

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice LP-2213

For: State and County Offices and CMA's

**Survey About Current Method Used to Pay
MAL, Sugar Loan, and FSFL UCC-1 Filing Fees and Lien Searches**

Approved by: Acting Deputy Administrator, Farm Programs



1 Completing Survey for Payment Method for UCC-1 Filing Fees and Lien Searches

A Background

UCC is a set of laws that provide legal rules and regulations governing commercial or business dealings and transactions. UCC Article 9 governs secured transactions in personal property.

FSA and CCC are active lenders in the agricultural community and must comply with each State's implementation of Article 9 to protect the financial interest of the Federal government. The most sweeping changes relate to searching and filing UCC documents. The revision eliminated the need for signatures and allowed for signature authentications, which facilitates electronic searching and filing. Each State has adopted some type of central filing system, which is administered by its Secretary of State.

UCC-1's are required to be filed for:

- all farm-stored MAL collateral
- all sugar loan collateral
- FSFL collateral.

Lien searches are required for:

- each MAL request, both farm and warehouse stored:
 - over \$50,000 or when the producer's aggregate loan principal for the crop year equals or exceeds \$50,000

Disposal Date	Distribution
November 1, 2015	State Offices; State Offices relay to County Offices and CMA's

Notice LP-2213

1 Completing Survey for Payment Method for UCC-1 Filing Fees and Lien Searches (Continued)

A Background (Continued)

- where the producer is, at the time of the request, either of the following:
 - involved in a bankruptcy
 - under investigation by OIG
- involving a producer who committed a MAL/LDP violation in the current or preceding crop year
- when CCC is notified by the producer, lending institution, or lien holder that a lien exists on the commodity
- if additional searches are required by STC
- all sugar loans before any loan is disbursed according to 10-SU, paragraph 47 and 8-LP, subparagraphs 504 A and B
- facility loans on the loan collateral according to 1-FSFL.

Note: If lien searches are a free service provided through the State, lien searches may be performed for all loans regardless of the dollar amount.

CCC-10 is completed by producers applying for CCC loans and authorizes CCC to:

- file a financing statement or UCC-1 to perfect its security interest
- conduct a lien search.

The methods used to pay UCC-1 filing fees are based on arrangements that State and/or County Offices have made with the Secretary of State, and/or search contractor, if applicable.

B Purpose

This notice provides a survey (Exhibit 1) for State Offices to complete on the method currently used to pay for UCC-1 filing fees and lien searches.

Note: PSD must obtain information about how filing fees and lien searches are currently paid by State and County Offices to assist in developing alternative methods for paying these required services in a timely manner.

Notice LP-2213

1 Completing Survey for Payment Method for UCC-1 Filing Fees and Lien Searches (Continued)

C Contact

If there are questions about this notice, State specialists shall contact the appropriate office according to this table.

IF question is about...	THEN contact...
payment policy	Jackie Pickens, FMD, by either: <ul style="list-style-type: none">• e-mail to jackie.pickens@wdc.usda.gov• telephone at 615-277-2613.
MAL's	DeAnn Allen, PSD, by either: <ul style="list-style-type: none">• e-mail to deann.allen@wdc.usda.gov• telephone at 202 720-9889.
sugar loans and the FSFL Program	Toni Williams, by either: <ul style="list-style-type: none">• e-mail to toni.williams@wdc.usda.gov• telephone at 202 720-2270.

D State Office Action

State Offices shall:

- complete the information requested in Exhibit 1 by contacting County Offices, if necessary
- submit 1 exhibit per State
- e-mail Exhibit 1 to DeAnn Allen, PSD according to subparagraph C by Wednesday, September 30, 2015.

Note: Negative reports are **required**.

UCC-1 Program Survey

State Offices must complete and e-mail 1 survey per State to PSD by Wednesday, September 30, 2015, to **deann.allen@wdc.usda.gov**.

REPRODUCE FORM FROM NOTICE.			
U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency UCC-1 PROGRAM SURVEY	State Office	Date Submitted	
UCC-1 Filing Fees (Note: Negative Reports are Required)			
A. How does your State currently pay for UCC-1 filings and continuation? <i>Check the appropriate answer for each program or explain in detail another method in "Other"</i>	MAL	Sugar	FSFL
For each UCC-1, as filed, with an electronic funds transfer (EFT) from the County Office.			
County Office is billed monthly and pays by EFT.			
State Office is billed monthly and pay by EFT.			
Prepaid account with the State Office using EFT.			
Is the billing for the payment of UCC-1 filing fees combined with the billing of UCC-1 filing fees for other programs, and if so, which programs? For example, FSFL and MAL.			
Are filing fees billed by contractor? If so, state name of contractor in "Other"			
Current Filing Fee: _____			
Other: _____			
LIEN SEARCH REQUESTS (Note: Negative Reports are Required)			
B. How does your State currently pay for lien searches? <i>Check the appropriate answer for each program or explain in detail another method in "Other"</i>	MAL	Sugar	FSFL
For each lien search, as requested, with EFT from the County Office.			
County Office is billed monthly and pays by EFT.			
State Office is billed monthly and pays by EFT.			
Prepaid account with the County Office using EFT.			
Prepaid account with the State Office using EFT.			
Is the billing for the payment of the lien search requests combined with the billing of lien search requests for other programs, and if so, which programs? For example, MAL and FSFL.			
Are "Lien Search Request" fees billed by contractor? If so, state name of contractor in "Other"			
Current fee for lien searches: Individual: _____ Entity: _____			
Other: _____			
C. Would your State be interested in a national contract for filing UCC-1's? <i>Check box next to the appropriate answer or explain in detail in "Maybe".</i>			
<input type="checkbox"/>	Yes:		
<input type="checkbox"/>	No:		
Maybe: _____			
D. Would your State be interested in a national contract for obtaining lien searches? <i>Check box next to the appropriate answer or explain in detail in "Maybe".</i>			
<input type="checkbox"/>	Yes:		
<input type="checkbox"/>	No:		
Maybe: _____			