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

Notice PS-719

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

Processing Commodity Loan Disbursements Through APSS

Approved by: Acting Deputy Administrator, Farm Programs

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1 Overview

A Background

The Agricultural Act of 2014 (2014 Farm Bill), Pub. L. 113-79 was signed February 7, 2014, and authorizes commodity loans for crop years 2014 through 2018. As a result of the 2014 Farm Bill, there will be **no** sequestration reduction to the amount secured by producers at loan **disbursement**.

APSS software is now available to issue crop year 2014 loans **without** the sequestration reduction at the disbursement level. Loans may now be entered and disbursed for wool, mohair, and honey. All other commodities will be eligible for loan during the appropriate loan availability period.

B Purpose

This notice provides information about the following:

- routing APSS payment requests to NPS
- alternate and multiple payee process
- "Manual Handling" worklist
- using the force check indicator
- interest break processing.

Disposal Date	Distribution
September 1, 2014	State Offices, State Offices relay to County Offices, CMA's, DMA's, and LSA's

1   Overview (Continued)

C   Contacts

For questions about this notice, State Offices shall contact either of the following:

- Shayla Watson, PSD, by either of the following:

  - e-mail to **shayla.watson@wdc.usda.gov**
  - telephone at 202-690-0013

- Cecile Wynne, PSD, by either of the following:

  - e-mail to **cecile.wynne@wdc.usda.gov**
  - telephone at 202-720-8413.

D   Routing APSS Payment Requests to NPS

The following provides a description of the process in which all APSS application payments will follow.

Step	Action
1	Loan or LDP will be processed in APSS.
2	System 36 will replicate payments to NPS.
3	Payment will appear on the "NPS" worklist. **Note:** Some payments may appear on the "Manual Handling" worklist.
4	Payment will be certified.
5	Payment will be signed.
6	Disbursements will be certified by accounting and a Treasury confirmation will be received.
7	A check or ACH will be issued to the customer.

2   Processing Loan Disbursements

A   Alternate and Multiple Payees

According to 8-LP, subparagraph 410 B, the balance of the loan proceeds may be disbursed jointly to the producer and lienholder **after** applicable administrative offsets to CCC, FSA, or other creditor agencies, as indicated in 58-FI.

To facilitate the ability to issue loan disbursements, as applicable, to the appropriate party, APSS has been enhanced to submit multiple payee requests to NPS. Users **must** indicate how payments will be issued on Screen PLD12500 **before** the request is replicated to NPS. On Menu PLA005, after users ENTER "**1**", "Print Loan Documents and Disburse Check", **now** Screen PLD12500 will be displayed.

2   Processing Loan Disbursements (Continued)

A   Alternate and Multiple Payees (Continued)

The following is an example of Screen PLD12500.

```
                        000-COUNTY                               PLD12500
PRICE SUPPORT - ALTERNATE PAYEE            Version: AD87  07-15-09  9:53 Term H2
-------------------------------------------------------------------------------

Producer ID: XXX-XX-1234 S   FARMER JOHN JACKSON
Alternate Payee


                            Joint Pmt                            Joint Pmt
   Payable      Amount      (Y or N)   Payable      Amount       (Y or N)
   #1         19,455.00       ..       #2         ...............    ..
   #3       ...............    ..       #4         ...............    ..
   #5       ...............    ..       #6         ...............    ..
   #7       ...............    ..       #8         ...............    ..
   #9       ...............    ..       #10        ...............    ..
   #11      ...............    ..       #12        ...............    ..
   #13      ...............    ..       #14        ...............    ..
   #15      ...............    ..       #16        ...............    ..
   #17      ...............    ..       #18        ...............    ..
   #19      ...............    ..       #20        ...............    ..


   Payment Requests Total:     $19,455.00


   Press "Enter" To Continue    Cmd3=Previous Screen    Cmd7= End of Job
```

B   Using Screen PLD12500 in APSS

Screen PLD12500 has been developed to request multiple payables as needed. The following provides instructions for submitting payable requests to NPS for further processing. See Exhibit 1.

Note: If a loan consists of multiple producers, Screen PLD12500 will repeat for each producer. The "Payment Request Total" will reflect each individual producer's share. If multiple requests are entered, the amounts **must** total each individual producer's share. Users may print a copy of Screen PLD12500 if multiple payables are entered. This will assist in ensuring that all payment requests have properly replicated to NPS.

IF a…	THEN on Screen PLD12500, the user must…
single payment to 1 producer is to be issued	• enter the total disbursement amount due next to "Payable #1" • ENTER "**N**" in the "Joint Pmt" column.
joint payment to producer and other authorized payee is to be issued	• enter the total disbursement amount due next to "Payable #1" • ENTER "**Y**" in the "Joint Pmt" column.

2   Processing Loan Disbursements (Continued)

B   Using Screen PLD12500 in APSS (Continued)

IF a…	THEN on Screen PLD12500, the user must…
payment to producer and other authorized payee (less producer share) is to be issued	• enter the disbursement amount due to the producer next to "Payable #1" • ENTER "**N**" in the "Joint Pmt" column • enter the disbursement amount due to the authorized payee in "Payable #2" • ENTER "**Y**" in the Joint Pmt column. **Note:** Users may enter up to 20 payable requests on Screen PLD12500, as needed. Manually determine the amount due for each payable **before** completing the request on Screen PLD125000.
single payment to authorized third party (**not** an assignment) is to be issued	• enter the total disbursement amount due next to "Payable #1" • ENTER "**Y**" in the "Joint Pmt" column.

Note: The "Alternate Payee" function in APSS shall **not** be used to process payments made as an assignment.

The "Payment Requests Total" field will display the total amount due to the producer. If an amount is entered next to a payable, an entry in the "Joint Pmt" column is **required**. The total disbursement amount due **must** be allocated on Screen PLD12500. For multiple producers, the amount of the individual producer's share **must** be allocated for each producer, as applicable. If the amount entered in the payable field is more or less than the amount indicated in the "Payment Requests Total" field, the user will be prompted with the applicable error message.

If "N" is entered in the "Joint Pmt" column, the amount entered will be routed directly to the "Certification" worklist in NPS and submitted through ACH, if the producer has direct deposit information on file. If there is no direct deposit on file, a check will be issued.

Important: If "N" is entered in the "Joint Pmt" column and the payable is replicated to NPS, users will only have the option to issue the payment **directly** to the producer.

2   Processing Loan Disbursements (Continued)

B   Using Screen PLD12500 in APSS (Continued)

If "Y" is entered in the "Joint Pmt" column, the amount entered will be routed to the "Manual Handling" worklist in NPS and a check will be issued. See paragraph 4.

Important: If the payment **must** be issued to a third party, "Y" **must** always be entered on Screen PLD12500.

After the appropriate information has been entered on Screen PLD12500, the user **must** PRESS "**Enter**" to continue. APSS will then display Screen PLA13005 to enter the following:

- UCC-1 or chattel mortgage filing date, if applicable
- date of lien search
- original loan approval date
- the DCIA compliance response, as applicable.

To complete the process, the user **must** ENTER "**Y**".

A summary of the total disbursement amount will be displayed at the bottom of Screen PLA13005. This amount will be forwarded to NPS for further processing.

Note: All transactions **must** be certified and signed through NPS.

C   "Manual Handling" Worklist in NPS

Loan disbursements are routed directly to the NPS "Certification" worklist, unless an alternate payee is designated in APSS. Currently, other APSS-generated payments, such as LDP's and certain loan servicing functions resulting in a disbursement, are being defaulted to the "Manual Handling" worklist in NPS.

2   Processing Loan Disbursements (Continued)

C "Manual Handling" Worklist in NPS (Continued)

Process any payment **not** directly routed to the NPS "Certification" worklist according to the following.

Step	Action
1	Locate the payment on the "Manual Handling" worklist in NPS.
2	Select the "Alternate Payee" link under the respective payment to be issued.
3	**IF, on the Payment Processing - Alternate Payee Screen, the…** / **THEN enter the…**
	entire payment is being sent to the producer → producer's name and address exactly as it appears in SCIMS.
	entire payment is authorized to a third party → name and address of the authorized third party.
	payment is to be issued jointly to the producer and to an authorized third party → • names of both the producer and other party in the "Name" field Note: The "Name" field is limited to 33 characters. • address of the producer.
4	CLICK "**Save**" to route the payment for certification. Note: One payment will be issued per payable.
5	Payment will be routed to the "Certification" worklist. On the Payment Certification Approval Screen, the transaction summary will show the original loan amount, the amount to be disbursed to the alternate payee (which will appear as a negative value), and the disbursement payee information ($0.00).
6	After the payment is reviewed, select "**Approve**" and CLICK "**Submit**".
7	Payment will then be routed to the "Signing" worklist. After signed, the payment will be routed to treasury.

Important: All payments routed through the "Alternate Payee" function in NPS will be issued by check from Treasury. If multiple payable requests are submitted to NPS for a single loan, the user **must** ensure that all payable requests appear in either the "Certification" or "Manual Handling" worklist **before** any action is processed. Funds will **not** be transmitted by EFT if the payment is processed through the "Alternate Payee" function in NPS.

3   "Forced Check" Indicator

A   Using the "Forced Check" Indicator When Issuing Price Support Payments Through Online Payment (OLP)

The "Forced Check" indicator allows for processing a check in NPS made payable to a program participant, but mailed to the County Office address. Using the "Forced Check" indicator is based on the specific need including, but **not** limited to the following:

- instances when additional information must be sent along with payment
- paying fees to county court houses or Secretary of State offices for the following:

  - filing UCC-1's
  - lien searches
  - other filing fees as applicable.

Note: This option will **not** be used to issue MAL disbursements or LDP payments.

B   Availability of the "Force Check" Indicator

The "Forced Check" indicator is available when issuing payments for the following codes:

- "RFCOMM"
- "RFMUL".

C   NPS Entries

As applicable, users shall process nonautomated payment requests through OLP. On the Create Payment - Payment Entry Screen in OLP, the user will be able to indicate if the payment shall be a forced check mailed to the County Office by checking (✓) "**Forced Check**" box.

Note: If the "Alternate Payee" box is:

- checked (✓), on the Create Payment - Payment Entry Screen, the user will have the option to make the check payable to another party

- **not** checked (✓), the payment will be made payable to the program participant.

When the "Forced Check" box is checked (✓), the payment will be sent to the address on file for the County Office in the System 36, County Data Table.

Important: County Offices shall ensure that the correct address is on file in the County Data Table.

4   Additional Information

A Two-Day Interest Break for Loan Repayments and Settlements

A 2-day interest break **must** be applied when processing loan repayments and settlements. To allow for the 2-day interest credit, County Offices shall ENTER "**Y**" in the response to the question, "Was this loan disbursed entirely by direct deposit?" on Screens PPD11200 or PPD61000, **regardless** if the payment was issued by direct deposit or U.S. Treasury Check.

Example of Alternate Payee Loan Making Scenario

The following is an example of the alternate payee loan making scenario.