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PREPARED FOR

THE SUBCOMMITTEE ON RURAL DEVELOPMENT  
OF THE COMMITTEE ON  
AGRICULTURE AND FORESTRY  
UNITED STATES SENATE

An Analysis Of The Subcommittee's  
Public Opinion Survey Of The  
Farmers Home Administration  
U.S. Department Of Agriculture

By

Office of Program Analysis  
of the

U.S. General Accounting Office

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## HIGHLIGHTS

The following represents some of the major points of the public opinion survey of Farmers Home Administration done by the Senate Committee on Agriculture and Forestry in Spring, 1975. For a more detailed discussion of the items, and discussions of the other phases of the survey, the reader is referred to the body of the paper.

### Survey: General Information

- The sample consisted of people who are generally concerned with rural development issues, as determined by the Subcommittee staff. A total of 3,720 individuals were mailed copies of the questionnaire in February 1975; 1,335 persons responded, comprising a 36 percent response rate.
- The objective of the survey was to obtain the opinions of the sampled rural people as to how they perceive the programs and services of Farmers Home Administration (FmHA).
- The General Accounting Office provided the Committee with assistance in analyzing the survey results. Tabulations, percentages, medians, cross tabulations, and chi square tests of significance were obtained by using a computer support package.
- Of the 1,335 respondents, 886 (or 66.4 percent) have not had previous FmHA loan or grant experience, while 449 (33.6 percent) reported on loan experience in at least one program area.

### Overall Survey Results

- Respondents to the survey indicated they know more about FmHA than about other Federal programs in the same areas.
- All programs of FmHA--and FmHA in total--were rated by the respondents quite highly in importance as to their contribution to rural development.
- FmHA was perceived by a majority of each occupational group surveyed as serving persons with incomes up to \$12,000.
- Most respondents indicated that personnel do not appear to be a substantial problem; as far as obtaining cooperation, getting unbiased treatment, or receiving necessary forms from FmHA with respect to any of the loan programs.
- The survey results indicated only a small percent of applications were disapproved in all programs. Most applications were approved for 90-100 percent of the loan request.

--When people claimed that some requirement was hindering improvement in rural development, the item most frequently mentioned by respondents was eligibility requirements.

#### Water, Sewer and Solid Waste

--Almost 6 percent of the respondents had loan and/or grant applications of amounts up to \$350,000; 18 percent had applications exceeding \$1 million.

--Over one-half (59 percent) of the approved applications received 90-100 percent of the amounts requested; 7.8 percent of the processed applications were disapproved.

--85 percent of respondents said they had a "great deal" or "some" knowledge of the FmHA program in Water, Sewer and Solid Waste.

--Over 70 percent of the respondents reporting on Water-Sewer program experiences felt that the program makes a "Very Important" contribution to rural development.

--According to the respondents, the time between loan application and approval and the number of conferences with FmHA personnel tended to decrease over the years.

--The number and complexity of forms and administrative regulations are felt to cause "extreme" or "moderate" problems by most farmers and bankers.

--The present FmHA funding level of 50 percent of project cost is felt to be adequate by one-third of all respondents. Farmers and bankers felt the strongest that the present funding level be maintained. Only 7.3 percent of all respondents felt that 100 percent funding level is desirable.

#### Rural Housing

--Nearly 70 percent of respondents with FmHA program experiences rated the program as making a "Very Important" contribution to rural development.

--About 62 percent of the respondents reported on loan applications for amounts under \$25,000. Only 15 applications in the survey (approximately 8 percent) exceeded \$1 million.

--Over 80 percent of the approved applications were approved for 90-100 percent of the amount requested. Of all processed applications, less than 4 percent were disapproved.

--Of the approved applications, 78 percent took less than six months from application to approval.

#### Essential Community Facilities

--Almost two-thirds (63 percent) of the respondents reporting on program experiences rated the program as making a "Very Important" contribution to rural development.

--Over one-half (58 percent) of the applications in the survey were for amounts up to \$250,000. Only nine applications (15 percent) exceeded \$1 million.

--81 percent of the approved applications were approved for 90-100 percent of the loan request.

--About 55 percent of the applications approved took 4-6 months between application and approval; about 69 percent took less than six months.

--Administrators and bankers (67 percent and 86 percent, respectively) felt that the number and complexity of forms present "extreme" to "some" problems. Professionals (56 percent) felt that eligibility requirements presented "extreme" or "moderate" problems.

#### Business and Industry

--Of the respondents who reported on experiences with the FmHA B & I program, 59 percent rated it as making a "Very Important" contribution to rural development.

--About 66 percent of the applications were for amounts up to \$500,000. Less than one-fourth (23 percent) were for amounts of \$1 million or more.

--Over three-fourths of the applicants with approved loans received 90-100 percent of their requests. Only 10 (27 percent) of the processed applications were disapproved.

--47 percent of the approved applications took less than three months to be processed.

--Over 40 percent of administrators and bankers felt that the number and complexity of forms, eligibility requirements, and the process of obtaining clear program information caused "extreme" or "moderate" problems.

### Site Preparation for Business and Industry

- This FmHA program is least known to the respondents of the survey--42 percent have a "great deal" or "some" knowledge.
- 71 percent of the program "users" (three-fourths of the administrators and two-thirds of the professionals) rated this FmHA program as being "Very Important."
- 26 of the 36 loan applications in the survey (72 percent) were for amounts under \$300,000. Only three applications were for amounts of \$1 million or more.
- Of the approved applications, 48 percent took less than three months to process; another 43 percent took 4-6 months.

### Farm Ownership and Operating

- Over 80 percent of all respondents said they had a "great deal" or "some" information on this FmHA program.
- Of the respondents who reported on loan experiences with this program, nearly 70 percent rated it as making a "Very Important" contribution to rural development. Farmers rated this program the highest of the occupational groups.
- Over 80 percent of the applications were for \$100,000 or less. Only 6 percent were for \$1 million or more.
- Over 70 percent of the approved applications were approved for 90-100 percent of the amount requested. Only 7.6 percent of the processed applications were disapproved.
- About 82 percent of approved applications were processed in less than six months. Almost one-half took less than three months from application to approval.
- None of the loan procedures presented "extreme" or "moderate" problems to a majority of the respondents.

## CHAPTER 1

### PUBLIC OPINION SURVEY OF FARMERS HOME ADMINISTRATION

Farmers Home Administration (FmHA) was established by the Farmers Home Administration Act of 1946. The primary function of FmHA is to provide loans and grants aimed at the improvement and development of the rural areas of the United States. Such loans and grants are provided in the areas of housing, farmer programs (as farm ownership and operating loans, emergency loans, etc.), and community programs (for the development of water, sewer and solid waste systems, community facilities, business and industry, etc.).

To support its oversight function, the Senate Committee on Agriculture and Forestry wanted information on how the sampled clientele of Farmers Home Administration view the programs and services it receives. The Committee, with assistance from the General Accounting Office, developed a survey questionnaire in the Winter of 1974-75 aimed at obtaining such information. Using the survey instrument (refer to Appendix I for a copy of the questionnaire), public opinions, experiences, and perceptions were sought for six programs of FmHA. These programs were:

- Water, sewer and solid waste;
- Rural housing;
- Essential community facilities;
- Business, industrial and job development;
- Site preparation for business and industry; and
- Farm ownership and operating.

Three of these programs--essential community facilities, business and industry, and site preparation--have only been in existence since the passage of the Rural Development Act of 1972.

The questionnaire consists of seven sections. Section I surveys all respondents (former users and non-users of FmHA programs) as to their occupation, awareness of various Federal programs in the area of rural development, the importance of FmHA and other programs, and the income levels of the clientele served. Sections II through VII requests information from persons familiar with FmHA loans and/or grants. Respondents were asked specific questions about loan experiences with which they were familiar in each of the six FmHA program areas mentioned above. Persons who responded to one



or more sections of II through VII are classified as "users" for purposes of this analysis.

The Committee mailed the questionnaire on February 10, 1975, to 3,720 persons, under the signature of Senator Dick Clark, Chairman of the Subcommittee on Rural Development. The sample, selected by the Committee, consisted of people generally concerned with rural development issues, on the following mailing lists:

--Rural development mailing list: a list of individuals and organizations who previously wrote to the Committee or Subcommittee concerning rural development issues	....1,445
--Independent Banker's Association: a 10% sample of rural bankers	.... 750
--National Grange members	.... 725
--National Association of Counties members	.... 750
--Persons who contacted the Committee requesting inclusion in the sample	.... 50

A total of 1,335 persons, or 36 percent, responded. No follow-up letter was sent.

It should be noted that the results of this analysis are valid for the selected sample of 1,335 respondents. The results, however, should not be extrapolated to the total rural universe because this universe may have different characteristics than the selected sample.

#### OBJECTIVES OF THE SURVEY

The FmHA questionnaire was used to obtain opinions of how rural people perceive the programs and services of Farmers Home Administration. It addressed the following questions:

- Do people think FmHA contribution is valuable? Does opinion vary by people with experience and those who have no experience? Does this perception vary by occupational groups? Do people perceive other Federal programs for rural areas to be of greater, the same, or lesser contribution than FmHA?
- Do people think FmHA programs benefit low, middle, or upper level income groups? Do people with FmHA loan/grant experience differ in opinion from those who have no such experience? Is there a difference between occupational groups?

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- . In each of the six FmHA program areas (water, sewer and solid waste; rural housing; essential community facilities; business and industry; site preparation for business and industry; and farm ownership and operating), do people view FmHA differently? For example:
  - . How much knowledge do people have about FmHA and programs of other Federal agencies in each of these areas?
  - . Have users had problems with the services of FmHA? If yes, what types of problems: Forms, getting information, eligibility requirements, personnel, delays in approval, amortization rates, appraisal requirements, etc ?
  - . How long does it take to get a loan or grant?
  - . What procedures are involved, in terms of numbers of contacts with lender, conferences with FmHA personnel, offices to contact, and trips outside area?
  - . How big are the loans or grants? Approximately what percent do people get?
  - . Have the FmHA services been improving or deteriorating since 1970 (or 1972 for some programs), as perceived by users?
  - . How important a contribution does each FmHA area of assistance make to rural development?
  - . In the water and sewer program, is funding at 50 percent of project cost considered to be adequate? If not, what is the perceived adequate level of funding?

### ANALYSIS OF RESPONSES

The Committee requested GAO's assistance in analyzing the responses to the survey in the Spring of 1975. GAO used the SPSS (Statistical Package for the Social Sciences) for its computer support. Tabulations were obtained as well as percentages, medians, cross-tabulations, and some statistical tests for significance.

This paper presents the analysis of the study. Chapter 2 discusses the respondents to the survey as to their occupations and experience with any of the FmHA programs. Chapter 3 presents respondents' views and perceptions as to the importance they attach to FmHA and its programs and the income

levels they see as being served by these programs. Chapters 4 through 9 discuss each of the six program areas separately. Knowledge of each of the programs by all of the respondents in the survey is discussed, as well as the "experiences" people responded as having or knowing about. Chapter 10 presents a few of the comments made by the respondents on FmHA and its services.

The reader should be cautioned that percentages in columns may not equal 100 percent due to rounding. In addition, totals (for example, by occupation or year) may not agree with overall survey totals. This is due to lack of designation by the respondents as to their occupations, the year of their applications, or their failure to respond to certain questions.

## CHAPTER 2

### RESPONDENTS: PROGRAM USERS AND NON-USERS

Of the 1,335 respondents, 886 (66.4 percent) are "non-users" who have not had previous loan experience with FmHA and do not know enough about someone else's experiences to report on; 449 (33.6 percent) reported on loan experiences in at least one program area and are referred to as "users" in this analysis. The program experiences cover the years 1970-75 for the older programs (Water, Sewer, and Solid Waste; Rural Housing; and Farm Ownership and Operating) and 1972-'5 for the remaining programs which were established by the Rural Development Act of 1972.

In order to look at differences in public perception by occupation, respondents were categorized into five groups. For the convenience of discussion in this paper, references will be made to the following occupational groups: administrator, farmer, professional, banker, and other. These categories represent occupations designated by the respondents in the survey, and are composed of the following:

- Administrator: Official, manager, administrator, or proprietor (except farm).
- Farmer: Farmer or farm manager.
- Professional: Accountant, educator, engineer, lawyer, doctor, etc.
- Banker.
- Other: Technical worker (technician, paraprofessional, etc.); sales, clerical and kindred worker; skilled craftsman, foreman, skilled trades and kindred worker; operator (machine operator, driver, and semi-skilled tradesman); service worker; and laborer.

Program users and non-users represented the following occupational groups in the survey:

Distribution of Survey Respondents By Occupation

	<u>Program Users</u>		<u>Non-Users</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Administrators	149	33.2%	330	37.2%	479	35.9%
Farmers	74	16.5	209	23.6	283	21.2
Professionals	65	14.5	162	18.3	227	17.0
Bankers	138	30.7	118	13.3	256	19.2
Others	13	2.9	37	4.2	50	3.7
Respondents not indicating occupation	<u>10</u>	<u>2.2</u>	<u>30</u>	<u>3.4</u>	<u>40</u>	<u>3.0</u>
<b>Total</b>	<b>449</b>	<b>100.0%</b>	<b>886</b>	<b>100.0%</b>	<b>1,335</b>	<b>100.0%</b>

Most of the program users responding to the survey were administrators (33.2 percent) and bankers (30.7 percent); non-users were primarily administrators (37.2 percent) and farmers (23.6 percent).

A few survey respondents indicated having two occupations--normally administrator and farmer or professional and farmer. In such cases, the opinions of the respondents appear under administrator or professional rather than farmer.

CHAPTER 3

RESPONDENTS' PERCEPTIONS OF FmHA

IMPORTANCE OF FmHA TO RURAL DEVELOPMENT

When people were asked about how important a contribution FmHA and other Federal programs make to rural development, respondents rated FmHA programs as contributing more than other Federal programs--54.3 percent rated FmHA programs as being Very Important compared to 29.8 percent for other Federal programs. As expected, a larger proportion of FmHA program users feel that FmHA makes an important contribution than non-users--67.0 percent of users felt that FmHA was Very Important.

Contributions of FmHA and Other Federal Programs  
to Rural Development

	<u>Contributions of FmHA Programs</u>		
	<u>FmHA</u>		
	<u>Program Users</u>	<u>Non-Users</u>	<u>Total</u>
Very Important	67.0%	47.2%	54.3%
Moderately Important	27.3	45.0	38.7
Little or No Importance	<u>5.7</u>	<u>7.8</u>	<u>7.1</u>
Total	100.0%	100.0%	100.0%

	<u>Contributions of Other Federal Programs</u>		
	<u>FmHA</u>		
	<u>Program Users</u>	<u>Non-Users</u>	<u>Total</u>
Very Important	33.2%	28.1%	29.8%
Moderately Important	47.1	53.3	51.2
Little or No Importance	<u>19.7</u>	<u>18.7</u>	<u>19.2</u>
Total	100.0%	100.0%	100.0%

A larger proportion of administrators, farmers and others feel that the contribution of FmHA is Very Important than do professionals and bankers.

Contributions of FmHA Programs to Rural Development  
By Occupation--All Respondents

	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>	<u>Total</u>
Very Important	58.3%	55.8%	49.0%	49.4%	57.9%	54.3%
Moderately Important	36.1	35.9	45.1	42.7	26.3	38.7
Little or No Importance	<u>5.7</u>	<u>8.4</u>	<u>5.8</u>	<u>7.9</u>	<u>15.8</u>	<u>7.1</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of respond- ents	441	251	206	241	38	1,177

Contributions of Other Federal Programs to Rural Development  
By Occupat on--All Respondents

	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>	<u>Total</u>
Very Important	37.5%	32.2%	21.6%	17.4%	33.3%	29.8%
Moderately Important	46.7	52.5	63.2	48.3	45.5	51.2
Little or No Importance	<u>15.7</u>	<u>15.3</u>	<u>15.3</u>	<u>34.3</u>	<u>21.2</u>	<u>19.0</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of respond- ents	413	202	190	178	33	1,016

Using the above two tables, it appears that although profes-  
sionals and bankers rated all the p ograms in the survey lower  
than administrators and farmers, their rating of FmHA is con-  
siderably higher in comparison to the other Federal programs.

INCOME LEVELS SERVED BY FmHA PROGRAMS

When people were asked what income levels they felt were  
served or benefited by FmHA programs, most of the respondents  
said individuals earning up to \$12,000 per year. This was the  
same for all occupational groups and for both total respond-  
ents and FmHA program users.

Income Levels of Persons Served by FmHA--All Respondents

	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>	<u>Total</u>
Under \$4,000	4.5%	3.5%	4.9%	1.7%	7.7%	3.9%
Under \$6,000	24.2	31.3	21.0	20.9	33.3	24.8
Under \$12,000	59.4	50.6	59.0	64.9	51.3	58.3
Under \$18,000	7.8	8.0	11.7	7.1	2.6	8.2
Over \$18,000	<u>4.0</u>	<u>6.4</u>	<u>3.4</u>	<u>5.4</u>	<u>5.1</u>	<u>4.8</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of respond- ents	446	249	205	239	39	1,178

Income Levels of Persons Served by FmHA--Program Users

	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>	<u>Total</u>
Under \$4,000	3.4%	5.6%	3.2%	.7%	23.1%	3.5%
Under \$6,000	28.8	34.7	25.4	23.1	38.5	27.8
Under \$12,000	56.8	47.2	60.3	64.2	30.8	57.2
Under \$18,000	6.2	5.6	7.9	6.0	7.7	6.3
Over \$18,000	<u>4.8</u>	<u>6.9</u>	<u>3.2</u>	<u>6.0</u>	<u>-</u>	<u>5.1</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of respond- ents	146	72	63	134	13	428



CHAPTER 4

PROGRAMS IN WATER, SEWER AND SOLID WASTE (WSSW)

Three Federal agencies--Farmers Home Administration (FmHA), Environmental Protection Agency (EPA), and Economic Development Administration (EDA)--have rural development loan and/or grant programs in water, sewer and solid waste (WSSW). The survey asked people how much knowledge they had about each of these programs. The results showed that respondents have more information on FmHA programs than programs of either EPA or EDA. For example, 85 percent said they had a "great deal" or "some" knowledge of FmHA, as compared to 64 percent and 51 percent for EPA and EDA programs, respectively. \*

Knowledge of Federal Programs in Water, Sewer and Solid Waste

Amount of Knowledge	FmHA		EPA		EDA	
	Number of Respondents	Percent	Number of Respondents	Percent	Number of Respondents	Percent
Great Deal	359	28.3%	170	14.2%	161	13.6%
Some	712	56.2	596	49.7	443	37.5
Little or None	197	15.5	433	36.1	576	48.8
Total	1,268	100.0%	1,199	100.0%	1,180	100.0%

Administrators and professionals indicated they have more knowledge of FmHA, EPA, and EDA programs than farmers, bankers, and others.

Knowledge of Water, Sewer and Solid Waste Programs By Occupation--FmHA--All Respondents

Amount of Knowledge	Adminis- trator	Farmer	Profes- sional	Banker	Other
Great Deal	34.4%	15.0%	37.5%	24.5%	15.6%
Some	55.8	61.0	48.7	57.8	53.3
Little or None	9.8	24.0	13.8	17.7	31.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	468	246	224	249	45

\* The reader is cautioned that the sample is not random and, therefore, responses to this question may be biased. The mailing list of the Senate Agriculture Committee would be expected to attract more correspondence from rural people and organizations familiar with FmHA than EPA and EDA programs.

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Knowledge of Water, Sewer and Solid Waste Programs By  
Occupation--EPA--All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	19.9%	10.4%	22.2%	.9%	6.5%
Some	54.0	48.7	55.7	35.0	60.9
Little or None	<u>26.2</u>	<u>40.9</u>	<u>22.2</u>	<u>64.2</u>	<u>32.6</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	443	230	221	226	46

Knowledge of Water, Sewer and Solid Waste Programs By  
Occupation--EDA--All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	22.4%	3.1%	20.6%	1.4%	4.4%
Some	39.7	26.0	51.8	30.2	37.8
Little or None	<u>37.9</u>	<u>70.9</u>	<u>27.5</u>	<u>68.5</u>	<u>57.8</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	441	223	218	222	45

FmHA WSSW Users--Respondents to Survey

Of the 1,335 individuals responding to the survey, 261 responded about FmHA WSSW loan and/or grant experiences. Most of the respondents (143, or 54.8 percent) reported on someone else's experiences; 176, or 67.4 percent, were approved; most of the applications were made in 1973 and 1974 (52 and 78, respectively).

<u>Type of Application and Status</u>	<u>Number</u>	<u>Percent</u>
Own experience; application approved	77	29.5%
Own experience; application pending	39	14.9
Someone else's experience; application approved	99	37.9
Someone else's experience; application pending	44	16.9
Respondents not indicating information	<u>2</u>	<u>.8</u>
Total	261	100.0%

<u>Year of Application</u>	<u>Number</u>	<u>Percent</u>
1970	47	18.0%
1971	21	8.0
1972	39	14.9
1973	52	19.9
1974	78	29.9
1975	18	6.9
Respondents not indicating year	<u>6</u>	<u>2.3</u>
Total	261	100.0%

#### Sizes of WSSW Loans and/or Grants

Almost 60 percent of the WSSW loans/grants applications included in the survey were under \$350,000; about 45 percent of the respondents reported on loans/grants applications for amounts under \$200,000. Approximately 18 percent of the applications exceeded \$1 million.

#### Amounts of FmHA Loans and/or Grants Applications for WSSW

<u>Amount of Loans/Grants</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>Total</u>	<u>Number of Respondents</u>
Under \$50,000	33.3%	16.7%	27.3%	16.7%	19.4%	25.0%	22.8%	51
\$50,000-\$199,999	7.1	22.2	18.2	27.1	26.9	37.5	22.3	50
\$200,000-\$349,999	19.0	22.2	15.2	14.6	10.4	6.3	14.3	32
\$350,000-\$499,999	4.8	5.6	9.1	8.3	7.5	-	6.7	15
\$500,000-\$699,999	11.9	-	6.1	14.6	7.5	6.3	8.9	20
\$700,000-\$999,999	7.1	11.1	3.0	2.1	11.9	-	6.7	15
\$1,000,000-\$1,499,999	7.1	11.1	6.1	8.3	6.0	6.3	7.1	16
Over \$1,500,000	<u>9.5</u>	<u>11.1</u>	<u>15.2</u>	<u>8.3</u>	<u>10.4</u>	<u>18.8</u>	<u>11.2</u>	<u>25</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	224

Of all approved loans, over half of the respondents (58.8 percent) said 90-100 percent of the request were received. Of the loans processed, 7.8 percent were disapproved.

#### WSSW Time Between Application and Approval

There appears to be a shift in the time it took from application to approval between the years 1970 and 1975. In the earlier years (1970, 1971 and 1972), over one-third of the respondents reported that the process of application to approval took over one year. Beginning in 1973, however, there appears to be a shift to a 4-6 month interval. (Responses for 1975 are not meaningful due to the small number of respondents--2.)

Time Between Application and Approval  
Approved WSSW Applications

<u>Year</u>	<u>Under 3 Months</u>	<u>4 - 6 Months</u>	<u>7 - 9 Months</u>	<u>10 - 12 Months</u>	<u>Over 1 Year</u>	<u>Total</u>
1970	14.7%	23.5%	17.6%	8.8%	35.3%	100.0%
1971	-	23.5	23.5	11.8	41.2	100.0%
1972	14.8	22.2	22.2	7.4	33.3	100.0%
1973	13.9	37.3	16.7	13.9	22.2	100.0%
1974	23.9	48.9	4.4	11.1	6.7	100.0%
1975	50.0	-	-	-	50.0	100.0%
<b>Total</b>	<b>17.4%</b>	<b>32.3%</b>	<b>14.9%</b>	<b>10.6%</b>	<b>24.8%</b>	<b>100.0%</b>
<b>Number of Respond- ents</b>	<b>28</b>	<b>52</b>	<b>24</b>	<b>17</b>	<b>40</b>	<b>161</b>

WSSW Loan/Grant Application Procedures

When persons were asked the number of conferences they had to have with FmHA personnel, the number of different offices they had to contact, and the number of trips outside the area they had to take, responses showed that these contacts have been decreasing over the years. Although the number of conferences with FmHA personnel tended to be high for the years 1970-75 (53.1 percent reporting over three conferences) and remained high in 1974 (42.6 percent having over three conferences), this number tended to decline from 1971 to 1974.

<u>Number of:</u>	<u>Years: 1970-75</u>				
	<u>None</u>	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Over Three</u>
Conferences with FmHA personnel	1.4%	7.2%	15.5%	22.7%	53.1%
Different FmHA offices contacted	4.3	33.3	47.6	8.6	6.2
Trips outside local area	36.0	22.3	16.8	8.1	16.8

<u>Year</u>	<u>Conferences with FmHA Personnel</u>				
	<u>None</u>	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Over Three</u>
1970	--%	3.1%	15.6%	25.0%	56.3%
1971	--	--	6.3	18.8	75.0
1972	--	14.8	14.8	7.4	63.0
1973	2.3	7.0	14.0	25.6	51.2
1974	1.5	8.8	17.6	29.4	42.6
1975	7.1	--	21.4	21.4	50.0

Year	Different FmHA Offices Contacted				
	None	One	Two	Three	Over Three
1970	5.9%	35.3%	33.2%	11.8%	8.8%
1971	--	41.2	52.9	5.9	--
1972	4.3	30.4	43.5	8.7	13.0
1973	4.3	31.9	48.9	8.5	6.4
1974	4.5	32.8	53.7	4.5	4.5
1975	6.7	33.3	46.7	13.3	--

Year	Trips Outside Local Area				
	None	One	Two	Three	Over Three
1970	48.4%	6.5%	22.6%	3.2%	19.4%
1971	25.0	31.3	18.8	--	25.0
1972	28.6	19.0	4.8	19.0	28.6
1973	28.6	26.2	14.3	11.9	19.0
1974	41.2	23.5	19.1	8.8	7.4
1975	30.8	46.2	7.7	--	15.4

Possible Problem Areas

When people surveyed were asked to rate eight items as to whether they were problems or not, and how serious the problems were, three of the items were rated heavily as not a problem. These included receiving all the necessary forms, getting cooperation from FmHA personnel, and receiving fair and unbiased treatment from FmHA personnel.

	Seriousness of Problem: 1970-75			
	Extreme	Moderate	Somewhat	Not a Problem
Obtaining clear program information	12.6%	27.6%	19.5%	40.2%
Receiving all the necessary forms	9.2	16.9	19.7	54.2
Number of complexity of forms	21.5	25.6	26.4	26.4
Eligibility requirements	12.7	31.5	25.5	30.3
Problems with administrative regulations	24.1	25.3	24.9	25.7
Getting cooperation from FmHA personnel	13.8	10.4	12.7	63.1
Receiving fair and unbiased treatment from FmHA personnel	7.3	9.3	11.6	71.8
Delays in obtaining approval	24.7	22.0	26.3	27.1

Obtaining clear program information was considered by administrators, farmers and bankers as a problem with greater frequency than professionals. (The "other" occupational group has been excluded due to the small number of respondents to this section of the questionnaire.)

	<u>Causing "Extreme" or "Moderate" Problems</u>			
	<u>Administrator</u>	<u>Farmer</u>	<u>Professional</u>	<u>Banker</u>
Obtaining clear program information	42.2%	48.5%	25.4%	48.0%

Two items seemed to affect farmers and bankers more than the other occupational groups: the number and complexity of forms and administrative regulations.

	<u>Causing "Extreme" or "Moderate" Problems</u>			
	<u>Administrator</u>	<u>Farmer</u>	<u>Professional</u>	<u>Banker</u>
Number and complexity of forms	41.4%	70.3%	33.4%	57.7%
Administrative regulations	44.8	57.5	47.3	56.3

Over 40 percent of each occupational group responded that eligibility requirements were a "moderate" or "extreme" problem. Farmers and professionals felt slightly stronger about this requirement than administrators and bankers.

	<u>Causing "Extreme" or "Moderate" Problems</u>			
	<u>Administrator</u>	<u>Farmer</u>	<u>Professional</u>	<u>Banker</u>
Eligibility requirements	42.8%	48.4%	48.1%	41.3%

The question of "delays in obtaining approval" as a problem was related to the earlier question of "time from application to approval". (Refer to page 12.) As stated earlier, respondents reported that less time is being taken in the more recent years; therefore, people felt that delays were less of a problem in 1972 through 1974 than in the earlier years.

When people were asked directly whether, in their opinion, any loan requirements were hindering rural WSSW developments respondents were close to being evenly divided--54.1 percent said yes; 45.9 percent said no. When asked, then, to check which items in a list were hindering such improvements, respondents didn't appear to feel too strongly about any of them, except eligibility requirements.

<u>Requirements Hindering WSSW Development</u>	<u>Frequency of Response</u>
Eligibility requirements	75
Income/networth requirements	38
Requirements to check past credit	7
Property appraisal requirements	16
Collateral requirements	14
Requirements for length of amortization period	16
Requirements for financing construction	43
Other	28

#### Suggested Funding Levels for WSSW

FmHA presently funds water, sewer and solid waste grants at 50 percent of project cost. People were asked if the 50 percent level was adequate or another level of funding should be provided. Whereas one-third (33.5 percent) felt that the present level was adequate, only 7.3 percent felt that a 100 percent level is desirable. Farmers and bankers felt the strongest of the occupational groups that the present level of funding should be maintained--46.9 percent and 45.7 percent, respectively.

#### Suggested Funding Levels for Water, Sewer and Solid Waste

	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>	<u>Total</u>	<u>Number of respondents</u>
50% level	29.2%	46.9%	22.6%	45.7%	36.4%	33.5%	83
51% - 70%	19.8	21.9	24.5	21.7	18.2	21.4	53
71% - 85%	28.3	9.4	39.6	23.9	18.2	27.0	67
86% - 99%	17.0	12.5	5.7	2.2	9.1	10.9	27
100% level	<u>5.7</u>	<u>9.4</u>	<u>7.5</u>	<u>6.5</u>	<u>18.2</u>	<u>7.3</u>	<u>18</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	248

#### Importance of FmHA WSSW Funding

Over 70 percent of the respondents felt that FmHA funding in water, sewer and solid waste makes a Very Important contribution to rural development.

#### Importance of FmHA Funding for Water, Sewer and Solid Waste

	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>	<u>Total</u>
Very Important	77.8%	66.7%	74.1%	57.4%	80.0%	71.9%
Moderately Important	15.7	23.3	25.9	31.9	10.0	21.7
Little or No Importance	<u>6.5</u>	<u>10.0</u>	<u>-</u>	<u>10.6</u>	<u>10.0</u>	<u>6.4</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	108	30	54	47	10	249

CHAPTER 3

PROGRAMS IN RURAL HOUSING

Both the Farmers Home Administration (FmHA) and Housing and Urban Development (HUD) have programs in housing in rural areas. Of the two agencies, the respondents to the survey claimed they have more knowledge of the FmHA program than that of HUD--82.5 percent said they had a "great deal" or "some" knowledge of FmHA programs in rural housing as compared to 55.7 percent for HUD programs. \*

Knowledge of Federal Programs in Rural Housing

<u>Amount of Knowledge</u>	<u>FmHA</u>		<u>HUD</u>	
	<u>Number of Respondents</u>	<u>Percent</u>	<u>Number of Respondents</u>	<u>Percent</u>
Great Deal	339	26.8%	124	10.5%
Some	704	55.7	533	45.2
Little or None	220	17.4	522	44.3
<b>Total</b>	<b>1,263</b>	<b>100.0%</b>	<b>1,179</b>	<b>100.0%</b>

Of the different occupational groups, farmers and others are least familiar with government programs. Of the farmers who were non-users of FmHA rural housing loans, 33.5 percent said they had little or no knowledge of the FmHA program; 70.8 percent said they had little or no knowledge of the HUD program. Of the total number of farmers responding, 29.0 percent had little or no information of FmHA, while 67.9 percent had little or no information about the HUD program.

Knowledge of Rural Housing Program by Occupation--  
FmHA--All Respondents

	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	29.5%	16.6%	31.3%	31.1%	13.0%
Some	57.4	54.4	52.2	58.6	47.8
Little or None	13.1	29.0	16.5	10.4	39.1
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Number of Respondents</b>	<b>465</b>	<b>241</b>	<b>224</b>	<b>251</b>	<b>46</b>

\* The reader is cautioned that the sample is not random, and therefore, responses to this question may be biased. The mailing list of the Senate Agriculture Committee would be expected to attract more correspondence from rural people and organizations familiar with FmHA than the HUD program.



Knowledge of Rural Housing Program by Occupation--HUD--  
All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	15.5%	1.8%	16.4%	5.4%	4.4%
Some	50.8	30.3	52.3	40.2	57.8
Little or None	<u>33.7</u>	<u>67.9</u>	<u>31.4</u>	<u>54.5</u>	<u>37.8</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	439	218	220	224	45

FmHA Rural Housing Users--Respondents in the Survey

The majority of the "user" respondents (71.0 percent) reported on other people's experiences. Over 80 percent of all the applications were approved. Approximately 42 percent of the loans were made or applied for in 1974.

<u>Type of Application and Status</u>	<u>Number</u>	<u>Percent</u>
Own experience; application approved	46	21.2%
Own experience; application pending	17	7.8
Someone else's experience; applica- tion approved	128	59.0
Someone else's experience; applica- tion pending	<u>26</u>	<u>12.0</u>
Total	217	100.0%

<u>Year of Application</u>	<u>Number</u>	<u>Percent</u>
1970	28	12.9%
1971	15	6.9
1972	30	13.8
1973	38	17.5
1974	91	41.9
1975	<u>15</u>	<u>6.9</u>
Total	217	100.0%

Sizes of Housing Loans

The majority of the respondents in the survey (about 62 percent) reported on applications under \$25,000. Approximately eight percent (or 15 applications) were in excess of \$1 million.

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## Amounts of FmHA Loan Applications for Rural Housing

Amount of Loans	1970	1971	1972	1973	1974	1975	Total	Number of Respondents
Under \$5,000	73.74	80.70	55.66	66.78	58.46	18.58	61.68	114
\$5,000-\$99,999	5.1	-	14.8	17.6	22.8	23.1	16.2	10
\$100,000-\$499,999	13.5	-	14.4	-	5.2	-	5.4	10
\$500,000-\$999,999	1.0	-	3.7	5.9	3.9	-	5.4	10
\$1,000,000-\$4,999,999	-	6.7	3.7	2.9	3.9	-	3.2	6
\$5,000,000-\$9,999,999	-	-	3.7	-	-	43.1	2.2	4
Over \$5,000,000	-	6.7	3.7	3.8	7.8	-	5.9	11
Total	102.28	100.00	100.00	100.00	100.00	100.00	100.00	159

Of the approved applications, 82.2 percent were financed at 90-100 percent of the loan request. Only 3.7 percent of the processed applications were disapproved.

### Time Between Housing Application and Approval

Of the 159 respondents with completed applications, 78.0 percent said it took less than six months from the time of application to the time of approval.

### Time Between Application and Approval Approved Housing Applications

Year	Under 3 Months	4-6 Months	7-9 Months	10-12 Months	Over 1 Year	Total
1970	48.0%	32.0%	12.0%	--	8.0%	100.0%
1971	40.0	40.0	6.7	6.7	6.7	100.0
1972	25.9	37.0	22.2	7.4	7.4	100.0
1973	33.3	48.1	14.8	--	3.7	100.0
1974	54.0	27.0	12.7	3.2	3.2	100.0
1975	50.0	50.0	--	--	--	100.0
Total	43.4%	34.6%	13.8%	3.1%	5.0%	100.0%

Number of Respondents	69	55	22	5	8	159
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### Housing Loan Application Procedures

A majority of respondents had over three conferences with FmHA personnel, only one FmHA office needed to be contacted, and trips outside the local area were not required. These procedures for obtaining a loan remained relatively constant over the years of the survey.

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	Years: 1970 - 75				
	None	One	Two	Three	Over Three
Conferences with FmHA personnel	1.2%	13.3%	23.6%	22.4%	39.4%
Diff rent FmHA offices contacted	10.1	60.7	20.8	5.4	3.0
Trips outside local area	64.8	12.3	8.6	4.9	9.3

Possible Problem Areas

When people were asked whether certain aspects of the loan procedure presented problems, the following responses were obtained:

	Seriousness of Problem: 1970-75			
	Extreme	Moderate	Somewhat	Not a Problem
Obtaining clear program information	15.9%	19.2%	23.4%	41.5%
Receiving all the necessary forms	9.2	16.5	16.5	57.8
Number of complexity of forms	17.3	26.0	25.0	31.7
Eligibility requirements	18.2	24.3	26.6	30.8
Problems with administrative regulations	16.7	23.8	25.7	33.8
Getting cooperation from FmHA personnel	11.8	10.9	13.7	63.5
Receiving fair and unbiased treatment from FmHA personnel	10.9	7.6	14.7	66.8
Delays in obtaining approval	24.0	16.7	26.0	33.3

Three items were rated by more than 50 percent of the respondents as not a problem--receiving all the necessary forms (57.8 percent), getting cooperation from FmHA personnel (63.5 percent), and receiving fair and unbiased treatment from FmHA personnel (66.8 percent).

Almost 42 percent of the respondents felt that obtaining clear program information is not a problem. By occupational group, a greater proportion of administrators and professionals considered obtaining clear program information an "extreme" or "moderate" problems than farmers and bankers.

Causing "Extreme" or "Moderate" Problems				
	<u>Administrator</u>	<u>Farmer</u>	<u>Professional</u>	<u>Banker</u>

Obtaining clear program information	37.7%	30.3%	41.3%	30.0%
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The number and complexity of forms is viewed as a problem to most respondents. Over 40 percent of administrators, farmers, and bankers view this requirement as either an "extreme" or "moderate" problem. Professionals view this requirement as less of a problem.

Causing "Extreme" or "Moderate" Problems				
	<u>Administrator</u>	<u>Farmer</u>	<u>Professional</u>	<u>Banker</u>

Number and complexity of forms	43.3%	43.3%	25.9%	45.7%
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Approximately 40 percent of the respondents in each occupational group also said eligibility and administrative regulations are likewise problems in the years of the survey.

Causing "Extreme" or "Moderate" Problems				
	<u>Administrator</u>	<u>Farmer</u>	<u>Professional</u>	<u>Banker</u>

Eligibility requirements	42.7%	48.4%	46.7%	38.0%
Administrative regulations	40.3	41.9	41.3	39.1

Out of 64 administrators responding to this portion of the survey, one-half responded that delays in obtaining approval presented problems--more than any of the other occupational groups. Farmers viewed this variable as less of a problem than the other groups.

Causing "Extreme" or "Moderate" Problems				
	<u>Administrator</u>	<u>Farmer</u>	<u>Professional</u>	<u>Banker</u>

Delays in obtaining approval	50.1%	32.3%	46.1%	36.2%
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Of all the respondents to the Housing portion of the survey, 61.9 percent felt that some of the FmHA housing loan requirements were hindering improvements in rural development. Of the list of requirements enumerated in the questionnaire, two items--eligibility and income/network requirements--were mentioned with greatest frequency, as shown in the following table:

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<u>Requirements Hindering Housing Development</u>	<u>Frequency of Response</u>
Eligibility requirements	85
Income/networth requirements	75
Requirements to check past credit	15
Property appraisal requirements	24
Collateral requirements	25
Requirements for length of amortization period	12
Requirements for financing construction	39
Other	15

Importance of FmHA Funding for Rural Housing

Clearly, most of the persons responding to this section of the survey (almost 70 percent) rated the FmHA program in housing as being "Very Important". By occupational group, administrators rated this program as "Very Important" with greatest frequency.

Importance of FmHA Funding for Rural Housing

	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>
Very Important	80.3%	62.5%	62.1%	63.2%
Moderately Important	16.7	37.5	27.6	27.9
Little or No Importance	<u>3.0</u>	<u>-</u>	<u>10.3</u>	<u>8.8</u>
Total	100.0%	100.0%	100.0%	100.0%
Number of Respondents	66	32	29	68

CHAPTER 6

DEVELOPMENT OF ESSENTIAL COMMUNITY FACILITIES

Two Federal agencies have programs for rural development in essential community facilities (ECF)--Farmers Home Administration (FmHA) and Housing and Urban Development (HUD). According to the survey, neither program is well known by the respondents. Of the individuals responding to the question as to how much they know about FmHA programs in ECF, 17.8 percent have a "great deal" of knowledge, 47.3 percent have "some" knowledge, and 34.9 percent said they have "little or no" knowledge. HUD's program is even lesser known. To the same question, 8.5 percent of the respondents said they had a "great deal" of information about the HUD program, while 55.2 percent said they know little or nothing about the program. \*

Knowledge of Federal Programs in Essential Community Facilities

<u>Amount of Knowledge</u>	<u>FmHA</u>		<u>HUD</u>	
	<u>Number of Respondents</u>	<u>Percent</u>	<u>Number of Respondents</u>	<u>Percent</u>
Great Deal	218	17.8%	99	8.5%
Some	578	47.3	420	36.3
Little or None	427	34.9	639	55.2
Total	1,223	100.0%	1,158	100.0%

By occupational group, farmers, bankers and others had the least amount of knowledge of both programs.

Knowledge of ECF Programs by Occupation--FmHA--All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	22.8%	8.7%	24.5%	11.5%	9.1%
Some	52.1	41.7	44.5	48.4	38.6
Little or None	25.1	49.6	30.9	40.2	52.3
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Number of Respondents	451	230	220	244	44
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\* The reader is cautioned that the sample is not random, and, therefore, responses to this question may be biased. The mailing list of the Senate Agriculture Committee would be expected to attract more correspondence from rural people and organizations familiar with FmHA than the HUD program.

Knowledge of ECF Programs by Occupation--HUD--All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	14.2%	1.9%	12.4%	1.4%	-- %
Some	42.2	20.5	49.1	24.4	46.3
Little or None	43.6	77.6	38.5	74.2	53.7
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	436	210	218	221	41

FmHA ECF Users--Respondents to Survey

The FmHA program in essential community facilities has only been in existence since 1972. The number of users are still small and there were relatively few respondents to the survey concerning this program--70. Caution should therefore be taken to not make generalizations from the responses. Data by year, in particular, is not applicable in the analysis of this program since the number of users is small.

Of the 70 users, over half had approved applications. Also, slightly over one-half reported on their own experience, while the remainder reported on other people's experiences.

<u>Type of Application and Status</u>	<u>Number</u>	<u>Percent</u>
Own experience; application approved	23	32.9%
Own experience; application pending	14	20.0
Someone else's experience; application approved	17	24.3
Someone else's experience; application pending	<u>16</u>	<u>22.9</u>
Total	70	100.0%

<u>Year of Application</u>	<u>Number</u>	<u>Percent</u>
1972	7	10.0%
1973	10	14.3
1974	33	47.1
1975	16	22.9
Respondents not indicating year	<u>4</u>	<u>5.7</u>
Total	70	100.0%

Sizes of ECF Loans

Over one-half (58 percent) of the loans in the survey were in amounts under \$250,000; 30 percent of the loan applications were made for under \$100,000. Fifteen percent of the applications were for \$1 million or more.

Of those applications approved, 81 percent were approved for 90-100 percent of the amount requested. Only two (5 percent) of the processed applications were disapproved.

Amounts of FmHA Loan Applications for Essential Community Facilities

<u>Amount of Loans</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>Total</u>	<u>Number of Respondents</u>
Under \$100,000	42.9%	12.5%	38.7%	14.3%	30.0%	18
\$100,000-\$249,999	14.3	37.5	25.8	35.7	28.3	17
\$250,000-\$499,999	-	25.0	19.4	14.3	16.7	10
\$500,000-\$999,999	-	-	12.9	14.3	10.0	6
\$1,000,000-\$2,499,999	42.9	12.5	-	-	6.7	4
Over \$2,500,000	-	12.5	3.2	21.4	8.3	5
Total	100.0%	100.0%	100.0%	100.0%	100.0%	60

ECF Time Between Application and Approval

Of the applications approved, clearly the largest proportion took between four and six months to process.

	<u>Years: 1972-1975</u>					<u>Total</u>
	<u>Under 3 Months</u>	<u>4-6 Months</u>	<u>7-9 Months</u>	<u>10-12 Months</u>	<u>Over 1 year</u>	

Time Between Application & Approval: Approved Applications	13.2%	55.3%	5.3%	13.2%	13.2%	100.0
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ECF Loan Application Procedures

For the years 1972-1975, a predominant number of respondents reported that they had over three conferences with FmHA personnel, contacted two FmHA offices, and made no trips outside their local area.



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	Years: 1972 - 1975				
	None	One	Two	Three	Over Three
Conferences with FmHA personnel	1.6%	8.2%	18.0%	27.9%	44.3%
Different FmHA offices contacted	3.3	31.1	52.5	11.5	1.6
Trips outside local area	46.4	21.4	14.3	8.9	8.9

Possible Problem Areas

When individuals surveyed were asked about their perception as to what requirements and procedures of Farmers Home were problems, three factors were rated highly as not being a problem:

- receiving all the necessary forms;
- getting cooperation from FmHA personnel; and
- receiving fair and unbiased treatment from FmHA personnel.

	Seriousness of Problem; 1972-1975			
	Extreme	Moderate	Somewhat	Not a Problem
Receiving all the necessary forms	11.8%	14.7%	14.7%	58.8%
Getting cooperation from FmHA personnel	11.4	7.1	11.4	70.0
Receiving fair and unbiased treatment from FmHA personnel	5.7	4.3	7.1	82.9

Respondents' opinions were divided concerning the other factors on the list:

	Seriousness of Problem; 1972-1975			
	Extreme	Moderate	Somewhat	Not a Problem
Obtaining clear program information	14.3%	27.1%	21.4%	37.1%
Number and complexity of forms	15.7	20.0	32.9	31.4
Eligibility requirements	19.1	25.0	26.5	29.4
Administrative regulations	18.8	26.1	26.1	29.0
Delays in obtaining approval	23.8	20.6	25.4	30.2

Administrators and bankers had different reactions from professionals concerning the matter of obtaining clear program information. Administrators and bankers were more critical. For example, while approximately one-half of all three groups felt that obtaining clear program information presented "moderate" or "some" problems, a greater percent of the administrators and bankers felt that there were "extreme" problems in this area; professionals, on the other hand, tended to feel that obtaining clear program information was not an extreme problem. (Farmers, due to their low response rate to this portion of the survey, have been excluded from this analysis.)

	Obtaining Clear Program Information			
	Seriousness of Problem: 1972 - 1975			
	<u>Extreme</u>	<u>Moderate</u>	<u>Somewhat</u>	<u>Not a Problem</u>
Administrator	11.1%	33.3%	18.5%	37.0%
Professional	--	29.4	23.5	47.1
Banker	21.4	14.3	35.7	28.6

The number and complexity of forms likewise received the same type of split reaction. Whereas 57 percent of the administrators and 86 percent of the bankers thought that forms presented "extreme" to "some" problems, less than one-half of the professionals felt the same way.

	Number & Complexity of Forms: 1972-75		
	<u>Administrator</u>	<u>Professional</u>	<u>Banker</u>
Causing "Extreme" to "Some" Problems	66.6%	47.0%	85.8%
Not a Problem Area	33.3	52.9	14.3

Eligibility requirements were perceived altogether differently by the three occupational groups. Administrators were divided among themselves (40.0 percent feeling that it's an "extreme" or "moderate" problem while 44.0 percent stating that it's not a problem); most of the professionals (56.3 percent) felt that eligibility requirements are "extreme" or "moderate" problems; half the bankers felt that there is "some" problem here. The agreement by most, then, is that a problem exists; the degree of seriousness is viewed differently by different people.

	Eligibility Requirements: 1972-75		
	<u>Administrator</u>	<u>Professional</u>	<u>Banker</u>
Causing "Extreme" or "Moderate" Problems	40.0%	56.3%	35.7%
Causing "Some" Problems	16.0	18.8	50.0
Not a Problem Area	44.0	25.0	14.3

FmHA administrative regulations was another area in which people's opinions were divided. Whereas over 50 percent of all groups felt that administrative regulations presented "some" or "no" problems, bankers were more in agreement with each other than administrators and professionals concerning this perception.

	<u>Administrative Regulations: 1972-75</u>		
	<u>Administrator</u>	<u>Professional</u>	<u>Banker</u>
Causing "Extreme" or "Moderate" Problems	46.1%	47.1%	28.5%
Causing "Some" or "No" Problems	53.9	52.9	71.4

On the question of whether there is a problem in delays in obtaining approval, people's opinions were again divided--about 45 percent felt there were "extreme" or "moderate" problems, 25 percent said there were "some" problems, and 30 percent felt that there weren't any problems with delays. The reasons for such division in opinions may be the small number of responses and the fact that 43 percent of the experiences reported on in the survey were still pending approval.

When asked whether any loan requirements are hindering improvements in essential community facilities in rural areas, 63.2 percent responded to the affirmative. On the listing of which requirements are hindering such improvements, eligibility requirements was again the most frequently mentioned factor.

<u>Requirements Hindering ECF Development</u>	<u>Frequency of Response</u>
Eligibility requirements	29
Income/networth requirements	14
Requirements to check past credit	5
Property appraisal requirements	5
Collateral requirements	14
Requirements for length of amortization period	6
Requirements for financing construction	15
Other	10

Importance of FmHA ECF Funding

Nearly two-thirds of the respondents rated the FmHA program in essential community facilities as Very Important.

Importance of FmHA Funding for Essential Community Facilities

	<u>Administrator</u>	<u>Professional</u>	<u>Banker</u>
Very Impo tant	59.3%	64.7%	72.7%
Moderaterly Important	29.6	17.6	18.2
Little or No Importance	<u>11.1</u>	<u>17.6</u>	<u>9.1</u>
Total	100.0%	100.0%	100.0%
Number of Respondents	27	17	11

CHAPTER 7

PROGRAMS IN BUSINESS AND INDUSTRY (B&I)

Of the three Federal agencies with programs in Business and Industry (B&I)--Farmers Home Administration (FmHA), Economic Development Administration (EDA), and Small Business Administration (SBA)--the FmHA and SBA programs seemed to be equally known; EDA is not as well known. Less than 17 percent of the respondents claimed they had a "great deal" of information about FmHA and SBA programs, while only 11 percent knew a "great deal" about the EDA program. \*

Knowledge of Federal Programs in Business and Industry (B&I)

	<u>FmHA</u>		<u>EDA</u>		<u>SBA</u>	
	<u>Number of Respondents</u>	<u>Percent</u>	<u>Number of Respondents</u>	<u>Percent</u>	<u>Number of Respondents</u>	<u>Percent</u>
Great Deal	194	16.1%	131	11.3%	197	16.5%
Some	507	42.0	345	29.7	511	42.8
Little or None	505	41.9	684	59.0	487	40.8
Total	1,206	100.0%	1,160	100.0%	1,195	100.0%

By occupational group, administrators and professionals had a greater familiarity with the Federal programs than bankers and farmers. The only exception is that bankers have a greater knowledge of the SBA program than the other groups. Farmers and others have the least familiarity with all the programs.

Knowledge of B&I Programs by Occupation--FmHA--All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	18.8%	6.4%	27.3%	11.0%	7.1%
Some	45.6	28.9	42.7	48.8	33.3
Little or None	35.6	64.7	30.0	40.2	59.5
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	447	218	220	246	42

\* The reader is cautioned that the sample is not random, and, therefore, responses to this question may be biased. The mailing list of the Senate Agriculture Committee would be expected to attract more correspondence from rural people and organizations familiar with FmHA than EDA and SBA programs.

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Knowledge of B&I Programs by Occupation--EDA--All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	16.7%	.9%	23.1%	.9%	- %
Some	37.4	12.3	40.7	20.5	29.5
Little or None	45.9	86.7	36.1	78.6	70.5
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	438	211	216	220	44

Knowledge of B&I Programs by Occupation--SBA--All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	13.7%	3.7%	22.6%	29.6%	6.7%
Some	44.6	33.0	49.8	44.2	37.8
Little or None	41.7	63.3	27.6	26.3	55.6
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	444	218	217	240	45

FmHA B&I Users--Respondents to the Survey

The FmHA B&I program has been in existence since 1972. Since the number of responses are small (70), caution should be used in inferring trends from the data.

About one-half of the applications--51.4 percent--were still pending at the time of the survey. The majority--58.6 percent--of the applications were made in 1974.

<u>Type of Application and Status</u>	<u>Number</u>	<u>Percent</u>
Own experience; application approved	17	24.3%
Own experience; application pending	12	17.1
Someone else's experience; application approved	16	22.9
Someone else's experience; application pending	24	34.3
Respondents not indicating information	1	1.4
Total	70	100.0%

<u>Year of Application</u>	<u>Number</u>	<u>Percent</u>
1972	6	8.6%
1973	10	14.3
1974	41	58.6
1975	13	18.6
Total	70	100.0%

Sizes of B&I Loans

The majority of the applications in the survey (about 66 percent) were made for loans under \$500,000. Less than one-fourth of the applications were made for \$1 million or more.

<u>Amounts of Loans</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>Total</u>	<u>Number of Respondents</u>
Under \$100,000	50.0%	33.3%	19.4%	23.1%	24.2%	15
\$100,000-\$249,999	-	22.2	36.1	15.4	27.4	17
\$250,000-\$499,999	-	11.1	19.4	7.7	14.5	9
\$500,000-\$749,999	25.0	-	2.8	15.4	6.5	4
\$750,000-\$999,999	25.0	-	2.8	7.7	4.8	3
\$1,000,000-\$1,499,999	-	11.1	11.1	7.7	2.7	6
Over \$1,500,000	-	22.2	8.3	23.1	12.9	8
Total	100.0%	100.0%	100.0%	100.0%	100.0%	62

Of all approved applications, 21 (or, 77.8 percent) received approval for 90-100 percent of their requests. Of all completed applications, 27.0 percent (10) were disapproved.

Time Between B&I Application and Approval

Of the respondents answering the question pertaining to the time it took between application and approval, only half had completed, approved applications. Though the number of respondents was small (32), the indication from the survey was that most B&I applications (46.9 percent) have taken less than three months to process.

	<u>Years: 1972-1975</u>					<u>Total</u>
	<u>Under 3 Months</u>	<u>4-6 Months</u>	<u>7-9 Months</u>	<u>10-12 Months</u>	<u>Over 1 Year</u>	
Time Between Application and Approval: Approved Applications	46.9%	28.1%	12.5%	3.1%	9.4%	100.0%

### B&I Loan Application Procedures

Most frequently, respondents said they had to make more than three contacts with the lender, have more than three conferences with FmHA personnel, make contacts with two FmHA offices, and take no trips outside the local area.

<u>Number of:</u>	<u>Years: 1972 - 1975</u>				
	<u>None</u>	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Over Three</u>
Contacts with lender	--	10.9%	14.5%	27.3%	47.3%
Conferences with FmHA personnel	--	3.3	29.5	24.6	42.6
Different FmHA offices contacted	1.6	22.6	62.9	8.1	4.8
Trips outside local area	34.5	27.6	10.3	10.3	17.2

### Possible Problem Areas

When respondents were asked to rate certain loan procedures as to whether they presented problems, and how serious the problems were, three items were rated highly as not being problems:

- receiving all the necessary forms;
- getting cooperation from FmHA personnel; and
- receiving fair and unbiased treatment from FmHA personnel.

	<u>Seriousness of Problem: 1972-75</u>			
	<u>Extreme</u>	<u>Moderate</u>	<u>Somewhat</u>	<u>Not a Problem</u>
Receiving all the necessary forms	9.1%	13.6%	19.7%	57.6%
Getting cooperation from FmHA personnel	10.0	11.4	10.0	68.6
Receiving fair and unbiased treatment from FmHA personnel	8.7	11.6	5.8	73.9

Two items--number and complexity of forms and eligibility requirements--received different opinions by the different occupational groups. A smaller proportion of professionals viewed these procedures to be problems than administrators and bankers. (Since a small number of farmers responded to this portion of the survey (2), they have been excluded from this section of the analysis.)



Number & Complexity of Forms: 1972-75  
Administrator      Professional      Banker

Causing "Extreme" or "Moderate" Problems	41.7%	12.6%	44.5%
Not a Problem Area	33.3	62.5	44.4

Eligibility Requirements: 1972-75  
Administrator      Professional      Banker

Causing "Extreme" or "Moderate" Problems	42.3%	31.3%	60.0%
Not a Problem Area	34.6	56.3	30.0

There was a mix of reaction about obtaining clear program information--46.4 percent felt that this caused "extreme" or "moderate" problems; 39.1 percent felt that it wasn't a problem. By occupation, a larger percent of administrators thought that this was a problem.

Obtaining Clear Program  
Information: 1972-75  
Administrator      Professional      Banker

Causing "Extreme" or "Moderate" Problems	50.0%	37.6%	42.1%
Not a Problem Area	34.6	37.5	47.4

Administrative regulations were viewed similarly by all occupational groups--whereas about 37 percent viewed it as an "extreme" or "moderate" problem, about 45 percent viewed it as not a problem at all.

Administrative Regulations: 1972-75  
Administrator      Professional      Banker

Causing "Extreme" or "Moderate" Problems	36.0%	37.5%	36.9%
Not a Problem Area	44.0	43.8	47.4

Approximately one-third of the respondents felt that there were "extreme" problems in the delays in obtaining approval while another one-third felt there were no problems. These varied responses might have been caused by the fact that 52 percent of users still had pending applications.

Of the small number of respondents (70), 63.6 percent felt that there are loan requirements hindering improvements in the area of business and industry. When asked to check off any such requirements, the largest number of respondents said it was eligibility requirements.

<u>Requirements Hindering B&amp;I Development</u>	<u>Frequency of Response</u>
Eligibility requirements	29
Income/networth requirements	16
Requirements to check past credit	5
Property appraisal requirements	5
Collateral requirements	16
Requirements for length of amortization period	11
Requirements for financing construction	12
Other	11

Importance of FmHA B&I Funding

More than half of the respondents felt that FmHA B&I loans are Very Important--58.6 percent Very Important, 21.4 percent Moderately Important, 20.0 percent Little or No Importance. By profession, bankers rated the importance of FmHA contribution lower than the administrators and professionals in the sample.

Importance of FmHA Funding for Business and Industry

	<u>Administrator</u>	<u>Professional</u>	<u>Banker</u>
Very Important	58.3%	68.8%	45.0%
Moderately Important	29.2	18.8	20.0
Little or No Importance	<u>12.5</u>	<u>12.5</u>	<u>35.0</u>
Total	100.0%	100.0%	100.0%
Number of Respondents	24	16	20

CHAPTER 3

SITE PREPARATION FOR BUSINESS AND INDUSTRY

The FmHA program in site preparation for business and industry is new (since 1972) and the smallest of the six programs in terms of the small number of user responses elicited from the survey. Only 40 persons of the 1,335 respondents reported that they or someone they knew had experience with site preparation loans. Primarily due to this small number of responses, extreme caution should be taken to not draw firm conclusions from the survey results presented in this chapter.

Actually, the Economic Development Administration (EDA), as well as FmHA, provides funds for site preparation for business and industry. According to the survey results, neither program is well known; though the FmHA program is slightly better known of the two. \*

Knowledge of Federal Programs in Site Preparation  
for Business and Industry

Amount of Knowledge	FmHA		EDA	
	Number of Respondents	Percent	Number of Respondents	Percent
Great Deal	134	11.2%	114	9.8%
Some	374	31.3	279	23.9
Little or None	688	57.5	776	66.4
Total	1,196	100.0% <sup>a</sup>	1,169	100.0%

By occupation, a very small percent of all the farmers and bankers in the survey know of the FmHA or EDA programs. Whereas about one-half of the administrators and professionals have a "great deal" or "some" knowledge of the two programs, about 20 percent of the farmers, 30 percent of the bankers, and 30 percent of others have that much information, respectively, of the FmHA program. Less than 15 percent of the same groups have a "great deal" or "some" information on the EDA program.

\* The reader is cautioned that the sample is not random, and, therefore, responses to this question may be biased. The mailing list of the Senate Agriculture Committee would be expected to attract more correspondence from rural people and organizations familiar with FmHA than the EDA program.

Knowledge of Site Preparation Programs by Occupation--FmHA--  
All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	15.5%	4.6%	17.3%	4.6%	4.7%
Some	37.6	16.6	41.4	25.5	27.9
Little or None	<u>46.8</u>	<u>78.8</u>	<u>41.4</u>	<u>69.9</u>	<u>67.4</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	444	217	220	239	43

Knowledge of Site Preparation Programs by Occupation--EDA--  
All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	16.2%	1.0%	16.4%	.9%	--
Some	29.5	10.6	35.2	14.0	31.1
Little or None	<u>54.2</u>	<u>88.5</u>	<u>48.4</u>	<u>85.1</u>	<u>68.9</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Number of Respondents	437	208	219	228	45

FmHA Site Preparation Users--Respondents to the Survey

Two-thirds of the applications described in the survey were made in 1974. Over one-half (55 percent) were about applications that have been approved; though most (58 percent) described experiences of someone other than the respondent.

<u>Type of Application and Status</u>	<u>Number</u>	<u>Percent</u>
Own experience; application approved	11	27.5%
Own experience; application pending	5	12.5
Someone else's experience; application approved	11	27.5
Someone else's experience; application pending	12	30.0
Respondents not indicating information	<u>1</u>	<u>2.5</u>
Total	40	100.0

<u>Year of Application</u>	<u>Number</u>	<u>Percent</u>
1972	3	7.5%
1973	5	12.5
1974	27	67.5
1975	5	12.5
Total	40	100.0%

Sizes of Site Preparation Loans

Fifteen of the 40 loans (about 42 percent) were for amounts under \$100,000. Almost three-fourths of the loans in the survey covered amounts under \$300,000. Only three loans were for amounts of \$1 million or more.

Amounts of FmHA Loan Applications for Site Preparation

<u>Amount of Loans</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>Total</u>	<u>Number of Respondents</u>
Under \$100,000	100.0%	-- %	40.7%	40.0%	41.7%	15
\$100,000-\$199,999	--	--	18.5	--	13.9	5
\$200,000-\$299,999	--	100.0	11.1	20.0	16.7	6
\$300,000-\$399,999	--	--	11.1	--	8.3	3
\$400,000-\$499,999	--	--	--	--	--	--
\$500,000-\$599,999	--	--	11.1	20.0	11.1	4
\$600,000-\$999,999	--	--	--	--	--	--
Over \$1,000,000	--	--	7.4	20.0	8.3	3
Total	100.0%	100.0%	100.0%	100.0%	100.0%	36

Most of the approved applications (70 percent) were approved for 90-100 percent of the request. Only two of the processed applications in the survey were disapproved.

Time Between Application and Approval

Of the approved applications, 90 percent took six months or less from date of application to approval. Slightly less than one-half (10) took three months or less.

<u>Years: 1972-75</u>					
<u>Under</u>	<u>4-6</u>	<u>7-9</u>	<u>10-12</u>	<u>Over</u>	<u>Total</u>
<u>3 Months</u>	<u>Months</u>	<u>Months</u>	<u>Months</u>	<u>1 Year</u>	

Time Between Application and Approval: Approved Applications	47.6%	42.9%	4.8%	--	4.8%	100.0%
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Site Preparation Loan Application Procedures

Looking at the median number of responses, respondents reported that applicants had two contacts with lenders, had three conferences with FmHA personnel, contacted two different FmHA offices, and took two trips outside the local area.

<u>Number of:</u>	<u>Years: 1972 - 1975</u>				
	<u>None</u>	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Over Three</u>
Contacts with lender	11.1%	11.1%	29.6%	18.5%	29.6%
Conferences with FmHA personnel	3.1	6.3	21.9	37.5	31.3
Different FmHA offices contacted	3.0	24.2	48.5	21.2	3.0
Trips outside local area	21.9	25.0	21.9	18.8	12.5

Possible Problem Areas

When asked if certain loan procedures or requirements presented problems to the borrower, the majority of the respondents reported that none were "extreme" problems.

Five items were rated as not significant problem areas: obtaining clear program information (64 percent saying it presents "some" or "no" problems); receiving all the necessary forms (74 percent "some" or "no" problems); administrative regulations (64 percent "some" or "no" problems); cooperation from FmHA personnel (70 percent "no" problems); and fair and unbiased treatment from FmHA personnel (80 percent "no" problems).

	<u>Seriousness of Problems: 1972-75</u>			
	<u>Extreme</u>	<u>Moderate</u>	<u>Somewhat</u>	<u>Not a Problem</u>
Obtaining clear program information	17.9%	17.9%	20.5%	43.6%
Receiving all the necessary forms	13.2	13.2	13.2	60.5
Problems with administrative regulations	20.5	15.4	17.9	46.2
Getting cooperation from FmHA personnel	15.0	5.0	10.0	70.0
Receiving fair and unbiased treatment from FmHA personnel	10.3	5.1	5.1	79.5

The remaining three items on the list indicated that problems may be more prevalent than the above.

	<u>Seriousness of Problem: 1972-75</u>			
	<u>Extreme</u>	<u>Moderate</u>	<u>Somewhat</u>	<u>Not a Problem</u>
Number and complexity of forms	15.8%	26.3%	21.1%	36.8%
Eligibility requirements	20.5	23.1	2.6	53.8
Delays in obtaining approval	35.9	15.4	15.4	33.3

When asked, specifically, if any loan requirements are hindering site preparation for business and industry in rural areas, 45.9 percent said yes. The following items were checked by those respondents:

<u>Requirements Hindering Site Preparation Development</u>	<u>Frequency of Response</u>
Eligibility requirements	11
Income/networth requirements	7
Requirements to check past credit	3
Property appraisal requirements	2
Collateral requirements	5
Requirements for length of amortization period	5
Requirements for financing construction	5
Other	3

Importance of FmHA Site Preparation Funding

Administrators and professionals were the occupational groups that reported the largest portion of the "user" experiences in this section of the survey (comprising about 79 percent of total respondents.) Of these two groups, three-fourths of the administrators and bankers and two-thirds of the professionals rated the FmHA program for site preparation as "Very Important."

Importance of FmHA Funding for Site Preparation

	<u>Administrator</u>	<u>Professional</u>	<u>Banker</u>
Very Important	75.0%	66.7%	75.0%
Moderately Important	12.5	20.0	25.0
Little or No Importance	12.5	13.3	-
Total	100.0%	100.0%	100.0%
Number of Respondents	16	15	4

CHAPTER 9

FmHA PROGRAMS IN FARM OWNERSHIP AND OPERATING (F-O)

Farmers Home Administration has a reputation for its farm ownership and operating (F-O) loans, as evidenced by the survey results. Of the total number of respondents on the survey, less than one-fifth had little or no information about this program.

Knowledge of FmHA Programs in Farm Ownership and Operating

<u>Amount of Knowledge</u>	<u>Number of Respondents</u>	<u>Percent</u>
Great Deal	402	31.8
Some	623	49.3
Little or None	<u>238</u>	<u>18.8</u>
Total	1,263	100.0

By occupational group, bankers and farmers indicated that they had the greatest amount of information about this program--48.2 percent of the bankers said they knew a "great deal"; 66.8 percent of the farmers and 90.4 percent of the bankers said they had a "great deal" or "some" information about F-O loans.

Knowledge of FmHA Program in Farm Ownership and Operating--  
All Respondents

<u>Amount of Knowledge</u>	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>	<u>Other</u>
Great Deal	26.7%	34.1%	25.6%	48.2%	11.
Some	51.9	54.7	45.7	42.2	42.
Little or None	<u>21.4</u>	<u>11.2</u>	<u>28.8</u>	<u>9.6</u>	<u>46.</u>
Total	100.0%	100.0%	100.0%	100.0%	100.
Number of Respondents	457	258	219	249	4

FmHA F-O Users--Respondents to Survey

A total of 219 user responses were obtained on this section of the survey. The largest proportion of the responses (41.6 percent) were about 1974 applications. Over three-fourths (79.9 percent) described applications that had been approved; though two-thirds of the approved applications were about other people's experiences with the FmHA program.



<u>Type of Application and Status</u>	<u>Number</u>	<u>Percent</u>
Own experience; application approved	60	27.4%
Own experience; application pending	10	4.6
Someone else's experience; application approved	115	52.5
Someone else's experience; application pending	<u>34</u>	<u>15.5</u>
<b>Total</b>	<b>219</b>	<b>100.0%</b>

<u>Year of Application</u>	<u>Number</u>	<u>Percent</u>
1970	41	18.7%
1971	18	8.2
1972	18	8.2
1973	32	14.6
1974	91	41.6
1975	<u>19</u>	<u>8.7</u>
<b>Total</b>	<b>219</b>	<b>100.0%</b>

Sizes of F-O Loans

Over eighty percent of the loans in the survey were for amounts under \$100,000. Only six percent had applied for F-O loans in excess of \$1 million.

Amounts of FmHA Loan Applications for Farm Ownership and Operating

<u>Amount of Loans</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>Total</u>	<u>Number of Respondents</u>
Under \$25,000	14.7%	35.3%	35.3%	37.0%	26.6%	27.8%	31.1%	60
\$25,000-\$49,999	12.9	17.6	17.6	33.3	25.3	33.3	29.0	56
\$50,000-\$99,999	20.0	23.5	41.2	25.9	21.6	11.1	22.8	44
\$100,000-\$149,999	-	11.8	-	-	8.9	5.6	5.2	10
\$150,000-\$199,999	-	5.9	-	-	8.9	5.6	4.7	9
\$200,000-\$999,999	-	-	-	-	2.5	-	1.0	2
Over \$1,000,000	2.9	5.9	5.9	3.7	6.3	16.7	6.2	12
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>193</b>

Of all approved loans, 70.6 percent received approval for 90-100 percent of the request. Only 7.6 percent of all completed applications were disapproved.

F-O Time Between Application and Approval

According to the survey results, FmHA processes about 82 percent of its applications in less than six months. In fact, almost half of the applications have taken less than three months to approval.

Time Between Application and Approval  
Approved Farm Ownership and Farm Operations Loans

<u>Year</u>	<u>Under 3 Months</u>	<u>4-6 Months</u>	<u>7-9 Months</u>	<u>10-12 Months</u>	<u>Over 1 Year</u>	<u>Total</u>
1970	50.0%	27.8%	13.0%	1.9%	7.4%	100.0%
1971	20.0	65.0	15.0	--	--	100.0%
1972	61.9	19.0	4.8	9.5	4.8	100.0%
1973	41.7	38.9	11.1	--	8.3	100.0%
1974	50.6	32.9	12.7	3.8	--	100.0%
1975	83.3	16.7	--	--	--	100.0%
Total	48.1%	33.8%	11.6%	2.8%	3.7%	100.0%

<u>Number of Respondents</u>	<u>104</u>	<u>73</u>	<u>25</u>	<u>6</u>	<u>8</u>	<u>216</u>
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F-O Loan Application Procedures

According to the most frequent responses to the survey, an applicant applying for an FmHA loan has had to have over three contacts with his lender, had over three conferences with FmHA personnel, contacted one FmHA office, and made no trips outside his local area.

Years: 1970-1975

<u>Number of:</u>	<u>None</u>	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Over Three</u>
Contacts with lender	5.9%	11.2%	27.2%	23.1%	32.5%
Conferences with FmHA personnel	.6	5.6	23.9	32.8	37.2
Different FmHA offices contacted	13.5	63.5	17.7	3.6	1.6
Trips outside local area	74.3	9.5	6.7	1.7	7.8

Possible Problem Areas

When persons were requested to indicate whether certain procedures and requirements presented problems to the applicant, the following responses were obtained:

	Seriousness of Problem: 1970-75			
	Extreme	Moderate	Somewhat	Not a Problem
Obtaining clear program information	11.1%	14.3%	24.9%	49.8%
Receiving all the necessary forms	6.6	15.5	15.0	62.9
Number and complexity of forms	15.2	23.2	29.9	31.8
Eligibility requirements	13.8	24.0	20.7	41.5
Problems with administrative regulations	15.7	17.1	19.9	47.2
Getting cooperation from FmHA personnel	11.6	6.9	11.1	70.4
Receiving fair and unbiased treatment from FmHA personnel	10.0	5.2	11.8	73.0
Delays in obtaining approval	21.9	15.8	23.3	39.1

From the above, it appears that the majority of the respondents felt that seven of the procedures presented somewhat or no problems. These include:

- (1) receiving clear program information (75%, somewhat or no problem);
- (2) receiving all the necessary forms (78%, somewhat or no problem);
- (3) number and complexity of forms (62%, somewhat or no problem);
- (4) administrative regulations (67%, somewhat or no problem);
- (5) cooperation from FmHA personnel (70%, no problem);
- (6) fair and unbiased treatment (73%, no problem); and
- (7) delays in obtaining approval (62%, somewhat or no problem).

All the occupational groups were consistent in these ratings.

Though the majority of all occupational groups (62 percent) felt that eligibility requirements present some or no problems, administrators and bankers responded with greater frequency about it than farmers and professionals.

BEST DOCUMENT

	<u>Eligibility Requirements: 1970-75</u>			
	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>
Causing "Extreme" or "Moderate" Problems	30.0%	42.4%	45.5%	34.7%
Causing "Some" or "No" Problems	70.0	57.7	54.5	65.4

Respondents were divided in opinion as to whether any F-O loan requirements are hindering improvements in rural areas--54.8 percent said yes while 45.2 percent said no. When asked to specify which requirements are hindering such improvements, the one variable predominantly chosen was eligibility--71, or 60.9 percent, of the respondents saying there is such a requirement checked this factor.

<u>Requirements Hindering F-O Development</u>	<u>Frequency of Response</u>
Eligibility requirements	71
Income/networth requirements	57
Requirements to check past credit	8
Property appraisal requirements	29
Collateral requirements	35
Requirements for length of amortization period	13
Requirements for financing construction	14
Other	22

Importance of FmHA F-C Funding

Over two-thirds (68.6 percent) of the respondents to this section of the questionnaire rated the FmHA program in Farm Ownership and Operating as being "Very Important." Nearly three-fourths (73.3 percent) of farmers felt that the program makes a Very Important contribution to rural development.

Importance of FmHA Funding for Farm Ownership and Operating

	<u>Adminis- trator</u>	<u>Farmer</u>	<u>Profes- sional</u>	<u>Banker</u>
Very Important	70.3%	73.3%	69.2%	66.3%
Moderately Important	18.9	25.0	23.1	31.7
Little or No Importance	<u>10.8</u>	<u>1.7</u>	<u>7.7</u>	<u>1.9</u>
Total	100.0%	100.0%	100.0%	100.0%
Number of Respondents	37	60	13	104

## CHAPTER 10

### SOME RESPONDENT COMMENTS: FmHA SURVEY

Approximately 300 respondents took the effort to write comments in addition to answering the survey questionnaire. The length and scope of these comments ranged from a brief sentence to a couple of pages each. About one-third of these written comments are presented here, covering a broad spectrum of subjects, both pro and con--e.g., general perceptions of Farmers Home, feelings about Federal involvement, suggestions for improvement, needs for particular information, and concerns about the programs in the study. These comments should not be interpreted as the survey results; they are merely embellishments of the concerns expressed by certain survey respondents. In cases where the respondent indicated his/her home state, this information is also included.

--We need the FmHA agency to keep the development of our rural areas. At least in our area the lending agencies are unwilling to make funds available.....

--This is the most important program working today...  
(Mississippi)

--Farmers Home Administration is one of the better Government agencies...

--We have a very high opinion of FmHA, their programs and personnel...(Kansas)

--They are an excellent organization and are serving the rural constituency in the best possible way...(Oregon)

--The potential of FmHA programs as stimulators of rural development is great. However, the performance is mediocre to lousy...(Nebraska)

--Rural America has been and needs to be served by FmHA--it is doing a valuable job in preserving rural agriculture on a family farm basis. My only suggestion for improvement is to allow the local committees make decision making power, with less bureaucratic directories, also taking politics out of the selection of county committees...

--The Farmers Home Administration is probably one of the best government programs, in that it produces the most help to the greatest number of people who eventually become self-sufficient. However, it could accomplish much more if the people who administer the programs better understood the housing industry. The county supervisor who is the key man usually at best has a limited knowledge of construction,

land development, financing, and sales. The administrator is completely out of touch with the industry and his people in the field...(Arkansas)

--Complaints often voiced by people I talked to about FmHA are: (1) eligibility requirements: you have to be broke before you can get help; (2) number and complexity of forms: cannot be filled out by most; and (3) obtaining clear information: news releases are not clear, so that farmers can get information needed without coming to visit FmHA...

--It is my personal opinion that FmHA should revert to its original responsibilities with greater emphasis placed on assisting young men trying to start farming...

--As a bank president, I have found it necessary to carry loans to farmers who have received commitments from FmHA; is making loan commitments to farmers with no idea as to when they will have money to lend. Also the FmHA has money for housing but not for farm operating loans. Why not allocate from housing to farm operating and improvement loans...

--We have very little information about the activities of the FmHA at the local government level. As far as I know, our local government has never been contacted by Farmers Home Administration representatives, nor has any attempt been made to ascertain (local) needs at the local level (through contact with local governments)...(Colorado)

--Farmers Home Administration does an excellent job on home ownership and community water and sewer facilities. Rural development leadership seems less effective...

--One of the gravest problems is that many small black farmers distrust and have given up on FmHA because of past and present discriminatory policies by local and sometimes state offices. A massive farm credit and ownership program at relaxed rates is needed for small minority farmers but it does not seem to be available...

--We found most problems grew out of communications difficulties among levels of the FmHA. In all likelihood, the processing of water-sewer-solid waste, community facilities and industrial development applications could be expedited greatly by allowing the applicant to deal directly with the state office...

--I suggest that consideration be given to placing specialists in regional planning and development agencies (sub-state). Currently the only specialists by community facility and industrial loan and grant programs are in State offices.

County personnel are not familiar with all programs and often give wrong information...

--Farmer programs still seem to be the emphasis at local level. One has to contact State FmHA office to get good information...(Texas)

--I feel that the county supervisor should have more authority and latitude. He should be able to make more decisions on his own without having to go to the State. Many times the individuals in the State office aren't as familiar as they should be with an area...

--Over the years since FmHA came into existence, I believe it has helped many farmers get started farming that would not be able to start farming without FmHA assistance. I am a little concerned about the housing program because of the people purchasing housing under this program. FmHA may be creating slums from this program...I do wonder why FmHA doesn't stay with strictly farm financing as they originally were organized to do...

--The rural development program is becoming buried under the red tape of deferrals, revisions, and administrative memos. Please get down to business and attack the problems of rural development--especially fire protection, solid wastes, and B&I grants. These funds are needed in rural America...

--When we bought our farm we did not need any program for help. We worked hard and saved a few dollars. I think it should be that way. It takes too many tax dollars to operate these programs. They do not produce food fibers or materials...

--Someone in Washington needs to decide whether USDA, HUD, HEW or Commerce are going to have authority over community development in rural areas...

--Why can't many of the Federal grant and loan programs be consolidated? Why should 1/2 dozen agencies be involved in water and sewer programs?... (Wisconsin)

--I would be remiss if I did not say that most Federal programs boggle the mind with regulations and virtually impossible paper work. If we could make but one recommendation in an effort to aid our communities it would be for the coordination in some manner of Federally funded programs, such as EDA, FmHA, HUD, etc... (Illinois)

--One critical area in our estimation is the present procedures used in finalizing foreclosures. Cases can be cited in our area where properties taken over by FmHA through

foreclosure have been tied up for two, three or more years. In one case, the farmer owner remained on the farm and continued to operate it at no cost to him and in another, vacant buildings were practically destroyed by the elements and vandalism. with the land growing up to weeds...

--The Farmers Home Administration has the potential for making a contribution to rural area development if they are properly staffed. The personnel restrictions on this agency are consistent with their increased authorities and assignments...

--Shortage of money for personnel, travel, and offices. The administration need more personnel in county offices and more county offices so that they can serve more people more effectively. The individual forms themselves are not too bad, collectively they tend to be overwhelming...(Virginia)

--Major problem is number of personnel insufficient to handle case load...(Ohio)

--I strongly feel that FmHA is understaffed and is not free to provide expertise necessary for such large amounts of loan and grant funds...(Missouri)

--FmHA is understaffed and therefore cannot give the help

--Need for more responsive local managers...

--FmHA staffing is most crucial problem. They appear to continue to reduce staff while program seeks to expand...(Maryland)

--Probably the greatest hindrance to the effectiveness of programs mentioned is the lack of rapid dissemination of new guidelines, regulations and information of availability of funds...

--Time between application and approval or disapproval has to be shortened. FmHA should be allowed to issue letters of credit to the borrower once loan has been approved...

--After approval has been made, allow district office to disburse funds instead of having to wait four to six months and put borrower in difficult position as far as starting his operation and force him to seek short term loans from other sources...(Michigan)

--Our bank is presently working with FmHA on guaranteed loans. I would think they would try some way to lessen the great amount of paper work on such programs...(Minnesota)



- The amount of forms required to make a loan is unbelievable...
- A reduction of the number of forms going into each loan would expedite the processing of loans...
- We feel too many rules and regulations--local office people seem to have no options...(North Dakota)
- I think FmHA has played a wonderful part in the development of our wonderful country. The only criticism that I have is if a family has a decent income FmHA will not help them to better their living conditions...(North Carolina)
- In my opinion FmHA requires you be a bum to get assistance. I know of so many young people with a lot of ambition and thrift who could be helped so much getting started but are turned down because they have started saving before they apply...
- Typical of most governmental agencies. The rules, guidelines and eligibility requirements are too generalized and do not leave enough freedom for personal decisions by administrators or applicants...(Maine)
- Local community leaders need more information as to FmHA programs. Much, of necessity, is restricted to FmHA offices--lay citizen doesn't really know what's available...(West Virginia)
- A more adequate information flow is required to more adequately inform people of government assistance available...
- A better public relations program is needed to inform farmers of assistance available to them...
- I'm afraid the water and sewer grant and/or loan programs of FmHA don't have a good track record on professional engineering design and construction inspection, possibly because of inadequate regulations to require such services. Since health is at stake, I believe it incumbent on the Federal agency providing the financial assistance for water and sewer projects, to provide enough for, and require, adequate professional services and compliance with state as well as Federal law. It should be understood that unsafe water distribution systems can be more a hazard to health of the community than no piped water system at all...
- In water and sewer: the principal problem relates to availability of retention of competent engineering consultant services for rural water/sewer/solid waste district. District boards need help in understanding what is required

but often don't know the right questions to ask, or what they are to expect from their engineer and/or FmHA county supervisor...

--FmHA repayment rates for water system loans have hindered rural growth in East Alabama due to local income levels. Several rural towns have been forced to withdraw water expansion proposals due to the FmHA requirements that water bills reflect local incomes. Many rural residents are not financially able to assume such high utility rates. Also, the elderly and those on fixed incomes have been forced to suffer due to this guideline. A reappraisal of these guidelines may be in order...(Alabama)

--The national allocation formula for rural water grant funds is also a problem for us--the formula ignores actual needs... (South Dakota)

--I think, as a banker, that the Farmer's Home Administration has done a wonderful piece of work in our local areas in sewer and housing development...

--In our (Regional Planning) Commission's experience with the FmHA over the past four and one-half years, we have found that while there are programs on the books for grants for water and sewage facilities to rural communities, there are not funds available for grants and all monies are being used for loans in our Region...The Farmers Home Water and Sewer Grant Program has had absolutely no effect because of the fact that no grant monies have been available to the communities...(Missouri)

- Many rural communities singly cannot afford 50% of the cost of a water-sewer system. A 75:25 match would substantially assist these communities...

--Percentage (W&S) should be based on what amount of grant would make project feasible...

--FmHA Water: 50 percent grant usually adequate except when fine flows or service to industry involved; FmHA Sewer: 50 percent grant inadequate for sewers as demonstrated by EPA 75 percent grant to cities plus state grants in aid in some states. FmHA funding sometimes adequate for sewer collection systems but not treatment plants. May be used to supplement EPA grants; however, few small communities or rural areas can establish priority for EPA grants. Therefore, very few sewer projects are funded in rural areas...

- More grant money should be provided to be used for sewer/ water projects in small communities to bring user rates to a point that the average user can afford the cost. A monthly rate of \$10 per user family is reasonable for a sewer system, but as user costs increase above this, problems develop...
- The apparent criticism in Section II (WSSW) is due to the fact that associations are not eligible for grant funds. We feel that some arrangement permitting Water and/or Sewer Associations to share in these grants can and should be made...
- FmHA often funds a rural water district adjacent to a small community which also contains a water system but no sewer system. The communities contain standard-size lots with ineffective septic systems, often found densely located with little room for extensions. Due to ineligibility or low priority rankings by USEPA, FmHA is the only agency which could assist. However, FmHA ignores communities pending sewer assistance applications year after year, but may within a short period fund an adjacent water district. The result is that the community begins to die since it can't offer sewer services to maintain or attract commercial, industrial, or residential activities. The adjacent water district begins to attract some commercial and residential dwellings because of the greater space available for septic systems. This in turn promotes rural sprawl, small town slums, and ultimate "rural" degradation...
- I feel that the Farmers Home Administration plays a very important part in the development of Housing...
- Too much money being spent on private homes, etc., instead of for agricultural programs. Originally set up to assist farmers. I don't think you should be running around looking for ways to spend money...
- FmHA programs appear to be only Federal programs offering much assistance in rural development, but USDA restrictions on travel and staff seriously affect this aid. The rural housing program in particular suffers from lack of staff to assist applicants...
- The Farmers Home Administration has been a life saver for housing (in Dumas). Financing has been available from them when impossible to get in other places...
- Additional emphasis on rural housing through FmHA financing is most important...

- We were advised of the availability of money for the development of rural housing. On coming back to my community we called the FmHA supervisor of our county and tried to receive some help from them to initiate some housing. The results were very unsatisfactory...(Kansas)
- Income limitations for eligibility for home loan disqualifies the working man. "Petty" construction requirements for home loans eliminates too many homes in consideration of loans...
- Should a person in low-income group be permitted to purchase a new home for \$24,000 with \$100 down and a \$23,900 mortgage? When people with slightly higher incomes have difficulty qualifying for an older home--at a smaller price due to down payment requirements--for a regular mortgage loan?
- Should be less unbiased and unprejudiced approach to needs of poor, especially Black, Indian and Mexican Americans who need housing...(Arizona)
- Our major problem is decent housing for elderly. We get very little help and encouragement from FmHA and totally frustrated at lack of information, or willingness to help us dig it up. There is no way our people can pay \$125 a month rent when they receive only \$166 a month...
- Information regarding rural housing for senior citizens needs to be much clearer. Also detail plans should be discussed before going ahead on the projects...
- We have a wonderful senior citizens retirement apartment facility consisting of 40 units, recreational and storage buildings. It was a real struggle to go through all the agencies to the very top in order to receive these funds. We had to sell our idea to FmHA and HUD officials. Some officials were very cooperative and some not. Our struggle with unqualified personnel put us in a bind from which we are still having to find solutions. We have a most successful venture that is making 40 senior citizen families happy. That is the only gratification that our non-profit organization has received...(Missouri)
- Need more promotion of guidelines and requirements for Fm business/industry loan program...
- It would help rural development if more grant money was available to support industry. The \$10,000,000 a year is much too small...(Georgia)

- The small business type loan has not been of any value. According to the local supervisor, it must be large (over \$250 million) which does not help small business wanting to start on very limited capital in small towns...
- It is extremely difficult for me to realize there are adequate personnel within the agency to handle business and industrial loans...(Illinois)
- ...think FmHA is a very beneficial program for farmer to progress...(Iowa)
- We are continuously out of money for farm ownership loans... (Iowa)
- The biggest problem with the farm ownership program is the participation requirements and amount of funding allocated to the agency for the program...
- Money allotted for farm ownership loans is too small to be of help. Farm land is not up for sale for as long a period of time as it takes for money to come through the FmHA facility. Farmers have lost the opportunity of buying land because FmHA simply has not had the money available...(Iowa)
- I worked with FmHA in regards to financing of many farm units. We had a good working relationship with FmHA but the time it took to approve loans seemed longer than necessary. Many times the planting season was over before an operation loan was approved. Or if approved there were no funds available. This constant inability of the farmer to know whether his loan was to be approved made it difficult for him to farm his land properly. A suggestion would be for Congress to take all programs, other than financing farmers, away from FmHA and let the FmHA supervisors work with farmers exclusively...(Michigan)
- Main problem with farm ownership loans are in giving a preliminary commitment then running out of funds until another allotment is voted by Congress--this seems to happen about every year...(Illinois)
- One extreme problem is that it takes 31 different forms to make a farm ownership loan...Also, I understand that the Nebraska FmHA offices have been limited in mileage... (Nebraska)
- FmHA appears to be seriously handicapped by employment ceilings and travel restrictions. Farm ownership loan program is badly in need of additional funding...

- 1960
- The biggest problem by far is getting funds when the loan is approved. This is true in both operating and ownership loans...
  - The largest issue is the lack of adequate funds for FmHA to meet the needs of farmers and ranchers in the rural areas. Commercial lenders say they can't meet the needs...
  - Local office has many funds for residences--none for farming. Long wait to know if funds for farm will be available. Farm loans have no flexibility--farmers need short-term credit for seed, fertilizer, herbicides, etc...
  - In our area one of the gripes often brought up regarding FmHA farm ownership loans is the often seeming unnecessary building improvement requirements tacked on to the loans. This often raises the amount of the loan considerably and places a larger than expected payment burden on your farmer families...
  - It is important that personal restrictions from the Federal level be eased to allow proper supervision of borderline farm operating loans. Also in some areas of the country rural housing funds have been increased at the expense of farm ownership and operating funds. I believe the farm operating and ownership loans should have No. 1 priority...
  - They need to lessen the requirements and increase the amounts of money. A \$50,000 limit on farmer program is ridiculous. That, today, will hardly provide operating money let alone purchase land or equipment for a young man to get started...(Nebraska)
  - We would like to see the limits on operating loans increased to \$100,000 and farm ownership increased to \$200,000...
  - Some way must be found soon to get young men into farming other than as employees of large farmers. The family farm is the basis of efficient agricultural production...
  - We feel the FmHA is very important in getting young men in farming and keeping them there. I think the regulations should be relaxed and credit avenues be increased to permit easier ownership of land, with larger limits to all loans to compensate for inflation...
  - We need more attention from FmHA to small tract farm financing five to ten acres--especially desirable and needed to keep young and old in the market...

--The average age of farmers is getting higher each year. Therefore, I believe it is important to work towards a long term program (similar to forty year loans at low interest) so young farmers may have a feeling of security for a few years...

--If you are not a well established farmer they certainly are not going to help start you...

APPENDIX I

APPENDIX I

FARMER'S HOME ADMINISTRATION  
Survey of Farmer's Home Administration  
(FmHA) Efforts in Rural Development  
By the Rural Development Subcommittee  
of the Senate Committee on Agriculture and Forestry

INSTRUCTIONS

Thank you for filling out this questionnaire. Its purpose is to help the U.S. Senate Committee on Agriculture and Forestry to better understand Rural Development services of the Farmer's Home Administration (FmHA). This is important since it provides a picture of FmHA services from the user's point of view.

Although the questionnaire may appear long, you will need to complete only parts of it. Thus, it will not take a long time to complete. We would appreciate your returning the completed questionnaire in the self-address envelope within 60 (60) days after receiving it.

Please answer the questions by circling the appropriate response. For example:

Is this October? Yes.....1  
No.....2

SECTION I

1. What is your occupation?

- Official, manager, administrator, or proprietor (except farm).....1
- Farmer or farm manager.....2
- Professional (accountant, educator, engineer, lawyer, doctor, etc.)....3
- Technical worker (technician, para-professional, etc.).....4
- Sales, clerical and kindred worker.....5
- Skilled craftsman, foreman, skilled trades and kindred worker.....6
- Operator (machine operator, driver, semi-skilled tradesman).....7
- Service worker.....8
- Laborer.....9
- Other (specify).....10

2. Are you involved (through your work or active personal interest) in the development of your area or community?

Yes.....1 No.....2

(If no, skip to question #3; if yes, please continue)

If yes, how are you involved? Please select a primary manner of involvement. If more than one, select a secondary choice of involvement.

- |   | <u>Primary<br/>Involvement</u> | <u>Secondary<br/>Involvement</u> |
|---|--------------------------------|----------------------------------|
| As an elected official of a national, state, regional, or local government.....1.....   | 1                              | 1                                |
| As an employee of a national, state, regional, or local government.....2.....   | 2                              | 2                                |
| As an active member of an economic development group, association, or cooperative.....3.....  | 3                              | 3                                |
| As an active member of a citizens public interest group (community planning, chamber of commerce, etc.).....4.....  | 4                              | 4                                |
| As a lender or member of a lending institution.....5.....   | 5                              | 5                                |
| Acting with an informal group of people or organization(s) (as businessmen or farmers) who are interested in particular rural development issues.....6..... | 6                              | 6                                |
| Acting as a representative of a business or industry.....7.....   | 7                              | 7                                |
| Acting as a member of the media or press.....8.....   | 8                              | 8                                |
| Acting independently as an interested and concerned citizen.....9.....  | 9                              | 9                                |
| Other (specify).....10.....   | 10                             | 10                               |



/ / /  
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APPENDIX I

APPENDIX I

3. There are various Federal programs dealing with rural development. How much do you know about each of the following agency grant and/or loan programs?

	<u>Amount of Information</u>		
	<u>Great Deal</u>	<u>Some</u>	<u>Little or Nothing</u>
Programs in water, sewer, solid waste:			
Farmer's Home Administration (FmHA).....	1.....	2.....	3.....
Environmental Protection Agency (EPA).....	1.....	2.....	3.....
Economic Development Administration (EDA).....	1.....	2.....	3.....
Programs in rural housing (including housing site preparation):			
Farmer's Home Administration (FmHA).....	1.....	2.....	3.....
Housing and Urban Development (HUD).....	1.....	2.....	3.....
Programs in essential community facilities (other than water, sewer and solid waste):			
Farmer's Home Administration (FmHA).....	1.....	2.....	3.....
Housing and Urban Development (HUD).....	1.....	2.....	3.....
Programs in business, industrial, and job development (other than site preparation):			
Farmer's Home Administration (FmHA).....	1.....	2.....	3.....
Economic Development Administration (EDA).....	1.....	2.....	3.....
Small Business Administration (SBA).....	1.....	2.....	3.....
Programs in site preparation for business and industry:			
Farmer's Home Administration (FmHA).....	1.....	2.....	3.....
Economic Development Administration (EDA).....	1.....	2.....	3.....
Farm ownership and farm operating loans:			
Farmer's Home Administration (FmHA).....	1.....	2.....	3.....

4. In your opinion, how important a contribution do the FmHA programs make to rural development? Also, how important a contribution do other Federal programs make (as mentioned in question #3)?

	<u>Amount of Contribution</u>			
	<u>Very Important</u>	<u>Moderately Important</u>	<u>Little or no Importance</u>	<u>No Opinion</u>
FmHA Programs.....	1.....	2.....	3.....	4.....
Other Federal Programs.....	1.....	2.....	3.....	4.....

5. General speaking, what do you believe are the income levels of those served or benefited by the FmHA loan(s) or grant(s) that you are aware of?

- Less than \$4,000 per year.....1
- \$4,000 to \$6,000 per year.....2
- \$6,000 to \$12,000 per year.....3
- \$12,000 to \$18,000 per year.....4
- Over \$18,000 per year.....5

INSTRUCTIONS

If you have been involved in applying for an FmHA loan or grant since January 1970, please turn to Section II and continue. If you have not been personally involved but have detailed knowledge of someone else's application, turn to Section II and continue.

If neither of the above apply, please check this box . We thank you for filling out this questionnaire. Please return it in the enclosed self-addressed envelope.

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## SECTION II

Farmer's Home Administration Programs in  
Water, Sewer and Solid Waste

### INSTRUCTIONS

If you have been involved in applying for an FmHA loan and grant for water, sewer and solid waste since January 1970, please answer the questions in this section for that application.

If you have been or are involved with more than one application, please pick *one typical case* for responding to these questions.

If you have not been personally involved, but have detailed knowledge of someone else's application (since January 1970), please answer the questions in this section for the application on which you have the *most* knowledge.

If neither of the above apply, please check this box  and go on to Section III.

1. The application being described is:

- Personal experience; application approved.....1
- Personal experience; application pending.....2
- Someone else's experience; application approved.....3
- Someone else's experience; application pending.....4

2. In what year was this application made?

- |            |            |
|------------|------------|
| 1970.....1 | 1973.....4 |
| 1971.....2 | 1974.....5 |
| 1972.....3 | 1975.....6 |

3. Approximately how long did it take from date of application to date of approval (or to present date if still pending)?

- Three months or less.....1
- Four to six months.....2
- Seven to nine months.....3
- Ten to twelve months.....4
- Over one year.....5
- Can't recall.....6

4. How serious a problem would you rate *each* of the following?

	Seriousness of Problem				
	Extreme	Moderate	Somewhat	Not a Problem	Don't Know
Obtaining clear information about programs.....	1	2	3	4	5
Receiving all the necessary forms.....	1	2	3	4	5
Number and complexity of forms.....	1	2	3	4	5
Eligibility requirements.....	1	2	3	4	5
Problems with administrative regulations.....	1	2	3	4	5
Getting cooperation from FmHA personnel.....	1	2	3	4	5
Receiving fair and unbiased treatment from FmHA personnel.....	1	2	3	4	5
Delays in obtaining approval.....	1	2	3	4	5

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5. How many of the following were required from date of application to date of approval (or to present date if still pending)?

	None	One	Two	Three	Four	Can't recall
Conferences with FPHA personnel.....	0	1	2	3	4	5
Number of different FPHA offices contacted....	0	1	2	3	4	5
Trips outside local area.....	0	1	2	3	4	5

6. Approximately how much was the loan and grant applied for?

(Rough estimates are good enough) \$ \_\_\_\_\_

7. Approximately what percent of the grant request was approved?

Less than 25% .....	1
25% - 49%.....	2
50% - 74%.....	3
75% - 89%.....	4
90% - 100%.....	5
Application disapproved.....	6
Application still pending.....	7

8. FPHA presently provides grants for rural water, sewer and solid waste at 50% of project cost. In your opinion, at what level should funding be provided?

50% level is adequate.....	1
Between 51% and 70%.....	2
Between 71% and 85%.....	3
Between 86% and 99%.....	4
100% level.....	5

9. Do you feel that any loan requirements are hindering improvements in rural water, sewer and waste disposal?

Yes.....	1	No.....	2
----------	---	---------	---

If yes, which types of requirements are hindering such improvements?

Eligibility requirements.....	1
Income/networth requirements.....	2
Requirements to check past credit.....	3
Property appraisal requirements .....	4
Collateral requirements.....	5
Requirements for length of amortization period.....	6
Requirements for financing construction.....	7
Other (specify) _____	8

10. In your opinion, how important a contribution to the FPHA programs in water, sewer and solid waste make to rural development?

Very important.....	1
Moderately important.....	2
Little or no importance.....	3
No opinion.....	4

Please continue to Section III

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SECTION III

Farmer's Home Administration Programs in Rural Housing (including site preparation)

INSTRUCTIONS

If you have been involved in applying for an FmHA loan for rural housing since January 1970, please answer the questions in this section for that application.

If you have been or are involved with more than one application, please pick one typical case for responding to these questions.

If you have not been personally involved, but have detailed knowledge of someone else's application (since 1970), please answer the questions in this section for the application on which you have the most knowledge.

If neither of the above apply, please check this box  and go on to Section IV.

1. The application being described is:

- Personal experience; application approved.....1
- Personal experience; application pending.....2
- Someone else's experience; application approved.....3
- Someone else's experience; application pending.....4

2. In what year was this application made?

- |            |            |
|------------|------------|
| 1970.....1 | 1973.....4 |
| 1971.....2 | 1974.....5 |
| 1972.....3 | 1975.....6 |

3. Approximately how long did it take from date of application to date of approval (or to present date still pending)?

- Three months or less.....1
- Four to six months.....2
- Seven to nine months.....3
- Ten to twelve months.....4
- Over one year.....5
- Can't recall.....6

4. How serious a problem would you rate each of the following?

	Seriousness of Problem				
	Extremely	Moderate	Slight	Not a Problem	Don't Know
Obtaining clear information about programs.....	1	2	3	4	5
Receiving all the necessary forms.....	1	2	3	4	5
Number and complexity of forms.....	1	2	3	4	5
Eligibility requirements.....	1	2	3	4	5
Problems with administrative regulations.....	1	2	3	4	5
Getting cooperation from FmHA personnel.....	1	2	3	4	5
Receiving fair and unbiased treatment from FmHA personnel.....	1	2	3	4	5
Delays in obtaining approval.....	1	2	3	4	5

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How many of the following were required from date of application to date of approval (or to present date) by the lending institution?

	Yes	No	Over Three	Can't Recall		
Conferences with FHA personnel.....	1	2	3	4	5	
Visits of different FHA offices contacted.....	1	2	3	4	5	
Trips outside local area.....	0	1	2	3	4	5

6. Approximately how much was the loan applied for?

(Rough estimates are good enough) \$ \_\_\_\_\_

7. Approximately what percent of the loan request was approved?

Less than 25%.....	1
25% - 49%.....	2
50% - 74%.....	3
75% - 89%.....	4
90% - 100%.....	5
Application disapproved.....	6
Application still pending.....	7

8. Do you feel that any loan requirements are hindering improvements in rural housing?

Yes.....1 No.....2

If yes, which types of requirements are hindering such improvements?

Eligibility requirements.....	1
Income/networth requirements.....	2
Requirements to check past credit.....	3
Property appraisal requirements.....	4
Collateral requirements.....	5
Requirements for length of amortization period.....	6
Requirements for financing construction.....	7
Other (specify).....	8

9. In your opinion, how important a contribution do the FHA programs in housing make to rural development?

Very important.....	1
Moderately important.....	2
Little or no importance.....	3
No opinion.....	4

Please continue to Section IV

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SECTION IV

Farmer's Home Administration Programs in  
Essential Community Facilities  
(other than water, sewer and solid waste)

INSTRUCTIONS

If you have been involved in applying for an FmHA loan for essential community facilities since January 1972, please answer the questions in this section for that application.

If you have been or are involved with more than one application, please pick one typical case for responding to these questions.

If you have not been personally involved, but have detailed knowledge of someone else's application (since January 1972), please answer the questions in this section for the application on which you have the most knowledge.

If neither of the above apply, please check this box  and go on to Section V.

1. The application being described is:

- Personal experience; application approved.....1
- Personal experience; application pending .....2
- Someone else's experience; application approved.....3
- Someone else's experience; application pending.....4

2. In what year was this application made?

- 1972.....1                      1974.....3
- 1973.....2                      1975.....4

3. Approximately how long did it take from date of application to date of approval (or to present date still pending)?

- Three months or less.....1
- Four to six months.....2
- Seven to nine months.....3
- Ten to twelve months.....4
- Over one year.....5
- Can't recall.....6

4. How serious a problem would you rate each of the following?

	Seriousness of Problem				
	Extreme	Moderate	Somewhat	Not a Problem	Don't Know
Obtaining clear information about programs.....	1	2	3	4	5
Receiving all the necessary forms.....	1	2	3	4	5
Number and complexity of forms.....	1	2	3	4	5
Eligibility requirements.....	1	2	3	4	5
Problems with administrative regulations.....	1	2	3	4	5
Getting cooperation from FmHA personnel.....	1	2	3	4	5
Receiving fair and unbiased treatment from FmHA personnel.....	1	2	3	4	5
Delays in obtaining approval.....	1	2	3	4	5

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5. How many of the following were required from date of application to date of approval (or to present date if still pending)?

	None	One	Two	Three	Over Three	Can't Recall
Conferences with FmHA personnel.....	0	1	2	3	4	5
Number of different FmHA offices contacted.....	0	1	2	3	4	5
Trips outside local area.....	0	1	2	3	4	5

6. Approximately how much was the loan applied for?

(Rough estimates are good enough) \$ \_\_\_\_\_

7. Approximately what percent of the loan request was approved?

Less than 25%.....	1
25% - 49%.....	2
50% - 74%.....	3
75% - 89%.....	4
90% - 100%.....	5
Application disapproved.....	6
Application still pending.....	7

8. Do you feel that any loan requirements are hindering improvements in essential community facilities in rural areas?

Yes.....1 No.....2

If yes, which types of requirements are hindering such improvements?

Eligibility requirements.....	1
Income/networth requirements.....	2
Requirements to check past credit.....	3
Property appraisal requirements.....	4
Collateral requirements.....	5
Requirements for length of amortization period.....	6
Requirements for financing construction.....	7
Other (specify).....	8

9. In your opinion, how important a contribution do the FmHA programs in essential community facilities make to rural development?

Very important.....	1
Moderately important.....	2
Little or no importance.....	3
No opinion.....	4

Please continue to Section V

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SECTION V

Farmer's Home Administration Programs in Business, Industrial and Job Development (other than site preparation.)

INSTRUCTIONS

If you have been involved in applying for an FmHA loan for business, industrial and job development since 1972, please answer the questions in this section for that application.

If you have been or are involved with more than one application, please pick one typical case for responding to these questions.

If you have not been personally involved, but have detailed knowledge of someone else's application (since 1972), please answer the questions in this section for the application on which you have the most knowledge.

If neither of the above apply, please check this box [ ] and go on to Section VI.

1. The application being described is:

- Personal experience; application approved.....1
Personal experience; application pending.....2
Someone else's experience; application approved.....3
Someone else's experience; application pending.....4

2. In what year was this application made?

- 1972.....1 1974.....3
1973.....2 1975.....4

3. Approximately how long did it take from date of application to date of approval (or to present date if still pending)?

- Three months or less.....1
Four to six months.....2
Seven to nine months.....3
Ten to twelve months.....4
Over one year.....5
Can't recall.....6

4. How serious a problem would you rate each of the following?

Table with 5 columns: Seriousness of Problem (Extreme, Moderate, Somewhat, Not a Problem, Don't Know) and 10 rows of application-related issues.



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5. How many of the following were required from date of application to date of approval (or to present date if still pending)?

	None	One	Two	Three	Over Three	Can't Recall
Contacts with lender.....	0	1	2	3	4	5
Conferences with FmHA personnel.....	0	1	2	3	4	5
Number of different FmHA offices contacted.....	0	1	2	3	4	5
Trips outside local area.....	0	1	2	3	4	5

6. Approximately how much was the loan applied for?

(Rough estimates are good enough) \$ \_\_\_\_\_

7. Approximately what percent of the loan request was approved?

less than 25%.....	1
25% - 49%.....	2
50% - 74%.....	3
75% - 89%.....	4
90% - 100%.....	5
Application disapproved.....	6
Application still pending.....	7

8. Do you feel that any loan requirements are hindering improvements in the area of business, industrial and job development?

Yes.....1                      No.....2

If yes, which types of requirements are hindering such improvements?

Eligibility requirements.....	1
Income/networth requirements.....	2
Requirements to check past credit.....	3
Property appraisal requirements.....	4
Collateral requirements.....	5
Requirements for length of amortization period.....	6
Requirements for financing construction.....	7
Other (specify).....	8

9. In your opinion, how important a contribution do the FmHA programs in business, industrial and job development make to rural development?

Very important.....	1
Moderately important.....	2
Little or no importance.....	3
No opinion.....	4

Please continue to Section VI

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### SECTION VI

#### Farmer's Home Administration Programs in Site Preparation for Business and Industry

#### INSTRUCTIONS

If you have been involved in applying for an FmHA loan or grant for site preparation for business and industry since January 1972, please answer the questions in this section for that application.

If you have been or are involved with more than one application, please pick *one typical* case for responding to these questions.

If you have not been personally involved, but have detailed knowledge of someone else's application (since January 1972), please answer the questions in this section for the application on which you have the *most* knowledge.

If neither of the above apply, please check this box  and go on to Section VII.

1. The application being described is:

- Personal experience; application approved.....1
- Personal experience; application pending.....2
- Someone else's experience; application approved.....3
- Someone else's experience; application pending.....4

2. In what year was this application made?

- 1972.....1                      1974.....3
- 1973.....2                      1975.....4

3. Approximately how long did it take from date of application to date of approval (or to present date if still pending)?

- Three months or less.....1
- Four to six months.....2
- Seven to nine months.....3
- Ten to twelve months.....4
- Over one year.....5
- Can't recall.....6

4. How serious a problem would you rate each of the following?

	Seriousness of Problem				
	Extreme	Moderate	Somewhat	Not a Problem	Don't Know

- Obtaining clear information about programs.....1.....2.....3.....4.....5
- Receiving all the necessary forms.....1.....2.....3.....4.....5
- Number and complexity of forms.....1.....2.....3.....4.....5
- Eligibility requirements.....1.....2.....3.....4.....5
- Problems with administrative regulations.....1.....2.....3.....4.....5
- Getting cooperation from FmHA personnel.....1.....2.....3.....4.....5
- Receiving fair and unbiased treatment from FmHA personnel.....1.....2.....3.....4.....5
- Delays in obtaining approval.....1.....2.....3.....4.....5

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5. How many of the following were required from date of application to date of approval (or to present date if still pending)?

	None	One	Two	Three	Over Three	Can't recall
Contacts with lender.....	0	1	2	3	4	5
Conferences with FmHA personnel.....	0	1	2	3	4	5
Number of different FmHA offices contacted.....	0	1	2	3	4	5
Trips outside local area.....	0	1	2	3	4	5

6. Approximately how much was the loan or grant applied for?

(Rough estimates are good enough) \$ \_\_\_\_\_

7. Approximately what percent of the loan or grant request was approved?

Less than 25%.....	1
25% - 49%.....	2
50% - 74%.....	3
75% - 89%.....	4
90% - 100%.....	5
Application disapproved.....	6
Application still pending.....	7

8. Do you feel that any loan requirements are hindering improvements in site preparation for business and industry?

Yes.....1 No.....2

If yes, which types of requirements are hindering such improvements?

Eligibility requirements.....	1
Income/networth requirements.....	2
Requirements to check past credit.....	3
Property appraisal requirements.....	4
Collateral requirements.....	5
Requirements for length of amortization period.....	6
Requirements for financing construction.....	7
Other (specify).....	8

9. In your opinion, how important a contribution do the FmHA programs in site preparation for business and industry make to rural development?

Very important.....	1
Moderately important.....	2
Little or no importance.....	3
No opinion.....	4

Please continue to Section VII

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SECTION VII

Farmer's Home Administration Programs in  
Farm Ownership and Farm Operating

INSTRUCTIONS

If you have been involved in applying for an FmHA farm ownership or farm operating loan since January 1970 answer the questions in this section for that application.

If you have been or are involved with more than one application, please pick one typical case for response to these questions.

If you have not been personally involved, but have detailed knowledge of someone else's application (since 1970), please answer the questions in this section for the application on which you have the most knowledge.

If neither of the above apply, please check this box  and go on to Section VIII.

1. The application being described is:

- Personal experience; application approved.....1
- Personal experience; application pending.....2
- Someone else's experience; application approved.....3
- Someone else's experience; application pending.....4

2. In what year was this application made?

- |            |            |
|------------|------------|
| 1970.....1 | 1973.....4 |
| 1971.....2 | 1974.....5 |
| 1972.....3 | 1975.....6 |

3. Approximately how long did it take from date of application to date of approval (or to present date if still pending)?

- |                            | Farm<br>Ownership | Farm<br>Operating |
|----------------------------|-------------------|-------------------|
| Three months or less.....1 | .....1            | .....1            |
| Four to six months.....2   | .....2            | .....2            |
| Seven to nine months.....3 | .....3            | .....3            |
| Ten to twelve months.....4 | .....4            | .....4            |
| Over one year.....5        | .....5            | .....5            |
| Can't recall.....6         | .....6            | .....6            |

4. How serious a problem would you rate each of the following?

- |  | Seriousness of Problem |          |          |                  |               |
|--|------------------------|----------|----------|------------------|---------------|
|  | Extreme                | Moderate | Somewhat | Not a<br>Problem | Don't<br>Know |
| Obtaining clear information about programs.....1                   | .....2                 | .....3   | .....4   | .....5           | .....5        |
| Receiving all the necessary forms.....1                            | .....2                 | .....3   | .....4   | .....5           | .....5        |
| Number and complexity of forms.....1                               | .....2                 | .....3   | .....4   | .....5           | .....5        |
| Eligibility requirements.....1                                     | .....2                 | .....3   | .....4   | .....5           | .....5        |
| Problems with administrative regulations.....1                     | .....2                 | .....3   | .....4   | .....5           | .....5        |
| Getting cooperation from FmHA personnel.....1                      | .....2                 | .....3   | .....4   | .....5           | .....5        |
| Receiving fair and unbiased treatment<br>from FmHA personnel.....1 | .....2                 | .....3   | .....4   | .....5           | .....5        |
| Delays in obtaining approval.....1                                 | .....2                 | .....3   | .....4   | .....5           | .....5        |

5. How many of the following were required from date of application to date of approval (or to present date if still pending)?

- |  | None   | One    | Two    | Three  | Over<br>Three | Can't<br>Recall |
|--|--------|--------|--------|--------|---------------|-----------------|
| Contacts with lender.....0                       | .....1 | .....2 | .....3 | .....4 | .....5        | .....5          |
| Conferences with FmHA personnel.....0            | .....1 | .....2 | .....3 | .....4 | .....5        | .....5          |
| Number of different FmHA offices contacted.....0 | .....1 | .....2 | .....3 | .....4 | .....5        | .....5          |
| Trips outside local area.....0                   | .....1 | .....2 | .....3 | .....4 | .....5        | .....5          |

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6. Approximately how much was the loan applied for?

(Rough vs. rates and good enough) \$ \_\_\_\_\_

7. Approximately what percent of the loan request was approved?

- Less than 25%.....1
- 25% - 49%.....2
- 50% - 74%.....3
- 75% - 99%.....4
- 90% - 100%.....5
- Application disapproved.....6
- Application still pending.....7

8. Do you feel that any loan requirements are hindering improvements in farm ownership and farm operations?

Yes.....1 No.....2

If yes, which types of requirements are hindering such improvement?

- Eligibility requirements.....1
- Income/network requirements.....2
- Requirements to check past credit.....3
- Property appraisal requirements.....4
- Collateral requirements.....5
- Requirements for length of amortization period.....6
- Requirements for financing construction.....7
- Other (specify).....8

9. In your opinion, how important a contribution do the RHA programs in farm ownership and farm operations make to rural development?

- Very important.....1 Little or no importance.....3
- Moderately important.....2 No opinion.....4

SECTION VI.1

1. We realize there may be issues that you want us to be aware of but we didn't ask in reference to Farmer's Home Administration. If there are such issues, please use the following space for this purpose. (Add an additional sheet if more space is needed.)

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2. Optional:

Name: \_\_\_\_\_

Title/Agency: \_\_\_\_\_

WE THANK YOU FOR YOUR ASSISTANCE.