

GAO

Report to the Committee on Agriculture,
Nutrition, and Forestry, U.S. Senate

January 1997

FARM SERVICE AGENCY

Update on the Farm Loan Portfolio





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

**Resources, Community, and
Economic Development Division**

B-275588

January 3, 1997

The Honorable Richard G. Lugar
Chairman, Committee on Agriculture,
Nutrition, and Forestry
United States Senate

Dear Mr. Chairman:

This report responds to your October 22, 1996, request for selected information on the direct and guaranteed farm loan programs administered by the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA).¹ In particular, we are providing information on the (1) levels of outstanding principal on active loans and amounts owed by delinquent borrowers as of September 30, 1996, compared with similar data as of September 30, 1995, and (2) losses on farm loans during fiscal year 1996. The information contained in this report updates information that we have reported previously.²

In summary, we found the following:

- As of September 30, 1996, the outstanding principal for FSA's active direct and guaranteed farm loans totaled \$16.9 billion—\$10.5 billion in the direct loan program and \$6.4 billion in the guaranteed loan program.
- Of the \$10.5 billion in outstanding principal in the direct loan program, \$3.6 billion, about 34 percent,³ was held by delinquent borrowers, that is, borrowers who were past due on their loan payments.⁴ (See app. I.) This compares with 40 percent of the \$11.4 billion in outstanding principal for fiscal year 1995.
- For borrowers who owed more than \$1 million in outstanding principal, the delinquency rate was considerably higher than for those who owed less than \$1 million. In fiscal year 1996, large borrowers held \$357 million in outstanding principal, of which \$314 million, about 88 percent, was held

¹Historically, farm loans were administered within USDA by the Farmers Home Administration. In October 1994, this responsibility was transferred to the newly created FSA.

²Consolidated Farm Service Agency: Update on the Farm Loan Portfolio (GAO/RCED-95-223FS, July 14, 1995).

³Because of the timing of payments, the percentage owed by delinquent borrowers fluctuates significantly during the year. Most loans have payments due on January 1. Loans are not considered delinquent until payments are 30 days late—for example, January 31. The percentage of delinquency is lowest on December 31 and highest on January 31.

⁴If a borrower was delinquent on any farm loan, the principal on all farm loans held by that delinquent borrower was totaled to calculate the amount owed.

by delinquent borrowers. By comparison, borrowers who owed less than \$1 million held \$10.1 billion in outstanding principal, of which 33 percent was held by delinquent borrowers.

- Of the \$6.4 billion in outstanding principal in the guaranteed loan program, \$280 million, or about 4 percent, was held by delinquent borrowers. (See app. II.) By comparison, \$218 million, or about 4 percent of the \$5.9 billion in outstanding principal, was held by delinquent borrowers in fiscal year 1995.
- During fiscal year 1996, \$1.1 billion in principal and interest was lost by reducing or forgiving the debt of delinquent direct loan borrowers, and about \$42 million in losses was incurred on guaranteed loans. (See app. III.)

Scope and Methodology

To prepare this report, we analyzed information from the computerized databases in FSA's St. Louis Finance Office. We did not verify the accuracy of the information contained in these databases. Our work was performed from October through December 1996 in accordance with generally accepted government auditing standards.

Agency Comments

We provided a copy of a draft of this report to USDA for its review and comment. In a meeting to obtain USDA's comments, the Acting Assistant Deputy Administrator for Farm Credit Programs and other FSA staff generally agreed with the information presented in this report. To add perspective to some of the data presented in the report, USDA officials noted that the percent of outstanding principal held by delinquent borrowers declined between fiscal years 1995 and 1996. They also noted that the percent of outstanding interest held by delinquent borrowers declined during that time. The officials added that the percent of loan losses has declined from fiscal year 1995 to fiscal year 1996.

In addition, at the suggestion of USDA, we compared the delinquency rates for borrowers who owed more than \$1 million and those who owed less than \$1 million.

As arranged with your office, we are sending copies of this report to the appropriate Senate and House Committees; interested Members of Congress; the Secretary of Agriculture; the Administrator of the Farm Service Agency; the Director, Office of Management and Budget; and other

interested parties. We will also make copies available to others upon request.

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "Robert A. Robinson". The signature is fluid and cursive, with a large initial "R" and a distinct "A" and "R" in the middle.

Robert A. Robinson
Director, Food and
Agriculture Issues

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Abbreviations

FSA	Farm Service Agency
GAO	General Accounting Office
USDA	U.S. Department of Agriculture

Outstanding Direct Loans Owed by Delinquent Borrowers

This appendix presents information on outstanding direct loans owed by delinquent borrowers, including the amount and percent, by state, for fiscal years 1996 and 1995.

Table I.1 : Amount and Percent of Outstanding Direct Loans Owed by Delinquent Borrowers, by State, as of September 30, 1996

Dollars in millions

State	Outstanding principal		Amount owed by delinquent borrowers		Percent owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percent of debt	Percent of borrowers
Alabama	\$95.9	2,142	\$16.0	210	16.6	9.8
Alaska	1.2	14	^a	1	0.4	7.1
Arizona	98.0	518	73.9	283	75.4	54.6
Arkansas	290.7	4,252	79.1	609	27.2	14.3
California	412.5	1,823	222.7	567	54.0	31.1
Colorado	122.9	1,081	41.3	233	33.6	21.6
Connecticut	12.4	130	4.2	29	34.1	22.3
Delaware	8.2	103	0.9	10	11.4	9.7
Florida	122.1	1,149	61.2	321	50.1	27.9
Georgia	215.8	2,057	75.7	427	35.1	20.8
Hawaii	41.2	320	13.2	79	31.9	24.7
Idaho	192.4	2,012	55.7	371	28.9	18.4
Illinois	313.4	4,103	39.7	317	12.7	7.7
Indiana	221.7	2,142	50.5	343	22.8	16.0
Iowa	510.4	6,290	76.3	643	14.9	10.2
Kansas	299.4	4,205	62.3	634	20.8	15.1
Kentucky	264.7	4,267	51.3	449	19.4	10.5
Louisiana	243.3	2,764	145.4	1,103	59.8	39.9
Maine	96.8	816	34.6	221	35.7	27.1
Maryland	35.7	345	9.8	76	27.3	22.0
Massachusetts	39.5	355	14.3	87	36.1	24.5
Michigan	244.2	2,196	69.4	394	28.4	17.9
Minnesota	435.1	4,599	120.6	926	27.7	20.1
Mississippi	425.0	4,983	254.8	1,527	59.9	30.6
Missouri	337.8	4,444	68.8	612	20.4	13.8
Montana	261.7	1,907	98.4	429	37.6	22.5
Nebraska	368.4	4,208	85.9	624	23.3	14.8
Nevada	16.6	164	5.3	40	32.1	24.4
New Hampshire	11.1	112	1.0	7	9.1	6.3

(continued)

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

Dollars in millions

State	Outstanding principal		Amount owed by delinquent borrowers		Percent owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percent of debt	Percent of borrowers
New Jersey	56.7	398	29.4	165	51.9	41.5
New Mexico	70.8	794	22.6	175	32.0	22.0
New York	322.8	2,881	146.7	917	45.4	31.8
North Carolina	174.9	2,573	59.6	497	34.1	19.3
North Dakota	485.3	4,483	147.7	1,012	30.4	22.6
Ohio	166.1	1,538	57.7	374	34.7	24.3
Oklahoma	439.0	5,675	193.0	1,596	44.0	28.1
Oregon	125.4	1,007	37.3	215	29.8	21.4
Pennsylvania	213.6	1,881	43.4	289	20.3	15.4
Puerto Rico	148.5	2,849	56.2	721	37.8	25.3
Rhode Island	5.3	46	2.2	10	41.3	21.7
South Carolina	139.1	1,505	65.2	336	46.9	22.3
South Dakota	461.4	5,819	119.6	874	25.9	15.0
Tennessee	219.8	3,387	63.8	527	29.0	15.6
Texas	856.5	8,132	483.1	3,456	56.4	42.5
Utah	82.3	1,280	17.9	152	21.8	11.9
Vermont	43.1	418	8.2	63	19.1	15.1
Virgin Islands	2.2	23	0.3	2	12.2	8.7
Virginia	117.8	1,394	48.2	333	41.0	23.9
Washington	132.4	1,009	40.4	185	30.5	18.3
West Virginia	61.1	1,083	15.9	162	26.0	15.0
Western Pacific	1.8	21	0.3	1	15.3	4.8
Wisconsin	345.0	3,582	75.4	618	21.9	17.3
Wyoming	49.0	464	11.9	74	24.2	15.9
Totals	\$10,457.8	115,743	\$3,578.1	24,326	34.2%	21.0

Note: Totals may not add due to rounding.

^aLess than \$50,000.

Appendix I
Outstanding Direct Loans Owed by
Delinquent Borrowers

Table I.2: Amount and Percent of Outstanding Direct Loans Owed by Delinquent Borrowers, by State, as of September 30,1995

Dollars in millions

State	Outstanding principal		Amount owed by delinquent borrowers		Percent owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percent of debt	Percent of borrowers
Alabama	\$106.6	2,310	\$22.6	240	21.2	10.4
Alaska	0.5	9	^a	1	1.0	11.1
Arizona	123.8	536	98.2	277	79.3	51.7
Arkansas	326.7	4,523	114.3	792	35.0	17.5
California	488.6	1,923	311.8	634	63.8	33.0
Colorado	127.3	1,148	45.2	252	35.5	22.0
Connecticut	14.7	140	6.3	41	43.2	29.3
Delaware	8.8	108	1.1	14	12.2	13.0
Florida	162.6	1,273	98.1	420	60.4	33.0
Georgia	252.1	2,295	112.5	587	44.6	25.6
Hawaii	39.6	297	18.7	95	47.1	32.0
Idaho	219.1	2,125	82.2	476	37.5	22.4
Illinois	341.3	4,397	59.9	493	17.6	11.2
Indiana	244.5	2,320	62.5	432	25.6	18.6
Iowa	556.3	6,739	160.8	1,364	28.9	20.2
Kansas	309.1	4,288	76.0	729	24.6	17.0
Kentucky	284.8	4,377	58.0	467	20.4	10.7
Louisiana	302.8	3,241	202.4	1,541	66.9	47.5
Maine	96.5	829	40.6	233	42.1	28.1
Maryland	39.6	362	12.2	91	30.9	25.1
Massachusetts	38.7	345	16.5	92	42.6	26.7
Michigan	264.2	2,328	88.5	493	33.5	21.2
Minnesota	450.9	4,727	184.3	1,425	40.9	30.1
Mississippi	482.7	5,304	325.2	1,702	67.4	32.1
Missouri	368.9	4,746	110.2	1,007	29.9	21.2
Montana	284.8	2,017	109.7	466	38.5	23.1
Nebraska	393.1	4,382	127.3	891	32.4	20.3
Nevada	18.7	174	6.2	45	33.0	25.9
New Hampshire	11.2	110	1.2	11	11.2	10.0
New Jersey	56.9	410	28.8	163	50.6	39.8
New Mexico	75.6	840	27.9	186	36.9	22.1
New York	325.8	2,966	156.8	949	48.1	32.0
North Carolina	191.9	2,778	67.3	513	35.1	18.5

(continued)

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

Dollars in millions

State	Outstanding principal		Amount owed by delinquent borrowers		Percent owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percent of debt	Percent of borrowers
North Dakota	496.7	4,577	177.5	1,196	35.7	26.1
Ohio	189.2	1,679	72.6	454	38.4	27.0
Oklahoma	466.8	5,755	225.8	1,606	48.4	27.9
Oregon	134.7	1,073	45.2	231	33.6	21.5
Pennsylvania	218.2	1,947	49.7	326	22.8	16.7
Puerto Rico	148.0	2,853	53.9	702	36.4	24.6
Rhode Island	4.9	35	1.9	9	38.4	25.7
South Carolina	162.1	1,668	89.9	484	55.4	29.0
South Dakota	507.0	6,032	206.6	1,586	40.7	26.3
Tennessee	247.4	3,618	87.1	636	35.2	17.6
Texas	890.5	8,376	505.3	3,304	56.8	39.4
Utah	83.8	1,234	17.3	133	20.7	10.8
Vermont	46.0	443	9.6	68	20.8	15.3
Virgin Islands	2.3	22	0.8	4	35.5	18.2
Virginia	135.6	1,553	68.6	460	50.6	29.6
Washington	147.8	1,124	44.5	200	30.1	17.8
West Virginia	60.1	1,005	18.6	186	30.9	18.5
Western Pacific	1.8	22	0.8	11	43.7	50.0
Wisconsin	376.3	3,873	107.7	894	28.6	23.1
Wyoming	51.9	476	10.9	64	20.9	13.4
Totals	\$11,379.7	121,732	\$4,627.5	29,676	40.7	24.4

Note: Totals may not add due to rounding.

^aLess than \$50,000.

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

Table I.3: Change in Amount and Percent of Outstanding Direct Loans Owed by Delinquent Borrowers, by State, September 30, 1995, to September 30, 1996.

Dollars in millions

State	Change in outstanding principal				Change in amount owed by delinquent borrowers			
	Amount	Percent change	Number of borrowers	Percent change	Amount	Percent change	Number of borrowers	Percent change
Alabama	(\$10.7)	(10.1)%	(168)	(7.3)	(\$6.6)	(29.4)	(30)	(12.5)
Alaska	0.7	147.2	5	55.6	0	0	0	0
Arizona	(25.8)	(20.9)	(18)	(3.4)	(24.3)	(24.7)	6	2.2
Arkansas	(36.0)	(11.0)	(271)	(6.0)	(35.2)	(30.8)	(183)	(23.1)
California	(76.1)	(15.6)	(100)	(5.2)	(89.1)	(28.6)	(67)	(10.6)
Colorado	(4.4)	(3.5)	(67)	(5.8)	(3.9)	(8.6)	(19)	(7.5)
Connecticut	(2.3)	(15.7)	(10)	(7.1)	(2.1)	(33.4)	(12)	(29.3)
Delaware	(0.6)	(7.1)	(5)	(4.6)	(0.1)	(13.0)	(4)	(28.6)
Florida	(40.4)	(24.9)	(124)	(9.7)	(37.0)	(37.7)	(99)	(23.6)
Georgia	(36.3)	(14.4)	(238)	(10.4)	(36.9)	(32.8)	(160)	(27.3)
Hawaii	1.6	4.0	23	7.7	(5.5)	(29.5)	(16)	(16.8)
Idaho	(26.7)	(12.2)	(113)	(5.3)	(26.5)	(32.2)	(105)	(22.1)
Illinois	(27.8)	(8.2)	(294)	(6.7)	(20.2)	(33.7)	(176)	(35.7)
Indiana	(22.9)	(9.4)	(178)	(7.7)	(12.0)	(19.2)	(89)	(20.6)
Iowa	(45.9)	(8.2)	(449)	(6.7)	(84.5)	(52.5)	(721)	(52.9)
Kansas	(9.7)	(3.1)	(83)	(1.9)	(13.7)	(18.0)	(95)	(13.0)
Kentucky	(20.1)	(7.1)	(110)	(2.5)	(6.8)	(11.7)	(18)	(3.9)
Louisiana	(59.5)	(19.6)	(477)	(14.7)	(57.0)	(28.2)	(438)	(28.4)
Maine	0.2	0.2	(13)	(1.6)	(6.0)	(14.9)	(12)	(5.2)
Maryland	(3.9)	(9.8)	(17)	(4.7)	(2.5)	(20.3)	(15)	(16.5)
Massachusetts	0.8	2.1	10	2.9	(2.2)	(13.6)	(5)	(5.4)
Michigan	(20.0)	(7.6)	(132)	(5.7)	(19.1)	(21.6)	(99)	(20.1)
Minnesota	(15.8)	(3.5)	(128)	(2.7)	(63.6)	(34.5)	(499)	(35.0)
Mississippi	(57.7)	(11.9)	(321)	(6.1)	(70.4)	(21.7)	(175)	(10.3)
Missouri	(31.1)	(8.4)	(302)	(6.4)	(41.5)	(37.6)	(395)	(39.2)
Montana	(23.1)	(8.1)	(110)	(5.5)	(11.3)	(10.3)	(37)	(7.9)
Nebraska	(24.7)	(6.3)	(174)	(4.0)	(41.4)	(32.5)	(267)	(30.0)
Nevada	(2.1)	(11.2)	(10)	(5.7)	(0.8)	(13.4)	(5)	(11.1)
New Hampshire	(0.1)	(0.7)	2	1.8	(0.2)	(19.3)	(4)	(36.4)
New Jersey	(0.3)	(0.4)	(12)	(2.9)	0.6	2.1	2	1.2
New Mexico	(4.7)	(6.3)	(46)	(5.5)	(5.2)	(18.8)	(11)	(5.9)
New York	(3.0)	(0.9)	(85)	(2.9)	(10.1)	(6.4)	(32)	(3.4)
North Carolina	(17.0)	(8.9)	(205)	(7.4)	(7.7)	(11.4)	(16)	(3.1)

(continued)

Appendix I
Outstanding Direct Loans Owed by
Delinquent Borrowers

Dollars in millions

State	Change in outstanding principal				Change in amount owed by delinquent borrowers			
	Amount	Percent change	Number of borrowers	Percent change	Amount	Percent change	Number of borrowers	Percent change
North Dakota	(11.5)	(2.3)	(94)	(2.1)	(29.8)	(16.8)	(184)	(15.4)
Ohio	(23.2)	(12.2)	(141)	(8.4)	(14.9)	(20.6)	(80)	(17.6)
Oklahoma	(27.8)	(5.9)	(80)	(1.4)	(32.8)	(14.5)	(10)	(0.6)
Oregon	(9.4)	(6.9)	(66)	(6.2)	(7.9)	(17.5)	(16)	(6.9)
Pennsylvania	(4.6)	(2.1)	(66)	(3.4)	(6.3)	(12.6)	(37)	(11.3)
Puerto Rico	0.5	0.4	(4)	(0.1)	2.3	4.3	19	2.7
Rhode Island	0.4	8.9	11	31.4	0.3	17.2	1	11.1
South Carolina	(23.0)	(14.2)	(163)	(9.8)	(24.7)	(27.4)	(148)	(30.6)
South Dakota	(45.7)	(9.0)	(213)	(3.5)	(87.0)	(42.1)	(712)	(44.9)
Tennessee	(27.6)	(11.2)	(231)	(6.4)	(23.3)	(26.7)	(109)	(17.1)
Texas	(34.0)	(3.8)	(244)	(2.9)	(22.2)	(4.4)	152	4.6
Utah	(1.5)	(1.7)	46	3.7	0.6	3.7	19	14.3
Vermont	(3.0)	(6.4)	(25)	(5.6)	(1.4)	(14.3)	(5)	(7.4)
Virgin Islands	^a	(1.3)	1	4.5	(0.5)	(66.1)	(2)	(50.0)
Virginia	(17.8)	(13.1)	(159)	(10.2)	(20.4)	(29.7)	(127)	(27.6)
Washington	(15.4)	(10.4)	(115)	(10.2)	(4.0)	(9.1)	(15)	(7.5)
West Virginia	1.1	1.8	78	7.8	(2.7)	(14.3)	(24)	(12.9)
Western Pacific	^a	(1.0)	(1)	(4.5)	(0.5)	(65.4)	(10)	(90.9)
Wisconsin	(31.3)	(8.3)	(291)	(7.5)	(32.3)	(30.0)	(276)	(30.9)
Wyoming	(2.9)	(5.6)	(12)	(2.5)	1.0	9.3	10	15.6
Totals	(\$921.9)	(8.1)	(5,989)	(4.9)	(\$1,049.4)	(22.7)	(5,350)	(18.0)

Note: Totals may not add due to rounding.

^aLess than \$50,000.

Outstanding Guaranteed Loans Owed by Delinquent Borrowers

This appendix provides information on the outstanding guaranteed loans owed by delinquent borrowers, including the amount and percent, by state, for fiscal years 1996 and 1995.

Table II.1: Amount and Percent of Outstanding Guaranteed Loans Owed by Delinquent Borrowers, by State, as of September 30, 1996

Dollars in millions

State	Outstanding principal		Amount owed by delinquent borrowers		Percent owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percent of debt	Percent of borrowers
Alabama	\$46.4	286	\$0.9	10	1.9	3.5
Alaska	0	0	0	0	0	0
Arizona	9.4	34	0.6	2	6.6	5.9
Arkansas	164.3	970	1.8	11	1.1	1.1
California	75.8	458	2.7	21	3.6	4.6
Colorado	130.5	614	4.8	22	3.7	3.6
Connecticut	12.9	65	0.1	2	1.0	3.1
Delaware	13.5	75	0.6	3	4.2	4.0
Florida	55.0	301	1.4	12	2.6	4.0
Georgia	172.5	866	2.7	19	1.5	2.2
Hawaii	0.1	3	0	0	0	0
Idaho	65.9	404	2.8	11	4.3	2.7
Illinois	288.5	1,885	5.4	41	1.9	2.2
Indiana	127.9	770	4.2	23	3.3	3.0
Iowa	524.5	4,159	11.5	105	2.2	2.5
Kansas	258.7	1,775	12.5	109	4.8	6.1
Kentucky	127.2	966	1.8	16	1.4	1.7
Louisiana	235.4	1,762	15.8	171	6.7	9.7
Maine	12.2	72	0.4	4	3.6	5.6
Maryland	25.9	177	1.1	7	4.3	4.0
Massachusetts	25.3	100	2.6	8	10.4	8.0
Michigan	216.8	1,061	4.4	32	2.0	3.0
Minnesota	373.9	2,391	15.2	122	4.1	5.1
Mississippi	154.8	875	2.8	21	1.8	2.4
Missouri	221.8	1,352	3.4	30	1.5	2.2
Montana	106.6	634	4.3	25	4.0	3.9
Nebraska	366.7	2,290	18.4	106	5.0	4.6
Nevada	4.8	32	0.1	1	1.8	3.1
New Hampshire	4.7	29	0.8	5	17.6	17.2

(continued)

Appendix II
Outstanding Guaranteed Loans Owed by
Delinquent Borrowers

Dollars in millions

State	Outstanding principal		Amount owed by delinquent borrowers		Percent owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percent of debt	Percent of borrowers
New Jersey	10.0	52	1.0	5	10.3	9.6
New Mexico	56.8	250	3.8	16	6.6	6.4
New York	131.6	694	8.0	50	6.1	7.2
North Carolina	150.1	879	0.9	6	0.6	0.7
North Dakota	207.4	1,239	9.6	87	4.6	7.0
Ohio	69.8	457	1.5	13	2.2	2.8
Oklahoma	267.1	1,381	42.5	203	15.9	14.7
Oregon	24.1	156	0.7	5	2.8	3.2
Pennsylvania	93.8	538	5.5	27	5.9	5.0
Puerto Rico	11.0	73	0.3	2	2.4	2.7
Rhode Island	1.9	6	0	0	0	0
South Carolina	41.6	263	1.4	8	3.3	3.0
South Dakota	233.3	1,874	11.9	89	5.1	4.7
Tennessee	66.6	549	2.3	20	3.5	3.6
Texas	471.6	2,775	37.5	274	8.0	9.9
Utah	28.5	175	1.5	11	5.3	6.3
Vermont	67.2	464	7.5	54	11.2	11.6
Virgin Islands	0	0	0	0	0	0
Virginia	31.8	183	1.4	7	4.5	3.8
Washington	60.0	381	0.9	9	1.5	2.4
West Virginia	44.7	272	1.3	8	3.0	2.9
Western Pacific	0	0	0	0	0	0
Wisconsin	418.9	2,265	14.2	97	3.4	4.3
Wyoming	50.4	321	2.9	27	5.7	8.4
Totals	\$6,360.3	39,653	\$279.9	1,957	4.4	4.9

Note: Totals may not add due to rounding.

**Appendix II
Outstanding Guaranteed Loans Owed by
Delinquent Borrowers**

Table II.2: Amount and Percent of Outstanding Guaranteed Loans Owed by Delinquent Borrowers, by State, as of September 30,1995

Dollars in millions

State	Outstanding principal		Amount owed by delinquent borrowers		Percent owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percent of debt	Percent of borrowers
Alabama	\$42.4	283	\$0.2	5	0.4	1.8
Alaska	0	0	0	0	0	0
Arizona	5.5	26	0.7	2	13.0	7.7
Arkansas	126.5	853	2.0	11	1.6	1.3
California	71.9	451	3.4	24	4.8	5.3
Colorado	118.1	580	3.4	21	2.8	3.6
Connecticut	10.7	57	0	0	0	0
Delaware	12.6	73	0.1	1	0.5	1.4
Florida	46.4	258	2.0	12	4.2	4.7
Georgia	149.2	822	2.4	21	1.6	2.6
Hawaii	0.3	3	0	0	0	0
Idaho	75.4	429	3.3	12	4.3	2.8
Illinois	264.6	1,858	6.6	57	2.5	3.1
Indiana	116.7	735	4.9	23	4.2	3.1
Iowa	538.4	4,321	11.5	121	2.1	2.8
Kansas	244.4	1,721	10.9	92	4.5	5.3
Kentucky	104.6	900	1.5	18	1.4	2.0
Louisiana	224.7	1,767	6.1	59	2.7	3.3
Maine	8.2	61	0.7	7	8.2	11.5
Maryland	23.9	170	0.2	2	0.9	1.2
Massachusetts	21.6	92	2.1	8	9.7	8.7
Michigan	199.7	1,047	5.1	39	2.6	3.7
Minnesota	358.7	2,412	13.9	130	3.9	5.4
Mississippi	163.6	877	3.3	22	2.0	2.5
Missouri	181.3	1,239	1.7	19	1.0	1.5
Montana	96.8	583	3.9	23	4.0	3.9
Nebraska	337.2	2,223	14.0	86	4.1	3.9
Nevada	5.3	33	0.8	6	15.5	18.2
New Hampshire	4.5	29	0.5	5	11.4	17.2
New Jersey	8.9	45	1.3	6	14.0	13.3
New Mexico	49.5	229	2.6	13	5.3	5.7
New York	116.4	636	5.2	33	4.5	5.2
North Carolina	131.1	840	0.7	6	0.5	0.7

(continued)

Appendix II
Outstanding Guaranteed Loans Owed by
Delinquent Borrowers

Dollars in millions

State	Outstanding principal		Amount owed by delinquent borrowers		Percent owed by delinquent borrowers	
	Amount	Number of borrowers	Amount	Number of borrowers	Percent of debt	Percent of borrowers
North Dakota	177.9	1,167	9.5	77	5.4	6.6
Ohio	68.0	473	2.2	15	3.2	3.2
Oklahoma	257.8	1,314	27.7	130	10.8	9.9
Oregon	25.1	168	1.2	10	4.9	6.0
Pennsylvania	95.7	533	5.0	30	5.2	5.6
Puerto Rico	10.7	75	0	0	0	0
Rhode Island	1.1	5	0	0	0	0
South Carolina	41.1	265	0.7	6	1.8	2.3
South Dakota	222.8	1,843	8.0	71	3.6	3.9
Tennessee	65.9	553	2.1	18	3.2	3.3
Texas	414.9	2,564	21.3	137	5.1	5.3
Utah	31.1	183	0.7	6	2.4	3.3
Vermont	67.8	456	6.9	50	10.1	11.0
Virgin Islands	0	0	0	0	0	0
Virginia	32.0	190	0.5	5	1.5	2.6
Washington	68.0	406	2.1	15	3.1	3.7
West Virginia	40.3	237	0.9	7	2.3	3.0
Western Pacific	0	0	0	0	0	0
Wisconsin	404.6	2,270	11.7	89	2.9	3.9
Wyoming	48.9	316	2.0	17	4.1	5.4
Totals	\$5,932.6	38,671	\$217.7	1,567	3.7	4.1

Note: Totals may not add due to rounding.

**Appendix II
Outstanding Guaranteed Loans Owed by
Delinquent Borrowers**

Table II.3: Change in Amount and Percent of Outstanding Guaranteed Loans Owed by Delinquent Borrowers, by State, September 30, 1995, to September 30, 1996

Dollars in millions

State	Change in outstanding principal				Change in amount owed by delinquent borrowers			
	Amount	Percentage change	Number of borrowers	Percentage change	Amount	Percentage change	Number of borrowers	Percentage change
Alabama	\$4.0	9.4	3	1.1	\$0.7	401.3	5	100.0
Alaska	0	0	0	0	0	0	0	0
Arizona	3.9	70.5	8	30.8	(0.1)	(13.0)	0	0
Arkansas	37.8	29.9	117	13.7	(0.2)	(9.4)	0	0
California	4.0	5.5	7	1.6	(0.7)	(21.6)	(3)	(12.5)
Colorado	12.4	10.5	34	5.9	1.4	43.1	1	4.8
Connecticut	2.2	20.3	8	14.0	0.1	^a	2	^a
Delaware	0.8	6.6	2	2.7	0.5	719.4	2	200.0
Florida	8.6	18.6	43	16.7	(0.5)	(27.4)	0	0
Georgia	23.4	15.7	44	5.4	0.3	12.0	(2)	(9.5)
Hawaii	(0.2)	(56.6)	0	0	0	0	0	0
Idaho	(9.5)	(12.6)	(25)	(5.8)	(0.5)	(13.9)	(1)	(8.3)
Illinois	23.9	9.0	27	1.5	(1.2)	(17.6)	(16)	(28.1)
Indiana	11.1	9.6	35	4.8	(0.8)	(15.2)	0	0
Iowa	(14.0)	(2.6)	(162)	(3.7)	^b	(0.4)	(16)	(13.2)
Kansas	14.2	5.8	54	3.1	1.6	14.5	17	18.5
Kentucky	22.6	21.6	66	7.3	0.3	18.6	(2)	(11.1)
Louisiana	10.7	4.8	(5)	(0.3)	9.6	156.7	112	189.8
Maine	3.9	47.9	11	18	(0.2)	(35.8)	(3)	(42.9)
Maryland	2.0	8.5	7	4.1	0.9	446.7	5	250.0
Massachusetts	3.7	17.3	8	8.7	0.5	25.6	0	0
Michigan	17.1	8.6	14	1.3	(0.7)	(13.7)	(7)	(17.9)
Minnesota	15.2	4.2	(21)	(0.9)	1.3	9.2	(8)	(6.2)
Mississippi	(8.8)	(5.4)	(2)	(0.2)	(0.5)	(15.5)	(1)	(4.5)
Missouri	40.5	22.4	113	9.1	1.7	96.3	11	57.9
Montana	9.8	10.1	51	8.7	0.5	11.8	2	8.7
Nebraska	29.5	8.8	67	3.0	4.5	32.0	20	23.3
Nevada	(0.5)	(8.9)	(1)	(3.0)	(0.7)	(89.1)	(5)	(83.3)
New Hampshire	0.2	5.2	0	0	0.3	62.6	0	0
New Jersey	1.1	12.1	7	15.6	(0.2)	(18.0)	(1)	(16.7)
New Mexico	7.4	14.9	21	9.2	1.2	44.6	3	23.1
New York	15.2	13.1	58	9.1	2.8	54.8	17	51.5
North Carolina	19.0	14.5	39	4.6	0.2	29.8	0	0

(continued)

**Appendix II
Outstanding Guaranteed Loans Owed by
Delinquent Borrowers**

Dollars in millions

State	Change in outstanding principal				Change in amount owed by delinquent borrowers			
	Amount	Percentage change	Number of borrowers	Percentage change	Amount	Percentage change	Number of borrowers	Percentage change
North Dakota	29.5	16.6	72	6.2	^b	0.5	10	13.0
Ohio	1.8	2.6	(16)	(3.4)	(0.7)	(30.4)	(2)	(13.3)
Oklahoma	9.4	3.6	67	5.1	14.8	53.3	73	56.2
Oregon	(1.0)	(3.9)	(12)	(7.1)	(0.5)	(44.8)	(5)	(50.0)
Pennsylvania	(1.9)	(2.0)	5	0.9	0.5	10.2	(3)	(10.0)
Puerto Rico	0.3	2.5	(2)	(2.7)	0.3	^a	2	^a
Rhode Island	0.9	80.3	1	20.0	0	0	0	0
South Carolina	0.5	1.1	(2)	(0.8)	0.7	90.7	2	33.3
South Dakota	10.5	4.7	31	1.7	3.8	47.6	18	25.4
Tennessee	0.7	1.0	(4)	(0.7)	0.2	8.8	2	11.1
Texas	56.8	13.7	211	8.2	16.2	75.8	137	100.0
Utah	(2.6)	(8.2)	(8)	(4.4)	0.8	106.2	5	83.3
Vermont	(0.6)	(0.9)	8	1.8	0.7	9.5	4	8.0
Virgin Islands	0	0	0	0	0	0	0	0
Virginia	(0.2)	(0.7)	(7)	(3.7)	0.9	186.7	2	40.0
Washington	(8.0)	(11.7)	(25)	(6.2)	(1.2)	(58.2)	(6)	(40.0)
West Virginia	4.4	11.0	35	14.8	0.4	43.6	1	14.3
Western Pacific	0	0	0	0	0	0	0	0
Wisconsin	14.3	3.5	(5)	(0.2)	2.5	21.5	8	9.0
Wyoming	1.5	3.1	5	1.6	0.9	44.4	10	58.8
Totals	\$1,823.9	40.2	982	2.5	\$62.2	28.6	390	24.9

Note: Totals may not add due to rounding.

^aLess than \$50,000.

^bA percent change cannot be calculated because there were no delinquencies in 1995.

Direct Loan Losses and Guaranteed Loan Loss Payments

This appendix provides information on direct loan losses and guaranteed loan loss payments, by state, for fiscal year 1996.

Table III.1: Direct Loan Losses, Guaranteed Loan Loss Payments, and Total Losses, by State, Fiscal Year 1996

Dollars in millions

State	Direct loan losses		Guaranteed loan losses		Total direct and guaranteed loan losses	
	Amount	Borrowers	Amount	Borrowers	Amount	Borrowers
Alabama	\$1.2	18	\$0.1	3	\$1.3	21
Alaska	0	0	0	0	0	0
Arizona	54.4	33	0	0	54.4	33
Arkansas	33.6	184	0.7	11	34.3	195
California	224.4	106	0.3	4	224.8	110
Colorado	4.4	28	0.6	9	5.0	37
Connecticut	1.3	6	0	0	1.3	6
Florida	58.9	100	0.5	3	59.3	103
Georgia	51.4	142	1.7	19	53.0	61
Hawaii	^a	1	0	0	^a	1
Idaho	29.0	81	0.6	3	29.6	84
Illinois	9.5	65	1.3	20	10.9	85
Indiana	10.0	54	0.2	3	10.2	57
Iowa	10.7	100	1.3	28	12.0	128
Kansas	8.2	52	0.8	13	9.0	65
Kentucky	7.9	69	0.4	8	8.3	77
Louisiana	100.5	468	6.8	100	107.2	568
Maine	4.1	15	0	0	4.1	15
Maryland	1.2	8	0.1	2	1.3	10
Massachusetts	0.7	2	1.1	4	1.8	6
Michigan	11.7	71	0.4	8	12.1	79
Minnesota	16.1	69	2.3	33	18.4	102
Mississippi	134.9	276	2.4	29	137.3	305
Missouri	15.2	106	0.7	12	15.9	118
Montana	11.7	44	^a	1	11.7	45
Nebraska	5.7	52	0.6	12	6.3	64
Nevada	2.4	7	0	0	2.4	7
New Hampshire	^a	1	0.2	2	0.2	3
New Jersey	0.2	1	0.2	2	0.4	3
New Mexico	3.2	17	0.2	2	3.4	19
New York	14.4	86	0.5	7	14.9	93

(continued)

Appendix III
Direct Loan Losses and Guaranteed Loan
Loss Payments

Dollars in millions

State	Direct loan losses		Guaranteed loan losses		Total direct and guaranteed loan losses	
	Amount	Borrowers	Amount	Borrowers	Amount	Borrowers
North Carolina	9.0	46	0.1	2	9.0	48
North Dakota	16.1	94	0.7	15	16.8	109
Ohio	14.8	67	0.4	5	15.2	72
Oklahoma	16.3	108	5.5	38	21.8	146
Oregon	6.5	23	0.4	3	6.9	26
Pennsylvania	4.9	38	0.3	4	5.2	42
Puerto Rico	1.7	19	0.2	3	1.9	22
South Carolina	23.9	81	0.5	2	24.4	83
South Dakota	15.4	52	0.7	19	16.2	71
Tennessee	12.3	68	1.3	16	13.6	84
Texas	103.0	258	2.7	36	105.7	294
Utah	1.4	10	0.1	2	1.5	12
Vermont	0.2	2	0.3	4	0.5	6
Virgin Islands	0	0	0	0	0	0
Virginia	21.4	79	0.2	3	21.5	82
Washington	6.6	25	0.4	4	7.0	29
West Virginia	1.2	10	0.6	4	1.8	14
Western Pacific	0	0	0	0	0	0
Wisconsin	16.2	144	2.6	38	18.7	182
Wyoming	1.1	8	0.8	9	1.9	17
Totals	\$1,098.6	3,394	\$41.9	545	\$1,140.5	3,939

Note: Totals may not add due to rounding.

^aLess than \$50,000.

Appendix III
Direct Loan Losses and Guaranteed Loan
Loss Payments

Table III.2: Direct Loan Losses by Loss Category, by State, Fiscal Year 1996

Dollars in millions

State	Debt settlement with write-off		Recovery buy-out with write-off		Restructured with write-down	
	Amount	Borrowers	Amount	Borrowers	Amount	Borrowers
Alabama	\$0.8	13	\$0.2	4	\$0.1	1
Alaska	0	0	0	0	0	0
Arizona	54.3	32	0	0	0.1	1
Arkansas	31.6	158	0.9	12	1.1	14
California	223.9	103	0.5	3	0	0
Colorado	3.6	20	0.3	2	0.5	6
Connecticut	1.0	5	0	0	0.3	1
Florida	58.7	98	^a	1	0.1	1
Georgia	48.7	127	2.5	12	0.2	3
Hawaii	^a	1	0	0	0	0
Idaho	27.1	65	0.6	6	1.3	10
Illinois	8.8	57	0.3	2	0.3	6
Indiana	9.0	48	0.6	3	0.3	3
Iowa	9.4	86	0.6	5	0.6	9
Kansas	7.8	46	^a	1	0.4	5
Kentucky	6.6	55	0.1	1	1.2	13
Louisiana	92.2	406	7.4	49	0.9	13
Maine	3.6	12	0.2	1	0.2	2
Maryland	1.1	7	0	0	0.1	1
Massachusetts	0.7	2	0	0	0	0
Michigan	8.5	41	0.5	7	2.7	23
Minnesota	14.4	54	1.3	7	0.5	8
Mississippi	127.5	237	6.3	31	1.1	8
Missouri	13.5	83	1.1	15	0.7	8
Montana	11.1	37	0.4	5	0.3	2
Nebraska	5.4	47	0.2	3	0.1	2
Nevada	1.1	5	0.6	1	0.7	1
New Hampshire	^a	1	0	0	0	0
New Jersey	0	0	0	0	0.2	1
New Mexico	2.3	11	0.6	3	0.2	3
New York	12.8	76	0.9	4	0.7	6
North Carolina	7.5	38	1.1	5	0.4	3
North Dakota	10.8	67	3.5	9	1.8	18
Ohio	14.3	62	0.4	3	0.1	2
Oklahoma	8.7	69	4.1	15	3.5	24

(continued)

Appendix III
Direct Loan Losses and Guaranteed Loan
Loss Payments

Dollars in millions

State	Debt settlement with write-off		Recovery buy-out with write-off		Restructured with write-down	
	Amount	Borrowers	Amount	Borrowers	Amount	Borrowers
Oregon	5.8	19	0	0	0.7	4
Pennsylvania	4.4	32	0.1	2	0.4	4
Puerto Rico	1.7	19	0	0	0	0
South Carolina	23.0	73	0.7	6	0.2	2
South Dakota	14.9	44	0.1	2	0.5	6
Tennessee	10.9	59	1.2	6	0.2	3
Texas	87.7	222	12.3	15	3.1	21
Utah	1.1	8	0	0	0.2	2
Vermont	0.1	1	0	0	0.1	1
Virgin Islands	0	0	0	0	0	0
Virginia	21.2	75	0	0	0.2	4
Washington	6.6	24	0.1	1	0	0
West Virginia	1.2	10	0	0	0	0
Western Pacific	0	0	0	0	0	0
Wisconsin	14.7	126	1.0	10	0.5	8
Wyoming	0.9	6	^a	1	0.1	1
Totals	\$1,020.9	2,887	\$50.9	253	\$26.8	254

Note: Totals may not add due to rounding.

^aLess than \$50,000.

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