FSA
HANDBOOK

Farm Storage Facility Loan Program

For State and County Offices

SHORT REFERENCE

1-FSFL

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

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

Farm Storage Facility Loan Program 1-FSFL	Amendment 32

Approved by: Deputy Administrator, Farm Programs

Amendment Transmittal

A Reasons for Amendment

Paragraph 45 has been added to include information on FSFL credit reports including:

- requesting reports
- FSFL credit report contract
- analyzing reports
- types of reports
- payment for reports and monthly reconciliation of bill
- State Office determination of sites and designated employees to request reports.

Paragraph 46 has been amended to remove information about obtaining and analyzing credit reports.

Subparagraph 152 A been amended to update when County Offices are to conduct collateral checks for all outstanding loans.

Subparagraph 167 B has been amended to instruct County Offices to request a lien search and credit report for new applicants requesting to assume a loan.

Subparagraph 292 B has been amended to:

- update and provide new procedure on paying for credit reports

- update the example for determining the correct program code to use when issuing payments for lien searches and recording fees.

Subparagraphs 319 E and F have been amended to clarify when loan applications may be withdrawn or deleted.

A Reasons for Amendment (Continued)

Paragraphs 346 and 347 have been withdrawn and FSFL disbursement procedure has been provided in the following paragraphs:

- 348 has been added to provide the disbursement options available with check centralization
- 349 has been added to provide instructions for Disbursement Option 1, closing FSFL's immediately followed by disbursement
- 350 has been added to provide instructions for disbursement option 2, requesting loan disbursement before FSFL closing.

Paragraph 415 has been added to include information on the FSFL Report on Loans Not Closed.

Paragraph 440 has been amended to update disbursement corrections procedure.

Exhibits 10, 11, 12, and 13 have been added to provide additional information and examples of the FSFL disbursement process and screens.

Page Control Chart		
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Part 1 Basic Provisions

1 Overview

A Purpose

[7 CFR 1436.1] This handbook provides the terms and conditions under which CCC may provide low cost financing for producers to build or upgrade farm storage and handling facilities.

B Sources of Authority

Authority for the requirements in this handbook are as follows:

- 7 CFR Part 1436
- CCC Charter Act, 15 U.S.C. 714 et seq.

C Related FSA Handbooks

The following FSA handbooks concern FSFLP.

IF the area of concern is about...	THEN see...
appeals	1-APP.
approved abbreviations, signatures, and authorizations	1-CM.
audits and investigations	9-AO.
disbursing lien search and financing statement recording fees	1-FI.
document retention period	25-AS.
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2 Program Information

A Administering FSFLP

[7 CFR 1436.2] FSFLP shall be:

- administered under the general supervision of DAFP
- carried out in the field by STC's, COC's, and FSA employees.

B Restrictions

STC's and COC's, and representatives and employees thereof, do not have the authority to modify or waive any of the provisions of this handbook unless authorized to do so by DAFP.

C STC Actions

STC shall:

- take any action required by this handbook that has not been taken by COC

- correct, or require COC to correct, an action taken by COC that is not according to this handbook

- require COC to withhold taking any action that is not according to this handbook.

D Determinations

No provision or delegation to STC or COC shall preclude the Executive Vice President, CCC, or a designee, or the Administrator, FSA, or a designee, from:

- determining any question arising under FSFLP
- reversing or modifying any determination made by STC or COC.

2 Program Information (Continued)

E Waivers

DAFP may authorize STC's and COC's to waive or modify deadlines and other program requirements in cases where lateness or failure to meet these other requirements does not adversely affect the FSFL operation. STC's and COC's without authority to act, may prepare a request for waiver to the applicable program requirement according to Part 18.

F Execution

The authority to approve all loan forms and documents prepared according to this handbook may be redelegated in writing:

- by COC to CED, except CCC-185 and those applications in which CED has a monetary interest

- by CED to Federal and non-Federal County Office employees, except those applications in which the person approving has a monetary interest.

Use the following table for exceptions.

IF the loan applicant is...	THEN the approval authority shall be...
a State, Federal, or non-Federal County Office employee, including CED's	*--STC or STC designated DD. This delegation cannot be re-delegated.--*
COC member	
*--a relative to County Office employees and COC members **Note:** See Exhibit 2.--*	
DD	STC.
STC member	
SED	
--a relative to DD, STC member, or SED-- **Note:** See Exhibit 2.	

Note: Questionable cases may be referred to the next higher authority for determination. Potential conflict of interest cases shall be handled according to 22-PM.

2 Program Information (Continued)

G Approved FSFL Supplies or Vendors

The FSFL regulations do not provide for the creation of a list of approved FSFL equipment suppliers or vendors. Potential conflict of interest cases shall be handled according to 22-PM.

3-9 (Reserved)

Part 2 Basic Loan Making Policies

10 Loan Availability

A Signup

[7 CFR 1436.4] County Offices shall accept CCC-185's and supporting documents:

- at any time during normal office hours
- from producers in person, not by FAX
- at least 15 calendar days in advance of the COC meeting at which the application will be acted upon.

B Where to Apply

Applications from eligible borrowers for a loan shall be submitted to the administrative County Office that maintains the applicant's farm records.

C Documentation

Upon request, the applicant shall provide information and documents as STC or COC determines reasonably necessary to support the application. Examples are:

- financial statements
- receipted bills
- invoices
- purchase orders
- specifications
- drawings
- plats
- written authorization of access to the proposed storage site.

COC is responsible for taking appropriate action on the application.

*--D Producer Action Before Loan Approval

FSFL applicants, who authorize delivery, site preparation, or construction actions without an approved CCC-185, do so at their own risk and **without** creating any liability on behalf of CCC.--*

*--10.5 CCC-185 Approval Authority for Specific Situations

A COC Authorized Approval Authority

CCC-185 approval should be obtained **before** any action is taken by the applicant to install the facility.

COC's:

- according to paragraph 101, have the authority to approve CCC-185's, unless STC establishes a lower limit for COC approval authority or STC approval is needed according to subparagraph 2 F

- in cases where applicants begin specific actions **before** CCC-185's are approved, may approve CCC-185's with STC concurrence, provided FSA-850 has been or can be satisfactorily completed according to Part 4, Section 3, and all other eligibility requirements can be met.

  Note: In these cases, DAFP waiver is **not** needed. COC may issue CCC-185 approval, with STC concurrence, for the following actions completed **before** CCC-185 approval:

  - accepted delivery of equipment or materials
  - site preparation in previously disturbed areas
  - foundation construction.

  Example: The producer completes CCC-185 in the County Office on August 20, 2006. On September 5, 2006, a representative from the County Office visits the site to complete FSA-850. It is determined that the producer has completed the site preparation and the forms for the foundation are in place. FSA-850 can still be completed and no adverse impacts are identified based on FSA-850. The producer explains that he or she thought CCC-185 had been approved and he or she needed to start construction so that the bin would be completed in time to store the 2006 harvest. The approving COC determines the actions completed before CCC-185 approval do **not** adversely affect FSFL operation. COC may approve CCC-185, with STC concurrence, **without** requesting a DAFP waiver, if construction of the facility itself is **not** started until after CCC-185 approval.**--***

***--10.5 CCC-185 Approval Authority for Specific Situations (Continued)**

B STC Authorized Approval Authority

STC's may approve CCC-185's on which construction of the facility was started before approval, provided **all** of the following were on file in the County Office **before starting** construction of the facility itself:

- CCC-185 was completed and signed by the applicant
- $45 application fee was received and deposited, as applicable
- all required documentation for financial analysis for all entities was submitted and received by the County Office
- FSA-850 has been completed with no significant adverse impacts identified.

Note: In these cases:

- DAFP waiver is **not** required
- STC **cannot** delegate CCC-185 approval process
- **all** other eligibility requirements **must** be met
- applicant **must** be informed that:
  - approval and funding is not guaranteed
  - applicant is starting construction at his own risk and **without** creating any liability on behalf of CCC.

See Exhibit 2 for the definition of construction of FSFL.**--***

***--10.5 CCC-185 Approval Authority for Specific Situations (Continued)**

C DAFP CCC-185 Approval Required

For CCC-185's where the specific situation is **not** covered under subparagraphs A and B, and COC determines CCC-185 would have otherwise been approved, the following actions shall be taken:

- document in COC and STC minutes the reasons why CCC-185 applicant completed the actions **before** receiving loan approval

- determine that all other applicant eligibility, FSA-850's, equipment eligibility, and collateral security requirements can be met, and CCC-185 would have been approved had the actions not been taken

- request DAFP waiver through STC according to subparagraphs 2 E and 276 A.

Example: The producer submits CCC-185 in the County Office on September 1, 2006. The producer is instructed by the County Office to provide supporting documentation to complete a financial analysis. On November 1, 2006, the producer provides the supporting documentation to the County Office. At that time, the final bills for the construction of the bin are also presented, and the producer informs the County Office that the bin has been completed.

D No Approval Authorized

If FSA-850 **cannot** be satisfactorily completed according to Part 4, Section 3, CCC-185 shall **not** be approved and a waiver request shall **not** be submitted to DAFP.**--***

11 Eligible Borrowers

A Basic Requirements

[7 CFR 1436.5] An eligible borrower is any person, as defined in Exhibit 2, who, as a landowner, landlord, operator, producer, leaseholder, tenant, or sharecropper:

- has a satisfactory credit history as determined by CCC
- has no delinquent Federal nontax debt as defined by DCIA of 1996 unless the delinquent debt is resolved before FSFL is disbursed
- is a producer of facility loan commodities as defined in Exhibit 2
- provides proof of multi peril crop insurance offered under the Federal Crop Insurance Program
- is in compliance with USDA provisions for highly erodible land and wetlands

* * *

- demonstrates the ability to repay the debt resulting from FSFLP
- demonstrates compliance with the National Environmental Policy Act at 40 CFR Parts 1500-1508
- demonstrates a need for increased storage capacity
- demonstrates compliance with any applicable local zoning, land use, and building codes for the applicable farm storage facility structures
- provides all peril insurance and, if required, flood insurance
- has not been convicted under Federal or State law of a controlled substance violation, according to 1-CM, Part 30.

Note: CCC-526 does not apply to FSFL's.

11 Eligible Borrowers (Continued)

B Determining Borrowing Entity

County Offices shall:

- determine the borrowing entity from County Office records, if available
- allow borrowers who are otherwise eligible to enter into joint loans with another eligible borrower if adequate security requirements can be met
- require loans to be joint when more than 1 borrower or entity has an interest in a facility
- not allow schemes to avoid the maximum loan limit

  Note: Generally, the borrowing entity will be the producer:

  - of facility loan commodities that require storage at the proposed storage location
  - who meets all other requirements

- inform borrowers requesting joint loans, or borrowers who are partnerships or joint ventures, that all reminders and pertinent information on the loan will be sent only to the contact producer
- inform borrowers on joint loans, * * * that the contact borrower will receive IRS-1098 for the entire amount.

  Example: Three brothers obtained a joint loan. One brother will be the contact borrower and receive IRS-1098 for the entire loan.

--Note:** Kansas City will prepare and mail IRS-1098's for FSFL interest.**--

C
Storage Need Requirement

Applicants shall demonstrate a need for storage capacity as determined by the following formula.

Step	Action	
1	Determine the borrowing entity and the applicable farm operation from sources, such as AD-1026A or CCC-502's.	
2	Determine up to a 3-year average acreage for each facility loan commodity requiring storage at the proposed storage location from the producer's share of up to the 3 most recent crop year acreage reports. A reasonable 1-year acreage and yield projection may be used instead of an average for 1 of the following: • newly acquired farms • facility loan crops being grown for the first time • cases where prevented planting or disasters adversely affect the average production • cases where crop rotations adversely affect the average production. **Notes:** Late-filed acreage reports may be accepted for FSFLP purposes only. For loans for structures to store silage, consider only the average acreage harvested as silage.	
3	Multiply each average acreage times the applicable crop yield as determined to be reasonable by COC, total the results, and multiply the result times 2. Indicate yields for each commodity using the same unit of measure.	
4	Deduct existing storage capacity, owned by the applicant, for the applicable crops.	
5	**IF result from step 4 is...**	**THEN...**
	greater than zero	the producer is eligible for needed capacity, not to exceed the producer's proposed capacity or capacity to be upgraded.
	less than zero	notify the producer that he or she is ineligible. Provide appeal rights according to 1-APP.
	greater than zero, but greater than proposed storage capacity	see subparagraph 15 F.

D
Applicants Who Are Minors

Applicants who are minors may be approved for a loan if:

- the minor meets all eligibility requirements
- the minor signs CCC-186
- a financially responsible adult as approved by COC, cosigns CCC-186.

A
Eligible Storage and Handling Facilities

[7 CFR 1436.6] Loans shall only be made for purchasing and installing eligible ***--**permanently installed storage facilities including pre-fabricated structures, permanently affixed drying or handling equipment, or remodeling existing**--*** facilities as follows:

- new conventional type cribs or bins designed and engineered for facility loan commodity storage having a useful life of at least 10 years
- new oxygen limiting and other upright silo-type structures designed for facility loan commodity storage having a useful life of at least 10 years
- new flat-type storage structures, including a permanent concrete floor and bulkheads, designed for and primarily used to store facility loan commodities for the term of the loan
- new electrical equipment, such as lighting, motors, and wiring, integral to the proper operation of the storage and handling equipment, excluding the installation of electrical service to the electrical meter
- new equipment to improve, maintain, or monitor the quality of stored facility loan commodities, such as cleaners, moisture testers, and heat detectors, in conjunction with a proposed storage facility
- new concrete foundations, aprons, pits, and pads, including site preparation, labor, and material, essential to the proper operation of the storage and handling equipment
- re-manufactured oxygen-limiting storage structures built to the original manufacturer's design specifications using original manufacturer's rebuild kits designed for facility loan commodity storage and having a useful life of at least 10 years
- new structures that are bunker-type, horizontal or open silo structures, with at least 2 concrete walls and a concrete floor, designed for facility loan commodity storage and having a useful life of at least 10 years

Continued on the next page

A
Eligible Storage and Handling Facilities (Continued)

- new permanently affixed handling and drying equipment determined by COC to be needed and essential to the proper functioning of a storage system (without a loan for storage structures)

- renovating existing storage according to subparagraph C without an increase in storage capacity

- safety equipment, as required by CCC, such as lighting and inside and outside ladders

  Note: County Offices are not responsible for determining that equipment meets OSHA standards.

- concrete pads without walls on which an FSFL commodity is stored only if the loan will be further secured according to subparagraph 14 C or G.

B
Ineligible Storage and Handling Facilities

Ineligible storage and handling equipment includes the following:

- portable drying or handling equipment that is:

  - on wheels and can be moved from 1 grain drying site to another
  - not affixed or anchored to a permanent location

- structures of a temporary nature that require the weight or bulk of the commodity stored to maintain its shape, such as fence or bags, not having a useful life of 10 years

- storage structures to be used for commercial purposes as defined in Exhibit 2

- portable or permanent weigh scales

- structures that are not suitable for storing the facility loan commodities for which a need is determined

- storage structures to store facility loan commodities harvested as dry hay

- ***--**feed handling and processing equipment.**--***

Continued on the next page

12 Eligible and Ineligible Equipment (Continued)

C Renovating Storage Structures

Loans may be approved for financing additions to or modifications of an existing storage facility if COC determines that:

- the modification is:
  - necessary to renovate the storage capacity of the unit
  - not for maintaining, repairing, or replacing worn out items, such as motors, fans, and wiring that do not have a useful life of 10 years

    --Note:** The replacement of motors, fans, and wiring that has worn out is **not** authorized.**--

  - for new purchase items, such as:
    - placing cement or wooden floors
    - grain kit for flat storage walls and bulkheads as needed
    - drying, aeration, or handling equipment
    - replacing any deteriorated bin walls or rings, roof panels, or other roofing material and related paid off-farm labor
- the applicant meets the storage need requirement.

Note: Storage that is deteriorated to the point where it is, in COC's opinion, no longer functional for storage purposes, will not be considered as existing storage capacity according to subparagraph 11 C.

12 Eligible and Ineligible Equipment (Continued)

D Used Structures

Loans may be approved for new components of used structures that are purchased and moved to a new location. Allowable net cost items are those such as:

- site preparation
- foundation material and off-farm paid labor
- off-farm paid construction labor to erect the used bin
- *--new doors, new roof panels, and new rings needing replacement and new grain dryer systems.--*

Items ineligible for loan are those such as the:

- cost of the used structure
- cost to disassemble and move the used structure.

13 Term of Loan

A Maximum Term

[7 CFR 1436.7] The maximum term of the loan shall be 7 years from the date of the execution of CCC-186.

B Extensions

No extensions of the loan term are authorized.

14 Security for Loans

A Secured by CCC-186's

[7 CFR 1436.8] All loans shall be secured by CCC-186 covering the farm storage facility. CCC-186 shall:

- grant CCC a security interest in the collateral
- be executed as required by applicable State law.

14 Security for Loans (Continued)

B Prior Liens on Real Estate

CCC's security interest in the **collateral**, such as the actual storage structure, shall constitute the sole security interest in collateral. If prior liens on the underlying real estate attach to the collateral, County Offices shall:

- unless waived by Regional OGC, obtain CCC-297 from each prior or superior lien holder and each person, including the borrower, having an interest in the real estate on which the *****--collateral is to be located before loan closing and disbursement.--*****

  Notes: CCC-297 shall be filed with the appropriate county real estate records before loan closing.

  See paragraph 118 for more details.

- not allow any additional liens or encumbrances to be placed on the storage facility after the loan is approved unless CCC approves otherwise in writing.

C Real Estate Lien Requirements

A lien on the real estate on which the farm storage facility will be located is required if any of the following apply:

- a loan amount exceeds $50,000
- the aggregate outstanding loan balance exceeds $50,000
- COC determines as a result of financial analysis that additional security is required.

For loan amounts secured by real estate, CCC's interest in the real estate shall be superior to all other lien holders. If the real estate is covered by a prior lien, a lien subordination may be obtained by a form approved for use in the State by the Regional Attorney.

Exception: If FSA holds a superior lien on applicable real estate through an FLP loan, a subordination is not required. However, a junior real estate lien is required.

If prior lien holders will not subordinate to CCC, COC may approve alternative forms of security, such as:

•*****--subsequent lien position only if both of the following apply:

  - CCC is adequately secure

  - an agreement is executed with the primary lien holder, following the requirements specified by the Regional Attorney, not to extend additional liens on the property

- first lien on different realty

- letter of credit.--*****

14 Security for Loans (Continued)

D Form of Real Estate Lien

Real estate liens shall be in the form of a real estate mortgage, deed of trust, or other security instrument approved by CCC and according to applicable State laws.

E Real Estate Lien Guidelines

The lien should cover an acreage, including the entire parcel of real estate underlying the collateral, that is:

- sufficient, in the approving committee's opinion, to ensure repayment of the loan
- a salable unit in the event of foreclosure.

F Land Separate From the Collateral

Real estate liens may cover an acreage of land separate from the collateral if an adequate lien on the underlying real estate is not feasible and if:

- the borrower owns the separate acreage

- the acreage of the entire parcel is sufficient enough, in the approving committee's opinion, to ensure repayment of the loan

- reasons why a lien on the underlying real estate was not feasible are documented.

G Other Forms of Security

Other forms of security may be considered to be acceptable by the approving committee, such as irrevocable letters of credit, performance bonds, or similar CCC approved instruments. An irrevocable letter of credit **must** be:

- from a financial institution and provided by the applicant

- ***--**for the total of the loan principal plus interest on the total principal for the entire first year of the loan**--***

- for the entire term of the loan plus 60 calendar days

- written in a manner sufficient to protect CCC's security interest in the collateral

  Note: PSD has an example of an acceptable letter of credit that will be sent to State Offices upon request.

14 Security for Loans (Continued)

G Other Forms of Security (Continued)

- used in each State, under guidance of the Regional OGC, to comply with laws specific to that State

- ***--**used by each financial institution and reviewed and approved by the Regional OGC each FY**--***

  Note: Any variances to FSFL requirements when letters of credit are used must be specified, in writing, from the Regional OGC.

- stored in a locked, fireproof file and not released until 30 calendars days from the date of the final repayment.

H Renovated Structures

If an existing structure is remodeled and an addition becomes an attached, integral part of the existing storage structure, CCC's security shall include the existing storage structure.

I Fees for Filing and Recording UCC's, Instruments, and Other Transactions

Filing and recording fees shall be paid according to the following table.

IF the transaction is for...	THEN the fee is paid by...
a credit report	CCC.
a collateral lien search	
filing a financing statement using a UCC document	
filing a fixture filing using a UCC document	
fees charged by a local or State municipally for expenses associated with a real estate lien search for severance agreement purposes	
termination of a financing statement using a UCC document	borrower.
filing a release or discharge of a real estate lien such as a mortgage	
filing a discharge of a severance agreement	
attorney fees related to a lien on real estate used to secure FSFL	
real estate lien, deed or title search related to a lien on real estate used to secure FSFL	
recording a severance agreement	
filing and recording a subordination agreement related to a lien on real estate used to secure FSFL	
all other instrument filing and recording transactions related to a lien on real estate used to secure FSFL	

14 Security for Loans (Continued)

J Adequate Security and Appraisals of Real Estate

Loans are considered to be adequately secured when the value of real estate security for the loan is at least equal to the loan amount. For loans where the value of real estate and
--**improvements offered as collateral is in doubt, approving committees may request an appraisal to be provided by the loan applicant at the applicant's expense from a list of FLP approved appraisers.**--

K Security on Leased Land

For an applicant proposing to put a facility loan structure on leased land or land that is not owned by the applicant, COC may require a written agreement from the land owner to the FSFL applicant. The agreement should allow the borrower access to the structure for at least the entire length of the FSFL.

15 Loan Amount and Loan Approvals

A Aggregate Outstanding Balance

The aggregate outstanding balance of all facility loans for each borrower signing CCC-186 may not exceed $100,000.

B Loan Limit

The maximum principal amount of any loan shall not exceed $100,000 for each borrower signing CCC-186.

Note: Each borrower signing CCC-186 is jointly liable for the entire loan amount.

C Determining Loan Amount and Number of Borrowers

The principal amount of any farm storage facility loan shall be 85 percent or less of the net cost of the applicant's needed storage or handling equipment, not to exceed $100,000 for each borrower signing CCC-186.

The number of borrowers for loan limit purposes will be equivalent to "persons" determined for FSA program purposes on CCC-502.

Example: A partnership, recognized as such by FSA, consisting of 3 members, applies for a loan and demonstrates a need for additional grain storage. The loan may be made to the partnership, however, each member is determined to be a "person" and is willing to sign CCC-186 on behalf of the partnership. The loan limit in this case shall be $300,000.

D
Net Cost

[7 CFR 1436.9] The cost on which the loan shall be based is the net cost of the following:

- eligible facility
- accessories
- services to the applicant after discounts and rebates.

Note: STC may establish a maximum per bushel net cost.

E
Net Cost Items

The net cost for storage and handling equipment may include the following:

- purchase price
- sales tax
- shipping charges
- delivery charges
- site preparation costs
- installation costs
- material and labor for concrete pads
- material and labor for electrical wiring and electrical motors
- off-farm paid labor
- new on-farm material approved by COC
- fees, such as attorney, archaeological study, or title insurance fees
- on-farm equipment cost not to exceed commercial rates approved by COC.

Note: The net cost shall not include secondhand material or any other item that is determined by the approving authority to be ineligible for loan.

Continued on the next page

F
Larger Capacity Than Needed

When a storage structure has a larger capacity than the applicant's needed capacity, the net cost shall be prorated and the maximum loan amount computed as follows.

Step	Action
1	Divide the eligible net cost by the bushels of capacity.
2	Multiply the per bushel cost times the bushels of capacity for which the applicant is eligible.
3	Multiply the result times .85.

--Example:** Applicant proposes to build a 60,000 bushel storage bin. Net cost is $75,000. Eligible storage need is 50,000 bushels. Net cost per bushel is $1.25 ($75,000 divided by 60,000 bushels). Eligible net cost is $62,500 ($1.25 times 50,000 bushels). Maximum loan amount is $53,125 ($62,500 times .85).**--

G
Ineligible Space in a Flat Storage Structure

When a flat storage structure has space that is not used primarily for grain storage, such as office space, compute the maximum loan amount as follows.

Step	Action
1	Determine a factor for eligible space by dividing the square footage that is primarily used for grain storage by total square footage of the building.
2	Determine the total net cost of the building.
3	Multiply the result from step 2 times .85 and multiply that result times the factor from step 1.

Example: Applicant proposes to build a 75,000 square foot flat storage building. Net cost is $75,000. Eligible storage space is 74,000 square feet. Factor for eligible space is .99 (74,000/75,000). The maximum loan amount is $63,112.50 ($75,000 times .85 times .99).

H
Approvals

STC may:

- approve applications up to the maximum approval amount
- establish limits for COC approval authority
- establish a maximum per bushel limit for net cost.

Continued on the next page

15 Loan Amount and Loan Approvals (Continued)

I Approval Expiration

Loan approvals expire 4 months after the approval date, unless extended in writing for up to an additional 4 months by STC.

Note: See paragraph 123 for further details.

J STC Concurrence

STC or its representative shall:

•*--concur **before** disbursement with the first 3 applications disbursed each FY at an--* administrative County Office regardless of the amounts requested

Note: Additional reviews, including those following loan disbursement, may be conducted if determined necessary by STC.

- document concurrence in the loan folder on CCC-185, item 18 and CCC-195, items 22 and 23

Note: In CCC-195, item 23 indicate that this spot check was required under subparagraph 15 J.

- initiate corrective action where necessary.

16 Downpayment

A Minimum Downpayment

[7 CFR 1436.10] A minimum downpayment shall be:

- the difference between the net cost of the storage facility and the amount of the loan determined by paragraph 15

•*--made by the loan applicant to the supplier or contractor before the loan is disbursed.--*

B Allowances

The downpayment must be in cash. The cash may be the result of a loan. County Offices shall ensure that downpayments obtained from loans are accounted for when determining the borrower's capability of repaying a loan.

16 Downpayment (Continued)

C Exclusions

The downpayment shall not include any of the following:

- discount
- rebate
- credit
- deferred payment
- post-dated check
- promissory note to the supplier or contractor
- trade-in value.

17 Disbursement

A Inspection and Approval

[7 CFR 1436.11] CCC shall disburse the loan when the farm storage facility has been:

- delivered
- constructed
- assembled
- installed
- inspected and approved by a COC representative
- determined to be free of liens other than CCC's by a final lien search.

B Evidence of Total Cost

Disbursement will be made only if the borrower provides satisfactory evidence of the following:

- total cost of the facility
- payment of all debts on the facility in excess of the amount of the loan
- required downpayment.

C Joint Disbursement

Disbursements shall be made jointly to the borrower and the contractor or supplier.

Exception: Disbursement may be made to the borrower if the County Office determines the borrower has paid the contractor or supplier all amounts that are due and owing with respect to the facility.

18 Interest Rate

A
Rate

[7 CFR 1436.12] The interest rate for a loan shall be:

- the rate equivalent to Treasury securities of a comparable term in effect during the month of the loan approval
- in effect for the term of the loan.

B
Monthly Announcements

The interest rate will be announced each month by CCC.

19 Application Fee

A
County Office Action

County Offices shall:

- charge the loan applicant a nonrefundable application fee of $45
- collect the fee at time of application.

*** * ***

20-29 (Reserved)

Part 3 Publicizing FSFLP

30 Publicity Requirements

A State Office Action

--**State Offices are encouraged to publicize the availability of FSFLP by:**--

- providing press releases and fact sheets to regional news media within the State
- informing regional farm storage facility distributors about the basic provisions of FSFLP
- informing regional banks and other farm lending institutions about the basic provisions of FSFLP
- providing basic program provisions on the State Internet web site, if available.

B County Office Action

County Offices shall publicize, at least twice per calendar year, preferably well in advance of the storage season for applicable crops, the availability of FSFLP by:

- providing basic program provisions in:
  - periodic newsletters
  - press releases
  - radio announcements
  - the County Office Internet web site, if available
- informing local farm storage facility distributors about the availability of FSFLP
- informing local banks and other farm lending institutions about the availability of FSFLP.

31 Internet Web Sites

A Address for PSD Web Site

--**PSD shall provide FSFLP fact sheets at the Price Support page of the FSA web site at **http://www.fsa.usda.gov/FSA/newsReleases?area=newsrom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20050801_distr_en_fsflp05.html**.**--

B Forms Web Site

Forms are available from the FFAS Employee Forms Online Web Site at ***--http://intra3.fsa.usda.gov/dam/ffasforms/forms.html**.**--***

32-41 (Reserved)

Part 4 Accepting and Preparing Applications

Section 1 Applications and Supporting Information

42 Applications

A Initial Contact

When producers inquire or wish to apply for loans, County Offices shall explain the following requirements and provisions.

Topic	Reference
producer eligibility	paragraph 11
storage need	subparagraph 11 C
eligible storage facility types	paragraph 12
environmental evaluation and assessment	Part 4, Section 3
loan funding availability	subparagraph 115 A
security types and filing	paragraph 14
crop insurance, all peril structural insurance, and flood insurance	paragraph 58
interest rate	paragraph 18
maximum loan amount	paragraph 15
downpayment	paragraph 16
repayments	paragraph 150
compliance with local land use law	paragraph 59

42 Applications (Continued)

B Obtaining Forms and Filing Applications

Applicants:

- may obtain CCC-185 and other forms from the PSD web site to prepare applications
- must hand carry the application package to the County Office for discussion and submission
- shall not FAX signed applications.

C Accepting Applications

County Offices shall:

- ensure that all of the following forms are complete before accepting and processing the application:
  - CCC-185
  - supporting documents
- collect the application fee before accepting the application
- for accepted applications missing information, notify the applicant in writing granting 15 workdays to provide missing information. If no response, refer the application to COC for disapproval. Provide the appeal rights.

D Preparing CCC-185

County Offices shall:

- prepare manual CCC-185 for producer's signature and for data entry purposes unless sufficient information is available to prepare CCC-185 in APSS

•***--**enter CCC-185 in APSS according to paragraph 317.

Notes: It is very important to enter CCC-185 into APSS as soon as the producer has provided sufficient information. Additional FSFL apportionments may be necessary to cover obligations. Entering CCC-185's in APSS in a timely manner is imperative so that the additional apportionments can be obtained, if needed.**--***

CCC-185-1 is available on the FFAS Employee Forms Online Web Site to use if additional lines are necessary to list all of an applicant's farms and commodities in determining storage needs.

42 Applications (Continued)

E Instructions for Preparing the Manual CCC-185

Prepare the manual CCC-185 according to the following instructions.

Item	Instructions
1A	Enter State code.
1B	Enter county code.
1C	Leave blank until a number is assigned by APSS, unless this will be a manual CCC-185, because software is not available. Manual application numbers consist of a 4-digit FY, followed by a forward slash, followed by a 97000 series beginning with 97001.
2A	***--**Enter exact name and exact address of the loan applicant and any co-applicant.**--***
2B	Enter identification number applicable to name or entity applying.
2C	Enter telephone number of the applicant.
3	Enter amount requested for the loan based on accurate estimates of net costs of eligible materials. The amount should equal the lesser of net cost times 85 percent or net cost minus the downpayment. Attach an itemized list showing cost breakdown of storage, drying or handling items, and materials and labor for installation.
4	Explain the purpose of the loan. **Example:** To purchase and construct a 50,000 bushel grain storage bin with aeration floor and grain spreader.
5A	Enter all FSN's where eligible facility commodities are produced and require storage ***--**at the proposed storage location. County Offices may print CCC-185-1, if needed, from the FFAS Employee Forms Online Website to list additional farms and commodities in determining storage needs on a manual CCC-185.**--*** **Note:** See subparagraph 11 C for policy on determining storage need.
5B	Enter facility loan commodities that are produced on the farm. If a facility loan commodity will be grown for the first time, it may be entered. See 2-LP Grains and Oilseeds for specific crop codes.
5C	Enter up to a 3-year average acreage calculated from the 3 most recent acreage reports. Use whatever year is available if 3 years of data is not available. If a facility loan commodity is being planted for the first time, or a farm is newly acquired but crops are yet to be planted, enter a reasonable projected acreage. If the storage need is for silage, enter the acreage harvested as silage.
5D	Enter a yield per acre that is determined to be reasonable by COC for each facility loan commodity. Indicate yields for each commodity using the same unit of measure.

42 Applications (Continued)

E Instructions for Preparing the Manual CCC-185 (Continued)

Item	Instructions
5E	Leave blank until application is entered into APSS, or multiply item 5C times item 5D for each facility loan commodity on each farm listed.
5F	Total the amounts in item 5E.
5G	Multiply item 5F times 2.
5H	Enter applicable existing storage that is used for the commodities to be stored. **Example:** Storage is proposed for wheat and dry shelled corn. Do not consider existing capacity for ear corn, corn silage, or high moisture corn.
5I	Subtract item 5H from item 5G. Result is additional capacity needed.
5J	Enter the capacity of the proposed structure.
5K	Enter the result of item 5I minus item 5J. If the result is negative, follow subparagraph 15 F to prorate net cost. If the result is zero or positive, no further action is required.
6	Check whether the facility has been purchased or will be purchased. Obtain copies of all invoices and contracts if facility has been purchased.
7	Enter from whom the facility equipment will be or was purchased.
8	***--**Check whether the facility equipment was erected or will be erected. If the facility equipment has been erected, see subparagraph 10 D.
9	Enter who will construct the facility equipment.
10	Enter date the facility equipment was or will be delivered to the proposed site.
11	Enter a description for the site where the facility equipment will be erected to--***** be used on financing statements.
12A	Enter the name of the owner of the real estate if other than the applicant.
12B	Enter any applicable real estate lien information. If there are no lien holders, Enter “none” and obtain applicant’s initials and date.
13	Applicant certifies for DCIA compliance by checking “yes” or “no”.
13A & B	Signature of applicant/contact producer and date signed.
13C & D	Signature of co-applicant and date signed. *** * ***

42 Applications (Continued)

F Loan Folders

County Offices shall:

- prepare a separate 6-position or similar folder for each CCC-185
- file all applicable documents in the folder
- safeguard the original CCC-186 and security documents in a custody file
- according to 25-AS.

G Example of Manual CCC-185

*--Following is an example of a manual CCC-185, page 1.

This form is available electronically.

Form Approved - OMB No. 0560-0204

CCC-185
(08-20-01)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

LOAN APPLICATION AND APPROVAL FOR FARM STORAGE AND DRYING EQUIPMENT LOAN PROGRAM

Privacy Act and Public Burden Statements on Page 2

FOR COUNTY USE ONLY

1. LOAN IDENTIFICATION NUMBER

A. State Code	B. County Code	C. Loan No.
36	123	2007/00001

2A. Name and Address of Loan Applicant *(Including ZIP Code)*
Clark Farm, Inc.
282 State Route 245
Penn Yan, NY 14527

2B. Tax Identification Number
16 189420

2C. Telephone Number *(Including Area Code)*
(315) 536-8989

3. Requested Loan Amount
$ 40,254.00

4. Purpose of Loan *(For example, loan to purchase, construct, erect, install or remodel the farm storage facility.)*
Construct 2 - 15,000 Bu grain storage bins with grain spreader and motor, inside and outside ladders, perforated floor with aeration system and motor installed on concrete foundation to store corn and soybeans.
See attached list.

5. Facility Equipment described in Item 4 needed for the storage, drying, or handling of the estimated production of the listed commodities on the farm.

A. Farm Number	B Commodities	C. Acres		D. Yield Per Acre		E. Total Production for Each Commodity *(Item 5C times Item 5D = Item 5E)*
999	Corn	100	X	100	=	10,000
1652	Corn	100	X	100	=	10,000
452	Corn	80	X	100	=	8,000
888	Corn	80	X	100	=	8,000
1000	Corn	40	X	100	=	4,000
999	Soybeans	100	X	40	=	4,000
1652	Soybeans	100	X	40	=	4,000
				F. Total Production from Item 5E. ➡		56,000
				G. Total Estimated Production Times 2 (Item 5F *times* 2) ➡		112,000
				H. Existing Capacity ➡		40,000
				I. Additional Capacity Needed ➡		72,000
				J. Capacity of Proposed Storage Structure Described in Item 4. ➡		30,000
				K. Eligibility and Proration Indicator (Item 5I *minus* Item 5J) ➡		42,000

6. Date Facility Equipment Purchased or Tentative Purchase Date *(MM-DD-YYYY)*
10/24/06

7. Name of Company Where Facility Equipment Was Purchased
Acme Grain Systems Company

8. Date Facility Equipment Erected or Installed Or Tentative Date to Erect or Install *(MM-DD-YYYY)*
11/01/06

9. Name of Company That Erected or Installed the Facility Equipment
Acme Grain Systems Company

10. Date Facility Equipment Was/will Be Delivered to the Farm *(MM-DD-YYYY)*
10/31/06

11. Location of Real Estate on Which Facility Equipment Was/will Be Erected or Installed
13 miles west of Penn Yan, New York on State Road 245

12A. Name of Owner of Real Estate in Item 11 *(If Other than Applicant)*
Richard Clark

12B. Lien Information *(Name of Person Having a Lien or Interest in The Real Estate.)*
Federal Land Bank of Springfield

13. APPLICANT'S CERTIFICATION

The Applicant certifies that the statements made on this application are true, complete and correct to the best of the applicant's knowledge and belief, and made in good faith to obtain a loan. Section 1001 of Title 18, United States Code provides for criminal penalties to those who provide false statements on loan applications.

Are you or any co-applicant delinquent on any federal non tax debt? *(If YES, provide details in the remarks)* ☐ YES ☒ NO

A. Signature of Applicant
/s/ Richard Clark, President

B. Date of Application *(MM-DD-YYYY)*
10/24/06

C. Signature of Co-applicant

D. Date of Application *(MM-DD-YYYY)*

Page 1 of 2

--*

42 Applications (Continued)

*--H Instructions for Preparing the Manual CCC-185-1

CCC-185-1 is only used when additional lines are needed to list additional farms and commodities in determining storage needs. Prepare the manual CCC-185-1 according to the following instructions.

Item	Instructions
1A	Enter State code.
1B	Enter county code.
1C	Leave blank until a number is assigned by APSS.
5A	Enter all FSN's where eligible facility commodities are produced and require storage at the proposed storage location.
5B	Enter facility loan commodities that are produced on the farm.
5C	Enter up to a 3-year average acreage calculated from the 3 most recent acreage reports. **Note:** Use whatever year is available if 3 years of data is not available.
5D	Enter a yield per acre that is determined to be reasonable by COC for each facility loan commodity.
5E	Multiply item 5C times item 5D for each facility loan commodity on each farm listed. Add all item 5E lines together, enter total of this column on the bottom line, and include total in item 5F on CCC-185, page 1.
	The debtor and co-debtor must initial and date at the bottom of CCC-185-1.

--*

42 Applications (Continued)

*--I Example of Manual CCC-185-1

Following is an example of a manual CCC-185-1.

This form is available electronically. Form Approved - OMB No. 0560-0204

CCC 185-1 (10-19-06) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

LOAN APPLICATION AND APPROVAL FOR FARM STORAGE AND DRYING EQUIPMENT LOAN PROGRAM CCC-185 CONTINUATION SHEET

FOR COUNTY USE ONLY

1. LOAN IDENTIFICATION NUMBER

A. State Code	B. County Code	C. Loan Number
36	123	2007/00001

5. Facility Equipment described in Item 4 needed for the storage, drying, or handling of the estimated production of the listed commodities on the farm.

A. Farm Number	B. Commodities	C. Acres		D. Yield Per Acre		E. Total Production for Each Commodity (Item 5C x Item 5D = Item 5E)
452	Soybeans	80	X	40	=	3,200
888	Soybeans	80	X	40	=	3,200
1000	Soybeans	40	X	40	=	1,600
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
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			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
		Total: Include this amount in Item 5F, Form CCC-185 ➡				8,000

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436, Title 7, Code of Federal Regulations and the Commodity Credit Corporation Charter Act, 15 U.S.C. 714 et. seq. The information will be used to determine eligibility for CCC financing for farm storage and drying equipment Furnishing the requested information is voluntary, however, without it CCC financing under the program cannot be provided. This information maybe provided to other agencies enforcing the provisions of the Act, IRS, Department of Justice, or other State and Federal law enforcement agencies and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, maybe applicable to the information provided.*

According to the Paperwork Reduction Act of 1995 an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 2 minutes per response, including the time for reviewing instructions searching existing data sources gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

Debtor's Initials: RC Date Initialed: 10-24-06

Co-Debtor's Initials: _____ Date Initialed: _____

--*

43 Processing an Application

A County Office Action

County Offices shall process an application as follows.

Step	Action
1	Collect the $45 application fee and accept a complete application.
2	Conduct a lien search when there is a sufficient description of equipment, and file financing statement on the collateral.
3	For loans where a real estate lien is required, inform the applicant that he or she must obtain a CCC-approved attorney or a title company for title clearance. The attorney or a title company should perform all lien searches. For loans where a real estate lien is not required, County Offices shall conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility to determine whether severance agreements must be obtained.
4	Determine the storage need for increased storage capacity based upon existing storage availability and cropping history.
5	Obtain and analyze a credit history report.
6	Complete a financial analysis to verify applicant has financial ability to provide downpayment and to pay future installments.
7	Obtain CCC-190 for waivers of prior liens on collateral such as the storage structure, if applicable.
8	Obtain CCC-297 from holders of liens on real estate underlying the intended storage facility, including the borrower. CCC-297 shall be filed with the appropriate county real estate records before loan closing.
9	Verify that aggregate outstanding FSFLP balance for each borrower is less than or equal to $100,000.
10	Verify compliance with DCIA of 1996.
11	Complete FSA-850. Verify whether the site is located in a flood hazard area and if flood insurance is necessary, complete FEMA 81-93.
12	Verify compliance with National Historic Preservation Act.
13	Obtain proof of multi peril crop insurance.
14	Verify compliance with HEL and WC provisions.
15	Verify compliance with local land-use laws.
16	Verify that applicant has not been convicted of growing controlled substances.

43 Processing an Application (Continued)

B Using CCC-195

CCC-195 was developed to assist State and County Offices to avoid the types of errors that have been found by COR reviews. See subparagraph C for an example of CCC-195. CCC-195 is required to be completed for all FSFL's. It is **not** the intent of CCC-195 to supercede or replace procedure. County Offices should use CCC-195 as a reminder of the most frequently "erred" determinations when preparing FSFL applications.

State Offices shall:

- ***--**only as necessary to incorporate individual State laws, modify CCC-195 for State use by using the blank lines provided on CCC-195 or by further editing the document in Microsoft Word

  Note: The current version of CCC-195 is available on FFAS Employee Forms Online Web Site.

- e-mail State CCC-195's that differ from the national CCC-195 to **deann.allen@wdc.usda.gov** for National Office approval

- issue only National Office approved CCC-195 to County Offices.**--***

County Offices shall:

- prepare CCC-195 received from the State Office for each FSFL that was not disbursed as of the date of receipt of CCC-195

- maintain CCC-195 in each FSFL folder

- check, initial, and date the appropriate box for each item as it is performed

- check, initial, and date the appropriate box for items that are not applicable

- ensure that all required signatures are on CCC-195, item 20 at loan disbursement.

  Note: For those FSFL's not disbursed at the time the most current revision of CCC-195 is posted, attach a copy of the most current CCC-195 to the partially completed CCC-195. Obtain signatures on CCC-195, item 20 at loan disbursement.

43 Processing an Application (Continued)

C Example of CCC-195

Following is an example of CCC-195.

*--

This form is available electronically.

CCC-195 (02-27-08) USDA CCC	1. Name of Applicant	
FARM STORAGE FACILITY LOAN (FSFL) PROCESSING CHECKLIST	2. Date of Application *(MM-DD-YYYY)*	3. Loan No.
	4. State Office Name	5. County Office Name

6. Office Staff Actions:	Applicable References (1-FSFL)	YES	NO	Initials	Date
A. Discuss key program provisions with applicant including provision that application must be approved before construction.	*Subparagraph 42A*				
B. Complete **all items on** front side of manual CCC-185 (Loan Application and Approval for Farm Storage and Drying Equipment Loan Program) or prepare CCC-185 in APSS. Applicant must initial Item 12B, if applicable, and answer DCIA question in Item 13.	*Subparagraph 42E*				
C. Collect application fee of $45.00. Deposit immediately through accounting.	*Subparagraphs 19A and 291*				
D. Obtain copy of contracts, cost breakdown, or estimates for all proposed work.	*Subparagraphs 10C and 42E*				
E. Obtain copy of site plans, if available.	*Subparagraph 10C*				
F. Obtain copy of any building permits or zoning variances, if applicable.	*Subparagraphs 11A and 59A*				
G. Obtain proof of crop insurance or if sales period is over, ensure waiver statement for current year is in remarks of CCC-185.	*Subparagraphs 11A and 58A*				
H. Obtain actual expenses from most recent year available.	*Subparagraph 44D*				
I. Obtain financial statement that is less than 90 days old on FSA-2037, FSA-2038 or similar form.	*Paragraph 44*				
J. Obtain verification of debts and assets, if applicable, using FSA-2015 (Verification of Debts and Assets).	*Subparagraph 44F*				
K. Obtain legal description of parcel(s) of land to be offered as security, such as described on a tax bill.	*Paragraph 14*				
L. Obtain legal description of parcel facility will be placed on (if different than land offered for security).					
M. Remind applicant that all peril insurance, listing CCC as loss payee, and possibly, flood insurance, on the structure and equipment will be required.	*Subparagraphs 58F and 58G*				
N. Remind applicant that if real estate is required to secure the loan, title insurance or a title opinion will be required. This may result in attorney fees that must be paid by the applicant for title clearance and loan closing.	*Subparagraph 115B*				
O. Remind applicant that: • delivery, site preparation and construction cannot begin until after the loan is approved.	*Subparagraph 10D*				
• loans cannot be disbursed **until construction is complete**, final net cost is determined, and the facility is inspected.	*Paragraph 17*				
P. Discuss filing and recording fees and who pays each fee.	*Subparagraph 14*				
Q. Obtain CCC-10 (Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to file a Financing Statement and Related Documents) if a current one is not on file.	*Paragraph 49*				
R. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	*1-CM, Part 25*				

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43 Processing an Application (Continued)

C Example of CCC-195 (Continued)

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CCC-195 (02-27-08) Page 2 of 5

7. Office Staff Actions:	Applicable References (1-FSFL)	YES	NO	Initials	Date
Office Staff Verifications of Eligibility and Application Processing:					
A. Prepare a 6-position or similar folder for each CCC-185.	*Subparagraph 42F*				
B. For applications lacking required information, notify applicant in writing.	*Subparagraph 42C*				
C. CCC-502's reviewed to determine number of entities and loan limit per entity.	*Subparagraphs 11B and 11C*				
8. Eligibility:					
A. Verify DCIA compliance by checking applicant certification on CCC-185 and CCC or FSA Claims records.	*Subparagraph 46C*				
B. Verify HEL and WC compliance with copy of the most current AD-1026 (Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) and AD-1026A (Supplemental to AD-1026 (Continuation).	*Subparagraph 11A*				
C. Verify compliance with any zoning ordinances or building permits.					
D. Verify proof of crop insurance.	*Subparagraphs 11A and 58A*				
E. Review applicable flood maps and prepare FEMA-81-93. Notify applicant if flood insurance will be required.	*Subparagraphs 11A, and 58G*				
F. Verify compliance with controlled substance provisions by checking the controlled substance field in the producer's eligibility record.	*Subparagraph 11A and 2-PL, Paragraph 50 1-CM, Part 30*				
G. Verify the completion of CCC-770 Eligibility Checklist for this producer(s) or entity. Need not be for current year if no changes were applicable.					
9. Lien Searches and Filing UCC's:					
A . Complete lien search for all UCC's and any judgements. Conduct real estate lien search to determine need for severance agreements. (Document on Form FSA-2360.)	*Paragraphs 47 and 48*				
B. File UCC financing statement on collateral as soon as description is available.	*Paragraph 47*				
C. Obtain lien waivers on CCC-190 (Farm Storage Facility Loan Program Lien Waiver), if applicable.					
10. Environmental and Historic Reviews:					
A. Notify State Historic Preservation Officer according to guidelines in applicable EQ directives. Notify Fish and Wildlife Service of proposed action, if applicable.	*Subparagraph 72L*				
B. Visit the site **before** site preparation and complete FSA-850 (Environmental Evaluation Checklist).	*Paragraphs 71 and 75*				
C. Complete FSA-851 (Environmental Risk Survey Form) for loans secured by real estate.	*Subparagraph 75D*				
D. Conduct further reviews as required, such as Class II Environmental Assessments.	*Paragraph 75*				
11. Determine Loan Amount, Storage Need and Equipment Eligibility:					
A. Determine maximum loan amount. Verify aggregate outstanding balance does not exceed $100,000 for each borrower signing CCC-186 (Promissory Note and Security Agreement).	*Paragraph 15*				
B. Review CCC-185 and verify storage need.	*Subparagraph 11C*				
C. Verify eligibility of proposed structure and equipment.	*Paragraph 12*				

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43 Processing an Application (Continued)

C Example of CCC-195 (Continued)

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CCC-195 (02-27-08) Page 3 of 5

12. Office Staff Actions:	Applicable References (1-FSFL)	YES	NO	Initials	Date
Creditworthiness:					
A. If applicant is a business entity, order applicable credit report.	*Paragraph 46*				
B. If applicant is an individual, order applicable credit report.					
C. Determine credit worthiness by reviewing credit reports.					
13. Ability to Repay: Individual with FLP Loan approval authority shall:					
A. Review a balance sheet cash flow plan for the current year showing that a 15% down payment is available.	*Subparagraph 44D*				
B. Review a balance sheet and cash flow plan showing that there are funds available to pay the first installment amount.	*Subparagraph 44E*				
C. Prepare recommendation for COC, indicating whether applicant is creditworthy and has ability to make down payment and pay future installments.	*Subparagraph 101E*				
14. Collateral Security:					
A. Determine need for severance agreements and/or subordinations.	*Paragraphs 118 and 119*				
B. Prepare a recommendation to COC for collateral security requirements and present prior to approval.	*Paragraphs 14 and Subparagraph 101A*				
C. Determine if applicant has other outstanding FSFL's. If the total outstanding loan balance with this loan exceeds $50,000, additional security is required.	*Subparagraph 14C*				
15. County Committee Determinations to be Documented in Executive Meeting Minutes:					
A. Date of Executive Meeting Minutes (date: _____)	*Subparagraph 101B*				
B. Applicant meets all eligibility requirements, including creditworthiness and ability to repay.	*Paragraphs 44 and 46 and Subparagraph 101A*				
C. Proposed facility or renovation is eligible and needed.	*Subparagraph 101A*				
D. Yields and acreage used to calculate storage need are reasonable.					
E. Environmental conditions of the site do not place CCC at risk.					
F. Type of collateral security required. Enter on CCC-185, item 17.	*Subparagraphs 101A and 102A*				
G. Approved or denied by signature on reverse of CCC-185. If denied, enter zero in item 14A.	*Subparagraph 102B*				
H. Enter conditions of approval, such as all peril insurance or flood insurance, in CCC-185 remarks section.	*Subparagraph 101A and Paragraph 102*				
I. If the application is one of first 3 received each FY or because of STC policy, refer application to STC.	*Subparagraphs 15J, and 101C*				

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43 Processing an Application (Continued)

C Example of CCC-195 (Continued)

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CCC-195 (02-27-08) Page 4 of 5

16. Office Staff Actions:	Applicable References (1-FSFL)	YES	NO	Initials	Date
Approval Processing by Office Staff:					
A. Record approval and funding through APSS.	*Paragraph 331*				
B. When notified of funding, issue approval letter. Enter date approval letter is issued, on CCC-185, Item 14D. Distribute CCC-185, according to subparagraph 102C.	*Subparagraphs 102A and 116A, Paragraphs 319 and 332*				
C. Monitor approval expiration date. Obtain and act on requests for extension of approval, if applicable.	*Paragraph 123*				
D. If applicable, issue disapproval letter.	*Subparagraph 116B*				
E. File UCC financing statement on collateral if not already filed.	*Paragraph 47*				
F. Request Severance Agreements on CCC-297 (Severance Agreement), or Subordination Agreements on CCC-194 (Farm Storage Facility Loan Subordination Agreement (Lien on Real Property) or other form provided, if necessary.	*Paragraphs 118 and 119*				
G. For loans to be secured by real estate, provide borrower with letter to select title company and legal services	*Subparagraph 117A*				
H. For loans where borrower selects an attorney for title clearance, obtain completed CCC-296 (Farm Storage Facility Loan Program Certification of Attorney) from attorney.	*Subparagraph 117B*				
I. For loans where borrower selects an attorney for title clearance, obtain completed CCC-299 (Title Opinion - Farm Storage Facility Loan Program) from attorney.	*Subparagraph 117C*				
J. Obtain evidence of final net cost and compute final loan amount. be sure: ● 15% minimum down payment amount has been paid to each supplier ● evidence of cost is date stamped by County Office ● seller has signed evidence of cost ● copy of original documents are retained in the loan folder	*Subparagraphs 16A and 17B, Paragraph 121*				
K. Obtain release of liability on CCC-191 (FSFL Program Release of Liability) from all contractors submitting bills.	*Subparagraph 121E*				
L. Obtain proof of all peril insurance (CCC as loss payee), crop insurance, and current real estate tax.	*Subparagraphs 58F and 115A*				
M. Inspect the complete facility and document results on CCC-295A (Farm Storage Facility Loan Program Final Inspection of Facility Before Loan Disbursement).	*Paragraph 122*				
N. For loans not secured by real estate, confirm a loan closing date with applicant.	*Subparagraph 115A*				
17. Prepare for Closing:					
A. For loans secured by real estate, send transmittal of title information.	*Subparagraphs 117C and 117 D*				
B. Review Title Opinion and update security requirements, if needed.					
C. Adjust funding obligation (if needed).	*Paragraphs 333 and 334*				
D. Verify UCC's, severance agreements, and subordinations have been filed and recorded.	*Paragraphs 118 and 119*				
E. If applicable, obtain equipment lien waivers, on CCC-190, before loan is disbursed.	*Paragraph 47*				

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43 Processing an Application (Continued)

C Example of CCC-195 (Continued)

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CCC-195 (02-27-08) Page 5 of 5

18. Office Staff Actions:	Applicable References (1-FSFL)	YES	NO	Initials	Date
Closing Loans Not Secured by Real Estate:					
A. Prepare CCC-186 Promissory Note and Security Agreement.	*Subparagraph 115A and Paragraph 346*				
B. Obtain borrower signatures. Obtain signature of CCC representative with authority to sign.	*Subparagraph 2F Paragraph 136*				
C. Disburse loan funds. If suppliers have not been paid, issue joint check. Unless payment by EFT, follow note in subparagraph 347B to issue check.	*Paragraph 347 Subparagraph 17C*				
D. FSA-211 or acceptable documentation on file in county office for any Individual signing in a representative capacity.	*1-CM, Part 25*				
19. Closing Loans Secured by Real Estate:					
A. Issue closing notification to borrower.	*Subparagraph 117E*				
B. Prepare CCC-186 Promissory Note and Security Agreement.	*Subparagraph 115B and Paragraph 346*				
C. Prepare checks. See note in subparagraph 347B to issue check.	*Subparagraphs 122D, 17C and Paragraph 347*				
D. Prepare Real Estate Mortgage for FSFL Program on CCC-193 or FSFL Deed of Trust on CCC-193D.	*Paragraph 119*				
E. Issue closing instruction letter with applicable documents and CCC checks to closing agent.	*Subparagraph 117F*				
F. Receive loan closing statement from closing agent.					
G. FSA-211 or acceptable documentation on file in county office for any Individual signing in a representative capacity.	*1-CM, Part 25*				

Certification:

20A. Signature of Preparer(s)	20B. Date *(MM-DD-YYYY)*

21A. I concur/do not concur the above items have been verified and updated.	☐ Concur ☐ Do Not Concur
21B. CED Signature (Required for all Loans.)	21C. Date *(MM-DD-YYYY)*
22A. I concur/do not concur the above items have been verified and updated.	☐ Concur ☐ Do Not Concur
22B. DD Signature for Spotcheck	22C. Date *(MM-DD-YYYY)*

23. Remarks

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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43 Processing an Application (Continued)

D Instructions for CCC-195

Complete CCC-195 according to the following.

Item	Instructions
1	Enter the name of applicant. If a joint loan, a separate CCC-195 is required for each applicant.
2	Enter the date CCC-185 is signed.
3	Enter the APSS-assigned loan number which is FY and loan number.
4	Enter the State where facility equipment will be located.
5	Enter the county where facility loan will be processed.
6A through 19G	*--For each item listed, check (✓) either "Yes" or "No". Employee--* completing the action shall initial and date. If item is not applicable to this loan, ENTER "N/A" in "NO" column. Employee determining that action is not applicable, shall also initial and date.
20A	Any County Office employee who initials in items 6 through 19 shall sign as the preparer. By signing as the preparer, this does **not** insinuate that an employee checked items 6 through 19, only that this employee completed an item that was initialed by that employee.
20B	The County Office employee who signs item 20A shall enter the current date.
21A	CED or designated representative shall indicate whether or not they concur with how items 6 through 19 are completed. CED or designated representative shall review this CCC-195 for all FSFL's.
21B	CED or designated representative who completed item 21A shall sign.
21C	CED or designated representative who signed item 21B shall enter the current date. **Note:** If CED was 1 of the preparers who completed items 20A and B, CED shall **not** complete this section. DD shall complete items 22A through C for all of these loans. **In this instance only**, items 21A through C are to be left blank.**--***
22A	When applicable, DD shall indicate whether or not they concur with how items 6 through 19 are completed. See paragraphs F and G for DD spot check procedure.
22B	DD who completed item 22A shall sign.
22C	DD who signed in item 22B shall enter the current date.
Remarks	Enter remarks, if applicable.

43 Processing an Application (Continued)

E CED CCC-195 Spot Checks

CED shall:

- *--review and check (✓) "Concur" or "Do Not Concur" with the completion of **all** CCC-195's by his signature and date, in items 21A through C

  Note: If CED was 1 of the preparers who signed and dated items 20A and B, CED shall **not** complete items 21A through C. DD or STC designee shall complete items 22A through C for all of these loans.

- report to COC and the STC representative any CCC-195's when "Do Not Concur" has been checked.

F State Office Spot Check Selection

STC designee shall, in each County Office, each FY:

- select, at a minimum, the following for spot check:

  - five CCC-195's, if 10 or less CCC-195's have been completed
  - seven CCC-195's, if 11 through 1,000 CCC-195's have been completed

- use the FSFL spot check register query, listing all FSFL's disbursed during the FY, in selecting loans

  Note: This query will soon be available for County Offices to run and instructions will be issued.

- spot check CCC-195 on FSFL's disbursed for all FSA employees including STC's and COC's.--*

43 Processing an Application (Continued)

G STC or Designee Spot Checks

STC or designee shall:

- spot check determinations selected by the State Office
- complete CCC-195, items 22A, B, and C, checking the "Concur" or "Do Not Concur" box for the selected determination, signing and dating
- submit the results of the spot checks to SED.

Note: STC or designee shall still follow subparagraph 15 J and spot check the first 3 *****--applications disbursed each FY at the administrative County Office before--***** disbursement. CCC-195, items 22A through C are to be completed for these 3 loans and are to be included in the number of CCC-195's spot checked.

H National Report

*****--SED's shall report the following by State to PSD as of September 30 of each FY:--*****

- the number of CCC-195's spot checked by CED, DD, or STC designee
- the number of CCC-195's spot checked by STC, or designee
- the number of "Do Not Concur" signed by CED, DD, or STC designee
- the number of "Do Not Concur" signed by STC or designee.--*****

Reports are due to PSD by October 31, of the new FY.

44 Financial Planning

A Obtaining Balance Sheets and Cash Flow Statements

--**County Offices shall use FSA-2037 and FSA-2038 or similar forms, prepared by either the borrower or a financial institution within the last 90 calendar days to determine:**--

- that the applicant has the financial ability to make the downpayment
- that the applicant has the financial ability to timely repay the loan
- whether COC should approve or disapprove the loan
- the level of collateral security needed.

B Acceptable Balance Sheets and Cash Flow Statements

County Offices shall use 1 of the following to make the determinations in subparagraph A:

- FSA-2037 and FSA-2038 available at the FSA eForms web site at **http://forms.sc.egov.usda.gov/eforms/mainservlet**

- a balance sheet and cash flow statement approved for use in the State

- a balance sheet and cash flow statement that provides all the information necessary to make the determinations in subparagraph A.

Note: Existing plans used for FLP may be used, but **mus**t be revised to plan for FSFLP debt. FLP staff **must** be consulted before any revisions to existing plans take place.

C Situation Where a Cash Flow Statement Is Not Necessary

Employees performing financial analysis may waive analysis of cash flow and accept only a balance sheet meeting the requirements of subparagraphs A and B from FSFL applicants when all of the following conditions apply:

- the loan amount will be $10,000 or less
- review of the balance sheet indicates that the applicant has:

  - enough funds for the required FSFL downpayment
  - sufficient probable cash flow to pay the required FSFL installments.

44 Financial Planning (Continued)

D Planning for Downpayment

County Offices shall prepare or obtain a plan for the applicant's current FY:

- using actual expenses, if available
- showing enough cash available to make the required downpayment.

E Planning for Future Installments

County Offices shall:

- prepare a projected plan for the applicant's FY in which the first loan installment is due showing the:
  - total cost of the storage facility
  - approximate amount of the loan
  - projected installment amount for the loan
- determine if the applicant has a feasible plan.

F Obtaining Verification of Debts and Assets

County Offices shall:

- verify debts and assets only when debt and asset information provided by the applicant is determined to be incorrect
- if applicable, prepare FSA-2015 for each applicant creditor according to the instructions on FSA-2015.
- before requesting information on FSA-2015 from applicant's creditors, have the applicant sign FSA-2004 to give FSA the authority to verify their debts and assets.

  Note: FSA-2004 shall be filed in the loan folder.

G Financial Analysis

The financial analysis of an FSFL applicant shall be performed by either an FLP or County Office employee with loan approval authority. A recommendation for approval or disapproval, based on the applicant's credit history and financial information, shall be provided to COC.

*--45 Credit History and Credit Reports

A Obtaining Credit Reports

State or County Offices shall:

- request credit reports for all FSFL applicants only from the credit reporting agency under contract with CCC
- obtain a current report of the FSFL applicant's credit history
- ensure that only FSFL credit reports are requested from the agency under contract to supply CCC with FSFL credit reports
- **not** collect the cost of the report from the applicant
- request credit reports in a timely manner
- ensure that reports requested for another County Office are processed timely and immediately sent to the requesting office.

Note: FLP Farm Business Plan shall not be used to obtain FSFL credit reports.

B Analyzing Credit History Reports

County Offices shall:

- analyze credit reports to detect:
  - patterns of late payments or nonpayments
  - bankruptcy and foreclosures
  - heavy use of short-term or high-interest loans or credit cards
- use pertinent information from the financial statements and credit history reports to prepare recommendations to COC.
- protect the hard copy of the credit report according to PII policy.**--***

*--45 Credit History and Credit Reports (Continued)

C Available Credit Reports

Credit reports will be available for the following FSFL applicants:

- individual – 1 specific person who is solely responsible for their debts
- joint – 2 **married** individuals who, according to the law in a specific State, jointly own assets and are responsible for the debts of each other
- entity – legal entities doing business as any of the following:
  - corporation
  - limited liability corporation or company
  - limited and general partnerships
  - trusts
  - estates.

  Note: State and County Offices requesting entity credit reports shall also request individual or joint "Express 3 Bureau" reports for the members of the entity.

Notes: Unless States have been notified in writing by their Regional OGC, use the "**Joint**" search option if husbands and wives on the same application are searched.

Make certain the correct legal name and address is entered when requesting a credit report. CCC is charged for each request submitted even if the information is not correct. This includes typos.

When requesting any type of credit report, **only click "submit" once**.

Turn off the pop-up blockers before going on the designated site to request a credit report.

D Centralized Payment

Payments for all FSFL credit reports will be made to the approved contractor from the **FSA National** Office. State and County Offices shall **not** pay for credit reports.

E Monthly Reconciliation of Credit Report Bill

Before the National Office is able to pay the bill for FSFL credit reports requested the previous month, the entire bill must be reconciled.

Each month, authorized State and County Offices submitting requests for FSFL credit reports are required to provide to PSD, through the State Offices, the following information to aid in reconciliation:

- State
- county
- names of credit reports requested
- date of each request
- type of each request – individual, joint, or entity
- FSFL number including year.**--***

46 * * * Federal Delinquent Debt Reports

*** * ***

A Delinquent Federal Debt Reports

County Offices shall:

- identify producers who are delinquent on Federal debts according to DCIA of 1996
- require FSFL applicants to certify to DCIA compliance on CCC-185
- not approve FSFL loans for delinquent Federal debtors, except when they may become nondelinquent before the loan is disbursed.

--B Delinquent Federal Debt Reports for Entities--

For borrowers that are entities, such as corporations and partnerships, and a member of this entity is determined to be delinquent, County Offices shall:

- not determine that the borrowing entity is ineligible for FSFL
- offset the delinquent member’s pro rata share of the loan if the member is delinquent at the time the loan is to be disbursed
- apply the offset amount to the delinquent debt.

47 Obtaining and Filing UCC Financing Statements

A County Office Action

County Offices shall:

- if applicable according to State law, obtain the applicant's signature on the applicable manual UCC form at the time of application and before the farm storage equipment is delivered to the farm

- prepare manual or electronic UCC forms according to State law as soon as an adequate description of the collateral is available using data from a current CCC-10 prepared according to paragraph 49

- perform a lien search or pay for lien searches to determine that no other liens are filed on the collateral

- document the lien search on FSA-2360 or similar form

- obtain lien waivers on CCC-190 if other liens are found on the collateral

- file UCC forms according to State law before, or as soon as possible after, the equipment is delivered to the proposed location

- pay filing or recording fees

- file UCC continuation forms **before** original UCC forms expire.

48 Federal Judgement Liens

A
Background

U.S.C. Title 28, Section 3201, enacted in 1999, provides that a debtor with a judgement lien against the debtor's property as a result of debt to the United States shall not be eligible to receive any grant or loan which is made by the Federal Government until the judgement is paid in full or otherwise satisfied.

B
Outstanding Federal Judgement Liens

The FSFL applicant and anyone who will sign CCC-186 shall not have any outstanding unpaid judgements liens obtained by the United States in any court.

Exception: Such judgements do not include those filed as a result of action in the United States Tax Courts.

C
County Office Action

County Offices shall:

- perform searches of recorded judgement dockets and applicable real estate records to identify applicants who may have outstanding Federal judgement liens
- not approve FSFL applications for applicants who have unresolved Federal judgement liens filed against them
- continue loan processing if applicants prove they have satisfied Federal judgement liens
- not use FSFL proceeds to pay Federal judgement liens.

49 Completing CCC-10

A Applicability

Producers applying for FSFL loans at USDA Service Centers are required to provide specific information on CCC-10. CCC-10 will:

- serve as CCC or FSA's notice of intent to perfect its security interest
- identify the debtor's exact full legal name, and if the debtor is an entity, the type and location of the entity
- identify the jurisdiction in which CCC will conduct lien searches
- authorize CCC to file financing statements before executing a security agreement.

B Obtaining Authorization

County Offices shall:

- if a current CCC-10 is not already filed, obtain a signed CCC-10

--Note:** CCC-10 was revised on "07-17-03". If County Office has a signed and correct copy of the previous CCC-10 on file, a new CCC-10 is not required.**--

- be sure producers understand that:
  - applicable collateral for loans is not described on CCC-10
  - CCC-10 remains in effect until the producer notifies CCC or FSA of any changes by filling out a new CCC-10
  - for UCC's filed manually that require the debtor's signature, CCC requires CCC-10 to identify the jurisdiction in which to perform lien searches

*** * ***

- allow spouses to sign CCC-10 on behalf of each other only as allowed, according to 1-CM
- gather data and signatures concerning spouses where spousal information is required by State law, according to OGC
- if applicable, provide a copy of CCC-10 to other County Offices in which the producer is active
- file CCC-10's in alphabetical order in folder(s) labeled-LP 1-2 Financing Statements.

Continued on the next page

*--49 Completing CCC-10 (Continued)

C CCC-10 Availability

CCC-10 is available for download from the following:

- by FSA employees, from the FSA Intranet at **http://intranet.fsa.usda.gov**
- by producers, with instructions, from the Internet at **http://www.sc.egov.usda.gov/**.

D Instructions for Preparing CCC-10

County Offices shall prepare CCC-10 according to the following table.

Item	Instructions
Part A	Be sure the producer understands the statements in this part.
1	Check the box for: • individual, if the producer conducts a farming operation as an individual • organization or entity if the producer conducts a farming operation as an organization or entity.
2	If the box in item 1 is checked for: • individual, enter applicable Social Security number or tax identification number • organization or entity, enter the applicable tax identification number.
3	If the box in item 1 is checked for: • individual, enter first, middle, last name and, if applicable, a suffix • organization or entity, enter the full legal name of the organization or entity. **Note:** This is the name that will be used on UCC forms.
4	If the box in item 1 is checked for individual, enter the first, middle, last name and, if applicable, a suffix for a spouse. **Note:** This is the name that will be used on UCC forms for additional debtors.

--*

49 Completing CCC-10 (Continued)

D Instructions for Preparing CCC-10 (Continued)

Item	Instructions
5	If the box in item 1 is checked for individual, enter the name of the State and county of the producer's primary residence. Unless otherwise advised by OGC, this is where to file UCC's and to perform lien searches.
6	If the box in item 1 is checked for organization or entity, enter the type of organization or entity. Acceptable types are corporations, general or limited partnerships, limited liability companies, and trusts. An informal joint operation or venture is not a legal entity. Members of an informal joint operation or venture are treated as individuals.
7	If the organization or entity is registered, it must be organized under the law of a single State and must be displayed in a State public record as being organized. If the organization or entity is registered, enter the State in which the organization or entity was created and is registered. Unless otherwise advised by OGC, this is where to file UCC's and to perform lien searches.
8	If the organization or entity is **not** registered, enter the State where the place of business is located or where the organization or entity conducts its affairs. Unless otherwise advised by OGC, this is where to file UCC's and to perform lien searches.
9	Be sure the producer understands the statement in item 9.

9A-9D	If the box in item 1 is checked for:
	
	• individual, producer enters signature as first, middle, last name and, if applicable, a suffix
	• organization or entity, producer enters the following:
	
	  • the legal name of the organization or entity
	  • the word "by"
	  • producer's signature
	  • producer's title.
	
	  Example: Hobbitt Farms Inc. by John H. Smith, president
	
	Note: For * * * joint ventures, all partners' and spouses' signatures are required.
	--For corporations, limited and general partnerships, and limited liability--
	corporations, the person authorized to sign on behalf of the entity is required to sign. For trusts, the trustee or trustees are required to sign. For estates, the executor is required to sign.

E
Example of CCC-10

The following is an example of a completed CCC-10.
*--

This form is available electronically. Form Approved - OMB No. 0560-0215

CCC-10
(07-17-03)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation
Farm Service Agency

REPRESENTATIONS FOR COMMODITY CREDIT CORPORATION OR FARM SERVICE AGENCY LOANS AND AUTHORIZATION TO FILE A FINANCING STATEMENT AND RELATED DOCUMENTS

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a). The authority for requesting the following information is Commodity Credit Corporation Charter Act, 15 U.S.C. (714 et seq.), the Federal Agriculture Improvement and Reform Act of 1996, and Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.). The information will be used to provide loan benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of loan benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 15 U.S.C. 714m; 18 U.S.C. 286, 287, 371, 641, 651, 1001, and 31 U.S.C. 3729, may be applicable to the information provided.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0215. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

PART A - INTRODUCTION

The undersigned is an applicant for a loan from the Commodity Credit Corporation (CCC) or the Farm Service Agency (FSA), or is currently indebted to CCC or FSA on account of loans previously made or will encumber, pledge or mortgage property to CCC or FSA to secure payment of a loan made or to be made by CCC or FSA. The undersigned understands that CCC or FSA will take or has taken a security interest in collateral to secure the payment of any loan made or to be made, that CCC or FSA will file or has filed a financing statement or an amended financing statement to perfect its security interest in such collateral, that the information provided in this instrument will affect the contents of the financing statement or any amended financing statement and where it will be filed and that CCC or FSA will rely upon this information provided by the undersigned. For warehouse-stored CCC marketing assistance loans, I understand that a financing statement will not be filed but this form is necessary to establish the jurisdiction in which a lien search will be conducted. Further, the undersigned understands that CCC or FSA will continue to use this information for any future loans to be made to the undersigned until the undersigned notifies CCC or FSA of any changes. The undersigned agrees to immediately notify CCC or FSA of any changes in this information.

PART B - REPRESENTATION OF UNDERSIGNED

1. TYPE OF UNDERSIGNED: [X] INDIVIDUAL [ ] ORGANIZATION OR ENTITY	2. SOCIAL SECURITY NUMBER OR TAX IDENTIFICATION NUMBER 111-XX-789X1
3. UNDERSIGNED'S FULL LEGAL NAME John Roscoe Smith, Jr.	4. SPOUSE'S FULL LEGAL NAME Anita LuAnne Baxter Smith
5. STATE AND COUNTY OF PRIMARY RESIDENCE IF UNDERSIGNED IS AN INDIVIDUAL New Jersey, Adams Co.	6. IF UNDERSIGNED IS AN ORGANIZATION OR ENTITY, SPECIFY THE TYPE OF ORGANIZATION OR ENTITY

7. IF UNDERSIGNED'S ORGANIZATION OR ENTITY IS A REGISTERED ORGANIZATION OR ENTITY, SPECIFY THE STATE IN WHICH THE ORGANIZATION OR ENTITY WAS CREATED

8. IF UNDERSIGNED'S ORGANIZATION IS A NON-REGISTERED ORGANIZATION OR ENTITY, SPECIFY THE STATE WHERE THE PLACE OF BUSINESS IS LOCATED OR WHERE THE ORGANIZATION OR ENTITY CONDUCTS ITS AFFAIRS

PART C - AUTHORIZATION TO FILE

9. The undersigned authorizes CCC or FSA to file a financing statement under the name of the undersigned for collateral to be described in the financing statement and security agreement at any time following the date that this instrument is signed. By signing below, I give CCC or FSA permission to file a financing statement prior to the execution of the security agreement, as well as to file amendments and continuations of the financing statement thereafter.

I authorize CCC to enter on the financing statement a broader description of the collateral used to secure a CCC marketing assistance loan than the description on the applicable security agreement.

9A. SIGNATURE OF UNDERSIGNED */s/ John Roscoe Smith, Jr.*	DATE *(MM-DD-YYYY)* *07-17-03*
9B. SIGNATURE OF UNDERSIGNED */s/ Anita LuAnne Baxter Smith*	DATE *(MM-DD-YYYY)* *07-17-03*
9C. SIGNATURE OF UNDERSIGNED	DATE *(MM-DD-YYYY)*
9D. SIGNATURE OF UNDERSIGNED	DATE *(MM-DD-YYYY)*

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

50-57 (Reserved)

Section 2 Other Requirements

58 Insurance Requirements

A Crop Insurance Requirement

To enhance a borrower's repayment ability, County Offices shall:

- require the producer to provide proof of multi peril crop insurance for all insurable facility loan commodities of economic significance on all farms operated by the borrower in the county where the storage facility is located

- annually obtain proof of multi peril insurance for each crop year applicable to the entire term of the loan, except for sugar beets because sugar beets are not an FSFL commodity.

B Acceptable Forms of Insurance

Acceptable forms of crop insurance are any level of coverage of multi peril insurance, including the catastrophic level, group coverage, and crop revenue coverage offered under the Federal Crop Insurance Program.

C Acceptable Proof of Insurance

County Offices shall accept proof of insurance, such as:

- statements of coverage for the applicable crop year
- applications for insurance for the applicable crop year signed by the agent
- other forms of proof acceptable to CED.

D Crop Insurance Waiver

County Offices shall:

- waive the requirement if it is too late for the producer to obtain multi peril insurance for the crop year

- enter the following statement on CCC-185, remarks section:

  "I agree to purchase multi peril crop insurance for facility loan commodities during the next available sales period. I understand that my failure to meet this requirement will be construed as a program violation."

- *****--ensure that producers initial and date the statement on CCC-185 to signify that the statement is understood and will be complied with.--*****

58 Insurance Requirements (Continued)

E Failure to Obtain Crop Insurance

County Offices shall:

- monitor the borrower's crop insurance status
- consider a lack of insurance to be a program violation
- take action to call loans when borrowers do not maintain insurance.

Note: Before calling loans, COC's may request a waiver according to subparagraph 2 E.

F All Peril Structural and Flood Insurance

To protect CCC's interest in collateral, County Offices shall:

- require borrowers to obtain all peril insurance on the storage, handling, or drying structures listing CCC as a loss payee
- ensure that amount of coverage shall always equal or exceed outstanding loan balance
- obtain proof of all peril that lists CCC as a loss payee as soon as it is available
- review proof of all peril insurance provided to CCC periodically by insurance companies or borrowers
- take action to call loans when borrowers do not maintain insurance.

Note: Before calling loan for lapse of insurance, COC's, according to subparagraph 2 E, may request a waiver for failure to fully comply with program requirements, if borrowers still obtain insurance.

G Flood Insurance

To protect CCC's interest in collateral, County Offices shall:

- determine whether proposed storage facility sites are located in flood hazard areas by viewing national flood insurance program maps
- document the review on FEMA 81-93, available on the Internet at
--http://www.fema.gov/business/nfip/sfhdform.shtm--
- require the loan applicant to obtain flood insurance if the review documented on FEMA 81-93 indicates that flood insurance is required
- obtain proof of flood insurance coverage
- not approve loans if flood insurance is required and not obtained or not available
- review proof of insurance provided by insurance companies to ensure that insurance is maintained for the life of the loan
- take action to call loans when borrowers do not maintain insurance.

59 Local Land Use Law Requirements

A
County Office Action

To avoid conflicts with local land use laws, County Offices shall:

- determine whether local land use laws are applicable at the proposed storage facility location by contacting local code enforcement officers

- obtain, from producers, copies of applicable:

  - building permits
  - zoning variances
  - site plans
  - environmental evaluations and assessments
  - *****--construction permits for flood hazard areas--*****

- use information obtained for FSA eligibility purposes and environment evaluations

- not approve loans where applicants are not in compliance with applicable local land use laws.

60-69 (Reserved)

--Section 3 Environmental Review--

70 Overview

A Background

This section:

- *--is consistent with FSA's environmental regulations at 7 CFR Part 799, 1-EQ, and all--* other environmental laws, regulations, and executive orders applicable to Federal actions

- contains provisions for implementing due diligence into the loan process.

FSA shall consider environmental quality as equal with economic, social, and other relevant factors in program development and decision making processes.

When adverse environmental impacts are identified, either direct or indirect, an examination will be made of alternative courses of action, including no action, potential environmental impacts, and any mitigation measures.

B Objectives

The primary objectives of this section are for FSA to make better decisions by:

- taking into account potential environmental impacts of proposed projects

- working with FSA applicants, other Federal agencies, Indian tribes, State and local governments, and interested citizens and organizations to formulate actions that advance the program goals in a manner that will protect, enhance, and restore environmental quality.

To accomplish these objectives, the identification of potentially significant impacts on the human environment is mandated to occur early in FSA's planning and decision making *--processes according to 1-EQ.--*

* * *

*--71 Evaluating the Potential Environmental Effects

A Preparing Evaluations

All requests for loans to construct or renovate farm storage facilities or for drying or handling equipment, will be evaluated by completing FSA-850 according to 1-EQ. If indicated by FSA-850, an environmental assessment will be completed using FSA-853-A.

B Applicant Responsibilities

FSA expects applicants to:

- consider the potential environmental impacts of their requests at the earliest planning stages and to develop proposals that minimize the potential to adversely impact the environment

- contact County Offices to determine FSA's environmental requirements as soon as possible after they decide to apply for an FSFLP loan

- provide information necessary to evaluate their proposal's potential environmental impacts and alternatives to them. For example, the applicant will be required to provide a complete description of the project elements and the proposed site or sites to include location maps, topographic maps, and photographs when needed.**--***

*** * ***

72-74 (Withdrawn--Amend. 27)

75 Other Actions

A Assessments

--If after completing FSA-850 or environmental assessment the preparer determines there will be potential impacts to important resources listed and no alternatives or mitigation-- measures exist, * * * the County Office shall do either of the following:

- deny the applicant's request for a loan
- request SED to request assistance from the National Office for further assessing the impacts of the project and any associated alternatives and mitigation measures.

B Emergencies

When emergency circumstances arise that prevent the implementation of the provisions of *--this section, follow the provisions in 1-EQ, paragraph 51.--*

C Monitoring

FSA staff, who normally have responsibility for the post-approval inspection and monitoring of approved projects, shall ensure that those mitigation measures that were identified in the approval stage and required to be undertaken to reduce adverse environmental impacts are effectively implemented.

FSA staff shall review the action's approval documents and consult with the preparer of the action's environmental review document before making site visits or requesting project status reports to determine whether there are environmental requirements to be monitored.

- The preparer will directly monitor actions containing difficult or complex environmental special conditions.
- Before certifying that conditions contained within offers of financial assistance have been fully met, the responsible monitoring staff will obtain the position of the preparer for those conditions developed as a result of the environmental review.
- Whenever noncompliance with an environmental special condition is detected by FSA, the State Environmental Coordinator will be immediately informed who will then take appropriate steps, in consultation with the responsible program office, to bring the action into compliance.

75 Other Actions (Continued)

D Due Diligence

The release or presence of a hazardous substance, hazardous waste, or leaking underground storage tank on a property could affect the value of the property that is offered as security for a loan. *** * *** Therefore, due diligence will be performed for all new loans involving real
--**estate as security, including real estate offered as additional security according to 1-EQ, Part 7.**--

*** * ***

76-85 (Reserved)

Part 5 (Reserved)

86-100 (Reserved)

Part 6 Approving Committee Review of Applications

101 COC Review

A Responsibility

COC shall determine:

- whether the applicant meets all eligibility requirements
- whether the proposed facility or renovation is eligible and needed
- whether the estimated yields and acreages to calculate needs are reasonable
- whether the environmental conditions of the site would place CCC at risk
- the type of security to be required
- the conditions of approval
- that the loan limit per entity, on all the borrowers FSFL's does not exceed $100,000.

B Approvals and Disapprovals

COC shall do either of the following:

- approve the loan within COC authority by signing CCC-185 and document determinations in executive COC minutes; enter COC approval date and request an obligation in APSS according to subparagraph 319 C

  Notes: It is imperative that County Offices enter COC approval date and request obligations in a timely manner. To ensure funding for all approved FSFL's, PSD continually monitors total FSFL obligations and needs this information to be current.

  --**Do **not** issue the approval letter, in subparagraph 116 A, until funding has been received according to paragraph 332.**--

- disapprove the loan, stating why in the COC executive meeting minutes.

  Note: County Offices shall provide the applicant with notification and appeal rights, if applicable.

C Referrals to STC

For applications that require consideration by STC because STC has set a COC loan approval limit, County Offices shall submit:

- copies of the complete application with supporting documentation as specified by STC

- a copy of an aerial photograph of the proposed site where the facility will be located identifying roads and other key features

- recommendations from COC about the applicant's credit history, ability to repay, and type of security.

101 COC Review (Continued)

D STC Action

STC shall:

- approve or disapprove all applications referred
- indicate approval by signing CCC-185
- explain reasons for not approving applications in a memorandum to COC
- provide the applicant with notification of disapproval and appeal rights, if applicable, according to 1-APP
- return entire case file to the County Office.

E Confidentiality of Applicant's Financial Information

For CCC to provide confidentiality of an applicant's financial information, STC's and COC's shall:

- not view financial information, such as balance sheets and cash flow statements, provided by applicants
- not discuss an applicant's financial information with anyone outside of the State or County Office
- obtain a recommendation for approval concerning the applicant's credit history and ability to repay from an FSA employee with FSA loan approval authority
- use the recommendation to determine whether:
  - an applicant's credit history is satisfactory
  - the applicant has the ability to repay debt resulting from the loan.

--Note:** The applicant's financial information is to be kept in their loan folder. After a complete review by an FSA employee with loan approval authority and COC approval of the loan, SED can mandate sealing any or all applicant's financial information in a sealed envelope to be kept in their loan folder.**--

102 Completing Manual CCC-185, Page 2

A Completing CCC-185, Page 2

After careful consideration of CCC-185, supporting documentation, and staff recommendations, COC or designee shall complete CCC-185, page 2 according to the following.

Item	Instructions
14A	Insert the amount determined according to paragraph 15. **Exception:** The approving committee may enter the following: • an amount that is less than the maximum amount based on the applicant's request **Note:** Enter the amount and the notation "as requested by applicant" in the remarks section. • an amount that is less than the maximum amount based on a COC decision **Note:** Enter the amount and a notation in the remarks section explaining COC's reasons for the decision. • an amount that is less than the maximum amount based on certain conditions. **Note:** List the conditions of approval in the remarks section.
14B	Enter number of loan installments.
14C	Enter a date that is 4 months following the date of approval.
14D	When known, enter the date the approval letter was sent to the applicant.
15	Approving authority shall sign and date. ***--Note:** Only COC and STC can approve. This cannot be delegated.--*
16	Enter the County Office name and address.
17	Enter the type of security required by the approving committee. **Example:** 1st lien on the 133-acre parcel where the facility is to be located.
18	Use for any appropriate remarks, such as conditions of approval.

102 Completing Manual CCC-185, Page 2 (Continued)

B Example of CCC-185, Page 2

Following is an example of CCC-185, page 2.

*--

CCC-185 (08-20-01) Page 2 of 2

14. CCC APPROVAL

A loan is approved by CCC for the approximate amount shown in Item 14A below, but not to exceed the amount authorized in the program regulations. Such loan shall be repayable in the number of equal annual installments shown in Item 14B. This approval shall become null and void 4 months after the date hereof unless the loan funds have been disbursed or this approval has been extended in writing by the State or County Committee. Loan funds will not be disbursed until property has been erected or installed and inspected and approved in accordance with program regulations.

A. Loan Amount Approved By CCC Pending Funding	B. Number of Loan Installments	C. Final Loan Approval Expiration Date *(MM-DD-YYYY)*	D. Date CCC Contacted Loan Applicant of Final Expiration Date *(MM-DD-YYYY)*
$ 29,256.00	7	10/25/00	06/29/00

15. Signature of CCC Representative	Date *(MM-DD-YYYY)*
/s/ COC member	06/25/00

16A. FSA County Office Name & Address *(Including ZIP Code.)*	17. Security Required: *When loan approved, enter type of security that approving committee is requiring (UCC or chattel mortgage or 1st lien. Enter size of tract covered by lien, if required).*
Yates Farm Service Agency 270 Lake Street Penn Yan, NY 14527 16B. Telephone Number *(Including area code):*	1st lien on the 133-acre parcel where facility is located

18. Remarks

I agree to purchase multi peril crop insurance for facility loan commodities during the next available sales period. I understand that any failure to meet this requirement will be construed as a program violation.

Applicant's initials _____ Date _____

*Conditions of approval:

1) Applicant will purchase and provide proof of all peril structural insurance

2) Applicant will comply with applicable provisions of National Historic Preservation Act

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436, Title 7, Code of Federal Regulations and the Commodity Credit Corporation Charter Act, 15 U.S.C. 714 et seq. The information will be used to determine eligibility for CCC financing for farm storage and drying equipment Furnishing the requested information is voluntary, however, without it CCC financing under the program cannot be provided. This information maybe provided to other agencies enforcing the provisions of the Act, IRS, Department of Justice, or other State and Federal Law enforcement agencies and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, maybe applicable to the information provided.*

According to the Paperwork Reduction Act of 1995 an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions searching existing data sources gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

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--*

102 Completing Manual CCC-185, Page 2 (Continued)

C
Distribution

County Offices shall:

- retain original in the loan folder
- attach to APSS version of CCC-185
- send a copy to the loan applicant with the loan approval letter.

103-114 (Reserved)

Part 7 Closing Loans

115 Finalizing Loans

A Finalizing Loans Not Secured by Real Estate

County Offices shall take the following steps, not necessarily in this order, when finalizing loans where the loan is not secured by real estate.

Step	Action
1	If the loan was approved, ensure that funding transmission has taken place and return funding transmission has been received.
2	If the loan is funded, notify the applicant. See an example letter in subparagraph 116 A.
3	If the loan was not approved by COC, notify the applicant. See an example letter in subparagraph 116 B.
4	As soon as possible, obtain evidence for and compute final net cost of facility. If the final loan amount exceeds the approved amount, return application to COC for consideration. Obtain funding approval. See paragraph 121.
5	If applicable, prepare CCC-297 and obtain necessary signatures to sever collateral ***--**from real estate and file appropriate county real estate records before loan closing. See paragraph 118.**--***
6	Obtain proof of: • multi peril and, if applicable, flood insurance • crop insurance • current real estate taxes.
7	Inspect the facility. See paragraph 122.
8	Confirm a loan closing date with the applicant.
9	Prepare CCC-186 for the closing date.
10	Prepare checks for the closing date.
11	Within 5 days before loan closing perform a final lien search on the collateral.
12	On the closing date: • meet with the applicant and obtain all necessary signatures • distribute checks to producer and other applicable payees.

115 Finalizing Loans (Continued)

*--B Finalizing Loans Secured by Real Estate

County Offices shall take the following steps, not necessarily in this order, when finalizing loans where the loan is secured by real estate.**--***

Step	Action
1	If the loan was approved, ensure that funding transmission has taken place and return funding transmission has been received.
2	If the loan is funded, notify the applicant. See the example letter in subparagraph 116 A.
3	If the loan was not approved by COC, notify the applicant. See the example letter in subparagraph 116 B.
4	As soon as possible, obtain evidence for and compute final net cost of facility. If the final loan amount exceeds the approved amount, return application to COC for consideration. Obtain funding approval. See paragraph 121.
5	The borrower selects a closing agent. Provide a letter to the applicant to use for requesting title clearance and legal services. See the example letter in subparagraph 117 A.
6	Obtain certification of attorney, if applicable, on CCC-296. See subparagraph 117 B.
7	Require title insurance or obtain title opinion. Use CCC-299 for title opinion requests. See subparagraph 117 C.
8	See subparagraph 117 D for transmittal of title information letter.
9	Issue a notification of loan closing to the applicant. See the example letter in subparagraph 117 E.
10	Inspect the facility after it is completed.
11	Prepare CCC-186.
12	***--**Issue closing letter to the agent with CCC-186 signed by approving official and other instructions. See the example letter in subparagraph 117 F.**--***
13	Write checks for loan proceeds. Provide to the closing agent.
14	The closing agent closes the loan and provides the loan closing statement to the County Office.

116 Examples of Loan Approval and Initial Determination Letters

A Example of Loan Approval Notification Letter

Following is an example of a loan approval notification letter.
*--

(Date of Letter)

(Borrower Name)
(Borrower Address line 1)
(Borrower Address line 2)

Dear (Borrower Name),

Please be advised that the Commodity Credit Corporation has (insert "conditionally" if there are conditions of approval) approved your request for a Farm Storage Facility Loan in the amount of (Loan Amount). The loan will be repaid in equal installments over a period of 7 years and will carry an annual interest rate of (Loan Interest Rate) for the entire term. Your loan has also been funded.

Loan approval will expire (4 months after the date of approval). If you need additional time to complete construction and to submit evidence of the total cost, you must submit a request for an extension, in writing, providing evidence that the lack of completion is for reasons beyond your control.

As soon as possible, you must:

- complete construction and notify this office when the facility is ready for inspection
- provide evidence of final cost of the facility to this office
- provide evidence that multi peril crop insurance has been obtained
- (insert conditions of approval).

We will:

- compute the final net cost of the facility and request an increase in funding, if needed
- prepare loan and, if applicable, real estate mortgage documents
- notify you of a loan closing date.

Please keep us informed of any changes that can affect your loan approval. If you should decide not to proceed with this loan, please inform our office, in writing, of your decision so obligated funds can be returned.

Sincerely,

County Executive Director

--*

116 Examples of Loan Approval and Initial Determination Letters (Continued)

B Example of Initial Adverse Determination Letter

Following is an example of an initial adverse determination letter.

(Date of letter)

(Borrower Name)
(Borrower Address line 1)
(Borrower Address line 2)

Dear (Borrower Name),

Your request for a Farm Storage Facility Loan from the Commodity Credit Corporation filed on (insert date of application) has been reviewed by the County FSA Committee. The request was not approved. The reason we did not approve your request for a loan is:

(Insert specific reasons for not approving the loan in plain language. Add a citation of the specific CFR reference and a reference to a specific 1-FSFL paragraph. Include a copy of the applicable handbook reference.)

If you disagree with the County Committee's decision, you may request reconsideration, mediation, or an appeal. (Insert rights for reconsideration, mediation, and appeal according to 1-APP, subparagraph 27 B.)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

USDA regulations prohibit discrimination in USDA programs because of your race, color, religion, sex, age, national origin, marital status, familial status, sexual orientation, disability; or because all or part of your income is derived from any public assistance program; or because you have filed a program complaint, participated in any program complaint proceeding, or opposed a prohibited practice.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410.

Thank you for your interest in the program.

Sincerely,

County Executive Director
For the (County Name) FSA County Committee

--117 Closing Loans Secured by Real Estate--

A Borrower Selection of a Closing Agent

Borrowers shall select closing agents. County Offices shall provide the borrower with the following letter, or a similar one that is provided by the regional OGC, to:

- provide a means for the loan applicant to request a title insurance policy from a title insurance company
- provide a means to request loan closing and related legal services from an attorney or a title company
- make clear who is to pay the closing costs.

*--

REQUEST FOR TITLE POLICY AND LEGAL SERVICES

Date _____

The undersigned hereby requests you to issue a mortgage policy of title insurance and perform loan closing and other legal services in accordance with instructions and requirements of the Commodity Credit Corporation (CCC), including the disbursal of any funds that I am required to provide in connection with the transaction by CCC.

CCC is providing you a description of the real property to be mortgaged. It is understood that the closing cost (insert applicable statement from the following):

- has been agreed to by you and the undersigned
- will have to be agreed to by you and the undersigned
- is to be a reasonable figure to be set by you in accordance with your usual charges for comparable services
- (another statement if the above statements are not appropriate).

Subject to that understanding, the undersigned loan applicant agrees to be responsible for payment of all closing costs and the mortgagee policy of title insurance, if applicable.

It is understood that no liability or responsibility for payment of any portion of the closing costs is assumed by CCC or by any CCC representative or any officer, employee, or agency of the United States Department of Agriculture.

_____
Signature of loan applicant

_____
Address of loan applicant

--*

117 Closing Loans Secured by Real Estate (Continued)

B Example of CCC-296

County Offices shall obtain certification from the attorney selected for loan closings by using the following CCC-296 or a similar form approved by the Regional Attorney.
*--

This form is available electronically.

Form Approved - OMB No. 0560-0204

CCC-296
(10-19-06)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

FARM STORAGE FACILITY LOAN PROGRAM
CERTIFICATION OF ATTORNEY

TO:

Mr. John B. Lawyer
448 State Street
Uptown, NY 55535

1. NAME OF LOAN APPLICANT	John G. Farmer
2. AMOUNT OF LOAN	$ 66,000.00
3. LOAN NUMBER	2006I/00010

You have been selected by the Loan Applicant in Item I to prepare a title opinion, to obtain a commitment for a mortgage policy of title insurance and/or to handle the loan closing in connection with a Commodity Credit Corporation (CCC) loan application filed by his party. If you desire to do this work, please complete the bottom portion of this form and return it to this office immediately. You are cautioned not to begin work on this case until you are notified by the CCC official that based on the information presented you have been approved by CCC.

4. SIGNATURE OF CCC OFFICIAL	DATE *(MM-DD-YYYY)* 09-30-2006

I hereby certify that I am a practicing attorney, a member in good standing of the bar of the State of _____.

I will provide title clearance through the use of:

☐ a title opinion; or

☐ a title insurance policy. When issuing a title insurance policy, that includes a closing protection letter, liability insurance and a fidelity bond are not required.

I am currently covered by Lawyer's Professional Liability Insurance in the amount $ _____

per occurrence issued by _____. The deductible is $ _____.

The policy number is _____. Coverage expires on _____.

I and all of my employees and associates having access to the funds involved in a CCC loan are currently covered by a fidelity bond in an amount not less than the amount of the subject loan.

5. SIGNATURE OF ATTORNEY	DATE *(MM-DD-YYYY)*
☐ APPROVED ☐ NOT APPROVED	
6. SIGNATURE OF CCC OFFICIAL	DATE *(MM-DD-YYYY)*

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436, Title 7, Code of Federal Regulations and the Commodity Credit Corporation Charter Act, 15 U. S. C. 714 et seq. The information will be used to meet security requirements for CCC financing for farm storage and drying equipment Furnishing the requested information is voluntary, however, without it CCC financing under the program cannot be provided. This information may be provided to other agencies enforcing the provisions of the Act, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 6 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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117 Closing Loans Secured by Real Estate (Continued)

C Requesting CCC-299

County Offices shall direct applicants to request a title opinion when, in consultation with the Regional Attorney, the State Office determines that the use of title insurance is not:

- available
- feasible for the loan
- feasible for the State or the area of the State where the loan will be closed.

Title opinions shall be requested using the transmittal of title information in subparagraph D and CCC-299 as follows.

*--

This form is available electronically. Form Approved - OMB No. 0560-0204

CCC-299 (10-19-06) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation

1. STATE CODE: 36
2. COUNTY CODE: 017
3. SERIAL NUMBER: 2006-00003

TITLE OPINION - FARM STORAGE FACILITY LOAN PROGRAM

(See Page 2 for Privacy Act and Public Burden Statements)

PART A - PRELIMINARY TITLE OPINION

TO THE TITLE EXAMINER:

(1) John Q. Farmer, 844 Any Street, Uptown, NY 55555
(Applicant's Name and Address)

_____ has applied for a loan under the Farm Storage Facility Loan Program. The loan would be secured by a (2) **FIRST LIEN** [X] (3) **SECOND LIEN** [ ], subject only to the prior lien of (4) _____, against the real property described on the attached schedule.

PART B - CERTIFICATION OF TITLE EXAMINER

Based on my examination of the title to the real estate described on the attached schedule, I am of the opinion that the above-named person can convey the lien indicated above, **SUBJECT ONLY TO:**

a. Taxes and assessments not yet due.

b. Outstanding oil and mineral rights.

c. Easements and rights of way which do not affect the construction or utility of said storage or drying facilities.

AND FURTHER SUBJECT TO the joinder, release or subordination of the following described persons or interest: (5)

4. NAME OF TITLE EXAMINER

5. THIS TITLE IS CERTIFIED TO AS OF

PART C - FINAL TITLE OPINION

RE: Mortgage, deed of trust, or other security instrument executed in favor of the Commodity Credit Corporation, described as follows:

_____ (1) *Mortgagor(s)*, _____ (2) *Month & Day*, _____ (3) *Year* duly filed for record in the County of (4) _____, _____ State of (5) _____ on the (6) _____ day of _____ (7) *Month*, _____ (8) *Year*, and recorded in Book (9) _____ Page (10) _____. Recorder's document or filing number (11) _____. (Show either book and page or document number.)

I certify that the above described instrument constitutes a valid (12) **FIRST LIEN** [ ] (13) **SECOND LIEN** [ ] **, against the real property described on the attached schedule, subject only to Exceptions Part B Items a through c above.**

6. TITLE EXAMINER'S NAME AND ADDRESS

7. DATE OF CERTIFICATION (MM-DD-YYYY)

NOTE TO TITLE EXAMINER: *All actions necessary to remove, eliminate, or cure defects and objections or to satisfy or discharge items and encumbrances must be completed before the final opinion portion of this document is executed.*

PART D - COUNTY OFFICE INFORMATION

8A. SIGNATURE OF FSA COUNTY OFFICE OFFICIAL

8B. TITLE

8C. DATE (MM-DD-YYYY)

9. FSA COUNTY OFFICE NAME AND ADDRESS (Including Zip code)

TELEPHONE NUMBER (*Include Area code*):

--*

--117 Closing Loans Secured by Real Estate (Continued)--

D Transmittal of Title Information

To transmit information and documents to approved closing agents or title insurance companies for title clearance and loan closing services, County Offices shall issue the following letter or a similar one that is approved for use by the Regional Attorney.

Date _____

(Insert complete name of closing agent or title insurance company)
(Address)

You have been selected by an applicant for a Commodity Credit Corporation loan to perform the title work and loan closing of this transaction in connection with the loan application identified below. The following documents are enclosed for preparation of a title opinion or a commitment for a mortgagee policy of title insurance and other handling in accordance with 7 CFR Part 1436.

1) Name of applicant _____
Address _____
_____
Telephone number _____
Marital status _____
Name of spouse (if applicant is married and spouse is not an applicant)
_____
Loan number _____

2) Proposed insured - Commodity Credit Corporation

The real estate security for the loan - all of the land described in paragraph 3.

Required lien position - CCC requires a first lien on the land described. If that is not possible, a junior lien may be taken that secures the loan amount.

Amount of loan - $ _____

Type of loan - Farm Storage Facility Loan

Type and purpose of financing - The loan is being made to provide financing for the construction and/or installation of a farm storage facility on the land described in paragraph 3.

Interest rate - _____%

Repayment period - 7 years.

D
Transmittal of
Title Information
(Continued)

3) Other information and documents attached: (provide as applicable)

a) legal description of land: (attach copy of deed or deed of trust if available)
b) CCC-186, Promissory Note and Security Agreement
c) Deed of trust or mortgage
d) contractor release of liability
e) CCC-297, Severance Agreement (if applicable)
f) subordination agreement
g) agreement with prior lienholder
h) CCC-299, Title Opinion - Farm Storage Facility Loan Program
i) other documents _____.

4) Requirement of title insurance commitment: (if applicable)

a) Alterations and omissions: If the required information is altered or omitted, the approving official is not authorized to accept the commitment, but must return it for completion.

b) Property description: The approved attorney or title insurance company must review the legal description of the land to ensure that the legal description and recital of all encumbrances, reservations, exceptions, and defects are complete and accurate. If a water right is to be included in the security for the loan, the approved attorney or title insurance company must also attach a full legal description of the water right followed by a recital of all encumbrances, reservations, exceptions, and defects. Land of water rights may be described by reference to a legally adequate description contained in the recorded instrument. A copy of this instrument must be provided to CCC for review before closing. If the description of the property is not legally adequate, the deficiency must be listed as a title defect and the necessary curative action must be included on CCC-299, Part B or in the commitment.

c) Encumbrances, reservations, exceptions, and defects mean all matters that would prevent CCC from obtaining the required lien on the property. These include, but are not limited to, liens; taxes and assessments; leases; easements; covenants; conditions; restrictions; reservations; rights relating to mineral oil, gas, geothermal, timber, and water rights; prior sales of part of the property, judgment, probate proceedings, bankruptcy proceedings, or pending court actions in Federal and State courts; other matters of record that affect title to the real property or the ability of the buyer to convey title or the seller to accept title; and legally inadequate property descriptions.

--*

Continued on the next page

D
Transmittal of
Title Information
(Continued)

d) Scope of search: The approved attorney or title insurance company will determine:

1) all owners of record of the real property
2) whether there are any outstanding encumbrances, reservations, exceptions, and defects on the real property as outlined in paragraph c above
3) if a water right is to be included in the security for the loan (the attorney or title insurance company will attach a full legal description of the water right)
4) if there are any liens or recorded claims that would prevent CCC from obtaining an enforceable mortgage lien of the required priority on the security property. Title examination will include searches of records, or certificates from the clerks of appropriate State courts, Federal bankruptcy courts, and United States district courts, for the period determined necessary by local custom, to issue a title opinion or title insurance policy.

e) Homestead property: If a lien is being taken on homestead property, the necessary steps to take a valid lien on homestead must be taken and completed.

f) Title exceptions: Complete legal descriptions of encumbrances, reservations, exceptions, and defects must be provided to CCC upon request.

g) Prohibited title exceptions: The following title exceptions are not allowed and must be removed from the commitment before the issuance of the mortgagee policy:

1) liens unless CCC is taking a junior lien
2) the possibility of reverter
3) the possibility of the failure of title
4) homestead or homestead rights
5) lack of the right of access, and
6) any exception that may adversely affect the title to the security property, suitability of the security property, value of the security property, or successful use and/or operation of the security property.

Continued on the next page

***--117 Closing Loans Secured by Real Estate (Continued)**

D Transmittal of Title Information (Continued)

5) Other instructions: (insert applicable instructions, such as for homestead designations or lien requirements)

a) Lien priority: (include the applicable requirement)

CCC requires a first lien on the real estate security. All prior mortgagees or other lienholders must provide a subordination of their respective prior liens to CCC on a form acceptable to CCC. The subordination agreements must be recorded.

CCC does not require a first lien, but will accept a junior lien position at least equivalent to the loan amount. All prior mortgagees must also provide a severance agreement on CCC-297.

b) Severance agreement, if applicable, from borrowers and other owners: Other persons or entities who own an interest in the real estate security, but who are not applicants and who will not be signing the promissory note, must sign CCC-297, Severance Agreement. Obtain CCC-297 from borrowers unless OGC waives the requirement.

c) Agreement with prior lienholder: (if required by the Regional Attorney) All prior mortgagees and other lienholders must provide an agreement with prior lienholder.

d) Contractor release of liability: The contractor must certify that all materials and labor have been paid in full, or in the case of partial payment, has agreed to joint disbursement of the loan on CCC-191.

e) other (as applicable).

_____

CCC Representative

--*

117 Closing Loans Secured by Real Estate (Continued)

E Notification of Loan Closing

County Offices shall use the following letter to notify applicants of conditions to be met and information to be provided before establishing a date for loan closing.

*--

NOTIFICATION OF LOAN CLOSING

Date: _____

(Insert name and address of loan applicant)

Your Commodity Credit Corporation (CCC) loan under the Farm Storage Facility Loan Program will be closed soon. To schedule a closing date, you must complete and comply with the items below and return this letter to CCC at the above address by (insert applicable date).

Your loan approval was based on annual farm income, off-farm income, and farm expenses before the date of loan approval. If these amounts have changed since the time of approval or your farm operation size has changed, please contact the County Office.

If you have incurred any debts since (insert date of loan approval) that have an unpaid balance of more than $500, please list these debts below:

To whom owed: Amount: Security: Monthly payment:

Provide the closing agent with a standard all peril structural insurance policy insuring the farm storage facility, effective not later than the date of loan closing, and listing CCC as a loss payee. Failure to provide proof of insurance will delay closing of your loan.

CCC requires an inspection of the storage facility before loan closing. Annual inspections will also be done to protect the security interest of CCC.

(Insert other information required for closing)

You will be notified of the time and place of loan closing and any other specific requirements to be met. At loan closing, you will be required to provide payment from your personal funds for the closing costs and the required down payment. From the documentation we have received, this is estimated to be $_____. If you are unable to comply with the above requirements, please notify the County Office immediately.

_____
Signature and title of CCC representative

Enclosures:

I certify that the information provided by me on this letter is accurate. I have reviewed the instructions given by the CCC representative and understand that I must meet the conditions outlined.

_____ _____
Signature of applicant Date

--*

117 Closing Loans Secured by Real Estate (Continued)--*

F Loan Closing Instructions

County Offices shall prepare the following letter, or a similar one that is approved for use in the State by the Regional Attorney, to transmit loan closing instructions to the approved closing agent, attorney, or title insurance company.

Date: _____

(Insert complete name of closing agent or title insurance company)
(Address)

Reference is made to the transmittal of title information for a Commodity Credit Corporation (CCC) Farm Storage Facility Loan to (insert name of applicant and loan number). The requirements of that letter are incorporated by reference. Please notify the County Office when closing can occur and any loan checks intended for this transaction will be forwarded. Loan checks must be handled according to
--the following instructions.--

Please notify the applicant of all loan closing requirements and arrange for closing not later than 5 workdays after the date of the loan check. If the loan is not closed by that date, return the loan check to the County Office.

If applicable, CCC requirements regarding the exceptions in the commitment for the title insurance mortgagee policy number _____ dated _____, _____ are as follows:

(check items that apply)

Number _____ must be removed.
Number _____ must be subordinated to the lien of CCC that will be created at loan closing.
Number _____ may remain ahead of the lien of CCC that will be created at loan closing.
Number _____ must be changed as follows:

The requirements below must be met at or before loan closing: (provide applicable information)

Applicant to provide proof of one-year all peril structural insurance policy showing CCC as mortgagee or loss payee.

Other: (other applicable requirements that have not been met, such as crop insurance)

Loan funds plus $_____ of borrower's personal funds required by CCC to be deposited in escrow with you will be disbursed as follows:

Pay $_____ to _____
Pay $_____ to _____
Pay $_____ to _____
Pay $_____ to _____
Pay a sum not exceeding $_____for borrower's closing costs.

117 Closing Loans Secured by Real Estate (Continued)--*

F Loan Closing Instructions (Continued)
***--**

Additional information and instructions:

A copy of the loan closing statement signed by you, CCC-186, Promissory Note and Security Agreement, and all other executed documents required for loan closing to be returned to the County Office within one day after the loan is closed. As soon as possible, after closing, provide to the County Office the final mortgagee policy of title insurance and the recorded mortgage or deed of trust.

_____ _____
CCC representative Date

Loan Closing Statement
(to be completed by approved closing agent, attorney, or title insurance company)

I certify that the subject loan was closed on (insert date) _____ in accordance with written directions received from CCC. Enclosed are properly executed forms in connection with loan closing.

_____1. Original CCC-186, Promissory Note and Security Agreement
_____2. Original, recorded mortgage or deed of trust
_____3. Original, recorded CCC-297, Severance Agreement, from each prior mortgagee or other lienholder
_____4. Original, recorded CCC-297, Severance Agreement, signed by each person or entity who owns an interest in the land, if the facility will be constructed on land where CCC does not have first lien
_____5. Original, recorded subordination agreements from each mortgagee or other lienholder who holds an existing lien on the land (as required)
_____6. Original contractor certification or release of liability
_____7. Copy of the loan closing settlement statement
_____8. Proof of all peril structural insurance
_____9. Other:

_____
Signature of approved closing agent, attorney, or title insurance company

_____ _____
Title Date

For CCC use only:

I have examined the loan closing documents and determined that the loan was properly closed in accordance with the instructions provided.

--*

118 CCC-297, Severance Agreement

A When CCC-297 Is Required

To sever FSFL storage structure collateral from real estate, County Offices shall obtain CCC-297 from:

- prior or superior lien holders including FSA
- the borrower if the borrower has interest in the real estate
- ***--**the lienholder of the property, where facility is located, if constructed on leased or rented land.**--***

B When CCC-297 Is Not Required

CCC-297 is not required if:

- collateral is considered a nonfixture
- an FSFL loan is secured by a first lien on the underlying real estate
- the Regional Attorney waives the requirement for a severance agreement because State law makes using such an agreement unnecessary.

C State Office Action

State Offices shall:

- request changes and instructions to CCC-297 from the Regional Attorney
- make CCC-297 a State form
- provide a copy to PSD.

D County Office Action

County Offices shall:

- for loans where a real estate lien is
  - required, inform the applicant that he or she must obtain a CCC approved attorney for title clearance

    Note: The attorney should perform all lien searches.

118 CCC-297, Severance Agreement (Continued)

D County Office Action (Continued)

- not required, conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility to determine whether severance agreements must be obtained

•***--**file the severance agreement before loan closing in the appropriate county real estate records unless the Regional Attorney waives the filing requirement.

Note: If COC approves the loan before receiving the necessary CCC-297's, then ENTER "The receipt of required CCC-297's" on CCC-185, item 18, as a condition of approval.**--***

E STC Action

STC's may enter into blanket CCC-297's with lenders if CCC-297's are approved by the Regional Attorney.

119 Real Estate Lien Instruments

A Security Instruments

State Offices shall develop a real estate lien instrument in consultation with their Regional Attorney. The security instrument may be a real estate mortgage, deed of trust, or other type of instrument. The security instrument must be used for all loans to be secured with real estate. CCC-193 is a real estate mortgage available for FSFLP. CCC-193-D is a deed of trust available for FSFLP.

B Signatures

For a lien on real estate, all of the following shall sign the instrument:

- the borrower, **only** if the borrower has an ownership interest in the land
- all persons or entities having an ownership interest in the applicable real estate
- the borrower's spouse shall also sign the instrument in States where spousal signatures are required by statute.

C Closing Agent Action

The closing agent shall:

- prepare the instrument
- file or record the original document according to State law.

119 Real Estate Lien Instruments (Continued)

D
County Office Action

County Offices shall:

- file a copy of the instrument in the loan folder
- provide a copy of the instrument to the borrower
- record the filing date, place, book, and page number on the County Office copy.

E
Land Already Encumbered

If CCC requires a first lien and the land is already encumbered or subject to a prior lien, the County Office shall advise the closing agent that a subordination agreement shall be recorded making CCC's lien a first lien on the real estate where the facility is to be located.

Exception: See subparagraph 14 C.

CCC-194 is a subordination agreement that may be used for FSFL purposes.

F
Lien Provisions

The lien on the site on which the facility is to be located must:

- contain an exact legal description of the site
- grant CCC access rights to the property.

G
Fees

The borrower shall pay all title fees, applicable lien search fees, and the cost of filing or recording real estate liens before or at loan closing.

---

120 (Reserved)

121 Final Review of Cost Documents

A Acceptable Cost Documents

County Offices shall review:

- final evidence of total cost
- proof of downpayment

--Note:** CCC-191, signed and dated by the contractor or seller, with the amount of the down payment listed in items (a) **and** (b) is considered proof of down payment.**--

- payment of amounts in excess of the loan.

Note: Evidence must be signed and dated by the seller.

B Examples of Acceptable Evidence

The following are examples of acceptable evidence of cost documents:

- a sales document or receipt, which is signed and dated by the seller
- a certification, which is signed and dated by the seller or provider of services
- a canceled check, which is supported by a signed and dated sales document
- a receipt, which is signed and dated by the seller or provider of services
- copies or facsimiles of documents with the seller's original signature and date.

Note: Seller signatures on sales documents are not required if CCC-191 is on file for an amount equal to the sales document amounts.

C County Office Action

County Offices shall:

- date-stamp original evidence, make a copy for the loan folder, and return original evidence to the borrower
- request applicant to provide any additional information or documentation considered necessary to support costs or downpayment
- verify evidence with sellers, if necessary
- obtain COC reconsideration if final review indicates that:
  - final costs exceed costs on which COC approval was based
  - final documentation includes items not in the original approval
- ensure that all necessary actions and forms have been completed
- calculate the amount to be disbursed according to paragraphs 15 and 16.

121 Final Review of Cost Documents (Continued)

D Trade in Allowances

County Offices shall not allow trade in allowances.

Example: Borrower has an old grain dryer he or she values at $1,000 to:

- trade in to the storage bin distributor
- use towards the downpayment.

E Release of Liability

County Offices shall obtain CCC-191 for storage and handling facility construction projects from the following:

- the primary contractor who either constructs or subcontracts all aspects of the facility construction and presents 1 bill to the borrower for the entire FSFL project

- all contractors and suppliers providing separate bills for supplies, work, or services performed in the construction of FSFL, whether their part of the project is included in the final amount of FSFL.

Notes: CCC-191 will **not** be required for a supplier of goods if the total cost is less than $100 **and** the cost is not included in the final loan amount.

Only one CCC-191 is required from each contractor supplying goods or performing services. CCC-191 on file does not have to reflect that the total amount of the bill has *--been paid. CCC-191 can show a partial payment (at least 15 percent) has been made.--*

Example: The borrower has paid the cement contractor the required 15 percent of his total cement bill as reflected in his total/final bill. The 15 percent is entered in CCC-191, items 3(a) and 3(b). As the cement contractor has not been totally paid, the loan disbursement was made to the borrower and the cement contractor. A new CCC-191, following disbursement with the contractor's name on the check, is not required from the contractor.

121 Final Review of Cost Documents (Continued)

E Release of Liability (Continued)

--CCC-191 is necessary to protect CCC and the loan applicant from the following:--

- mechanic's or other liens
- claims arising against the contractor or subcontrators.

The following is an example of CCC-191.

This form is available electronically. Form Approved - OMB No. 0560-0204

CCC-191
(09-24-03)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

FARM STORAGE FACILITY LOAN PROGRAM
RELEASE OF LIABILITY

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436, Title 7, Code of Federal Regulations and the Commodity Credit Corporation Charter Act, 15 U.S.C. 714 et seq. The information will be used to determine the amount of a loan. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in delays to disburse a loan. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

1. APPLICANT'S NAME AND ADDRESS *(Including ZIP Code)*	2. CONTRACTOR'S NAME AND ADDRESS *(Including ZIP Code)*
Clark Farms, Inc. 282 State Route 245 Penn Yan, NY 14527	Acme Grain Systems Company 114 Hicks Street Penn Yan, NY 14527
TELEPHONE NUMBER *(Including Area Code)*: (315) 536-9989	TELEPHONE NUMBER *(Including Area Code)*: (315) 536-7281

3. CERTIFICATION:

I hereby acknowledge the receipt of *(a)* thirty-four thousand, four hundred eighteen dollars *(b)* ($ 34,418) which represents full or partial payment of my contract/purchase invoice dated *(c)* 06-20-03 for construction or improvement work on the *(d)* 36' Butler Steel Bin with dryer located in *(e)* NW 1/4 Sec. 26, Penn Yan Twp, Yates County and which is further described in my contract/purchase invoice. (When payment towards part of the total cost has been made by the loan applicant as evidenced by the final cost data on file in the County FSA Office, the remaining cost will be covered by joint disbursement of the loan.)

I hereby release the loan applicant and the Commodity Credit Corporation (CCC) from any claims or liens filed against my business, or me, as an individual, on account of injuries sustained by any worker employed by me or by any subcontractor, arising by virtue of this contract/purchase invoice.

I hereby also release the loan applicant and the Commodity Credit Corporation (CCC) from any and all claims, liens, and lien rights, of any kind, nature, or description whatsoever, filed against my business, or me, as an individual, by all who provided labor, materials, supplies, or equipment in the construction or improvement work on the above referenced structure.

3(f). SIGNATURE OF CONTRACTOR	3(g). DATE *(MM-DD-YYYY)*
/s/ Phil Morehouse	*09-30-03*

WARNING

The statements and representations made above are made in connection with construction financed in whole or in part by the Commodity Credit Corporation (CCC), United States Department of Agriculture (USDA). The statements and representations will be used to determine the release of USDA provided funds. The making of any false statement or misrepresentation herein may be a crime punishable under Title 18 U.S.C. Section 1001 which provides in part: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or statement or entry, shall be fined under [Title 18 of the United States Code] or imprisoned not more than five years, or both."

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

122 Inspection and Disbursement

A Inspection

County Offices shall:

- inspect the facility after the applicant has advised that the installation is complete
- document the results of the final inspection in the loan folder on CCC-295A
- document the results of the annual inspection in the loan folder on CCC-295B.

*--B Safety Guidelines

FSA is committed to providing a safe environment for employees who:

- inspect newly constructed storage facilities
- perform annual inspections of existing storage facilities.

Employees shall follow safety practices according to 5-LP, paragraph 89. In addition, observe the following guidelines when performing initial and annual FSFL inspections:

- do not climb stairs or ladders unless it is necessary to visually locate handling equipment that will be collateral for FSFL and the equipment can be safely inspected

- if climbing stairs or ladders is necessary, use proper safety equipment, if available

- if handling equipment cannot be located, verify installation with the borrower

- do not attempt to locate serial numbers for equipment that is inaccessible or is not in a safe location

- document unsafe conditions on CCC-295A or CCC-295B that should be fixed by the borrower, such as loose ladders.**--***

C
Example of CCC-295A

The following is an example of CCC-295A.

REPRODUCE LOCALLY. Include form number and date on all reproductions.

CCC-295A
(08-16-00)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

FARM STORAGE FACILITY LOAN PROGRAM
FINAL INSPECTION OF FACILITY BEFORE LOAN DISBURSEMENT

BORROWER INFORMATION

1. NAME AND ADDRESS OF BORROWER *(Include ZIP Code)*	2. LOAN NUMBER
Clark Farms, Inc. 282 State Route 245 Penn Yan, NY 14527 TELEPHONE NUMBER: (315) 536-8989	2000/0001

INSTRUCTIONS: Review each item below. If "NO," explain deficiencies and corrective action needed in remarks.

REQUIRED FINAL INSPECTIONS	YES	NO	REMARKS:
3. Does structure and equipment match what was approved by COC?	X		
4. Was installation properly done?	X		
5. If cost of material or equipment was certified by the borrower, does it seem reasonable?	X		
6. Is there legal access to the site?	X		

7. Locate and record serial numbers of equipment.

Grain spreaders: E bin-#123456789 Middle Bin-#123456788 West Bin-#123456777

8. ADDITIONAL REMARKS. *(Indicate Item Number for each remark.)*

9. SIGNATURE OF AGENCY OFFICIAL INSPECTING FACILITY	TITLE	DATE OF INSPECTION
/s/ R. Jones	***CED***	***10/01/00***

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

Continued on the next page

122 Inspection and Disbursement (Continued)

D
Disbursement

County Offices shall disburse the loan as follows:

- prepare a check in APSS according to Part 8
- disburse a check jointly to the borrower and suppliers unless there is evidence that all amounts due suppliers have been paid.

123 Extension of Approvals

A Extensions That May Be Granted

Loan approvals expire 4 months after the date of approval. COC's shall:

- obtain approval from STC or STC designee to grant up to an additional 4-month extension if there are bona fide delays in construction

  Note: Extensions become necessary only if the applicant has not completed construction or has not submitted all documentation required to disburse the loan. Delays in disbursing a loan within the control of CCC, such as funds obligation, do not require a request for extension from the applicant.

- ***--**grant extensions only if the applicant:

  - submits a written request for an extension within 7 calendar days of notification by the County Office or the loan approval period expiration date, whichever is later.**--***

    Notes: County Offices shall notify borrowers by telephone, e-mail, or letter, 14 workdays before the expiration date that, if necessary, they must request an extension in writing.

    --**Extensions may be approved after the loan approval period expiration date if the request for the extension was made in a timely manner.**--

  - provides evidence that the application was made in good faith

  - provides evidence that lack of completion is because of reasons beyond his or her control

    Examples: The following are examples of reasons beyond the borrower's control:

    - delays in the delivery of parts
    - bad weather conditions
    - lack of necessary skilled labor
    - legal delays involving real estate liens.

- grant extensions only for the time necessary to complete the installation

- not grant automatic extensions

123 Extension of Approvals (Continued)

A Extensions That May Be Granted (Continued)

•***--**ensure that extensions can also be granted if the:

- site preparation and foundation are both completed by the original loan approval period extension date

- applicant provides a binding contract, signed by the applicant and supplier, proving there is a purchase commitment.**--***

- notate a new expiration date on CCC-185, Remarks section.

B Requests for Extensions Beyond 8 Months

STC's or STC designees are not authorized to grant extensions of FSFL approvals beyond 8 months from the date of original approval. Requests for waivers of this policy may be submitted to DAFP, according to subparagraph 2 B, if the request:

- meets the requirements of subparagraph A
- is submitted according to paragraph 276.

124-135 (Reserved)

Part 8 Disbursing Loans

136 Preparing Manual CCC-186

A Manually Preparing CCC-186

When APSS is not available, County Offices shall manually prepare CCC-186 as follows.

Note: FSFL's must be disbursed through the APSS software. See 1-FI, paragraph 218 and 1-CM, paragraph 813 for more information.

Item	Instructions
1A	Enter the State code.
1B	Enter the county code.
1C	Enter the loan number.
2	Enter the amount calculated according to paragraph 15.
3	Enter the annual interest rate in effect at time of approval.
4	Enter an approximate total finance charge. Use System 36 amortization schedule software to calculate finance charge and installment amount.
5	Enter the applicable number of annual installments.
6	Enter the installment amount.
*--7A	Enter the debtor's name and address.
7B	Enter the debtor's telephone number including area code.
8	Enter co-debtor's (or debtor's spouse) name and address, if applicable.
9A	Debtor shall sign.
9B	Enter last 4 digits of debtor's identification number.
9C	Enter date debtor's signed in item 9A.
10A	Co-Debtor (or debtor's spouse) shall sign, if applicable.
10B	Enter last 4 digits of co-debtor's (or debtor's spouse) identification number.
10C	Enter date co-debtor (or debtor's spouse) signed in item 10A.
11A	COC Chairman or designee shall sign.
11B	Enter the title of the approving official.
11C	Enter the date of disbursement.
12	Enter the County Office's name, address, and telephone number.--*

136 Preparing Manual CCC-186 (Continued)

B Example of Manual CCC-186

Following is an example of a manual CCC-186.

*--

This form is available electronically.

Form Approved - OMB No. 0560-0204

CCC-186
(02-11-08)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

Farm Storage Facility Loan Program

PROMISSORY NOTE AND SECURITY AGREEMENT

FOR FSA USE ONLY

1. Loan Identification Number

A. State Code	B. County Code	C. Loan Number
72	123	2007/00005

2. Amount Financed
$ 29,100.00

7A. Debtor's Name and Address (Including ZIP Code)	7B. Telephone Number (Including Area Code)	3. Annual Percentage Rate	4. Finance Charge 1 /
John Clark 282 East Road Pleasantville, ST 99809	123-456-7890	6.75 %	$ 8368.40
8. Co-Debtor's Name and Address (Including ZIP Code) Douglas Clark 2198 State Street Pleasantville, St 99809		5. No. of Annual Installments 7	6. Installment Amount $ 3,352.63

1 / Assuming installments are paid on anniversary date at the Interest rate shown in Item 3 above.

The undersigned Debtor(s) jointly and severally promise to pay to the order of the Commodity Credit Corporation (CCC) the principal amount shown above as "Amount Financed," together with interest and other charges provided herein. Payment shall be in the number of equal annual installments shown above with interest at the "Annual Percentage Rate" specified above. Equal loan installments, amortized over the loan term are due and payable no later than the last day of each 12 months of the loan period. Payments shall be applied first to interest and then to principal. Payment of loan installments and interest shall be made by check, cash, money order, or by deduction from amounts due Debtor from CCC. Any delinquent amount may be deducted and paid out of any amounts due Debtor under any program carried out by any agency of the Department of Agriculture and any other agency of the United States. The Debtor waives presentment for payment, demand, protest, notice of protest, and notice of nonpayment of this note.

Debtor hereby grants to CCC as collateral security for the payment of this note, plus interest and charges, a security interest in the following described farm storage equipment *(a)*:

1-16,000 Bushel (30' diameter) Butler Steel Grain Bin with grain spreader and motor, inside and outside ladders, perforated floor with aeration system and motor, installed on concrete foundation.

and the proceeds from any disposition of the collateral. The collateral shall not be sold without prior written authority of CCC. Such collateral is to be located upon the premises in Debtor's possession described *(b)*:

NW 1/4 SW 1/4 Sec. 24 Cook Twp, Jones County

Debtors shall grant CCC such additional security as it may require. The above provisions and those on the reverse side hereof have been read and considered by the undersigned. It is agreed that by signing this combined Promissory Note and Security Agreement, they make the representations, warranties, and agree to all the terms and conditions specified.

9A. Debtor's Signature	9B. Debtor's Identification Number *(Last 4 digits)*	9C. Date of Execution *(MM-DD-YYYY)*
/s/ John Clark	9876	02/13/2008
10A. Co-Debtor's Signature *(if applicable)*	**10B. Co-Debtor's Identification Number *(Last 4 digits)***	**10C. Date *(MM-DD-YYYY)***
/s/ Douglas Clark	5432	02/13/2008

11. COMMODITY CREDIT CORPORATION SECURED PARTY

11A. By: Approving Official's Signature		12. FSA County Office Name and Address *(Including ZIP Code)*
/s/ Jam Ced		Jones County Farm Service Agency 270 Lake St. City, ST 99999
11B. Title CED	11C. Date of Disbursement *(MM-DD-YYYY)* 02/13/2008	Telephone Number *(Area Code)*: 888-123-4567

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436 and the Commodity Credit Corporation Charter Act, 15 USC 714 et. seq. The information will be used to determine eligibility for CCC financing for farm storage and drying equipment. Furnishing the requested information is voluntary, however, without it CCC financing under the program cannot be provided. Failure to furnish the requested information will result in denial of CCC financing under this program. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including* ***18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m, and 31 USC 3729,*** *may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

--*

136 Preparing Manual CCC-186 (Continued)

*--C Manual Prepared CCC-186 Terms and Conditions

County Offices shall complete the manual CCC-186 terms and conditions according to the following.

Item	Instructions
Item 11	
9A	Debtor signing CCC-186, page 1, item 9A shall also enter initials and date.
10A	Co-debtor (or debtor's spouse) signing CCC-186, page 1, item 10A shall enter initials and date.
Item 12	
10A – 17A	Co-Debtor(s) whose signature and date appear on CCC-186-1, items 10A - 17A must initial and date in box numbered the same as the signature box on CCC-186-1.

--*

136 Preparing Manual CCC-186 (Continued)

*--D Example of Manual Prepared CCC-186 Terms and Conditions

CCC-186 (02-11-08) Page 2 of 2

CCC-186 TERMS AND CONDITIONS

1. The Debtor represents, covenants, and agrees that:

   (a) The Debtor is the absolute and exclusive owner of the collateral, said collateral is free from all liens, encumbrances, or other security interests, and the Debtor will warrant and defend the collateral against the claims of all other persons.

   (b) The Debtor will use the loan funds secured hereby for the purpose for which they are advanced and will properly care for the collateral, and keep it in good condition and available for the storing and conditioning only approved facility loan commodities until the entire loan is repaid. The Debtor will promptly pay when due all indebtedness secured hereby, all taxes, liens, and other charges assessed upon or attaching to the collateral and will not encumber the collateral, remove, sell or otherwise dispose of the collateral or of any interest therein or permit others to do so.

   (c) Any authorized representative of CCC may at any time enter upon the premises where the collateral is located and inspect the same.

   (d) If any amounts required herein to be paid by him or her are not paid when due, they may be paid by CCC which shall be secured for such payments and interest thereon at the applicable rate of interest then in effect. Such payments shall be due and payable to CCC immediately without demand at the office of the FSA County Committee which signed this note.

   (e) During the life of this loan the loan collateral shall not be used by any commercial operation including, but not limited to, elevators, warehouses, dryers or processing plants. The storage and handling of approved facility loan commodities, whether paid or unpaid, for persons other than the borrower, except for family members as defined in 7 CFR Part 718, and/or tenants and landlords sharing in the crop requiring storage is not allowed. The entire indebtedness will immediately become due and payable if the above provisions are violated, except as authorized by CCC.

2. The Debtor certifies that the evidence furnished to the FSA County Committee as to the cost of the collateral represents the total cost of such property and that all debts on the property in excess of the amount of the loan have been paid, that he or she has read this note and security agreement and that he or she understands and agrees that the loan is made subject to and in consideration of the representations, warranties and agreements contained therein, and that this note is subject to the present regulations of CCC and to its future regulations not inconsistent with the express provisions hereof.

3. Upon default hereunder *(whether by failure to pay promptly any indebtedness or installment thereof or interest thereon, or to perform any covenants or agreements herein contained),* or if any of the Debtor's representations or warranties herein or if the loan application proves false, or upon the death, bankruptcy, insolvency, or incompetency of the Debtor or attachment or levy on collateral by any court process:

   (a) CCC may declare the entire indebtedness secured hereby immediately due and payable. In that event, CCC may remove the collateral and sell same.

   (b) The Debtor hereby waives all rights of notice, appraisal, compulsory disposition, exemption, and redemption he or she may otherwise have by law.

   (c) A default will exist under any other security instrument held by CCC and executed or assumed by the Debtor on real or personal property, and default under any such other security instrument will constitute default hereunder.

4. If the collateral is acquired by CCC through foreclosure or other means, at the option of CCC and at no expense to CCC, such property shall remain on the above-described real estate for a period not to exceed six (6) months after the date of acquisition by CCC.

5. Proceeds for disposition of the collateral shall be applied first on expenses of retaking, holding, preparing for sale, selling, and for payment of reasonable attorneys' fees and legal expenses incurred by CCC, second to the satisfaction of indebtedness secured hereby, third to the satisfaction of subordinate security interests to the extent required by law, fourth to any other obligations of the Debtor owing to or insured by CCC, and fifth to the Debtor. The Debtor will be liable for any deficiency owed to CCC after such disposition of proceeds of collateral.

6. It is the intent of the Debtor and CCC that to the extent permitted by law and for the purpose of this note and security agreement the collateral covered hereby shall remain personality and shall not be assessioned to other goods.

7. If any provision of this note and security agreement is held invalid or unenforceable it shall not affect any other provisions hereof, but this note and security agreement shall be construed as if it had never contained such invalid or unenforceable provision.

8. The rights and privileges of CCC under this note and security agreement shall inure to the benefit of its successors and assigns. All covenants, warranties, representations, and agreements of the Debtor contained in this note and security agreement are joint and several and shall bind personal representatives, heirs, successors, and assigns.

9. The terms and conditions contained on this form are in addition to the applicable program regulations found at 7 C.F.R. 1436. To the extent that the terms and conditions conflict with the regulations, the regulations prevail. Additionally, the regulations and statutes applicable to CCC operations apply to this program.

10. CCC is authorized to file financing statements describing the collateral, to file amendments to the financing statements and to file continuation statements.

11. Debtor and Co-Debtors whose signature appears on CCC-186, Items 9A and 10A MUST initial and date the corresponding item numbers referenced below:

Initial	Date	Initial	Date
9A JC	2-13-08	10A DC	2-13-08

12. If applicable, Co-Debtor(s) whose signature and date appears on CCC-186-1, Items 10A through Item 17A MUST initial and date the corresponding item numbers referenced below:

Initial	Date	Initial	Date	Initial	Date	Initial	Date
10A	MC	11A 2-13-08		12A CC	2-13-08	13A	
14A		15A		16A		17A	

--*

137 CCC-186-1 Continuation

A CCC-186-1 Continuation Sheet

County Offices shall use CCC-186-1 where additional co-debtor signatures are required.
*--

Item	Instructions
1A	Enter the State code.
1B	Enter the county code.
1C	Enter the loan number.
Part A	
2 – 9	Enter additional co-debtor's (or any debtor's spouse) name, address, and last 4 digits of identification number.
Part B	
10A – 17B	Co-Debtor's (or any debtor's spouse) shall sign and date, if applicable.
18	Enter any other pertinent information.

--*

137 CCC-186-1 Continuation (Continued)

B Example of manual CCC-186-1 Continuation Sheet

Following is an example of a manual CCC-186-1.

*--

This form is available electronically. Form Approved - OMB No. 0560-0204

CCC-186-1 (02-11-08) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation

FARM STORAGE FACILITY LOAN PROGRAM
CCC-186 CONTINUATION SHEET

FOR FSA USE ONLY		
1. Loan Identification Number		
A. State Code	B. County Code	C. Loan Number
72	123	2007/00005

PART A - PRODUCER'S INFORMATION

2. Co-Debtor's Name and Address Mary Clark 282 East Road Pleasantville, ST 99809 Identification Number *(Last 4 digits)*: 4321	3. Co-Debtor's Name and Address Carol Clark 2190 State Street Pleasantville, ST 99809 Identification Number *(Last 4 digits)*: 8765
4. Co-Debtor's Name and Address Identification Number *(Last 4 digits)*:	5. Co-Debtor's Name and Address Identification Number *(Last 4 digits)*:
6. Co-Debtor's Name and Address Identification Number *(Last 4 digits)*:	7. Co-Debtor's Name and Address Identification Number *(Last 4 digits)*:
8. Co-Debtor's Name and Address Identification Number *(Last 4 digits)*:	9. Co-Debtor's Name and Address Identification Number *(Last 4 digits)*:

PART B - PRODUCER'S CERTIFICATION

The undersigned debtor(s) agrees to all terms and conditions specified in Form CCC-186 "Promissory Note and Security Agreement" with the same loan identification number. Debtor(s)/Producer(s) who sign and date in Items 10A through 17B must also initial and date the corresponding Item numbers on CCC-186, Page 2 Item 12.

10A. Signature of Co-Debtor/Producer /s/ Mary Clark	10B. Date *(MM-DD-YYYY)* 2-13-08	11A. Signature of Co-Debtor/Producer /s/ Mary Clark	11B. Date *(MM-DD-YYYY)* 2-13-08
12A. Signature of Co-Debtor/Producer	12B. Date *(MM-DD-YYYY)*	13A. Signature of Co-Debtor/Producer	13B. Date *(MM-DD-YYYY)*
14A. Signature of Co-Debtor/Producer	14B. Date *(MM-DD-YYYY)*	15A. Signature of Co-Debtor/Producer	15B. Date *(MM-DD-YYYY)*
16A. Signature of Co-Debtor/Producer	16B. Date *(MM-DD-YYYY)*	17A. Signature of Co-Debtor/Producer	17B. Date *(MM-DD-YYYY)*

18. REMARKS

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436 and the Commodity Credit Corporation Charter Act, 5 USC 714 et. seq. The information will be used to determine eligibility for CCC financing for farm, storage and handling equipment. Furnishing the requested information is voluntary; however, without it CCC financing under the program cannot be provided. Failure to furnish the requested information will result in denial of CCC financing under this program. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 2 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

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138-149 (Reserved)

Part 9 Basic Servicing Policies

150 Collecting Installments * * *

A Installment Payments

[7 CFR 1436.13] The loan shall be repayable in equal annual installments of principal and interest amortized over the term of the loan.

Installments are due and payable no later than the last day of each 12 months of the loan period until the principal plus accrued interest has been paid in full.

--Note:** County Offices shall process installment repayments according to Part 20.**--

B Method of Payment

The payment of each installment may be by any of the following:

- cash
- money order

*** * ***

- personal, certified, or cashier's check
- setoff, when applicable.

Repayment shall be applied first to accrued interest and then to principal.

150 Collecting Installments (Continued)

C Reminder and Notification Letter

--The following letter will be generated at SOD the first workday that is 45 calendar days-- from the installment due date of FSFL. If an installment due letter should be prepared on a nonworkday, the system will generate the letter the first workday after the 45 calendar days. Other letters such as demand letters, call letters, or liquidation letters must be prepared by the County Office as needed. See subparagraph 150.5 D when sending this notification letter.

USDA-Farm Service Agency
County FSA Office
Address
City, Town Zip

(Date Letter Printed)

REMINDER AND NOTIFICATION LETTER

(Contact Borrower Name)
(Contact Borrower Address 1)
(Contact Borrower Address 2)

Dear **(Contact Borrower Name):**

Please be advised that an installment payment will be due and payable for the Farm Storage Facility Loan (FSFL) Program loan 2000/00001 on 12/18/2004. The annual installment balance due is described in the following table.

Installment Due Date	Installment Amount Due	Interest Amount Due	Principal Amount Due	Daily Interest Accrual
12/18/2004	$4,451.24	$960.04	$3491.20	$2.62

As of the date of this letter, the outstanding principal balance on this loan is $15,318.64. Please send your check payable to the Commodity Credit Corporation (CCC) in time to reach the office at the following address by the due date:

Commodity Credit Corporation
(office street address)
(city, state, and ZIP code)

If payment is not received on or before the due date, the amount due will be recorded for offset from any FSA or CCC payment due you. Additionally, the CCC can declare the entire indebtedness immediately due and payable. If your loan is called, foreclosure proceedings can be initiated. Under foreclosure proceedings, the collateral securing the loan can be sold and the proceeds of the sale will be applied to the outstanding amount of the loan.

Feel free to give us a call if you have any questions.

CED's Name
County Executive Director
For the COUNTY FSA OFFICE

150 Collecting Installments (Continued)

C Reminder and Notification Letter (Continued)

County Offices are reminded **not** to change the amount that prints on the reminder and notification letter. Although these amounts may differ from the amounts on the amortization schedule printed at loan disbursement, the amounts on these letters are correct. Differences in the amounts are usually because of the annual installment payment being made on a date other than the actual due date. See paragraph 361 C for the repayment date to enter on Screen VDA11005.

The **final** loan installment payment shall include interest to the date payment is received in the County Office. The table in subparagraph 361 C does not apply to the final loan payment. The following note shall be attached to the reminder and notification letter for the **final installment payment**:

> "The **final** installment payment on your FSFL is due soon. The installment due date is listed in the 1st column of the table in the attached letter. The installment amount due is the total amount owed, if the final loan payment is received in the FSA County Office on the installment due date. If payment is received on another day, the amount due will be different. Please contact the FSA County Office for the total amount due, if the installment will be received on a day different than the installment due date. Any collateral security on this loan will **not** be released to the borrower until the entire principal has been repaid"

D Failure to Pay Installments Policy

[7 CFR 1436.13] If installments are not paid by the due date, County Offices shall:

- consider FSFL's delinquent for FSFL purposes and eligible for offset from any payments due borrower on the next day after the due date, when the installment principal balance remaining after payment exceeds $25
- mail a first demand letter to the contact borrower and all co-borrowers on the day after the due date describing actions that may be taken against the debtor if the installment is not paid within 30 calendar days of the date of the letter
- in addition to the first demand letter, mail 2 subsequent demand letters at 30 calendar day intervals if the installment is not paid
- collect additional interest to date of repayment
- initiate collection action against a debtor's pro rata share of payments due any entity that the borrower participates in, either directly or indirectly
- initiate collection action against related persons or entities, irrespective of the debtors share when CCC determines that the debtor has established an entity or reorganized, transferred ownership, or changed their operation for the purpose of avoiding payment of the debt

150 Collecting Installments (Continued)

D Failure to Pay Installments Policy (Continued)

- cease collection activity until any appeal activity by the borrower is complete but withhold any FSA or CCC payments to the borrower for later offset

  Note: Delinquent installments cannot be moved out of FSFLP status to claims status. This is because a portion of the outstanding principal balance is not due and because collateral that could be foreclosed upon exists.

- initiate foreclosure actions only after all efforts to collect the installment have been exhausted under delinquency policy.

E Later Payment of an Installment

FSA recognizes that installment due dates may not always coincide with dates by which crops are harvested and income is available. Debtors who cannot pay on the due date may request up to an additional 120 calendar days to pay an installment if they submit the following:

- a request in writing for COC consideration within 60 calendar days before or after the installment due date

- a current cash flow statement demonstrating that the installment can be paid within 120 calendar days after the due date.

Payment after the installment due date:

- does not change the system-calculated due date in APSS

- does not change the due date of the next installment

- allows debtors more time to pay an installment and allows the County Office to cease further collection action except for offset opportunities

- may be requested for each installment during the term of the loan

- requires collection of additional interest through the date of repayment of the installment.

150 Collecting Installments (Continued)

E Later Payment of an Installment (Continued)

County Offices shall:

- notify debtors of this option in the first demand letter sent the day after an installment is unpaid and subsequent letters sent within 60 calendar days of the due date
- process requests for COC approval or disapproval by obtaining:
  - the debtor's request in writing, including a reason why the installment cannot be paid on time
  - a recommendation about the debtor's ability to repay at a later date from an FSA employee with FLP loan approval authority
- notify debtors of COC decisions in writing
- resume collection activity according to subparagraph D if the installment is not paid by the COC-determined date
- continue to collect payment of the installment due plus additional interest by administrative offset of any CCC payments due the borrower.

F Demand Letters

If the installment is not paid, County Offices shall:

- mail the following demand letter to contact borrowers and all co-borrowers on the day after due date
- in addition to the first demand letter, mail 2 subsequent demand letters at 30 calendar day intervals if the installment is not paid
- calculate a new amount due for 30 calendar days from the date of the letter.

150 Collecting Installments (Continued)

F Demand Letters (Continued)

*--

(Letter Date)

(Borrower Name)
(Borrower Address line 1)
(Borrower Address line 2)

Dear (Borrower Name),

Please be advised that according to the regulations at 7 CFR 1436.13 and the terms of CCC-186, Promissory Note and Security Agreement, an installment payment was due and payable for the Farm Storage Facility Loan Program on the date shown below. The installment has not been paid.

Please send your check payable to the Commodity Credit Corporation immediately for the new amount due (shown below) because of additional interest. Send your payment to the following address:

Commodity Credit Corporation
(insert office street address)
(insert City, State, and ZIP Code).

Loan Number	Date of Note and Security Agreement	Unpaid Installment Amount	Original Due Date	Amount Due 30 Days From Date of This Letter
		$		$

The amount due has been recorded for offset from any Farm Service Agency or Commodity Credit Corporation payment due you. Additionally, the Commodity Credit Corporation may declare the entire indebtedness immediately due and payable. If your loan is called, foreclosure proceedings may be initiated. Under foreclosure proceedings, the collateral securing the loan may be sold and the proceeds of the sale will be applied to the outstanding amount of the loan.

Feel free to give us a call if you have any questions. If for some reason, you cannot pay the amount due, contact our office immediately to discuss this situation.

(Insert as applicable according to subparagraph E.) Subject to COC approval, you may request up to 120 more calendar days after the due date to pay the installment. The request must be in writing, stating why you cannot pay the installment on time, and must be submitted with a current cash flow statement by no later than 60 calendar days after the installment due date. If approval for a later payment date is approved, CCC will continue to collect payment towards the installment due plus additional interest by administrative offset of CCC payments due you.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you have 30 calendar days from the date of this letter to request reconsideration, mediation, or an appeal. (Insert rights for reconsideration, mediation, and appeal according to 1-APP.)

You may also contact the County Office to receive a copy of the documents related to this determination.

County Executive Director
For the (County Name) FSA County Committee

--*

150 Collecting Installments (Continued)

G Loan Acceleration

CCC may:

- declare the entire indebtedness immediately due and payable if the borrower:
  - violated any of the terms and conditions of the application
  - breaches any of the terms and conditions of any of the instruments executed in connection with the loan
- call the loan if the collateral is used in connection with any commercial operation, including but not limited to, elevators, warehouses, dryers, or processing plants during the life of the loan.

Note: The loan may be paid in full or in part at any time before maturity.

H Releasing Security

Upon payment of a loan in full, County Offices shall:

- release or obtain the release of security documents, as required by State law, upon request by the borrower
- require the borrower to pay all release fees
- mark the original CCC-186 "paid" and forward to the borrower after 30 calendar days from the date of repayment.

Note: If final FSFL payment is made by cash, certified check, or money order, borrower may request an accelerated release of security documents from SED. Included with the request, the County Office will send a copy of the final FSFL repayment receipt showing the loan has been paid in full, and a copy of CCC-257 showing the remittance has been deposited. SED, after reviewing the documents, may advise the County Office in writing, to proceed with releasing the security documents. The authority for this release may not be re-delegated.

150 Collecting Installments (Continued)

I Delinquent FSFL's for DCIA Purposes

County Offices shall consider FSFL's delinquent for DCIA purposes when either of the following occurs:

- a due and payable FSFL installment is not paid in full within 90 calendar days after the due date

- the installment principal balance, after a due and payable installment is applied, exceeds $25, within 90 calendar days after the due date.

--Note:** When FSFL's are over 90 days delinquent, County Office's shall set the delinquent flag on the "Producer Eligibility" web page according to 3-PL, paragraph 36.**--

J STC Review of Repayment Status

STC or representative shall:

- at least quarterly, review the Repayment Status Report

  Note: See subparagraphs 414 A and H.

- ensure that County Offices are:

  - sending the required demand letter the day after the installment due date
  - sending other required demand letters timely
  - following correct procedure for collecting any delinquent payments.

*--K Updating Flags for Delinquent FSFL Borrowers

On the day after the installment due date, County Offices shall set the other "Agency Claim Flag" in FSA-FS on all borrowers listed on the delinquent loan as follows:

- access the FSA Internet Home Page at **http://intranet.fsa.usda.gov/fsa/**

- click:

  - "FSA Applications", under "Links"
  - "Financial Application", under "Financial Services"
  - "FSA Financial Services" to go to the eAuthentication Screen
  - "Continue"

- enter a valid eAuthentication user ID and password, and click "Login" to continue**--***

150 Collecting Installments (Continued)

*--K Updating Flags for Delinquent FSFL Borrowers (Continued)

- click "Select Customer from SCIMS" to select the producer

  Note: See 1-CM for instructions on selecting a customer from SCIMS.

- after the customer has been selected, FSA-FS Menu will be displayed

- click "Update Customer Profile" to change the flag setting for "Other Agency Claim"

- click the radio button under "Other Agency Offset", according to the following:

  - "Yes" to set the flag
  - "No" to remove a previously set flag.

- click :

  - "Submit" to record the flag setting
  - "Logoff" to exit FSA-FS.--*

150.5 Small FSFL Installment Principal Balances

A Why Small Balances Exist

Small installment principal balances result when installments are **not** paid on the due date and the County Office processes the repayment using the receipt date as the date of repayment; therefore, additional interest is calculated to the date of receipt. See subparagraph 361 C about repayment date.

Note: Interest is from date disbursed to date payment is made or from one repayment date to the next repayment date. Additional interest accrues and is owed if over 365 calendar days.

B How to Detect Existing Small Principal Balances

For loans where installments have been paid, County Offices shall:

- review the FSFL repayment receipt printed when the last repayment was applied, according to subparagraph 361 G

  Note: The message, "The principal balance after this payment is current", is printed on the repayment receipt and correct as of that day. As the loan is current until after the anniversary date or due date, any additional amount due will not be printed on the receipt or the repayment status report until after the due date.

150.5 Small FSFL Installment Principal Balances (Continued)

B How to Detect Existing Small Principal Balances (Continued)

- identify loans with small installment principal balances that require further collection action.

Note: County Offices are:

- encouraged to periodically run the "FSFL Repayment Status Report", per subparagraph 414 G, to identify loans on which principal balances exist

- to take collection action according to subparagraph 150.5 C.

C Collection Actions

For loan installments that are not fully satisfied and small installment principal balances exist, County Offices shall:

- if the producer has made a full installment payment and is behind the scheduled principal balance, do not pursue collection action. Notify the borrower that additional interest has accrued on the loan due to the timing of repayments. This amount will be collected with the next installment, unless the borrower voluntarily provides payments

- pursue collection of the installment principal balance, according to subparagraph 150 D, except use the demand letter in subparagraph E

  Exception: To minimize collection costs for installment principal balances of $25 and less, except for the final installment payment, County Offices shall not pursue collection until the subsequent installment is due and payable.

- continue collection action, according to subparagraph 150 D, if installment principal balances remain unpaid after 2 consecutive monthly installment principal balance demand letters

  Note: The County Office should send out the demand letter in subparagraph E. If not, paid within 30 calendar days, send the 2nd demand letter, each time asking for repayment of the installment principal balance only. If received within the 60 calendar days, the repayment should be entered as being made on the date of the last installment. If paid after the 60 calendar days, also collect additional interest to date of repayment.

D Minimizing the Creation of Small Principal Balances

To minimize creating small installment principal balances, County Offices shall calculate the current correct amount due if the repayment is not made within the 15-day grace period, per subparagraph 361 C.

E

Demand Letter for Installment Principal Balances

Following is an example of a demand letter for installment principal balances.

(Letter Date)

(Borrower Name)
(Borrower Address line 1)
(Borrower Address line 2)

Dear (Borrower Name),

Please be advised that according to the regulations at 7 CFR Part 1436.13, and the terms of CCC-186, Promissory Note and Security Agreement, your Farm Storage Facility Loan is considered delinquent because, although a partial installment payment was made, an installment principal balance exists.

Please send your check payable to the Commodity Credit Corporation immediately for amount due (shown below). Send your payment to the following address: (insert office street address), (insert city, State, and ZIP Code).

Loan Number	Date of Note and Security Agreement	Upaid Installment Principal Amount Due
		$

The amount due has been recorded for offset from any FSA or CCC payment due you. Additionally, CCC may declare the entire indebtedness immediately due and payable. If your loan is called, foreclosure proceedings may be initiated. Under foreclosure proceedings, the collateral securing the loan may be sold and the proceeds of the sale will be applied to the outstanding amount of the loan.

If, for some reason, you cannot pay the amount due, contact our office immediately to discuss this situation or if you have additional questions. If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you have 30 calendar days from the date of this letter to request reconsideration, mediation, or an appeal. (Insert rights for reconsideration, mediation, and appeal according to 1-APP.)

You may also contact the County Office to receive a copy of the documents related to this determination.

County Executive Director
For the (County Name) FSA County Committee

151 Real Estate Taxes

A Borrower's Responsibility

--[7 CFR 1436.14]** On FSFL's where real estate is used as security, the borrower must:**--

- pay all real and personal property taxes that may affect CCC's security interest in all collateral securing the note
- provide proof of payment of taxes, applicable to collateral securing FSFL, to the County Office annually.

B Unpaid Taxes

County Offices shall:

- not disburse loans secured by real estate when real estate taxes are not current
- monitor the real estate tax status applicable to collateral securing FSFL
- pay any unpaid taxes with respect to the collateral securing a loan when it appears CCC's security interest is in jeopardy
- bill the borrowers for the amount of the tax paid
- begin proper servicing action, such as calling the loan.

Note: See subparagraph 293 A for depositing reimbursement of reimbursable fees.

152 Maintenance and Liability

A Maintenance

[7 CFR 1436.15] The borrower must maintain the loan collateral in a condition suitable for the storage of 1 or more of the facility loan commodities.

County Offices shall:

- conduct collateral checks of all outstanding loans:

  - ***--**annually on those loans where the full annual installment payment is **not** made within 15 calendar days **after** the installment due date

  - on the third and sixthh year of the loan where the annual installment payment is made either before or within 15 calendar days of the installment due date**--***

- if possible, conduct checks in conjunction with other FSA loan program collateral checks

- document results of check on CCC-295B

- ensure that CCC is listed as a loss payee on fire and flood insurance policies

  Note: Structures must be insured against all perils and against flooding if the structure is located in a flood plain.

- review proof of fire and flood insurance provided to FSA by insurance companies

- **annually** obtain proof of multi-peril insurance for each crop year for the entire term of the loan

- have rights of access where the facility is located according to a term in CCC-186 whether or not there is a real estate mortgage.

B Liability

Until the loan has been repaid, the borrower shall be liable for all damages to or destruction of the collateral. CCC shall not assume any loss of the loan collateral.

153 Sale or Conveyance and Assumptions

A
Sale of Collateral

[7 CFR 1436.16] The collateral securing a loan shall be sold by CCC whenever:

- CCC has called the loan and it has not been repaid
- the borrower voluntarily conveys the collateral to CCC before repaying the loan
- the borrower desires to convey other property securing the loan without repaying the loan.

Note: Before a borrower sells or conveys the facilities or other property securing a loan without repaying the loan in full, the borrower shall obtain approval for sale or conveyance from COC.

B
Assumptions

An assumption of the loan may be approved by CCC.

154 Appeals, Misaction, and Misinformation

A
Adverse Determinations

Approving authorities making adverse determinations against loan applicants and borrowers shall:

- provide mediation, reconsideration, and appeal rights according to 1-APP
- follow procedure in 1-APP to process and act upon appeals.

B
Misaction and Misinformation

When there is misaction, misinformation, or a situation involving the finality rule, follow procedure in 7-CP.

155-165 (Reserved)

Part 10 Deceased Borrowers and Assumptions

166 Deceased Borrowers

A

County Office Action

When it is learned that an FSFL borrower has died, County Offices shall take the following action.

Step	Action
1	Notify the State Office.
2	After instructions are received from the State Office, notify the fiduciary representative of the estate using the notification letter provided by the State Office from the Regional OGC.
3	Follow the course of action to continue the loan according to instructions provided by the State Office and the Regional OGC.
4	*****--Process assumptions according to paragraphs 167 and 426.--*****

Continued on the next page

*--166 Deceased Borrowers (Continued)

B
State Office Action

When notified of a deceased borrower by a County Office, the State Office shall take the following action.

Step	Action
1	Contact the Regional OGC for advice in preparing a letter that notifies the fiduciary representative of the estate that: • there is an outstanding CCC loan • the loan is secured by a note and security agreement and, if applicable, a mortgage or deed of trust on real estate.
2	Obtain advice from the Regional OGC as to the course of action CCC should take to continue the loan.
3	Notify the County Office of OGC's recommendations and the language of the notification letter.

167 Assumptions

A
When Authorized

Assumptions are authorized when either of the following situations occur:

- the borrower requests an assumption to convey the secured property to another eligible producer
- the borrower is deceased and an eligible heir or another eligible producer who is not liable for the loan requests an assumption.--*

Continued on the next page

167 Assumptions (Continued)

B County Office Action

County Offices shall take the following action.

Step	Action
1	Approve assumptions only for applicants who meet **all** of the eligibility requirements according to subparagraph 11 A.
2	Obtain new severance agreements if applicable.
3	Prepare and record new security documents to protect CCC's interest in the collateral.
4	***--**Request lien search and credit report on new applicants. Pay lien search, **--*** filing, and recording fees according to subparagraph 14 I..
5	Collect the application fee according to paragraph 19.
6	Prepare a manual CCC-185 to document that the applicant meets the storage need.
7	Include unpaid interest in the assumed loan unless the approving committee requires payment of interest to the date of assumption.
8	Use CCC-298 to document the assumption and COC approval.
9	Require the new borrower to pay filing and recording fees according to subparagraph 14 I.
10	Require the new borrower to pay the next installment when it is due.
11	Provide releases of security to the original borrower.
12	Call the loan and require repayment in full when there is not an eligible producer to assume a loan.

***--167 Assumptions (Continued)**

C Preparing CCC-298

County Offices shall prepare CCC-298 according to the following instructions.

Item	Instructions
1	State code.
2	County code.
3	Loan serial number.
4	Borrower's name, address, and telephone number that is on the current loan.
5	State where the loan is administered.
6	County where the loan is administered.
7	Legal description of where the equipment is located.
8A	Name, address, and telephone number of the buyer or survivor.
8B	County where buyer lives.
8C	State where buyer lives.
9A	Date that the original CCC-186 was executed.
9B	Principal amount of original loan.
9C	Principal amount that is unpaid.
9D	Date of the last installment.
9E	Interest rate in effect for the original loan.
10A	State where the security instrument is filed.
10B	County where the security instrument is filed.
10C	Kind of security instrument such as UCC financing statement, mortgage, or deed of trust.
10D	Date instrument was executed.
10E	Name of office where instrument was recorded.
10F	Book, volume, or document number.**--***

***--167 Assumptions (Continued)**

C Preparing CCC-298 (Continued)

Item	Instructions
10G	Page number in the book where the instrument is recorded, if applicable.
11A	Effective date of assumption.
11B	Amount of unpaid principal to be assumed.
11C	Unpaid interest to be assumed, if any.
11D	Total of items 11B and 11C.
11E	Date of next installment according to original schedule.
11F	Interest rate applicable to the original loan.
12A	Original borrower's or representative's signature and date.
12B-F	Original co-borrower's or representative's signature and date.
13A	Buyer's signature and date.
13B-F	Co-buyer's signature and date.
14	CCC representative's signature and title.
15	Name, address, and telephone number of County Office to administer the loan.--*

167 Assumptions (Continued)

D Example of CCC-298

Following is an example of CCC-298.

*--

This form is available electronically. Form Approved - OMB No. 0560-0204

CCC-298 (10-19-06) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. STATE CODE	2. COUNTY CODE
FARM STORAGE FACILITY LOAN PROGRAM ASSUMPTION AGREEMENT	36	123
(See Page 2 for Privacy Act and Public Burden Statements)	3. LOAN SERIAL NUMBER 2001/00001	

4. BORROWER NAME AND ADDRESS (Including Zip code)

Clark Farms, Inc.
282 State Route 245
Penn Yan, NY 14527

TELEPHONE NUMBER (Include Area Code): (315) 536-8989

The farm storage, handling, or drying equipment (hereinafter called "property," described on Form CCC-186, loan serial number as above) are located as follows:

5. THE STATE OF	6. THE COUNTY OF
New York	Yates

7. LEGAL DESCRIPTION OF LOCATION OF EQUIPMENT:

11 Miles west of Penn Yan, NY, on State Route 245 described in Yates County Clerk's Book of Deeds Number 100 page 356.

The Commodity Credit Corporation *(hereinafter called "CCC")*, an agency and instrumentality of the United States, made available funds with which to purchase, erect, remodel, construct or install said property through a loan, which is evidenced and secured by a Promissory Note and Security Agreement *(Form CCC-186)*, or by a promissory note and deed of trust or real estate mortgage *(hereinafter called "Mortgage")*, executed by the Borrower to CCC, in the State and County listed in Items 5 and 6 above. The mortgage provides that if the Borrower sells said property, then CCC may declare the whole of the indebtedness at once due and payable, and take other action as set out in said mortgage. However, the Borrower desires to sell said property to the Buyer listed in Item 8A, 8B, and 8C below *(hereinafter called the "Buyer")*.

8A. BUYER'S NAME AND MAILING ADDRESS (Including Zip Code):	8B. COUNTY WHERE BUYER LIVES
Keith Clark 300 State Route 245 Penn Yan, NY 14527 TELEPHONE NUMBER (Include Area Code): (315) 765-9966	Yates
	8C. STATE WHERE BUYER LIVES New York

9. CCC is the holder of a note and security agreement as follows below:

A. DATE EXECUTED (MM-DD-YYYY)	B. AMOUNT OF ORIGINAL LOAN	C. PRINCIPAL UNPAID	D. LAST INSTALLMENT DATE (MM-DD-YYYY)	E. INTEREST RATE
09/01/00	$ 29,100.00	$ 10,465.00	08/29/06	6.25 %

10. The following security instruments were taken on property below:

A. STATE	B. COUNTY	C. KIND OF INSTRUMENT	D. DATE EXECUTED (MM-DD-YYYY)	E. OFFICE WHERE RECORDED	F. BOOK, VOLUME, DOCUMENT NUMBER	G. PAGE NUMBER
New York	Yates	UCC-1 Financing Statement	05/18/00	Yates County Clerk	2000/943	N/A

11. The buyer agrees to assume the loan as follows:

A. EFFECTIVE DATE (MM-DD-YYYY)	B. UNPAID PRINCIPAL	C. UNPAID INTEREST TO BE ASSUMED	D. TOTAL OF ITEM B AND ITEM C	E. DATE OF NEXT INSTALLMENT (MM-DD-YYYY)	F. INTEREST RATE
10/20/06	$ 10,465.00	$ 93.18	$ 10,558.18	09/01/07	6.25 %

--*

167 Assumptions (Continued)

D Example of CCC-298 (Continued)

*--

CCC-298 (10-19-06) Page 2

BORROWER'S AND BUYER'S AGREEMENT CERTIFICATION

In consideration of the assumption of indebtedness and CCC's consent to the assumption and related conveyance of security property, if applicable, the Buyer agrees to jointly and severally assume liability and agrees to pay the entire unpaid indebtedness with the rates and terms stipulated in the debt and security instruments listed above.

The provisions of said debt and security instruments and any outstanding agreements executed or assumed by the present debtors shall remain in full force and effect the same as if they had executed them as of the dates thereof as principal obligors.

12A. BORROWER'S SIGNATURE ***/s/ Richard Clark for Clark Farms, Inc.***	DATE *(MM-DD-YYYY)* ***10/20/06***
12B. CO-BORROWER'S SIGNATURE	DATE *(MM-DD-YYYY)*
12C. CO-BORROWER'S SIGNATURE	DATE *(MM-DD-YYYY)*
12D. CO-BORROWER'S SIGNATURE	DATE *(MM-DD-YYYY)*
12E. CO-BORROWER'S SIGNATURE	DATE *(MM-DD-YYYY)*
12F. CO-BORROWER'S SIGNATURE	DATE *(MM-DD-YYYY)*
13A. BUYER'S SIGNATURE ***/s/ Keith Clark***	DATE *(MM-DD-YYYY)* ***10/20/06***
13B. CO-BUYER'S SIGNATURE	DATE *(MM-DD-YYYY)*
13C. CO-BUYER'S SIGNATURE	DATE *(MM-DD-YYYY)*
13D. CO-BUYER'S SIGNATURE	DATE *(MM-DD-YYYY)*
13E. CO-BUYER'S SIGNATURE	DATE *(MM-DD-YYYY)*
13F. CO-BUYER'S SIGNATURE	DATE *(MM-DD-YYYY)*

COMMODITY CREDIT CORPORATION SECURED CREDITOR

14. COMMODITY CREDIT CORPORATION *(Secured Creditor)* By ***/s/ Phillip Morehouse, CED*** *(Name and Title)*	15. NAME AND ADDRESS OF COUNTY FSA OFFICE *(Including Zip Code)*: Yates County FSA Office 270 Lake Street Penn Yan, NY 14527 TELEPHONE NUMBER *(Include Area Code)*: (315) 536-4012

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436 and the Commodity Credit Corporation Charter Act, 5 USC 714 et. seq. The information will be used to determine eligibility for CCC financing for farm, storage and drying equipment. Furnishing the requested information is voluntary, however, without it CCC financing under the program cannot be provided. Failure to furnish the requested information will result in denial of CCC financing under this program. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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168-171 (Reserved)

Part 11 Bankruptcy

172 Bankruptcy Actions

A Notification

After notification by a bankruptcy court that a borrower is filing for bankruptcy, County Offices shall:

- send a copy of the notice of filing to the State Office for forwarding to the Regional OGC
- not take any action:
  - to possess or sell the collateral
  - prohibited by the Bankruptcy Code
- obtain advice from OGC through the State Office before taking any action against the person or property filing a petition for bankruptcy.

Note: With the approval of the Regional OGC, it is strongly suggested that the State Office file Proof of Claim Form B10 on all FSFL's in bankruptcy with the bankruptcy court by the due date. This should include copies of the following:

- CCC-186
- UCC-1's and amendments
- CCC-295A
- equipment lists
- CCC-297.

Proof of Claim Form B10 can be found at **www.uscourts.gov/bankform/index.html**.

***--**After receiving notification of a bankruptcy filing, the State Office shall e-mail the following bankruptcy information to DeAnn Allen, PSD at **deann.allen@wdc.usda.gov**:

- name and address of borrower
- State and county
- year and loan number
- date of bankruptcy filing
- bankruptcy chapter filed
- loan principal balance at bankruptcy filing
- original loan principal
- date loan disbursed.**--***

172 Bankruptcy Actions (Continued)

B Reorganization Plans

After the court notifies either the State or County Office that a confirmed plan of reorganization has been approved and the terms and conditions of CCC-186 and supplemental documents are changed by court order, County Offices shall:

- maintain the loan in loan status
- accept repayments according to the reorganization plan
- refer the claim to OGC for legal action if a borrower defaults on the payment schedule or any provision of the court approved plan.

Note: If the terms and conditions of CCC-186 and supplemental documents are changed by court order, the County Office, through the State Office, shall contact PSD as to the correct and up-to-date procedures to follow to revise the loan terms.

C Selling Collateral

If the bankruptcy court authorizes CCC to sell the collateral, rather than accepting payments according to a reorganization plan, County Offices shall:

- ask borrower to sign CCC-400:
  - prepared according to paragraph 202
  - revised with OGC advice
- sell loan collateral according to Part 13
- apply sales proceeds to the outstanding loan amount
- if sales proceeds exceed the amount due CCC, issue CCC-184 to the producer
- transfer unpaid loan balance to claims if:
  - there is an unpaid loan balance
  - collateral has been sold
  - the loan has been discharged by the bankruptcy court.

***--**When FSFL collateral is sold under a bankruptcy plan, the following information must be sent to PSD:

- fair market value determine by COC
- sales proceeds received
- date sales proceeds received
- sales expenses
- date loan liquidated in APSS.**--***

173-179 (Reserved)

*--Part 12 Calling and Liquidating Loans

180 Calling Loans

A
Basis for Calling

COC shall call outstanding FSFL's and declare entire debt due and payable when any of the following apply:

- the borrower:
  - has not paid an installment when due
  - has not requested deferral of an installment
  - has made representations or warranties about the loan that prove to be false
  - does not comply with any covenants or agreements in connection with the loan or in the application for a loan
  - dies or becomes incompetent and there is no one to continue the loan
  - abandons the loan collateral and has not repaid the loan or authorized CCC to sell the loan collateral
- the loan collateral is relocated without COC approval
- the mortgaged property is attached or levied by execution, decree, or other court process
- CCC has sound reasons to consider itself insecure about the loan.

  Example: The condition of the loan collateral, such as a storage structure, has deteriorated to the extent it has little or no value, and there are several years remaining on the loan term.**--***

Continued on the next page

***--180 Calling Loans (Continued)**

B
COC Action

COC shall:

- follow subparagraph A when considering calling loans to protect CCC's interests
- take action to call any loan approved by COC
- provide recommendations by memorandum to STC to call any loan approved by STC.

C
Potential Violations

If the reasons for calling the loan involve potential civil or criminal violations, County Offices shall:

- report the case to OIG through the State Office
- provide a full statement of the facts of the case with applicable documentation through the State Office to OIG
- recommend administrative action
- take action after receiving legal advice from OGC.

D
Notifying Borrower

Upon final determination to call a loan, County Offices shall:

- notify the borrower using the letter in subparagraph E
- file a copy of the letter in the loan folder.**--***

Continued on the next page

180 Calling Loans (Continued)

E Preparing Call Letter

Prepare the following call letter for **all** borrowers who signed CCC-186 and file a copy in the loan folder. Send the call letter by certified mail, return receipt requested, 31 calendar days after the date of the last demand letter sent according
***--**to subparagraph 150 F, if:

- an installment due has not been paid in full**--***
- there has been a violation of the terms and conditions of CCC-186 or the regulations at 7 CFR Part 1436.

Note: Modify the call letter to explain violations, as applicable.

(Date)
(Borrower Name)
(Borrower Address line 1)
(Borrower Address line 2)

Dear (Borrower Name),

Our (insert date) letter advised you that an installment payment was due and payable for the Farm Storage Facility Loan Program as follows.

Loan Number	Date of Note and Security Agreement	Unpaid Principal Amount	Amount of Installment Due	Date Installment Due
		$	$	

You were also advised that the entire loan amount would be called if you did not take action by (insert date). Since you have not taken any action to pay the amount due, the entire loan plus interest is now due and payable. This entire amount is subject to setoff from any Agency of the U. S. government.

If you do not take action to pay the entire loan plus interest by (insert 30 days from the date of this letter), in the amount of (insert amount due), action will proceed on behalf of the Commodity Credit Corporation to take possession of the farm storage facility and equipment under loan. Under foreclosure proceedings, the collateral securing the loan may be sold and the proceeds of the sale will be applied to the outstanding amount of the loan.

Please send your check payable to the Commodity Credit Corporation to the County Office at the following address by the date due.

Commodity Credit Corporation
(insert office street address)
(insert City, State and ZIP code)

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you have 30 calendar days from the date of this letter to request in writing, reconsideration, mediation, or an appeal. (Insert rights for reconsideration, mediation, and appeal according to 1-APP.)

You may also contact the County Office to receive a copy of the documents related to this determination.

County Executive Director
For the (County Name) FSA County Committee

*--181 Liquidation Actions

A Payment Not Received

When a loan is called and payment is not received within 30 calendar days from the date of the letter in subparagraph 180 E, County Offices shall:

- ***--**notify State Office of pending liquidation

  Note: State Office shall contact PSD for instructions on how to process the liquidation in the automated FSFL system.**--***

- consult as needed with the regional OGC through the State Office
- send the liquidation letter in subparagraph C and a copy of the promissory note
- not establish a claim until CCC has disposed of loan collateral according to Part 13.

B Borrower Options

County Offices shall explain the following options to the borrower:

- voluntarily agree to allow removal of the collateral to facilitate sale by signing CCC-400, according to subparagraph 202 A
- object to removal of collateral and require formal court foreclosure before collateral can be sold and removed.

*--181 Liquidation Actions (Continued)

C
Preparing Liquidation Letter

If the loan amount plus interest is not paid, prepare the following liquidation letter:

- to **all** borrowers who signed CCC-186
- by certified mail, return receipt requested
- with CCC-400 enclosed and prepared according to subparagraph 202 A
- 30 calendar days after the date the call letter was sent according to subparagraph 180 E
- with a copy to the loan folder.

(Date)

(Borrower Name)
(Borrower Address line 1)
(Borrower Address line 2)

Dear (Borrower Name),

Our (insert date) letter advised you that since you have not complied with the terms of your Farm Storage Facility Loan (FSFL), number (insert loan number), the Commodity Credit Corporation is calling the entire loan amount plus interest. Since you have not paid the entire amount due by the date specified, CCC must now take action to take possession of the storage facility and any other collateral used to secure the loan.

The storage facility and any other collateral used to secure the loan will be sold. The proceeds will be applied to the unpaid amount of the loan plus interest. Any costs of retaking and selling the facility will be added to the debt. Any deficiency in the debt left outstanding will still be an obligation to CCC and subject to setoff from any agency of the U.S. Government.

In order to facilitate sale of the collateral, please sign the enclosed form, Agreement for Sale of Loan Collateral (CCC-400). Return it to this office within 10 days of the date of this letter. If you do not sign the form and object to the removal of collateral, a court foreclosure will proceed before collateral will be sold and removed.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you have 30 calendar days from the date of this letter to request in writing, reconsideration, mediation, or an appeal. (Insert rights for reconsideration, mediation, and appeal according to 1-APP.)

You may also contact the County Office to receive a copy of the documents related to this determination.

County Executive Director
For the (County Name) FSA County Committee

Enclosure: CCC-400

--*

*--182 Reinstatements

A
Reinstating Loans

County Offices shall reinstate loans under regular terms when all of the following apply:

- CCC has not taken possession of the collateral
- borrower files a written request and satisfies COC that:
  - repayment action was not taken for reasons beyond the borrower's control
  - borrower had made a good faith effort to comply with loan terms
- the current installment plus interest is paid.

Note: When loans are reinstated, all original terms and conditions of the loan, according to the applicable CCC-186, and any other security documents, shall apply.**--***

183-200 (Reserved)

*--Part 13 Selling Loan Collateral

201 Sale Requested by Borrower

A County Office Action

Borrowers with loans not in default or called by CCC may voluntarily convey collateral to CCC by signing CCC-400.

Note: County Office shall take sale action according to paragraph 203.--*

202 Agreement for Sale of Loan Collateral

A Preparing CCC-400

County Offices shall prepare CCC-400 according to the following.

Item	Instructions
1	Enter the County Office name, address, and telephone number.
2	Enter the State code, county code, and loan number.
3	Enter the debtor's name and address.
4	Enter the debtor's telephone number.
***--**A (1)-(3)	Enter the date, month, and year of this CCC-400.
A (4)	Enter the principal amount owed, written out.
A (5)	Enter the principal amount owed, in numerals.
A (6)	Enter the description of the loan collateral.
H 1A and 1B	The witness, unrelated to the debtor, shall sign and date.
H 1C and 1D	The debtor shall sign and date.
H 2A and 2B	The second witness, unrelated to the debtor, shall sign and date.
H 2C and 2D	The debtor's spouse shall sign and date.
H 3	The COC chairperson shall sign.
H 3A	The authorized representative of CCC shall sign.
H 4A**--***	The authorized representative of CCC shall sign.

202 Agreement for Sale of Loan Collateral (Continued)

B Example of CCC-400

The following is an example of a completed CCC-400.

*--

This form is available electronically. Form Approved - OMB No. 0560-0204

CCC-400 (10-19-06) U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

FARM STORAGE FACILITY LOAN PROGRAM AGREEMENT FOR SALE OF LOAN COLLATERAL

1. FSA County Office Name and Address *(Including Zip Code)*:
Yates County FSA Office
270 Lake Street
Penn Yan, NY 14527

Telephone Number (*Including Area code*): (315) 536-4012

2. Serial Number: 36/123/2000/00001

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436 and the Commodity Credit Corporation Charter Act, 5 USC 714 et. seq. The information will be used to determine eligibility for CCC financing for farm, storage and drying equipment. Furnishing the requested information is voluntary; however, without it CCC financing under the program cannot be provided. Failure to furnish the requested information will result in denial of CCC financing under this program. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 18 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

3. Debtor's Name and Address *(Including Zip Code)*:
Clark Farms, Inc.
282 State Route 245
Penn Yan, NY 14527

4. Debtor's Telephone Number *(Including Area Code)*:
(315) 536-7281

A. **THIS AGREEMENT,** is made *(1)* 20th day of *(2)* October, *(Year)* *(3)* 2006

between Clark Farms, Inc. *(the Debtor)*

and the Commodity Credit Corporation shall remain in effect for six-months.

The Debtor is indebted to CCC in the principal amount of *(4)* Ten Thousand Four Hundred Sixty-five dollars and no/100 *(5)* ($ 10,465.00) as evidenced by,

a Promissory Note and Security Agreement (CCC-186) executed with respect to the following property (collateral) *(6)* 2-15,000 Bu Bins and related equipment ; the Debtor desires that CCC take possession of and to sell this property and to apply the sales proceeds to the debt owned by the Debtor to CCC together with such other costs, expenses, and indebtedness as are described in Item F.

B. The Debtor conveys to CCC by execution of this Agreement possession of the collateral. The Debtor agrees that expenses incurred to preserve and sell the collateral shall be added to and become a part of the Debtor's indebtedness to CCC, under the same terms and conditions of the original note executed by the Debtor.

C. CCC may:

(1) To sell the collateral either at private sale or at public auction in the manner and at the place determined by CCC,

(2) Purchase the collateral, and may execute a bill of sale, either in the name of the Debtor or in the name of CCC, for any such collateral sold at any such sale.

D. The Debtor agrees that any loss of, deterioration of, or accidental damage to the collateral surrendered to CCC shall be borne by the Debtor. The Debtor releases and discharges CCC from liability for any and all claims of every nature whatsoever in connection with the handling, care, and sale by CCC of the collateral.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

--*

202 Agreement for Sale of Loan Collateral (Continued)

B Example of CCC-400 (Continued)

*--

CCC-400 (10-19-06) Page 2

E. The Debtor and CCC agree that the proceeds from the disposition of the collateral shall be applied:

(1) First on expenses of retaking, holding, preparing for sale, selling, and for the payment of reasonable attorney's fees and legal expenses incurred by CCC,

(2) Second to the satisfaction of indebtedness secured by the collateral,

(3) Third to the satisfaction of subordinate security interests to the extent required by law,

(4) Fourth to any other obligations of Debtor owing to or insured by CCC, and

(5) Fifth to Debtor.

F. Nothing herein contained shall be construed to release the Debtor from liability for any deficiency owing to CCC after application of the proceeds of sale as provided in Item E. This agreement is a confirmation by the Borrower of the power of sale contained in the CCC-186.

G. The word "Debtor" shall include the heirs, successors, administrators, executors, assigns, agents, and principals of the Debtor.

H. IN WITNESS WHEREOF, the parties have caused this instrument to be executed the day and year first above written.

1A. Signature of Witness */s/ Ima Witness*	1B. Date *(MM-DD-YYYY)* *10/20/2006*	1C. Signature of Borrower */s/ Richard Clark, President*	1D. Date *(MM-DD-YYYY)* *10/20/2006*
2A. Signature of Witness */s/ Ima Witness 2*	2B. Date *(MM-DD-YYYY)* *10/20/2006*	2C. Signature of Borrower's Spouse */s/ Josephine Clark*	2D. Date *(MM-DD-YYYY)* *10/20/2006*
3. COMMODITY CREDIT CORPORATION SECURED PARTY By */s/ Ima COC Chairperson* (CCC Representative)		3A. Signature of CCC Representative */s/ Ima CCC Rep.*	3B. Date *(MM-DD-YYYY)* *10/20/2006*
		4A. Signature of CCC Representative */s/ Ima CCC Rep.*	4B. Date *(MM-DD-YYYY)* *10/20/2006*

--*

203 Liquidating Loans Not Secured by Real Estate With Movable Collateral

A
Action Instead of Foreclosure

When loans have been called and a liquidation letter has been issued to debtors, the collateral must be sold to liquidate the loan. A loan on movable collateral that is not secured by real estate, may be liquidated or partially liquidated under the terms of CCC-186. County Offices shall:

- obtain borrowers signature and, if required by law, spouses signature, on CCC-400 prepared according to subparagraph 202 A

- ***--**perform a lien search, no more than 10 days before sending a notification letter, to search:

  - property records where fixture filing was performed
  - UCC records

- send the notification of disposition of collateral letter, see subparagraph B, to the following:

  - borrower

  - all co-borrowers

  - anyone who has notified CCC that they have interest in or claim to the collateral

  - any other secured party or lien holder whose interest:

    - is recorded in the county where the collateral is located

    - is indexed under the borrower's name

    - identifies CCC's collateral as of 10 calendar days before the date of notification

- use the date the notification of disposition letter is sent as the date that CCC takes possession of the loan collateral.**--***

Continued on the next page

B
***--Notification of Disposition of Collateral Letter**

The following:

- is an example of the notification of disposition of collateral letter
- shall be reproduced locally on FSA County Office letterhead.

NOTIFICATION OF DISPOSITION OF COLLATERAL

(**Date**)

To: (**Borrower Name**)
(**Co-Borrower Name**)
(**Any other party listed in subparagraph A**)

From: Commodity Credit Corporation
(**County Name**) County FSA Office

We will sell the (**Description of Collateral**) by sealed bid to the highest qualified bidder as follows.

Day and Date: _____
Time: _____
Place: _____

You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell. You may request an accounting by calling us at (**Phone Number**).

Dated this _____ day of _____, 20XX.

Commodity Credit Corporation

_____
(**Signature**)

By: (**CED Name**), County Executive Director
(**County Name**) County FSA Office
U.S. Department of Agriculture

Sent: Certified Mail, Return Receipt Requested

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited basis apply to all programs) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of the Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

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Continued on the next page

C
Refusal to Authorize Sale

County Offices shall contact the State Office:

- if the borrower refuses to sign CCC-400
- to request foreclosure advice from OGC and then act on directions received from OGC through the State Office
- for guidance if a lien filing is found and unsure if a notification letter should be sent.

D
Sale Methods

With State Office concurrence and, in the case of foreclosure, at OGC's direction, County Offices shall sell the collateral for the best price obtainable using the following methods:

- conduct public auction on the property where the collateral is located
- private sale if COC determines the method is considered most advantageous to CCC
- sealed bids, allowing 30 calendar days from bid announcement to bid opening.

Note: On any loan collateral sold by CCC, before the sale, COC must establish a ***--**FMV to be documented in the COC minutes. Send a memo to the State Office to be forwarded to PSD of FMV established.**--***

Continued on the next page

E

***--Announcement of Sale and Invitation to Bid on CCC Loan Collateral**

The following:

- is an example of an announcement of sale and invitation to bid on CCC loan collateral
- may be used in its entirety or modified to fit the situation
- shall be reproduced locally on FSA County Office letterhead.

Note: The borrower must be sent a notification of disposition of collateral letter, see subparagraph B, before CCC can advertise.

Announcement of Sale and Invitation to Bid on Commodity Credit Corporation (CCC) Loan Collateral

The (**County Name**) County FSA Office at (**County Office Location**), acting on behalf of CCC, hereby announces a sale and invites bids for personal property used to secure a Farm Storage Facility Loan, subject to the terms and conditions of this Invitation to Bid. The collateral is described as follows:

_____

_____

and is located at (**Collateral Location**).

Terms and conditions of bid and sale are as follows:

1) All bids must be submitted in writing on the form on the attached page. The bid offer must be in dollars and cents. The bidder understands that the bid is submitted on the collateral on a “as is” and “where is” basis.

2) Alternate or tie-in bids will not be accepted.

3) CCC reserves the right to accept or reject, in whole or part of, any or all bids, and in considering bids to take into consideration the financial responsibility of the bidder.

4) Prospective bidders may inspect the collateral before bidding by making arrangements with the County Executive Director (CED) at the above named County FSA Office.

5) All bids must be accompanied by certified check, cashier’s check, postal money order, or bank draft, payable to the Commodity Credit Corporation, for at least 10 percent of the total bid. Deposits of unsuccessful bidders will be returned. CCC may retain any or all deposits until a final acceptance is made.

--*

Continued on the next page

E
***--Announcement of Sale and Invitation to Bid on CCC Loan Collateral (Continued)**

Announcement of Sale and Invitation to Bid on Commodity Credit Corporation (CCC) Loan Collateral (Continued)

6) Bids will be opened and evaluated a the above named County FSA Office on (**Date**), 20XX, at (**Time**). Bids will be considered only if received before the time of opening.

7) The successful bidder shall pay by cash, postal money order, certified check, or draft, guaranteed by the banking institution on which shown, or if approved by CED, uncertified personal or firm check within 15 work days after the date of sale.

8) The purchaser is responsible for making reasonable arrangements with the applicable landowner to disassemble and remove the collateral and is responsible for all costs associated with the disassembly and removal of the loan collateral, including any damage that occurs to the collateral and to the underlying real property.

Dated this _____ day of _____, 20XX.

Commodity Credit Corporation

By: (**CED Name**), County Executive Director
(**County Name**) County FSA Office
U.S. Department of Agriculture

--*

Continued on the next page

F

***--Bid Form for CCC Loan Collateral**

The following:

- is an example of a bid form for CCC loan collateral
- may be used in its entirety or modified to fit the situation
- shall be reproduced locally on FSA County Office letterhead.

Bid Form for Commodity Credit Corporation (CCC) Loan Collateral

The undersigned bidder offers to purchase from CCC the following property:

_____

_____,

located at (**Property Location**) for the sum of $_____.

I understand that this bid is submitted on the collateral as a "as is" and "where is" basis. This bid is accompanied by a certified check, cashier's check, postal money order, or bank draft, payable to the Commodity Credit Corporation, for at least 10 percent of the total bid. Deposits of unsuccessful bidders will be returned. The successful bidder shall pay by cash, postal money order, certified check, or draft guaranteed by the banking institution on which shown, or if approved by the County Executive Director (CED), uncertified personal or firm check within 15 work days after the date of sale.

_____	_____
(**Bidders Signature**)	(**Date**)
_____	_____
(**Print Bidder's Complete Name**)	(**Bidder's Street Address**)
_____	_____
(**Bidder's Telephone Number**)	(**Bidder's City, State, and ZIP Code**)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited basis apply to all programs) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of the Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

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203 Liquidating Loans Not Secured by Real Estate With Movable Collateral (Continued)

G Bill of Sale

After the sale, County Offices shall:

- complete and sign a bill of sale, according to subparagraph F
- place the original bill of sale in the loan folder
- provide a copy to the following:
  - borrower
  - buyer.

H Distributing Sales Proceeds

Sales proceeds shall be distributed in the following order:

- satisfying borrower's indebtedness to CCC, including cost of sale
- payment to junior lien holders if approved by OGC
- payment to the borrower.

Note: Establish a claim if the borrowers debt is not completely liquidated by sale of the loan collateral.

--**The automated FSFL system contains a process for FSFL liquidation. Following the sale of loan collateral, the County Office shall contact PSD in the National Office, through the State Office, for instruction and guidance on using the liquidation software. The liquidation software includes provisions for applying sale proceeds to FSFL, paying for sales expenses, and issuing refund payment to borrower. The only way a County Office can transfer an outstanding balance on a FSFL loan to claims is through the liquidation software.**--

I
Preparing Bill of Sale

Prepare the bill of sale according to the following.

BILL OF SALE

In consideration of (**enter dollar amount received**), receipt of which is hereby acknowledged, the Commodity Credit Corporation (CCC), an agency and instrumentality of the United States within the Department of Agriculture, hereby sells and delivers unto (**enter name of buyer**), Buyer, of (**enter County where buyer located**), County, State of (**enter State where buyer located**), all the right, title, and interest of CCC, Secured Party, and pursuant to the terms and conditions of Promissory Note and Security Agreement by and between CCC and (**enter name of former borrower**), Debtor, or the Agreement for Sale of CCC Loan Collateral dated (**enter date of CCC-400**), all the right, title, and interest of said debtor in and to the following described property:

(**Describe property in detail**):

To have and to hold unto said Buyer, his heirs, executors, administrators and assigns forever, in witness whereof, CCC has caused this Bill of Sale to be signed on (**enter date of execution**).

Commodity Credit Corporation
By (**enter signature of authorized representative of CCC**)

(**Enter date of signature**)

*--204 Liquidating Loans Not Secured by Real Estate With Nonmovable or Nonsaleable Collateral

A
Liquidating Actions

When loans have been called and a liquidation letter has been issued to debtors, the collateral must be sold to liquidate the loan. However, for loans with nonmovable or nonsaleable collateral and no real estate lien, the County Office shall:

- obtain COC determination that the collateral cannot be moved or cannot be sold
- obtain OGC advice through the State Office
- if farm has been sold and the new landowner:
  - meets FSFL eligibility requirements, ask the new landowner to assume loan according to paragraph 167
  - does not assume the loan, ask new landowner to to buy the facility by private sale from CCC
- if the collateral cannot be sold or there is a balance remaining after a sale, establish a claim for the outstanding balance, including interest and applicable sales costs.**--***

---

205 Liquidating Loans Secured With Real Estate Liens

A
COC Action

When loans secured with real estate have been called and a liquidation letter has been issued to debtors, the real estate must be foreclosed upon and sold to liquidate the loan. COC shall:

- obtain OGC advice through the State Office
- obtain an appraisal of the property with State Office approval
- establish a fair market or resale value before sale.

B
State Office Action

The State Office shall:

- consult with OGC on what actions to take
- coordinate foreclosure action with advice from OGC.

C
Foreclosure Sale

If a foreclosure judgment is awarded by a court and a foreclosure sale is court ordered and held, the County Office shall:

- not be obligated to bid at the sale
- enter a bid only if it is considered to be in the best interest of CCC.

Note: Any bid entered by CCC shall not exceed the fair market value established by COC or the borrowers outstanding debt including interest.

D
Distributing Sales Proceeds

Sales proceeds shall be distributed in the following order:

- satisfying borrower's indebtedness to CCC, including cost of sale and appraisal
- payment to junior lien holders if approved by OGC
- payment to the borrower *** * ***.

Note: Establish a claim if the borrowers debt is not completely liquidated by sale of the loan collateral.

Continued on the next page

E

If CCC Acquires Property

Under certain circumstances, it may be in CCC's best interest to bid at the foreclosure sale and acquire the real estate.

Example: If at a foreclosure sale, other bids are not equal to the fair market value or the borrower's outstanding debt.

If CCC acquires the real estate, the State Office shall:

- obtain a copy of the entire loan folder, send to PSD, and include the following information in a cover memorandum:

  - name of borrower and loan number
  - description of property
  - amount of accrued interest to date
  - resale value established by COC
  - amount of any bids received plus amount paid by CCC
  - STC recommendations for disposing of property

- instruct the County Office to dispose of the property as authorized by PSD and OGC

- instruct the County Office to transfer any outstanding balance to claims after disposing of the real estate.**--***

206-225 (Reserved)

Part 14 Other Servicing Situations

226 Overdisbursements

A
Collecting Overdisbursements

County Offices shall collect overdisbursements when any of the following apply:

- an error made by CCC
- an error made by the borrower and the loan will not be called
- an error made by a third party and the borrower is not at fault.

Example: Total loan cost was $10,000. Loan was disbursed for $9,500 but it was later found that due to a mistake by the contractor on the final cost documentation, the correct amount was $8,500. The overdisbursed amount must be refunded.

B
Error by CCC

If the overdisbursement was because of an error by CCC, County Offices shall:

- obtain COC determination that the error was made by CCC

- *--issue a demand letter according to subparagraph 150 F and pursue--* collection

  Note: Modify the demand letter as applicable.

- process refund as a regular repayment, except do not charge interest, by using the disbursement date as the repayment date.

C
Error by Borrower or Third Party

If the overdisbursement was because of an error by the borrower or a third party, County Offices shall:

- obtain COC determination that the error was made in good faith by the borrower or third party, and is not a program violation to the extent the loan should be called

- issue a demand letter and pursue collection according to *--subparagraph 150 F--*

  Note: Modify the demand letter as applicable.

- process refund as a regular repayment with interest.

---

227 Additional Disbursements

A
Applicability

County Offices are authorized to make additional disbursements when *** * ***, for loans secured by real estate, real estate taxes must be paid when both of the following apply:

- COC determines payment is necessary to protect CCC's interest
- real estate taxes that are delinquent to the extent the property is scheduled to be sold at a tax auction.

*** * ***

B
Issuing Payments for Real Estate Taxes

For loans where additional payments are necessary to protect CCC's security interest, County Offices shall:

- issue payments according to 1-FI
- create a receivable for the amount paid according to 67-FI
- pursue collecting the receivable from the debtor according to 67-FI.

C
***--Correcting--* Underdisbursed Loans**

For underdisbursed loans because of errors by CCC or the borrower, contact PSD for guidance on correcting a loan.

228 Relocating Loan Collateral

A Applicability

--Requests by borrowers to move collateral is permissible when either:--

- the borrower wants to move collateral to a new location
- another producer wants to buy the facility and assume the loan.

B Destination County Office Action

County Offices may approve requests to move collateral when:

- the collateral is movable and not secured by a real estate lien
- COC determines that the move will not impair CCC's security interest
- all moving expenses are paid by the borrower
- before the collateral is moved:
  - necessary changes to the note and security agreement are made according to OGC advice
  - a lien and deed search is performed
  - an amended UCC-1 describing the new location is filed at the borrower's expense
  - severance agreements are obtained as necessary.
- an on-site inspection at the new location is performed by the administrative or destination County Office.

When collateral is moved outside the county that administers the loan, the destination County Office shall assist the administrative County Office with lien and deed searches and with an on-farm inspection.

Note: Do not transfer loans from 1 County Office to another under this provision.

*--229 Correcting Real Estate Lien Instruments

A Annotations and Date

When it is necessary to file and record new instruments to correct real estate security instruments previously recorded, County Offices shall:

- prepare the new instrument according to paragraph 119 and applicable State law
- place the word ‘corrective’ immediately below the title on the new documents
- use the execution date as the date of the corrective instrument.

B Inserting Correction Phrase

County Offices shall insert the following phrase immediately before the signature lines of each corrective document.

> “This instrument is intended to be corrective of an earlier instrument dated _____, filed or recorded in Volume _____, Page _____, as Document Number _____, and is not intended to change in any way the rights, duties, or obligations of the parties hereto as to such rights, duties or obligations as were set out in the original instrument hereto recorded, except insofar as said instrument is corrected hereby.”**--***

230 Repairing or Replacing Loan Collateral

A Occurrences

Requests for repairing or replacing loan collateral may occur when:

- equipment wears out before reaching the end of its useful life
- insured structures and equipment are damaged or destroyed by insurable causes of loss, such as wind storms and fire.

B County Office Action

County Offices shall:

- **not** approve requests to amend existing loan security documents to replace or substitute loan collateral
- when collateral is destroyed or damaged, and **will not be repaired:**
  - inspect facility to assess damage
  - immediately call the loan according to paragraph 180
  - apply insurance proceeds as a regular loan repayment
  - create a claim for outstanding amounts after CCC has disposed of the loan collateral, according to Part 13
- when collateral is damaged and **will be repaired:**
  - inspect facility to assess damage
  - inspect facility after repairs have been completed
  - release insurance proceeds to debtor when debtor presents evidence of cost of repairs

  --Note:** County Offices shall hold insurance proceeds until repairs are completed. Insurance proceeds are not to be deposited. **Do not let the check expire.** State Specialists shall contact PSD, at least 30 days before a check expires, for instructions on how to proceed.**--

- advise producers that they may apply for new loans for replacement facilities and equipment.

*--231 Releasing Real Estate Security

A Partial Releases

Partial releases of real estate used to secure loans are authorized when:

- a request in writing is received from debtors
- COC determines that:
  - the partial release will not jeopardize CCC's security interest
  - the remaining real estate has sufficient value to secure the loan
  - the remaining real estate is a saleable unit
- the borrower pays all costs associated with the release.

231 Releasing Real Estate Security (Continued)

B Partial Release Preparation and Distribution

County Offices shall:

- prepare partial releases according to the following unless OGC requires other language according to State law
- file the partial release with the appropriate recording official according to State law
- distribute copies of the partial release to the following:
  - secured party
  - debtor
  - loan folder.

PARTIAL RELEASE

The Commodity Credit Corporation (CCC), as owner and holder of the following described security instruments, made and executed by (enter names of debtors, of (enter County where debtor located) County, State of (enter State where debtor located), filed or recorded in the (enter name of the office where security instruments were recorded), office of (enter county where office is located), State of (enter State where office is located), to wit:

Instrument	Mortgagee	Date of Instrument	Date Filed	Document, File or Book No.	Page No.

for value received, does release from the lien of said instruments the following described property (describe property in detail).

Only the above described property is released from the lien of the aforesaid instruments. This release shall not affect or modify the obligations secured by those lien instruments, and these obligations shall continue in force and in effect until fully paid, satisfied, and discharged.

In witness whereof, CCC has signed this form on (enter date of execution).

Witness: (enter signature of person witnessing CCC signature)

For: Commodity Credit Corporation

By: (signature of authorized representative of CCC)

Title: (enter title of authorized representative of CCC)

(Attach acknowledgment applicable to State for notarization)

231 Releasing Real Estate Security (Continued)

C Discharge of Mortgage or Deed of Trust

Discharges of real estate liens used to secure loans are authorized when:

- the County Office determines that:
  - the lien has been fully satisfied by full payment of the amount due
  - 30 calendar days from the date of final payment of the loan have lapsed
- the borrower pays all costs associated with the release.

--Note:** If final FSFL payment is made by cash, certified check, or money order, borrower may request an accelerated release of security documents from SED. Included with the request, the County Office will send a copy of the final FSFL repayment receipt showing the loan has been paid in full, and a copy of CCC-257 showing the remittance has been deposited. SED, after reviewing the documents, may advise the County Office in writing, to proceed with releasing the security documents. The authority for this release may not be re-delegated.**--

231 Releasing Real Estate Security (Continued)

*--D Discharge Preparation and Distribution

County Offices shall:

- prepare discharges according to the following unless OGC requires other language according to State law
- file the discharge with the appropriate recording official according to State law
- distribute copies of the discharge to the following:
  - secured party
  - debtor
  - loan folder.

DISCHARGE

The Commodity Credit Corporation (CCC), as owner and holder of the following described security instruments, made and executed by (enter names of debtors, of (enter County where debtor is located) County, State of (enter State where debtor is located), filed or recorded in the (enter name of the office where security instruments were recorded), office of (enter county where the office is located), State of (enter State where the office is located), satisfies and discharges said lien instruments.

Lien Instrument	Mortgagee	Date of Instrument	Date Filed	Document, File, or Book No.	Page No.

In witness whereof, CCC has signed this form on (enter date of execution).

Witness: (enter signature of person witnessing CCC signature)

For: Commodity Credit Corporation

By: (signature of authorized representative of CCC)

Title: (enter title of authorized representative of CCC)

(Attach acknowledgment applicable to State for notarization).

--*

232 Discharge of Severance Agreements

A Discharge of Severance Agreements Authorization

Discharges of severance agreements used to protect CCC's security interest are authorized when:

- the County Office determines that:
  - the loan has been paid in full
  - 30 calendar days from the date of final payment of the loan have lapsed
- the borrower pays all costs associated with the discharge.

--Note:** If final FSFL payment is made by cash, certified check, or money order, borrower may request an accelerated release of security documents from SED. Included with the request, the County Office will send a copy of the final FSFL repayment receipt showing the loan has been paid in full, and a copy of CCC-257 showing the remittance has been deposited. SED, after reviewing the documents, may advise the County Office in writing, to proceed with releasing the security documents. The authority for this release may not be re-delegated.**--

B Discharge Preparation and Distribution

County Offices shall:

- prepare discharges according to the following unless OGC requires other language according to State law
- distribute copies.

B Discharge Preparation and Distribution (Continued)

- distribute copies of the discharge to the following:
  - secured party
  - debtor
  - loan folder.

*--

DISCHARGE OF SEVERANCE AGREEMENT

The Commodity Credit Corporation (CCC), does hereby acknowledge and certify that the debt referred to in the severance agreement dated (enter date of severance agreement) relating to the following described real estate, (enter real estate description according to severance agreement) situated in the County of (enter County where debtor is located), State of (enter State where debtor is located), which severance agreement was filed or recorded in the (enter name of the office where severance agreement was recorded), office of (enter county where office is located), State of (enter State where office is located), in book (enter book number), page (enter page number) has been fully liquidated both as to principal and interest by payment to Commodity Credit Corporation or by cancellation of the loan application, and that the severance agreement is hereby terminated and shall be of no further force or effect.

For: Commodity Credit Corporation

By: (signature of authorized representative of CCC)

Title: (enter title of authorized representative of CCC)

In witness whereof, CCC has signed this form on (enter date of execution).

Witness: (enter signature of person witnessing CCC signature)

(Attach acknowledgment applicable to State for notarization, if necessary).

Note: This example may be modified to comply with State law, such as removing the witness requirement if the agreement must be notarized.--*

--233 Applicability of the Service Members Civil Relief Act--

A
Applicable FSFL Borrowers

Applicable FSFL borrowers are persons, who are:

- on active duty anywhere in the world and are active members of the
  - U. S. Army
  - U. S. Navy
  - U. S. Marine Corps
  - U. S. Air Force
  - U. S. Coast Guard
- officers of the Public Health Service detailed by proper authority for duty with the U. S. Army or the U. S. Navy
- members of Reserve or National Guard units who have been called to active duty status
- members of the referenced branches in training or education under U. S. supervision preliminary to induction into the military service
- members absent from duty because of sickness, wounds, leave, or other lawful cause.

B
Applicable Loans

Applicable FSFL's affected by the Act are those:

- secured with personal or real property
- entered into before the borrower entered active military service.

Continued on the next page

C
Relief Available

Types of relief offered include the following:

- relief from foreclosure, sale, or seizure of property for nonpayment of a loan obligation, during the period of active military service or within 3 months thereafter, unless done according to an agreement with CCC or through a court order

Example: For borrowers who fail to pay installment payments, according to paragraph 150.5, County Offices shall not:

  - continue with collection actions, including calling FSFL

  - sell the collateral that was used to secure the loan, unless the borrower desires to voluntarily convey the collateral on CCC-400 to satisfy the outstanding loan.

- Treasury and internal administrative offsets will be discontinued once a producer is ordered to report for induction or military service, and any payments received as a result of offset after the date the borrower was called to active duty will be refunded

- interest rates for applicable loans may not exceed 6 percent during the period of active military service.

Note: The interest rate reduction is automatic. However, at this time, there is no way to modify the interest rate for FSFL except on a case-by-case basis.

D

County Office Action

County Offices shall:

- advise borrowers to notify the County Office if they are full-time members of the military or have been called to active duty status whether or not their financial situation has been adversely affected

- help the borrower properly execute powers of attorney to designate persons to perform CCC transactions on their behalf

- request minimal documentation to support a request for relief from affected borrowers, such as a copy of orders calling them to active service

- forward all requests applicable to this Act to DAFP for final consideration and approval

Note: Further instructions and guidance about interest rate reductions will be sent with the applicable approval notification. At a minimum, requests shall provide the following:

  - interest rate applicable to FSFL
  - outstanding principal amount
  - amortization schedule
  - all repayment receipts

- cease any ongoing foreclosure actions against applicable borrowers.

234 Divorce Policy

A
Applicability

STC's and COC's are not authorized to release divorced borrowers from liability on FSFL. DAFP will consider a waiver, according to subparagraph 2 E, for release of an individual's liability if both of the following apply:

- jointly liable individual borrowers have divorced
- one has withdrawn from the farming operation.

B
Request for Waiver

COC, with STC concurrence, may request DAFP to remove an individual from FSFL liability. The request shall provide the following:

- a cover memorandum from the County Office with a recommendation from COC and including:
  - copy of CCC-186
  - outstanding principal amount
  - all repayment receipts
  - amortization schedule
  - copies of financing statement
  - a current lien search
  - copies of any other pertinent information
- a recommendation, based upon financial analysis, from an FSA employee with FLP loan approval authority, about the remaining borrower's ability to continue the loan
- a recommendation, based upon financial analysis, from an FSA employee with FLP loan authority, about the person withdrawing from the loan, and confirming the person does not:
  - have any repayment ability for the loan
  - own any nonessential assets
- a copy of the divorce decree or property settlement document holding the withdrawing party not responsible for the loan payments
- evidence of conveyance of the withdrawing party's interest in the security to the borrower with whom the loan will be continued.

235-240 (Reserved)

Parts 15-17 (Reserved)

241-275 (Reserved)

Part 18 Requests for Relief

276 Other Situations

A County Office Action

To address special situations, County Offices shall:

- prepare a memorandum to STC containing:
  - full details of the situation
  - purpose of the request
  - COC recommendations
- provide copies of all applicable loan documents, including COC minutes
- forward the request to STC.

B State Office Action

If STC concurs with the COC request, State Offices shall:

- prepare a memorandum to DAFP containing:
  - full details of the situation
  - purpose of the request
  - STC and COC recommendations
- provide copies of all applicable loan documents.

***--Note:** The original file and loan documents are not to be sent--*

C DAFP Action

DAFP shall:

- approve or disapprove the request
- notify the applicable State Office.

277-289 (Reserved)

Part 19 Automated CCC-185's, CCC-186's, and Disbursements

Section 1 Amortization Schedule and Fees

290 Amortization Schedule

A When to Use

--**An automated amortization schedule may be used by County Offices for financial analysis only to provide estimated:**--

- installment amounts
- principal plus interest for the entire FSFL period.

B Where to Find

Access the amortization schedule according to the following table.

Step	Action	Result
1	On Primary Selection Menu FAX250: • ENTER "1", "Office Automation Functions" • PRESS "Enter".	Office Automation Functions Menu OAF010 will be displayed.
2	On Menu OAF010: • ENTER "11", "Amortization Schedule" • PRESS "Enter".	Amortization Schedule Menu ODK000 will be displayed.
3	On Menu ODK000: • ENTER "1", "Number of Payments" • PRESS "Enter".	Number of Payments Screen ODK15001 will be displayed. Go to subparagraph C.

290 Amortization Schedule (Continued)

C Amortization Screen ODK15001

Complete data entries on Screen ODK15001 according to the following table.

Field	Entry
"Name"	Producer or entity name
"Note Number"	FSFL number, if known, or any number the County Offices want to use for tracking purposes
"Note Amount"	Principle amount for estimate
"Installment Period"	"A" for annual
"Number of Payments"	"7", which is the FSFL period at this time
"Interest Rate"	Interest rate to be used for estimate
"Interest Start Date"	1 day after the estimated disbursement date, for example "0709 2000"
"First Payment Date"	1 year from the estimated disbursement date, for example "0710 2001"

After all entries have been made on Screen ODK15001, PRESS "Enter". Amortization Schedule Screen ODK18001 will display, for the applicable FSFL, the system-calculated estimated:

- installment amount
- total principal plus interest for the entire loan period.

Users shall review the results and print the schedule for financial analysis purposes only.

FSFL software will calculate FSFL amortization and print the Agreement Amortization ***--**Schedule when CCC-186 is printed according to paragraphs 349 and 350. **--***

291 Application Fees

A Collecting Application Fees

An FSFL application fee of $45 shall be collected according to paragraph 19. Deposit the application fee as soon as it is collected. **No other** fees are collected for FSFL's.

B Program Code for Application Fees

The program code for **depositing** FSFL application fees is "XXFSFLFEES", where "XX"
***--**represents the last 2 digits of FY in which the FSFL application is expected to be "Approved Pending Funding" by COC.

Examples: An application fee collected for FSFL that is "Approved Pending Funding" by COC between:**--***

- 10-1-99 and 9-30-00 will be deposited using code "00FSFLFEES"
- 10-1-00 and 9-30-01 will be deposited using code "01FSFLFEES".

On Screen AGK01005, according to subparagraph D, step 7, users shall ENTER "N" in the "Special Data (Y or N)" field.

Note: If it is necessary at a later date to modify the deposit record, a "**Y**" entry in the "Special Data" field **blocks access** for modification.

C Retaining Application Fee Information

County Offices shall record the following in the FSFL folder:

- amount of application fee paid in dollars and cents, for example "$45.00"
- date application fee paid and deposited
  *** * ***
- CCC-257 number, for example "0468".

291 Application Fees (Continued)

D Depositing Application Fees

A software system-validation requires that FSFL application fees be deposited before CCC-185 processing can begin according to paragraph 317. Deposit application fees according to this table.

Step	Action	Result
1	On Primary Selection Menu FAX250: • ENTER “4”, “Application Processing” • PRESS “Enter”.	Office Selection Menu FAX09002 will be displayed.
2	On Menu FAX09002: • select applicable County Office • PRESS “Enter”.	Application Selection Menu FAX07001 will be displayed.
3	On Menu FAX07001: • ENTER “1”, “Accounting” • PRESS “Enter”.	Accounting Main Menu AAA000 will be displayed.
4	On Menu AAA000: • ENTER “2”, “Cash Receipts” • PRESS “Enter”.	Accounting Cash Receipts Main Menu AGK000 will be displayed.
5	On Menu AGK000: • ENTER “1”, “Enter Payment/Refund for Schedule of Deposit (CCC-257)” • PRESS “Enter”.	Program Data Entry Screen AGK01000 will be displayed.

6	On Screen AGK01000:
	
	• enter the following:
	
	  • program code according to subparagraph B
	  • producer name, ID number, and ID type
	
	• PRESS “Enter”.
		Program Data Entry Screen AGK01005 will be displayed for entry of:
		
		• principal amounts
		•*****--special data, enter “N”
		
		Note: See 1-FSFL, subparagraph 291 B.--*****

7	Complete Screen AGK01005 and CCC-257 processing according to 3-FI.	

292 Issuing Payments for * * * Lien Searches and Recording Fees

A Fees Responsibilities

CCC is responsible for **paying** fees for:

- ***--**credit reports (paid by PSD)**--***
- lien searches on collateral
- recording fees for financing statements on collateral.

--Note:** A contract for obtaining all FSFL credit reports has been secured. State and County Offices shall not longer directly pay for these reports. PSD will request payment.**--

The applicant shall pay all other fees according to subparagraph 14 I.

B Program Code for Paying Fees

The program code for **paying** fees for FSFL's is "XXFSFLRF", where "XX" equals the last 2 digits of the FY in which the fee is **paid**.

Examples: Any fee paid between:

- ***--**10-1-08 and 9-30-09 will be paid using code "09FSFLRF"
- 10-1-09 and 9-30-10 will be paid using code "10FSFLRF".**--***

On Screen ANK31501, according to subparagraph C, step 6, users may enter special data for cross-referencing purposes.

C Paying Fees

County Offices shall pay FSFL lien search fees according to current Online Payment (OLP) application procedure.

*--293 Reimbursable Fees

A Depositing Reimbursable Fees

The program code for depositing reimbursable fees paid for by the county office and reimbursed by the applicant for FSFL's is "XXFSFLAME", where "XX" equals the last 2 digits of the FY the fee was paid.**--***

294-303 (Reserved)

304 FSFL Menus and Processing Functions

A Main Menu VCA005

This is an example of FSFL Main Menu VCA005 from which **all** FSFL automated functions are **initiated**.

*--

```
COMMAND                                MENU:  VCA005                                G0
FACILITY LOANS - MAIN MENU
-----------------------------------------------------------------------------------------------------------------
  1.  Application/Approval Processing                          6.  Loan Inquiry
  2.  Note and Security                                        7.  Administrative Activities
      Agreement Processing                                     8.  Loan Servicing
  3.  Disbursement Functions                                   9.  Cancel Transaction
 *4.  Notification Functions                                  10.  System Control Functions
  5.  Repayment/Repayment Inquiry Processing

 21.  Return to Application Selection Menu
 22.  Return to Office Selection Menu
 23.  Return to Primary Selection Menu
 24.  Sign Off

 Enter the number of your selection
 and press the "Enter" key.                                    *Option not available.

 Cmd3=Previous Menu
```

--*

B Sub-Menu VFA000

This is an example of FSFL sub-Menu VFA000 through which FSFL **re-accessing** and **recording actions** are processed.

```
COMMAND                                VFA000                                       G0
FARM STORAGE FACILITY LOANS MENU
-----------------------------------------------------------------------------------------------------------------

          1.  Application Processing (Re-access for changes)

          2.  Approval Process (Generates a completed CCC-185, Re-access)

          3.  Disapprove CCC-185 Application

          4.  Withdraw CCC-185 Application

          5.  Delete CCC-185 Application

Enter the number of your selection and press the "Enter" key.
Cmd3=Previous Menu
```

304 FSFL Menus and Processing Functions (Continued)

C Accessing FSFL Functions

Access **all** FSFL processing functions according to this table.

Step	Action	Result
1	On Application Selection Menu FAX07001: • ENTER “13”, “Price Support” • PRESS “Enter”.	Price Support Main Menu PCA005 will be displayed.
2	On Menu PCA005: • ENTER “15”, “Farm Storage Facility Loan Functions” • PRESS “Enter”.	Facility Loans Main Menu VCA005 will be displayed.
3	On Menu VCA005: • enter the desired “option” according to the example in subparagraph A • PRESS “Enter”.	Screen VCA11000 will be displayed for entry of the applicable: • applicant’s name, ID number, and type • FY • FSFL number.

305 Important Information for Processing FSFL's

A Processing Capabilities

*** * ***

FSFL disbursement checks can **only** be issued through FSFL "Disbursement Functions" ***--**according to paragraphs 348, 349, and 350.**--***

B FY's

For Credit Reform reporting purposes, the "Fiscal Year" entered on Screen VCA11000 according to subparagraph 317 B, step 1, must be FY during which FSFL is "Approved Pending Funding" or "Disapproved" by COC.

--Example:** If CCC-185 is filed in FY 2009, but it cannot or will not be "Approved Pending Funding" by COC until after October 1, 2009, then the "Fiscal Year" entered on Screen VCA11000 shall be "2010".**--

FY used for the application number and FY in the application fee deposit code **must be** the same.

C FSFL Facility Types

These FSFL facility type numbers are allowable entries on Screen VFA10500 according to subparagraph 317 B, step 4, when entering CCC-185 data:

- "1" for **Storage Bin**
- "2" for **Storage Crib**
- "3" for **Upright Silo**
- ***--**"3HM" for **Upright Silo for High Moisture Grain**
- "3S" for **Upright Silo for Silage--***
- "4" for **Flat Storage**
- "5" for **Affixed Handling Equipment**

305 Important Information for Processing FSFL's (Continued)

C FSFL Facility Types (Continued)

- "6" for **Affixed Drying Equipment**
- "7" for **Maintenance Equipment**
- "8" for **Additions/Modifications of Existing Storage**
- ***--**"9HM" for **Bunker-type, Horizontal, or Open Silos for High Moisture Grain**
- "9S" for **Bunker-type, Horizontal, or Open Silos for Silage**.**--***

PRESS "Help" on Screen VFA10500 to display this information.

306-316 (Reserved)

Section 3 Processing CCC-185's

317 Initial Entry of CCC-185 Data

A Accessing Application Processing

To process **initial** CCC-185 data entries:

- access FSFL functions according to subparagraph 304 C and:
  - ENTER "1", "Application/Approval Processing", on Menu VCA005
  - proceed to Screen VCA11000
- complete processing according to subparagraphs B and C.

B Data Entry

Enter CCC-185 data according to this table.

Step	Action	Result
1	On Screen VCA11000: • enter the following: •*****--contact applicant's name, ID number, and type--***** • the FY CCC-185 will be "Approved Pending Funding" or "Disapproved" by COC, see subparagraph 305 B • "N" for **new** system-assigned FSFL number • PRESS "Enter". ***--Note:** Only the name of the contact applicant is entered into the system. Any co-applicants' names should be handwritten in CCC-185, item 2A and co-applicants shall sign and date in CCC-185, items 13C and 13D.--*****	Screen VCA12000 will be displayed.

317 Initial Entry of CCC-185 Data (Continued)

B Data Entry (Continued)

Step	Action	Result

2	On Screen VCA12000:
	
	• ENTER "Y" or "N", as applicable, to the question, "Is this the correct producer?"
	
	• PRESS "Enter".
		If "Y" was the entry:
		
		• Screen VFA10000 will be displayed
		
		• the following will be displayed at the top of the screen:
		
		  • applicant's name
		  • FSFL number.

3	On Screen VFA10000:
	
	• users are required to enter the following:
	
	  • requested loan amount ($1,000,000 or over require a password)
	
	  • existing capacity (0 (zero) or higher)
	
	  • capacity of proposed storage structure (may be 0 (zero) due to equipment only loans)
	
	  • date:
	
	  • purchased or tentative purchase date
	  • delivered to the farm
	  • erected or installed
	
	  • application fee:
	
	  • amount, for example "45.00"
	  • date paid
	  • CCC-257 deposit number, for example "0468"
	
	• PRESS "Enter".
		Screen VFA10500 will be displayed.

B
Data Entry
(Continued)

Step	Action		Result
4	*--On Screen VFA10500, 5 data entry lines are provided to list the applicable type codes. Enter data according to the following: Enter 1 of the following facility type codes, as applicable: • "1" • "2" • "3" • "3HM" • "3S" • "4" • "9HM" • "9S".		Screen VFA10800 will be displayed.
	IF the facility type code entered in block 1 is...	**THEN...**	
	• an addition or modification rather than new • new	ENTER "8". leave blank.	
	IF...	**THEN...**	
	• affixed handling equipment is included in the loan • affixed drying equipment is included in the loan • maintenance is included in the loan	ENTER "5". ENTER "6". ENTER "7".--*	
	Enter the purpose of loan in free form and PRESS "Enter".		

Continued on the next page

317 Initial Entry of CCC-185 Data (Continued)

B Data Entry (Continued)

Step	Action	Result
5	On Screen VFA10800, users are required to: •*--enter applicable data about:--* • who it is purchased from, for example "Jones Company" • who it is erected/installed by, for example "Smith Company" • who the real estate owner is, for example "James and Linda Farmer" • who the lien holder is, for example "My Mortgage Company" • what the real estate location is, for example "NE4NW4 Sec. 10-34-15" ***--Note:** This is the location where the collateral is located that is automatically transferred to CCC-186. Please enter the complete legal description.**--*** • answer the question, "Are you or any co-applicant delinquent on any federal non tax debt? (Y or N)" **Note:** If the answer is "Y", manually note the creditor name, account number, and amount of debt on CCC-185, page 2, remarks. • enter date of CCC-185: • for first applicant, for example "06112000" • for second applicant, when applicable • PRESS "Enter".	Screen VFA11000 will be displayed.

317 Initial Entry of CCC-185 Data (Continued)

B Data Entry (Continued)

Step	Action	Result

6	On Screen VFA11000:
	
	• enter the following:
	
	  • farm number
	
	  •*--State and county codes, if other than the Administrative County Office--*
	
	  • commodity
	
	  • acres and yield per acre
	
	• answer the question, "Are there more farms to record? (Y or N)"
	
	• PRESS "Enter".
	
	Note: See the example in subparagraph C.
		If the answer to more farms is:
		
		• "Y", Screen VFA11000 will be redisplayed for more entries
		
		• "N", Screen VFA11500 will be displayed to display, for FSFL, the system-calculated:
		
		  • total production, for example "94,000"
		
		  • total-estimated production times 2
		
		  • existing capacity, for example "20,000"
		
		  • additional capacity needed, for example "168,000".

7	On Screen VFA11500: • review system-calculated data • PRESS "Enter".	Screen VFA17005 will be displayed to ask the question, "Do you wish to complete this process? (Y or N)".

B
Data Entry
(Continued)

Step	Action	Result

8	On Screen VFA17005:
	
	• ENTER "Y" or "N", as applicable
	• PRESS "Enter".
		If the answer is:
		
		• "N", Screen VFA11500 will be redisplayed from which users can PRESS:
		
		  • "Cmd3" to go back to make changes
		  • "Cmd7" to end the job (data is lost)
		
		• "Y":
		
		  • completed CCC-185 will be printed on the selected printer
		
		  • user can reprint completed CCC-185.

C
Data Screen
VFA11000

The following is an example of data Screen VFA11000 from subparagraph B, step 6.
***--**

```
                                   083-BARNES                          VFA11000
Farm Storage Facility Loan Program                 Version: AB95 08-02-00 13:33 Term G0
-----------------------------------------------------------------------------------------
JOHN C CALHOUN                                                       FSFL # 2000/00006

Enter all farm numbers associated with this application:

    FARM        ST      CTY                    ACRES       YIELD/ACRE
    NUMBER      CODE    CODE    COMMODITY      n,nnn,nnn.n       nnn.n

    1094                                WHT        500.0           85.0
    1094                                CORN       300.0          130.0
     927        31      478            WHT        250.0           50.0

Are there more farm numbers to record?  (Y or N)

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

Note: "ST CODE" and "CTY CODE" are required only when a farm is located in a county other than the system county.**--***

318 Re-Accessing CCC-185's to Make Changes Before Approval

A
Re-Accessing CCC-185's

After being processed according to paragraph 317, CCC-185:

- **can** be re-accessed and modified before approval according to subparagraph B
- **cannot** be re-accessed after approval and before funding
- **can** be re-accessed and modified after approval and funding according to paragraph 333.

B
Making Changes Before Approval

To **change** CCC-185 data before approval:

- re-access applicable CCC-185 according to subparagraph 304 C and:
  - ENTER "1", "Application/Approval Processing", on Menu VCA005
  - proceed to Screen VCA11000
- complete processing according to this table.

Step	Action	Result
1	On Screen VCA11000: • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter".	FSFL Menu VFA000 will be displayed.
2	On Menu VFA000: • ENTER "1", "Application Processing (Re-access for changes)" • PRESS "Enter".	The following screens will display sequentially and display data as it was **last** entered according to paragraph 317 and allow for changes: • Screen VFA10000 • Screen VFA10500 • Screen VFA10800 • Screen VFA11000 • Screen VFA11500.

Continued on the next page

B
Making Changes Before Approval (Continued)

Step	Action	Result
3	Complete Screens VFA10000 through VFA11500, according to subparagraph 317 B, and PRESS "Enter".	Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)."
4	Complete process according to subparagraph 317 B, step 8.	Revised CCC-185 will be printed showing applicable changes.

C
Maintaining Records of Changes

Attach **all** revised CCC-185's to original CCC-185 so the current version is on top.

* * *

319 Recording Actions for CCC-185's

A
Recording Actions

County Offices can process these recording actions for CCC-185's, as applicable:

- approval

*** * ***

- disapproval
- withdrawal
- deletion.

B
Re-Access for Recording Actions

To initiate any **recording action**:

- re-access applicable CCC-185 according to subparagraph 304 C and:
  - ENTER "1", "Application/Approval Processing", on Menu VCA005
  - proceed to Screen VCA11000
- complete:
  - **approvals** according to subparagraph C
  - **disapprovals** according to subparagraph D
  - **withdrawals** according to subparagraph E
  - **deletions** according to subparagraph F.

Continued on the next page

319 Recording Actions for CCC-185's (Continued)

C Approvals

Complete CCC-185 **approval** processing according to the following table.

Step	Action	Result
1	On Screen VCA11000: • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter".	FSFL Menu VFA000 will be displayed.
2	On Menu VFA000: • ENTER "2", "Approval Process (Generates a completed CCC-185, Re-access)" • PRESS "Enter".	Screen VFA12500 will be displayed.

3	On Screen VFA12500:
	
	• enter the following:
	
	  • amount approved pending funding
	  • COC approval date
	
	• number of loan installments is displayed
	
	• PRESS "Enter".
		Screen VFA13000 will be displayed.

4	On Screen VFA13000:
	
	• **in detail**, enter the required collateral security on CCC-186 in 1 of the following formats:
	
	  • free form
	  • as required by State law
	  • as authorized, in writing, by OGC
	
	  Note: The system provides 3 lines for entry. If more space is required, do all of the following:
	
	  • provide an attachment
	
	  • reference the attachment in this entry
	
	  • require the borrowers to initial and date the attachment.
	
	• PRESS "Enter".
	
	  Note: If a detailed description is **not** entered, ensure that the filed UCC-1 or real estate filing contains a detailed description.
	
	  --**This is the description of the collateral that is included on CCC-186. **--
		Screen VFA13500 will be displayed.

319 Recording Actions for CCC-185's (Continued)

C Approvals (Continued)

Step	Action	Result
5	On Screen VFA13500: • leave ranking criteria field **blank** • enter appropriate notations in remarks, such as conditions of approval **Note:** Three pages are provided for remarks. • PRESS "Enter".	Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".
6	On Screen VFA17005: • ENTER "Y" or "N", as applicable • PRESS "Enter".	If the answer is: • "Y", CCC-185 will be printed with **approval** information in item 14, "CCC Approval" • "N", Screen VFA13500 will be redisplayed and will allow the user to make changes.

Note: The FSFL funding process takes **at least** 5 workdays from when the loan approval is entered and transmitted for funding to when the obligation is received back in the County Office.

319 Recording Actions for CCC-185's (Continued)

D Disapprovals

Complete CCC-185 **disapproval** processing according to the following table.

Step	Action	Result
1	On Screen VCA11000: • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter".	FSFL Menu VFA000 will be displayed.
2	On Menu VFA000: • ENTER "3", "Disapprove CCC-185 Application" • PRESS "Enter".	Screen VFA12000 will be displayed.

3	On Screen VFA12000:
	
	• enter the following:
	
	  • date of disapproval
	
	  • reason for disapproval, applicant's last name, and FSFL number in remarks
	
	• PRESS "Enter".
		A "warning" will be displayed indicating no re-access when this action is completed. PRESS "Enter".
		
		Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".

4	On Screen VFA17005:
	
	• ENTER "Y" or "N", as applicable
	• PRESS "Enter".
		If the answer is:
		
		• "Y", CCC-185 will be printed with **disapproval** information in block 18, "Remarks"
		
		•***--**"N", Screen VFA12300 will be redisplayed from which the user can PRESS:
		
		  • "Cmd3" to return to the previous screen to make changes
		
		  • "Cmd7" to end the job and return to Menu VCA005.**--***

319 Recording Actions for CCC-185's (Continued)

E Withdrawals

CCC-185 may be withdrawn:

- before approval
- after obligation
- *--before CCC-186 has printed and before disbursement.

Notes: By using this option, any funds that have been obligated will be returned.

Use the withdrawal option to return obligated funds when applicant notifies the County Office that they no longer want the loan.--*

Complete CCC-185 **withdrawal** processing according to the following table.

Step	Action	Result
1	On Screen VCA11000: • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter".	FSFL Menu VFA000 will be displayed.
2	On Menu VFA000: • ENTER "4", "Withdraw CCC-185 Application" • PRESS "Enter".	Screen VFA12000 will be displayed.

3	On Screen VFA12000:
	• enter the following:
	  • date of withdrawal
	  • reason for withdrawal, applicant's last name, and FSFL number in remarks
	• PRESS "Enter".
		A "warning" will be displayed indicating no re-access when this action is completed. PRESS "Enter".
		
		Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".

319 Recording Actions for CCC-185's (Continued)

E Withdrawals (Continued)

Step	Action	Result
4	On Screen VFA17005: • ENTER "Y" or "N", as applicable • PRESS "Enter".	If the answer is: • "Y", CCC-185 will be printed with **withdrawal** information in block 18, "Remarks" •***--**"N", Screen VFA12300 will be redisplayed from which the user can PRESS: • "Cmd3" to return to the previous screen to make changes • "Cmd7" to end the job and return to Menu VCA005.**--***|

319 Recording Actions for CCC-185's (Continued)

F Deletions

CCC-185 may be deleted:

- before approval
- after obligation
- *--before or after CCC-186 has printed and before disbursement (disbursement option 1).

Notes: By using this option, any funds that have been obligated will be returned.

Use delete to return obligated funds due to an error. A new loan may be entered with the correct information.--*

Complete CCC-185 **deletion** processing according to the following table.

Step	Action	Result
1	On Screen VCA11000: • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter".	FSFL Menu VFA000 will be displayed.
2	On Menu VFA000: • ENTER "5", "Delete CCC-185 Application" • PRESS "Enter".	Screen VFA12000 will be displayed.

3	On Screen VFA12000:
	• enter the following:
	  • date of deletion
	  • reason for deletion, applicant's last name, and FSFL number in remarks
	• PRESS "Enter".
		A "warning" will be displayed indicating no re-access when this action is completed. PRESS "Enter".
		
		Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".

319 Recording Actions for CCC-185's (Continued)

F
Deletions
(Continued)

Step	Action	Result
4	On Screen VFA17005: • ENTER "Y" or "N", as applicable • PRESS "Enter".	If the answer is: • "Y", CCC-185 will be printed with **deletion** information in block 18, "Remarks" •***--**"N", Screen VFA12300 will be redisplayed from which the user can PRESS: • "Cmd3" to return to the previous screen to make changes • "Cmd7" to end the job and return to Menu VCA005.**--***|

320-330 (Reserved)

--

331 Queuing FSFL Detail Transmission File

A
--Actions for Obligation--

After CCC-185's have been approved according to subparagraph 319 C, FSFL Detail Transmission File "ssccVB1" that contains approved CCC-185's must be:

- queued for transmission
- uploaded to NITC for funding.

Important: CCC-186 and disbursement functions **cannot** be accessed until funding download is received by the County Office.

B
Queuing Transmission File

Queue FSFL Detail Transmission File according to this table.

Step	Action	Result
1	On Primary Selection Menu FAX250: • ENTER "4", "Application Processing" • PRESS "Enter".	Office Selection Menu FAX09002 will be displayed.
2	On Menu FAX09002: • select applicable county • PRESS "Enter".	Application Selection Menu FAX07001 will be displayed.
3	On Menu FAX07001: • ENTER "7", "Queue Files for Transmission" • PRESS "Enter".	Que Files for Transmission Menu FMA901 will be displayed.

Continued on the next page

B
Queuing
Transmission
File (Continued)

Step	Action	Result

4	On Menu FMA901:
	
	• enter **either** of the following:
	
	  • "1", "Queue All Daily Transmission Files"
	
	  • "2", "Accounting/Price Support/COE Menu"
	
	• PRESS "Enter".
		If:
		
		• "1" is selected, queue process runs through to completion and FSFL Detail Transmission File is uploaded to NITC at regular transmission time immediately after Price Support
		
		• "2" is selected, Menu FMA902 will be displayed to provide option:
		
		  • "1" for balancing and queuing Accounting and Price Support
		
		  • "2" for IRS reporting.
		
		Go to step 5.

5	On Menu FMA902: • ENTER "1", "Balance and Queue Accounting, Price Support/Loan Summary Data and COE Personnel/Payroll Data" • PRESS "Enter".	Balancing and queuing processes run through to completion and FSFL Detail Transmission File is uploaded to NITC at regular transmission time immediately after Price Support.

332 Receiving Funding Download

A Obligation Download

FSFL funding obligations for CCC-185's, which have been uploaded according to paragraph 331, will be returned to County Offices from NITC by a downloaded file that will be received **either**:

- through the start-of-day process
- according to this table.

Step	Action	Result
1	On Primary Selection Menu FAX250: • ENTER "6", "Telecommunications Functions" • PRESS "Enter".	Telecommunications Menu FAX271 will be displayed.
2	On Menu FAX271: • ENTER "4", "Transmit or Receive Files and Libraries" • PRESS "Enter".	Transmit or Receive Files and Libraries Menu FCA923 will be displayed.

3	On Menu FCA923:
	• ENTER "6", "Process Files Received During Day"
	• PRESS "Enter".
		If present, FSFL Obligation Download Transmission File "ssVB2ccc" will:
		• update FSFL obligation file
		• allow for processing:
		  • CCC-186
		  • disbursement for funded CCC-185.

B Verifying Funding

County Offices can verify that FSFL funding download has been received:

- from the Obligations Report according to paragraph 414

  Note: The Obligations Report:

  - lists **only** the most recently funded CCC-185's, where the most recent download overlays the previous one and is not cumulative

  - must be accessed; it is not an automatically printed report.

332 Receiving Funding Download (Continued)

B Verifying Funding (Continued)

- by being able to access FSFL functions for processing:
  - CCC-186's
  - disbursements.

--Note:** The obligation process for a funding increase takes **at least** 5 workdays from when a new loan amount is entered, **approved**, and transmitted to when the increased loan amount is received back in the County Office. County Offices shall plan accordingly.**--

333 Changing CCC-185's After Funding

A Changes After Funding

After being funded, CCC-185 can be re-accessed to make changes that **do not** affect eligibility or funded amount, according to paragraph 318, without having:

- COC reconsideration
- to repeat the funding process.

FSFL funded amounts are based on estimates, so when final documented expenses are:

- **less** than FSFL funded amount:
  - County Offices shall **decrease** FSFL amount according to subparagraph 334 A
  - excess funds become available for national redistribution
- **more** than FSFL funded amount:
  - COC must determine eligibility and approve pending funding for an FSFL amount **increase**
  - County Offices shall increase FSFL amount according to subparagraph 334 B.

334 Re-Accessing CCC-185's to Decrease or Increase Funding

A Funding Decrease

To **decrease** a funded CCC-185 amount, re-access applicable CCC-185 according to subparagraph 304 C, ENTER "1", "Application/Approval Processing", on Menu VCA005 and PRESS "Enter", and complete processing according to the following table.

Note: **All** 7 steps **must** be completed.

Step	Action	Result
	Changes	
1	On Screen VCA11000: • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter".	FSFL Menu VFA000 will be displayed.
2	On Menu VFA000: • ENTER "1", "Application Processing (Re-access for changes)" • PRESS "Enter".	The following screens will display according to paragraph 317 and allow data changes: • Screen VFA10000 • Screen VFA10500 • Screen VFA10800 • Screen VFA11000 • Screen VFA11500.
3	On Screen VFA10000: • change "Requested Loan Amount" to **decreased** amount • PRESS "Enter".	Screen VFA10500 will be displayed.
4	Complete Screens VFA10500 through VFA11500, according to subparagraph 317 B, and PRESS "Enter".	Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".
5	Complete process according to subparagraph 317 B, step 8.	Revised CCC-185 will be printed. ***--Note:** Unless the approval process in step 6 is completed, the new loan amount on the revised CCC-185 will **not** apply to this loan.**--***
	Approval	
6	Approve revised CCC-185 according to subparagraph 319 C. On Screen VFA12500 in subparagraph 319 C, step 3, correct "Amount Approved Pending Funding" to **decreased** "Requested Loan Amount". Do **not** change the "COC Approval Date".	Revised CCC-185 will be printed showing **decreased** "Requested Loan Amount" and revised **approval** information.
	Funding	
7	**Decreased** amounts require **no** upload-download action.	CCC-186 and disbursement can be processed.

334 Re-Accessing CCC-185's to Decrease or Increase Funding (Continued)

B Funding Increase

To **increase** a funded CCC-185 amount, re-access applicable CCC-185 according to subparagraph 304 C, ENTER "1", "Application/Approval Processing", on Menu VCA005 and PRESS "Enter", and complete processing according to the following table.

Note: **All** 7 steps **must** be completed.

Step	Action	Result
	Changes	
1	On Screen VCA11000: • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter".	FSFL Menu VFA000 will be displayed.
2	On Menu VFA000: • ENTER "1", "Application Processing (Re-access for changes)" • PRESS "Enter".	The following screens will display according to paragraph 317 and allow data changes: • Screen VFA10000 • Screen VFA10500 • Screen VFA10800 • Screen VFA11000 • Screen VFA11500.
3	On Screen VFA10000: • change "Requested Loan Amount" to **total needed** • PRESS "Enter".	Screen VFA10500 will be displayed.
4	Complete Screens VFA10500 through VFA11500, according to subparagraph 317 B, and PRESS "Enter".	Screen VFA17005 will display the question, "Do you wish to complete this process?"
5	Complete process according to subparagraph 317 B, step 8.	Revised CCC-185 will be printed. **Note:** To approve increased funding, continue with step 6.
	Approval	
6	Approve revised CCC-185 according to subparagraph 319 C. On Screen VFA12500 in subparagraph 319 C, step 3, correct "Amount Approved Pending Funding" to **new total** "Requested Loan Amount". Enter the **new** "COC Approval Date".	Revised CCC-185 will be printed showing **increased** "Requested Loan Amount" and revised **approval** information.
	Funding	
7	**Increased** amounts require **re-queue** and **receipt** of additional funding according to paragraphs 331 and 332.	**After** receipt of increased funding, CCC-186 and disbursement can be processed.

***--Note:** The FSFL funding process takes **at least** 5 workdays from when the loan approval is entered and transmitted for funding to when the obligation is received back in the County Office.--*

335-345 (Reserved)

346, 347 (Withdrawn -- Amend. 32)

***--348 FSFL Disbursements With Check Centralization**

A FSFL Disbursement Options

The following 2 options are available for disbursing FSFL's:

- closing then immediately requesting FSFL disbursement with FSFL proceeds made out to contact borrower **only** (disbursement option 1)

- submitting the request for a check and closing FSFL once the check is received in the County Office (disbursement option 2).

The entire FSFL disbursement **must** be made by:

- electronic funds transfer or check to the contact borrower (disbursement option 1)
- check(s) to the borrowers and/or other payees (disbursement option 2).

Note: These are the **only** 2 options available for FSFL disbursements and FSFL closing. **No other disbursement options are authorized.**

B Closing FSFL's Followed by FSFL Disbursement - Disbursement Option 1

Closing FSFL then immediately requesting FSFL disbursement is used when the disbursement proceeds will be made **only** to the contact borrower. County Offices will transmit the payment request to NPS. NPS will issue FSFL transaction statements. See paragraph 349 for instructions.

IF the…	THEN NPS will…
FSFL disbursement will be by direct deposit	deposit FSFL proceeds in the borrower's account within the specified time period.
borrower does **not** have direct deposit	send a request to Treasury to disburse a check. The check will be mailed to the borrower.

C Submitting Payment Requests Before FSFL Closing - Disbursement Option 2

If the disbursement **must** be made to multiple parties, including lien holders or contractors, County Offices can request Treasury checks **before** closing FSFL. The checks will be mailed to the County Office where CCC-186 will be prepared and FSFL closed. The County Office will enter FSFL closing date; interest on FSFL will start on that date. The checks will be given to the borrower at FSFL closing. See paragraph 350 for instructions.**--***

*--349 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests

A Sequence of Steps To Be Followed

Disbursement option 1 is for FSFL's that will be closed and followed **immediately** by the payment request. The option for adding an additional payee or modifying the mailing address is **not** currently available.

If there are **no** alternate payees; that is vendors are all paid, County Offices **must** take the following steps, **in sequence**, from Menu VCA005:

- "2", "Note and Security Agreement Processing", to close FSFL; see subparagraph B
- "3", "Payment Requests", to initiate payment requests; see subparagraph C
- access NPS to certify and sign payment requests; see subparagraph D.

Notes: Contact borrower will receive the entire disbursement either by automated clearing house or check mailed from Treasury directly to the borrower's address in SCIMS.

Interest Start Date (date FSFL closed) is software controlled.

B Closing FSFL's, CCC-186 Processing

On Menu VCA005, option "2" is to be taken if FSFL will be closed **immediately** after CCC-186 is printed. Therefore, the County Office **must** close and disburse FSFL on the **same day**.

Note: Using this option allows the Interest Start Date on both the Amortization Schedule and CCC-186 to be calculated by the software, and will automatically **allow 2 workdays** before interest begins on FSFL. This allows time for loan proceeds to be disbursed directly into the contact borrower's account, or to mail the check and loan transaction statement directly to the contact borrower, if **no** automated clearing house account. County Offices should review and verify this date with borrower.

The FSFL Amortization Schedule and CCC-186 closing processes are prepared on System 36 according to the following.

Step	Action
1	On **Menu VCA005**, Facility Loans Menu, ENTER "**2**", "Note and Security Agreement Processing", and PRESS "**Enter**".
2	On **Screen VCA11000**, Facility Loans - ID Entry, enter fiscal year and FSFL number, and PRESS "**Enter**".
3	On **Screen VCA11500**, Facility Loans - Show Applicants, select producer and PRESS "**Enter**".
4	On **Screen VCA12000**, Facility Loans - Verify Chosen Producer, verify correct applicant and PRESS "**Enter**".

--*

*--349 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)

B Closing FSFL's, CCC-186 Processing (Continued)

Step	Action
5 **1**/	On **Screen VFB10000**, Farm Storage Facility Loan Program, **no** modifications are allowed; Screen VFB10000 is a warning screen for the user to verify the funded amount.
	IF… / **THEN PRESS…**
	incorrect: "**CMD7**"; see 1-FSFL, paragraph 334 for steps to correct funded amount.
	correct: "**Enter**", to continue with closing.
6 **1**/	On **Screen VFB10100**, Verification of Funded Amount, **no** modifications are allowed. PRESS "**Enter**" to continue with closing.
7 **1**/	On **Screen VFB10200**, Close and/or Request Payment, answer the question, "Do you want to close this loan now? (Y or N)".
	IF user… / **THEN…**
	wants to complete FSFL closing immediately (the same as before centralized check writing): ENTER "**Y**", PRESS "**Enter**", and go to step 8; see Exhibit 10.
	wants to request payment before closing FSFL (disbursement option 2): ENTER "**N**" and PRESS "**Enter**"; see subparagraph 350 B, step 7 and Exhibit 11.
	does **not** want to close FSFL or request payment now: PRESS "**Cmd7**" to exit closing FSFL's.
8 **1**/	On **Screen VFB10300**, FSFL - Additional Borrowers, answer the question, "Are additional borrowers required to sign the CCC-186 Note and Security Agreement? (Y or N)". **Note:** FSFL proceeds will be issued **only** to the contact borrower under disbursement option 1, even if additional borrowers are entered.
	IF… / **THEN ENTER…**
	user wants to add borrowers to CCC-186: "**Y**" and PRESS "**Enter**".
	there are no other borrowers: "**N**" and PRESS "**Enter**".
9 **1**/	On **Screen VFB13000**, Farm Storage Facility Loan Program, answer the question, "Do you wish to print an additional copy of the Amortization Report?" ENTER "**Y**" or "**N**". PRESS "**Enter**". **Note:** The date on FSFL Amortization Report will be the date the report is prepared.
10	On **Screen VCA97000**, FSFL Printer ID Selection, change printer ID, if needed. PRESS "**Enter**". FSFL Amortization Report will print.
11 **1**/	On **Screen VFA17005**, Farm Storage Facility Loan Program, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "**Y**" and PRESS "**Enter**".
12	On **Screen VCA97000**, FSFL Printer ID Selection, change printer ID, if needed. PRESS "**Enter**". CCC-186 will print.
13	On **Screen VCE99910**, Farm Storage Facility Loan Program, answer the question, "Do you want to reprint this form? (Y or N)".
	IF… / **THEN ENTER…**
	user wants to reprint CCC-186: "**Y**".
	CCC-186 printed correctly and another copy is **not** needed: "**N**".
	This completes FSFL closing process. Users are locked out of the closing process for FSFL. **Menu VCA005** will be displayed. **Note:** Users **must immediately** disburse FSFL. On **Menu VCA005**, ENTER "**3**", "Payment Requests", and PRESS "**Enter**"; see subparagraph C.

1/ This step allows users to exit the closing process, and correct the funding obligation **before** completing the closing process, to ensure that FSFL's are disbursed with the correct dollar amounts. If County Offices exit the closing process, to re-access, on **Menu VCA005**, ENTER "**2**" and PRESS "**Enter**".--*

*--349 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)

C Processing Payment Requests Before NPS Cutoff

The payment **must** be:

- requested **immediately** after completing the closing process in subparagraph B, step 13
- submitted to NPS; on **Menu VCA005**, ENTER "**3**", "Payment Requests"
- completed **before** the NPS **3 p.m. c.t. cutoff**.

The payment request for FSFL closed is submitted to NPS according to the following.

Step	Action
1	On **Menu VCA005**, ENTER "**3**", "Payment Requests". PRESS "**Enter**".
2	On **Screen VCA11000**, Facility Loans - ID Entry, enter fiscal year and FSFL number. PRESS "**Enter**".
3	On **Screen VCA11500**, Facility Loans - Show Applications, select producer. PRESS "**Enter**".
4	On **Screen VCA12000**, Facility Loans Verify - Chosen Applicant, verify correct applicant. PRESS "**Enter**".
5	On **Screen VFC10000**, FSFL Payment Requests, complete Lien Search Date, UCC-1 Financing Statement Filing Date, and Real Estate Mortgage Filing Date, if applicable. PRESS "**Enter**".
6	On **new Screen VFC10010**, FSFL Payment Requests, the payable for disbursement will be listed. Since the closing is already completed, there are **no** alternate payees and this is **not** a joint payment, **only** the borrower will be listed. The user **cannot** change any entries on this screen. PRESS "**Enter**" to continue; see Exhibit 12.
7	On **Screen VFA17005**, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "**Y**". PRESS "**Enter**". This process provides payment data to NPS. **Note:** There may be a delay of more than 20 minutes before the payment becomes available in NPS.
8	**Menu VCA005** will be displayed.

--*

***--349 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)**

D Certifying and Signing Payment Requests in NPS

After submitting a payment request according to subparagraph C, the County Office **must** access NPS for certification and signing for release to Treasury **before** the 3 p.m. c.t. cutoff the **same day**.

Note: There may be a delay of more than 20 minutes before the payment becomes available in NPS to certify and sign.

After closing FSFL, process the payment request and, **before 3 p.m. c.t. the same day**, do the following:

- access NPS
- select the appropriate payment on the worklist
- certify and approve the payment request
- send to signing worklist
- complete signing process.

The FSFL Amortization Schedule and CCC-186 are completed with a pre-calculated Interest Start Date (anniversary date), beginning on the third workday after FSFL is closed; see subparagraph B. The certification and signing process **must** be performed the **same day** as the closing to ensure that the disbursement from Treasury is timed to coincide with that interest start date.

Note: The cutoff time for payments to enter the processing cycle for that day is 3 p.m. c.t. If payables are **not** certified and signed by 3 p.m. c.t., the payments will be delayed. Interest will start on the third workday whether the payments were certified and signed at 1 p.m. or 4 p.m. c.t.**--***

*--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's

A Sequence of Steps To Be Followed

Disbursement option 2 will be used when a check is made out to the program participant and contractors or vendors. This option will be used to initiate special processing for payment requests where checks are to be prepared **before** closing FSFL and the checks are mailed to the County Office address. This process is triggered by a "Forced Check Indicator" in FSFL software. In addition, a process titled, "Alternate Payee Indicator" is incorporated into FSFL software, and triggered when checks **must** be made out to other payees in addition to the customer (borrower) who earned the payment.

If there are alternate or joint payees; such as vendors **not** all paid, County Offices **must** take the following steps, **in sequence**, from Menu VCA005:

- select option "2", "Note and Security Agreement Processing" to start closing process; see subparagraph B

- select option "3", "Payment Requests" to request payment; see subparagraph C

- access NPS to certify and sign payment requests; see subparagraph D

- select option "2"again, to re-access and complete FSFL closing on the scheduled closing date **after** checks are received; the Interest Start Date (date FSFL closed) **must** be manually entered; see subparagraph E.

Notes: County Office will receive checks from Treasury and loan transaction statements from NPS. County Office **must** arrange date for closing when checks and transaction statements have both been received. Re-accessing "2" will **not** be allowed until at least 3 workdays have passed since certification and signing of payment requests were completed in NPS. This is to allow time for Treasury to process and mail checks to the County Office.

Payments with more than 1 payee listed in:

- FSFL system are referred to as "joint payments"
- NPS are referred to as "alternate payees".**--***

*--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

B Starting FSFL Closings, CCC-186 Processing

To be able to request checks **before** FSFL closing has been completed, County Offices **must** start FSFL closing process; on **Menu VCA005**, ENTER "**2**" and PRESS "**Enter**". FSFL closing is **only** being initiated; it will **not** be completed at this time. Follow this table to initiate FSFL closing.

Step	Action	
1	On **Menu VCA005**, Facility Loans Menu, ENTER "**2**", "Note and Security Agreement Processing". PRESS **"Enter"**.	
2	On **Screen VCA11000**, Facility Loans - ID Entry, enter fiscal year and FSFL number. PRESS "**Enter**".	
3	On **Screen VCA11500**, Facility Loans - Show Applicants, select producer. PRESS **"Enter"**.	
4	On **Screen VCA12000**, Facility Loans - Verify Chosen Producer, verify correct applicant. PRESS **"Enter"**.	
5 **1/**	On **Screen VFB10000**, Farm Storage Facility Loan Program, **no** modifications are allowed; Screen VFB10000 is a warning screen for the user to verify the funded amount.	
	IF…	**THEN PRESS…**
	incorrect	"**CMD7**"; see 1-FSFL, paragraph 334 for steps to correct the funded amount.
	correct	"**Enter**", to continue with closing.
6 **1/**	On **Screen VFB10100**, Verification of Funded Amount, **no** modifications are allowed. PRESS "**Enter**" to continue if correct. If not correct, PRESS "**CMD 7**".	
7 **1/**	On **Screen VFB10200**, Close and/or Request Payment, answer the question "Do you want to close this loan now? (Y or N)". ENTER "**N**" allowing the user to request checks **before** FSFL closing. Users **must** ENTER "**N**" to receive checks **before** closing. PRESS "**Enter**"; see Exhibit 11. **Notes:** "**Y**" **must not be entered.** If users enter "**Y**", FSFL will be closed at this time and the check will **not** be sent to the County Office for closing at a later date. If you have more than 1 borrower and/or multiple payees, you must enter "**N**". By entering "**N**", the system allows users to later enter multiple payables (subparagraph C, step 6) and payee information (subparagraph D).	
8	On **Screen VFA17005**, Farm Storage and Facility Loan Program, answer the question "Do you wish to complete this process? (Y or N)". ENTER "**Y**". PRESS "**Enter**". After answering "**Y**", **Screen VCE99910** will be displayed asking, "Do you want to reprint this form? (Y or N)".	
9	**Menu VCA005** will be displayed.	

1/ This step allows users to exit the closing process, and correct the funding obligation **before** completing the closing process, to ensure that FSFL's are disbursed with the correct dollar amounts. If County Offices exit the closing process, to re-access, on **Menu VCA005**, ENTER "**2**" and PRESS "**Enter**".--*

*--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

C Completing Payment Requests

Under disbursement option 2, the County Office requests the checks be sent directly to their office **before** closing FSFL. To request checks be mailed to the County Office, forced check indicator **must** be triggered in the FSFL software.

To submit payment requests to NPS for forced checks for this FSFL, County Offices **must**, on **Menu VCA005**, ENTER "**3**", "Payment Requests". This process will allow the user to:

- access Screen VFC10010, FSFL Payment Requests
- enter up to 20 different payables amounts
- indicate whether each payable will be a joint payment
- ensure that the total dollar amount of all payable amounts entered equals the Payment Requests Total displayed on Screen VFC10010
- provide a warning message and **not** allow the process to continue if the amounts entered do **not** equal the Payment Requests Total displayed on Screen VFC10010
- pass the data to NPS when complete; alternate payee name, address, and other needed data will be entered when the user accesses NPS for the certification and signing process on each payable.

Note: This payment request process does **not** allow name and address entries on Screen VFC10010. Users will make those freeform entries in NPS for the payments where the joint payment indicator was "Y".

Follow this table to complete the payment requests.

Step	Action
1	On **Menu VCA005**, ENTER "**3**", "Payment Requests", and PRESS "**Enter**".
2	On **Screen VCA11000**, Facility Loans - ID Entry, enter fiscal year and FSFL number and PRESS "**Enter**".
3	On **Screen VCA11500**, Facility Loans - Show Applications, select producer. PRESS "**Enter**".
4	On **Screen VCA12000**, Facility Loans -Verify Chosen Applicant, verify correct applicant. PRESS "**Enter**".
5	On **Screen VFC10000**, FSFL Payment Requests, enter Lien Search Dates, UCC-1 Financing Statement Filing Date, and Real Estate Mortgage Filing Date, if applicable. PRESS "**Enter**".

--*

*--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

C Completing Payment Requests (Continued)

Step	Action
6	On **new Screen VFC10010, FSFL Payment Requests**, the payables for disbursement are listed. Since the closing is **not** completed, it is assumed there are joint payments or what NPS refers to as alternate payees. The user may change the amount of the payable defaulted and make additional entries for payables on this screen; see Exhibit 13. Screen-print this screen to help identify payments in NPS. When complete, answer the question, "Do you have more payables to enter? (Y or N)". ENTER "**N**". PRESS **"Enter"**.
7	On **Screen VFA17005,** answer the question, "Do you wish to complete this process? (Y or N)". ENTER "**Y**". PRESS "**Enter**" to complete this process and provide the payment data to NPS.
8	After several messages indicating the Data Control System is verifying information, **Menu VCA005** will be displayed. On Menu VCA005, re-accessing options "2" and "3" will **not** be allowed until at least 3 workdays have passed since certification and signing of payment requests were completed in NPS. This is to allow time for Treasury to process and mail checks to the County Office. When checks arrive in the County Office, and after at least 3 workdays, County Offices **must** re-access **Menu VCA005**, option "**2**", to complete the closing according to subparagraph E.

D Certifying and Signing Payment Requests in NPS

After submitting payment requests (subparagraph C), County Office **must** access NPS to:

- enter payee information for each payable
- complete certification and signing for each payable.

Note: If payables are **not** certified and signed **before** the 3 p.m. c.t. cutoff time for payments, the payments will be delayed.

Note: **After at least 3 workdays,** software will allow re-access to option "**2**", "Note and Security Agreement Processing", to complete FSFL closing process. County Offices are **not** to access option "**2**" for this FSFL for **at least 3 workdays**.--*

*--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

E Re-Accessing FSFL Closings to Complete FSFL's

When the County Office receives the checks, they **must** immediately schedule a closing date with the borrowers. After at least 3 workdays **and** when the Treasury checks have been received in the County Office, on Menu VCA005, re-access option "2", "Note and Security Agreement Processing" to print CCC-186 and close the loan.

FSFL closing shall be completed within 21 calendar days of payment request certification and signing in NPS.

Note: The County Office **must** manually enter the Interest Start Date for FSFL during the closing process on System 36. This **must** be the date the actual closing takes place and CCC-186 is printed and signed by the borrowers. The **only** date allowed is the current date.

On the day FSFL will be closed, the County Office shall do the following.

Step	Action
1	On **Menu VCA005,** ENTER "**2**", Note and Security Agreement Processing. PRESS "**Enter**".
2	On **Screen VCA110001**, Facility Loans - ID Entry, enter fiscal year and loan number. PRESS "**Enter**".
3	On **Screen VCA11500**, Facility Loans - Show Applicants, select producer. PRESS "**Enter**".
4	On **Screen VCA12000**, Facility Loans - Verify Chosen Applicant, verify correct applicant. PRESS "**Enter**". **Note:** If less than 3 workdays have passed since submitting payment requests, the following message will be displayed on **Screen VFA6000**, "Closing not allowed until 3 workdays after Payment Request". User **must** wait until 3 workdays have passed.
5	On **Screen VFB10200**, Close and/or Request Payment, answer the question, "Do you want to close this loan now? (Y or N). **Note:** This defaults to "**N**" from user's initial access when checks were ordered to have available for closing. To proceed with the closing process, ENTER "**Y**". PRESS "**Enter**".

--*

*--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

E Re-Accessing FSFL Closings to Complete FSFL's (Continued)

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>6</td><td>On Screen VFB10200, Close and/or Request Payment, answer 2 questions as follows:

• "Are additional Borrowers required to sign CCC-186 Note and Security Agreement? (Y or N)"

<table>
<tr><th>IF additional borrower signatures are…</th><th>THEN…</th></tr>
<tr><td>required and users ENTER "Y"</td><td>users will be allowed to add the additional borrowers.</td></tr>
<tr><td>not required</td><td>ENTER "N".</td></tr>
</table>

• "Interest Start Date is: __/__/__"; enter interest start date.

Note: The Interest Start Date must be the date FSFL is closed because this is the date that interest will start. Interest Start Date cannot be a previous or future date.

PRESS "Enter" to continue. FSFL Amortization Report will print.

Note: A previous or future date is not allowed as the interest start date. The only date allowed is the current date.</td></tr>
<tr><td>7</td><td>On Screen VFB13000, Farm Storage Facility Loan Program, a summary of payments will be displayed. Answer the question, "Do you wish to print an additional copy of the Amortization Report? (Y or N)". ENTER "Y" or "N". PRESS "Enter".</td></tr>
<tr><td>8</td><td>On Screen VCA97000, FSFL – Printer ID Selection, change printer ID, if needed. PRESS "Enter". FSFL Amortization Report will print.</td></tr>
<tr><td>9</td><td>On Screen VFB16500, Farm Storage Facility Loan Program, an informational message appears indicating the Amortization Schedule is printing.</td></tr>
<tr><td>10</td><td>On Screen VFA17005, Farm Storage Facility Loan Program, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "Y" and PRESS "Enter".</td></tr>
<tr><td>11</td><td>On Screen VCA97000, FSFL Printer ID Selection, change printer ID, if needed. PRESS "Enter".</td></tr>
<tr><td>12</td><td>On Screen VCE99910, Farm Storage Facility Loan Program, answer the question, "Do you want to reprint this form? (Y or N).
<table>
<tr><th>IF…</th><th>THEN…</th></tr>
<tr><td>user wants to reprint CCC-186</td><td>ENTER "Y" and PRESS "Enter".</td></tr>
<tr><td>CCC-186 printed correctly and another copy is not needed</td><td>ENTER "N" and PRESS "Enter".</td></tr>
</table>
This completes the closing process. Users are locked out of the closing process for FSFL. Menu VCA005 will be displayed.</td></tr>
</table>

Note: As soon as CCC-186 is signed by the borrowers, FSFL is considered closed and disbursed. Provide the checks to appropriate parties.--*

351-360 (Reserved)

*--Part 20 Automated FSFL Repayment Processing

361 Repayment Processing

A Accessing Repayment Processing

To process an FSFL repayment, access FSFL functions according to subparagraph 304 C and:

- ENTER “5”, “Repayment Processing”, on Menu VCA005
- proceed to Screen VCA11000.

B Data Entry

Select FSFL for repayment processing according to this table.

Step	Action	Result
1	On Screen VCA11000: • enter the loan FY and number • PRESS “Enter”.	Screen VCA11500 will be displayed.
2	On Screen VCA11500: • select the desired producer sequence number • PRESS “Enter”.	Screen VCA12000 will be displayed.

3	On Screen VCA12000:
	• ENTER “Y” or “N”, as applicable, to the question, “Is this the correct applicant?”
	• ENTER “Y” or “N”, as applicable, to the question, “Is the repayment date prior to today’s date?”
	• PRESS “Enter”.
		If the answer to the question, “Is the repayment date prior to today’s date?”, is:
		• “Y”, users will be allowed to enter a repayment received before the system date
		• “N”, users will be allowed to do either of the following:
		  • process a repayment received on the system date
		  • inquire about a future date repayment.
		Screen VDA00000 will be displayed.

361 Repayment Processing (Continued)

C Selecting a Repayment Option

Screen VDA00000 displays the following options for FSFL repayment:

- Lump Sum Repayment
- Installment Repayment Inquiry

  Note: Installment Repayment Inquiry is an inquiry only function. Using this option will inform user of the amount owed by borrower based on date entered. Use the amount computed under this option and process as a "Lump Sum Repayment".

- Loan Repayment/Inquiry.

--**Functions of these options are described in subparagraphs D, E, and F. See the following table to determine which repayment process and processing date to use for all payments, **except** the final payment. **For** the **final** payment, the **date** the payment is **received** in the County Office **shall be used**. Use the "Loan Repayment/Inquiry" option to compute the amount due and enter the payment using the "Lump Sum Repayment" option.**--

IF the loan was disbursed on any date and the installment repayment is received…	**THEN collect the following for the repayment amount…**	**AND use the following process…**	**AND use the following date (see subparagraph 361 B, step 3) on Screen VDA11005…**
before the installment due date	the amount on the notification and reminder letter	option 1, "Lump Sum Repayment"	date installment payment was received.
on or within 15 calendar days after the due date	the amount on the notification and reminder letter		installment due date.
more than 15 calendar days after the due date	total amount due for installment including interest to the date received **Note:** Use the installment repayment inquiry option to compute the total amount owed to the date received.		date installment payment was received (with the entire principal amount for the installment paid and interest to the date received).

Notes: Regular installment repayments made more than 15 calendar days after the due date require either of the following actions:

- collecting additional interest at the time of repayment (the amount due may be calculated through option 2)
- creating a small installment principal balance that must be collected according to paragraph 150.5.

If all installment repayments are made before the due date and are for the amount on the notification and reminder letters that have printed out since November 2004, when the software was revised, then the final loan payment should be less.

361 Repayment Processing (Continued)

D Lump Sum Repayment

Apply a lump sum repayment to FSFL according to this table.

Step	Action	Result
1	On Screen VDA00000: • ENTER “1”, “Lump Sum Repayment” • PRESS “Enter”.	Screen VDA11005 will be displayed.
2	On Screen VDA11005: • enter the “Repayment Date (mmddyyyy)” • enter the “Repayment Amount” • PRESS “Enter”.	Screen VDA12000 will be displayed.

3	Screen VDA12000 will:
	
	• display repayment information
	
	• ask the question, “Do you wish to complete this Repayment? (Y or N)”. ENTER “Y” or “N”, as applicable.
		If the answer is:
		
		• “N”, the job will terminate
		• “Y”, then:
		
		  • payment processing continues
		
		  • Screen VCA97000 will be displayed.

4	On Screen VCA97000:
	
	• users shall enter the:
	
	  • printer ID to be used
	  • number of copies to print
	
	• PRESS “Enter”.
		The FSFL Repayment Receipt will be printed.
		
		Screen VCE99910:
		
		• will be displayed
		
		• asks the question, “Do you want to reprint this form? (Y or N)”.

5	On Screen VCE99910, when the question, “Do you want to reprint this form? (Y or N)”, is answered “N”: • processing moves to “Accounting” • a CCC-257 type is selected • repayment is deposited.	Lump Sum Repayment Processing is complete.

361 Repayment Processing (Continued)

*--E Installment Repayment Inquiry

Perform an installment inquiry according to this table.

Step	Action	Result
1	On Screen VDA00000: • ENTER “2”, “Installment Repayment Inquiry” • PRESS “Enter”.	Screen VDA20005 will be displayed.

2	On Screen VDA20005:
	
	• enter the “Repayment Date (mmddyyyy)”, such as:
	
	  • future date
	
	  • current date
	
	  • prior date, only allowed if “Y” was answered to the question on Screen VCA12000, “Is the repayment date prior to today’s date?”
	
	• PRESS “Enter”.
		Screen VDA22000 displays:
		
		• repayment information
		
		• message, “This option is inquiry only.” and returns user to Screen VDA00000.--*

* * *	* * *	* * *

361 Repayment Processing (Continued)

F Loan Repayment and Inquiry

Use this table to calculate an FSFL payoff repayment amount for:

- inquiry
- processing.

Step	Action	Result
1	On Screen VDA00000: • ENTER “3”, “Loan Repayment / Inquiry” • PRESS “Enter”.	Screen VDA20005 will be displayed.

2	On Screen VDA20005:
	
	• enter the “Repayment Date (mmddyyyy)”, such as:
	
	  • future date may be entered for inquiry only
	
	  • current date may be entered to apply a repayment or inquiry
	
	  • prior date may be entered to apply a payoff
	
	• PRESS “Enter”.
		Screen VDA22000 will be displayed.

361 Repayment Processing (Continued)

G FSFL Repayment Receipt

*--The system will generate an FSFL repayment receipt when a repayment is applied to FSFL using either the "Lump Sum Repayment" or the "Loan Payoff" options. The receipt prints:

- FSFL information
- repayment information
- principal balance due if behind schedule
- County Office information.

The following is an example of a receipt where the payment did not cover the entire outstanding principal due when received.

```
                          U.S. Department of Agriculture
                           Commodity Credit Corporation
                              FSFL Repayment Receipt

FSFL #:                        2003/00029     FSFL Disbursement Date:    01/01/2003

Beginning Principal Amount:     75,000.00     Installment Due Date:      01/01/2004
FSFL Interest Rate:                3.7500     Installment Amount Due:     12,380.52
New Principal Balance:          67,635.75     Current Payment Amount:     12,380.52

Name and Address of Contact Borrower:

Bo Hunter
77 Milam RD
Van Alstyne, TX 75482-9322

Payment        Payment       Interest      Interest       Principal    Principal
Date           Amount        Paid          Paid Thru      Paid         Balance
_________      _______       ________      _________      _________    _________

10/13/2004    $12,380.52     $5,016.27     10/13/04      $7,364.25    $67,635.75

NOTE: The principal balance after this repayment is $2,203.77 behind schedule.
      For principal amounts due over $25, if a remittance is not received,
      additional collection actions may be taken.  Principal amounts due that are
      $25.00 or less will be collected in the next installment.

                        Thank you for your remittance.

        GRAYSON COUNTY FSA OFFICE
        446 WEST Houston
        Sherman, Texas 75090-1552
        Phone: (903)555-5320
        For: Commodity Credit Corporation,

  ________________________________, (for) County Executive Director __________ Date
```

--*

361 Repayment Processing (Continued)

G FSFL Repayment Receipt (Continued)

*--This is an example of a receipt where the customer is current.

```
                    U.S. Department of Agriculture
                     Commodity Credit Corporation
                        FSFL Repayment Receipt

FSFL #:                        2004/00045     FSFL Disbursement Date:    08/23/2004

Beginning Principal Amount:  100,000.00     Installment Due Date:      08/23/2005
FSFL Interest Rate:              4.1250     Installment Amount Due:     16,738.01
New Principal Balance:        83,838.36     Current Payment Amount:     16,738.01

Name and Address of Contact Borrower:

Chance Farms
PO Box 1120
Boston, New York 22310-1120

Payment        Payment      Interest     Interest       Principal      Principal
Date           Amount         Paid       Paid Thru        Paid          Balance
_________      _______      ________     _________      _________      _________

10/13/2004    $16,738.01     $576.37     10/13/04      $16,161.64     $83,838.36

      Note: The principal balance after this payment is current.

                        Thank you for your remittance.

        ORLEANS COUNTY FSA OFFICE
        446 WEST AVENUE
        ALBION, NY. 14411-1552

        Phone: (706)239-5320
        For: Commodity Credit Corporation,

    ___________________________, (for) County Executive Director ___________ Date
```

--*

H Dishonored Check Fee Notice

The FSFL repayment receipt does not contain language about CCC policy to assess a $25 dishonored check fee on all non-FLP-related checks that are dishonored. County Offices shall:

- provide notice to FSFL borrowers about dishonored check fees according to 3-FI, paragraph 52
- administer dishonored check policy for FSFL repayments according to 3-FI.

362-390 (Reserved)

391 Loan Inquiry Capabilities

A

Accessing Reports

--Display information for a specific FSFL according to the following table. For a printed copy of the information, PRESS "Screen Print".--

Step	Title	Result
1	On Menu VCA005: • ENTER "6", "Loan Inquiry" • PRESS "Enter".	Facility Loans - Inquiry Menu VCA700 will be displayed.
2	On Menu VCA700: • ENTER "1", "Inquire about a specific FSFL" • PRESS "Enter".	Screen VCA11000 will be displayed.

3	On Screen VCA11000:
	
	• select the desired FSFL by entering the:
	
	  • FY
	  • FSFL number
	
	• PRESS "Enter".
		Screen VCA11500 will be displayed for producer selection.

4	On Screen VCA11500, choose the desired producer sequential number.	Screen VCA12000 will be displayed for applicant verification.
5	On Screen VCA12000, answer the question, "Is this the correct applicant? (Y or N)", and PRESS "Enter".	If the answer to the question is: • "N", another applicant can be selected • "Y", loan inquiry information will be displayed.

Continued on the next page

391 Loan Inquiry Capabilities (Continued)

B
Example of Inquiry Report

The following is an example of the Inquiry Report, which is on Screen VCA71000.
***--**

```
                XXX-County                                   VCA71000
FARM FACILITY LOANS - INQUIRY                Version: AC06   12-18-00 15:04 Term EO

APPLICANT NAME                                          FSFL# 2000/00004

    Applicant                          Loan                  Interest
     ID/Type      Status              Amount                  Rate
  123-45-6789 S   Disbursed            85,000.00               6.1250

Application Fee Paid            45.00
Application Fee Date Paid       09-01-00
257 Sch. Of Dep. Number         0124

Installment Amount              15,291.77

Installment Dates     01   NOV 28, 2001   PAID        02   NOV 28, 2002   DUE
                      03   NOV 28, 2003   DUE         04   NOV 28, 2004   DUE
                      05   NOV 28, 2005   DUE         06   NOV 28, 2006   DUE
                      07   NOV 28, 2007   DUE

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

--*

392-410 (Reserved)

411 Administrative Capabilities

A
Activities

FSFL administrative activities allow users to:

- print blank forms
- print, backup, or restore KCMO-Maintained Interest Table
- access Administrative Main Menu VAA010 to print:

  - **Status Report** that lists the following for all CCC-185's:

    - FSFL number
    - applicant's name
    - contact producer's ID number and type
    - amount requested
    - amount approved
    - status as:

      - "APPLICATION" for entered application
      - "APPROVED" for approved application
      - "186 PRINTED" for CCC-186 printed, but loan not disbursed
      - "DISBURSED" for disbursed loan
      - "DISAPPROVED" for disapproved application
      - "WITHDRAWN" for withdrawn by applicant
      - "DELETED" for deleted by County Office
      - "CANCELLED" for cancelled disbursement

  - **Obligations Report** that lists the following for most recently **funded** CCC-185's:

    - FSFL number
    - date to county
    - date of approval
    - date of obligation
    - amount approved

  - ***--Installment Due Report** that lists the following for all or selected due dates:

    - installment due date (mmdd)
    - FSFL number
    - applicant/borrower
    - producer ID/type
    - FSFL loan amount
    - installment amount due.**--***

Continued on the next page

B

Accessing Administrative Activities

To access administrative activities, on Menu VCA005, ENTER “7”, “Administrative Activities”, and PRESS “Enter”. Administrative Main Menu VAA010 will be displayed as follows.

***--**

```
COMMAND                          VAA010                          G0
FARM STORAGE FACILITY - ADMINISTRATIVE MAIN MENU
-----------------------------------------------------------------------------------------------------------
          1. Print Blank CCC-185 Application
          2. Print Blank CCC-186 Note and Security Agreement
          3. Print Blank CCC-186-1 Continuation Sheet
         *4. Reserved
          5. KCMO-Maintained Interest Table
          6. FSFL Administrative Reports Menu
         *7. Reserved

         20. Return to Application Primary Menu
         21. Return to Application Selection Menu
         22. Return to Office Selection Menu
         23. Return to Primary Selection Menu
         24. Sign Off

Enter the number of your selection and press the “Enter” key.

Cmd3=Previous Menu
```

--*

412 Blank Forms

A Purpose

County Offices shall maintain a supply of computer-generated blank forms for use in preparing information for data entry.

B Printing Blank Forms

From Menu VAA010, print blank forms according to this table.

Option	Title	Result
1	Print Blank CCC-185 Application.	Screen VCE99905 will be displayed and allow users to: • enter number of blank forms desired • PRESS “Enter” to print desired forms.
2	Print Blank CCC-186 Note and Security Agreement.	
3	Print Blank CCC-186-1 Continuation Sheet.	

413 KCMO-Maintained Interest Table

A
Interest Table Capabilities

Process KCMO-Maintained Interest Rate Table functions according to the following table.

Step	Title	Result
1	On Menu VAA010: • ENTER “5”, “KCMO-Maintained Interest Table” • PRESS “Enter”.	Interest Table Menu VAA020 will be displayed.
2	* * * On Menu VAA020: • ENTER “1”, “Print KCMO-Maintained Interest Table” • PRESS “Enter”.	Interest table will be printed.
	* * *	* * *

414 Administrative Reports

A Printing Reports

Print Administrative Reports according to the following table.

Step	Title	Result
1	On Menu VAA010: • ENTER "6", "FSFL Administrative Reports Menu" • PRESS "Enter".	Administrative Reports Menu VAA045 will be displayed.
2	On Menu VAA045: • ENTER, as applicable: • "1", "Print FSFL Status Report" • "2", "Print FSFL Obligations Report" • "3", "Print FSFL Installment Due Report" •*--"7", "FSFL UCC-1 Report"--* • "8", "FSFL Repayment History Report" • "9", "FSFL Repayment Installment Reminder Report" • "10", "FSFL Repayment Status Report" • PRESS "Enter".	The selected report will print for: • option 1 (subparagraph B) • option 2 (subparagraph C) • option 3 (subparagraph D) •*--option 7 (subparagraph E) • option 8 (subparagraph F) • option 9 (subparagraph G) • option 10 (subparagraph H).--*

B Example of Status Report

The following is an example of the Status Report, option "1" on Menu VAA045.

MISSISSIPPI
LEFLORE
Report ID: VAA260-R001

U.S. Department of Agriculture
Farm Service Agency

Prepared: 08-07-00
As Of: 08-07-00
Page: 1

FARM STORAGE FACILITY LOANS STATUS REPORT

FSFL Number	Applicant/Borrower	Producer ID/Type	Loan Amount Requested	Loan Amount App	Status
2000/00001	John C Doe	123 45 6789 S	$100,000.00	00	APPLICATION
2000/00002	Carl Kelly	987 65 4321 S	$ 43,500.00	00	WITHDRAWN
2000/00003	Tim Smith	334 56 7890 S	$ 27,000.00	$ 27,000.00	DISBURSED
2000/00004	Clark Kent	541 68 5968 S	$ 58,750.00	$ 49,685.00	DISBURSED
2000/97001	James Rice	511 98 7898 S	$ 30,000.00	$ 30,000.00	DISBURSED
2000/97002	Chuck Kelly	412 65 4321 S	$ 50,867.67	$ 50,867.67	DISBURSED

414 Administrative Reports (Continued)

C Example of Obligations Report

--The following is an example of the Obligations Report, option "2" on Menu VAA045.--

State
County
Report ID: VAA270-R001

U.S. Department of Agriculture
Farm Service Agency
Farm Storage Facility Loans Obligations Report

Prepared: 01-01-01
As of: 01-01-01
Page 1

FSFL NUMBER	DATE TO COUNTY	DATE OF APPROVAL	DATE OF OBLIGATION	AMOUNT APPROVED	STATUS
2000/00001	09-15-00	07-21-00	09-15-00	27,500.00	
2000/00007	09-15-00	08-30-00	09-15-00	50,000.00	

Note: As indicated in subparagraph 332 B, the Obligations Report:

- lists **only** the most recently funded CCC-185's; it is **not** cumulative
- must be accessed to print; it is **not** automatic.

D Installment Due Report

The Installment Due Report:

- is a snapshot of installments due by date for any calendar year
- may be sorted according to a selected date range
- does not track status of installments, such as paid or past due.

Note: An FSFL installment notification letter is automatically printed during SOD on or about 45 calendar days before the due date. This letter shall be mailed to the contact borrower and a copy maintained in the FSFL folder. See subparagraph 150 C.

If option 3, "Print FSFL Installment Due Report", is selected on Menu VAA045, Screen VAA28000 will be displayed. Users may:

- PRESS "Enter" to print the report for an entire year
- for a specific date range, select a:
  - start date
  - stop date.

414 Administrative Reports (Continued)

D Installment Due Report (Continued)

--**This is an example of the Installment Due Report, option "3" on Menu VAA045.**--

State
County
Report ID: VAA280-R001

U.S. Department of Agriculture
Farm Service Agency
FARM STORAGE FACILITY LOANS INSTALLMENT DUE REPORT

Prepared: 01-01-01
As of: 01-01-01
Page: 1
ST/CTY: **XX-000**

INSTL DUE DT	FSFL NUMBER	APPLICANT/BORROWER	PRODUCER ID/TYPE	FSFL LOAN AMOUNT	INSTALLMENT AMT DUE
July 15	2000/0003	I. M. Borrower	123-45-6789	35,000.00	6,352.50
September 10	2000/0006	John Doe	223-45-6789	67,000.00	12,150.50
November 28	2000/0002	W. R. Partner	123-45-6790	85,000.00	15,291.77

*--E UCC-1 Report

The UCC-1 Report:

- generates a list of projected FSFL lien (UCC-1) expiration dates on disbursed loans
- assists County Offices in identifying projected UCC-1 expiration dates so continuations can be filed before they expire
- depends on the data entered on Screen VFC10000 during loan disbursement. In some instances, a UCC-1 filing date was not needed. In this case, no date will appear in the "Date Last UCC-1 Filed" and "Project Exp Date (5 yrs from UCC-1)" fields on the UCC-1 Report. County Offices shall review the loan folder for the identified FSFL and notate the UCC-1 filing date, making sure to file the UCC-1 continuation before it expires.

If option 7, "FSFL UCC-1 Report", is selected on Menu VAA045, Screen VAA75000 will be displayed. Users shall enter a specific date range.

Example: If the date range of May 20, 2000, through October 5, 2006, is entered, the report will provide projected expiration dates for disbursed loans for all UCC-1's originally filed within that date range, as pulled from the information entered on Screen VFC10000 during loan disbursement.

If no UCC-1 filing dates were found for the date range entered, the message, "No UCC-1's found for this Date Range", will appear on Screen VAA75000.**--***

414 Administrative Reports (Continued)

*--E UCC-1 Report (Continued)

The following is an example of the UCC-1 Report, option “7” on Menu VAA045.

```
NEW YORK                              U.S. Department of Agriculture              Prepared:   10/05/2006
WATER GAP                              Commodity Credit Corporation                 As Of:   10/05/2006
Report ID: VAA750-R001                       FSFL UCC-1 Report                        Page:          001
                                              As Of 10/05/2006                      St/Cty:       36-125

                            UCC-1 REPORT FOR PERIOD 05/20/2000 through 10/05/2006

                                                                                                Project Exp
                                                                                Date Last       Date (5 yrs
Orig. FSFL#     Applic Date          Borrower            Prod ID #              UCC-1 Filed     from UCC-1)
_____________________________________________________________________________________________________________

2002/00001      12/13/2001         JAMES RABBIT          XXX XX XXXX S        04/11/2002      04/11/2007
```

--*

F Repayment History Report

The Repayment History Report:

- is on a specified loan
- lists repayment dates and amounts on a specified loan.

--The following is an example of the Repayment History Report, option “8” on Menu VAA045.--

```
STATE                          U.S. Department of Agriculture            Prepared: 11/09/2004
COUNTY                          Commodity Credit Corporation               As Of: 11/09/2004
Report ID: VAA290-ROOl         FSFL Repayment History Report                        Page: 1
                                        As Of 11/09/2004                      St/Cty: 00-000
-----------------------------------------------------------------------------------------------------
FSFL #:                         2001/00002          FSFL Disbursement Date:       02/02/2001
FSFL Disbursement Amount:        67,455.00          Installment Due Date:         02/02/2005
FSFL Interest Rate:                 5.5000          Annual Installment Amount:     11,869.68
Outstanding Principal Balance:  41,605.01           Payment Amount Past Due:              00
-----------------------------------------------------------------------------------------------------
Name and Address of Contact Borrower:

JOE PRODUCER
PO BOX 456
FARMING COMMUNITY, STATE. 00000-0000

Payment          Payment          Interest         Principal        Principal
Date             Amount           Paid             Paid             Balance
                                                                    (After Payment)

02/02/2002       $11,869.68       $ 3,710.03       $ 8,159.65       $ 59,295.35

02/02/2003       $11,869.68       $ 3,261.24       $ 8,608.44       $ 50,686.91

06/1O/2003       $10,059.53       $   977.63       $ 9,081.90       $ 41,605.01

   Totals:       $33,798.89       $ 7,948.90       $25,849.99

COUNTY FSA OFFICE
BOX 123
CITY, STATE 00000-0000
Phone: (000) 000~0000
```

414 Administrative Reports (Continued)

G Repayment Installment Reminder Report

The Repayment Installment Reminder Report:

- prints all loans in the county with an amount due or those with an installment due within 45 calendar days
- lists installment amount due and the due date.

--**The following is an example of the Repayment Installment Reminder Report, option “9” on Menu VAA045.**--

```
STATE                                  U.S. Department of Agriculture                Prepared:   12/09/2004
COUNTY                                   Commodity Credit Corporation                   As Of:   12/09/2004
Report ID: VAA520-R0001            FSFL Repayment Installment Reminder Report            Page:          001
                                              As of 12/09/2004                        St/Cty:       xx-xxx

                                                                                                   Daily
 Loan          Borrower         Principal    Anniv         Installment   Interest   Principal    Interest
Number           Name            Balance     Date            Amt Due     Amt Due    Amt Due       Accrual
00/00002     Joe Producer       $ 8,302.34   10/05/2004    $     3.26    $   1.42   $    1.84    $  1.42
01/00001     John Doe           $14,050.57   08/17/2004    $     4.38    $   1.97   $    2.41    $  1.97
02/00008     Two Brothers PT    $17,233.00   11/09/2004    $ 2,779.05    $ 538.53   $2,240.52    $  1.48
03/00010     Farm Corporation   $10,396.06   01/08/2005    $ 3,029.65    $ 666.38   $2,363.27    $  1.82
```

414 Administrative Reports (Continued)

H Repayment Status Report

The Repayment Status Report:

- prints by:
  - single loan number
  - single ID number
  - all loans in the county
- gives payment status of:
  - A, ahead
  - B, behind
  - C, current.

The following is an example of the Repayment Status Report, option “10” on Menu VAA045.

```
STATE                                  U.S. Department of Agriculture                Prepared:  11/09/2004
COUNTY                                  Commodity Credit Corporation                    As Of:  11/09/2004
Report ID: VAA510-RO01                  FSFL Repayment Status Report                             Page: 001
                                              As Of 11/09/2004                             St/Cty: 00-000
-----------------------------------------------------------------------------------------------------------
 Loan      Borrower          Principal    Accrued     Daily     Interest  Date of     Payment        Annual
Number       Name             Balance     Interest   Interest     Rate     Last        Status   Installment
                                                     Accrual            Repayment A=Ahead;B=Behind  Amount
-----------------------------------------------------------------------------------------------------------

01/00002  JOE PRODUCER      $ 41,605.01   $3,247.48  $ 6.27    5.5000%  06/10/2003 $            $ 11,869.68
02/00002  JOHN DOE          $ 87,339.05   $6,623.41  $ 9.57    4.0000%  12/18/2002 $            $ 16,660.95
02/00003  FARM CORPORATION  $ 69,871.24   $1,799.42  $ 7.66    4.0000%  03/19/2004 $            $ 13,328.76
02/00004  TWO BROTHERS PT   $ 90,000.00   $6,835.07  $ 9.86    4.0000%             $11,394.85*B $ 14,994.85

B* If the producer has made a full installment payment and is “behind” the scheduled principal balance, do
not pursue collection action. Notify the borrower that additional interest has accrued on the loan due to
the timing of repayments. This amount will be collected in the next installment payment, unless the
borrower voluntarily provides payments.
```

*--415 FSFL Report on Loans Not Closed

A Report VFB405-R001

Report VFB405-R001, “FSFL Program Reminders”,:

- has been developed to monitor and remind County Offices that they have made payment requests for FSFL, but have **not** yet completed the closing processes (disbursement option 2)
- prints during start-of-day
- lists FSFL’s requested through disbursement option 2 with the closing process not completed
- will not print if there are **no** FSFL’s requested with the closing process not completed
- will not display FSFL’s on the list that are closed.

Note: FSFL’s closed followed by a payment request (disbursement option 1) will **not** be listed on Report VFB405-R001.

County Offices shall use Report VFB405-R001 to ensure that they do the following:

- receive the checks printed and mailed directly to the County Office by Treasury based on the payment requests submitted
- receive FSFL transaction statement that will be mailed directly to the County Office
- schedule FSFL closing within 21 calendar days from the date the initial payment request was submitted (certified and signed) through NPS.

DD’s shall review Report VFB405-R001 monthly.--*

*--415 FSFL Report on Loans Not Closed (Continued)

B Example Report VFB405-R001

This is an example of Report VFB405-R001 that lists FSFL's on the basis of the date the payable was certified and signed in NPS.

IOWA U.S. Department of
Agriculture
WILLIAMS Commodity Credit Corporation
Report ID: VFB405 – R001 FSFL Program Reminders

As of 01/05/2009

As of today, payment requests or check disbursements for the following FSFL loans have been processed but FSFL's are not yet Closed.

FSFL Loan No	Date Payable to NPS	Days left to Close	Disb. Amt
2008/00030	12/12/2008	0 (3*)	80,050.00
2009/00002	12/18/2008	3	89,000.00
2009/00007	12/23/2008	9	69,999.99
2008/00008	01/02/2009	18	21,250.00

* = Number of days since Payment Request submitted

HAVE YOU RECEIVED THE CHECKS FOR ANY OF THESE LOANS? IF YES, TAKE IMMEDIATE ACTION TO ARRANGE A CLOSING WITH THE BORROWERs (AND ATTORNEY IF NEEDED) within the 21 day time limit as indicated above?

IF YOU HAVE NOT RECEIVED A CHECK, PLEASE REVIEW THE BORROWER'S ACCOUNT UNDER FINANCIAL SERVICES ON THE FSA INTRANET PAGE TO DETERMINE WHETHER THE CHECKS HAVE BEEN ISSUED BY THE US TREASURY!

WHEN YOU COMPLETE THE CLOSING, FSFL WILL NO LONGER APPEAR ON THIS LIST.

Note: The example Report VFB405-R001 includes FSFL that has passed the 21 calendar day timeframe for closing. This FSFL is designated by 0(NN*) in the "Days Left to Close" column. The "Days Left to Close" column displays the actual number of days remaining since the payment request was certified and signed in NPS, with the number of days over the 21-calendar-day timeframe in parenthesis.

If checks and loan transaction statements are **not** received by the County Office in a timely manner, the County Offices **must** contact their State Office to determine whether the checks were lost in transit. State Office personnel will follow current FMD procedure for handling these situations. County Office personnel **must** be pro-active in tracking these FSFL's to ensure that checks and loan transaction statements are received timely and closings are completed within the 21 calendar day timeframe.

For FSFL's where the checks were received by the County Office, but the borrower has decided **not** to proceed with FSFL, the County Office **must** take action to cancel FSFL. See subparagraph 440 B for instructions on canceling FSFL's after checks have been written.**--***

416-425 (Reserved)

*--426 Assumption Processing in APSS

A General Information

CCC-298's will be processed outside APSS manually according to paragraph 167. CCC-298 must be:

- signed by all required:
  - borrowers
  - co-borrowers
  - buyers
  - co-buyers
- approved by COC or STC.

APSS must be updated to reflect an assumption. The following system validations are in place for assumptions:

- **no** corrections or cancellations are permitted on the original FSFL after assumption data is entered in APSS
- no FSFL may be assumed after the final installment due date
- no FSFL may be assumed that has been paid to zero.

CCC-298's:

- maintain the original:
  - FSFL number
  - interest rate
  - installment due date
  - installment amount
  - maturity date
- may only be processed on disbursed FSFL's
- remove 1 or more original borrowers and co-borrowers
- add 1 or more new buyers and co-buyers.--*

Continued on the next page

A General Information (Continued)

Collect and deposit the application fee according to paragraphs 19 and 167. The FY in the deposit code shall be the **same as the original** loan application fee.

Example:
- The original FSFL FY and number is "2000/00010".
- CCC-298 is requested on November 30, 2001.
- The $45 application fee is paid on November 30, 2001.
- The $45 application fee:
  - is paid and deposited on November 30, 2001
  - deposit code is "00FSFLFEES".

Interest due on FSFL from the date of disbursement or date of last payment, as applicable, to the effective date of the assumption may be paid either by the original borrower or by the buyer. CCC-298, item 11 C relates to "unpaid interest to be assumed".

IF the interest due is to be...	THEN...
paid by the **original borrower**	• calculate the interest due according to subparagraph 361 E • apply the interest repayment **before** processing the assumption **Note:** This repayment: • may be interest only with no principal repaid • must be applied **before data loading the assumption** to credit the interest payment amount to the original borrower's ID number. • on CCC-298, item 11 C, ENTER "0.00" to indicate the **buyer is not** assuming unpaid interest.
assumed by the **buyer**	• calculate the interest due according to subparagraph 361 E • complete CCC-298, item 11 C, by entering the calculated interest due to indicate the **buyer is assuming** unpaid interest. **Note:** This "unpaid interest to be assumed" must be entered on CCC-298 **before** buyers and co-buyers sign CCC-298 and the assumption is approved. When the next repayment is applied to FSFL, interest will be calculated from the date of disbursement or date of last payment, as applicable. This assumed interest is not collected at the time of the assumption.

--*

Continued on the next page

*--426 Assumption Processing in APSS (Continued)

B
Accessing the Assumption Process

To process an "approved" CCC-298 in APSS, access FSFL functions according to subparagraph 304 C. On Menu **VCA005**, ENTER **"8", "Loan Servicing"**.

C
Data Entry

Enter assumption data according to this table.

Step	Action	Result
1	On Menu VVA000: • ENTER "1", "Assumption Agreement Processing" • PRESS "Enter".	Screen VCA11000 will be displayed.

2	On Screen VCA11000:
	• enter the following:
	  • FY of original FSFL
	  • FSFL number of original FSFL
	• PRESS "Enter".
		Screen VCA11500 will be displayed.

3	On Screen VCA11500, the user shall: • select the contact producer • PRESS "Enter".	Screen VCA12000 will be displayed.
4	Screen VCA12000 displays the question, "Is this the correct applicant? (Y or N)". Answer the question and PRESS "Enter".	If the question is answered: • "Y", Screen VVA10000 will be displayed • "N", Screen VCA11000 will be redisplayed. Return to step 2.

--*

Continued on the next page

C
Data Entry
(Continued)

Step	Action	Result

5	Screen VVA10000:
	
	• displays the following:
	
	  • contact borrower name
	  • FY and FSFL number
	  • FSFL interest rate
	  • original loan amount
	  • original disbursement date
	  • current principal balance (assumption amount)
	
	• requires user entry of the following:
	
	  • assumption:
	
	  • application date (date the buyer signed CCC-298)
	  • effective date (CCC-298, item 11 A)
	
	  • application fee:
	
	  • amount
	  • date paid
	  • CCC-257 deposit number.
	
	PRESS “Enter”.
		Screen VVA11000 will be displayed.

6	Screen VVA11000:
	
	• displays the original:
	
	  • contact borrower name
	  • FY and FSFL number
	  • original disbursement date
	  • original loan amount
	  • original borrowers who signed CCC-186
	
	• allows users to select 1 or more borrowers to delete.
	
	Note: A borrower **must** be deleted to continue. Users may delete and add a borrower in the same transaction.
	
	PRESS “Enter”.
		Screen VVA12000 will be displayed.

--*

Continued on the next page

C
Data Entry
(Continued)

Step	Action	Result

7	Screen VVA12000 displays:
	• borrowers selected for deletion
	• the question, "Do you wish to "remove" these borrowers? (Y or N)".
		If the question is answered:
		• "Y" and:
		  • **all** borrowers are removed, Screen VVA14000 will be displayed; go to step 8
		  • **not all** borrowers are removed, Screen VVA13000 will be displayed; go to step 9
		• "N", Screen VVA11000 will be redisplayed. Return to step 6.

8	Screen VVA14000: • requires user entry of additional borrowers • displays the question, "Are there additional borrowers?".	If the question is answered: • "Y", Screen VVA14000 will be redisplayed; repeat this step • "N", Screen VVA15000 will be displayed. Go to step 10.
9	Screen VVA13000 displays the following: • the message, "Borrowers Not Deleted" • the question, "Do you wish to "add" borrowers to this Assumption? (Y or N)".	If the question is answered: • "Y", Screen VVA14000 will be redisplayed; return to step 8 • "N", Screen VVA15000 will be displayed.

10	Screen VVA15000:
	• displays the following:
	  • original contact
	  • FY and FSFL number
	  • loan maturity date
	  • assumed loan amount
	  • assumption effective date
	  • new borrowers
	• allows the user to indicate the following with "X":
	  • the "contact" borrower
	  • that the borrower is the spouse of another borrower
	• displays the question, "Do you wish to complete this Assumption? (Y or N)".
		If the question is answered:
		• "Y":
		  • the assumption will be updated
		  • Screen VCA97000 will be displayed
		• "N":
		  • the assumption will not update
		  • Screen VCA11000 will be redisplayed. Return to step 2.

--*

C
Data Entry
(Continued)

Step	Action	Result

11	Screen VCA97000:
	
	• displays the following:
	
	  • borrower name
	  • FY and FSFL number
	
	• requires user entry of the following to print Report VVA160-R001:
	
	  • printer ID
	  • number of copies.
		Report VVA160-R001 lists the following assumption information:
		
		• FSFL number
		• loan maturity date
		• assumed loan amount
		• assumption effective date
		• borrower information.
		
		File Report VVA160-R001 in the loan folder.

D
Re-Entering Assumption Data

Once an assumption has been updated in the system, if an error is discovered in the borrowers removed and/or added, there is **no correction process other than to re-enter the assumption**.

To prevent update problems on the CORE system in Kansas City, **do not re-enter** an assumption until at least **5 workdays after** the erroneous entry.

To correct data because of an office error, no new fee will be collected. Use the original fee information for re-entry.

*--427 Loan Servicing Reports

A Accessing Loan Servicing Reports

Access loan servicing reports according to the following:

- on Price Support Main Menu **PCA005**:
  - ENTER “15”, “Farm Storage Facility Loan Functions”
  - PRESS “Enter”
- on Facility Loan Main Menu **VCA005**:
  - ENTER “8”, “Loan Servicing”
  - PRESS “Enter”.

B Loan Servicing Date Report

The Loan Servicing Date Report provides the following for a specific loan:

- business rule for collection activity
- 1-FSFL paragraph reference for each rule
- date by which each action shall be taken.

On Farm Storage Facility Loans Menu **VVA000**:

- ENTER “2”, “FSFL Servicing Date Report”
- PRESS “Enter”.

The report will be displayed and the user may either:

- PRESS “Enter” to print
- PRESS “Cmd7” to exit without printing.

The report is a **tool only** and may be accessed anytime after a loan is disbursed until the loan is repaid to zero. The action dates are based on the business rule and do not have a year designation, only month and date. These dates are the same throughout the loan.

APSS has been enhanced to system-generate an Installment Due Reminder Letter for loans with installments due approximately 45 calendar days before the installment due date. The letter will be generated when all or a part of an installment is due.**--***

Continued on the next page

C
FSFL Report of Installment Due Status

The FSFL Report of Installment Due Status provides a list of all loan installments:

- **due** within 45 calendar days
- 1 to 30 days delinquent
- 31 to 60 days delinquent
- 61 to 90 days delinquent
- 91+ days delinquent.

On Menu **VVA000**:

- ENTER "3", "FSFL Report of Installment Due Status"
- PRESS "Enter".

Note: The report will print. There is no display for this report.

D
FSFL Amortization Report

On Menu **VVA000**:

- ENTER "4", "FSFL Amortization Report"
- PRESS "Enter".

Note: The report will print. There is no display for this report.

The FSFL Amortization Report prints during the CCC-186 Note and Security Agreement process which has been the only opportunity to print the loan amortization table. Option 4 has been developed to allow the user to print another copy of the original FSFL Amortization Report any time during the period after the loan is disbursed until it is paid to zero.--*

428-439 (Reserved)

440 Canceling FSFL Transactions

A Disbursement Cancellation

Access and complete FSFL disbursement cancellations according to this table.

Step	Action	Result
1	On Application Selection Menu FAX07001: • ENTER “13”, “Price Support” • PRESS “Enter”.	Price Support Main Menu PCA005 will be displayed.
2	On Menu PCA005: • ENTER “15”, “Farm Storage Facility Loan Functions” • PRESS “Enter”.	Facility Loans Main Menu VCA005 will be displayed.
3	On Menu VCA005: • ENTER “9”, “Cancel Transaction” • PRESS “Enter”.	Screen VCA11000 will be displayed.
4	On Screen VCA11000: • enter applicant’s name, ID number and type, and FSFL number • PRESS “Enter”.	Screen VGA00005 will display all transactions for the selected FSFL.
5	On Screen VGA00005, ENTER “Y” next to the transaction to be reversed.	“Warning” will be displayed. PRESS “Enter”.
6	If the listed transaction is correct, PRESS “Enter”.	Screen ANK52010 will display the question, “Is the check to be canceled available? (Y or N)”.
7	On Screen ANK52010: • ENTER “Y” or “N”, as applicable • PRESS “Enter”.	If the answer is: • “Y”, the cancellation process completes • “N”, the cancellation process completes and a receivable is established for the disbursement amount. The canceled FSFL is no longer accessible through FSFL software.

--*

440 Canceling FSFL Transactions (Continued)

*--B Disbursement Corrections for FSFL Disbursement Option 1 That Will Be Re-Issued

FSFL corrections will be processed in APSS; however, users **must** ensure that a receivable is created in NPS if the initial FSFL proceeds were certified and signed in NPS. A receivable will **not** be established if FSFL has **not** been signed and certified in NPS.

The following steps **must** be followed to correct FSFL transactions.

Step	Action
1	Cancel FSFL disbursement and/or closing according to subparagraph A, and create an overpayment receivable, if FSFL was signed and certified in NPS.
2	Identify if the receivable has been established. This can be verified on the Receivable Report on the Intranet Debt Data Mart. Follow FMD guidance for obtaining the Receivable Report.
3	Receivable will be established for offset in NPS.
4	Process the corrected FSFL in APSS. In FSFL System 36 APSS software, if CCC-186 was printed, the entire FSFL will need to be canceled. The County Office will then need to re-enter, approve, and receive an obligation for a new FSFL. If a new FSFL is entered, County Offices are reminded of the following: • the original CCC-185 and approval date shall be entered; the approval date determines the interest rate and this rate **must** be the date FSFL was originally approved • request the total amount needed for FSFL even though the amount may **not** be the same as the amount originally requested; such as FSFL amount was increased or decreased after final bills were received.
5	Payment information will be replicated from System 36 to NPS.
6	Payment request will appear on the appropriate NPS worklist.
7	Through NPS, the payment will be offset to pay off receivable, as applicable. The payment will then be certified.
8	Payment will be routed to the signing worklist to be signed.
9	If the corrected FSFL results in an: • overpayment, an additional disbursement shall be issued accordingly • underpayment, a demand letter shall be issued for remaining balance.

--*

440 Canceling FSFL Transactions (Continued)

*--B Disbursement Corrections for FSFL's That Will Be Re-Issued (Continued)

County Offices shall ensure that a receivable is present in NPS **before** processing a disbursement on the new FSFL.

Note: Debt Management Reports will be available listing these receivables. Follow FMD guidance for obtaining Debt Management Reports.

If CCC-186 has been generated in the FSFL System 36 APSS software and later cancelled, then a new FSFL **must** be recorded. APSS will **not** allow corrections once CCC-186 has been generated.

If CCC-186 was printed for FSFL, but the payment was **not** requested (disbursement Option 1 only), FSFL can be deleted according to subparagraph 319 F.

C Disbursement Corrections for Disbursement Option 2 That Will Not Be Re-Issued

When a forced check is received (disbursement option 2) and the borrower informs the County Office that they **no** longer want FSFL's, follow this table to cancel the disbursement.

Step	Action
1	County Office shall: • write "**VOID**" on the check and make a photo copy for the file • mail the check marked "**VOID**" to Treasury at the following address: U.S. DEPT OF TREASURY KANSAS CITY FINANCIAL CENTER (KFC) PO BOX 34668-1068 KANSAS CITY MO 64116-1068 • **not** use Federal Express to mail checks to Treasury.
2	County Office shall send an e-mail, to **both** of the following, requesting that the check be re-issued payable to CCC. The e-mail shall include the producer's name, check number, and address to send the re-issued check: • Rhonda Quinlan at **ronda.quinlan@kcc.usda.gov** • Mary Grisham at **mary.grisham@kcc.usda.gov**.
3	County Office shall cancel FSFL according to subparagraph A, and create an overpayment receivable.
4	When the overpayment receivable has been created in NPS, **and** the re-issued check made payable to CCC is received in the County Office, the check **must** be applied as a collection to the receivable.

--*

440 Canceling FSFL Transactions (Continued)

D Repayment Cancellation

Access and complete FSFL repayment cancellations according to this table.

Step	Action	Result
1	On Application Selection Menu FAX07001: • ENTER “13”, “Price Support” • PRESS “Enter”.	Price Support Main Menu PCA005 will be displayed.
2	On Menu PCA005: • ENTER “15” Farm Storage Facility Loan Functions” • PRESS “Enter”.	Facility Loans Main Menu VCA005 will be displayed.
3	On Menu “VCA005: • ENTER “”9” “Cancel Transaction” • PRESS “Enter”	Screen VCA11000 will be displayed
4	On Screen VCA11000: • enter applicant’s name, ID number and type, and FSFL number • PRESS “Enter”.	Screen VGA00005 will display all transactions for the selected FSFL.
5	On Screen VGA00005, ENTER “Y’ next to the transaction to be reversed.	The correction posting check-off list will be printed.
6	If the listed transaction is correct, PRESS “Enter”.	The repayment is reversed.

441 System Control Functions

A System Controls

County Offices will receive instructions when to use system control functions to process:

- full file uploads of FSFL data to NITC in a “VB1” file
- KCMO/SUAB instructed file save of FSFL data.

B Processing System Control Functions

Access and process system control functions according to this table.

Step	Action	Result
1	On Application Selection Menu FAX07001: • ENTER “13”, “Price Support” • PRESS “Enter”.	Price Support Main Menu PCA005 will be displayed.
2	On Menu PCA005: • ENTER “15”, “Farm Storage Facility Loan Functions” • PRESS “Enter”.	Facility Loans Main Menu VCA005 will be displayed.
3	On Menu VCA005: • ENTER “10”, “System Control Functions” • PRESS “Enter”.	System Control Main Menu VBA000 will be displayed.

4	On Menu VBA000, as applicable:
	
	• enter either of the following:
	
	  • “1”, “Schedule Full File Upload of Facility Loan Data (VB1)”
	
	  • “2”, “KCMO/SUAB Instructed File Save of Facility Loan Data”
	
	• PRESS “Enter” to complete the process according to screen displayed instructions.	

442-450 (Reserved)

*--Part 23 SORS

451 FSFL Reports in SORS

A SORS Reports

State Office Specialists and field staff with SORS access can obtain information on data transmitted and processed by NITC.

B FSFL Reports

The following reports are available for FSFL's on SORS:

- FSFL Detail Report (MDV250-R001) lists the:
  - approval date and amount obligated by county and loan number
  - accounting upload and county download date
  - status code
- FSFL Condensed Report (MDV250-R002) lists the:
  - number of loans approved per State per fiscal year
  - total dollar amount obligated and total dollar amount outstanding
- FSFL Non-Obligated Report (MDV255-R001) lists the CCC-185 loan applications which have not been approved by COC
- FSFL Disbursement Report (MDV275-R001) lists by calendar year the:
  - disbursement date and amount
  - status code
- FSFL Capacity Report (MDV279-R001) lists by application, obligation, disbursement, and security note the:
  - dollar amount requested and approved
  - bushel capacity
  - facility code of structure
- FSFL Repayment Report (MDV280-R001) is by fiscal year of the loan and lists by county and loan number the following:
  - repayment date and total repayment amount
  - interest and principal amounts
  - interest rate and interest start date
  - repayment type (LS – lump sum or IP – installment payment).--*

..

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026A	Supplemental to AD-1026 (Continuation)		11
B10	Proof of Claim		172
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	49	49
CCC-184	CCC Check		46, 172, 292, 347
CCC-185	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program	42, 102	Text
CCC-185-1	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program CCC-185 Continuation Sheet	42	
CCC-186	Promissory Note and Security Agreement	136	Text
CCC-186-1	Farm Storage Facility Loan Program CCC-186-1 Continuation Sheet	137	137, 411, 412
CCC-190	Farm Storage Facility Loan Program Lien Waiver		43, 47
CCC-191	Farm Storage Facility Loan Program Release of Liability	121	117
CCC-193	Real Estate for Farm Storage Facility Loan Program		119
CCC-193-D	Farm Storage Facility Loan Deed of Trust for (State of _____)		119
CCC-194	Farm Storage Facility Loan Program Subordination Agreement (Lien on Real Property)		119
CCC-195	Farm Storage Facility Loan (FSFL) Processing Checklist	43	15
CCC-257	Schedule of Deposit		291, 317, 361, 426
CCC-295A	Farm Storage Facility Loan Program Final Inspection of Facility Before Loan Disbursement	122	172

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-295B	Farm Storage Facility Loan Program Annual Inspection Record		122, 152
CCC-296	Farm Storage Facility Loan Program Certification of Attorney	117	115
CCC-297	Severance Agreement		14, 43, 115, 117, 118, 172
CCC-298	Farm Storage Facility Loan Program Assumption Agreement	167	167, 426
CCC-299	Title Opinion - Farm Storage Facility Loan Program	117	115
CCC-400	Farm Storage Facility Loan Program Agreement for Sale of Loan Collateral	202	172, 181, 201, 203, 233
CCC-502	Farm Operating Plan for Payment Eligibility Review		11
CCC-526	Payment Eligibility Average Adjusted Gross Income Certification		11
CCC-902E	Farm Operating Plan for an Entity 2009 and Subsequent Program Years		15
CCC-902I	Farm Operating Plan for an Individual 2009 and Subsequent Program Years		15
CCC-903	Worksheet For Payment Eligibility and Payment Limitation Determinations		15
FEMA 81-93	Standard Flood Hazard Determination		43, 58
FSA-850	Environmental Evaluation Checklist		10, 10.5, 43, 71, 75
FSA-2004	Authorization to Release Information		44
FSA-2015	Verification of Debts and Assets		44
FSA-2037	Farm Business Plan Worksheet Balance Sheet		44
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		44
FSA-2360	Report of Lien Search		47
IRS-1098	Mortgage Interest Statement		11
UCC-1	National Financing Statement		172, 228, 319, 414

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
DCIA	Debt Collection Improvement Act	11, 42, 43, 46, 150
FSA-FS	FSA Financial Services	150
FSFLP	Farm Storage Facility Loan Program	Text, Ex. 2
NITC	National Information Technology Center	451
SOD	Start-of-Day	150, 150.5
SORS	State Office Reporting System	451

Redelegations of Authority

This table lists the redelegations of authority in this handbook.

Redelegation	Reference
CED may be delegated authority by COC to sign all forms or documents, except CCC-185. Federal and non-Federal County Office employees, except those applications in which the person approving has a monetary interest, may be delegated authority by CED. See paragraph 2 for exceptions.	2

Definitions of Terms Used in This Handbook

Aggregate Outstanding Balance

Aggregate outstanding balance means the sum of the outstanding balances of all FSFLP loans disbursed to each borrower signing CCC-186.

Assumption

Assumption means the act or agreement by which 1 borrower takes over or assumes the mortgage debt of another borrower.

Collateral

Collateral means the storage structure, drying equipment, or handling equipment securing the loan.

Commercial Purpose

Commercial purpose is defined as the storage and handling of grain, whether paid or unpaid, for persons other than the loan applicant, except for family members and tenants or landlords sharing in the crop requiring storage. Any facility that is in working proximity to any commercial storage operation shall be considered to be part of a commercial storage operation.

Compromise

Compromise means CCC's consideration of the borrower's offer to settle a loan by lump sum repayment or rescheduling a loan for an amount that may be less than the sum of the outstanding principal plus interest.

*--Construction of FSFL

Construction of FSFL means:

- erecting or building the sides and/or roof of a bin or silo
- framing the flat storage structure or building
- installing any equipment component or part for:
  - handling
  - drying
  - maintenance.**--***

Crop of Economic Significance

Crop of economic significance means any insurable facility loan commodity that contributes 10 percent or more of the total expected value of all crops grown by the loan applicant except if the expected liability under the catastrophic level of crop insurance for a crop is equal to or less than the administrative fee for the crop, that crop shall not be economically significant.

Direct Impact

A direct impact is an impact caused by the action and that occurs at the same time and place.

Definitions of Terms Used in This Handbook (Continued)

Existing Storage

Existing storage is facility loan commodity storage at the proposed storage location, owned by the applicant, that has not deteriorated to the point where it is no longer functional for storage purposes.

Facility Loan Commodity

Facility loan commodity means wheat, rice, raw or refined sugar, soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, or other oilseeds as determined and announced by CCC, dry peas, lentils, small chickpeas, harvested as whole grain and including peanuts, except that corn, grain sorghum, oats, wheat, or barley shall be included whether harvested as whole grain or other than whole grain.

Financing Statement

A financing statement is a document that gives legal notice of a lien on chattel property when properly filed or recorded.

Flood Plains

Flood plains are lowland and relatively flat areas adjoining inland and coastal waters, including flood-prone areas of offshore islands. At a minimum, flood plains consist of those areas subject to a 1 percent or greater chance of flooding in any given year. The term flood plain will be taken to mean the base flood plain, unless the action involves a critical action, in which case the critical action flood plain is the minimum flood plain of concern.

- Base flood plain (or 100-year flood plain) is the area subject to inundation from a flood of a magnitude that occurs once every 100 years on the average, the flood having a 1 percent chance of being equaled or exceeded in any given year.

- Critical action flood plain (or 500-year flood plain) is the area subject to inundation from a flood of a magnitude that occurs once every 500 years on the average, the flood having a 0.2-percent chance of being equaled or exceeded in any given year.

Indirect Impacts

Indirect impacts are those reasonably foreseeable environmental impacts that result from the additional facility, residential, commercial, or industrial development or growth that a Federally financed project may cause, induce, or accommodate. Consequently, indirect impacts often occur later in time than the construction of the Federal project and can be removed in distance from the construction site. Those indirect impacts that deserve the greatest consideration include the following:

- changes in the patterns of land use
- population density or growth rate
- corresponding changes to air and water quality and other natural systems.

Definitions of Terms Used in This Handbook (Continued)

Mediation

Mediation means CCC's consideration of the borrower's offer because of either of the following:

- mediation carried out through loan mediation to settle the loan by lump sum repayment
- rescheduling a loan for an amount that CCC regards as being reasonable compared with other offers that other creditors have accepted considering the priority of security interest that all creditors have held.

Mitigation Measures

Mitigation measures are measures included in a project or application for the purpose of avoiding, minimizing, reducing, or rectifying identified, adverse environmental impacts. Examples of these measures include the following:

- the deletion, relocation, redesign, or other modification of the project's elements
- the dedication to open space of environmentally sensitive areas of the project site, which would otherwise be adversely affected by the action or its indirect impacts
- soil erosion and sedimentation plans to control runoff during land-disturbing activities
- the establishment of vegetative buffer zones between project sites and adjacent land uses
- protective measures recommended by environmental and conservation agencies having jurisdiction or special expertise regarding the project's impacts
- storm water management plans to control potential downstream flooding effects that would result from a project
- zoning
- reusing existing facilities as opposed to new construction.

No-Action Alternative

A no-action alternative is the alternative of not approving an application for financial assistance.

Definitions of Terms Used in This Handbook (Continued)

Nonmovable or Nonsalable Collateral

Nonmovable or nonsalable collateral means either of the following:

- collateral COC determines cannot be sold and moved to a new location because of the type of construction

- collateral that has deteriorated to the point that it has no sale recovery value.

Person

Person means any individual, group of individuals, partnership, corporation, estate, trust, association, cooperative, tribal venture, or other business enterprise, or other legal entity who is, or whose members are, a citizen or citizens of the United States, or a legal resident alien.

Practicable Alternative

A practicable alternative is an alternative that is capable of attainment within the confines of relevant constraints. The test of practicability, therefore, depends upon the particulars of the situation under consideration and those constraints imposed by environmental, economic, legal, social, and technological parameters. This test, however, is not limited by the temporary unavailability of sufficient financial resources to implement an alternative. That is, alternatives cannot be rejected solely on the basis of moderately increased costs. The range of alternatives that must be analyzed to determine whether a practicable alternative exists includes the following categories of alternatives:

- alternative project sites or designs
- alternative projects with similar benefits as the proposed action
- the no-action alternative.

Preparer of Environmental Review Documents

The preparer of environmental review documents is the FSA official who is responsible for:

- reviewing the potential environmental impacts of the proposed action
- completing the appropriate level of environmental review.

Relative

A relative, as defined in 3-PM, Exhibit 2, is a father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

Definitions of Terms Used in This Handbook (Continued)

Satisfactory Credit History

Satisfactory credit history means a history of repaying debts as they came due unless the failure to repay or tardiness in payment was because of circumstances beyond the applicant's control as determined by CCC upon proof submitted by the applicant.

Uniform Commercial Code

Uniform commercial code means the system of laws adopted in all States about commercial transactions, such as sales, negotiable instruments, and secured transactions.

***--Used Structure**

A used structure is a structure that was previously owned by someone other than the manufacturer or dealer, and the buyer can not obtain the original manufacturers warranty.**--***

Menu and Screen Index

The following menus and screens are displayed in this handbook.

Menu or Screen	Title	Reference
VAA010	Farm Storage Facility - Administrative Main Menu	411
VCA005	Facility Loans - Main Menu	304
VCA71000	Farm Facility Loans - Inquiry Screen	391
VFA000	Farm Storage Facility Loans Menu	304
VFA11000	Farm Storage Facility Loan Program Data Screen	317

Disbursement Option 1 – Screen VFB10200 to Complete FSFL Closings Before Payment Requests

The following example of revised Screen VFB10200, shows how County Offices **must** respond to the question on closing FSFL, if FSFL is to be closed and payment is immediately requested (disbursement option 1).

On **Screen VFB10200**, Close and/or Request Payment, user **must** answer "**Y**" to allow the closing process to continue; see subparagraph 349 B, step 7. Upon completing FSFL closing process, user **must** immediately access the following:

- **Menu VCA005**, "**3**", "Payment Requests", to generate payment data for NPS; see subparagraph 349 C

- NPS to certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day; see subparagraph 349 D.

```
699-LAKESYDE
                                                VFB10200
CLOSE AND/OR REQUEST PAYMENT                        Version: AD81  11-12-08 15:14
Term E4
 ---------------------------------------------------------------------------
JOHN OBEONE                                          FSFL# 2009/00008

 CCC-185 Approval Date:    11-12-2008

 Funded Amount is:    50,000.00   Disbursement Amt will be:       50,000.00

 Do you want to close this loan now? (Y or N):  Y

    IMPORTANT
    To close and request payment for this loan now, enter "Y".
    To order checks needed for closing, enter answer "N".

 To assure the correct interest start date for loans closed and payments
 requested today, the NPS worklist for this loan must be certified and
 signed before 3:00 PM central time today.



 Press "Enter" To Continue    Cmd7=End Of Job
```

Disbursement Option 2 – Screen VFB10200 to Request Payments Before FSFL Closings

The following example of revised Screen VFB10200 shows how County Offices **must** respond to the question on closing FSFL, if FSFL payments are requested **before** FSFL closing (disbursement option 2).

On **Screen VFB10200, Close and/or Request Payment,** user **must** answer "**N**" to **stop** the closing process; see subparagraphs 349 B, step 7, and 350 B, step 7.

To request payments, user **must** immediately access the following:

- **Menu VCA005**, "**3**", "Payment Requests", to generate payment data for NPS; see subparagraph 350 C

- NPS to complete joint payee information and certify and sign the payment requests for release to Treasury **before** the 3 p.m. c.t. cutoff that day; see subparagraph 350 D.

```
699-LAKESYDE
VFB10200
CLOSE AND/OR REQUEST PAYMENT         Version: AD81  11-12-08 15:14 Term E4
-------------------------------------------------------------------------------
JOHN OBEONE                                          FSFL# 2009/00008

  CCC-185 Approval Date:    11-12-2008

  Funded Amount is:     50,000.00    Disbursement Amt will be:   50,000.00

  Do you want to close this loan now? (Y or N):  N

            IMPORTANT
            To close and request payment for this loan now, enter "Y".
            To order checks needed for closing, enter answer "N".

  To assure the correct interest start date for loans closed and payments
  re-quested today, the NPS worklist for this loan must be certified and
  signed before 3:00 PM central time today.



  Press "Enter" To Continue    Cmd7=End Of Job
```

Disbursement Option 1– Screen VFC10010 to Complete Payment Requests After FSFL Closings

Under disbursement option 1, the only disbursement option is for the entire FSFL amount to be sent to the borrower by direct deposit or check. Additional payables are **not** allowed.

On **Screen VFC10010**, FSFL Payment Requests, user **cannot** change the entries on the screen; see subparagraph 349 C. The joint payment option **cannot** be changed to "**Y**".

To complete the payment request, the user **must** do the following:

- answer the question, "Do you have more payables to enter? (Y or N)" with "**N**"; PRESS "**Enter**" to generate payment data for NPS

- access NPS to certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day; see subparagraph 349 D.

Note: If direct deposit, the funds will be deposited in borrower's account in 2 workdays. If **not** direct deposit, a check will be mailed from Treasury to borrower's address in SCIMS within 3 workdays. Loan transaction statements will be mailed directly to borrower.

An example of **Screen VFC10010** follows.

```
699-LAKESYDE
VFC10010
FSFL PAYMENT REQUESTS                  Version: AD81 11-12-08 15:28 Term E4
-------------------------------------------------------------------------------
JOHN OBEONE                                          FSFL# 2009/00008

                   PAYABLES FOR DISBURSEMENT

                          Joint Pmt                            Joint Pmt
Payable       Amount     (Y or N)     Payable     Amount       (Y or N)
#1          50,000.00       N         #2
#3                                    #4
#5                                    #6
#7                                    #8
#9                                    #10
#11                                   #12
#13                                   #14
#15                                   #16
#17                                   #18
#19                                   #20

Payment Requests Total:    $50,000.00
Do you have more payables to enter? (Y or N)  N
Press "Enter" To Continue    Cmd3=Previous Screen      Cmd7= End of Job
```

Disbursement Option 2 – Screen VFC10010 to Request Payments Before FSFL Closings

Under disbursement option 2, County Offices request checks **before** FSFL closing. The payments will all be checks and mailed directly to the County Office for FSFL closing.

On **Screen VFC10010**, FSFL Payment Requests, user can **change** and **add** entries to the screen; see subparagraph 350 C, step 6. User **must** do the following:

- change payable #1 amount to reflect actual amount due borrower, if any
- leave alternate payee indicator "N", if check is to be payable to borrower only
- enter payment additional requests based upon vendor amounts due
- enter "**Y**", for alternate payee indicator, when check is to be made payable to the borrower and vendor
- adjust payment amounts so that the all of the Payable Amounts listed do **not** exceed or are **not** less than the Payment Requests Total at the bottom of the screen.

If Payable Amounts or Joint Payment Indicators (Alternate Payee Indicators) are **not** complete, or if Payable Amounts either exceed or are less than the Payment Requests Total at the bottom of the screen:

- a warning message will be displayed and user will **not** be allowed to continue
- user **must** do the following:
  - answer the question, "Do you have more payables to enter? (Y or N)", with "**Y**"
  - correct payable amounts
  - complete entries where either a payable amount or alternate payee indicator column is incomplete.

    Notes: User should **not** make any more entries than needed.

    Payable entries are limited to a maximum of 20.

To complete the payments request, user **must** do the following:

- answer the question, "Do you have more payables to enter? (Y or N)", with "**N**" and PRESS "**Enter**" to generate payment data for NPS
- access NPS to complete joint payee information and certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day.

Disbursement Option 2 - Screen VFC10010 to Request Payments Before FSFL Closings (Continued)

Note: All forced checks or checks requested **before** FSFL closing will be mailed from Treasury to the County Office within 3 workdays. The 3 workdays do **not** include the time the checks are in the mail. Loan transaction statements will be mailed directly to the County Office. Once checks and loan transaction statements are received by the County Office, the County Office shall schedule a closing within 21 calendar days of certifying and signing in NPS; see paragraph 415.

The following is an example of **Screen VFC10010**.

```
699-LAKESYDE                                                        VFC10010
FSFL PAYMENT REQUESTS                    Version: AD81  11-12-08 15:28 Term E4
-------------------------------------------------------------------------------
JOHN OBEONE                                          FSFL# 2009/00008

                     PAYABLES FOR DISBURSEMENT

                            Joint Pmt                              Joint Pmt
  Payable       Amount     (Y or N)    Payable     Amount          (Y or N)
  #1           30,000.00      N        #2          12,000.56          Y
  #3           7,999.44       Y        #4
  #5                                   #6
  #7                                   #8
  #9                                   #10
  #11                                  #12
  #13                                  #14
  #15                                  #16
  #17                                  #18
  #19                                  #20

  Payment Requests Total:    $50,000.00
  Do you have more payables to enter? (Y or N)  N
  Press "Enter" To Continue    Cmd3=Previous Screen   Cmd7= End of Job
```

Note: Payable #1 **was** $50,000.00 with Alternate Payee Indicator (Joint Pmt) of "**N**". User changed Payable #1 Amount to $30,000.00, added Payables #2 and #3 for $12,000.56 and $7,999.44, both with joint payment indicator of "**Y**". Payable #1 will automatically be made out to borrower. Since there were **no** more payables to enter, user should answer the question, "Do you have more payables to enter? (Y or N)", with "**N**" and PRESS "**Enter**".

Disbursement Option 2 - Screen VFC10010 to Request Payments Before FSFL Closings (Continued)

The payables will be provided to NPS as listed. User **must** access NPS **before** the 3 p.m. c.t. cutoff that same day to complete freeform entries for alternate payees where on Screen VFC10010, the alternate payee indicator was set to "**Y**". API indicator (Joint Payment) setting "**N**" will automatically make the check payable to the borrower **only** and the County Office will **not** be given the opportunity to make any changes to the payee or address.

Note: Payments with more than 1 payee listed, in:

- FSFL system are referred to as "joint payments"
- NPS are referred to as "alternate payees".

When freeform entries are completed for each alternate payee, the County Office **must** then complete the certification and signing process; see subparagraph 350 D. Data will be provided to Treasury; checks and loan transaction statements will normally be mailed to the County Office within 3 workdays. The 3 workdays do **not** include the time the checks are in the mail.