



USDA Direct Farm Loans



Customer Journey Mapping FINAL REPORT

Volume 1: Findings and Recommendations

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General Services Administration

Customer Experience Center of Excellence

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Executive Summary

The Customer Experience Center of Excellence (CX CoE) is supporting the United States Department of Agriculture (USDA) in developing its capacity to design excellent customer experiences and the ecosystems to deliver them. Customer experience is the sum of all digital (such as, web and mobile) and non-digital (such as, in-person, on the phone and written material) interactions that customers have with an agency, from the first interaction to the last. Increasingly, customers of government agencies expect the same standards from government as they do from businesses and brands. The CX CoE's goal was to provide a base of evidence upon which the Farm Service Agency (FSA) and the Farm Production and Conservation (FPAC) can make informed decisions that affect their customer's experience.

Focusing on the Direct Loans program within FSA in the FPAC mission area of the USDA, the CoE followed a customer journey mapping model to document the current customer journey between producers and service center staff. This process is providing guidance and insight to FSA leadership, the USDA Chief Information Officer (CIO) and the development teams for the FPAC Portal, Farmers.gov, and Voice of the Customer efforts.



Producers are farmers, ranchers, or foresters with a material stake in an agricultural business. FSA loans are intended to support producers who are early in their career, or who have suffered setbacks that make them unable to receive credit from commercial lenders. These loans can be used to acquire seed stock, livestock, equipment, or property to forward their business and forge a path toward success.



Service Center Loan Staff include Loan Managers, Loan Officers, and Program Technicians who work in hundreds of USDA service centers. Loan Managers and Officers work directly with producers to help them understand the services that FSA loans provide and help them collect the information required to pursue an FSA loan. They are responsible for making credit decisions, and work with borrowers after their loans are approved in what FSA called “Supervised Credit.” Program Technicians assist in the loan process and are instrumental in loan closing and customer service.

This volume includes key findings developed over the course of three workshops and various meetings. These were derived from observations collected from over 20 FPAC subject matter experts in Washington DC, two dozen interviews with FPAC employees at six service centers, and almost 40 producers in six states.

Among the 13 findings, the most impactful are:

- Producers value in person interactions with Loan Officers
- Loan Officers deal with fragile and limited technology at service centers
- First-time borrowers need help understanding the entire loan process
- Producers find loan forms challenging
- Producers find the current loan limits constraining and inadequate to cover their needs

These findings were used to clarify the customer journey map for producers and service center staff. These led to a number of potential solutions developed by stakeholders during the final workshop, which supplemented solutions collected in the field.

The most impactful of the 62 identified solutions include:

- Providing loan packets to applicants that only include the forms they need based on an initial conversation to reduce borrower confusion about what is required
- Provide prior loan application data to producer as reference, or as a starting point for the current loan to accelerate completing a loan application
- Foster agency-wide staff communication about workarounds/accelerators
- Increase staffing at service centers to relieve excess workload

- Add new positions at service centers to focus on customer interactions that don't require the expertise or training of a Loan Officer to relieve Loan Office workload and address borrowers' needs more promptly
- Integrate FPAC systems to reduce application and reporting burden for their overlapping customer base
- Modernize critical IT systems to limit productivity losses
- Develop a loan eligibility tool that helps people who don't qualify for loans because of their crop, their background, or their financial standing to self-identify without the need for an ultimately fruitless conversation
- Develop tools that support collaboration with the Loan Officer while completing electronic loan application to foster the relationship between borrowers and Loan Officers instead of replacing it
- Work with Congress to change the loan limit to provide borrowers access to more funds for their business due to increased costs
- Ensure that good online content is findable to help producers more readily obtain the information they are seeking

This report spans three volumes:

1. **Research Findings and Recommendations** - What we learned over the course of three workshops and visits to six different regions
2. **Methodology** - How the research and related activities were accomplished
3. **Stories** - Fictional stories derived from field visits that are composites of real producers and Loan Officers

Findings and Recommendations

These key findings were presented at the Solutioning Workshop that were derived from grouping observations from the field. Recommendations and solutions came from producers and staff in interviews, as well as ideas generated in workshops.

- Producers value in person interactions with Loan Officers
- Local service center staff often develop unique, innovative producer-centric practices
- Obtaining an FSA loan is only one part of a producer's larger journey
- Loan Officers deal with fragile and limited technology at service centers
- Loan data is maintained in a mixture of paper and disjointed IT systems
- Producers are experts in their own information needs
- First-time borrowers need help understanding the entire loan process
- Producers find loan forms challenging
- Producers find the current loan limits constraining and inadequate to cover their needs
- Producers desire self-service to track their loan information
- Producers doubt their ability to complete an online application successfully
- Providing the status of a submitted application is complex
- Producers expect new self-service options to augment, not replace, existing processes

Producers value in person interactions with Loan Officers

FINDING: Producers and loan officers consistently agree that solid collaboration between them is a leading indicator of the producer's success and satisfaction with the loan process. Understanding this dynamic is critical to developing services, channels, and other improvements.

JOURNEY MAP STAGE: All

OBSERVATIONS:

1. **A Trusted Advisor** 😊
Producers often seek counsel from Loan Officers beyond help with their loan applications. Loan officers often guide producers on developing business plans, and some producers even seek their Loan Officer's advice about important business decisions. Personal relationships between producers and Loan Officers is critical to serving the farmers.
2. **Service Center Consolidation** 🚫
Previous rounds of service center consolidation distressed loan staff and producers alike. The consolidations left FSA staff with longer commutes to new offices, and left producers in outlying counties without an FSA human touchpoint nearby. The most satisfied borrowers are the ones who engage frequently with their Loan Officers when getting their first loan. Consolidation reduced Loan Officer's ability to provide high touch relationship-based service to producers.
3. **FSA Quality Assurance** 🚫
Although we didn't have the opportunity to interview any poor performing Loan Officers or Program Technicians, we did speak to producers who had previously worked with FSA representatives who weren't helpful, and who made them wonder if FSA Loans were right for them, or even worth the trouble to pursue.
4. **FSA Staff Training** 🚫
Though there are training programs for Program Technicians, they focus on networking, collaboration activities that help Program Technicians familiarize more with the work culture than the process. Handling case-based problems is an area where these programs lack depth.

RECOMMENDATIONS:

1. Augment but do not replace personal interactions with FSA digital services.
2. Create and implement new digital services with a producer-centric viewpoint. Ensure holistic integration across all producer-facing channels (e.g. high tech, low tech, in-person, phone).

3. Investigate which factors and practices lead to customer-centric loan experiences, and systematically encourage these factors from the top down to create an agency-wide customer-focused culture. Measure these outcomes and provide rewards to those who have good outcomes.

SOLUTIONS:

1. Provide methods for producers to share some information with a Loan Officer prior to loan submission, it can facilitate early conversations about the loan. [PROCESS IMPROVEMENT]
2. Change staffing model to include new positions, such as New Applicant Liaison, Business Planner, and Application Assistant who may be easier to recruit and retain than Loan Officers. [STAFFING/TRAINING]
3. Develop training programs to support Program Technician and Loan Officer issues, e.g. having difficult conversations with producers, best practices for Program Technician and Loan Officer roles. [STAFFING/TRAINING]
4. Implement a process/tool to collect and use customer satisfaction data from producers that have met with Loan Officers, and not just those who successfully borrowed. A key audience to listen to are those who either never submitted an application or who withdrew their application. Even producers who couldn't get a loan should understand why that is, and can provide helpful feedback. [PROCESS IMPROVEMENT]

Local service center staff often develop unique, innovative and producer-centric practices

FINDING: Every service center visited had adopted unique strategies to accelerate their work or get past blockers. Some are specific to their local situation, but many are common issues that others may face, and could be scaled at the state, region, and national levels. However, service centers have no means to share best practices they have developed with other service centers.

JOURNEY MAP STAGE: All

OBSERVATIONS:

1. Office Organization Best Practices

Service centers self-organize to be efficient. Some offices have higher staff specialization, while others have individuals that do a very broad range of the work themselves. New Loan Managers and Chiefs need to know what strategies support each type of office best.

2. Up Against the Wall

Offices where there are physical barriers between FPAC Agency offices (Loans, Programs, Natural Resources Conservation Service (NRCS)) tend to have more contention between staff groups and offer a less cohesive customer experience. Walls draw attention to where common resources like printers are housed, and leads to claims of favoritism. In service centers that share a large common space, there are customer-centric practices like producer folders where reminders from all agencies can be filed so that a producer who comes in can check in one place to see what all three agencies might need from them.

3. Managing Paper Digitally

Several offices keep electronic copies of loan paperwork in government-provided shared drives. This not only allows them to find information about past loans easily, but also provides a way for work-sharing when helping other offices that are understaffed. A Program Technician told the story of pulling a closing together in a single day for a distant office where the Loan Officer was out sick. The needed files were all in a well-labeled shared folder or were able to be generated by the various systems.

4. Closing Early

For farm ownership loans there is a built-in and unavoidable delay while waiting for appraisals before loans are approved. The Program Technician starts preparing closing documents as soon as the appraisal is requested so that closing is ready, often before the loan is approved. It's not uncommon for this office to close the day after a loan is approved and funds are allocated.

RECOMMENDATIONS:

1. Embrace new ideas and solutions that are adopted at Service Center locations to identify root challenges. Studying the problems that inspire staff to build solutions can help inform whether each issue is systemic or localized.
2. Identify, share, and scale locally created solutions that indicate systemic challenges.

SOLUTIONS:

1. Provide a forum where service center staff can share their solutions with the expectation that they will be discussed in an open and fair manner. We found service center staff rarely shared this kind of information outside of their state. [PROCESS IMPROVEMENT]
2. Evaluate popular solutions to see if their underlying problem could be addressed or added to a backlog of changes to consider. Survey these popular approaches and measure what works for common situations. [PROCESS IMPROVEMENT]
3. Have a preference for open spaces where multiple agencies can work together when finding new office space or renovating existing service centers. [PROCESS IMPROVEMENT]

Obtaining an FSA loan is only one part of a producer's larger journey

FINDING: From the customer's point of view, the journey that takes them into USDA's sphere includes, but is not confined by, the loan journey. The farmer's goal is not to get an FSA loan; his or her goal is, for instance, to start a business or expand operations, acquire land, or acquire other FPAC services. Producers face many challenges along the way. Obtaining a loan is just one step in this broader journey.

USDA may be in a unique position to provide producers with more comprehensive service and information, beyond that focused on their specific programs. There may be an opportunity for USDA to support the producers' larger journey.

JOURNEY MAP STAGE: All

OBSERVATIONS:

1. **“When you are buying your first piece of land, everything is overwhelming.”** 
New producers are struggling to create a business plan, gather resources, and learn how best to farm. They are frequently anxious, overworked, and pursuing exciting opportunities or trying to avoid pending disasters. This understanding of their larger journey into agricultural business provides important context to help understand what they need, and explain how they react in their loan journey.
2. **Google It**
Producers and Loan Officers alike are more willing to go to Google than they are to any USDA-provided call center or system when there is a question. Their first preference is to contact someone they know personally.
3. **You Have A Friend In Commercial Credit** 
Several producers came to FSA Loans from commercial Loan Officers who couldn't make a loan, but knew that FSA might be able to. The Loan Officer gave them contact information for an FSA Loan Officer that lead to a successful FSA loan. The most effective of these Loan Officers were former FSA Loan Officers who knew of the programs and how they worked. Loan officers stated that a good relationship with bankers leads to referrals.
4. **Be Ready When They Have a Need**
In closely integrated offices where different FPAC agencies share resources and office space, we found that there was more cross-promotion of services. This made it easier for producers who didn't know that they could get a loan to become aware of this option, and similarly, Loan Officers could steer some of their borrowers to FSA and NRCS programs that can help meet their broader needs.

RECOMMENDATIONS:

1. Align outreach activities with the customer's larger journey. The most effective forms of outreach are ones that align with that journey before they have an identified need. These include other parts of the USDA, commercial credit providers, and on the internet where potential new producers are learning about the business of agriculture.
2. Make sure the needs of all visitors to Farmers.gov are addressed, including needs outside of FPAC, and be clear about the needs that the site won't serve.

SOLUTIONS:

1. Provide cross-training for Loan Officers and other FPAC staff to ensure they are ready to provide options when there is a need. [STAFFING/TRAINING]
2. Provide a tool online to inform producers of which FPAC programs they may be eligible for. Doing so could introduce producers to programs they were previously unfamiliar with that could help them complete other areas of their broader journey. Information collected for eligibility could be augmented with basic information needed for the USDA to contact the producer, as well as to pre-fill the application forms to save time. [TECHNOLOGY]
3. Consider providing some form of outreach to commercial lenders about FPAC services so that they can guide consumers who may not know about these options. Many don't know about what FSA offers. [PROCESS IMPROVEMENT]
4. Make sure that the content of Farmers.gov addresses the larger journey, both for new and established producers. Even new producers that grew up in very agriculturally-focused areas told us that they needed help navigating local as well as Federal government processes in order to set up their business. For example, establishing a corporation, getting a business license, getting approval from local boards, getting permits, etc. are outside of USDA's responsibility, but within the producer's need. [CONTENT]
5. Employ Search Engine Optimization (SEO) strategies to make sure that FPAC resources can be found for queries that are most important to the organization's success. [CONTENT]

Loan Officers deal with fragile and limited technology at service centers

FINDING: Service centers have limited and fragile technology. Inconsistent reliability of core IT infrastructure including Internet access, phone systems, and Link-Pass cards for authentication is limiting productivity at service centers, and impacts staff and producers.. There is a common belief among Service Center staff that USDA systems and resources available to them are not keeping up with other areas of government, let alone common business standards. Further, existing technology limits producers to in-person or phone transactions.

JOURNEY MAP STAGE: All

OBSERVATIONS:

1. **Unreliable Phones and Communication** 

The current IP phone system uses the same unreliable network and infrastructure as the computer systems - when systems go down, phones frequently go down with them, leaving offices unable to serve customers, some of whom have scheduled in advance and traveled more than an hour to be there. Producers recounted their experiences of going into the office to find that nothing could be done because of system problems.

Even when the phone systems are working as planned, they are not easy to use.

There were anecdotes of the phone system being configured to only have a very small number of “parking spaces” configured at launch so that customers being transferred were often transferred to other states who were also trying to use the same parking space. This was fixed, but should have been tested before launch of a new system.
2. **Link-Pass Cards** 

The Link-Pass security card system can be unreliable, with one Farm Loan Manager reporting that he regularly needs to try to get his card recognized for 45 minutes in the morning before he can begin using his computer. Past experience with PIV cards, a similar system used elsewhere in the Federal government has shown that the reliability of these systems often suffers at the hands of dodgy card readers that can cause intermittent issues that are difficult to diagnose.
3. **System “Upgrades”** 

There is the perception that systems are updated without proper testing and that resources being unavailable for weeks at a time is acceptable to those that manage the IT systems. While we were in the field collecting data, one system experienced a failure shortly after an upgrade was rolled out, and it was off-line for a week. More importantly, these failures are seen by producers and impact their loan process.

4. **Texting**

There is currently no government-supplied means for sending or receiving texts. Loan officers that want to will give out their personal phone number to borrowers.

5. **Can I Put That On My Card?**

Offices cannot accept cash for fees and other expenses, and they don't accept credit cards either, which is a burden for the increasing number of borrowers who don't regularly carry a checkbook. At one office we witnessed the Loan Officer driving a borrower to Walmart to get a money order when he didn't have his checkbook with him.

6. **Limited Channels**

Today, producers are limited to in-person or over the phone options to make loan payments or request funds from an active loan, or even ask questions to FSA staff, and there are no options for completing those transactions outside of business hours.

Further, for paying fees related to title searches, service staff are restricted to working with companies that accept Automated Clearing House (ACH) payments in order to save processing fees. This policy may restrict staff to working with companies with a backlog of title searched to perform instead of one that could perform the work more quickly.

RECOMMENDATIONS:

1. Highly prioritize the reliability of mission critical systems.

SOLUTIONS:

1. Consider phased rollouts when systems are maintained or upgraded so that issues not identified in system testing are limited to a smaller subset of system users. [TECHNOLOGY]
2. Modernize critical IT systems, and ensure that these systems and their hosts have reliable failover features. [TECHNOLOGY]
3. Consider outreach to offices about upcoming upgrades with information, a change plan, and support to ensure smooth transitions. [PROCESS IMPROVEMENT]
4. Investigate the causes of Link-Pass failures and explore best practices from government and business for multi-factor authentication. [TECHNOLOGY]
5. Possibly acquire a commercial payment system to provide further payment options and a high ease-of-use interface. [TECHNOLOGY]
6. Provide alternate methods for accepting payments, such as scanning a check using a mobile app, or integrating with pay.gov. [TECHNOLOGY]
7. Offer a live chat option online to address questions from producers. [TECHNOLOGY]
8. Allow service centers to work with title companies whether or not they accept ACH as a form of payment. [TECHNOLOGY]

Loan data is maintained in a mixture of paper and disjointed IT systems

FINDING: Loan staff are required to use various FPAC systems that are not fully integrated and require duplicate data entry. Also, the workflow at service centers is heavily paper-based, and not ideal for tracking progress and status. Borrower and loan information is managed in a mixture of paper forms and databases, with paper-based storage seen as the safest way to ensure data continuity. Data goes from paper forms to various disconnected computer systems, and then **back to paper forms**, frequently driven by the limitations of the computer systems.

JOURNEY MAP STAGE: All

OBSERVATIONS:

1. **Disconnected Systems** 

There are many common activities that require staff to search two or three different systems and integrate the results from each. For example, in order to provide full payment information with the interest that was paid at tax time, they need to visit both the Direct Loan System (DLS) and ADPS systems.
2. **Paper Workflow** 

The loan offices we observed are driven by a paper-based workflow where computers generate the required paper artifacts. Parts of the closing process dealing with deeds and the county courthouse are mandated to be in paper, but there are opportunities to reduce paper, storage, and shuffling, which has some practical benefits such as reducing the need for vast storage rooms for loan files. The staff's heavy workload means that filing is always looming. A significant amount of physical filing space is needed, which can constrain the room available for other uses (including staff workspace).
3. **Tracking Progress** 

Current IT systems are fractured, and don't have enough stage-gates to support a digital workflow. Offices make up elaborate tracking forms that they update religiously to maintain their awareness of where loans are in their process. Customers need to know this level of information when they check their loan status, but the data needed to answer these requests is only maintained off-line.
4. **Managing Digital and Paper** 

There is evidence that loan data could be managed more efficiently. For example, data must be manually entered into a system from paper forms. Data from previous applications are not available to producers when applying for new loans. Duplicate entry

does not seem to be a widespread problem, but a few examples were identified.

RECOMMENDATIONS:

1. Prioritize integration of digital tools and workflow.
2. Ensure adequate funding for building and maintaining any system.

SOLUTIONS:

1. Provide an integrated user experience across systems that loan staff use together every day that can process transactions and track each point in the loan journey to end the paper-based workflow. [TECHNOLOGY]
2. Focus on reducing the time required to process payments. Staff maintain some records in paper form because there can be long gaps between when a payment is received and when it is reflected in the system. [PROCESS IMPROVEMENT]

Producers are experts in their own information needs

FINDING: Producers have information needs that are derived from their larger journey, know the information they are seeking, including the topics and terminology, and may respond to messaging in unexpected ways. Therefore it is best to involve producers during content design (e.g. online, in outreach materials).

JOURNEY MAP STAGE: All

OBSERVATIONS:

1. **Confusing Website** 

Information on the website was confusing for first-time applicants, particularly it was hard to understand eligibility rules and process.
2. **Producers Recommend Doing Research Online**

When asked, producers who have gone through the loan process advised new producers to do research online to learn about the loan programs so they are better prepared for the initial conversation with the Loan Officer.
3. **Not Satisfying** 

Producers report being unsatisfied by the information about different loan types they obtained online.

RECOMMENDATIONS:

1. Gather input from producers directly about what content they desire on the website and in other materials.
2. Whenever possible, write in a voice compatible with how producers think and speak.

SOLUTIONS:

1. Identify target audiences and recruit representatives to help identify their content needs through user panels, customer interviews, focus groups, and Voice of the Customer activities. [CONTENT]
2. Follow the best practices of “Write for the Web”¹ to encourage comprehension and reduce the amount of “legalese” that can creep into the message. Test materials and content for comprehension and engagement with potential customers that match the target audience to ensure that the materials meet their needs. [CONTENT]
3. Ensure that these materials can be found when the customer needs them. This may be on the Web via Google, but might also be at commercial lenders who want to provide options to those that they can’t make loans to. [CONTENT]

¹ <https://www.usability.gov/how-to-and-tools/methods/writing-for-the-web.html>

First-time borrowers need help understanding the entire loan process

FINDING: First time borrowers do not begin the loan process with a good understanding of all the stages, including eligibility, application processing, and servicing, and will instead learn as they go through the process.

JOURNEY MAP STAGE: Awareness

OBSERVATIONS:

1. **Outreach Support**

Current outreach materials were described as:

- a. Too brief, leaving out eligibility criteria and bringing to many people that don't qualify into the office looking for loans
- b. Too jargon-filled and difficult for regular people to use
- c. Too hard to find

The exception was the recently published "FSA Farm Loan Compass" which was well regarded.

2. **Unfamiliar with Eligibility Criteria**

Various producers stated they were not certain what the criteria was to be eligible for a loan and had trouble finding that information online. Borrowers were eager to determine their eligibility to help them make decisions about how to proceed with their loan application, and in some cases to receive a "letter of credit" that may be a prerequisite for qualifying as a buyer for certain property or operations.

3. **Learn as You Go**

Various borrowers stated they learned of certain steps, particularly servicing, as they went through the process, rather than understanding the entire process up front. They expressed a desire to learn as much as possible early so they can anticipate and prepare for next steps and set expectations.

4. **Anxiety Over Servicing Process**

One borrower wished, for their own comfort, they had understood early in the process what FSA would do if for some reason they were unable to make a payment. Producers find that commercial lenders are likely to take strict measures such as confiscating assets if they are unable to make payments. Understanding up front that FSA will usually work with producers, within reason, to restructure their loan or explore other measures if necessary, would have eased their worries.

5. **Thoroughness of Loan Officer is Critical**

Many first time borrowers said the individual Loan Officer they get makes a big difference regarding how much information is provided. Some Loan Officers are very informative and detailed, while others are share less information. Producers were more

satisfied with Loan Officers who provided as much information during the initial meetings and throughout the process.

6. Loan Officers Need to Ask

When a Loan Officer tells producers in-person what the producer needs to provide it seems to increase the salience of these requests and makes producers more able to provide what the application asks for.

RECOMMENDATIONS:

1. Provide first time borrowers detailed information about what happens and what to expect during all the stages of the loan process.

SOLUTIONS:

1. Improve outreach materials by simplifying jargon (i.e. speak like producers speak), include eligibility criteria, make more readily available). Make sure content from existing materials that addresses these needs are available online and easily found. [PROCESS IMPROVEMENT]
2. Provide a handout during the initial meeting describing all the stages of the loan process (e.g. FAQs, simplified version of the customer journey map). [PROCESS IMPROVEMENT]
3. Update content on the website to describe all the stages of the loan process. [CONTENT]
4. Train Loan Officers to provide a thorough explanation of the loan process to first time borrowers. [STAFFING/TRAINING]
5. Build an online tool that establishes a baseline eligibility for loans, being careful not to prematurely turn away a potential applicant - all producers should have the opportunity to apply regardless of their eligibility. Information collected for eligibility could be augmented with basic information needed for the USDA to contact the producer, as well as to pre-fill the application forms to save time. The tool could also inform the producer what information they should collect to make the initial meeting with the Loan Officer more productive, and provide them a 'letter of credit' that could be used to qualify them for purchases they need for their business. [TECHNOLOGY]
6. Make sure Loan Officers specifically discuss what is expected as early in the process as they can in order to improve success rates. [PROCESS IMPROVEMENT]
7. Recruit experienced producers locally to volunteer to mentor new borrowers as they go through the loan process, which may relieve some time Loan Officers normally spend with producers. Advertise the existing program Bridges to Opportunity. [PROCESS IMPROVEMENT]
8. Hold workshops to guide groups of potential borrowers through the loan process, in person or online (i.e. webinars). [PROCESS IMPROVEMENT]
9. Post instructional videos online for how to complete the loan application. [PROCESS IMPROVEMENT]

10. Add staff at service centers whose primary function is to help producers understand the loan applications and process. This role would be the first point of contact for addressing questions, and involve Loan Officers for questions specific to a producer's operation.
[STAFFING/TRAINING]

Producers find loan forms challenging

FINDING: Producers and Loan Officers find that completing the loan application is daunting for many reasons, including the volume of information required, confusing expectations, and redundancy. Moreover, the checklist handed to producers can be confusing in its present format.

JOURNEY MAP STAGE: Apply

OBSERVATIONS:

1. **Volume is Overwhelming** 

Borrowers feel the number of forms and information required is intimidating. First time borrowers need significant help understanding the purpose of each form, and what information is required for each form. Most borrowers interviewed received this guidance directly from their Loan Officer, but the quality and consistency of that guidance is not clear.
2. **Necessary Aggravation** 

Many producers noted that while the application process is grueling, the information required to submit the loan application is essential to understanding their business plan, feeling confident they can execute it, and learning how to maintain records to sustain their business successfully. In fact, the process helps to separate those who really want to be producers from those that don't have the fortitude for farming. Further, Loan Officers stated the information collected on these forms is appropriate – there isn't anything on the forms they don't routinely need, and there isn't anything substantial missing that they wish were added.
3. **Difficult to Complete Independently** 

Producers consistently stated they needed assistance in completing the forms, particularly for the first loan. Even after receiving detailed instructions from the Loan Officer, many producers take a few rounds to complete the forms, and most submitted loan applications are incomplete. A complete application can usually be processed readily, but an incomplete application requires a formal letter from the Loan Officer to inform the producer of their deadline for submitting the necessary paperwork before the application will be withdrawn. The rigor required to complete the forms adds workload to the Loan Officer to support producers, communicate when parts are missing, and/or follow up with producers to have missing portions submitted, while adding stress for the producers.
4. **Checklist Needs Refining** 

Borrowers routinely agreed a checklist would help them better prepare their loan application. Every field office visited does provide a checklist to borrowers; however, producers found portions of the checklist confusing and wordy, and sometimes with

business rules embedded that were difficult to interpret. Loan officers believe an improved checklist could result in fewer incomplete applications being submitted.

5. **Every Form/Section is Not Needed for Every Producer** 

Borrowers and Loan Officers explained that not all the information requested on the forms is applicable for every situation. That is, some information is optional or can be ignored completely. Without help from a Loan Officer, borrowers have difficulty knowing which portions of the form they must complete for their specific situation.

6. **Redundant Information Requested** 

Both borrowers and Loan Officers cited instances where duplicate information is requested on multiple forms. In some instances, the same form is required for different programs (e.g. FSA loan and NRCS), but must be completed individually for each program.

7. **Online PDFs are Inadequate** 

Some of the PDFs available online currently allow data entry, but some are read-only, and none contain any error-checking or validation, so they effectively are only slightly more convenient than the paper forms.

8. **Repeat Borrowers Must Supply Same Information** 

Particularly for operating loans that recur annually, the loan application can serve as the starting point for next year's loan application. There is typically 80% carryover of information between years for similar loans. If the borrower did not have a copy of a prior application, they would have to supply the same information as before without any reference. To relieve this burden, one office made a practice of providing producers a copy of the completed application during closing that they could use for reference in the future.

RECOMMENDATIONS:

1. Reduce the complexity involved in completing the forms.
2. Provide clear guidance on exactly what is needed to complete the application.
3. Find ways to collect form information that support immediate error detection and cross-checking.
4. Foster reuse of previous form information, rather than require it to be provided for each subsequent application.

SOLUTIONS:

1. Simplify forms (e.g. consolidate duplicate information, combine forms, less legalize and government jargon). [PROCESS IMPROVEMENT]
2. Ensure the checklist is simplified, clear and concise, through a combination of content and formatting. [PROCESS IMPROVEMENT]
3. Prepopulate forms available with the producer's information. [TECHNOLOGY]
4. Ask questions and customize loan packet by removing unnecessary forms (for customers who come into the office). [PROCESS IMPROVEMENT]

5. Provide a loan application packet online that is customized based on based input from the producer. [TECHNOLOGY]
6. Provide a means for the producer to access data from a prior application (e.g. an electronically fillable form that can be updated) when completing a new application to save time and enable more fruitful discussions with the Loan Officer. [PROCESS IMPROVEMENT]

Producers find current loan limits constraining and inadequate to cover their needs

FINDING: Producers and loan officers cite the current direct loan limit of \$300K is no longer sufficient considering the cost of materials, labor and land. The current loan limits constrain what farmers can do and how fast they can become self-sustaining.

JOURNEY MAP STAGE: Apply

OBSERVATIONS:

1. **Loan Limit Not Sufficient** 

Producers and Loan Officers agreed that the current \$300K limit for direct loans was insufficient for starting an operation, given the increase in land values, labor and other operating costs.
2. **Producers Not Aware of Limit** 

Some producers were not aware until the initial meeting with the Loan Officer or later in the process what the limit is.
3. **Producers Must Find Alternatives** 

Producers seeking more funding have to find creative alternatives. One producer was disappointed FSA would not support a loan as a down payment towards an owner-financed property sale, causing her to miss an opportunity to purchase a much larger farm operation.
4. **Generational Farmers Seek Special Consideration** 

Generational farmers were disappointed the FSA could not offer a higher loan limit despite their built-in knowledge of farming and family support structure.
5. **Need a Bigger Pie** 

Some Loan Officers were concerned increasing the loan limit would result in fewer loans issued per year, unless the entire budget was also increased.

RECOMMENDATIONS:

1. Increase producer awareness of existing loan limits.
2. Support policy changes to increase the loan limit generally, or perhaps under special circumstances.

SOLUTIONS:

1. Add content online to explain the loan limit is statutory to help producers understand the USDA alone cannot increase the limit. [CONTENT]
2. Work with Congress to increase the current loan limit of \$300K, either unilaterally or perhaps for special defined cases (e.g. if a co-borrower (e.g. father) has significant

- experience and includes their assets as collateral, for generational farmers because of their lifelong exposure to farming operations and family support structure). [POLICY]
3. Allow producers more flexibility in how loans are used (e.g. to fund the down payment on an owner-financed property, making FSA a second-tier lien on the loan). [POLICY]

Producers desire self-service to track their loan information

FINDING: Producers must rely on the service center staff or a mailed loan statement to obtain information about their loan, such as the current loan balance or terms because there is no means to view it on their own.

JOURNEY MAP STAGE: Maintenance

OBSERVATIONS:

1. Producers Want to View Loan Info Themselves

Producers expressed a desire to obtain information about their loan on their own if possible, including the loan balance, how payments were applied towards principal and interest, loan terms, payoff amount, etc.

2. Service Center Staff Field Questions about Loans 

Service center staff explained that a portion of their workload goes toward answering questions from producers about their existing loans, particularly around tax reporting season, which takes time away from other responsibilities.

3. Few People Know Toll-Free Number for Loan Info Exists 

There is an existing toll free number where producers may obtain this information, but no producers and very few service center or FSA staff are aware of this option. The number, owned by NRCS, is 888-518-4983 and connects to an Interactive Voice Response (IVR) system that provides loan information after a series of prompts including requesting the borrower to enter a taxpayer ID or Social Security Number and to establish a PIN. The only mention found appears on an FSA Updates newsletter dated April 2007: https://www.fsa.usda.gov/Internet/FSA_File/50005200704.pdf

4. Current Options Are Not Self-Service 

Producers only have two options they are aware of for finding information about their loan: call the service center or wait for a mailed statement (which also does not provide details such as the principal v. interest paid).

RECOMMENDATIONS:

1. Provide and promote a means for producers to obtain loan information themselves. For some producers, doing so could eliminate a trip to the service center, or could help a producer if staff are unable to answer the phone or needs the information outside of normal business hours. This would also help producers who might have misplaced their loan statement.

SOLUTIONS:

1. Allow producers to view loan information online, including: loan terms, loan balance, payoff amount and payment history that shows the breakdown of interest v. principal paid as well as how and where payments were applied. [TECHNOLOGY]
2. Promote the existing toll-free number online and in materials provide to producers. [CONTENT]
3. Educate Loan Officers and service center staff about the existing toll-free number. [STAFFING/TRAINING]

Producers doubt their ability to complete an online application successfully

FINDING: Producers prefer to collaborate with loan officers, which they value for their insight and counsel while developing a business plan, prior to submitting a full online application. Producers are concerned that completing an online application without collaboration with their Loan Officer could be challenging and result in delays or rejection.

JOURNEY MAP STAGE: Apply

OBSERVATIONS:

1. **Producers are Reluctant to Submit the Full Application Electronically** 🚫
Because producers find completing the forms overwhelming and/or confusing, they are concerned about submitting a fully electronic application without any input from the Loan Officer. Producers particularly prefer discussing the business plan with their Loan Officer.
2. **Collaboration between Producers and Loan Officers is Essential** 😊
Both producers and Loan Officers value their personal relationship and the opportunity to collaborate while preparing the loan application.
3. **Some Sections of the Loan Application are Straightforward for Producers**
Producers are more comfortable completing some portions of the application on their own (e.g. name and contact information), and less comfortable about other portions (e.g. business plan).
4. **Spotty Internet**
In some areas, the internet is not always reliable, and producers are concerned they might lose their work if they are in the middle of completing an online application when the internet goes down.

RECOMMENDATIONS:

1. Design an online application that focuses on the simple and/or high value sections while enabling collaboration between producers and Loan Officers.

SOLUTIONS:

1. Limit the online loan application to simple sections (e.g. contact info) that can be completed readily by producers without support from a Loan Officer. [TECHNOLOGY]
2. Provide the entire loan application online, but only make simple sections required while making the rest of the application optional. [TECHNOLOGY]
3. Allow the online loan application to be viewed by both parties (remotely, if necessary) to foster collaboration. [TECHNOLOGY]
4. Design the online loan application to save frequently. [TECHNOLOGY]

Providing the status of a submitted application is complex

FINDING: Providing a singular status of an application may not be possible, because once a loan application is submitted, the review process entails several independent activities, each with their own status, Further, the application may even sit in queue until it can be reviewed.

JOURNEY MAP STAGE: Processing

OBSERVATIONS:

1. **Loan Processing Time Varies**

Depending on the number of incoming loan applications, the complexity of the loan applications, the completeness of the application, the number of staff available to review application, etc. the decision may take anywhere from a few weeks, or even over a month. For applications that take a long time to process, the loan application status may be useful to producers and also to service center staff who field phone calls about status routinely. However, many times the loan application can be processed very quickly (within a few days), in which case the status of the application may not be as valuable.

2. **Start of Loan Application Review May Be Delayed**

The processing for a submitted loan application may begin right away if the service center does not have a backlog; however, when a service center has a backlog, processing cannot begin until previously submitted applications have been reviewed.

3. **No Standard Set of Tasks for Processing a Loan Application**

The specific tasks required to process an application can vary based on the type of application, the borrower's prior farming experience, the type of operation the producer is seeking funds for, environmental conditions, state or local regulations, etc.

4. **Loan Processing Tasks Are Not Sequential**

The work required to process each application often happens in parallel, not in sequence, because tasks are not always dependent on one another.

RECOMMENDATIONS:

1. Ensure the loan application status reports what is happening with the application similar to how loan staff might respond when asked.

SOLUTIONS:

1. Ensure any status provided online includes both components of status: (TECHNOLOGY)
 - o Application review started (yes/no, or date, or position in queue)
 - o Application review task status (tasks unique to that application only).

Producers expect new self-service options to augment, not replace, existing processes

FINDING: Because producers value their interaction with loan staff, they are advocating for any new self-service options, to which producers are generally favorable, to add new channels to existing channels for accessing information or conducting business with FPAC.

JOURNEY MAP STAGE: All

OBSERVATIONS:

1. **Comfort with Technology Varies** 🎯
Some producers are less comfortable with technology for a variety of reasons, including being less familiar with technology, being distrustful of technology, having poor access to technology, etc., though **age and geography alone are not indicative of technology preferences**.
2. **Personal Relationship is Highly Valued** 😊
Producers wish to retain their highly valued personal relationship and interaction with service center staff
3. **Not A Substitute**
Whenever discussing new ways to deliver services to borrowers, there is a pervasive concern that online methods will replace existing person-to-person interaction. Producers only saw value in new services when it was made clear that it wouldn't replace existing options.
4. **Adding Value**
Producers are generally pleased with their current service offerings, and only showed a preference in terms of helpfulness for self-service options that augment the current services, or fill a gap, while other self-service options were less preferred.

RECOMMENDATIONS:

1. Continue to provide and support traditional channels for interacting with producers such as meeting with Loan Officers, and handing applications and reports to service staff in person, when adding new self-service options for conducting the same transactions.

SOLUTIONS:

1. Give priority to self service options that offer expanded utility to producers beyond traditional channels. [TECHNOLOGY]
2. Consider approaches that keep staff members involved in the process, but reduce their burden in responding to the question when automating existing processes. For example, provide a tool that lets staff in the office quickly get the right information to respond to requests, which doesn't replace a well regarded interaction, but does make it less burdensome. [TECHNOLOGY]

Other Lessons Learned

Solutions Ranked in the Field

At the end of the Hypothesis Workshop, stakeholders brainstormed a number of solutions to help improve the customer experience for service center staff and producers. Each of 5 groups chose 3-5 solutions to as their top priorities, and they were consolidated into a list of 22 possible solutions to take to the field. These potential solutions were put to 17 service center loan staff and 16 producers during the the first round of visits, in order to rank them according to their perceived helpfulness. Here are some key findings from comparing the rankings of producers and loan staff.

Solutions producers and loan staff both agree are helpful (FPAC should give these high priority):

- Shorten the application process
- Simplify the loan forms

Solutions producers and loan staff both agree are not helpful (FPAC should give these low priority):

- Provide contact centers to answer FSA Loan questions
- More training opportunities
- Use videoconferencing to replace some in-person visits

Solutions producers find more helpful than loan staff (Suggests an unmet producer need):

- Checklist of items needed to complete the loan application
- Better outreach materials to teach producers about USDA programs
- The availability of tools to help producers keep financial records

Solutions loan staff find more helpful than producers (Suggests opportunity to relieve loan staff stressor):

- A loan eligibility tool
- Make loan payments online
- Region-specific agriculture training
- Training for handling difficult conversations

The detailed results of this activity can be found in Appendix 5.

Producer Personas

There were three customer personas developed in the discovery phase of the research, based on interviews with loan managers: Loan Officers, New Producers, and Experienced Producers, and participants in the Hypothesis Workshop validated and further described these personas.

However, following the first round of field visits it became clear that the journey for new and experienced producers is substantially the same once the decision is made to begin an application. Maintaining all three personas in the journey map was complicating the producer awareness section of the map, and the decision was made to focus on the new producer for the journey map.

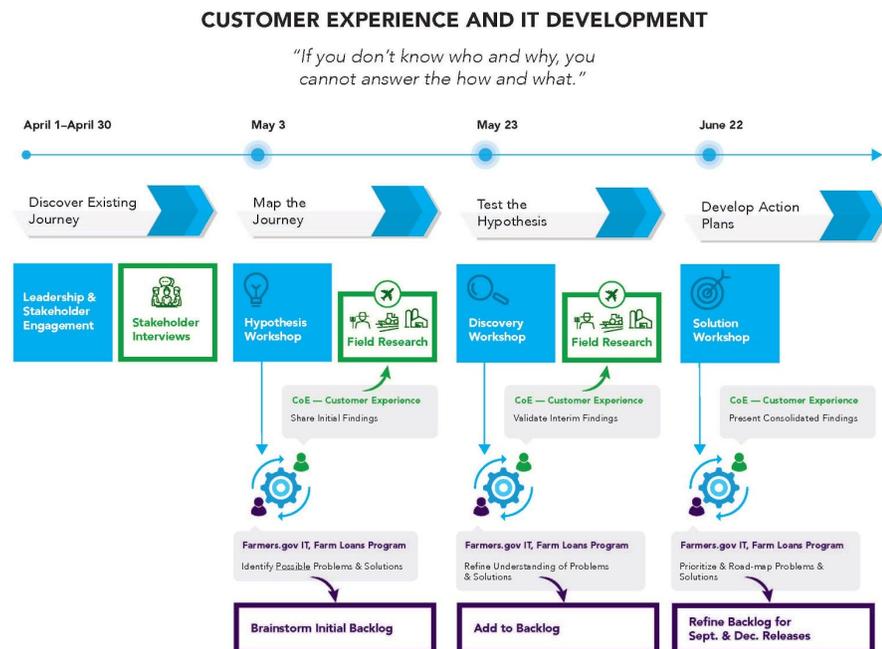
There are already a number of experienced producer personas available at the USDA, so for the purposes of mapping the journey only the new producer and Loan Officer personas are maintained.

Appendix 1: Customer Journey Mapping

Customer Journey Mapping (CJM) is a user-centered process designed to guide program development and decision-making and help operationalize a customer-centric approach. A customer journey map is research-based and is developed and refined by articulating and testing hypotheses about the process and experience being explored. Data used to develop a CJM is collected through multiple means, for instance through stakeholder interviews, review of background materials, and field research including observations, customer interviews, service provider interviews, and the collection of relevant artifacts. The CJM is iteratively tested and refined through further research and workshopping with stakeholders and customers.

CJM Concepts

A Customer Journey Map captures high-level pathways and program touchpoints and provides a research-based understanding of producers' and Loan Officers' pain points, points of delight, and moments of truth. Process phases, customer emotions, and critical events are captured in a multi-dimensional diagram to provide a shared understanding of the current journey. It allows an organization to hypothesize pain points, points, of delight, and moments of truth around each of these experiences. These hypotheses can then be tested, verified, and adjusted, leading to informed solution development and action



planning. In short, it enables decision-makers, stakeholders, and designers to walk in the shoes of their customers in order to prioritize actions and make better decisions.

Direct Farm Loans Customer Journey Map

PRODUCERS

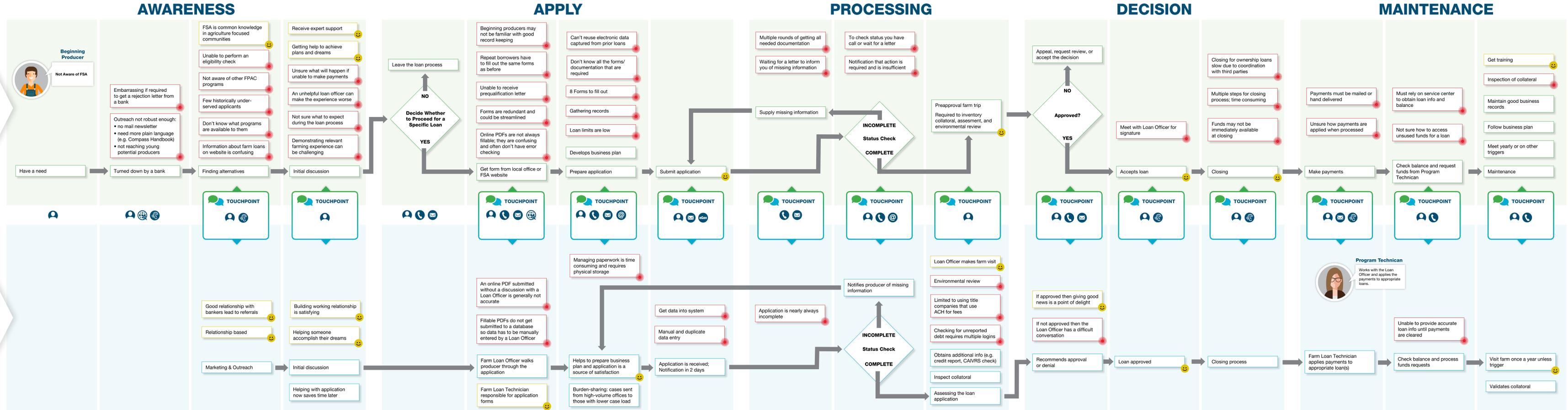


"FSA has helped me when nobody else would."

LOAN OFFICERS



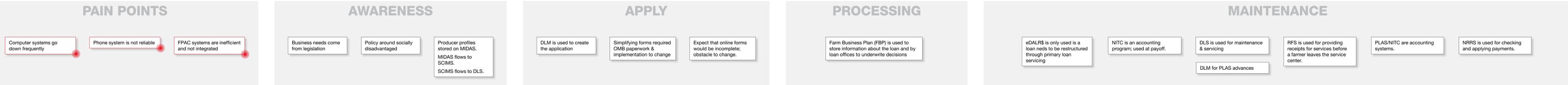
"I leave the office at the end of the day knowing my support has put another producer on the road to a successful operation."



KEY/LEGEND

- 😊 POINT OF DELIGHT
- ☹️ PAIN POINT
- 🗨️ TOUCHPOINT
- 👤 IN PERSON
- 📞 PHONE
- ✉️ MAIL
- 📧 EMAIL
- 🌐 ONLINE eGov
- 🌐 WEBSITE
- 🗣️ WORD OF MOUTH

SYSTEMS



Appendix 2: Personas

Personas are research-based, archetypal representations of key customers that capture what we know about our audiences. They tell stories that guide decision-making and help us develop products that align with people's attitudes, motivations, expectations, and behaviors. Each team reviewed and revised a persona for Producers or Loan Officers.

Fred

Experienced Producer



Pertinent Demographic Information Digital Behaviors and Preferences

Age: 61

Location: Minnesota

- Cover crop farmer with 700 acres of corn and soybeans
- Third generation farmer, inherited 500 acres of farm land from father, bought neighboring farms in 1998 and 2005 to produce oats, rye and winter wheat
- Well-connected with farmer-to-farmer networks
- Works hard to balance conservation ethic with economic viability for his operation
- Never borrowed from outside the family and/or community
- Lives 60 miles from nearest FSA center
- Limited Internet access in parts of the town and farm
- Connected with other farmers through the 4H club
- Visits county fairs
- 3rd generation farmer
- 1st time borrower
- Unknown degree of experience of financial savvy, could be arrange of options
- Limited access to broadband

Tasks, Routines, and Needs Related to the Product/Services we're Building

- Works seven days a week on the field – 7am to sundown, naps in a combine on the field, only stops for the church once a week
- Needs quality fertilizers, pesticides and farming equipment for corn and soybeans to improve crop yield
- Hear as soon as possible from FSA on loan approval or additional paperwork
- Visits the FSA office for acreage routine
- Asks: fine-tune operating support
- Wants to expand and be sustainable

What Outcomes Do They Want to Achieve?

- More profitability through improved yield
- Better cover crop diversity
- Keep the family tradition going but also willing to make changes for the better
- Make family profitable and sustainable for kids to potentially take over
- Help peers adopt cover crops and other soil health practices
- Less trips to FSA field office
- High touch/in-person
- USDA has my back and be a strategic partner
- Easy and Efficient
- Meaningful interactions

Amelia

Beginning Producer



Pertinent Demographic Information Digital Behaviors and Preferences

Age: 42

Location: New Jersey

- Organic vegetable farmer with 20 acres of cucumbers, tomatoes, peppers, cabbage, and fruit
- Markets produce through CSA, farmers markets, and local stores
- Left the military a few years ago. Started farming in 2016 to transition to civilian life.
- Engages with local CSA customers and local eateries on a regular basis to market produce and gain more exposure to the field
- Member of Veteran Farmer Coalition
- Tech savvy, uses social media, smartphones and tablets
- New to FSA – not familiar with most programs
- Lives 25 miles from the nearest FSA Service Center with a loan officer
- Education: 4 year degree, unrelated field

Tasks, Routines, and Needs Related to the Product/Services we're Building

- Need money to buy equipment to expand operations
- Extend farm operations to include fruits
- Uses the Internet for researching new crops
- Learn more about succeeding as a new organic farmer
- Part-time staff, needs help with payroll
- Regulation research for organic certification
- Wants to work with extension services to learn more about soil on her farm
- Connect with new and veterans farmers
- Interested in risk management and crop insurance program

What Outcomes Do They Want to Achieve?

- Add an additional farmers' market
- Double CSA subscription base
- Advance farm through feeding more families fresh, organic produce
- Showcase and promote business online on social media
- Help peers adopt cover crops and other soil health practices
- Achieve a higher performance rating
- Expand operations to grow brand recognition
- Build partnerships with Co-ops and local restaurants
- Engage with veteran community and hire veterans
- Minimize waste and risk to increase profits
- Move away from dependence on lines of credit

Bob

Loan Officer



Pertinent Demographic Information Digital Behaviors and Preferences

Age: 55

Location: Oklahoma

- Family background in farming, always felt the need to give back to the community.
- Working with FSA as Farms Loans Specialist for 5 years now
- Has an Ag Business background
- Fended off commercial offers to stay at FSA; likes the stability
- Uses computers and smartphone
- Motivated to stay because of job satisfaction
- Involved in the community

Tasks, Routines, and Needs Related to the Product/Services we're Building

- Travels miles to from county to county
- Works across all areas of loans and involved with outreach
- Has even more workload because colleagues are leaving to retirement
- Also responsible for training new loan officers
- Has to use online portal to update loan-related information
- Has no connectivity
- Make connections between customers and opportunities
- Attend outreach events

What Outcomes Do They Want to Achieve?

- Greater efficiency in loan application
- Minimize errors on applications
- Have enough time to properly supervise borrowers - meet in person with producers and dedicate more time for special, high-value cases [define special cases?]
- Get potentially delinquent borrowers back on good footing
- Track and follow up with applicants' information and paperwork collected by County Offices.
- Better service to agricultural communities
- Help preserve the farm culture
- Help producers recover from disasters and crisis

Appendix 3: Research Drill Down Questions and Answers

During the Discovery Workshop held on May 30, 2018, participants evaluated the insights brought back by the field researchers, and also considered how producers and Loan Officers in the field ranked the ideas that were proposed by Washington-based staff at the May 2, 2018 Hypothesis workshop. Based on these findings, Discovery Workshop participants discussed which questions were still outstanding as needing further exploration. The following are the questions the research team investigated during the North Dakota and Oregon field visits.

Service Center Staff	Producers
What things do you do to save the producers and yourselves time?	What would have better prepared you for the first loan?
What are the most common reasons for a loan rejection?	What things do you wish you didn't need to come to the office for?
How do Loan Officers evaluate unusual crops?	How difficult or easy would be to get an FSA loan for growing something not common in your area?
Where is data being duplicated or not synched?	How do you feel while waiting for a decision about your FSA loan?
Who are the 3rd party players during the loan process?	

Service Center Staff Answers

What things do you do to save the producers and yourselves time?

- Collect a credit report fee with every complete application to run the credit report early in the process.
- Sit with producers and help them fill out the application.
- Provide checklists telling them what to bring in, and review the checklist in person with producers.
- Using paper to track status instead of the less reliable checklist in the DLS.
- Meet for closing where convenient for producer.
- Store electronic copies of documents in shared drive for easy access.
- Provide producers a copy of final application so they can reuse it for future applications.
- Prepare closing documents for ownership loans as soon as appraisal is requested.

What are the most common reasons for a loan rejection?

- Infeasible business plan. Cash flow calculations don't suggest a successful outcome.
- Possibly bad credit report. Some credit conditions are non-starters (e.g. defaulting student/state/federal loans, or bankruptcy), but these are not always available on credit reports or self-reported accurately.
- Insufficient level of experience.

Where is data being duplicated or not synched?

- Confirmation that Borrower Training was completed is entered under in the Farm Business Plan and also in the Direct Loan Making system every time training is completed. The problem does not appear to be widespread.
- FBP and DLM are two systems that are used together for the same tasks, but that don't share data enough.

Who are the 3rd party players during the loan process?

- Closing Attorney
- Title Company
- Appraiser
- Surveyor
- Loan packager: prepares balance sheet and cash flow
- Banks
- Leasing companies: debt verification
- Native American tribes
- Historic Preservation organizations

- Archaeology

How do Loan Officers evaluate unusual crops?

- Not common outside of urban communities.
- Research for price and yield, and also general information about the crop. Go to extension and land grant universities for assistance.
- Difficult to assess marketing plan.

Producer Answers

What would have better prepared you for the first loan?

- Research online before meeting Loan Officer.
- Filling out the application is a tedious process.
- Ask Loan Officer to specify which forms are needed for your specific situation, and walk through them.
- Understanding that while the bank is out to make money, the USDA is there to help you succeed, even if you can't make the payments.
- Be sure to ask the Loan Officer about other FPAC programs that may be useful.
- For a brand new producer, it is worth doing research online to learn about the loan programs so they are better prepared for the initial conversation with the Loan Officer.
- The packet was intimidating, about an inch thick, and includes stuff that doesn't apply to every person. I should have sat down with the Loan Officer and walked through it front to back.
- Least happy about the process for learning about which services are available, and having to fill out the applications which were tedious.
- Hard to get started farming without support.
- Loans should be geared towards helping beginning farmers.
- Cost of operating a farm has doubled since 2005; land values have gone up significantly.

What do you wish you didn't need to come to the office for?

- Producers we interviewed lived at most about an hour from the service center.
- They reported having to come to the office only a few times per year, perhaps for a signature or to submit a crop report.
- The producers generally didn't mind coming to the service center, and some actually enjoyed the time spent speaking the service center staff.
- Be able to submit crop reports remotely.
- Brand new producer hasn't had the need to come in, and based on the instructions provided in the office, he had the impression he can just email everything.

- Do not visit the office often - maybe 3-4 times per year for a signature and annual financials. Would prefer not to have to go to the office for signatures.
- Don't feel like they go in more than it is necessary.
- Feel that their visits to the service center are meaningful.

How do you feel while waiting for a decision about your FSA loan?

- Can be nerve wracking because there is a lot riding on it, and process is out of your hands.
- Would want to know if the loan process has stalled for any reason.
- The process can be less stressful if there is good communication with the Loan Officer.
- It's nerve wracking. There's a lot riding on it. Up to now you've done your part, but now things are out of your control.

If a producer were interested in growing something that is not common in your area, how difficult or easy would be to get an FSA loan for that product?

- Anticipate difficulty due to less certainty on business plan and lack of knowledge.
- The complexity is in doing the projections - there was no precedent for what we were doing. Hard to find comparables.
- Will spend more time researching information.
- Takes a lot of online research to figure out yield and prices.
- Not sure, but likely because it would require more homework.
- Anticipate difficulty due to less certainty on business plan and lack of knowledge; hard to find comparables, and would spend more time exploring information.

Appendix 4: Idea Card Sort Results

Idea ranking by Service Center Staff and Producers. 17 staff and 16 producers took part in this exercise.

<p>Service Center Staff Top 10</p> <ol style="list-style-type: none"> 1. Shorten the application process 2. Simplify forms (e.g. consolidate duplicate information, combine forms, etc) 3. Check current loan balance online 4. "Do I Qualify for a Loan" pre-qualify web app 5. Checklist of items needed to complete the loan application 6. Make loan payment online 7. Forms are pre-populated with my information 8. Track application status online 9. Apply for a loan online 10. Contact producer when application is incomplete (in addition to mailed letter) 	<p>Producer Top 10</p> <ol style="list-style-type: none"> 1. Checklist of items needed to complete the loan application 2. Shorten the application process 3. Simplify forms (e.g. consolidate duplicate information, combine forms, etc) 4. Tools and worksheets to help producers with financial record-keeping (e.g. FSA Record Book) 5. Better outreach materials for producers to learn about USDA programs 6. Forms are pre-populated with my information 7. Check current loan balance online 8. Apply for a loan online 9. Electronic notification of application status 10. Track application status online
<p>Service Center Staff Bottom 5</p> <ol style="list-style-type: none"> 1. Tools and worksheets to help producers with financial record-keeping (e.g. FSA Record Book) 2. Cross-train staff on FSA programs 3. Upload Precision Ag data to USDA systems 4. Toll free number for help with Farm Loans 5. Close the travel distance between Loan Officers and producers through technology (e.g. Skype, Online Chat, Kiosks) 	<p>Producer Bottom 5</p> <ol style="list-style-type: none"> 1. Upload Precision Ag data to USDA systems 2. Cross-train staff on FSA programs 3. Provide Loan Officers with region-specific training with Ag experts 4. Toll free number for help with Farm Loans 5. Train/support office staff in giving bad news

**Comparison of average ranking of 22 solutions by loan staff and producers.
Lower numbers represent higher ranking.**

Solution producers and loan staff found similarly helpful:	Staff	Producer
Shorten the application process	7.5	6.9
Simplify forms (e.g. consolidate duplicate information, combine forms, etc)	8.0	8.3
Check current loan balance online	8.7	10.4
Forms are pre-populated with my information	10.0	8.8
Track application status online	10.2	11.0
Apply for a loan online	10.9	10.6
Contact producer when application is incomplete (in addition to mailed letter)	11.1	12.6
Electronic notification of application status	11.8	10.6
Ability to sign electronically online	11.8	11.6
Upload data from financial software to USDA systems	11.8	11.8
"Do I Qualify for FSA Programs" web app	11.9	11.9
Cross-train staff on FSA programs	13.3	14.8
Upload Precision Ag data to USDA systems	15.1	14.4
Toll free number for help with Farm Loans	15.4	16.0
Close the travel distance between Loan Officers and producers through technology (e.g. Skype, Online Chat, Kiosks)	15.5	13.1

Solutions producers found more helpful than loan staff:	Staff	Producer
Checklist of items needed to complete the loan application	9.9	6.4
Better outreach materials for producers to learn about USDA programs	12.1	8.7
Tools and worksheets to help producers with financial record-keeping (e.g. FSA Record Book)	12.9	8.6

Solutions loan staff found more helpful than producers:	Staff	Producer
"Do I Qualify for a Loan" pre-qualify web app	8.8	12.2
Make loan payment online	10.0	13.5
Provide Loan Officers with region-specific training with Ag experts	11.6	15.6
Train/support office staff in giving bad news	12.9	16.1

Appendix 5: Observations

Important observations from across field visits. Some of these observations have been reported with key findings elsewhere. Some were not linked to major findings but are still valid and useful.

1. Midas

Although seen as a troubled system with a difficult birth at HQ, Midas is viewed positively by the people who use it. The fact that information entered there shows up in many systems is very welcomed, and the only criticism that loan techs could come up with is that some features of the previous system were never migrated to Midas, so they need to go back to that older system to do a handful of tasks. “I really like it!” - Program Technician

2. Duplicate Data Entry

There was a lot of frustration about the need to enter information into systems multiple times. Centralizing and sharing information will save service center staff time, frustration, and reduce input errors.

In addition to the duplicate data entry, they have to manually write the same information on an official form number for the physical file even though the same information could be referenced on the computer system – it just that it’s not the same “official” form (e.g. balance sheet and cash flow) “waste of time.”

3. Link-Pass Cards

The Link-Pass security card system can be unreliable, with one Farm Loan Manager reporting that he regularly needs to try to get his card recognized for 45 minutes in the morning before he can begin using his computer. Past experience with PIV cards, a similar system used elsewhere in the Federal government has shown that the reliability of these systems often suffers at the hands of dodgy card readers that can cause intermittent issues that are difficult to diagnose.

4. Google It

Producers and Loan Officers alike are more willing to go to Google than they are to any USDA-provided call center or system when there is a question.

Their first preference in solving any problem is to contact someone they know personally. “I just assume do it in person.”

5. Efficiency

There are different levels of specialization among the staff, presumably based on how many loans are processed at that office each year. One office that processes over 400

loans annually has a high degree of specialization, with many hands touching every loan. Others with fewer loans may have a clear division of labor between Loan Officers and techs, and a high level of coordination and communication between the two in order to keep track of the various hats that each wear. The more specialized offices seem to also be in places where there is low diversity of crops, and a high level of familiarity with the crops that they support.

Because of the many different needs at each service center, each service center has found distinct ways to respond to their own needs, customers' needs, process bottlenecks, and other pain points.

6. **The Diversity Conundrum**

Producers in areas with little diversity would benefit from expanding the range of their products, so that they are less affected by price volatility. There are a number of factors that make this diversity difficult to achieve, but we have anecdotal information to suggest that Loan Officers in these service areas are less likely to make loans for unusual crops that they don't have experience in.

7. **Up Against the Wall**

Offices where there are physical barriers between FPAC agency offices (Loans, Programs, NRCS) tend to have less interaction, more animosity between staff groups, and offer a less cohesive customer experience. Walls draw attention to where common resources like printers are housed, and leads to claims of favoritism. In service centers that share a large common space, there are customer-centric practices like producer folders where reminders from all agencies can be filed so that a producer who comes in can check in one place to see what all three agencies might need from them.

8. **Paper Workflow**

The loan offices that we have observed are driven by a paper-based workflow where computers are used to generate the paper artifacts that are required. Parts of the closing process dealing with deeds and the county courthouse are mandated to be in paper, but there are opportunities to reduce the amount of paper use, storage, and shuffling, which has some practical benefits such as reducing the need for vast storage rooms for loan files.

9. **Tracking Progress**

Current IT systems are too fractured, and don't have enough stage-gates to support a digital workflow. Offices make up elaborate tracking forms that they update religiously to maintain their awareness of where loans are in their process. Customers need to know this level of information when they check their loan status, but the data needed to answer these requests is only maintained off-line (we have a copy of one such tracking form).

10. **OIG Pain Point**

Customers occasionally do something dishonest. When you catch them the Office of the Inspector General (OIG) is supposed to prosecute them. Unfortunately OIG has bigger fish to fry, and seldom chooses to prosecute small producers. Producers know that they are unlikely to be prosecuted, and may tend to behave badly in the future. This is a frustration for Loan Officers.

11. **FPAC Forms**

When FSA programs or NRCS issue a payment on farm property that is collateral for a loan, FSA loans is entitled to take that payment as payment against their debt. The assignment form used to request this service from NRCS is not the same as the form used to request it from FSA Programs. You could reduce the number of forms used in the office by creating a common form for all FPAC agencies. There may be other opportunities to streamline and consolidate forms similar to microloans.

12. **Closing Forms and Process**

There are approximately 11 forms that must be prepared and signed at closing. The loan closing process has many steps and legal requirements which involve more time and interaction with outside resources (bank officials, external systems, county/state recording offices) than expected or documented.

13. **Gender Gap**

Particularly younger female producers struggle to be taken seriously in farming. We heard from two borrowers that FSA is seen as an exception to this, and they felt that they got a fair shake from their Loan Officers.

14. **Snail Mail**

FSA Programs folks from two different offices requested that funding to mail out their newsletter be restored because it's the only way to keep some of their older producers informed and engaged. They recommend an option to receive paper mail when signing up for the newsletter.

15. **Low Loan Limits**

FSA direct loans are limited to \$300K, but the need to create larger farms in order to maintain profitability and the high cost of Precision Ag equipment and land has made the limit increasingly restrictive.

16. **Spreading Technology**

Even the producers who aren't early adopters of Ag technology increasingly have iPads that they use to record all of their production records, and keep track of their activities while in the truck or tractor.

17. **Fast or Thorough**

Everyone would like the loan process to be faster, but producers understand that their is a trade-off between being fast and being thorough. Banks may make loans a little faster, but they are less willing to work with producers to find ways to make the loan.

18. **Service Center Consolidation**

Previous rounds of consolidation were very traumatic for loan staff and producers alike. The staff are often left with long commutes to new offices where they now work, and producers in outlying counties see their Loan Officer less frequently. The most satisfied borrowers are the ones that engaged frequently with their Loan Officers when getting their first loan. Producers worry that further consolidation will impact their future satisfaction with the loan program.

19. **Texting**

There is currently no government-supplied means for sending or receiving texts. Loan officers that want to will give out their personal phone number to borrowers.

Many Service Centers staff and producers would like the opportunity to communicate via cell/smart phones. Calls, texting, push notifications, and sending pictures of loan collateral were all mentioned.

20. **Unneeded Check**

CAIVRS (pronounced KAY-vers), stands for Credit Alert Interactive Verification Reporting System, and it lists liens, defaults and outstanding debt owed to the some federal agencies. This is checked for every loan, although the results are duplicated in the credit report that is also pulled, making the CAIVRS check unneeded.

21. **Disconnected Systems**

There are many common activities that require staff to search two or three different systems and integrate the results from each. For example, in order to provide full payment informations with the interest that was paid at tax time, they need to visit both the Direct Loan System (DLS) and ADPS systems. There are many potential advantages to providing an integrated user experience across these systems.

22. **First contact with Service Centers**

Producers new to USDA FPAC had little, if any, knowledge of the USDA loan services or offerings. Most producer's initial contact with USDA to learn about loans is through the service center and not online. They are almost always from referrals from other farmers, friends, or family.

The first loan for many producers is intimidating and "scary."

"...Borrowing so much money was scary..." Most expectations were that it would be long, complicated, and a lot of paperwork. They often understood why it was necessary and many said it wasn't a problem for them. "It wasn't as bad as I expected" Some coming in

for their first loan are familiar with the planning and the financial and farm data needed, but still needed/wanted support. Others had little experience/knowledge and required more guidance and help, including with business planning and forecasting.

23. Face to Face

All producers and service center staff said the face-to-face interactions were vital in clear communication, developing trust, and an understanding of loan expectations and a producer's needs. All producers said they would not want to complete a loan application without help and guidance from Loan Officers/technicians (Understand need, understand history, review options, fill out forms, teach them, provide them with worksheets, review application, more)

Many farmers, regardless of age, did not want to (or feel comfortable) going online to complete the full (or partial) loan application.

24. Manual Tracking and Processing

The service center staff relied on sticky notes and stacked up physical files, across their desks, to keep track of their applications and their status. When one staff member had an application file on his/her desk it sometimes made it difficult and time consuming to find a loan file. The sticky notes are a very archaic way to note and track status. System flags, notifications, and notes for the most critical tasks would save staff time and frustration. *Similar to Paper workflow above.*

25. Loan Backlogs

No matter how efficient their work was, the service center staff had a lot of guilt about delays in loan processing and payments. The delays were rarely the fault of the staff, nor in their control, but were usually a result of processing time, available staff, distractions, or volume of loan applications. Farmers said they understood long delays because they saw how overwhelmed the service center staff. One said that she "...Feels she is not providing the level of service/efficiency that the customer's need..."

The service center staff is working as fast as they can, however, "...Quality is being sacrificed". Service center staff felt they were not recognized for their hard work and dedication (when compared to their own and other service centers).

26. Training Programs (Program Technicians)

Though there are training programs for Program Technicians, they only involve networking, collaboration activities that help Program Technicians familiarize more with the work culture than the process. Handling case-based problems, handling difficult conversations are some of the areas where these programs lack depth. Also, there is demand for programs that teach new Loan Officers and Program Technicians to communicate with producers via different channels, handle difficult conversations and make decisions.

27. Training Programs (Producers)

Only experienced producers or those coming from a financial background are able to fill

their quickbooks and balance sheets without help from the Loan Officers. Although not a part of their job, the Loan Officers volunteer to help producers to keep the process moving. A training program that focuses on this aspect of the application process would help take this burden off their shoulders.

28. **Assignment**

Producers who use FSA operating loans to finance their existing loans with commercial lenders can request FSA to 'assign' payments to lenders. The producers get a one-year time frame to pay back. Producers like this flexibility that's not available with commercial lenders.

29. **Price for Collateral**

Handbooks have limited information and producers use third party sites (auctiontime.com, tractoronline.com) to determine price for collateral.

These decisions are best made by experienced Loan Officers who have been or are producers themselves.

30. **Multi-county Producers**

Most offices have multi-county producers who visit different FSA offices based on their requirements.

Some systems capture and consolidate data from different offices in one place, but others do not. Loan Officers and Program Technicians have to tools like Skype to get this information.

31. **Relationships between Service Center Staff and Borrowers**

Service Center Staff and Borrowers see each other outside the office, in the community, on a regular basis. It is important to maintain trust, confidentiality, and empathy for borrowers and not look down on them when they require a loan. When a producer runs into a Loan Officer in the community they sometimes casually and informally talk to the Loan Officer about their needs. If appropriate, the Loan Officer will go back and start that application, then send them/call them to tell them what he needed to proceed. All Loan staff indicated they really liked helping people.

32. **"Farming is Like a Sickness"**

Most are farming out of a love of it and being outside. They work full time jobs (often manual labor), then go to work on their farm in their free time.

33. **Good Record Keeping is Essential**

Producers and Loan Officers agreed the good recordkeeping is crucial to a successful operation. Some producers were adept at maintaining good records, while others were less so. One producer suggested it would be helpful to have FSA provide tools (e.g. spreadsheets, record logs, etc.) that would enable producers to maintain good recordkeeping. Other producers received training through school or as required by FSA

or their state that they found useful when starting their operation. The quality of education required to obtain an FSA loan varies from state-to-state, and there is no consistency in the curriculum.

Appendix 6: Selected Quotes

Selected quotes collected from the field from producers and loan officers.

Producer

- “FSA helped me when nobody else would.”
- “Farming is a disease. Once you get it, it’s hard to get rid of it.”
- “You can’t be a successful farmer without keeping accurate records.”
- “FSA is the keeper of the maps. The world revolves around those maps.”
- “Who your Loan Officer is makes a big difference [in how easy the loan process is].”
- “When you are buying your first piece of land, everything is overwhelming.”
- “I went in knowing I was referred [by the commercial bank]. I didn’t know I had other options or there were other programs.”
- “I wouldn’t have known [about FSA loans] if my banker hadn’t steered me in that direction.”
- “The cost of me operating a farm has doubled since 2005. In some places \$300K doesn’t even buy 160 acres.”
- “On rental land...terms can change so you need to update from year to year but on my own land those forms can be repetitive.”
- “There is probably too much verbiage [on the forms].”
- “[It’s not possible to] start a new farm without an FSA loan.”
- “The connection wasn’t there with the previous Loan Officer. I felt like a nuisance calling them.”
- “[Poor experience with Loan Officer] made almost not want to get a loan through FSA.”
- “Didn’t think the Loan Officer was working in my best interest.”

Loan Officer

- “I leave the office at the end of the day knowing my support has put another producer on the road to a successful operation.”
- “The loan process is a mentorship program to introduce producers to sources of credit.”
- “Surprised by how much verification is required. For example, we have to verify wife’s job and debt certification but we are taking their word for yield and production history.”
- “I don’t feel we [attract new] customers at [outreach] events.”
- “Loan limits are way too low for this area. Not even enough to buy seed and fertilizers”
- “We are nowhere near [an Indian] reservation but we have to send an email [to Indian groups] and wait 30 days every time. We can’t start loan work until then.”
- “GLS (Guaranteed Loan System) needs to die!”
- “Takes a lot of online research to figure out yield and prices.”
- “Farmers, especially older farmers, will not trust someone they cannot physically see.”