



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN. No. 2479 (1962)

February 28, 1992

SUBJECT: Requirements for Signing the Commodity Credit Corporation (CCC) Lien Waiver Form

TO: State Directors, District Directors,
and County Supervisors

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to notify all field offices, effective January 31, 1992, that the Agriculture Stabilization and Conservation Service (ASCS) cancelled the Memorandums of Understanding (MOU), Exhibits B and C of FmHA Instruction 1962-A. ASCS regulation now requires that FmHA sign a COMMODITY CREDIT CORPORATION (CCC) Lien Waiver, Form CCC-679, before a commodity loan is disbursed to a borrower. The intended outcome is to provide guidance on items to review when determining if the Lien Waiver should be signed when CCC funds are involved.

COMPARISON WITH PREVIOUS AN:

There has been no previous AN issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

FmHA and ASCS have operated for several years under the terms of the MOU's COMMODITY LIEN WAIVER and ROTATION OF GRAIN CROPS as set out in FmHA Instruction 1962-A, Section 1962.30(e). Section 1962.30(e)(1) of FmHA Instruction 1962-A prohibits FmHA from executing a Lien Waiver Form for the purpose of CCC loan funds. The above MOU's were used to present a substitute method for executing CCC Lien Waivers. Since the MOU's are no longer in effect, until this section of the instruction is revised, you should comply with the steps below on a case by case basis only when reviewing a request to sign a Lien Waiver, Form CCC-679 as follows:

EXPIRATION DATE: September 30, 1992

FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1962-A



Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

1. Request ASCS to provide in writing the total amount of CCC loan funds that the borrower is entitled to and the amount of the funds that FmHA should receive. (This information can be provided to FmHA on a standard form or letter approved by ASCS.)

2. Complete an analysis with the borrower for the current crop year using the projected farm and nonfarm income (do not include CCC funds at this time) to determine if all debts can be paid current.

3. If in step 2 above, it is determined that all scheduled installments cannot be paid current, then include the CCC loan funds that FmHA should receive in the analysis. If it is then determined that all debts can be paid current with that part of the CCC loan to be received by FmHA, then complete Form CCC-679 as follows:

A. In the block spaces, check block 3. Fill in the amount of administrative offset (in item 1 above, this is the difference between the total amount the borrower is entitled to and the amount FmHA is scheduled to receive) and date.

B. In 8, list the Agency's name and the address of the office that services the borrower's account.

C. In 9, sign and date within the authority of the approving official.

4. When step 1 above is completed, and it is clear that step 2 above exists "without CCC loan funds," only then must block 2 of Form CCC-679 be checked and the form signed within the authority of the approving official, without any further action.

5. When the analysis required by steps 2 and 3 above does not show that the CCC loan amount can pay all scheduled installments, then Form CCC-679 should not be signed.

The above guidance should not be confused with AN No. 2454 (1945) and AN No. 2455 (1980) concerning ASCS disaster payments. Each FmHA County Office should notify its respective ASCS Office of the method FmHA will be using to determine justification for executing the Lien Waiver.

Revised regulations covering the subject matter of this AN should be published in the field offices within the next 6 months. Questions concerning this AN should be directed to Johnny Toles, Farmer Programs Inventory Property Unit, at 690-4014.

ANY REVISIONS OR MODIFICATIONS TO THIS (AN) THAT YOU WISH TO PUBLISH AS A STATE DIRECTIVE MUST BE SUBMITTED AND APPROVED BY THE ASSISTANT ADMINISTRATOR OF FARMER PROGRAMS BEFORE IT IS RELEASED FOR IMPLEMENTATION IN YOUR STATE. THE ONLY EXCEPTION TO THIS REQUIREMENT IS WHEN THE REVISION OR MODIFICATION IS NECESSARY FOR COMPLIANCE WITH STATE LAW.



LA VERNE AUSMAN
Administrator

Sent by Time Delay Option to States on 2/28/92 at 4:45; to Districts on 3/2/92 at 8:00; and to Counties on 3/2/92 at 10:00 by GSS.