UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

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

**Processing Repayments of Crop Year (CY) 2013
Warehouse-Stored Peanut Loans Issued in FY 2014**

Approved by: Deputy Administrator, Farm Programs

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1   Overview

A Background

Notice LP-2189:

- announced that CY 2013 peanut handling charges were subject to sequestration and would be reduced by the FY 2014 sequestration factor of 7.2 percent

- provided instructions for the manual process to handle peanut repayments until the corrected APSS software was updated to handle the repayment of the reduced handling charges.

Information Bulletin No. 6859 provided instructions for installing the corrected APSS software to handle repayment of reduced peanut handling charges.

B Purpose

This notice provides instructions for handling repayments of CY 2013 warehouse-stored peanut loans issued in FY 2014:

- processed in APSS **before** Notice LP-2189 was issued
- received and manually processed **after** Notice LP-2189 was issued
- after all corrected and manually processed repayments have been processed in APSS
- repaid at market price repayment.

Disposal Date	Distribution
August 1, 2014	State Offices; State Offices relay to County Offices, Peanut CMA's, and DMA's

2   Processing Repayment of CY 2013 Warehouse-Stored Peanut Loan Issued Beginning October 1, 2013

A   References

See 8-LP, 12-PS, and Notices LP-2189 and FI-3194 for information on processing repayments and collections and additional information.

B   County Office Action

Before starting the actions described in this notice, County Offices shall identify all CY 2013 loans issued beginning October 1, 2013, until the end of loan availability period with repayments.

Print the County Loan Summary Report for 2013 Crop Year to identify the loans issued beginning October 1, 2013, according to this table.

Step	Action
1	Access APSS and on the Price Support Main Menu, ENTER "**9**", "Perform Administrative Function", and PRESS "**Enter**" to continue.
2	On the Price Support – Administrative Reports Main Menu, ENTER "**7**", "Administrative Reports Menu", and PRESS "**Enter**" to continue.
3	On the Price Support – Administrative Reports Menu, ENTER "**9**", "Loan and LDP Summary Reports", and PRESS "**Enter**" to continue.
4	ENTER "**1**", "Print County Loan Summary", and PRESS "**Enter**" to continue. For: • "Start Date", ENTER "**October 1, 2013**" • "End Date", enter current date • "Commodity", ENTER "**PNUT**".

Review the loans with repayment recorded in APSS according to this table.

Step	Action
1	Access APSS, and from Price Support Main Menu, ENTER "**1**", "Inquire About a Loan/LDP", and PRESS "**Enter**" to continue.
2	On the Display Loan Information Screen, ENTER "**7**", "Liquidation Information", and PRESS "**Enter**" to continue to display the details for each repayment transaction recorded in APSS.
3	Print the screen display for each of the repayment transactions.

Review the loan folder and ensure that the loan document, repayment receipts, schedules of deposit, collection receipts, and receivable detail reports, if applicable, are available for each repayment transaction.

2   Processing Repayment of CY 2013 Warehouse-Stored Peanut Loan Issued Beginning October 1, 2013 (Continued)

B   County Office Action (Continued)

Sort the repayments in sequential order by repayment date and identify the repayments:

- entered in APSS **before** Information Bulletin No. 6859 was installed

  Note: APSS determined the Total Amount due based on the handling charges before sequestration reduction factor was applied. The producer or producer's agent will be refunded for the amount of overpayment.

- processed manually according to Notice LP 2189.

Process the repayments according to the following table.

IF the CY 2013 loan was disbursed…	AND at least 1 repayment was…	AND…	THEN…
beginning October 1, 2013	received	entered in APSS	go to subparagraph C.
beginning October 1, 2013	processed manually	**not** entered in APSS	go to subparagraph D.
before October 1, 2013		entered in APSS	no additional action is needed.

2   Processing Repayment of CY 2013 Warehouse-Stored Peanut Loan Issued Beginning October 1, 2013 (Continued)

C Loans Disbursed Beginning October 1, 2013, Entered in APSS Before Notice LP-2189

Process the repayments of CY 2013 loans disbursed beginning October 1, 2013, and processed in APSS **before** January 14, 2014, according to the following table.

Step	Action
1	Using documents in the producer's loan folder, verify that the loan:
	• was issued on October 1, 2013, or later
	• has at least 1 repayment that was processed in APSS **after** October 1, 2013, and **before** January 14, 2014.
	Important: If there are multiple repayments in the loan, reverse the earliest repayment accordingly and re-enter the repayments in sequential order starting with the **earliest** repayment that was received.
2	Access APSS, and on the Price Support Main Menu, ENTER "**7**", "Correct a Loan/LDP", and PRESS "**Enter**" to proceed to the producer and loan information screens in the normal manner until Screen PXA00005 is displayed.
3	Review the transactions displayed on Screen PXA00005 to ensure that they match the documents in the producer's loan folder. The transactions are listed in sequential order from the earliest to the most recent.
4	On Screen PXA0005, ENTER "**Y**" in front of the **earliest** repayment that was processed. The following is an example of the screen.
```
      303-LUBBOCK                  CORRECTION              PXA00005
PRICE SUPPORT - LOAN CORRECTION        Version: AB37  03-13-14  9:40 Term QR
------------------------------------------------------------------------
                                       CY 13 LOAN#    209 COMM PNUT

  The transactions that have been recorded for this loan are listed below.
  Place a 'Y' next to the earliest transaction to be reversed.


          Transaction                  Transaction  Transaction    Backup
            Type                          Date         Time          Date

  _    Loan Making                     12-01-13     09:26:20
  Y    Repayment                       01-10-14     09:30:27
  ..   Repayment                       01-13-14     09:38:31






 Press "Enter" To Continue    Cmd7=End Of Job    No additional transactions.
``` |

2   Processing Repayment of CY 2013 Warehouse-Stored Peanut Loan Issued Beginning October 1, 2013 (Continued)

C   Loans Disbursed Beginning October 1, 2013, Entered in APSS Before Notice LP-2189 (Continued)

Step	Action
4 (Cntd)	PRESS "**Enter**" to continue. Report ID PXA100-R001, Correction Posting Check-Off List, will print automatically. **Notes:** If there were multiple repayments, all repayment transactions that occurred after the selected repayment transaction will also be reversed. Do **not** enter "Y" in front of "loanmaking".
5	Re-enter the repayment; on the Price Support Main Menu, ENTER "**4**", "Repay a Loan/Refund LDP Amount", and PRESS "**Enter**" to continue and complete the producer identification screens in the normal manner. **Important:** If there were multiple repayments to the loan, re-enter the repayments in sequential order starting with the **earliest** repayment that was received.
6	On Screen PCA12000, answer "**Y**", to the question, "Is this a recording of a manually made action?", and then complete the loan identification screens in the normal manner. **Note:** By answering "**Y**", a repayment date before the current date will be accepted.
7	On the Price Support Repayments Menu, enter the repayment option. Go through the repayment screens in the normal manner until Screen PPD11200 is displayed.
8	On Screen PPD11200, enter the original date the repayment was received and processed in APSS in the "Repayment Date", answer the questions on the screen accordingly, and PRESS "**Enter**". Screen PPD13800 will be displayed.
9	Review the repayment amounts displayed on PPD13800 and ensure that they match with the repayment amount that was manually determined according to Notice LP-2189. "Reduced Handling Charge", as displayed in the following example screen, is the amount of handling charges due **after** the 7.2 percent sequestration reduction factor was applied. <pre> 303-LUBBOCK PPD13800 PRICE SUPPORT - LOAN REPAYMENTS Version: AB37 01-13-14 9:38 Term QF --- CY 13 LOAN# 209 COMM PNUT Repayment Date 01-13-14 Maturity Date 09-30-14 Cost Per TON 408.6142000 Principal Remaining .00 Principal Liquidated 40,809.85 Quantity Remaining .00 Interest Amount 51.57 Quantity Liquidated 100.00 Class RUN Total Amount 44,304.30 STORAGE DEDUCTION APPLIED .00 REDUCED HANDLING CHARGE 3,442.88 Do you wish to complete this Repayment? (Y or N) Y Press "Enter" To Continue Cmd2=Return To Repayments Menu Cmd3=Previous Screen Cmd7=End Of Job</pre>

2   Processing Repayment of CY 2013 Warehouse-Stored Peanut Loan Issued Beginning October 1, 2013 (Continued)

   C   Loans Disbursed Beginning October 1, 2013, Entered in APSS Before Notice LP-2189 (Continued)

Step	Action
9 (Cntd)	Example handling charge calculations: • Assumptions: • Loan Quantity = 100 tons • Rate of Handling Charge = $37.10 per ton. • Original (reversed) x Handling Charge = 100 tons x $37.10 = **$3,710**. • Re-entry: Reduced Handling Charge = **$3,442.88**: • Sequestration Reduction of 7.2 percent = $3,710 x .072 = $267.12 • Original Handling Charge – Sequestration Reduction = $3,710 - $267.12 = $3,442.88. • Overpayment Amount: $3,710 - $3,442.88 = $267.12. **Note:** The overpayment amount of $267.12 **must** be refunded to the producer or producer's authorized agent.
10	Complete the repayment in APSS in the normal manner.
11	Activate the NRRS Remittance according to Notice FI-3194, subparagraph 5 B (page 44) to delete the NRRS receipt.
12	Contact 1 of the NRRS contacts listed in subparagraph F to delete the NRRS receipt.
13	Create a receipt of the remittance for the reduced handling charges according to Notice FI-3194, subparagraph 2 C (page 7).
14	Create a refund for the overpayment amount according to Notice FI-3194, subparagraph 3 B (page 15), and process the refund according to subparagraph 3 C or 3 D, as applicable.
15	Deactivate the remittance according to Notice FI-3194, subparagraph 5 D (page 50).

2   Processing Repayment of CY 2013 Warehouse-Stored Peanut Loan Issued Beginning October 1, 2013 (Continued)

D   Loans Disbursed Beginning October 1, 2013, Processed Manually According to Notice LP-2189

Process the repayments of CY 2013 loans disbursed beginning October 1, 2013, processed manually and **not** entered in APSS, according to the following table.

Step	Action
1	Using documents in the producer's loan folder, verify that the loan: • was issued on October 1, 2013, or later • has at least 1 repayment that was processed manually after Notice LP-2189 and not entered in APSS. If there are multiple repayments in the loan: • sort the repayments in sequential order • verify that all repayments recorded in APSS, if applicable, have been processed according to subparagraph C • process the earliest manual repayment that was received.
2	On the Price Support Main Menu, ENTER "**4**", "Repay a Loan/Refund LDP Amount", and PRESS "**Enter**" to complete the producer identification screens in the normal manner.
3	On Screen PCA12000, answer "Y" to the question, "Is this a recording of a manually made action?", and then complete the loan identification screens in the normal manner. **Note:** By answering "**Y**", a repayment date before the current date will be accepted.
4	On the Price Support Repayments Menu, enter the repayment option. Go through the repayment screens in the normal manner until Screen PPD11200 is displayed.
5	On Screen PPD11200, in the "Repayment Date", enter the original date the manually repayment was received and then answer the questions on the screen accordingly. PRESS "**Enter**" and screen PPD13800 will be displayed.
6	Print screen PPD13800. Review the repayment amounts displayed on PPD13800. The Total Amount due should match the amounts used to process the manual repayment according to Notice LP 2189. **Note:** The "Reduced Handling Charge" displays the amount of handling charges due after the 7.2 percent sequestration reduction factor has been applied.
7	Complete the repayment in APSS in the normal manner.
8	Record the collection in NRRS according to Notice FI-3194.

2   Processing Repayment of CY 2013 Warehouse-Stored Peanut Loan Issued Beginning October 1, 2013 (Continued)

E   Repayments After Corrections and Handling of Manual Repayments Are Completed

After completing the procedures in subparagraphs C and D, process the subsequent repayments by accessing the Price Support – Loan Repayment Menu.

IF repayment is at…	THEN select…	AND…
Principal Plus Interest	Option 1, "Regular Repayment"	complete the repayment in the normal manner.
Market Price	Option 3, "Market Price Repayment"	follow the steps in subparagraph F.

F   Market Price Repayment

Market Price Repayment software is **not** calculating the sequestered market loan gain (MLG) correctly. Until corrected software is received, the National Office will determine a revised national posted price (NPP) that is calculated based on the 5.1 percent sequestration to the market loan gain, which will result in a correct market loan gain. The revised NPP's will be announced by e-mail each Tuesday immediately after the weekly NPP is released. County Offices will use the **revised NPP** sent by the National Office until corrected software is received according to the table in this subparagraph. The following is an example of how the National Office will calculate the revised NPP.

Example:

- MLG: National Loan Rate - NPP
  $354.74 - $330.74 = $24.00

- Amount of Sequestration Reduction = MLG x .051 (5.l% reduction factor)
  $24.00 x .051 = $1.22

- Reduced MLG = MLG – Amount of Sequestration Reduction
  $24.00 - $1.22 = $22.78

- Announced NPP - $330.74 + Sequestration Reduction of $1.22 = $331.96 (Runner Peanut Revised NPP)

Important: This option shall be used to record Market Price Repayment in APSS, until the modified software to calculate the market gain on loans subject to sequestration is available. Additional instructions shall be provided when the modified software is released.

2   Processing Repayment of CY 2013 Warehouse-Stored Peanut Loan Issued Beginning October 1, 2013 (Continued)

F   Market Price Repayment (Continued)

County Offices shall process Market Price Repayment in APSS for peanut loans disbursed beginning October 1, 2013, to the end of the loan availability period for peanuts according to this table.

Step	Action
1	Print the County Loan Summary Report for 2013 Crop Year according to subparagraph B to identify the loans that were disbursed beginning October 1, 2013.
2	Select Option 3, "Market Price Repayment", from the Price Support Loan Repayment Menu.
3	Go through the repayment screens in the normal manner and on Please Enter the National Posted Price for Peanuts Screen PPD61000, enter the revised NPP released by the National Office for the applicable week.
4	Print Screen PPD64400 and file in the loan folder.
5	Complete the repayment in the normal manner.
6	Record the collection in NRRS in the normal manner.

Note: The examples are for illustrative purposes only.

G   Contact Information

For questions about this notice, State Offices shall direct the questions as follows.

IF question is related and about…	THEN contact…
sequestration of peanut handling charges policy	Kathy Sayers by either of the following: • e-mail to **kathy.sayers@wdc.usda.gov** • telephone at 979-680-5155.
APSS	Cecile Wynne by either of the following: • e-mail to **cecile.wynne@wdc.usda.gov** • telephone at 202-720-8413.
NRRS	Robin Jones by either of the following: • e-mail to **robin.jones@kcc.usda.gov** • telephone at 816-926-1613.
	Carrie Miller by either of the following: • e-mail to **carrie.miller@kcc.usda.gov** • telephone at 816-926-2853.

2   Processing Repayment of CY 2013 Warehouse-Stored Peanut Loan Issued Beginning October 1, 2013 (Continued)

G   Contact Information (Continued)

IF question is related and about…	THEN contact…
NRRS (Continued)	Stephen Yulich by either of the following: • e-mail to **stephen.yulich@kcc.usda.gov** • telephone at 816-926-6453.
	Cari McQueen by either of the following: • e-mail to **cari.mcqueen@kcc.usda.gov** • telephone at 816-926-6790.