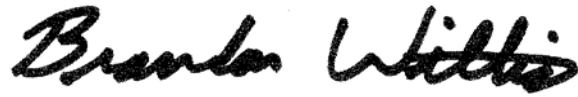


For: State and County Offices, CMA's, DMA's, and LSA's

Lien Waiver Policy Change

Approved by: Deputy Administrator, Farm Programs



1 Lien Waiver

A Background

CCC-679's are requested by CCC from producers when commodities planned to be used as collateral for MAL are found or disclosed to have a prior existing lien. Lien holders, other than CCC, waive their prior perfected interest in the commodity, allowing CCC instead to perfect its interest.

Current lien waiver procedure instructs County Offices to obtain CCC-679 from the producer **after** each loan request and **before** disbursing a loan. Delays in loan disbursement, after the loan is requested, mainly occur by either the producer's or lien holder's failure to return CCC-679 in a timely fashion.

To streamline processes, CCC is changing its lien waiver policy to facilitate and expedite the loan disbursement process.

This change in policy will be:

- effective immediately with the publication of this notice
- incorporated in 8-LP.

See 8-LP, paragraph 404 for lien waiver policy about MAL's.

B Purpose

This notice announces changes in the lien waiver policy by allowing producers to submit CCC-679's **before** the actual loan request.

Disposal Date	Distribution
July 1, 2010	State Offices; State Offices relay to County Offices, CMA's, DMA's, and LSA's

Notice LP-2133

1 Lien Waiver (Continued)

C Contact

If there are questions about this notice:

- County Offices shall contact the State Office program specialist
- State Offices shall contact either of the following:
 - Jose Gonzalez, PSD, by either of the following:
 - e-mail at jose.gonzalez@wdc.usda.gov
 - telephone at 202-690-2534
 - Toni Williams, PSD, by either of the following:
 - e-mail at toni.williams@wdc.usda.gov
 - telephone at 202-720-2270.

D Change in Lien Waiver Policy

County Offices can accept lien waivers on CCC-679's from producers at the beginning of a crop year, even **before** a loan request is submitted.

All other lien waiver provisions remain unchanged.

Note: Producers are responsible for requesting lien waivers **before** loan requests. Under no circumstance should County Offices initiate this process without producers first requesting the lien waiver or until County Offices have completed the lien search according to 8-LP.

E Lien Search Policy Reminder

County Offices **shall** conduct lien searches after the loan is requested and before the loan is approved on all commodities pledged as collateral for amounts **greater** than \$50,000.

Notes: County Offices are authorized to conduct lien searches for any loan amount when the interest of CCC is at risk.

Lien search policy in 8-LP, paragraph 403 remains unchanged.