

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

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**Farm Storage Facility Loan Program  
1-FSFL (Revision 1)**

**Amendment 11**

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**Approved by:** Deputy Administrator, Farm Programs



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 2 F has been amended to:

- provide that a DAFO-appointed Acting SED may approve CCC-185
- clarify that the approval authority is based on the total aggregate outstanding FSFL balance
- provide that STC may redelegate CCC-185 approval authority to SED or DAFO-appointed Acting SED **only**.

Subparagraph 11 A has been amended to clarify that the approval authority is based on the total aggregate outstanding FSFL balance.

Subparagraph 11 D has been amended to provide that County Offices shall also submit a detailed explanation why FSFL was not requested before starting construction of the storage facility, to the State Office, when requesting a DAFP waiver.

Subparagraph 12 A has been amended to provide that the eligible borrower must not have been convicted under Federal or State law for a disqualifying controlled substance violation or a crop insurance violation under 7 CFR Part 718.

Subparagraph 19 A has been amended to provide that the:

- gas pipeline to the gas meter is ineligible as a net cost item
- appraisal cost is an eligible net cost item
- cost to tear down an existing structure is ineligible as a net cost item.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

Subparagraph 24 C has been amended to:

- clarify that a subordination agreement is not required if FSA holds a superior or first lien on applicable real estate through a direct FLP loan
- increase the additional security requirement loan limit to \$100,000.

Subparagraph 24 G has been amended to provide authority to use an irrevocable letter of credit and the structure to secure FSFL, if necessary.

Subparagraph 24 L has been amended to update the partial and final disbursement examples.

Subparagraph 24 N has been amended to:

- provide new resale collateral value policy, based on the increase of the additional security requirement loan limit to \$100,000
- reference subparagraph C.

Subparagraph 26 A has been amended to clarify that an additional 6-month extension may be approved by the applicable approving authority.

Subparagraph 28 G has been amended to update secondary review policy.

Paragraph 52 has been amended to provide updated CCC-195 and add CCC-195A and CCC-195B instructions and examples.

Subparagraph 115 A has been amended to:

- increase the loan limit to \$100,000
- add STC as approving authority
- reference subparagraph 24 C.

Subparagraph 115 B has been amended to clarify that approvals and disapprovals are based on the aggregate outstanding FSFL balance.

Subparagraph 127 A has been amended to update item 10 instructions.

Subparagraph 127 B has been amended to:

- update item 13 instructions
- change the amount for which instructions in subparagraph A may be followed for loans of \$100,000 or less.

## Amendment Transmittal (Continued)

### A Reasons for Amendment (Continued)

Subparagraph 130 B has been amended to:

- increase the loan limit for which a severance agreement is not required
- provide that if an irrevocable letter of credit is used in addition to the FSFL structure to secure FSFL, CCC-297 is **not** required if the irrevocable letter of credit is 20 percent or greater than the FSFL amount. STC has authority to establish a more restrictive policy.

Subparagraph 167 F has been amended to provide CCC-195 Servicing, item 5C instruction.

Subparagraph 167 G has been amended to provide an updated example of CCC-195 Servicing.

Paragraph 168 has been added to provide lien subordination policy.

Exhibit 2 has been updated to provide definitions for:

- controlled substance violation ineligibility
- lien
- mortgage.

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## 2 FSFLP Information (Continued)

### E Waivers

DAFP may authorize STC's and COC's to waive or modify deadlines and other FSFLP requirements in cases where lateness or failure to meet other FSFLP requirements does not adversely affect the FSFL operation. STC's and COC's without authority to act may prepare a request for waiver to the applicable FSFLP requirement according to paragraph 301.

### F FSFL Approval Authority

The authority to approve all FSFL forms, **except** CCC-185, and documents prepared according to this handbook may be redelegated in writing by:

- COC to CED, **except** CCC-185's and applications in which CED has a monetary interest
- CED to Federal and non-Federal County Office employees, **except** CCC-185's and applications in which the person approving has a monetary interest.

COC or STC is the approval authority for CCC-185. STC can redelegate CCC-185 approval authority to SED only.

Use the following table for exceptions.

IF the FSFL applicant is...	THEN the approval authority for CCC-185 shall be...
a State, Federal, or non-Federal County Office employee, including CED's	STC, STC-delegated SED, or STC-designated DD.  *--Notes: If the aggregate FSFL amount is--* over \$250,000, only STC or STC-delegated SED is authorized to approve CCC-185.  *--DAFO-appointed Acting SED is authorized to approve CCC-185.--*
COC member	
a relative to County Office employees or COC members  <b>Note:</b> See Exhibit 2.	
DD	STC or STC-delegated SED.
STC member	
SED	STC.
a relative to DD or STC member  <b>Note:</b> See Exhibit 2.	STC or STC-delegated SED.
a relative to SED  <b>Note:</b> See Exhibit 2.	STC.

**Notes:** Questionable cases shall be referred to the next higher authority for determination. Potential conflict of interest cases shall be handled according to 3-PM and 22-PM.

An individual acting for DD or SED **does not** have CCC-185 approval authority.

## 2 FSFLP Information (Continued)

### F FSFL Approval Authority (Continued)

To protect CCC's financial interests, approval authority for FSFL's is as follows.

<b>*--IF the total aggregate outstanding FSFL balance <u>1/</u> amount is...--*</b>	<b>THEN the approval authority is...</b>
\$100,000 or less	COC.
\$100,000.01 to \$250,000	COC approval <b>after</b> DD review. <u>2/</u>
\$250,000.01 to \$500,000	STC. <u>3/</u>

1/ For FSFL's with partial and final disbursements, the two FSFL amounts are combined.

\*--2/ DD's **must** review **all** CCC-185's with a total aggregate outstanding FSFL principal amount between \$100,000.01 and \$250,000. FSFL approval date will be the date COC approves FSFL **after** DD review.

3/ STC may redelegate CCC-185 approval authority to SED or DAFO-appointed Acting SED **only**.--\*

**Exception:** STC is the approval authority for **all** renewable biomass CCC-185's.

**Note:** All increases to the original approved FSFL amounts must be referred to the original approval authority or a higher authority, if required, for the total  
\*--aggregate outstanding FSFL balance amount. See subparagraph 133 C.--\*

### G CCC-185 Approval Authority Under Special Conditions

When STC or COC meetings are conducted by conference calls, e-mail, or polling process for CCC-185 approvals, the following actions are **required**:

- record approval/disapproval of CCC-185 in the STC or COC meeting minutes
- document the date and method of approval in CCC-185, item 18
- STC or COC chairperson **must** sign CCC-185 at the next opportunity.

**Note:** After CCC-185 is approved by conference call, e-mail, or polling process, the CCC-185 loan approval date shall be recorded in APSS and uploaded for funding.

If a polling process is used, document in the STC or COC meeting minutes the names of the committee members that were polled, date of the polls, and the determinations.

Continue to follow FSFL approval authority policy in subparagraph F. This new policy **only** applies to CCC-185 approvals for specific situations as specified in subparagraph 11 A.

**2 FSFLP Information (Continued)**

**H Approved FSFL Supplies or Vendors**

FSFL regulations do **not** provide for creating a list of approved FSFL equipment suppliers or vendors. Potential conflict of interest cases shall be handled according to 3-PM and 22-PM.

**3-9 (Reserved)**



## Part 2 Basic FSFL-Making Policies

### 10 FSFL Availability

#### A Signup

[7 CFR 1436.4] County Offices shall accept CCC-185's and supporting documents:

- anytime during normal office hours
- from producers in person, **not** by FAX
- at least 15 calendar days before the COC meeting at which CCC-185 will be acted.

#### B Where to Apply

CCC-185's from eligible borrowers for FSFL's for all commodities, **except** FSFL's for renewable biomass and cold storage facilities for FAV's, shall be submitted to the administrative County Office that maintains the applicant's farm records of the farm or farms to which CCC-185 applies.

For renewable biomass storage facilities and cold storage facilities, CCC-185's must also be submitted to the administrative County Office that maintains the applicant's farm records. If some or all of the land from which renewable biomass is harvested and FAV's are produced does **not** have farm records established, CCC-185's must be submitted to the County Office that services the county where the facility will be located.

#### C Documentation

Upon request, the applicant shall provide information and documents as STC or COC determines reasonably necessary to support CCC-185. The following are examples of information and documentation:

- CCC-901's and CCC-902's
- drawings
- financial statements
- invoices
- legal description of parcel where facility will be placed
- plats or aerial photograph with structure location marked
- purchase orders
- receipted bills
- specifications
- written authorization of access to the proposed storage site.

**\*--Note:** The storage facility **must** be a stand-alone structure. An example of a structure that would be ineligible for FSFL and **not** be considered a stand-alone structure is when 2 structures are built, and the structures share common components, such as, but **not** limited to, access door, wall, or roof.**--\***

## 10 FSFL Availability (Continued)

### C Documentation (Continued)

For CCC-185's not supported by existing farm records, the applicant must provide all the documentation required to the County Office for the applicant to be determined an actively engaged and eligible borrower.

COC is responsible for taking appropriate action on CCC-185.

### D Producer Action Before CCC-185 Approval

Submitting CCC-185's does **not** ensure approval nor does it create any liability on CCC's behalf.

FSFL applicants, who authorize delivery, site preparation, or construction actions without an approved CCC-185, do so at their own risk and **without** creating any liability on CCC's behalf.

## 11 CCC-185 Approval Authorities for Specific Situations

### A COC Authorized Approval Authority

CCC-185 approval should be obtained **before** any action is taken by the applicant to install the facility.

COC's, according to subparagraph 2 F and paragraph 115, have the authority to approve \*--CCC-185's for FSFL's when the total aggregate outstanding FSFL balance is:--\*

- \$100,000 or less
- \$100,000.01 to \$250,000, **after** DD review.

\*--**Example:** Producer has an outstanding FSFL for \$90,000 and requests a new FSFL for \$30,000. DD review of the \$30,000 loan request is **required before** COC approval.

COC's have the authority to approve CCC-185's for FSFL's for the aggregate outstanding FSFL balance of \$100,000 or less; or aggregate outstanding FSFL balance of \$250,000 or--\* less **after** DD review; **with** STC or designated SED concurrence in cases where the applicants began specific actions before CCC-185 approval. The applicable actions include the following:

- accepted delivery of equipment or materials
- site preparation in previously disturbed areas
- foundation construction.

## 11 CCC-185 Approval Authorities for Specific Situations (Continued)

## A COC Authorized Approval Authority (Continued)

**Note:** Although producers will be proceeding at their own risk, COC can issue an approval conditional on STC or designated SED concurrence if 1 of the 3 actions in this subparagraph is applicable, and use the initial COC approval date and interest rate, if **all** of the following apply:

- CCC-185 was completed and signed by the applicant before starting any of the 3 actions in this subparagraph
- ~~FSFL~~ aggregate outstanding ~~FSFL~~ balance is \$100,000 or less or between ~~FSFL~~ \$100,000.01 to \$250,000 with DD review
- COC is FSFL approval authority
- all applicant eligibility requirements were met when COC issued conditional approval
- concurrence request is received in the State Office within 10 workdays of COC conditional approval.

**Example:** The producer completes CCC-185 in the County Office on August 20, 2013. On September 4, 2013, a representative from the County Office visits the site to complete FSA-850. It is determined that the producer has completed the site preparation and the forms for the foundation are in place. FSA-850 can still be completed and no adverse impacts are identified based on FSA-850. The producer explains that he or she thought CCC-185 had been approved and construction needed to start so the bin would be completed in time to store the 2013 harvest. COC is the approving authority and determines the actions completed before CCC-185 approval do **not** adversely affect FSFL operation. COC may issue a conditional approval, with STC or designated SED concurrence, **without** requesting a DAFP waiver, if construction of the facility itself is **not** started until after CCC-185 approval.

The producer can start construction based on COC's conditional approval but the COC approval date for the funding should not be entered into the system until STC or designated SED has concurred.

## 11 CCC-185 Approval Authorities for Specific Situations (Continued)

### A COC Authorized Approval Authority (Continued)

The following must be on file in the County Office **before** COC can approve FSFL:

- CCC-185 completed and signed by the applicant
- \$100 application fee per borrower was received and deposited, as applicable

**Note:** See paragraph 30.

- the financial analysis for all borrowers and entities was completed
- FSA-850 completed with **no** significant adverse impacts identified.

### B STC Authorized Approval Authority

STC's may approve CCC-185's on which construction of the facility was started before approval, provided **all** of the following were on file in the County Office **before starting** construction of the facility itself:

- CCC-185 was completed and signed by the applicant
- \$100 application fee per borrower was received and deposited, as applicable

**Note:** See paragraph 30.

- all required documentation for financial analysis for all borrowers and entities were submitted and received by the County Office
- FSA-850 has been completed with **no** significant adverse impacts identified.

**Note:** In these cases:

- DAFP waiver is **not** required
- STC **can** delegate CCC-185 approval process to SED only
- **all** other eligibility requirements **must** be met
- applicant **must** be informed that:
  - approval and funding is **not** guaranteed
  - applicant is starting construction at his own risk and **without** creating any liability on CCC's behalf.

See Exhibit 2 for the definition of construction of FSFL.



## 11 CCC-185 Approval Authorities for Specific Situations (Continued)

### C Expanded STC Authorized Approval Authority

STC's may approve FSFL's where construction started before loan approval if **all** of the following apply:

- total loan principal of the applicable loan application is \$250,000 or less
- total of this application and all other outstanding FSFL's to the same borrowers is \$300,000 or less
- the application and all documentation required for the financial analysis is submitted to the County Office within 3 months after construction completed
- all applicant eligibility, equipment eligibility, and collateral security requirements are met
- FSA-850 and, if applicable, FSA-851 completed with no significant adverse impacts identified.

If all these provisions apply:

- DAFP waiver is **not** required
- STC **can** delegate CCC-185 approval process to SED only
- loan approval date will be the date STC approves FSFL.

**Note:** Interest rate of FSFL is based on loan approval date.

### D DAFP CCC-185 Approval Required

For CCC-185's where the specific situation is **not** covered under subparagraphs A through C, and COC determines that CCC-185 would have otherwise been approved, the following actions shall be taken:

- document in COC and STC minutes the reasons why CCC-185 applicant completed the actions **before** receiving FSFL approval
- determine that all other applicant eligibility, FSA-850's, equipment eligibility, and collateral security requirements can be met, and CCC-185 would have been approved had the actions not been taken

## 11 CCC-185 Approval Authorities for Specific Situations (Continued)

### D DAFP CCC-185 Approval Required (Continued)

- request DAFP waiver through STC according to subparagraphs 2 E and 301 A.

**\*--Example:** Producer submitted CCC-185 in the County Office on September 1, 2013. Producer was instructed by the County Office to provide supporting documentation to complete a financial analysis. On March 1, 2014, the producer provides the supporting documentation to the County Office, along with the final bills for the construction of the bin, and the producer informs the County Office that the bin has been completed. The bills indicate construction was completed on October 31, 2013.--\*

County Offices shall submit copies of the following to the State Office for forwarding to DAFP for approval requests:

- CCC-185
- FSA-850 and FSA-851, if applicable
- **\*--detailed explanation why FSFL was **not** requested before starting construction of the storage facility--\***
- memorandum from COC meeting
- COC minutes.

If STC requests a DAFP waiver, these documents shall be forwarded to DAFP, along with the following:

- memorandum from SED applicable to STC request
- copies of the STC minutes.

### E No Approval Authorized

If FSA-850 **cannot** be satisfactorily completed according to Part 4, Section 3, CCC-185 shall **not** be approved and a waiver request shall **not** be submitted to DAFP.

## 12 Eligible Borrowers

### A Basic Requirements

**[7 CFR 1436.5]** An eligible borrower is any person, as defined in Exhibit 2, who, as a landowner, landlord, operator, producer, leaseholder, tenant, or sharecropper, meets **all** of the following eligibility requirements:

- has a satisfactory credit history as determined by CCC
- has no delinquent Federal nontax debt as defined by DCIA of 1996 unless the delinquent debt is resolved before FSFL is disbursed
- ~~has~~ **not** been convicted under Federal or State law for a disqualifying controlled substance violation according to 1-CM, Part 30 or a crop insurance violation under 7 CFR Part 718--\*
- is a producer of FSFL commodities as defined in paragraph 13 and Exhibit 2

**Note:** County Offices must review FSA-578's, including late-filed, to ensure that the producer is a producer of eligible FSFL commodities.

- provides proof of multi-peril crop insurance offered under the Federal Crop Insurance Program or NAP on all eligible FSFL commodities
- is in compliance with USDA provisions for HEL and WC according to 7 CFR Part 12
- demonstrates the ability to pay the downpayment and repay the debt resulting from FSFLP
- demonstrates compliance with NEPA according to 40 CFR Parts 1500-1508
- demonstrates a need for increased storage capacity unless the borrower is requesting FSFL for handling and drying equipment

**Notes:** The borrower must still be producing a commodity that will use the handling or drying equipment.

DAFP waiver may be issued, if requested, on a case-by-case basis if a crop share landlord or tenant requests to construct a structure to store all commodities produced on a farm, but only 1 of the producers wants to accept liability.



12 Eligible Borrowers (Continued)

A Basic Requirements (Continued)

- demonstrates compliance with any applicable local zoning, land use, and building codes for the applicable farm storage facility structures
- provides all-peril structural insurance and, if required, flood insurance.

**Notes:** If the county flood map is updated, either before or after FSFL disbursement, and the flood map indicates FSFL is in an area requiring flood insurance, the borrower must immediately purchase insurance.

\*--CCC-931 does **not** apply to FSFL's.--\*

## 12 Eligible Borrowers (Continued)

### B Determining Borrowing Entity

County Offices shall:

- determine the borrowing entity from CCC-902
- allow borrowers who are otherwise eligible to enter into joint FSFL's with another eligible borrower if adequate security requirements can be met
- require FSFL's to be joint when more than 1 borrower or entity has an interest in a facility

**Example:** Two brothers with separate farming operations are requesting FSFL on 1 grain storage bin. The brothers will be required to obtain 1 joint FSFL for the bin. The bin will be jointly owned with each brother responsible for the entire FSFL. They may **not** apply for 2 separate FSFL's, each for half the FSFL principal.

- not allow schemes to avoid FSFL limit per structure

**Note:** The borrowing entity will be the producer:

- of FSFL commodities that require storage at the proposed storage location
- who meets all other requirements.
- inform borrowers requesting joint FSFL's, or borrowers who are partnerships or joint ventures, that all reminders and pertinent information on FSFL will be sent only to the contact producer
- inform borrowers on joint FSFL's, that the contact borrower will receive IRS-1098 for the entire amount.

**Example:** Three brothers obtained a joint FSFL. One brother will be the contact borrower and receive IRS-1098 for the entire FSFL.

**Note:** Kansas City will prepare and mail IRS-1098's for FSFL interest.

### C Applicants Who Are Minors

Applicants who are minors may be approved for FSFL if:

- minor meets all eligibility requirements
- minor signs CCC-186
- financially responsible adult, as approved by COC, cosigns CCC-186.

## 18 Facility Purpose and Useful Life

### A Facility Purpose

The intent of FSFLP is to provide on-farm storage to producers to store the eligible facility loan commodities they produce. FSFL collateral **must** be used for the purpose for which the \*--storage facility was constructed for the **entire** FSFL term and must be a stand-alone structure.--\*

FSFLP does **not** have the resources to provide financing for commercial storage facilities.

### B Using FSFL Structure That Once Stored FSFL Commodities Now Marketed

After the stored commodity has been marketed, the facility may, with **prior** approval, be used by the borrower to **temporarily** store their other agricultural-related items until the next harvest season.

An FSFL borrower must:

- submit a written request to the County Office for approval to store anything other than an eligible FSFL commodity in the structure
- have written approval from CED **before** storing anything other than an eligible FSFL commodity in the structure
- notify the County Office servicing FSFL within 5 workdays when the FSFL commodity has been removed and another agricultural-related item is stored in the FSFL structure.

COC's shall closely monitor FSFL structures temporarily storing other agricultural-related items to ensure that the structure is used for the purpose for which it was constructed for a good portion of every year during the FSFL term. If it is discovered that a borrower consistently fails to obtain approval from the County Office before storing another agricultural-related item in an FSFL structure, the State Office shall contact PSD for guidance.

### C Facility Useful Life

CCC has determined that the useful life of a facility must be at least 15 years to ensure that FSFL will be adequately secured throughout the FSFL term.

## 19 Eligible and Ineligible Equipment

### A Eligible Storage and Handling Facilities for All CCC Charter Act Commodities

[7 CFR 1436.6] FSFL's shall only be made for purchasing and installing eligible permanently installed storage facilities including pre-fabricated structures, permanently affixed drying or handling equipment, or remodeling existing facilities as follows:

- new conventional type cribs or bins designed and engineered for FSFL commodity storage having a useful life of at least 15 years
- new oxygen-limiting and other upright silo-type structures designed for FSFL commodity storage having a useful life of at least 15 years
- new flat-type storage structures, including a permanent concrete floor and bulkheads, designed for and primarily used to store FSFL commodities for the FSFL term
- new electrical equipment, such as lighting, motors, and wiring, integral to the proper operation of the storage and handling equipment, **excluding** installing electrical service to \*--the electrical meter and a gas pipeline to the gas meter--\*
- new equipment to improve, maintain, or monitor the quality of stored FSFL commodities, such as cleaners, moisture testers, and heat detectors, along with a proposed storage facility
- new concrete foundations, aprons, pits, and pads, including site preparation, labor, and material, essential to the proper operation of the storage and handling equipment
- remanufactured oxygen-limiting storage structures built to the original manufacturer's design specifications using original manufacturer's rebuild kits designed for FSFL commodity storage and having a useful life of at least 15 years

**Note:** STC's are strongly encouraged to only allow rebuilt kits from the original manufacturer of oxygen-limiting storage structures to ensure that these structures are rebuilt correctly and ensure the safety of the structure. But, STC's may request a DAFP waiver to allow companies other than the original manufacturer of the oxygen-limiting storage structure to supply rebuild kits for FSFL-financed structures. These requests shall:

- follow paragraph 301 when submitting the request to DAFP
- request the waiver for the specific company located at a specified location
- submit the request **before** approving any FSFL's using the manufacturer's rebuild kits



## 19 Eligible and Ineligible Equipment (Continued)

### A Eligible Storage and Handling Facilities for All CCC Charter Act Commodities (Continued)

- include copies of all pertinent information about the following:
    - company
    - how their rebuild kits are manufactured
    - warranty offered on their rebuild kits.
  - new structures that are bunker-type, horizontal, or open silo structures, with at least 2 concrete walls and a concrete floor, designed for FSFL commodity storage and having a useful life of at least 15 years
  - new permanently affixed handling and drying equipment determined by COC to be needed and essential to the proper functioning of a storage system (without showing a need/or obtaining FSFL for the storage structure)
  - renovating existing storage according to paragraph 22 without an increase in storage capacity
  - safety equipment, as required by CCC, such as lighting and inside and outside ladders
- Note:** County Offices are **not** responsible for determining that equipment meets OSHA standards.
- concrete pads without walls or separate, detachable sides on which an FSFL commodity is stored only if FSFL will be further secured according to subparagraph 24 C or G.

The net costs for CCC Charter Act commodity FSFL's may include the following:

- approved electrical lighting and wiring
- archaeological study or attorney fees
- \*--appraisal cost--\*
- eligible equipment to maintain and monitor commodity quality
- installation costs
- new material and labor for concrete pads or other approved and acceptable flooring
- off-farm paid labor
- purchase price and sales tax of new structure or materials
- shipping and delivery charges
- site preparation costs.

\*--**Note:** The cost to tear down an existing structure is **not** eligible as a net cost item.--\*

## 19 Eligible and Ineligible Equipment (Continued)

### B Ineligible Storage and Handling Facilities

Ineligible storage and handling equipment includes the following:

- portable drying or handling equipment that is:
  - on wheels and can be moved from 1 grain drying site to another
  - **not** affixed or anchored to a permanent location
- structures of a temporary nature that require the weight or bulk of the commodity stored to maintain its shape, such as fence or bags, not having a useful life of 15 years
- storage structures to be used for commercial purposes as defined in Exhibit 2
- portable or permanent weigh scales
- structures that are **not** suitable for storing FSFL commodities for which a need is determined
- feed handling and processing equipment.

## 20 Eligible and Ineligible Structures for Hay and Renewable Biomass Storage

### A Eligible Structures

**All** FSFL-financed storage structures for hay and renewable biomass commodities **must be used** for the purpose for which they were constructed, assembled, or installed for the entire FSFL term.

FSFL eligible storage structures for hay and renewable biomass commodities:

- **must** have a useful life of at least 15 years
- **\*--must** be:
  - built of such quality that the structure can be insured
  - built to support snow load for the area
  - properly drained--\*
- include new structures suitable for storing the following:
  - hay that are built according to acceptable design guidelines from NIFA or land-grant universities
  - renewable biomass that are built according to acceptable industry guidelines.

**24 Security for FSFL's****A Secured by CCC-186's**

[7 CFR 1436.8] All FSFL's shall be secured by CCC-186 covering the farm storage facility. CCC-186 shall:

- grant CCC a security interest in the collateral
- be executed as required by State law where the collateral is located.

**B Prior Liens on Real Estate**

CCC's security interest in the **collateral**, such as the actual storage structure, shall constitute the sole security interest in collateral. If prior liens on the underlying real estate attach to the collateral, County Offices shall:

- unless waived by regional OGC, obtain CCC-297 from each prior or superior lienholder and each person, including the borrower, having an interest in the real estate on which the collateral is located **before** FSFL closing and disbursement and **before** the partial disbursement, if applicable

**Notes:** CCC-297 shall be filed with the appropriate county real estate records **before** FSFL closing.

See paragraph 130 and Exhibit 10 for more details.

- **not** allow any additional liens or encumbrances to be placed on the storage facility after FSFL is approved unless CCC approves otherwise in writing.

## 24 Security for FSFL's (Continued)

**C Additional Security Requirements**

Additional security is required if any of the following apply:

- \*--FSFL amount exceeds \$100,000
- STC has authority to establish a more restrictive policy; however, requiring additional security must be for FSFL's greater than \$50,000 and must be Statewide
- the aggregate outstanding FSFL balance exceeds \$100,000

**Notes:** This new policy applies to FSFL's that have **not** been disbursed.

The aggregate outstanding FSFL balance is the sum of the outstanding balances of **all** FSFL's disbursed to borrowers signing CCC-186.

**Examples:** Producer has an outstanding FSFL for \$95,000 and requests a new FSFL for \$10,000. Additional security is only required to secure the new \$10,000 FSFL.

A 2-person partnership requests FSFL for \$105,000. FSFL is made to the partnership because the partnership is the farming entity. Additional security is needed because **FSFL** exceeds \$100,000.

Additional security may be required for FSFL's with an aggregate outstanding FSFL balance equal or less than \$100,000, if STC or COC determines that the structure has no resale value. See subparagraph N for guidance.

**Notes:** STC or COC shall determine resale collateral value based on local market conditions.

STC or COC does **not** have authority to require additional security for FSFL's with an aggregate outstanding FSFL balance of \$50,000 or less.--\*

A lien on the real estate that includes the land where FSFL will be located is the preferred additional security.

\* \* \*

\*--After receiving guidance from the FSA employee with loan approval authority, FSFL's must be determined to be adequately secured according to this paragraph.--\*

## 24 Security for FSFL's (Continued)

**C Additional Security Requirements (Continued)**

For FSFL amounts secured by real estate, CCC's interest in the real estate shall be superior to all other lienholders. If the real estate is covered by a prior lien, a lien subordination may be obtained by a form approved for use in the State by the regional attorney.

**\*--Exception:** If FSA holds a superior lien on applicable real estate through a direct FLP loan, subordination agreement is **not** required. However, a junior real--\* estate lien is **required**.

If prior lienholders will **not** subordinate to CCC, COC may approve alternative forms of security, such as the following:

- second lien position only if **both** of the following apply:
  - CCC is adequately secure
  - FSA-2319 or a similar agreement is executed by the prior lienholder, following requirements specified by the regional attorney, **not** to extend additional liens on the property

**Exception:** CCC will **not** require such an agreement from any USDA Agency.

- first lien on different realty
- \*--irrevocable letter of credit.

**Notes:** STC's have authority to allow using an irrevocable letter of credit and the storage structure as security for FSFL. See subparagraph G for guidance.--\*

Items, such as livestock, machinery, vehicles, and other equipment, are **not** authorized to be used as additional collateral for FSFL.

**D Form of Real Estate Lien**

Real estate liens shall be in the form of a real estate mortgage, deed of trust, or other security instrument approved by CCC and according to applicable State laws.

**E Real Estate Lien Guidelines**

The lien should cover specific acreage, including the entire parcel of real estate underlying the collateral that is:

- sufficient in size and value in the approving committee's opinion to ensure FSFL repayment
- a **salable unit** in the event of foreclosure.

## 24 Security for FSFL's (Continued)

**F Land Separate From the Collateral**

Real estate liens may cover acreage separate from the collateral if an adequate lien on the underlying real estate is not feasible and if all of the following apply:

- borrower owns the separate acreage that is not subject to any other liens or mortgages that would be superior to CCC's lien interest
- acreage of the entire parcel is adequate in size and value, in the approving committee's opinion, to adequately secure and insure FSFL repayment.

**Notes:** Document why a lien on the underlying real estate was **not** feasible.

See subparagraph M and Exhibit 12 when applying value to the FSFL structure separate from real estate.

CCC-297 is required from the land owner when the land separate from the collateral is not owned by the borrower. CCC must have first lien on the land securing FSFL.

**\*--Exception:** If FSA holds a first lien on the applicable real estate through a direct FLP loan, a subordination agreement is **not** required; however, a junior lien on--\* the real estate is **required**.

**G Other Forms of Security**

Other forms of security may be considered to be acceptable by the approving committee, such as irrevocable letters of credit, bonds, or similar CCC-approved instruments.

An irrevocable letter of credit **must** be:

- from a financial institution and provided by the applicant
- for the total of FSFL principal plus interest for the first year plus 60 calendar days
- written to allow partial draws if the annual installment payment is **not** received by the due date
- written in a manner sufficient to protect CCC's security interest in the collateral

**\*--Note:** PSD has an example of an acceptable irrevocable letter of credit that will be--\* sent to State Offices on request.

## 24 Security for FSFL's (Continued)

**G Other Forms of Security (Continued)**

- used in each State, under guidance of the regional OGC, to comply with laws specific to that State
- used by each financial institution and reviewed and approved by the regional OGC each FY

**Note:** Any variances to FSFL requirements when letters of credit are used must be specified, in writing, from the regional OGC.

- stored in a locked, fireproof file and not released until 30 calendar days after the date of the final repayment.

State Offices must check with their respective regional OGC to ensure that laws specific to their State are included in the irrevocable letter of credit.

The irrevocable letter of credit is considered sufficient security for FSFL when all requirements are met according to this paragraph and a financial analysis is not required, unless a more restrictive policy has been set by STC.

\*--An irrevocable letter of credit can be used in addition to the FSFL structure if additional security is required.

**Example:** CCC-185 submitted for \$300,000 FSFL that requires additional security. When using an authorized method according to subparagraph 24 R, STC has approved COC's to allow the value of the FSFL structure to equal 50 percent of the loan amount, or in this case \$150,000, when the structure is located on the property to be mortgaged. In this example, the value of the structure and security must equal at least 125 percent of the loan.

\$375,000 - Total security needed for \$300,000 FSFL (125% of loan amount)  
~~-\$150,000~~ - Value of structure STC authorizes COC to use  
 \$225,000 - Additional security needed.

\$100,000 - Irrevocable Letter of Credit  
 +\$125,000 - 90 acres  
 \$225,000 - Additional security provided.

The producer will provide as security for the \$300,000 FSFL; the FSFL structure, first lien on 90 acres (valued at \$125,000), and an irrevocable letter of credit in the amount of \$100,000. Based on this example, FSFL will be considered adequately secured.

**Note:** Because the irrevocable letter of credit is greater than 20 percent of the loan amount, CCC-297 is **not** required.--\*

**24 Security for FSFL's (Continued)****G Other Forms of Security (Continued)**

CCC-297 is **not** required if the irrevocable letter of credit is 20 percent or greater of the \*-FSFL amount. See subparagraph 130 B for guidance.

**Notes:** STC has authority to establish a more restrictive policy.

The irrevocable letter of credit and CCC-297 policies apply to FSFL's that have **not** been disbursed.

FSFL may be conditionally approved and require that the irrevocable letter of credit or other form of security be provided **before** disbursement.--\*

**H Renovated Structures**

If an existing structure is remodeled and an addition becomes an attached, integral part of the existing storage structure, CCC's security shall include the existing storage structure.

**I Fees for Filing and Recording UCC's, Instruments, and Other Transactions**

Filing and recording fees shall be paid according to the following.

<b>IF the transaction is for...</b>	<b>THEN the fee is paid by...</b>
a collateral lien search	CCC.
a credit report	
fees charged by a local or State municipality for expenses associated with a real estate lien search for CCC-297 purposes	
filing UCC-1	
filing UCC-1 as a fixture filing	
continuation of UCC-1 and UCC-1 as a fixture filing using UCC-3	



## 24 Security for FSFL's (Continued)

**I Fees for Filing and Recording UCC's, Instruments, and Other Transactions (Continued)**

<b>IF the transaction is for...</b>	<b>THEN the fee is paid by...</b>
all other instrument filing and recording transactions related to a lien on real estate used to secure FSFL	the borrower.
attorney fees related to a lien on real estate used to secure FSFL	
fees charged by superior lienholders to subordinate or release collateral to CCC	
filing a discharge of CCC-297	
filing a release or discharge of a real estate lien, such as a mortgage	
filing and recording a subordination agreement related to a lien on real estate used to secure FSFL	
real estate lien, deed, or title search related to a lien on real estate used to secure FSFL	
recording CCC-297	
terminating UCC-1 using UCC-3	

**J Adequate Security and Appraisals of Real Estate**

FSFL's are considered to be adequately secured when the value of real estate security offered as security is at least equal to FSFL's amount. For FSFL's where the value of real estate and previous improvements offered as collateral is in doubt, approving committees may request an appraisal, at the FSFL applicant's expense, from a list of FLP-approved appraisers. The applicant must agree to the request for an appraisal.

**Notes:** To ensure consistency in determining the value of FSFL real estate security within a State, STC's may set specific procedure to be followed. It is the responsibility of STC to ensure that all FSFL's in their State are adequately secure.

If an appraisal was made on the real estate within the last year by a bank or for FLP, and the real estate values have remained consistent, that appraisal may be used to determine value, **if** the appraiser conducting the appraisal is on the list of FLP-approved appraisers.

**K Security on Leased Land**

For an applicant proposing to put FSFL structure on leased land or land that is **not** owned by the applicant, COC shall require a written agreement from the landowner to the FSFL applicant. The agreement should allow the borrower access to the structure for at least the entire length of FSFL.

## 24 Security for FSFL's (Continued)

**L Partial and Final FSFL Closings Using Real Estate as Additional Security**

When real estate is used for the required additional security for the:

- partial disbursement, security applicable to the partial disbursement amount will be required **before** the partial disbursement FSFL closing
- final disbursement, security applicable to the total FSFL amount will be required **before** FSFL closing.

**Examples:** The following is an example of FSFL with both partial and final disbursements and the security required for each.

\*--FSFL is approved for \$110,000. Half the facility is constructed and a partial disbursement is requested for \$55,000. UCC-1 has been filed on the structure, but additional security is **not** required when the \$55,000 partial disbursement is closed. When the final FSFL disbursement is made, additional security for both FSFL's totaling \$110,000 is **required**.

The following is an example of FSFL with both partial and final disbursements where additional security is required.

FSFL is approved for \$202,000. Half the facility is constructed and a partial disbursement is requested for \$101,000. Additional security is required for the \$101,000 partial disbursement and for the \$101,000--\* final disbursement. The following options are available to the borrower:

- present 2 separate real estate mortgages, 1 for the partial disbursement and another for the final disbursement
- present 1 real estate mortgage to secure both the partial and final disbursement at the time of the partial disbursement, if possible according to the laws in the State. Check with the regional OGC to ensure that this is possible.

## 24 Security for FSFL's (Continued)

**M Applying Value to FSFL Structure Separate From Real Estate**

When FSFL real estate security is separate from FSFL collateral, the County Office may apply a value of no more than **20** percent of the loan amount to the structure if **all** of the following apply:

- CCC-297 is obtained from the owners of the real estate on which FSFL structure is located severing the FSFL structure from the real estate

**Note:** Unless State law, as determined by the regional OGC, makes using CCC-297 unnecessary, **and** CCC is adequately protected without CCC-297.

- UCC-1 is filed on FSFL structure giving CCC first lien position
- FSFL structure **must** have resale collateral value according to subparagraphs C and N.

See Exhibit 12 to determine the value of real estate security separate from the FSFL facility.

**N Resale Collateral Value**

County Offices, with assistance from an FLP loan approval official, when required by subparagraph C, shall determine resale collateral value based on local market conditions and depreciation factors.

In most cases, the resale collateral value will **not** equal the outstanding loan value if the collateral is moved or sold and will be less than its fair market value. The resale collateral value **must** be a reasonable price that CCC can expect to receive if the loan has to be liquidated. A reasonable valuation will provide security for both the borrower and CCC.

Resale collateral values provided by a qualified expert, such as an FSA employee delegated chattel appraisal authority according to 1-FLP.

**Notes:** Additional security may be required for FSFL's with an aggregate outstanding FSFL \*--balance equal to \$50,000, or less than \$100,000, if STC or COC determines that the structure has no resale value. See subparagraph C.

STC does **not** have authorization to require additional security for FSFL's with an aggregate outstanding FSFL balance of \$50,000 or less.--\*

## 24 Security for FSFL's (Continued)

## N Resale Collateral Value (Continued)

\*--Use the following table as an option when it is determined by STC or COC that all of the following apply:

- storage structure has been determined to have no resale collateral value
- the producer does not have additional security to secure FSFL.

IF the aggregate outstanding FSFL balance is...	THEN the FSA employee with loan approval authority must determine the producer has the ability to repay FSFL and is credit worthy, and STC...
\$50,000 to \$75,000	<p><b>may</b> determine Statewide that a downpayment of 20 percent of the eligible net costs is required.</p> <p><b>Note:</b> A minimum downpayment of 15 percent is <b>required</b> according to subparagraph 27 A.</p>
\$75,000.01 to \$100,000	<b>must</b> require Statewide a downpayment of 20 percent of the eligible net costs.

**Notes:** The new resale collateral value policy applies to FSFL's that have not been disbursed.--\*

State or County Offices **must** ensure that the additional downpayment is recorded on the FSFL disbursement calculator, according to subparagraph 28 H, and provide the following comment in FSFL Disbursement Calculator Excel worksheet, Part C:

“An additional downpayment was required according to 1-FSFL, subparagraph 24 N policy”.

CCC-297 is **not** required when the downpayment is 20 percent or more.

## O Determining Security Values for Existing Structures

No security value can be given to existing structures unless the value of the property is included in an appraisal or the tax assessment statement. STC's, COC's, and/or FLP employees shall not assign a value to an existing structure based on common knowledge obtained from others in the community.

**Note:** Third party appraisals are acceptable according to subparagraph P.

## 25 FSFL Amount (Continued)

**D Net Cost Items (Continued)**

- on-farm equipment cost not to exceed commercial rates approved by COC
- purchase price
- sales tax
- shipping charges
- site preparation costs.

**Notes:** The net cost shall **not** include the following:

- on-farm labor
- secondhand material
- travel expenses of the vendors.

Grants and loans from any Government Agency shall be subtracted from the FSFL amount before disbursement. See paragraph 32.

**E Larger Capacity Than Needed**

When a storage structure has a larger capacity than the applicant's needed capacity, the net cost shall be prorated and the maximum FSFL amount computed as follows.

Step	Action
1	Divide the eligible net cost by the bushels of capacity.
2	Multiply the per bushel cost times the bushels of capacity for which the applicant is eligible.
3	Multiply the result times .85.

**Example:** Applicant proposes to build a 60,000 bushel storage bin. Net cost is \$75,000. Eligible storage need is 50,000 bushels. Net cost per bushel is \$1.25 (\$75,000 divided by 60,000 bushels). Eligible net cost is \$62,500 (\$1.25 times 50,000 bushels). Maximum FSFL amount is \$53,125 (\$62,500 times .85).

**F Ineligible Space in a Flat Storage Structure**

When a flat storage structure has space that is not used primarily for eligible commodity storage, such as office or marketing space, compute the maximum FSFL amount as follows.

Step	Action
1	Determine a factor for eligible space by dividing the square footage that is primarily used for eligible commodity storage by total square footage of the building.
2	Determine the total net cost of the building.
3	Multiply the result from step 2 times .85 and multiply that result times the factor from step 1.

**Example:** Applicant proposes to build a 75,000 square foot flat storage building. Net cost is \$75,000. Eligible storage space is 74,000 square feet. Factor for eligible space is .99 (74,000 divided by 75,000). The maximum FSFL amount is \$63,112.50 (\$75,000 times .85 times .99).

## 26 FSFL Approvals

### A Approval Expiration

FSFL approvals expire 6 months after the approval date, unless extended in writing for up to an additional 6 months by the applicable approving authority identified in subparagraph 2 F.

\*--An additional 6-month extension, for a total of 12 months from the original approval date, may be approved according to the following.

<b>IF the total aggregate outstanding FSFL amount is...--*</b>	<b>THEN approval authority is...</b>
less than or equal to \$250,000	COC after DD review.
greater than \$250,000	STC or delegated authority to SED <b>only</b> .

The delegation of authority **must** be recorded in the STC minutes.

STC's only are authorized to grant extensions of FSFL approvals beyond 12 months, not to exceed 18 months from the date of approval.

**Notes:** See paragraph 135 for further details of extension of approvals.

FSFL must **not** be disbursed with an expired approval date.

\*--The FSFL software will now provide an initial 6-month FSFL approval period. A manual entry with initials for an additional 6-month extension, not to exceed 12 months unless authorized by STC, is required in CCC-185, item 14 C according to this subparagraph.--\*

### B Term Options

Borrowers may select the term of their FSFL depending on the amount borrowed.

Total principal amount term options are as follows:

- for \$100,000 or less, 7 years **only**
- for \$100,000.01 through \$250,000, the borrower may select 7 or 10 years
- for \$250,000.01 through \$500,000, the borrower may select 7, 10, or 12 years.

## 28 Disbursements (Continued)

**F Using the FSFL Disbursement Calculator (Continued)**

- eligible receipts for this FSFL that include the following:
  - vendor/contractor name
  - if vendor/contractor was paid in full (yes/no)
  - total amount of bill
  - payment method (check/money order/credit card/cash)
- comments, if applicable. Ineligible items may be listed in the comments.

**Notes:** The project cost, 85 percent final disbursement amount, 15 percent minimum downpayment, or required downpayment if \$500,000 loan amount, will be automatically calculated. The producer may provide funds to the County Office to lower the 85 percent final disbursement amount. The County Office must manually enter into the disbursement calculator the funds received from a Federal grant or loan, or additional downpayment from the producer. If funds were received from a Federal grant or loan, the funds should be captured in CCC-197, Part D according to subparagraph 134.5 E.

If the final loan amount exceeds the FSFL estimated and obligated amount, the County Office **must** review FSFL to determine whether a new financial analysis is needed. Additional funding may be required.

**G Secondary Review**

All data entered into the FSFL disbursement calculator shall be reviewed and verified by a second person to ensure data accuracy. The preparer and secondary reviewer shall enter their \*--initials and the date the data was prepared and reviewed on CCC-195A, item 9D or CCC-195B, item 9D. All discrepancies discovered during the review **must** be corrected--\* **before** closing FSFL.

## 28 Disbursements (Continued)

## \*--H Example of FSFL Disbursement Calculator Excel Worksheet

The following is an example of the FSFL Disbursement Calculator Excel worksheet.

Farm Storage Facility Loan (FSFL) Disbursement Calculator					
FSFL Applicant					
<b>Part A - FSFL Information</b>					
FSFL Number		2012/00002			
FSFL Estimated Loan Amount		\$500,000.00			
(Amount Approved on CCC-185)		Partial/Final			
What type of disbursement?		Final			
<b>Part B - Enter Eligible Receipts for this FSFL</b>					
Item #	Vendor/ Contractor	Was the Vendor/ Contractor Paid in Full? enter "Yes/No"	Total Amount of Bill	Payment Method: Check/Money Order/Credit Card/Cash	
1)	C and G Contractors	No	\$100,000.00	Credit card	
2)	Sand and Gravel	Yes	\$17,000.00	Money order	
3)	Kerry's Hardware	Yes	\$50,000.00	Check	
4)	Jim and Patty's Construction	Yes	\$12,120.56	Credit card	
5)	Home Depot	Yes	\$10,645.00	Money order	
6)	Williams Electrical Supply	No	\$25,000.89	Check	
7)	Kelly's Concrete	Yes	\$33,000.00	Credit card	
8)	Jack and Jill Construction	Yes	\$470,000.00	Check	
9)					
10)					
11)					
12)					
13)					
14)					
15)					
16)					
17)					
18)					
19)					
20)					
21)					
22)					
23)					
24)					
25)	Federal Grant or Loan (if applicable)		\$125,000.00		
26)	Project Cost		\$592,766.45		
27)	Maximum Disbursement Amount (lesser of 85% or \$500K)		500,000.00		
28)	Minimum Downpayment (15%)		92,766.45		
29)	Producer Additional Downpayment (if applicable)		5,000.00		
30)	Total Downpayment		97,766.45		
31)	Maximum Final Loan Amount		\$495,000.00	If necessary, an increase in the final loan amount may be available after a financial review, if requested by the borrower.	
IMPORTANT: Item 30 must be reviewed carefully to determine if the required 15% minimum downpayment or 20% downpayment (optional) was received of the project cost (item 26).					
<b>Part C - Comments</b>					
Important: File this disbursement calculator in the applicant's loan folder.					
The preparer and reviewer must initial on CCC-195, item 16D that the disbursement calculator was prepared before issuing the FSFL.					

--\*





**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B--\*****A County Office Action**

County Offices shall process CCC-185 packages as follows.

<b>Step</b>	<b>Action</b>			
1	Collect the \$100 application fee per applicant and accept a completed CCC-185.			
2	Conduct a lien search when there is a sufficient description of facility and equipment. Obtain CCC-10, if <b>not</b> already on file. Once eligibility is determined, file UCC-1 on the collateral.			
3	<b>IF real estate lien is... THEN...</b>			
	<table border="1"> <tr> <td>required</td><td>inform the applicant that he or she must obtain a CCC-approved attorney or title company for title clearance. The attorney or title company should perform all lien searches.</td></tr> <tr> <td><b>not</b> required</td><td>County Offices shall conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility to determine whether CCC-297's must be obtained.</td></tr> </table>	required	inform the applicant that he or she must obtain a CCC-approved attorney or title company for title clearance. The attorney or title company should perform all lien searches.	<b>not</b> required
required	inform the applicant that he or she must obtain a CCC-approved attorney or title company for title clearance. The attorney or title company should perform all lien searches.			
<b>not</b> required	County Offices shall conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility to determine whether CCC-297's must be obtained.			
4	*--Determine the storage need for increased storage capacity based on existing--* storage availability and cropping history.			
5	Obtain and analyze a credit history report.			
6	<p>An FSA employee with FLP loan approval authority shall:</p> <ul style="list-style-type: none"> <li>• complete a financial analysis</li> <li>• provide a written recommendation to verify the applicant has financial ability to: <ul style="list-style-type: none"> <li>• provide downpayment</li> <li>• pay future installments.</li> </ul> </li> </ul>			
7	Obtain CCC-190 for waivers of prior liens on collateral, such as the storage structure, if applicable. See Exhibit 16.			
8	Obtain CCC-297 from holders of liens on real estate underlying the intended storage facility, including the borrower. CCC-297 shall be filed with the appropriate county real estate records <b>before</b> FSFL closing. See paragraph 130 and Exhibit 10.			
9	Verify the applicant answered the DCIA question in CCC-185, item 13.			
10	Complete FSA-850.			
11	For FSFL's secured by real estate, complete FSA-851.			
12	*--Verify whether the site is located in a flood hazard area. Complete FSA-850--* for all FSFL's.			
13	Obtain proof of multi-peril crop insurance.			
14	Verify compliance with HEL and WC provisions.			
15	Verify compliance with local land-use laws.			
16	Verify that applicant has <b>not</b> been convicted of growing controlled substances.			
17	Verify completion of CCC-901 and CCC-902.			

**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B  
(Continued)**

**B Using CCC-195's, CCC-195A's, and/or CCC-195B's**

CCC-195, CCC-195A, and CCC-195B were developed to assist State and County Offices to avoid the types of errors that have been found by COR reviews. See subparagraph:

- D for an example of CCC-195
- F for an example of CCC-195A
- H for an example of CCC-195B.

CCC-195 is required to be completed for **all** FSFL's. In addition to CCC-195, CCC-195A (security) or CCC-195B (no security) will be used after it is determined that the loan requires additional security.

It is **not** the intent of CCC-195, CCC-195A, or CCC-195B to supersede or replace procedure. County Offices are **required** to use CCC-195, CCC-195A, and CCC-195B, as applicable, as reminders of the most frequently "erred" determinations when completing FSFL.

State Offices shall:

- only as necessary to incorporate individual State laws, modify CCC-195, CCC-195A, and CCC-195B for State usage by using the blank lines provided on CCC-195, CCC-195A, and CCC-195B, or by further editing the document in Microsoft Word

**Note:** The current version of CCC-195, CCC-195A, and CCC-195B are available on the FFAS Employee Forms/Publications Online Website.

- e-mail State CCC-195's, CCC-195A's, and CCC-195B's that differ from the national CCC-195, CCC-195A, and CCC-195B to Toni Williams at **toni.williams@wdc.usda.gov** for National Office approval
- issue **only** National Office-approved CCC-195, CCC-195A, and CCC-195B to County Offices.

County Offices shall:

- prepare CCC-195, CCC-195A, and CCC-195B received from the State Office for each FSFL that was **not** disbursed as of the date of receiving CCC-195, CCC-195A, and CCC-195B
- maintain CCC-195 and CCC-195A or CCC-195B in each FSFL folder
- check, initial, and date the appropriate box for each item as it is performed
- for items that are **not** applicable, CHECK (✓) "N/A", initial, and date--\*

**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)**

**B Using CCC-195's, CCC-195A's, and/or CCC-195B's (Continued)**

- obtain all required signatures on CCC-195 and CCC-195A or CCC-195B at FSFL disbursement.

**Note:** For FSFL's **not** disbursed at the time the most current revision of CCC-195, CCC-195A, and CCC-195B are posted, attach a copy of the most current CCC-195 and CCC-195A or CCC-195B to the partially completed CCC-195 and CCC-195A or CCC-195B.

**C Completing CCC-195's**

Complete CCC-195 according to the following table.

Item	Instructions
1	Enter applicant's name. If a joint FSFL, a separate CCC-195 is required for <b>each</b> applicant.
2	Enter date CCC-185 is signed.
3	Enter APSS-assigned FSFL number that is FY and FSFL number.
4	Enter State where facility equipment will be located.
5	Enter county where FSFL will be processed.
6A through 15O	For each item listed, check (✓) either "Yes" or "No". The employee completing the action shall initial and date. If item is <b>not</b> applicable to this FSFL, check (✓) " <b>NA</b> ". The employee determining the action is <b>not</b> applicable shall initial and date.
16A	Any County Office employee who initials in items 6 through 15 is required to sign as a preparer. Signing as the preparer does not insinuate that an employee checked items 6 through 15, only that the employee completed an item that was initialed by the employee.
16B	County Office employee who signs item 16A shall enter the current date.
17A through 17C	STC designee or CED shall indicate whether they concur with how items 6 through 15 are completed. STC designee or CED shall review CCC-195's for all FSFL's.  STC designee or CED who completed item 17A shall sign item 17B.  STC designee or CED who signed item 17B shall date item 17C.  <b>Note:</b> If CED was 1 of the preparers who completed items 16A and 16B then CED shall <b>not</b> complete this section. STC designee shall complete items 17A through 17C for all CED-prepared FSFL's.
18	Remarks by STC designee or CED about the loan.

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B  
(Continued)**

**D Example of CCC-195**

The following is an example of CCC-195.

This form is available electronically. <b>CCC-195</b> (03-10-14)								U.S. Department of Agriculture Commodity Credit Corporation		1. Name of Applicant			
<b>FARM STORAGE FACILITY LOAN (FSFL) PROCESSING CHECKLIST</b>								2. Date of Application (MM-DD-YYYY)		3. Loan No.			
								4. State Office Name		5. County Office Name			
<b>Office Staff Actions:</b>								<b>Applicable References (1-FSFL (Rev. 1))</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>	<b>Initials</b>	<b>Date</b>
<b>6. While Working with Producer:</b>													
A. Discuss key program provisions with applicant including provision that application must be approved before construction, insurance requirements, filing and search needs and who pays fees.								<i>Subparagraph 51C</i>					
B. Complete <b>all items</b> on front side of manual CCC-185 (Loan Application and Approval for Farm Storage and Drying Equipment Loan Program). Applicant must initial Item 12B, if applicable, and answer DCIA question in Item 13.								<i>Paragraph 51</i>					
C. Collect application fee of \$100.00 per borrower and correctly record the application fee in NRRS.								<i>Paragraphs 30 &amp; 312</i>					
D. Enter application into APSS. If partial disbursement is requested, enter 2 separate applications.								<i>Subparagraph 51D &amp; paragraphs 338 &amp; 353</i>					
E. Schedule a farm visit to complete FSA-850 and, if applicable FSA-851.								<i>Paragraphs 82, 83 &amp; Handbook 1-EQ</i>					
F. Obtain copy of contracts, cost breakdown, or estimates for all proposed work.								<i>Subparagraphs 10C, 51C &amp; 51E</i>					
G. Obtain copy of site plans, if available, and building plan for hay and renewable biomass structures.								<i>Subparagraphs 10C &amp; 20A</i>					
H. Obtain copy of any building permits or zoning variances, if applicable.								<i>Subparagraph 12A &amp; paragraph 70</i>					
I. Obtain proof of crop insurance or if sales period is over, ensure waiver statement for current year is in remarks on CCC-185 and initialed by producer.								<i>Subparagraphs 12A &amp; 69A, B, C, &amp; D</i>					
J. Obtain financial statement that is less than 90 days old on FSA-2037, FSA-2038 or similar form.								<i>Paragraph 53</i>					
K. Obtain CCC-10 (Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to file a Financing Statement and Related Documents) if a current CCC-10 is not on file.								<i>Paragraph 58</i>					
L. <b>Remind</b> applicant that delivery, site preparation and construction cannot begin until after the loan is approved.								<i>Subparagraph 10D</i>					
M. Inform applicant that any other government funding (including RD grants and loans) must be subtracted from the net loan amount.								<i>Subparagraph 25D &amp; paragraph 134.5</i>					
N. Verify the date of birth of the applicant. If the applicant is a minor, ensure that a financially responsible adult will co-sign CCC-186.								<i>Subparagraph 12C</i>					
<b>7. Application Processing:</b>													
A. Immediately deposit application fee through NRRS using XXFSFLFEES in Direct Sales XX represent the FY the FSFL was approved.								<i>Paragraph 312 &amp; Exhibit 35</i>					
B. Prepare an 8-position or similar folder for each CCC-185.								<i>Subparagraph 51F</i>					
C. For applications lacking required information, notify applicant in writing.								<i>Subparagraph 51C</i>					
D. Order applicable credit report.								<i>Paragraph 54</i>					
E. Obtain verification of debts and assets, if applicable, using FSA-2015 (Verification of Debts and Assets).								<i>Subparagraph 53F</i>					
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.								<i>Paragraph 31</i>					

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B  
(Continued)**

**D Example of CCC-195 (Continued)**

CCC-195 (03-10-14)		Page 2 of 4				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
<b>8. Determine Loan Amount, Storage Need and Equipment Eligibility:</b>						
A. Determine maximum loan amount not to exceed \$500,000. "Padding" the loan is not authorized.	Paragraph 25, Subparagraph 338B					
B. Review CCC-185 and verify storage need.	Paragraphs 15, 16 & 17					
C. Verify eligibility of proposed structure and equipment.	Paragraphs 19, 20, 21, & 22					
<b>9. Applicant Eligibility:</b>						
A. Verify DCIA compliance by checking applicant certification on CCC-185 and CCC or FSA Receivable records in NRRS.	Subparagraphs 12A, 51E, 52A, & paragraph 55					
B. Verify compliance with controlled substance provisions by checking the controlled substance field in the producer's eligibility record.	Subparagraph 12A Handbooks 3-PL, paragraph 32, & 1-CM, Part 30					
C. Producer of an eligible facility loan commodity.	Paragraphs 12 & 13					
D. Demonstrates the need for increased storage capacity.	Paragraphs 15, 16, & 17					
E. Verify proof of crop insurance and/or NAP coverage for applicable commodities.	Subparagraphs 12A, 69A, B, & C					
F. Verify producer does not have a crop insurance violation according to 7 CFR Part 718.	Subparagraph 12A					
<b>10. Lien Searches and Filing UCC's:</b>						
A. Complete lien search for all UCC's and any judgments. If a mortgage is not needed, conduct real estate lien search to determine need for severance agreements. (Document on Form FSA-2360.)	Paragraphs 24, 56 & 57					
B. Obtain legal description of parcel facility will be placed on.	Paragraph 24, subparagraphs 10C & 51E					
C. Obtain legal description of parcel(s) of land to be offered as security, such as described on a tax bill, if applicable.	Paragraphs 24 & 131					
D. File UCC financing statement according to State law before, or as soon as possible after, the equipment is delivered to the proposed location.	Paragraph 56					
E. Obtain lien waivers on CCC-190 (Farm Storage Facility Loan Program Lien Waiver), if applicable.	Subparagraphs 52A & 56B, & Exhibit 16					
<b>11. Ability to Repay: Individual with FLP Loan approval authority shall:</b>						
A. Review a balance sheet and cash flow plan for the current year showing that enough cash is available to make the required down payment.	Subparagraph 53D					
B. Review a balance sheet and cash flow plan showing that there are funds available to pay the first installment amount.	Subparagraph 53E					
C. Determine credit worthiness by requesting and reviewing credit reports.	Paragraph 54					
D. Prepare written recommendation to COC/STC, indicating whether applicant is creditworthy and has ability to make down payment and pay future installments.	Subparagraphs 53G & 115C					
<b>12. Environmental and Historic Reviews:</b>						
A. Visit the site before site preparation and complete FSA-850 (Environmental Evaluation Checklist).	Paragraphs 82, 83 & Handbook 1-EQ					
B. Complete FSA-851 (Environmental Risk Survey Form) for loans secured by real estate.	Paragraphs 82, 83 & Handbook 2-EQ					

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)**

**D Example of CCC-195 (Continued)**

CCC-195 (03-10-14)		Page 3 of 4				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
<b>12. Environmental and Historic Reviews: (Continued)</b>						
C. Notify State Historic Preservation Officer according to guidelines in applicable EQ directives. Notify Fish and Wildlife Service of proposed action, if applicable.	Subparagraph 81B					
D. Verify HEL and WC compliance with copy of the most current AD-1026 (Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification).	Subparagraphs 12A & 51C					
E. Verify compliance with any zoning ordinances or building permits.	Subparagraph 12A & paragraph 70					
F. Conduct further reviews as required, such as Class II Environmental Assessments.	Paragraphs 81, 82 & 83 & Handbooks 1-EQ & 2-EQ					
G. Review applicable flood maps and prepare FSA-850. Notify applicant if flood insurance will be required.	Subparagraphs 12A & 69G					
<b>13. Collateral Security:</b>						
A. Determine if applicant has other outstanding FSFL's. If the total outstanding loan balance with this loan exceeds \$100,000, additional security is required.	Subparagraph 24C					
B. Determine need for severance agreements and/or subordinations.	Paragraph 130					
C. Determine if collateral has resale value. If no resale collateral value, additional security may be required.	Subparagraphs 24C, 24N & 115A					
D. Prepare a recommendation to COC/STC for collateral security requirements and present prior to approval.	Subparagraphs 24C & 115A					
E. Determine if a CCC-195A or CCC-195B is required for closing the FSFL.	Paragraph 52					
<b>14. Loan Approval:</b>						
A. Refer application to appropriate approval official.	Subparagraph 2F					
B. Date of Executive Meeting Minutes ( date: _____ )	Subparagraph 115B					
C. Applicant meets all eligibility requirements, including creditworthiness and ability to repay.	Paragraphs 53 & 55 & subparagraph 115A					
D. Proposed facility or renovation is eligible and needed.	Subparagraph 115A					
E. Yields and acreage used to calculate storage need are reasonable.						
F. Environmental conditions of the site do not place CCC at risk.						
G. District Director review of loan and concurrence of approval before COC approval, if aggregate outstanding loan balance is between \$100,000.01 and \$250,000.	Subparagraphs 2F & 115B					
H. Type of collateral security required. Enter on CCC-185, Item 17.	Subparagraphs 115A & 116A					
I. Approved or denied by signature on reverse of CCC-185. If denied, enter zero in Item 14A.	Subparagraphs 115B, 116A & B					
J. Enter conditions of approval, such as all peril insurance or flood insurance, in CCC-185 remarks section.	Subparagraphs 115A & 116A					
K. If the application is one of first 3 received each FY or because of STC policy, refer application to STC or designee to review before disbursement.	Subparagraph 52E					

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)**

**D Example of CCC-195 (Continued)**

CCC-195 (03-10-14)		Page 4 of 4				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
<b>15. Approval Processing by Office Staff:</b>						
A. Record approval and funding through APSS. Queue FSFL Detail Transmission Report.	Subparagraph 340C & paragraph 351					
B. When notified of funding, issue approval letter. Enter date approval letter is issued, on CCC-185, Item 14D. Distribute CCC-185, according to subparagraph 116C.	Subparagraphs 116B, 128A, & 352B					
C. Remind applicant that all peril structural insurance, listing CCC as loss payee, and possibly, flood insurance, on the structure and equipment will be required.	Paragraph 69					
D. Remind applicant that if real estate is required to secure the loan, title insurance or a title opinion will be required. This may result in attorney fees that must be paid by the applicant for title clearance and loan closing.	Subparagraph 127B & paragraph 129					
E. Notify applicant that loans cannot be disbursed until construction is complete, final net cost is determined, and the facility is inspected.	Subparagraphs 127A & B, paragraphs 28, 133 & 134					
One partial disbursement not to exceed 50% of loan obligation is allowed.	Paragraph 28					
F. Discuss filing and recording fees and who pays each fee.	Subparagraph 24I					
G. If applicable, issue disapproval letter.	Subparagraphs 115B & 128B					
H. Monitor approval expiration date. Obtain and act on requests for extension of approval by STO, if applicable. FSFL must not be disbursed with an expired approval date. County offices must notify the borrower 14 workdays before the expiration date that they must request an extension in writing.	Paragraphs 26 and 135					
I. File UCC financing statement on collateral if not already filed.	Paragraph 56					
J. Request Severance Agreements on CCC-297 (Severance Agreement), or Subordination Agreements on CCC-194 (Farm Storage Facility Loan Subordination Agreement (Lien on Real Property)) or other form provided, if necessary.	Paragraph 130 & subparagraph 131E, Exhibits 10 & 18					
K. Obtain release of liability on CCC-191 (FSFL Program Release of Liability) from all Contractors/suppliers submitting bills.	Subparagraph 133E & F					
L. Obtain proof of all peril structural insurance (CCC as loss payee), crop insurance, and current real estate tax.	Paragraph 69, subparagraphs 127A & B					
M. Verify UCC's, severance agreements, and subordinations have been filed and recorded.	Subparagraphs 127A & 131E, & paragraph 130					
N. If applicable, obtain equipment lien waivers, on CCC-190, before loan is disbursed.	Subparagraph 56B & Exhibit 16					
O. Has form SF-LLL been obtained for FSFL disbursement, if applicable.	Paragraph 33					
<b>Certification:</b>						
16A. Signature of Preparer(s)		16B. Date (MM-DD-YYYY)				
17A. I concur/do not concur the above items have been verified and updated.		<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur				
17B. STC Designee or CED Signature (Required for all Loans)		17C. Date (MM-DD-YYYY)				
18. Remarks						
19. Important: STC or STC designee shall review the first 3 FSFL's received and before disbursed each FY beginning on October 1.						

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B  
(Continued)**

**E Completing CCC-195A's**

Complete CCC-195A according to the following table.

Item	Instructions
1	Enter applicant's name. If a joint FSFL, a separate CCC-195A is required for each applicant.
2	Enter date CCC-185 is signed.
3	Enter APSS-assigned FSFL number that is FY and FSFL number.
4	Enter State where facility equipment will be located.
5	Enter county where FSFL will be processed.
6	Enter date of loan approval.
7	Enter date loan approval expires.
8A through 11C	For each item listed, check (✓) either "Yes" or "No". The employee completing the action shall initial and date. If item is <b>not</b> applicable to this FSFL, check (✓) " <b>NA</b> ". The employee determining the action is <b>not</b> applicable shall initial and date.
12A	Any County Office employee who initials in items 8 through 11 is required to sign as a preparer. Signing as the preparer does not insinuate that an employee checked items 8 through 11, only that the employee completed an item that was initialed by the employee.
12B	County Office employee who signs item 12A shall enter the current date.
13A through 13C	STC designee or CED shall indicate whether they concur with how items 8 through 11 are completed. STC designee or CED shall review CCC-195A's for all FSFL's.  STC designee or CED who completed item 13A shall sign item 13B.  STC designee or CED who signed item 13B shall date item 13C.  <b>Note:</b> If CED was 1 of the preparers who completed items 12A and 12B then CED shall <b>not</b> complete this section. STC designee shall complete items 13A through 13C for all CED-prepared FSFL's.
14	Remarks by STC designee or CED about the loan.
15	If this FSFL is 1 of the first 3 FSFL's received in FY, according to subparagraph I, STC designee shall review FSFL <b>before</b> disbursement. To document the review, the reviewer shall notate FSFL has been reviewed by writing, "This review was required according to 1-FSFL, subparagraph 52 I" then sign and date the notation.

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B  
(Continued)**

**F Example of CCC-195A**

The following is an example of CCC-195A.

This form is available electronically. <b>CCC-195A</b> (03-10-14)		U.S. Department of Agriculture Commodity Credit Corporation		1. Name of Applicant			
<b>FARM STORAGE FACILITY LOAN (FSFL) SECURITY CHECKLIST</b>		2. Date of Application (MM-DD-YYYY)		3. Loan No.			
		4. State Office Name		5. County Office Name			
		6. Date of Loan Approval (MM-DD-YYYY)		7. Approval Expiration Date (MM-DD-YYYY)			
<b>Office Staff Actions:</b>		<b>Applicable References</b> (1-FSFL (Rev. 1))	<b>YES</b>	<b>NO</b>	<b>N/A</b>	<b>Initials</b>	<b>Date</b>
<b>8. Closing Loans Secured by Real Estate:</b>							
A. Provide borrower with letter to select title company and legal Services.		<i>Subparagraph 129A</i>					
B. Obtain completed CCC-296 (Farm Storage Facility Loan Program Certification of Attorney) from attorney.		<i>Subparagraphs 129B &amp; C</i>					
C. Obtain completed CCC-299 (Title Opinion - Farm Storage Facility Loan Program) from attorney.		<i>Subparagraphs 129D &amp; E</i>					
D. Review Title Opinion and update security requirements, if needed.		<i>Subparagraphs 129E &amp; F</i>					
E. Issue closing notification to borrower.		<i>Subparagraph 129G</i>					
F. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.		<i>Subparagraph 127B &amp; paragraph 366</i>					
G. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.		<i>Subparagraph 127B &amp; paragraph 367</i>					
H. If Treasury check(s) required for disbursement (suppliers have not been paid): <ul style="list-style-type: none"> <li>request check(s)</li> <li>when check(s) received, schedule closing within 21 days of payment request</li> <li>print CCC-186, verify interest rate correct, and complete loan closing.</li> </ul>		<i>Paragraph 368</i>					
I. Send transmittal of title information.		<i>Subparagraph 129F</i>					
J. Prepare Real Estate Mortgage for FSFL Program on CCC-193 or FSFL Deed of Trust on CCC-193D.		<i>Paragraph 131</i>					
K. Issue closing instruction letter with applicable documents and CCC checks to closing agent on day loan will be disbursed/closed.		<i>Subparagraph 129G</i>					
L. Receive and review loan closing statement from closing agent.		<i>Subparagraph 129H</i>					
M. The County Office must perform the final lien search within 5 workdays before FSFL closing and initial and date action was completed on CCC-195.		<i>Subparagraph 127B</i>					
<b>9. Pre-Disbursement Document Review:</b>							
A. Partial <input type="checkbox"/> or Final <input type="checkbox"/>		<i>Paragraphs 28 and 134.5</i>					
B. Obtain completed CCC-197 (Final Farm Storage Facility Loan Program Cost Certification) from borrower(s).		<i>Paragraph 134.5</i>					
C. Complete the FSFL disbursement calculator for a partial and/or final disbursement.		<i>Subparagraph 28D</i>					
D. Second party review of FSFL disbursement calculator.		<i>Subparagraph 28G</i>					

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)**

**F Example of CCC-195A (Continued)**

CCC-195A (03-10-14)		Page 2 of 2				
<b>10. Partial Loan Disbursement (if applicable):</b>						
A. Approved applicant requests partial disbursement.	Subparagraph 28B					
B. Inspect and verify the amount of construction completed. Document on CCC-295A (FSFL Program Final Inspection of Facility before Loan Disbursement).	Paragraph 134					
C. Approved applicant supplied acceptable documentation for that portion (up to 50%) of construction completed.	Subparagraph 28B					
D. Determine if Disbursement will be made to borrower only or if Treasury checks are required for joint disbursement.	Paragraph 366					
If payment to borrower only, print CCC-186 and request payment on day of closing. Verify correct interest rate printed in Item 3.	Paragraph 367					
If Treasury check(s) required for other payees:						
• Request checks						
• When check(s) received, schedule closing within 21 days after payment request	Paragraph 368					
• Print CCC-186 and verify correct interest rate printed in Item 3.						
E. Obtain borrower signatures. Obtain signature of CCC representative with authority to sign.	Subparagraph 2F, 12C & paragraph 31					
<b>Note:</b> Verify if a minor is signing CCC-186.						
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	Paragraph 31					
<b>11. Final Disbursement:</b>						
A. Obtain evidence of final net cost and compute final loan amount, be sure:						
• 15% minimum down payment amount has been paid to suppliers						
• evidence of cost is date stamped by County Office	Paragraphs 27, 28 & 133					
• seller has signed evidence of cost						
• copy of original documents are retained in the loan folder (original evidence returned to borrower)						
B. Inspect the complete facility and document results on CCC-295A (FSFL Program Final Inspection of Facility Before Loan Disbursement).	Paragraph 134					
C. Adjust funding obligation (if needed).	Paragraphs 354 & 355					
<b>Certification:</b>						
12A. Signature of Preparer(s)		12B. Date (MM-DD-YYYY)				
13A. I concur/do not concur the above items have been verified and updated.		<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur				
13B. STC Designee or CED Signature (Required for all Loans)		13C. Date (MM-DD-YYYY)				
14. Remarks						
15. Important: STC or STC designee shall review the first 3 FSFL's received and before disbursed each FY beginning on October 1.						
<small>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).</small>						
<small>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider and employer.</small>						

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B  
(Continued)**

**G Completing CCC-195B's**

Complete CCC-195B according to the following table.

Item	Instructions
1	Enter applicant's name. If a joint FSFL, a separate CCC-195B is required for each applicant.
2	Enter date CCC-185 is signed.
3	Enter APSS-assigned FSFL number that is FY and FSFL number.
4	Enter State where facility equipment will be located.
5	Enter county where FSFL will be processed.
6	Enter date of loan approval.
7	Enter date loan approval expires.
8A through 11C	For each item listed, check (✓) either "Yes" or "No". The employee completing the action shall initial and date. If item is <b>not</b> applicable to this FSFL, check (✓) "NA". The employee determining the action is <b>not</b> applicable shall initial and date.
12A	Any County Office employee who initials in items 8 through 11 is required to sign as a preparer. Signing as the preparer does not insinuate that an employee checked items 8 through 11, only that the employee completed an item that was initialed by the employee.
12B	County Office employee who signs item 12A shall enter the current date.
13A through 13C	STC Designee or CED shall indicate whether they concur with how items 8 through 11 are completed. STC designee or CED shall review CCC-195B's for all FSFL's  STC designee or CED who completed item 13A shall sign item 13B.  STC designee or CED who signed item 13B shall date item 13C.  <b>Note:</b> If CED was 1 of the preparers who completed items 12A and 12B then CED shall <b>not</b> complete this section. STC designee shall complete items 13A through 13C for all CED-prepared FSFL's.
12	Remarks by STC designee or CED about the loan.
13	If this FSFL is 1 of the first 3 FSFL's received in FY, according to subparagraph I, STC designee shall review FSFL <b>before</b> disbursement. To document the review, the reviewer shall notate FSFL has been reviewed by writing, "This review was required according to 1-FSFL, subparagraph 52 I" then sign and date the notation.

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)**

**H Example of CCC-195B**

The following is an example of CCC-195B.

<b>CCC-195B</b> (03-10-14)		U.S. Department of Agriculture Commodity Credit Corporation		1. Name of Applicant			
<b>FARM STORAGE FACILITY LOAN (FSFL)          NO SECURITY CHECKLIST</b>		2. Date of Application (MM-DD-YYYY)		3. Loan No.			
		4. State Office Name		5. County Office Name			
		6. Date of Loan Approval (MM-DD-YYYY)		7. Approval Expiration Date (MM-DD-YYYY)			
<b>Office Staff Actions:</b>		<b>Applicable References</b> (1-FSFL (Rev. 1))	<b>YES</b>	<b>NO</b>	<b>N/A</b>	<b>Initials</b>	<b>Date</b>
<b>8. Closing Loans Not Secured by Real Estate:</b>							
A. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.		<i>Subparagraph 127A &amp; paragraph 366</i>					
B. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.		<i>Subparagraph 127A &amp; paragraph 367</i>					
C. If Treasury check(s) required for disbursement (suppliers have not been paid): <ul style="list-style-type: none"> <li>request check(s)</li> <li>when check(s) received, schedule closing within 21 days of payment request</li> <li>print CCC-186, verify interest rate correct, and complete loan closing.</li> </ul>		<i>Subparagraph 127A &amp; paragraph 368</i>					
D. The County Office must perform the final lien search within 5 workdays before FSFL closing and initial and date action was completed on CCC-195.		<i>Subparagraph 127A</i>					
E. Obtain borrower signatures and initials. <b>Note:</b> Verify if a minor is signing CCC-186.		<i>Subparagraphs 12C &amp; 146A</i>					
F. Obtain signature of CCC representative with authority to sign.		<i>Subparagraph 146A</i>					
G. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.		<i>Paragraph 31</i>					
<b>9. Pre-Disbursement Document Review:</b>							
A. Partial <input type="checkbox"/> or Final <input type="checkbox"/>		<i>Paragraphs 28 and 134.5</i>					
B. Obtain completed CCC-197 (Final Farm Storage Facility Loan Program Cost Certification) from borrower(s).		<i>Paragraph 134.5</i>					
C. Complete the FSFL disbursement calculator for a partial and/or final disbursement.		<i>Subparagraph 28D</i>					
D. Second party review of FSFL disbursement calculator.		<i>Subparagraph 28G</i>					
<b>10. Partial Loan Disbursement (if applicable):</b>							
A. Approved applicant requests partial disbursement.		<i>Subparagraph 28B</i>					
B. Inspect and verify the amount of construction completed. Document on CCC-295A (FSFL Program Final Inspection of Facility before Loan Disbursement).		<i>Paragraph 134</i>					
C. Approved applicant supplied acceptable documentation for that portion (up to 50%) of construction completed.		<i>Subparagraph 28B</i>					
D. Determine if Disbursement will be made to borrower only or if Treasury checks are required for joint disbursement.		<i>Paragraph 366</i>					
If payment to borrower only, print CCC-186 and request payment on day of closing. Verify correct interest rate printed in Item 3.		<i>Paragraph 367</i>					

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)**

**H Example of CCC-195B (Continued)**

CCC-195B (03-10-14)		Page 2 of 2					
<b>10. Partial Loan Disbursement (if applicable): (Continued)</b>							
If Treasury check(s) required for other payees: <ul style="list-style-type: none"> <li>Request checks</li> <li>When check(s) received, schedule closing within 21 days after payment request</li> <li>Print CCC-186 and verify correct interest rate printed in Item 3.</li> </ul>		Paragraph 368					
E. Obtain borrower signatures. Obtain signature of CCC representative with authority to sign.  <b>Note:</b> Verify if a minor is signing CCC-186.		Subparagraph 2F, 12C & paragraph 31					
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.		Paragraph 31					
<b>11. Final Disbursement:</b>							
A. Obtain evidence of final net cost and compute final loan amount, be sure: <ul style="list-style-type: none"> <li>15% minimum down payment amount has been paid to suppliers</li> <li>evidence of cost is date stamped by County Office</li> <li>seller has signed evidence of cost</li> <li>copy of original documents are retained in the loan folder (original evidence returned to borrower)</li> </ul>		Paragraphs 27, 28 & 133					
B. Inspect the complete facility and document results on CCC-295A (FSFL Program Final Inspection of Facility Before Loan Disbursement).		Paragraph 134					
C. Adjust funding obligation (if needed).		Paragraphs 354 & 355					
<b>Certification:</b>							
12A. Signature of Preparer(s)				12B. Date (MM-DD-YYYY)			
<b>13A. I concur/do not concur the above items have been verified and updated.</b> <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur							
13B. STC Designee or CED Signature (Required for all Loans)				13C. Date (MM-DD-YYYY)			
14. Remarks							
<b>15. Important:</b> STC or STC designee shall review the first 3 FSFL's received and before disbursed each FY beginning on October 1. <i>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).</i>  <i>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider and employer.</i>							

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**\*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B  
(Continued)**

**I STC or Designee CCC-195, CCC-195A, and CCC-195B Concurrence**

STC or designee shall:

- review the first three FSFL's received each FY, **before** disbursement, at an administrative County Office regardless of the amounts requested

**Notes:** Additional reviews, including reviews following FSFL disbursement, may be conducted if determined necessary by STC.

FY's begin on October 1 each year. STC or designee shall review the first three FSFL's received, and **before** disbursement, each FY beginning on October 1.

If CCC-195 and CCC-195A or CCC-195B is prepared by CED, STC designee **must** review CCC-195 and CCC-195A or CCC-195B. If CCC-195 and CCC-195A or CCC-195B are 1 of the first three FSFL's received each FY, during the review, STC designee may complete the applicable item to "concur" or "do not concur", and note in the "Remarks" section that "This review was required according to 1-FSFL, subparagraph 52 I".

For the first three CCC-195's and CCC-195A's or CCC-195B's reviewed before disbursement each FY, CCC-195 and CCC-195A or CCC-195B review can be completed by the STC designee, by FAX or encrypted e-mail. A complete review of the loan documents, for the first 3, **must** also be reviewed.

- document review in the FSFL folder on CCC-185, item 18 and CCC-195 and CCC-195A or CCC-195B, "Remarks" section

**Note:** In CCC-195 and CCC-195A or CCC-195B "Remarks" section, indicate, "This review was required according to 1-FSFL, subparagraph 52 I".--\*

- indicate corrective action where necessary.





**Part 6 Approving COC CCC-185 Reviews****115 CCC-185 Reviews****A Responsibility**

The approving authority shall determine:

- whether the applicant meets all eligibility requirements
- whether the proposed facility or renovation is eligible and needed
- whether the estimated yields and acreages to calculate needs are reasonable
- whether the environmental conditions of the site would place CCC at risk
- \*--if FSFL is less than \$100,000, whether the structure has resale value, according to subparagraphs 24 C and N--\*

**Note:** If the value is less than the FSFL amount, additional security may be required.

- the type of security to be required
- the conditions of approval.

**Note:** Conditions of approval will include actions that must be taken or documents that must be provided **before** disbursement and shall **not** include eligibility \*--determinations required by STC, COC, or other approving authority.--\*

## 115 CCC-185 Reviews (Continued)

**B Approvals and Disapprovals**

COC shall do 1 of the following:

- \*--for FSFL's with the total aggregate outstanding FSFL balance of \$100,000 or less, approve FSFL by signing CCC-185 and document the determinations from subparagraph A in the executive COC minutes
- for FSFL's with a total aggregate outstanding FSFL balance of \$100,000.01 to--\* \$250,000, have DD or State Office designee review FSFL **before** approval

**Note:** Once the review is complete and all discrepancies are corrected, approve FSFL by signing CCC-185 and document the determinations from subparagraph A in the executive COC minutes.

- for FSFL's where the borrower's **total aggregate FSFL balance** is over \$250,000, have DD or State Office designee, before COC approval, review the most recent FSFL documents to ensure that the producer is financially able to meet all FSFL obligations

**Note:** STC or STC-delegated SED **only** is the approval authority for an individual FSFL \*--with a total aggregate outstanding FSFL balance of \$250,000.01 to \$500,000.

- disapprove FSFL, documenting why in the executive COC minutes.

DD or State Office designee shall, before approval by COC, review CCC-185 where the total aggregate outstanding FSFL balance is equal to \$100,000.01 to \$250,000. If the review:--\*

- reveals discrepancies or errors, the file shall be returned to the County Office for correction

**Note:** After corrections have been made, DD or State Office designee shall again review the file.

- is acceptable, a statement similar to the following shall be entered on CCC-185, item 18:

“From review of the completed documents and review of the financial documents, I concur with the recommendation of the FLM/FLO/SFLO, concurring with the financial ability of the applicant and I also recommend approval or disapproval of FSFL to COC.”

**Note:** DD or State Office designee shall sign and date the statement.

## 115 CCC-185 Reviews (Continued)

**B Approvals and Disapprovals (Continued)**

The FSFL approval date will be the date COC approves FSFL **after** the DD review.

DD or State Office designee shall also review all FSFL's where the borrower's **total** **\*--aggregate outstanding FSFL balance** is over \$250,000 before STC approval. Review the most recent FSFL documents to ensure that the producer is financially able to meet all FSFL obligations.

**Note:** STC or designated SED is the approval authority for an individual FSFL with a total aggregate outstanding FSFL balance of \$250,000.01 to \$500,000.

STC or designated SED shall:

- approve or disapprove the following:
  - FSFL requests with a total aggregate outstanding FSFL balance of \$250,000.01 to--\* \$500,000
  - biomass FSFL requests
  - FSFL's where STC has set other limitations for COC approval

**Notes:** Approve or disapprove as required by subparagraph 2 C.

If disapproved, ENTER "0" on CCC-185, item 14A.

- document approval or disapproval in the executive STC minutes
- indicate approval by signing CCC-185
- explain reasons for **not** approving CCC-185's in a memorandum to COC

**Note:** Notify the applicant of the disapproval using the letter in subparagraph 128 B. Provide applicable appeal rights according to 1-APP. Attach a copy of the completed and signed CCC-185.

- return the case file to the County Office for:
  - entering the approval date
  - entering the disapproval date, if applicable
  - requesting the obligation
  - disbursing FSFL
  - collecting FSFL repayments.

## 115 CCC-185 Reviews (Continued)

**B Approvals and Disapprovals (Continued)**

STC is the approval authority for all renewable biomass FSFL's. The following information must be immediately submitted by the State Office specialist after STC approval to  
 \*--Toni Williams, FSFLP Manager at **toni.williams@wdc.usda.gov**--\*

- renewable biomass commodity for which the facility is approved
- type of storage approved
- capacity of the storage facility
- county, FY, and FSFL number
- total FSFL amount approved.

County Offices shall:

- if CCC-185 is submitted to the County Office that needs DD review or STC approval:
  - notify the applicable reviewing or approving authority, upon accepting the application fee, that FSFL requiring approval will be forthcoming

**Note:** This is needed to be able to manage the workflow.

- after completing CCC-185, forward the following to the applicable reviewing or approving officials:
  - original case file, including the complete CCC-185 with documentation to support the determinations in subparagraph A
  - an ArcGIS map layout of the proposed site where the facility will be located identifying roads and other key issues
  - written recommendation from COC:
    - advising if FSFL should be approved
    - suggested commodity yield for FAV and renewable biomass commodities
  - written recommendation from individual conducting the financial analysis about the applicant's credit history, ability to repay, and type of security
- if FSFL is disapproved by COC, DD, or STC:
  - send the producer the disapproval letter in subparagraph 128 B

**Note:** Include appeal rights according to 1-APP.

- after appeal rights have been exhausted, disapprove CCC-185 in the FSFL software according to subparagraph 340 D

## Part 7 Closing FSFL's

## 127 Finalizing FSFL's

## A Finalizing FSFL's Not Secured by Real Estate

County Offices shall take the following steps, not necessarily in this order, when finalizing FSFL's where FSFL is **not** secured by real estate.

Step	Action
1	If FSFL funding was approved, ensure that transmission requesting funding has taken place and return funding transmission has been received.
2	<b>After</b> return funding transmission is received in the County Office, notify the applicant of FSFL approval. See the example letter in subparagraph 128 A.
3	If FSFL was <b>not</b> approved by the applicable approving authority, notify the applicant. See the example letter in subparagraph 128 B.
4	As soon as possible, obtain evidence for and compute final net cost of facility. If the final FSFL amount exceeds the approved amount, return CCC-185 to COC for consideration. Obtain approval for increase to FSFL amount and request additional funding. See paragraph 133.
5	If applicable, prepare CCC-297 and obtain necessary signatures to sever collateral from real estate and file in appropriate county real estate records before FSFL closing. See paragraph 130 and Exhibit 10.
6	Inspect the facility according to paragraph 134.
7	Obtain proof: <ul style="list-style-type: none"> <li>• that the downpayment and any amount in excess of the approved FSFL amount has been paid</li> <li>• of all-peril structural insurance, multi-peril crop or NAP insurance, and if applicable, flood insurance, all with CCC as the loss payee.</li> </ul>
8	Ensure that the following are on file: <ul style="list-style-type: none"> <li>• CCC-190, if applicable</li> <li>• CCC-191, from each vendor according to subparagraph 133 E.</li> </ul>
9	If checks are needed, submit the payment request according to subparagraph 368 B. After checks are received in the County Office, immediately schedule a closing date.  <b>Note:</b> FSFL closing shall be completed within 21 calendar days of signing in NPS.
10	Within 5 workdays before FSFL closing, perform a final lien search on the collateral.  <b>*--Note:</b> County Office must initial and date that this action was completed on CCC-195B, item 8D.--*
11	On the closing date: <ul style="list-style-type: none"> <li>• prepare CCC-186 for closing according to subparagraph 367 B or 368 E</li> <li>• meet with the applicant and obtain all necessary signatures</li> <li>• distribute checks to producers and other applicable payees.</li> </ul>

**Note:** These steps are applicable to both the partial and final disbursements for FSFL's **not** secured by real estate.

## 127 Finalizing FSFL's (Continued)

**B Finalizing FSFL's Secured by Real Estate**

County Offices shall take the following steps, not necessarily in this order, when finalizing FSFL's where FSFL is secured by real estate.

Step	Action
1	If FSFL funding was approved, ensure that transmission requesting funding has taken place and return funding transmission has been received.
2	<b>After</b> return funding transmission is received in the County Office, notify the applicant of FSFL approval and funding. See the example letter in subparagraph 128 A.
3	If FSFL was <b>not</b> approved by the applicable approving authority, notify the applicant. See the example letter in subparagraph 128 B.
4	The borrower selects a closing agent. Provide a letter to the applicant to use for requesting title clearance and legal services. See the example letter in subparagraph 129 A.
5	Obtain certification of attorney, if applicable, on CCC-296. See subparagraph 129 B.
6	Require title insurance or obtain title opinion. Use CCC-299 for title opinion requests according to subparagraph 129 D.
7	See subparagraph 129 F for the transmittal of the title information letter.
8	As soon as possible, obtain evidence for and compute final net cost of facility. If the final FSFL amount exceeds the approved amount, return CCC-185 to COC for consideration. Obtain approval for increase to FSFL amount and request additional *--funding. See subparagraph 2 F and paragraph 133 about approval for increases in the FSFL amount.--*
9	Ensure that the following are on file: <ul style="list-style-type: none"> <li>• CCC-190</li> <li>• CCC-297, if applicable according to paragraph 130</li> <li>• *--CCC-194 or either FSA-1927-8 or FSA-2319, according to subparagraphs 24 C--* and 131 E</li> <li>• CCC-191 for all vendors, according to subparagraph 133 E.</li> </ul>
10	Inspect the facility after it is completed and document on CCC-295A.
11	Obtain proof: <ul style="list-style-type: none"> <li>• that the downpayment and any amount in excess of the approved FSFL amount have been paid</li> <li>• of all-peril structural insurance, and if applicable, flood insurance with CCC as the loss payee</li> <li>• of multi-peril crop or NAP insurance</li> <li>• that real estate taxes are current.</li> </ul>

## 127 Finalizing FSFL's (Continued)

**B Finalizing FSFL's Secured by Real Estate (Continued)**

Step	Action
12	<p>If checks are required, submit the payment request for checks according to subparagraph 368 B. When checks are received, immediately schedule a closing date.</p> <p><b>Note:</b> FSFL closing must be completed within 21 calendar days of signing in NPS. Checks may be made out to the closing attorney to be held in escrow, if allowed by State law. In this case, the day the attorney cashes the check will be the date of FSFL closing and CCC-186 must be signed that day. In the case of escrow, the attorney will then issue checks as indicated in FSFL closing instructions.</p>
13	<p>Within 5 workdays before FSFL closing, perform a final lien search on the collateral.</p> <p><b>Note:</b> County Office must initial and date that this action was completed on *--CCC-195A, item 8M.--*</p>
14	Issue a notification of FSFL closing to the applicant. See the example letter in subparagraph 129 G.
15	Issue a closing letter to the agent with CCC-186 signed by the approving official together with other closing instructions. See the example letter in subparagraph 129 H.
16	<p>Prepare the following:</p> <ul style="list-style-type: none"> <li>• CCC-186</li> <li>• CCC-193 or CCC-193-D.</li> </ul>
17	The closing agent closes FSFL and provides the FSFL closing statement to the County Office.

**Notes:** These steps are applicable to both the partial and final disbursements for FSFL's secured by real estate.

\*--If a partial disbursement is requested and FSFL principal of the partial is \$100,000--\* or less, the instructions in subparagraph A may be followed.

## 128 Examples of FSFL Approval and Initial Determination Letters

### A Example of FSFL Approval Notification Letter

The following is an example of an FSFL approval notification letter.

\*--

<p>(Date of Letter)</p> <p>(Borrower Name)</p> <p>(Borrower Address Line 1)</p> <p>(Borrower Address Line 2)</p> <p>Dear (Borrower Name),</p> <p>Please be advised that the Commodity Credit Corporation has approved your request for a Farm Storage Facility Loan in the amount of \$ _____. The loan will be repaid in equal installments over a period of ____ years and will carry an annual interest rate of _____% for the entire term. Your loan has also been funded.</p> <p>The loan was approved based upon the following (enter those that are needed):</p> <ul style="list-style-type: none"> <li>• Additional security is provided in the form of Real Estate or other form authorized by CCC.</li> <li>• Crop insurance or NAP coverage is purchased for all crops of economic significance.</li> <li>• All-peril structural insurance is obtained for an amount at least equal to the loan amount.</li> <li>• CCC-297's, Severance Agreements, are obtained from anyone with a lien or interest in the real estate underlying the structure.</li> </ul> <p>Loan approval will expire _____ (6 months after the date of approval). If you need additional time to complete construction, you must submit a request for an extension, in writing, providing evidence that the lack of completion is for reasons beyond your control.</p> <p>As soon as possible, you must:</p> <ul style="list-style-type: none"> <li>• Complete construction and notify this office when the facility is ready for inspection. The system, or components of the system, need to be inspected before use.</li> <li>• Provide evidence of final cost of the facility and the payment of the downpayment to this office.</li> <li>• Provide evidence that all-peril structural insurance has been obtained.</li> </ul> <p>We will:</p> <ul style="list-style-type: none"> <li>• Compute the final net cost of the facility and request an increase in funding, if needed.</li> <li>• Prepare loan documents and, if applicable, have mortgage documents prepared.</li> <li>• Notify you of a loan closing date.</li> </ul> <p>You are responsible for notifying this office to request a partial disbursement after a portion of your structure has been completed. One partial disbursement is authorized. This disbursement can be for up to 50 percent of the total anticipated loan amount and commensurate with the amount of construction completed.</p> <p>Please keep us informed of any changes that can affect your loan approval. If you should decide not to proceed with this loan, please inform our office, in writing, of your decision so obligated funds can be returned.</p> <p>Sincerely,</p> <p>County Executive Director</p>
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## 130 CCC-297 (Continued)

**B When CCC-297 Is Not Required (Continued)**

- \*--aggregate outstanding FSFL balance is \$100,000 or less

**Note:** Additional security may be required for FSFL's with an aggregate outstanding FSFL balance equal to or less than \$100,000, if STC or COC determines that the structure has **no** resale value. See subparagraphs 24 C and N for guidance.

- provide another form of security acceptable to the Secretary to completely secure FSFL, such as an irrevocable letter of credit.

**Notes:** If an irrevocable letter of credit is used in addition to the FSFL structure to secure FSFL, CCC-297 is **not** required if the irrevocable letter of credit is 20 percent or greater than FSFL amount. STC has authority to establish a more restrictive policy. See subparagraph 24 G for guidance.--\*

If the borrower increases the downpayment from 15 percent to 20 percent, CCC-297's will **not** be required. The applicant **must** be informed of and request this option when CCC-185 is submitted.

If the applicant requests to use this option, notate in CCC-185, item 18, and have the applicant sign and date. At final closing, proof that the entire 20 percent downpayment was made is required, or the loan cannot be closed until either CCC-297 is provided or additional documentation showing that the 20 percent downpayment has been made is received by the County Office.

\*--This option only applies to FSFL's of \$100,000 or less because all other--\* FSFL's already require additional security and, in most instances when CCC has a mortgage on the underlying real estate, the facility is **not** severed from the real estate.

CCC-297 is **required** for **all** FSFL:

- assumptions
- where the security is owned by someone other than the borrower.

**130 CCC-297 (Continued)****C State Office Action**

State Offices shall:

- request changes and instructions to CCC-297 from the regional attorney
- make CCC-297 a State form
- provide a copy to PSD.

**D County Office Action**

County Offices shall:

- for FSFL's where a real estate lien is:
  - required, have the attorney obtain the properly completed and signed CCC-297

**Notes:** The attorney should perform all lien searches.

If the County Office knows the real estate lienholders, they may obtain properly completed CCC-297's before FSFL closing.

- **not** required, conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility and obtain properly executed CCC-297's

**Note:** See Exhibit 10.

- file CCC-297 before FSFL closing in the appropriate county real estate records unless the regional attorney waives the filing requirement.

**Notes:** If COC initially approves CCC-185 before receiving the necessary CCC-297's, then ENTER "The receipt of required CCC-297's" on CCC-185, item 18, as a condition of approval.

If County Offices are unable to obtain the required real estate lien searches from their County Recorder, the County Office shall use either of the following:

- local title company with moderate fees
- farm loan personnel trained to perform real estate lien searches.

**E STC Action**

STC's may enter into blanket CCC-297's with lenders if CCC-297's are approved by the regional attorney.

**131 Real Estate Lien Instruments****A Security Instruments**

State Offices shall develop a real estate lien instrument in consultation with their regional attorney. The security instrument may be a real estate mortgage, deed of trust, or other type of instrument. The security instrument must be used for all FSFL's to be secured with real estate. CCC-193 is a real estate mortgage available for FSFLP. CCC-193-D is a deed of trust available for FSFLP.

**B Signatures**

For a lien on real estate, **all** of the following shall sign the real estate lien instrument:

- the borrower, **only** if the borrower has an ownership interest in the land
- all persons or entities having an ownership interest in the applicable real estate
- the borrower's spouse shall also sign the instrument in States where spousal signatures are required by statute.

**C Closing Agent Action**

The closing agent shall:

- obtain all necessary signatures on the instrument
- file or record the original document according to State law.

**D County Office Action**

County Offices shall:

- prepare the instruments and provide to the closing attorney
- file a copy of the instrument in the FSFL folder
- provide a copy of the instrument to the borrower
- record the filing date, place, book, and page number on the County Office copy.

**E Land Already Encumbered**

If CCC requires a first lien and the land is already encumbered or subject to a prior lien, the County Office shall advise the closing agent that a subordination agreement shall be recorded making CCC's lien a first lien on the real estate where the facility is to be located.

**Exception:** See subparagraph 24 C.

CCC-194 is a subordination agreement that may be used for FSFL purposes. See Exhibit 23.

State Offices may develop their own subordination agreement in consultation with their regional attorney.

**131 Real Estate Lien Instruments (Continued)**

**F Lien Provisions**

The lien on the site on which the facility is to be located must:

- contain an exact legal description of the site
- grant CCC access rights to the property.

**G Fees**

The borrower shall pay all title fees, applicable lien search fees, and the cost of filing or recording real estate liens before or at FSFL closing.

**132 (Reserved)**

## 135 Extension of Approvals

**A Extensions That May Be Granted**

FSFL approvals expire 6 months after the date of approval. State and County Offices must follow this table for approval authority when granting an additional 6-month loan approval extension, not to exceed a total of 12 months.

<b>*--IF the total aggregate outstanding FSFL amount is....*</b>	<b>THEN approval authority is...</b>
less than or equal to \$250,000	COC after DD review.
greater than \$250,000	STC or delegated authority to SED <b>only</b> . The delegation of authority <b>must</b> be recorded in the STC meeting minutes.

**Notes:** An individual acting for SED does **not** have FSFL extension approval authority.

See the first table in subparagraph 2 F for exceptions applicable to FSA employees and their relatives.

Extensions become necessary only if the applicant has **not** completed construction or has **not** submitted all documentation required to disburse FSFL. Delays in disbursing FSFL within the control of CCC, such as funds obligation and the need for additional lien waivers discovered during the lien search 5 workdays before closing, do **not** require a request for extension from the applicant.

FSFL must **not** be disbursed with an expired approval date. If all documentation to disburse FSFL is received in the County Office and date-stamped before the FSFL expiration date, FSFL may be disbursed.

STC's (or delegated SED) or COC's shall:

- grant and approve extensions on CCC-185, item 14 C, **only** if the applicant:
  - submits a written request for an extension within 7 calendar days of notification by the County Office or the FSFL approval period expiration date, whichever is later

**Notes:** County Offices shall notify borrowers by telephone, e-mail, or letter, 14 workdays before the expiration date that, if necessary, they must request an extension in writing.

Extensions may be approved after the FSFL approval period expiration date if the request for the extension was made in a timely manner.

- provides evidence that CCC-185 was made in good faith
- provides evidence that lack of completion is because of reasons beyond his or her control

**Examples:** The following are examples of reasons beyond the borrower's control:

- delays in the delivery of parts
- bad weather conditions
- lack of necessary skilled labor
- legal delays involving real estate liens.

**135 Extension of Approvals (Continued)****A Extensions That May Be Granted (Continued)**

- grant extensions only for the time necessary to complete the installation
- **not** grant automatic extensions
- ensure that extensions can also be granted if the:
  - site preparation and foundation are both completed by the original FSFL approval period extension date
  - applicant provides a binding contract, signed by the applicant and supplier, proving there is a purchase commitment
- \*--notate a new expiration date on CCC-185, item 14C.--\*

**B Requests for Extensions Beyond 12 Months**

STC's **only** are authorized to grant extensions of FSFL approvals beyond 12 months, not to exceed 18 months from the date of the original approval. This authority may **not** be redelegated.

STC's must use discretion when approving extensions beyond 12 months, not to exceed 18 months of the original loan approval date. Based on the date the FSFL obligation appears in the system, CCC starts paying interest to Treasury on the obligated funds.

A DAFP waiver is required for extensions beyond 18 months of the original loan approval date.

State Offices must e-mail the following details about FSFL to Toni Williams at **toni.williams@wdc.usda.gov** when FSFL extensions are granted by STC beyond 12 months:

- FSFL number
- FSFL amount
- reason for extension beyond 12 months
- date STC approved the loan approval extension
- loan approval extension expiration date.

**136-145 (Reserved)**

**\*--167 CCC-195 Servicing (Continued)****C Modifying CCC-195 Servicing**

State Offices shall:

- only as necessary, and to incorporate individual State laws, modify CCC-195 Servicing for State use by editing the document in Microsoft Word

**Note:** The current version of CCC-195 Servicing is available through the FFAS Employee Forms/Publications Online Website at  
<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html>.

- e-mail State CCC-195 Servicing's that differ from the national CCC-195 Servicing to Toni Williams at [toni.williams@wdc.usda.gov](mailto:toni.williams@wdc.usda.gov) for National Office approval
- issue **only** National Office-approved CCC-195 Servicing to County Offices.

**D State Office or Designee Reviews**

The State Office shall select the following every FY for each County Office for review beginning October 1:

- three CCC-195 Servicing, if 10 or less CCC-195 Servicing's have been completed
- five CCC-195 Servicing, if 11 or more CCC-195 Servicing's have been completed.

**Notes:** The State Office CCC-195 Servicing Review Report is due in the National Office on or before the 4th Friday each January following the new FY.

Selecting CCC-195 Servicing per County Office may be random and the State Office Review Report, SORS, FSFL Condensed, and or the FSFL system-generated Repayment History Report may assist with selecting CCC-195 Servicing's that must be reviewed.

Other FSFL administrative reports that may be used are:

- FSFL Status Report
- FSFL Installment Due Report
- FSFL Repayment Installment Reminder Report
- FSFL Repayment Status Report.--\*

## 167 CCC-195 Servicing (Continued)

**E National Report**

SED's or designee shall report the following for each County Office to the National Office:

- number of CCC-195 Servicing reviewed by State Office
- number of "Do Not Concur" signed by State Office
- reason for "Do Not Concur"
- corrective action provided to the County Office to resolve CCC-195 Servicing finding.

SED or designee shall e-mail the report to [toni.williams@wdc.usda.gov](mailto:toni.williams@wdc.usda.gov). Reports are due in the National Office by the 4th Friday each January, following the new FY.

**F Completing CCC-195 Servicing**

Complete CCC-195 Servicing according to the following table.

Item	Instructions
1	Enter producer's name.
2	Enter FSFL number.
3	Enter State where facility or equipment is located.
4	Enter County Office name where FSFL was processed.
5A	Enter FSFL term (7, 10, or 12 years).
5B	Enter FSFL annual term year.  <b>Example:</b> FSFL was disbursed April 27, 2012, as FSFL 2012-00001, and CCC-195 Servicing was initiated on March 18, 2013. FSFL annual term year entered should be "1".
*--5C	Enter FSFL installment due date.--*
6 A through 12 E	For each item listed, CHECK (✓) "Yes", "No", or "N/A", as applicable. The employee completing the action shall initial and date each box.  <b>Note:</b> When initials and date are required, lining through the item is <b>not</b> acceptable.



## \*--167 CCC-195 Servicing (Continued)

**F Completing CCC-195 Servicing (Continued)**

Item	Instructions
13 A	Any County Office employee who initials in items 6 through 12 is <b>required</b> to sign as a preparer. Signing as the preparer does <b>not</b> represent that an employee checked items 6 through 12, only that the employee completed an item that was initialed and dated.  <b>Note:</b> There may be more than 1 preparer signing and dating CCC-195 Servicing.
13 B	County Office employee who signs item 13 A shall enter the current date.
14 A through 14 C	CED shall indicate whether or not they concur with how items 6 through 12 are completed. CED or designee representative shall review CCC-195 Servicing for all outstanding FSFL's.  CED, or designee representative, who:  <ul style="list-style-type: none"> <li>completed item 14 A shall sign item 14 B</li> <li>signed item 14 B shall enter the current date in item 14 C.</li> </ul> <b>Note:</b> If CED, or CED designee representative, was 1 of the preparers who completed items 6 through 12, CED, or CED designee representative, shall <b>not</b> complete this section. DD's <b>must</b> complete items 14 A through 14 C for all CED, or CED designee representative prepared FSFL's.
15 A through 15 G	During the applicable State Office or designee review of CCC-195 Servicing according to subparagraph 2 A, the State Office or designee shall respond to items 15 A through 15 D. Remarks or findings shall be noted for each question, if applicable.  State Office or designee who:  <ul style="list-style-type: none"> <li>completed 15 E shall sign item 15 F</li> <li>signed item 15 F shall enter the current date in item 15 G.</li> </ul>
16	Enter any remarks about any questions included on CCC-195 Servicing.
17	<b>Important:</b> Every FY the State Office or designee shall select the following for each County Office for review beginning October 1:  <ul style="list-style-type: none"> <li>three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed</li> <li>five CCC-195 Servicing, if 11 through 1,000 CCC-195 Servicing have been completed.</li> </ul>

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## 167 CCC-195 Servicing (Continued)

## G Example of CCC-195 Servicing

\*--The following is an example of CCC-195 Servicing.

This form is available electronically. <b>CCC-195 Servicing</b> (03-10-14)		U.S. Department of Agriculture Commodity Credit Corporation		1. Name of Producer			
<b>FARM STORAGE FACILITY LOAN (FSFL) SERVICING CHECKLIST</b>		2. Loan No.					
		3. State Office Name (Where facility or equipment is located)		4. County Office Name			
		5A. FSFL Term (7, 10, or 12)		5B. FSFL Annual Term Year		5C. Installment Due Date (MM-DD-YYYY)	
Office Staff Actions:		Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
<b>6. Collecting Installments</b>							
A. Initiated a reminder and notification letter at the Start-of-Day, 45 calendar days before the FSFL annual installment due date.  <b>Note:</b> The final installment payment shall have the statement attached from subparagraph 158 C to the reminder and notification letter.		Subparagraph 158 C					
B. Was the FSFL annual installment payment received timely and entered in both the System 36 and NRRS?  If the answer is "YES", continue to Item 8. If the answer is "NO", complete the remainder of Item 6 and Item 7.  <b>Note:</b> The annual installment repayment NRRS code is XXFSFL located in PSFSFL. XX represent the FY the FSFL was approved.		Paragraph 380 Exhibit 36					
C. Prepared and mailed a first demand letter on the day after the due date.		Subparagraph 158 D					
D. Established the "Other Agency Debt" flag in the producer's customer profile through FSA-Financial Services.		Subparagraphs 158 D and I					
E. Prepared and mailed a second demand letter 30 calendar days after the first demand letter.  If the answer is "YES", also answer Item 12D.		Subparagraph 158 D					
F. Prepared and mailed a third demand letter 30 calendar days after the second demand letter.		Subparagraph 158 D					
G. Prepared collection action against a debtor's pro rata share of payments due any entity that the producer participates in, either directly or indirectly.		Subparagraph 158 D					
H. Prepared foreclosure actions after all efforts to collect the installment have been exhausted.		Subparagraph 158 D					
I. 120 calendar days after the installment due date, refer the producer to the National Office PSD.		Subparagraph 158 D					
<b>7. Later Payment of an Installment, if applicable:</b>							
A. Did the producer make a written request for COC consideration within 60 calendar days before or after the installment due date and a current cash flow statement demonstrating that the installment can be paid within 120 calendar days after the due date?  <b>Note:</b> Payment after the installment due date may be requested 1 time only for each installment during the FSFL term.		Subparagraph 158 E					
B. Prepared and mailed to the producer the COC decision regarding the later payment of an installment.		Subparagraph 158 E					
C. Resumed collection activity according to actions listed at 6C through 6I, if the installment is not paid by the COC determined date.		Subparagraph 158 E					
<b>8. Releasing Security, if applicable:</b>							
A. FSFL is "paid in full." Initiate the release of security documents, as required by State law.		Subparagraph 161A					
B. Require the producer to pay all security release fees.		Subparagraph 161A					
C. Mark the original CCC-186 "paid" and forward to the producer 30 calendar days after the date of the final repayment.		Subparagraph 161A					

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## 167 CCC-195 Servicing (Continued)

## G Example of CCC-195 Servicing (Continued)

\*--

Office Staff Actions:		Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
<b>9. Real Estate Taxes:</b>							
A. Producer provided proof of payment of real estate taxes, applicable to the collateral securing the FSFL and real estate taxes are current.  If the answer is "NO", complete Item 9B.  If the FSFL is not secured with real estate, mark N/A.		Subparagraph 162 A					
B. Pay any unpaid taxes with respect to the collateral securing FSFL if appears CCC's security interest is in jeopardy.		Subparagraph 162B					
<b>10. Annual Insurance Coverage Requirement:</b>							
A. Multi-Peril Crop Insurance - Producer provided proof of multi-peril crop insurance, if applicable, for commodities stored in the structure.		Subparagraph 69 A					
B. All-Peril Structural Insurance - Producer provided proof of all-peril structural insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee.		Subparagraph 69 F					
C. Flood Insurance - Producer provided proof of flood insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee.		Subparagraph 69 G					
<b>11. Financing Statements:</b>							
A. UCC-1 is current. If the answer is "NO" continue to Item 11 B.		Subparagraph 56 B					
B. UCC-3 Continuation is filed.							
<b>12. Collateral Inspection:</b>							
A. Is a collateral inspection required for the applicable FSFL term?  If the answer is "YES", complete the remainder of Item 12. If the answer is "NO", no further action is required for Item 12.		Subparagraph 163 A Paragraph 167					
B. Was there legal access to the facility site?							
C. Was there proper facility maintenance?							
D. Was this a collateral inspection needed because of a late FSFL annual installment repayment?							
E. If asphalt flooring is installed, a collateral check is required at least once every other year.  Is an asphalt flooring check required for this year?  If "YES", record remarks regarding the check in Item 16.		Subparagraph 34C					
<b>13. Certification:</b>							
A. Signature of Preparer(s)			B. Date (MM-DD-YYYY)				
14A. I concur/do not concur the above items have been verified or updated accordingly.			<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur				
14B. CED, CED Designee Representative or DD Signature (Required for all Loans)			14C. Date (MM-DD-YYYY)				
<b>15. State Office or Designee Review:</b>							
Question	YES	NO	Remarks or finding, if applicable				
15A. Did the County Office prepare the CCC-195 Servicing on the date the reminder and notification letter was mailed to the FSFL producer?							
15B. Did the respective employee check, initial, and date the appropriate box for each item as it was performed?							
15C. According to your review of CCC-195 Servicing and the actions taken, was the FSFL properly serviced?							
15D. Do you have other concerns regarding this FSFL?							
15E. I, the undersigned, certify the above items have been verified or updated accordingly.			<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur				
15F. State Office or Designee Signature			15G. Date (MM-DD-YYYY)				

--\*

167 CCC-195 Servicing (Continued)

G Example of CCC-195 Servicing (Continued)

\*--

<b>CCC-195 Servicing</b> (03-10-14)	Page 3 of 3
16. Remarks	
<b>17. Important:</b>  The State Office or designee shall select the following per County Office for review each FY, beginning October 1: <ul style="list-style-type: none"> <li>▪ three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed</li> <li>▪ five CCC-195 Servicing, if 11 through 1,000 CCC-195 Servicing have been completed</li> </ul>	

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**\*--168 Lien Subordination**

**A Subordination**

Authority is provided to subordinate CCC's lien position if **all** of the following apply:

- adequate security is available to secure the outstanding FSFL amount according to subparagraph 24

**Notes:** The methodology used to determine the security value for the outstanding FSFL amount must be maintained in the FSFL folder or a referenced folder. See subparagraphs 24 P through S.

STC's have authority to establish a more restrictive Statewide policy for subordinating CCC's lien position.

- FSFL is not in default
- the producer:
  - in writing, must request that CCC subordinate its lien position
  - must not receive any new liens, increased credit lines, or encumbrances, unless CCC approves otherwise in writing
  - will be responsible for all FSFL security re-filings and/or releases.--\*

**\*--168 Lien Subordination (Continued)****B Approval Authority**

The subordination must be approved according to this table.

<b>IF the aggregate outstanding FSFL balance is...</b>	<b>THEN approval authority is...</b>
less than or equal to \$250,000	DD.
greater than \$250,000	STC or delegated authority to SED <b>only</b> .

**Note:** Approval officials must ensure that all documents received from a creditor or financial institution for signature to subordinate CCC's lien position are reviewed thoroughly and will not adversely affect CCC's security. The approval official, as needed, must consult with the Regional OGC for legal advice.

State Offices must provide the following information to the National Office within 30 calendar days after the subordination of CCC's lien position is approved:

- County Office
- FSFL number
- original FSFL amount
- amount of outstanding FSFL at time of subordination request.

The State Office Price Support Specialist shall e-mail the report to Toni Williams at **toni.williams@wdc.usda.gov.--\***

## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

This table lists the required reports in this handbook.

Report Control Number	Title	Reporting Period	Submission Date	Negative Report	Reference
VFB405-R001	FSFL Program Reminders Report	Monthly by DD			415
VAA510-R001	FSFL Repayment Status Report	Quarterly by State Office			414

### Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification		51, Ex. 15
B10	Proof of Claim		186
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	58	51, 52, 56
CCC-185	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program	51, 116	Text, Ex. 15, 40, 41
CCC-185-1	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program (CCC-185 Continuation Sheet)	51	
CCC-186	Farm Storage Facility Loan Program Promissory Note and Security Agreement	146	Text, Ex. 2, 15
CCC-186-1	Farm Storage Facility Loan Program CCC-186-1 Continuation Sheet	147	31, 411, 412
CCC-190	Farm Storage Facility Loan Program Lien Waiver	Ex. 16	52, 56, 127, 129, Ex. 15
CCC-191	Farm Storage Facility Loan Program Release of Liability	133	28, 127, 129, 134.5, 230
CCC-193	Real Estate Mortgage for Farm Storage Facility Loan Program	Ex. 17	31, 127, 129, 131, Ex. 15
CCC-193-D	Farm Storage Facility Loan Deed of Trust for (State of _____)	Ex. 17	31, 127, 131

## Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
CCC-194	Farm Storage Facility Loan Subordination Agreement (Lien on Real Property)	Ex. 23	127, 129, 131, Ex. 15
CCC-195	Farm Storage Facility Loan (FSFL) Processing Checklist	52	28, 127, Ex. 15
CCC-195 Servicing	Farm Storage Facility Loan (FSFL) Servicing Checklist	167	34, 134, 158
CCC-195A	Farm Storage Facility Loan (FSFL) Security Checklist	52	28, 127, Ex. 15
CCC-195B	Farm Storage Facility Loan (FSFL) No Security Checklist	52	28, 127, Ex. 15
CCC-197	Final Farm Storage Facility Loan (FSFL) Program Cost Certification	134.5	28
CCC-257	Schedule of Deposit		158, 161, 231, 232, 312, 338, 353, 426
CCC-295A	Farm Storage Facility Loan Program Final Inspection of Facility Before Loan Disbursement	134	28, 127, 186, Ex. 15
CCC-296	Farm Storage Facility Loan Program Certification of Attorney	129	127
CCC-297	Severance Agreement	Ex. 10	Text, Ex. 15
CCC-298	Farm Storage Facility Loan Program Assumption Agreement	177	31, 426, Ex. 15
CCC-299	Title Opinion - Farm Storage Facility Loan Program	129	127
CCC-400	Farm Storage Facility Loan Program Agreement for Sale of Loan Collateral	210	31, 186, 197, 209, 211, 233
CCC-471	Non-Insured Crop Disaster Assistance Program (NAP) Application for Coverage (2010 and Subsequent Crop Years)		69
CCC-674	Certification of Contracts, Grants, Loans, and Cooperative Agreements	33	
CCC-901	Members Information 2009 and Subsequent Years		10, 31, 51, 52
CCC-902	Farm Operating Plan for Payment Eligibility Review		10, 12, 15, 51, 52
CCC-902E	Farm Operating Plan for an Entity 2009 and Subsequent Program Years		31
CCC-931	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information		12
FSA-13-A	Data Security Access Authorization Form		451
FSA-211	Power of Attorney		31
FSA-578	Report of Acreage		12, 15, 51



## Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
FSA-850	Environmental Evaluation Checklist		11, 52, 69, 81-83, 301, Ex. 15
FSA-851	Environmental Risk Survey Form		11, 52, 82, 301, Ex. 15
FSA-853A	Environmental Assessment		82
FSA-1927-8	Agreement With Prior Lien Holder (State of...)		127, 129
FSA-2002	3 Years Financial History		53
FSA-2003	3 years Production History		53
FSA-2004	Authorization to Release Information		51, 53, Ex. 15
FSA-2015	Verification of Debts and Assets		53, Ex. 15
FSA-2037	Farm Business Plan Worksheet Balance Sheet		51, 53
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		51, 53
FSA-2319	Agreement With Prior Lienholder		24, 127, 129
FSA-2360	Report of Lien Search		56, Ex. 15
IRS-1098	Mortgage Interest Statement		12, 164
NRCS-CPA-052	Environmental Evaluation Worksheet		82
SF-LLL	Disclosure of Lobbying Activities	33	
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet	33	
UCC-1	National Financing Statement		Text, Ex. 15, 16, 34
UCC-3	National Financing Statement Amendment		24, Ex. 15

## Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

### Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

<b>Approved Abbreviation</b>	<b>Term</b>	<b>Reference</b>
ASG	Application Support Group	440
COTR	State Contracting Representative	Ex. 13
EA	environmental assessment	81-83
FSA-FS	FSA Financial Services	158
FSFLP	Farm Storage Facility Loan Program	Text, Ex. 2
NIFA	National Institute of Food and Agriculture	16, 17, 20
NRRS	National Receipts and Receivables System	158, 314
OLP	online payment	313, 314
OSHA	Occupational Safety and Health Administration	19-21, 35
REAP	Rural Energy for America Program	32
SEC	State Environmental Coordinator	82, 83
SFLO	Senior Farm Loan Officer	115
SOD	start-of-day	158, 352, 414, 415
SORS	State Office Reporting System	451
TAV	Tax Assessment Value	24

### Redelegations of Authority

This table lists the redelegations of authority in this handbook.

<b>Redelegation</b>	<b>Reference</b>
CED may be delegated authority by COC to sign all forms or documents, except CCC-185. Federal and non-Federal County Office employees, except those applications in which the person approving has a monetary interest, may be delegated authority by CED. See paragraph 2 for exceptions.	2
DD may be delegated authority by STC to approve CCC-185 if the loan applicant is a COC or County Office employee or relative.	2
*--STC may redelegate authority for loan approval period extensions up to 6 months.	135
STC may redelegate CCC-185 approval authority to SED or DAFO-appointed Acting SED <b>only</b> .--*	2, 11, 115

## Definitions of Terms Used in This Handbook

### **\*--Aggregate Outstanding FSFL Balance**

Aggregate outstanding FSFL balance means the sum of the outstanding balances of all FSFL's--\* disbursed to each borrower signing CCC-186.

### **Assumption**

Assumption means the act or agreement by which 1 borrower takes over or assumes the mortgage debt of another borrower.

### **CCC Charter Act Commodities**

CCC Charter Act commodities are commodities originally authorized for FSFL under the CCC Charter Act and include the following:

- rice
- soybeans
- sunflower seed
- canola
- rapeseed
- safflower
- flaxseed
- mustard seed
- other oilseeds as determined and announced by CCC
- dry peas
- lentils
- small chickpeas, harvested as whole grain and including peanuts.

**Note:** Corn, grain sorghum, oats, wheat, or barley shall be included whether harvested as whole grain or other than whole grain.

### **Cold Storage Facility**

Cold storage facility is defined as a facility, or rooms within a facility, that are specifically designed and constructed for the cold temperature storage of perishable commodities. The temperature and humidity in these facilities must be able to be regulated to specified conditions required for the commodity requiring storage.

### **Collateral**

Collateral means the storage structure, drying equipment, or handling equipment securing FSFL.

**Definitions of Terms Used in This Handbook (Continued)****Commercial Purpose**

Commercial purpose is defined as the storage and handling of grain, whether paid or unpaid, for persons other than the FSFL applicant, except for family members and tenants or landlords sharing in the crop requiring storage. Any facility that is in working proximity to any commercial storage operation shall be considered to be part of a commercial storage operation.

**Compromise**

Compromise means CCC's consideration of the borrower's offer to settle FSFL by lump sum repayment or rescheduling FSFL for an amount that may be less than the sum of the outstanding principal plus interest. Prior written approval must be obtained from DAFP before any compromise can be negotiated with the borrower.

**\*--Controlled Substance Violation Ineligibility**

Controlled substance violation ineligibility means any person who is convicted under Federal or State law of a controlled substance violation is ineligible for FSFL.--\*

**Construction of FSFL**

Construction of FSFL means:

- erecting or building the sides and/or roof of a bin or silo
- framing the flat storage structure or building
- installing any equipment component or part for:
  - handling
  - drying
  - maintenance.

**Crop of Economic Significance**

Crop of economic significance means any insurable FSFL commodity that contributes 10 percent or more of the total expected value of all crops grown by the FSFL applicant, except if the expected liability under the catastrophic level of crop insurance for a crop is equal to or less than the administrative fee for the crop, that crop shall **not** be economically significant.

**Direct Impact**

A direct impact is an impact caused by the action and that occurs at the same time and place.

**Execution Date**

Execution date is the date the party signs the contract with the proper formalities; for example, witnesses, if required.

**Definitions of Terms Used in This Handbook (Continued)****Existing Storage**

Existing storage is FSFL commodity storage at the proposed storage location, owned by the applicant, that has **not** deteriorated to the point where it is no longer functional for storage purposes.

**FAV's**

FAV's for FSFL purposes are fruits and vegetables grown on cultivated farmland.

**Financing Statement**

A financing statement is a document that gives legal notice of a lien on chattel property when properly filed or recorded.

**Flood Plains**

Flood plains are lowland and relatively flat areas adjoining inland and coastal waters, including flood-prone areas of offshore islands. At a minimum, flood plains consist of those areas subject to a 1 percent or greater chance of flooding in any given year. The term flood plain will be taken to mean the base flood plain, unless the action involves a critical action, in which case the critical action flood plain is the minimum flood plain of concern.

- Base flood plain (or 100-year flood plain) is the area subject to inundation from a flood of a magnitude that occurs once every 100 years on the average, the flood having a 1 percent chance of being equaled or exceeded in any given year.
- Critical action flood plain (or 500-year flood plain) is the area subject to inundation from a flood of a magnitude that occurs once every 500 years on the average, the flood having a 0.2 percent chance of being equaled or exceeded in any given year.

**Grain Legumes for Hay**

Grain legumes for hay mean hay where the entire plant, including the seeds, is harvested at maturity and used for animal feed.

**Hay**

Hay is a grass or legume that has been cut and stored. This may include crop residues if baled and used as feed, such as wheat straw.

## Definitions of Terms Used in This Handbook (Continued)

### Indirect Impacts

Indirect impacts are those reasonably foreseeable environmental impacts that result from the additional facility, residential, commercial, or industrial development or growth that a Federally financed project may cause, induce, or accommodate. Consequently, indirect impacts often occur later in time than the construction of the Federal project and can be removed in distance from the construction site. Those indirect impacts that deserve the greatest consideration include the following:

- changes in the patterns of land use
- population density or growth rate
- corresponding changes to air and water quality and other natural systems.

### \*--Lien

Lien means a legally enforceable hold or claim on the property of another and obtained as security for the repayment of indebtedness or an encumbrance on property to enforce payment of obligation.--\*

### Mediation

Mediation means CCC's consideration of the borrower's offer because of either of the following:

- mediation carried out through FSFL mediation to settle FSFL by lump sum repayment
- rescheduling FSFL for an amount that CCC regards as being reasonable compared with other offers that other creditors have accepted considering the priority of security interest that all creditors have held.

**Note:** Prior written approval must be obtained from DAFP before any mediation or rescheduling can be negotiated with the borrower.

### Mitigation Measures

Mitigation measures are measures included in a project or application for the purpose of avoiding, minimizing, reducing, or rectifying identified, adverse environmental impacts. Examples of these measures include the following:

- the deletion, relocation, redesign, or other modification of the project's elements
- the dedication to open space of environmentally sensitive areas of the project site, which would otherwise be adversely affected by the action or its indirect impacts
- soil erosion and sedimentation plans to control runoff during land-disturbing activities

## Definitions of Terms Used in This Handbook (Continued)

### Mitigation Measures (Continued)

- the establishment of vegetative buffer zones between project sites and adjacent land uses
- protective measures recommended by environmental and conservation agencies having jurisdiction or special expertise about the project's impacts
- storm water management plans to control potential downstream flooding effects that would result from a project
- zoning
- reusing existing facilities as opposed to new construction.

### \*--Mortgage

Mortgage means a legal instrument giving the lender a security interest or lien on real or personal property of any kind. The term "mortgage" also includes the terms "deed of trust" and "security agreement".--\*

### No-Action Alternative

A no-action alternative is the alternative of **not** approving an application for financial assistance.

### Nonmovable or Nonsaleable Collateral

Nonmovable or nonsaleable collateral means either of the following:

- collateral COC determines cannot be sold and moved to a new location because of the type of construction
- collateral that has deteriorated to the point that it has no sale recovery value.

### Old Growth Timber

Old growth timber is forest materials that would otherwise be used for either of the following:

- a higher-value product, such as timber, lumber, or wood pulp
- any other finished wood products, such as mulch or paper.

**Note:** See Healthy Forest Restoration Act of 2003, Subsection 102e, paragraphs 2 through 4.

### Person

Person means any individual, group of individuals, partnership, corporation, estate, trust, association, cooperative, tribal venture, or other business enterprise, or other legal entity who is, or whose members are, a citizen or citizens of the United States, or a legal resident alien.

## Definitions of Terms Used in This Handbook (Continued)

### Practicable Alternative

A practicable alternative is an alternative that is capable of attainment within the confines of relevant constraints. The test of practicability, therefore, depends upon the particulars of the situation under consideration and those constraints imposed by environmental, economic, legal, social, and technological parameters. This test, however, is **not** limited by the temporary unavailability of sufficient financial resources to implement an alternative. That is, alternatives cannot be rejected solely on the basis of moderately increased costs. The range of alternatives that must be analyzed to determine whether a practicable alternative exists includes the following categories of alternatives:

- alternative project sites or designs
- alternative projects with similar benefits as the proposed action
- the no-action alternative.

### Preparer of Environmental Review Documents

The preparer of environmental review documents is the FSA official who is responsible for:

- reviewing the potential environmental impacts of the proposed action
- completing the appropriate level of environmental review.

### Relative

A relative, as defined in 3-PM, Exhibit 2, is an individual who is related to the employee, as father, mother, son, daughter, brother, sister, uncle, aunt, great-uncle, great-aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister, or who is the grandfather or grandmother of the spouse of the employee, or who is the fiancé or fiancée of the employee.

### Renewable Biomass Commodity

Renewable biomass commodity is any organic matter that is available on a renewable or recurring basis used for producing energy in the form of heat, electricity, and liquid solid or gaseous fuels.

### \*--Resale Collateral Value

Resale collateral value is collateral that can be sold and moved to a new location for which compensation equal to the outstanding loan value can be expected.--\*

### Satisfactory Credit History

Satisfactory credit history means a history of repaying debts as they came due unless the failure to repay or tardiness in payment was because of circumstances beyond the applicant's control as determined by CCC upon proof submitted by the applicant.