FSA
HANDBOOK

Farm Storage Facility Loan Program

To access the tnsmittal page click on the short reference

For State and County Offices

SHORT REFERENCE

1-FSFL
(Revision 1)

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 (Revision 1)	Amendment 11

Approved by: Deputy Administrator, Farm Programs

Amendment Transmittal

A Reasons for Amendment

Subparagraph 2 F has been amended to:

- provide that a DAFO-appointed Acting SED may approve CCC-185
- clarify that the approval authority is based on the total aggregate outstanding FSFL balance
- provide that STC may redelegate CCC-185 approval authority to SED or DAFO-appointed Acting SED **only**.

Subparagraph 11 A has been amended to clarify that the approval authority is based on the total aggregate outstanding FSFL balance.

Subparagraph 11 D has been amended to provide that County Offices shall also submit a detailed explanation why FSFL was not requested before starting construction of the storage facility, to the State Office, when requesting a DAFP waiver.

Subparagraph 12 A has been amended to provide that the eligible borrower must not have been convicted under Federal or State law for a disqualifying controlled substance violation or a crop insurance violation under 7 CFR Part 718.

Subparagraph 19 A has been amended to provide that the:

- gas pipeline to the gas meter is ineligible as a net cost item
- appraisal cost is an eligible net cost item
- cost to tear down an existing structure is ineligible as a net cost item.

A Reasons for Amendment (Continued)

Subparagraph 24 C has been amended to:

- clarify that a subordination agreement is not required if FSA holds a superior or first lien on applicable real estate through a direct FLP loan
- increase the additional security requirement loan limit to $100,000.

Subparagraph 24 G has been amended to provide authority to use an irrevocable letter of credit and the structure to secure FSFL, if necessary.

Subparagraph 24 L has been amended to update the partial and final disbursement examples.

Subparagraph 24 N has been amended to:

- provide new resale collateral value policy, based on the increase of the additional security requirement loan limit to $100,000
- reference subparagraph C.

Subparagraph 26 A has been amended to clarify that an additional 6-month extension may be approved by the applicable approving authority.

Subparagraph 28 G has been amended to update secondary review policy.

Paragraph 52 has been amended to provide updated CCC-195 and add CCC-195A and CCC-195B instructions and examples.

Subparagraph 115 A has been amended to:

- increase the loan limit to $100,000
- add STC as approving authority
- reference subparagraph 24 C.

Subparagraph 115 B has been amended to clarify that approvals and disapprovals are based on the aggregate outstanding FSFL balance.

Subparagraph 127 A has been amended to update item 10 instructions.

Subparagraph 127 B has been amended to:

- update item 13 instructions
- change the amount for which instructions in subparagraph A may be followed for loans of $100,000 or less.

A Reasons for Amendment (Continued)

Subparagraph 130 B has been amended to:

- increase the loan limit for which a severance agreement is not required
- provide that if an irrevocable letter of credit is used in addition to the FSFL structure to secure FSFL, CCC-297 is **not** required if the irrevocable letter of credit is 20 percent or greater than the FSFL amount. STC has authority to establish a more restrictive policy.

Subparagraph 167 F has been amended to provide CCC-195 Servicing, item 5C instruction.

Subparagraph 167 G has been amended to provide an updated example of CCC-195 Servicing.

Paragraph 168 has been added to provide lien subordination policy.

Exhibit 2 has been updated to provide definitions for:

- controlled substance violation ineligibility
- lien
- mortgage.

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 for eligible commodities.

B Sources of Authority

Authorities for the requirements in this handbook are as follows:

- 7 CFR Part 1436
- CCC Charter Act, 15 U.S.C. 714 et seq.
- Food, Conservation, and Energy Act of 2008, 7 U.S.C. 7971 and 8789.

C Related FSA Handbooks

The following FSA handbooks concern FSFLP.

IF the area of concern is about...	THEN see...
actively engaged determinations	4-PL.
appeals	1-APP.
approved abbreviations, signatures, and authorizations	1-CM.
audits and investigations	9-AO.
disbursing lien search and UCC-1 recording fees	1-FI.
document retention period	25-AS.
environmental quality	1-EQ and 2-EQ.
establishing claims	58-FI.
interest rates	50-FI.
IRS reporting	62-FI.
prompt payment	61-FI.
repayments and deposits	3-FI.
sugar-related facility loans	12-SU.

*--D State Supplements

SED's are authorized to issue State supplements to this handbook.

Note: Additional State supplements may:

- **not** be issued to simply state verbatim, policies already established in the national handbook--*

1 Overview (Continued)

*--D State Supplements (Continued)

- be issued:
  - when the national handbook does **not** provide complete guidance
  - to provide additional guidance for employees with limited experience
  - when State law requirements are **not** specifically addressed in the national handbook.--*

2 FSFLP Information

A Administering FSFLP

[7 CFR 1436.2] FSFLP will 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 by DAFP.

C STC Actions

STC will:

- 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.

STC may:

- approve CCC-185's up to the maximum approval amount
- establish additional limits for COC approval
- establish maximum per bushel or per unit of measure limits for net cost.

D Determinations

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

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

2 FSFLP Information (Continued)

E Waivers

DAFP may authorize STC's and COC's to waive or modify deadlines and other FSFLP requirements in cases where lateness or failure to meet other FSFLP 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 FSFLP requirement according to paragraph 301.

F FSFL Approval Authority

The authority to approve all FSFL forms, **except** CCC-185, and documents prepared according to this handbook may be redelegated in writing by:

- COC to CED, **except** CCC-185's and applications in which CED has a monetary interest
- CED to Federal and non-Federal County Office employees, **except** CCC-185's and applications in which the person approving has a monetary interest.

COC or STC is the approval authority for CCC-185. STC can redelegate CCC-185 approval authority to SED only.

Use the following table for exceptions.

IF the FSFL applicant is...	**THEN the approval authority for CCC-185 shall be...**
a State, Federal, or non-Federal County Office employee, including CED's	STC, STC-delegated SED, or STC-designated DD. ***--Notes:** If the aggregate FSFL amount is--* over $250,000, only STC or STC-delegated SED is authorized to approve CCC-185. ***--**DAFO-appointed Acting SED is authorized to approve CCC-185.--*
COC member	
a relative to County Office employees or COC members **Note:** See Exhibit 2.	
DD	STC or STC-delegated SED.
STC member	
SED	STC.
a relative to DD or STC member **Note:** See Exhibit 2.	STC or STC-delegated SED.
a relative to SED **Note:** See Exhibit 2.	STC.

Notes: Questionable cases shall be referred to the next higher authority for determination. Potential conflict of interest cases shall be handled according to 3-PM and 22-PM.

An individual acting for DD or SED **does not** have CCC-185 approval authority.

2 FSFLP Information (Continued)

F FSFL Approval Authority (Continued)

To protect CCC's financial interests, approval authority for FSFL's is as follows.

--IF the total aggregate outstanding FSFL balance 1/ amount is…--	THEN the approval authority is…
$100,000 or less	COC.
$100,000.01 to $250,000	COC approval **after** DD review. 2/
$250,000.01 to $500,000	STC. 3/

1/ For FSFL's with partial and final disbursements, the two FSFL amounts are combined.

*--2/ DD's **must** review **all** CCC-185's with a total aggregate outstanding FSFL principal amount between $100,000.01 and $250,000. FSFL approval date will be the date COC approves FSFL **after** DD review.

3/ STC may redelegate CCC-185 approval authority to SED or DAFO-appointed Acting SED **only**.--*

Exception: STC is the approval authority for **all** renewable biomass CCC-185's.

Note: All increases to the original approved FSFL amounts must be referred to the original approval authority or a higher authority, if required, for the total *--aggregate outstanding FSFL balance amount. See subparagraph 133 C.--*

G CCC-185 Approval Authority Under Special Conditions

When STC or COC meetings are conducted by conference calls, e-mail, or polling process for CCC-185 approvals, the following actions are **required**:

- record approval/disapproval of CCC-185 in the STC or COC meeting minutes
- document the date and method of approval in CCC-185, item 18
- STC or COC chairperson **must** sign CCC-185 at the next opportunity.

Note: After CCC-185 is approved by conference call, e-mail, or polling process, the CCC-185 loan approval date shall be recorded in APSS and uploaded for funding.

If a polling process is used, document in the STC or COC meeting minutes the names of the committee members that were polled, date of the polls, and the determinations.

Continue to follow FSFL approval authority policy in subparagraph F. This new policy **only** applies to CCC-185 approvals for specific situations as specified in subparagraph 11 A.

2 FSFLP Information (Continued)

H Approved FSFL Supplies or Vendors

FSFL regulations do **not** provide for creating a list of approved FSFL equipment suppliers or vendors. Potential conflict of interest cases shall be handled according to 3-PM and 22-PM.

3-9 (Reserved)

Part 2 Basic FSFL-Making Policies

10 FSFL Availability

A Signup

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

- anytime during normal office hours
- from producers in person, **not** by FAX
- at least 15 calendar days before the COC meeting at which CCC-185 will be acted.

B Where to Apply

CCC-185's from eligible borrowers for FSFL's for all commodities, **except** FSFL's for renewable biomass and cold storage facilities for FAV's, shall be submitted to the administrative County Office that maintains the applicant's farm records of the farm or farms to which CCC-185 applies.

For renewable biomass storage facilities and cold storage facilities, CCC-185's must also be submitted to the administrative County Office that maintains the applicant's farm records. If some or all of the land from which renewable biomass is harvested and FAV's are produced does **not** have farm records established, CCC-185's must be submitted to the County Office that services the county where the facility will be located.

C Documentation

Upon request, the applicant shall provide information and documents as STC or COC determines reasonably necessary to support CCC-185. The following are examples of information and documentation:

- CCC-901's and CCC-902's
- drawings
- financial statements
- invoices
- legal description of parcel where facility will be placed
- plats or aerial photograph with structure location marked
- purchase orders
- receipted bills
- specifications
- written authorization of access to the proposed storage site.

--Note:** The storage facility **must** be a stand-alone structure. An example of a structure that would be ineligible for FSFL and **not** be considered a stand-alone structure is when 2 structures are built, and the structures share common components, such as, but **not** limited to, access door, wall, or roof.**--

10 FSFL Availability (Continued)

C Documentation (Continued)

For CCC-185's not supported by existing farm records, the applicant must provide all the documentation required to the County Office for the applicant to be determined an actively engaged and eligible borrower.

COC is responsible for taking appropriate action on CCC-185.

D Producer Action Before CCC-185 Approval

Submitting CCC-185's does **not** ensure approval nor does it create any liability on CCC's behalf.

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 CCC's behalf.

11 CCC-185 Approval Authorities 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 subparagraph 2 F and paragraph 115, have the authority to approve ***--**CCC-185's for FSFL's when the total aggregate outstanding FSFL balance is:**--***

- $100,000 or less
- $100,000.01 to $250,000, **after** DD review.

***--Example:** Producer has an outstanding FSFL for $90,000 and requests a new FSFL for $30,000. DD review of the $30,000 loan request is **required before** COC approval.

COC's have the authority to approve CCC-185's for FSFL's for the aggregate outstanding FSFL balance of $100,000 or less; or aggregate outstanding FSFL balance of $250,000 or**--*** less **after** DD review; **with** STC or designated SED concurrence in cases where the applicants began specific actions before CCC-185 approval. The applicable actions include the following:

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

11 CCC-185 Approval Authorities for Specific Situations (Continued)

A COC Authorized Approval Authority (Continued)

Note: Although producers will be proceeding at their own risk, COC can issue an approval conditional on STC or designated SED concurrence if 1 of the 3 actions in this subparagraph is applicable, and use the initial COC approval date and interest rate, if **all** of the following apply:

- CCC-185 was completed and signed by the applicant before starting any of the 3 actions in this subparagraph

- ***--**FSFL aggregate outstanding FSFL balance is $100,000 or less or between**--*** $100,000.01 to $250,000 with DD review

- COC is FSFL approval authority

- all applicant eligibility requirements were met when COC issued conditional approval

- concurrence request is received in the State Office within 10 workdays of COC conditional approval.

Example: The producer completes CCC-185 in the County Office on August 20, 2013. On September 4, 2013, 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 construction needed to start so the bin would be completed in time to store the 2013 harvest. COC is the approving authority and determines the actions completed before CCC-185 approval do **not** adversely affect FSFL operation. COC may issue a conditional approval, with STC or designated SED concurrence, **without** requesting a DAFP waiver, if construction of the facility itself is **not** started until after CCC-185 approval.

The producer can start construction based on COC's conditional approval but the COC approval date for the funding should not be entered into the system until STC or designated SED has concurred.

11 CCC-185 Approval Authorities for Specific Situations (Continued)

A COC Authorized Approval Authority (Continued)

The following must be on file in the County Office **before** COC can approve FSFL:

- CCC-185 completed and signed by the applicant
- $100 application fee per borrower was received and deposited, as applicable

  Note: See paragraph 30.

- the financial analysis for all borrowers and entities was completed
- FSA-850 completed with **no** significant adverse impacts identified.

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
- $100 application fee per borrower was received and deposited, as applicable

  Note: See paragraph 30.

- all required documentation for financial analysis for all borrowers and entities were 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 **can** delegate CCC-185 approval process to SED only
- **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 CCC's behalf.

See Exhibit 2 for the definition of <u>construction of FSFL</u>.

11 CCC-185 Approval Authorities for Specific Situations (Continued)

C Expanded STC Authorized Approval Authority

STC's may approve FSFL's where construction started before loan approval if **all** of the following apply:

- total loan principal of the applicable loan application is $250,000 or less
- total of this application and all other outstanding FSFL's to the same borrowers is $300,000 or less
- the application and all documentation required for the financial analysis is submitted to the County Office within 3 months after construction completed
- all applicant eligibility, equipment eligibility, and collateral security requirements are met
- FSA-850 and, if applicable, FSA-851 completed with no significant adverse impacts identified.

If all these provisions apply:

- DAFP waiver is **not** required
- STC **can** delegate CCC-185 approval process to SED only
- loan approval date will be the date STC approves FSFL.

Note: Interest rate of FSFL is based on loan approval date.

D DAFP CCC-185 Approval Required

For CCC-185's where the specific situation is **not** covered under subparagraphs A through C, and COC determines that 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 FSFL 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

11 CCC-185 Approval Authorities for Specific Situations (Continued)

D DAFP CCC-185 Approval Required (Continued)

- request DAFP waiver through STC according to subparagraphs 2 E and 301 A.

--Example:** Producer submitted CCC-185 in the County Office on September 1, 2013. Producer was instructed by the County Office to provide supporting documentation to complete a financial analysis. On March 1, 2014, the producer provides the supporting documentation to the County Office, along with the final bills for the construction of the bin, and the producer informs the County Office that the bin has been completed. The bills indicate construction was completed on October 31, 2013.**--

County Offices shall submit copies of the following to the State Office for forwarding to DAFP for approval requests:

- CCC-185
- FSA-850 and FSA-851, if applicable
- ***--**detailed explanation why FSFL was **not** requested before starting construction of the storage facility**--***
- memorandum from COC meeting
- COC minutes.

If STC requests a DAFP waiver, these documents shall be forwarded to DAFP, along with the following:

- memorandum from SED applicable to STC request
- copies of the STC minutes.

E 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.

12 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, meets **all** of the following eligibility requirements:

- 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

- ***--**has **not** been convicted under Federal or State law for a disqualifying controlled substance violation according to 1-CM, Part 30 or a crop insurance violation under 7 CFR Part 718**--***

- is a producer of FSFL commodities as defined in paragraph 13 and Exhibit 2

  Note: County Offices must review FSA-578's, including late-filed, to ensure that the producer is a producer of eligible FSFL commodities.

- provides proof of multi-peril crop insurance offered under the Federal Crop Insurance Program or NAP on all eligible FSFL commodities

- is in compliance with USDA provisions for HEL and WC according to 7 CFR Part 12

- demonstrates the ability to pay the downpayment and repay the debt resulting from FSFLP

- demonstrates compliance with NEPA according to 40 CFR Parts 1500-1508

- demonstrates a need for increased storage capacity unless the borrower is requesting FSFL for handling and drying equipment

  Notes: The borrower must still be producing a commodity that will use the handling or drying equipment.

  DAFP waiver may be issued, if requested, on a case-by-case basis if a crop share landlord or tenant requests to construct a structure to store all commodities produced on a farm, but only 1 of the producers wants to accept liability.

12 Eligible Borrowers (Continued)

A Basic Requirements (Continued)

- demonstrates compliance with any applicable local zoning, land use, and building codes for the applicable farm storage facility structures

- provides all-peril structural insurance and, if required, flood insurance.

  Notes: If the county flood map is updated, either before or after FSFL disbursement, and the flood map indicates FSFL is in an area requiring flood insurance, the borrower must immediately purchase insurance.

  --**CCC-931 does **not** apply to FSFL's.**--

12 Eligible Borrowers (Continued)

B Determining Borrowing Entity

County Offices shall:

- determine the borrowing entity from CCC-902

- allow borrowers who are otherwise eligible to enter into joint FSFL's with another eligible borrower if adequate security requirements can be met

- require FSFL's to be joint when more than 1 borrower or entity has an interest in a facility

  Example: Two brothers with separate farming operations are requesting FSFL on 1 grain storage bin. The brothers will be required to obtain 1 joint FSFL for the bin. The bin will be jointly owned with each brother responsible for the entire FSFL. They may **not** apply for 2 separate FSFL's, each for half the FSFL principal.

- not allow schemes to avoid FSFL limit per structure

  Note: The borrowing entity will be the producer:

  - of FSFL commodities that require storage at the proposed storage location
  - who meets all other requirements.

- inform borrowers requesting joint FSFL's, or borrowers who are partnerships or joint ventures, that all reminders and pertinent information on FSFL will be sent only to the contact producer

- inform borrowers on joint FSFL's, that the contact borrower will receive IRS-1098 for the entire amount.

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

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

C Applicants Who Are Minors

Applicants who are minors may be approved for FSFL if:

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

13 Eligible FSFL Commodities

A Commodities Authorized Under CCC Charter Act

Eligible commodities authorized by CCC Charter Act for FSFL's include the following:

- feed grains, harvested as whole grain or other than whole grain include the following:
  - barley
  - corn
  - grain sorghum
  - oats
  - wheat

•*--honey **1**/--*

- other grains include the following:
  - buckwheat
  - speltz
  - triticale
- oilseeds include the following:
  - canola
  - crambe
  - flaxseed
  - mustard seed
  - rapeseed
  - safflower
  - sesame seeds
  - soybeans
  - sunflower seeds
- peanuts
- pulse crops include the following:
  - chickpeas
  - dry peas
  - lentils
  - dry beans
- rice.

***--1/** Added based on the Secretary's authority to approve additional commodities.--*

13 Eligible FSFL Commodities (Continued)

B Cold Storage Facilities for FAV's Including Nuts

The following provides FAV's eligible for cold storage FSFL's that must be grown on cultivated farmland.

Eligible FAV's Including Nuts			
Almonds	Chestnuts	Lemons	Potatoes
Apples	Chicory/Radicchio	Lettuce	Potatoes, Sweet
Apricots	Coconuts	Limes	Prunes
Aronia Berries	Corn	Macadamia Nuts	Pumpkins
Artichokes	Cranberries	Mangos	Radishes
Asparagus	Cucumbers	Mushrooms	Raisins
Avocados	Currants	Nectarines	Rhubarb
Bamboo Shoots	Dates	Okra	Rutabaga
Bananas	Eggplant	Olives	*--Saskatoon Berries--*
Beans	Elderberries	Onions	Scallions
Beets	Figs	Oranges	Shallots
Blueberries	Garlic	Papaya	Squash
Broccoli	Ginger	Parsnip	Strawberries
Brussel Sprouts	Grapefruit	Peaches	Tangelos
Cabbage	Grapes	Peas	Tomatoes
Caneberries	Green Peanuts	Pecans	Turnips
Cantaloupes	Hazel Nuts	Peppers	Walnuts
Carrots	Herbs	Pineapple	Water Cress
Cashews	Honeydew	Pistachios	Watermelon
Cauliflower	Kiwifruit	Plantain	Yams
Celery	Kohlrabi	Plums	
Cherries	Leeks	Pomegranates	

Note: Caneberries include blackberries and raspberries.

For FAV's, including nuts, **not** currently identified as eligible for cold storage FSFL's and the need has been determined, the State Office shall prepare a written document to justify the addition of the crop and e-mail to Toni Williams at **toni.williams@wdc.usda.gov**.

The justification document should, at a minimum, provide the following:

- general information about the fruit or vegetable, including its use
- cold storage needs
- market for the requested fruit or vegetable.

13 Eligible FSFL Commodities (Continued)

C Hay

Hay is defined as a grass or legume that has been cut and stored, and includes the following:

- commonly used grass mixtures include the following:
  - brome
  - costal Bermuda
  - fescue grass
  - orchard grass
  - rye grass
  - timothy grass
  - other native grass species prevalent in the region
- forage legumes include the following:
  - alfalfa
  - clovers
  - trefoil

  * * *

  Examples: Examples of grain legumes include, but are not limited to, the following:

  - lentils

  * * *

  - peas
  - soybeans.

- ***--**all FSFL commodities that are baled after harvest for animal feed, including but not limited to peanuts, qualify as hay.**--***

13 Eligible FSFL Commodities (Continued)

D Definition of Renewable Biomass

Renewable biomass is defined as any organic matter that is available on a renewable or recurring basis used for the production of energy in the form of heat, electricity, and liquid, solid, or gaseous fuels. Renewable biomass includes the following:

- algae
- crop residue including, but **not** limited to:
  - corn stover
  - orchard prunings
  - various straws and hulls
- plants and trees, **excluding old growth timber**
- renewable plant materials as follows:
  - feed grains
  - other agricultural commodities including, but **not** limited to:
    - soybeans
    - switch grass
- vegetative waste material including, but **not** limited to:
  - food waste
  - wood residue
  - wood waste
  - yard waste.

14 Ineligible FSFL Commodities

A Ineligible Commodities

Not all commodities are eligible for FSFL, according to subparagraph B.

B List of Ineligible FSFL Commodities

The following are ineligible FSFL commodities:

- commodities not listed in paragraph 13
- corn gluten
- firewood
- manure
- old growth timber
- processed commodities
- waste from domestic/residential/municipal sources
- waste from food source operations or food processing plants.

15 Determining Storage Need

A Storage Need Determinations

Subparagraph B provides a formula for determining basic storage need. See paragraphs 16 and 17 for assistance in determining specific storage need.

15 Determining Storage Need (Continued)

B Basic Formula

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

Step	Action
1	Determine the borrowing entity and applicable farm operation from CCC-902.
2	Determine up to a 3-year average acreage for each FSFL commodity that requires storage at the proposed location, from the producer's share of up to the 3 most recent FSA-578's. When a farming operation reorganizes and the **same** individuals or entities continue to operate the farm, the cropping history applicable to the previous operation may be used. A reasonable 1-year acreage and yield projection may be used instead of an average for 1 of the following: • newly acquired farms • FSFL 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 acreage production. **Notes:** County Offices **must** use FSA-578's for determining the average acreage of each eligible commodity. ***--**Late-filed FSA-578's **must** be filed according to 2-CP and a late fee **must** be paid for each crop year the acreage report was filed late; however, County Offices may request DAFP waiver according to subparagraph 2 E when late-filed FSA-578's do not meet the requirements in 2-CP, paragraph 21.**--*** For FSFL's for structures to store silage, use the average acreage harvested as silage. For FSFL's for structures for hay, use **only** the hay acreage from established farms.

15 Determining Storage Need (Continued)

B Basic Formula (Continued)

Step	Action	
3	Multiply each average acreage times the applicable crop yield determined to be reasonable by COC, total the results, and multiply the result times: • 1 for FAV • 2 for all other commodities. **Note:** Use the same unit of measure for yields for each commodity.	
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 the 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 less than proposed storage capacity	see subparagraph 25 F.

16 Aids for Determining Storage Need for Hay and Biomass

A Determining Storage Need

Applicants must show a need for hay or renewable biomass storage as determined by the formula in paragraph 15 and the information in this paragraph.

Before STC can approve an application for a renewable biomass FSFL, the applicants must provide a contract or letter of commitment with the company or facility that will purchase the applicant's biomass commodity.

B Hay and Biomass Yields

If State and County Offices are unable to determine an annual yield for any of the hay or renewable biomass commodities with the assistance of NIFA, land-grant universities, or available ARS publications, contact PSD.

The unit of measure for hay and renewable biomass commodities will be in tons.

16 Aids for Determining Storage Need for Hay and Biomass (Continued)

C Determining Needed Storage

An applicant's needed storage can be determined with NIFA and land-grant university assistance or with the worksheet in Exhibit 6.

Applicable laws, regulations, construction codes, and zoning restrictions may also affect the size of a facility and where it can be located.

The applicant shall provide the County Office with either of the following:

- dimensions of the facility to convert into cubic feet of available space

- capacity of the proposed structure in pounds or tons from the contractor constructing the storage facility.

COC's shall use either of the following conversion factors and the worksheet in Exhibit 6 to determine the capacity of a proposed facility:

- 1 pound of hay requires 0.125 cubic feet of space
- 1 short ton of hay requires 250 cubic feet of space.

Note: These factors shall be used to determine the storage capacity of a structure unless the applicant supplies the County Office with detailed documentation of a higher yield.

D Determining Proposed Structure Capacity

The following publications may also assist State and County Offices in determining the capacity of a proposed structure:

- Oklahoma State University publication BAE-1716, titled "Round Bale Hay Storage", available at **http://osufacts.okstate.edu/docushare/dsweb/Get/Document-1772/BAE-1716web.pdf**

- Ohio State University publication, titled "Worksheet for Sizing Hay Storage Pads and Calculating FGD Needs", available at **http://ohioline.osu.edu/aex-fact/pdf/0332.pdf**.

17 Aids for Determining Storage Need for FAV's

A Determining Storage Need

Applicants must show a need for cold storage capacity as determined by the formula in paragraph 15 and the information in this paragraph.

The cold storage need will be determined based on production from 1 year.

FAV's are perishable commodities and their quality can only be maintained for a limited period of time. Cold storage facilities can extend this period of time, but in **no** case will a cold storage facility maintain the quality of FAV's for longer than 1 year. Although some FAV's can be stored for up to 8 months, the quality for many FAV's in cold storage can only be maintained for 7 to 10 calendar days.

See Exhibit 7 for a worksheet that can be used to compute the storage need requirement and capacity of a proposed structure for FAV's.

B Determining Reasonable Commodity Yield

COC's:

- **must** determine a reasonable yield for each FAV included on CCC-185 for a cold storage facility

- shall use the following resources in determining a reasonable yield:

  - ARS publications
  - detailed producer records
  - Internet
  - land-grant university located in the State or neighboring State
  - NIFA in the State.

Note: State Offices can contact PSD for assistance if they are unable to find a yield needed for a specific eligible fruit or vegetable.

Agriculture Departments in each State have identified specific units of measure for FAV's sold in their State. To see what unit of measure is applicable to the commodity in a particular State, contact the applicable State Department of Agriculture or check FSA's NAP web site at **https://arcticocean.sc.egov.usda.gov/NCT/NCTMainMenu.jsp** for a specific State and commodity.

17 Aids for Determining Storage Need for FAV's (Continued)

B Determining Reasonable Commodity Yield (Continued)

County Offices can access FSA's NAP web site from the FSA Intranet as follows:

- go to FSA Intranet at **http://fsaintranet.sc.egov.usda.gov/fsa**
- CLICK "**FSA Applications**"
- under "**Production Adjustment & Disaster Programs**", CLICK "NCT - National Crop Table (2001 - 2008)" or "NCT - National Crop Table (2009-2011)".

C Determining Needed Cold Storage

An applicant's needed storage can be determined with the assistance of NIFA and land-grant universities.

Applicable laws, regulations, construction codes, and zoning restrictions can also affect the size of a facility and where it can be located.

The following **must** be determined **before** defining the size of refrigerated storage needed:

- volume of product to store
- produce containers (pallet bins, boxes, bulk)
- volume required per container
- aisle space needed (mechanical or manual operation)
- lateral and head space
- available site space.

Kansas State University, Cooperative Extension Service publication MF-1039, titled "Storage Construction, Fruits & Vegetables", may assist County Offices in determining the cold storage needed by an applicant. As this publication is no longer available online, State Offices may request a copy from PSD.

D Determining Capacity of Proposed Structure

Capacity of the proposed structure can be obtained from the contractor constructing the cold storage facility. The applicant should provide this information to the County Office.

If necessary, County Offices may determine the volume of storage capacity by using the information in Kansas State University's MF-1039 referenced in subparagraph C.

18 Facility Purpose and Useful Life

A Facility Purpose

The intent of FSFLP is to provide on-farm storage to producers to store the eligible facility loan commodities they produce. FSFL collateral **must** be used for the purpose for which the
*****--storage facility was constructed for the **entire** FSFL term and must be a stand-alone structure.--*****

FSFLP does **not** have the resources to provide financing for commercial storage facilities.

B Using FSFL Structure That Once Stored FSFL Commodities Now Marketed

After the stored commodity has been marketed, the facility may, with **prior** approval, be used by the borrower to **temporarily** store their other agricultural-related items until the next harvest season.

An FSFL borrower must:

- submit a written request to the County Office for approval to store anything other than an eligible FSFL commodity in the structure

- have written approval from CED **before** storing anything other than an eligible FSFL commodity in the structure

- notify the County Office servicing FSFL within 5 workdays when the FSFL commodity has been removed and another agricultural-related item is stored in the FSFL structure.

COC's shall closely monitor FSFL structures temporarily storing other agricultural-related items to ensure that the structure is used for the purpose for which it was constructed for a good portion of every year during the FSFL term. If it is discovered that a borrower consistently fails to obtain approval from the County Office before storing another agricultural-related item in an FSFL structure, the State Office shall contact PSD for guidance.

C Facility Useful Life

CCC has determined that the useful life of a facility must be at least 15 years to ensure that FSFL will be adequately secured throughout the FSFL term.

19 Eligible and Ineligible Equipment

A Eligible Storage and Handling Facilities for All CCC Charter Act Commodities

[7 CFR 1436.6] FSFL's 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 FSFL commodity storage having a useful life of at least 15 years

- new oxygen-limiting and other upright silo-type structures designed for FSFL commodity storage having a useful life of at least 15 years

- new flat-type storage structures, including a permanent concrete floor and bulkheads, designed for and primarily used to store FSFL commodities for the FSFL term

- new electrical equipment, such as lighting, motors, and wiring, integral to the proper operation of the storage and handling equipment, **excluding** installing electrical service to *****--the electrical meter and a gas pipeline to the gas meter--*****

- new equipment to improve, maintain, or monitor the quality of stored FSFL commodities, such as cleaners, moisture testers, and heat detectors, along 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

- remanufactured oxygen-limiting storage structures built to the original manufacturer's design specifications using original manufacturer's rebuild kits designed for FSFL commodity storage and having a useful life of at least 15 years

  Note: STC's are strongly encouraged to only allow rebuilt kits from the original manufacturer of oxygen-limiting storage structures to ensure that these structures are rebuilt correctly and ensure the safety of the structure. But, STC's may request a DAFP waiver to allow companies other than the original manufacturer of the oxygen-limiting storage structure to supply rebuild kits for FSFL-financed structures. These requests shall:

  - follow paragraph 301 when submitting the request to DAFP

  - request the waiver for the specific company located at a specified location

  - submit the request **before** approving any FSFL's using the manufacturer's rebuild kits

19 Eligible and Ineligible Equipment (Continued)

A Eligible Storage and Handling Facilities for All CCC Charter Act Commodities (Continued)

- include copies of all pertinent information about the following:
  - company
  - how their rebuild kits are manufactured
  - warranty offered on their rebuild kits.

- new structures that are bunker-type, horizontal, or open silo structures, with at least 2 concrete walls and a concrete floor, designed for FSFL commodity storage and having a useful life of at least 15 years

- new permanently affixed handling and drying equipment determined by COC to be needed and essential to the proper functioning of a storage system (without showing a need/or obtaining FSFL for the storage structure)

- renovating existing storage according to paragraph 22 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 or separate, detachable sides on which an FSFL commodity is stored only if FSFL will be further secured according to subparagraph 24 C or G.

The net costs for CCC Charter Act commodity FSFL's may include the following:

- approved electrical lighting and wiring
- archaeological study or attorney fees
- ***--appraisal cost--***
- eligible equipment to maintain and monitor commodity quality
- installation costs
- new material and labor for concrete pads or other approved and acceptable flooring
- off-farm paid labor
- purchase price and sales tax of new structure or materials
- shipping and delivery charges
- site preparation costs.

--Note:** The cost to tear down an existing structure is **not** eligible as a net cost item.--

19 Eligible and Ineligible Equipment (Continued)

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 15 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 FSFL commodities for which a need is determined
- feed handling and processing equipment.

20 Eligible and Ineligible Structures for Hay and Renewable Biomass Storage

A Eligible Structures

All FSFL-financed storage structures for hay and renewable biomass commodities **must be used** for the purpose for which they were constructed, assembled, or installed for the entire FSFL term.

FSFL eligible storage structures for hay and renewable biomass commodities:

- **must** have a useful life of at least 15 years

•***--must** be:

  - built of such quality that the structure can be insured
  - built to support snow load for the area
  - properly drained**--***

- include new structures suitable for storing the following:
  - hay that are built according to acceptable design guidelines from NIFA or land-grant universities
  - renewable biomass that are built according to acceptable industry guidelines.

20 Eligible and Ineligible Structures for Hay and Renewable Biomass Storage (Continued)

A Eligible Structures (Continued)

Borrowers are **required** to submit a building plan to the County Office for any hay or renewable biomass storage structures requested for FSFL.

Note: The building plan does **not** have to be professionally prepared, but **must** include the following:

- type of structure or building design
- exact size and shape of proposed facility
- access
- ***--**details of site preparation, including leveling and compacting of soil
- base materials, including type, size, and depth of rock or gravel used
- construction materials, including type and gauge of material used for the entire structure.

Many of the land-grant universities have the following available online:

- detailed building plan for hay structures
- structures suitable for storing renewable biomass commodities.**--***

B Eligible Components

FSFL's for hay and renewable biomass storage structures may include the following:

- safety equipment meeting OSHA requirements
- equipment to maintain and monitor the quality of stored eligible hay and renewable biomass commodities, such as heat detectors
- electrical equipment
- concrete aprons essential to proper facility operation

20 Eligible and Ineligible Structures for Hay and Renewable Biomass Storage (Continued)

B Eligible Components (Continued)

- flooring:

  - suitable for the region where the facility is located
  - designed according to acceptable guidelines from NIFA or land-grant universities
  - ***--**made to avert water so the floor does **not** retain moisture.**--***

    Notes: In some regions of the country, NIFA and land-grant universities do **not** recommend storing hay and renewable biomass commodities on concrete. Acceptable alternatives have been developed that include using compacted coarse gravel or small rock.

    Asphalt may also be used in hay and renewable biomass structures **only** if built to all the following specifications:

    - 6- to 12-inch well-packed crushed gravel base
    - 4 to 6 inches of high-grade asphalt
    - compacted at least twice with a 20-ton roller:
      - first with a heavy or vibrating roller
      - second with a finishing roller to remove ripples
    - sealed with an asphalt sealer.

C Eligible Items for FSFL's

The net costs for hay and renewable biomass FSFL's may include the following:

- approved electrical lighting and wiring
- archaeological study or attorney fees
- eligible equipment to maintain and monitor commodity quality
- installation costs
- new material and labor for concrete pads or other approved and acceptable flooring
- off-farm paid labor
- purchase price and sales tax of new structure or materials
- shipping and delivery charges
- site preparation costs.

20 Eligible and Ineligible Structures for Hay and Renewable Biomass Storage (Continued)

D Ineligible Items for FSFL's

Ineligible hay storage structures include, but are not limited to, the following:

- feed handling and processing equipment
- structures of a temporary nature that require the weight or bulk of the commodity stored to maintain its shape, such as bags.

21 Eligible and Ineligible Structures for FAV Cold Storage

A Eligible Structures

FSFL-financed cold storage structures for FAV's must be used for the purpose for which they were constructed, assembled, or installed for the entire FSFL term.

Note: See Exhibit 2 for a definition of cold storage.

Cold storage facilities, with a useful life of at least 15 years, and eligible for FSFL's include the following:

- new cold storage facility of wood pole and post construction, steel or concrete, suitable for storing FAV's produced by the borrower
- new walk-in prefabricated, permanently installed cold storage coolers that are suitable for storing the producer's FAV's.

B Eligible Components

Eligible permanently affixed equipment necessary for FSFL cold storage facility may include the following:

- refrigeration units or system
- circulation fans
- electrical equipment, such as lighting, motors, and wiring integral to the proper operation of a cold storage facility
- safety equipment meeting OSHA requirements
- cement flooring.

21 Eligible and Ineligible Structures for FAV Cold Storage (Continued)

C Eligible Items for FAV FSFL's

The net costs for cold FSFL's may include the following:

- approved electrical lighting and wiring
- archaeological study or attorney fees
- eligible equipment to maintain and monitor commodity quality
- installation costs
- new material and labor for concrete flooring
- off-farm paid labor
- purchase price and sales tax for new structure or materials
- shipping and delivery charges
- site preparation costs.

D Ineligible Structures and Components

The following are ineligible for FAV FSFL's:

- bin boxes
- controlled atmosphere structures and components
- freezer units
- portable handling and cooling equipment
- portable or permanent weigh scales
- portable structures, including structures on wheels
- structures not suitable for FAV cold storage
- used or pre-owned cold storage structures.

22 Renovating Structures and Pre-Owned Facilities

A Renovating Facilities

FSFL's may be approved for financing additions to or modifications of an existing storage facility, with an expected useful life of 15 years, 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 15 years

    Note: Replacing motors, fans, and wiring that has worn out is **not** authorized.
  - for new purchase items, such as the following:
    - replacing 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
    - refrigeration units
- the applicant meets the storage need requirement.

Notes: 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. See subparagraph 15 B, step 4.

Existing structures for all FSFL eligible commodities are eligible for FSFL renovations as long as all requirements are met.

22 Renovating Structures and Pre-Owned Facilities (Continued)

B Pre-Owned Structures

FSFL's may be approved for **new** components of used or pre-owned structures that are ***--**purchased and/or moved to a new location. Allowable net cost items are items such as the**--*** following:

- site preparation
- foundation material and off-farm paid labor
- off-farm paid construction labor to erect the used or pre-owned structure
- new doors, new roof panels, and new rings needing replacement, and new grain dryer systems
- new insulation.

Items ineligible for FSFL are costs:

- of the used or pre-owned structure
- to disassemble and move the used or pre-owned structure.

23 FSFL Terms

A Maximum Term

[7 CFR 1436.7] The FSFL maximum term shall be 7, 10, or 12 years from the date of the execution of CCC-186 based on total FSFL principal as follows:

- if $100,000 or less, 7-year FSFL term
- if $100,000.01 to $250,000, 7- or 10-year FSFL term
- if $250,000.01 to $500,000, 7-, 10-, or 12-year FSFL term.

B Extensions

No FSFL term extensions are authorized.

24 Security for FSFL's

A Secured by CCC-186's

[7 CFR 1436.8] All FSFL's 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 State law where the collateral is located.

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 lienholder and each person, including the borrower, having an interest in the real estate on which the collateral is located **before** FSFL closing and disbursement and **before** the partial disbursement, if applicable

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

  See paragraph 130 and Exhibit 10 for more details.

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

24 Security for FSFL's (Continued)

C Additional Security Requirements

Additional security is required if any of the following apply:

•*--FSFL amount exceeds $100,000

- STC has authority to establish a more restrictive policy; however, requiring additional security must be for FSFL's greater than $50,000 and must be Statewide

- the aggregate outstanding FSFL balance exceeds $100,000

Notes: This new policy applies to FSFL's that have **not** been disbursed.

The aggregate outstanding FSFL balance is the sum of the outstanding balances of **all** FSFL's disbursed to borrowers signing CCC-186.

Examples: Producer has an outstanding FSFL for $95,000 and requests a new FSFL for $10,000. Additional security is only required to secure the new $10,000 FSFL.

A 2-person partnership requests FSFL for $105,000. FSFL is made to the partnership because the partnership is the farming entity. Additional security is needed because **FSFL** exceeds $100,000.

Additional security may be required for FSFL's with an aggregate outstanding FSFL balance equal or less than $100,000, if STC or COC determines that the structure has no resale value. See subparagraph N for guidance.

Notes: STC or COC shall determine resale collateral value based on local market conditions.

STC or COC does **not** have authority to require additional security for FSFL's with an aggregate outstanding FSFL balance of $50,000 or less.--*

A lien on the real estate that includes the land where FSFL will be located is the preferred additional security.

* * *

--After receiving guidance from the FSA employee with loan approval authority, FSFL's must be determined to be adequately secured according to this paragraph.--

24 Security for FSFL's (Continued)

C Additional Security Requirements (Continued)

For FSFL amounts secured by real estate, CCC's interest in the real estate shall be superior to all other lienholders. 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 a direct FLP loan, subordination agreement is **not** required. However, a junior real**--
estate lien is **required**.

If prior lienholders will **not** subordinate to CCC, COC may approve alternative forms of security, such as the following:

- second lien position only if **both** of the following apply:
  - CCC is adequately secure
  - FSA-2319 or a similar agreement is executed by the prior lienholder, following requirements specified by the regional attorney, **not** to extend additional liens on the property

    Exception: CCC will **not** require such an agreement from any USDA Agency.
- first lien on different realty
- ***--**irrevocable letter of credit.

Notes: STC's have authority to allow using an irrevocable letter of credit and the storage structure as security for FSFL. See subparagraph G for guidance.**--***

Items, such as livestock, machinery, vehicles, and other equipment, are **not** authorized to be used as additional collateral for FSFL.

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 specific acreage, including the entire parcel of real estate underlying the collateral that is:

- sufficient in size and value in the approving committee's opinion to ensure FSFL repayment
- a **salable unit** in the event of foreclosure.

24 Security for FSFL's (Continued)

F Land Separate From the Collateral

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

- borrower owns the separate acreage that is not subject to any other liens or mortgages that would be superior to CCC's lien interest

- acreage of the entire parcel is adequate in size and value, in the approving committee's opinion, to adequately secure and insure FSFL repayment.

Notes: Document why a lien on the underlying real estate was **not** feasible.

See subparagraph M and Exhibit 12 when applying value to the FSFL structure separate from real estate.

CCC-297 is required from the land owner when the land separate from the collateral is not owned by the borrower. CCC must have first lien on the land securing FSFL.

***--Exception:** If FSA holds a first lien on the applicable real estate through a direct FLP loan, a subordination agreement is **not** required; however, a junior lien on--* the real estate is **required**.

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, 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 FSFL principal plus interest for the first year plus 60 calendar days

- written to allow partial draws if the annual installment payment is **not** received by the due date

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

***--Note:** PSD has an example of an acceptable irrevocable letter of credit that will be--* sent to State Offices on request.

24 Security for FSFL's (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 calendar days after the date of the final repayment.

State Offices must check with their respective regional OGC to ensure that laws specific to their State are included in the irrevocable letter of credit.

The irrevocable letter of credit is considered sufficient security for FSFL when all requirements are met according to this paragraph and a financial analysis is not required, unless a more restrictive policy has been set by STC.

***--**An irrevocable letter of credit can be used in addition to the FSFL structure if additional security is required.

Example: CCC-185 submitted for $300,000 FSFL that requires additional security. When using an authorized method according to subparagraph 24 R, STC has approved COC's to allow the value of the FSFL structure to equal 50 percent of the loan amount, or in this case $150,000, when the structure is located on the property to be mortgaged. In this example, the value of the structure and security must equal at least 125 percent of the loan.

$375,000 - Total security needed for $300,000 FSFL (125% of loan amount)
-$150,000 - Value of structure STC authorizes COC to use
$225,000 - Additional security needed.

$100,000 - Irrevocable Letter of Credit
+$125,000 - 90 acres
$225,000 - Additional security provided.

The producer will provide as security for the $300,000 FSFL; the FSFL structure, first lien on 90 acres (valued at $125,000), and an irrevocable letter of credit in the amount of $100,000. Based on this example, FSFL will be considered adequately secured.

Note: Because the irrevocable letter of credit is greater than 20 percent of the loan amount, CCC-297 is **not** required.**--***

24 Security for FSFL's (Continued)

G Other Forms of Security (Continued)

CCC-297 is **not** required if the irrevocable letter of credit is 20 percent or greater of the *--FSFL amount. See subparagraph 130 B for guidance.

Notes: STC has authority to establish a more restrictive policy.

The irrevocable letter of credit and CCC-297 policies apply to FSFL's that have **not** been disbursed.

FSFL may be conditionally approved and require that the irrevocable letter of credit or other form of security be provided **before** disbursement.--*

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.

IF the transaction is for...	THEN the fee is paid by...
a collateral lien search	CCC.
a credit report	
fees charged by a local or State municipality for expenses associated with a real estate lien search for CCC-297 purposes	
filing UCC-1	
filing UCC-1 as a fixture filing	
continuation of UCC-1 and UCC-1 as a fixture filing using UCC-3	

24 Security for FSFL's (Continued)

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

IF the transaction is for...	THEN the fee is paid by...
all other instrument filing and recording transactions related to a lien on real estate used to secure FSFL	the borrower.
attorney fees related to a lien on real estate used to secure FSFL	
fees charged by superior lienholders to subordinate or release collateral to CCC	
filing a discharge of CCC-297	
filing a release or discharge of a real estate lien, such as a mortgage	
filing and recording a subordination agreement 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 CCC-297	
terminating UCC-1 using UCC-3	

J Adequate Security and Appraisals of Real Estate

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

Notes: To ensure consistency in determining the value of FSFL real estate security within a State, STC's may set specific procedure to be followed. It is the responsibility of STC to ensure that all FSFL's in their State are adequately secure.

If an appraisal was made on the real estate within the last year by a bank or for FLP, and the real estate values have remained consistent, that appraisal may be used to determine value, **if** the appraiser conducting the appraisal is on the list of FLP-approved appraisers.

K Security on Leased Land

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

24 Security for FSFL's (Continued)

L Partial and Final FSFL Closings Using Real Estate as Additional Security

When real estate is used for the required additional security for the:

- partial disbursement, security applicable to the partial disbursement amount will be required **before** the partial disbursement FSFL closing

- final disbursement, security applicable to the total FSFL amount will be required **before** FSFL closing.

Examples: The following is an example of FSFL with both partial and final disbursements and the security required for each.

***--**FSFL is approved for $110,000. Half the facility is constructed and a partial disbursement is requested for $55,000. UCC-1 has been filed on the structure, but additional security is **not** required when the $55,000 partial disbursement is closed. When the final FSFL disbursement is made, additional security for both FSFL's totaling $110,000 is **required**.

The following is an example of FSFL with both partial and final disbursements where additional security is required.

FSFL is approved for $202,000. Half the facility is constructed and a partial disbursement is requested for $101,000. Additional security is required for the $101,000 partial disbursement and for the $101,000**--***final disbursement. The following options are available to the borrower:

- present 2 separate real estate mortgages, 1 for the partial disbursement and another for the final disbursement

- present 1 real estate mortgage to secure both the partial and final disbursement at the time of the partial disbursement, if possible according to the laws in the State. Check with the regional OGC to ensure that this is possible.

24 Security for FSFL's (Continued)

M Applying Value to FSFL Structure Separate From Real Estate

When FSFL real estate security is separate from FSFL collateral, the County Office may apply a value of no more than **20** percent of the loan amount to the structure if **all** of the following apply:

- CCC-297 is obtained from the owners of the real estate on which FSFL structure is located severing the FSFL structure from the real estate

  Note: Unless State law, as determined by the regional OGC, makes using CCC-297 unnecessary, **and** CCC is adequately protected without CCC-297.

- UCC-1 is filed on FSFL structure giving CCC first lien position

- FSFL structure **must** have resale collateral value according to subparagraphs C and N.

See Exhibit 12 to determine the value of real estate security separate from the FSFL facility.

N Resale Collateral Value

County Offices, with assistance from an FLP loan approval official, when required by subparagraph C, shall determine resale collateral value based on local market conditions and depreciation factors.

In most cases, the resale collateral value will **not** equal the outstanding loan value if the collateral is moved or sold and will be less than its fair market value. The resale collateral value **must** be a reasonable price that CCC can expect to receive if the loan has to be liquidated. A reasonable valuation will provide security for both the borrower and CCC.

Resale collateral values provided by a qualified expert, such as an FSA employee delegated chattel appraisal authority according to 1-FLP.

Notes: Additional security may be required for FSFL's with an aggregate outstanding FSFL
*****--balance equal to $50,000, or less than $100,000, if STC or COC determines that the structure has no resale value. See subparagraph C.

STC does **not** have authorization to require additional security for FSFL's with an aggregate outstanding FSFL balance of $50,000 or less.--*****

24 Security for FSFL's (Continued)

N Resale Collateral Value (Continued)

***--**Use the following table as an option when it is determined by STC or COC that all of the following apply:

- storage structure has been determined to have no resale collateral value
- the producer does not have additional security to secure FSFL.

IF the aggregate outstanding FSFL balance is…	**THEN the FSA employee with loan approval authority must determine the producer has the ability to repay FSFL and is credit worthy, and STC...**
$50,000 to $75,000	**may** determine Statewide that a downpayment of 20 percent of the eligible net costs is required. **Note:** A minimum downpayment of 15 percent is **required** according to subparagraph 27 A.
$75,000.01 to $100,000	**must** require Statewide a downpayment of 20 percent of the eligible net costs.

Notes: The new resale collateral value policy applies to FSFL's that have not been disbursed.--*****

State or County Offices **must** ensure that the additional downpayment is recorded on the FSFL disbursement calculator, according to subparagraph 28 H, and provide the following comment in FSFL Disbursement Calculator Excel worksheet, Part C:

> "An additional downpayment was required according to 1-FSFL, subparagraph 24 N policy".

CCC-297 is **not** required when the downpayment is 20 percent or more.

O Determining Security Values for Existing Structures

No security value can be given to existing structures unless the value of the property is included in an appraisal or the tax assessment statement. STC's, COC's, and/or FLP employees shall not assign a value to an existing structure based on common knowledge obtained from others in the community.

Note: Third party appraisals are acceptable according to subparagraph P.

24 Security for FSFL's (Continued)

P Real Estate Appraisal

--**To ensure that CCC is adequately secured and to prevent potential losses to the Government, the real estate value on FSFL appraisals shall be at least **100** percent of the loan amount,**-- and security that is offered for FSFL's **must** be in salable units. The required 100 percent gives CCC the needed collateral support for FSFL.

FSFL applicants may request a real estate appraisal completed by an FLP-approved appraiser at the applicant's expense. Under this option, if the appraisal is on the real estate where the structure is located, the value of the FSFL structure is included in the appraisal. If the structure is **not** on the land being offered for collateral, the value of the structure is **not** considered in the appraisal.

During the appraisal process, the appraiser is provided information from the bids the applicant has received for the structure to determine the value the structure will add to the real estate.

The appraisal **must** be:

- ***--**completed before loan **approval** or a conditional FSFL approval may be issued dependant on the appraisal**--***

- considered when the financial analysis is completed.

After the appraisal is completed, if it is determined adequate security collateral is not available, FSFL shall **not** be approved.

Third party appraisals are acceptable. The appraisal must be made on the real estate within the last 12 months of CCC-185 request by a bank or for FLP.

Note: The third party appraisal shall be at 100 percent of the loan amount and security that is offered for FSFL must be in salable units.

State Offices shall request and complete the required paperwork for appraisals according to Exhibit 13, but the entire cost of appraisals is at the applicant's expense.

Applicants may authorize the County Office to add the cost of the appraisal to the eligible net cost. If the applicant has paid for the appraisal in full before the final disbursement, the cost for the appraisal may be included in applicants required downpayment.

In **all** cases, follow Exhibit 13 to establish a receivable for the appraisal cost. The established receivable for the appraisal cost will be paid when FSFL is disbursed, if not previously paid.

24 Security for FSFL's (Continued)

*--P Real Estate Appraisal (Continued)

If an applicant requests an appraisal, the County Office shall:

- enter in CCC-185, item 18, "I request an appraisal to determine the value of the real estate and my FSFL structure to use for the required real estate security. I understand that I am responsible for the entire cost of the appraisal."

- obtain the applicants signature and date **before** requesting the appraisal.

  Note: See Exhibit 13 for detailed instructions on requesting FSFL appraisal.

Example 1: CCC-185 submitted for a $200,000 FSFL that requires additional security. An appraisal determined the value of the 60 acres, including FSFL, to be $277,500.

$277,500 - Appraised value including the structure.

$200,000 loan **X** 100 percent required security value = $200,000.

Appraised value of 60 acres, including the structure, is adequate to secure FSFL.

Example 2: CCC-185 submitted for a $200,000 FSFL that requires additional security. An appraisal determined the value of the 80 acres, including FSFL, to be $370,000. Local bank has a $120,000 mortgage on the ground where the facility is located and they will **not** subordinate.

$370,000 – Appraised value including the structure.
<u>- 120,000</u> – Bank mortgage will not subordinate but **must** sign FSA-2319.
$250,000 – Remaining value for CCC.

$200,000 loan **X** 100 percent required security value = $200,000.

Appraised value is adequate to secure FSFL.

A conditional FSFL approval may be issued dependent on the appraisal. The conditional FSFL approval must be documented in CCC-185, item 18. It must be conveyed to the applicant that CCC is **not** liable for the loan if the determined security value is not sufficient.**--***

24 Security for FSFL's (Continued)

*--Q County Tax Assessed Value

Tax assessed values differ from State to State and county to county.

FSFL applicant may use the assessed property value from the current county tax bill for a specified parcel or parcels to determine the value of real estate used for FSFL security.

If a State uses TAV on the county tax bills, that percent can be applied if the exact percent is annually documented.

TAV reflects the State and county tax equalization process. The market value on the county tax bill represents the market value of the real estate.

If the market value is **not** included on the county tax bill, the exact percent used to determine the market value must be annually documented by the County Assessor. This documentation shall be:

- attached to a copy of the applicable tax bills
- retained in FSFL folder.

The following shows various examples that may be used to compute the market value of real estate if a percent is obtained.

IF TAV or comparable percent is…	THEN to determine the market value of the real estate, multiply the assessed value times…
40	2.5000
50	2.0000
60	1.6667
65	1.5385
75	1.3334
100	1.0000

--*

24 Security for FSFL's (Continued)

*--Q County Tax Assessed Value (Continued)

Under this option, and if authorized by STC, COC may determine the value of FSFL structure to equal **up to,** but **not** exceed, **50** percent of loan amount **if** the facility is located on the property to be mortgaged.

Example: CCC-185 submitted for a $250,000 FSFL that requires additional security. STC has approved COC's to allow the value of the FSFL structure to equal 50 percent of the loan amount, or in this case, $125,000. Real estate security without any value given to the FSFL structure must equal $125,000. Current county tax bill shows the assessed value of an 80 acre parcel to be $62,500. The County Assessor provides CCC written documentation that indicates TAV is 50 percent. ($62,500 **X** 2 = $125,000)

$250,000 - FSFL amount.
- $125,000 - Value of structure STC authorizes COC to use.
$125,000 - Real estate security needed.

$125,000 - Real estate security value (TAV must equal $125,000).

In this example, CCC has first lien on the 80 acre parcel. With the structure and first lien on the 80 acres, CCC is secure.

R Additional Authorized Methods

To ensure that FSFL's are adequately secured, County Offices must use the most practicable method and be conservative in judgment when determining the value of FSFL security.

If the following methods are available by county or regional areas, it is recommended that County Offices primarily use that method. County Offices, with the assistance of an FLP loan approval official, when necessary, are authorized to use the following methods when determining value of FSFL security:

- NASS Land Values and Cash Rents Summary published annually in August

Note: The NASS Land Values and Cash Rents 2010 Summary can be obtained at **http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1446**. The NASS publications may also be available for individual States by county or regional areas.

Example: The NASS Land Values and Cash Rents 2010 Summary was used to determine the value of crop land for 2011 for FSFL No# 2011-00002. The South Carolina 2010 Cropland Value was valued at $2,520 per acre and is determined to be conservatively reasonable. Therefore, 120 acres of cropland times $2,520 equals $302,400. NASS Land Values and Cash Rents 2010 Summary, page 6 is filed in the producer's FSFL folder for reference.**--***

24 Security for FSFL's (Continued)

*--R Additional Authorized Methods (Continued)

- Market Value Estimate from an FLP loan approval official

  Note: Must be documented and cannot use appraisals from other producers.

- NIFA Farm Land Value Surveys

- Land Grant University Published Reports

- State or county published Agricultural Sales and Median Ratio Report.

  Example: 2010 Farmland Value Survey Iowa State University at **www.extension.IAstate.edu/agdm/wholefarm/html/c2-70.html**.

Important: The authorized method selected must be maintained in FSFL folder or a referenced folder and include the methodology used to determine the security value for FSFL.

If any of the authorized methods in this subparagraph are used, and if authorized by STC, COC may assign a value to the structure of no more than **50 percent** of the **loan** amount **if** the structure is located on the property to be mortgaged.

The value of the structure and real estate must equal at least 125 percent of the loan.

State and County Offices **must** request a formal DAFP waiver according to paragraph 301 for authorization **before** using a method **not** listed in this subparagraph when determining FSFL security.**--***

24 Security for FSFL's (Continued)

*--S Value of FSFL Security Approval Authority

Concurrence of determined value of FSFL security must be made according to the following.

IF loan amount is…	THEN concurrence of determined value of FSFL security must be made by…
$100,000 or less	COC.
$100,001 to $250,000	COC after DD review.
$250,001 to $500,000	STC (STC can delegate approval to SED **only**).

Note: See first table in subparagraph 2 F for exceptions applicable to FSA employees and their relatives.

A conditional loan approval may be issued dependent on an appraisal or other authorized method for determining adequate real estate security. The conditional loan approval must be documented in CCC-185, item 18. It must be conveyed to the applicant that CCC is **not** liable for the loan if the determined security value is not sufficient.

STC's may set a more restrictive Statewide policy for determining FSFL real estate security values if it is determined that the economic conditions in the State and in agriculture, in general, require such action to protect CCC's interests.**--***

25 FSFL Amount

A Maximum Amount

The maximum amount of any FSFL shall **not** exceed $500,000.

Note: Only one FSFL is allowed on a stand alone structure.

B Determining FSFL Amount and Number of Borrowers

The principal amount of any FSFL shall be 85 percent or less of the net cost of the applicant's needed storage or handling equipment, **not** to exceed $500,000 for each FSFL.

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

C Net Cost

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

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

Note: STC may establish a maximum per bushel or per unit of measure for net cost.

D Net Cost Items

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

- delivery charges
- fees, such as attorney, archaeological study, or title insurance fees
- installation costs
- material and labor for concrete pads
- material and labor for electrical wiring and electrical motors
- new on-farm material approved by COC
- off-farm paid labor

25 FSFL Amount (Continued)

D Net Cost Items (Continued)

- on-farm equipment cost not to exceed commercial rates approved by COC
- purchase price
- sales tax
- shipping charges
- site preparation costs.

Notes: The net cost shall **not** include the following:

- on-farm labor
- secondhand material
- travel expenses of the vendors.

Grants and loans from any Government Agency shall be subtracted from the FSFL amount before disbursement. See paragraph 32.

E 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 FSFL 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 FSFL amount is $53,125 ($62,500 times .85).

F Ineligible Space in a Flat Storage Structure

When a flat storage structure has space that is not used primarily for eligible commodity storage, such as office or marketing space, compute the maximum FSFL amount as follows.

Step	Action
1	Determine a factor for eligible space by dividing the square footage that is primarily used for eligible commodity 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 divided by 75,000). The maximum FSFL amount is $63,112.50 ($75,000 times .85 times .99).

26 FSFL Approvals

A Approval Expiration

FSFL approvals expire 6 months after the approval date, unless extended in writing for up to an additional 6 months by the applicable approving authority identified in subparagraph 2 F.

***--**An additional 6-month extension, for a total of 12 months from the original approval date, may be approved according to the following.

IF the total aggregate outstanding FSFL amount is…--*	**THEN approval authority is…**
less than or equal to $250,000	COC after DD review.
greater than $250,000	STC or delegated authority to SED **only**.

The delegation of authority **must** be recorded in the STC minutes.

STC's only are authorized to grant extensions of FSFL approvals beyond 12 months, not to exceed 18 months from the date of approval.

Notes: See paragraph 135 for further details of extension of approvals.

FSFL must **not** be disbursed with an expired approval date.

--**The FSFL software will now provide an initial 6-month FSFL approval period. A manual entry with initials for an additional 6-month extension, not to exceed 12 months unless authorized by STC, is required in CCC-185, item 14 C according to this subparagraph.**--

B Term Options

Borrowers may select the term of their FSFL depending on the amount borrowed.

Total principal amount term options are as follows:

- for $100,000 or less, 7 years **only**
- for $100,000.01 through $250,000, the borrower may select 7 or 10 years
- for $250,000.01 through $500,000, the borrower may select 7, 10, or 12 years.

26 FSFL Approvals (Continued)

B Term Options (Continued)

For FSFL's over $100,000, the applicant has an option in the term. The requested term **must** be specified when CCC-185 is submitted, because the required financial analysis **must** take into account the annual installment payment amount.

To support the requested FSFL amount and term, the applicant **must** provide the following information to the County Office when completing CCC-185:

- purchase order or contract
- written cost estimates.

Note: Because the term is based on total FSFL amount (85 percent of the total eligible costs), County Offices **must** keep copies of **all** documentation presented by the applicant, with CCC-185, on file to support the 10- and 12-year FSFL terms.

27 Downpayment

A Minimum Downpayment

[7 CFR 1436.10] A minimum downpayment shall be:

- 15 percent of the eligible net costs

- difference between the net cost of the storage facility and the amount of FSFL determined by paragraph 25

- made by the FSFL applicant to the supplier or contractor before the final FSFL disbursement.

***--Examples:** The net cost of the storage facility is $95,000. The producer only wants FSFL for $50,000. The downpayment will equal $45,000. In this example, evidence must be provided that $45,000 downpayment has been paid before the final FSFL can be disbursed.

The producer constructs a $75,000 storage bin with a capacity of 60,000 bushels although only eligible for a 50,000-bushel structure. 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 FSFL amount is $53,125 ($62,500 times .85). In this example, evidence must be provided that $21,875 downpayment has been paid before the final FSFL can be disbursed.

B Allowances

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

27 Downpayment (Continued)

C Exclusions

The downpayment shall **not** include any of the following:

- credit
- deferred payment
- discount
- *--grant or loan proceeds from any Government Agency (paragraph 32)--*
- post-dated check
- promissory note to the supplier or contractor
- rebate
- trade-in value.

28 Disbursements

A FSFL Disbursement Policy

So the borrowers can facilitate purchasing and constructing a facility, 1 partial and 1 final principal disbursement are available. * * * A partial disbursement is **not** required. Borrowers may request only a final disbursement when the facility has been completed.

B Partial Disbursements

One partial disbursement:

- may be requested by the borrower when a portion of the construction has been completed

- will be commensurate with the amount of construction completed

- can be disbursed at the maximum amount of 50 percent of the projected and approved total FSFL amount, **not** to exceed $250,000.

  Notes: Interest on the partial disbursement begins on disbursement.

  COC will inspect the structure before the partial disbursement to determine the portion of construction completed to use in determining the amount of the partial disbursement.

28 Disbursements (Continued)

B Partial Disbursements (Continued)

To receive the partial disbursement, the following are required **before** CCC-186 is prepared:

- acceptable documentation providing the cost of the completed portion
- security required for the principal amount **before** the partial disbursement is closed
- CCC-191's from contractors submitting bills for completed construction.

Example: The following example explains the maximum amount of the partial disbursement allowed.

--**FSFL is approved for $55,000. The applicant completes the site preparation, foundation, and the outer shell of the steel bin. Bills are presented to the County Office for $40,000. The bills presented are over half of the approved total FSFL amount. The maximum partial disbursement the borrower can receive on this FSFL is $27,500. Although additional security is required for $55,000 before the final FSFL disbursement, only one UCC-1 filing is required for the $27,500 partial disbursement.**--

If the applicant requests the partial disbursement:

- there will be two FSFL's with 2 installment payments due each year
- a separate CCC-186 will be required for each FSFL
- only 1 **manual** CCC-185 will be required for the partial and final FSFL amounts.

28 Disbursements (Continued)

B Partial Disbursements (Continued)

County Offices shall:

- assist producers with completing 1 manual CCC-185 for the total FSFL amount requested

- enter 2 separate FSFL's into the FSFL software following instructions in paragraph 353

  Notes: Currently, to process partial and final FSFL disbursements, 2 separate FSFL's are required in FSFL software. One FSFL for 50 percent of the requested FSFL total will be initially entered into the FSFL software for the partial disbursement, and another FSFL for the other 50 percent of the requested FSFL amount will be entered into the FSFL software for the final disbursement.

  Because the exact amount of the partial and final FSFL disbursements cannot be determined before the structure is completed, it may be necessary to increase or decrease the approved and obligated amounts for each FSFL when the total for each disbursement has been determined.

- enter the approval date and amount for each FSFL when the requested facility has been approved by COC or STC

- see paragraph 24 for FSFL security requirements for FSFL's with partial and final disbursements

- see paragraph 30 for application fees for FSFL's with partial and final disbursements

- ***--**complete an FSFL disbursement calculator, according to subparagraph F, before disbursing the partial disbursement. The FSFL disbursement calculator must be filed in the producer's FSFL folder.**--***

C Final Disbursements

CCC will disburse FSFL or make the final disbursement when:

- the **entire** facility has been:

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

- all security requirements have been met.

28 Disbursements (Continued)

C Final Disbursements (Continued)

The borrower may change the FSFL term before the final FSFL disbursement **if**:

- the principal amount qualifies for a different FSFL term
- a new financial analysis indicates the annual payments will be manageable.

The final FSFL disbursement must subtract all grants and loans on the same structure from any Government Agency.

--**An FSFL disbursement calculator must be completed, according to subparagraph F, before disbursing the final disbursement. The FSFL disbursement calculator must be filed in the producer's FSFL folder.**--

Example: RD grants and loans.

If a partial disbursement has been issued, the FSFL term on the amount disbursed **cannot** be adjusted because CCC-186 establishing the interest rate and FSFL term has already been completed and the lien perfected.

Note: If a partial disbursement has been issued, and the final disbursement amount indicates that FSFL was approved at a longer term than should have been allowed, the final disbursement will be allowed to be made at the term originally determined if documentation is on file supporting the original FSFL term in the form of the following:

- written estimates from **all** suppliers
- purchase order or contract.

Example: The following example explains when a longer FSFL term then is authorized is allowed.

Documentation presented by the applicant indicates that the entire facility will cost $120,000. The amount eligible for FSFL is 85 percent or $102,000. This principal amount qualifies for the FSFL term of 7 or 10 years. The applicant requested, when CCC-185 was submitted, a 10-year FSFL term. When the final costs are presented, the total cost of the facility is $116,000 of which 85 percent is $98,600. The FSFL term for this amount is only 7 years. Because the original FSFL term was based on **written** estimates from all suppliers, the 10-year FSFL term is allowed.

Note: COC **must** document, on a case-by-case basis, approval for using the longer FSFL term in both the FSFL folder and COC minutes. Documentation supporting initial approval of the longer FSFL term **must** be maintained in the FSFL folder.

28 Disbursements (Continued)

*--D FSFL Disbursement Calculator

The FSFL disbursement calculator was created to assist State and County Offices in calculating the final FSFL project costs and downpayment needed for FSFL.

When all final bills are received, County Offices **must** access the FSFL disbursement calculator, according to subparagraph E, and enter the appropriate information to document and calculate the final FSFL project costs and FSFL downpayment.

County Offices **must** complete and:

- attach a printout of the completed FSFL disbursement calculator to CCC-197
- file an FSFL disbursement calculator printout in the producer's FSFL file folder **before** a partial or final FSFL is disbursed.

E Accessing the FSFL Disbursement Calculator

The FSFL disbursement calculator:

- must be accessed and completed on a computer running Microsoft Excel 2007 software
- is available from the PSD web site located at **http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=flp-fp**. Under "Hot Links", CLICK "Disbursement Worksheet".

Manual calculation must **only** be used when the FSFL disbursement calculator is unavailable. A second party review according to subparagraph G applies.

F Using the FSFL Disbursement Calculator

County Offices must enter the following required data in the applicable fields:

- applicant's name
- FSFL number
- estimated FSFL amount
- type of disbursement (partial/final)**--***

28 Disbursements (Continued)

F Using the FSFL Disbursement Calculator (Continued)

- eligible receipts for this FSFL that include the following:

  - vendor/contractor name
  - if vendor/contractor was paid in full (yes/no)
  - total amount of bill
  - payment method (check/money order/credit card/cash)

- comments, if applicable. Ineligible items may be listed in the comments.

Notes: The project cost, 85 percent final disbursement amount, 15 percent minimum downpayment, or required downpayment if $500,000 loan amount, will be automatically calculated. The producer may provide funds to the County Office to lower the 85 percent final disbursement amount. The County Office must manually enter into the disbursement calculator the funds received from a Federal grant or loan, or additional downpayment from the producer. If funds were received from a Federal grant or loan, the funds should be captured in CCC-197, Part D according to subparagraph 134.5 E.

If the final loan amount exceeds the FSFL estimated and obligated amount, the County Office **must** review FSFL to determine whether a new financial analysis is needed. Additional funding may be required.

G Secondary Review

All data entered into the FSFL disbursement calculator shall be reviewed and verified by a second person to ensure data accuracy. The preparer and secondary reviewer shall enter their *****--initials and the date the data was prepared and reviewed on CCC-195A, item 9D or CCC-195B, item 9D. All discrepancies discovered during the review **must** be corrected--***** **before** closing FSFL.

28 Disbursements (Continued)

*--H Example of FSFL Disbursement Calculator Excel Worksheet

The following is an example of the FSFL Disbursement Calculator Excel worksheet.

Farm Storage Facility Loan (FSFL) Disbursement Calculator

FSFL Applicant	

Part A - FSFL Information

FSFL Number	2012/00002
FSFL Estimated Loan Amount (Amount Approved on CCC-185)	$500,000.00
What type of disbursement?	Partial/Final Final

Part B - Enter Eligible Receipts for this FSFL

Item #	Vendor/ Contractor	Was the Vendor/ Contractor Paid in Full? enter "Yes/No"	Total Amount of Bill	Payment Method: Check/Money Order/Credit Card/Cash
1)	C and G Contractors	No	$100,000.00	Credit card
2)	Sand and Gravel	Yes	$17,000.00	Money order
3)	Kerry's Hardware	Yes	$50,000.00	Check
4)	Jim and Patty's Construction	Yes	$12,120.56	Credit card
5)	Home Depot	Yes	$10,645.00	Money order
6)	Williams Electrical Supply	No	$25,000.89	Check
7)	Kelly's Concrete	Yes	$33,000.00	Credit card
8)	Jack and Jill Construction	Yes	$470,000.00	Check
9)				
10)				
11)				
12)				
13)				
14)				
15)				
16)				
17)				
18)				
19)				
20)				
21)				
22)				
23)				
24)				
25)	Federal Grant or Loan (if applicable)		$125,000.00	
26)	Project Cost		$592,766.45	
27)	Maximum Disbursement Amount (lesser of 85% or $500K		500,000.00	
28)	Minimum Downpayment (15%)		92,766.45	
29)	Producer Additional Downpayment (if applicable)		5,000.00	
30)	Total Downpayment		97,766.45	
31)	Maximum Final Loan Amount		$495,000.00	*If necessary, an increase in the final loan amount may be available after a financial review, if requested by the borrower.

IMPORTANT: Item 30 must be reviewed carefully to determine if the required 15% minimum downpayment or 20% downpayment (optional) was received of the project cost (item 26).

Part C - Comments

Important: File this disbursement calculator in the applicant's loan folder.

*The preparer and reviewer must initial on CCC-195, item 16D that the disbursement calculator was prepared before issuing the FSFL.

--*

28 Disbursements (Continued)

I Inspection and Approval

[7 CFR 1436.11] CCC shall disburse the final FSFL disbursement when:

- the farm storage facility has been:
  - assembled
  - constructed
  - delivered
  - installed
  - inspected, approved by COC representative, and documented on CCC-295A
  - determined to be free of liens other than CCC's by a final lien search
- all security requirements have been met.

J Evidence of Total Cost

The final 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 FSFL amount
- required downpayment
- completed and signed CCC-191's from all contractors.

K Joint Disbursements

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.

29 Interest Rate

A FSFL Interest Rate

--[7 CFR 1436.12]** The interest rate for FSFL shall be the rate:**--

- equivalent to Treasury securities of a comparable term in effect during the month of the initial FSFL approval
- in effect for the FSFL term
- ***--**the same for a partial and final disbursement.**--***

B Monthly Announcements

Interest rates may be different for the 7-, 10-, or 12-year terms and will be:

- updated monthly
- published on FSA's Internet web site
- posted in County Offices
- automatically downloaded to the FSFL interest rate table in the County Office software.

30 Application Fees

A County Office Action

County Offices shall:

- charge FSFL applicants a nonrefundable application fee of $100 per borrower per FSFL
- collect the application fee when CCC-185 is submitted.

Notes: The application fee is necessary to cover the cost to CCC of making FSFL's. These fees include the following:

- UCC-1 filings
- lien searches
- credit reports.

If the producer elects the partial and final disbursement option, only 1 application fee is required even though there are 2 separate FSFL's.

A spouse is **not** required to pay a separate FSFL application fee if required by State law to sign the FSFL security documents, and is **not** an eligible producer on a farm whose production is used to determine FSFL eligibility.

The application fee for assumptions must be collected and is the fee in effect at the time the assumption is requested.

See subparagraph 312 B for the correct program code when an application is accepted in one FY but the loan is not approved until the next FY.

30 Application Fees (Continued)

B Multiple Borrowers

A husband and wife would be considered 2 borrowers and each charged an application fee if both are receiving farm program payments on the farm whose production is used to determine FSFL eligibility.

Note: If a spouse does **not** receive a share of the farm program payment and is only signing CCC-186 because of a State or STC requirement, only 1 fee is required.

Farming entities, excluding joint ventures that are paid under one TIN, will be considered 1 applicant and charged 1 application fee.

A borrower who is requesting a partial disbursement shall be charged 1 application fee even though CCC is disbursing two FSFL's.

31 FSFL Signature Authority Documentation Requirements

A FSFL Signature Authority for Individuals

The FSFL Program shall follow FSA signature authority requirements for individuals according to 1-CM.

B Entity Signature Authority for FSFL's

The signature authority for **all** forms and documents for FSFL's for corporations, limited partnerships, limited liability companies, and other similar entities is a copy of any of the following applicable documents:

- the corporate charter, bylaws, articles of organization, operating agreement, or partnership papers executed according to State law, that designates officers, members, or managers as authorized signatories

- resolution by the corporation's board of directors signed by the corporation's secretary, or an officer, other than the signatory being extended signature authority

31 FSFL Signature Authority Documentation Requirements (Continued)

B Entity Signature Authority for FSFL's (Continued)

- corporate minutes signed by the corporation's secretary, or an officer, other than the signatory being extended signature authority.

Notes: A copy of the required documentation **must** be obtained and kept on file in the County Office.

The entire document presented does **not** have to be maintained. However, all applicable pages that identify the entity, pertinent authority, and any limitations, etc., **must** be maintained.

If the intent of the resolution is to extend signature authority to all officers of a corporation, then all officers must sign the resolution.

Exception: For a **1-person corporation**, that person is authorized to sign for the corporation by default if documentation, such as a corporate charter, is on file in the County Office that does **both** of the following:

- identifies the "1 person"
- validates that 100 percent of the corporation's shares are held by that "1 person".

It is the respective entity's responsibility to:

- inform County Offices of all changes in signature authority
- ensure that current documentation is provided accordingly with respect to FSFLP requirements.

31 FSFL Signature Authority Documentation Requirements (Continued)

B Entity Signature Authority for FSFL's (Continued)

The identification or list of officers and/or shareholders of a corporation does **not**, by itself, provide sufficient evidence of who has authority to act on behalf of the corporation.

Certain properly executed and completed affidavits, on file in a County Office before July 20, 2004, have been used as evidence of signature authority. These affidavits shall continue to be honored as evidence of signature authority by State and County Offices. In addition, all affidavits filed after July 18, 2001, must be witnessed by an FSA employee, or notarized, to be considered acceptable.

County Offices shall review CCC-902E, Part C to ensure that members and their respective shares have **not** changed if FSA-211 or an affidavit executed before July 20, 2004, is used as evidence of signature authority.

An agent may:

- redelegate the authority to sign FSFL forms and documents for a corporation, limited partnership, limited liability company, or other similar entity
- grant this authority according to the following table.

IF the entity documents…	**THEN the…**
allow for redelegation of signature authority	person authorized to sign for the entity according to subparagraph A may redelegate their authority to an agent on FSA-211. **Important:** The person authorized to sign for the entity according to this subparagraph shall **not** redelegate this authority if the entity documents do **not** allow for redelegation of signature authority. **Example 1:** The XYZ Corporation charter designates Mary Brown as the corporate officer with signature authority for the corporation. The corporate charter provides that the authority to sign for XYZ Corporation may be redelegated. Mary Brown may redelegate her signature authority for XYZ Corporation to an agent by completing FSA-211. **Example 2:** The ABC Corporation charter designates Mike Jones as the corporate officer with signature authority for the corporation. The corporate charter does **not** indicate that the authority to sign for ABC Corporation may be redelegated. Mike Jones shall **not** redelegate his signature authority for ABC Corporation.

31 FSFL Signature Authority Documentation Requirements (Continued)

B Entity Signature Authority for FSFL's (Continued)

IF the entity documents…	THEN the…

do **not** allow for redelegation of signature authority	following may be used to authorize an agent to sign for the entity for:
	
	• corporations, either of the following:
	
	  • FSA-211 signed by all officers
	
	  • resolution of the board of directors, signed by an officer of the corporation, providing name of agent authorized to sign for the corporation
	
	• limited partnerships and other similar entities, FSA-211 signed by all members of the entity
	
	• limited liability companies, FSA-211 signed by all members or authorized managers.
	
	Notes: Certain properly executed and completed affidavits, on file in a County Office before July 20, 2004, have been used as evidence of signature authority. These affidavits shall continue to be honored by State and County Offices. In addition, all affidavits filed after July 18, 2001, must be witnessed by an FSA employee, or notarized, to be considered acceptable.
	
	County Offices shall review CCC-902E, Part C to ensure that members and their respective shares have **not** changed if FSA-211 or an affidavit executed before July 20, 2004, is used as evidence of signature authority.
	
	Example: The ABC Corporation charter designates Mike Jones as the corporate officer with signature authority for the corporation. The corporate charter does **not** indicate that the authority to sign for ABC Corporation may be redelegated. Mike Jones shall **not** redelegate his signature to sign for ABC Corporation. However, an agent may be authorized to sign for ABC Corporation if **all** officers of ABC Corporation sign FSA-211.

31 FSFL Signature Authority Documentation Requirements (Continued)

C Joint Venture Signature Authority for All FSFL's

Members of a joint venture may appoint an individual on FSA-211 to **request** FSFL on CCC-185. **All** members of the joint venture must sign FSA-211. Members of the joint venture are appointing an attorney-in-fact to act on behalf of the joint venture.

Note: If an attorney-in-fact has **not** been appointed on FSA-211 to act on behalf of the joint venture, all members must sign CCC-185.

All members of a joint venture, including spouses if required by State law, are required to sign the following FSFL security documents:

- CCC-186
- CCC-186-1
- CCC-193
- CCC-193-D
- CCC-298
- CCC-400
- all other real estate lien forms approved for use by a State regional attorney
- UCC-1, if signatures required.

Note: FSA-211 for the joint venture does **not** authorize the appointed person to sign for individual members on FSFL security documents.

County Offices shall review CCC-902E, Part C or CCC-901, Part A for joint ventures for member names to ensure that all members have signed FSA-211 and all applicable FSFL security documents.

31 FSFL Signature Authority Documentation Requirements (Continued)

C Joint Venture Signature Authority for All FSFL's (Continued)

Determine acceptable evidence of signature authority for a joint venture as an entity according to the following table.

IF the individual signing for the joint venture is…	THEN acceptable evidence of authority is a valid FSA-211 signed by…
a member of the joint venture	all members of the joint venture for CCC-185 **only**. **Note:** Certain properly executed and completed affidavits, on file in a County Office before July 20, 2004, have been used as evidence of signature authority. These affidavits shall continue to be honored by State and County Offices if the members and their respective shares are unchanged. In addition, all affidavits filed after July 18, 2001, must be witnessed by an FSA employee, or notarized, to be considered acceptable.
an agent	all members of the joint venture.

The following are examples of FSFL signature requirements for joint ventures.

Example 1: ABC Joint Venture has a permanent TIN and is comprised of Jane Black, Bob Green, and Mike Brown.

ABC Joint Venture is the owner and operator of a farm and submits CCC-185. FSA-211 is on file is the County Office authorizing Mike Brown to sign for ABC Joint Venture. For CCC-186 and all applicable security documents listed in this subparagraph, all 3 members, including spouses if required by State law, will be required to sign. FSFL disbursement will be issued to ABC Joint Venture using their permanent TIN.

Example 2: DEF Joint Venture does **not** have a permanent TIN and is composed of Mike Smith and Tom Williams.

DEF Joint Venture is the operator of a farm and submits CCC-185. Because DEF Joint Venture does **not** have a permanent TIN, CCC-185 must be submitted in the names of the 2 members with Mike Smith designated as the contact borrower. Both members shall be listed as co-applicants on all FSFL documents. Both members, including spouses if required by State law, will be required to sign CCC-186 and all applicable security documents listed in this subparagraph. FSFL disbursement will be issued under Mike Smith's TIN as the contact borrower.

31 FSFL Signature Authority Documentation Requirements (Continued)

D General Partnership Signature Authority for FSFL's

For all FSFL's issued to general partnerships, the partnership must provide the Articles of Partnership. If no Articles of Partnership are available, IRS documents, such as Form 1065 (Schedule K-1), showing members and their respective shares may be used. A written statement identifying all members and shares of the partnership and signed by all members of the partnership may be used as acceptable documentation the first year the partnership is in effect or if the membership of the partnership has changed and the partnership has **not** filed any IRS forms.

Notes: Certain properly executed and completed affidavits, on file in a County Office before July 20, 2004, have been used as evidence of signature authority. These affidavits shall continue to be honored by State and County Offices. In addition, all affidavits filed after July 18, 2001, must be witnessed by an FSA employee, or notarized, to be considered acceptable.

Before November 20, 2006, general partnerships that did **not** have an individual authorized to act on behalf of the general partnership could execute FSA-211 to appoint an attorney-in-fact to act on behalf of the general partnership and bind all members. FSA-211's executed before November 20, 2006, according to these instructions, shall continue to be honored as acceptable evidence of signature authority by State and County Offices. The general partnership will be required to provide additional documentation only if the structure and/or membership of the general partnership changes.

County Offices shall review CCC-902E, Part E to ensure that members and their respective shares have **not** changed if FSA-211 executed before November 20, 2006, or an affidavit executed before July 20, 2004, is used as evidence of signature authority.

Any member of a general partnership may:

- sign for the general partnership
- bind all members unless the Articles of Partnership are more restrictive.

Note: This policy is adopted by FSA because the majority of States have laws that provide for this; however, this is **not** the case for any other business enterprise.

A member of a general partnership may:

- execute FSA-211 to appoint an attorney-in-fact to act on behalf of the general partnership
- bind all members, unless the Articles of Partnership restrict member's authority.

31 FSFL Signature Authority Documentation Requirements (Continued)

E Estate, Trust, Conservatorship, or Guardianship Signature Authority for FSFL's

For an individual to sign FSFL forms and documents as administrator, executor, trustee, guardian, receiver, or conservator, evidence of authority consisting of 1 of the following documents that was executed according to State law is required:

- court orders of appointment
- court-approved certificate or letter of administration
- trust agreement or last will and testament that established the trust
- similar document approved by the regional attorney.

These documents, except trust agreements and documents approved by the regional attorney, shall contain the following:

- signature of an officer of the issuing court

- certification by an officer of the issuing court that the evidence of authority is in full force and effect.

F Charitable and Tax-Exempt Organization Signatory Authority for FSFL's

Either of the following documents will authorize an individual to sign on behalf of a charitable organization, church, society, or fraternal organization on all FSFL forms and documents:

- letter of authorization signed by either of the following:

  - legal head of the church or organization
  - head of the local church body, if applicable

- FSA-211 on which individuals authorized in this subparagraph may redelegate authority to an agent.

31 FSFL Signature Authority Documentation Requirements (Continued)

G Indian Tribe Signatory Authority for FSFL's

On all FSFL forms and documents for an Indian tribe, a copy of tribal bylaws designating members authorized to sign and bind other members of the venture will be required to authorize a member to sign and obligate other members of the Indian tribal venture.

Note: Certain properly executed and completed affidavits, on file in a County Office before July 20, 2004, have been used as evidence of signature authority. These affidavits shall continue to be honored by State and County Offices. In addition, all affidavits filed after July 18, 2001, must be witnessed by an FSA employee or notarized to be considered acceptable.

H Spouse and Attorney-in-Fact Signatory Authority for Entities and Joint Operations

For any of the following entities and joint operations: corporations, limited partnerships, limited liability companies, joint ventures, general partnerships, estates, trusts, conservatorships, guardianships, charitable/tax exempt organization, Indian tribes, or sole proprietorships:

- spouses shall **not** sign on behalf of each other as an authorized signatory
- individuals who are appointed an attorney-in-fact for another individual shall **not** sign for that individuals as an authorize signatory.

Example: Joe Blue is a member of B Inc. The charter for B Inc. authorizes Joe Blue to sign for the corporation. Joe Blue's spouse shall **not** sign for Joe Blue as the authorized signatory for B Inc. Joe Blue appointed Mary Smith as his **personal** attorney-in-fact on FSA-211. Mary Smith shall **not** sign for Joe Blue as the authorized signature for B Inc.

31 FSFL Signature Authority Documentation Requirements (Continued)

H Spouse and Attorney-in-Fact Signatory Authority for Entities and Joint Operations (Continued)

Spouses may sign on behalf of each other's **individual** interest in a corporation, limited partnership, limited liability company, joint venture, or other similar entity; unless a written notification denying a spouse this authority is provided to the County Office. Individuals who are appointed as an attorney-in-fact for another individual may sign for that **individual's** interest in a corporation, limited partnership, limited liability company, joint venture, or other similar entity.

Examples: Jane Brown is a member of JBB Inc. The corporate charter for JBB Inc. requires all members to sign documents for the corporation. Jane Brown's spouse may sign for Jane Brown's individual member interest in the corporation. Jane Brown appointed Mike Black as her personal attorney-in-fact on FSA-211. Mike Black may sign for Jane Brown's individual member interest in the corporation.

Jack Green is a member of JJJ Joint Venture. All members of JJJ Joint Venture signed FSA-211 appointing Jack Green attorney-in-fact for the joint venture. Jack Green's spouse shall **not** sign for Jack Green as the authorized signatory for JJJ Joint Venture. Jack Green appointed Bill Brown as his personal attorney-in-fact on FSA-211. Bill Brown shall **not** sign for Jack Green as the authorized signatory for JJJ Joint Venture.

Jill White is a member of EE Joint Venture. No member of EE Joint Venture is authorized to sign for the joint venture and bind all members; therefore, all members must sign documents for the joint venture. Jill White's spouse may sign for Jill White's individual interest in the joint venture. Jill White appointed Mike Jones as her personal attorney-in-fact on FSA-211. Mike Jones may sign for Jill White's individual interest in the joint venture.

I Sole Proprietorship Signatory Authority

A sole proprietorship is a business operation conducted by an individual under a name other than the name of the individual. This individual may sign all FSFL forms and documents for the business operation if a signed CCC-902E, Part C lists only this 1 individual as a member of the proprietorship.

32 FSFL Policy on Other Grants and Loans

A Duplication and Reporting of Benefits

In general, and subject to program regulations and statutory authority, programs administered by FSA do **not** allow for duplicating benefits.

All financial assistance from all sources must be identified before the final disbursement, so FSA can ensure that there is no possible duplication of benefits.

B FSFL's

In general, and subject to program regulations and statutory authority, programs administered by FSA do **not** allow for the duplication of benefits.

All financial assistance from all sources must be identified to FSA before the final loan disbursement.

IF the County Office is ready to make the final FSFL disbursement and the borrower…	**THEN the…**
has been approved for or received a grant or loan from another Government agency for the same building or structure, for the same or overlapping time period	amount of the grant or loan **must** be subtracted from the total eligible cost of FSFL **before disbursement**. **Note:** If the grant or loan was included in the FSFL amount, this would be a duplication of benefits and **not** allowed under FSA programs.
uses a non-Government loan for the required downpayment for FSFL	County Office shall ensure that the loan was accounted for when determining the borrower's ability to repay FSFL.

Note: If there is a possible duplication of benefits on a previously disbursed FSFL, County Offices shall:

- follow subparagraph 158 F for the applicable procedure for notification and demand letters
- prepare and send all FSFL notification and demand letters. The National Receipts and Receivables System does **not** prepare notification and demand letters for FSFL until the loan collateral has been liquidated.

32 FSFL Policy on Other Grants and Loans (Continued)

B FSFL's (Continued)

Example: The total cost of an FSFL structure is $100,000. The producer receives a USDA RD REAP grant for $25,000 for the same structure for the same or overlapping time period. The REAP grant is subtracted from the total cost of the structure. The producer is required to contribute at least 15 percent, or in this example $11,250, of their own money to the project. The maximum amount the producer can receive for FSFL shall be $63,750 as follows.

$100,000	Total cost of structure
- $25,000	REAP grant received for the same structure
$ 75,000	Maximum FSFL amount before required downpayment
- $11,250	Required 15 percent downpayment
$ 63,750	Total eligible amount allowable for FSFL

C Applicable Grant and Loan Amounts

There may be costs associated with securing a Government grant or loan. The following are examples of eligible costs, with documentation, that may be subtracted from the grant or loan amount to be applied to FSFL.

- **Grant writer fee** – Grant writers are being hired to write grant proposals for many Government grants. The fee charged by the grant writer is either a flat fee or a percentage of the final grant.

- **Energy audits** – REAP grants and loan applicants may be required to provide and pay for an energy audit for their proposed project. If a REAP grant or loan is approved, the cost of the energy audit may be subtracted from FSFL.

Example: An approved FSFL applicant has hired a grant writer to prepare the grant proposal for a $250,000 grain storage facility. The fee charged by the grant writer is 10 percent of the final grant award. The REAP grant is awarded for $62,500. The grant recipient owes the grant writer $6,250. The applicable grant amount for FSFL purposes is $56,250. This amount must be subtracted from the total cost of the structure, as follows.

$250,000.00	Total cost of structure
- $56,250.00	REAP grant received less the grant writer fee
$193,750.00	Maximum FSFL amount before required downpayment
- $29,062.50	Required 15 percent downpayment
$164,687.50	Total eligible amount allowable for FSFL

33 Lobbying Activity Provisions

A Applicability

Lobbying disclosure requirements apply to applicants and recipients of FSFL proceeds exceeding $150,000.

B Filing Forms

FSFL recipients **must** file the form specified in this table for **each** FSFL exceeding $150,000.
***--**

IF monies received have…	**THEN…**
not or will **not** be used to lobby or otherwise influence the actions of a Federal official about a particular FSFL	CCC-674 is not required because CCC-186, item 11 contains lobbying disclosure certification language. Loan applicants certify to compliance when signing CCC-186.
or will be used to lobby or otherwise influence the actions of a Federal official about a particular FSFL	file SF-LLL (subparagraph C). CCC-674 is not required because CCC-186, item 11 contains lobbying disclosure certification language. Loan applicants certify to compliance when signing CCC-186. **Note:** File SF-LLL-A if applicable (subparagraph D).

--*

33 Lobbying Activity Provisions (Continued)

* * *

C Example of SF-LLL

The following is an example of SF-LLL.

Approved by OMB No. 0348-0046

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See Reverse for public burden disclosure.)

1. Type of Federal Action: ☐ a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	**2. Status of Federal Action:** ☐ a. bid/offer/application b. initial award c. post-award	**3. Report Type:** ☐ a. initial filing b. material change **For Material Change Only:** year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: ☐ Prime ☐ Subawardee Tier _____, *if known:* **Congressional District,** *If known:*	**5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:** **Congressional District,** *If known:*	
6. Federal Department/Agency:	**7. Federal Program Name/Description:** CFDA Number, *if applicable*:	
8. Federal Action Number, *If known:*	**9. Award Amount,** *If known:* $	
10. a. Name and Address of Lobbying Registrant *(If individual, last name, first name, MI):*	**b. Individuals Performing Services** *(Including address if different from No. 10a)* *(last name, first name, MI):*	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less that $10,000 and not more than $100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

33 Lobbying Activity Provisions (Continued)

C Example of SF-LLL (Continued)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred, Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be a prime or subaward receipt. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks :Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes,

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.

10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in Item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name and Middle Initial (MI).

11. Certifying official shall sign and date the form, print his/her name, title and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are 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 OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

33 Lobbying Activity Provisions (Continued)

D Example of SF-LLL-A

The following is an example of SF-LLL-A.

DISCLOSURE OF LOBBYING ACTIVITIES
CONTINUATION SHEET

Approved by OMB
0348-0046

Reporting Entity:_____ Page _____ of _____

Authorized for Local Reproduction
Standard Form--LLL-A

33 Lobbying Activity Provisions (Continued)

E County Office Action

County Offices shall follow procedures in this table **each** time FSFL exceeding $150,000 is ***--**requested and the borrower will use the loan process to lobby or otherwise influence the actions of a Federal official according to subparagraph B.**--***

Step	Action
1	Provide the borrower a copy of *** * *** SF-LLL and SF-LLL-A with instructions to complete and return the applicable form to the County Office.
2	Disburse FSFL **after** the applicant or borrower returns the completed *** * *** SF-LLL or SF-LLL-A, as applicable, to the County Office.
3	File the original *** * *** SF-LLL and SF-LLL-A in the FSFL folder in the County Office.

Examples: A borrower is approved for FSFL totaling $160,000. FSFL's for a partial disbursement of $75,000 and a final disbursement of $85,000 are made. *** * *** SF-LLL is needed for the final disbursement, and both FSFL numbers shall be referenced.

A borrower is approved for FSFL totaling $400,000. FSFL's for a partial disbursement of $200,000 and a final disbursement of $200,000 are made. *** * *** SF-LLL is needed for **each** disbursement.

F Assistance

For situations **not** covered in this paragraph, County Offices shall contact PSD through their State Office price support specialist for additional assistance.

*--34 Asphalt Flooring for FSFL Structures With Commodities Harvested as Other Than Whole Grain

A Asphalt Flooring

Documentation from a number of land-grant universities, in certain regions, has concluded that asphalt flooring:

- is acceptable for use in storage pads for agricultural commodities
- has proven to be even more resilient than concrete in bunker silos and storage pads
- is successful only if constructed properly.

FSFL applicants requesting to use asphalt flooring in structures to store corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain, shall be:

- advised by the County Office that asphalt flooring must be constructed according to specific specifications in subparagraph B

  Note: If not constructed according to the specific specifications, approval and/or FSFL disbursement is not authorized.

- informed that the STC or STC designated SED are the approval authority for FSFL's with asphalt flooring

- notified that additional security equal to the loan amount is required for all FSFL's with asphalt flooring used to store CCC Charter Act Commodities harvested as other than whole grain.

B Specifications for Asphalt Flooring

The following specifications must be followed for asphalt flooring for hay, renewable biomass structures and STC or STC designated SED approval of FSFL flooring for corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain:

- 6- to 12-inch well-packed crushed gravel base with drainage both inside and outside the footing to prevent water from getting under the asphalt

- 4 to 6 inches of high-grade asphalt, including 3 to 5 inches of fine material and 1 inch of very fine material--*

34 Asphalt Flooring for FSFL Structures With Commodities Harvested as Other Than Whole Grain (Continued)

B Specifications for Asphalt Flooring (Continued)

- compacted at least twice with a 20-ton roller:
  - first with a vibrating roller
  - second with a finishing roller to remove ripples
- sealed with an asphalt sealer.

Note: COC's or their designee will be responsible for monitoring construction to ensure that the asphalt flooring is constructed according to **all** the specifications in this subparagraph. STC will determine the number of field visits the county shall make to monitor construction.

C Required FSFL Spot Checks of Asphalt Flooring

County Offices are required to periodically conduct collateral checks of all outstanding FSFL's according to 1-FSFL, subparagraph 163 A.

To ensure that asphalt flooring is being properly maintained, County Offices must make a field visit and conduct a collateral check of all FSFL's using asphalt flooring:

- at least once every other year

•*****--and complete CCC-195 Servicing, item 12 E to document the field visit, and record remarks in item 16.--*****

Note: In addition, County Offices shall annually verify:

- structural and flood insurance
- multi-peril crop insurance.

D STC Action

For FSFL's storing corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain, STC's shall:

- determine with the assistance of their land-grant university and the National Institute of Food and Agriculture if asphalt is a viable option instead of concrete in their State
- advise their County Offices that asphalt flooring is acceptable only if properly constructed
- approve on a case by case basis, CCC-185 requests for using asphalt flooring
- require additional security for FSFL's with asphalt flooring.

34 Asphalt Flooring for FSFL Structures With Commodities Harvested as Other Than Whole Grain (Continued)

E COC and County Office Action

For FSFL's storing corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain, COC's and County Offices shall:

- inform FSFL applicants requesting to use asphalt flooring in their structures:
  - that STC approval, on a case-by-case basis is required
  - of construction specifications required for asphalt flooring according to subparagraph B
  - of required additional security required for using asphalt flooring
- submit each CCC-185 to STC for approval before construction.

*--35 FSFL's for Honey

A Eligible Honey Floral Sources

The following provides honey floral sources that are eligible for FSFL.

Note: The eligible floral sources are the same as for MAL and LDP.

Floral Sources	
Alfalfa	Mangrove
Apple	Manzanita
Aster	Mesquite
Athel	Mint
Avocado	Orange
Basswood	Partridge Pea
Bird's-foot Trefoil	Raspberry
Blackberry	RattanVine
Blueberry	Safflower
Brazil Brush	Sage
Brazilian Pepper	Salt Cedar (Tamarix Gallica)
Buckwheat	Saw Palmeto
Cabbage Palmetto	Snowberry
Catsclaw	Sourwood
Chinese Tallow	Soybean
Clover	Spanish Needle
Cotton	Spikeweed
Dandelion	Star Thistle (Barnaby's Thistle)
Eucalyptus	Sunflower
Fireweed	Sweet Clover
Gallberry	Titi
Goldenrod	Toyon
Heartsease (Smartweed)	Tulip Poplar
Horsemint	Tupelo
Huajillo	Vetch
Kiawe	Western Wild Buckwheat
Knapweed (American)	Wild Alfalfa
Lima Bean	Wild Cherry
Loosestrife	Yaupon
Macadamia	

--*

*--35 FSFL's for Honey (Continued)

B Determining Honey Storage Need

Applicants must show a need for the honey storage capacity as determined by the following formula.

Step	Action
1	Determine the average of the applicant's share of honey production for the most recent 3 years of honey requiring storage at the proposed location.
2	COC shall determine whether the average annual production is reasonable. See subparagraph C.
3	Determine honey storage space needed to store 1 year's honey crop with the assistance of NIFA, land-grant university, or ARS publications. See subparagraphs C and D.
4	Determine capacity of proposed structure using the worksheet in Exhibit 8 or other verifiable documentation. All documentation used must be verifiable and kept in the loan folder. See subparagraph E.
5	Compare capacity of proposed honey facility with storage needed to determine whether applicant is eligible for additional storage.

Note: The honey storage need requirement will be determined based on previous production for 1 year, and the honey storage need will be determined to allow the storage of 1 year's honey production.

C Determining Reasonable Commodity Production/Yield

COC's must determine whether the applicant's production/yield for honey from subparagraph B, step 1 is reasonable.

COC's shall use the following resources in determining a reasonable yield:

- NIFA in the State
- land-grant university located in the State or neighboring State
- ARS publications
- NASS reports
- detailed producer records for past 3 years.

Notes: If the honey producer participated with NAP, documentation may be provided to assist with the producer's honey production.

County Offices may review the NASS Honey Annual Report, which contains the number of colonies producing honey, yield per colony, honey production, average price, price by color class, and value by State in the United States.

County Offices can review the latest NASS Honey Annual Report at **http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1191**.--*

***--35 FSFL's for Honey (Continued)**

D Determining Honey Storage Needed

An applicant's needed honey storage can be determined with the assistance of NIFA, land-grant universities, ARS publications, and NASS reports.

Applicable laws, regulations, construction codes, and zoning restrictions can also affect the size of a facility and where it can be located.

The following must be determined before defining the size of honey storage needed:

- volume of product to store
- honey containers
- volume required per container
- aisle space needed
- lateral and head space
- available site space.

Note: Honey stored in jars (processed) is considered ineligible for FSFL storage.

E Determining Capacity of Honey Structure

Capacity of the proposed structure can be obtained from the contractor constructing the honey storage facility. The applicant shall provide this information to the County Office.

F Eligible Structures

FSFL-financed honey storage structures must be used for the purpose for which the structure was constructed, assembled, or installed for the entire term of the loan. This requirement is applicable to all FSFL storage structures.

Honey storage facilities, with a useful life of at least 15 years, may be approved for financing a new facility, or additions/modifications to an existing storage facility, if CCC determines there is a need for the capacity of the structure.

FSFL eligible storage structures for honey must be:

- built of such quality that the structure can be insured
- built to protect the honey from sunlight and rain
- built to support snow load for the area
- properly drained.

Honey storage facilities must be built according to acceptable design guidelines from NIFA or land-grant universities.**--***

***--35 FSFL's for Honey (Continued)**

G Eligible Components

FSFL's financed for honey may include the following:

- safety equipment meeting OSHA requirements
- equipment to maintain and monitor the quality of stored honey, such as heat detectors
- electrical equipment
- concrete aprons essential to proper facility operation
- flooring:
    - suitable for the region where the facility is located
    - designed according to acceptable guidelines from NIFA or land-grant universities
    - made to avert water so the floor does **not** retain moisture.

H Eligible Items for Honey FSFL's

The net costs for honey FSFL's may include the following:

- approved electrical lighting and wiring
- archaeological study or attorney fees
- eligible equipment to maintain and monitor commodity quality
- installation costs
- new material and labor for concrete pads or other approved and acceptable flooring
- off-farm paid labor
- purchase price and sales tax of new structure or materials
- shipping and delivery charges
- site preparation costs.**--***

***--35 FSFL's for Honey (Continued)**

I Ineligible Structures and Components

The following, but not limited to the following, are ineligible for honey FSFL's:

- controlled atmosphere structures and components
- handling and processing equipment
- freezer units
- portable handling and cooling equipment
- portable or permanent weigh scales
- portable structures, including structures on wheels
- storage containers
- structures of temporary nature that require the weight or bulk of the honey stored to maintain its shape
- structures **not** suitable for honey storage.**--***

36-40 (Reserved)

Part 3 Publicizing FSFLP

41 Publicity Requirements

A State Office Action

State Offices are encouraged to publicize the availability of FSFL's by:

- providing press releases and fact sheets to regional news media within the State
- informing regional farm storage facility distributors about the basic FSFL provisions
- informing regional banks and other farm lending institutions about basic FSFL provisions
- providing basic FSFLP 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 FSFL by:

- providing basic FSFLP 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 FSFL
- informing local banks and other farm lending institutions about the availability of FSFL.

42 Internet Web Sites

A PSD Web Site

PSD shall provide FSFL fact sheets on PSD's web site at **www.fsa.usda.gov/FSA/newsReleases?area=newsroomandsubject=landingandtopic=pfsandnewstype=prfactsheetandtype=detailanditem=pf_20090817_insup_en_fsfl.html**.

B Forms Web Sites

Forms are available from the following web sites:

- FFAS Employee Forms/Publications Online web site at **http://intra3.fsa.usda.gov/dam/ffasforms/forms.html**

- USDA Service Center Agencies eForms web site at **http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home**.

C FSFL Interest Rate Web Site

FSFL interest rates for the current month are available on PSD's web site at **www.fsa.usda.gov/FSA/webapp?area=homeandsubject=prsuandtopic=flp-fp**.

43-50 (Reserved)

Part 4 Accepting and Preparing CCC-185's

Section 1 CCC-185's and Supporting Information

51 CCC-185's

A Initial Contact

Use the following table for paragraph references to topics in this handbook.

Topic	Reference
Compliance with local land use law	Paragraph 70
Disbursements – partial and final	Paragraph 28
Downpayments	Paragraph 27
Eligible commodities	Paragraph 20
Eligible storage facility types	Paragraph 19
Environmental evaluation and assessment	Paragraphs 81, 82, and 83
FSFL funding availability	Subparagraph 127 A
Insurance – crop, all-peril structural, and flood	Paragraph 69
Interest rates	Paragraph 29
Maximum FSFL amount	Paragraph 25
Producer eligibility	Paragraph 12
Repayments	Paragraph 158
Security types and filings	Paragraph 24
Storage needs	Paragraph 15

B Obtaining Forms and Filing CCC-185's

Applicants:

- may obtain forms from the web sites provided in paragraph 42
- must hand carry the CCC-185 package to the County Office for discussion and submission
- shall **not** FAX signed CCC-185's.

51 CCC-185's (Continued)

C Accepting CCC-185's

County Offices shall:

- assist the applicant in manually completing CCC-185 and obtain the applicant's signature
- collect the application fee before accepting CCC-185 and deposit immediately
- ensure that **all** of the following are completed **before** approving CCC-185:
  - CCC-185
  - supporting documents include, but are **not** limited to, the following:
    - AD-1026
    - CCC-10
    - CCC-901
    - CCC-902
    - FSA-2004
    - FSA-2037 or similar form
    - FSA-2038 or similar form
    - written authorization of access
    - location of structure marked on plat map or aerial photograph
    - dimensions of proposed structure
    - a contract with a buyer, if requesting a renewable biomass FSFL

    *** * ***
    - building plan or detailed drawing
    - planting history, if not on file
    - purchase orders
    - cost estimates
- for accepted forms missing information, notify the applicant in writing granting 15 workdays to provide missing information. If no response, refer CCC-185 to COC for disapproval and provide the appeal rights
- discuss key program provisions with the applicant.

51 CCC-185's (Continued)

D Preparing CCC-185's

County Offices shall:

- complete a manual CCC-185 for the entire loan amount
- enter CCC-185 in APSS according to paragraphs 338 and 353, if applicable.

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 PSD can request additional apportionments.

CCC-185-1 is available on the FFAS Employee Forms/Publications Online web site to use if additional lines are necessary to list all of an applicant's farms and commodities in determining storage needs. See paragraph 42.

E Completing Manual CCC-185's

Prepare manual CCC-185's 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. Enter the number assigned when entered in APSS.
2A	Enter full name and complete address, including ZIP Code of the FSFL applicant and any co-applicants.
2B	Enter the last 4 digits of TIN applicable to name or entity applying.
2C	Enter telephone number of the applicant.
3A	Enter amount needed and requested for FSFL based on accurate estimates of net costs or eligible materials. The amount should equal the lesser of new cost times 85 percent or net cost minus downpayment. Attach an itemized contract, purchase order, or written cost estimate showing breakdown of storage, refrigeration, drying or handling items, materials, and labor for installation.
3B	Enter the FSFL term requested by the borrower according to paragraph 25.
4	Explain FSFL's purpose. **Example:** To purchase and construct a 50,000 bushel grain storage bin with aeration floor and grain spreader.

51 CCC-185's (Continued)

E Completing Manual CCC-185's (Continued)

Item	Instructions
5A	Enter all FSA farm numbers where eligible and applicable 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/Publications Online web site to list additional farms and commodities in determining storage needs.
5B	Enter applicable FSFL commodities that are produced on the farm. If FSFL commodity will be grown for the first time, it may be entered. See Exhibit 14 for codes for new commodities.
5C	Enter up to a 3-year average acreage calculated from the most recent FSA-578's: • if 3 years data is **not** available, use whatever years exist • if FSFL commodity is being planted for the first time, or a farm is newly acquired but crops are **not** yet planted, enter a reasonable projected acreage • if a farming operation has recently reorganized and the same individuals are farming the same land, use the cropping history for the original operation to determine the need for the newly created operation • if storage is for silage, enter the acreage harvested as silage **Note:** This may be different than that shown as intended use on FSA-578. • if storage is for hay or renewable biomass storage, enter the acreage harvested as hay or renewable biomass • if storage is for FAV's, enter only the applicable acres.
5D	Enter a yield per acre that is determined to be reasonable by COC for each FSFL commodity. Indicate yields for each commodity using the same unit of measure.
5E	Multiply item 5C times item 5D for each FSFL commodity on each farm listed.
5F	Total the amounts in item 5E.
5G	For all eligible commodities **except** FAV's, multiply the estimated production total in item 5F times 2, for 2 years storage capacity. For cold storage facilities for FAV's, only 1 year storage capacity is eligible. Enter the amount from item 5F.

51 CCC-185's (Continued)

E Completing Manual CCC-185's (Continued)

Item	Instructions
5H	Enter applicable suitable existing storage that is now used for commodities listed in item 5B. **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	Enter result of item 5G minus item 5H to determine the additional capacity needed.
5J	Enter capacity of the proposed structure. For all commodities, this is the same unit of measure (bushels, tons, pounds) that was used in items 5E and 5F.
5K	Enter result of item 5I minus item 5J to determine the eligibility and proration indicator. If the result is a negative number, follow subparagraph 25 E to prorate net cost. If the result is zero or positive, no further action is required.
6	Enter date the facility was purchased or will be purchased. Obtain copies of all invoices and contracts if the facility has been purchased.
7	Enter name of the company from whom the facility and equipment will be or was purchased.
8	Enter date the facility and equipment was or will be delivered to the proposed site.
9	Enter name of the company who will construct or install the facility and equipment.
10	Enter date the facility and equipment was or will be delivered to the proposed site.
11	Enter legal description for the site where the facility and equipment will be constructed to be used on UCC-1's. **Note:** The description automatically transfers to CCC-186 when printed.
12A	Enter full name of the owner of the real estate.
12B	Enter any applicable real estate lien information. **If there are no lienholders, enter "none" and obtain the applicant's initials and date.**
13	The applicant certifies for DCIA compliance by checking (✓) "yes" or "no".
13A and B	Applicant or contact producer shall sign and date.
13C and D	Co-applicant shall sign and date.

51 CCC-185's (Continued)

F FSFL Folders

County Offices shall:

- prepare a 6- or 8-position or similar folder for each CCC-185

  Note: When there are separate FSFL's for partial and final disbursements, all documents for both FSFL's shall be filed in the same folder.

- file all applicable documents in the folder

  Note: See Exhibit 15 for a **suggested** filing guide.

- safeguard the original CCC-186 and all security documents in a custody file according to 25-AS.

51 CCC-185's (Continued)

G Example of Manual CCC-185

The following is an example of a manual CCC-185, page 1.

*--

This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-185 (02-12-13) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation

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

FOR COUNTY USE ONLY		
1. LOAN IDENTIFICATION NUMBER		
A. State Code	B. County Code	C. Loan No.
36	123	2013/00001

2A. Name and Address of Loan Applicant *(Including ZIP Code)*	2B. Tax Identification No. *(last 4 digits)*	2C. Telephone No. *(Including Area Code)*
Smith Farms, Inc. 202 State Road 245 Pen Yan, NY 14527	9420	123-555-5550
	3A. Requested Loan Amount	3B. Requested Loan Term
	$ 60,000.00	7

4. Purpose of Loan *(For example, loan to purchase, construct, erect, install or remodel the farm storage facility.)*
To purchase and construct a 50,000 bushel grain storage bin with aeration floor and grain spreader.

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)*
350	corn	300	X	100	=	30,000
790	corn	200	X	100	=	20,000
350	soya	100	X	40	=	4,000
790	soya	100	X	40	=	4,000
			X		=	
			X		=	
				F. Total Production from Item 5E.		58,000
				G. Total Estimated Production Times Applicable Years		116,000
				H. Existing Capacity		40,000
				I. Additional Capacity Needed		76,000
				J. Capacity of Proposed Storage Structure Described in Item 4.		50,000
				K. Eligibility and Proration Indicator (Item 5I *minus* Item 5J)		26,000

6. Date Facility Equipment Purchased or Tentative Purchase Date *(MM-DD-YYYY)* 10-10-20XX	7. Name of Company Where Facility Equipment Was Purchased The Bin Company
8. Date Facility Equipment Erected or Installed or Tentative Date to Erect or Install *(MM-DD-YYYY)* 10-10-20XX	9. Name of Company That Erected or Installed the Facility Equipment The Bin Company
10. Date Facility Equipment Was/Will Be Delivered to the Farm *(MM-DD-YYYY)* 10-15-20XX	11. Location of Real Estate on Which Facility Equipment Was/Will Be Erected or installed NW 1/4 sec. 16 Beuton Twp. 13 miles of Pen Yan, NY on State Road 245
12A. Name of Owner of Real Estate in Item 11 *(If Other than Applicant)* NONE	12B. Lien Information *(Name of Person Having a Lien or Interest in the Real Estate)* NONE

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. Applicants are aware that credit reports will be requested on all applicants and co-applicants. By signing below, I acknowledge that, as a condition for the FSFL, I am required annually to provide proof of payment of real estate taxes, crop insurance or NAP; and all-peril and flood insurance, if required.

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 (By)	B. Title/Relationship of the Individual if Signing in a Representative Capacity	C. Date of Application *(MM-DD-YYYY)*
/s/ James Smith	President	10-01-20XX
D. Signature of Co-applicant (By)	E. Title/Relationship of the Individual if Signing in a Representative Capacity	F. Date of Application *(MM-DD-YYYY)*

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51 CCC-185's (Continued)

H Completing Manual CCC-185-1's

CCC-185-1 is only used when additional lines are needed to list additional farms and commodities in determining storage needs. Prepare manual CCC-185-1's 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. Enter the number assigned when entered in APSS.
5A	Enter all FSA farm numbers where eligible and applicable facility commodities are produced and require storage at the proposed storage location.
5B	Enter applicable FSFL commodities that are produced on the farm.
5C	Enter up to a 3-year average acreage calculated from the most recent FSA-578's. See subparagraph E, item 5C for additional information.
5D	Enter a yield per acre that is determined to be reasonable by COC for each FSFL commodity. Indicate yields for each commodity using the same unit of measure.
5E	Multiply item 5C times item 5D for each FSFL commodity on each farm listed.
	The debtor and co-debtor must initial and date at the bottom of CCC-185-1.

51 CCC-185's (Continued)

I Example of Manual CCC-185-1

The following is an example of a manual CCC-185-1.

This form is available electronically.

CCC 185-1
(08-17-09)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

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

Privacy Act Statement on Page 2

FOR COUNTY USE ONLY		
1. LOAN IDENTIFICATION NUMBER		
A. State Code	B. County Code	C. Loan No.

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)*
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
			Total: Include this amount in Item 5F, Form CCC-185	

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for CCC financing for farm storage and drying equipment. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage And Drying Equipment Loan Program.*

This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration).

The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

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--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B--

A County Office Action

County Offices shall process CCC-185 packages as follows.

<table>
<tr><th>Step</th><th colspan="2">Action</th></tr>
<tr><td>1</td><td colspan="2">Collect the $100 application fee per applicant and accept a completed CCC-185.</td></tr>
<tr><td>2</td><td colspan="2">Conduct a lien search when there is a sufficient description of facility and equipment. Obtain CCC-10, if not already on file. Once eligibility is determined, file UCC-1 on the collateral.</td></tr>
<tr><td rowspan="3">3</td><td>IF real estate lien is…</td><td>THEN…</td></tr>
<tr><td>required</td><td>inform the applicant that he or she must obtain a CCC-approved attorney or title company for title clearance. The attorney or title company should perform all lien searches.</td></tr>
<tr><td>not required</td><td>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 CCC-297’s must be obtained.</td></tr>
<tr><td>4</td><td colspan="2">*--Determine the storage need for increased storage capacity based on existing--* storage availability and cropping history.</td></tr>
<tr><td>5</td><td colspan="2">Obtain and analyze a credit history report.</td></tr>
<tr><td>6</td><td colspan="2">An FSA employee with FLP loan approval authority shall:

• complete a financial analysis
• provide a written recommendation to verify the applicant has financial ability to:

  • provide downpayment
  • pay future installments.</td></tr>
<tr><td>7</td><td colspan="2">Obtain CCC-190 for waivers of prior liens on collateral, such as the storage structure, if applicable. See Exhibit 16.</td></tr>
<tr><td>8</td><td colspan="2">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 FSFL closing. See paragraph 130 and Exhibit 10.</td></tr>
<tr><td>9</td><td colspan="2">Verify the applicant answered the DCIA question in CCC-185, item 13.</td></tr>
<tr><td>10</td><td colspan="2">Complete FSA-850.</td></tr>
<tr><td>11</td><td colspan="2">For FSFL’s secured by real estate, complete FSA-851.</td></tr>
<tr><td>12</td><td colspan="2">*--Verify whether the site is located in a flood hazard area. Complete FSA-850--* for all FSFL’s.</td></tr>
<tr><td>13</td><td colspan="2">Obtain proof of multi-peril crop insurance.</td></tr>
<tr><td>14</td><td colspan="2">Verify compliance with HEL and WC provisions.</td></tr>
<tr><td>15</td><td colspan="2">Verify compliance with local land-use laws.</td></tr>
<tr><td>16</td><td colspan="2">Verify that applicant has not been convicted of growing controlled substances.</td></tr>
<tr><td>17</td><td colspan="2">Verify completion of CCC-901 and CCC-902.</td></tr>
</table>

*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

B Using CCC-195's, CCC-195A's, and/or CCC-195B's

CCC-195, CCC-195A, and CCC-195B were developed to assist State and County Offices to avoid the types of errors that have been found by COR reviews. See subparagraph:

- D for an example of CCC-195
- F for an example of CCC-195A
- H for an example of CCC-195B.

CCC-195 is required to be completed for **all** FSFL's. In addition to CCC-195, CCC-195A (security) or CCC-195B (no security) will be used after it is determined that the loan requires additional security.

It is **not** the intent of CCC-195, CCC-195A, or CCC-195B to supersede or replace procedure. County Offices are **required** to use CCC-195, CCC-195A, and CCC-195B, as applicable, as reminders of the most frequently "erred" determinations when completing FSFL.

State Offices shall:

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

  Note: The current version of CCC-195, CCC-195A, and CCC-195B are available on the FFAS Employee Forms/Publications Online Website.

- e-mail State CCC-195's, CCC-195A's, and CCC-195B's that differ from the national CCC-195, CCC-195A, and CCC-195B to Toni Williams at **toni.williams@wdc.usda.gov** for National Office approval

- issue **only** National Office-approved CCC-195, CCC-195A, and CCC-195B to County Offices.

County Offices shall:

- prepare CCC-195, CCC-195A, and CCC-195B received from the State Office for each FSFL that was **not** disbursed as of the date of receiving CCC-195, CCC-195A, and CCC-195B

- maintain CCC-195 and CCC-195A or CCC-195B in each FSFL folder

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

- for items that are **not** applicable, CHECK (✓) "**N/A**", initial, and date--*

*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

B Using CCC-195's, CCC-195A's, and/or CCC-195B's (Continued)

- obtain all required signatures on CCC-195 and CCC-195A or CCC-195B at FSFL disbursement.

  Note: For FSFL's **not** disbursed at the time the most current revision of CCC-195, CCC-195A, and CCC-195B are posted, attach a copy of the most current CCC-195 and CCC-195A or CCC-195B to the partially completed CCC-195 and CCC-195A or CCC-195B.

C Completing CCC-195's

Complete CCC-195 according to the following table.

Item	Instructions
1	Enter applicant's name. If a joint FSFL, a separate CCC-195 is required for **each** applicant.
2	Enter date CCC-185 is signed.
3	Enter APSS-assigned FSFL number that is FY and FSFL number.
4	Enter State where facility equipment will be located.
5	Enter county where FSFL will be processed.
6A through 15O	For each item listed, check (✓) either "Yes" or "No". The employee completing the action shall initial and date. If item is **not** applicable to this FSFL, check (✓) "**NA**". The employee determining the action is **not** applicable shall initial and date.
16A	Any County Office employee who initials in items 6 through 15 is required to sign as a preparer. Signing as the preparer does not insinuate that an employee checked items 6 through 15, only that the employee completed an item that was initialed by the employee.
16B	County Office employee who signs item 16A shall enter the current date.
17A through 17C	STC designee or CED shall indicate whether they concur with how items 6 through 15 are completed. STC designee or CED shall review CCC-195's for all FSFL's. STC designee or CED who completed item 17A shall sign item 17B. STC designee or CED who signed item 17B shall date item 17C. **Note:** If CED was 1 of the preparers who completed items 16A and 16B then CED shall **not** complete this section. STC designee shall complete items 17A through 17C for all CED-prepared FSFL's.
18	Remarks by STC designee or CED about the loan.

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

D Example of CCC-195

The following is an example of CCC-195.

This form is available electronically.

CCC-195 (03-10-14) U.S. Department of Agriculture Commodity Credit Corporation	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

Office Staff Actions:	Applicable References *(1-FSFL (Rev. 1))*	YES	NO	N/A	Initials	Date
6. While Working with Producer:						
A. Discuss key program provisions with applicant including provision that application must be approved before construction, insurance requirements, filing and search needs and who pays fees.	*Subparagraph 51C*					
B. Complete **all items on** front side of manual CCC-185 (Loan Application and Approval for Farm Storage and Drying Equipment Loan Program). Applicant must initial Item 12B, if applicable, and answer DCIA question in Item 13.	*Paragraph 51*					
C. Collect application fee of $100.00 per borrower and correctly record the application fee in NRRS.	*Paragraphs 30 & 312*					
D. Enter application into APSS. If partial disbursement is requested, enter 2 separate applications.	*Subparagraph 51D & paragraphs 338 & 353*					
E. Schedule a farm visit to complete FSA-850 and, if applicable FSA-851.	*Paragraphs 82, 83 & Handbook 1-EQ*					
F. Obtain copy of contracts, cost breakdown, or estimates for all proposed work.	*Subparagraphs 10C, 51C & 51E*					
G. Obtain copy of site plans, if available, and building plan for hay and renewable biomass structures.	*Subparagraphs 10C & 20A*					
H. Obtain copy of any building permits or zoning variances, if applicable.	*Subparagraph 12A & paragraph 70*					
I. Obtain proof of crop insurance or if sales period is over, ensure waiver statement for current year is in remarks on CCC-185 and initialed by producer.	*Subparagraphs 12A & 69A, B, C, & D*					
J. Obtain financial statement that is less than 90 days old on FSA-2037, FSA-2038 or similar form.	*Paragraph 53*					
K. 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 CCC-10 is not on file.	*Paragraph 58*					
L. **Remind** applicant that delivery, site preparation and construction cannot begin until after the loan is approved.	*Subparagraph 10D*					
M. Inform applicant that any other government funding (including RD grants and loans) must be subtracted from the net loan amount.	*Subparagraph 25D & paragraph 134.5*					
N. Verify the date of birth of the applicant. If the applicant is a minor, ensure that a financially responsible adult will co-sign CCC-186.	*Subparagraph 12C*					
7. Application Processing:						
A. Immediately deposit application fee through NRRS using XXFSFLFEES in **Direct Sales** XX represent the FY the FSFL was approved.	*Paragraph 312 & Exhibit 35*					
B. Prepare an 8-position or similar folder for each CCC-185.	*Subparagraph 51F*					
C. For applications lacking required information, notify applicant in writing.	*Subparagraph 51C*					
D. Order applicable credit report.	*Paragraph 54*					
E. Obtain verification of debts and assets, if applicable, using FSA-2015 (Verification of Debts and Assets).	*Subparagraph 53F*					
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	*Paragraph 31*					

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

D Example of CCC-195 (Continued)

CCC-195 (03-10-14) Page 2 of 4

Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
8. Determine Loan Amount, Storage Need and Equipment Eligibility:						
A. Determine maximum loan amount not to exceed $500,000. **"Padding"** the loan is not authorized.	*Paragraph 25, Subparagraph 338B*					
B. Review CCC-185 and verify storage need.	*Paragraphs 15, 16 & 17*					
C. Verify eligibility of proposed structure and equipment.	*Paragraphs 19, 20, 21, & 22*					
9. Applicant Eligibility:						
A. Verify DCIA compliance by checking applicant certification on CCC-185 and CCC or FSA Receivable records in NRRS.	*Subparagraphs 12A, 51E, 52A, & paragraph 55*					
B. Verify compliance with controlled substance provisions by checking the controlled substance field in the producer's eligibility record.	*Subparagraph 12A Handbooks 3-PL, paragraph 32, & 1-CM, Part 30*					
C. Producer of an eligible facility loan commodity.	*Paragraphs 12 & 13*					
D. Demonstrates the need for increased storage capacity.	*Paragraphs 15,16, & 17*					
E. Verify proof of crop insurance and/or NAP coverage for applicable commodities.	*Subparagraphs 12A, 69A, B, & C*					
F. Verify producer does not have a crop insurance violation according to 7 CFR Part 718.	*Subparagraph 12A*					
10. Lien Searches and Filing UCC's:						
A . Complete lien search for all UCC's and any judgments. If a mortgage is not needed, conduct real estate lien search to determine need for severance agreements. (Document on Form FSA-2360.)	*Paragraphs 24, 56 & 57*					
B. Obtain legal description of parcel facility will be placed on.	*Paragraph 24, subparagraphs 10C & 51E*					
C. Obtain legal description of parcel(s) of land to be offered as security, such as described on a tax bill, if applicable.	*Paragraphs 24 &131*					
D. File UCC financing statement according to State law before, or as soon as possible after, the equipment is delivered to the proposed location.	*Paragraph 56*					
E. Obtain lien waivers on CCC-190 (Farm Storage Facility Loan Program Lien Waiver), if applicable.	*Subparagraphs 52A & 56B, & Exhibit 16*					
11. Ability to Repay: Individual with FLP Loan approval authority shall:						
A. Review a balance sheet and cash flow plan for the current year showing that enough cash is available to make the required down payment.	*Subparagraph 53D*					
B. Review a balance sheet and cash flow plan showing that there are funds available to pay the first installment amount.	*Subparagraph 53E*					
C. Determine credit worthiness by requesting and reviewing credit reports.	*Paragraph 54*					
D. Prepare written recommendation to COC/STC, indicating whether applicant is creditworthy and has ability to make down payment and pay future installments.	*Subparagraphs 53G & 115C*					
12. Environmental and Historic Reviews:						
A. Visit the site **before** site preparation and complete FSA-850 (Environmental Evaluation Checklist).	*Paragraphs 82, 83 & Handbook 1-EQ*					
B. Complete FSA-851 (Environmental Risk Survey Form) for loans secured by real estate.	*Paragraphs 82, 83 & Handbook 2-EQ*					

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

D Example of CCC-195 (Continued)

CCC-195 (03-10-14) Page 3 of 4

Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
12. Environmental and Historic Reviews: ***(Continued)***						
C. Notify State Historic Preservation Officer according to guidelines in applicable EQ directives. Notify Fish and Wildlife Service of proposed action, if applicable.	*Subparagraph 81B*					
D. Verify HEL and WC compliance with copy of the most current AD-1026 (Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification).	*Subparagraphs 12A & 51C*					
E. Verify compliance with any zoning ordinances or building permits.	*Subparagraph 12A & paragraph 70*					
F. Conduct further reviews as required, such as Class II Environmental Assessments.	*Paragraphs 81, 82 & 83 & Handbooks 1-EQ & 2-EQ*					
G. Review applicable flood maps and prepare FSA-850. Notify applicant if flood insurance will be required.	*Subparagraphs 12A & 69G*					
13. Collateral Security:						
A. Determine if applicant has other outstanding FSFL's. If the total outstanding loan balance with this loan exceeds $100,000, additional security is required.	*Subparagraph 24C*					
B. Determine need for severance agreements and/or subordinations.	*Paragraph 130*					
C. Determine if collateral has resale value. If no resale collateral value, additional security may be required.	*Subparagraphs 24C, 24N & 115A*					
D. Prepare a recommendation to COC/STC for collateral security requirements and present prior to approval.	*Subparagraphs 24C & 115A*					
E. Determine if a CCC-195A or CCC-195B is required for closing the FSFL.	*Paragraph 52*					
14. Loan Approval:						
A. Refer application to appropriate approval official.	*Subparagraph 2F*					
B. Date of Executive Meeting Minutes (date: _____)	*Subparagraph 115B*					
C. Applicant meets all eligibility requirements, including creditworthiness and ability to repay.	*Paragraphs 53 & 55 & subparagraph 115A*					
D. Proposed facility or renovation is eligible and needed.	*Subparagraph 115A*					
E. Yields and acreage used to calculate storage need are reasonable.						
F. Environmental conditions of the site do not place CCC at risk.						
G. District Director review of loan and concurrence of approval **before** COC approval, if aggregate outstanding loan balance is between $100,000.01 and $250,000.	*Subparagraphs 2F & 115B*					
H. Type of collateral security required. Enter on CCC-185, Item 17.	*Subparagraphs 115A & 116A*					
I. Approved or denied by signature on reverse of CCC-185. If denied, enter zero in Item 14A.	*Subparagraphs 115B,116A & B*					
J. Enter conditions of approval, such as all peril insurance or flood insurance, in CCC-185 remarks section.	*Subparagraphs 115A & 116A*					
K. If the application is one of first 3 received each FY or because of STC policy, refer application to STC or designee to review before disbursement.	*Subparagraph 52E*					

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

D Example of CCC-195 (Continued)

CCC-195 (03-10-14) Page 4 of 4

Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
15. Approval Processing by Office Staff:						
A. Record approval and funding through APSS. Queue FSFL Detail Transmission Report.	*Subparagraph 340C & paragraph 351*					
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 116C.	*Subparagraphs 116B, 128A, & 352B*					
C. Remind applicant that all peril structural insurance, listing CCC as loss payee, and possibly, flood insurance, on the structure and equipment will be required.	*Paragraph 69*					
D. 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 127B & paragraph 129*					
E. Notify applicant that loans cannot be disbursed **until construction is complete**, final net cost is determined, and the facility is inspected.	*Subparagraphs 127A & B, paragraphs 28, 133 & 134*					
One partial disbursement not to exceed 50% of loan obligation is allowed.	*Paragraph 28*					
F. Discuss filing and recording fees and who pays each fee.	*Subparagraph 24I*					
G. If applicable, issue disapproval letter.	*Subparagraphs 115B & 128B*					
H. Monitor approval expiration date. Obtain and act on requests for extension of approval by STO, if applicable. FSFL must not be disbursed with an expired approval date. County offices must notify the borrower 14 workdays before the expiration date that they must request an extension in writing.	*Paragraphs 26 and 135*					
I. File UCC financing statement on collateral if not already filed.	*Paragraph 56*					
J. 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.	*Paragraph 130 & subparagraph 131E, Exhibits 10 & 18*					
K. Obtain release of liability on CCC-191 (FSFL Program Release of Liability) from all Contractors/suppliers submitting bills.	*Subparagraph 133E & F*					
L. Obtain proof of all peril structural insurance (CCC as loss payee), crop insurance, and current real estate tax.	*Paragraph 69, subparagraphs 127A & B*					
M. Verify UCC's, severance agreements, and subordinations have been filed and recorded.	*Subparagraphs 127A & 131E, & paragraph 130*					
N. If applicable, obtain equipment lien waivers, on CCC-190, before loan is disbursed.	*Subparagraph 56B & Exhibit 16*					
O. Has form SF-LLL been obtained for FSFL disbursement, if applicable.	*Paragraph 33*					

Certification:

16A. Signature of Preparer*(s)*	16B. Date *(MM-DD-YYYY)*

17A. I concur/do not concur the above items have been verified and updated. ☐ Concur ☐ Do Not Concur

17B. STC Designee or CED Signature (Required for all Loans)	17C. Date *(MM-DD-YYYY)*

18. Remarks

19. **Important:** STC or STC designee shall review the first 3 FSFL's received and before disbursed each FY beginning on October 1.

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at ***http://www.ascr.usda.gov/complaint_filing_cust.html****, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at* ***program.intake@usda.gov****. USDA is an equal opportunity provider and employer.*

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

E Completing CCC-195A's

Complete CCC-195A according to the following table.

Item	Instructions
1	Enter applicant's name. If a joint FSFL, a separate CCC-195A is required for each applicant.
2	Enter date CCC-185 is signed.
3	Enter APSS-assigned FSFL number that is FY and FSFL number.
4	Enter State where facility equipment will be located.
5	Enter county where FSFL will be processed.
6	Enter date of loan approval.
7	Enter date loan approval expires.
8A through 11C	For each item listed, check (✓) either "Yes" or "No". The employee completing the action shall initial and date. If item is **not** applicable to this FSFL, check (✓) "**NA**". The employee determining the action is **not** applicable shall initial and date.
12A	Any County Office employee who initials in items 8 through 11 is required to sign as a preparer. Signing as the preparer does not insinuate that an employee checked items 8 through 11, only that the employee completed an item that was initialed by the employee.
12B	County Office employee who signs item 12A shall enter the current date.
13A through 13C	STC designee or CED shall indicate whether they concur with how items 8 through 11 are completed. STC designee or CED shall review CCC-195A's for all FSFL's. STC designee or CED who completed item 13A shall sign item 13B. STC designee or CED who signed item 13B shall date item 13C. **Note:** If CED was 1 of the preparers who completed items 12A and 12B then CED shall **not** complete this section. STC designee shall complete items 13A through 13C for all CED-prepared FSFL's.
14	Remarks by STC designee or CED about the loan.
15	If this FSFL is 1 of the first 3 FSFL's received in FY, according to subparagraph I, STC designee shall review FSFL **before** disbursement. To document the review, the reviewer shall notate FSFL has been reviewed by writing, "This review was required according to 1-FSFL, subparagraph 52 I" then sign and date the notation.

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

F Example of CCC-195A

The following is an example of CCC-195A.

This form is available electronically.

CCC-195A (03-10-14) U.S. Department of Agriculture Commodity Credit Corporation	1. Name of Applicant	
	2. Date of Application *(MM-DD-YYYY)*	3. Loan No.
FARM STORAGE FACILITY LOAN (FSFL) SECURITY CHECKLIST	4. State Office Name	5. County Office Name
	6. Date of Loan Approval *(MM-DD-YYYY)*	7. Approval Expiration Date *(MM-DD-YYYY)*

Office Staff Actions:	Applicable References *(1-FSFL (Rev. 1))*	YES	NO	N/A	Initials	Date
8. Closing Loans Secured by Real Estate:						
A. Provide borrower with letter to select title company and legal Services.	*Subparagraph 129A*					
B. Obtain completed CCC-296 (Farm Storage Facility Loan Program Certification of Attorney) from attorney.	*Subparagraphs 129B & C*					
C. Obtain completed CCC-299 (Title Opinion - Farm Storage Facility Loan Program) from attorney.	*Subparagraphs 129D & E*					
D. Review Title Opinion and update security requirements, if needed.	*Subparagraphs 129E & F*					
E. Issue closing notification to borrower.	*Subparagraph 129G*					
F. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.	*Subparagraph 127B & paragraph 366*					
G. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.	*Subparagraph 127B & paragraph 367*					
H. If Treasury check(s) required for disbursement (suppliers have not been paid): • request check(s) • when check(s) received, schedule closing within 21 days of payment request • print CCC-186, verify interest rate correct, and complete loan closing.	*Paragraph 368*					
I. Send transmittal of title information.	*Subparagraph 129F*					
J. Prepare Real Estate Mortgage for FSFL Program on CCC-193 or FSFL Deed of Trust on CCC-193D.	*Paragraph 131*					
K. Issue closing instruction letter with applicable documents and CCC checks to closing agent on day loan will be disbursed/closed.	*Subparagraph 129G*					
L. Receive and review loan closing statement from closing agent.	*Subparagraph 129H*					
M. The County Office must perform the final lien search within 5 workdays before FSFL closing and initial and date action was completed on CCC-195.	*Subparagraph 127B*					
9. Pre-Disbursement Document Review:						
A. Partial ☐ or Final ☐	*Paragraphs 28 and 134.5*					
B. Obtain completed CCC-197 (Final Farm Storage Facility Loan Program Cost Certification) from borrower(s).	*Paragraph 134.5*					
C. Complete the FSFL disbursement calculator for a partial and/or final disbursement.	*Subparagraph 28D*					
D. Second party review of FSFL disbursement calculator.	*Subparagraph 28G*					

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

F Example of CCC-195A (Continued)

CCC-195A (03-10-14) Page 2 of 2

10. Partial Loan Disbursement (if applicable):						
A. Approved applicant requests partial disbursement.	*Subparagraph 28B*					
B. Inspect and verify the amount of construction completed. Document on CCC-295A (FSFL Program Final Inspection of Facility before Loan Disbursement).	*Paragraph 134*					
C. Approved applicant supplied acceptable documentation for that portion (up to 50%) of construction completed.	*Subparagraph 28B*					
D. Determine if Disbursement will be made to borrower only or if Treasury checks are required for joint disbursement.	*Paragraph 366*					
If payment to borrower only, print CCC-186 and request payment on day of closing. Verify correct interest rate printed in Item 3.	*Paragraph 367*					
If Treasury check(s) required for other payees: • Request checks • When check(s) received, schedule closing within 21 days after payment request • Print CCC-186 and verify correct interest rate printed in Item 3.	*Paragraph 368*					
E. Obtain borrower signatures. Obtain signature of CCC representative with authority to sign. **Note:** Verify if a minor is signing CCC-186.	*Subparagraph 2F, 12C & paragraph 31*					
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	*Paragraph 31*					
11. Final Disbursement:						
A. Obtain evidence of final net cost and compute final loan amount. be sure: • 15% minimum down payment amount has been paid to suppliers • 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 (original evidence returned to borrower)	*Paragraphs 27, 28 & 133*					
B. Inspect the complete facility and document results on CCC-295A (FSFL Program Final Inspection of Facility Before Loan Disbursement).	*Paragraph 134*					
C. Adjust funding obligation (if needed).	*Paragraphs 354 & 355*					

Certification:

12A. Signature of Preparer*(s)*	12B. Date *(MM-DD-YYYY)*

13A. I concur/do not concur the above items have been verified and updated. ☐ Concur ☐ Do Not Concur

13B. STC Designee or CED Signature (Required for all Loans)	13C. Date *(MM-DD-YYYY)*

14. Remarks

15. **Important:** STC or STC designee shall review the first 3 FSFL's received and before disbursed each FY beginning on October 1.

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

*If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at **http://www.ascr.usda.gov/complaint_filing_cust.html**, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at **program.intake@usda.gov**. USDA is an equal opportunity provider and employer.*

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

G Completing CCC-195B's

Complete CCC-195B according to the following table.

Item	Instructions
1	Enter applicant's name. If a joint FSFL, a separate CCC-195B is required for each applicant.
2	Enter date CCC-185 is signed.
3	Enter APSS-assigned FSFL number that is FY and FSFL number.
4	Enter State where facility equipment will be located.
5	Enter county where FSFL will be processed.
6	Enter date of loan approval.
7	Enter date loan approval expires.
8A through 11C	For each item listed, check (✓) either "Yes" or "No". The employee completing the action shall initial and date. If item is **not** applicable to this FSFL, check (✓) "**NA**". The employee determining the action is **not** applicable shall initial and date.
12A	Any County Office employee who initials in items 8 through 11 is required to sign as a preparer. Signing as the preparer does not insinuate that an employee checked items 8 through 11, only that the employee completed an item that was initialed by the employee.
12B	County Office employee who signs item 12A shall enter the current date.
13A through 13C	STC Designee or CED shall indicate whether they concur with how items 8 through 11 are completed. STC designee or CED shall review CCC-195B's for all FSFL's STC designee or CED who completed item 13A shall sign item 13B. STC designee or CED who signed item 13B shall date item 13C. **Note:** If CED was 1 of the preparers who completed items 12A and 12B then CED shall **not** complete this section. STC designee shall complete items 13A through 13C for all CED-prepared FSFL's.
12	Remarks by STC designee or CED about the loan.
13	If this FSFL is 1 of the first 3 FSFL's received in FY, according to subparagraph I, STC designee shall review FSFL **before** disbursement. To document the review, the reviewer shall notate FSFL has been reviewed by writing, "This review was required according to 1-FSFL, subparagraph 52 I" then sign and date the notation.

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

H Example of CCC-195B

The following is an example of CCC-195B.

This form is available electronically.

CCC-195B (03-10-14) U.S. Department of Agriculture Commodity Credit Corporation	1. Name of Applicant	
	2. Date of Application *(MM-DD-YYYY)*	3. Loan No.
FARM STORAGE FACILITY LOAN (FSFL) NO SECURITY CHECKLIST	4. State Office Name	5. County Office Name
	6. Date of Loan Approval *(MM-DD-YYYY)*	7. Approval Expiration Date *(MM-DD-YYYY)*

Office Staff Actions:	Applicable References *(1-FSFL (Rev. 1))*	YES	NO	N/A	Initials	Date
8. Closing Loans Not Secured by Real Estate:						
A. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.	*Subparagraph 127A & paragraph 366*					
B. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.	*Subparagraph 127A & paragraph 367*					
C. If Treasury check(s) required for disbursement (suppliers have not been paid): • request check(s) • when check(s) received, schedule closing within 21 days of payment request • print CCC-186, verify interest rate correct, and complete loan closing.	*Subparagraph 127A & paragraph 368*					
D. The County Office must perform the final lien search within 5 workdays before FSFL closing and initial and date action was completed on CCC-195.	*Subparagraph 127A*					
E. Obtain borrower signatures and initials. **Note:** Verify if a minor is signing CCC-186.	*Subparagraphs 12C &146A*					
F. Obtain signature of CCC representative with authority to sign.	*Subparagraph 146A*					
G. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	*Paragraph 31*					
9. Pre-Disbursement Document Review:						
A. Partial ☐ or Final ☐	*Paragraphs 28 and 134.5*					
B. Obtain completed CCC-197 (Final Farm Storage Facility Loan Program Cost Certification) from borrower(s).	*Paragraph 134.5*					
C. Complete the FSFL disbursement calculator for a partial and/or final disbursement.	*Subparagraph 28D*					
D. Second party review of FSFL disbursement calculator.	*Subparagraph 28G*					
10. Partial Loan Disbursement (if applicable):						
A. Approved applicant requests partial disbursement.	*Subparagraph 28B*					
B. Inspect and verify the amount of construction completed. Document on CCC-295A (FSFL Program Final Inspection of Facility before Loan Disbursement).	*Paragraph 134*					
C. Approved applicant supplied acceptable documentation for that portion (up to 50%) of construction completed.	*Subparagraph 28B*					
D. Determine if Disbursement will be made to borrower only or if Treasury checks are required for joint disbursement.	*Paragraph 366*					
If payment to borrower only, print CCC-186 and request payment on day of closing. Verify correct interest rate printed in Item 3.	*Paragraph 367*					

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

H Example of CCC-195B (Continued)

CCC-195B (03-10-14) Page 2 of 2

10. Partial Loan Disbursement (if applicable): ***(Continued)***						
If Treasury check(s) required for other payees: • Request checks • When check(s) received, schedule closing within 21 days after payment request • Print CCC-186 and verify correct interest rate printed in Item 3.	*Paragraph 368*					
E. Obtain borrower signatures. Obtain signature of CCC representative with authority to sign. **Note:** Verify if a minor is signing CCC-186.	*Subparagraph 2F, 12C & paragraph 31*					
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	*Paragraph 31*					
11. Final Disbursement:						
A. Obtain evidence of final net cost and compute final loan amount. be sure: • 15% minimum down payment amount has been paid to suppliers • 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 (original evidence returned to borrower)	*Paragraphs 27, 28 & 133*					
B. Inspect the complete facility and document results on CCC-295A (FSFL Program Final Inspection of Facility Before Loan Disbursement).	*Paragraph 134*					
C. Adjust funding obligation (if needed).	*Paragraphs 354 & 355*					

Certification:

12A. Signature of Preparer*(s)*	12B. Date *(MM-DD-YYYY)*

13A. I concur/do not concur the above items have been verified and updated. ☐ Concur ☐ Do Not Concur

13B. STC Designee or CED Signature (Required for all Loans)	13C. Date *(MM-DD-YYYY)*

14. Remarks

15. **Important:** STC or STC designee shall review the first 3 FSFL's received and before disbursed each FY beginning on October 1.

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at ***http://www.ascr.usda.gov/complaint_filing_cust.html****, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at* ***program.intake@usda.gov****. USDA is an equal opportunity provider and employer.*

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*--52 Processing CCC-185 Packages and Using CCC-195, CCC-195A, and CCC-195B (Continued)

I STC or Designee CCC-195, CCC-195A, and CCC-195B Concurrence

STC or designee shall:

- review the first three FSFL's received each FY, **before** disbursement, at an administrative County Office regardless of the amounts requested

  Notes: Additional reviews, including reviews following FSFL disbursement, may be conducted if determined necessary by STC.

  FY's begin on October 1 each year. STC or designee shall review the first three FSFL's received, and **before** disbursement, each FY beginning on October 1.

  If CCC-195 and CCC-195A or CCC-195B is prepared by CED, STC designee **must** review CCC-195 and CCC-195A or CCC-195B. If CCC-195 and CCC-195A or CCC-195B are 1 of the first three FSFL's received each FY, during the review, STC designee may complete the applicable item to "concur" or "do not concur", and note in the "Remarks" section that "This review was required according to 1-FSFL, subparagraph 52 I".

  For the first three CCC-195's and CCC-195A's or CCC-195B's reviewed before disbursement each FY, CCC-195 and CCC-195A or CCC-195B review can be completed by the STC designee, by FAX or encrypted e-mail. A complete review of the loan documents, for the first 3, **must** also be reviewed.

- document review in the FSFL folder on CCC-185, item 18 and CCC-195 and CCC-195A or CCC-195B, "Remarks" section

  Note: In CCC-195 and CCC-195A or CCC-195B "Remarks" section, indicate, "This review was required according to 1-FSFL, subparagraph 52 I".**--***

- indicate corrective action where necessary.

53 Financial Planning

A Obtaining Balance Sheets and Cash Flow Statements

Use FSA-2037 and FSA-2038 or similar forms, prepared by either the borrower or a financial institution within 90 calendar days of submission, to determine the following:

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

B Acceptable Balance Sheets and Cash Flow Statements

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/welcomeAction.do?Home**

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

- 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 both of the following conditions apply:

- ***--**aggregate outstanding total of all FSFL's, including the new loan, will be $10,000 or less
- review of the balance sheet indicates that the applicant has met all of the following:

  - debt to asset ratio of 40 percent or less
  - net worth of 3 times the requested loan amount or greater
  - working capital of 3 times the required down payment or greater
  - be current on all payments to all creditors, including FSA and CCC.**--***

53 Financial Planning (Continued)

D Planning for Downpayment

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

Prepare a projected plan for the applicant's FY in which the first FSFL installment is due showing the:

- total cost of the storage facility
- approximate amount of FSFL
- projected installment amount for FSFL.

The employee performing the financial analysis will determine whether 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 different than that shown on the credit report or through a lien search

- if applicable, prepare FSA-2015 for each applicant's creditor according to the instructions on FSA-2015

- before requesting information on FSA-2015 from the 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 FSFL folder.

53 Financial Planning (Continued)

G Financial Analysis

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

Example: "Based on FSFL applicant John W. Banks' credit history and financial information, I recommend approval of the FSFL in the amount of $_____. The information reviewed provides that Mr. Banks has a satisfactory financial position and demonstrates the ability to timely repay the FSFL."

A financial analysis is required for the members of the entity with the greatest share and a credit report must be obtained for the members.

Examples: If there is a:

- 4-member partnership, each sharing 25 percent, a financial analysis and credit report is required for all members of the partnership

- 2-member partnership, 60 percent for 1 member and 40 percent for the other member, a financial analysis and credit report is required for the member with the 60 percent share.

STC may determine whether a financial analysis and credit report is required for all members.

--**If an irrevocable letter of credit is used as security for FSFL, a financial analysis and credit report are **not** required, unless it is required by STC.**--

If additional information is necessary to evaluate an applicant's ability to repay FSFL, FSA-2002 and FSA-2003 may be requested.

Note: Use:

- FSA-2002 for 3 years financial history
- FSA-2003 for 3 years production history.

54 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 before the required financial analysis is completed
- 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. However, if an FLP credit report is available, that report may be used for FSFL purposes if generated within 90 calendar days of both CCC-185 and submission of information required for the financial analysis.

B Analyzing Credit History Reports

The authorized individual performing the financial analysis 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.

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

54 Credit History and Credit Reports (Continued)

C Available Credit Reports (Continued)

- entity – legal entities doing business as any of the following:

  - corporations
  - limited liability corporations or companies
  - limited and general partnerships
  - trusts
  - estates.

Notes: State and County Offices requesting entity credit reports shall also request individual *****--or joint "Express 3 Bureau" reports for the members of the entity with the greatest shares.

Examples: If there is a:

- 4-member partnership, each sharing 25 percent, a financial analysis and credit report is required for all members of the partnership

- 2-member partnership, 60 percent for 1 member and 40 percent for the other member, a financial analysis and credit report is required for the member with the 60 percent share.**--***

Unless State Offices have been notified in writing by their regional OGC, use the "**Joint**" search option if husbands and wives on the same CCC-185 are searched.

*****--State and County Offices shall **not**:

- request Individual or Joint Mortgage reports
- **not** use any symbols (%, &, etc) in the request name.**--***

Make certain the correct legal name and address are 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**.

To prevent being charged for duplicate credit reports, designated employees shall turn off pop-up blockers on the FSFL credit report web site as follows:

- go into the web site provided when authorized to request credit reports
- click on the following:

  - "Tools"
  - "Pop-up Blocker"
  - "Turn Off Pop-up Blocker".

54 Credit History and Credit Reports (Continued)

D Centralized Payment

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

F Monthly Reconciliation of Bill

The reconciliation report is due in PSD by the 10th of the following month and must be sent ***--**to Toni Williams at **toni.williams@wdc.usda.gov**, with cc: to Kimberly Pritchett at **kimberly.pritchett@wdc.usda.gov**.**--***

State Offices must determine the date the reconciliation reports from County Offices are required in the State Office to adhere to the due date of the monthly reconciliation to PSD.

Notes: Because the bill **cannot** be paid until it is completely reconciled, the reconciliation report from State Offices that requested credit reports the previous month **must** be received in PSD by the tenth of the following month. There are **no** exceptions to submitting this report.

State Offices shall follow PII policy when submitting their monthly reconciliation to PSD.

54 Credit History and Credit Reports (Continued)

G State Office Determination of Sites and Designated Employee at Each Site

To request credit reports for FSFL applicants, State Offices shall determine which:

- offices will be set up according to the following:
  - all County Offices
  - select County Offices throughout the State (a district or area office)
  - State Office
- employees in the selected offices will be authorized.

  Note: The selected employee will be:

  - responsible for all FSFL credit reports submitted from that location
  - required to submit the reconciliation information in subparagraph F to the State Office by the due date.

H Request for Initial Set Up

After State Offices have determined which offices and designated employees to set up to *****--request FSFL credit reports, the following information shall be sent to Toni Williams, PSD by e-mail at **toni.williams@wdc.usda.gov**:--*****

- employee's name
- title
- State or County Office name
- office address
- telephone number of office and employee
- *****--e-mail address.--*****

The information will be forwarded to the contract holder who will contact individuals for the initial set up and training instructions. The amount of time required before the initial set up will depend on the number of offices submitted at the same time.

Notes: Designated employees set up to request FSFL credit reports **must** access the specified request site once every 90 calendar days or their password will need to be reset.

*****--It is recommended that a calendar event is established using Microsoft Outlook Calendar to remind the employee to change their password.--*****

55 FSFL and Federal Delinquent Debt Applicants

A FSFL Compliance With DCIA

County Offices shall:

- identify producers who are delinquent on Federal debts according to DCIA
- require FSFL applicants to certify to DCIA compliance on CCC-185.

FSFL approval authority shall **not approve** FSFL's for delinquent Federal debtors, unless the delinquent Federal nontax debt is resolved before FSFL disbursement. See 58-FI.

B Delinquent Federal Debt Individual Applicants

FSFL approval authority, according to subparagraph 2 F, shall **not** approve:

- FSFL's for individual applicants who are delinquent Federal debtors, unless the delinquent Federal nontax debt is resolved before FSFL disbursement

- joint FSFL requests when 1 or more of the individual applicants are delinquent Federal debtors.

C Delinquent Federal Debt Joint Venture Applicants

FSFL approval authority, according to subparagraph 2 F, shall **not** approve:

- FSFL's for joint venture applicants who are delinquent Federal debtors, unless the delinquent Federal nontax debt is resolved before FSFL disbursement

- FSFL requests for joint ventures when 1 or more of the members are delinquent Federal debtors.

  Note: All members of a joint venture, including spouses if required by State law, must sign all FSFL security documents, and are jointly and severally liable for the entire debt. See subparagraph 31 C.

55 FSFL and Federal Delinquent Debt Applicants (Continued)

D Delinquent Federal Debt Entity Applicants

When a person with a controlling interest in an entity, such as a shareholder, officer, or director, is a delinquent Federal debtor, an FSFL shall **not** be approved for that entity.

For borrowers that are entities and a member with less than a controlling interest of the entity is determined to be delinquent, the FSFL approval authority shall:

- **not** determine that the borrowing entity is ineligible for FSFL
- notify borrowing entity that the delinquent member's pro rata share of FSFL will be offset if the member's delinquent Federal nontax debt is not resolved before FSFL disbursement
- offset the delinquent member's pro rata share of FSFL if the member is delinquent at the time FSFL is to be disbursed
- apply the offset amount to the delinquent debt.

  Note: The entity is still responsible for the entire loan amount, including the amount offset.

Applicable entities include, but are not limited to, the following:

- corporations
- limited partnerships
- limited liability companies
- general partnerships
- sole proprietorship
- trust
- estate.

56 Obtaining and Filing UCC-1's

A Obtaining UCC-1's for Financing Statements

UCC-1's for FSFL financing statements shall be obtained, completed, and submitted according to their State's laws.

B County Office Action

County Offices shall:

- if applicable according to State law, obtain the applicant's signature on the applicable manual UCC-1 when CCC-185 is submitted 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 58

  Note: If the FSFL request is only for part of the structure, a lien shall be filed on the entire structure.

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

--Note:** If the irrevocable letter of credit is received in the County Office before the equipment is delivered to the proposed location, unless it is required by State law or STC, UCC-1 is **not** required.**--

- 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

  Note: See Exhibit 16.

- pay filing or recording fees

- file UCC continuation forms within a 6-month period before the expiration of the original UCC forms.

57 Federal Judgment Liens

A Background

U.S.C. Title 28, Section 3201, enacted in 1999, provides that a debtor with a judgment 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 that is made by the Federal Government until the judgment is paid in full or otherwise satisfied.

B Outstanding Federal Judgment Liens

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

Exception: These judgments 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 judgment dockets and applicable real estate records to identify applicants who may have outstanding Federal judgment liens
- **not** approve CCC-185's for applicants who have unresolved Federal judgment liens filed against them
- continue FSFL processing if applicants prove they have satisfied Federal judgment liens
- **not** use FSFL proceeds to pay Federal judgment liens.

58 Completing CCC-10's

A Applicability

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

- serve as CCC's 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 UCC-1's before executing CCC-186.

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 July 17, 2003. If the County Office has a signed and correct copy of the previous CCC-10 on file, a new CCC-10 is **not** required.

- ensure producers understand that:
  - applicable collateral for FSFL's 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-1's filed manually that require the debtor's signature, CCC requires CCC-10 to identify the jurisdiction in which to perform lien searches

58 Completing CCC-10's (Continued)

B Obtaining Authorization (Continued)

- 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 a spouse is a co-borrower, then the husband and wife shall complete separate CCC-10's
- 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 folders labeled "LP 1-2 Financing Statements".

C CCC-10 Availability

CCC-10 is available for download from the following:

- by FSA employees, from the FSA Intranet at **http://intra3.fsa.usda.gov/dam/ffasforms/forms.html**
- by producers, with instructions, from the Internet at **http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home**.

58 Completing CCC-10's (Continued)

D Instructions for Preparing CCC-10's

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

Item	Instructions
Part A	Ensure that 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 the 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 the first, middle, and 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, and 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.
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-1'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.

58 Completing CCC-10's (Continued)

D Instructions for Preparing CCC-10's (Continued)

Item	Instructions
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 • 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-1'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-1's and to perform lien searches.
9	Ensure that the producer understands the statement in item 9.

9A-9D	If the box in item 1 is checked for:
	
	• "Individual", the producer enters the signature as the first, middle, and last name and, if applicable, a suffix
	
	• "Organization or Entity", the 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: See paragraph 31 for signature authority documentation requirements.

58 Completing CCC-10's (Continued)

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
(08-31-11)

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 - as amended). The authority for requesting the information identified on this form is 7 CFR Part 761, 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to provide CCC's or FSA's notice of intent to protect its security interest, identify debtor or entity, and authorize CCC or FSA to file financing statements before executing a security agreement. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in denial of loan benefits.*

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. The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***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: ☒ Individual ☐ Organization or Entity	2. Social Security Number or Tax Identification Number *(9 Digits)* XXX-XX-XXXX
3. Undersigned's Full Legal Name John Robert 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 County	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.

10A. Signature of Individual in Item 3 (By) ***/s/ John Robert Smith, Jr.***	10B. Title/Relationship of the Individual Signing in the Representative Capacity	10C. Date *(MM-DD-YYYY)* 07-17-XXXX
10D. Signature of Individual in Item 4 (By) ***/s/ Anita Luanne Baxter Smith***	10E. Title/Relationship of the Individual Signing in the Representative Capacity	10F. Date *(MM-DD-YYYY)* 07-17-XXXX
11A. Signature for Organization or Entity in Item 3 (By)	11B. Title/Relationship of the Individual Signing in the Representative Capacity	11C. Date *(MM-DD-YYYY)*
11D. Signature for Organization or Entity in Item 3 (By)	11E. Title/Relationship of the Individual Signing in the Representative Capacity	11F. Date *(MM-DD-YYYY)*

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

--*

59-68 (Reserved)

Section 2 Other Requirements

69 Insurance Requirements

A Multi-Peril Crop Insurance or NAP Requirement

To enhance a borrower's repayment ability, multi-peril crop insurance or NAP is **required** on both of the following:

- commodities stored in the FSFL-funded facility, whether economically significant or **not**

- insurable FSFL commodities of economic significance on all farms operated by the borrower in the county where the storage facility is located.

  Notes: Crop of economic significance is defined as any insurable FSFL commodity that contributes 10 percent or more of the total expected value of all crops grown by the FSFL applicant.

  --All crops of economic significance, used in the borrower's cash flow, included in the documentation for their financial analysis, and used to determine eligibility-- require crop insurance.

County Offices shall:

- require the producer to provide proof of multi-peril crop insurance and/or verify NAP coverage before disbursement, except if subparagraph D applies

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

  Note: If multi-peril crop insurance or NAP is **not** available for some of the renewable biomass commodities, then COC minutes must document the unavailability of multi-peril crop insurance or NAP for each FSFL to which this applies.

B Acceptable Forms of Insurance

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

69 Insurance Requirements (Continued)

C Acceptable Proof of Insurance

County Offices shall accept proof of insurance, such as the following:

- 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.

Note: Evidence of insurance or a copy of CCC-471 shall be maintained in the FSFL folder.

D Crop Insurance Waiver

County Offices shall:

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

  Note: The waiver will apply to the current crop year only.

- enter the following statement on CCC-185, item 18:

  "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 will be complied with and is understood.

***--**If the aggregate total of FSFL's is less than $50,000, STC's may authorize COC's to determine if multi-peril crop insurance is required for all commodities produced by the producer. Also, if it is determined that multi-peril crop insurance is not required for commodities not being stored in the structure, COC is **not** authorized to allow the producer to store the uninsured commodity in the storage structure during the FSFL term.

If approved by COC, the County Office must have the applicant initial and date the statement, "I understand that I am not authorized to store my [*enter commodity*] production in the structure during the FSFL term.", in CCC-185, item 18.

Example: The producer receives FSFL to store corn and the aggregate total of the producer's FSFL's are less than $50,000. The producer produces corn and barley. STC provides COC with authorization to determine if multi-peril crop insurance is needed for all of the producer's commodities. COC determines that the producer does not need to obtain crop insurance on his/her crop of barley. Because the crop of barley is uninsured, barley **cannot** temporarily be stored in the storage structure during the FSFL term.**--***

69 Insurance Requirements (Continued)

E Failure to Obtain Crop Insurance or NAP Coverage

County Offices shall:

- monitor the borrower's crop insurance or NAP status
- consider a lack of insurance or NAP to be an FSFL violation
- take action to call FSFL's when borrowers do **not** maintain insurance or NAP coverage.

Note: Before calling FSFL's, COC's may request a waiver for the specified year only, according to subparagraph 2 E.

F All-Peril Structural Insurance

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

- require borrowers to obtain all-peril structural insurance on all storage structures receiving FSFL financing

- ensure that amount of coverage shall always equal or exceed outstanding FSFL balance

- annually obtain proof of all-peril structural insurance that lists CCC as a loss payee as soon as it is available

- review proof of all-peril structural insurance provided to CCC periodically by insurance companies or borrowers

- take action to call FSFL's when borrowers do **not** maintain insurance

  Note: Before calling FSFL for lapse of insurance, COC's, according to subparagraph 2 E, may request a waiver for failure to fully comply with FSFL requirements, if borrowers obtain insurance before the waiver is requested.

- ensure that CCC is listed on the all-peril structural insurance policy as a loss payee.

--Note:** If it is determined that the storage structure **cannot** be insured with all-peril structural insurance, DAFP waiver is **required** according to paragraph 301.**--

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 FSA-850

- ensure that FSA-850, item 3 B is completed

69 Insurance Requirements (Continued)

G Flood Insurance (Continued)

- ***--**document in FSA-850, item 16 that flood insurance coverage is required, if "Yes" is checked (✓) for any of the questions listed in item 3 B

- attach to FSA-850, any supporting documentation (such as flood maps, etc.) for evidence that flood insurance coverage is needed, if applicable

- see 1-EQ, subparagraph 23 B for additional guidance on properly completing FSA-850

- require the FSFL applicant to obtain flood insurance if the review documented on FSA-850 indicates that flood insurance is required**--***

- **not** approve FSFL's 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 FSFL

- take action to call FSFL's when borrowers do **not** maintain insurance

- ensure that CCC is listed on the flood insurance policy as loss payee.

70 Local Land Use and State and County Building Code Requirements

A County Office Action on Local Land Use

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

  Note: The information obtained from the contact shall be documented in the file.

- 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 environmental evaluations

- **not** approve FSFL's where applicants are **not** in compliance with applicable local land use laws.

70 Local Land Use and State and County Building Code Requirements (Continued)

B State and County Building Code Requirements

All FSFL's must comply with any applicable State and county building code requirements. These may include, but are not limited to, the following:

- electrical permits and inspections
- construction permits and inspections.

71-80 (Reserved)

Section 3 Environmental Review

81 Overview

A Background

For FSFLP participation, FSA-850 is used to determine whether the proposed action could potentially affect protected resources. See 1-EQ, Part 5.

Individual farm participation in FSA programs does **not** normally require EA preparation. However, for certain practices, FSA-850 must still be completed to verify that no protected resources would be affected. If through completing FSA-850 it is determined that there is no potential for the FSFL-proposed action to impact the environment, FSA-850 serves as FSA's documentation of compliance with NEPA, as well as the requirements of other environmental laws, regulations, and Executive Orders.

Note: NEPA regulations require that agencies complete the NEPA process **before** approving the proposed action, which includes coordination/consultation on protected resources with regulatory agencies and entities responsible for managing protected resources, such as surface water quality, threatened and endangered species, and cultural resources.

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 FSFL goals in a manner that will protect, enhance, and restore environmental quality.

82 Evaluating Potential Environmental Effects

A Preparing Evaluations

All requests for FSFL's 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, EA may be necessary. Contact SEC for further guidance if EA is necessary.

Notes: See 1-EQ, subparagraph 23 B for guidance on completing FSA-850.

Producers may request completing FSA-850 before submitting CCC-185 by:

- visiting the County Office
- marking an aerial photograph of the proposed location of the structure
- indicating what type of structure they propose to construct.

NRCS-CPA-052 can be accepted instead of FSA-850.

A site visit is required to complete FSA-850.

--**FSA-850 must be completed and no adverse environmental impacts must be determined **before** CCC-185 can be approved.**--

All FSFL's secured by real estate will also be evaluated by completing FSA-851, on the real estate offered as collateral, according to 2-EQ.

Note: See 2-EQ, Exhibit 5 for instructions on completing FSA-851.

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 quality of the human environment

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

- provide information necessary to evaluate their proposal's potential environmental impacts and alternatives to them.

  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.

83 Other Actions

A EA's

If after completing FSA-850 or EA 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 FSFL
- contact SEC for further guidance.

B Monitoring

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

Whenever noncompliance with an environmental special condition is detected by FSA, SEC will be immediately informed who will then take appropriate steps, in consultation with the responsible program office, to bring the action into compliance.

C Environmental Risk Management

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 FSFL. Therefore, due diligence will be performed for all new FSFL's involving real estate as security, including real estate offered as additional security according to 2-EQ.

84-94 (Reserved)

Part 5 (Reserved)

95-114 (Reserved)

Part 6 Approving COC CCC-185 Reviews

115 CCC-185 Reviews

A Responsibility

The approving authority 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
- ***--**if FSFL is less than $100,000, whether the structure has resale value, according to subparagraphs 24 C and N**--***

  Note: If the value is less than the FSFL amount, additional security may be required.

- the type of security to be required
- the conditions of approval.

  Note: Conditions of approval will include actions that must be taken or documents that must be provided **before** disbursement and shall **not** include eligibility
  --**determinations required by STC, COC, or other approving authority.**--

115 CCC-185 Reviews (Continued)

B Approvals and Disapprovals

COC shall do 1 of the following:

- ***--**for FSFL's with the total aggregate outstanding FSFL balance of $100,000 or less, approve FSFL by signing CCC-185 and document the determinations from subparagraph A in the executive COC minutes

- for FSFL's with a total aggregate outstanding FSFL balance of $100,000.01 to--***** $250,000, have DD or State Office designee review FSFL **before** approval

  Note: Once the review is complete and all discrepancies are corrected, approve FSFL by signing CCC-185 and document the determinations from subparagraph A in the executive COC minutes.

- for FSFL's where the borrower's **total aggregate FSFL balance** is over $250,000, have DD or State Office designee, before COC approval, review the most recent FSFL documents to ensure that the producer is financially able to meet all FSFL obligations

  Note: STC or STC-delegated SED **only** is the approval authority for an individual FSFL ***--**with a total aggregate outstanding FSFL balance of $250,000.01 to $500,000.

- disapprove FSFL, documenting why in the executive COC minutes.

DD or State Office designee shall, before approval by COC, review CCC-185 where the total aggregate outstanding FSFL balance is equal to $100,000.01 to $250,000. If the review:--*****

- reveals discrepancies or errors, the file shall be returned to the County Office for correction

  Note: After corrections have been made, DD or State Office designee shall again review the file.

- is acceptable, a statement similar to the following shall be entered on CCC-185, item 18:

  "From review of the completed documents and review of the financial documents, I concur with the recommendation of the FLM/FLO/SFLO, concurring with the financial ability of the applicant and I also recommend approval or disapproval of FSFL to COC."

  Note: DD or State Office designee shall sign and date the statement.

115 CCC-185 Reviews (Continued)

B Approvals and Disapprovals (Continued)

The FSFL approval date will be the date COC approves FSFL **after** the DD review.

DD or State Office designee shall also review all FSFL's where the borrower's **total**
***--aggregate outstanding FSFL balance** is over $250,000 before STC approval. Review the most recent FSFL documents to ensure that the producer is financially able to meet all FSFL obligations.

Note: STC or designated SED is the approval authority for an individual FSFL with a total aggregate outstanding FSFL balance of $250,000.01 to $500,000.

STC or designated SED shall:

- approve or disapprove the following:
  - FSFL requests with a total aggregate outstanding FSFL balance of $250,000.01 to--* $500,000
  - biomass FSFL requests
  - FSFL's where STC has set other limitations for COC approval

  Notes: Approve or disapprove as required by subparagraph 2 C.

  If disapproved, ENTER "0" on CCC-185, item 14A.

- document approval or disapproval in the executive STC minutes
- indicate approval by signing CCC-185
- explain reasons for **not** approving CCC-185's in a memorandum to COC

  Note: Notify the applicant of the disapproval using the letter in subparagraph 128 B. Provide applicable appeal rights according to 1-APP. Attach a copy of the completed and signed CCC-185.

- return the case file to the County Office for:
  - entering the approval date
  - entering the disapproval date, if applicable
  - requesting the obligation
  - disbursing FSFL
  - collecting FSFL repayments.

115 CCC-185 Reviews (Continued)

B Approvals and Disapprovals (Continued)

STC is the approval authority for all renewable biomass FSFL's. The following information must be immediately submitted by the State Office specialist after STC approval to *--Toni Williams, FSFLP Manager at **toni.williams@wdc.usda.gov**:--*

- renewable biomass commodity for which the facility is approved
- type of storage approved
- capacity of the storage facility
- county, FY, and FSFL number
- total FSFL amount approved.

County Offices shall:

- if CCC-185 is submitted to the County Office that needs DD review or STC approval:
  - notify the applicable reviewing or approving authority, upon accepting the application fee, that FSFL requiring approval will be forthcoming

    Note: This is needed to be able to manage the workflow.

  - after completing CCC-185, forward the following to the applicable reviewing or approving officials:
    - original case file, including the complete CCC-185 with documentation to support the determinations in subparagraph A
    - an ArcGIS map layout of the proposed site where the facility will be located identifying roads and other key issues
    - written recommendation from COC:
      - advising if FSFL should be approved
      - suggested commodity yield for FAV and renewable biomass commodities
    - written recommendation from individual conducting the financial analysis about the applicant's credit history, ability to repay, and type of security
- if FSFL is disapproved by COC, DD, or STC:
  - send the producer the disapproval letter in subparagraph 128 B

    Note: Include appeal rights according to 1-APP.

  - after appeal rights have been exhausted, disapprove CCC-185 in the FSFL software according to subparagraph 340 D

115 CCC-185 Reviews (Continued)

B Approvals and Disapprovals (Continued)

- if FSFL is approved by COC, DD, or STC:

  - enter the COC approval date in the FSFL software according to subparagraph 340 C and queue the FSFL Detail Transmission File according to paragraph 351

    Note: It is imperative that County Offices enter the COC approval date and request obligations within 5 workdays of approval to ensure that proper funding is available for disbursement.

  - once the requested funding has been received back in the County Office, notify the borrower of FSFL approval using the letter in subparagraph 128 A. The borrower is **not** to be notified of approval before funding is received.

    Note: An STC-designated DD, as applicable, is FSFL approval authority for **only** FSFL's specified in subparagraph 2 F.

When STC or COC meetings are conducted by conference call, e-mail, or polling process for CCC-185 approvals, the following actions are **required**:

- record approval or disapproval of CCC-185 in the STC or COC meeting minutes
- document the date and method of approval on CCC-185, item 18, "Remarks" section
- STC or COC chairperson **must** sign CCC-185 at the next face-to-face meeting.

Note: After CCC-185 is approved by conference call, e-mail, or polling process, the CCC-185 loan approval date shall be recorded in APSS and uploaded for funding.

If a polling process is used, document in the STC or COC meeting minutes the names of the committee members who were polled, date of the polls, and the determinations.

C 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 written and signed recommendation for approval about the applicant's credit
--**history and ability to repay from an FSA employee with FLP loan approval authority**--

115 CCC-185 Reviews (Continued)

C Confidentiality of Applicant's Financial Information (Continued)

- use the recommendation to determine whether:
  - an applicant's credit history is satisfactory
  - the applicant has the ability to repay debt resulting from FSFL.

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

116 Completing Manual CCC-185, Page 2

A Completing CCC-185, Page 2

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

Item	Instructions
14A	Insert the amount determined according to paragraph 25. **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 item 18. • an amount that is less than the maximum amount based on a COC, STC, or STC-designated DD decision **Note:** Enter the amount and a notation in item 18 explaining reasons for the decision. • an amount that is less than the maximum amount based on certain conditions. **Note:** List the conditions of approval in item 18.
14B	Enter the number of FSFL installments.
14C	Enter a date that is 6 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. **Notes:** Only COC, STC, or STC-designated DD, according to subparagraph 2 F, can approve. FSFL approval authority can only be delegated to an STC-designated DD in situations specified in subparagraph 2 F.
16	Enter the County Office name and address.
17	Enter the type of security required by the approving committee, such as "1st lien on the 133-acre parcel where facility is located."
18	Use for any appropriate remarks, such as conditions of approval.

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

B Example of CCC-185, Page 2

The following is an example of a completed CCC-185, page 2.

*--

CCC-185 (02-12-13) 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 6 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)*
$ 60,000.00	7	1	10-08-20XX

15A. Signature of CCC Representative	15B. Date *(MM-DD-YYYY)*
/s/ Keith Thompson	10-08-20XX

16A. FSA County Office Name and 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 constructed as a program violation.

Applicant's Initials _____ Date _____

*Conditions of approval

1) Applicant will purchase proof of all peril structural insurance

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for CCC financing for farm storage and drying equipment. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov.

ndividuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

--*

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

C Distribution

County Offices shall:

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

117-126 (Reserved)

Part 7 Closing FSFL's

127 Finalizing FSFL's

A Finalizing FSFL's Not Secured by Real Estate

County Offices shall take the following steps, not necessarily in this order, when finalizing FSFL's where FSFL is **not** secured by real estate.

Step	Action
1	If FSFL funding was approved, ensure that transmission requesting funding has taken place and return funding transmission has been received.
2	**After** return funding transmission is received in the County Office, notify the applicant of FSFL approval. See the example letter in subparagraph 128 A.
3	If FSFL was **not** approved by the applicable approving authority, notify the applicant. See the example letter in subparagraph 128 B.
4	As soon as possible, obtain evidence for and compute final net cost of facility. If the final FSFL amount exceeds the approved amount, return CCC-185 to COC for consideration. Obtain approval for increase to FSFL amount and request additional funding. See paragraph 133.
5	If applicable, prepare CCC-297 and obtain necessary signatures to sever collateral from real estate and file in appropriate county real estate records before FSFL closing. See paragraph 130 and Exhibit 10.
6	Inspect the facility according to paragraph 134.
7	Obtain proof: • that the downpayment and any amount in excess of the approved FSFL amount has been paid • of all-peril structural insurance, multi-peril crop or NAP insurance, and if applicable, flood insurance, all with CCC as the loss payee.
8	Ensure that the following are on file: • CCC-190, if applicable • CCC-191, from each vendor according to subparagraph 133 E.
9	If checks are needed, submit the payment request according to subparagraph 368 B. After checks are received in the County Office, immediately schedule a closing date. **Note:** FSFL closing shall be completed within 21 calendar days of signing in NPS.
10	Within 5 workdays before FSFL closing, perform a final lien search on the collateral. ***--Note:** County Office must initial and date that this action was completed on CCC-195B, item 8D.**--***
11	On the closing date: • prepare CCC-186 for closing according to subparagraph 367 B or 368 E • meet with the applicant and obtain all necessary signatures • distribute checks to producers and other applicable payees.

Note: These steps are applicable to both the partial and final disbursements for FSFL's **not** secured by real estate.

127 Finalizing FSFL's (Continued)

B Finalizing FSFL's Secured by Real Estate

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

Step	Action
1	If FSFL funding was approved, ensure that transmission requesting funding has taken place and return funding transmission has been received.
2	**After** return funding transmission is received in the County Office, notify the applicant of FSFL approval and funding. See the example letter in subparagraph 128 A.
3	If FSFL was **not** approved by the applicable approving authority, notify the applicant. See the example letter in subparagraph 128 B.
4	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 129 A.
5	Obtain certification of attorney, if applicable, on CCC-296. See subparagraph 129 B.
6	Require title insurance or obtain title opinion. Use CCC-299 for title opinion requests according to subparagraph 129 D.
7	See subparagraph 129 F for the transmittal of the title information letter.
8	As soon as possible, obtain evidence for and compute final net cost of facility. If the final FSFL amount exceeds the approved amount, return CCC-185 to COC for consideration. Obtain approval for increase to FSFL amount and request additional *****--funding. See subparagraph 2 F and paragraph 133 about approval for increases in the FSFL amount.--*****
9	Ensure that the following are on file: • CCC-190 • CCC-297, if applicable according to paragraph 130 •*****--CCC-194 or either FSA-1927-8 or FSA-2319, according to subparagraphs 24 C--***** and 131 E • CCC-191 for all vendors, according to subparagraph 133 E.
10	Inspect the facility after it is completed and document on CCC-295A.
11	Obtain proof: • that the downpayment and any amount in excess of the approved FSFL amount have been paid • of all-peril structural insurance, and if applicable, flood insurance with CCC as the loss payee • of multi-peril crop or NAP insurance • that real estate taxes are current.

127 Finalizing FSFL's (Continued)

B Finalizing FSFL's Secured by Real Estate (Continued)

Step	Action
12	If checks are required, submit the payment request for checks according to subparagraph 368 B. When checks are received, immediately schedule a closing date. **Note:** FSFL closing must be completed within 21 calendar days of signing in NPS. Checks may be made out to the closing attorney to be held in escrow, if allowed by State law. In this case, the day the attorney cashes the check will be the date of FSFL closing and CCC-186 must be signed that day. In the case of escrow, the attorney will then issue checks as indicated in FSFL closing instructions.
13	Within 5 workdays before FSFL closing, perform a final lien search on the collateral. **Note:** County Office must initial and date that this action was completed on ***--**CCC-195A, item 8M.**--***
14	Issue a notification of FSFL closing to the applicant. See the example letter in subparagraph 129 G.
15	Issue a closing letter to the agent with CCC-186 signed by the approving official together with other closing instructions. See the example letter in subparagraph 129 H.
16	Prepare the following: • CCC-186 • CCC-193 or CCC-193-D.
17	The closing agent closes FSFL and provides the FSFL closing statement to the County Office.

Notes: These steps are applicable to both the partial and final disbursements for FSFL's secured by real estate.

--**If a partial disbursement is requested and FSFL principal of the partial is $100,000**-- or less, the instructions in subparagraph A may be followed.

128 Examples of FSFL Approval and Initial Determination Letters

A Example of FSFL Approval Notification Letter

The following is an example of an FSFL 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 approved your request for a Farm Storage Facility Loan in the amount of $_____. The loan will be repaid in equal installments over a period of ___ years and will carry an annual interest rate of _____% for the entire term. Your loan has also been funded.

The loan was approved based upon the following (enter those that are needed):

- Additional security is provided in the form of Real Estate or other form authorized by CCC.
- Crop insurance or NAP coverage is purchased for all crops of economic significance.
- All-peril structural insurance is obtained for an amount at least equal to the loan amount.
- CCC-297's, Severance Agreements, are obtained from anyone with a lien or interest in the real estate underlying the structure.

Loan approval will expire _____ (6 months after the date of approval). If you need additional time to complete construction, 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. The system, or components of the system, need to be inspected before use.
- Provide evidence of final cost of the facility and the payment of the downpayment to this office.
- Provide evidence that all-peril structural insurance has been obtained.

We will:

- Compute the final net cost of the facility and request an increase in funding, if needed.
- Prepare loan documents and, if applicable, have mortgage documents prepared.
- Notify you of a loan closing date.

You are responsible for notifying this office to request a partial disbursement after a portion of your structure has been completed. One partial disbursement is authorized. This disbursement can be for up to 50 percent of the total anticipated loan amount and commensurate with the amount of construction completed.

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

--*

128 Examples of FSFL Approval and Initial Determination Letters (Continued)

B Example of FSFL Adverse Determination Letter

The 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/State 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 paragraph 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.)

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.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Thank you for your interest in the program.

Sincerely,

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

--*

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

*--

Date

_____, Attorney at Law
_____ Street
City, State, and ZIP code

Dear:

The undersigned hereby requests you to 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 we are 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 is to be a reasonable figure to be set by you in accordance with your usual charges for comparable services.

Subject to that understanding, the undersigned loan applicant agrees to be responsible for payment of all closing costs.

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

X_____

Borrower's signature, name, and address

Enclosures: Copy of Deed / Legal description of RE property for mortgage
CCC-296 - Certification of Attorney

--*

129 Closing FSFL's Secured by Real Estate (Continued)

B Example of CCC-296

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

This form is available electronically.
CCC-296
(03-23-12)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

FARM STORAGE FACILITY LOAN PROGRAM
CERTIFICATION OF ATTORNEY

4. TO:

Mr. John B. Lawyer
448 State Street
Uptown, NY 55555

1. NAME OF LOAN APPLICANT	John G. Farmer
2. AMOUNT OF LOAN	$ 66,000.00
3. LOAN NUMBER	2012/00010

You have been selected by the Loan Applicant in Item 1 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.

5A. SIGNATURE OF CCC OFFICIAL	5B. DATE *(MM-DD-YYYY)*
/s/ I am CED	06-30-20XX

I hereby certify that I am a practicing attorney, a member in good standing of the bar of the state of *(1)* _____

I will provide title clearance through the use of:

(2) ☒ a title opinion; or

(3) ☐ 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 *(4)* $ 100,000

per occurrence issued by *(5)* Any Surety Co. . The deductible is *(6)* $ 5,000.00 .

The policy number is *(7)* 116X475X . Coverage expires on *(8)* 08-11-20XX .

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.

6A. SIGNATURE OF ATTORNEY	6B. DATE *(MM-DD-YYYY)*
/s/ John B. Lawyer	07-13-20XX
7. ATTORNEY'S DETERMINATION *(Check one below)*: ☒ APPROVED ☐ NOT APPROVED	
8A. SIGNATURE OF CCC OFFICIAL	8B. DATE *(MM-DD-YYYY)*
/s/ Any County CED	07-15-20XX

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to obtain certification of an attorney that provides legal services for the Farm Storage Facility Loan Program loan applicant. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F- Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

--*

129 Closing FSFL's Secured by Real Estate (Continued)

C Instructions for Completing CCC-296

County Offices shall complete CCC-296 according to the following table.

Item	Instructions
1	Enter the name of the FSFL applicant.
2	Enter the amount of FSFL.
3	Enter the FSFL number, including FY.
4	Enter the name and mailing address of the attorney selected by the applicant.
5A and 5B	The CCC representative shall sign and date before sending to the attorney.
6A and 6B	The selected attorney shall complete items 1 through 8, following item 5, and sign and date items 6A and 6B.
7	Once CCC-296 is returned to the County Office, the CCC representative shall approve or disapprove the attorney's completion.
8A and 8B	The CCC representative shall sign and date. **Note:** The CCC representative shall **not** approve CCC-296 if the attorney is **not**: • in good standing with the State Bar association • covered by liability insurance.

D 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 FSFL
- feasible for the State or the area of the State where FSFL will be closed.

129 Closing FSFL's Secured by Real Estate (Continued)

D Requesting CCC-299 (Continued)

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

*--

This form is available electronically.

CCC-299 (03-23-12) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

TITLE OPINION - FARM STORAGE FACILITY LOAN PROGRAM

(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)

1. STATE CODE: 36
2. COUNTY CODE: 017
3. SERIAL NUMBER: 2012-00003

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** ☒ *(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. SIGNATURE OF TITLE EXAMINER: /s/ Cathy Daniels

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
Cathy Daniels
55501 Wrights Place, Suite 101
Uptown, NY 55555

7. DATE OF CERTIFICATION (MM-DD-YYYY): 11-01-20XX

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: /s/ Any FSA County, CED

8B. TITLE

8C. DATE (MM-DD-YYYY)

9. FSA COUNTY OFFICE NAME AND ADDRESS *(Including Zip Code)*
Any County, FSA Office
1146 River Road
Any Town, State 21117

TELEPHONE NUMBER (*Include Area Code*):

--*

129 Closing FSFL's Secured by Real Estate (Continued)

E Instructions for Completing CCC-299

County Offices shall complete CCC-299 according to the following table.

Item	Instructions
1	Enter the State code.
2	Enter the county code.
3	Enter the FSFL number, including FY.
Part A	
1	Enter the borrower's name and address
2 and 3	Check 1 box to indicate if FSFL will be secured by a first lien or second lien.
4	If "second lien" is selected, enter the name of the prior lienholder.
Parts B and C	The attorney or title company shall complete these 2 parts.
Part D	
8A	The CCC representative shall sign before sending to the attorney.
8B	The CCC representative signing in item 8A shall enter their title before sending to the attorney.
8C	The CCC representative shall date before sending to the attorney.
9	Enter the name, address (including ZIP Code), and telephone number of the County Office.

129 Closing FSFL's Secured by Real Estate (Continued)

F Transmittal of Title Information

To transmit information and documents to approved closing agents or title insurance companies for title clearance and FSFL closing services, County Offices shall issue the following letter or a similar 1 that is approved for use by the regional attorney.

Date

(Attorney)

Dear :

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 married)
   _____
   _____
   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 - $_____ (Calculated with 15% downpayment)

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 – _____ years

129 Closing FSFL's Secured by Real Estate (Continued)

F Transmittal of Title Information (Continued)

*--

3) Other information and documents attached:

a) CCC-193, FSFL Mortgage for Real Estate
b) Legal description of land: (copy of deed Warranty Deed is attached)
c) CCC-191, Contractor release of liability – for each contractor/ vendor
d) CCC-299, Title Opinion – Farm Storage Facility Loan Program
e) CCC-194 Farm Storage Facility Loan Subordination Agreement for lien on real property (if needed)
f) FSA-2319 or FSA-1927-8, Agreement with prior lienholder(s) of real estate
g) CCC-190, FSFL Program Lien Waiver for structures
h) Other documents _____

4) Requirements of title insurance commitment:

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 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 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.

--*

129 Closing FSFL's Secured by Real Estate (Continued)

F Transmittal of Title Information (Continued)

d) Scope of search: The approved attorney 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.

129 Closing FSFL's Secured by Real Estate (Continued)

F Transmittal of Title Information (Continued)

5) Other instructions:

a) Lien priority:

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.

b) Under certain circumstances CCC does not require a first lien, but will accept a junior lien position at least equivalent to the loan amount (if applicable). If CCC accepts a Junior lien, the following is required:

- All prior mortgagees must provide for FSA-2319, Agreement with Prior Lienholder
- CCC-297, Severance Agreement, from all mortgagees and parties with an interest in the real estate

c) Contractor release of liability: The contractor must certify that all materials and labor have been paid in full on a CCC-191, FSFL Program Release of Liability. (If they have not been paid in full the contractor will sign a CCC-191 Release of Liability for the amount already paid and the balance will be made in joint payment to the borrower and vendor.)

Other – Please advise what date this loan can be closed. The CCC-186 Promissory Note and Security Agreement and drafts will be prepared at that time.

Sincerely,

County Executive Director

Enclosures

129 Closing FSFL's Secured by Real Estate (Continued)

G FSFL Closing Notification

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 FSFL closing. The borrower must sign, date, and return this letter to the County Office so FSFL closing can be scheduled.
***--**

NOTIFICATION OF LOAN CLOSING

Date

Borrower name
Address

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 ____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 ____date____ 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. **The structure must be insured for at least the value of this loan.** Failure to provide proof of insurance will delay closing of your loan.

CCC requires an inspection of the storage facility before loan closing. (This inspection was completed ____date____.) Periodic inspections will also be done to protect the security interest of CCC.

--*

129 Closing FSFL's Secured by Real Estate (Continued)

G FSFL Closing Notification (Continued)

*--

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 downpayment. 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.

County Executive Director

cc: _____ Attorney at Law

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

--*

129 Closing FSFL's Secured by Real Estate (Continued)

H FSFL 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 FSFL closing instructions to the approved closing agent, attorney, or title insurance company.

Date

Attorney
Address

Dear Mr. :

Reference is made to the transmittal of title information dated _____ for a Commodity Credit Corporation (CCC) Farm Storage Facility Loan to __(insert name of applicant)__, loan number 20__/_____. The requirements of that letter are incorporated by reference. Please notify the County Office when closing can occur. 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 20 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.

CCC requirements regarding the exceptions in the commitment for the title insurance mortgagee, policy number _____ dated _____, 20__, are as follows: (Complete items that apply.)

Number _____ must be removed. *(Closing attorneys like this format. Numbers correspond to # on title opinion. Add numbers as needed.)*

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:

129 Closing FSFL's Secured by Real Estate (Continued)

H FSFL Closing Instructions (Continued)

The requirements below must be met at or before loan closing:

- 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
- Signatures on mortgage that will be filed on the (legal description, Township, County, Iowa) will be required. Owners are listed as _____. *(If spouses are included, address accordingly.)*

The borrower must provide personal funds at closing to pay for their closing costs.

If the County Office is issuing the checks to the borrower/vendors, use the language below.

A CCC-186, Promissory Note and Security Agreement, and loan funds of $_____ will be delivered to your office by ____date____ as follows:

$ _____ to ___ Vendor e.g. Bin Company (joint w/ borrower if not totally paid) _____

$ _____ to ___ Vendor e.g. Electric Company _____

$ _____ to _____

$ _____ to _____

If the County Office is issuing the check to the closing attorney to be held in escrow, use the language below.

A CCC-186, Promissory Note and Security Agreement, will be delivered to your office by ____date____.

Loan funds to be deposited in escrow with you will be disbursed as follows:

Pay $ _____ to _____

Pay $ _____ to _____

Pay $ _____ to _____

Pay $ _____ to _____

129 Closing FSFL's Secured by Real Estate (Continued)

H FSFL 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 are to be returned to the County Office within one day after the loan is closed. As soon as possible, after closing, provide the final mortgagee policy of title insurance and the recorded mortgage to the County Office.

_____ _____
CCC Representative Date

Loan Closing Statement
(To be completed by approved closing agent/attorney)

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.

(Enter items to fit your situation)
____1. Original CCC-186, Promissory Note and Security Agreement.
____2. Original, recorded mortgage.
____3. Original, recorded subordination agreements from each mortgagee or other lienholder who holds an existing lien on the land (as required) (CCC-194 form).
____4. Original contractor certification or release of liability (CCC-191, Release of Liability form).
____5. Copy of the loan closing settlement statement.
____6. Proof of all-peril structural insurance.
____7. Other: _____.

_____
Signature of Approved Closing Agent/Attorney

_____ _____
Signature Title Date

(Attorney must complete and sign the above loan closing statement after closing is completed and return to FSA.)

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.

_____ _____
CCC Representative Date

129 Closing FSFL's Secured by Real Estate (Continued)

H FSFL Closing Instructions (Continued)

Upon returning the documents to the County Office, CED shall:

- review documents to ensure that all items have been completed and returned
- sign and date the statement at the end of the letter to document the review.

130 CCC-297

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 lienholders, including FSA
- the borrower if the borrower has interest in the real estate
- the lienholder of the property, where the facility is located, if constructed on leased or rented land
- all landowners on the real estate where the facility is located.

***--**CCC-297 is **required**, regardless of FSFL amount, for:

- **all** FSFL assumptions
- FSFL's where the real estate security is owned by someone other than the borrower.**--***

B When CCC-297 Is Not Required

CCC-297 is **not** required if any of the following apply:

- collateral is considered a nonfixture
- an FSFL is secured by a first lien on the underlying real estate
- the regional attorney waives the requirement for CCC-297 because State law makes using such an agreement unnecessary
- ***--**the borrower agrees to do any of the following:
  - increase the downpayment on the storage facility from 15 percent to 20 percent or more**--***

130 CCC-297 (Continued)

B When CCC-297 Is Not Required (Continued)

- ***--**aggregate outstanding FSFL balance is $100,000 or less

  Note: Additional security may be required for FSFL's with an aggregate outstanding FSFL balance equal to or less than $100,000, if STC or COC determines that the structure has **no** resale value. See subparagraphs 24 C and N for guidance.

- provide another form of security acceptable to the Secretary to completely secure FSFL, such as an irrevocable letter of credit.

  Notes: If an irrevocable letter of credit is used in addition to the FSFL structure to secure FSFL, CCC-297 is **not** required if the irrevocable letter of credit is 20 percent or greater than FSFL amount. STC has authority to establish a more restrictive policy. See subparagraph 24 G for guidance.**--***

  If the borrower increases the downpayment from 15 percent to 20 percent, CCC-297's will **not** be required. The applicant **must** be informed of and request this option when CCC-185 is submitted.

  If the applicant requests to use this option, notate in CCC-185, item 18, and have the applicant sign and date. At final closing, proof that the entire 20 percent downpayment was made is required, or the loan cannot be closed until either CCC-297 is provided or additional documentation showing that the 20 percent downpayment has been made is received by the County Office.

--**This option only applies to FSFL's of $100,000 or less because all other**-- FSFL's already require additional security and, in most instances when CCC has a mortgage on the underlying real estate, the facility is **not** severed from the real estate.

CCC-297 is **required** for **all** FSFL:

- assumptions
- where the security is owned by someone other than the borrower.

130 CCC-297 (Continued)

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 FSFL's where a real estate lien is:

  - required, have the attorney obtain the properly completed and signed CCC-297

    Notes: The attorney should perform all lien searches.

    If the County Office knows the real estate lienholders, they may obtain properly completed CCC-297's before FSFL closing.

  - **not** required, conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility and obtain properly executed CCC-297's

    Note: See Exhibit 10.

- file CCC-297 before FSFL closing in the appropriate county real estate records unless the regional attorney waives the filing requirement.

  Notes: If COC initially approves CCC-185 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.

  If County Offices are unable to obtain the required real estate lien searches from their County Recorder, the County Office shall use either of the following:

  - local title company with moderate fees
  - farm loan personnel trained to perform real estate lien searches.

E STC Action

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

131 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 FSFL's 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 real estate lien 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:

- obtain all necessary signatures on the instrument
- file or record the original document according to State law.

D County Office Action

County Offices shall:

- prepare the instruments and provide to the closing attorney
- file a copy of the instrument in the FSFL 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 24 C.

CCC-194 is a subordination agreement that may be used for FSFL purposes. See Exhibit 23.

State Offices may develop their own subordination agreement in consultation with their regional attorney.

131 Real Estate Lien Instruments (Continued)

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 FSFL closing.

132 (Reserved)

133 Final Review of Cost Documents

A Acceptable Cost Documents

County Offices shall review:

- final evidence of total cost
- proof of downpayment

***--Note:** CCC-191's, signed and dated by the contractor or seller with the amount of the downpayment listed in items 3(a) **and** 3(b), are considered proof of downpayment.

- payment of amounts in excess of FSFL.

Note: Evidence **must** be signed and dated by the contractor or seller if evidence is **not** on the original letterhead or stamped with the company's seal.**--***

B Examples of Acceptable Evidence

The following are examples of acceptable evidence of cost documents:

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

Notes: All acceptable evidence **must** be signed and dated by the contractor or seller **if** evidence is **not** on the original letterhead or stamped with the company's seal.

When a signature and date are required, initials are **not** acceptable.

Important: The amount of the final invoice or bill must **not** be included in the FSFL amount and FSFL shall **not** be disbursed if CCC-191 is **not**:

- properly completed
- signed and dated, if applicable
- supported with acceptable evidence.

Releasing liability exceptions policy according to subparagraph F applies.**--***

133 Final Review of Cost Documents (Continued)

C County Office Action

County Offices shall:

- date-stamp the original evidence, make a copy for the FSFL folder, and return the original evidence to the borrower

- request the applicant to provide any additional information or documentation considered necessary to support costs or downpayment

•*****--verify evidence with the contractor or seller, if necessary--*****

- obtain reconsideration of financial analysis by either an FLP or County Office employee with FLP loan approval authority and by the applicable approving authority identified in subparagraph 2 F if final review indicates that:

  - final costs exceed costs on which original approval was based
  - final documentation includes items **not** in the original approval

    Example: FSFL for $95,000 was originally approved by COC. Final costs indicate that the new FSFL amount will be $101,000. DD review is required before COC can approve the additional FSFL amount.

- if the approving authority determines the borrower eligible for the increased FSFL amount:

  - document this in the COC or STC minutes

•*****--in CCC-185, item 18, ENTER "STC or COC approved the FSFL increase totaling--***** [*new loan amount*] on [*date*]"

  - request additional funding according to paragraph 355

    Note: The interest rate does **not** change.

- ensure that all necessary actions and forms have been completed

- calculate the amount to be disbursed according to paragraphs 25 and 27.

133 Final Review of Cost Documents (Continued)

D Trade in Allowances

County Offices shall **not** allow trade in allowances.

Example: The borrower has an old grain dryer valued at $1,000 to:

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

The value of the old grain dryer **cannot** be used towards the downpayment for FSFL.

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 FSFL amount. See subparagraph F for additional exceptions.

Only one CCC-191 is required from each contractor supplying goods or performing services for each FSFL disbursement. 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 has been made. A new CCC-191 is required from the contractor if the contractor has presented bills for both the partial and final disbursement.

Examples: The borrower has paid the cement contractor the required 15 percent of his or her total cement bill as reflected in his or her 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, FSFL disbursement was made to the borrower and cement contractor. A new CCC-191, following disbursement with the contractor's name on the check, is **not** required from the contractor.

--**If the supplier and/or contractor did **not** receive payment, the County Office must notate on CCC-191, item 3 A that no payment was made and the FSFL disbursement **must** be joint to the producer and supplier and/or contractor.**--

133 Final Review of Cost Documents (Continued)

E Release of Liability (Continued)

The borrower requests both partial and final disbursements. For the:

- partial disbursement:
  - a complete bill and CCC-191 are presented by the cement contractor
  - a partial bill and CCC-191 are presented by the bin contractor for the construction completed
- final disbursement, the final bill and CCC-191 are presented by the bin contractor and electrician.

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

- mechanics or other liens
- claims arising against the contractor or subcontractors.

F Releasing Liability Exceptions

STC is authorized to approve an exception to current CCC-191 policy, on a case-by-case basis, under specified conditions.

The specified conditions include all of the following:

- waiver request is **only** for supplies from a retail establishment

  Note: CCC-191 contains a release of liability and will still be required from anyone performing work on the structure with no exceptions to the cost.

  Example: The total bill for the electrician to wire the fans in a grain bin totals $950. CCC-191 is required because the bill includes services.

- total sales receipt supported amount for FSFL requesting a waiver of the CCC-191 policy is $1,000 or less

  Example: A producer has bills from Lowe's for $550 and an electrical supply store for $600. A CCC-191 waiver can only be requested for 1 of these bills because together the total is over $1,000. A DAFP waiver for the other bill will be required.

133 Final Review of Cost Documents (Continued)

F Releasing Liability Exceptions (Continued)

- dated sales receipt, identifying all items and costs, supported by a cancelled check or credit card statement.

  Note: The dated sales receipt, identifying all items and costs, and supported by a canceled check must show that the credit card bill has been paid in full.

CCC-191 identifies if a supplier has been paid in full to determine whether joint payment is required. If supplier has **not** been paid in full, CCC-191 is required.

Note: STC can only delegate this approval to SED.

133 Final Review of Cost Documents (Continued)

G Example of CCC-191

The following is an example of CCC-191.

This form is available electronically.

CCC-191
(03-23-12)

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 - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used by the contractor(s) to release the loan applicant and CCC from any liability concerning any and all claims, liens, and lien rights filed relating to construction or improvement work performed on a farm storage facility. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***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)*
Cordell Simmons 1501 Blahe Drive Lawrence, Arkansas 12522	Kelly's Cement 88011 Circle Court Bloomfield, Arkansas 12521
Telephone Number *(Including Area Code)*: 555-124-4569	Telephone Number *(Including Area Code)*: 555-123-8880

3. CERTIFICATION:

I hereby acknowledge the receipt of *(a)* Sixteen hundred dollars

(b) ($ 1,600.00) which represents ☒ full or ☐ partial payment of my contract/purchase invoice dated

(c) 12-01-XXXX for construction or improvement work on the *(d)* permanet cement floor

located in *(e)* NE Sec. 2 lot 13 Lawrence 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 (By)	3*(g)* Title/Relationship of the Individual if Signing in a Representative Capacity	3*(h)* Date *(MM-DD-YYYY)*
/s/ Mike Butler	Owner	12-01-XXXX

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 of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

134 Inspection and Disbursement

A Inspection

County Offices shall:

- inspect the facility before the partial **and** final disbursements

- document the results of the partial and final inspections in the FSFL folder on CCC-295A

  Note: If both partial and final disbursements are requested, CCC-295A for each disbursement is required.

- document the results of the required annual inspection according to
***--**subparagraph 163 A and paragraph 167 in the FSFL folder on CCC-195 Servicing, item 12.

See:

- subparagraph 163 A for when inspections are required
- paragraph 167 for CCC-195 Servicing policy.**--***

B Safety Guidelines

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

- inspect newly constructed storage facilities
- perform 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 *** * *** that should be fixed by the borrower, such as loose ladders.

134 Inspection and Disbursement (Continued)

C Example of CCC-295A

The following is an example of CCC-295A.

*--

This form is available electronically.

CCC-295A
(03-23-12)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

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

BORROWER INFORMATION

1A. Borrower's Name and Address *(Including Zip Code)*
Clark Farms, Inc.
282 State Route 245
Penn Yan, NY 14527

2. Loan Number
2011/00001

1B. Borrower's Telephone Number *(Including Area Code)*: 315-536-8389

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: East Bin- #123456789 Middle Bin- #123456788 West Bin- #1234567777

8. Additional Remarks: (*Indicate item number for each remark.)*

9A. Signature of Agency Official Inspecting Facility	9B. Title	9C. Date of Inspection *(MM-DD-YYYY)*
/s/ R. Jones	CED	10/01/XXXX

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--*

134 Inspection and Disbursement (Continued)

D Disbursement

County Offices shall disburse FSFL as follows:

•*****--according to paragraphs 28, 134.5, 367, and 368

- disburse jointly to the borrower and suppliers unless there is evidence that all amounts due suppliers have been paid.

134.5 CCC-197

A Overview

CCC-197 is available to assist FSA in identifying grant and loan recipients **before** preparing loan documents for the final closing of FSFL.

After completing CCC-197, FSFL borrowers will:

- identify all bills and invoices for the entire structure
- identify all other sources of funding for the FSFL structure
- sign and date a certification statement certifying that a request or application has **not** been submitted, approved, or paid by any Government grant or loan on the same structure or other collateral used for this FSFL and, if a grant or loan is received after FSFL is disbursed for the same structure, the grant or loan **must** be paid as a lump sum repayment to the outstanding FSFL.

B When to File

CCC-197 **must** be filed in the County Office when final evidence of total cost is submitted, according to paragraph 133.

County Offices shall:

- assist the applicant in manually completing CCC-197 and obtain the applicant's signature
- discuss examples of acceptable evidence and CCC-191 requirement, if applicable, according to paragraph 133.

C Approving CCC-197's

STC, COC, or designee shall approve CCC-197's **only** after CCC-197 is completely filed and all acceptable evidence is submitted, according to paragraph 133.**--***

*--134.5 CCC-197 (Continued)

D Maintaining CCC-197's

CCC-197's shall be completed and maintained in the producer's FSFL file folder.

E Instructions for Completing CCC-197's

Complete CCC-197 according to the following table.

Item	Instructions
Part A – General Information	
1-3	Enter FSFL applicant's full name, telephone number (optional), and FSFL number.
4-6	Enter name, address, and telephone number of the FSA County Office.
7	Producer must select either "Partial Disbursement" or "Final Disbursement".
Part B – FSFL Structure Bills and Invoices	
8	Producer must provide the name of the vendor or contractor and approved STC/COC on-farm equipment.
9	Producer must provide the total amount of bill.
	For FSA Use Only
10	STC, COC, or designee must answer "Yes" or "No" to the question, "Was CCC-191 obtained, if applicable?" If "No" is answered, give the reason why not. **Note:** CCC-191 and signed and dated final invoices must be for the same amount or the invoice total must be greater than the total entered on CCC-191, according to paragraph 133.
Part C – Certification of Grants or Loans	
11	Producer must answer "Yes" or "No" to the question, "Are there any unresolved claims or demands for payments pending with a vendor, contractor, subcontractor or material supplier in connection with the FSFL project? If "Yes", provide item number (8 A through 8 I) of the vendor or contractor in Item 18."
12	Producer must answer "Yes" or "No" to the question, "Has an application been submitted, approved or paid for by any other governmental loans or grants on the same structure or other collateral used for this FSFL? If "Yes", provide details of the loan and/or grant in Item 18. If "No", skip Part D."
Part D – Grant and/or Other Loan Information	
13	Producer must provide the total grant eligible costs.
14	Producer must provide the total grant or loan requested.
15	Producer must provide sources of funds, if a value is entered in items 13 and/or 14.
Part E – Producer Certification	
16A	Each producer must sign CCC-197 after carefully reading the information in Part E.
16B	Each producer must provide title/relationship of the individual signing in the representative capacity.
16C	Each producer must enter the last 4 digits of their TIN.
16D	Each producer must enter date CCC-197 was signed.
Part F – STC, COC or Designee Signature (For FSA Use Only) **Important:** STC, COC, or designee shall approve CCC-197 **after** all required CCC-191's are received and acceptable cost documents are received that support the total cost on CCC-191.	
17A	STC, COC, or designee shall sign.
17B	Enter the title of designee signing item 17A.
17C	Enter the date STC, COC, or designee signed item 17A.
18	Enter any remarks that may be pertinent to any information entered on CCC-197.

--*

*--134.5 CCC-197 (Continued)

F Example of CCC-197

The following is an example of a completed CCC-197.

This form is available electronically.

CCC-197
(08-10-11)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

FINAL FARM STORAGE FACILITY LOAN (FSFL)
PROGRAM COST CERTIFICATION

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to obtain the program cost certification data required for the preparation of partial or final Farm Storage Facility Loan Program documents. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

This form needs to be completed and signed by the loan applicants before partial or final FSFL documents can be prepared.

PART A - GENERAL INFORMATION

1. Loan Applicant's Name	2. Telephone Number *(Including Area Code) (Optional)*	3. FSFL Number
Terry Dawn Farms	555-123-4567	2011/00015
4. County FSA Office Name	**5. County FSA Office Address *(Including Zip Code)***	**6. Telephone Number *(Including Area Code)***
Buckhead County FSA Office	2020 Lewis Dr. Travis, MT 20155-1033	555-221-1000

7. FSFL Disbursements *(Check One)*: ☐ Partial Disbursement ☒ Final Disbursement

PART B – FSFL STRUCTURE BILLS AND INVOICES *(Applicants must provide information for bills and invoices received for the FSFL structure)*

8. Name of Vendor or Contractor	9. Total Amount of Bill	For FSA Use Only 10. CCC-191 Obtained *(If Applicable)*
A. C and G Contractors	$ 100,000	☒ YES ☐ NO *(If "NO", provide reason in Item 18)*
B. Sand and Gravel	$ 17,000	☒ YES ☐ NO *(If "NO", provide reason in Item 18)*
C. Kerry's Hardware	$ 50,000	☒ YES ☐ NO *(If "NO", provide reason in Item 18)*
D. Jim and Patty's Construction	$ 12,120.56	☒ YES ☐ NO *(If "NO", provide reason in Item 18)*
E. Home Depot	$ 10,645	☒ YES ☐ NO *(If "NO", provide reason in Item 18)*
F. Williams Electrical Supply	$ 25,000.89	☒ YES ☐ NO *(If "NO", provide reason in Item 18)*
G. Kelly's Concrete	$ 33,000	☒ YES ☐ NO *(If "NO", provide reason in Item 18)*
H.	$	☐ YES ☐ NO *(If "NO", provide reason in Item 18)*
I.	$	☐ YES ☐ NO *(If "NO", provide reason in Item 18)*

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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

--*

*--134.5 CCC-197 (Continued)

F Example of CCC-197 (Continued)

CCC-197 (08-10-11) Page 2 of 2

PART C – CERTIFICATION OF GRANTS OR LOANS *(Borrower must answer the following questions)*

	YES	NO
11. Are there any unresolved claims or demands for payments pending with a vendor, contractor, subcontractor or material supplier in connection with the FSFL project. If "YES", provide Item number (8 A through 8 I) of the vendor or contractor in Item 18.		X
12. Has an application been submitted, approved or paid for by any other governmental loans or grants on the same structure or other collateral used for this FSFL? If "YES", provide details of the loan and/or grant in Item 18. If "NO", skip Part D.		X

PART D – GRANT AND/OR OTHER LOAN INFORMATION

13. Total Grant Eligible Costs	14. Total Grant or Loan Requested	15. Sources - Provide the sources of funds, if a value is entered in Items 13 and/or 14
$	$	

PART E – PRODUCER CERTIFICATION

Certification:

I certify that the information provided is true, complete, and correct to the best of my knowledge and is provided in good faith. I understand if any information is found to be false or incomplete, such finding may be grounds for denial of the FSFL. Additionally, I understand if I receive a grant or loan after the FSFL is disbursed for the same structure, the grant or loan must be paid as a lump sum repayment to the outstanding FSFL.

16A. Producer's Signature (By)	16B. Title/Relationship of the Individual if Signing in a Representative Capacity	16C. Last 4 Digits of Producer's TIN	16D. Date (MM-DD-YYYY)
/s/ Terry Dawn	Producer	xxxx	07-27-20XX

PART F – STC, COC OR DESIGNEE SIGNATURE (FOR FSA USE ONLY)

17A. Signature of STC, COC or Designee	17B. Title	17C. Date Approved (MM-DD-YYYY)
/s/ Clark Tyson	County Executive Director	07-27-20XX

18. Remarks

--*

135 Extension of Approvals

A Extensions That May Be Granted

FSFL approvals expire 6 months after the date of approval. State and County Offices must follow this table for approval authority when granting an additional 6-month loan approval extension, not to exceed a total of 12 months.

--IF the total aggregate outstanding FSFL amount is…--	THEN approval authority is…
less than or equal to $250,000	COC after DD review.
greater than $250,000	STC or delegated authority to SED **only**. The delegation of authority **must** be recorded in the STC meeting minutes.

Notes: An individual acting for SED does **not** have FSFL extension approval authority.

See the first table in subparagraph 2 F for exceptions applicable to FSA employees and their relatives.

Extensions become necessary only if the applicant has **not** completed construction or has **not** submitted all documentation required to disburse FSFL. Delays in disbursing FSFL within the control of CCC, such as funds obligation and the need for additional lien waivers discovered during the lien search 5 workdays before closing, do **not** require a request for extension from the applicant.

FSFL must **not** be disbursed with an expired approval date. If all documentation to disburse FSFL is received in the County Office and date-stamped before the FSFL expiration date, FSFL may be disbursed.

STC's (or delegated SED) or COC's shall:

- grant and approve extensions on CCC-185, item 14 C, **only** if the applicant:
  - submits a written request for an extension within 7 calendar days of notification by the County Office or the FSFL 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 FSFL approval period expiration date if the request for the extension was made in a timely manner.
  - provides evidence that CCC-185 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.

135 Extension of Approvals (Continued)

A Extensions That May Be Granted (Continued)

- grant extensions only for the time necessary to complete the installation
- **not** grant automatic extensions
- ensure that extensions can also be granted if the:
  - site preparation and foundation are both completed by the original FSFL 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, item 14C.--*****

B Requests for Extensions Beyond 12 Months

STC's **only** are authorized to grant extensions of FSFL approvals beyond 12 months, not to exceed 18 months from the date of the original approval. This authority may **not** be redelegated.

STC's must use discretion when approving extensions beyond 12 months, not to exceed 18 months of the original loan approval date. Based on the date the FSFL obligation appears in the system, CCC starts paying interest to Treasury on the obligated funds.

A DAFP waiver is required for extensions beyond 18 months of the original loan approval date.

State Offices must e-mail the following details about FSFL to Toni Williams at **toni.williams@wdc.usda.gov** when FSFL extensions are granted by STC beyond 12 months:

- FSFL number
- FSFL amount
- reason for extension beyond 12 months
- date STC approved the loan approval extension
- loan approval extension expiration date.

136-145 (Reserved)

Part 8 Disbursing FSFL's

146 Preparing Manual CCC-186

A Manually Preparing CCC-186

All FSFL's **must** be disbursed through the APSS software according to current FI notices and handbooks. See paragraphs 366, 367, and 368 for step-by-step instructions.

State Office specialists shall contact PSD for instructions if it is necessary to manually prepare CCC-186. If it is necessary to prepare a manual CCC-186, the State Office specialist responsible for FSFL must review for completeness before obtaining any signatures.

146 Preparing Manual CCC-186 (Continued)

*--B Example of CCC-186

The following is an example of CCC-186.

This form is available electronically.

CCC-186 (02-12-13) **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
23	004	2013/00001

2. Amount Financed: $ 44,000.00

7A. Debtor's Name and Address *(Including ZIP Code)*	7B. Telephone Number *(Including Area Code)*
Keller Farms, Inc. 801 Camp Road Temple, ME 12345-1111	123-456-7899

8. Co-Debtor's Name and Address *(Including ZIP Code)*

3. Annual Percentage Rate	4. Finance Charge 1/
1.8750 %	$ 3,351.29
5. No. of Annual Installments	**6. Installment Amount**
7	$ 6,765.90

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 on the annual anniversary date. 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)*:
30' diameter Brock Grain Bin approximately 13,000 bushel, heater, grain spreader, and aeration system

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)*:
52 acres Locust TWP Watson Co. Farm Number 80815

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 (By)	9B. Title/Relationship of the Individual if Signing in a Representative Capacity	9C. Debtor's ID No. *(Last 4 digits)*	9D. Date *(MM-DD-YYYY)*
/s/ James Keller	Self/Owner	1234	03-25-12
10A. Co-Debtor's Signature (By)	**10B. Title/Relationship of the Individual if Signing in a Representative Capacity**	**10C. Debtor's ID No. *(Last 4 digits)***	**10D. Date *(MM-DD-YYYY)***

11. COMMODITY CREDIT CORPORATION SECURED PARTY

11A. By: Approving Official's Signature	11B. Title	11C. Date of Disbursement *(MM-DD-YYYY)*
/s/ Laura Leakes	County Executive Director	03/25/2012

12. FSA County Office Name and Address *(Including ZIP Code)*
Farm Service Agency
702 SIms Creek Rd.
Baltimore, ME 12345-1111

Telephone Number *(Include Area Code)*: 207-555-1212

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to specify the terms and conditions for the Farm Storage Facility Loan Program Note and Security Agreement. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication,1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov.

Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

--*

146 Preparing Manual CCC-186 (Continued)

*--B Example of CCC-186 (Continued)

CCC-186 (02-12-13) Page 2 of 3

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 personalty and shall not be accessioned 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.

--*

146 Preparing Manual CCC-186 (Continued)

*--B Example of CCC-186 (Continued)

CCC-186 (02-12-13) Page 3 of 3

CCC-186 TERMS AND CONDITIONS (Continued)

9. The terms and conditions contained on this form are in addition to the applicable program regulations found at 7 C.F.R. Part 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. If it is discovered that a producer did not comply with lobbying disclosure requirements (31 U.S.C. 1352), applicants for and recipients of: 1) A Federal loan exceeding $150,000; or 2) A Federal contract, grant, or cooperative agreement payment exceeding $100,000 must file, with the disbursing office a SF-LLL if they have or will use monies received for lobbying purposes. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

12. 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 JK	03-25-12	10A	

13. 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		11A		12A		13A	
14A		15A		16A		17A	

--*

147 CCC-186-1

A Preparing CCC-186-1

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.
2 – 9	Enter additional co-debtor's (or any debtor's spouse) name, address, and last 4 digits of identification number.
10A – 17B	Co-debtors (or any debtor's spouse) shall sign and date, if applicable.
18	Enter any other pertinent information.

147 CCC-186-1 (Continued)

B Example of Manual CCC-186-1

The 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.***

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.

148-157 (Reserved)

158 Collecting Installments

A Installment Payments

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

--**Installments are due and payable no later than the FSFL annual anniversary day 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.

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

158 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.

***--Note:** CCC-195 Servicing shall be initiated at the same time the reminder and notification letter is mailed to the FSFL producer.

Other letters, such as demand letters, call letters, or liquidation letters, must be prepared by the County Office as needed. See subparagraph 159 D when sending this notification letter.

USDA-Farm Service Agency
County FSA Office
Address
City, State ZIP Code

(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 2009/00001 on 12/18/2013. 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
12/18/2013	$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

--*

158 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 FSFL 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 subparagraph 380 C for the repayment date to enter on Screen VDA11005.

The **final** FSFL installment payment shall include interest to the date payment is received in the County Office. The table in subparagraph 380 C does **not** apply to the final FSFL 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 first 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 the borrower on the next day after the due date, when the installment principal balance remaining after payment exceeds $25

- prepare and 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

- on the day after the due date, set the "Other Agency Debt" flag in the borrower's customer profile through FSA-FS

- in addition to the first demand letter, prepare and mail 2 subsequent demand letters at 30-calendar-day intervals if the installment is **not** paid

- collect additional interest to date of the 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

158 Collecting Installments (Continued)

D Failure to Pay Installments Policy (Continued)

- 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

- 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 FSFL and a receivable established in NRRS. This is because a portion of the outstanding principal 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.

Delinquent FSFL's will be referred to TOP 120 calendar days after the installment due date. PSD will initiate the referral.

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 both of 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 1 time only for each installment during the FSFL term**--***

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

158 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:

- prepare and mail the demand letter in this subparagraph to contact borrowers and all co-borrowers on the day after the due date
- in addition to the first demand letter, prepare and 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.

Note: Demand letters for delinquent FSFL installment payments will **not** be processed through NRRS. FSFL demand letters are prepared in and by the County Office.

158 Collecting Installments (Continued)

F Demand Letters (Continued)

The following is an example of the demand letter.

(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

158 Collecting Installments (Continued)

G FSFL 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 FSFL
- call FSFL 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 FSFL.

Note: FSFL may be paid in full or in part at any time before maturity without penalty.

H Releasing Security

Upon payment of FSFL 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.

***--**Security documents may be released earlier than 30 calendar days, if after the SED review, it is determined FSFL has been satisfied and paid-in-full. The authority for this release may **not** be redelegated.

Note: If final FSFL payment is made by cash, certified check, or money order, the 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 FSFL 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 redelegated.**--***

158 Collecting Installments (Continued)

I 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 FSFL as follows:

- access the FSA Intranet Home Page at **http://fsaintranet.sc.egov.usda.gov/fsa/**
- CLICK:
  - "FSA Applications" under "Links"
  - "Financial Application" under "Financial Services"
  - "FSA Financial Services"
  - "I Agree" after the warning
- enter a valid eAuthentication user ID and password, and CLICK "Login" to continue
- CLICK "Select Customer" from the menu on the left side

  Note: See 1-CM for instructions on selecting a customer from SCIMS.
- after the customer has been selected, the FSA-FS Menu will be displayed
- CLICK "Customer Profile" to change the flag setting for "Other Agency Debt"
- click the radio button under "Other Agency Debt" according to the following:
  - "Yes" to set the flag
  - "No" to remove a previously set flag
- CLICK:
  - "Update Profile" to record the flag setting
  - "Logoff" at the top right of the screen to exit FSA-FS.

159 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 380 C about the repayment date.

Note: Interest is from the date disbursed to the date payment is made or from 1 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 FSFL's where installments have been paid, County Offices shall:

- review the FSFL repayment receipt printed when the last repayment was applied, according to subparagraph 380 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 FSFL 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.

- identify FSFL's with small installment principal balances that require further collection action.

Note: County Offices are:

- encouraged to periodically run the FSFL Repayment Status Report, according to subparagraph 414 H, to identify FSFL's on which principal balances exist

- to take collection action according to subparagraph C.

159 Small FSFL Installment Principal Balances (Continued)

C Collection Actions

For FSFL 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

  Note: Notify the borrower that additional interest has accrued on FSFL because of 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 158 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 158 D, if installment principal balances remain unpaid after 2 consecutive monthly installment principal balance demand letters.

  Note: The County Office shall prepare and send out the demand letter in subparagraph E. If **not** paid within 30 calendar days, prepare and send the second 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-calendar-day grace period, according to subparagraph 380 C.

159 Small FSFL Installment Principal Balances (Continued)

E Demand Letter for Installment Principal Balances

The 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	Unpaid 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

160 Delinquent FSFL's

A 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.

B 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 calendar days delinquent, County Offices shall set the delinquent flag on the web-based Eligibility Screen according to 3-PL (Rev. 1), paragraph 34.

161 FSFL's Paid in Full

A Releasing FSFL Security

Upon payment of FSFL 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.

***--**Security documents may be released earlier than 30 calendar days, if after the SED review, it is determined FSFL has been satisfied and paid-in-full. The authority for this release may **not** be redelegated.

Note: If final FSFL payment is made by cash, certified check, or money order, the 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 FSFL 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 redelegated.**--***

162 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 FSFL's 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 FSFL when it appears CCC's security interest is in jeopardy

  Note: See subparagraph 227 B.

162 Real Estate Taxes (Continued)

B Unpaid Taxes (Continued)

- bill the borrowers for the amount of the tax paid

  Note: See paragraph 314 for depositing borrower reimbursement of CCC-paid taxes.

- begin proper servicing action, such as calling FSFL.

163 Maintenance and Liability

A Maintenance

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

County Offices shall perform collateral checks:

- at least once every other year for all FSFL's using asphalt flooring, according to subparagraph 34 C

- for the following terms:

  - 7-year term – fourth year of FSFL
  - 10-year term – fourth and eighth year of FSFL
  - 12-year term – fourth and ninth year of FSFL

- ***--**where the full annual installment payment is **not** made within 15 calendar days after**--*** the installment due date.

  Example: Producer Berry has an FY 2009 FSFL with a 7-year term and the annual installment repayment is due on May 1. The following table is a schedule of when collateral checks are required based on the date the annual installment repayment is received in the County Office.

  Note: The future dates of annual installment repayments are used for this example only.

FSFL Term	Date Annual Installment Payment Received in the County Office	Collateral Check Required
Year 1	April 30, 2010	No
Year 2	May 1, 2011	No
Year 3	***--**May 19, 2012**--***	Yes
Year 4	April 30, 2013	Yes
Year 5	April 29, 2014	No
Year 6	***--**May 22, 2015**--***	Yes
Year 7	May 1, 2016	No

Important: If there is reason to believe CCC's collateral is at risk, STC or COC may authorize the County Office to perform a collateral check at any time.

163 Maintenance and Liability (Continued)

A Maintenance (Continued)

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

*** * ***

- annually verify structural and flood insurance policies by:

  - ensuring that CCC is listed as a loss payee
  - reviewing proof of insurance provided to FSA by insurance companies

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

- annually obtain proof of multi-peril crop insurance or NAP insurance for each applicable crop year for the entire FSFL term

- 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 FSFL 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 FSFL collateral.

164 Changes to a Farming Operation

A Farming Operation Changes

FSFL's are approved and disbursed to a farming operation that is an eligible entity or eligible producer at the time of approval.

B Borrower Action

If any changes are made to a farming operation with an outstanding FSFL, the borrower **must** do 1 of the following:

- find an eligible borrower or entity to assume FSFL according to paragraph 177
- repay FSFL
- undergo new financial analysis to ensure that CCC's interests are protected and that the current borrower is in a position to continue making the scheduled FSFL payments.

Notes: The only way TIN can be changed on an outstanding FSFL is through the FSFL assumption process. If an individual borrower changes his or her farming operation to a corporation, the corporation **must** assume FSFL for IRS-1098 to report the interest paid to the new TIN. All the steps for FSFL assumption **must** be completed for the corporation.

The facility is still prohibited from being used as a commercial facility or operation as long as FSFL is outstanding.

165 Sale or Conveyance and Assumptions

A Sale of Collateral

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

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

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

The County Office shall not release any documents to release any liens, security, or allow removal of the FSFL structure until the full payment has been received according to subparagraph 161 A.

B Assumptions

An assumption of FSFL may be approved by CCC. The approval authority for FSFL assumption is the same as for a regular FSFL. See subparagraph 2 F.

166 Appeals, Misaction, and Misinformation

A Adverse Determinations

Approving authorities making adverse determinations against FSFL 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.

*--167 CCC-195 Servicing

A Completing CCC-195 Servicing

County Offices shall:

- prepare CCC-195 Servicing 45 calendar days before the installment due date for all outstanding FSFL's

  Note: CCC-195 Servicing shall be initiated at the same time the reminder and notification letter are mailed to the FSFL producer according to 1-FSFL, subparagraph 158 C.

  Example: FSFL installment due date is September 28, 2013. The County Office **must** complete CCC-195 Servicing on August 13, 2013, for items that can be answered before the installment due date. Items that cannot be answered before the installment due date **must** be answered within 120 calendar days after FSFL installment due date.

- maintain CCC-195 Servicing in each FSFL folder

- start using CCC-195 Servicing immediately

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

Notes: Do **not** line through items when initials and dates are required.

It is not practical for CCC-195 Servicing to address every conceivable situation about servicing FSFL's.

B Accessing CCC-195 Servicing

CCC-195 Servicing is available from the USDA Service Center Agencies eForms web site at **http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html**.--*

***--167 CCC-195 Servicing (Continued)**

C Modifying CCC-195 Servicing

State Offices shall:

- only as necessary, and to incorporate individual State laws, modify CCC-195 Servicing for State use by editing the document in Microsoft Word

  Note: The current version of CCC-195 Servicing is available through the FFAS Employee Forms/Publications Online Website at **http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html**.

- e-mail State CCC-195 Servicing's that differ from the national CCC-195 Servicing to Toni Williams at toni.williams@wdc.usda.gov for National Office approval

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

D State Office or Designee Reviews

The State Office shall select the following every FY for each County Office for review beginning October 1:

- three CCC-195 Servicing, if 10 or less CCC-195 Servicing's have been completed
- five CCC-195 Servicing, if 11 or more CCC-195 Servicing's have been completed.

Notes: The State Office CCC-195 Servicing Review Report is due in the National Office on or before the 4th Friday each January following the new FY.

Selecting CCC-195 Servicing per County Office may be random and the State Office Review Report, SORS, FSFL Condensed, and or the FSFL system-generated Repayment History Report may assist with selecting CCC-195 Servicing's that must be reviewed.

Other FSFL administrative reports that may be used are:

- FSFL Status Report
- FSFL Installment Due Report
- FSFL Repayment Installment Reminder Report
- FSFL Repayment Status Report.**--***

167 CCC-195 Servicing (Continued)

E National Report

SED's or designee shall report the following for each County Office to the National Office:

- number of CCC-195 Servicing reviewed by State Office
- number of "Do Not Concur" signed by State Office
- reason for "Do Not Concur"
- corrective action provided to the County Office to resolve CCC-195 Servicing finding.

SED or designee shall e-mail the report to toni.williams@wdc.usda.gov. Reports are due in the National Office by the 4th Friday each January, following the new FY.

F Completing CCC-195 Servicing

Complete CCC-195 Servicing according to the following table.

Item	Instructions
1	Enter producer's name.
2	Enter FSFL number.
3	Enter State where facility or equipment is located.
4	Enter County Office name where FSFL was processed.
5A	Enter FSFL term (7, 10, or 12 years).
5B	Enter FSFL annual term year. **Example:** FSFL was disbursed April 27, 2012, as FSFL 2012-00001, and CCC-195 Servicing was initiated on March 18, 2013. FSFL annual term year entered should be "1".
***--**5C	Enter FSFL installment due date.**--***
6 A through 12 E	For each item listed, CHECK (✓) "**Yes**", "**No**", or "**N/A**", as applicable. The employee completing the action shall initial and date each box. **Note:** When initials and date are required, lining through the item is **not** acceptable.

***--167 CCC-195 Servicing (Continued)**

F Completing CCC-195 Servicing (Continued)

Item	Instructions
13 A	Any County Office employee who initials in items 6 through 12 is **required** to sign as a preparer. Signing as the preparer does **not** represent that an employee checked items 6 through 12, only that the employee completed an item that was initialed and dated. **Note:** There may be more than 1 preparer signing and dating CCC-195 Servicing.
13 B	County Office employee who signs item 13 A shall enter the current date.
14 A through 14 C	CED shall indicate whether or not they concur with how items 6 through 12 are completed. CED or designee representative shall review CCC-195 Servicing for all outstanding FSFL's. CED, or designee representative, who: • completed item 14 A shall sign item 14 B • signed item 14 B shall enter the current date in item 14 C. **Note:** If CED, or CED designee representative, was 1 of the preparers who completed items 6 through 12, CED, or CED designee representative, shall **not** complete this section. DD's **must** complete items 14 A through 14 C for all CED, or CED designee representative prepared FSFL's.
15 A through 15 G	During the applicable State Office or designee review of CCC-195 Servicing according to subparagraph 2 A, the State Office or designee shall respond to items 15 A through 15 D. Remarks or findings shall be noted for each question, if applicable. State Office or designee who: • completed 15 E shall sign item 15 F • signed item 15 F shall enter the current date in item 15 G.
16	Enter any remarks about any questions included on CCC-195 Servicing.
17	**Important:** Every FY the State Office or designee shall select the following for each County Office for review beginning October 1: • three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed • five CCC-195 Servicing, if 11 through 1,000 CCC-195 Servicing have been completed.

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167 CCC-195 Servicing (Continued)

G Example of CCC-195 Servicing

*--The following is an example of CCC-195 Servicing.

This form is available electronically.

CCC-195 Servicing (03-10-14)	U.S. Department of Agriculture Commodity Credit Corporation	1. Name of Producer	
		2. Loan No.	
FARM STORAGE FACILITY LOAN (FSFL) SERVICING CHECKLIST		3. State Office Name *(Where facility or equipment is located)*	4. County Office Name
		5A. FSFL Term *(7, 10, or 12)*	5B. FSFL Annual Term Year / 5C. Installment Due Date *(MM-DD-YYYY)*

Office Staff Actions:	Applicable References *(1-FSFL (Rev. 1))*	YES	NO	N/A	Initials	Date
6. Collecting Installments						
A. Initiated a reminder and notification letter at the Start-of-Day, 45 calendar days before the FSFL annual installment due date. **Note:** The final installment payment shall have the statement attached from subparagraph 158 C to the reminder and notification letter.	*Subparagraph 158 C*					
B. Was the FSFL annual installment payment received timely and entered in both the System 36 and NRRS? If the answer is "YES", continue to Item 8. If the answer is "NO", complete the remainder of Item 6 and Item 7. **Note:** The annual installment repayment NRRS code is XXFSFL located in PSFSFL. XX represent the FY the FSFL was approved.	*Paragraph 380* *Exhibit 36*					
C. Prepared and mailed a first demand letter on the day after the due date.	*Subparagraph 158 D*					
D. Established the "Other Agency Debt" flag in the producer's customer profile through FSA-Financial Services.	*Subparagraphs 158 D and I*					
E. Prepared and mailed a second demand letter 30 calendar days after the first demand letter. If the answer is "YES", also answer Item 12D.	*Subparagraph 158 D*					
F. Prepared and mailed a third demand letter 30 calendar days after the second demand letter.	*Subparagraph 158 D*					
G. Prepared collection action against a debtor's pro rata share of payments due any entity that the producer participates in, either directly or indirectly.	*Subparagraph 158 D*					
H. Prepared foreclosure actions after all efforts to collect the installment have been exhausted.	*Subparagraph 158 D*					
I. 120 calendar days after the installment due date, refer the producer to the National Office PSD.	*Subparagraph 158 D*					
7. Later Payment of an Installment, if applicable:						
A. Did the producer make a written request for COC consideration within 60 calendar days before or after the installment due date **and** a current cash flow statement demonstrating that the installment can be paid within 120 calendar days after the due date? **Note:** Payment after the installment due date may be requested 1 time only for each installment during the FSFL term.	*Subparagraph 158 E*					
B. Prepared and mailed to the producer the COC decision regarding the later payment of an installment.	*Subparagraph 158 E*					
C. Resumed collection activity according to actions listed at 6C through 6I, if the installment is not paid by the COC determined date.	*Subparagraph 158 E*					
8. Releasing Security, if applicable:						
A. FSFL is "paid in full." Initiate the release of security documents, as required by State law.	*Subparagraph 161A*					
B. Require the producer to pay all security release fees.	*Subparagraph 161A*					
C. Mark the original CCC-186 "paid" and forward to the producer 30 calendar days after the date of the final repayment.	*Subparagraph 161A*					

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167 CCC-195 Servicing (Continued)

G Example of CCC-195 Servicing (Continued)

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CCC-195 Servicing (03-10-14) Page 2 of 3

Office Staff Actions:	*Applicable References (1-FSFL (Rev. 1))*	YES	NO	N/A	Initials	Date
9. Real Estate Taxes:						
A. Producer provided proof of payment of real estate taxes, applicable to the collateral securing the FSFL and real estate taxes are current. If the answer is "NO", complete Item 9B. If the FSFL is not secured with real estate, mark N/A.	*Subparagraph 162 A*					
B. Pay any unpaid taxes with respect to the collateral securing FSFL if appears CCC's security interest is in jeopardy.	*Subparagraph 162B*					
10. Annual Insurance Coverage Requirement:						
A. Multi-Peril Crop Insurance - Producer provided proof of multi-peril crop insurance, if applicable, for commodities stored in the structure.	*Subparagraph 69 A*					
B. All-Peril Structural Insurance - Producer provided proof of all-peril structural insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee.	*Subparagraph 69 F*					
C. Flood Insurance - Producer provided proof of flood insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee.	*Subparagraph 69 G*					
11. Financing Statements:						
A. UCC-1 is current. If the answer is "NO" continue to Item 11 B.	*Subparagraph 56 B*					
B. UCC-3 Continuation is filed.						
12. Collateral Inspection:						
A. Is a collateral inspection required for the applicable FSFL term? If the answer is "YES", complete the remainder of Item 12. If the answer is "NO", no further action is required for Item 12.	*Subparagraph 163 A* *Paragraph 167*					
B. Was there legal access to the facility site?						
C. Was there proper facility maintenance?						
D. Was this a collateral inspection needed because of a late FSFL annual installment repayment?						
E. If asphalt flooring is installed, a collateral check is required at least once every other year. Is an asphalt flooring check required for this year? If "YES", record remarks regarding the check in Item 16.	*Subparagraph 34C*					

13. Certification:

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

14A. I concur/do not concur the above items have been verified or updated accordingly. ☐ Concur ☐ Do Not Concur

14B. CED, CED Designee Representative or DD Signature (Required for all Loans)	14C. Date *(MM-DD-YYYY)*

15. State Office or Designee Review:

Question	YES	NO	Remarks or finding, if applicable
15A. Did the County Office prepare the CCC-195 Servicing on the date the reminder and notification letter was mailed to the FSFL producer?			
15B. Did the respective employee check, initial, and date the appropriate box for each item as it was performed?			
15C. According to your review of CCC-195 Servicing and the actions taken, was the FSFL properly serviced?			
15D. Do you have other concerns regarding this FSFL?			

15E. I, the undersigned, certify the above items have been verified or updated accordingly. ☐ Concur ☐ Do Not Concur

15F. State Office or Designee Signature	15G. Date *(MM-DD-YYYY)*

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167 CCC-195 Servicing (Continued)

G Example of CCC-195 Servicing (Continued)

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CCC-195 Servicing (03-10-14) Page 3 of 3

16. Remarks

17. Important:

The State Office or designee shall select the following per County Office for review each FY, beginning October 1:

- three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed
- five CCC-195 Servicing, if 11 through 1,000 CCC-195 Servicing have been completed

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*--168 Lien Subordination

A Subordination

Authority is provided to subordinate CCC's lien position if **all** of the following apply:

- adequate security is available to secure the outstanding FSFL amount according to subparagraph 24

  Notes: The methodology used to determine the security value for the outstanding FSFL amount must be maintained in the FSFL folder or a referenced folder. See subparagraphs 24 P through S.

  STC's have authority to establish a more restrictive Statewide policy for subordinating CCC's lien position.

- FSFL is not in default

- the producer:

  - in writing, must request that CCC subordinate its lien position

  - must not receive any new liens, increased credit lines, or encumbrances, unless CCC approves otherwise in writing

  - will be responsible for all FSFL security re-filings and/or releases.**--***

***--168 Lien Subordination (Continued)**

B Approval Authority

The subordination must be approved according to this table.

IF the aggregate outstanding FSFL balance is…	**THEN approval authority is…**
less than or equal to $250,000	DD.
greater than $250,000	STC or delegated authority to SED **only**.

Note: Approval officials must ensure that all documents received from a creditor or financial institution for signature to subordinate CCC's lien position are reviewed thoroughly and will not adversely affect CCC's security. The approval official, as needed, must consult with the Regional OGC for legal advice.

State Offices must provide the following information to the National Office within 30 calendar days after the subordination of CCC's lien position is approved:

- County Office
- FSFL number
- original FSFL amount
- amount of outstanding FSFL at time of subordination request.

The State Office Price Support Specialist shall e-mail the report to Toni Williams at **toni.williams@wdc.usda.gov.--***

Part 10 Deceased Borrowers and Assumptions

176 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 FSFL according to instructions provided by the State Office and the Regional OGC.
4	Process assumptions according to paragraphs 177 and 426.

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 • FSFL is secured by CCC-186 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 FSFL.
3	Notify the County Office of OGC's recommendations and the language of the notification letter.

177 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 FSFL requests an assumption.

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 12 A.
2	Obtain new CCC-297's, 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 24 I.
5	Collect the application fee in effect at the time the assumption is requested according to paragraph 30. ***--Note:** A new application fee is not required if the remaining co-borrowers will continue to meet the FSFL eligibility requirements and demonstrate the need for the storage. For this situation, CED or COC may approve CCC-298.--*****
6	Prepare a manual CCC-185 to document that the applicant meets the storage need.
7	Include unpaid interest in the assumed FSFL 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 24 I.
10	Require the new borrower to pay the next installment when it is due.
11	Provide releases of security to the original borrower. The original borrower pays all fees associated with releasing security.
12	Call FSFL and require repayment in full when there is **not** an eligible producer to assume FSFL.

Process assumption in APSS according to paragraph 426.

177 Assumptions (Continued)

C Preparing CCC-298

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

Item	Instructions
1	Enter the State code.
2	Enter the county code.
3	Enter the loan serial number, including FY.
4	Enter the borrower's name, address, and telephone number that is on the current FSFL.
5	Enter the State where FSFL is administered.
6	Enter the county where FSFL is administered.
7	Enter the legal description of where the equipment is located.
8A	Enter the name, address, and telephone number of the buyer or survivor.
8B	Enter the county where the buyer lives.
8C	Enter the State where the buyer lives.
9A	Enter the date that the original CCC-186 was executed.
9B	Enter the principal amount of original FSFL.
9C	Enter the principal amount that is unpaid.
9D	Enter the date of the last installment.
9E	Enter the interest rate in effect for the original FSFL.
10A	Enter the State where the security instrument is filed.
10B	Enter the county where the security instrument is filed.
10C	Enter the kind of security instrument, such as UCC-1, mortgage, or deed of trust.
10D	Enter the date the instrument was executed.
10E	Enter the name of the office where the instrument was recorded.
10F	Enter the book, volume, or document number.
10G	Enter the page number in the book where the instrument is recorded, if applicable.
11A	Enter the effective date of assumption.
11B	Enter the amount of unpaid principal to be assumed.
11C	Enter the unpaid interest to be assumed, if any.
11D	Enter the total of items 11B and 11C.
11E	Enter the date of the next installment according to the original schedule.
11F	Enter the interest rate applicable to the original FSFL.
12A	The original borrower or representative shall sign and date.
12B-F	The original co-borrower or representative shall sign and date.
13A	The buyer shall sign and date.
13B-F	The co-buyer shall sign and date.
14	The CCC representative shall sign and enter their title.
15	Enter the name, address, and telephone number of the County Office to administer FSFL.

177 Assumptions (Continued)

D Example of CCC-298

The following is an example of CCC-298.

*--

This form is available electronically.

CCC-298 (03-23-12) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. State Code	2. County Code
FARM STORAGE FACILITY LOAN PROGRAM ASSUMPTION AGREEMENT	55	019
(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)	3. Loan Serial Number 2009/00004	

4. Borrower Name and Address (*Including Zip Code*)
Bill Holiday
113 Winter Lane
Columbia, WI 55311

Telephone Number (*Include Area Code*): 512-301-6012

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
Wisconsin	Brown

7. Legal Description of Location of Equipment
7 miles west of Landover, WI on state route 550 described in Brown County clerk's book of deeds number 90 page 117.

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
Kim Holiday 6550 Blackburn, RD Cheverly, WI 55306 Telephone Number (*Include Area Code*): 512-301-5508	Brown 8C. State where Buyer Lives Wisconsin

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
10-13-2009	$35,000.00	$27,112.00	09-23-1010	3.45 %

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	H. Check if New Security
Wisconsin	Brown	UCC-1 Financing Statement	07-10-2010	Brown County Clerk	2009/90	117	

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
09-30-2010	$27,112.00	$186.54	$27,298.54	08-23-2011	3.45 %

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177 Assumptions (Continued)

D Example of CCC-298 (Continued)

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CCC-298 (03-23-12) 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 *(By)* ***/s/Bill Holiday***	12B. Title/Relationship of the Individual if Signing in a Representative Capacity Borrower	12C. Date *(MM-DD-YYYY)* 09-30-2010
13A. Co-Borrower's Signature *(By)*	13B. Title/Relationship of the Individual if Signing in a Representative Capacity	13C. Date *(MM-DD-YYYY)*
13A. Co-Borrower's Signature *(By)*	13B. Title/Relationship of the Individual if Signing in a Representative Capacity	13C. Date *(MM-DD-YYYY)*
13A. Co-Borrower's Signature *(By)*	13B. Title/Relationship of the Individual if Signing in a Representative Capacity	13C. Date *(MM-DD-YYYY)*
13A. Co-Borrower's Signature *(By)*	13B. Title/Relationship of the Individual if Signing in a Representative Capacity	13C. Date *(MM-DD-YYYY)*
13A. Co-Borrower's Signature *(By)*	13B. Title/Relationship of the Individual if Signing in a Representative Capacity	13C. Date *(MM-DD-YYYY)*
14A. Buyer's Signature *(By)* ***/s/ Kim Holiday***	14B. Title/Relationship of the Individual if Signing in a Representative Capacity Buyer	14C. Date *(MM-DD-YYYY)* 09-30-2010
15A. Co-Buyer's Signature *(By)*	15B. Title/Relationship of the Individual if Signing in a Representative Capacity	15C. Date *(MM-DD-YYYY)*
15A. Co-Buyer's Signature *(By)*	15B. Title/Relationship of the Individual if Signing in a Representative Capacity	15C. Date *(MM-DD-YYYY)*
15A. Co-Buyer's Signature *(By)*	15B. Title/Relationship of the Individual if Signing in a Representative Capacity	15C. Date *(MM-DD-YYYY)*
15A. Co-Buyer's Signature *(By)*	15B. Title/Relationship of the Individual if Signing in a Representative Capacity	15C. Date *(MM-DD-YYYY)*

COMMODITY CREDIT CORPORATION SECURED CREDITOR

16. Commodity Credit Corporation *(Secured Creditor)* By /s/ Sidney Pope, CED *(Name and Title)*	17. Name and Address of County FSA Office *(Including Zip Code)*: Brown County FSA Office 11550 Shirley Court Lakewood, WI 55321 Telephone Number *(Include Area Code)*: 512-301-6005

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to process a Farm Storage Facility Loan Program assumption agreement. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

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178-185 (Reserved)

Part 11 Bankruptcy

186 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 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.

  Form B10 can be found at **http://www.uscourts.gov/rules/BK_Forms_Pending_2008/B_010_1208v4.pdf**.

After receiving notification of a bankruptcy filing, the State Office shall e-mail the following ***--**bankruptcy information to Toni Williams, PSD at **toni.williams@wdc.usda.gov**:**--***

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

186 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 FSFL in FSFL 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 FSFL 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 the borrower to sign CCC-400:
  - prepared according to paragraph 210
  - revised with OGC advice
- sell FSFL collateral according to Part 13
- apply sales proceeds to the outstanding FSFL amount
- if sales proceeds exceed the amount due CCC, refund the excess amount to the producer
- transfer the unpaid FSFL balance to claims if:
  - there is an unpaid FSFL balance
  - collateral has been sold
  - FSFL 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 determined by COC
- sales proceeds received
- date sales proceeds received
- sales expenses
- date FSFL liquidated in APSS.

187-195 (Reserved)

Part 12 Calling and Liquidating FSFL's

196 Calling FSFL's

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
  - does **not** maintain the required structural, crop, or flood insurance
  - has made representations or warranties about FSFL that prove to be false
  - does **not** comply with any covenants or agreements in connection with FSFL or in the application for FSFL
  - dies or becomes incompetent and there is no one to continue FSFL
  - abandons the FSFL collateral and has **not** repaid FSFL or authorized CCC to sell the FSFL collateral
- the FSFL 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 FSFL.

  Example: The condition of the FSFL 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 FSFL term.

196 Calling FSFL's (Continued)

B COC Action

COC shall:

- follow subparagraph A when considering calling FSFL's to protect CCC's interests
- take action to call any FSFL approved by COC
- provide recommendations by memorandum to STC to call any FSFL approved by STC.

C Potential Violations

If the reasons for calling FSFL 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

- **not** make recommendations about any administrative action according to 9-AO, subparagraph 50 D

- take action only after receiving legal advice from OGC.

D Notifying Borrower

Upon final determination to call FSFL, County Offices shall:

- notify the borrower using the letter in subparagraph E
- file a copy of the letter in the FSFL folder.

196 Calling FSFL's (Continued)

E Preparing Call Letter

Prepare the following call letter for **all** borrowers who signed CCC-186 and file a copy in the FSFL 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 158 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

197 Liquidation Actions

A Payment Not Received

When FSFL is called and payment is **not** received within 30 calendar days from the date of the letter in subparagraph 196 E, County Offices shall:

- notify the State Office of pending liquidation

  Note: The 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 FSFL 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 210 A

- object to removing collateral and require formal court foreclosure before collateral can be sold and removed.

197 Liquidation Actions (Continued)

C Preparing Liquidation Letter

If the FSFL amount plus interest is **not** paid, prepare the following liquidation letter:

- to **all** borrowers who:
  - signed CCC-186
  - sign real estate mortgage for FSFL security
- by certified mail, return receipt requested
- with CCC-400 enclosed and prepared according to subparagraph 210 A
- 30 calendar days after the date the call letter was sent according to subparagraph 196 E
- with a copy to the FSFL 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

198 Reinstatements

A Reinstating FSFL's

County Offices shall reinstate FSFL's 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:
  - the repayment was **not** made for reasons beyond the borrower's control
  - borrower had made a good faith effort to comply with FSFL terms
- current installment plus interest to date is paid.

Note: When FSFL's are reinstated, all original terms and conditions of FSFL, according to the applicable CCC-186, and any other security documents, shall apply.

199-208 (Reserved)

Part 13 Selling FSFL Collateral

209 Sale Requested by Borrower

A County Office Action

Borrowers with FSFL's **not** in default or called by CCC may voluntarily convey collateral to CCC by signing CCC-400.

Note: County Offices shall take sale action according to paragraph 211.

210 Agreement for Sale of FSFL Collateral

A Preparing CCC-400

County Offices shall prepare CCC-400 according to the following table.

Item	Instructions
1	Enter the County Office name, address, and telephone number.
2	Enter the State code, county code, FY, 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 FSFL 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 and 3B	The authorized representative of CCC shall sign and date.
H 4A and 4B	The authorized representative of CCC shall sign and date.

210 Agreement for Sale of FSFL Collateral (Continued)

B Example of CCC-400

The following is an example of a completed CCC-400.

*--

This form is available electronically.

CCC-400 (03-23-12) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. FSA County Office Name and Address *(Including Zip Code)*
FARM STORAGE FACILITY LOAN PROGRAM AGREEMENT FOR SALE OF LOAN COLLATERAL	Yates County FSA Office 270 Lake Street Penn Yan, NY 14527 Telephone Number *(Including Area Code)*: 315-536-4012
	2. Serial Number 36/123/2005/00001

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to obtain to allow the legal transfer of Farm Storage Facility Loan Program collateral to CCC for sale. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F- Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

3. Debtor's Name and Address *(Including Zip Code)*	4. Debtor's Telephone Number *(Including Area Code)*
Clark Farms, Inc. 282 State Route 245 Penn Yan, NY 14527	315-536-7281

A. THIS AGREEMENT, is made *(1)* 20th day of *(2)* October, *(Year)* *(3)* 20XX

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)* ($ 10465) as evidenced by,

a Promissory Note and Security Agreement (CCC-186) executed with respect to the following property (collateral) *(6)* 2-1,000 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 of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

--*

210 Agreement for Sale of FSFL Collateral (Continued)

B Example of CCC-400 (Continued)

*--

CCC-400 (03-23-12) 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	1B. Date (MM-DD-YYYY)	1C. Signature of Borrower	1D. Title/Relationship of the Individual is Signing in a Representative Capacity	1E. Date (MM-DD-YYYY)
/s/ Ima Witness	10-20-20XX			10-20-20XX
2A. Signature of Witness	**2B. Date (MM-DD-YYYY)**	**2C. Signature of Borrower's Spouse**	**2D. Title/Relationship of the Individual is Signing in a Representative Capacity**	**2E. Date (MM-DD-YYYY)**
/s/ Ima Witness 2	10-20-20XX			10-20-20XX
3. **COMMODITY CREDIT CORPORATION SECURED PARTY**		3A. Signature of CCC Representative		3B. Date (MM-DD-YYYY) 10-20-20XX
By /s/ Ima COC Chairperson (CCC Representative)		4A. Signature of CCC Representative		4B. Date (MM-DD-YYYY) 10-20-20XX

--*

211 Liquidating FSFL's Not Secured by Real Estate With Movable Collateral

A Action Instead of Foreclosure

When FSFL's have been called and a liquidation letter has been issued to debtors, the collateral must be sold to liquidate FSFL. FSFL with collateral that can be disassembled and moved that is **not** secured by real estate, may be liquidated or partially liquidated under the terms of CCC-186. County Offices shall:

- obtain borrower's signature and, if required by law, spouse's signature on CCC-400 prepared according to subparagraph 210 A

- perform a lien search, no more than 10 calendar 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 (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 lienholder 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 of collateral letter is sent as the date that CCC takes possession of the FSFL collateral.

211 Liquidating FSFL's Not Secured by Real Estate With Movable Collateral (Continued)

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, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal or age, provided the applicant can execute a legal contract. 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 the Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (202) 720-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

211 Liquidating FSFL's Not Secured by Real Estate With Movable Collateral (Continued)

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 FSFL collateral sold by CCC, before the sale, COC must establish a fair market value to be documented in the COC minutes. Send a memorandum to the State Office to be forwarded to PSD of established fair market value.

211 Liquidating FSFL's Not Secured by Real Estate With Movable Collateral (Continued)

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 (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.

211 Liquidating FSFL's Not Secured by Real Estate With Movable Collateral (Continued)

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)

Bids will be opened and evaluated at the above named County FSA Office on **(Date)**, 20XX, at **(Time)**. Bids will be considered only if received before the time of opening.

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.

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

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal or age, provided the applicant can execute a legal contract. 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 the Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (202) 720-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

211 Liquidating FSFL's Not Secured by Real Estate With Movable Collateral (Continued)

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, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal or age, provided the applicant can execute a legal contract. 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 the Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (202) 720-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

211 Liquidating FSFL's 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 (subparagraph I)
- place the original bill of sale in the FSFL 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 lienholders if approved by OGC
- payment to the borrower.

Note: Establish a claim if the borrower's debt is **not** completely liquidated by sale of the FSFL collateral.

The automated FSFL system contains a process for FSFL liquidation. Following the sale of FSFL 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 FSFL to claims is through the liquidation software.

211 Liquidating FSFL's Not Secured by Real Estate With Movable Collateral (Continued)

I Example of Bill of Sale

The following is an example of a bill of sale.

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)

212 Liquidating FSFL's Not Secured by Real Estate With Nonmovable or Nonsaleable Collateral

A Liquidating Actions

When FSFL's have been called and a liquidation letter has been issued to debtors, the collateral must be sold to liquidate FSFL. However, for FSFL's 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
- have COC establish a fair market value for the collateral and document in the COC minutes
- 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 FSFL according to paragraph 177
  - does **not** assume FSFL, ask the new landowner 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.

Note: Beginning with FY 2010, all FSFL's with no resale collateral value, as determined by the approving committee, require additional security.

213 Liquidating FSFL's Secured With Real Estate Liens

A COC Action

When FSFL's 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 FSFL. COC shall:

- obtain OGC advice through the State Office
- obtain an appraisal of the property with State Office approval
- establish a fair market value or resale value before sale of the collateral and real estate.

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 of the collateral and the real estate established by COC or the borrower's 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 lienholders if approved by OGC
- payment to the borrower.

Note: Establish a claim if the borrower's debt is **not** completely liquidated by sale of the FSFL collateral.

213 Liquidating FSFL's Secured With Real Estate Liens (Continued)

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 FSFL folder, send to PSD, and include the following information in a cover memorandum:
  - name of borrower and FSFL 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.

214-225 (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 FSFL will **not** be called
- an error made by a third party and the borrower is **not** at fault.

Example: Total FSFL cost was $10,000. FSFL was disbursed for $9,500, but it was later found that because of 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 158 F and pursue collection

  Note: Modify the demand letter as applicable.

- process the refund as a regular repayment, except do **not** charge interest. Use 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 FSFL should be called

- issue a demand letter according to subparagraph 158 F and pursue collection

  Note: Modify the demand letter as applicable.

- process the refund as a regular repayment with interest.

227 Additional Disbursements

A Applicability

County Offices are authorized to make additional disbursements when, for FSFL's 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 FSFL's where additional payments are necessary to protect CCC's security interest, County Offices shall:

- issue payments using the online payment process and code "MISEXP"
- create a receivable for the amount paid according to current FI procedure
- pursue collecting the receivable from the debtor according to current FI procedure.

C Correcting Underdisbursed FSFL's

For underdisbursed FSFL's because of errors by CCC or the borrower, contact PSD for guidance on correcting FSFL.

228 Relocating FSFL 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 FSFL.

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 CCC-186 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
  - CCC-297's are obtained as necessary

- an onsite inspection at the new location is performed by the administrative or destination County Office.

When collateral is moved outside the county that administers FSFL, 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 FSFL's 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 131 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 FSFL Collateral

A Occurrences

Requests for repairing or replacing FSFL 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 FSFL security documents to replace or substitute FSFL collateral
- when collateral is destroyed or damaged, and **will not be repaired**:
  - inspect facility to assess damage
  - immediately call FSFL according to paragraph 196
  - apply insurance proceeds as a regular FSFL repayment
  - create a claim for outstanding amounts after CCC has disposed of FSFL 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

    Notes: 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 calendar days before a check expires, for instructions on how to proceed.

    --**County Offices must ensure that acceptable evidence and CCC-191's are collected and reviewed to substantiate the repair costs. Collecting this information will ensure that FSA does not encounter a future liability or mechanic's lien.**--

- advise producers that they may apply for new FSFL's for replacement facilities and equipment.

231 Releasing Real Estate Security

A Partial Releases

Partial releases of real estate used to secure FSFL's are authorized when:

- a request in writing is received from debtors
- COC determines that the:
  - partial release will **not** jeopardize CCC's security interest
  - remaining real estate has sufficient value to secure FSFL
  - 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
  - FSFL 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 Discharging Mortgage or Deed of Trust

Discharges of real estate liens used to secure FSFL's 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 FSFL have lapsed
- borrower pays all costs associated with the release.

Note: If final FSFL payment is made by cash, certified check, or money order, the 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 FSFL has been paid in full, and a copy of CCC-257 showing the remittance ***--**has been deposited. SED may, **after** reviewing the documents **and** satisfaction, advise the County Office in writing to proceed with releasing the security documents before the 30 calendar days have elapsed from the date of the final payment of FSFL. The authority for this release may **not** be redelegated.**--***

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
  - FSFL folder
- the borrower pays all costs associated with the discharge.

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 Discharging CCC-297's

A Authorization for Discharging CCC-297's

Discharges of CCC-297's used to protect CCC's security interest are authorized when the:

- County Office determines that:
  - FSFL has been paid in full
  - 30 calendar days from the date of final payment of FSFL have lapsed
- borrower pays all costs associated with the discharge.

Note: If final FSFL payment is made by cash, certified check, or money order, the 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 FSFL 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 redelegated.

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

232 Discharging CCC-297's (Continued)

B Discharge Preparation and Distribution (Continued)

- distribute copies of the discharge to the following:
  - secured party
  - debtor
  - FSFL 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 following:
    - U.S. Air Force
    - U.S. Army
    - U.S. Coast Guard
    - U.S. Marine Corps
    - U.S. Navy
- 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 FSFL's

Applicable FSFL's affected by the Service Members Civil Relief Act are those:

- secured with personal or real property
- entered into before the borrower entered active military service.

233 Applicability of the Service Members Civil Relief Act (Continued)

C Relief Available

Types of relief offered include the following:

- relief from foreclosure, sale, or seizure of property for nonpayment of FSFL 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 159, County Offices shall **not**:

  - continue with collection actions, including calling FSFL
  - sell the collateral that was used to secure FSFL, unless the borrower desires to voluntarily convey the collateral on CCC-400 to satisfy the outstanding FSFL.

- 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 FSFL's 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.

233 Applicability of the Service Members Civil Relief Act (Continued)

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 the Service Members Civil Relief 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 the following:
  - copy of CCC-186
  - outstanding principal amount
  - all repayment receipts
  - amortization schedule
  - copies of UCC-1
  - 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 FSFL
- a recommendation, based upon financial analysis, from an FSA employee with FLP loan authority about the person withdrawing from FSFL, and confirming the person does **not**:
  - have any repayment ability for FSFL
  - own any nonessential assets
- a copy of the divorce decree or property settlement document holding the withdrawing party **not** responsible for FSFL payments
- evidence of conveyance of the withdrawing party's interest in the security to the borrower with whom FSFL will be continued.

235-244 (Reserved)

Parts 15-17 (Reserved)

245-300 (Reserved)

Part 18 Requests for Relief

301 Other Situations

A County Office Action

To address special situations, County Offices shall:

- prepare a memorandum to STC containing the following:
  - full details of the situation
  - purpose of the request
  - COC recommendations
- provide copies of all applicable FSFL documents, including the following:
  - FSA-850 and FSA-851, if applicable
  - COC minutes
  - CCC-185
- 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 the following:
  - full details of the situation
  - purpose of the request
  - STC and COC recommendations
- provide copies of all applicable FSFL documents listed in subparagraph A.

  Note: The original file and FSFL documents are **not** to be sent.

--**Documents may be FAXed to 202-690-3307 or e-mailed (encrypted) to Toni Williams at **toni.williams@wdc.usda.gov**.**--

C DAFP Action

DAFP shall:

- approve or disapprove the request
- notify the applicable State Office.

302-310 (Reserved)

Part 19 Automated CCC-185's, CCC-186's, and Disbursements

Section 1 Amortization Schedule and Fees

311 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.

311 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", "10", or "12" are the FSFL periods 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 2009"
"First Payment Date"	1 year from the estimated disbursement date, for example "0710 2010"

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 FSFL 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 367 and 368.

312 Application Fees

A Collecting Application Fees

An FSFL application fee of $100 per FSFL applicant **shall** be collected according to paragraph 30. Deposit the application fee as soon as it is collected. **No other** fees are collected for FSFL's, although applicants are responsible for paying for certain filing fees associated with their FSFL as identified in subparagraph 24 I.

--**The application fee for a loan assumption must be collected the assumption is requested, according to paragraph 177.**--

312 Application Fees (Continued)

B Program Code for Application Fees

The program code for **depositing** FSFL application fees is "XXFSFLFEES", where "XX" represents the last 2 digits of the FY in which the FSFL application is expected to be "Approved Pending Funding" by STC or COC.

Examples: An application fee collected for FSFL that is "Approved Pending Funding" by COC between:

- 10-1-11 and 9-30-12 will be deposited using code "12FSFLFEES"
- 10-1-12 and 9-30-13 will be deposited using code "13FSFLFEES".

The NRRS code "XXFSFLFEES":

- **shall** only be used for application fees
- **must** equal $100 when entering the FSFL application fee
- is located in **NRRS** under "Direct Sales".

Note: State and County Offices must ensure that the FSFL application fee is selected from the "Direct Sales" NRRS drop-down menu and **not** selected from the "Price Support Farm Storage Facility Loan" NRRS drop-down menu.

Important: If application fee is received in FY 2012, but FSFL is not approved until FY 2013, application fee **must** be ***--**reentered in the system as, "13FSFLFEES". State Offices **must** contact the National Office for instructions when deleting and reentering "XXFSFLFEES".**--***

Notes: For fees paid for by the County Office and reimbursed by the producer, see paragraph 314.

See Exhibit 34 for FSFL program codes, Exhibit 35 for FSFL application fee examples for recording in NRRS, and Exhibit 36 for FSFL repayment examples for recording in NRRS.

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 "$100.00"
- date application fee was paid and deposited
- CCC-257 number, for example "0468".

D Depositing Application Fees

The FSFL application fee shall be deposited in NRRS using current FI procedure.

313 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** pay for these reports. PSD will request payment.

The applicant shall pay all other fees according to subparagraph 24 I.

B Program Code for Paying Fees

The program code for **paying** fees for FSFL lien searches and financing statements is ***--**"XXFSFLRF", where "XX" equals the last 2 digits of the FY of the original loan approval.

Examples: Lien search and recording fees shall be coded as follows:

- a fee for filing UCC-1 for FSFL approved in FY 2010 and paid on October 4, 2010, shall be "10FSFLRF"

- a lien search on an individual assuming FY 2007 FSFL paid on September 9, 2010, shall be "07FSFLRF".

C Paying Fees

County Offices shall submit payment requests for FSFL lien search and recording fees according to current OLP procedures in 1-FI.

314 Reimbursable Fees

A Reimbursable Fee--*

An example of a reimbursable fee is the borrower repaying the County Office for CCC-297 they filed for the producer. According to subparagraph 24 I, the producer is responsible for the cost associated with the filing of CCC-297. Other examples include, but are not limited to, the following:

- ***--**filing and discharging CCC-297
- filing and recording CCC-297 related to a lien on real estate
- filing a release or discharge of a real estate mortgage**--***
- terminating a financing statement using a UCC document.

314 Reimbursable Fees (Continued)

*--A Reimbursable Fee (Continued)

FSFL recoverable/reimbursable costs are the responsibility of the borrower, but in some instances may be paid on behalf of the borrower by CCC because of timing issues, and then collected back from the borrower. These recoveries are manually recorded through NRRS and are separate from the FSFL application fee code.**--***

B Payments for Reimbursable Fees Submitted by County Office

County Offices shall:

- use the OLP program code "XXFSFLAME" to **pay** for FSFL reimbursable fees that will be reimbursed by the applicant

  Note: "XX" equals the last 2 digits of the FY of the original FSFL approval.

- submit the payment request for reimbursable fees according to current OLP procedures in 1-FI.

***--**"XXFSFLAME" **shall** only be used for recording a recoverable/reimbursable fee **receivable** in NRRS.

Important: County Offices must use OLP "XXFSFLAME" to pay reimbursable fees that will be reimbursed by the borrower.**--***

C Producer Remittance of 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 in which the original FSFL was approved.

Note: All OLP's made using program code "XXFSFLAME" shall be offset with a ***--**receivable in NRRS for the same amount.**--***

314 Reimbursable Fees (Continued)

D Examples of Reimbursable Fees

The following are examples of reimbursable fees.

- The County Office pays for recording CCC-297 for FSFL approved on August 16, 2011. OLP is coded as "11FSFLAME". The borrower submits payment to the County Office for the cost of recording CCC-297 on October 14, 2011. The receivable is coded in NRRS as "11FSFLAME".

•***--**The borrower makes the final payment on their FY 2009 FSFL and wants UCC-1 released. The borrower gives the County Office a check for the cost of releasing UCC-1 and the receivable is coded in NRRS using code "09FSFLAME". OLP is coded as "09FSFLAME".**--***

E Lien Search and UCC-1 Recording Fee

CCC is responsible for payment of lien searches on collateral and UCC-1 recording fees for financing statements on collateral. OLP code, "**XXFSFLRF**" is used to pay these fees, where "XX" equals the last 2 digits of the original FSFL approval.

Example: The County Office paid for a lien search for the FSFL approved on April 4, 2011 (FY 2011 FSFL). The County Office **must** enter the lien search fee as "11FSFLRF" when issuing payment to the payee.

NRRS code, "XXFSFLRF":

•***--**shall only be used for recording a lien search, UCC-1, or UCC-3 continuation recording fees in OLP**--***

- is located in NRRS under "Existing Receivable", then "Record New Receipt" using collection type, "Existing Receivable".

"XXFSFLRF" must be used to return funds when there is an overdisbursement of lien search and UCC-1 recording fees.

NRRS code "XXFSFLRF" shall **not** be used to record FSFL:

- annual installment repayments
- application fees
- reimbursable fees.

315-324 (Reserved)

325 FSFL Menus and Processing Functions

A Main Menu VCA005

The following 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

The following 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
```

325 FSFL Menus and Processing Functions (Continued)

C Accessing FSFL Functions

Access **all** FSFL processing functions according to the following 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.

326 Important Information for Processing FSFL's

A Processing Capabilities

FSFL disbursement checks can **only** be issued through FSFL disbursement functions according to paragraphs 366, 367, and 368.

B FY's

For credit reform reporting purposes, the "Fiscal Year" entered on Screen VCA11000 according to subparagraph 338 B, step 1, must be the 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

The FSFL facility type codes have been modified to include the new eligible commodities. Ensure that the correct facility type code is being used when entering the FSFL application into the software.

The following FSFL facility type numbers are allowable entries on Screen VFA10500 according to subparagraph 338 B, step 4, when entering CCC-185 data:

- "1" for **Storage Bin**
- "2" for **Storage Crib**
- "3" for **Upright Silo**
- "4" for **Flat Storage**
- "5" for **Affixed Handling Equipment**
- "6" for **Affixed Drying Equipment**
- "7" for **Hay**
- "8" for **Additions/Modifications of Existing Storage**
- "A" for **Renewable Biomass**
- "B" for **Fruit and Vegetable Cold Storage**
- "C" for **Bunker-Type, Horizontal, or Open Silos for High Moisture Grain**
- "D" for **Bunker-Type, Horizontal, or Open Silos for Silage**.

Note: PRESS "Help" on Screen VFA10500 to display this information.

326 Important Information for Processing FSFL's (Continued)

C FSFL Facility Types (Continued)

For the following new commodities, the following facility type codes **must** be used:

- "7" for all structures to store **Hay**
- "A" for all structures to store **Renewable Biomass**
- "B" for all cold storage structures to store **Fruits and Vegetables**.

Note: The only way PSD has to monitor the number of FSFL's of the new eligible commodities is through these codes.

Example: For a hay structure, enter **only** facility type code "7".

327 Additional Eligible Commodities

A Eligible Commodities

Screen VFA11000 has been modified to allow for the following additional commodities:

- Hay
- Renewable Biomass
- Fruits and Vegetables.

--Notes:** See Exhibit 14 for commodity codes and abbreviations. County Offices are to enter the alpha crop abbreviation and **not** the numeric crop code.**--

If re-accessing the FSFL application to increase or decrease the FSFL approval amount, the fifth character of the commodity code abbreviation must be re-entered to complete the process. This is a known defect that will be updated in the next software release.

328-337 (Reserved)

Section 3 Processing CCC-185's

338 Initial Entry of CCC-185 Data

A Accessing Application Processing

To process **initial** CCC-185 data entries:

- access FSFL functions according to subparagraph 325 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 the following table. See paragraph 353 for instructions on entering CCC-185 when both a partial and final disbursement are requested.

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
	  Note: See subparagraph 326 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.

338 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 FSFL amount ($500,000 is the maximum allowed)
	
	  --Note:** The approved FSFL amount shall **not** be increased to allow "padding" for unexpected expenses associated with the construction of the storage facility.**--
	
	  • existing capacity (0 (zero) or higher)
	
	  • capacity of proposed storage structure (may be 0 (zero) because of equipment-only FSFL's)
	
	  • date:
	
	  • purchased or tentative purchase date
	  • delivered to the farm
	  • erected or installed
	
	  • application fee:
	
	  • amount, for example "100.00"
	
	  --Note:** The application fee must be entered in NRRS "Direct Sales" using "XXFSFLFEES". "XX" represents the last 2 digits of FY in which the FSFL application is expected to be "Approved Pending Funding" by STC or COC.**--
	
	  • date paid
	
	  • CCC-257 deposit number, for example "0468"
	
	• PRESS "**Enter**".
		Screen VFA10500 will be displayed.

338 Initial Entry of CCC-185 Data (Continued)

B Data Entry (Continued)

<table>
<tr><th>Step</th><th>Action</th><th>Result</th></tr>
<tr><td>4</td><td colspan="2">On Screen VFA10500, 5 data entry lines are provided to list the applicable type codes. Enter 1 of the following facility type codes, as applicable:

• “1”
• “2”
• “3”
• “4”
• “7” – hay storage
• “A” – renewable biomass storage
• “B” – cold storage for FAV’s
• “C”
• “D”.

Notes: For a hay storage facility, enter only facility code “7”.

For a renewable biomass storage facility, enter only facility code “A”.

For a cold storage facility for FAV’s, enter only facility code “B”.</td><td rowspan="8">Screen VFA10800 will be displayed.</td></tr>
<tr><td rowspan="7"></td><td>IF the facility type code entered in block 1 is...</td><td>THEN...</td></tr>
<tr><td>an addition or modification rather than new</td><td>ENTER “8”.</td></tr>
<tr><td>new</td><td>leave blank.</td></tr>
<tr><td>IF...</td><td>THEN...</td></tr>
<tr><td>affixed handling equipment is included in FSFL</td><td>ENTER “5”.</td></tr>
<tr><td>affixed drying equipment is included in FSFL</td><td>ENTER “6”.</td></tr>
<tr><td colspan="2">Enter the FSFL purpose in free-form and PRESS “Enter”.</td></tr>
</table>

338 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 or installed by, for example "Smith Company"
	
	  • who the real estate owner is, for example "James and Linda Farmer"
	
	  • who the lienholder 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, item 8(b). Enter the complete legal description. If the legal description required by the State is larger than the system will allow, County Offices must type the balance of the legal description on CCC-186 at disbursement.**--***
	
	• 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 in CCC-185, item 18.
	
	• enter date of CCC-185:
	
	  • for first applicant, for example "02112010"
	  • for second applicant, when applicable
	
	• PRESS "Enter".
		Screen VFA11000 will be displayed.

338 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
	
	  --Note:** Enter the alpha crop abbreviation, **not** the numeric code.**--
	
	  • acres and yield per acre
	
	• answer the question, "Are there more farms numbers 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
		
		  Note: For cold storage facilities for FAV's, **only** 1-year storage capacity is allowed.
		
		  • 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)".

338 Initial Entry of CCC-185 Data (Continued)

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
```

Notes: "ST CODE" and "CTY CODE" are required only when a farm is located in a county other than the system county.

See paragraph 353 for instructions on entering separate FSFL's for the partial and final disbursement options.

339 Re-Accessing CCC-185's to Make Changes Before Approval

A Re-Accessing CCC-185's

After being processed according to paragraph 338, 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 354.

B Making Changes Before Approval

To **change** CCC-185 data before approval:

- re-access applicable CCC-185 according to subparagraph 325 C and:
  - ENTER "1", "Application/Approval Processing", on Menu VCA005
  - proceed to Screen VCA11000
- complete processing according to the following table.

Step	Action	Result
1	On Screen VCA11000: • enter the 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, display data as it was **last** entered according to paragraph 338, and allow for changes: • Screen VFA10000 • Screen VFA10500 • Screen VFA10800 • Screen VFA11000 • Screen VFA11500.

339 Re-Accessing CCC-185's to Make Changes Before Approval (Continued)

B Making Changes Before Approval (Continued)

Step	Action	Result
3	Complete Screens VFA10000 through VFA11500, according to subparagraph 338 B, and PRESS "Enter".	Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".
4	Complete the process according to subparagraph 338 B, step 8.	Revised CCC-185 will be printed showing applicable changes.

C Maintaining Records of Changes

Attach **all** revised CCC-185's to the original CCC-185 so the current version is on top.

340 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 the applicable CCC-185 according to subparagraph 325 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.

340 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 the 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, for: • "**Amount Approved Pending Funding**", enter the amount approved pending funding and PRESS "**Enter**" **Note:** The "Amount Approved Pending Funding" cannot be greater than the "Requested loan Amount" (CCC-185, item 3A). If partial FSFL, this should **not** be more than 50 percent of the producer's actual requested FSFL amount. **Partial** and **final** FSFL amounts will equal the producer's actual request. • "**COC approval date (MMDDYYYY)**", enter the COC approval date and PRESS "**Enter**" **Note:** The first approval date determines the interest rate and must be the date of COC or STC approval. • "**Is this a Partial or Final Disbursement? (P or F)**", ENTER "P" or "F" and PRESS "**Enter**" **Notes:** On Screen VFA12500, the question, "**Is this a Partial or Final Disbursement? (P or F)**", has been added. When "**P**" or "**F**" is entered, the message, "Enter the approved total loan amount", will be displayed and must be completed. This amount is the total amount the producer requested for FSFL (partial FSFL plus final FSFL). The County Office must ENTER "**F**" if: • this is the only disbursement for the producer's request • this is the second of two FSFL's (partial FSFL disbursement and final FSFL disbursement).	Screen VFA13000 will be displayed.

340 Recording Actions for CCC-185's (Continued)

C Approvals (Continued)

Step	Action	Result
3 (Cntd)	For "F" (final) disbursements, the "Amount Approved Pending Funding" must match term requirements. Partial disbursement is **not** a requirement. • "**Requested Loan Term**", enter the requested FSFL term and PRESS "**Enter**". **Note:** The FSFL term will be based on the amount entered for the ***--**approved total FSFL amount. If the FSFL term changes after the initial obligation, a new FSFL must be entered in the FSFL software, using all the original application and approval dates. The system will **not** allow the FSFL term to change once obligated.	Screen VFA13000 will be displayed.
4	On Screen VFA13000: • enter the security required **Notes:** This shall include a **detailed** description of the farm storage structure and/or equipment being financed, in addition to the required collateral security. This will be automatically transferred to CCC-186, item 8(a). The description shall be in 1 of the following formats:**--*** • free-form • as required by State law • as authorized, in writing, by OGC. 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** required by State law, per written authorization from OGC, and **not** entered, ensure**--*** that the filed UCC-1 or real estate filing contains a detailed description. *** * ***	Screen VFA13500 will be displayed.

340 Recording Actions for CCC-185's (Continued)

C Approvals (Continued)

Step	Action	Result
5	On Screen VFA13500: • leave the "Ranking Criteria" field **blank** • enter appropriate notations in remarks, such as conditions of approval **Note:** Three pages are provided for remarks. • PRESS "Enter".	Screen VFA13505 will be displayed.
6	On Screen VFA13505, enter remarks as needed.	Screen VFA17005 will be displayed.
7	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 FSFL approval is entered and queued for funding to when the obligation is received back in the County Office.

340 Recording Actions for CCC-185's (Continued)

D Disapprovals

Complete CCC-185 **disapproval** processing according to the following table.

--Note:** The disapproval option shall **only** be used on FSFL that has not been obligated.**--

Step	Action	Result
1	On Screen VCA11000: • enter the 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 item 18
		
		• "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.

340 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 the applicant notifies the County Office that they no longer want FSFL.

Complete CCC-185 **withdrawal** processing according to the following table.

Step	Action	Result
1	On Screen VCA11000: • enter the 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)".

340 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 item 18
		
		• "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.

340 Recording Actions for CCC-185's (Continued)

F Deletions

CCC-185 may be deleted:

- before approval
- after obligation
- *--before note and security amount is verified.--*

Notes: By using this option, any funds that have been obligated will be returned.

Use delete to return obligated funds because of an error. A new FSFL may be entered with the correct information.

Complete CCC-185 **deletion** processing according to the following.

Step	Action	Result
1	On Screen VCA11000: • enter the 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)".

340 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 item 18
		
		• "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.

341-350 (Reserved)

351 Queuing FSFL Detail Transmission File

A Actions for Obligation

After CCC-185's have been approved according to subparagraph 340 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 the FSFL Detail Transmission File according to the following 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 the applicable county • PRESS "Enter".	Application Selection Menu FAX07001 will be displayed.
3	On Menu FAX07001: • ENTER "7", "Queue Files for Transmission" • PRESS "Enter".	Queue Files for Transmission Menu FMA901 will be displayed.

351 Queuing FSFL Detail Transmission File (Continued)

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, the queue process runs through to completion and the 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 the FSFL Detail Transmission File is uploaded to NITC at regular transmission time immediately after Price Support.

352 Receiving Funding Download

A Obligation Download

FSFL funding obligations for CCC-185's, which have been uploaded according to paragraph 351, will be returned to County Offices from NITC by a downloaded file that will be received **either**:

- through the SOD process
- according to the following 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 the 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.

352 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 FSFL amount is entered, **approved**, and transmitted to when the increased FSFL amount is received back in the County Office. County Offices shall plan accordingly.

353 Partial and Final FSFL Disbursement Options

A Partial Disbursement Option

If the producer requests a partial disbursement, County Offices must enter the application into the FSFL software as 2 separate FSFL's. Information shall be the same for both FSFL's except for "Requested Loan Amount".

Example: Joseph Smith submits an FSFL application for $150,000, on a manual CCC-185, as required in subparagraph 51 D with the total capacity of 100,000 bu.

- The applicant requests an FSFL term of 10 years and a partial disbursement of $75,000.
- The applicant signs and dates CCC-185, page 1 on August 17, 2009.
- The County Office enters the application into the FSFL software as 2 separate FSFL's as follows:
  - one FSFL for $75,000 with a 10-year FSFL term for the partial disbursement and 50,000 bu. capacity
  - a separate FSFL for $75,000 with a 10-year FSFL term for the final disbursement and 50,000 bu. capacity.

Note: A partial disbursement is **not** a requirement and is at the producer's option.

353 Partial and Final FSFL Disbursement Options (Continued)

B Entering Initial Partial Disbursement FSFL

County Offices shall enter the initial FSFL application from the manual CCC-185 for partial disbursements in the FSFL software according to the following.

Step	Action
1	On **Menu VCA005**: • ENTER "**1**", "Application/Approval Processing" • PRESS "**Enter**".
2	On **Screen VCA11000**: • enter the contact applicant's name and FY • ENTER "**N**" for the new system-assigned FSFL number • PRESS "**Enter**".
3	On **Screen VCA11500**: • select the producer • PRESS "**Enter**".
4	On **Screen VFA10000**, for: • "**Requested Loan Amount**", enter the requested partial FSFL amount and PRESS "**Enter**" **Note:** This amount must be the **partial** amount, **not** the entire amount requested by the producer. The final "Requested Loan Amount" must equal the total amount of the producer's request and/or the total from the final cost receipt less the 15 percent required downpayment. • "**Existing Capacity**", enter the total existing storage capacity and PRESS "**Enter**" • "**Capacity of Proposed Storage Structure**", enter **half** the capacity of proposed storage structure for partial FSFL and PRESS "**Enter**". Continue processing **Screen VFA10000** by entering the information from items 6, 8, and 10 from the manual CCC-185. Application fee information is also entered. Upon completion, **print Screen VFA10000 to have a record of the CCC-257 number**.

353 Partial and Final FSFL Disbursement Options (Continued)

B Entering Initial Partial Disbursement FSFL (Continued)

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>5</td><td>On Screen VFA10500, enter information for “Facility Type” and “Purpose of Loan” and PRESS “Enter”.

This information must be entered according to the applicable facility type and code as follows.
<table>
<tr><th>Code</th><th>Definition</th></tr>
<tr><td>1</td><td>Storage bin</td></tr>
<tr><td>2</td><td>Storage crib</td></tr>
<tr><td>3</td><td>Upright silo</td></tr>
<tr><td>4</td><td>Flat storage</td></tr>
<tr><td>5</td><td>Affixed handling equipment</td></tr>
<tr><td>6</td><td>Affixed drying equipment</td></tr>
<tr><td>7</td><td>Hay</td></tr>
<tr><td>8</td><td>Additions/modifications of existing storage</td></tr>
<tr><td>A</td><td>Biomass</td></tr>
<tr><td>B</td><td>Fruits/vegetables</td></tr>
<tr><td>C</td><td>Bunker-type, horizontal, or open silos for high moisture grain</td></tr>
<tr><td>D</td><td>Bunker-type, horizontal, or open silos for silage</td></tr>
</table></td></tr>
<tr><td>6</td><td>On Screen VFA10800, enter the requested information from CCC-185 and according to the instructions in subparagraph 338 B, step 5.

Note: Software changes have not affected Screen VFA10800.</td></tr>
<tr><td>7</td><td>On Screen VFA11000, enter all farm numbers associated with this application, commodities, acres, and yield per acre according to subparagraph 338 B, step 6. Answer the question, “Are there more farm numbers to record? (Y or N)”, and PRESS “Enter”.

Note: Screen VFA11000 has been modified to allow for additional commodities according to Exhibit 14.</td></tr>
<tr><td>8</td><td>On Screen VFA11500, review the system-calculated data and PRESS “Enter” to continue.

Note: For “Additional Capacity Needed”, except for equipment-only FSFL’s, this figure should be at least equal to the producer’s new facility capacity.</td></tr>
<tr><td>9</td><td>On Screen VFA17005, ENTER “Y” or “N” to continue processing and print CCC-185.</td></tr>
</table>

353 Partial and Final FSFL Disbursement Options (Continued)

C Entering Initial Final Disbursement FSFL

County Offices shall enter the initial FSFL application from the manual CCC-185 for final disbursements in the FSFL software according to the following.

Step	Action
1	On **Menu VCA005**: • ENTER "**1**", "Application/Approval Processing" • PRESS "**Enter**".
2	On **Screen VCA11000**: • enter the contact applicant's name and FY • ENTER "**N**" for the new system-assigned FSFL number • PRESS "**Enter**".
3	On **Screen VCA11500**: • select the producer • PRESS "**Enter**".
4	On **Screen VFA10000**, for: • "**Requested Loan Amount**", enter the requested final FSFL amount and PRESS "**Enter**" **Note:** This amount must be the **final** amount requested by producer. Partial and final "Requested Loan Amount" added together must equal the total amount of the producer's request and/or the total from the final cost receipt less the 15 percent required downpayment. • "**Existing Capacity**", enter the total existing storage capacity and PRESS "**Enter**" • "**Capacity of Proposed Storage Structure**", enter **half** the capacity of proposed storage structure for the final FSFL and PRESS "**Enter**". Continue processing **Screen VFA10000** by entering the information from items 6, 8, and 10 from the manual CCC-185. Application fee information is also entered. Upon completion, **print Screen VFA10000 to have a record of the CCC-257 number**.

353 Partial and Final FSFL Disbursement Options (Continued)

C Entering Initial Final Disbursement FSFL (Continued)

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>5</td><td>On Screen VFA10500, enter information for “Facility Type” and “Purpose of Loan” and PRESS “Enter”.

This information must be entered according to the applicable facility type and code as follows.
<table>
<tr><th>Code</th><th>Definition</th></tr>
<tr><td>1</td><td>Storage bin</td></tr>
<tr><td>2</td><td>Storage crib</td></tr>
<tr><td>3</td><td>Upright silo</td></tr>
<tr><td>4</td><td>Flat storage</td></tr>
<tr><td>5</td><td>Affixed handling equipment</td></tr>
<tr><td>6</td><td>Affixed drying equipment</td></tr>
<tr><td>7</td><td>Hay</td></tr>
<tr><td>8</td><td>Additions/modifications of existing storage</td></tr>
<tr><td>A</td><td>Biomass</td></tr>
<tr><td>B</td><td>Fruits/vegetables</td></tr>
<tr><td>C</td><td>Bunker-type, horizontal, or open silos for high moisture grain</td></tr>
<tr><td>D</td><td>Bunker-type, horizontal, or open silos for silage</td></tr>
</table></td></tr>
<tr><td>6</td><td>On Screen VFA10800, enter the requested information from CCC-185 and according to the instructions in subparagraph 338 B, step 5.

Note: Software changes have not affected Screen VFA10800.</td></tr>
<tr><td>7</td><td>On Screen VFA11000, enter all farm numbers associated with this application, commodities, acres, and yield per acre according to subparagraph 338 B, step 6. Answer the question, “Are there more farm numbers to record? (Y or N)”, and PRESS “Enter”.

Note: Screen VFA11000 has been modified to allow for additional commodities according to Exhibit 14.</td></tr>
<tr><td>8</td><td>On Screen VFA11500, review the system-calculated data and PRESS “Enter” to continue.

Note: For “Additional Capacity Needed”, except for equipment-only FSFL’s, this figure should be at least equal to the producer’s new facility capacity.</td></tr>
<tr><td>9</td><td>On Screen VFA17005, ENTER “Y” or “N” to continue processing and print CCC-185.

Note: Software changes have not affected Screen VFA10800.</td></tr>
</table>

353 Partial and Final FSFL Disbursement Options (Continued)

*--D Approval Process for Partial and Final Disbursements

Process FSFL approvals according to the following for partial and final disbursements.

Step	Action
1	On **Menu VCA005**: • ENTER "**1**", "Application/Approval Processing" • PRESS "**Enter**".
2	On **Screen VCA11000**: • enter FY • enter FSFL number • PRESS "**Enter**".
3	On **Screen VCA11500**: • select producer • PRESS "**Enter**".
4	On **Screen VFA000**: • ENTER "**2**", "Approval Process" • PRESS "**Enter**".

--*

353 Partial and Final FSFL Disbursement Options (Continued)

*--D Approval Process for Partial and Final Disbursements (Continued)

Step	Action
5	On **Screen VFA12500**, for: • "**Amount Approved Pending Funding**", enter the amount approved pending funding and PRESS "**Enter**" **Note:** The "Amount Approved Pending Funding" cannot be greater than the "Requested Loan Amount" (CCC-185, item 3A). If partial loan, this should not be more than 50 percent of the producer's actual requested loan amount. **Partial** and **final** loan amounts will equal producer's actual request. • "**COC Approval date (MMDDYYYY)**", enter the COC approval date and PRESS "**Enter**" **Note:** If FSFL has a partial and final disbursement, the same approval date shall be entered for both loans. • "**Is this a Partial or Final Disbursement? (P or F)**", ENTER "**P**" or "**F**" and PRESS "**Enter**" **Notes:** On Menu **VFA12500**, the question, "Is this a Partial or Final Disbursement? (P or F)", has been added. When "**P**" is entered, the message, "Enter the approved total loan amount", will be displayed and must be completed. This amount is the total amount the producer requested for the loan (partial loan plus final loan). County Office must ENTER "**F**" if this is the: • only disbursement for producer's request • 2nd of 2 loans, partial loan disbursement and final loan disbursement. For F (Final) disbursements, "Amount Approved Pending Funding" **must** match term requirements. Partial disbursement is **not** a requirement. • "**Requested Loan Term**", enter the requested loan term and PRESS "**Enter**" **Note:** Loan term will be based on the amount entered for the approved total loan amount. The term of the loan may increase or decrease when funded amount changes.

--*

353 Partial and Final FSFL Disbursement Options (Continued)

*--D Approval Process for Partial and Final Disbursements (Continued)

Step	Action
6	On **Screen VFA13000**: • enter information for "Required Security" • PRESS "**Enter**". **Notes:** County Offices must enter this information according to subparagraph 340 C, step 4. Software changes have **not** affected Screen VFA13000.
7	On **Screen VFA13500**, enter the requested information according to subparagraph 340 C, step 5. **Note:** Software changes have **not** affected Screen VFA13500.
8	On **Screen VFA13505**, enter remarks as needed. **Note:** Software changes have **not** affected Screen VFA13505.
9	On **Screen VFA17005**, enter the requested information according to procedure in subparagraph 340 C, step 7. **Note:** Software changes have **not** affected Screen VFA17005.
10	On **Screen VCA97000**, continue processing and print CCC-185.

Note: When approval is completed, user **cannot** access the application or note until funding is received.--*

354 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 the FSFL-funded amount, according to paragraph 339, without having:

- COC reconsideration
- to repeat the funding process.

FSFL-funded amounts are based on estimates, so when final documented expenses are:

- **less** than the FSFL-funded amount:
  - County Offices shall **decrease** the FSFL amount according to subparagraph 355 A
  - excess funds become available for national redistribution
- **more** than the FSFL-funded amount:
  - COC must determine eligibility and approve pending funding for an FSFL amount **increase**
  - County Offices shall **increase** the FSFL amount according to subparagraph 355 B. The additional funding must be obligated before County Offices can access the loan.

B Decrease or Increase to Funding

County Offices shall decrease or increase FSFL amounts according to the following changes and paragraph 355.

- The "Requested Loan Amount" producer needs for FSFL can **only** be changed on an approved FSFL only after FSFL has been **obligated**.
- When the FSFL request from the producer changes (decreases or increases), County Offices must:
  - **first** go to **application** processing and **decrease or increase** the "Requested Loan Amount" on **Screen VFA10000**
  - then go through the **approval** process again to change the obligation and ensure that CCC-185, items 3A and 14A are the same.

354 Changing CCC-185's After Funding (Continued)

B Decrease or Increase to Funding (Continued)

Software will **not** allow increases in FSFL amounts if:

- FSFL is approved but **not** obligated
- the user has printed CCC-186
- a treasury check has been requested.

Note: After verifying the amount in CCC-186 or requesting a check through the disbursement option, the only option available to the user is to make a payment request.

355 Re-Accessing CCC-185's to Decrease or Increase Funding

A Funding Decrease

To **decrease** a funded CCC-185 amount:

- re-access the applicable CCC-185 according to subparagraph 325 C
- ENTER "1", "Application/Approval Processing", on Menu VCA005 and PRESS "Enter"
- complete processing according to the following table.

Note: **All** 7 steps **must** be completed.

Step	Action	Result
	Changes	
1	On Screen VCA11000: • enter the 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 338 and allow data changes: • Screen VFA10000 • Screen VFA10500 • Screen VFA10800 • Screen VFA11000 • Screen VFA11500.

355 Re-Accessing CCC-185's to Decrease or Increase Funding (Continued)

A Funding Decrease (Continued)

Step	Action	Result
	Changes (Continued)	
3	On Screen VFA10000: • change the "Requested Loan Amount" to **decreased** amount • PRESS "Enter".	Screen VFA10500 will be displayed.
4	Complete Screens VFA10500 through VFA11500, according to subparagraph 338 B, and PRESS "Enter".	Screen VFA17005 will be displayed with the question, "Do you wish to complete this process? (Y or N)". ENTER "Y".
5	Complete the process according to subparagraph 338 B, step 8.	The revised CCC-185 will be printed. **Note:** Unless the approval process in step 6 is completed, the new FSFL amount on the revised CCC-185 will **not** apply to this FSFL.
	Approval	
6	Approve the revised CCC-185 according to subparagraph 340 C. On Screen VFA12500 in subparagraph 340 C, step 3, correct the "Amount Approved Pending Funding" to **decreased** "Requested Loan Amount". Do **not** change the "COC Approval Date". ***--Note:** The interest rate will remain based on the original approval date.**--***	Another 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.

B Funding Increase

To **increase** a funded CCC-185 amount:

- re-access the applicable CCC-185 according to subparagraph 325 C
- ENTER "1", "Application/Approval Processing", on Menu VCA005 and PRESS "Enter"
- complete processing according to the following table.

Note: **All** 7 steps **must** be completed.

355 Re-Accessing CCC-185's to Decrease or Increase Funding (Continued)

B Funding Increase (Continued)

Step	Action	Result
	Changes	
1	On Screen VCA11000: • enter the 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 338 and allow data changes: • Screen VFA10000 • Screen VFA10500 • Screen VFA10800 • Screen VFA11000 • Screen VFA11500.
3	On Screen VFA10000: • change the "Requested Loan Amount" to **total needed** • PRESS "Enter".	Screen VFA10500 will be displayed.
4	Complete Screens VFA10500 through VFA11500, according to subparagraph 338 B, and PRESS "Enter".	Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".
5	Complete the process according to subparagraph 338 B, step 8.	The revised CCC-185 will be printed. **Note:** To approve increased funding, continue with step 6.

355 Re-Accessing CCC-185's to Decrease or Increase Funding (Continued)

B Funding Increase (Continued)

Step	Action	Result
	Approval	
6	Approve the revised CCC-185 according to subparagraph 340 C. On Screen VFA12500 in subparagraph 340 C, step 3, correct the "Amount Approved Pending Funding" to **new total** "Requested Loan Amount". Enter the **new** "COC Approval Date". ***--Note:** The interest rate will remain based on the original approval date.**--***	Another 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 351 and 352.	**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 FSFL approval is entered and transmitted for funding to when the obligation is received back in the County Office.

356-365 (Reserved)

366 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 the 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:

- EFT or check to the contact borrower (disbursement option 1)
- check or checks to the borrowers and/or other payees (disbursement option 2).

Notes: These are the **only** 2 options available for FSFL disbursements and FSFL closing. **No other disbursement options are authorized.**

County Offices must follow the instructions in paragraphs 367 and 368 for the disbursement process to work correctly.

B Closing FSFL's Followed by FSFL Disbursement - Disbursement Option 1

Closing FSFL's then immediately requesting FSFL disbursement is used when 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 367 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 lienholders 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 the FSFL closing date, and the interest on FSFL will start on that date. The checks will be given to the borrower at FSFL closing. See paragraph 368 for instructions.

367 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 (subparagraph B)
- "3", "Payment Requests", to initiate payment requests (subparagraph C)
- access NPS to certify and sign payment requests (subparagraph D).

Notes: The 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.

The interest start date (date FSFL closed) is software controlled.

B Closing FSFL's and 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 FSFL proceeds to be disbursed directly into the contact borrower's account, or to mail the check and FSFL transaction statement directly to the contact borrower, if **no** automated clearing house account. County Offices should review and verify this date with the borrower.

The FSFL amortization schedule and CCC-186 closing processes are prepared on System 36 according to the following table.

Step	Action
1	On **Facility Loans Menu VCA005**, ENTER "**2**", "Note and Security Agreement Processing", and PRESS "**Enter**".
2	On **Facility Loans - ID Entry Screen VCA11000**, enter FY and FSFL number and PRESS "**Enter**".
3	On **Facility Loans - Show Applicants Screen VCA11500**, select the producer and PRESS "**Enter**".
4	On **Facility Loans - Verify Chosen Producer Screen VCA12000**, verify the correct applicant and PRESS "**Enter**".

367 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)

B Closing FSFL's and CCC-186 Processing (Continued)

Step	Action	
5 1/	On **Farm Storage Facility Loan Program Screen VFB10000, no** modifications are allowed. Screen VFB10000 is a warning screen for the user to verify the funded amount.	
	IF…	**THEN PRESS…**
	incorrect	"**Cmd7**". See paragraph 355 for steps to correct the funded amount.
	Correct	"**Enter**" to continue with closing.
6 1/	On **Verification of Funded Amount Screen VFB10100, no** modifications are allowed. PRESS "**Enter**" to continue with closing.	
7 1/	On **Close and/or Request Payment Screen VFB10200**, answer the question, "Do you want to close this loan now? (Y or N)".	
	IF the 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 40.
	wants to request payment before closing FSFL (disbursement option 2)	ENTER "**N**" and PRESS "**Enter**". See subparagraph 368 B, step 7 and Exhibit 41.
	does **not** want to close FSFL or request payment now	PRESS "**Cmd7**" to exit closing FSFL's.
8 1/	On **FSFL - Additional Borrowers Screen VFB10300**, 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. All additional borrowers entered must be in SCIMS.**--***	
	IF…	**THEN ENTER…**
	the user wants to add borrowers to CCC-186	"**Y**" and PRESS "**Enter**".
	there are no other borrowers	"**N**" and PRESS "**Enter**".
9 1/	On **Farm Storage Facility Loan Program Screen VFB13000**, answer the question, "Do you wish to print an additional copy of the Amortization Report?". ENTER "**Y**" or "**N**" and PRESS "**Enter**". **Note:** The date on the FSFL Amortization Report will be the date the report is prepared.	
10	On **FSFL Printer ID Selection Screen VCA97000**, change the printer ID, if needed, and PRESS "**Enter**". The FSFL Amortization Report will print.	
11 1/	On **Farm Storage Facility Loan Program Screen VFA17005**, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "**Y**" and PRESS "**Enter**".	

367 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)

B Closing FSFL's and CCC-186 Processing (Continued)

Step	Action	
12	On **FSFL Printer ID Selection Screen VCA97000**, change the printer ID, if needed, and PRESS "**Enter**". CCC-186 will print.	
13	On **Farm Storage Facility Loan Program Screen VCE99910**, answer the question, "Do you want to reprint this form? (Y or N)".	
	IF…	**THEN ENTER…**
	the user wants to reprint CCC-186	"**Y**".
	CCC-186 printed correctly and another copy is **not** needed	"**N**".
	This completes the FSFL closing process. Users are locked out of the closing process for FSFL. **Menu VCA005** will be redisplayed. **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, ENTER "**2**" and PRESS "**Enter**" on **Menu VCA005**.

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

  Note: On **Menu VCA005**, ENTER "**3**", "Payment Requests", and PRESS "Enter".

- completed **before** the NPS **3 p.m. c.t. cutoff**.

The payment request for FSFL closed is submitted to NPS according to the following table.

Step	Action
1	On **Menu VCA005**, ENTER "**3**", "Payment Requests", and PRESS "**Enter**".
2	On **Facility Loans - ID Entry Screen VCA11000**, enter FY and FSFL number and PRESS "**Enter**".
3	On **Facility Loans - Show Applications Screen VCA11500**, select the producer and PRESS "**Enter**".
4	On **Facility Loans - Verify Chosen Applicant Screen VCA12000**, verify the correct applicant and PRESS "**Enter**".

367 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)

C Processing Payment Requests Before NPS Cutoff (Continued)

Step	Action
5	On **FSFL Payment Requests Screen VFC10000**, enter the following and PRESS "**Enter**": • lien search date • UCC-1 financing statement filing date • real estate mortgage filing date, if applicable.
6	On **new FSFL Payment Requests Screen VFC10010**, 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 Screen VFC10010. PRESS "**Enter**" to continue. See Exhibit 42.
7	On **Screen VFA17005**, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "**Y**" and 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 redisplayed.

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 the signing worklist
- complete the signing process.

367 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)

D Certifying and Signing Payment Requests in NPS (Continued)

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.

368 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 checks are mailed to the County Office address. This process is triggered by a forced check indicator in the FSFL software. In addition, a process titled "Alternate Payee Indicator" is:

- incorporated into the FSFL software
- 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 the process (subparagraph B)
- select option 3, "Payment Requests", to request payment (subparagraph C)
- access NPS to certify and sign payment requests (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 (subparagraph E).

368 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

A Sequence of Steps To Be Followed (Continued)

Notes: The County Office will receive checks from Treasury and FSFL transaction statements from NPS. The County Office **must** arrange a date for closing when checks and transaction statements have both been received. Re-accessing option 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".

B Starting FSFL Closings and CCC-186 Processing

To be able to request checks **before** FSFL closing has been completed, County Offices **must** start the 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. Use the following table to initiate FSFL closing.

Step	Action	
1	On **Facility Loans Menu VCA005**, ENTER "**2**", "Note and Security Agreement Processing", and PRESS **"Enter"**.	
2	On **Facility Loans - ID Entry Screen VCA11000**, enter FY and FSFL number and PRESS "**Enter**".	
3	On **Facility Loans - Show Applicants Screen VCA11500**, select the producer and PRESS **"Enter"**.	
4	On **Facility Loans - Verify Chosen Producer Screen VCA12000**, verify the correct applicant and PRESS **"Enter"**.	
5 1/	On **Farm Storage Facility Loan Program Screen VFB10000**, **no** modifications are allowed. Screen VFB10000 is a warning screen for the user to verify the funded amount.	
	IF…	**THEN PRESS…**
	incorrect	"**Cmd7**". See paragraph 355 for steps to correct the funded amount.
	correct	"**Enter**" to continue with closing.
6 1/	On **Verification of Funded Amount Screen VFB10100**, **no** modifications are allowed. If correct, PRESS "**Enter**" to continue. If **not** correct, PRESS "**Cmd7**".	

368 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

B Starting FSFL Closings and CCC-186 Processing (Continued)

Step	Action
7 1/	On **Close and/or Request Payment Screen VFB10200**, 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 and PRESS "**Enter**". See Exhibit 41. **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 users have more than 1 borrower and/or multiple payees, users **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 **Farm Storage and Facility Loan Program Screen VFA17005**, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "**Y**" and PRESS "**Enter**". After answering "**Y**", **Screen VCE99910** will be displayed asking the question, "Do you want to reprint this form? (Y or N)".
9	**Menu VCA005** will be redisplayed.

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, ENTER "**2**" and PRESS "**Enter**" on **Menu VCA005**.

C Completing Payment Requests

Under disbursement option 2, the County Office requests checks be sent directly to their office **before** closing FSFL. To request checks be mailed to the County Office, a 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** ENTER "**3**", "Payment Requests", on **Menu VCA005**. This process will allow the user to:

- access FSFL Payment Requests Screen VFC10010
- enter up to 20 different payable 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

368 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

C Completing Payment Requests (Continued)

- 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. The 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 free-form entries in NPS for the payments where the joint payment indicator was "Y".

Use the following table to complete the payment requests.

Step	Action
1	On **Menu VCA005**, ENTER "**3**", "Payment Requests", and PRESS "**Enter**".
2	On **Facility Loans - ID Entry Screen VCA11000**, enter FY and FSFL number and PRESS "**Enter**".
3	On **Facility Loans - Show Applications Screen VCA11500**, select the producer and PRESS "**Enter**".
4	On **Facility Loans - Verify Chosen Applicant Screen VCA12000**, verify the correct applicant and PRESS "**Enter**".
5	On **FSFL Payment Requests Screen VFC10000**, enter the following and PRESS "**Enter**": • lien search date • UCC-1 financing statement filing date • real estate mortgage filing date, if applicable.
6	On **new FSFL Payment Requests Screen VFC10010**, the payables for disbursement will be 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 Screen VFC10010. See Exhibit 43. Screen-print Screen VFC10010 to help identify payments in NPS. When complete, answer the question, "Do you have more payables to enter? (Y or N)". ENTER "**N**" and PRESS "**Enter**".

368 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

C Completing Payment Requests (Continued)

Step	Action
7	On **Screen VFA17005**, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "**Y**" and 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 redisplayed. 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 FSFL closing according to subparagraph E.

D Certifying and Signing Payment Requests in NPS

After submitting payment requests (subparagraph C), the 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, 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 the FSFL closing process. County Offices are **not** to access option **2** for this FSFL for **at least 3 workdays**.

368 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 borrowers. After at least 3 workdays **and** when Treasury checks have been received in the County Office, re-access option 2, "Note and Security Agreement Processing", on Menu VCA005 to print CCC-186 and close FSFL.

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 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", and PRESS "**Enter**".
2	On **Facility Loans - ID Entry Screen VCA110001**, enter FY and FSFL number and PRESS "**Enter**".
3	On **Facility Loans - Show Applicants Screen VCA11500**, select the producer and PRESS "**Enter**".
4	On **Facility Loans - Verify Chosen Applicant Screen VCA12000**, verify the correct applicant and 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". The user **must** wait until 3 workdays have passed.
5	On **Close and/or Request Payment Screen VFB10200**, answer the question, "Do you want to close this loan now? (Y or N)". **Note:** This defaults to "**N**" from the user's initial access when checks were ordered to have available for closing. To proceed with the closing process, ENTER "**Y**" and PRESS "**Enter**".

368 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 redisplayed Close and/or Request Payment Screen VFB10200, answer the following 2 questions:

• "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 additional borrowers.</td></tr>
<tr><td>not required</td><td>ENTER "N".</td></tr>
</table>

• "Interest Start Date is: __/__/__". Enter the interest start date.

Note: The interest start date must be the date FSFL is closed because this is the date that interest will start. The interest start date cannot be a previous or future date.

PRESS "Enter" to continue. The 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 Farm Storage Facility Loan Program Screen VFB13000, 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" and PRESS "Enter".</td></tr>
<tr><td>8</td><td>On FSFL – Printer ID Selection Screen VCA97000, change the printer ID, if needed, and PRESS "Enter". The FSFL Amortization Report will print.</td></tr>
<tr><td>9</td><td>On Farm Storage Facility Loan Program Screen VFB16500, an informational message will display indicating that the amortization schedule is printing.</td></tr>
<tr><td>10</td><td>On Farm Storage Facility Loan Program Screen VFA17005, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "Y" and PRESS "Enter".</td></tr>
</table>

368 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

E Re-Accessing FSFL Closings to Complete FSFL's (Continued)

Step	Action	
11	On **FSFL Printer ID Selection Screen VCA97000**, change the printer ID, if needed, and PRESS "**Enter**".	
12	On **Farm Storage Facility Loan Program Screen VCE99910**, answer the question, "Do you want to reprint this form? (Y or N)".	
	IF…	**THEN…**
	the user wants to reprint CCC-186	ENTER "**Y**" and PRESS "**Enter**".
	CCC-186 printed correctly and another copy is **not** needed	ENTER "**N**" and PRESS "**Enter**".
	This completes the closing process. Users are locked out of the closing process for FSFL. **Menu VCA005** will be redisplayed.	

Note: As soon as CCC-186 is signed by borrowers, FSFL is considered closed and disbursed. Provide checks to appropriate parties.

369-379 (Reserved)

Part 20 Automated FSFL Repayment Processing

380 Repayment Processing

A Accessing Repayment Processing

To process an FSFL repayment, access FSFL functions according to subparagraph 325 C and:

- ENTER “5”, “Repayment Processing”, on Menu VCA005
- proceed to Screen VCA11000.

***--Notes:** County Offices must enter all FSFL repayments in both the FSFL software **and** deposit in NRRS according to current FI remittance procedure.

The annual installment repayment amount entered in the FSFL software must be the same as the annual installment repayment amount entered in NRRS.**--***

B Data Entry

Select FSFL for repayment processing according to the following table.

Step	Action	Result
1	On Screen VCA11000: • enter FSFL’s 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.

380 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 the user of the amount owed by the borrower based on the date entered. Use the amount computed under this option and process as a Lump Sum Repayment.

- Loan Repayment/Inquiry.

  Note: This option is used for the full repayment of the loan.

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.

IF FSFL 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 (subparagraph D, step 2) on Screen VDA11005…**
before the installment due date	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			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, "Installment Repayment Inquiry")
- creating a small installment principal balance that must be collected according to paragraph 159.

If all installment repayments are made before the due date and are for the amount on the notification and reminder letters, the final FSFL payment should be less.

380 Repayment Processing (Continued)

C Selecting a Repayment Option (Continued)

For the **final** payment:

- use the **date** the payment is **received** in the County Office as the **payment date**
- enter the payment using the "Loan Repayment/Inquiry" option.

Note: Ensure that the entire amount owed to the repayment date is collected before releasing any security documents. There are no provisions to write off small balances in FSFL.

--**When the final FSFL annual installment repayment results in refund to the producer, see 64-FI, subparagraph 65 K for the process to refund the overpayment.**--

D Lump Sum Repayment

Apply a lump sum repayment to FSFL according to the following 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)" according to the table in subparagraph C • 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.

380 Repayment Processing (Continued)

D Lump Sum Repayment (Continued)

Step	Action	Result

4	On Screen VCA97000:
	
	• users shall enter the following:
	
	  • 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, the question, "Do you want to reprint this form? (Y or N)", shall be answered "N".	Lump Sum Repayment Processing is complete in the FSFL software. Remittance must be entered in NRRS according to current FI remittance procedure.

E Installment Repayment Inquiry

Perform an installment inquiry according to the following 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
	
	  Note: 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 will do the following:
		
		• display repayment information
		
		• display the message, "This option is inquiry only."
		
		• return the user to Screen VDA00000.

380 Repayment Processing (Continued)

F FSFL Repayment and Inquiry

Use the following table to calculate an FSFL payoff repayment amount for the following:

- 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 if remittance is received but **not** deposited on the date received
	
	• PRESS “Enter”.
		Screen VDA22000 will be displayed.
		
		Note: Ensure that the entire amount owed to the repayment date is collected. There are no provisions to write off small balances in FSFL.

380 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 “Loan Payoff” options. The receipt prints the following:

- 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
_________      _______       ________      _________      _________    _________

02/13/2004    $12,380.52     $5,016.27     02/13/04      $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
```

380 Repayment Processing (Continued)

G FSFL Repayment Receipt (Continued)

The following 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
_________      _______      ________     _________      _________      _________

08/23/2005    $16,738.01     $576.37     08/23/05      $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 64-FI, subparagraph 39 B**--***

- administer dishonored check policy for FSFL repayments according to current FI procedure.

381-390 (Reserved)

Part 21 FSFL Inquiry and Administrative Activities

391 FSFL 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 following:
	
	  • 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”, FSFL inquiry information will be displayed.

391 FSFL 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 the FSFL interest rate table
- access Administrative Main Menu VAA010 to print the following:

  - **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 FSFL **not** disbursed
      - "DISBURSED" for disbursed FSFL
      - "DISAPPROVED" for disapproved application
      - "WITHDRAWN" for withdrawn by applicant
      - "DELETED" for deleted by County Office
      - "CANCELLED" for canceled 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 amount
    - installment amount due.

411 Administrative Capabilities (Continued)

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 the following 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 ***--Note:** If it is necessary to prepare a manual CCC-186, the State Office specialist responsible for FSFL **must** review for completeness and accuracy **before** obtaining any signatures.	
3	Print Blank CCC-186-1 Continuation Sheet **Note:** If it is necessary to prepare a manual CCC-186, the State Office specialist responsible for FSFL **must** review for completeness and accuracy **before** obtaining any signatures.**--***	

Note: All other FSFL forms referenced in this handbook are available at **http://intra3.fsa.usda.gov/dam/ffasforms/forms.html**.

413 Interest Rate Table

A Interest Rate Table Capabilities

FSFL interest rates are automatically downloaded. County Offices can access the FSFL interest rate table according to the following table.

Step	Title	Result
1	On Menu VAA010: • ENTER "5", "FSFL Interest Rate Table" • PRESS "Enter".	Interest Table Menu VAA020 will be displayed.
2	On Menu VAA020: • ENTER "1", "Print FSFL Interest Rate Table" • PRESS "Enter".	The interest rate 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, which is 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, which is 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 352 B, the Obligations Report:

- lists **only** the most recently funded CCC-185's

  Note: It is **not** cumulative.

- must be accessed to print.

  Note: 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 158 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)

The following is an example of the Installment Due Report, which is 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 FSFL's
- 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 FSFL 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 FSFL 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 FSFL's for all UCC-1's originally filed within that date range, as pulled from the information entered on Screen VFC10000 during FSFL 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 display on Screen VAA75000.

414 Administrative Reports (Continued)

E UCC-1 Report (Continued)

The following is an example of the UCC-1 Report, which is 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 FSFL
- lists repayment dates and amounts on a specified FSFL.

The following is an example of the Repayment History Report, which is 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 FSFL's in the county with an amount due or those with an installment due within 45 calendar days
- lists the installment amount due and the due date.

The following is an example of the Repayment Installment Reminder Report, which is 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 the following:
  - single FSFL number
  - single ID number
  - all FSFL's in the county
- gives payment status of:
  - "A" - "Ahead"
  - "B" - "Behind"
  - "C" - "Current".

The following is an example of the FSFL Repayment Status Report VAA510-R001, which is 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 FSFL's Not Closed

A Report VFB405-R001

FSFL Program Reminders Report VFB405-R001:

- 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 SOD
- 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 checks printed and mailed directly to the County Office by Treasury based on 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 FSFL's Not Closed (Continued)

B Example of Report VFB405-R001

The following 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
WILLIAMS
Report ID: VFB405 – R001

U.S. Department of Agriculture
Commodity Credit Corporation
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 FSFL transaction statements are **not** received by the County Office in a timely manner, County Offices **must** contact their State Office to determine whether checks were lost in transit. State Offices shall follow current FMD procedure for handling these situations. County Offices **must** be pro-active in tracking these FSFL's to ensure that checks and FSFL 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 439 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 177. 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.

426 Assumption Processing in APSS (Continued)

A General Information (Continued)

Collect and deposit the application fee according to paragraphs 30 and 177. The FY in the deposit code shall be the **same as the original** FSFL application fee.

Example:
- The original FSFL FY and number is "2007/00002".
- CCC-298 is requested on November 30, 2010.
- The $100 application fee is paid on November 30, 2010.
- The $100 application fee:
  - is paid and deposited on November 30, 2010
  - deposit code is "07FSFLFEES".

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 380 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 380 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.

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 325 C. On Menu **VCA005**, ENTER "**8**", "**Loan Servicing**".

C Data Entry

Enter assumption data according to the following 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 will display 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.

426 Assumption Processing in APSS (Continued)

C Data Entry (Continued)

Step	Action	Result

5	Screen VVA10000 will:
	
	• display the following:
	
	  • contact borrower's name
	  • FY and FSFL number
	  • FSFL interest rate
	  • original FSFL amount
	  • original disbursement date
	  • current principal balance (assumption amount)
	
	• require user entry of the following:
	
	  • assumption:
	
	  • application date (date the buyer signed CCC-298)
	
	  • effective date (CCC-298, item 11 A)
	
	  • application fee (application fee amount in effect when assumption is approved by COC):
	
	  • amount
	  • date paid
	  • CCC-257 deposit number.
	
	PRESS "Enter".
		Screen VVA11000 will be displayed.

6	Screen VVA11000 will:
	
	• display the original:
	
	  • contact borrower's name
	  • FY and FSFL number
	  • original disbursement date
	  • original FSFL amount
	  • original borrowers who signed CCC-186
	
	• allow 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.

426 Assumption Processing in APSS (Continued)

C Data Entry (Continued)

Step	Action	Result
7	Screen VVA12000 will display: • 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 **Note:** Go to step 8. • **not all** borrowers are removed, Screen VVA13000 will be displayed **Note:** Go to step 9. • “N”, Screen VVA11000 will be redisplayed. Return to step 6.
8	Screen VVA14000 will: • require user entry of additional borrowers • display the question, “Are there additional borrowers?”.	If the question is answered: • “Y”, Screen VVA14000 will be redisplayed **Note:** Repeat this step. • “N”, Screen VVA15000 will be displayed. Go to step 10.
9	Screen VVA13000 will display 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 **Note:** Return to step 8. • “N”, Screen VVA15000 will be displayed.

426 Assumption Processing in APSS (Continued)

C Data Entry (Continued)

Step	Action	Result

10	Screen VVA15000 will:
	
	• display the following:
	
	  • original contact
	  • FY and FSFL number
	  • FSFL maturity date
	  • assumed FSFL amount
	  • assumption effective date
	  • new borrowers
	
	• allow the user to indicate the following with "X":
	
	  • the "contact" borrower
	
	  • that the borrower is the spouse of another borrower
	
	• display 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.

11	Screen VCA97000 will:
	
	• display the following:
	
	  • borrower name
	  • FY and FSFL number
	
	• require user entry of the following to print Report VVA160-R001:
	
	  • printer ID
	  • number of copies.
		Report VVA160-R001 will list the following assumption information:
		
		• FSFL number
		• FSFL maturity date
		• assumed FSFL amount
		• assumption effective date
		• borrower information.
		
		File Report VVA160-R001 in the FSFL 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 FSFL Servicing Reports

A Accessing FSFL Servicing Reports

Access FSFL 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 FSFL Servicing Date Report

The FSFL Servicing Date Report provides the following for a specific FSFL:

- 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 FSFL Servicing Date Report will be displayed and the user may do either of the following:

- PRESS “Enter” to print
- PRESS “Cmd7” to exit without printing.

The report is a **tool only** and may be accessed anytime after FSFL is disbursed until FSFL 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 FSFL.

APSS has been enhanced to system-generate an Installment Due Reminder Letter for FSFL’s 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.

427 FSFL Servicing Reports (Continued)

C FSFL Report of Installment Due Status

The FSFL Report of Installment Due Status provides a list of all FSFL installments:

- **due** within 45 calendar days
- 1 to 30 calendar days delinquent
- 31 to 60 calendar days delinquent
- 61 to 90 calendar days delinquent
- over 91 calendar days delinquent.

On Menu **VVA000**:

- ENTER “3”, “FSFL Report of Installment Due Status”
- PRESS “Enter”.

Note: The FSFL Report of Installment Due Status 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 FSFL Amortization Report will print. There is no display for this report.

The FSFL Amortization Report prints during the CCC-186 process, which has been the only opportunity to print the FSFL 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 FSFL is disbursed until it is paid to zero.

428-438 (Reserved)

439 Canceling FSFL Transactions

A Disbursement Cancellation

Access and complete FSFL disbursement cancellations according to the following 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 the 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 the FSFL software.

439 Canceling FSFL Transactions (Continued)

--B Disbursement Cancellation for 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	The receivable will be established for offset in NPS.
4	Process the corrected FSFL in APSS. In the 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 **Note:** 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	The payment information will be replicated from System 36 to NPS.
6	The payment request will appear on the appropriate NPS worklist.
7	Through NPS, the payment will be offset to pay off the receivable, as applicable. The payment will then be certified.
8	The 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 the remaining balance.

439 Canceling FSFL Transactions (Continued)

B Disbursement Cancellation for Disbursement Option 1 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…	THEN…
has been generated in the FSFL System 36 APSS software and later canceled	a new FSFL **must** be recorded. APSS will **not** allow corrections once CCC-186 has been generated.
was printed for FSFL, but the payment was **not** requested (disbursement option 1 only)	***--**FSFL will need to be canceled according to this paragraph.**--***

C Disbursement Cancellation 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, use the following table to cancel the disbursement.

Step	Action
1	The 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: ***--**Philadelphia Regional Financial Center PO Box 51320 Philadelphia, PA 19154**--*** • **not** use Federal Express to mail checks to Treasury •***--**send an e-mail to FSA's Payment Management Office in Kansas City at RA.mokansasc2-PMO-Treasury Pay, explaining why checks are being returned.**--***
2	The 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 **rhonda.quinlan@kcc.usda.gov** • Mary Grisham at **mary.grisham@kcc.usda.gov**.
3	The 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.

439 Canceling FSFL Transactions (Continued)

D Repayment Cancellation

Access and complete FSFL repayment cancellations according to the following 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 the 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 in the FSFL software.

440 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
- KC/ASG instructed file save of FSFL data.

B Processing System Control Functions

Access and process system control functions according to the following 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”, “KC/ASG Instructed File Save of Facility Loan Data”
	
	• PRESS “Enter” to complete the process according to screen displayed instructions.	

441-450 (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.

Note: SORS access must be requested on FSA-13-A.

B FSFL Reports

The following reports are available for FSFL's on SORS:

- FSFL Detail Report (MDV250-R001) lists the following:
  - approval date and amount obligated by county and FSFL number
  - accounting upload and county download date
  - status code
- FSFL Condensed Report (MDV250-R002) lists the following:
  - number of FSFL's approved per State per FY
  - total dollar amount obligated and total dollar amount outstanding
- FSFL Non-Obligated Report (MDV255-R001) lists CCC-185 FSFL applications, which have **not** been approved by the approving authority
- FSFL Disbursement Report (MDV275-R001) lists by calendar year the State, county, and FSFL number in addition to the following:
  - disbursement date and amount
  - status code

451 FSFL Reports in SORS (Continued)

B FSFL Reports (Continued)

- FSFL Capacity Report (MDV279-R001) lists by application, disbursement, and security note the following:

  - dollar amount requested and approved
  - bushel capacity
  - facility code of structure

- FSFL Repayment Report (MDV280-R001) is by FY of FSFL and lists by county and FSFL number the following:

  - repayment date and total repayment amount
  - interest and principal amounts
  - interest rate and interest start date
  - repayment type, such as “LS” for lump sum or “IP” for installment payment.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

This table lists the required reports in this handbook.

Report Control Number	Title	Reporting Period	Submission Date	Negative Report	Reference
VFB405-R001	FSFL Program Reminders Report	Monthly by DD			415
VAA510-R001	FSFL Repayment Status Report	Quarterly by State Office			414

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		51, Ex. 15
B10	Proof of Claim		186
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	58	51, 52, 56
CCC-185	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program	51, 116	Text, Ex. 15, 40, 41
CCC-185-1	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program (CCC-185 Continuation Sheet)	51	
CCC-186	Farm Storage Facility Loan Program Promissory Note and Security Agreement	146	Text, Ex. 2, 15
CCC-186-1	Farm Storage Facility Loan Program CCC-186-1 Continuation Sheet	147	31, 411, 412
CCC-190	Farm Storage Facility Loan Program Lien Waiver	Ex. 16	52, 56, 127, 129, Ex. 15
CCC-191	Farm Storage Facility Loan Program Release of Liability	133	28, 127, 129, 134.5, 230
CCC-193	Real Estate Mortgage for Farm Storage Facility Loan Program	Ex. 17	31, 127, 129, 131, Ex. 15
CCC-193-D	Farm Storage Facility Loan Deed of Trust for (State of _____)	Ex. 17	31, 127, 131

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-194	Farm Storage Facility Loan Subordination Agreement (Lien on Real Property)	Ex. 23	127, 129, 131, Ex. 15
CCC-195	Farm Storage Facility Loan (FSFL) Processing Checklist	52	28, 127, Ex. 15
CCC-195 Servicing	Farm Storage Facility Loan (FSFL) Servicing Checklist	167	34, 134, 158
CCC-195A	Farm Storage Facility Loan (FSFL) Security Checklist	52	28, 127, Ex. 15
CCC-195B	Farm Storage Facility Loan (FSFL) No Security Checklist	52	28, 127, Ex. 15
CCC-197	Final Farm Storage Facility Loan (FSFL) Program Cost Certification	134.5	28
CCC-257	Schedule of Deposit		158, 161, 231, 232, 312, 338, 353, 426
CCC-295A	Farm Storage Facility Loan Program Final Inspection of Facility Before Loan Disbursement	134	28, 127, 186, Ex. 15
CCC-296	Farm Storage Facility Loan Program Certification of Attorney	129	127
CCC-297	Severance Agreement	Ex. 10	Text, Ex. 15
CCC-298	Farm Storage Facility Loan Program Assumption Agreement	177	31, 426, Ex. 15
CCC-299	Title Opinion - Farm Storage Facility Loan Program	129	127
CCC-400	Farm Storage Facility Loan Program Agreement for Sale of Loan Collateral	210	31, 186, 197, 209, 211, 233
CCC-471	Non-Insured Crop Disaster Assistance Program (NAP) Application for Coverage (2010 and Subsequent Crop Years)		69
CCC-674	Certification of Contracts, Grants, Loans, and Cooperative Agreements	33	
CCC-901	Members Information 2009 and Subsequent Years		10, 31, 51, 52
CCC-902	Farm Operating Plan for Payment Eligibility Review		10, 12, 15, 51, 52
CCC-902E	Farm Operating Plan for an Entity 2009 and Subsequent Program Years		31
CCC-931	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information		12
FSA-13-A	Data Security Access Authorization Form		451
FSA-211	Power of Attorney		31
FSA-578	Report of Acreage		12, 15, 51

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-850	Environmental Evaluation Checklist		11, 52, 69, 81-83, 301, Ex. 15
FSA-851	Environmental Risk Survey Form		11, 52, 82, 301, Ex. 15
FSA-853A	Environmental Assessment		82
FSA-1927-8	Agreement With Prior Lien Holder (State of...)		127, 129
FSA-2002	3 Years Financial History		53
FSA-2003	3 years Production History		53
FSA-2004	Authorization to Release Information		51, 53, Ex. 15
FSA-2015	Verification of Debts and Assets		53, Ex. 15
FSA-2037	Farm Business Plan Worksheet Balance Sheet		51, 53
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		51, 53
FSA-2319	Agreement With Prior Lienholder		24, 127, 129
FSA-2360	Report of Lien Search		56, Ex. 15
IRS-1098	Mortgage Interest Statement		12, 164
NRCS-CPA-052	Environmental Evaluation Worksheet		82
SF-LLL	Disclosure of Lobbying Activities	33	
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet	33	
UCC-1	National Financing Statement		Text, Ex. 15, 16, 34
UCC-3	National Financing Statement Amendment		24, Ex. 15

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
ASG	Application Support Group	440
COTR	State Contracting Representative	Ex. 13
EA	environmental assessment	81-83
FSA-FS	FSA Financial Services	158
FSFLP	Farm Storage Facility Loan Program	Text, Ex. 2
NIFA	National Institute of Food and Agriculture	16, 17, 20
NRRS	National Receipts and Receivables System	158, 314
OLP	online payment	313, 314
OSHA	Occupational Safety and Health Administration	19-21, 35
REAP	Rural Energy for America Program	32
SEC	State Environmental Coordinator	82, 83
SFLO	Senior Farm Loan Officer	115
SOD	start-of-day	158, 352, 414, 415
SORS	State Office Reporting System	451
TAV	Tax Assessment Value	24

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
DD may be delegated authority by STC to approve CCC-185 if the loan applicant is a COC or County Office employee or relative.	2
***--**STC may redelegate authority for loan approval period extensions up to 6 months.	135
STC may redelegate CCC-185 approval authority to SED or DAFO-appointed Acting SED **only**.**--***	2, 11, 115

Definitions of Terms Used in This Handbook

*--Aggregate Outstanding FSFL Balance

Aggregate outstanding FSFL balance means the sum of the outstanding balances of all FSFL's--* 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.

CCC Charter Act Commodities

CCC Charter Act commodities are commodities originally authorized for FSFL under the CCC Charter Act and include the following:

- rice
- soybeans
- sunflower seed
- canola
- rapeseed
- safflower
- flaxseed
- mustard seed
- other oilseeds as determined and announced by CCC
- dry peas
- lentils
- small chickpeas, harvested as whole grain and including peanuts.

Note: Corn, grain sorghum, oats, wheat, or barley shall be included whether harvested as whole grain or other than whole grain.

Cold Storage Facility

Cold storage facility is defined as a facility, or rooms within a facility, that are specifically designed and constructed for the cold temperature storage of perishable commodities. The temperature and humidity in these facilities must be able to be regulated to specified conditions required for the commodity requiring storage.

Collateral

Collateral means the storage structure, drying equipment, or handling equipment securing FSFL.

Definitions of Terms Used in This Handbook (Continued)

Commercial Purpose

Commercial purpose is defined as the storage and handling of grain, whether paid or unpaid, for persons other than the FSFL 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 FSFL by lump sum repayment or rescheduling FSFL for an amount that may be less than the sum of the outstanding principal plus interest. Prior written approval must be obtained from DAFP before any compromise can be negotiated with the borrower.

***--Controlled Substance Violation Ineligibility**

Controlled substance violation ineligibility means any person who is convicted under Federal or State law of a controlled substance violation is ineligible for FSFL.**--***

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 FSFL commodity that contributes 10 percent or more of the total expected value of all crops grown by the FSFL 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.

Execution Date

Execution date is the date the party signs the contract with the proper formalities; for example, witnesses, if required.

Definitions of Terms Used in This Handbook (Continued)

Existing Storage

Existing storage is FSFL 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.

FAV's

FAV's for FSFL purposes are fruits and vegetables grown on cultivated farmland.

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.

Grain Legumes for Hay

Grain legumes for hay mean hay where the entire plant, including the seeds, is harvested at maturity and used for animal feed.

Hay

Hay is a grass or legume that has been cut and stored. This may include crop residues if baled and used as feed, such as wheat straw.

Definitions of Terms Used in This Handbook (Continued)

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.

***--Lien**

Lien means a legally enforceable hold or claim on the property of another and obtained as security for the repayment of indebtedness or an encumbrance on property to enforce payment of obligation.**--***

Mediation

Mediation means CCC's consideration of the borrower's offer because of either of the following:

- mediation carried out through FSFL mediation to settle FSFL by lump sum repayment

- rescheduling FSFL 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.

Note: Prior written approval must be obtained from DAFP before any mediation or rescheduling can be negotiated with the borrower.

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

Definitions of Terms Used in This Handbook (Continued)

Mitigation Measures (Continued)

- 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 about 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.

***--Mortgage**

Mortgage means a legal instrument giving the lender a security interest or lien on real or personal property of any kind. The term "mortgage" also includes the terms "deed of trust" and "security agreement".**--***

No-Action Alternative

A no-action alternative is the alternative of **not** approving an application for financial assistance.

Nonmovable or Nonsaleable Collateral

Nonmovable or nonsaleable 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.

Old Growth Timber

Old growth timber is forest materials that would otherwise be used for either of the following:

- a higher-value product, such as timber, lumber, or wood pulp
- any other finished wood products, such as mulch or paper.

Note: See Healthy Forest Restoration Act of 2003, Subsection 102e, paragraphs 2 through 4.

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.

Definitions of Terms Used in This Handbook (Continued)

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 an individual who is related to the employee, as father, mother, son, daughter, brother, sister, uncle, aunt, great-uncle, great-aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, 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, half-sister, or who is the grandfather or grandmother of the spouse of the employee, or who is the fiancé or fiancé of the employee.

Renewable Biomass Commodity

Renewable biomass commodity is any organic matter that is available on a renewable or recurring basis used for producing energy in the form of heat, electricity, and liquid solid or gaseous fuels.

***--Resale Collateral Value**

Resale collateral value is collateral that can be sold and moved to a new location for which compensation equal to the outstanding loan value can be expected.**--***

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.

Definitions of Terms Used in This Handbook (Continued)

Stand-Alone Structures

Stand-alone structures are structures that are **not** dependent on anything else and can function independently.

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 or Pre-Owned Structure

A used or pre-owned structure is a structure that was previously owned by someone other than the manufacturer or dealer, and the buyer cannot obtain the original manufacturer's 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	325
VCA71000	Farm Facility Loans - Inquiry Screen	391
VFA000	Farm Storage Facility Loans Menu	325
VFA11000	Farm Storage Facility Loan Program Screen	338

Worksheet for Determining Hay Storage Capacity in a Structure

A Blank Example of Worksheet

The following is a blank example of worksheet for determining hay storage capacity in a structure.

Worksheet for Determining Hay Storage Capacity in a Structure

1) Average acres of hay planted: _____

2) COC determined reasonable yield: _____ Tons per acre

3) Production: _____ Average acres of hay x _____ Tons Per Acre = _____ Tons x 2 years production = _____ Tons of storage needed for 2 years production

4) Size of proposed structure: _____ ft. x _____ ft. x _____ft. = _____ cu. ft.
   Width Length Height to Plate

5) Tons of storage: _____ cu. ft. of storage divided by 250 cu. ft./ton = _____ tons of storage in proposed structure

   Use either of these conversion factors: 1 pound of hay requires 0.125 cubic feet of space **or** 1 short ton of hay requires 250 cubic feet of space.

   Note: COC's shall use either of these conversion factors unless the applicant supplies the County Office detailed documentation of a higher yield.

6) Compare the tons of storage in proposed structure with the tons of storage needed for 2 years production minus the existing hay storage to determine if applicant is eligible for additional storage.

   Tons of storage needed for 2 Years production: _____

   Tons of storage in proposed structure: _____

   Existing hay storage: _____

Worksheet for Determining Hay Storage Capacity in a Structure (Continued)

B Completed Example of Worksheet

The following is a completed example of worksheet for determining hay storage capacity in a structure.

Worksheet for Determining Hay Storage Capacity in a Structure

1) Average acres of hay planted: 20

2) COC determined reasonable yield: 4 Tons per acre

3) Production: 20 Average acres of hay x 4 Tons Per Acre = 80 Tons x 2 years production = 160 Tons of storage needed for 2 years production

4) Size of proposed structure: 24 ft. x 48 ft. x 18 ft. = 20,736 cu. ft.
   Width Length Height to Plate

5) Tons of storage: 20,736 cu. ft. of storage divided by 250 cu. ft./ton = 82.9 tons of storage in proposed structure

   Use either of these conversion factors: 1 pound of hay requires 0.125 cubic feet of space **or** 1 short ton of hay requires 250 cubic feet of space.

   Note: COC's shall use either of these conversion factors unless the applicant supplies the County Office detailed documentation of a higher yield.

6) Compare the tons of storage in proposed structure with the tons of storage needed for 2 years production minus the existing hay storage to determine if applicant is eligible for additional storage.

Tons of storage needed for 2 Years production:	160
Tons of storage in proposed structure:	83
Existing hay storage:	0

Worksheet for Determining Capacity of a Cold Storage Structure

A Blank Example of Worksheet

The following is a blank example of worksheet for determining capacity of a cold storage structure.

Worksheet for Determining Capacity of a Cold Storage Structure

1) Size of proposed structure: _____ ft. x _____ ft. x _____ ft.
Width Length Height

2) Size of inside usable space: _____ ft. x _____ ft. x _____ ft.
Width Length Height

3) Percentage of floor space used for aisles and walkway: _____ percent.
(The normal is usually around 25 percent.)

4) Useable space: _____ ft. x _____ ft. = _____ square ft. useable space x
Inside Width Inside Length

_____ percent non-useable space = _____ square ft. of non-useable space.

5) _____ square ft. of useable space - _____ square ft. of non-usable space =

_____ square ft. of total useable space.

6) Available height after subtracting shelves and 1.5 ft. of space between containers

and ceiling: _____ ft. - 1.5 ft. - _____ ft. = _____ ft. useable height.
Inside Height Total Shelves

7) Cubic feet available for storage: _____ square ft. of usable space x

_____ ft. useable height = _____ cu. ft.

8) _____ total cu. ft. divided by _____ capacity per cu. ft. container or bushel =

_____ total storage capacity in bu.

Note: States and Counties shall modify this worksheet, as needed.

Worksheet for Determining Capacity of a Cold Storage Structure (Continued)

B Completed Example of Worksheet

The following is a completed example of worksheet for determining capacity of a cold storage structure.

Example: Producer has ½ acre of apples that yield about **330** bu. of applies per year.

An application is submitted for an **8 ft. x 8 ft. x 12 ft.** cold storage facility. A tray pack carton, storing a bu. of apples, takes **1.67** cu. ft of storage space.

How much of the producer's production can be stored at 1 time?

Worksheet for Determining Capacity of a Cold Storage Structure

1) Size of proposed structure: __8__ ft. x __8__ ft. x __12__ ft.
Width Length Height

2) Size of inside usable space: __7.5__ ft. x __7.5__ ft. x __10.5__ ft.
Width Length Height

3) Percentage of floor space used for aisles and walkway: __25__ percent.
(The normal is usually around 25 percent.)

4) Useable space: __7.5__ ft. x __7.5__ ft. = __56__ square ft. useable space x
Inside Width Inside Length

__25__ percent non-useable space = __14__ square ft. of non-useable space.

5) __56__ square ft. of useable space - __14__ square ft. of non-usable space =

__42__ square ft. of total useable space.

6) Available height after subtracting shelves and 1.5 ft. of space between containers

and ceiling: __10.5__ ft. - 1.5 ft. - __1__ ft. = __8__ ft. useable height.
Inside Height Total Shelves

7) Cubic feet available for storage: __42__ square ft. of usable space x

__8__ ft. useable height = __336__ cu. ft.

8) __336__ total cu. ft. divided by __1.67__ capacity per cu. ft. container or bushel =

__201__ total storage capacity in bu.

Note: States and Counties shall modify this worksheet, as needed.

***--Worksheet for Determining Capacity of a Honey Storage Structure**

A Blank Example of Worksheet

The following is a blank worksheet example for determining the estimated capacity of a honey storage structure.

Worksheet for Determining Capacity of a Honey Storage Structure

1) Size of proposed structure: _____ ft. x _____ ft. x _____ ft.
Width Length Height

2) Size of inside usable space: _____ ft. x _____ ft. x _____ ft.
Width Length Height

3) Percentage of floor space used for aisles and walkway: _____ percent.
(The normal is usually around 25 percent.)

4) Useable floor space: _____ ft. x _____ ft. = _____ square ft. x
Inside Width Inside Length

_____ percent non-useable space = _____ square ft. of non-useable space.

5) _____ square ft. of useable space - _____ square ft. of non-useable space =

_____ square ft. of total useable floor space x _____ ft useable height = _____ useable cubic feet.

6) Available for honey storage is _____cubic feet.
(27 cubic feet per 1 cubic yard and _____ - 55 gallon honey drum requires 1 cubic yard).

7) _____ cubic feet divided by 27 cubic feet = _____ cubic yards = _____ unstacked _____ gallon honey drums. Round cubic yards down to nearest whole number.

_____ cubic yards x _____ -55 gallon honey drums (unstacked) = _____.

8) _____ - 55 gallon honey drums weighing 650 pounds can be stacked.

9) _____ honey drums x _____ (stacked 55 gallon honey drums) = _____ honey drums.

10) _____ - 55 gallon honey drums of estimated storage capacity in this storage structure.

Note: States and Counties shall modify this worksheet, as needed.

--*

***--Worksheet for Determining Capacity of a Honey Storage Structure (Continued)**

B Completed Example of Worksheet

The following is a completed worksheet example for determining the estimated capacity of a honey storage structure.

Example: A honey producer submits an application for a 12 ft. x 16 ft. x 15 ft. honey storage facility. The honey producer stores the honey in 55 gallon drums.

Worksheet for Determining Capacity of a Honey Storage Structure

1) Size of proposed structure: __12__ ft. x __16__ ft. x __15__ ft.
Width Length Height

2) Size of inside usable space: __10__ ft. x __14__ ft. x __13.5__ ft.
Width Length Height

3) Percentage of floor space used for aisles and walkway: __25__ percent.
(The normal is usually around 25 percent.)

4) Useable floor space: ____10____ ft. x ____14____ ft. = __140__ square ft. x
Inside Width Inside Length

__25__ percent non-useable space = __35__ square ft. of non-useable space.

5) __140__ square ft. of useable space - __35__ square ft. of non-useable space =

__105__ square ft. of total useable floor space x __13.5__ ft useable height = 1417.50 useable cubic feet.

6) Available for honey storage is _1417.50_ cubic feet.
(27 cubic feet per 1 cubic yard and _4_ - 55 gallon honey drum requires 1 cubic yard).

7) _1417.50_ cubic feet divided by 27 cubic feet = _52.48_ cubic yards = _208_ unstacked _55_ gallon honey drums. Round cubic yards down to nearest whole number.

_52_ cubic yards x _4_ -55 gallon honey drums (unstacked) = _208_.

8) _3_ - 55 gallon honey drums weighing 650 pounds can be stacked.

9) _208_ honey drums x _3_ (stacked 55 gallon honey drums) = _624_ honey drums.

10) _624_ - 55 gallon honey drums of estimated storage capacity in this storage structure.

Note: States and Counties shall modify this worksheet, as needed.

--*

CCC-297, Severance Agreement

A Completing CCC-297

CCC-297 shall be completed according to the following instructions.

Item	Instructions
a	Enter name of borrower.
b	Enter name of co-borrower, if applicable.
c	Enter name of town or city where borrower resides.
d	Enter County where borrower resides.
e	Enter State where borrower resides.
f	Describe the FSFL structures/components that are affixed to the real estate.
g	Enter legal description of real estate to which the FSFL structures/components are affixed.
h	Enter numeric day of the month the agreement is executed.
i	Enter month the agreement is executed.
j	Enter year the agreement is executed.
k	If the owner of the real estate is an entity, enter the name of the entity.
l	If an entity name is entered in item k, the authorized representative must sign.
m	Enter title of the authorized representative.
n and o	If real estate is owned by individuals, owners must sign.
p - w	To be completed by the notary witnessing signatures in items k through o.

B Example of CCC-297

The following is an example of CCC-297.
*--

This form is available electronically.
CCC-297
(03-23-12)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

SEVERANCE AGREEMENT

See Page 2 for Privacy Act and Paperwork Reduction Act Statements.

WHEREAS, *(a)* John Clark and *(b)* Mary Clark, of *(c)* Pleasantville, County of *(d)* Jones, State of *(e)* State Name, (herein called Debtors), have applied to the Commodity Credit Corporation (herein called the Secured Party), for a loan and have agreed to give the Secured Party a security interest in the following-described fixture(s) *(f)*:

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

which fixture(s) is (are) affixed to the following-described real estate: (Add legal description) *(g)*

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

NOW, THEREFORE, in consideration of the making or insuring of such loan by the Secured Party, the undersigned parties hereby (1) consent that the Debtors may grant to the Secured Party a security interest in said fixture(s) under the Uniform Commercial Code, (2) consent to the installation of said equipment and agree said equipment shall be and remain severed from the real property described above, and (3) agree that upon default of Debtors the Secured Party may (a) take possession of and remove said fixture(s) without notice to the undersigned parties and without liability to them for any diminution of value of the real estate caused by the absence of the fixture(s) or by any necessity for replacing the fixture(s), and (b) enforce its security interest against said fixture(s) as personally.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

--*

B Example of CCC-297 (Continued)

*--

CCC-297 (03-23-12) Page 2 of 2

IN WITNESS WHEREOF, the undersigned parties hereto have executed this instrument

this *(h)* 15th day of *(i)* January , *(j)* 20XX *(year)*.

if a corporation:

	/s/ Timothy Clark Timothy Clark
(k) Name of Corporate (Mortgagee) (Owner) *	*(n) Individual (Mortgagee) (Owner)* *
By	
(l) Duly Authorized Officer	*(o) Individual (Mortgagee) (Owner)* *
(m) Title	

CORPORATE SEAL

"Mortgagee" includes holder of any type of real estate lien.

*Delete "Mortgagee" or "Owner."

(p) **STATE OF** State Name
(q) **COUNTY OF** Jones } *ss.* **ACKNOWLEDGMENT:**

On this *(r)* 15th day of *(s)* January in the year *(t)* 20XX , before me, the undersigned, a Notary Public in and for said State, personally appeared *(u)* Timothy Clark , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her/their capacity (ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person on behalf of which the individual(s) acted, execute the instrument.

(SEAL) Jane Doe

(v) Notary Public

My commission expires *(w)* 06-10-20XX
(MM-DD-YYYY)

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to obtain a Farm Storage Facility Loan Program severance agreement when there are real estate lien holders involving the land where a storage facility is to be located. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program..*

This information collection is exempted from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F – Administration..

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

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***--Authorized Methods for Determining the Value of FSFL Real Estate Security**

A Acceptable Methods for Determining the Value of FSFL Real Estate Security

The following are acceptable methods for determining the value of FSFL real estate security.

IF the acceptable method is the…	**THEN the real estate…**
appraisal value (see subparagraph 24 P)	appraisal must: • be requested and paid for by applicant • be requested by State Office according to Exhibit 13 • be from an appraiser authorized by FLP and COTR • include the value of the real estate **and** the structure • be valued at least **100** percent of the loan amount to adequately protect CCC security interest.
county tax assessed value (see subparagraph 24 Q)	security value: • will be determined from current county tax bill for specified parcel or parcels, as applicable • may include a factor established from a documented percent used by the County Assessor to determine the current value of the real estate, if the market value is not included on the tax bill **Note:** See table in subparagraph 24 Q. • may include up to **50** percent of the loan amount, if the facility is located on the real estate being mortgaged unless a more restrictive policy has been set by STC according to subparagraph 24 S • and structure, if applicable, must be valued at least 100 percent of the loan amount to adequately protect CCC's security interest.
additional authorized methods (see subparagraph 24 R)	security value is determined using an additional authorized method and may include up to **50** percent of the loan amount, if the facility is located on the real estate being mortgaged **unless** a more restrictive policy has been set by STC according to subparagraph 24 S. The real estate and structure, if applicable, must be valued at least 125 percent of the loan amount to adequately protect CCC's security interest.

--*

***--Authorized Methods for Determining the Value of FSFL Real Estate Security (Continued)**

B Determining the Value of FSFL Real Estate Security When Separate From FSFL Facility

Determine the value of FSFL real estate security when separate from FSFL facility according to the following.

Step	Action
1	Real estate security separate from the structure is **only** allowed when an adequate lien on the underlying real estate is not feasible and **all** of the following apply: • applicant owns separate acreage that is not subject to any other liens superior to CCC's • acreage of entire parcel is adequate in value as determined by 1 of the methods in subparagraph A to adequately secure and insure full repayment.
2	Allow the value of the structure to equal **20** percent of the loan amount, if all of the following apply: • CCC-297 obtained from owners of real estate where FSFL is located • UCC-1 filed on FSFL structure giving CCC first lien position • FSFL structure has resale collateral value according to subparagraphs 24 C and N.

--*

***--Instructions for Requesting and Paying for FSFL Real Estate Appraisals**

All FSFL appraisals will be requested by the State Office because of:

- the appraisal being performed for CCC although the entire cost is the applicant's expense
- a respective State Office's procedure and policies required for processing of the appraisal request submitted by County Offices.

Notes: FSFL applicants will **not** be permitted to contact an appraiser to request an appraisal.

FSFL applicants **may** authorize the County Office to add the cost of the appraisal to the eligible net costs and be used when determining the applicant's FSFL downpayment.

As COTR routinely requests appraisals, that person should be consulted for appraisal ordering procedure.

Upon completion of the appraisal, the following shall be completed.

Step	Action
1	Appraiser (requested by COTR) shall submit the completed appraisal and invoice for the appraisal to the State Office.
2	FSA employee with administrative review authority shall review the appraisal to ensure that it is acceptable. Employee may use FSA-2165.
3	State Office shall forward the invoice and appraisal to the applicable County Office.
4	County Office shall: • pay the invoice through NPS using the code "XXFSFLAME" where "XX" indicates FY of FSFL according to 1-FI • in NRRS, immediately establish a manual receivable in the loan applicant's name for the amount of the invoice using the code "XXFSFLAME" according to 64-FI **Note:** When establishing the receivable, use the Basic Reason Code "**Due Process Suspended**" to prevent any letters from being generated at this time. • send a copy of the invoice to the applicant • repay the receivable in NRRS when paid by the applicant.
5	If the receivable is **not** paid in full by the first partial or full loan disbursement: • use only FSFL Disbursement Option 2 according to paragraph 368 • set-off the amount of the NRRS receivable using "Other Agency Debt" procedures • on Screen VFC10010, make a separate entry for the NRRS amount • make this check payable to CCC and have sent to the County Office • when loan is **closed**, apply check to NRRS receivable. **Note:** NRRS receivables are **not** automatically off-set from loan proceeds.

--*

Commodities Eligible for FSFL

***--**The following commodities are eligible for FSFL.

Crop Name	Crop Code	Crop Abbr.	Unit of Measure
Alfalfa	0027	ALFA	Varies
Almonds	0028	ALMN	Varies
Apples	0054	APPL	Varies
Apricots	0326	APRC	Varies
Aronia Berries	0143	ARON	Varies
Artichokes	0458	ARTI	Varies
Asparagus	0104	ASPR	Varies
Avocados	0106	AVOC	Varies
Bamboo Shoots	0111	BAMB	Varies
Bananas	0173	BANA	Varies
Barley	0091	BRLY	Varies
Beans (Chickpeas/Dry Beans)	0047	BEAN	Varies
Beets	0642	BEET	Varies
Blueberries	0108	BLUB	Varies
Broccoli	0110	BRCL	Varies
Brussel Sprouts	0112	BRUS	Varies
Buckwheat	0114	BUKW	Bushels
Cabbage	0116	CABA	Varies
Caneberries	6000	CANB	Varies
Canola	0711	CANO	Varies

Note: Caneberries include blackberries and raspberries.**--***

Commodities Eligible for FSFL (Continued)

*--

Crop Name	Crop Code	Crop Abbr.	Unit of Measure
Cantaloupes	0759	CANT	Varies
Carambola (Star Fruit)	0999	CRMB	Varies
Carrots	0120	CARR	Varies
Cashew	1291	CASH	Varies
Cauliflower	0124	CLFL	Varies
Celery	0126	CLER	Varies
Cherries	0128	CHER	Varies
Chestnuts	0375	CHEN	Varies
Chicory/Radicchio	0511	CHIC	Varies
Coconuts	0175	COCO	Varies
Corn	0041	CORN	Varies
Crambe	0714	CRAM	Varies
Cranberries	0058	CRNB	Varies
Cucumbers	0132	CUCU	Varies
Currants	0325	CURR	Varies
Dates	0496	DATE	Varies
Dry Peas	0067	PEAD	Varies
Eggplant	0318	EGGP	Varies
Figs	0060	FIGS	Varies
Flaxseed	0031	FLAX	Varies
Garlic	0423	GARL	Varies
Ginger	0178	GING	Varies
Grain Sorghum	0051	SORG	Varies

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Commodities Eligible for FSFL (Continued)

*--

Crop Name	Crop Code	Crop Abbr.	Unit of Measure
Grapefruit	0030	GFRU	Varies
Grapes	0053	GRAP	Varies
Grass (Hay)	0102	GRAS	Tons
Greens	4000	GREE	Varies
Hazel Nuts	0376	HAZN	Varies
Herbs	5000	HERB	Varies
Honey	1190	HONE	LBS
Honeydew	0758	HNYD	Varies
Kiwifruit	0463	KIWI	Varies
Kohlrabi	0374	KOLR	Varies
Leeks	0377	LEEK	Varies
Lemons	0035	LEMO	Varies
Lentils	0401	LEND	Varies
Lettuce	0140	LETU	Varies
Limes	0036	LIME	Varies
Macadamia Nuts	0469	MACA	Varies
Mangos	0464	MANG	Varies
Mushrooms	0403	MUSH	Varies
Mustard Seed	0130	MUSD	Varies
Nectarines	0250	NECT	Varies
Oats	0016	OATS	Varies
Okra	0286	OKRA	Varies

--*

Commodities Eligible for FSFL (Continued)

*--

Crop Name	Crop Code	Crop Abbr.	Unit of Measure
Olives	0501	OLVI	Varies
Onions	0142	ONIO	Varies
Oranges	0023	ORAN	Varies
Other Fruits and Vegetables	0773	OFAV	Varies
Papaya	0181	PAPA	Varies
Parsnip	0338	PARS	Varies
Peaches	0034	PEAC	Varies
Peanuts	0075	PNUT	Varies
Pears	0144	PEAR	Varies
Pecans	0146	PECA	Varies
Peppers	0083	PEPR	Varies
Pineapple	0185	PNAP	Varies
Pistachios	0470	PIST	Varies
Plantain	0186	PLAN	Varies
Plums	0254	PLUM	Varies
Pomegranates	0467	POME	Varies
Potatoes	0084	PTAT	Varies
Potatoes Sweet	0156	SWTP	Varies
Prunes	0086	PRUN	Varies
Pumpkins	0147	PUMK	Varies
Radishes	0148	RADI	Varies
Raisins	0037	RAIS	Varies

--*

Commodities Eligible for FSFL (Continued)

*--

Crop Name	Crop Code	Crop Abbr.	Unit of Measure
Rapeseed	0129	RAPS	Varies
Rhubarb	0335	RHUB	Varies
Rice	0018	RICE	Varies
Rutabaga	0339	RUBA	Varies
Safflower	0079	SAFF	Varies
Scallions	8109	SCAL	Varies
Sesame Seeds	0396	SEME	Varies
Shallots	0533	SHAL	Varies
Soybeans	0081	SOYA	Varies
Spelt	0131	SPEL	Bushels
Squash	0155	SQAS	Varies
Strawberries	0154	STWB	Varies
Sunflower Seeds	0078	SUNF	Varies
Tangelos	0024	TANL	Varies
Tangerines	0048	TANG	Varies
Tomatoes	0087	TMAT	Varies
Triticale	0158	TRIC	Varies
Turnips	0160	TRNI	Varies
Walnuts	0029	WLNU	Varies
Water Cress	0613	WACR	Varies
Watermelon	0757	WATR	Varies
Wheat	0011	WHT	Varies
Yam	0188	YAM	Varies
Yard/Food Waste	8888	WAST	Varies

--*

Suggested FSFL Filing Guide for Eight Position Files

The following is a suggested FSFL filing guide that may be used for 8 position files:

- Position 1:
  - CCC-195
  - UCC-1
  - UCC-3
  - CCC-190
  - FSA-2360
  - FSA-2015
- Position 2:
  - CCC-186
  - CCC-298
- Position 3:
  - running case records
  - CCC-185
  - financial information
  - Credit Bureau Report
  - FSA-2004
- Position 4:
  - correspondence
- Position 5:
  - all legal information including legal description
  - all attorney information and forms
  - CCC-193
  - CCC-194
  - copy of CCC-297 (original filed where applicable)

Suggested FSFL Filing Guide for Eight Position Files (Continued)

- Position 6:

  - bills/invoices/statements
  - estimates
  - building plans and permits
  - CCC-295A

  *** * ***

- Position 7:

  - proof of insurance – crop, structural, and flood

- Position 8:

  - AD-1026
  - FSA-850
  - FSA-851
  - Class II assessments
  - State Historical Preservation Officer determination
  - Tribal Historic Preservation Office documentation
  - FWS determination
  - appraisals.

Note: This suggested filing guide can be adjusted if 6 position folders are used.

CCC-190, Farm Storage Facility Loan Program Lien Waiver

A Completing CCC-190

CCC-190:

- is required when liens are found on facilities and equipment that are pledged as collateral

  Note: CCC-190 shall **not** be used to waive liens on real estate.

- shall be completed according to the following instructions.

Item	Instructions
The County Office shall complete items 1 through 6, and item 9A.	
1	Enter name and address of the borrower and co-borrower.
2	Enter State code for the loanmaking County Office.
3	Enter county code for the loanmaking County Office.
4	Enter loan number assigned by APSS.
5	Enter location of collateral. This should be the location entered on UCC-1.
6	Enter description of collateral as entered on UCC-1. Additional description items may be entered to further identify the items, if needed.
The lienholder shall complete items 7, 8, 9B, 10A, and 10B.	
7	The lienholder must indicate how monetary proceeds are to be disbursed by entering a checkmark in either of the boxes provided.
8	Enter any necessary comments.
9A	The County Office shall enter the lienholder's name and address from the lien search.
9B	The lienholder shall enter their telephone number.
10A & B	The lienholder identified or their agent identified in item 9 shall sign and date.

CCC-190, Farm Storage Facility Loan Program Lien Waiver (Continued)

B Example of CCC-190

The following is an example of CCC-190.
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This form is available electronically.

CCC-190
(03-23-12)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

FARM STORAGE FACILITY LOAN PROGRAM LIEN WAIVER

1. NAME AND ADDRESS OF PRODUCER *(Include Zip Code)*	2. STATE CODE	3. COUNTY CODE	4. LOAN NUMBER
John Clark Mary Clark 282 East Road Pleasantville, ST 99809	72	123	2011/00001

5. LOCATION OF COLLATERAL	6. DESCRIPTION OF COLLATERAL
NW 1/4 SW 1/4 Sec. 24 Cook Twp. Jones County	1-16,000 Bushell (90' diameter bin) Butler Steel Grain binwith grain spreader and motor, inside and outside ladders, and perforated floor

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to obtain waivers of liens when liens filed by parties other than CCC are found on facilities and equipment that are pledged as collateral. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

7. The undersigned is the holder of a lien on the collateral identified above. In order for the producer identified above to pledged such collateral as security for a Commodity Credit Corporation ("CCC") loan, with respect to CCC only, the undersigned waives all interest in, and title to, such collateral. The undersigned agrees that the proceeds of the loan shall be disbursed ***(lienholder must check one of the following):***

(A) ☐ To the producer.

(B) ☒ Jointly to the producer and the undersigned lienholder.

8. REMARKS

9A. LIENHOLDER OR AUTHORIZED AGENT'S NAME AND ADDRESS *(Include Zip Code)*	9B. LIENHOLDER OR AUTHORIZED AGENT'S TELEPHONE NUMBER *(Including Area Code)*
First National Bank 1200 Main St. Pleasantville, ST 99809	888-987-6543

10A. SIGNATURE OF LIENHOLDER OR AUTHORIZED AGENT (By)	10B. TITLE/RELATIONSHIP OF THE INDIVIDUAL IF SIGNING IN A REPRESENTATIVE CAPACITY	10C. Date *(MM-DD-YYYY)*
/s/ Sam Johnson	President	07-11-20XX

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*--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____)

A Example of CCC-193

The following is an example of CCC-193.

This form is available electronically.
CCC-193
(03-23-12)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

REAL ESTATE MORTGAGE FOR FARM STORAGE FACILITY LOAN PROGRAM

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for CCC financing under the Farm Storage Facility Loan Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

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The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

1. THIS MORTGAGE is made and entered into by the undersigned

Landowner(s) *(a)* Bill B. Barnes residing in Any County County, whose post office address is *(b)* 1400 Private Drive, State, Any State in behalf of Applicant, *(c)* Kerry M. Barnes residing in *(d)* Any County County, whose post office address is *(e)* 5555 Stellar Road, State, *(f)* Any State, both together herein called "Borrower," and the Commodity Credit Corporation, a corporate agency of the United States of America within the United States Department of Agriculture, herein called the "Government," and:

2. WHEREAS Borrower is indebted to the Government as evidenced by one or more promissory note(s) or assumption agreement(s), herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

A. Date of Instrument *(MM-DD-YYYY)*	B. Principal Amount	C. Annual Rate of Interest	D. Due Date of Final Installment *(MM-DD-YYYY)*
07-07-20XX	$ 60,000	.02375 %	07-07-20XX
	$	%	
	$	%	
	$	%	

And the note evidences a loan to Borrower pursuant to the Commodity Credit Corporation Charter Act, 15 U.S.C. Part 714, seq., and the Farm **et seq.**, and the Farm Storage Facility Loan Program under 7 CFR Part 1436.

Landowner executes this mortgages as consideration to induce the Government's loan to Applicant, to provide additional security for said loan(s) and for the purpose of subjecting the property herein described and owned by them to all of the terms and provisions of this mortgage and the debt secured thereby to the same extent and in the same manner as if the undersigned had joined in executing the note with the Applicant.

And this instrument also secures such future advances necessary for the Government to protect its security which shall include, but not be limited to, advances for payment of real property taxes, special assessments, prior liens, hazard insurance premiums, and costs of repair, maintenance, or improvements,

3. NOW, THEREFORE, in consideration of the loan(s), Borrower does hereby grant, bargain, sell, transfer, convey, mortgage, and assign with general warranty unto the Government property situated in the State(s) of *(a)* Any State, County(ies) of *(b)* Any County, and described as *(c)* NW 1/4 Sec 18 Plain Twp, 10 miles east of Anytown, USA.

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, and all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance or condemnation or any part thereof or interest therein - all of which are herein called "the property";

--*

*--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)

A Example of CCC-193 (Continued)

4. TO HAVE AND TO HOLD the property unto the Government and its assigns forever and in fee simple;

5. BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns **WARRANTS THE TITLE** to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified herein above, and **COVENANTS AND AGREES** as follows:

(a) To pay promptly when due any indebtedness to the Government hereby secured.

(b) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Government.

(c) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(d) The Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any cost and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

(e) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured thereby, in any order the Government determines.

(f) To use the loan evidenced by the note solely for purposes authorized by the Government.

(g) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

(h) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.

(i) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as CCC from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(j) To comply with all laws, ordinances, and regulations affecting the property.

(k) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorney's fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(l) Except as provided by the Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government.

(m) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(n) If *(1)* the interest rate, payment, terms or balance due on the loan is adjusted, *(2)* the mortgage is increased by an amount equal to deferred interest on the outstanding principal, *(3)* the maturity of the debt evidenced by the note or any indebtedness to the Government secured by this instrument is extended or deferred or the payments on such debt are renewed and rescheduled, *(4)* any party who is liable under the note or for the debt is released from liability to the Government, *(5)* the lien on a portion of the property is released, *(6)* the lien on the property or any part thereof is subordinated, and/or *(7)* the Government waives any other of its rights under this instrument, the lien or the priority of this instrument of Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument shall be unaffected unless the Government says otherwise in writing. **HOWEVER,** any forbearance by the Government-whether once or often-in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(o) Default hereunder shall constitute default under any other real estate, or under any personal property or other security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such security instrument shall constitute default hereunder.

--*

*--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)

A Example of CCC-193 (Continued)

CCC-193 (03-23-12) Page 3 of 3

(p) **SHOULD DEFAULT** occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the parties named as Borrower die or be declared incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared are insolvent or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: *(1)* declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, *(2)* for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, *(3)* upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, and the Government may foreclose this instrument by court action and sell the property as prescribed by law.

(q) The proceeds of foreclosure sale shall be applied in the following order to the payment of: *(1)* costs and expenses incident to enforcing or complying with the provisions hereof, *(2)* any prior liens required by law or a competent court to be so paid, *(3)* the debt evidenced by the note and all indebtedness to the Government secured hereby, *(4)* inferior liens of record required by law or a competent court to be so paid, *(5)* at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and *(6)* any balance to Borrower. In case the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

(r) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

(s) Borrower agrees that the Government will not be bound by any present or future State laws, *(1)* providing for valuation, appraisal, homestead or exemption of the property, *(2)* prohibiting maintenance of any action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, *(3)* prescribing any other statute of limitations, *(4)* allowing any right of redemption or possession following any foreclosure sale, or *(5)* limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State laws.

(t) This instrument shall be subject to the present regulations of the Government, and to its future regulations not inconsistent with the express provisions hereof.

(u) The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Government pursuant to applicable regulations of the Government.

(v) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

6. Witness the hand(s) and seal(s) of Borrower this *(a)* 7th day of *(b)* July *(c)* 20XX .

(d) ***/s/ Bill B. Barnes***
Bill B. Barnes
(Borrower's Signature) *(Borrower's Signature)*

(Borrower's Signature) *(Borrower's Signature)*

(e) STATE OF Any
(f) COUNTY OF Any } *ss:*

ACKNOWLEDGMENT

On this *(g)* 7th day of *(h)* July in the year *(i)* 20XX , before me, the undersigned, a Notary Public in and for said State, personally appeared *(j)* _____ and *(k)* _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person on behalf of which the individual(s) acted, execute the instrument.

(SEAL) *(l)* ***/s/ Betty Wright***
Betty Wright
(Name of Notary Public)

My commission expires *(m)* 06-11-20XX

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)**

B Example of CCC-193-D

The following is an example of CCC-193-D.

Mail after recording to *(a)* Bill Barnes, 51 State Road Anytown, ST 24400

This instrument was prepared by *(b)* Any County FSA Office

CCC-193-D
(03-23-12)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

FARM STORAGE FACILITY LOAN
DEED OF TRUST FOR (State of West Virginia)

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for CCC financing under the Farm Storage Facility Loan Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F- Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

1. THIS MORTGAGE is made and entered into by the undersigned

Landowner(s) *(a)* Bill B. Barnes residing in Any County County, whose post office address is *(b)* 1400 Private Drive, State, Any State in behalf of Applicant, *(c)* Kerry M. Barnes residing in *(d)* Any County County, whose post office address is *(e)* 5555 Stellar Road, State, *(f)* Any State, both together herein called "Borrower," and the Commodity Credit Corporation, a corporate agency of the United States of America within the United States Department of Agriculture, herein called the "Government," and:

WHEREAS Borrower is indebted to the Beneficiary as evidenced by one or more promissory notes or assumption agreements, herein called "note" which has been executed by the Borrower, contains provisions setting forth the interest rate, is payable to the order of the Beneficiary, authorizes acceleration of the entire indebtedness at the option of the Beneficiary upon any defaults by the Borrower, and being further described as follows:

(m) Date of Instrument	*(n)* Principal Amount	*(o)* Annual Rate of Interest	*(p)* Due Date of Final Installment
07-15-20XX	$60,000	.02375 %	07-15-20XX

And the note(s) evidences a loan or loans to Borrower pursuant to the Commodity Credit Corporation Charter Act, 15 U.S.C. Part 714, *et seq.*, and the Farm Storage Facility Loan Program under 7 CFR Part 1436.

Initial BB Date 07-15-20XX Page 1 of 7

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B Example of CCC-193-D (Continued)

Landowner executes this mortgages as consideration to induce the Government's loan to Applicant, to provide additional security for said loan(s) and for the purpose of subjecting the property herein described and owned by them to all of the terms and provisions of this mortgage and the debt secured thereby to the same extent and in the same manner as if the undersigned had joined in executing the note with the Applicant.

And it is the purpose and intention of this instrument that it shall secure payment of the note as well as such future advances as may be deemed necessary by Beneficiary for Beneficiary to protect its security. Such advances may include, but not be limited to, advances for payment of real property taxes, special assessments, prior liens, hazard insurance premiums, and costs of repair, maintenance, or improvements,

NOW, THEREFORE, in consideration of the loan(s) Borrower grants to Trustee, in trust, with power of sale the following described property situated in the State of *(q)* Any County or Counties of *(r)* Any , and more particularly described as: *(s)*

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, including but not limited to a right of ingress and egress, the rents, issues and profits thereof and revenues and income therefrom, all improvements and personal property now or later erected thereon or attached thereto or reasonably necessary to the use thereof, all water, water rights, water stock, wells, pumps, pumping plants and equipment pertaining thereto, and all payments at any time owing the Borrower by virtue of any sale, lease, transfer, conveyance or condemnation or any part thereof or interest therein - all of which are herein called "the property."

IN TRUST, NEVERTHELESS, (a) at all times when the note is held by Beneficiary, or in the event that Beneficiary should assign this note without insurance of the payment of the note, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision for the payment of an insurance or other charge, and (b) in any event and at all time to secure the prompt payment of all advances and expenditures made Beneficiary, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or any supplementary agreement, the provisions of which are hereby incorporated herein and made a part hereon.

BORROWER, for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS the estate claimed and the title thereto unto Trustee for the benefit of Beneficiary against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, COVENANTS AND AGREES as follows:

1. To repay promptly when due the principal together with interest thereon.

2. To pay to Beneficiary such fees and other charges as may now or hereafter be required by regulations of the Beneficiary.

3. If required by Beneficiary, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the property.

4. The Beneficiary may at any time pay any other amounts including advances for payment of prior as well as junior liens, required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for Borrower's account. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

5. All advances by Beneficiary, including advances for payment of prior as well as junior liens, required by the terms of this instrument, with interest shall be immediately due and payable by Borrower to the Beneficiary without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Beneficiary shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or an indebtedness to the Beneficiary secured herein, in any order the Beneficiary determines.

6. To use the loan evidenced by the note solely for purposes authorized by the Government.

7. To pay when due all taxes, liens, judgments, encumbrances and assessments lawfully attaching to or assessed against the property, including charges, and assessments in connection with water, water rights, and water stock pertaining to or reasonably

Initial BB Date 07-15-20XX CCC-193-D (03-23-12) Page 2 of 7

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B Example of CCC-193-D (Continued)

necessary to the use of the real property described above, and promptly deliver to the Beneficiary without demand receipts evidencing such payments.

8. To keep the property insured as required by and under insurance policies approved by Beneficiary and, at its request, deliver such policies to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon the loan or any other indebtedness secured hereby in such order as Beneficiary may determine, or at the Beneficiary's option may be released to Borrower. Such application or release will not cure or waive any default hereunder.

9. To maintain improvements in good repair and make repairs required by the Beneficiary; operate the property in a good and husbandmanlike manner; comply with farm conservation practices as the Beneficiary may from time to time prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Beneficiary, cut remove, or lease any timber, gravel, oil, gas, coal or other minerals except as may be necessary for ordinary domestic purposes.

10. To comply with all laws, ordinances, and regulations affecting the property.

11. To pay or reimburse Beneficiary and Trustee for expenses incurred by either that were reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default) including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorney's fees, trustee's fees, court costs and expenses of advertising, selling and conveying the property.

12. Except as otherwise provided by regulations of the Beneficiary, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred or encumbered, voluntarily or otherwise, without the written consent of Beneficiary.

13. At all reasonable times the Beneficiary and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

14. If (a) the interest rate, payment, terms or balance due on the loan is adjusted, (b) the deed of trust is increased by an amount equal to deferred interest on the outstanding principal, (c) the maturity of the debt evidenced by the note or any indebtedness to Beneficiary secured by this instrument is extended or deferred or the payments on such debt are renewed and rescheduled, (d) any party who is liable under the note or for the debt is released from liability to Beneficiary, (e) the lien on a portion of the property is released, (f) the lien on the property or any part thereof is subordinated, and/or (g) Beneficiary waives any other of its rights under this instrument, the lien or the priority of this instrument of Borrower's or any other party's liability to Beneficiary for payment of the note or debt secured by this instrument shall be unaffected unless Beneficiary says otherwise in writing. **HOWEVER**, any forbearance by Borrower whether once or often-in-exercising any right or remedy under this instrument, or otherwise affected by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

15. Default hereunder may constitute default under any other real estate, or under any personal property or other security instrument held by Beneficiary and executed or assumed by Borrower, and any default under such other security instrument may constitute default hereunder.

16. **SHOULD DEFAULT** occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the parties named as Borrower(s) die or be declared incompetent, or should any of the parties named as Borrower(s) be discharged in bankruptcy or declared an insolvent, or make an assignment for the benefit of its creditors, Beneficiary, at its option, with or without notice, may: (a) declare the entire amount unpaid under the and any indebtedness to Beneficiary hereby secured immediately due and payable; (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property; (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual power of receivers in like cases; (d) without prior hearing authorize and request Trustee to foreclose this instrument and to sell the property as provided by law; and (e) bring an action to foreclose this instrument, obtain a deficiency judgment, or enforce any other remedy provided by law.

17. At the request of Beneficiary, Trustee may foreclose this instrument by advertisement and sale of the property as provided by law, for cash or secured credit at the option of Beneficiary, notice of such sale to be served on Borrower by registered or certified mail, return receipt requested, no less than ten days prior to the date of the hearing as required by NCGSA § 45-21.16 (or as otherwise permitted by law); such sale may be adjourned from time to time without other notice than oral proclamation at the time and place appointed for such sale; and at such sale Beneficiary and its agents may bid and purchase as a stranger; Trustee at Trustee's

Initial _BB_____ Date __07-15-20XX_____ CCC-193-D (03-23-12) Page 3 of 7

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B Example of CCC-193-D (Continued)

option may conduct such sale without being personally present through Trustee's delegate authorized by Trustee for such purpose orally or in writing, and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at foreclosure sale shall be conclusive evidence that the sale was conducted by Trustee personally or through Trustee's delegate duly authorized in accordance herewith.

18. The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing of complying with this instrument; (b) any prior liens required by law or a competent court to be so paid; (c) the debt evidenced by the note and all indebtedness to Beneficiary secured hereby; (d) inferior liens of record required by law or a competent court to be so paid; (e) at option of Beneficiary, payment made be made to any other indebtedness of Borrower owing to Beneficiary; and (f) any balance remaining to Borrower. In case Beneficiary is the successful bidder at foreclosure or other sale of all or any part of the property, Beneficiary may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to Beneficiary in the order prescribed above.

19. All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative by law.

20. Borrower agrees that Beneficiary will not be bound by any present or future State laws: (a) providing for homestead or exemption of the property; (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within such action must be brought; (c) prescribing any other statute of limitations; (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may be regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to the new Borrower. Borrower expressly waives the benefit of any such State laws.

21. This instrument shall be subject to the present regulations of Beneficiary, and to its future regulations not inconsistent with the express provisions hereof.

22. Notices given hereunder shall be sent by certified mail unless otherwise required by law, and addressed, unless and until some other address is designated to the parties hereto at their address given above.

23. Upon full and final payment of all indebtedness hereby secured and the performance and discharge of each and every condition, agreement and obligation, contingent or otherwise, contained herein or secured hereby, Beneficiary shall request Trustee to execute and deliver to Borrower at the above post office address a full reconveyance of the property within 60 days after written demand by Borrower and Borrower hereby waives the benefits of all laws requiring earlier execution or delivery of such reconveyance.

24. Borrower further agrees that he will remain in compliance with the provisions of 7 CFR 1436.5(a)(7) or successor regulation pertaining to highly erodible land and wetlands conservation provisions.

25. Beneficiary and its assigns, without notice and without specifying any reason therefore, may appoint a Substitute Trustee in place and stead of Trustee named herein, by filing for record in the office where this instrument is recorded an instrument of appointment. The Substitute Trustee may or may not be an employee of Beneficiary. Upon such filing, all the estates, rights, powers, and trusts granted to Trustee shall transfer to the Substitute Trustee. Any right to notice of substitution and bond from any trustee are hereby waived.

26. As additional security, Borrower hereby agrees that the assignment of leases and rents in this instrument is immediately effective on the recording of this instrument. Upon default, the Borrower will receive any rents in trust for Beneficiary, and Borrower will not commingle the rents with any other funds. Any amounts collected shall be applied at Beneficiary's discretion first to costs of managing, protecting and preserving the property, and to any other necessary related expenses. Any remaining amounts shall be applied to reduce the debt evidenced by the note(s). Borrower agrees that Beneficiary may demand that Borrower and Borrower's tenants pay all rents due or to become due directly to Beneficiary if the Borrower defaults and Beneficiary notifies Borrower of the default. Upon such notice, Borrower will endorse and deliver to Beneficiary any payments of rents. If the Borrower becomes subject to a bankruptcy, then Borrower agrees that Beneficiary is entitled to receive relief from the automatic stay in bankruptcy for the purpose of enforcing this assignment.

27. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary pursuant to applicable regulations of Beneficiary.

Initial _BB_____ Date _07-15-20XX_____ CCC-193-D (03-23-12) Page 4 of 7

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)**

B Example of CCC-193-D (Continued)

28. If any portion of this instrument or application thereof to any person or circumstance is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

By signing below, Borrower accepts and agrees to the terms and covenants contained in this instrument and in any rider executed by Borrower and recorded with this instrument.

_____ (SEAL) _____ (SEAL)
(t) *(u)*

_____ (SEAL) _____ (SEAL)
(v) *(w)*

29. **ACKNOWLEDGMENT**

STATE OF *(a)* _____
COUNTY OF *(b)* _____ } *ss.* (Individual)

On this *(c)* _____ day of *(d)* _____, before me personally appeared *(e)* _____ and *(f)* _____ to be known to me to be the same person(s) whose name is subscribed to the foregoing instrument, and acknowledged that (he or she) signed and delivered the instrument as (his or her) free and voluntary act, for the uses and purposes set forth.

(g) (SEAL)

_____
(h)
NOTARY PUBLIC

My commission expires: *(i)* _____

The foregoing certificate(s) of *(j)* _____
_____
is (are) certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of *(k)* _____ County, (STATE of *(l)* _____) in Book *(m)* _____ Page *(n)* _____ .

This *(o)* _____ day of *(p)* _____, A.D., *(q)* _____ at *(r)* _____ o'clock *(s)* _____ .M.

(t) _____ By *(u)* _____
Register of Deeds Deputy/Assistant Register of Deeds

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Note: Pages 6 and 7 applies to entities only and will not be recorded for individuals. CCC-193-D (03-23-12) Page 5 of 7

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)**

B Example of CCC-193-D (Continued)

30. **ACKNOWLEDGMENT**

STATE OF *(a)* _____ } *ss.* (Corporation)
COUNTY OF *(b)* _____

The foregoing instrument was acknowledged before me this *(c)* _____ day of *(d)* _____ , by *(e)* _____ _____ , President and *(f)* _____ , Secretary of *(g)* _____ , a *(h)* _____ corporation, on behalf of the corporation.

(i) (SEAL)

_____
(j)
NOTARY PUBLIC

My commission expires: *(k)* _____

The foregoing certificate(s) of *(l)* _____
_____
is (are) certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of *(m)* _____ County, (STATE of *(n)* _____) in Book *(o)* _____ Page *(p)* _____ .

This *(q)* _____ day of *(r)* _____ , A.D., *(s)* _____ at *(t)* _____ o'clock *(u)* _____ .M.

(v) _____ By *(w)* _____
Register of Deeds Deputy/Assistant Register of Deeds

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Initial _BB_____ Date _07-15-20XX_____ CCC-193-D (03-23-12) Page 6 of 7

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)**

B Example of CCC-193-D (Continued)

31. **ACKNOWLEDGMENT**

STATE OF *(a)* _____ } *ss.* (Partnership)
COUNTY OF *(b)* _____

The foregoing instrument was acknowledged before me this *(c)* _____ day of *(d)* _____ , by *(e)* _____ , Partners on behalf of the *(f)* _____ a *(g)* _____ partnership.

(h) (SEAL)

_____
(i)
NOTARY PUBLIC

My commission expires: *(j)* _____

The foregoing certificate(s) of *(k)* _____ is (are) certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of *(l)* _____ County, (STATE of *(m)* _____) in Book *(n)* _____ Page *(o)* _____ .

This *(p)* _____ day of *(q)* _____ , A.D., *(r)* _____ at *(s)* _____ o'clock *(t)* _____ .M.

(u) _____ By *(v)* _____
Register of Deeds Deputy/Assistant Register of Deeds

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Initial BB Date 07-15-20XX CCC-193-D (03-23-12) Page 7 of 7

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CCC-194, Farm Storage Facility Loan Subordination Agreement

A Completing CCC-194

CCC-194 shall be completed according to the following instructions.

Item	Instructions
1	Enter borrower's name and address.
2	Enter borrower's telephone number, including area code.
3(a)	Enter borrower's name.
3(b)	Enter county where the facility will be located.
3(c)	Enter State where the facility will be located.
4	Enter complete real estate description as it is shown on the real estate mortgage.
5(a)	Enter number or name of the book that recorded the Real Estate Mortgage or security instrument.
5(b)	Enter page number of the book identified in item 5(a).
6(a), (b), & (c)	Enter day, month, and year CCC-194 is executed.
6(d)	Lienholders shall sign.
6(e) – (m)	To be completed by the notary witnessing signatures in item 6(d).

CCC-194, Farm Storage Facility Loan Subordination Agreement (Continued)

B Example of CCC-194

The following is an example of CCC-194.
*--

This form is available electronically.

CCC-194
(03-23-12)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

FARM STORAGE FACILITY LOAN SUBORDINATION AGREEMENT
(LIEN ON REAL PROPERTY)

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for CCC financing under the Farm Storage Facility Loan Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.*

*This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 *(see Pub. L. 110-246, Title I, Subtitle F - Administration).*

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

1. BORROWER'S NAME AND ADDRESS *(Including ZIP Code)*	2. BORROWER'S TELEPHONE NUMBER *(Including Area Code)*
John Clark Mary Clark 282 East Road Pleaseantville, ST 99809	123-456-7890

3. WHEREAS, *(a)* John and Mary Clark (hereinafter called the "Borrower"), has applied to Commodity Credit Corporation (hereinafter called "CCC"), an agency of the United States for a loan for the purpose of erecting or constructing a storage facility on premises situated in the County of *(b)* Jones, State of *(c)* State Name.

4. WHEREAS, the making of such a loan by CCC is conditioned upon the Borrower conveying to CCC a ☐ first lien or ☐ second lien on the following described real estate:

SW 1/4 Sec. Cook Twp.

--*

CCC-194, Farm Storage Facility Loan Subordination Agreement (Continued)

B Example of CCC-194 (Continued)

*--

CCC-194 (03-23-12) Page 2

4. WHEREAS, *(Continued from Page 1)*

5. WHEREAS, the undersigned is owner and holder of a certain real estate mortgage, deed of trust, or other security instrument on the premises, where such interest is recorded in Book *(a)* 253, Page *(b)* 491, of said county and State;

Now, therefore, in consideration of CCC making such loan, the undersigned agrees to and does hereby subordinate its lien on the above described real estate to any mortgage, deed of trust, or other security instrument executed or to be executed by the Borrower in favor of CCC, concerning the above described real estate and the facility located thereon, and to the right of ingress and egress to and from the site.

6. IN WITNESS WHEREOF, the undersigned have executed these presents this *(a)* 11 day of *(b)* February *(Month)* *(c)* 20XX *(Year)*.

(d) _____ (SEAL)
for First National Bank
(Lienholder's Signature)

_____ (SEAL)
(Lienholder's Signature)

_____ (SEAL)
(Lienholder's Signature)

(e) **STATE OF** State Name
(f) **COUNTY OF** Jones
} *ss.*

ACKNOWLEDGMENT

Oh this *(g)* 13th day of *(h)* February in the year *(i)* 20XX, before me, the undersigned, a Notary Public in and for said State, personally appeared *(j)* John Jones and *(k)* _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he, she, and or they executed the same in his, her and or their capacity or capacities, and that by his, her, and or their signature(s) on the instrument, the individual(s) or the person on behalf of which the individual(s) acted, execute the instrument.

(SEAL) *(l)* ***Jane Doe***
(Name of Notary Public)

My commission expires on *(m)* 06-01-20XX
(MM-DD-YYYY)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

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FSFL Program Codes

The following provides FSFL program codes and their location in NRRS.

Commonly Used FSFL NRRS Transaction Codes		
NRRS Program Code	**Activity**	**NRRS Collection Type**
XXFSFLFEES	FSFL application fee. The required FSFL application fee is $100 per borrower per FSFL.	Direct Sales
XXFSFL	***--**FSFL annual installment repayment that includes obligated amount and interest. If the FSFL final annual installment repayment is the exact amount needed with no refund owed to the producer, the FSFL NRRS annual installment repayment code "XXFSFL" must be used.**--***	PSFSFL
Occasionally Used FSFL NRRS Transaction Codes		
XXFSFLMR	FSFL **final** annual installment repayment code. **Notes:** County Offices **must** use "XXFSFLMR" in NRRS to record the FSFL final annual installment repayment, ***--**if a refund is owed to the producer. The amount entered in NRRS **must** match the amount entered in System 36. After "XXFSFLMR" is entered, the system will prompt the user for the overpayment amount, if applicable. **Example:** Producer's FSFL final annual installment repayment is $9,775 and producer provides a check for $10,000. NRRS code "XXFSFLMR" **mus**t be used because a refund is owed to producer.**--***	***--**Existing Receivable**--***
XXFSFLFCL	Collections – Sales proceeds of the liquidated FSFL collateral and claims activities when there is a loss.	PSFSFL
XXFSFLLQC	Collections, payables, disbursements, and receivables. Expenses related to the sale of collateral of the liquidated FSFL.	PSFSFL
XXFSFLCLP	Sales proceeds of liquidated FSFL collateral and claim activities when there is a loss.	PSFSFL
XXFSFLBANKRUPT	Repayment of principal and interest for bankrupt status loans.	PSFSFL
Important: NRRS transaction code, "**MISC**" should **never** be used.		
NRRS Receivable Code		
XXFSFLAME	*** * *** Costs that the producer is responsible for, such as, but ***--not** limited to, severance agreements, agreement terminations, and releasing UCC-1's.**--***	
XXFSFLRF	Lien search. *** * ***.	
XXFSFLBRWG	Collections, payables, disbursements, and receivables. Gain on sales of the collateral of the liquidated FSFL.	

FSFL Application Fee Example for Recording in NRRS

Producer John visited the County Office on April 27, 2011, to apply for a FY 2011 FSFL. FSFL was approved on June 1, 2011. The application fee of $100 was collected for the FY 2011 FSFL.

Producer Darlene visited the County Office on August 1, 2012, to apply for a FY 2012 FSFL. FSFL was approved on September 2, 2012. The application fee of $100 was collected for the FY 2012 FSFL.

Producer	Application Date	NRRS Program Code (Under Direct Sales)
John	April 27, 2011	11FSFLFEES
Darlene	August 1, 2012	12FSFLFEES

Important: FSFL application fees **must** be recorded in the amount of $100 per borrower for FSFL.

The following includes the correct NRRS application fee program codes that **must** be entered for the applicable FY. The program code, "XXFSFLFEES" is accessed under NRRS "**Direct Sales**".
***--**

IF the application fee is for a loan approved in FY…	THEN use NRRS program code…
2001	"01FSFLFEES".
2002	"02FSFLFEES".
2003	"03FSFLFEES".
2004	"04FSFLFEES".
2005	"05FSFLFEES".
2006	"06FSFLFEES".
2007	"07FSFLFEES".
2008	"08FSFLFEES".
2009	"09FSFLFEES".
2010	"10FSFLFEES".
2011	"11FSFLFEES".
2012	"12FSFLFEES".
2013	"13FSFLFEES".
2014	"14FSFLFEES".

--*

FSFL Repayment Example for Recording in NRRS

***--**Producer Keith visited the County Office on September 10, 2013, to make an annual installment repayment for a FY 2009 FSFL.

Producer Larry visited the County Office on November 1, 2013, to make an annual installment repayment for a FY 2010 FSFL.

Producer	Loan Repayment Date	NRRS Program Code (Under PSFSFL)
Keith	September 10, 2013	09FSFL
Larry	November 1, 2013	10FSFL

--*

The following includes correct NRRS loan repayment program codes for loan principal and interest. The program codes **must** be entered for the applicable FY that the loan was **approved**. The program code, "XXFSFL" is accessed under NRRS Price Support Farm Storage Facility Loan "PSFSFL."

Important: Do **not** use the FY the repayment was made.

***--**

IF the repayment is for an FSFL approved in FY…	THEN use NRRS program code…
2000	"00FSFL".
2001	"01FSFL".
2002	"02FSFL".
2003	"03FSFL".
2004	"04FSFL".
2005	"05FSFL".
2006	"06FSFL".
2007	"07FSFL".
2008	"08FSFL".
2009	"09FSFL".
2010	"10FSFL".
2011	"11FSFL".
2012	"12FSFL".
2013	"13FSFL".
2014	"14FSFL"

--*

County Offices must continue to follow paragraph 380 for repayment processing. The annual installment repayment amount entered in System 36 **must** be the same as the annual installment repayment amount entered in NRRS.

At all times, the correct FSFL NRRS annual installment repayment code "XXFSFL" **must** be used. "XX" represents FY FSFL was approved.

FSFL NRRS code "XXFSFLMR" **must** only be used if the final annual installment repayment requires a refund to the producer. See Exhibit 34.

Example: The producer's FSFL final annual installment repayment is $9,775 and the producer provides a check for $10,000. NRRS code "XXFSFLMR" **mus**t be used because a refund is owed to the producer.

If the FSFL final annual installment repayment is the exact amount needed with **no** refund owed to the producer, FSFL NRRS annual installment repayment code "XXFSFL" **must** be used.

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 **Close and/or Request Payment Screen VFB10200**, the user **must** answer "**Y**" to allow the closing process to continue. See subparagraph 367 B, step 7. Upon completing the FSFL closing process, the user **must** immediately access the following:

- **Menu VCA005**, option **3**, "Payment Requests", to generate payment data for NPS

  Note: See subparagraph 367 C.

- NPS to certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day.

  Note: See subparagraph 367 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 **Close and/or Request Payment Screen VFB10200**, the user **must** answer "**N**" to **stop** the closing process. See subparagraphs 367 B, step 7 and 368 B, step 7.

To request payments, the user **must** immediately access the following:

- **Menu VCA005**, option **3**, "Payment Requests", to generate payment data for NPS

  Note: See subparagraph 368 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.

  Note: See subparagraph 368 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 "N".
   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 **FSFL Payment Requests Screen VFC10010**, the user **cannot** change the entries on the screen. See subparagraph 367 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**"

  Note: 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 367 D.

Note: If direct deposit, the funds will be deposited in the borrower's account in 2 workdays. If **not** direct deposit, a check will be mailed from Treasury to the borrower's address in SCIMS within 3 workdays. Loan transaction statements will be mailed directly to the borrower.

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          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 **FSFL Payment Requests Screen VFC10010**, the user can **change** and **add** entries to the screen. See subparagraph 368 C, step 6. The user **must** do the following:

- change payable #1 amount to reflect the actual amount due the borrower, if any

- leave joint payment indicator "N", if the check is to be payable to the borrower only

  Note: The joint payment indicator is referred to as the alternate payee indicator in NPS.

- enter payment additional requests based upon the vendor amounts due

- ENTER "**Y**", for joint payment indicator, when the check is to be made payable to the borrower and vendor

- adjust payment amounts so that all of payable amounts listed do **not** exceed or are **not** less than the "Payment Requests Total" field at the bottom of Screen VFC10010.

If payable amounts or joint payment indicators are **not** complete, or if payable amounts either exceed or are less than the "Payment Requests Total" field at the bottom of Screen VFC10010:

- a warning message will be displayed and the user will **not** be allowed to continue
- the 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 "Amount" or "Joint Pmt" column is incomplete.

    Notes: The user should **not** make any more entries than needed.

    Payable entries are limited to a maximum of 20.

To complete the payments request, the 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 joint payment indicator of "**N**". The user changed payable #1 amount to $30,000.00 and added payables #2 and #3 for $12,000.56 and $7,999.44, both with joint payment indicators of "**Y**". Payable #1 will automatically be made out to the borrower. Since there were **no** more payables to enter, the 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)

Payables will be provided to NPS as listed. The user **must** access NPS **before** the 3 p.m. c.t. cutoff that same day to complete free-form entries for alternate payees where on Screen VFC10010, the joint payment indicator was set to "**Y**". Joint payment indicator 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 free-form entries are completed for each alternate payee, the County Office **must** then complete the certification and signing process. See subparagraph 368 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.