

For: State and County Offices

**Considering Crop Loss Disaster Assistance Program (CLDAP) and Emergency Livestock Feed Assistance (ELFA) Payments When Processing Loans**

Approved by: Deputy Administrator, Farm Loan Programs and Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

Title XI of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (1999 Appropriations Act), includes appropriations for payments that will now be made under CLDAP and ELFA.

Language in the 1999 Appropriations Act further states that in addition to CLDAP and ELFA payments, persons applying for disaster payments may receive those payments in addition to amounts received as a result of Emergency (EM) loans made available for the 1998 crop under subtitle C of the Consolidated Farm and Rural Development Act.

**B**

**Purpose**

This notice:

- provides guidance on how to consider CLDAP and ELFA payments when processing, approving, and closing EM loans
- establishes guidelines for estimating CLDAP payments for use in developing cash flow projections for Farm Ownership (FO), Operating (OL), and EM loans.

<p><b>Disposal Date</b></p> <p>October 1, 1999</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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### 2 Action

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#### A Processing, Approving, and Closing EM Loans

##### Loan approval officials shall:

- continue to process applications in a timely manner
- calculate the applicant's production losses without making deductions for CLDAP and ELFA payments that are received or anticipated by the applicant.

**Note:** CLDAP and ELFA payments will not be entered in FmHA-1945-26, item C.

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#### B Estimating Payments for Cash Flow Purposes

##### Loan approval officials shall:

- request that CED in each local office, where a CLDAP application has been filed, complete the calculation to determine the amount of the applicant's **maximum** CLDAP payment according to 1-DAP

**Note:** Upon receipt of CLDAP software for the entitlement report, CED shall provide the entitlement report to satisfy this requirement.

- allow the applicant to choose either of the following options for completing the cash flow:
  - make adjustments to FmHA-431-2, item 3, Table J to include 50 percent of the maximum CLDAP payment calculated by CED and have FSA continue to process the loan request
  - suspend processing of their application until they receive final payment or are notified by CED of the amount of payment they will receive

**Note:** The applicant's choice is not irrevocable so that they may initially choose 50 percent and, if that does not cash flow, elect to wait until all payments are determined.

- if a feasible plan is developed using either of these methods and the applicant is otherwise eligible, continue to process and approve the application, subject to the availability of funding
  - if a feasible plan cannot be developed using either of these methods, or the applicant is otherwise ineligible, deny the loan and give the applicant appropriate appeal rights.
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### 2 Action (Continued)

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#### **B** **Estimating** **Payments for** **Cash Flow** **Purposes** **(Continued)**

#### **CED's shall:**

- consider applications from producers who are seeking any type of FSA loan as priority when determining CLDAP eligibility
- within 5 workdays of a request by the loan approval official, complete the calculation of the producer's maximum CLDAP payment.

**Note:** If data is not available in the County Office to complete the calculation within 5 workdays of the request, CED shall provide the information as soon as possible.

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#### **C** **Contacts**

State Offices may direct questions about this notice to Mike Hinton at 202-720-1472 or Chuck Ropp at 202-690-4017.

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