**The system shall capture the following application status information to include, but not limited to the following: applications pending, applications approved and applications rejected.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 15				Direct_Loan_Application_Screening_027
Loan Extension: Application Screening Process	11.01.021	A	**The system shall capture the following credit information to include, but not limited to the following: delinquencies on debt to the Federal Government, credit history, employment data, income data and collateral value.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 15				Direct_Loan_Application_Screening_025
Loan Extension: Application Screening Process	11.01.022	A	**To support the direct loan process, the system shall provide an automated interface with credit bureaus that allows an agency to obtain applicant credit history information (credit bureau report).**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 23				Direct_Loan_Application_Screening_019
Loan Extension: Application Screening Process	11.01.023	A	**To support the direct loan process, the system shall, for credit bureaus that do not have the capability for an automated interface, record credit history information entered by agency staff.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 23				Direct_Loan_Application_Screening_020
Loan Extension: Application Screening Process	11.01.024	A	**To support the direct loan process, the system shall document whether the Credit Alert Interactive Voice Response System (CAIVRS) identified the applicant as a borrower who is delinquent or has defaulted on a previous federal debt.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 23				Direct_Loan_Application_Screening_021

DIRECT LOANS REQUIREMENTS								DFAS 7900.4-M, Vol. 11
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Loan Extension: Application Screening Process	11.01.025	A	**To support the direct loan process, the system shall allow an override if the agency determines that the account was referred to CAIVRS in error.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 23				Direct_Loan_Application_Screening_022
Loan Extension: Application Screening Process	11.01.026	A	**To support the direct loan process, the system shall determine if sufficient funds are available in the Program Account to cover the subsidy cost.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 23				Direct_Loan_Application_Screening_023
Loan Extension: Application Screening Process	11.01.027	A	**To support the direct loan process, the system shall determine if available lending limits in the Financing Account are sufficient to cover the face value of the proposed loan.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 23				Direct_Loan_Application_Screening_024
Loan Extension: Loan Origination Process	11.02.001		The direct loan system must record loan terms and calculate disbursement schedules and repayment amounts and schedules as needed.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_001
Loan Extension: Loan Origination Process	11.02.002		The direct loan system must record the cohort and risk category, as defined in OMB Circular A-34, associated with the loan.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_002
Loan Extension: Loan Origination Process	11.02.003		The direct loan system must assign a unique account number to the loan that will remain unchanged throughout the life of the loan.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_003
Loan Extension: Loan Origination Process	11.02.004		The direct loan system must support the generation of loan documents for the borrower and the agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 24		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_004

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension: Loan Origination Process	11.02.005		The direct loan system must record information concerning the loan booking process, including date of booking.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_005
Loan Extension: Loan Origination Process	11.02.006		The direct loan system must record the applicable Treasury interest rate for the loan at the time of obligation, in accordance with OMB Circular A-34 and agency specific guidelines. This rate is used in subsidy calculations.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_006
Loan Extension: Loan Origination Process	11.02.007		The direct loan system must provide an automated interface with the Core Financial System to record the direct loan obligation, including the obligation for the subsidy. The interface must also allow for the liquidation of commitments previously recorded.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_007
Loan Extension: Loan Origination Process	11.02.008		The direct loan system must include in credit bureau reporting all commercial accounts in excess of a pre-determined amount.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_008
Loan Extension: Loan Origination Process	11.02.009		The direct loan system must calculate and deduct the loan application and origination fee from disbursements if not previously remitted by the applicant.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_009
Loan Extension: Loan Origination Process	11.02.010		The direct loan system must provide the capability to cancel, thus de-obligating, undisbursed loans.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_010
Loan Extension: Loan Origination Process	11.02.011		The direct loan system must update debtor accounts to reflect management override of offsets.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_011

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension: Loan Origination Process	11.02.012		The direct loan system must record important information needed for each loan disbursement, including the amount and applicable Treasury interest rates (to support the computation of accrued interest expense on borrowings from the US Treasury), and subsidy re-estimates.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_012
Loan Extension: Loan Origination Process	11.02.013		The direct loan system must support the calculation of borrowings. The actual organization of the system processes between the direct loan system and Core Financial System is at the discretion of the agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_013
Loan Extension: Loan Origination Process	11.02.014		The direct loan system must provide an automated interface with the Core Financial System to initiate and record the disbursement by cohort, establish the receivable, and record the movement of the subsidy funds from the Program account to the Financing Account.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_014
Loan Extension: Loan Origination Process	11.02.015		The direct loan system must capture the estimated useful economic life of any pledged collateral and compare it to the proposed term of the loan.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_015
Loan Extension: Loan Origination Process	11.02.016		The direct loan system must document that transactions over a predetermined amount have had a collateral appraisal by a licensed or certified appraiser.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_016
Loan Extension: Loan Origination Process	11.02.017		The direct loan system must compute the loan-to-value ratio and flag those loans with a ratio exceeding 100% (or more stringent standards set by the agency).	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_017

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Loan Extension: Loan Origination Process	11.02.018		The direct loan system must provide the following types of management information: approval and rejection monitoring, override exception, potential application fraud, detailed transaction history, exceptions, and disbursement management summaries.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_018
Loan Extension: Loan Origination Process	11.02.019		The direct loan system must be able to annotate on the borrower record that a disbursement was offset by U.S. Treasury on behalf of another government agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_019
Loan Extension: Loan Origination Process	11.02.020	D	Deleted: The system must provide a user friendly query tool that facilitates reporting rapidly on any required data elements.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_020
Loan Extension: Loan Origination Process	11.02.021		The direct loan system must maintain financial accounting information at appropriate levels of summary for computational and reporting purposes. The main levels are: - transaction - loan history - risk category, - cohort, and - account.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_021
Loan Extension: Loan Origination Process	11.02.022		The system shall record an obligation of subsidy, in the program account, when a binding contract has been signed, in accordance with the provisions of OMB Circular A-11, Federal Credit Programs.		Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 0406	Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_030
Loan Extension: Loan Origination Process	11.02.024	A	**The system shall capture the following loan information to include, but not limited to the following: loan status, loan subsidy information and loan cohort.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 15				Direct_Loan_Origination_026

DIRECT LOANS REQUIREMENTS								DFAS 7900.4-M, Vol. 11
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Loan Extension: Loan Origination Process	11.02.025	A	**The system shall capture the following collateral information to include, but not limited to the following: collateral appraised value and collateral status.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 15				Direct_Loan_Origination_027
Loan Extension: Loan Origination Process	11.02.026	A	**The system shall capture the following payment history information to include, but not limited to the following: disbursement amount, collections including principal/interest and accruals.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 15				Direct_Loan_Origination_028
Loan Extension: Loan Origination Process	11.02.027	A	**The system shall capture the following special collection activity data to include, but not limited to the following: delinquent debt collection activity and status.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 15				Direct_Loan_Origination_029
Loan Extension: Loan Origination Process	11.02.028	A	**To support the direct loan process, the system shall record loan terms.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 24				Direct_Loan_Origination_023
Loan Extension: Loan Origination Process	11.02.029	A	**To support the direct loan process, the system shall calculate disbursement schedules.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 24				Direct_Loan_Origination_024
Loan Extension: Loan Origination Process	11.02.030	A	**To support the direct loan process, the system shall calculate repayment amounts.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 24				Military_Pay_089
Loan Extension: Loan Origination Process	11.02.031	A	**To support the direct loan process, the system shall provide a capability to report a description of the characteristics of programs they administer.**	Source: SFFAS-18; Source Date: 6/1/2011; Source Number: Para 11 A				Direct_Loan_Reporting_006

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Loan Extension: Loan Origination Process	11.02.032	A	**To support the direct loan process, the system shall provide a capability to disclose the following for each program administered: (a) the total amount of direct or guaranteed loans disbursed for the current reporting year and the preceding reporting year, (b) the subsidy expense by components as defined in paragraphs 25 through 29, recognized for the direct loans disbursed in those years, (c) the subsidy re-estimates by components as defined in paragraph 32 for those years.**	Source: SFFAS-18; Source Date: 6/1/2011; Source Number: Para 11 A				Direct_Loan_Reporting_007
Account Servicing: Billing and Collection Process	11.03.001		The direct loan system must calculate outstanding balances for each loan account invoiced. The calculation must include principal, interest, late charges, and other amounts due.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_001
Account Servicing: Billing and Collection Process	11.03.002		The direct loan system must identify loan accounts to be invoiced based on agency program invoicing criteria and other loan account information, such as amount outstanding, most recent payment, payment amount due, and date due.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_002
Account Servicing: Billing and Collection Process	11.03.003		The direct loan system must provide the capability to analyze escrow balances to adjust required deposit amounts. This will help prevent deficiencies in tax and insurance deposits and payments for housing and other long-term real estate loans.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_003

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Account Servicing: Billing and Collection Process	11.03.004		The direct loan system must generate and transmit a bill, payment coupon, invoice or other document that shows the borrower ID, amount due, date due, the date after which the payment will be considered late, and the current balance.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_004
Account Servicing: Billing and Collection Process	11.03.005		The direct loan system must apply any collections, using the agency's program receipt application rules, to the appropriate liquidating or financing account. Collection sources could include cash, pre-authorized debit, check, or credit card.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_005
Account Servicing: Billing and Collection Process	11.03.006		The direct loan system must record a prepayment (the early payoff of the entire loan balance or paying more than the scheduled monthly payment), a partial, full, or late payment indicator.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_006
Account Servicing: Billing and Collection Process	11.03.007		The direct loan system must identify payments that cannot be applied and document why the payments cannot be applied.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_007
Account Servicing: Billing and Collection Process	11.03.008		The direct loan system must be able to compare a borrower's preauthorized debits, received from financial institutions and other external sources, to expected collections.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_008

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Account Servicing: Billing and Collection Process	11.03.009	D	Deleted: The system must provide an automated interface with the Core Financial System to record the collection. If the system itself handles the collection processing, it must meet the requirements in the "Core Financial System Requirements" related to this activity and send summary data to the Core Financial System.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_009
Account Servicing: Billing and Collection Process	11.03.010	D	Deleted: The system must be able to provide a means for debtors to inquire into their account status such as electronic inquiry using a secure internet WEB site or an automated telephone program such as a voice response unit.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 29		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_010
Account Servicing: Billing and Collection Process	11.03.011		The direct loan system must be able to apply components of payment (principle, interest, late fees) in accordance with established business rules.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_011
Account Servicing: Billing and Collection Process	11.03.012		The direct loan system must be capable of automatically capitalizing interest in accordance with established policy.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_012
Account Servicing: Billing and Collection Process	11.03.013		The direct loan system must be able to provide an electronic means to receive payments such as Automated Clearing-house (ACH) and Electronic Debit Account (EDA).	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Billing_And_Collection_013

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Billing and Collection Process	11.03.014		For reporting collections, an automated direct loan system must be able to prepare and mail to borrowers by January 31 of each year: Internal Revenue Service (IRS) Form 1098, Mortgage Interest Statements; IRS Form 1099-A, Acquisition or Abandonments of Secured Property; IRS Form 1099-C, Cancellation of Debt; IRS Form 1099-G, Certain Government Payments and other IRS Forms as required.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30				Direct_Loan_Account_Billing_And_Collection_014
Account Servicing: Billing and Collection Process	11.03.015		For reporting collections, an automated system must be able to transmit, to the IRS, information on interest paid and other reportable data.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30				Direct_Loan_Account_Billing_And_Collection_018
Account Servicing: Billing and Collection Process	11.03.016		The direct loan system must be capable of interfacing with other financial management systems.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 13				Direct_Loan_Account_Billing_And_Collection_015
Account Servicing: Billing and Collection Process	11.03.017		The system must be able to perform automatic system balancing. This system balancing must ensure that direct loan partners involved in a financial information exchange agree on transaction number and dollar values passed, processed, and rejected.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 13				Lender_Eligibility_019
Account Servicing: Billing and Collection Process	11.03.018	D	Deleted: The system must be capable of supporting managerial cost accounting	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 13				Direct_Loan_Account_Billing_And_Collection_016

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Billing and Collection Process	11.03.019		The system must contain adequate and current information reflecting loan payment history, including occurrences of delinquencies and defaults, and any subsequent loan actions that result in payment deferrals, refinancing, or rescheduling.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_018
Account Servicing: Account Status Maintenance Process	11.04.001		The direct loan system must support evaluation of accounts proposed for modification by the agency or borrower by comparing loan data to the agency's program loan modification criteria.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_001
Account Servicing: Account Status Maintenance Process	11.04.002		The direct loan system must calculate rescheduled loan terms, including repayment amounts and schedules, where appropriate. It must also calculate any change in the subsidy amount as a result of the loan modifications.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_002
Account Servicing: Account Status Maintenance Process	11.04.003		The direct loan system must perform a funds control check through an automated interface with the Core Financial System to verify the availability of a subsidy.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_003
Account Servicing: Account Status Maintenance Process	11.04.004		The direct loan system must produce selected loan account information listings for review by internal modification groups.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_004
Account Servicing: Account Status Maintenance Process	11.04.005		The direct loan system must establish a new loan account and collateral record for each new debt instrument and assign a unique loan account number to the new account record.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_005

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Account Status Maintenance Process	11.04.006		The direct loan system must update the loan information store to reflect the modified status of the loan, including changes in the value or status of any collateral.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 32		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_006
Account Servicing: Account Status Maintenance Process	11.04.007		The direct loan system must provide an automated interface with the Core Financial System to record pre-1992 and post 1991 direct loan modifications.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 32		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_007
Account Servicing: Account Status Maintenance Process	11.04.008		The direct loan system must be able to generate a new loan document, which displays information concerning both the original and modified direct loan.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 32		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_008
Account Servicing: Account Status Maintenance Process	11.04.014		The direct loan system must be able to maintain a link between the new loan account established for the new debt instrument and the old loan account records.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Account_Status_Maintenance_011
Account Servicing: Account Status Maintenance Process	11.04.016		For collateral requirements, an automated direct loan system must document significant changes to the condition and value of any collateral.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 32				Direct_Loan_Account_Status_Maintenance_013
Account Servicing: Account Status Maintenance Process	11.04.017		To support internal management information requirements for the Delinquent Debt Collection function, an automated direct loan system should provide at least the following types of management information: detailed transaction history, standard management control/activity, exceptions, offsetting agency description, trend analysis or performance, collection contractor compensation, and collateral management activity and expense.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 32				Direct_Loan_Foreclosure_Collateral_Liquidation_008

Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Account Servicing: Account Status Maintenance Process	11.04.020	D	Deleted: The system shall be able to demonstrate that all development requirements are incorporated into the final system output through the use of requirements traceability matrices.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 14				Direct_Loan_Account_Status_Maintenance_015
Account Servicing: Account Status Maintenance Process	11.04.021	D	Deleted: The system shall perform all work needed to accomplish the specified outcomes, achieve or exceed the specified performance standards, record and reconcile funds, and track and report activity.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 14				Direct_Loan_Account_Status_Maintenance_016
Account Servicing: Account Status Maintenance Process	11.04.022	D	Deleted: The system testing shall ensure that all related manual procedures perform according to system requirements.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 14				Direct_Loan_Account_Status_Maintenance_017
Account Servicing: Account Status Maintenance Process	11.04.023	D	Deleted: The automated system must use Configuration Management (CM) that will establish and maintain the security and integrity of the system throughout its development life cycle.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 14				Direct_Loan_Account_Status_Maintenance_014
Account Servicing: Account Status Maintenance Process	11.04.024	A	**The system shall capture the nine-digit Business Partner Number when processing all transactions involving a customer or vendor.**		Source: DoDFMR Vol 01, Ch 04; Source Date: 6/1/2009; Source Number: 040604			Direct_Loan_Account_Status_Maintenance_019
Account Servicing: Account Status Maintenance Process	11.04.025	A	**The system shall have the capability to classify transactions affecting financing accounts by Financing Account Indicator Code.**		Source: DoDFMR Vol 01, Ch 04; Source Date: 6/1/2009; Source Number: 040604			Direct_Loan_Account_Status_Maintenance_020
Portfolio Management: Portfolio Performance Process	11.05.001		The direct loan system must compare loan data to the agency's program portfolio evaluation criteria in order to identify loans that require review or evaluation.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 39		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Performance_001

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Portfolio Management: Portfolio Performance Process	11.05.002		The direct loan system must compare loan data to the agency's program portfolio evaluation criteria to identify loans with the potential for graduation to private sector financing.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 39		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Performance_002
Portfolio Management: Portfolio Performance Process	11.05.003		For the Portfolio Management Identify Loans for Evaluation activity, an automated direct loan system should compute and maintain program performance information. Some examples of the types of performance measures an agency may want its automated system to compute are: Number and dollar value of loans made Average loan size Loans made by geographical region Number and amount of delinquent loans by key indicators such as loan-to-value ratios Number and amount of defaulted loans by key indicators such as loan-to-value ratios Number and amount of rescheduled loans Amount of loan write-offs.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 39-40		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Performance_003

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Portfolio Management: Portfolio Performance Process	11.05.004		For the Portfolio Management Identify Loans for Evaluation activity, an automated direct loan system should compute and maintain financial measures to help assess the credit soundness of a loan program. Some examples of the types of financial measures an agency may want its automated system to compute are: Average loan-to-value ratio (for collateralized programs) Current loans as a percentage of total loans Delinquent loans as a percentage of total current loans Write-offs as a percentage of seriously delinquent loans Overall portfolio risk rate Loan loss rates Recovery rates on defaulted loans.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 40		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Performance_004
Portfolio Management: Portfolio Performance Process	11.05.005		For the Portfolio Management Identify Loans for Evaluation activity, an automated direct loan system should compute and maintain efficiency measures to help determine the effectiveness of use of agency resources. Some examples of the types of efficiency measures an agency may want its automated system to compute are: Administrative cost per loan approved Time required to process a loan application Administrative cost per loan serviced Administrative cost per delinquent dollar collected Net proceeds on real property sold compared to appraised value.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 40		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Performance_005

DIRECT LOANS REQUIREMENTS								DFAS 7900.4-M, Vol. 11
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Portfolio Management: Portfolio Performance Process	11.05.010		An automated system will not recognize administrative expenses in calculating the subsidy costs of direct loans.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 38				Direct_Loan_Portfolio_Performance_009
Portfolio Program Financing Process	11.06.001		To Support Treasury Borrowing Calculations, the Core Financial System and the direct loan system must execute SF-1151's and record amounts borrowed from the U.S. Treasury to finance loans. They must also make adjustments to borrowings during the year to reflect changes in original estimates.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_001
Portfolio Program Financing Process	11.06.002		To Support Treasury Borrowing Calculations, the Core Financial System and the direct loan system must be able to execute and record U.S. Treasury borrowings to finance interest payments to U.S. Treasury if insufficient funds are available to make the payment.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_002
Portfolio Program Financing Process	11.06.003		To Support Treasury Borrowing Calculations, the Core Financial System and the direct loan system must track the amount of un-invested funds in the financing account as needed to support the calculations of interest earnings.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_003
Portfolio Program Financing Process	11.06.004		To Support Treasury Borrowing Calculations, the Core Financial System and the direct loan system must compute interest expense on borrowings and interest earnings on un-invested funds.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_004

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Portfolio Program Financing Process	11.06.005		To Support Treasury Borrowing Calculations, the Core Financial System and the direct loan system must execute and record the repayment of principal using SF-1151's, and interest to U.S. Treasury using SF-1081's.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_005
Portfolio Program Financing Process	11.06.006		To Support Treasury Borrowing Calculations, the Core Financial System and the direct loan system must execute and record the receipt of interest earnings from the U.S. Treasury on un-invested funds using SF-1081's.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_006
Portfolio Program Financing Process	11.06.007		To Support Treasury Borrowing Calculations, the direct loan system must be able to provide an automated interface with the Core Financial System to record all calculations.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 41		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_007
Portfolio Program Financing Process	11.06.008		To support subsidy re-estimates, an automated direct loan system should support the re-estimate of the subsidy cost for each cohort and risk category of loans at the beginning of each fiscal year in accordance with OMB Circular A-11 and SFFAS No. 2.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 43□Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 33□Source: OMB Circular A-11; Source Date: 8/1/2009; Source Number: Sec. 185.2		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_008

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Program Financing Process	11.06.010		To support subsidy re-estimates, an automated direct loan system should compare the current year re-estimated subsidy cost to the prior year re-estimated loan subsidy cost to determine whether subsidy costs for a risk category increased or decreased.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_009
Portfolio Program Financing Process	11.06.011		To support subsidy re-estimates, an automated direct loan system should transfer loan subsidy from those risk categories with an excess of loan subsidies to those risk categories in the same cohort that are deficient in loan subsidies to provide adequate funding for each risk category.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_010
Portfolio Program Financing Process	11.06.012		To support subsidy re-estimates, an automated direct loan system should: Group those cohorts that need indefinite appropriation loan subsidy funds separately from those cohorts that have excess funds. Request an apportionment and obligate funds to cover the subsidy increase for those cohorts of loans that have insufficient subsidy. Transfer excess subsidy of cohorts of loans to the Special Fund Receipt Account.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_011
Portfolio Program Financing Process	11.06.014		To support analyzing of working capital needs, an automated direct loan system should be able to account for working capital cash balance in accordance with OMB Circular A-11 guidance.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_012
Portfolio Program Financing Process	11.06.015		To support analyzing of working capital needs, an automated direct loan system should record any costs incurred, which are funded by working capital.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_013

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Program Financing Process	11.06.016		To support analyzing of working capital needs, an automated direct loan system should compute the amount of Treasury interest earned by working capital funds and provide this amount to the Core Financial System.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_014
Portfolio Program Financing Process	11.06.017		The direct loan system must maintain cash flow data that permits comparison of actual cash flows each year (and new estimates of future cash flows), as well as historical data from prior years to the cash flows used in computing the latest loan subsidy estimate.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_015
Portfolio Program Financing Process	11.06.018		The system must maintain data that is predictive of loan performance and subsidy costs.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 42		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_016
Portfolio Program Financing Process	11.06.019		The system must maintain the actual loan terms, including maturity, interest rate, and upfront and/or annual fees.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 42		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_017
Portfolio Program Financing Process	11.06.020		The system must record any changes in terms and conditions in addition to the original terms and conditions, not in place of them.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 42			Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_018
Portfolio Program Financing Process	11.06.021		The system must include measures of the financial condition of the business or individual receiving the loan and past credit experience if applicable since creditworthiness may be a strong predictor of defaults.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 42		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_019
Portfolio Program Financing Process	11.06.024		The system must maintain the primary economic factors that influence loan performance.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 42		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_022

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Program Financing Process	11.06.025		The system must maintain all cash transactions related to each loan for several years to allow for trend analysis.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_023
Portfolio Program Financing Process	11.06.026		The system must support the reestimate calculation and provide the necessary data to record the reestimate in the core financial system.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 43		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Program_Financing_024
Portfolio Program Financing Process	11.06.027		To support subsidy estimates, an automated direct loan system should be able to calculate and report, as necessary, the aggregate repayment schedule for a cohort.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 42				Direct_Loan_Portfolio_Program_Financing_025
Portfolio Program Financing Process	11.06.029		When a pre-1992 direct loan is directly modified, an automated system must transfer the loan to a financing account and change their book value to an amount equal to their post-modification value. Any subsequent modification is treated as a modification of post-1991 loans.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 47	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.I.2			Direct_Loan_Portfolio_Program_Financing_026
Portfolio Program Financing Process	11.06.030		When a pre-1992 direct loan is indirectly modified, an automated system must keep the loan in a liquidating account. The system must also reassess the bad debt allowance and adjusted the allowance to reflect amounts that would not be collected due to the modification.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 47	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.I.2			Direct_Loan_Portfolio_Program_Financing_027
Portfolio Management: Portfolio Sales Process	11.07.001		To prepare a portfolio for sale, an automated direct loan system should compare loan information to agency program criteria to select loans for inclusion in a potential sales pool.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_001

Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Management: Portfolio Sales Process	11.07.002		To prepare a portfolio for sale, an automated direct loan system should provide the ad hoc query capability needed to provide information on selected loans.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_002
Portfolio Management: Portfolio Sales Process	11.07.003		To prepare a portfolio for sale, an automated direct loan system should record OMB/Treasury approval or disapproval of the sale/prepayment of a loan.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_003
Portfolio Management: Portfolio Sales Process	11.07.004		For a prepayment program, an automated direct loan system should generate a prepayment offer to be sent to eligible borrowers for participation in the prepayment program.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_004
Portfolio Management: Portfolio Sales Process	11.07.005		For a prepayment program, an automated direct loan system should record receipt of commitment letters from borrowers.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_005
Portfolio Management: Portfolio Sales Process	11.07.007		For a prepayment program, an automated direct loan system should provide an automated interface with the Core Financial System to record the receipt of a prepayment and the changes in subsidy costs.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_006
Portfolio Management: Portfolio Sales Process	11.07.008		When executing a portfolio sale, an automated direct loan system should identify loans with incomplete documentation in the loan information store and generate a request for information to ensure loan files are complete.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_007
Portfolio Management: Portfolio Sales Process	11.07.009		When executing a portfolio sale, an automated direct loan system should generate documents and other information necessary to finalize the sales agreement with the purchaser.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_008

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Portfolio Management: Portfolio Sales Process	11.07.010		When executing a portfolio sale, an automated direct loan system should update the loan information store to identify loans sold using information received from the underwriter.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_009
Portfolio Management: Portfolio Sales Process	11.07.011		When executing a portfolio sale, an automated direct loan system should provide an automated interface with the Core Financial System to record the sale of receivables, the proceeds, changes in subsidy costs, and calculate the related gain or loss in accordance with SFFAS No. 2.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_010
Portfolio Management: Portfolio Sales Process	11.07.012		For internal management information requirements for the Portfolio Management function, an automated direct loan system should provide at least the following types of management information: detailed transaction history, standard management control/activity, portfolio sale historical payments, portfolio sale performance, and program credit reform status.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 46		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_011
Portfolio Management: Portfolio Sales Process	11.07.013		When executing a portfolio sale, an automated direct loan system should update the loan information store with any provided information.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Portfolio_Sales_012
Portfolio Management: Portfolio Sales Process	11.07.017		The direct loan system must provide an automated interface with the Core Financial System to record pre-1992 and post 1991 direct loan modifications.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 53				Direct_Loan_Account_Status_Maintenance_007

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Collection Action Process	11.08.001		For reporting delinquent debt, an automated direct loan system should identify delinquent commercial and consumer accounts for reporting to credit bureaus (preferably by electronic interface) and Credit Alert Interactive Voice Response System (CAIVRS) by comparing reporting criteria to delinquent loan data.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_001
Delinquent Debt Collection: Collection Action Process	11.08.002		For reporting delinquent debt, an automated direct loan system should calculate outstanding balances, including interest, penalties, and administrative charges, and include this information in credit bureau reports.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_002
Delinquent Debt Collection: Collection Action Process	11.08.003		For reporting delinquent debt, an automated direct loan system should generate (or include in demand letters) a notice to inform consumer borrowers of the referral of a delinquent debt to a credit bureau and CAIVRS in accordance with regulations.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_003
Delinquent Debt Collection: Collection Action Process	11.08.004		For reporting delinquent debt, an automated direct loan system should maintain a record of each account reported to credit bureaus to allow tracking of referred accounts.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_004
Delinquent Debt Collection: Collection Action Process	11.08.005		For reporting delinquent debt, an automated direct loan system should prepare data on appropriate medium, on a monthly basis, of delinquent debtors to be included in the CAIVRS database.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_005

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Collection Action Process	11.08.006		For contact with debtor, the Debt Collection process of an automated direct loan system should generate and transmit dunning letters to debtors with past-due loan accounts.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_006
Delinquent Debt Collection: Collection Action Process	11.08.007		For contact with debtor, the Debt Collection process of an automated direct loan system should identify debtors who do not respond to dunning letters within a specified time period.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_007
Delinquent Debt Collection: Collection Action Process	11.08.008		For contact with debtor, the Debt Collection process of an automated direct loan system should track demand letters and borrower responses to document borrower due process notification (and borrower willingness and ability to repay debt).	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_008
Delinquent Debt Collection: Collection Action Process	11.08.009		For contact with debtor, the Debt Collection process of an automated direct loan system should track and document debtor appeals received in response to demand for payment.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_009
Delinquent Debt Collection: Collection Action Process	11.08.010	D	Deleted: For contact with debtor, the Debt Collection process of an automated system should provide automated support to the collection process.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_010
Delinquent Debt Collection: Collection Action Process	11.08.011		For Treasury Offset referral, an automated direct loan system should identify accounts eligible for referral to the Treasury Offset Program (TOP).	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_011

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Delinquent Debt Collection: Collection Action Process	11.08.013		For Treasury Offset referral, an automated direct loan system should generate written notification to the borrower that includes the following: the nature and the amount of the debt; the intention of the agency to collect the debt through administrative offset; an explanation of the rights of the debtor; an offer to provide the debtor an opportunity to inspect and copy the records of the agency with respect to the debt; and an offer to enter into a written repayment agreement with the agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_012
Delinquent Debt Collection: Collection Action Process	11.08.014		For Treasury Offset referral, an automated direct loan system should be able to transmit to TOP eligible new debts, and increase, decrease, or delete previously reported debts	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_013
Delinquent Debt Collection: Collection Action Process	11.08.016		For Treasury Offset referral, an automated direct loan system should update the loan information store to reflect TOP status.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_014
Delinquent Debt Collection: Collection Action Process	11.08.017		For Treasury Offset referral, an automated direct loan system should update the Core Financial System to record collections from TOP.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_015
Delinquent Debt Collection: Collection Action Process	11.08.020		For garnishment of Non-Federal Wages, an automated direct loan system should interface with the Core Financial System to record receipts remitted to the agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_016

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Collection Action Process	11.08.021		For referral to Collection Agencies, an automated direct loan system should compare delinquent account data to agency program collection agency referral criteria to select delinquent loan accounts for referral to collection agencies.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_017
Delinquent Debt Collection: Collection Action Process	11.08.022		For referral to Collection Agencies, an automated direct loan system should sort and group delinquent loan accounts based on type of debt (consumer or commercial), age of debt, and location of debtor.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_018
Delinquent Debt Collection: Collection Action Process	11.08.023		For referral to Collection Agencies, an automated direct loan system should calculate outstanding interest, penalties, and administrative charges for each delinquent loan account to be referred.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_019
Delinquent Debt Collection: Collection Action Process	11.08.024		For referral to Collection Agencies, an automated direct loan system should assign selected delinquent loan account groupings to appropriate collection agencies based on collection agency selection criteria for agency programs.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_020
Delinquent Debt Collection: Collection Action Process	11.08.025		For referral to Collection Agencies, an automated direct loan system should document that the delinquent account has been referred to a collection agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_021
Delinquent Debt Collection: Collection Action Process	11.08.026		For referral to Collection Agencies, an automated direct loan system should generate and receive electronic transmissions of account balance data and status updates to and from collection agencies.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_022

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Collection Action Process	11.08.027		For referral to Collection Agencies, an automated direct loan system should record receipts remitted to the collection agency and forwarded to the agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_023
Delinquent Debt Collection: Collection Action Process	11.08.028		For referral to Collection Agencies, an automated system should update the loan information store to reflect receipts, adjustments, and other status changes, including rescheduling, compromise, and other resolution decisions.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52				Direct_Loan_Delinquent_Debt_Collection_Action_024
Delinquent Debt Collection: Collection Action Process	11.08.029		For referral to Collection Agencies, an automated direct loan system should accept and match collection agency invoices with agency records.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_025
Delinquent Debt Collection: Collection Action Process	11.08.030		For referral to Collection Agencies, an automated direct loan system should be able to request, reconcile, and record returned accounts from collection agencies.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_026
Delinquent Debt Collection: Collection Action Process	11.08.031		For referral to Collection Agencies, an automated direct loan system should interface with the Core Financial System to be able to record collections processed through collection agencies.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_027

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Collection Action Process	11.08.032	D	Deleted: For litigation referral activities, an automated system should compare delinquent loan account information against the agency's litigation referral criteria to identify delinquent loan accounts eligible for referral. It must also support identification of accounts to be referred to counsel for filing of proof of claim based on documentation that a debtor has declared bankruptcy.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_028
Delinquent Debt Collection: Collection Action Process	11.08.033		For litigation referral activities, an automated direct loan system should provide an electronic interface with credit bureaus to obtain credit bureau reports that will enable assessment of the debtor's ability to repay before a claim is referred to legal counsel.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_029
Delinquent Debt Collection: Collection Action Process	11.08.034		For litigation referral activities, an automated direct loan system should calculate the outstanding balance, including principal, interest penalties, and administrative charges, for each delinquent loan account to be referred to legal counsel.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_030
Delinquent Debt Collection: Collection Action Process	11.08.035		For litigation referral activities, an automated direct loan system should generate the Claims Collection Litigation Report (CCLR). The CCLR is used to capture collection actions and current debtor information and transmit this information to Department of Justice (DOJ).	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_031

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Collection Action Process	11.08.036		For litigation referral activities, an automated direct loan system should receive electronic transmissions of account data and status updates to and from the DOJ's Central Intake Facility, or the agency's Office of General Counsel's (OGC) automated system for referrals.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_032
Delinquent Debt Collection: Collection Action Process	11.08.037		For litigation referral activities, an automated direct loan system should update the loan status to reflect referrals for litigation so that the loan can be excluded from other collection actions, and to alert the agency to obtain approval from counsel before accepting voluntary debtor payment.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_033
Delinquent Debt Collection: Collection Action Process	11.08.038		For litigation referral activities, an automated direct loan system should match agency litigation referrals with the Department of Justice listing of agency litigation referrals.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_034
Delinquent Debt Collection: Collection Action Process	11.08.039		For litigation referral activities, an automated direct loan system should record and track recovery of judgment decisions.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_035
Delinquent Debt Collection: Collection Action Process	11.08.040		For litigation referral activities, an automated direct loan system should update the loan information store to reflect receipts and adjustments.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_036
Delinquent Debt Collection: Collection Action Process	11.08.041		For litigation referral activities, an automated direct loan system should interface with the Core Financial System to record any collections resulting from litigation.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_037

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Collection Action Process	11.08.042		For Treasury Offset referral, an automated direct loan system should identify, at the end of the notification period, the debtors that remain delinquent and are eligible for referral.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_038
Delinquent Debt Collection: Collection Action Process	11.08.043		For Treasury Offset referral, an automated direct loan system should offset delinquent debts internally before referral to TOP, where applicable.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_039
Delinquent Debt Collection: Collection Action Process	11.08.044		For Treasury Offset referral, an automated direct loan system should apply collections received through the TOP process to debtor accounts in accordance with applicable payment application rules.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_040
Delinquent Debt Collection: Collection Action Process	11.08.045		For Treasury Offset referral, an automated direct loan system should record offset fees in accordance with agency program requirements.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_041
Delinquent Debt Collection: Collection Action Process	11.08.046		For Treasury Offset referral, an automated direct loan system should process agency refunds given to borrowers erroneously, offset and transmit this information to Treasury in a timely manner.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_042
Delinquent Debt Collection: Collection Action Process	11.08.047		For Treasury Offset referral, an automated direct loan system should record refunds given by US Treasury and adjust the loan information store accordingly.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_043

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Collection Action Process	11.08.048		For garnishment of Non-Federal Wages, an automated direct loan system should generate written notice informing the borrower of the agency's intention to initiate proceedings to collect the debt through deductions from pay, the nature and amount of the debt to be collected, and the debtor's rights.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_044
Delinquent Debt Collection: Collection Action Process	11.08.049		For garnishment of Non-Federal Wages, an automated direct loan system should document that the wage garnishment order was sent to the employer.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 51		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_045
Delinquent Debt Collection: Collection Action Process	11.08.050		For garnishment of Non-Federal Wages, an automated direct loan system should provide ad hoc reporting capability needed to monitor the amounts recovered through non-Federal wage garnishment.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_046
Delinquent Debt Collection: Collection Action Process	11.08.051		For garnishment of Non-Federal Wages, an automated direct loan system should document that the agency provided debtors a hearing, when requested.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_047
Delinquent Debt Collection: Collection Action Process	11.08.052		For garnishment of Non-Federal Wages, an automated direct loan system should apply collections received through wage garnishment according to agency application rules.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_048
Delinquent Debt Collection: Collection Action Process	11.08.053		For referral to Collection Agencies, an automated direct loan system should generate payment to the collection agency for services rendered through the Core Financial System.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_049

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Delinquent Debt Collection: Collection Action Process	11.08.054		For litigation referral activities, an automated direct loan system should track filing of pleadings and other motions, including proofs of claims in bankruptcy, to ensure swift legal action and to monitor litigation activity.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_050
Delinquent Debt Collection: Collection Action Process	11.08.056		If a legitimate claim exists by a third party or by the borrower to a part of the recognized value of the foreclosed assets, the system must recognize the present value of the estimated claim as a special contra valuation allowance.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 58	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.L.1	Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Collection_Action_053
Delinquent Debt Collection: Collection Action Process	11.08.057	A	**To support the direct loan process for litigation referral activities, the system shall compare delinquent loan account information against the agency's litigation referral criteria to identify delinquent loan accounts eligible for referral.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 52				Direct_Loan_Delinquent_Debt_Collection_Action_051
Delinquent Debt Collection: Collection Action Process	11.08.058	A	**To support the direct loan process for litigation referral activities, the system shall support identification of accounts to be referred to counsel for filing of proof of claim based on documentation that a debtor has declared bankruptcy.**	Source: JFMIP SR-99-08; Source Date: 6/1/1999; Source Number: Pg 52				Direct_Loan_Delinquent_Debt_Collection_Action_052
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.001		To identify and document accounts selected for write-off, an automated direct loan system should compare delinquent loan account information to agency program write-off criteria to select delinquent loan accounts for possible write-off.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_001

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.002		To identify and document accounts selected for write-off, an automated direct loan system should classify debtors based on financial profile and ability to repay.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_002
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.003		To identify and document accounts selected for write-off, an automated direct loan system should produce a CCLR for each loan account to be referred to agency counsel or the Department of Justice for approval of termination of collection action. It must also update the loan status to reflect the referral.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_003
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.004		To identify and document accounts selected for write-off, an automated direct loan system should update the loan information store to reflect approval or disapproval by agency counsel or the Department of Justice for termination of collection action.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_004
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.005		To identify and document accounts selected for write-off, an automated direct loan system should update the loan information store and provide an automated interface with the Core Financial System to record the write-off of the receivable.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_005
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.006		To monitor written-off accounts, an automated direct loan system should maintain a suspense file of inactive (written-off) loan accounts.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_006
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.007		To monitor written-off accounts, an automated direct loan system should reactivate written-off loan accounts at a system user's request if the debtor's financial status or the account status changes.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_007

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.008		To document close-out of uncollectible accounts, an automated direct loan system should compare loan account data to agency closeout criteria to identify debtor accounts eligible for closeout and 1099-C reporting.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_008
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.010		To document close-out of uncollectible accounts, an automated direct loan system should prepare and send a Form 1099-C to the IRS if the debtor has not responded within the required time period.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_009
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.011		To document close-out of uncollectible accounts, an automated direct loan system should update the loan information store to reflect receipts, adjustments, and other status changes, including rescheduling, compromise, and other resolution decisions.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_010
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.012		To document close-out of uncollectible accounts, an automated direct loan system should retain electronic summary records of closed out account activity for a period of five years for use in the agency's screening of new loan applications.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_011
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.013		To identify and document accounts selected for write-off, an automated direct loan system should have indicators of the financial well-being of a debtor, including debtor financial statements, credit bureau reports, and payment receipt history.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_012

Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.015		When assets are acquired in full or partial settlement of post-1991 direct loans, the system must reduce the present value of the government's claim against the borrowers by the amount settled as a result of the foreclosure.		Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.L. 3			Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_015
Delinquent Debt Collection: Write-offs and Close-outs Process	11.09.016		When post-1991 direct loans are written off, the direct loan system must remove the unpaid principal of the loans from the gross amount of loans receivable and concurrently, the same amount is charged to the allowance for subsidy costs.		Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.M			Direct_Loan_Delinquent_Debt_Writeoffs_And_Closeouts_014
Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process	11.10.001		To identify foreclosure candidates, an automated direct loan system should compare delinquent account data to collateral foreclosure selection criteria.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_001
Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process	11.10.002		To identify foreclosure candidates, an automated direct loan system should sort and group selected delinquent accounts by type of collateral (single family or multifamily, commercial, farm, etc.), location, loan-to-value ratios, and the amount of debt.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_002
Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process	11.10.003		To identify foreclosure candidates, an automated direct loan system should calculate outstanding principal, interest, penalties, and administrative charges for each loan account selected for review for foreclosure.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_003
Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process	11.10.004		When foreclosing a loan, an automated direct loan system should transmit a foreclosure notice to the borrower.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_004

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process	11.10.005		When foreclosing a loan, an automated direct loan system should transmit information necessary for the foreclosure to the Department of Justice (DOJ) and/or the agency's Office of General Counsel (OGC), as applicable.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_005
Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process	11.10.006		When foreclosing a loan, an automated direct loan system should record the results of the foreclosure proceedings and title conveyance to the agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_006
Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process	11.10.007		When foreclosing a loan, an automated direct loan system should provide an automated interface of data on acquired collateral to the property management system for management and liquidation of the property.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_007
Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process	11.10.008		When foreclosing a loan, an automated direct loan system should provide an automated interface to the Core Financial System that permits it to record the value of the property acquired and to reduce the receivable amount.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_008
Foreclosure and Liquidate Collateral: Foreclosure on Collateral Process	11.10.009		When foreclosing a loan, an automated direct loan system should be able to generate or provide the information needed to manually prepare IRS Form 1099-A, Acquisition or Abandonment of Secured Property.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_On_Collateral_009
Foreclosure and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.001		To manage collateral, an automated direct loan system should generate payments to property management contractors for services rendered.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_001

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Foreclosure and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.002		To manage collateral, an automated direct loan system should track, record, and classify operations and maintenance expenses related to the acquired collateral.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_002
Foreclosure and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.003		To manage collateral, an automated direct loan system should document rental income and other collections related to the acquired collateral.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_003
Foreclosure and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.004	D	Deleted: To manage collateral, an automated system should post the expenses and income to the Core Financial System through an automated interface.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_004
Foreclosure and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.005		For Disposal of Collateral, an automated direct loan system should update the loan information store to record receipts resulting from the liquidation of acquired collateral and the disposition of the collateral.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_005
Foreclosure and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.006		For Disposal of Collateral, an automated direct loan system should provide an automated interface to the Core Financial System and the property management system to record disposal of the property and associated receipts.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_006
Foreclosure and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.007		For Disposal of Collateral, an automated direct loan system should identify any deficiency balances remaining for the loan after collateral liquidation to allow for further collection activities.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_007

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Foreclosure and Liquidate Collateral: Manage Liquidate Collateral Process	11.11.008		To support internal management information requirements for the Delinquent Debt Collection function, an automated direct loan system should provide at least the following types of management information: detailed transaction history, standard management control/activity, exceptions, offsetting agency description, trend analysis or performance, collection contractor compensation, and collateral management activity and expense.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 58		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Foreclosure_Collateral_Liquidation_008
Cost of Post-1991 Direct Loans	11.12.001		An automated direct loan system must record Post-1991 direct loans as assets at the present value of their estimated net cash inflows. The difference between the outstanding principal of the loans and the present value of their net cash inflows is recognized as a subsidy cost allowance.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 22	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.A	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_001
Cost of Post-1991 Direct Loans	11.12.002		An automated direct loan system must record a subsidy expense for Post-1991 direct loans disbursed during a fiscal year. The amount of the subsidy expense equals the present value of estimated cash outflows over the life of the loans minus the present value of estimated cash inflows, discounted at the interest rate of on marketable United States (U.S.) Treasury securities of similar maturity to the cash flow of the direct loan or loan guarantee for which the estimate is being made (hereinafter referred to as the applicable Department of the Treasury interest rate).	Source: SFFAS-19; Source Date: 6/1/2008; Source Number: Para 6(a)Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 24	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.C	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_002

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.003		During the fiscal year in which new direct loans are disbursed, an automated direct loan system must recognize the components of subsidy expense (of those new direct loans) separately from interest subsidy costs, default costs, fees and other collections, and other subsidy costs.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 25	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.C.1	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_003
Cost of Post-1991 Direct Loans	11.12.004		An automated direct loan system must record the present value of fees and other collections as a deduction from subsidy costs.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 28	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.C.4	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_004
Cost of Post-1991 Direct Loans	11.12.005		An automated direct loan system must amortize the subsidy cost allowance for direct loans by the interest method using the interest rate that was used to calculate the present value of the direct loans when the direct loans were disbursed, after adjusting for the interest rate re-estimate. The amortized amount is recognized as an increase or decrease in interest income	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 30 Source: SFFAS-19; Source Date: 6/1/2008; Source Number: Para 7(a)	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.D	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_005
Cost of Post-1991 Direct Loans	11.12.006		An automated direct loan system must re-estimate the following subsidy cost allowance, for direct loans, as of the date of the financial statements: interest rate re-estimates and technical/default re-estimates. Each program re-estimate should be measured and disclosed in these two components separately.	Source: SFFAS-18; Source Date: 6/1/2008; Source Number: Para 9	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.D.2	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_006

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.007		An automated direct loan system must recognize any increase or decrease in the subsidy cost allowance resulting from the re-estimates as an increase or decrease in subsidy expense for the current reporting period.	Source: SFFAS-18; Source Date: 6/1/2008; Source Number: Para 9	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.D.2	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_007
Cost of Post-1991 Direct Loans	11.12.008		An automated direct loan system must recognize interest accrued on direct loans, including amortized interest, as interest income.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 37	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.F	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_008
Cost of Post-1991 Direct Loans	11.12.009		An automated direct loan system must recognize interest due from the U.S. Treasury on un-invested funds as interest income.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 37	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.F	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_009
Cost of Post-1991 Direct Loans	11.12.010		An automated direct loan system must recognize interest accrued on debt to the U.S. Treasury as interest expense.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 37	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.F	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_010
Cost of Post-1991 Direct Loans	11.12.011		An automated direct loan system must recognize losses and liabilities of direct loans, obligated before October 1, 1992, when it is more likely than not that the direct loans will not be totally collected.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 39	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.G	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_011
Cost of Post-1991 Direct Loans	11.12.012		An automated direct loan system must re-estimate the allowance of the uncollectible amounts, for pre-1992 direct loans, each year as of the date of the financial statements.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 39	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.G.1	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_012

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.013		An automated direct loan system must recognize the amount of the modification cost of direct loans as a modification expense when pre 1992 or post 1991 direct the loans are modified.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 45	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.I	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_013
Cost of Post-1991 Direct Loans	11.12.014		An automated direct loan system must recognize any difference between the change in book value and the cost of modification of both pre 1992 and post 1991 direct loans as a gain or loss.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 48	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.I.3	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_014
Cost of Post-1991 Direct Loans	11.12.015		For post-1991 direct loans, an automated direct loan system must recognize as a financing source (or a reduction in financing source) the modification adjustment transfer paid or received to offset any gain or loss.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 48	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.I.3	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_015
Cost of Post-1991 Direct Loans	11.12.016		An automated direct loan system must recognize any difference between the book value loss (or gain) and the cost of modification on a sale of a pre 1992 and post 1991 direct loan as a gain or loss.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 55	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.I.3	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_016
Cost of Post-1991 Direct Loans	11.12.018		The actual historical experience for the performance of a risk category is a primary factor upon which an estimation of default cost is based. To document actual experience, a database shall be maintained to provide historical information on actual payments, prepayments, late payments, defaults, recoveries, and amounts written off.		Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.E.3	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_018

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cost of Post-1991 Direct Loans	11.12.019		When a post-1991 direct loan is modified, an automated direct loan system must change the existing book value of that loan to an amount equal to the present value of the net cash inflows projected under the modified terms from the time of modification to the loan's maturity. That amount is discounted at the original discount rate (the rate that was originally used to calculate the present value of the direct loan, when the direct loan was disbursed, after adjusting for the interest rate re-estimate).	Source: SFFAS-19; Source Date: 6/1/2008; Source Number: Para 7(c)Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 46	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.I.1	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_019
Cost of Post-1991 Direct Loans	11.12.020		When property is transferred from borrowers to a federal credit program through foreclosure or other means, in partial or full settlement of post-1991 direct loans or as a compensation for losses that the government sustained under post-1991 loan guarantees, an automated direct loan system must recognized the foreclosed property as an asset and record the asset at the present value of its estimated future net cash inflows discounted at the original discount rate adjusted for the interest rate re-estimate.	Source: SFFAS-19; Source Date: 6/1/2008; Source Number: para 7 (e)Source: SFFAS-2; Source Date: 6/1/2008; Source Number: para 57	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202 L	Record Loans and Grants	Proposal-to-Reward	Cost_Of_Post_1991_Direct_Loans_020
Cross Servicing	11.13.001		When using an agency authorized to cross-service, an automated direct loan system should identify the volume and type of debts serviced.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_001
Cross Servicing	11.13.002		When using an agency authorized to cross-service, an automated direct loan system should identify the tools used by the agency to collect its own debt.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_002

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cross Servicing	11.13.003		When using an agency authorized to cross-service, an automated direct loan system should provide one or more years of information on the average age of debt over 180 days.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_003
Cross Servicing	11.13.004		When using an agency authorized to cross-service, an automated direct loan system should calculate the amount of debt collected using various collection tools.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_004
Cross Servicing	11.13.005		When using an agency authorized to cross-service, an automated direct loan system should accrue late charges, as required by referring agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_005
Cross Servicing	11.13.006		When using an agency authorized to cross-service, an automated direct loan system should provide information to referring agency sufficient for the referring agency to satisfactorily complete the Report on Receivables Due From the Public.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_006
Cross Servicing	11.13.007		When using an agency authorized to cross-service, an automated direct loan system should track, by portfolio, age of debt referred, dollar and number of referrals, collections on referred debts and report to Treasury on a monthly basis.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_007
Cross Servicing	11.13.008		When using an agency authorized to cross-service, an automated direct loan system should provide information to referring agency as needed, i.e. collections received.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_008

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cross Servicing	11.13.009		When using an agency authorized to cross-service, an automated direct loan system should provide ad hoc reporting capability needed to satisfy referring agencies unique information requests such as, length of workout agreements, percent of debt that can be compromised, etc.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_009
Cross Servicing	11.13.010		In identifying accounts to be selected for cross-servicing, an automated direct loan system should compare delinquent loan account information to statutory criteria to select delinquent loan accounts for possible referral.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 35		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_010
Cross Servicing	11.13.011		In identifying accounts to be selected for cross-servicing, an automated direct loan system should generate notification to the debtor of the agency's intent to refer the debt to a debt collection center.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 35		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_011
Cross Servicing	11.13.012		In identifying accounts to be selected for cross-servicing, an automated direct loan system should update the loan information store.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 35		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_012
Cross Servicing	11.13.013		In identifying accounts to be selected for cross-servicing, an automated direct loan system should identify accounts that can no longer be serviced by agency personnel.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 35		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_013
Cross Servicing	11.13.014		In monitoring accounts referred to the debt collection center, an automated direct loan system should identify accounts with monetary adjustments that must be reported to the debt collection center.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_014

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Cross Servicing	11.13.015		In monitoring accounts referred to the debt collection center, an automated direct loan system should provide ad hoc reporting capability needed to monitor the accounts referred to a debt collection center and the amounts recovered.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_015
Cross Servicing	11.13.016		In monitoring accounts referred to the debt collection center, an automated direct loan system should interface with the Core Financial System to record receipts remitted to the agency.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_016
Cross Servicing	11.13.017		In monitoring accounts referred to the debt collection center, an automated direct loan system should apply collections received from the debt collection center according to agency application rules.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_017
Cross Servicing	11.13.018		In monitoring accounts referred to the debt collection center, an automated direct loan system should record collection fees in accordance with agency program requirements.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_018
Cross Servicing	11.13.019		In monitoring accounts referred to the debt collection center, an automated direct loan system should process agency or debt collection center refunds, notify debt collection center as appropriate, and update the loan information store.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_019
Cross Servicing	11.13.020		In monitoring accounts referred to the debt collection center, an automated direct loan system should notify debt collection center of adjustments, recall of debt, or collections received by the agency on the referred debt.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_020

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Cross Servicing	11.13.021		In monitoring accounts referred to the debt collection center, an automated direct loan system should remove from the accounting and financial records accounts that the debt collection center recommends should be written off.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 36		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Cross_Servicing_021
Reporting	11.14.001	C	**Disclosure is made in notes to financial statements to explain the nature of the modification of direct loans or loan guarantees, the discount rate used in calculating the modification expense, and the basis for recognizing a gain or loss related to the modification. The U.S. government-wide financial statements need not include this disclosure.**	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 56	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.K	Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Reporting_001
Reporting	11.14.002		An automated system should allow a reporting entity to display a reconciliation between the beginning and ending balances of the subsidy cost allowance for outstanding direct loans and the liability for outstanding loan guarantees reported in an entitys Balance Sheet in a note to the financial statements.	Source: SFFAS-18; Source Date: 6/1/2008; Source Number: Para 10	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.N.2			Direct_Loan_Reporting_009
Reporting	11.14.003		An automated direct loan system must be capable of producing a complete transaction history of each loan.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Reporting_002

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Reporting	11.14.004		An automated direct loan system must support the following external reporting requirements of OMB and Treasury, including those associated with Federal Credit Reform Act (FCRA) of 1990 and the Chief Financial Officer (CFO) Act of 1990: SF-132, Apportionment and Reapportionment Schedule SF-133, Report on Budget Execution SF-220-9, Report on Accounts and Loans Receivable Due from the Public These external reports rely on supplemental financial data resident in the direct loan system, although they are generated from the general ledger.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Reporting_003
Reporting	11.14.005		For direct loan programs, reporting entities should also disclose, at the program level, the subsidy rates for the total subsidy cost and its components for the interest subsidy costs, default costs (net of recoveries), fees and other collections, and other costs, estimated for direct loans in the current year's budget for the current year's cohorts.	Source: SFFAS-18; Source Date: 6/1/2008; Source Number: para 11 B				Direct_Loan_Reporting_004

DIRECT LOANS REQUIREMENTS							DFAS 7900.4-M, Vol. 11	
Chapter	**Req Id**	**Change Type**	**Requirement**	**Federal Sources**	**DoD Sources**	**BPM Processes**	**End 2 End Process**	**DFMIG Rule Name**
Reporting	11.14.006	D	Deleted: For direct loan programs, reporting entities should disclose, discuss, and explain events and changes in economic conditions, other risk factors, legislation, credit policies, and subsidy estimation methodologies and assumptions, that have had a significant and measurable effect on subsidy rates, subsidy expense, and subsidy re-estimates. The disclosure and discussion should also include events and changes that have occurred and are more likely than not to have a significant impact but the effects of which are not measurable at the reporting date.	Source: SFFAS-18; Source Date: 6/1/2008; Source Number: para 11 C				Direct_Loan_Reporting_005
Reporting	11.14.007		The direct loan system must provide a user friendly query tool that facilitates reporting rapidly on any required data elements.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_020
Reporting	11.14.008		The direct loan system must provide the following types of management information: approval and rejection monitoring, override exception, potential application fraud, detailed transaction history, exceptions, and disbursement management summaries.	Source: JFMIP-SR-99-8; Source Date: 6/1/1999; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Direct_Loan_Origination_018

ACRONYMS

ACH	Automated Clearing-House
CAIVRS	Credit Alert Interactive Voice Response System
CCLR	Claims Collection Litigation Report
CM	Configuration Management
DFAS	Defense Finance and Accounting Service
DoD	Department of Defense
DoDFMR	DoD Financial Management Regulation
DoJ	Department of Justice
EDA	Electronic Debit Account
FASAB	Federal Accounting Standards Advisory Board
FFMIA	Federal Financial Management Improvement Act
FSIO	Financial System Integration Office
JFMIP	Joint Financial Management Improvement Program
OFFM	Office of Federal Financial Management
OGC	Office of General Counsel
OMB	Office of Management and Budget
SFFAS	Statement of Federal Financial Accounting Standards