



Defense Finance and Accounting Service

DFAS 7900.4-M

Financial Management Systems Requirements Manual Volume 12, Guaranteed 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 12 - Guaranteed Loans		
Req ID	Change Type	Reason for Change
12.01.016	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.01.017	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.01.019	C	Requirement verbiage updated.
12.01.031	D	Duplicate of 12.01.021
12.02.013	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.02.028	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.03.014	A	New Requirement
12.03.015	A	New Requirement
12.04.020	A	New Requirement
12.04.021	A	New Requirement
12.06.017	A	New Requirement
12.07.013	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.08.011	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.08.016	A	New Requirement
12.08.017	A	New Requirement
12.11.068	A	New Requirement
12.12.009	C	Requirement verbiage updated.

12.12.011	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.12.018	C	Requirement verbiage updated.
12.12.025	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.12.026	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.13.004	C	Requirement verbiage updated.
12.13.010	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.13.013	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.13.014	D	Requirement is broad policy guidance not a programmable or testable system requirement.
12.13.015	D	Requirement is broad policy guidance not a programmable or testable system requirement.

Chart Legend:

A - Added FFMRs

These are new requirements due to revised and updated source documents

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 12, Guaranteed Loans

September 2012

Strategy, Policy and Requirements

SUBJECT: Financial Management Systems Requirements
Volume 12, Guaranteed Loans

1. PURPOSE

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

b. The Blue Book serves as a "roadmap" to Federal and DoD financial management system requirements by major financial management functional areas and the 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 the 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 Guaranteed Loan functionality.

2. APPLICABILITY. Requirements contained in this document are applicable to accounting and finance systems operated and maintained by the DoD.

3. POLICY

a. This Volume provides a synopsis of Federal and DoD financial system requirements, mandated by policy, for Guaranteed 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 system 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 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

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 components 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.

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GUARANTEED LOANS INTRODUCTION

Annually, Federal agencies guarantee billions of dollars of loans made by various lending institutions to American citizens and companies. Outstanding guaranteed loans represent liabilities to the Federal Government. Because of the magnitude of Federal loan activity, the FSIO has established specific requirements for agencies' systems used to manage guaranteed loan processes and portfolios. These requirements encompass the full scope of requirements for an automated guaranteed-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, Volume 12 prescribes the Department of Defense's accounting requirements for loan guarantees. These requirements reflect FASAB's Statement of Federal Financial Accounting Standards (SFFAS) No. 2 and subsequent amendments in SFFAS Nos. 18 and 19.

GUARANTEED LOANS REQUIREMENTS

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender Eligibility	12.01.001		A guaranteed loan system must record and update lender application information, ensuring that all required data is present and valid (e.g., Taxpayer Identification Number (TIN)).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 22		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_001
Lender Management: Lender Eligibility	12.01.002		A guaranteed loan system must document that any required lender application fee has been received and calculated correctly.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 22		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_002
Lender Management: Lender Eligibility	12.01.003		A guaranteed loan system must provide an automated interface with the Core Financial System to record the receipt of any application fee.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 22		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_003
Lender Management: Lender Eligibility	12.01.004		A guaranteed loan system must compare lender application information against information on firms currently debarred or suspended from participating in a government contract or delinquent on a debt to the government.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_004
Lender Management: Lender Eligibility	12.01.005		A guaranteed loan system should compare lender application information against qualification requirements and provide the results to principal officers and staff.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_005
Lender Management: Lender Eligibility	12.01.006		A guaranteed loan system must compare lender application information against information concerning the lender's financial credentials gathered from banking regulatory agencies, rating services, and other information sources.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_006
Lender Management: Lender Eligibility	12.01.007		A guaranteed loan system must compare lender application information against lender performance data.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_007

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender Eligibility	12.01.008		A guaranteed loan system must update the lender information store to reflect the agency's decision on the lender application.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_008
Lender Management: Lender Eligibility	12.01.009		A guaranteed loan system should generate and electronically transmit a notice to inform the lender of approval or disapproval of the lender's application.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_009
Lender Management: Lender Eligibility	12.01.010		A guaranteed loan system must maintain data on lender disapprovals as a historical reference to support effective monitoring of future lenders.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_010
Lender Management: Lender Eligibility	12.01.011		A guaranteed loan system should record text comments related to approval or disapproval of the lender application.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_011
Lender Management: Lender Eligibility	12.01.012		A guaranteed loan system must record relevant data concerning the lender agreement.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 23		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_012
Lender Management: Lender Eligibility	12.01.013		A guaranteed loan system should generate the lender agreement for signature by the lender.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 24		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_013
Lender Management: Lender Eligibility	12.01.014		A guaranteed loan system must document that the agency and lender have consummated the lender agreement.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 24		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_014
Lender Management: Lender Eligibility	12.01.015		A guaranteed loan system must provide a tracking mechanism to identify expiring agreements needing renewal.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 24		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_015

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender Eligibility	12.01.016	D	Deleted: A system being designed and implemented, or in use, must operate in accordance with laws, regulations; and judicial decisions. It is the responsibility of each agency to be knowledgeable of the legal requirements governing its human resources and payroll operations.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 10		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_016
Lender Management: Lender Eligibility	12.01.017	D	Deleted: A guaranteed loan system must control the data in the optional processes which must be consistent with standard guaranteed loan systems that contain the official records for the agency.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: PAGE 10		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_017
Lender Management: Lender Eligibility	12.01.018		A guaranteed loan system interacts with the core financial system to perform fund control check, initiate or record payments, and record the results of other guaranteed loan-related financial transactions, and acknowledge receipt of financial information exchange.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 12		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_018
Lender Management: Lender Eligibility	12.01.019	C	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-00-01; Source Date: 3/1/2000; Source Number: Pg 12		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_019

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender Eligibility	12.01.020		A guaranteed loan system must use Lender/Servicer Information. This refers to data about the lender. necessary to determine the eligibility and creditworthiness of the lender financial information concerning the level of loans under the lender's control; data about the lender's level of responsibility extending loans to borrowers both within the agency and outside the agency; and the status of the various reviews performed on the lender. This information store includes the following data: - Lender/Servicer Application Data - Lender/Servicer Review Data - Approved Lender/Servicer Data - Lender/Servicer Status	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 14		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_020

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender Eligibility	12.01.021		A guaranteed loan system must refer to data about guarantee requests received by the agency. The amount of information about each individual loan will vary depending on the loan's size, the lender's status, the statutory requirements of an individual loan program and each individual agency's policies. This information store includes the following data: - Guarantee Data (e.g., lender, loan amount, guarantee level, loan status, subsidy information, interest rate, and loan terms) - Collateral Data (e.g., appraised value, status) (Mandatory unless specifically excluded by program requirements - Borrower Data (e.g., borrower's name, address, social security number (SSN) or taxpayer identification number (TIN), financial data) - Guarantee fees due and/or collected	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 14-15		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_021
Lender Management: Lender Eligibility	12.01.022		A guaranteed loan system must use Claim Information. This refers to data about a lender's claim for payment from the government on a defaulted loan under the guarantee agreement. This information store includes the following data: - Claim Application Data - Claim Status	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 15		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_023

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender Eligibility	12.01.023		A system must use Acquired Loan Information. This refers to data associated with, a defaulted or delinquent loan guarantee that has been acquired by the agency. This store will include all loan information plus other data required for loan servicing and collection activity. This information store includes the following data: - Acquired Loan Data - Acquired Loan Status - Acquired Loan Collateral Data - Payment History	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 15		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility0_24
Lender Management: Lender Eligibility	12.01.024		A guaranteed loan system must use Program Criteria. This refers to decision-making criteria used by system functions and based on statutes, regulations, and policies for the guaranteed loan program. This information store includes the following data: - Lender Eligibility - Lender Financial Rating - Lender-Risk Rating - Portfolio Evaluation - Creditworthiness (Mandatory unless specifically excluded by program requirements) - Borrower Eligibility - Guarantee Fees - Fee Penalty - Claim Application Evaluation - Receipt Application Rules - Debt Collection - CAIVRS Referral - Credit Bureau Reporting - Treasury Offset Referral - Collection Agency Selection - Litigation Referral - Write-off	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 15-16		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_025

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender Eligibility	12.01.025		A guaranteed loan system must use Core Financial System Information. This refers to information for performing funds control checks, initiating or recording payments, and recording the results of other guaranteed loan financial transactions. This information store includes the following data: - Budget Execution Data - Receivables - Disbursement Data - Collections/Receipts - Administrative Costs - Principal and Interest Data - Acquired Asset Data - Collateral	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 16		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_027
Lender Management: Lender Eligibility	12.01.026		A guaranteed loan system must use External Organizational Information. This refers to information coming from outside the agency into the guaranteed loan system. This information store is composed of the following types of data: - Lender Rating Data - Treasury Interest Rates - SF-1151's (Non-Expenditure Transfer Authorization) and SF-1081% (Voucher a Schedule of Withdrawals and Credits) - Loan Status - Sale Approval - Collection Activities and Results - Write-off Approval - Foreclosure Data	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 16-17		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_028
Lender Management: Lender Eligibility	12.01.027		A guaranteed loan system must use the following functions should be supported by the system: - Lender Management - Guarantee Extension and Maintenance - Portfolio Management - Acquired Loan Servicing - Delinquent Debt Collection - Treasury Cross Servicing I - Other Reporting Requirements	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: PAGE 20		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_030

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender Eligibility	12.01.031	D	Deleted: A system may refer to data about guarantee requests received by the agency. The amount of information about each individual loan will vary depending on the loan's size, the lender's status, the statutory requirements of an individual loan program and each individual agency's policies. This information store includes: - Rejected Guarantee Data (e.g., lender, reason for rejection)	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 15		Record Loans and Grants	Proposal-to-Reward	Lender_Eligibility_022
Lender Management: Lender Eligibility	12.01.032		A guaranteed loan system should use Program Criteria. This refers to decision-making criteria used by system functions and based on statutes, regulations, and policies for the guaranteed loan program. This information store includes the following data: - Close-out - Loan Sale	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 16				Lender_Eligibility_026
Lender Management: Lender Eligibility	12.01.033		A guaranteed loan system must use External Organizational Information. This refers to information coming from outside the agency into the guaranteed loan system. This information store is composed of the following types of data: - Lender Rating Data - Treasury Interest Rates - SF-1151's (Non-Expenditure Transfer Authorization) and SF-1081% (Voucher a Schedule of Withdrawals and Credits) - Loan Status - Sale Approval - Collection Activities and Results - Write-off Approval - Foreclosure Data	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 17				Lender_Eligibility_028

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender/Servicing Monitoring	12.02.001		A guaranteed loan system must compare lender/servicer financial and performance information against agency portfolio evaluation criteria to identify lenders/servicer for regular or special review.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_001
Lender Management: Lender/Servicing Monitoring	12.02.002		A guaranteed loan system must have the capability to compute performance statistics for effective monitoring, including delinquency rates, default rates, and claim rates.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_002
Lender Management: Lender/Servicing Monitoring	12.02.004		A guaranteed loan system must compute a quantified risk for each lender/service. The risk is quantified by weighting appropriate risk factors (e.g., loan volume, delinquency rate, default rate) based on the correlation between the risk factor and lender/service performance.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_003
Lender Management: Lender/Servicing Monitoring	12.02.005		A guaranteed loan system must compare the quantified lender/servicer risk to risk rating criteria to assign a risk rating to each lender/servicer (e.g. high, medium, low).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_004
Lender Management: Lender/Servicing Monitoring	12.02.006		A system should enter high-risk lenders/servicers on a problem watch list and generate a notice to each affected lender/servicer.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_005
Lender Management: Lender/Servicing Monitoring	12.02.007		A guaranteed loan system must provide historical performance information on lenders and services identified for review to the review team. The preferred method is by electronic means.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_006

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender/Servicing Monitoring	12.02.008		A guaranteed loan system should provide for scheduling and tracking of the review team's activities.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_007
Lender Management: Lender/Servicing Monitoring	12.02.009		A guaranteed loan system should document review results including date of review, name(s) of reviewer(s), and any deficiencies and associated explanations.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_008
Lender Management: Lender/Servicing Monitoring	12.02.010		A guaranteed loan system should record text comments relevant to the review process.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 25		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_009
Lender Management: Lender/Servicing Monitoring	12.02.011		A guaranteed loan system should generate a notice to inform the lender/servicer of a finding of non-compliance (electronically, where appropriate), including any penalties or sanctions, and the right to appeal.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_010
Lender Management: Lender/Servicing Monitoring	12.02.012		A guaranteed loan system should document and track corrective action plans agreed to by the agency and the lender/servicer, including proposed resolution dates, and update lender/servicer data to reflect any changes in status resulting from the corrective actions.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_011
Lender Management: Lender/Servicing Monitoring	12.02.013	D	Deleted: A system must update the status of lenders and servicers that do not comply with agency standards for continued program participation or do not correct deficiencies identified through reviews in a reasonable period of time. The system must also provide data to support corrective action plans such as penalties and/or sanctions.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_012

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Lender Management: Lender/Servicing Monitoring	12.02.014		A guaranteed loan system should document and track appeals received from the lender/servicer and agency appeal decisions and generate a decision notice to the lender/servicer.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_013
Lender Management: Lender/Servicing Monitoring	12.02.015		A guaranteed loan system must record penalties and/or sanctions imposed by the agency review board on those lenders or servicers found to be in serious and frequent non-compliance with federal problem standards.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 26		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_014
Lender Management: Lender/Servicing Monitoring	12.02.017		A guaranteed loan system must record critical data on the lender's guarantee request to support the guarantee evaluation process.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 29		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_015
Lender Management: Lender/Servicing Monitoring	12.02.018		A guaranteed loan system must provide access to guarantee request information to each individual participating in the guarantee decision.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 29		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_016
Lender Management: Lender/Servicing Monitoring	12.02.019		A guaranteed loan system should record text comments relevant to the guarantee decision.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 29		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_017
Lender Management: Lender/Servicing Monitoring	12.02.020		A guaranteed loan system must compare borrower information on the lender's guarantee request to agency program borrower eligibility criteria.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 29		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_018
Lender Management: Lender/Servicing Monitoring	12.02.021		A guaranteed loan system must check the appropriate system data files to determine whether a lender has recently submitted a duplicate guarantee request for the applicant, or a guarantee request for the applicant has been previously denied.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_019

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Lender Management: Lender/Servicing Monitoring	12.02.022		A guaranteed loan system should document that the lender obtained a credit bureau report.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_020
Lender Management: Lender/Servicing Monitoring	12.02.023		A guaranteed loan system must compare the applicant's credit worthiness information to system-stored program credit worthiness criteria and assign a credit risk rating to the applicant, unless specifically excluded by program requirements.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_021
Lender Management: Lender/Servicing Monitoring	12.02.024		A system should document that borrower financial data, repayment ability, and repayment history have been verified.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_22
Lender Management: Lender/Servicing Monitoring	12.02.025		A guaranteed loan system must document whether the applicant has previously defaulted on debt to the federal government.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_023
Lender Management: Lender/Servicing Monitoring	12.02.026		An automated system should provide the information needed to compute the credit subsidy amount associated with a loan guarantee using projected cash flows and the applicable Treasury interest rate in accordance with OMB Circular A-34, A-11, and SFFAS No 2.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_024
Lender Management: Lender/Servicing Monitoring	12.02.027		A guaranteed loan system must provide an automated interface with the Core Financial System to determine if sufficient funds are available in the program account and if available lending limits in the financing account are sufficient to cover the subsidy cost and the face value of the proposed guarantee.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_025

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Lender Management: Lender/Servicing Monitoring	12.02.028	D	Deleted: A system must reflect the approved guarantee status.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_026
Lender Management: Lender/Servicing Monitoring	12.02.029		A guaranteed loan system must accept, identify, track, and report supervisor overrides of system-generated acceptance/rejection recommendations.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_027
Lender Management: Lender/Servicing Monitoring	12.02.030		A guaranteed loan system must create and maintain a system record of rejected guarantee requests.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_028
Lender Management: Lender/Servicing Monitoring	12.02.031		A guaranteed loan system should notify the lender of approval or disapproval (electronically where appropriate).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 30		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_029
Lender Management: Lender/Servicing Monitoring	12.02.032		A guaranteed loan system should provide at least the following types of management information: lender eligibility activity, completed reviews, lender performance, and exceptions.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 26-27		Record Loans and Grants	Proposal-to-Reward	Lender_Service_Monitoring_030
Guarantee Extension and Maintenance: Guarantee Origination	12.03.001		A guaranteed loan system must record the cohort and risk category, as defined in OMB Circular A-34, associated with the guaranteed loan.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_001
Guarantee Extension and Maintenance: Guarantee Origination	12.03.002		A guaranteed loan system must assign a unique account number to the guaranteed loan that remains unchanged throughout the life of the guarantee.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_002
Guarantee Extension and Maintenance: Guarantee Origination	12.03.003		A system must generate a guarantee endorsement to confirm that the loan is guaranteed and transmit it to the lender (electronically where possible).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_03

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Guarantee Extension and Maintenance: Guarantee Origination	12.03.004		A guaranteed loan system must calculate and record the guarantee origination fee in accordance with the terms and conditions of the guarantee agreement.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_004
Guarantee Extension and Maintenance: Guarantee Origination	12.03.005		A guaranteed loan system should transmit the origination fee invoice to the lender.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 32		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_005
Guarantee Extension and Maintenance: Guarantee Origination	12.03.006		A guaranteed loan system must record collections of origination fees received.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_006
Guarantee Extension and Maintenance: Guarantee Origination	12.03.008		A guaranteed loan system must provide an automated interface with the Core Financial System to record the guaranteed loan commitment, the obligation for the related subsidy, and the origination fee, receivable, and collection.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 31		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_007
Guarantee Extension and Maintenance: Guarantee Origination	12.03.009		A guaranteed loan system should provide the capability to receive electronic transmission of disbursement data by the lender.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 32		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_008
Guarantee Extension and Maintenance: Guarantee Origination	12.03.010		A guaranteed loan system must have the capability to record information on loan disbursements by the lender, including amounts and applicable Treasury interest rates, to support interest computations and subsidy re-estimates, unless specifically excluded by program requirements.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 32		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_009
Guarantee Extension and Maintenance: Guarantee Origination	12.03.011		A guaranteed loan system must provide an automated interface with the Core Financial System to record the outlay of subsidy from the program account.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 32		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_010

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Guarantee Extension and Maintenance: Guarantee Origination	12.03.013		A guaranteed loan system should provide the capability for reporting loan-closing information.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 32		Record Loans and Grants	Proposal-to-Reward	Guarantee_Origination_011
Guarantee Extension and Maintenance: Guarantee Origination	12.03.014	A	To support the guaranteed loan process, the system shall allow pre-1992 loan guarantees be modified directly.	Source: SFFAS-2; Source Date: 8/1/1993; Source Number: Para 50	Source: DoDFMR Vol 12, Ch 04; Source Date: 6/1/2011; Source Number: 040202.J.2			Guarantee_Origination_012
Guarantee Extension and Maintenance: Guarantee Origination	12.03.015	A	To support the guaranteed loan process the system should identify delinquent commercial and consumer accounts for reporting to CAIVRS (Credit Alert Interactive Voice Response System) by comparing reporting criteria to delinquent loan data.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 52				Guaranteed_Loan_Maintenance_022
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.001		A guaranteed loan system must support reevaluation of the modified loans in accordance with OMB Circular A-34 and program policy.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_001
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.002		A guaranteed loan system must reflect the modified status of the guaranteed loan.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_002
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.003		A guaranteed 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. Also, it must maintain a link between the new loan account established for the new instrument and the old loan account records.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_003

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Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.004		A guaranteed loan system must perform a funds control check to verify the availability of subsidy through an automated interface with the Core Financial System.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_004
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.005		A guaranteed loan system must provide an automated interface with the Core Financial System to record the subsidy changes associated with the guaranteed loan modification.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_005
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.006		A guaranteed loan system must compare guaranteed loan data to guaranteed fee criteria to determine which lenders owe guarantee fees.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_006
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.007		A guaranteed loan system must compute the amount of the guarantee fee.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_007
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.008		A guaranteed loan system must identify lenders with overdue fee payments and calculate penalties on loans for which lenders have not submitted guaranteed fee payments.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_008
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.010		A guaranteed loan system must generate invoices, including penalties assessed for late payment, for guarantee fee payments due from lenders (electronically where possible).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_009
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.011		A guaranteed loan system must provide an automated interface with the Core Financial System to record the receipt of guarantee fees from lenders.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 33		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_010

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Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.012		A guaranteed loan system must identify guaranteed loans requiring interest supplement payments.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 34		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_011
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.013		A guaranteed loan system must compare current interest rates to the interest rates in the agreement to determine the appropriate levels of interest supplements required.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 34		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_012
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.014		A guaranteed loan system must recognize the interest supplement payment as an interest subsidy expense and a loan guarantee interest supplement liability.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 34		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_013
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.015		A guaranteed loan system must provide an automated interface with the Core Financial System to initiate and record disbursements for interest supplement payments. If the guaranteed loan itself handles the payment processing, it must meet the requirements in the Core Financial System Requirements related to payments and send summary data to the Core Financial System.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 34		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_014
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.016		A guaranteed loan system should capture the estimated useful economic life of the pledged collateral and compare it to the proposed term of the loan.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 34		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_015
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.017		A guaranteed loan system should document that transactions over a predetermined amount identified by program requirements have a collateral appraisal by a licensed or certified appraiser.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 34		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_016

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Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.018		A guaranteed loan system should compute the loan-to-value ratio and flag those loans with a ratio exceeding applicable program requirements.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 34		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_017
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.019		A guaranteed loan system should provide at least the following types of management information: approval and rejection monitoring, override expectations, potential application fraud, approval/rejection statistics, detailed transaction history, median loan-to-value ratio, loan guarantee fee collection, loan guarantee periodic fee collection, and exceptions.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 35		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Maintenance_018
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.020	A	To support the Interface function the Inventory, Supplies and Materials system must provide for capability to interface to the agency's cost accounting system.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 12				Inventory_Interface_Support_Requirements_003
Guarantee Extension and Maintenance: Guaranteed Loan Maintenance	12.04.021	A	To support the guaranteed loan process, the system shall ensure that the guaranty loan partners contain the same transactions over a specified period of time.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 12				Guaranteed_Loan_Maintenance_020
Portfolio Management: Portfolio Performance	12.05.001		A guaranteed loan system must receive and document loan guarantee information from lenders (electronically where appropriate).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 37		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Performance_001
Portfolio Management: Portfolio Performance	12.05.002		A guaranteed loan system must have the capability to maintain standard information on the history and status of each guaranteed loan (e.g., borrower identification, amount and nature of debt, loan originator, holder, and/or servicer).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 37		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Performance_002

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Portfolio Management: Portfolio Performance	12.05.003		A guaranteed loan system must maintain data from the lender, which identifies delinquent accounts and potential defaults.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 37		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Performance_003
Portfolio Management: Portfolio Performance	12.05.004		A guaranteed loan system must accept lender data by cohort and risk category.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 37		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Performance_004
Portfolio Management: Portfolio Performance	12.05.005		A guaranteed loan system must provide agency access to the loan status information.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 37		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Performance_005
Portfolio Management: Portfolio Performance	12.05.006		A guaranteed loan system must compute and maintain program performance information such as: - number and dollar value of loans made, - average loan size, - loans made by geographical region, - number and amount of defaulted loan accounts, - number and amount of claims paid, and - amount of loan write-offs.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 38		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Performance_006
Portfolio Management: Portfolio Performance	12.05.007		A guaranteed loan system must compute and maintain financial measures to help assess the credit soundness of a loan program, such as: - overall portfolio risk rate, - average loan to value ratio (for collateralized programs), - write-offs as a percentage of seriously delinquent acquired loans, - net proceeds on real property sold compared to appraised value, - loan loss rates, - recovery rates, and - loan currency rate.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 38		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Performance_007

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Portfolio Management: Portfolio Performance	12.05.008		A guaranteed loan system must maintain portfolio data needed to determine the effectiveness of use of agency resources, such as: - administrative cost per loan guarantee approved, - administrative cost per acquired loan serviced, - administrative cost per dollar collected, and - time required to process a loan guarantee application.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 38		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Performance_008
Portfolio Management: Portfolio Performance	12.05.009		A guaranteed loan system must receive and record lender substitution and/or transfer data, i.e., secondary market sales (electronically where possible).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 37		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Performance_009
Portfolio Management: Program Financing	12.06.001		A guaranteed loan system must execute SF-1151's, and also record amounts borrowed from the Treasury to cover shortfalls in subsidy estimates temporarily.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 39		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_001
Portfolio Management: Program Financing	12.06.002		An automated system should track the amount of un-invested funds in the financing account as needed to support interest earnings calculations.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 39			Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_002
Portfolio Management: Program Financing	12.06.003		An automated system should compute interest expense on borrowings and interest earnings on un-invested funds.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 39		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_003
Portfolio Management: Program Financing	12.06.004		An automated system should execute and record receipt of interest earnings from the Treasury on un-invested funds using SF-1081's.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 39		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_004

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Portfolio Management: Program Financing	12.06.005		A guaranteed loan system must 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-34 and SFFAS No. 2.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 41		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_005
Portfolio Management: Program Financing	12.06.006		A guaranteed loan system must have the capability to 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-00-01; Source Date: 3/1/2000; Source Number: Pg 42		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_006
Portfolio Management: Program Financing	12.06.008		A guaranteed loan system must compare the current year re-estimated subsidy cost to prior years re-estimated loan subsidy costs to determine whether subsidy costs for a risk category increased or decreased.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 42		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_007
Portfolio Management: Program Financing	12.06.009		A guaranteed loan system must transfer loan subsidies 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-00-01; Source Date: 3/1/2000; Source Number: Pg 42		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_008

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Portfolio Management: Program Financing	12.06.010		A guaranteed loan system must group those cohorts that need indefinite appropriation loan subsidy funds separately from those cohorts that have excess funds. The system must also support the request for an apportionment and obligation of funds to cover the subsidy increase for those cohorts of loans that have insufficient subsidy of cohorts of loans to the Special Receipt Account.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 42		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_009
Portfolio Management: Program Financing	12.06.015		A guaranteed loan system must execute and record repayment of principal using SF-1151's, and interest to the U.S. Treasury using SF-1081's.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 39		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_010
Portfolio Management: Program Financing	12.06.016		A guaranteed loan system must provide at least the following types of management information: detailed transaction history, profile of guaranteed loan portfolio, and program credit reform status.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 42		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Portfolio_Program_Financing_011
Portfolio Management: Program Financing	12.06.017	A	To support the guaranteed loan process, the system shall have the capability to receive Core Financial System Information to include but not limited to: Budget Execution Data, Receivables, Disbursement Data, Collections/Receipts, Administrative Costs, Principal and Interest Data, Acquired Asset Data, and Collateral.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 16				Guaranteed_Loan_Portfolio_Program_Financing_012
Acquired Loan Servicing: Claim Processing	12.07.001		A guaranteed loan system must record key claim data, maintain data on original and if applicable, final claims.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_001

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Acquired Loan Servicing: Claim Processing	12.07.002		A guaranteed loan system must compare the claim application information to the agency's program claim application evaluation criteria.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_002
Acquired Loan Servicing: Claim Processing	12.07.003		A guaranteed loan system must suspend processing for claims that are incomplete; and the claims should remain in suspension until they are corrected.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_003
Acquired Loan Servicing: Claim Processing	12.07.004		A guaranteed loan system must identify claims not meeting agency program requirements and notify the lender of the rejection.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 44		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_004
Acquired Loan Servicing: Claim Processing	12.07.005		A guaranteed loan system must document and track information on accepted and rejected claims and the reason for the rejections.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_005
Acquired Loan Servicing: Claim Processing	12.07.006		A guaranteed loan system must reflect the status of the claim.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_006
Acquired Loan Servicing: Claim Processing	12.07.007		A guaranteed loan system must calculate the claim payment to be made, making adjustments for any disallowed amounts or authorized debt collection activities.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_007
Acquired Loan Servicing: Claim Processing	12.07.008		A guaranteed loan system must provide an automated interface with the Core Financial System to initiate a disbursement of the claim payment to the lender. If the guaranteed loan system processes payments, it must meet the requirements in the Core Financial System Requirements related to payments data to the Core Financial System.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_008

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Acquired Loan Servicing: Claim Processing	12.07.009		A guaranteed loan system must record acquired loan information and establish appropriate accounting entries such as receivables.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_009
Acquired Loan Servicing: Claim Processing	12.07.011		A guaranteed loan system must have the capability to develop edits to address claims issues.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_010
Acquired Loan Servicing: Claim Processing	12.07.012		A guaranteed loan system must have the capability to record or track claims errors.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_011
Acquired Loan Servicing: Claim Processing	12.07.013	D	Deleted: A system must have the capability to support underlying details.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Claim_Processing_012
Acquired Loan Servicing: Account Status Maintenance	12.08.003		A guaranteed loan system must identify accounts that should be written-off.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_001
Acquired Loan Servicing: Account Status Maintenance	12.08.004		A guaranteed loan system must identify accounts for which collection is to be pursued.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 45		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_002
Acquired Loan Servicing: Account Status Maintenance	12.08.005		A guaranteed loan system must calculate outstanding balances for each loan account invoiced, including principal, interest, late charges, and other amounts due.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 46		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_003
Acquired Loan Servicing: Account Status Maintenance	12.08.006		A guaranteed loan system must identify loan accounts to be invoiced based on agency program invoicing criteria and loan account information.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 46		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_004

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Acquired Loan Servicing: Account Status Maintenance	12.08.007		A guaranteed loan system must generate and transmit an invoice to each borrower. At a minimum, the invoice must include borrower ID, amount due, date due, the date after which the payment will be considered late, and the current balance.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 46		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_005
Acquired Loan Servicing: Account Status Maintenance	12.08.008		A guaranteed loan system must provide for automatic acceleration of delinquent installment payment notes based on an acceleration clause indicator.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 46		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_006
Acquired Loan Servicing: Account Status Maintenance	12.08.009		A guaranteed loan system must track and age receivables by type.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 46		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_007
Acquired Loan Servicing: Account Status Maintenance	12.08.010		A guaranteed loan system must provide an automated interface with the Core Financial System to record accrual of interest, administrative charges, and penalties for delinquent loan accounts.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 46		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_008
Acquired Loan Servicing: Account Status Maintenance	12.08.011	D	Deleted: A system must apply collections according to agency program receipt application rules to the appropriate liquidating or financing account.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 46		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_009
Acquired Loan Servicing: Account Status Maintenance	12.08.012		A guaranteed loan system must include a partial, full, or late payment indicator.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 47		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_010
Acquired Loan Servicing: Account Status Maintenance	12.08.013		A guaranteed loan system must identify payments that cannot be applied and document the reasons why the payments cannot be applied.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 47		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_011

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Acquired Loan Servicing: Account Status Maintenance	12.08.015		A guaranteed loan system must provide an automated interface with the Core Financial System to record the collection. If the guaranteed loan system processes collections, it must meet the requirements in the Core Financial System Requirements related to collections and send summary data to the Core Financial System.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 47		Record Loans and Grants	Proposal-to-Reward	Acquired_Loan_Account_Status_Maintenance_012
Acquired Loan Servicing: Account Status Maintenance	12.08.016	A	An automated system must provide information to referring agency as needed i.e., collections received.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 15 Source: OMB Circular A-11; Source Date: 8/1/2009; Source Number: section 185				Guaranteed_Loan_Treasury_Cross_Servicing_013
Acquired Loan Servicing: Account Status Maintenance	12.08.017	A	A guaranteed loan system must record a re-estimate of the subsidy cost allowance for loan guarantee liabilities each year as of the date of the financial statements. This includes interest rate re-estimates and technical/default re-estimates and must take into account all factors that may have affected the estimate of each component of the cash flow, including prepayments, defaults, delinquencies, and recoveries. The OMB CSC2 (Credit Subsidy Calculator 2) will be used to calculate the re-estimate.	Source: OMB Circular A-11 Part V; Source Date: 8/1/2009; Source Number: Section 185 Source: SFFAS-2; Source Date: 8/1/1993; Source Number: Para 32				Guaranteed_Loan_Maintenance_019

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Foreclosure and Liquidate Collateral: Foreclose on Collateral	12.09.001		A guaranteed loan system must provide information on collateral for use in the foreclosure process.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 48		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_On_Collateral_001
Foreclosure and Liquidate Collateral: Foreclose on Collateral	12.09.002		A guaranteed loan system must update the acquired loan information store with additional information obtained during the foreclosure preparation process, such as recent appraisal values and property condition.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 48		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_On_Collateral_002
Foreclosure and Liquidate Collateral: Foreclose on Collateral	12.09.003		A guaranteed loan system must calculate outstanding principal, interest, and penalties, for each loan with collateral to be foreclosed.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 48		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_On_Collateral_003
Foreclosure and Liquidate Collateral: Foreclose on Collateral	12.09.004		A guaranteed loan system must provide information to generate a foreclosure notice to the borrower.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 48		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_On_Collateral_004
Foreclosure and Liquidate Collateral: Foreclose on Collateral	12.09.005		A guaranteed loan system must transmit information necessary or the foreclosure to the Department of Justice and/or agency Office of General Counsel, as applicable.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 48		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_On_Collateral_005
Foreclosure and Liquidate Collateral: Foreclose on Collateral	12.09.006		A guaranteed loan system must record the results of the foreclosure proceedings and title conveyance to the agency.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 48		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_On_Collateral_006
Foreclosure and Liquidate Collateral: Foreclose on Collateral	12.09.007		A system must provide an automated interface of data on acquired collateral to the property management system for management and liquidation of the property.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 48		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_On_Collateral_7

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Foreclosure and Liquidate Collateral: Foreclose on Collateral	12.09.008		A guaranteed loan system must provide an automated interface to the Core Financial System to record the value of the property acquired and to reduce the receivable amount.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 48		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_On_Collateral_008
Foreclosure and Liquidate Collateral: Manage/Liquidate Collateral	12.10.001		A guaranteed loan system must generate payments to property management contractors for services rendered.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 49		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_Collateral_Liquidation_001
Foreclosure and Liquidate Collateral: Manage/Liquidate Collateral	12.10.002		A guaranteed loan system must track, record, and classify operations and maintenance expenses related to the acquired collateral.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 49		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_Collateral_Liquidation_002
Foreclosure and Liquidate Collateral: Manage/Liquidate Collateral	12.10.003		A guaranteed loan system must document rental income and other collections related to the acquired collateral.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 49		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_Collateral_Liquidation_003
Foreclosure and Liquidate Collateral: Manage/Liquidate Collateral	12.10.004		A guaranteed loan system must post the expenses and income to the Core Financial System through an automated interface.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 49		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_Collateral_Liquidation_004
Foreclosure and Liquidate Collateral: Manage/Liquidate Collateral	12.10.005		A guaranteed loan system must update the acquired loan information store to record receipts resulting from the liquidation of acquired collateral and disposition of the collateral.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 49		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_Collateral_Liquidation_005
Foreclosure and Liquidate Collateral: Manage/Liquidate Collateral	12.10.006		A guaranteed loan system must identify any deficiency balances remaining for the loan after collateral liquidation for further collection activities.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 49		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_Collateral_Liquidation_006

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Foreclosure and Liquidate Collateral: Manage/Liquidate Collateral	12.10.007		A guaranteed loan system must 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-00-01; Source Date: 3/1/2000; Source Number: Pg 49		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_Collateral_Liquidation_007
Foreclosure and Liquidate Collateral: Manage/Liquidate Collateral	12.10.008		A guaranteed loan system must provide at the least the following types of management information: guaranteed loan claim activity, summary data of claim losses paid out, detailed transaction history, standard management control/activity, exceptions, portfolio sale historical payments, portfolio sales performance, and collateral management activity and expense.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 50		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Foreclosure_Collateral_Liquidation_008
Delinquent Debt Collection: Collection Actions	12.11.001		A guaranteed loan system must identify delinquent commercial and consumer accounts for reporting to credit bureaus (preferably by electronic interface) by comparing reporting criteria to delinquent loan data.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_001
Delinquent Debt Collection: Collection Actions	12.11.002		A guaranteed loan system must calculate outstanding balances, including interest, penalties, and administrative charges and include this information in credit bureau records.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_002
Delinquent Debt Collection: Collection Actions	12.11.003		A guaranteed loan system must generate (or include in demand letters) a notice to inform the borrower of the referral of a delinquent debt to a credit bureau, in accordance with regulations.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_003

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Delinquent Debt Collection: Collection Actions	12.11.004		A guaranteed loan system should maintain a record of each account reported to credit bureaus to allow tracking of referred accounts.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_004
Delinquent Debt Collection: Collection Actions	12.11.005		A guaranteed 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-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_005
Delinquent Debt Collection: Collection Actions	12.11.006		A guaranteed loan system must generate and transmit dunning letters to debtors with past-due loan accounts.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_006
Delinquent Debt Collection: Collection Actions	12.11.007		A guaranteed loan system must identify debtors who do not respond to dunning letters within a specified time period.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_007
Delinquent Debt Collection: Collection Actions	12.11.008		A guaranteed loan system must track demand letters and borrower responses in order to document borrower due process notification (and borrower willingness and ability to repay debt).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_008
Delinquent Debt Collection: Collection Actions	12.11.009		A guaranteed loan system must track and document debtor appeals received in response to demands for payment.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_009

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Delinquent Debt Collection: Collection Actions	12.11.010		A guaranteed loan system must have the capability to provide automated support to the collection process. Support could be provided for activities such as contacting a delinquent borrower by phone; documenting contacts with a debtor and the results; documenting installment payments, rescheduling agreements, and debt compromise; generating management reports; and tracking the performance of individual agency collectors.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_010
Delinquent Debt Collection: Collection Actions	12.11.011		A guaranteed loan system must identify accounts eligible for referral to the Treasury Offset Program (TOP).	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_011
Delinquent Debt Collection: Collection Actions	12.11.013		A guaranteed loan system must 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 with the agency.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_012
Delinquent Debt Collection: Collection Actions	12.11.014		A guaranteed loan system must identify, at the end of the notification period, the debtors that remain delinquent and are eligible for referral.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_013

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Delinquent Debt Collection: Collection Actions	12.11.015		A guaranteed loan system must generate written notices informing the borrower of the agency's intention to initiate proceedings to collect the debt through deduction from pay, the nature and amount of the debt to be collected, and the debtors rights.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_014
Delinquent Debt Collection: Collection Actions	12.11.016		A guaranteed loan system must update the information store to reflect TOP status.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_015
Delinquent Debt Collection: Collection Actions	12.11.018		A guaranteed loan system must apply collections received through the TOP process to debtor accounts in accordance with applicable payments application rules.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_016
Delinquent Debt Collection: Collection Actions	12.11.020		A guaranteed loan system must interface with the Core Financial System to record receipts remitted to the agency.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_017
Delinquent Debt Collection: Collection Actions	12.11.021		A guaranteed loan system must compare delinquent account data to agency's program collection referral criteria to select delinquent loan accounts for referral to collection agencies.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_018
Delinquent Debt Collection: Collection Actions	12.11.022		A guaranteed loan system must sort and group delinquent loan accounts based on type of debt (consumer or commercial), age of debt, and location of debtor.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_019
Delinquent Debt Collection: Collection Actions	12.11.023		A guaranteed loan system must calculate outstanding interest, penalties, and administrative charges for each delinquent loan account to be referred.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_020

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Delinquent Debt Collection: Collection Actions	12.11.024		A guaranteed loan system must assign selected delinquent loan account groupings to appropriate collection agencies based on collection agency selection criteria for agency programs.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_021
Delinquent Debt Collection: Collection Actions	12.11.025		A guaranteed loan system must document that the delinquent account has been referred to a collection agency.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_022
Delinquent Debt Collection: Collection Actions	12.11.026		A guaranteed loan system must generate and receive electronic transmissions of account balance data and status updates to and from collection agencies.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_023
Delinquent Debt Collection: Collection Actions	12.11.027		A guaranteed loan system must record receipts remitted to the collection agency and forwarded to the agency.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_024
Delinquent Debt Collection: Collection Actions	12.11.028		A guaranteed loan system must update the acquired loan information store to reflect receipts, adjustments, and other status changes, including rescheduling, compromise, and other resolution decisions.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_025
Delinquent Debt Collection: Collection Actions	12.11.029		A guaranteed loan system must accept and match collection agency invoices with agency records.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_026
Delinquent Debt Collection: Collection Actions	12.11.030		A guaranteed loan system must request, reconcile, and record returned accounts from collection agencies.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_027

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Delinquent Debt Collection: Collection Actions	12.11.031		A guaranteed loan system must interface with the Core Financial System to record collections processed through collection agencies.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_028
Delinquent Debt Collection: Collection Actions	12.11.032		A guaranteed loan system must compare delinquent loan account information against the agency's litigation referral criteria to identify delinquent loan accounts eligible for referral. 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-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_029
Delinquent Debt Collection: Collection Actions	12.11.033		A guaranteed loan system must 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-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_030
Delinquent Debt Collection: Collection Actions	12.11.034		A guaranteed loan system must 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-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_031
Delinquent Debt Collection: Collection Actions	12.11.035		A guaranteed loan system must generate the Claims Collection Litigation Report (CCLR). The CCLR is used to capture collection actions and current debtor information and transmit this information to DOJ.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_032

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Delinquent Debt Collection: Collection Actions	12.11.036		A guaranteed loan system must receive electronic transmissions of account data and status updates to and from DOJ's Central Intake Facility or the agency's Office of General Counsel's (OGC) automated system for referrals.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_033
Delinquent Debt Collection: Collection Actions	12.11.037		A guaranteed loan system must update the loan status to reflect referral 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-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_034
Delinquent Debt Collection: Collection Actions	12.11.038		A guaranteed loan system must 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-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_035
Delinquent Debt Collection: Collection Actions	12.11.039		A guaranteed loan system must match agency litigation referrals with DOJ listing of agency litigation referrals.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_036
Delinquent Debt Collection: Collection Actions	12.11.040		A guaranteed loan system must record and track recovery of judgment decisions.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_037
Delinquent Debt Collection: Collection Actions	12.11.041		A guaranteed loan system must update the loan information store to reflect receipts and adjustments.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_038
Delinquent Debt Collection: Collection Actions	12.11.042		A guaranteed loan system must interface with the Core Financial System to record any collections resulting from litigation.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_039

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Delinquent Debt Collection: Collection Actions	12.11.043		A guaranteed loan system must offset delinquent debts internally before referral to TOP, where applicable.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_040
Delinquent Debt Collection: Collection Actions	12.11.044		A guaranteed loan system must transmit to TOP eligible new debts, and increase, decrease, or delete previously reported debts.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 53		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_041
Delinquent Debt Collection: Collection Actions	12.11.045		A guaranteed loan system must record offset fees in accordance with agency program requirements.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_042
Delinquent Debt Collection: Collection Actions	12.11.046		A guaranteed loan system must update the Core Financial System to record collections from TOP.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_043
Delinquent Debt Collection: Collection Actions	12.11.047		A guaranteed loan system must process agency refunds given to borrowers erroneously and offset and transmit this information to Treasury in a timely manner.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_044
Delinquent Debt Collection: Collection Actions	12.11.048		A guaranteed loan system must record refunds given by Treasury and adjust the loan information store accordingly.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_045
Delinquent Debt Collection: Collection Actions	12.11.049		A guaranteed loan system must document that the wage garnishment order was sent to the employer.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_046
Delinquent Debt Collection: Collection Actions	12.11.050		A guaranteed loan system must provide ad hoc reporting capability needed to monitor the amount recovered through nonfederal wage garnishment.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_047

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Delinquent Debt Collection: Collection Actions	12.11.051		A guaranteed loan system must document that agency provided debtors a hearing, when requested.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_048
Delinquent Debt Collection: Collection Actions	12.11.052		A guaranteed loan system must apply collections received through wage garnishment according to agency application rules.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_049
Delinquent Debt Collection: Collection Actions	12.11.053		The system should identify delinquent commercial and consumer accounts for reporting to CAIVRS by comparing reporting criteria to delinquent loan data.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_050
Delinquent Debt Collection: Collection Actions	12.11.054		The system should generate (or include in demand letters) a notice to inform the borrower of the referral of a delinquent debt to CAIVRS in accordance with regulations.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 52		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_051
Delinquent Debt Collection: Collection Actions	12.11.055		A guaranteed loan system must generate payment to the collection agency for services rendered through the core financial system.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 55		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_052
Delinquent Debt Collection: Collection Actions	12.11.056		A guaranteed loan system must have the capability to compare delinquent loan account information to agency program write-off criteria to select delinquent loan accounts for possible loan write-off.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_053
Delinquent Debt Collection: Collection Actions	12.11.057		A guaranteed loan system must have the capability to classify debtors based on financial profile and ability to repay. Indicators of the financial well being of a debtor include debtor financial statements, credit bureau reports, and payment receipt history.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_054

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Delinquent Debt Collection: Collection Actions	12.11.058		A guaranteed loan system must have the capability to produce a CCLR for each loan account to be referred to agency counsel or the (DOJ) for approval of termination of collection action. The system must update the loan status to reflect the referral.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_055
Delinquent Debt Collection: Collection Actions	12.11.059		A guaranteed loan system must have the capability to update the loan information store to reflect approval or disapproval by agency counsel or the DOJ for termination of collection action.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_056
Delinquent Debt Collection: Collection Actions	12.11.060		A guaranteed loan system must have the capability to 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-00-01; Source Date: 3/1/2000; Source Number: Pg 56		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_057
Delinquent Debt Collection: Collection Actions	12.11.061		A guaranteed loan system must have the capability to maintain a suspense file of inactive (written-off) loan accounts.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_058
Delinquent Debt Collection: Collection Actions	12.11.062		A guaranteed loan system must have the capability to 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-00-01; Source Date: 3/1/2000; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_059
Delinquent Debt Collection: Collection Actions	12.11.063		A guaranteed loan system must have the capability to compare loan account data to agency closeout criteria to identify debtor accounts eligible for closeout and 1099-C reporting.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_060

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Delinquent Debt Collection: Collection Actions	12.11.064		A guaranteed loan system must have the capability to prepare and send a Form 1099-C to the IRS if the debtor has not responded within the required time period.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_061
Delinquent Debt Collection: Collection Actions	12.11.065		A guaranteed loan system must have the capability to update the loan information store to reflect receipts, adjustments, and other status changes, including rescheduling, compromise, and other resolution decisions.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_062
Delinquent Debt Collection: Collection Actions	12.11.066		A guaranteed loan system must have the capability to retain electronic summary records of closeout account activity for a period of five years for use in agency screening of new loan applications.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 57		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_063
Delinquent Debt Collection: Collection Actions	12.11.067		A guaranteed loan system must have the capability to provide at least the following types of management information: detailed transaction history, standard management control/activity, exceptions, trend analysis/performance, and collection contractor compensation.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 58		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_064
Delinquent Debt Collection: Collection Actions	12.11.068	A	To support the guaranteed loan process, the system shall have the capability to apply collections received through wage garnishment.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 54				Guaranteed_Loan_Delinquent_Debt_Collection_Actions_065
Accounting Requirements	12.12.001		A system must record as a liability the present value of estimated net cash outflows of the outstanding Post- 1991 guaranteed loans. Disclosure is made of the face value of loans outstanding and the amount guaranteed.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 23	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.B	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_001

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Accounting Requirements	12.12.002		A system must record a subsidy expense for Post-1991 guaranteed 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 marketable Treasury securities with a similar maturity term, applicable to the period during which the loans are disbursed.	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	Guaranteed_Loan_Accounting_Requirements_002
Accounting Requirements	12.12.003		A system must record the components of the subsidy expense of new loan guarantees separately among interest subsidy costs, default costs, fees and other collections, and other subsidy costs for the fiscal year during which new guaranteed loans are disbursed.	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	Guaranteed_Loan_Accounting_Requirements_003
Accounting Requirements	12.12.004		A system must record default costs for loan guarantees that result from any anticipated deviation, other than prepayments, by the borrowers from the payment schedule in the loan contracts.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 27	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.C.3	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_004
Accounting Requirements	12.12.005		A system must accrue and compound interest on loan guarantee liabilities at the interest rate that was originally used to calculate the present value of the loan guarantee liabilities when the guaranteed loans were disbursed. The accrued interest is recorded as interest expense.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 31	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.D.1	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_005

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Accounting Requirements	12.12.006		A system must compute a re-estimate of the subsidy cost allowance for loan guarantee liabilities each year as of the date of the financial statements. This includes interest rate re-estimates and technical/default re-estimates and must take into account all factors that may have affected the estimate of each component of the cash flow, including prepayments, defaults, delinquencies, and recoveries.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 32	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.D.2	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_006
Accounting Requirements	12.12.007		A system must record any increase or decrease in the subsidy cost allowance or the loan guarantee liability resulting from the re-estimates as a subsidy expense (or a reduction in subsidy expense). The expense must be recorded for the current reporting period.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 32	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.D.2	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_007
Accounting Requirements	12.12.008		A system must record interest accrued on the liability of loan guarantees 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.D.1	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_008
Accounting Requirements	12.12.009	C	A system must record costs for administering credit activities, such as salaries, legal fees, and office costs, that are for credit policy evaluation, loan and loan guarantee origination, closing, servicing, monitoring, maintaining accounting and computer systems; and other credit administrative purposes, as administrative expense.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 38	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.F	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_009

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Accounting Requirements	12.12.010		A system must record losses and liabilities for loan guarantees committed before October 1, 1992, when it is more likely than not that the loan guarantee will require a future cash outflow to pay default claims.	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	Guaranteed_Loan_Accounting_Requirements_010
Accounting Requirements	12.12.011	D	Deleted: A system must re-estimate the liability 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	Guaranteed_Loan_Accounting_Requirements_011
Accounting Requirements	12.12.012		A guaranteed loan system must record modification costs as an expense when loan guarantees are modified.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 49	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.J	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_012
Accounting Requirements	12.12.013		A guaranteed loan system must record any difference between the change in liability and the cost of modification of loan guarantees as a gain or loss.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 52	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.J.3	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_013
Accounting Requirements	12.12.014		A guaranteed loan system must record, for post-1991 loan guarantees, the modification adjustment transfer paid or received to offset the gain or loss as a financing source.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 52	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.J.3	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_014
Accounting Requirements	12.12.015		A guaranteed loan system must, for loan sales with recourse, record estimated potential losses under guarantee obligations (liabilities) at their present value.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 54		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_015

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Accounting Requirements	12.12.016		A guaranteed loan system must record property transferred from borrowers to a federal credit program, through foreclosure or other means, in partial or full settlement as compensation for losses that the government sustained under post-1991 loan guarantees. The foreclosed property is an asset recorded at the present value of estimated future net cash inflows discounted at the original discount rate.	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	Guaranteed_Loan_Accounting_Requirements_016
Accounting Requirements	12.12.017		A guaranteed loan system must recognize acquired loans, through foreclosure, at the present value of their estimated net cash inflows from selling the loans or from collecting payments from the borrowers, discounted at the original discount rate.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 59	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.L.2	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_017
Accounting Requirements	12.12.018	C	A system must record assets acquired, in full or partial settlement of Post-1991 guaranteed loans, at the present value of the government's claim against the borrowers is reduced by the amount settled as a result of the foreclosure.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 60	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.L.3	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_018
Accounting Requirements	12.12.020		A system must record the interest subsidy costs of loan guarantees which equals the present value of estimated interest supplement payments.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 26	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.C.2	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_020

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Accounting Requirements	12.12.021		A system must record the fees and other collections for a loan guarantee. These costs are recognized as a deduction for 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	Guaranteed_Loan_Accounting_Requirements_021
Accounting Requirements	12.12.022		A system must record the Other subsidy costs for a loan guarantee. These costs consist of cash flows that are not included in calculating the interest or default subsidy costs, or in fees and other collections.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 29	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.C.5	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_022
Accounting Requirements	12.12.023		An automated system must estimate default costs by: (a) loan performance experience; (b) current and forecasted international, national, or regional economic conditions that may affect the performance of the loans; (c) financial and other relevant characteristics of borrowers; (d) the value of collateral to loan balance; (e) changes in recoverable value of collateral; and (f) newly developed events that would affect the performance of the loan. Improvements in methods to re-estimate defaults also are considered.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 34	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.E.1	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_023
Accounting Requirements	12.12.024		A system must use a systematic methodology, such as an econometric model, to project default costs of each risk category. If individual accounts with significant amounts carry a high weight in risk exposure, an analysis of the individual accounts is warranted in making the default cost estimate for that category.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 35	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.E.2	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_024

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Accounting Requirements	12.12.025	D	Deleted: A system must change the existing book value of the liability of modified post-1991 loan guarantees to an amount equal to the present value of net cash outflows projected under the modified terms from the time of modification to the maturity of those loans, discounted at the original discount rate (the rate that originally is used to calculate the present value of the liability when the guaranteed loans were disbursed).	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 50	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.J.1	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_025
Accounting Requirements	12.12.026	D	Deleted: When a pre-1992 loan guarantee is directly modified, the system must transfer the modified loan guarantee to a financing account and the existing book value of the liability of the modified loan guarantees is changed to an amount equal to its post-modification liability. Any subsequent modification is treated as a modification of a post-1991 loan guarantee. When a pre-1992 loan guarantee is indirectly modified, that loan guarantee is kept in a liquidating account. The liability of such a loan guarantee is reassessed and adjusted to reflect any change in the liability resulting from the modification.	Source: SFFAS-2; Source Date: 6/1/2008; Source Number: Para 51	Source: DoDFMR Vol 12, Ch 04; Source Date: 9/1/2008; Source Number: 040202.J.2	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Accounting_Requirements_026
Reporting	12.13.002		The system must support the disclosure of the nature of the modifications of loan guarantees, the discount rate used in calculating the modification expense, and the basis for recognizing a gain or loss related to the modification, within notes to the financial statements.	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	Guaranteed_Loan_Reporting_001

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Reporting	12.13.003		The system shall provide information to support the reconciliation between the beginning and ending balances of the loan guarantee liability, in accordance with the disclosure requirements of SFFAS No. 18, Amendments to Accounting Standards for Direct Loans and Loan Guarantees' in SFFAS No. 2.	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	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_002
Reporting	12.13.004	C	The system shall provide information to support the amounts reported as guaranteed payments made on behalf of borrowers within notes of the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101001.C	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_003
Reporting	12.13.005		The system shall report information on defaulted loan guarantees for applicable credit reform programs within the notes to the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101015	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_004
Reporting	12.13.006		The system shall report the defaulted guaranteed loans receivable (gross), the interest receivable, the estimated value of related foreclosed property, the allowance for subsidy cost (present value), and the value of assets related to defaulted guaranteed loans receivable within the notes to the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101015.C	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_005

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Reporting	12.13.008		The system shall identify other information related to guaranteed loan programs including (1) changes from the prior year's accounting methods of foreclosed property, if any; (2) restrictions on the use/disposal of the foreclosed property; (3) number of foreclosed properties held and average holding period by type or category; and (4) number of properties for which foreclosure proceedings are in process at the end of the period.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101015.E	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_007
Reporting	12.13.009		The system shall disclose management's method for accruing interest revenue and recording interest receivable, and management's policy for accruing interest on nonperforming defaulted guaranteed loans within the notes to the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101015.E	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_008
Reporting	12.13.010	D	Deleted: The system shall present the outstanding amount of guaranteed loans within the notes to the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101017	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_009
Reporting	12.13.011		The guaranteed loan system shall present the present value of liabilities for post FY 1991 loan guarantees within the notes to the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101019	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_010
Reporting	12.13.012		The guaranteed loan system shall present subsidy expense for post FY 1991 loan guarantees within the notes to the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101021	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_011

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Reporting	12.13.013	D	Deleted: The system shall present subsidy rates for loan guarantees within the notes to the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101023	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_012
Reporting	12.13.014	D	Deleted: The system shall present a schedule for reconciling loan guarantee liability balances for post FY 1991 loan guarantees within the notes to the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101025	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_013
Reporting	12.13.015	D	Deleted: The system shall report the portions of salaries and other administrative expenses that have been accounted for in support of the loan guarantee programs within the notes to the financial statements.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101026	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_014
Reporting	12.13.016		The guaranteed loan system must be capable of producing a complete transaction history of each loan.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 63		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_015
Reporting	12.13.017		The guaranteed loan systems must be capable of supporting the external reporting requirements of OMB and Treasury, including those associated with the Federal Credit Reform Act (FCRA) of 1990 and the CFO Act of 1990.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 63		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_016

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Reporting	12.13.018		The system must, if modifications were made to guaranteed loans, explain the nature of the modifications, the discount rate used in calculating the expense, and the basis for recognizing a gain or loss related to the modifications. When appropriate, disclose that the subsidy expense resulting from reestimates that is included in the financial statements is not reported in the budget until the following year.		Source: DoDFMR Vol 06B, Ch 10; Source Date: 1/1/2009; Source Number: 101015.E	Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Reporting_017
Treasury Cross-Servicing	12.14.001		An automated system must compare delinquent loan account information to statutory criteria to select delinquent loan accounts for possible referral.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 60		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_021
Treasury Cross-Servicing	12.14.002		An automated system must generate notification to the debtor of the agency's intent to refer the debt to a debt collection center.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 60		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_020
Treasury Cross-Servicing	12.14.003		An automated system must update the loan information store.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 60		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_022
Treasury Cross-Servicing	12.14.004		An automated system must identify accounts that can no longer be serviced by agency personnel.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 60		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_023
Treasury Cross-Servicing	12.14.005		An automated system must identify accounts with monetary adjustments that must be reported to the debt collection center.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 60		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_009

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Treasury Cross-Servicing	12.14.006		An automated system must provide ad hoc reporting capability needed to monitor the accounts referred to a debt collection center and the amounts recovered.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_002
Treasury Cross-Servicing	12.14.007		An automated system must interface with the core financial system to record receipts remitted to the agency.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Delinquent_Debt_Collection_Actions_017
Treasury Cross-Servicing	12.14.008		An automated system must apply collections received from the debt collection center according to agency application rules.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_004
Treasury Cross-Servicing	12.14.009		An automated system must record collection fees in accordance with agency program requirements.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_005
Treasury Cross-Servicing	12.14.010		An automated system must process agency or debt collection center refunds, notify debt collection center as appropriate, and update the loan information store.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_006
Treasury Cross-Servicing	12.14.011		An automated system must notify debt collection center of adjustments, recalls of debt, or collections received by the agency on the referred debt.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_024
Treasury Cross-Servicing	12.14.012		An automated system must remove from the accounting and financial records accounts that the debt collection center recommends should be written off.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_008
Treasury Cross-Servicing	12.14.013		An automated system must identify the volume and type of debts serviced.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_018

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Chapter	Req Id	Change Type	Requirement	Federal Sources	DoD Sources	BPM Processes	End 2 End Process	DFMIG Rule Name
Treasury Cross-Servicing	12.14.014		An automated system must identify the tools used by the agency to collect its own debt.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_017
Treasury Cross-Servicing	12.14.015		An automated system must provide one or more years of information on the average age of debt over 180 days.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_010
Treasury Cross-Servicing	12.14.016		An automated system must calculate the amount of debt collected using various collection tools.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_019
Treasury Cross-Servicing	12.14.017		An automated system must accrue late charges, as required by referring agency.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_016
Treasury Cross-Servicing	12.14.018		An automated system must provide information to referring agency sufficient for the referring agency to satisfactorily complete the Report on Receivables Due From the Public.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_015
Treasury Cross-Servicing	12.14.019		An automated system must 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-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_012
Treasury Cross-Servicing	12.14.020		An automated system must provide information to referring agency as needed i.e., collections received.	Source: JFMIP SR-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_014
Treasury Cross-Servicing	12.14.021		An automated system must 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-00-01; Source Date: 3/1/2000; Source Number: Pg 61		Record Loans and Grants	Proposal-to-Reward	Guaranteed_Loan_Treasury_Cross_Servicing_001

ACRONYMS

CAIVRS	Credit Alert Interactive Voice Response System
CCLR	Claims Collection Litigation Report
DFAS	Defense Finance and Accounting Service
DoD	Department of Defense
DoDFMR	DoD Financial Management Regulation
DoJ	Department of Justice
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
TIN	Taxpayer Identification Number
TOP	Treasury Offset Program