

**USDA Farm Service Agency  
Veteran Farmer Streamlined Eligibility (VFSE) Program  
Eligibility Requirements**

**9 Eligibility Requirements:**

1. Applicant is a U.S. Armed Forces Veteran
2. Applicant has never received any debt forgiveness through write down, write off, compromise, adjustment, reduction, charge-off, paying a loss on a guarantee, or bankruptcy from a previous direct or guaranteed farm loan from FSA or Farmers Home Administration?
3. Applicant cannot be currently delinquent on any Federal debt nor have any outstanding Federal judgements.
4. Applicant with pending litigation may prevent them from program access.
5. Applicant in receivership, discharged in bankruptcy, or has filed a petition for reorganization in bankruptcy may prevent them from program access.
6. Applicant must reveal if they are an FSA employee or related to or closely associated with an FSA employee.
7. Applicant cannot have been convicted of any Federal or State controlled substance offense. Applicant cannot have been found in violation of Federal Crop Insurance laws or regulations.
8. In addition to completing the VFSE program the applicant will also have to meet certain regulatory eligibility requirements to obtain a Direct Farm Ownership Micro Loan or any FSA Direct Loan.
  - a. Controlled Substance Convictions Except Possession and Trafficking. [7 CFR 764.101(a)] The applicant and anyone who will sign the promissory note must not be ineligible for loans as a result of a conviction for controlled substances according to 7 CFR 718 of this chapter.
  - b. [7 CFR 764.101(b)] The applicant, and anyone who will sign the promissory note, must--possess the legal capacity to incur the obligation of the loan.
  - c. [7 CFR 764.101(c)] The applicant and anyone who will sign the promissory note must be a citizen of the United States, United States non-citizen national, or a qualified alien under applicable Federal immigration laws.
  - d. [7 CFR 764.101(d)] The applicant must have acceptable credit history demonstrated by debt repayment.
  - e. [7 CFR 764.101(d) (1)] As part of the credit history the Agency will determine whether the applicant will carry out the terms and conditions of the loan, and deal with the Agency in good faith. In making this determination, the Agency may examine whether the applicant has properly fulfilled its obligations to other parties, including other agencies of the Federal Government.
  - f. [7 CFR 764.101(d) (2)] When the applicant caused the Agency a loss by receiving debt forgiveness, the applicant may be ineligible for assistance in accordance with eligibility requirements for the specific loan type. If the debt forgiveness is cured

by repayment of the Agency's loss, the Agency may still consider the debt forgiveness in determining the applicant's creditworthiness.

- g. 7 CFR 764.101(d) (3)] A history of failures to repay past debts as they came due when the ability to repay was within the applicant's control will demonstrate unacceptable credit history. The following circumstances, for example, do not automatically indicate an unacceptable credit history.
  - h. [7 CFR 764.101(f)] As provided in 31 CFR Part 285, except for EM loan applicants, the applicant and anyone who will sign the Promissory Note must not be in delinquent status on any Federal debt, other than a debt under the Internal Revenue Code of 1986 at the time of loan closing. All delinquent debts, however, will be considered in determining credit history and ability to repay under this part.
  - i. [7 CFR 764.101(g)] The applicant and anyone who will sign the promissory note must have no outstanding unpaid judgments obtained by the United States in any court. Such judgments do not include those filed as a result of action in the United States Tax Courts.
  - j. [7 CFR 764.101(h)] The applicant, and all entity members in the case of an entity, must not be ineligible due to disqualification resulting from Federal Crop Insurance
  - k. Violation, according to 7 CFR Part 718.
9. **All applicants will be required to provide, at their own expense, a current credit report (no more than 90 days old) to the FSA during the BGBG Phase I workshop.** The law allows the ordering of one free copy of your report from each of the nationwide credit reporting companies every 12 months.
- **Free Credit Report:** The three nationwide credit reporting companies have set up a central website, a toll-free telephone number, and a mailing address through which you can order your free annual report. To order:
    - Visit [annualcreditreport.com](http://annualcreditreport.com)
    - Call 1-877-322-8228
    - Complete the **Annual Credit Report Request Form** and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. Do not contact the three nationwide credit reporting companies individually. They are providing free annual credit reports only through [annualcreditreport.com](http://annualcreditreport.com), 1-877-322-8228 or mailing to Annual Credit Report Request Service.
  - **Fee-Based Credit Report:** Order your reports from each of the three nationwide credit reporting companies at the same time, or you can order your report from each of the companies one at a time or you can obtain all 3 from MyFico.com:
    - [Experian](http://Experian.com)
    - [Equifax](http://Equifax.com)
    - [TransUnion](http://TransUnion.com)
    - [MyFico](http://MyFico.com)