Overview

This section contains FCA’s standard procedures for examining Credit Administration; however, the guidance for each procedure is currently under development. In the interim, the following links provide related guidance that was contained in the old FCA Examination Manual:

- EM-305 Introduction
- EM-312 Scorecard Lending
- EM-310 Loan Portfolio Management
- EM-330 Credit Administration
- EM-350 Other Financing Institutions
- FCA Examination Bulletin 2006-2 Lending Programs for Farmers’ Other Credit Needs
- FCA Examination Bulletin 2009-1 Debtor-In-Possession Financing
- FCA Examination Bulletin 2009-2 Guidance for Evaluating the Safety and Soundness of FCS Real Estate Lending (focusing on land in transition)

Examination Procedures and Guidance

General Credit Controls

1. Credit Guidance & Standards:

   Determine if credit guidance effectively communicates the necessary direction and standards to administer credit in a safe and sound manner.

   Guidance:

2. Internal Controls:

   Evaluate the adequacy of internal controls used to ensure credit administration guidance is appropriately implemented.

   Guidance:

3. Audit:

   Determine if the institution conducts an effective audit/review (scope, reporting, and followup) of credit administration.

   Guidance:
4. **Transaction Testing:**

Examine individual loans to assess compliance with FCA and the institution’s credit administration guidance and applicable laws and regulations, and to evaluate effectiveness of internal controls, including the reliability of the internal credit review function.

**Guidance:**

5. **Direct Loan & OFI Administration (banks only):**

Evaluate the adequacy of guidance, standards, and controls used to administer direct loans to associations and "Other Financing Institutions" (OFIs).

**Guidance:**

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**Examination Procedures and Guidance**

**Regulatory Compliance**

1. **Eligibility & Scope of Financing:**

Evaluate the adequacy of guidance and controls to ensure compliance with eligibility and scope of financing regulations.

**Guidance:**

2. **Lending Authorities & Territories:**

Evaluate the adequacy of guidance and controls to ensure compliance with lending authority and chartered territories regulations.

**Guidance:**

3. **Loan Purchases & Sales:**

Evaluate the adequacy of guidance and controls to ensure compliance with loan purchases and sales regulations.

**Guidance:**
Examination Procedures and Guidance

Administration of Specific Lending Programs

1. Capital Markets:
   Evaluate the adequacy of guidance and controls for administering capital markets lending programs.

   Guidance:

2. Scorecard Lending:
   Evaluate the adequacy of guidance and controls for administering scorecard lending programs.

   Guidance: