

For: State and County Offices

**Important Actions Required Related to Shutdown
of the Automated System 36 for the FSFL Program**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Previously, FSFL's were processed using the System 36-based APSS in approximately 2,600 Service Centers nationwide. To streamline FSFL delivery, FLP DLS was enhanced to allow support for the FSFL Program. DLS is a web-based system used to track applications and loan processing.

DLS/FSFL will provide State, County, and National Office employees with a single system that will support FSFL:

- loan making
- loan servicing
- reporting.

All FSFL's processed in APSS must be migrated to DLS/FSFL; therefore, before DLS/FSFL deployment it is imperative that all FSFL's are reconciled according to Notice FI-3202. After DLS/FSFL is deployed, all outstanding FSFL's will be serviced in DLS/FSFL until those FSFL's are repaid in full or liquidated.

Shutdown of the System 36 FSFL software occurred on August 28, 2014. Nationwide implementation of DLS/FSFL is tentatively scheduled for mid to late September 2014.

National DLS/FSFL training was held the week of August 18, 2014.

Note: FSFL notices will be issued providing additional guidance before DLS/FSFL is implemented.

Disposal Date	Distribution
February 1, 2015	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice provides instructions to:

- accept CCC-185's during the FSFL shutdown period
- enter FSFL application fees in NRRS
- accept FSFL annual installment payments
- establish FSFL priorities once DLS/FSFL is functional
- **obsoletes** Notice FSFL-105 and further:
 - clarify information in paragraph 3 for FY 2014 and FY 2015 authorized transactions
 - provide the FSFL approval letter for FY 2014 FSFL approvals only
 - removes references to actions to be completed before System 36 shutdown.

C Contact

If there are any questions about this notice, contact either of the following.

Name	Contact Information
Stacy Carroll (automation)	Contact Stacy Carroll by either of the following: <ul style="list-style-type: none">• e-mail to stacy.carroll@wdc.usda.gov• telephone at 202-690-8037.
Toni Williams (policy)	Contact Toni Williams by either of the following: <ul style="list-style-type: none">• e-mail to toni.williams@wdc.usda.gov• telephone at 202-720-2270.

2 Closing Out System 36 FSFL Transactions

A Software That Has Been Disabled

All FSFL activity will remain shutdown during August 28, 2014, through mid to late September 2014.

To properly migrate all FSFL data residing on System 36, all FSFL transactions was disabled according to this subparagraph.

2 Closing Out System 36 FSFL Transactions (Continued)

A Software That Has Been Disabled (Continued)

The FSFL Application Processing software has been disabled. This will prevent County Offices from:

- recording FSFL requests
- approving or obligating FSFL requests
- increasing or decreasing approved FSFL amounts
- canceling, deleting, or withdrawing FSFL requests.

The Note and Security software has been disabled. This will prevent County Offices from:

- closing a loan
- generating the amortization schedule
- generating CCC-186's and setting the interest start date.

For FSFL's obligated and disbursements requested before the shutdown, County Offices may continue to certify and sign the FSFL disbursement in NPS.

Note: If checks were ordered before the shutdown and are now delivered to the County Office, the FSFL may be closed before DLS is operational using a manual CCC-186. The closing date will be entered in DLS once operational.

The Payment Requests software has been disabled. This will prevent County Offices from:

- requesting a check from NPS
- updating the status of a loan.

The Processing payments software has been disabled. This will prevent County Offices from processing FSFL annual installment payments.

The following additional transactions have been disabled:

- administrative activities (reports)
- corrections
- loan inquiries
- loan servicing (assumptions, liquidations, and bankruptcies).

2 Closing Out System 36 FSFL Transactions (Continued)

B Actions That Were Completed Before Software Is Disabled

County Offices were required to complete the following by **3 p.m. CT., Wednesday, August 27, 2014**:

- close loans
- request payments
- cancel or certify and sign all FSFL-related payments in NPS
- process FSFL annual installment payments.

All FSFL files must have been properly queued in System 36 during end-of-day processing, according to 20-PS.

If the items in this subparagraph were **not** completed timely, the actions must be completed once DLS/FSFL is operational.

3 Continuing FSFL Transactions During Shutdown

A Accepting FY 2014 CCC-185, FSFL Requests During Shutdown

If an FSFL request was received during FY 2014, State and County Offices **must** determine whether the FSFL request will be a FY 2014 FSFL request and follow instructions according to this paragraph. If the FSFL request will be considered a FY 2015 FSFL request, State and County Offices shall follow instructions according to subparagraph 3 B.

State and County Offices may accept FY 2014 CCC-185's during the shutdown.

The following actions may be continued for FY 2014 FSFL approval during the shutdown:

- accepting FY 2014 FSFL request and application fee of \$100 according to subparagraph 3 C
- financial analysis, including requesting a credit report through Data Facts, Inc.
- lien searches
- filing UCC-1's
- filing, recording, and terminating UCC-1's and UCC-3's
- STC's and COC's may continue to approve FY 2014 FSFL requests
- providing loan approval letters to FSFL producers, according to Exhibit 2.

3 Continuing FSFL Transactions

A Accepting FY 2014 CCC-185, FSFL Requests During Shutdown

FY 2014 FSFL assumption requests may still be accepted according to 1-FSFL, paragraph 177; however, they **will not** be recorded until DLS/FSFL is operational.

Note: Once DLS is operational and a FY 2014 FSFL request is entered in DLS but **not** approved on or before September 30, 2014, the FY 2014 FSFL must be deleted in DLS and entered as a FY 2015 FSFL request using the applicable FY 2015 FSFL NRRS and On-Line Payment (OLP) codes.

A FY 2014 FSFL approval date must be a date within FY 2014 and recorded in the system on or before September 30, 2014. Both policy and software will **not** allow FY 2014 CCC-185 to have an approval date in FY 2015.

The CCC-185 approval date must match the following:

- FY of the CCC-185, FSFL Request
- NRRS FSFL application fee code “XXFSFLFEES” (under Direct Sales) **must** be recorded with the applicable FY
- NRRS and OLP fee codes, according to 1-FSFL (Rev. 1), paragraph 314 and Exhibits 34, 35 and 36.

If before issuance of this notice, a FY 2015 code was used for a FY 2014 FSFL, the NRRS and/or OLP code must be corrected **immediately**. See 64-FI, subparagraphs 44 E through 44 G for correcting NRRS receipts for fees.

Note: FY 2014 and FY 2015 NRRS and OLP codes were deactivated and will be available on September 12, 2013.

B Accepting FY 2015 CCC-185, FSFL Requests and Transactions Not Authorized

State and County Offices may accept FY 2015 CCC-185's during the shutdown.

If it is determined the FSFL request received during the shutdown will **not** be approved by the STC/COC on or before the conclusion of FY 2014 (September 30, 2014), the FSFL request **must** be considered a FY 2015 FSFL. It is recommended that the FY 2015 request is **not** entered into DLS until **after** October 1, 2014.

3 Continuing FSFL Transactions (Continued)

B Accepting FY 2015 CCC-185, FSFL Requests and Transactions Not Authorized (Continued)

Other than recording an FSFL application fee in NRRS according to subparagraph 3 C, **no** other actions should be taken on FY 2015 FSFL requests received during the shutdown. Therefore, the following actions are **not** authorized for FY 2015 FSFL transactions until the National Office provides guidance:

- approval of FY 2015 CCC-185, FSFL request
- credit report requests
- lien searches
- filing UCC-1's
- filing, recording, and terminating UCC-1's and UCC-3's.

If before issuance of this notice, a FY 2014 code was used for a FY 2015 FSFL, the NRRS and/or OLP code must be corrected **immediately**. See 64-FI, subparagraph 44 E through 44 G for correcting the NRRS receipts for fees.

C Recording FSFL Application Fee in NRRS

For FSFL requests received during the shutdown period, State and County Offices **must** correctly record the \$100 FSFL application fee as either "14FSFLFEES" or "15FSFLFEES" under "**Direct Sales**" Collection Type in NRRS.

The correct NRRS FSFL application fee code **must** be selected based on the FY the FSFL request was or will be approved by STC or COC.

Examples: An FSFL request was received in the County Office on August 29, 2014, and the FSFL request was approved by the COC on September 10, 2014. The NRRS FSFL application fee code, "14FSFLFEES", **must** be used for the FY 2014 approved FSFL.

An FSFL request was received in the County Office on October 2, 2014, and the FSFL request was approved by the COC on October 29, 2014. The NRRS FSFL application fee code, "15FSFLFEES", **must** be used for the FY 2015 approved FSFL.

3 Continuing FSFL Transactions (Continued)

D Accepting FSFL Annual Installment Payments

County Offices are authorized to accept FSFL annual installment payments during the shutdown period; however, the FSFL annual installment payment will **not** be entered in the system, including processing the payment in NRRS until DLS/FSFL is operational.

The FSFL annual installment payment must be correctly recorded on:

- CCC-198 according to Exhibit 1
- FSA-603 according to 3-FI, paragraph 19.

Notes: If the FSFL annual installment payment is in the form of cash and/or coins, 3-FI must be followed to convert the cash and/or coins into a money order before COB and the money order must be held until DLS/FSFL is operational.

All methods of payments received during the shutdown must be immediately secured in a County Office fire-proof safe until further instructions are provided.

Information from the manually prepared CCC-198's and FSA-603's will be provided to the National Office to monitor the entry of FSFL annual installment payments in DLS/FSFL once operational. One of the 2 following options may be used for providing CCC-198's and FSA-603's:

- **Option 1** - State Offices may allow County Offices to directly send CCC-198's and FSA-603's to the National Office no later than September 25, 2014, by either:
 - e-mail to Kimberly Pritchett at **kimberly.pritchett@wdc.usda.gov**
 - FAX to 202-690-3307, attention Kimberly Pritchett.

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3 Continuing FSFL Transactions (Continued)

D Accepting FSFL Annual Installment Payments (Continued)

- **Option 2** - State Offices only may upload CCC-198's and FSA-603's to the SharePoint web site (step 2) no later than September 26, 2014, using the following instructions.

Step	Action
1	Follow instructions provided in Exhibit 1 for manually recording FSFL remittances that are being held in the County Office during the FSFL shutdown. Note: An FSA-603 must be completed according to 3-FI, paragraph 19.
2	To access and upload CCC-198's and FSA-603's, CLICK the following link: https://sharepoint.fsa.usda.net/mgr/daftp/psd/DLS/SitePages/Home.aspx Use the following naming convention: State_County_Form Example: Maryland_Frederick_CCC-198 Maryland_Frederick_FSA-603 Note: Do not change the document name if a more current version is needed. Overwrite the previous version to avoid uploading duplicate versions.
3	On the DLS to FSFL Home Screen, CLICK " Add Document " under the Shared Documents list. Browse to the document to be uploaded. CLICK " OK " to upload the applicable form.

E FSFL Letters

County Offices must manually prepare the following letters during the FSFL shutdown period:

- Reminder and Notification Letters
- Demand Letters
- Call Letters.

Notes: If Reminder and Notification Letters are still printing at Start of Day and the letters are correct, County Offices may use the letters until DLS is operational.

1-FSFL, paragraph 158 must continue to be followed for preparing the letters during the shutdown.

Exhibit 2 provides an example of the FSFL approval letter to notify FSFL applicants of the approved FY 2014 FSFL.

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4 FSFL Priorities Once DLS FSFL Is Functional

A FSFL Priorities

State and County Offices must process FSFL transactions in the following order:

- record all FSFL annual installment payments received during the shutdown immediately in DLS/FSFL **only**, according to instructions that will be provided in a forthcoming handbook

Notes: The FSFL annual installment payment will be entered in DLS/FSFL only and the payment record will be interfaced to NRRS.

Once FSFL annual installment payments are recorded in DLS/FSFL, County Offices must follow instructions according to 64-FI to prepare CCC-257's in NRRS.

- approve and obligate pending FSFL's FY 2014 requests
- enter all FSFL requests received during the shutdown in DLS/FSFL
- disburse pending FSFL's by certifying and signing FSFL's in NPS
- cancel, delete, or withdraw FSFL requests.

5 Action

A State Office Action

State Offices shall:

- assist County Offices with questions about this notice
- contact PSD with any questions about this notice according to subparagraph 1 C
- follow **new** policy established in paragraph 3
- ensure that County Offices understand the importance of reconciling all FSFL System 36 and NRRS discrepancies according to Notice FI-3202.

B County Office Action

County Offices shall contact the State Office for questions or concerns about procedure in this notice.

CCC-198, Farm Storage Facility Loan (FSFL) Payment On-Hold Register for State and County Offices

A Completing CCC-198

Follow these instructions for recording FSFL remittances that are being held in the County Office during the FSFL shutdown.

Note: Complete FSA-603 according to 3-FI, paragraph 19.

Item or Column	Instructions
1	Enter State name.
2	Enter County Office name.
3	Enter page number.
A	Enter date remittance was received. Example: "10-01-2014".
B	Enter either of the following: <ul style="list-style-type: none"> pre-printed name on check of customer who submitted the remittance customer's ID number, if the customer is found in SCIMS or Financial Service.
C	<ul style="list-style-type: none"> Enter check number of remittance. If the remittance is in form of cash and/or coins that is being converted to money order, enter the money order fee amount.
D	Enter amount collected.
E	<p>Columns E through I should remain blank until the payment is recorded in DLS/FSFL and CCC-257 is verified in NRRS.</p> <ul style="list-style-type: none"> Enter the CCC-257 number on which the remittance is recorded. Enter the date CCC-257 is verified. <p>The FSFL annual installment payment will be entered only in DLS/FSFL.</p>
F	This field should remain blank until the FSFL annual installment payment is recorded in DLS/FSFL and the external receipt is generated in NRRS. Once DLS is operational, enter external receipt ID from NRRS.
G	Enter either of the following: <ul style="list-style-type: none"> borrower's name on the loan borrower's ID number (last 4 digits).
H	Enter loan number. Example: 2014- <u>00001</u> .
I	Enter program year. Example: <u>2014</u> -00001.

B Example of CCC-198

The following is an example of CCC-198.

[illegible]

B Example of CCC-198 (Continued)

[illegible]

Example of FSFL Approval Notification Letter

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

(Date of Letter)

(Borrower Name)

(Borrower Address Line 1)

(Borrower Address Line 2)

Dear (Borrower Name),

Please be advised that the Commodity Credit Corporation has "approved" (pending funds availability) 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.

The loan was approved based upon the following (enter those that are needed):

- 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.

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.

As soon as possible, you must:

- 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.

We will:

- 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.

One partial disbursement is authorized. If a partial disbursement was requested at the time of application, you are responsible for contacting this office to request disbursement only after a portion of your structure has been completed. This disbursement can be for up to 50 percent of the total anticipated loan amount and commensurate with the amount of construction completed.

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.

Sincerely,

County Executive Director