

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

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

Amendment 7

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 24 C has been amended to increase the additional security requirement from \$50,000 to \$100,000. STC's may set a more restrictive Statewide policy for determining if additional security is required for FSFL's exceeding \$50,000. The new additional security policy increase from \$50,000 to \$100,000 may apply to FSFL's **approved** before August 28, 2012. FSFL's **must** be re-reviewed and approved by the approving official.

Subparagraph 24 L has been amended to provide updated additional security examples.

Subparagraph 28 B has been amended to provide an updated partial disbursement example.

Subparagraph 52 A, item 12 has been amended to provide that FSA-850 is required to document whether the facility site is located in a flood hazard area.

Subparagraph 52 B has been amended to provide that County Offices are **required** to use CCC-195 as a reminder of the most frequently "erred" determinations when completing FSFL's.

Subparagraph 52 D has been amended to update CCC-195, items 12 G and 13 A instructions.

Subparagraph 69 G has been amended to provide new flood insurance policy.

Subparagraph 115 A has been amended to provide that the approving authority shall determine if FSFL is less than \$100,000 whether the structure has resale value.

Subparagraph 115 C has been amended to provide that an FSA employee with FLP loan approval authority **must** provide a written and signed recommendation for the applicant's FSFL approval.

Subparagraph 127 B has been amended to provide that if a partial disbursement is requested and the FSFL principal of the partial is \$100,000 or less, the instructions for finalizing FSFL's not secured by real estate may be followed.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 130 B has been amended to provide that CCC-297 is not required when the producer increases the downpayment from 15 percent to 20 percent. In most cases, CCC will have a mortgage on the underlying real estate.

Subparagraph 135 A has been amended to:

- clarify that if all required documentation to disburse FSFL is received in the County Office and date-stamped **before** the FSFL expiration date, FSFL may be disbursed
- provide that a new FSFL expiration date must be notated on CCC-185, item 14 C.

Subparagraph 163 A has been amended to provide that County Offices shall perform collateral checks where the full annual installment payment is not made within 15 calendar days after the installment due date.

Subparagraph 353 D has been added to provide the approval process for partial and final disbursements.

Subparagraph 380 C has been amended to reference 64-FI, subparagraph 65 K when processing refunds for final annual installments that result in overpayment.

Exhibit 15 has been amended to remove the reference to FEMA 81-93 that has been replaced by FSA-850.

Exhibit 34 has been amended to clarify that NRRS code:

- “XXFSFL” **must** be used to record a final annual installment repayment when a refund is **not** owed to the producer
- “XXFSFLMR” **must** be used to record the final annual installment repayment and a refund **is** owed to the producer
- “XXFSFLAME” **must** be used when terminating agreements.

Exhibit 36 has been amended to update the applicable repayment processing paragraph reference and provide notes to further clarify when NRRS codes “XXFSFL” and “XXFSFLMR” must be used.

Amendment Transmittal (Continued)

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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

Note: The new additional security policy increase from \$50,000 to \$100,000 also applies to FSFL's **approved** before August 28, 2012. FSFL's must be re-reviewed and approved by the approving official. The approving official **must** document the approval on CCC-185, item 18.

- the aggregate outstanding FSFL balance exceeds \$100,000

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

STC's may set a more restrictive Statewide policy for determining if additional security is required for FSFL's exceeding \$50,000.

Examples: The producer has an outstanding FSFL for \$75,000 and requests a new FSFL for \$40,000. Additional security is only required to secure the new or \$40,000 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 as **FSFL** exceeds \$100,000.

- COC determines, as a result of financial analysis, that additional security is required
- FSFL where the total FSFL principal is equal or less than \$100,000 and COC--* determines that the structure has no resale value.

Note: COC shall determine resale collateral value based on local market conditions.

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

FSFL's will be adequately secured when the real estate security for FSFL is at least equal to the FSFL amount.

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 an FLP loan, subordination is **not** required. However, a junior real estate lien is **required**.

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 \$105,000. Half the facility is constructed and a partial disbursement is requested for \$52,500. UCC-1 has been filed on the structure, but additional security is **not** required when the \$52,500 partial disbursement is closed. When the final FSFL disbursement is made, additional security for both FSFL's totaling \$105,000 is **required**.

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

FSFL is approved for \$200,000. Half the facility is constructed and a partial disbursement is requested for \$100,000. Additional security is required for the \$100,000 partial disbursement and for the \$100,000--* 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 necessary, shall determine resale collateral value based on local market conditions and depreciation factors.

Note: 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.

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.

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.--*

26 FSFL Approvals (Continued)

B Term Options (Continued)

For FSFL's over \$100,000, the applicant has an option in the term. The requested term **must** be specified when CCC-185 is submitted, because the required financial analysis **must** take into account the annual installment payment amount.

To support the requested FSFL amount and term, the applicant **must** provide the following information to the County Office when completing CCC-185:

- purchase order or contract
- written cost estimates.

Note: Because the term is based on total FSFL amount (85 percent of the total eligible costs), County Offices **must** keep copies of **all** documentation presented by the applicant, with CCC-185, on file to support the 10- and 12-year FSFL terms.

27 Downpayment

A Minimum Downpayment

[7 CFR 1436.10] A minimum downpayment shall be:

- 15 percent of the eligible net costs
- difference between the net cost of the storage facility and the amount of FSFL determined by paragraph 25
- made by the FSFL applicant to the supplier or contractor before the final FSFL disbursement.

***--Examples:** The net cost of the storage facility is \$95,000. The producer only wants FSFL for \$50,000. The downpayment will equal \$45,000. In this example, evidence must be provided that \$45,000 downpayment has been paid before the final FSFL can be disbursed.

The producer constructs a \$75,000 storage bin with a capacity of 60,000 bushels although only eligible for a 50,000-bushel structure. 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). In this example, evidence must be provided that \$21,875 downpayment has been paid before the final FSFL can be disbursed.

B Allowances

The downpayment must be in cash. The cash may be the result of a loan from another nongovernment source. County Offices shall ensure that downpayments obtained from--* these loans are accounted for when determining the borrower's capability of repaying FSFL.

27 Downpayment (Continued)**C Exclusions**

The downpayment shall **not** include any of the following:

- credit
- deferred payment
- discount
- *--grant or loan proceeds from any Government Agency (paragraph 32)--*
- post-dated check
- promissory note to the supplier or contractor
- rebate
- trade-in value.

28 Disbursements**A FSFL Disbursement Policy**

So the borrowers can facilitate purchasing and constructing a facility, 1 partial and 1 final principal disbursement are available. * * * A partial disbursement is **not** required. Borrowers may request only a final disbursement when the facility has been completed.

B Partial Disbursements

One partial disbursement:

- may be requested by the borrower when a portion of the construction has been completed
- will be commensurate with the amount of construction completed
- can be disbursed at the maximum amount of 50 percent of the projected and approved total FSFL amount, **not** to exceed \$250,000.

Notes: Interest on the partial disbursement begins on disbursement.

COC will inspect the structure before the partial disbursement to determine the portion of construction completed to use in determining the amount of the partial disbursement.

28 Disbursements (Continued)

B Partial Disbursements (Continued)

To receive the partial disbursement, the following are required **before** CCC-186 is prepared:

- acceptable documentation providing the cost of the completed portion
- security required for the principal amount **before** the partial disbursement is closed
- CCC-191's from contractors submitting bills for completed construction.

***--Example:** The following example explains the maximum amount of the partial--*
disbursement allowed.

FSFL is approved for \$125,000. The applicant completes the site preparation, foundation, and the outer shell of the steel bin. Bills are presented to the County Office for \$100,000. The bills presented are over half of the approved total FSFL amount. The maximum partial disbursement the borrower can
--receive on this FSFL is \$62,500. Although additional security is required for \$125,000 before the final FSFL disbursement, only one UCC-1 filing is required for the \$62,500 partial disbursement.--

* * *

If the applicant requests the partial disbursement:

- there will be two FSFL's with 2 installment payments due each year
- a separate CCC-186 will be required for each FSFL
- only 1 **manual** CCC-185 will be required for the partial and final FSFL amounts.

28 Disbursements (Continued)

B Partial Disbursements (Continued)

County Offices shall:

- assist producers with completing 1 manual CCC-185 for the total FSFL amount requested
- enter 2 separate FSFL's into the FSFL software following instructions in paragraph 353

Notes: Currently, to process partial and final FSFL disbursements, 2 separate FSFL's are required in FSFL software. One FSFL for 50 percent of the requested FSFL total will be initially entered into the FSFL software for the partial disbursement, and another FSFL for the other 50 percent of the requested FSFL amount will be entered into the FSFL software for the final disbursement.

Because the exact amount of the partial and final FSFL disbursements cannot be determined before the structure is completed, it may be necessary to increase or decrease the approved and obligated amounts for each FSFL when the total for each disbursement has been determined.

- enter the approval date and amount for each FSFL when the requested facility has been approved by COC or STC
- see paragraph 24 for FSFL security requirements for FSFL's with partial and final disbursements
- see paragraph 30 for application fees for FSFL's with partial and final disbursements
- *--complete an FSFL disbursement calculator, according to subparagraph F, before disbursing the partial disbursement. The FSFL disbursement calculator must be filed in the producer's FSFL folder.--*

C Final Disbursements

CCC will disburse FSFL or make the final disbursement when:

- the **entire** facility has been:
 - assembled
 - constructed
 - installed
 - inspected and approved by COC representative
 - determined to be free of liens other than CCC's by a final lien search
- all security requirements have been met.

51 CCC-185's (Continued)

I Example of Manual CCC-185-1

The following is an example of a manual CCC-185-1.

This form is available electronically.				
CCC 185-1 (08-17-09)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		FOR COUNTY USE ONLY
LOAN APPLICATION AND APPROVAL FOR FARM STORAGE AND DRYING EQUIPMENT LOAN PROGRAM CCC-185 CONTINUATION SHEET		1. LOAN IDENTIFICATION NUMBER		
		A. State Code 36	B. County Code 123	C. Loan No. 2009/00001
<i>Privacy Act Statement on Page 2</i>				
5. Facility Equipment described in Item 4 needed for the storage, drying, or handling of the estimated production of the listed commodities on the farm.				
A. Farm Number	B. Commodities	C. Acres	D. Yield Per Acre	E. Total Production for Each Commodity (Item 5C times Item 5D = Item 5E)
890	corn	40 X	100 =	4,000
890	soya	40 X	40 =	1,600
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
Total: Include this amount in Item 5F, Form CCC-185				5,600
NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for CCC financing for farm storage and drying equipment. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage And Drying Equipment Loan Program.				
This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration).				
The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.				
The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.				
Debtor's Initials: JS		Date Initialed: 09-01-09		
Co-Debtor's Initials:		Date Initialed:		

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

County Offices shall process CCC-185 packages as follows.

Step	Action			
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 not already on file. Once eligibility is determined, file UCC-1 on the collateral.			
3	IF real estate lien is... THEN...			
	<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>not 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.	not 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.			
not 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"> • complete a financial analysis • provide a written recommendation to verify the applicant has financial ability to: <ul style="list-style-type: none"> • provide downpayment • pay future installments. 			
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 before 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 not been convicted of growing controlled substances.			
17	Verify completion of CCC-901 and CCC-902.			

--52 Processing CCC-185 Packages and Using CCC-195(Continued)--**B Using CCC-195's**

CCC-195 was 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.

CCC-195 is required to be completed for **all** FSFL's. It is **not** the intent of CCC-195 to ***--supersede or replace procedure.** County Offices are **required** to use CCC-195 as a ***--reminder of the most frequently "erred" determinations when completing FSFL.**

State Offices shall:

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

Note: The current version of CCC-195 is available on the FFAS Employee Forms/Publications Online Website.

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

County Offices shall:

- prepare CCC-195 received from the State Office for each FSFL that was **not** disbursed as of the date of receiving CCC-195
- maintain CCC-195 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
- ensure that all required signatures are in CCC-195, item 21 at FSFL disbursement
- obtain signature and date of CED on CCC-195, items 22B and 22C at loan disbursement.

Note: For FSFL's **not** disbursed at the time the most current revision of CCC-195 is posted, attach a copy of the most current CCC-195 to the partially completed CCC-195. Obtain signatures on CCC-195, item 21 at FSFL disbursement.

--52 Processing CCC-185 Packages and Using CCC-195(Continued)--

C Completing CCC-195's

Complete CCC-195 according to the following table.

Item	Instructions
1	Enter the applicant's name. If a joint FSFL, a separate CCC-195 is required for each applicant.
2	Enter the date CCC-185 is signed.
3	Enter the APSS-assigned FSFL number that is FY and FSFL number.
4	Enter the State where facility equipment will be located.
5	Enter the county where FSFL will be processed.
6A through 20G	For each item listed, check (✓) either "Yes" or "No". The employee completing the action shall initial and date. If item is not applicable to this FSFL, *--CHECK (✓) "N/A". The employee determining that the action is not --* applicable shall initial and date.
21A	Any County Office employee who initials in items 6 through 20 is required to sign as a preparer. Signing as the preparer does not insinuate that an employee checked items 6 through 20, only that the employee completed an item that was initialed by the employee.
21B	County Office employee who signs item 21A shall enter the current date.
22A through 22C	<p>CED shall indicate whether or not they concur with how items 6 through 20 are completed. CED or designated representative shall review CCC-195's for all FSFL's.</p> <p>CED who completed item 22A shall sign item 22B.</p> <p>CED who signed item 22B shall enter the current date in item 22C.</p> <p>Note: If CED was 1 of the preparers who completed items 21A and 21B, CED shall not complete this section. STC or its representative shall complete items 22A through 22C for all CED-prepared FSFL's.</p>
23	If this FSFL is 1 of the first 3 FSFL's received in FY, according to subparagraph E, STC or its representative shall review FSFL, before disbursement. To document the review, the reviewer shall notate FSFL has been reviewed, sign, and date.

--52 Processing CCC-185 Packages and Using CCC-195(Continued)--

D Example of CCC-195

The following is an example of CCC-195.

*--

This form is available electronically.							
CCC-195 (08-28-12)		U.S. Department of Agriculture Commodity Credit Corporation		1. Name of Applicant			
FARM STORAGE FACILITY LOAN (FSFL) PROCESSING CHECKLIST		2. Date of Application (MM-DD-YYYY)		3. Loan No.			
		4. State Office Name		5. County Office Name			
Office Staff Actions:		Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
6. While Working with Producer:							
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.		Subparagraph 51C					
B. Complete all items 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.		Paragraph 51					
C. Collect application fee of \$100.00 per borrower.		Paragraphs 30 & 312					
D. Enter application into APSS. If partial disbursement is requested, enter 2 separate applications.		Subparagraph 51D & paragraphs 338 & 353					
E. Schedule a farm visit to complete FSA-850 and, if applicable FSA-851.		Paragraphs 82, 83 & Handbook 1-EQ					
F. Obtain copy of contracts, cost breakdown, or estimates for all proposed work.		Subparagraphs 10C, 51C & 51E					
G. Obtain copy of site plans, if available, and building plan for hay and renewable biomass structures.		Subparagraphs 10C & 20A					
H. Obtain copy of any building permits or zoning variances, if applicable.		Subparagraph 12A & paragraph 70					
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.		Subparagraphs 12A & 69A, B, C, & D					
J. Obtain actual farm expenses from most recent year available.		Paragraph 53					
K. Obtain financial statement that is less than 90 days old on FSA-2037, FSA-2038 or similar form.		Paragraph 53					
L. 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.		Paragraph 58					
M. Remind applicant that delivery, site preparation and construction cannot begin until after the loan is approved.		Subparagraph 10D					
N. Inform applicant that any other government funding (including RD grants and loans) must be subtracted from the net loan amount.		Subparagraph 25D & paragraph 134.5					
7. Application Processing:							
A. Immediately deposit application fee through NRRS using XXFSFLFEES in Direct Sales XX represent the FY the FSFL was approved.		Paragraph 312 & Exhibit 35					
B. Prepare an 8-position or similar folder for each CCC-185.		Subparagraph 51F					
C. For applications lacking required information, notify applicant in writing.		Subparagraph 51C					
D. Order applicable credit report.		Paragraph 54					
E. Obtain verification of debts and assets, if applicable, using FSA-2015 (Verification of Debts and Assets).		Subparagraph 53F					
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.		Paragraph 31					

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--52 Processing CCC-185 Packages and Using CCC-195(Continued)--

D Example of CCC-195 (Continued)

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CCC-195 (08-28-12)		Page 2 of 6				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
8. Determine Loan Amount, Storage Need and Equipment Eligibility:						
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					
9. Applicant Eligibility:						
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					
10. Lien Searches and Filing UCC's:						
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					
11. Ability to Repay: Individual with FLP Loan approval authority shall:						
A. Review a balance sheet and cash flow plan for the current year showing that a 15% down payment is available.	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, indicating whether applicant is creditworthy and has ability to make down payment and pay future installments.	Subparagraphs 53G & 115C					
12. Environmental and Historic Reviews:						
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(Continued)--

D Example of CCC-195 (Continued)

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CCC-195 (08-28-12)		Page 3 of 6				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
12. Environmental and Historic Reviews: (Continued)						
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					
13. Collateral Security:						
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 collateral resale value, additional security is required.	Subparagraphs 24N & 115A					
D. Prepare a recommendation to COC for collateral security requirements and present prior to approval.	Subparagraphs 24C & 115A					
14. Loan Approval:						
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 loan 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(Continued)--

D Example of CCC-195 (Continued)

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CCC-195 (08-28-12)		Page 4 of 6				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
15. Approval Processing by Office Staff:						
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.	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					
16. Pre-Disbursement Document Review:						
A. Partial <input type="checkbox"/> or Final <input type="checkbox"/>	Paragraphs 28 and 134.5					
B. Obtain completed CCC-197 (Final Farm Storage Facility Loan Program Cost Certification) from borrower(s).	Paragraph 134.5					
C. Complete the FSFL disbursement calculator for a partial and/or final disbursement.	Subparagraph 28D					
D. Second party review of FSFL disbursement calculator.	Subparagraph 28G					
17. Partial Loan Disbursement (if applicable):						
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					

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--52 Processing CCC-185 Packages and Using CCC-195(Continued)--

D Example of CCC-195 (Continued)

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CCC-195 (08-28-12)		Page 5 of 6				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
17. Partial Loan Disbursement (if applicable): (Continued)						
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:	Paragraph 368					
• Request checks						
• When check(s) received, schedule closing within 21 days after payment request						
• 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 & paragraph 31					
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	Paragraph 31					
18. Final Disbursement:						
A. Obtain evidence of final net cost and compute final loan amount. be sure:	Paragraphs 27, 28 & 133					
• 15% minimum down payment amount has been paid to suppliers						
• evidence of cost is date stamped by County Office						
• 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					
19. Closing Loans Secured by Real Estate:						
A. Provide borrower with letter to select title company and legal Services.	Subparagraph 129A					
B. Obtain completed CCC-296 (Farm Storage Facility Loan Program Certification of Attorney) from attorney.	Subparagraphs 129B & C					
C. Obtain completed CCC-299 (Title Opinion - Farm Storage Facility Loan Program) from attorney.	Subparagraphs 129D & E					
D. Review Title Opinion and update security requirements, if needed.	Subparagraphs 129E & F					
E. Issue closing notification to borrower.	Subparagraph 129G					
F. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.	Subparagraph 127B & paragraph 366					
G. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.	Subparagraph 127B & paragraph 367					
H. If Treasury check(s) required for disbursement (suppliers have not been paid):	Paragraph 368					
• request check(s)						
• when check(s) received, schedule closing within 21 days of payment request						
• print CCC-186, verify interest rate correct, and complete loan closing.						
I. Send transmittal of title information.	Subparagraph 129F					

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--52 Processing CCC-185 Packages and Using CCC-195(Continued)--

D Example of CCC-195 (Continued)

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Office Staff Actions:		Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
19. Closing Loans Secured by Real Estate (Continued)							
J. Prepare Real Estate Mortgage for FSFL Program on CCC-193 or FSFL Deed of Trust on CCC-193D.	Paragraph 131						
K. Issue closing instruction letter with applicable documents and CCC checks to closing agent on day loan will be disbursed/closed.	Subparagraph 129G						
L. Receive and review loan closing statement from closing agent.	Subparagraph 129H						
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.	Subparagraph 127B						
20. Closing Loans Not Secured by Real Estate:							
A. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.	Subparagraph 127A & paragraph 366						
B. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.	Subparagraph 127A & paragraph 367						
C. If Treasury check(s) required for disbursement (suppliers have not been paid): <ul style="list-style-type: none"> request check(s) when check(s) received, schedule closing within 21 days of payment request print CCC-186, verify interest rate correct, and complete loan closing. 	Subparagraph 127A & paragraph 368						
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.	Subparagraph 127A						
E. Obtain borrower signatures and initials.	Subparagraph 146A						
F. Obtain signature of CCC representative with authority to sign.	Subparagraph 146A						
G. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	Paragraph 31						
Certification:							
21A. Signature of Preparer(s)		21B. Date (MM-DD-YYYY)					
22A. I concur/do not concur the above items have been verified and updated.		<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur					
22B. CED Signature (Required for all Loans)		22C. Date (MM-DD-YYYY)					
23. Remarks							
24. 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(Continued)--

E STC or Designee CCC-195 Concurrence

STC or designee shall:

- review **before** disbursement the first 3 FSFL's received each FY 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 3 FSFL's received and before disbursed each FY beginning on October 1.

- document review in the FSFL folder on CCC-185, item 18 and CCC-195, item 23

Note: In CCC-195, item 23, indicate that this review was required according to this subparagraph.

- indicate corrective action where necessary.

69 Insurance Requirements (Continued)**E Failure to Obtain Crop Insurance or NAP Coverage**

County Offices shall:

- monitor the borrower's crop insurance or NAP status
- consider a lack of insurance or NAP to be an FSFL violation
- take action to call FSFL's when borrowers do **not** maintain insurance or NAP coverage.

Note: Before calling FSFL's, COC's may request a waiver for the specified year only, according to subparagraph 2 E.

F All-Peril Structural Insurance

To protect CCC's interest in collateral, County Offices shall:

- require borrowers to obtain all-peril structural insurance on all storage structures receiving FSFL financing
- ensure that amount of coverage shall always equal or exceed outstanding FSFL balance
- annually obtain proof of all-peril structural insurance that lists CCC as a loss payee as soon as it is available
- review proof of all-peril structural insurance provided to CCC periodically by insurance companies or borrowers
- take action to call FSFL's when borrowers do **not** maintain insurance

Note: Before calling FSFL for lapse of insurance, COC's, according to subparagraph 2 E, may request a waiver for failure to fully comply with FSFL requirements, if borrowers obtain insurance before the waiver is requested.

- ensure that CCC is listed on the all-peril structural insurance policy as a loss payee.

G Flood Insurance

To protect CCC's interest in collateral, County Offices shall:

- determine whether proposed storage facility sites are located in flood hazard areas by viewing national flood insurance program maps
- *--document the review on FSA-850
- ensure that FSA-850, item 3 B is completed--*

69 Insurance Requirements (Continued)

G Flood Insurance (Continued)

- *--document in FSA-850, item 16 that flood insurance coverage is required, if “Yes” is checked (✓) for any of the questions listed in item 3 B
- attach to FSA-850, any supporting documentation (such as flood maps, etc.) for evidence that flood insurance coverage is needed, if applicable
- see 1-EQ, subparagraph 23 B for additional guidance on properly completing FSA-850
- require the FSFL applicant to obtain flood insurance if the review documented on FSA-850 indicates that flood insurance is required--*
- **not** approve FSFL’s if flood insurance is required and **not** obtained or **not** available
- review proof of insurance provided by insurance companies to ensure that insurance is maintained for the life of FSFL
- take action to call FSFL’s when borrowers do **not** maintain insurance
- ensure that CCC is listed on the flood insurance policy as loss payee.

70 Local Land Use and State and County Building Code Requirements

A County Office Action on Local Land Use

To avoid conflicts with local land use laws, County Offices shall:

- determine whether local land use laws are applicable at the proposed storage facility location by contacting local code enforcement officers

Note: The information obtained from the contact shall be documented in the file.

- obtain, from producers, copies of applicable:
 - building permits
 - zoning variances
 - site plans
 - environmental evaluations and assessments
 - construction permits for flood hazard areas
- use information obtained for FSA eligibility purposes and environmental evaluations
- **not** approve FSFL’s where applicants are **not** in compliance with applicable local land use laws.

70 Local Land Use and State and County Building Code Requirements (Continued)

B State and County Building Code Requirements

All FSFL's must comply with any applicable State and county building code requirements. These may include, but are not limited to, the following:

- electrical permits and inspections
- construction permits and inspections.

71-80 (Reserved)

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

Notes: STC's may set a more restrictive Statewide policy for determining if additional security is required for FSFL's exceeding \$50,000.

If the value is less than the FSFL amount, additional security is 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 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 principal 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 principal 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 principal 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 principal amount 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)

- if FSFL is approved by COC, DD, or STC:
 - enter the COC approval date in the FSFL software according to subparagraph 340 C and queue the FSFL Detail Transmission File according to paragraph 351

Note: It is imperative that County Offices enter the COC approval date and request obligations within 5 workdays of approval to ensure that proper funding is available for disbursement.

- once the requested funding has been received back in the County Office, notify the borrower of FSFL approval using the letter in subparagraph 128 A. The borrower is **not** to be notified of approval before funding is received.

Note: An STC-designated DD, as applicable, is FSFL approval authority for **only** FSFL's specified in subparagraph 2 F.

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

- record approval or disapproval of CCC-185 in the STC or COC meeting minutes
- document the date and method of approval on CCC-185, item 18, "Remarks" section
- STC or COC chairperson **must** sign CCC-185 at the next face-to-face meeting.

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 who were polled, date of the polls, and the determinations.

C Confidentiality of Applicant's Financial Information

For CCC to provide confidentiality of an applicant's financial information, STC's and COC's shall:

- **not** view financial information, such as balance sheets and cash flow statements, provided by applicants
- **not** discuss an applicant's financial information with anyone outside of the State or County Office
- obtain a written and signed recommendation for approval about the applicant's credit history and ability to repay from an FSA employee with FLP loan approval authority--*

115 CCC-185 Reviews (Continued)

C Confidentiality of Applicant's Financial Information (Continued)

- use the recommendation to determine whether:
 - an applicant's credit history is satisfactory
 - the applicant has the ability to repay debt resulting from FSFL.

Note: The applicant's financial information is to be kept in the applicant's FSFL folder.

--After a complete review by an FSA employee with FLP loan approval authority and STC/COC approval, SED may mandate sealing any or all applicants' financial--
information in a sealed envelope to be kept in the applicant's FSFL folder.

116 Completing Manual CCC-185, Page 2

A Completing CCC-185, Page 2

After careful consideration of CCC-185, supporting documentation, and staff recommendations, the applicable approving committee or designee shall complete CCC-185, page 2 according to the following table.

Item	Instructions
14A	<p>Insert the amount determined according to paragraph 25.</p> <p>Exception: The approving committee may enter the following:</p> <ul style="list-style-type: none"> • an amount that is less than the maximum amount based on the applicant's request <p>Note: Enter the amount and the notation "as requested by applicant" in item 18.</p> <ul style="list-style-type: none"> • an amount that is less than the maximum amount based on a COC, STC, or STC-designated DD decision <p>Note: Enter the amount and a notation in item 18 explaining reasons for the decision.</p> <ul style="list-style-type: none"> • an amount that is less than the maximum amount based on certain conditions. <p>Note: List the conditions of approval in item 18.</p>
14B	Enter the number of FSFL installments.
14C	Enter a date that is 6 months following the date of approval.
14D	When known, enter the date the approval letter was sent to the applicant.
15	<p>Approving authority shall sign and date.</p> <p>Notes: Only COC, STC, or STC-designated DD, according to subparagraph 2 F, can approve.</p> <p>FSFL approval authority can only be delegated to an STC-designated DD in situations specified in subparagraph 2 F.</p>
16	Enter the County Office name and address.
17	Enter the type of security required by the approving committee, such as "1st lien on the 133-acre parcel where facility is located."
18	Use for any appropriate remarks, such as conditions of approval.

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>Note: 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>Note: County Office must initial and date that this action was completed on CCC-195, step 19M.</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"> • CCC-186 • CCC-193 or CCC-193-D.
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"> • Additional security is provided in the form of Real Estate or other form authorized by CCC. • Crop insurance or NAP coverage is purchased for all crops of economic significance. • All-peril structural insurance is obtained for an amount at least equal to the loan amount. • CCC-297's, Severance Agreements, are obtained from anyone with a lien or interest in the real estate underlying the structure. <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"> • 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. • Provide evidence of final cost of the facility and the payment of the downpayment to this office. • Provide evidence that all-peril structural insurance has been obtained. <p>We will:</p> <ul style="list-style-type: none"> • Compute the final net cost of the facility and request an increase in funding, if needed. • Prepare loan documents and, if applicable, have mortgage documents prepared. • Notify you of a loan closing date. <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>

--*

130 CCC-297 (Continued)

B When CCC-297 Is Not Required (Continued)

- increase the downpayment on the storage facility from 15 percent to 20 percent
- *--FSFL is \$100,000 or less--*
- provide another form of security acceptable to the Secretary.

Notes: 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.

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.

130 CCC-297 (Continued)**D County Office Action (Continued)**

- **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.

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.

IF the FSFL amount is...	THEN approval authority is...
less than or equal to \$250,000	COC after DD review.
greater than \$250,000	STC or delegated authority to SED only . The delegation of authority must 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 extensions 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)

161 FSFL's Paid in Full**A Releasing FSFL Security**

Upon payment of FSFL in full, County Offices shall:

- release or obtain the release of security documents, as required by State law, upon request by the borrower

Note: If final FSFL payment is made by cash, certified check, or money order, the borrower may request an accelerated release of security documents from SED. Included with the request, the County Office will send a copy of the final FSFL repayment receipt showing FSFL has been paid in full, and a copy of CCC-257 showing the remittance has been deposited. SED, after reviewing the documents, may advise the County Office in writing to proceed with releasing the security documents. The authority for this release may **not** be redelegated.

- require the borrower to pay all release fees
- mark the original CCC-186 "paid" and forward to the borrower after 30 calendar days from the date of repayment.

162 Real Estate Taxes**A Borrower's Responsibility**

[7 CFR 1436.14] On FSFL's where real estate is used as security, the borrower must:

- pay all real and personal property taxes that may affect CCC's security interest in all collateral securing the note
- provide proof of payment of taxes, applicable to collateral securing FSFL, to the County Office annually.

B Unpaid Taxes

County Offices shall:

- **not** disburse FSFL's secured by real estate when real estate taxes are **not** current
- monitor the real estate tax status applicable to collateral securing FSFL
- pay any unpaid taxes with respect to the collateral securing FSFL when it appears CCC's security interest is in jeopardy

Note: See subparagraph 227 B.

162 Real Estate Taxes (Continued)**B Unpaid Taxes (Continued)**

- bill the borrowers for the amount of the tax paid

Note: See paragraph 314 for depositing borrower reimbursement of CCC-paid taxes.

- begin proper servicing action, such as calling FSFL.

163 Maintenance and Liability**A Maintenance**

[7 CFR 1436.15] The borrower must maintain the FSFL collateral in a condition suitable for the storage of 1 or more FSFL commodities.

County Offices shall perform collateral checks:

- at least once every other year for all FSFL's using asphalt flooring, according to subparagraph 34 C
- for the following terms:
 - 7-year term – fourth year of FSFL
 - 10-year term – fourth and eighth year of FSFL
 - 12-year term – fourth and ninth year of FSFL
- *--where the full annual installment payment is **not** made within 15 calendar days after--* the installment due date.

Example: Producer Berry has an FY 2009 FSFL with a 7-year term and the annual installment repayment is due on May 1. The following table is a schedule of when collateral checks are required based on the date the annual installment repayment is received in the County Office.

Note: The future dates of annual installment repayments are used for this example only.

FSFL Term	Date Annual Installment Payment Received in the County Office	Collateral Check Required
Year 1	April 30, 2010	No
Year 2	May 1, 2011	No
Year 3	*--May 19, 2012--*	Yes
Year 4	April 30, 2013	Yes
Year 5	April 29, 2014	No
Year 6	*--May 22, 2015--*	Yes
Year 7	May 1, 2016	No

Important: If there is reason to believe CCC's collateral is at risk, STC or COC may authorize the County Office to perform a collateral check at any time.

353 Partial and Final FSFL Disbursement Options (Continued)***--D Approval Process for Partial and Final Disbursements**

Process FSFL approvals according to the following for partial and final disbursements.

Step	Action
1	On Menu VCA005: <ul style="list-style-type: none"> • ENTER “1”, “Application/Approval Processing” • PRESS “Enter”.
2	On Screen VCA11000: <ul style="list-style-type: none"> • enter FY • enter FSFL number • PRESS “Enter”.
3	On Screen VCA11500: <ul style="list-style-type: none"> • select producer • PRESS “Enter”.
4	On Screen VFA000: <ul style="list-style-type: none"> • ENTER “2”, “Approval Process” • PRESS “Enter”.

--*

353 Partial and Final FSFL Disbursement Options (Continued)

*--D Approval Process for Partial and Final Disbursements (Continued)

Step	Action
5	<p>On Screen VFA12500, for:</p> <ul style="list-style-type: none"> <p>“Amount Approved Pending Funding”, enter the amount approved pending funding and PRESS “Enter”</p> <p>Note: The “Amount Approved Pending Funding” cannot be greater than the “Requested Loan Amount” (CCC-185, item 3A). If partial loan, this should not be more than 50 percent of the producer’s actual requested loan amount. Partial and final loan amounts will equal producer’s actual request.</p> <p>“COC Approval date (MMDDYYYY)”, enter the COC approval date and PRESS “Enter”</p> <p>Note: If FSFL has a partial and final disbursement, the same approval date shall be entered for both loans.</p> <p>“Is this a Partial or Final Disbursement? (P or F)”, ENTER “P” or “F” and PRESS “Enter”</p> <p>Notes: On Menu VFA12500, the question, “Is this a Partial or Final Disbursement? (P or F)”, has been added.</p> <p>When “P” is entered, the message, “Enter the approved total loan amount”, will be displayed and must be completed. This amount is the total amount the producer requested for the loan (partial loan plus final loan).</p> <p>County Office must ENTER “F” if this is the:</p> <ul style="list-style-type: none"> only disbursement for producer’s request 2nd of 2 loans, partial loan disbursement and final loan disbursement. <p>For F (Final) disbursements, “Amount Approved Pending Funding” must match term requirements.</p> <p>Partial disbursement is not a requirement.</p> <p>“Requested Loan Term”, enter the requested loan term and PRESS “Enter”</p> <p>Note: Loan term will be based on the amount entered for the approved total loan amount. The term of the loan may increase or decrease when funded amount changes.</p>

--*

353 Partial and Final FSFL Disbursement Options (Continued)

***--D Approval Process for Partial and Final Disbursements (Continued)**

Step	Action
6	<p>On Screen VFA13000:</p> <ul style="list-style-type: none"> • enter information for “Required Security” • PRESS “Enter”. <p>Notes: County Offices must enter this information according to subparagraph 340 C, step 4.</p> <p>Software changes have not affected Screen VFA13000.</p>
7	<p>On Screen VFA13500, enter the requested information according to subparagraph 340 C, step 5.</p> <p>Note: Software changes have not affected Screen VFA13500.</p>
8	<p>On Screen VFA13505, enter remarks as needed.</p> <p>Note: Software changes have not affected Screen VFA13505.</p>
9	<p>On Screen VFA17005, enter the requested information according to procedure in subparagraph 340 C, step 7.</p> <p>Note: Software changes have not affected Screen VFA17005.</p>
10	<p>On Screen VCA97000, continue processing and print CCC-185.</p>

Note: When approval is completed, user **cannot** access the application or note until funding is received.--*

380 Repayment Processing (Continued)**C Selecting a Repayment Option (Continued)**

For the **final** payment:

- use the **date** the payment is **received** in the County Office as the **payment date**
- enter the payment using the “Loan Repayment/Inquiry” option.

Note: Ensure that the entire amount owed to the repayment date is collected before releasing any security documents. There are no provisions to write off small balances in FSFL.

--When the final FSFL annual installment repayment results in refund to the producer, see 64-FI, subparagraph 65 K for the process to refund the overpayment.--

D Lump Sum Repayment

Apply a lump sum repayment to FSFL according to the following table.

Step	Action	Result
1	On Screen VDA00000: <ul style="list-style-type: none"> • ENTER “1”, “Lump Sum Repayment” • PRESS “Enter”. 	Screen VDA11005 will be displayed.
2	On Screen VDA11005: <ul style="list-style-type: none"> • enter the “Repayment Date (mmddyyyy)” according to the table in subparagraph C • enter the “Repayment Amount” • PRESS “Enter”. 	Screen VDA12000 will be displayed.
3	Screen VDA12000 will: <ul style="list-style-type: none"> • display repayment information • ask the question, “Do you wish to complete this Repayment? (Y or N)”. ENTER “Y” or “N”, as applicable. 	If the answer is: <ul style="list-style-type: none"> • “N”, the job will terminate • “Y”, then: <ul style="list-style-type: none"> • payment processing continues • Screen VCA97000 will be displayed.

380 Repayment Processing (Continued)

D Lump Sum Repayment (Continued)

Step	Action	Result
4	On Screen VCA97000: <ul style="list-style-type: none"> users shall enter the following: <ul style="list-style-type: none"> printer ID to be used number of copies to print PRESS “Enter”. 	The FSFL repayment receipt will be printed. Screen VCE99910: <ul style="list-style-type: none"> will be displayed asks the question, “Do you want to reprint this form? (Y or N)”.
5	On Screen VCE99910, the question, “Do you want to reprint this form? (Y or N)”, shall be answered “N”.	Lump Sum Repayment Processing is complete in the FSFL software. Remittance must be entered in NRRS according to current FI remittance procedure.

E Installment Repayment Inquiry

Perform an installment inquiry according to the following table.

Step	Action	Result
1	On Screen VDA00000: <ul style="list-style-type: none"> ENTER “2”, “Installment Repayment Inquiry” PRESS “Enter”. 	Screen VDA20005 will be displayed.
2	On Screen VDA20005: <ul style="list-style-type: none"> enter the “Repayment Date (mmddyyyy)”, such as: <ul style="list-style-type: none"> future date current date prior date <p>Note: Only allowed if “Y” was answered to the question on Screen VCA12000, “Is the repayment date prior to today’s date?”.</p> PRESS “Enter”. 	Screen VDA22000 will do the following: <ul style="list-style-type: none"> display repayment information display the message, “This option is inquiry only.” return the user to Screen VDA00000.

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	11, 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-295B	Farm Storage Facility Loan Program Annual Inspection Record	Ex. 25	134, 163, 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-926	Payment Eligibility Average Adjusted Gross Income Certification		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 Redelegations 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.

Approved Abbreviation	Term	Reference
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.

Redelegation	Reference
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 8 months.	135
STC may redelegate CCC-185 approval to SED only.	2, 11, 115

Suggested FSFL Filing Guide for Eight Position Files

The following is a suggested FSFL filing guide that may be used for 8 position files:

- Position 1:
 - CCC-195
 - UCC-1
 - UCC-3
 - CCC-190
 - FSA-2360
 - FSA-2015
- Position 2:
 - CCC-186
 - CCC-298
- Position 3:
 - running case records
 - CCC-185
 - financial information
 - Credit Bureau Report
 - FSA-2004
- Position 4:
 - correspondence
- Position 5:
 - all legal information including legal description
 - all attorney information and forms
 - CCC-193
 - CCC-194
 - copy of CCC-297 (original filed where applicable)

Suggested FSFL Filing Guide for Eight Position Files (Continued)

- Position 6:
 - bills/invoices/statements
 - estimates
 - building plans and permits
 - CCC-295A
 - CCC-295B
- Position 7:
 - proof of insurance – crop, structural, and flood
- Position 8:
 - AD-1026
 - * * *
 - FSA-850
 - FSA-851
 - Class II assessments
 - State Historical Preservation Officer determination
 - Tribal Historic Preservation Office documentation
 - FWS determination
 - appraisals.

Note: This suggested filing guide can be adjusted if 6 position folders are used.

FSFL Program Codes

The following provides FSFL program codes and their location in NRRS.

Commonly Used FSFL NRRS Transaction Codes		
NRRS Program Code	Activity	NRRS Collection Type
XXFSFLFEES	FSFL application fee. The required FSFL application fee is \$100 per borrower per FSFL.	Direct Sales
XXFSFL	*--FSFL annual installment repayment that includes obligated amount and interest. If the FSFL final annual installment repayment is the exact amount needed with no refund owed to the producer, the FSFL NRRS annual installment repayment code "XXFSFL" must be used.--*	PSFSFL
Occasionally Used FSFL NRRS Transaction Codes		
XXFSFLMR	<p>FSFL final annual installment repayment code.</p> <p>Notes: County Offices must use "XXFSFLMR" in NRRS to record the FSFL final annual installment repayment, *--if a refund is owed to the producer.</p> <p>The amount entered in NRRS must match the amount entered in System 36. After "XXFSFLMR" is entered, the system will prompt the user for the overpayment amount, if applicable.</p> <p>Example: Producer's FSFL final annual installment repayment is \$9,775 and producer provides a check for \$10,000. NRRS code "XXFSFLMR" must be used because a refund is owed to producer.--*</p>	*--Existing Receivable--*
XXFSFLFCL	Collections – Sales proceeds of the liquidated FSFL collateral and claims activities when there is a loss.	PSFSFL
XXFSFLLCQ	Collections, payables, disbursements, and receivables. Expenses related to the sale of collateral of the liquidated FSFL.	PSFSFL
XXFSFLCLP	Sales proceeds of liquidated FSFL collateral and claim activities when there is a loss.	PSFSFL
XXFSFLBANKRUPT	Repayment of principal and interest for bankrupt status loans.	PSFSFL
Important: NRRS transaction code, "MISC" should never be used.		
NRRS Receivable Code		
XXFSFLAME	* * * Costs that the producer is responsible for, such as, but *--not limited to, severance agreements, agreement terminations, and releasing UCC-1's.--*	
XXFSFLRF	Lien search. * * *.	
XXFSFLBRWG	Collections, payables, disbursements, and receivables. Gain on sales of the collateral of the liquidated FSFL.	

FSFL Repayment Example for Recording in NRRS

Producer Keith visited the County Office on September 10, 2011, to make an annual installment repayment for a FY 2004 FSFL.

Producer Larry visited the County Office on November 1, 2011, to make an annual installment repayment for a FY 2006 FSFL.

Producer	Loan Repayment Date	NRRS Program Code (Under PSFSFL)
Keith	September 10, 2011	04FSFL
Larry	November 1, 2011	06FSFL

The following includes correct NRRS loan repayment program codes for loan principal and interest. The program codes **must** be entered for the applicable FY that the loan was **approved**. The program code, “XXFSFL” is accessed under NRRS Price Support Farm Storage Facility Loan “PSFSFL.”

Important: Do **not** use the FY the repayment was made.

IF the repayment is for an FSFL approved in FY...	THEN use NRRS program code...
2000	“00FSFL”.
2001	“01FSFL”.
2002	“02FSFL”.
2003	“03FSFL”.
2004	“04FSFL”.
2005	“05FSFL”.
2006	“06FSFL”.
2007	“07FSFL”.
2008	“08FSFL”.
2009	“09FSFL”.
2010	“10FSFL”.
2011	“11FSFL”.
2012	“12FSFL”.

*--County Offices must continue to follow paragraph 380 for repayment processing. The annual installment repayment amount entered in System 36 **must** be the same as the annual installment repayment amount entered in NRRS.

At all times, the correct FSFL NRRS annual installment repayment code “XXFSFL” **must** be used. “XX” represents FY FSFL was approved.

FSFL NRRS code “XXFSFLMR” **must** only be used if the final annual installment repayment requires a refund to the producer. See Exhibit 34.

Example: The producer’s FSFL final annual installment repayment is \$9,775 and the producer provides a check for \$10,000. NRRS code “XXFSFLMR” **must** be used because a refund is owed to the producer.

If the FSFL final annual installment repayment is the exact amount needed with **no** refund owed to the producer, FSFL NRRS annual installment repayment code “XXFSFL” **must** be used.--*

