

FSA
HANDBOOK

Sugar Storage Facility Loan Program

To access the transmittal page click on the short reference

For State and County Offices

SHORT REFERENCE

12-SU
(Revision 1)

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

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**Sugar Storage Facility Loan Program
12-SU (Revision 1)**

Amendment 1

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reason for Revision

This handbook has been revised to provide updated:

- guidance for taking applications for sugar-related storage facility loans
- policy on administering the storage facility program for sugar processors.

B Obsolete Material

12-SU is obsolete.

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Part 1 Basic Provisions

1 Overview

A Handbook Purpose

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

B Sources of Authority

Authority for the requirements in this handbook are as follows:

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

C Related FSA Handbooks

The following FSA handbooks concern the SSFL Program.

IF the area of concern is about...	THEN see...
acreage reporting	2-CP.
actively engaged determinations	4-PL or 5-PL.
appeals	1-APP.
approved abbreviations, signatures, and authorizations	1-CM.
audits and investigations	9-AO.
automation	2-FSFL.
delegations of authority	16-AO.
disbursing, lien search, and UCC-1 recording fees	1-FI.
document retention period	32-AS.
environmental quality	1-EQ and 2-EQ.
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interest rates	50-FI.
IRS reporting	62-FI.
MAL yield	10-SU.
misaction and misinformation	7-CP.
payments and deposits	64-FI.
prompt payment	61-FI.
safety guidelines	5-LP.
FSFL's	1-FSFL.
web-based subsidiary files	3-PL (Rev. 2).

2 Program Information

A Administering SSFL Program

[7 CFR 1436.2] SSFL Program is:

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

B Restrictions

STC's and representatives and employees thereof, do not have the authority to modify or waive any of the provisions of this handbook unless authority is provided by DAFP. NEPA precludes provisions to modify or waive requirements for completion of the requisite level of environmental review prior to approval of a proposed action, and similarly contains limitations on premature action prior to said approval as provided by 40 CFR 1506.1 and 7 CFR 799.11.

C Determinations

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

- determining any question arising under SSFL Program
- reversing or modifying any determination made by STC.

D Waivers

DAFP may authorize STC's to waive or modify deadlines and other program requirements except those related to completion of environmental review in cases where lateness or failure to meet these other requirements does not adversely affect the SSFL operation. STC's without authority to act may prepare a request for waiver to the applicable program requirement.

2 Program Information (Continued)

E Execution

The authority to approve all loan forms and documents prepared according to this handbook may be redelegated in writing by DAFP to STC.

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

F Approved SSFL Supplies or Vendors

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

3 DAFP and STC Review

A Responsibility

As required for approval, DAFP and STC determine:

- whether the:
 - environmental conditions of the site would place CCC at risk
 - processor meets all eligibility requirements
 - proposed facility or renovation is eligible and needed
 - estimated production to calculate needs are reasonable
- the type of security to be required
- the conditions of approval.

B Referrals to STC

All applications will be referred to the State Office for consideration by DAFP and STC. County Offices will:

- submit originals of the complete application with supporting documentation by certified mail or other feasible means to the State Office
- retain a copy of the case file.

3 DAFP and STC Review (Continued)

C DAFP and STC Action

DAFP and STC will:

- abide by the National Office recommendation about the applicant’s creditworthiness, ability to repay, and adequacy of collateral offered
- consider recommendations resulting from EA
- determine that the value of collateral offered to secure the loan is at least equal to 125 percent of the loan amount
- based upon FSA employee with loan approval authority recommendations, determine a maximum allowable increase in the loan amount, that may exceed the amount requested, which is supported by the applicant’s ability to repay
- approve or disapprove all applications and requests for increases referred
- indicate approval or disapproval on CCC-185-SU
- provide the applicant with notification of approval or disapproval and appeal rights, if applicable, according to 1-APP
- return entire case file to the County Office.

D Confidentiality of Applicant’s Financial Information

For CCC to provide confidentiality of an applicant’s financial information, STC’s must **not**:

- retain financial information, such as balance sheets and cash flow statements, provided by applicants
- discuss an applicant’s financial information with anyone outside of the State Office.

4, 5 (Reserved)

Part 2 Publicizing the SSFL Program

6 SSFL Publicity Requirements

A State Office Action

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

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

B County Office Action

County Offices will publicize, at least twice each calendar year, preferably well in advance of the storage season for sugar crops, the availability of SSFL by:

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

7 **Internet Websites**

A PSD Website

PSD will provide SSFL fact sheets on PSD's website at <https://www.fsa.usda.gov/programs-and-services/price-support/facility-loans/farm-storage/index>.

B Forms Websites

Forms are available from the following websites:

- Employee Forms/Publications Online Website at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>
- USDA Service Center Agencies eForms website at <https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

C SSFL Interest Rate Website

SSFL interest rates for the current month are available on PSD's website at <https://www.fsa.usda.gov/programs-and-services/price-support/facility-loans/farm-storage/index>.

8, 9 (Reserved)

Part 3 Basic Loanmaking Policies**10 Loan Availability****A Signup**

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

- at any time during normal office hours
- from processors in person or by mail.

B Where to Apply

Applications from eligible processors for a loan must be submitted to the administrative County Office that maintains the applicant's FSA records. If no such records exist, applications are submitted to either of the following County Offices:

- the office serving the headquarters location of the sugar processor
- an office designated by the State Office.

C Documentation

Upon request, the applicant must provide information and documents as STC determines reasonably necessary to support the application. The following are examples of supporting documentation:

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

DAFP and STC are responsible for taking appropriate action on the application.

10 Loan Availability (Continued)

D Processor Actions Before Loan Approval

Submitting CCC-185-SU according to Part 4 does not ensure approval nor does it create any liability on CCC's behalf.

DAFP and STC must **not** approve loans for applicants who begin any of the following actions before a loan can be approved:

- site preparation or clearing
- foundation construction
- structure construction
- upgrading an existing facility.

Note: See paragraph 11 for actions started before loan approval guidance.

11 SSFL's Where Any Delivery or Construction Has Begun Before Approval

A FSA-850 and FSA-851

All SSFL requests to construct or renovate sugar storage facilities require FSA-850 according to 1-EQ, as provided by 7 CFR 799 and 40 CFR 1500.

All SSFL's secured by real estate will be evaluated by trained FSA staff and by completing FSA-851, on the real estate offered as collateral, according to 2-EQ.

FSA-850 and FSA-851, as applicable, **must** be satisfactorily completed by trained FSA staff with no extraordinary circumstances, **before** CCC-185-SU approval.

If FSA-850 has not been satisfactorily completed, CCC-185-SU must **not** be approved. A programmatic waiver request is **not** authorized.

B Actions That Impede Completing FSA-850

The following processor actions must **not** occur at the SSFL site or equipment and/or material staging location before FSA-850 is considered successfully completed, according to 1-EQ, and CCC-185-SU is approved:

- accepted delivery of equipment and/or materials
- site preparation, clearing, grading, or foundation construction
- alterations to any structures that are 50 years old or older or within a historic district.

11 SSFL's Where Any Delivery or Construction Has Begun Before Approval (Continued)

C FSA-850 Completed Before CCC-185-SU Approval

FSA-850 is considered successfully completed when required consultations have been successfully completed, signature requirements are met, and an environmental determination or finding has been made, according to 1-EQ, paragraph 23.

D Programmatic Waiver Request

Processors may request a programmatic waiver request (with the exception of provisions related to completion of environmental reviews), in writing, when actions according to subparagraph B started **before** CCC-185-SU approval. **All** of the following **must** have been completed **before** the processor performed the actions:

- FSA-850 and FSA-851, if applicable, were successfully completed with **no** adverse impacts identified, according to 1-EQ and 2-EQ
- CCC-185-SU was completed, signed, and dated by the processor and received in the County Office.

The processor's written waiver request **must**:

- include the reasons why the producer started the action **before** receiving SSFL approval
- be documented in COC or STC minutes, as applicable.

The following provisions **must** be met before forwarding the case to DAFP and STC:

- all **required** documentation for financial analysis for the processor and/or entities was received
- a favorable financial analysis **must** be received from the FSA employee with loan approval authority
- FSA-850 must be satisfactorily completed before approval of SSFL
- all processor eligibility, equipment eligibility, and collateral security requirements, if necessary, **must** be met.

Note: If deemed necessary by STC or the National Office, additional information may be requested, such as, but not limited to, site preparation documentation and/or invoices to assist with determining eligibility and environmental compliance.

12 Eligible Borrowers

A Basic Requirements

County Offices must complete borrower eligibility reviews before SSFL is forwarded to the State Office for National Office review.

[7 CFR 1436.5] An eligible borrower is any processor of domestically produced sugarcane or sugar beets that:

- demonstrates compliance with the following:
 - NEPA at 40 CFR Parts 1500-1508
 - FSA's NEPA regulations at 7 CFR Part 799
 - 1-EQ and 2-EQ
- has a satisfactory credit history as determined by CCC
- demonstrates the ability to repay the debt resulting from SSFL
- is not delinquent on any Federal nontax debt, other than tax debt under the Internal Revenue Code of 1986
- is not solely a sugar marketing cooperative or company
- demonstrates a need for increased storage capacity except if the applicant is applying only for a loan for handling equipment
- demonstrates compliance with any applicable local zoning, land use, and building codes for the applicable storage facility structures
- is approved by CCC to store sugar owned by CCC or pledged as security to CCC for nonrecourse loans.

12 Eligible Borrowers (Continued)

B Storage Need Requirement

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

Step	Action	
1	Accept certification from the processor of the annual volume of sugar, in tons, that is typically processed.	
2	Deduct applicable current storage capacity.	
3	If applicable, add annual volume that cannot be marketed because of the effect of marketing allotments.	
4	IF result from step 3 is...	THEN...
	greater than zero	the processor is eligible for needed capacity, not to exceed the processor’s proposed capacity or capacity to be upgraded.
	less than zero	notify the processor that they are ineligible. Provide appeal rights according to 1-APP.

Note: If STC determines that verification of production volume or the volume that cannot be marketed because of the effect of marketing allotments is necessary, contact the National Office for guidance.

13 Eligible and Ineligible Equipment

A Eligible Storage and Handling Facilities

[7 CFR 1436.6] Loans will only be made for purchasing and installing eligible storage facilities, for permanent handling equipment, or for remodeling existing facilities as follows:

- new conventional type bins or silos designed for and used to store raw or refined sugar, having a useful life of at least 15 years
- new flat-type storage structures, including a permanent concrete floor and bulkheads, designed for and used to store raw or refined sugar, having a useful life of at least 15 years
- new storage structures designed for and used to store in-process sugar, having a useful life of at least 15 years
- new electrical equipment, such as lighting, motors, and wiring, integral to the proper operation of the sugar storage and handling equipment
- new equipment to improve, maintain, or monitor the quality of stored sugar, such as moisture testers and heat detectors, in conjunction with a proposed storage facility
- new concrete foundations, aprons, pits, and pads, including site preparation, labor, and material, essential to the proper operation of the sugar storage and handling equipment
- new permanently affixed sugar handling equipment determined by STC to be needed and essential to the proper functioning of a storage system (without a loan for storage structures)
- renovating existing storage according to subparagraph C without an increase in storage capacity
- safety equipment, as required by CCC, such as lighting and inside and outside ladders.

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

13 Eligible and Ineligible Equipment (Continued)

B Ineligible Storage and Handling Facilities

Ineligible storage and handling equipment includes the following:

- portable handling equipment that is:
 - on wheels and can be moved from 1 storage 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 bags, not having a useful life of 15 years
- concrete pads without walls on which a commodity is stored
- portable or permanent weigh scales
- structures that are not suitable for storing the facility loan commodities for which a need is determined.

C Renovating Storage Structures

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

- the modification is:
 - necessary to renovate the storage capacity of the unit
 - for new purchase items, such as:
 - replacing floors
 - flat storage walls and bulkheads as needed
 - handling equipment
 - replacing any deteriorated bin walls or rings, roof panels, or other roofing material and related paid labor
- the applicant meets the storage need requirement.

Note: Storage that is deteriorated to the point where it is, in STC's opinion, no longer functional for storage purposes, will not be considered as existing storage capacity according to subparagraph 12 B.

14 Term of Loan

A Maximum Term

[7 CFR 1436.7] The term of the loan is 15 years from the date of the execution of CCC-186-SU.

B Extensions

No extensions of the loan term are authorized.

15 Security for Loans

A Secured by CCC-186-SU's

[7 CFR 1436.8] All loans must be secured by CCC-186-SU covering the sugar storage facility. CCC-186-SU must:

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

B Additional Security

Additional security will be required as necessary to adequately secure the loan to the extent the CCC determined value of primary and additional security is at least equal to 125 percent of the loan amount. The following are types of acceptable additional security:

- real estate
- irrevocable letter of credit
- other available assets offered as collateral and determined by STC to be suitable and in the best interest of CCC.

15 Security for Loans (Continued)

C Prior Liens on Real Estate

If prior liens on the underlying real estate attach to the collateral, County Offices will:

- unless waived by Regional OGC, obtain a severance of this lien in writing from lien holder and each person, including the borrower, having an interest in the real estate on which the collateral is to be located
- not allow any additional liens or encumbrances to be placed on the storage facility after the loan is approved unless CCC approves otherwise in writing.

D Real Estate Lien Requirements

A lien on the real estate on which the sugar storage facility will be located is required if CCC can obtain a security interest in the real estate.

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

If prior lien holders will not subordinate to CCC, and if the loan can be adequately secured, then CCC may approve alternative forms of security, such as:

- subsequent real estate lien position
- first lien on different realty.

15 Security for Loans (Continued)

E Form of Real Estate Lien

Real estate liens must 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.

F Real Estate Lien Guidelines

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

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

G Land Separate From the Collateral

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

- the borrower owns the separate acreage
- the acreage of the entire parcel is sufficient enough, in the approving committee's opinion, to ensure the loan can be adequately secured
- reasons why a lien on the underlying real estate was not feasible are documented.

H Other Forms of Security

The following are other forms of security that may be considered to be acceptable by the approving committee:

- a letter of credit from a financial institution provided by the applicant for the total of SSFL principal plus interest for the first year, unless required by STC on a statewide basis, for an additional 60 calendar days

Note: Contact the National Office for an example of a letter of credit.

- a performance bond or similar instrument.

15 Security for Loans (Continued)**I Renovated Structures**

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

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

Filing and recording fees shall be paid by the sugar processor for these transactions:

- a credit report
- a collateral lien search
- filing a financing statement using a UCC document
- filing a fixture filing using a UCC document
- environmental assessment (EA)
- a real estate lien search for severance agreement purposes
- termination of a financing statement using a UCC document
- filing a release or discharge of a real estate lien such as a mortgage
- filing a discharge of a severance agreement
- attorney fees related to a lien on real estate used to secure SSFL
- real estate lien, deed or title search related to a lien on real estate used to secure SSFL
- recording a severance agreement
- filing and recording a subordination agreement related to a lien on real estate used to secure SSFL
- all other instrument filing and recording transactions related to a lien on real estate used to secure SSFL
- appraisals of proposed collateral.

16 Loan Amount and Loan Approvals

A Aggregate Outstanding Balance

The aggregate outstanding balance of all facility loans for each borrower signing CCC-186-SU is unlimited.

B Loan Limit

The maximum principal amount of any loan is 85 percent of the net cost of the applicant's needed storage. There is no "not to exceed" amount as it applies to the FSFL Program.

Note: Loans may be limited by the amount of SSFL funds available at the time a request for obligation of funds is made.

C Net Cost

[7 CFR 1436.9] The cost on which the loan is based is the sum of all the following net costs:

- eligible facility
- related equipment
- services to the applicant after discounts and rebates
- appraisal
- EA.

16 Loan Amount and Loan Approvals (Continued)

D Net Cost Items

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

- purchase price
- sales tax
- shipping charges
- delivery charges
- site preparation costs
- installation costs
- material and labor for concrete pads
- material and labor for electrical wiring and electrical motors
- paid labor
- professional fees, such as fees for attorneys, archaeological studies, engineering plans, environmental studies, historic reviews, or title insurance.

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

Processing equipment is ineligible for SSFL financing.

16 Loan Amount and Loan Approvals (Continued)

E Larger Capacity Than Needed

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

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

Example: Applicant proposes to build a 750,000 cwt. storage bin. Net cost is \$7,500,000. Eligible storage need is 500,000 cwt. Net cost per cwt. is \$10 (\$7,500,000 bushels divided by 750,000). Eligible net cost is \$5,000,000 (\$10 times 500,000 cwt.). Maximum loan amount is \$4,250,000 (\$5,000,000 times .85).

F Ineligible Space in a Flat Storage Structure

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

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

16 Loan Amount and Loan Approvals (Continued)

G Approvals

STC approves CCC-185-SU applications for loans and requests for increases subject to availability of loan funds.

H Approval Expiration

Loan approvals expire 8 months after the approval date, unless extended in writing for up to an additional 4 months by STC.

Note: See paragraph 122 for extensions of loan approvals.

17 Downpayment

A Minimum Downpayment

[7 CFR 1436.10] A minimum downpayment is:

- the difference between the net cost of the storage facility and the amount of the loan determined in paragraph 16
- required to be made by the loan applicant to the supplier or contractor before the loan is disbursed.

B Exclusions

The downpayment must not include consideration of any of the following:

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

18 Disbursement

A SSFL Disbursement

The final approved SSFL will be disbursed manually by Kansas City.

The National Office will provide guidance and review all closing documents before the SSFL is disbursed.

19 Interest Rate

A Rate

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

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

B Monthly Announcements

Interest rates will be announced each month by CCC.

20 Application Fee

A County Office Action

County Offices must **not** charge an application fee.

21 SSFL Signature Authority Documentation Requirements

A SSFL Signature Authority for Individuals

SSFL must follow FSA signature authority requirements for individuals according to 1-CM.

B Entity Signature Authority for SSFL's

The signature authority for **all** forms and documents for SSFL's for corporations, limited partnerships, LLC's, 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

21 SSFL Signature Authority Documentation Requirements (Continued)

B Entity Signature Authority for SSFL'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 SSFL requirements.

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.

21 SSFL Signature Authority Documentation Requirements (Continued)

B Entity Signature Authority for SSFL’s (Continued)

An agent may:

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

IF the entity documents...	THEN the...
allow for re delegation of signature authority	<p>person authorized to sign for the entity according to subparagraph A may redelegate their authority to an agent on FSA-211.</p> <p>Important: The person authorized to sign for the entity according to this subparagraph cannot redelegate this authority, if the entity documents do not allow for re delegation of signature authority.</p> <p>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 re delegated. Mary Brown may re delegate her signature authority for XYZ Corporation to an agent by completing FSA-211.</p> <p>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 re delegated. Mike Jones cannot re delegate his signature authority for ABC Corporation.</p>

21 SSFL Signature Authority Documentation Requirements (Continued)

B Entity Signature Authority for SSFL’s (Continued)

IF the entity documents...	THEN the...
do not allow for redelegation of signature authority	<p>following may be used to authorize an agent to sign for the entity for:</p> <ul style="list-style-type: none"> • corporations, either of the following: <ul style="list-style-type: none"> • 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 • LLC’s, FSA-211 signed by all members or authorized managers. <p>Notes: Certain properly executed and completed affidavits, on file in a County Office, can be used as evidence of signature authority. These affidavits will be honored as evidence of signature authority by State and County Offices.</p> <p>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 recently executed is used as evidence of signature authority.</p> <p>Example: 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 cannot 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.</p>

22-29 (Reserved)

Part 4 Accepting and Preparing Applications

Section 1 Applications and Supporting Information

30 Applications

A Initial Contact

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

IF the topic is about...	THEN see...
environmental evaluation and assessment	1-FSFL, Part 6, Section 2.
borrower eligibility	paragraph 12.
storage need	subparagraph 12 B.
eligible storage and handling facility types	paragraph 13.
security types and filing fees	paragraph 15.
maximum loan amount	paragraph 16.
downpayment	paragraph 17.
interest rate	paragraph 19.
all peril insurance and flood insurance	paragraph 58.
compliance with local land use law	paragraph 59.
finalizing loans	1-FSFL, Part 10.

B Obtaining Forms and Filing Applications

Applicants:

- may obtain CCC-185-SU and other forms from the eForms public website at <https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home> to prepare applications
- must participate in a kick-off meeting as provided by 1-EQ, subparagraph 2 D and completion of Exhibit 15 “Environmental Review Development Action Plans”
- will not FAX signed applications because a corporate seal is required on CCC-185-SU
- must initial and date any changes made on required forms.

30 Applications (Continued)

C Accepting Applications

County Offices shall:

- ensure that all of the following forms are complete and submitted before processing the application:
 - CCC-185-SU and supporting documents
 - financial documents according to subparagraphs 32 B and C
- for applications missing information, notify the applicant in writing granting 15 calendar workdays to provide missing information.

Note: If no response within 30 calendar days, refer the application to the State Office for referral to the National Office for disposition, which may include either giving another opportunity to submit missing information or advising that the loan application cannot be processed, and as a result, is considered withdrawn.

D Preparing CCC-185-SU

County Offices will:

- not assist in preparing CCC-185-SU
- contact the State Office with any questions.

30 Applications (Continued)

E Preparing CCC-185-SU

Applicants will prepare CCC-185-SU according to the following instructions.

Note: These instructions are also available on the eForms public website.

Item	Instructions
1A	Enter State code. Note: The State code is obtained from the FSA office where the application will be filed.
1B	Enter county code. Note: The county code is obtained from the FSA office where the application will be filed.
1C	Leave blank until a system assigned number is available.
2A	Enter exact entity name and exact address of the applicant's headquarters location.
2B	Enter identification number applicable to entity applying.
2C	Enter name of contact person.
2D	Enter telephone number of the contact person.
3	Enter amount requested for the loan based on accurate estimates of net costs of eligible materials. The amount is equal the lesser of net cost times 85 percent or net cost minus the downpayment.
4	Enter an itemized description of the proposed facility and associated costs. If necessary, attach an itemized list showing cost breakdown of storage, handling equipment items, materials, labor, and fees.
5A	Enter name and locations of facilities where sugar is processed. It may be necessary to enter more than 1 facility on a line for each location. Note: See subparagraph 12 B for policy on determining storage need.

30 Applications (Continued)

E Preparing CCC-185-SU (Continued)

Item	Instructions
5B	Enter whether the applicable location produces raw or refined sugar.
5C	Enter the volume in actual tons produced by the facility.
5D	Enter the total of all lines from item 5C.
5E	Enter the existing applicable capacity of all facility locations.
5F	Enter the volume in actual tons of sugar that because of marketing allotments cannot be marketed and requires storage.
5G	Enter result of item 5D minus item 5E plus item 5F. The result is additional capacity needed.
5H	Enter the capacity of the proposed structure(s).
6	Enter the date facility components were purchased or will be purchased. Provide copies of all invoices and contracts if facility has been purchased.
7	Enter name and address of company from whom the facility equipment will be or was purchased.
8	Enter date when construction will begin.
9	Enter who will construct the facility.
10	Enter date facility components will be delivered to the proposed site.
11	Enter a real estate description for the site where the facility will be constructed. This will be used on financing statements.
12A	Enter name and address of persons or entities with ownership in real estate described in item 11, if other than the applicant.
12B	Enter name and address of lienholders of the real estate described in item 11. If there are no lien holders, enter "none".

30 Applications (Continued)

E Preparing CCC-185-SU (Continued)

Item	Instructions
13A	Applicant certifies for DCIA compliance by checking “YES” or “NO”.
13B	Applicant certifies for receivership or bankruptcy status by checking “YES” or “NO”.
14A and 14B	Applicant enters signature and title.
14C	Enter date of applicant’s signature.
15A and 15B	Co-applicant enters signature and title.
15C	Enter date of co-applicant’s signature.
16-21	Leave blank.
22	Provide documents described by each item.

30 Applications (Continued)

F Example of CCC-185-SU

The following is an example of CCC-185-SU.

This form is available electronically. (See Page 3 for Privacy Act and Paperwork Reduction Act Statements)		
CCC-185-SU U.S. DEPARTMENT OF AGRICULTURE (04-26-19) Commodity Credit Corporation <p style="text-align: center;">SUGAR STORAGE FACILITY LOAN PROGRAM</p>	FOR COUNTY FSA OFFICE USE ONLY	
1. LOAN IDENTIFICATION NUMBER		
A. State Code	B. County Code	C. Loan No.
2A. Name and Address of Loan Applicant (<i>Headquarters Location</i>)		2B. Tax Identification Number (<i>Last 4 Digits</i>)
		2C. Contact Person
		2D. Telephone Number (<i>Include Area Code</i>)
		3. Requested Loan Amount \$
4. Itemized Description of Proposed Facility and Associated Costs including professional service fees (<i>if necessary, attach detailed list</i>)		
5. Facility Equipment described in Item 4 is needed for the storage or handling of projected production as follows:		
A. Facility Name and Location	B. Enter Whether Production is Raw or Refined	C. Total Production (Cwt.)
D. Total Production from Item 5C and CCC-185-1 SU, if applicable :		
E. Existing Storage Capacity:		
F. Volume That Cannot be Marketed Because of Marketing Allotment:		
G. Result of 5D minus 5E plus Item 5F:		
H. Capacity of Proposed Storage Structure(s) described in Item 4:		
6. Date Facility Components Purchased (MM-DD-YYYY)	7. Name and Address of Company Where Facility Components Purchased	
8. Date to Begin Construction of Facility (MM-DD-YYYY)	9. Name and Address of Company to Construct Facility	
10. Date Facility Equipment Was or Will Be Delivered to the Site (MM-DD-YYYY)	11. Location of Real Estate on Which Facility Equipment Was or Will Be Erected or Installed	
12A. Name and Address of Persons or Entities with Ownership Interests in Real Estate in Item 11 (<i>if Other than Applicant</i>)	12B. Name and Address of Lienholder(s) of the Real Estate identified in Item 11	

30 Applications (Continued)

F Example of CCC-185-SU (Continued)

CCC-185-SU (04-26-19)

Page 3 of 3

22. ATTACH THE FOLLOWING IF NOT ALREADY SUBMITTED:

- A. ATTACH BUSINESS PLAN that should as a minimum include description of business or project, management experience, products or services, proposed use of funds, community benefits, type and number of jobs, availability of labor or raw materials or supplies, names of any corporate parents, affiliates, subsidiaries and describe relationship, including products, between borrower, parent, affiliates, etc..
- B. For companies listed on major stock exchanges and or subject to the Securities and Exchange Commission regulations, a copy of Form 10-K, "Annual Report Pursuant to Section 13 or 15D of the Act of 1934."
- C. Architectural or Engineering Plans. *(If applicable)*
- D. Cost estimates and forecasts of contingency funds to cover cost increases or project changes.
- E. Financial Statements; 1) At least 3 years historical income statements and balance sheets (if an existing business), including parents, affiliate and subsidiary firms, Annual Audits if available; 2) Current (not more than 90 days old) balance sheet and profit and loss statement (if an existing business); 3) Pro-forma balance sheet (at startup); 4) 2 years of projections: income statements, balance sheets and cash flow statements supported by a list of assumptions (monthly first year, quarterly for 2nd year).
- F. Record of any pending of final regulatory or legal (civil or criminal) action against the business, parent, affiliate, proposal guarantors, subsidiaries, principal stockholders, officers, and directors.
- G. If your collateral consists of (1) Land and Building, (2) Machinery and Equipment, (3) Furniture and Fixtures, (4) Accounts Receivable, (5) Inventory, (6) Other, please provide an itemized list (labeled Exhibit A) that contains serial and identification numbers for all articles that had an original value of greater than \$500. Include a legal description of Real Estate Offered as collateral.

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 Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Sugar Storage Facility Loan Program through determination of loan applicant eligibility for CCC financing for sugar storage and handling 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 to participate in and receive benefits under the Sugar Storage Facility Loan Program.*

Paperwork Reduction Act Statement: *The information collection is exempted from PRA as specified in 7 U.S.C. 8781(c)(2).*
RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

30 Applications (Continued)

F Example of CCC-185-SU (Continued)

CCC-185-SU (04-26-19)		Page 2 of 3	
13. APPLICANT'S CERTIFICATION			
<p><i>The Applicant certifies that the information attached to and entered on this application, whether personally attached or entered by me or by someone else on my behalf, are true, complete, and correct to the best of my 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. I acknowledge that credit reports will be requested on all applicants and co-applicants. By signing below, I acknowledge that, as a condition for the SSFL, I am required annually to provide proof of payment of real estate taxes, and all-peril and flood insurance, if required.</i></p>			
<p>A. Is your company or firm delinquent on any federal non tax debt? <input type="checkbox"/> YES <input type="checkbox"/> NO (if "YES", provide details in the Remarks section Item 2.)</p>			
<p>B. Has your company or firm ever been in receivership or bankruptcy? <input type="checkbox"/> YES <input type="checkbox"/> NO</p>			
14A. Signature of Applicant (By)	14B. Title/Relationship of the Individual if Signing a Representative Capacity	14C. Date of Application (MM-DD-YYYY)	
15A. Signature of Co-Applicant (By)	15B. Title/Relationship of the Individual if Signing a Representative Capacity	15C. Date of Application (MM-DD-YYYY)	
16. CCC APPROVAL			
<p><i>A loan is approved by CCC for the approximate amount shown in Item 16A below, but not to exceed the amount authorized in the program regulations. The loan will be repayable in the number of equal annual installments shown in Item 16B. This approval becomes null and void 8 months after the date hereof unless the loan funds have been disbursed or this approval has been extended in writing by the State FSA Committee. Loan funds will not be disbursed until final costs have been determined, facility has been constructed and CCC has inspected and approved in accordance with program regulations.</i></p>			
A. Loan Amount Approved by CCC Pending Funding \$	B. Number of Loan Installments 15	C. Final Loan Approval Expiration Date (MM-DD-YYYY)	D. Date CCC Contacted Loan Applicant of Final Expiration Date (MM-DD-YYYY)
17A. Signature of Deputy Administrator for Farm Programs			17B. Date (MM-DD-YYYY)
18A. Signature of State Committee Chairperson or Designee			18B. Date (MM-DD-YYYY)
19A. FSA County Office Name and Address (Including Zip Code):		20. Security Required: When loan approved, enter type of security that approving committee requires a lien. (UCC and chattel or real estate or other). Enter size of tract covered by real estate lien, if required.	
19B. Telephone Number (Including Area Code):			
21. Remarks			

30 Applications (Continued)

G Completing CCC-185-SU, Items 16 Through 21

After careful consideration of CCC-185-SU, supporting documentation, and staff recommendations, STC will complete CCC-185-SU, items 16 through 21 according to the following.

Item	Instructions
16A	Enter the amount determined according to paragraph 16. Exception: The approving committee may enter the following: <ul style="list-style-type: none"> • an amount that is less than the requested amount based on the applicant’s request Note: Enter the amount and the notation “as requested by applicant” in the remarks section. • an amount that is less than the requested amount based on a STC decision Note: Enter the amount and a notation in the remarks section explaining STC’s reasons for the decision. • an amount that is more than the requested amount based on National Office recommendations. Note: List the conditions of approval in the remarks section.
16B	Enter number of loan installments.
16C	Enter a date that is 8 months following the date of approval.
16D	The County Office enters the date the County Office sent the approval letter to the applicant.
17A and 17B	DAFP shall sign and date.
18A and 18B	Approving authority must sign and date.
19A and 19B	Enter the County Office name, address, and telephone number.
20	Enter the type of security required by the approving committee. Example: 1st lien on the 133-acre parcel where the facility is to be located.
21	Use for any appropriate remarks, such as conditions of approval.

30 Applications (Continued)

H Example of CCC-185-1 SU

The following is an example of CCC-185-1 SU.

This form is available electronically.		
CCC-185-1 SU (04-26-19)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	FOR COUNTY USE ONLY 1. LOAN IDENTIFICATION NUMBER A. State Code B. County Code C. Loan No.
SUGAR STORAGE FACILITY LOAN PROGRAM (CCC-185-SU CONTINUATION SHEET)		
5. Facility Equipment described in Item 4 needed for the storage or handling of projected production as follows:		
A. Farm Name and Location	B. Enter Whether Production is Raw or Refined	C. Total Production (Cwt.)
Total: Include this amount in Item 5D, Form CCC-185-SU:		
<p>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 Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Sugar Storage Facility Loan Program through determination of loan applicant eligibility for CCC financing for sugar storage and handling 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 to participate in and receive benefits under the Sugar Storage Facility Loan Program.</p> <p style="text-align: center;">Paperwork Reduction Act Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 8781(c)(2).</p>		
<p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</small></p>		
Applicant's Initials: _____ Date Initialed: _____		
Co-Applicant's Initials: _____ Date Initialed: _____		

30 Applications (Continued)

I Distribution

County Offices will:

- retain original acted upon and signed CCC-185-SU in the loan folder
- send a copy of the approved CCC-185-SU to the loan applicant with the loan approval letter.

J Loan Folders

County Offices will:

- prepare a separate 6-position or similar folder for each CCC-185-SU
- file all applicable documents in the folder
- safeguard the original CCC-186-SU and security documents in a custody file according to 32-AS.

31 Processing an Application

A County Office Action

County Offices will process an application as follows.

Step	Action
1	Obtain a complete application with supporting documentation.
2	Conduct a lien search when there is a sufficient description of equipment and file financing statement on the collateral.
3	Inform the applicant that he or she must obtain a CCC-approved attorney or a title company for title clearance, real estate lien searches, and/or loan closing.
4	Obtain a credit history report to submit for financial analysis.
5	Obtain CCC-190 for waivers of prior liens on collateral such as the storage structure, if applicable.
6	Obtain CCC-297 from holders of liens on real estate underlying the intended storage facility, including the borrower.
7	Verify compliance with DCIA.
8	Complete FSA-850 and, if necessary, according to 1-EQ, conduct EA.
9	Verify whether the site is located in a flood hazard area by completing FSA-850.
10	Verify compliance with National Historic Preservation Act.
11	Work with the State Office to obtain an appraisal of the collateral offered to secure the loan from a certified commercial appraiser.
12	Verify compliance with local land-use laws.
13	Submit complete application by overnight mail to the National Office, attention Toni Williams, for consideration. Retain a copy of the case file at the County Office.

32 Financial Analysis**A Obtaining Balance Sheets and Cash Flow Statements**

Applicants must provide financial statements, acceptable according to subparagraph B, to assist FSA in determining:

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

B Acceptable Balance Sheets and Cash Flow Statements

At a minimum, applicants must submit the following financial statements:

- at least 3 years historical income statements and balance sheets
- annual audits of historical income statements and balance sheets
- current balance sheet and profit and loss statement not more than 90-calendar-days old
- pro-forma balance sheet (at startup of a company, if applicable)
- 2 years of financial projections using the following:
 - income statements
 - balance sheets
 - cash flow statements.

32 Financial Analysis (Continued)**C Obtaining Other Supporting Documents**

To support financial analysis, applicants must submit the following:

- a business plan that describes the following:
 - the proposed storage facility project including a firm estimate of cost
 - management experience
 - the names of corporate parents, affiliates, and subsidiaries
 - a forecast of funds available to finance construction
 - if applicable, bridge loan amount, term, and applicable interest rate
- an itemized list of assets proposed to be used as collateral to secure the loan
- for companies subject to SEC regulations, a copy of form 10-K
- a record of any pending or final regulatory or legal action against the business.

D Obtaining Verification of Debts and Assets

County Offices will:

- verify debts and assets
- prepare FSA-2015 for each applicant creditor according to FSA-2015 instructions.

32 **Financial Analysis (Continued)**

E State Office Action

To obtain recommendations about applicant's creditworthiness and ability to repay, State Offices will forward the complete case file by overnight mail to the following.

Director, PSD
ATTN: Toni Williams
USDA, Farm Service Agency
STOP 0512
1400 Independence Ave. SW, Room 4702-S
Washington, DC 20250

F National Office Action

The National Office will:

- analyze statements for the year applicable to the required downpayment to determine whether funds are available to cover the required downpayment
- prepare a recommendation to STC about the applicant's ability to pay the required downpayment.
- analyze 2 year's of projected financial statements to determine that funds are available to repay the applicable SSFL installment due
- prepare a recommendation to STC about the applicant's ability to repay the required installments
- prepare recommendations about proposed collateral.

Note: Funds available to repay debt shall be at least equal to 110 percent of the projected SSFL installment amount.

33 **(Reserved)**

34 Credit History and Federal Delinquent Debt Reports

A Obtaining and Paying for Credit Reports

State or County Offices will:

- request credit reports from appropriate credit reporting agencies
- pay for the cost of the credit report by 1 of the following methods:
 - obtain a check from the applicant and submit it to the credit reporting agency
 - pay for the credit report with a properly coded CCC check and seek reimbursement from the applicant.

Note: State Offices may contact the National Office for guidance when using Data Facts, Inc., to obtain a credit report.

B Analyzing Credit History Reports

The National Office will:

- 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 creditworthiness recommendations to STC.

34 Credit History and Federal Delinquent Debt Reports (Continued)

C Delinquent Federal Debtors

County Offices will identify processors who are delinquent on Federal debts according to DCIA by:

- reviewing SSFL applicant certification to DCIA compliance on CCC-185-SU
- using any electronic tool available to CCC to identify delinquent debtors.

Note: Attach a screenprint of the results of any applicable electronic search for delinquent debtors.

STC's must **not** approve SSFL's for delinquent Federal debtors, unless they become nondelinquent before the loan is disbursed.

For borrowers that are entities, such as corporations and partnerships, and a member of this entity is determined to be DCIA delinquent, STC's:

- may approve the borrowing entity for SSFL
- shall instruct the County Office to:
 - offset the delinquent member's pro rata share of the loan if the member is delinquent at the time the loan is to be disbursed
 - apply the offset amount to the delinquent DCIA debt.

35 Obtaining and Filing UCC Financing Statements

A County Office Action

County Offices shall:

- if applicable according to State law, obtain the applicant's signature on the applicable manual UCC form at the time of application and before the storage equipment is delivered
- 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 37
- perform a lien search at applicant's expense to determine that no other liens are filed on the collateral and subsequent searches as necessary
- document the lien search on FSA-2360 or similar form
- obtain lien waivers on CCC-190 if other liens are found on the collateral
- file UCC forms according to State law before, or as soon as possible after, the equipment is delivered to the proposed location
- obtain filing, recording, continuation or termination fees from the applicant
- file UCC continuation forms **before** original UCC forms expire.

36 Federal Judgement Liens

A Background

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

B Outstanding Federal Judgement Liens

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

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

C County Office Action

County Offices will:

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

37 Completing CCC-10

A Applicability

Processors applying for SSFL'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 financing statements before executing a security agreement.

Note: For additional guidance, see 1-FSFL, Part 8.

B Obtaining Authorization

County Offices shall:

- if a current CCC-10 is not already filed, obtain a signed CCC-10
- be sure processors understand that:
 - applicable collateral for loans is not described on CCC-10
 - CCC-10 remains in effect until the processor notifies CCC or FSA of any changes by filling out a new CCC-10
 - for UCC's filed manually that require the debtor's signature, CCC requires CCC-10 to identify the jurisdiction in which to perform lien searches
- for general partnerships and joint ventures, all members must sign CCC-10 unless an individual is authorized to act for the general partnership or joint venture, according to 1-CM
- if applicable, provide a copy of CCC-10 to other County Offices in which the processor is active
- file CCC-10's in alphabetical order in folder(s) labeled "LP 1-2 Financing Statements".

37 Completing CCC-10 (Continued)

C CCC-10 Availability

CCC-10 is available for download from the following:

- by FSA employees, from the FSA Intranet at <https://inside.fsa.usda.gov/>
- by processors, with instructions, from the Internet at <http://www.sc.egov.usda.gov/>.

38 FSFL and SSFL Common Provisions

A 1-FSFL General Provisions

1-FSFL provisions for SSFL requirements are as follows.

1-FSFL References	Provisions
Part 6, Section 2	Environmental Review
Part 8	Filing UCC-1's, CCC-10's, and Liens
Part 10	Final Review of Documents
Part 11	Closing FSFL's

39-57 (Reserved)

Section 2 Other Requirements

58 Insurance Requirements

A All Peril Structural Insurance

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

- require borrowers to obtain all peril insurance on the storage structures, including the contents, and handling equipment, listing CCC as a loss payee or mortgagee
- obtain proof of all peril that lists CCC as a loss payee or mortgagee as soon as it is available and before the loan is disbursed
- review proof of all peril insurance provided to CCC periodically by insurance companies or borrowers.

B Flood Insurance

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

- determine whether proposed storage facility sites are located in flood hazard areas by viewing national flood insurance program maps
- work closely with SEC to ensure that the SSFL project is not located in a flood plain
- work closely with SEC to ensure that new SSFL projects are **not** located in a flood plain and that proposed actions related to existing facilities **do not** further encroach on the flood plain
- document the review on FSA-850
- require the loan applicant for existing facilities situated in a flood plan to obtain flood insurance to protect the value of FSA loan security
- obtain proof of flood insurance coverage
- not approve loans if flood insurance is required and not obtained or not available
- review proof of insurance provided by insurance companies to be sure insurance is maintained for the life of the loan a39, 49nd assignment of indemnity lists FSA as loss payee
- see 1-EQ for additional guidance on properly completing FSA-850 and FSA actions for floodplain management.

59 Local Land Use Law Requirements

A County Office Action

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

- determine whether local land use laws are applicable at the proposed storage facility location by contacting local code enforcement officers
- obtain, from processors, copies of applicable:
 - building permits
 - zoning variances
 - site plans
 - environmental evaluations and assessments
 - construction permits for flood hazard areas
- use information obtained for FSA eligibility purposes and environment evaluations
- not approve loans where applicants are not in compliance with applicable local land use laws.

60-85 (Reserved)

Part 5 (Reserved)

86-100 (Reserved)

Part 6 (Reserved)

101-115 (Reserved)

Part 7 Closing Loans**116 CCC-297****A When CCC-297 Is Required**

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

- prior or superior lien holders including FSA
- the borrower
- anyone having an ownership interest in the real estate on which the collateral is located.

Note: See 1-FSFL, Part 11 for additional guidance.

B When CCC-297 Is Not Required

CCC-297 is not required if:

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

C State Office Action

State Offices will:

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

116 CCC-297 (Continued)

D County Office Action

County Offices shall:

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

Note: The attorney or title company should perform all lien searches.

- not required, conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility to determine whether severance agreements must be obtained
- when obtained, file the severance agreement in the appropriate county real estate records unless the Regional Attorney waives the filing requirement.

E STC Action

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

117 Real Estate Lien Instruments

A Security Instruments

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

Note: See 1-FSFL, Part 11 for additional guidance.

B Signatures

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

- the borrower
- all persons or entities having a majority ownership interest in the applicable real estate
- other persons or entities as recommended by OGC.

C Closing Agent Action

The closing agent will:

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

D County Office Action

County Offices will:

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

117 Real Estate Lien Instruments (Continued)

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 15 D.

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

F Lien Provisions

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

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

G Fees

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

118-120 (Reserved)

121 Inspection and Disbursement**A Inspection**

County Offices will:

- inspect the facility after the applicant has advised that the installation is complete
- review code enforcement inspection reports or certificates of occupancy to determine whether construction was completed properly and according to specifications
- examine real estate title documents to determine whether there is legal access to the site
- document the results of the final inspection in the loan folder on CCC-295A-SU.

B Safety Guidelines

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

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

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

- do not climb stairs or ladders unless it is necessary to visually locate handling equipment that will be collateral for SSFL 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-SU that should be fixed by the borrower, such as loose ladders.

121 Inspection and Disbursement (Continued)

C Example of CCC-295A-SU

The following is an example of CCC-295A-SU.

This form is available electronically.

CCC-295A-SU (04-26-19)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		
SUGAR STORAGE FACILITY LOAN PROGRAM FINAL INSPECTION OF FACILITY BEFORE LOAN DISBURSEMENT			
BORROWER INFORMATION			
1A. Borrower's Name and Address <i>(Including Zip Code)</i>	2. Loan Number		
1B. Borrower's Telephone Number <i>(Including Area Code)</i> :			
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 on CCC-185 SU, Item 4?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Was installation properly done?	<input type="checkbox"/>	<input type="checkbox"/>	
5. If cost of material or equipment was certified by the borrower, does it seem reasonable?	<input type="checkbox"/>	<input type="checkbox"/>	
6. Is there legal access to the site?	<input type="checkbox"/>	<input type="checkbox"/>	
7. Locate and record serial numbers of equipment:			
8. Additional Remarks: <i>(Indicate Item Number for each remark.)</i>			
9A. Signature of Agency Official Inspecting Facility	9B. Title	9C. Date of Inspection <i>(MM-DD-YYYY)</i>	

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442, or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

121 Inspection and Disbursement (Continued)

D Disbursement

The National Office must be contacted for guidance on disbursing the SSFL.

122 Extension of Approvals

A Extensions That May Be Granted

Loan approvals expire 8 months after the date of approval. COC's will:

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

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

- grant extensions only if the borrower:
 - submits a written request for an extension
 - provides evidence that the application was made in good faith
 - provides evidence that lack of completion is because of reasons beyond his or her control

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

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

122 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
- not grant extensions when equipment has not been delivered to the farm before the approval expires.

Exception: If the builder or contract has changed, the applicant must provide a binding contract signed by the applicant and supplier proving there is a building/purchase commitment.

B Requests for Extensions Beyond 12 Months

STC's or STC designees are not authorized to grant extensions of SSFL-approvals beyond 12 months from the date of original approval. Requests for waivers of this policy may be submitted to DAFP, according to subparagraph 2 B, if the request:

- meets the requirements of subparagraph A
- is submitted according to subparagraph 2 D.

123 Preparing for Disbursement

A Inspection and Approval

[7 CFR 1436.11] CCC will disburse the loan when the sugar storage facility has been:

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

Note: Partial disbursements before construction is complete are not allowed.

B Evidence of Total Cost

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

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

C Joint Disbursement

After the final loan amount has been calculated, checks are issued manually from Kansas City. Disbursements shall be made jointly to the borrower and the contractors or suppliers.

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.

124 Finalizing Loans

A Steps to Finalize SSFL

County Offices will take the following steps, not necessarily in this order, when finalizing loans.

Step	Action
1	If the loan was approved by the National Office and STC, STC will notify the State and County Offices.
2	When the loan is funded, the National Office will provide guidance to the State Office to notify the applicant. See example letter in 1-FSFL, Exhibit 7, and modify for SSFL.
3	As soon as the SSFL project has been completed, obtain evidence for and compute final net cost of facility using a disbursement calculator provided by the National Office. If the final loan amount exceeds the approved amount, return application to STC for DAFP consideration. When notified that DAFP and STC have approved an increase, notify the processor of the approved increase to SSFL.
4	The borrower shall select a closing agent. Provide a letter to the applicant to use for requesting title clearance and legal services. See example letter in 1-FSFL, Part 11.
5	Obtain certification of attorney, if applicable, on CCC-296. See 1-FSFL, Part 11.
6	Require title insurance or obtain title opinion. Use CCC-299 for title opinion requests. See 1-FSFL, Part 11.
7	See 1-FSFL, Part 11 for transmittal of title information letter.
8	Issue a notification of loan closing to the applicant. See example letter in 1-FSFL, Part 11.
9	Inspect the facility after it is completed using CCC-295A-SU.
10	Receive guidance from the National Office to prepare CCC-186-SU.
11	Issue closing letter to the agent with CCC-186-SU signed by approving official and other instructions. See example letter in 1-FSFL, Part 11.
12	Request checks or EFT funds for approved loan proceeds from the National Office. Provide to the closing agent.
13	The closing agent closes the loan and provides the loan closing statement to the County Office. Copies of final closing documents must be certified mailed to the National Office.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

The following table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
10-K	Annual Report		32
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		35, 37, 38
CCC-185-SU	Sugar Storage Facility Loan Program	30	3, 10, 11, 16, 34
CCC-185-1 SU	Sugar Storage Facility Loan Program (CCC-185-SU Continuation Sheet)	30	
CCC-186	Farm Storage Facility Loan Program Promissory Note and Security Agreement		Ex. 2
CCC-186-SU	Sugar Storage Facility Loan Program Promissory Note		14-16, 30, 36, 124
CCC-190	Farm Storage Facility Loan Program Lien Waiver		31, 35
CCC-193	Real Estate Mortgage for Farm Storage Facility Loan Program		117
CCC-194	Farm Storage Facility Loan Subordination Agreement (Lien on Real Property)		117
CCC-295A-SU	Sugar Storage Facility Loan Program Final Inspection of Facility Before Loan Disbursement	121	124
CCC-296	Farm Storage Facility Loan Program Certification of Attorney		124
CCC-297	Severance Agreement		31, 116
CCC-299	Title Opinion – Farm Storage Facility Loan Program		124
CCC-902E	Farm Operating Plan for an Entity – Agricultural Act of 2014		21
FSA-211	Power of Attorney		21
FSA-850	Environmental Screening Worksheet		11, 31, 58
FSA-851	Environmental Risk Survey Form		11
FSA-2015	Verification of Debts and Assets		32
FSA-2360	Report of Lien Search		35
UCC-1	UCC Financing Statement		1, 38

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
EA	environmental assessment	3, 15, 16, 31
OSHA	Occupational Safety and Health Administration	13
SEC	State Environmental Coordinator	32, 58

Redelegations of Authority

The following table lists the redelegations of authority in this handbook.

Redelegation	Reference
SED may be delegated authority by STC to sign all forms or documents. Federal and non-Federal County Office employees, except those applications in which the person approving has a monetary interest, may be delegated authority by SED.	2

Definitions of Terms Used in This Handbook

Aggregate Outstanding Balance

An aggregate outstanding balance is the sum of the outstanding balances of all SSFL loans disbursed to each borrower signing CCC-186.

Assumption

An assumption is the act or agreement by which 1 borrower takes over or assumes the mortgage debt of another borrower.

Collateral

Collateral is the storage structure, handling equipment, real estate, crops in storage, and other available assets offered to secure the loan.

Compromise

A compromise is CCC's consideration of the borrower's offer to settle a loan by lump sum repayment or rescheduling a loan for an amount that may be less than the sum of the outstanding principal plus interest.

Direct Impact

A direct impact is an impact caused by the action and that occurs at the same time and place.

Financing Statement

A financing statement is a document that gives legal notice of a lien on chattel property when properly filed or recorded.

Definitions of Terms Used in This Handbook (Continued)

Flood Plains

Flood plains are lowland and relatively flat areas adjoining inland and coastal waters, including flood-prone areas of offshore islands. At a minimum, flood plains consist of those areas subject to a 1 percent or greater chance of flooding in any given year. The term flood plain will be taken to mean the base flood plain, unless the action involves a critical action, in which case the critical action flood plain is the minimum flood plain of concern.

- Base flood plain (or 100-year flood plain) is the area subject to inundation from a flood of a magnitude that occurs once every 100 years on the average, the flood having a 1 percent chance of being equaled or exceeded in any given year.
- Critical action flood plain (or 500-year flood plain) is the area subject to inundation from a flood of a magnitude that occurs once every 500 years on the average, the flood having a 0.2-percent chance of being equaled or exceeded in any given year.

Indirect Impacts

Indirect impacts are those reasonably foreseeable environmental impacts that result from the additional facility, residential, commercial, or industrial development or growth that a Federally financed project may cause, induce, or accommodate. Consequently, indirect impacts often occur later in time than the construction of the Federal project and can be removed in distance from the construction site. Those indirect impacts that deserve the greatest consideration include the following:

- changes in the patterns of land use
- population density or growth rate
- corresponding changes to air and water quality and other natural systems.

Mediation

Mediation is CCC's consideration of the borrower's offer because of either of the following:

- mediation carried out through loan mediation to settle the loan by lump sum repayment
- rescheduling a loan for an amount that CCC regards as being reasonable compared with other offers that other creditors have accepted considering the priority of security interest that all creditors have held.

Definitions of Terms Used in This Handbook (Continued)**Mitigation Measures**

Mitigation measures are measures included in a project or application for the purpose of avoiding, minimizing, reducing, or rectifying identified, adverse environmental impacts. Examples of these measures include the following:

- the deletion, relocation, redesign, or other modification of the project's elements
- the dedication to open space of environmentally sensitive areas of the project site, which would otherwise be adversely affected by the action or its indirect impacts
- soil erosion and sedimentation plans to control runoff during land-disturbing activities
- the establishment of vegetative buffer zones between project sites and adjacent land uses
- protective measures recommended by environmental and conservation agencies having jurisdiction or special expertise regarding the project's impacts
- storm water management plans to control potential downstream flooding effects that would result from a project
- zoning
- reusing existing facilities as opposed to new construction.

No-Action Alternative

A no-action alternative is the alternative of not approving an application for financial assistance.

Nonmovable or Nonsalable Collateral

Nonmovable or nonsalable collateral is 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.

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 environmental review documents may be prepared by various levels of employees who have completed training by the SEC to meaningfully complete the appropriate level of environmental effects document (FSA-850 or EA) and assemble supporting documentation. They are responsible for:

- screening for extraordinary circumstances
- determining the appropriate level of environmental review
- reviewing the potential environmental impacts of the proposed action
- assembling supporting documentation
- completing the appropriate environmental review documents to reach a finding.
- referring the environmental documentation to the authorized agency official to provide concurrence (or not, with an adequate reason provided) with the recommended environmental determination of the preparer.

Note: The authorized agency official may or may not be the same as the preparer.

Satisfactory Credit History

Satisfactory credit history is a history of repaying debts as they came due unless the failure to repay or tardiness in payment was because of circumstances beyond the applicant's control as determined by CCC upon proof submitted by the applicant.

Uniform Commercial Code (UCC)

UCC is the system of laws adopted in all States about commercial transactions, such as sales, negotiable instruments, and secured transactions.