

**SPECIAL APPLE PROGRAM LOAN PROCESSING GUIDE**

|  |                        |              |
|--|------------------------|--------------|
| <b>APPLICANT'S NAME:</b>   | <b>CASE NUMBER:</b>    |              |
| Type of Applicant<br><input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Joint Operation <input type="checkbox"/> Limited Liability Company<br><input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input type="checkbox"/> Trust <input type="checkbox"/> Other _____ |                        |              |
| <b>PART I LOAN SUMMARY</b>   |                        |              |
| Loan Type: <u>Special Apple Loan</u> Type of Assistance Code: <u>299</u><br><input type="checkbox"/> Initial <input type="checkbox"/> SDA-Ethnic <input type="checkbox"/> SDA- Gender<br>Loan Amount: \$ _____      Interest Rate: _____ %<br>Terms in Years (3 years max): _____      Amount of Immediate Advance: _____                  |                        |              |
| <b>PAYMENT SCHEDULE FOR PROPOSED LOAN</b>  |                        |              |
| / / _____ \$ _____ <b>NOTE: Payments must be equally amortized</b><br>/ / _____ \$ _____<br>and \$ _____ Due _____ thereafter  |                        |              |
| <b>APPROVAL AUTHORITY:</b> <input type="checkbox"/> FLO <input type="checkbox"/> FLM <input type="checkbox"/> DD <input type="checkbox"/> SED<br>Amount of Loan: \$ _____  |                        |              |
| <b>LOAN PURPOSE</b> (intended use of funds):   |                        |              |
|  |                        |              |
|  |                        |              |
| <b>TYPE OF LIEN SEARCH TO BE DONE:</b>   |                        |              |
| <input type="checkbox"/> UCC <input type="checkbox"/> ASL <input type="checkbox"/> Copies of Liens <input type="checkbox"/> Other _____<br><input type="checkbox"/> EFS <input type="checkbox"/> County Records <input type="checkbox"/> Title Report <input type="checkbox"/> Other _____   |                        |              |
| <b>SEARCHES TO BE DONE ON THE FOLLOWING NAMES:</b>   |                        |              |
| Individuals  | Assumed Business Names | Entity Names |
| _____  | _____                  | _____        |
| _____  | _____                  | _____        |
| _____  | _____                  | _____        |
| _____  | _____                  | _____        |
| _____  | _____                  | _____        |

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**Exhibit 3**

| <b>SECURITY TO BE TAKEN</b>                                    | <b>LIEN POSITION</b> | <b>PRIMARY SECURITY</b>           | <b>ADDITIONAL SECURITY</b>   |  |        |
|--|----------------------|-----------------------------------|------------------------------|--|--------|
| <input type="checkbox"/> Crops                                 |                      |                                   |                              |  |        |
| <input type="checkbox"/> Livestock                             |                      |                                   |                              |  |        |
| <input type="checkbox"/> Equipment                             |                      |                                   |                              |  |        |
| <input type="checkbox"/> Contract                              |                      |                                   |                              |  |        |
| <input type="checkbox"/> Real Estate                           |                      |                                   |                              |  |        |
| <input type="checkbox"/> Other:                                |                      |                                   |                              |  |        |
| <b>VALUE OF SECURITY</b>                                       |                      |                                   |                              |  |        |
| TYPE   | APPRAISAL DATE       | LOAN VALUE                        | PRIOR DEBT (INCLUDING FSA'S) | PROPOSED FSA, OTHER DEBT   | EQUITY |
| Chattels   |                      |                                   |                              |  |        |
| Real Estate  |                      |                                   |                              |  |        |
| Crops, Lvst On Hand  |                      |                                   |                              |  |        |
| Crops, Lvst Projected  |                      |                                   |                              |  |        |
| Chattels Acquired  |                      |                                   |                              |  |        |
| Other  |                      |                                   |                              |  |        |
| <b>TOTAL</b>   |                      |                                   |                              |  |        |
| <b>PROPOSED LOAN CLOSING REQUIREMENTS COMPLETED IN PART IV</b> |                      |                                   |                              |  |        |
| <b>RECOMMENDED BY:</b> _____                                   |                      |                                   | <b>DATE:</b> _____           |  |        |
| <b>APPROVAL OFFICIAL'S COMMENTS:</b>                           |                      |                                   |                              |  |        |
|  |                      |                                   |                              |  |        |
|  |                      |                                   |                              |  |        |
| <input type="checkbox"/> Approved                              |                      | <input type="checkbox"/> Rejected |                              | <input type="checkbox"/> Proposed closing requirements reviewed & completed in Part IV |        |
| <b>APPROVAL OFFICIAL'S SIGNATURE:</b> _____                    |                      |                                   | <b>DATE:</b> _____           |  |        |

**DIRECT FARM LOAN PROGRAMS – SPECIAL APPLE LOAN**

**APPLICANT'S NAME:** \_\_\_\_\_

**PART II ITEMS REQUIRED FOR A COMPLETE APPLICATION**

| <u>Date<br/>Received</u> | <u>By<br/>Whom</u> |  |
|--------------------------|--------------------|--|
| _____                    | _____              | (1) Exhibit A to 1910-A, Letter requesting information needed for a complete Special Apple Program Loan application (date sent to applicant).  |
| _____                    | _____              | (2) Form CCC 2651, "Request For Special Apple Program Assistance."   |
| _____                    | _____              | (3) If the applicant is a corporation, cooperative, partnership, joint operation, limited liability company, or a trust:   |
| _____                    | _____              | (A) Complete list of members; stockholders and corporate officers; partners; trustees, beneficiaries, and trustors; limited liability company members and operating managers; and/or joint operators; showing address, citizenship, number of shares or percentage of ownership by each, and social security numbers or tax identification number of each member of the business entity. |
| _____                    | _____              | (B) Bylaws and Articles of Incorporation; Operating Agreement and Articles of Organization; Partnership Agreement; Trust Agreement; or Joint Operating Agreement.  |
| _____                    | _____              | (C) "Certificate of Existence" from the Secretary of State for corporations and limited liability companies.   |
| _____                    | _____              | (D) A resolution adopted by the board of directors, board of managers, members, or stockholders authorizing specific officers of the corporation, cooperative, partnership, joint operation, or trust to apply for and obtain the desired loan, and execute the required debt, security, and other instruments.  |
| _____                    | _____              | (4) Recently completed financial statement or balance sheet not greater than 90 days old which includes appropriate signatures from applicant.   |

- \_\_\_\_\_ (5) Form FmHA 440-32, "Statement of Debts and Collateral," for all debts exceeding \$1,000 other than FSA. Forms must have complete addresses of creditors and be signed by the applicant. Applicant's account numbers should also be listed on the form.
  
- \_\_\_\_\_ (6) Legal description of real estate property being offered as collateral for the proposed loan as well as assessment information. If equipment and machinery or other assets are being offered, provide copies of depreciation schedules from tax returns and other information as needed.
  
- \_\_\_\_\_ (7) For loans over \$30,000 and for all loans when the applicant's net worth is less than 3 times the loan amount: a projected cash flow budget reflecting production, income, expenses, debt payments including the proposed loan.
  
- \_\_\_\_\_ (8) For loans over \$30,000 and for all loans when the applicant's net worth is less than 3 times the loan amount: the last 3 years of production, income, and expense information. Including:
  - \_\_\_\_\_ (A) Copies of the last 3 years' of income statements from the applicant.
  - \_\_\_\_\_ (B) Copies of the last 3 years' income tax records from the applicant.
  - \_\_\_\_\_ (C) Copies of the last 3 years' production information from the applicant.
  - \_\_\_\_\_ (D) Form FmHA 1910-5, "Request for Verification of Employment," if the applicant has nonfarm income.
  - \_\_\_\_\_ (E) Form FmHA 431-4, "Business Analysis NonAgricultural Enterprise," if applicable.
  
- \_\_\_\_\_ (9) Form AD-1026A, attached to either Form AD-1026 or AD 1026-U and completed by FSA. Required only if changes have occurred on prior year's AD 1026 and 1026-U on file.
  
- \_\_\_\_\_ (10) Form SCS-CPA-026, "Highly Erodible Land and Wetland Conservation Determination," completed by NRCS (for each tract of land identified on Form AD-1026A. (Note: If this form has previously been provided to FSA, it need not be provided again unless there is a change in previous information.)  
Location of SCS-CPA-026: \_\_\_\_ Borrower Case File \_\_\_\_ Tract File
  
- \_\_\_\_\_ (11) Provide a fee of \$\_\_\_\_\_ payable to FSA for electronic credit report on all individual applicants and individual members of entity.

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Exhibit 3

\_\_\_\_\_ (12) Provide a fee of \$40 payable to FSA for a commercial credit report on entity applicant if required by Credit Official.

\_\_\_\_\_ (13) Appraisal report for all loans exceeding \$30,000 or higher or when the net worth is less than 3 times the loan amount.

**NOTE: It is the applicant's responsibility to obtain the appraisal reports and pay all appraisal costs. Loans maybe approved subject to receipt of an acceptable appraisal.**

Date appraisal report reviewed & found acceptable\_\_\_\_\_

**PART III FSA ACTION AFTER RECEIPT OF FORM CCC 2651**

Date Received

By Whom

\_\_\_\_\_ (1) When Form CCC 2651 is received, post the application to the application card (1905-4) and complete Item 27 of Form CCC 2651 and enter in MAC.

\_\_\_\_\_ (2) Check Item 18 of Form CCC 2651 for identified relationship or association with FSA employees. For those identified send Guide Letter 1900-D-2.

\_\_\_\_\_ (3) Review current/past debt inquiry system, borrowers cross-reference inquiry system, and Farm Programs claims report to determine any previous debt forgiveness and past FSA loan history and credit worthiness. Include all individual members of entities. Place copies of screens in applicant's file, Position 3.

\_\_\_\_\_ (4) CAIVRS report order for applicant(s) and all individual members of entities.

\_\_\_\_\_ (5) If NOT ALL of the required application forms have been received, send FmHA Guide Letter 1910-A-1 (20 day letter) to the applicant and request forms and information needed.

\_\_\_\_\_ (6) If the necessary information is not received from the applicant within 20 calendar days after the date of the first notification of an incomplete application, send FmHA Guide Letter 1910-A-2 (10 day letter) requesting the needed information for a complete application.

\_\_\_\_\_ (7) Obtain unofficial lien search on applicant, assumed business names, individual members, etc, if needed.

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- \_\_\_\_\_ (8) Order electronic credit report.
- \_\_\_\_\_ (9) Electronic credit report received.
- \_\_\_\_\_ (10) Collect fees for county lien search, fees for obtaining copies of liens from the Secretary of State (if applicable), and fees for UCC and EFS filings (if applicable).
- \_\_\_\_\_ (11) CAIVRS report received. Place report(s) in Position 3 of the case file.
- \_\_\_\_\_ (12) Mail out Form FmHA 440-32, "Statement of Debts and Collateral," to other creditors. Form FmHA 440-32 is not required to be sent to a creditor when FSA has verified the debt and collateral by telephone and the phone call is documented on Form FmHA 440-32. Nor are they required when the applicant provides a copy of the latest monthly statement from the creditor and all necessary information is on that statement.

(Optional Tracking)  
Creditor Name

Date Form FmHA 440-32 Returned

|       |       |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

**PART IV FSA ACTION AFTER RECEIPT OF A COMPLETE APPLICATION**

After receipt of ALL completed forms and information required of the applicant, and when the credit report is received from the credit bureau, the application will be considered complete. The FSA approval or disapproval must be given within 30 days of this date.

| <u>Date<br/>Received</u> | <u>By<br/>Whom</u> |  |
|--------------------------|--------------------|--|
| _____                    | _____              | (1) Document here the date of complete application and post this date to the application card & Item 27 of Form CCC 2651. This is the date the last required document is received including the verification of all debts.<br><br>DATE OF COMPLETE APPLICATION: _____  |
| _____                    | _____              | (2) Notify the applicant that a complete application has been received by sending FmHA Guide Letter 1910-A-3.  |
| _____                    | _____              | (3) Cross-check FSA records to verify AMTA, LDP, and other FSA payments.   |
| _____                    | _____              | (4) Review and complete 3-year historical spreadsheet (Form FmHA-OR 1924-21, "Historical Income, Expenses, and Production," or equivalent).  |
| _____                    | _____              | (5) Review and revise the projected cash flow budget as needed with the applicant for loans over \$30,000 and for all requests when the applicants net worth is less than 3 times the loan amount. (Form FmHA 431-2, "Farm and Home Plan," can be used.) Be sure the cash flow budget is complete, signed, dated, and based on proven history. |
| _____                    | _____              | (6) Review the appraisal report for acceptability for use. An appraisal is not required when the loan amount does not exceed \$30,000 or for loans greater than \$30,000 where the applicant's net worth is three times the loan amount or greater.  |
| _____                    | _____              | (7) Document eligibility through the use of the Special Apple Program Loan Evaluation or equivalent.   |
| _____                    | _____              | (8) Approval official to complete the evaluation of the requested loan as provided for in the Emergency Loan for Seed Producers Adjustment Worksheet.  |

- \_\_\_\_\_ (9) Review proposed use of loan funds for categorical exclusions and include the statement, "This loan is categorically excluded from the requirements of an environmental evaluation and has been determined a non-undertaking under Section 106." If not excluded then prepare and complete Form FSA 850, "Environmental Evaluation Checklist."
- \_\_\_\_\_ (10) Notify applicant of approval by sending Form FmHA 1940-1, "Request for Obligation of Funds," with notification letter. If disapproved, prepare letter with appeal rights. Notification of approval/disapproval must be within 30 days of a complete application.
- \_\_\_\_\_ (11) If loan funds are not available within 15 days of loan approval, write a letter to the applicant explaining the situation, advising that the application will be held until the funds are available. This letter must be sent by certified mail, return receipt.

**PART V CLOSING REQUIREMENTS**

| <u>Date<br/>Obtained</u> | <u>Check if<br/>Required</u> |   |
|--------------------------|------------------------------|---|
| _____                    | <input type="checkbox"/>     | UCC-1 and EFS-1 (Secretary of State)  |
| _____                    | <input type="checkbox"/>     | Financing Statement (fixtures) UCC-1A (County)  |
| _____                    | <input type="checkbox"/>     | Financing Statement (fixtures) UCC-1 (Secretary of State)   |
| _____                    | <input type="checkbox"/>     | UCC, EFS, and ASL lien search (Secretary of State) required if a lien search is not currently in the file, or any time that crops are added.  |
| _____                    | <input type="checkbox"/>     | Lien Search (County)  |
| _____                    | <input type="checkbox"/>     | Amend or Continue Financing Statement (Secretary of State)  |
| _____                    | <input type="checkbox"/>     | Amend or Continue Financing Statement (County)  |
| _____                    | <input type="checkbox"/>     | Crop Insurance/Assignment of Indemnity  |
| _____                    | <input type="checkbox"/>     | Supervised Bank Account: Form FmHA 402-1, "Deposit Agreement," Signature Card, Blank Check Booklet, Deposit Slip and Check, Form FmHA 402-2, "Supervised Bank Account Sheet" (1902- A).<br>Name of Bank _____ |
| _____                    | <input type="checkbox"/>     | Obtain Title to Vehicles, Trailers, etc. Specify: _____   |
| _____                    | <input type="checkbox"/>     | FSA Assignment - Specify _____  |
| _____                    | <input type="checkbox"/>     | Machinery Bill of Sale  |
| _____                    | <input type="checkbox"/>     | Obtain Brand Card for File  |
| _____                    | <input type="checkbox"/>     | Brand Certificate, Bill of Sale   |
| _____                    | <input type="checkbox"/>     | Preliminary Title Report for loans over \$30,000  |
| _____                    | <input type="checkbox"/>     | Insurance: <input type="checkbox"/> Fire and extended coverage Flood <input type="checkbox"/> Chattels<br><input type="checkbox"/> Other  |
| _____                    | <input type="checkbox"/>     | Form FmHA 426-2, "Property Insurance Mortgage Clause," or equivalent loss clause  |
| _____                    | <input type="checkbox"/>     | Form FmHA 440-4, "Security Agreement"   |

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## Exhibit 3

- \_\_\_\_\_  Form FmHA 440-15, "Security Agreement" (if no crops or livestock)
- \_\_\_\_\_  Form FmHA 441-5, "Subordination Agreement" if required from other lienholders to FSA
- \_\_\_\_\_  Form FmHA 426-2, "Property Insurance Mortgage Clause," or equivalent loss clause
- \_\_\_\_\_  Title Insurance (mortgagees policy)
- \_\_\_\_\_  Form FmHA 427-4, "Transmittal of Title Information" or current form
- \_\_\_\_\_  Form FmHA 427-6, "Affidavit of Sellers (or Transferors)"
- \_\_\_\_\_  Form FmHA 427-17, "Loan Closing Statement"
- \_\_\_\_\_  Form FmHA 441-8, "Assignment of Proceeds from the Sale of Agricultural Products"
- \_\_\_\_\_  Form FmHA 441-10, "Nondisturbance Agreement"
- \_\_\_\_\_  Form FmHA 441-12, "Agreement for Disposition of Jointly Owned Property"
- \_\_\_\_\_  Form FmHA 441-25, "Dairy Assignment"  
Who Assignment to: \_\_\_\_\_  
Amount of Assignment: \$ \_\_\_\_\_
- \_\_\_\_\_  Form FmHA 1927-5, "Affidavit of Borrowers (or Transferees)"
- \_\_\_\_\_  Form CCC 2652, "Special Apple Program - Promissory Note and Security Agreement"
- \_\_\_\_\_  Form CCC, "Real Estate Mortgage For Oregon"
- \_\_\_\_\_  Form CCC, "Subordination Agreement In Favor Of The Government" for all prior lien holders, as needed

### **OTHER FORMS THAT MAY BE NECESSARY**

- \_\_\_\_\_  Form FmHA 400-1, "Equal Opportunity Agreement"
- \_\_\_\_\_  Form FmHA 400-3, "Notice to Contractors and Applicants"
- \_\_\_\_\_  Form FmHA 400-4, "Assurance Agreement"
- \_\_\_\_\_  Form FmHA 400-6, "Compliance Statement"
- \_\_\_\_\_  Form FmHA 403-1, "Debt Adjustment Agreement"
- \_\_\_\_\_  Form FmHA 422-2, "Supplemental Report - Irrigation, Drainage, Levee and Minerals"
- \_\_\_\_\_  Form FmHA 422-3, "Map of Property"
- \_\_\_\_\_  Form FmHA 422-10, "Appraiser's Worksheet - Farm Tract (Study of Comparable Properties)"
- \_\_\_\_\_  Form FmHA 427-8, "Agreement with Prior Leinholder"
- \_\_\_\_\_  Form FmHA 431-4, "Business Analysis - Nonagricultural Enterprise"
- \_\_\_\_\_  Form FmHA 440-9, "Supplementary Payment Agreement"
- \_\_\_\_\_  Form FmHA 440-26, "Consent and Subordination Agreement"
- \_\_\_\_\_  Form FmHA 440-34, "Option to Purchase Real Property"
- \_\_\_\_\_  Form FmHA 440-35, "Acceptance of Option"
- \_\_\_\_\_  Form FmHA 440-45, "Nondiscrimination Certificate" (Individual Housing)
- \_\_\_\_\_  Form FmHA 440-58, "Estimate of Settlement Costs"
- \_\_\_\_\_  Form FmHA 441-13, "Division of Income and Nondisturbance Agreement"

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- \_\_\_\_\_  Form FmHA 441-17, "Certification of Obligation to Landlord"
- \_\_\_\_\_  Form FmHA 441-18 "Consent to Payment of Proceeds from Sale of Agricultural Products"
- \_\_\_\_\_  Form FmHA 443-16, "Assignment of Income from Real Estate Security"
- \_\_\_\_\_  Form FmHA 443-17, "Agreement to Sell Nonessential Real Estate"
- \_\_\_\_\_  Form FmHA 1922-11, "Appraisal for Mineral Rights"
- \_\_\_\_\_  Form FmHA 1924-2, "Description of Materials"
- \_\_\_\_\_  Form FmHA 1924-3, "Service Building Specifications"
- \_\_\_\_\_  Form FmHA 1940-20, "Request for Environmental Information"
- \_\_\_\_\_  Form FmHA 1940-21, "Environmental Assessment for Class I Action"
- \_\_\_\_\_  Form FmHA 1940-51, "Crop-Share-Cash-Farm Lease"
- \_\_\_\_\_  Form FmHA 1940-53, "Cash Farm Lease"
- \_\_\_\_\_  Form FmHA 1940-55, "Livestock-Share Farm Lease"
- \_\_\_\_\_  Form FmHA 1940-56, "Annual Supplement to Farm Lease"
- \_\_\_\_\_  Form FmHA 1940-59, "Settlement Statement"

**FOLLOW UP AFTER CLOSING**

| <u>Date</u><br><u>Received</u> | <u>By</u><br><u>Whom</u> |   |
|--------------------------------|--------------------------|---|
| _____                          | _____                    | Post to Applicant Card (Closed) & Management System Card  |
| _____                          | _____                    | Post & update MAC workload scheduling including follow-ups for UCC/EFS continuations                              |
| _____                          | _____                    | Post installment information to Management System Card & MAC  |
| _____                          | _____                    | Follow up to obtain "Form CCC, "Subordination Agreement In Favor Of The Government" from lien holders as required |
| _____                          | _____                    | Follow up to obtain copies of termination statements or UCC-3s if filed from prior lien holder                    |
| _____                          | _____                    | _____   |
| _____                          | _____                    | _____   |
| _____                          | _____                    | _____   |

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