

GAO

General Accounting Office
U.S. Department of Agriculture
U.S. House of Representatives

February 1994

**FARMERS HOME
ADMINISTRATION**

**Farm Loans to
Delinquent Borrowers**



Resources, Community, and
Economic Development Division

B-255922

February 8, 1994

The Honorable Robert L. Livingston
House of Representatives

Dear Mr. Livingston:

This fact sheet responds to your August 5, 1993, request for selected statistical information on the Farmers Home Administration's (FmHA) direct and guaranteed farm loan programs. In particular, you asked for data describing the (1) levels of outstanding debt, delinquencies, and losses on farm loans and (2) extent to which FmHA approved direct and/or guaranteed loans to previously or currently delinquent borrowers.

In summary, we found the following:

Outstanding Debt,
Delinquencies, and Losses

- As of September 30, 1993, FmHA's outstanding direct and guaranteed loans to the nation's farmers totaled \$18.8 billion.
- Of this amount, \$5.4 billion, or about 29 percent, was held by delinquent borrowers; that is, borrowers who are past due on their loan payments.
- In addition, during fiscal years 1991-93, FmHA lost \$5 billion by reducing the delinquent debt of direct loan borrowers and paid losses on guaranteed loans of about \$160 million.

New Loans to Delinquent
Borrowers

- During fiscal years 1991-93, FmHA made about \$55 million in new direct loans to 936 borrowers after it had reduced or forgiven about \$133 million on their previous direct loans. As of September 1993, about 21 percent of these borrowers were delinquent on the new direct loans.
- In the same period, FmHA made about \$60 million in new guaranteed loans to 408 borrowers after it had incurred about \$67 million of losses on their previous guaranteed and direct loans. As of September 1993, about 4 percent of these borrowers were delinquent on the new guaranteed loans.
- FmHA made an additional \$90 million in loans during fiscal years 1991-93 under a policy that allows delinquent borrowers to obtain new direct loans for operating expenses.

Section 1 of this fact sheet contains information on FmHA's total outstanding and delinquent debt and losses on direct and guaranteed loans. Section 2 contains information on the agency's direct and

guaranteed loans to borrowers who had defaulted on previous loans. Additionally, as you requested, appendixes I through V break down the information presented in sections 1 and 2 on a state-by-state basis.

To prepare this fact sheet, we analyzed information from computerized data bases in FmHA's St. Louis Finance Office and from various FmHA financial reports.¹ We did not verify the accuracy of the information contained in the agency's data bases or reports. Our work was performed from October 1993 through January 1994.

FmHA officials reviewed a draft of this fact sheet for technical accuracy. However, as requested by your office, we did not obtain written agency comments.

As arranged with your office, we are sending copies of this fact sheet to the appropriate Senate and House committees; interested Members of Congress; the Secretary of Agriculture; the Administrator of FmHA; the Director, Office of Management and Budget; and other interested parties. We will make copies available to others upon request.

Please contact me at (202) 512-5138 if you or your staff have any questions. Major contributors to this fact sheet are listed in appendix VI.

Sincerely yours,



John W. Harman
Director, Food and
Agriculture Issues

¹The information contained in this fact sheet is an update of information we reported in Farmers Home Administration's Farm Loan Programs (GAO/HR-93-1, Dec. 1992) and in Farmers Home Administration: Billions of Dollars in Farm Loans Are at Risk (GAO/RCED-92-86, Apr. 3, 1992).

Contents

Letter	1
Section 1 Outstanding and Delinquent Debt and Losses	8
Section 2 Direct and Guaranteed Loans to Delinquent Borrowers	10
Appendix I Outstanding Direct and Guaranteed Loans Owed by Delinquent Borrowers	12
Appendix II Debt Relief on Direct Loans and Loss Payments on Guaranteed Loans	16
Appendix III New Direct Loans to Previously Delinquent Borrowers Who Received Debt Relief	20

<p>Appendix IV New Guaranteed Loans and Losses Provided to Previously Delinquent Borrowers</p>	<p>24</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

<p>Appendix V New Direct Loans to Delinquent Borrowers, by State, Fiscal Years 1991-93</p>	<p>30</p>
---------------------------------------------------------------------------------------------------------------------------------------------------	-----------

<p>Appendix VI Major Contributors to This Fact Sheet</p>	<p>32</p>
-----------------------------------------------------------------------------------------	-----------

<p>Tables</p>	<p>Table 1.1: Outstanding Principal and Amount Owed by Delinquent Borrowers, by Loan Type, as of September 30, 1993 8</p> <p>Table 1.2: FmHA's Direct Loan Debt Relief and Guaranteed Loan Losses, Fiscal Years 1991-93 9</p> <p>Table 2.1: Borrowers Who Became Delinquent Again on New Direct Loans, Fiscal Years 1991-93 10</p> <p>Table 2.2: Borrowers Who Received New Guaranteed Loans After Defaulting on Previous Guaranteed and Direct Loans, Fiscal Years 1991-93 11</p> <p>Table I.1: Amount and Percentage of Outstanding Direct Loans Owed by Delinquent Borrowers, by State, as of September 30, 1993 12</p> <p>Table I.2: Amount and Percentage of Outstanding Guaranteed Loans Owed by Delinquent Borrowers, by State, as of September 30, 1993 14</p> <p>Table II. 1: Debt Relief Provided on Direct Loans, by State, Fiscal Years 1991-93 16</p> <p>Table II. 2: Loss Payments on Guaranteed Loans, by State, Fiscal Years 1991-93 18</p>
----------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Contents

Table III.1: New Direct Loans and Debt Relief Provided to Previously Delinquent Borrowers Whose Loans Were Restructured With Debt Write-Down, by State, Fiscal Years 1991-93	20
Table III.2: New Direct Loans and Debt Relief Provided to Previously Delinquent Borrowers Whose Loans Were Bought Out at Net Recovery Value, by State, Fiscal Years 1991-93	22
Table IV.1: New Guaranteed Loans and Losses Involving Borrowers Who Defaulted on Previous Guaranteed Loans, by State, Fiscal Years 1991-93	24
Table IV.2: New Guaranteed Loans and Debt Relief Provided to Previously Delinquent Borrowers Whose Loans Were Restructured With Debt Write-Down, by State, Fiscal Years 1991-93	26
Table IV.3: New Guaranteed Loans and Debt Relief Provided to Previously Delinquent Borrowers Whose Loans Were Bought Out at Net Recovery Value, by State, Fiscal Years 1991-93	28

Abbreviations

FmHA Farmers Home Administration
GAO General Accounting Office

Outstanding and Delinquent Debt and Losses

This section discusses FmHA's total outstanding and delinquent debt and the losses that FmHA has incurred on direct and guaranteed loans. The amount of debt held by borrowers who were delinquent on direct and guaranteed farm loans continues to be a significant portion of FmHA's total outstanding debt—\$5.4 billion, as of September 30, 1993. Also, FmHA's losses in the direct and guaranteed loan programs totaled \$5.2 billion during fiscal years 1991-93.

Total Outstanding and Delinquent Debt

As table 1.1 shows, as of September 30, 1993, the total outstanding principal on FmHA's farm loans was about \$18.8 billion, of which 28.8 percent was held by delinquent borrowers.

Table 1.1: Outstanding Principal and Amount Owed by Delinquent Borrowers, by Loan Type, as of September 30, 1993

Dollars in billions

Loan type	Outstanding principal		Owed by delinquent borrowers		Percentage owed by delinquent borrowers ^a	
	Amount	Number of borrowers	Amount	Number of borrowers	Percentage of debt	Percentage of borrowers
Direct	\$13.8	137,977	\$5.2	30,806	37.6	22.3
Guaranteed	5.0	35,857	0.2	1,840	4.8	5.1
Total^b	\$18.8	173,834	\$5.4	32,646	28.8	18.8

Note: See appendix I for a state-by-state breakdown of the information in this table.

^aPercentages are based on whole numbers.

^bThe total number of borrowers may include some borrowers who are counted more than once because they have both direct and guaranteed loans.

Source: GAO's analysis of FmHA Finance Office records.

Direct and Guaranteed Loan Losses

When borrowers experience trouble repaying their loans, FmHA's direct loan policies provide various types of relief assistance that result in losses. This assistance includes two debt-relief options mandated by the Agricultural Credit Act of 1987 (P.L. 100-233, Jan. 6, 1988): reducing borrowers' debts so that the borrowers can maintain viable farming operations—referred to as restructuring with write-down, and satisfying debts entirely by allowing borrowers to pay an adjusted amount based on the value of collateral security that is less than the outstanding debt—referred to as net recovery value buy-out with write-off. FmHA also has a third option when one of these two approaches does not resolve a

**Section 1
Outstanding and Delinquent Debt and
Losses**

borrower's delinquency: debt settling with borrowers who are generally no longer farming by writing off part or all of the unpaid loans.

FmHA also incurs losses as a result of guaranteeing farm loans. Specifically, FmHA agrees, if a borrower defaults, to reimburse a commercial lender for up to 90 percent of the lost principal, accrued interest, and liquidation costs.

As table 1.2 shows, FmHA incurred losses of about \$5.2 billion during fiscal years 1991-93—about \$5 billion on direct loans and about \$160 million on guaranteed loans. According to FmHA officials, some of the agency's losses in recent years involve loans that were made many years ago.

Table 1.2: FmHA's Direct Loan Debt Relief and Guaranteed Loan Losses, Fiscal Years 1991-93

Dollars in billions		
Loan type	Amount of debt relief	Number of borrowers
Direct		
Restructured with write-down	\$0.4	2,722
Net recovery value buy-out with write-off	0.6	3,047
Debt settled with write-off	4.0	20,582
Subtotal	\$5.0	26,351
Guaranteed (payments on loss claims)	0.2	2,168
Total^a	\$5.2	28,519

Note: See appendix II for a state-by-state breakdown of the information in this table.

^aThe total number of borrowers may include some borrowers who are counted more than once because they received more than one type of loan-servicing action.

Source: GAO's analysis of FmHA Finance Office records.

Direct and Guaranteed Loans to Delinquent Borrowers

This section discusses FmHA's direct and guaranteed loans to borrowers who have been or currently are delinquent.

Borrowers Who Received Additional Direct Loans After Debt Relief

Borrowers who received debt relief under the debt-servicing provisions of the Agricultural Credit Act of 1987 are not barred from obtaining additional direct farm loans. Many borrowers who obtained additional direct loans after having received debt relief became delinquent again. As table 2.1 shows, 199 such borrowers who received new loans in fiscal years 1991-93 were again delinquent in September 1993.

Table 2.1: Borrowers Who Became Delinquent Again on New Direct Loans, Fiscal Years 1991-93

Dollars in millions				
Action on borrower's previous loan	Number of borrowers	Amount of new direct loans	Amount of debt relief	Number of borrowers delinquent again ^a
Restructured with debt write-down	917	\$53.1	\$130.2	194
Net recovery value buy-out with debt write-off	19	1.8	2.5	5
Total	936	\$54.9	\$132.7	199

Note: See appendix III for a state-by-state breakdown of the information in this table.

^aDelinquent as of September 30, 1993.

Source: GAO's analysis of FmHA Finance Office records.

Borrowers Who Previously Defaulted Received New Guaranteed Loans

Borrowers who have previously defaulted on guaranteed or direct loans are also allowed to receive new guaranteed loans. As shown in table 2.2, we identified 408 borrowers who received new guaranteed loans during fiscal years 1991-93 after FmHA had incurred losses on their previous loans.

**Section 2
Direct and Guaranteed Loans to Delinquent
Borrowers**

Table 2.2: Borrowers Who Received New Guaranteed Loans After Defaulting on Previous Guaranteed and Direct Loans, Fiscal Years 1991-93

Dollars in millions				
Action on borrower's previous loan	Number of borrowers	Amount of new guaranteed loans	Amount of FmHA's loss ^a	Number of borrowers delinquent again ^b
Loss on previous guaranteed loan	36	\$6.7	\$2.9	2
Restructured with debt write-down	309	41.5	49.6	10
Net recovery value buy-out with debt write-off	63	11.4	14.6	4
Total	408	\$59.6	\$67.1	16

Note: See appendix IV for a state-by-state breakdown of the information in this table.

^aThese losses result from payments to commercial lenders on guaranteed loans or debt relief provided on direct loans.

^bDelinquent as of September 30, 1993.

Source: GAO's analysis of FmHA Finance Office records.

Continuation Loans

Under FmHA's continuation policy, borrowers can obtain new FmHA direct loans while they are delinquent on their existing FmHA debt. The purposes of the policy, which was initially established in 1982, were to continue lending money to financially stressed borrowers until economic conditions improved and to slow the number of liquidation cases. Following GAO's disclosure that many unsound loans were being made, FmHA rescinded the policy in 1985. However, the Congress directed FmHA to reinstate the continuation policy in 1987 (P.L. 100-71, July 11, 1987). FmHA made continuation loans totaling \$90 million to 1,458 delinquent borrowers during fiscal years 1991-93. See appendix V for a state-by-state breakdown of this information.

Outstanding Direct and Guaranteed Loans Owed by Delinquent Borrowers

Table I.1: Amount and Percentage of Outstanding Direct Loans Owed by Delinquent Borrowers, by State, as of September 30, 1993

Dollars in millions

State	Outstanding principal		Owed by delinquent borrowers		Percentage owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percentage of debt	Percentage of borrowers
Alabama	\$141.7	2,627	\$24.2	205	17.1	7.8
Alaska	0.5	6	0.3	3	60.0	50.0
Arizona	145.6	596	110.8	288	76.1	48.3
Arkansas	431.1	5,191	184.8	1,161	42.9	22.4
California	585.1	2,210	371.5	752	63.5	34.0
Colorado	148.2	1,304	49.3	258	33.3	19.8
Connecticut	17.4	154	7.0	44	40.2	28.6
Delaware	12.3	133	2.0	13	16.3	9.8
Florida	213.9	1,593	135.3	592	63.3	37.2
Georgia	357.0	2,823	189.1	885	53.0	31.3
Hawaii	40.3	309	16.7	88	41.4	28.5
Idaho	284.6	2,496	111.5	634	39.2	25.4
Illinois	415.6	5,098	79.3	614	19.1	12.0
Indiana	322.4	2,795	103.0	618	31.9	22.1
Iowa	602.3	6,844	100.9	804	16.8	11.7
Kansas	351.0	4,693	70.6	672	20.1	14.3
Kentucky	342.8	4,920	55.5	426	16.2	8.7
Louisiana	436.0	4,116	308.0	2,173	70.6	52.8
Maine	105.1	933	33.1	221	31.5	23.7
Maryland	44.7	428	11.1	95	24.8	22.2
Massachusetts	40.2	348	7.6	61	18.9	17.5
Michigan	333.3	2,770	108.1	644	32.4	23.2
Minnesota	491.1	5,091	137.6	981	28.0	19.3
Mississippi	585.0	6,027	374.0	1,879	63.9	31.2
Missouri	462.9	5,532	110.2	868	23.8	15.7
Montana	347.5	2,385	125.8	556	36.2	23.3
Nebraska	459.9	4,802	113.2	779	24.6	16.2
Nevada	26.8	215	10.1	62	37.7	28.8
New Hampshire	12.6	118	1.3	12	10.3	10.2
New Jersey	61.7	454	24.4	149	39.5	32.8
New Mexico	98.2	936	41.4	211	42.2	22.5
New York	366.7	3,383	152.1	1,018	41.5	30.1
North Carolina	266.2	3,660	93.6	703	35.2	19.2

(continued)

**Appendix I
Outstanding Direct and Guaranteed Loans
Owed by Delinquent Borrowers**

Dollars in millions

State	Outstanding principal		Owed by delinquent borrowers		Percentage owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percentage of debt	Percentage of borrowers
North Dakota	593.4	5,386	171.0	1,080	28.8	20.1
Ohio	254.8	2,088	107.1	637	42.0	30.5
Oklahoma	560.3	6,107	234.8	1,484	41.9	24.3
Oregon	165.9	1,279	52.8	289	31.8	22.6
Pennsylvania	243.9	2,122	36.1	246	14.8	11.6
Rhode Island	5.3	40	1.4	9	26.4	22.5
South Carolina	193.8	1,932	98.4	488	50.8	25.3
South Dakota	597.7	6,589	164.5	1,042	27.5	15.8
Tennessee	322.1	4,172	118.2	772	36.7	18.5
Texas	1,051.9	9,291	570.4	3,432	54.2	36.9
Utah	93.5	1,187	12.6	106	13.5	8.9
Vermont	54.6	520	7.5	55	13.7	10.6
Virginia	175.3	1,904	80.9	516	46.1	27.1
Washington	187.3	1,405	55.3	264	29.5	18.8
West Virginia	66.2	1,104	17.7	158	26.7	14.3
Wisconsin	460.7	4,610	120.4	978	26.1	21.2
Wyoming	61.9	528	12.1	70	19.5	13.3
Other ^a	137.0	2,723	54.6	711	39.9	26.1

^aIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

**Appendix I
Outstanding Direct and Guaranteed Loans
Owed by Delinquent Borrowers**

Table I.2: Amount and Percentage of Outstanding Guaranteed Loans Owed by Delinquent Borrowers, by State, as of September 30, 1993

Dollars in millions

State	Outstanding principal		Owed by delinquent borrowers		Percentage owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percentage of debt	Percentage of borrowers
Alabama	\$34.4	256	\$0.2	3	0.6	1.2
Alaska	0	0	0	0	0.0	0.0
Arizona	6.2	26	0.2	1	3.2	3.8
Arkansas	108.7	792	2.9	27	2.7	3.4
California	59.2	359	3.5	19	5.9	5.3
Colorado	92.7	488	4.4	28	4.7	5.7
Connecticut	5.8	31	0.1	3	1.7	9.7
Delaware	10.1	66	0.2	1	2.0	1.5
Florida	31.3	177	2.9	14	9.3	7.9
Georgia	105.2	736	2.1	24	2.0	3.3
Hawaii	0.4	1	0	0	0.0	0.0
Idaho	72.6	434	6.2	32	8.5	7.4
Illinois	238.2	1,846	10.5	83	4.4	4.5
Indiana	104.3	686	3.7	26	3.5	3.8
Iowa	462.4	4,102	15.1	136	3.3	3.3
Kansas	229.9	1,692	14.9	127	6.5	7.5
Kentucky	92.9	878	2.5	27	2.7	3.1
Louisiana	177.1	1,745	7.4	82	4.2	4.7
Maine	8.4	60	2.1	8	25.0	13.3
Maryland	20.6	140	0.7	4	3.4	2.9
Massachusetts	14.8	64	1.2	4	8.1	6.3
Michigan	186.5	1,040	7.6	65	4.1	6.3
Minnesota	270.4	2,053	12.0	120	4.4	5.8
Mississippi	160.6	830	5.5	37	3.4	4.5
Missouri	139.5	1,054	2.7	33	1.9	3.1
Montana	91.5	572	5.7	31	6.2	5.4
Nebraska	287.3	2,129	15.0	123	5.2	5.8
Nevada	5.7	33	^a	1	0.7	3.0
New Hampshire	4.0	21	0.3	1	7.5	4.8
New Jersey	8.7	42	2.2	6	25.3	14.3
New Mexico	40.7	194	3.3	20	8.1	10.3
New York	78.8	469	2.2	20	2.8	4.3
North Carolina	99.5	768	0.8	8	0.8	1.0

(continued)

**Appendix I
Outstanding Direct and Guaranteed Loans
Owed by Delinquent Borrowers**

Dollars in millions

State	Outstanding principal		Owed by delinquent borrowers		Percentage owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percentage of debt	Percentage of borrowers
North Dakota	158.8	1,154	11.2	87	7.1	7.5
Ohio	70.9	507	3.5	30	4.9	5.9
Oklahoma	223.6	1,254	18.7	117	8.4	9.3
Oregon	30.6	179	2.8	15	9.2	8.4
Pennsylvania	79.6	429	3.6	20	4.5	4.7
Rhode Island	0.5	3	0.3	1	60.0	33.3
South Carolina	35.7	278	1.4	11	3.9	4.0
South Dakota	185.8	1,634	11.8	86	6.4	5.3
Tennessee	53.8	527	3.6	25	6.7	4.7
Texas	325.2	2,193	17.3	133	5.3	6.1
Utah	30.0	182	1.3	7	4.3	3.8
Vermont	49.4	343	5.8	49	11.7	14.3
Virginia	31.7	200	1.1	3	3.5	1.5
Washington	67.7	387	2.5	19	3.7	4.9
West Virginia	29.0	185	0.6	2	2.1	1.1
Wisconsin	371.9	2,250	15.5	105	4.2	4.7
Wyoming	43.3	295	2.7	16	6.2	5.4
Other ^a	8.8	73	0	0	0.0	0.0

^aLess than \$50,000.

^bIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

Debt Relief on Direct Loans and Loss Payments on Guaranteed Loans

Table II. 1: Debt Relief Provided on Direct Loans, by State, Fiscal Years 1991-93

Dollars in millions

State	Restructured with write-down		Net recovery value buy-out with write-off		Debt settled with write-off	
	Amount	Number of borrowers	Amount	Number of borrowers	Amount	Number of borrowers
Alabama	\$4.2	36	\$10.2	56	\$38.0	227
Alaska	0	0	0	0	0.1	1
Arizona	1.7	5	5.8	6	30.4	78
Arkansas	12.2	101	35.1	172	131.0	722
California	3.1	9	5.8	17	202.0	372
Colorado	3.6	31	4.9	32	40.2	244
Connecticut	0.2	1	0.6	1	2.1	14
Delaware	0	0	0.2	1	0.6	8
Florida	2.2	9	2.8	10	73.4	342
Georgia	10.4	30	40.7	110	371.2	1,130
Hawaii	0.1	1	^a	1	^a	2
Idaho	10.1	68	15.9	82	67.4	333
Illinois	10.6	100	10.8	93	71.4	551
Indiana	13.5	108	14.1	77	119.0	556
Iowa	11.5	111	6.9	57	110.8	812
Kansas	5.5	61	3.4	29	46.4	475
Kentucky	6.2	69	6.4	42	67.0	480
Louisiana	6.4	62	59.3	388	334.3	1,532
Maine	3.2	27	2.8	15	12.5	81
Maryland	0.3	4	0.4	4	7.2	56
Massachusetts	^a	1	0	0	0.4	10
Michigan	13.0	95	20.0	76	77.1	411
Minnesota	11.4	117	21.1	117	169.8	913
Mississippi	15.6	80	63.3	215	303.1	1,019
Missouri	23.9	204	33.3	231	128.6	810
Montana	11.9	61	12.8	54	53.7	253
Nebraska	4.5	39	4.5	34	89.9	527
Nevada	0.4	6	0.3	2	2.8	20
New Hampshire	0	0	0.2	1	^a	2
New Jersey	^a	1	0.3	2	3.0	35
New Mexico	0.8	7	1.6	10	15.3	92
New York	7.0	41	5.9	32	42.9	336
North Carolina	4.0	30	6.9	46	90.1	549

(continued)

**Appendix II
Debt Relief on Direct Loans and Loss
Payments on Guaranteed Loans**

Dollars in millions

State	Restructured with write-down		Net recovery value buy-out with write-off		Debt settled with write-off	
	Amount	Number of borrowers	Amount	Number of borrowers	Amount	Number of borrowers
North Dakota	35.7	323	38.9	236	116.3	738
Ohio	2.3	15	7.9	47	107.0	485
Oklahoma	24.0	173	33.7	151	139.5	736
Oregon	3.3	22	2.3	9	31.5	159
Pennsylvania	2.2	19	2.7	15	17.4	132
Rhode Island	0	0	0	0	0.6	2
South Carolina	6.8	50	13.8	64	55.9	289
South Dakota	8.6	83	11.8	60	109.8	718
Tennessee	5.1	38	15.6	82	181.0	1,110
Texas	36.7	201	34.5	115	322.5	1,512
Utah	1.1	10	0.5	4	7.3	51
Vermont	0	0	0.3	2	0.8	11
Virginia	2.2	16	4.6	25	39.5	275
Washington	2.1	15	1.8	8	38.9	216
West Virginia	0.9	9	0.3	2	5.0	79
Wisconsin	20.3	191	29.6	199	90.0	849
Wyoming	3.7	34	1.3	9	11.9	82
Other ^a	0.7	8	0.8	6	6.2	145

^aLess than \$50,000.

^bIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

**Appendix II
Debt Relief on Direct Loans and Loss
Payments on Guaranteed Loans**

**Table II. 2: Loss Payments on
Guaranteed Loans, by State, Fiscal
Years 1991-93**

Dollars in millions		
State	Amount of loan loss payments	Number of borrowers
Alabama	\$0.7	11
Alaska	0	0
Arizona	0.2	1
Arkansas	6.4	108
California	0.9	10
Colorado	3.0	22
Connecticut	0.4	1
Delaware	0	0
Florida	0.7	11
Georgia	2.8	52
Hawaii	0	0
Idaho	1.8	19
Illinois	4.5	92
Indiana	2.4	26
Iowa	6.9	138
Kansas	3.7	68
Kentucky	2.6	34
Louisiana	26.0	372
Maine	0	0
Maryland	0.7	7
Massachusetts	0.1	1
Michigan	6.2	58
Minnesota	6.6	103
Mississippi	6.8	83
Missouri	2.3	44
Montana	3.6	31
Nebraska	2.3	43
Nevada	0	0
New Hampshire	^a	1
New Jersey	0	0
New Mexico	4.0	24
New York	1.0	10
North Carolina	1.3	18
North Dakota	4.5	79
Ohio	1.9	23
Oklahoma	13.5	131

(continued)

**Appendix II
Debt Relief on Direct Loans and Loss
Payments on Guaranteed Loans**

Dollars in millions

State	Amount of loan loss payments	Number of borrowers
Oregon	1.4	13
Pennsylvania	1.6	11
Rhode Island	0	0
South Carolina	1.6	23
South Dakota	1.4	30
Tennessee	2.4	37
Texas	19.1	240
Utah	0.3	6
Vermont	0.2	9
Virginia	^a	2
Washington	1.9	17
West Virginia	0.7	8
Wisconsin	8.7	132
Wyoming	0.9	14
Other ^b	0.8	5

^aLess than \$50,000.

^bIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

New Direct Loans to Previously Delinquent Borrowers Who Received Debt Relief

Table III.1: New Direct Loans and Debt Relief Provided to Previously Delinquent Borrowers Whose Loans Were Restructured With Debt Write-Down, by State, Fiscal Years 1991-93

Dollars in millions

State	Number of borrowers	Amount of new direct loans	Amount of debt relief	Number of borrowers delinquent again ^a
Alabama	14	\$1.1	\$1.9	4
Alaska	0	0	0	0
Arizona	0	0	0	0
Arkansas	24	1.5	3.9	7
California	2	0.3	0.4	1
Colorado	6	0.4	0.4	3
Connecticut	0	0	0	0
Delaware	0	0	0	0
Florida	2	0.2	0.3	0
Georgia	10	0.9	1.9	3
Hawaii	0	0	0	0
Idaho	30	2.0	4.4	2
Illinois	40	1.3	4.7	3
Indiana	44	2.6	6.2	5
Iowa	36	1.5	3.4	9
Kansas	20	0.9	1.4	2
Kentucky	13	0.7	1.4	0
Louisiana	35	2.8	4.4	12
Maine	12	1.1	1.4	2
Maryland	1	^b	^b	0
Massachusetts	0	0	0	0
Michigan	42	3.0	9.3	11
Minnesota	57	2.8	5.6	13
Mississippi	55	4.3	9.4	21
Missouri	21	0.5	2.2	0
Montana	15	0.7	3.4	1
Nebraska	9	0.4	0.7	1
Nevada	3	0.1	0.2	0
New Hampshire	0	0	0	0
New Jersey	0	0	0	0
New Mexico	4	0.3	0.5	2
New York	17	1.3	2.4	4
North Carolina	12	0.8	1.9	5
North Dakota	61	2.5	5.8	6
Ohio	2	0.2	0.3	1

(continued)

**Appendix III
New Direct Loans to Previously Delinquent
Borrowers Who Received Debt Relief**

Dollars in millions

State	Number of borrowers	Amount of new direct loans	Amount of debt relief	Number of borrowers delinquent again^a
Oklahoma	58	3.4	9.5	18
Oregon	9	0.7	1.1	3
Pennsylvania	6	0.5	1.4	1
Rhode Island	0	0	0	0
South Carolina	14	1.2	2.7	3
South Dakota	26	1.0	2.9	4
Tennessee	5	0.3	0.7	1
Texas	145	8.6	24.6	39
Utah	2	0.1	0.3	0
Vermont	0	0	0	0
Virginia	10	0.7	2.1	6
Washington	6	0.3	0.9	0
West Virginia	2	0.2	0.6	0
Wisconsin	40	1.5	4.6	0
Wyoming	6	0.3	0.6	0
Other ^c	1	^b	^b	1

^aDelinquent as of September 30, 1993.

^bLess than \$50,000.

^cIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

**Appendix III
New Direct Loans to Previously Delinquent
Borrowers Who Received Debt Relief**

Table III.2: New Direct Loans and Debt Relief Provided to Previously Delinquent Borrowers Whose Loans Were Bought Out at Net Recovery Value, by State, Fiscal Years 1991-93

Dollars in millions				
State	Number of borrowers	Amount of new direct loans	Amount of debt relief	Number of borrowers delinquent again ^a
Alabama	0	\$0	\$0	0
Alaska	0	0	0	0
Arizona	0	0	0	0
Arkansas	0	0	0	0
California	0	0	0	0
Colorado	0	0	0	0
Connecticut	0	0	0	0
Delaware	0	0	0	0
Florida	0	0	0	0
Georgia	0	0	0	0
Hawaii	0	0	0	0
Idaho	0	0	0	0
Illinois	0	0	0	0
Indiana	1	^b	0.2	0
Iowa	0	0	0	0
Kansas	0	0	0	0
Kentucky	0	0	0	0
Louisiana	8	0.9	0.8	4
Maine	0	0	0	0
Maryland	0	0	0	0
Massachusetts	0	0	0	0
Michigan	1	0.1	0.6	0
Minnesota	1	0.2	0.1	0
Mississippi	1	0.2	0.1	0
Missouri	2	0.1	^b	0
Montana	0	0	0	0
Nebraska	0	0	0	0
Nevada	0	0	0	0
New Hampshire	0	0	0	0
New Jersey	0	0	0	0
New Mexico	0	0	0	0
New York	1	0.1	^b	0
North Carolina	0	0	0	0
North Dakota	0	0	0	0
Ohio	0	0	0	0

(continued)

**Appendix III
New Direct Loans to Previously Delinquent
Borrowers Who Received Debt Relief**

Dollars in millions

State	Number of borrowers	Amount of new direct loans	Amount of debt relief	Number of borrowers delinquent again^a
Oklahoma	2	0.2	0.3	1
Oregon	0	0	0	0
Pennsylvania	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	0	0	0	0
South Dakota	0	0	0	0
Tennessee	0	0	0	0
Texas	1	0.1	0.2	0
Utah	0	0	0	0
Vermont	0	0	0	0
Virginia	0	0	0	0
Washington	0	0	0	0
West Virginia	0	0	0	0
Wisconsin	1	^b	0.3	0
Wyoming	0	0	0	0
Other ^c	0	0	0	0

^aDelinquent as of September 30, 1993.

^bLess than \$50,000.

^cIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

New Guaranteed Loans and Losses Provided to Previously Delinquent Borrowers

Table IV.1: New Guaranteed Loans and Losses Involving Borrowers Who Defaulted on Previous Guaranteed Loans, by State, Fiscal Years 1991-93

Dollars in millions

State	Number of borrowers	Amount of new guaranteed loans	Prior guaranteed loan losses	Number of borrowers delinquent again ^a
Alabama	0	\$0	\$0	0
Alaska	0	0	0	0
Arizona	0	0	0	0
Arkansas	1	0.3	^b	0
California	0	0	0	0
Colorado	1	0.2	0.2	0
Connecticut	0	0	0	0
Delaware	0	0	0	0
Florida	0	0	0	0
Georgia	1	0.3	0.2	0
Hawaii	0	0	0	0
Idaho	0	0	0	0
Illinois	0	0	0	0
Indiana	0	0	0	0
Iowa	1	0.1	0.1	0
Kansas	0	0	0	0
Kentucky	0	0	0	0
Louisiana	16	3.0	1.1	1
Maine	0	0	0	0
Maryland	0	0	0	0
Massachusetts	0	0	0	0
Michigan	3	0.7	0.6	1
Minnesota	2	0.3	0.1	0
Mississippi	2	0.3	0.1	0
Missouri	0	0	0	0
Montana	0	0	0	0
Nebraska	0	0	0	0
Nevada	0	0	0	0
New Hampshire	0	0	0	0
New Jersey	0	0	0	0
New Mexico	0	0	0	0
New York	0	0	0	0
North Carolina	0	0	0	0
North Dakota	2	0.1	^b	0
Ohio	0	0	0	0

(continued)

**Appendix IV
New Guaranteed Loans and Losses Provided
to Previously Delinquent Borrowers**

Dollars in millions

State	Number of borrowers	Amount of new guaranteed loans	Prior guaranteed loan losses	Number of borrowers delinquent again^a
Oklahoma	1	0.4	0.1	0
Oregon	0	0	0	0
Pennsylvania	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	0	0	0	0
South Dakota	0	0	0	0
Tennessee	1	0.1	^b	0
Texas	4	0.7	0.3	0
Utah	0	0	0	0
Vermont	0	0	0	0
Virginia	0	0	0	0
Washington	0	0	0	0
West Virginia	1	0.3	0.1	0
Wisconsin	0	0	0	0
Wyoming	0	0	0	0
Other ^c	0	0	0	0

^aDelinquent as of September 30, 1993.

^bLess than \$50,000.

^cIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

Appendix IV
New Guaranteed Loans and Losses Provided
to Previously Delinquent Borrowers

Table IV.2: New Guaranteed Loans and Debt Relief Provided to Previously Delinquent Borrowers Whose Loans Were Restructured With Debt Write-Down, by State, Fiscal Years 1991-93

Dollars in millions

State	Number of borrowers	Amount of new guaranteed loans	Amount of debt relief	Number of borrowers delinquent again ^a
Alabama	3	\$0.4	\$0.3	0
Alaska	0	0	0	0
Arizona	0	0	0	0
Arkansas	5	1.0	1.0	0
California	1	0.1	^b	0
Colorado	1	^b	0.1	0
Connecticut	0	0	0	0
Delaware	0	0	0	0
Florida	0	0	0	0
Georgia	12	1.8	4.5	0
Hawaii	0	0	0	0
Idaho	4	0.8	0.5	0
Illinois	14	1.2	1.9	0
Indiana	10	1.3	2.1	0
Iowa	16	1.1	1.6	0
Kansas	11	1.4	1.4	2
Kentucky	15	0.9	2.1	0
Louisiana	66	12.8	10.3	2
Maine	0	0	0	0
Maryland	0	0	0	0
Massachusetts	0	0	0	0
Michigan	12	2.0	2.9	0
Minnesota	24	2.4	3.2	0
Mississippi	13	2.5	2.2	1
Missouri	16	1.0	2.3	1
Montana	2	0.2	0.4	0
Nebraska	3	0.3	0.7	0
Nevada	0	0	0	0
New Hampshire	0	0	0	0
New Jersey	0	0	0	0
New Mexico	0	0	0	0
New York	0	0	0	0
North Carolina	2	0.1	0.4	1
North Dakota	13	2.1	1.7	0
Ohio	5	0.6	1.2	0

(continued)

**Appendix IV
New Guaranteed Loans and Losses Provided
to Previously Delinquent Borrowers**

Dollars in millions

State	Number of borrowers	Amount of new guaranteed loans	Amount of debt relief	Number of borrowers delinquent again^a
Oklahoma	7	1.1	1.0	0
Oregon	0	0	0	0
Pennsylvania	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	3	0.3	0.3	0
South Dakota	23	2.0	2.9	1
Tennessee	4	0.5	0.6	0
Texas	10	1.5	1.8	2
Utah	0	0	0	0
Vermont	0	0	0	0
Virginia	0	0	0	0
Washington	0	0	0	0
West Virginia	1	0.1	0.1	0
Wisconsin	8	1.4	1.0	0
Wyoming	5	0.6	0.9	0
Other ^c	0	0	0	0

^aDelinquent as of September 30, 1993.

^bLess than \$50,000.

^cIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

**Appendix IV
New Guaranteed Loans and Losses Provided
to Previously Delinquent Borrowers**

Table IV.3: New Guaranteed Loans and Debt Relief Provided to Previously Delinquent Borrowers Whose Loans Were Bought Out at Net Recovery Value, by State, Fiscal Years 1991-93

Dollars in millions

State	Number of borrowers	Amount of new guaranteed loans	Amount of debt relief	Number of borrowers delinquent again ^a
Alabama	0	\$0	\$0	0
Alaska	0	0	0	0
Arizona	0	0	0	0
Arkansas	1	0.1	0.7	0
California	0	0	0	0
Colorado	2	0.2	0.4	0
Connecticut	0	0	0	0
Delaware	0	0	0	0
Florida	0	0	0	0
Georgia	2	0.8	0.1	0
Hawaii	0	0	0	0
Idaho	2	0.2	0.6	0
Illinois	1	0.2	0.1	0
Indiana	0	0	0	0
Iowa	2	0.1	0.3	0
Kansas	1	0.1	0.3	1
Kentucky	1	0.1	0.1	0
Louisiana	23	4.5	5.6	2
Maine	0	0	0	0
Maryland	0	0	0	0
Massachusetts	0	0	0	0
Michigan	2	0.3	0.9	0
Minnesota	2	1.3	0.4	0
Mississippi	4	0.4	0.9	0
Missouri	1	0.2	0.2	0
Montana	0	0	0	0
Nebraska	0	0	0	0
Nevada	0	0	0	0
New Hampshire	0	0	0	0
New Jersey	0	0	0	0
New Mexico	0	0	0	0
New York	0	0	0	0
North Carolina	3	0.5	0.7	1
North Dakota	1	^b	^b	0
Ohio	0	0	0	0

(continued)

Appendix IV
New Guaranteed Loans and Losses Provided
to Previously Delinquent Borrowers

Dollars in millions

State	Number of borrowers	Amount of new guaranteed loans	Amount of debt relief	Number of borrowers delinquent again^a
Oklahoma	3	0.7	0.6	0
Oregon	0	0	0	0
Pennsylvania	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	1	0.1	0.1	0
South Dakota	0	0	0	0
Tennessee	1	0.1	0.2	0
Texas	4	0.6	1.2	0
Utah	0	0	0	0
Vermont	0	0	0	0
Virginia	0	0	0	0
Washington	1	0.1	0.1	0
West Virginia	0	0	0	0
Wisconsin	5	0.8	1.2	0
Wyoming	0	0	0	0
Other ^c	0	0	0	0

^aDelinquent as of September 30, 1993.

^bLess than \$50,000.

^cIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

New Direct Loans to Delinquent Borrowers, by State, Fiscal Years 1991-93

Dollars in millions

State	Number of borrowers	Amount of direct loans
Alabama	17	\$1.1
Alaska	0	0
Arizona	0	0
Arkansas	95	7.3
California	6	0.3
Colorado	6	0.4
Connecticut	1	^a
Delaware	0	0
Florida	5	0.5
Georgia	14	1.2
Hawaii	0	0
Idaho	23	1.5
Illinois	91	4.1
Indiana	24	1.2
Iowa	96	4.7
Kansas	31	1.7
Kentucky	15	0.7
Louisiana	74	6.2
Maine	13	0.7
Maryland	0	0
Massachusetts	0	0
Michigan	30	1.6
Minnesota	51	3.0
Mississippi	91	7.5
Missouri	55	2.5
Montana	78	4.8
Nebraska	34	2.5
Nevada	4	0.3
New Hampshire	0	0
New Jersey	1	^a
New Mexico	10	1.0
New York	1	0.1
North Carolina	35	2.4
North Dakota	90	4.7
Ohio	9	0.4
Oklahoma	20	0.9
Oregon	19	1.4

(continued)

Appendix V
New Direct Loans to Delinquent Borrowers,
by State, Fiscal Years 1991-93

Dollars in millions

State	Number of borrowers	Amount of direct loans
Pennsylvania	2	^a
Rhode Island	0	0
South Carolina	13	0.7
South Dakota	24	0.7
Tennessee	8	0.5
Texas	330	21.2
Utah	1	^a
Vermont	2	0.1
Virginia	18	1.0
Washington	10	0.7
West Virginia	1	^a
Wisconsin	7	0.1
Wyoming	3	0.2
Other ^b	0	0

^aLess than \$50,000.

^bIncludes Puerto Rico, the U.S. Virgin Islands, and the Western Pacific Island Territories.

Source: GAO's analysis of FmHA Finance Office records.

Major Contributors to This Fact Sheet

Resources,
Community, and
Economic
Development
Division, Washington,
D.C.

Robert E. Robertson, Assistant Director
Patrick J. Sweeney, Assignment Manager
LaSonya R. Roberts, Evaluator-in-Charge

Kansas City Regional
Office

Robert C. Sommer, Computer Analyst

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1000
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066.

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



Address Correction Requested

