

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**CMA, DMA, and LSA
Common Loan and LDP Procedures
1-CMA (Revision 1)**

Amendment 6

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Paragraph 615.5 has been added to provide policy about CCC-770 DMA for DMA's.

Exhibit 19 has been added to provide an example of CCC-770 DMA.

Page Control Chart		
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9	12-34.5, 12-34.6 (add)	19, pages 1, 2 (add) page 3 (add)

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*--615 DMA MAL and LDP Processing (Continued)

A Processing MAL and LDP Requests (Continued)

Step	Action
5 (Cntd)	<ul style="list-style-type: none"> • group LDP's with same: <ul style="list-style-type: none"> • LDP rate • approval date • peanut type • submit each group to the service County Office by either of the following methods: <ul style="list-style-type: none"> • manually with individual paper warehouse receipts or EWR numbers, and the EWR provider's name representing bundled MAL's or LDP's • create pre-processed files.
6	<p>The DMA service County Office shall:</p> <ul style="list-style-type: none"> • process each DMA-prepared MAL or LDP group for the volume of peanuts on multiple receipts as a: <ul style="list-style-type: none"> • regular automated MAL or LDP if processed on the same day as the day the DMA-prepared MAL or LDP was disbursed • manual MAL or LDP with a 90000 series number if processing takes place after the date the DMA-prepared MAL or LDP was disbursed <p>Note: APSS has been modified to allow manual loans to DMA's to be disbursed through checkwriting or EFT.</p> <ul style="list-style-type: none"> • waive the service fee to DMA • not deduct national and State commodity assessment amounts • hold MAL paper warehouse receipts or verify that CCC is holder of EWR's as of date of disbursement • if CCC was not the holder on or before the date the DMA-prepared MAL was disbursed: <ul style="list-style-type: none"> • reject the applicable receipts and do not disburse MAL funds to DMA • instruct DMA to correct the applicable DMA-prepared MAL's, and resubmit to the service County Office • disburse MAL or LDP funds to DMA as instructed by FMD • provide MAL or LDP documents to DMA.

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615 DMA MAL and LDP Processing (Continued)

A Processing MAL and LDP Requests (Continued)

Step	Action
7	DMA shall send the producer a maturity notice letter according to 8-LP.
8	DMA's shall process MAL repayments and forfeitures as authorized by the producer, designated agent on CCC-605P, or power of attorney.
9	DMA's shall maintain MAL or LDP documents according to 25-AS.
10	DMA's shall repay MAL at the DMA service County Office with producer or agent funds. If interest is applicable, the repayment amount to the service County Office must match the amount repaid at DMA. The service County Office shall release paper receipts or EWR's.

*--615.5 CCC-770 DMA

A Background

The Improper Payments Information Act of 2002 required each agency to:

- identify programs and activities susceptible to significant improper payments
- estimate the annual amount of improper payments and report that estimate to Congress
- report the actions taken to reduce improper payments, including possible causes, and a description of the steps in place to ensure accountability for reducing improper payments.

As a result of this mandate and further internal audits, FSA has:

- found that the number of improper payments are unacceptable
- determine that national level CCC-770 DMA's are 1 tool that will be implemented immediately to minimize the number of improper payments.--*

--615.5 CCC-770 DMA (Continued)*B DMA Action**

DMA's employees shall:

- obtain CCC-770 DMA (see Exhibit 19) on the FFAS Employee Forms Online web site at <http://165.221.16.90/dam/ffasforms/currentforms.asp>
- locally reproduce CCC-770 DMA
- complete CCC-770 DMA for each MAL or LDP processed to the extent that all items are dated when they are completed or marked "Not applicable"
- maintain a copy of CCC-770 DMA in each MAL or LDP folder
- certify by signing CCC-770 DMA as a preparer that each item is complete.

Note: All employees that are directly involved with each MAL or LDP shall certify and date CCC-770 DMA. For example, an employee involved with MAL disbursement shall sign and date the checklist when MAL is disbursed. If another employee is involved with MAL repayment, the other employee shall also sign and date CCC-770 DMA when MAL is repaid.--*

616 Fees Charged to Producers by DMA**A Fees for Marketing Services**

If applicable, DMA's may charge producers a fee for marketing services at a rate to be determined by DMA.

B Fees for Providing MAL's and LDP's

DMA's may charge the producer, who is requesting a CCC peanut MAL or LDP, a fee for preparing MAL or LDP documents and for servicing MAL, at a rate determined by DMA. Service fees shall be:

- deducted from the MAL or LDP amount received by DMA from CCC before distribution to the producer
- assessed at the same rate for each producer requesting a CCC peanut MAL or LDP through the service provided by DMA.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None.

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		106, 252, 336,
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		615, 619
CCC-184	CCC Check		2
CCC-257	Schedule of Deposit		140
CCC-478	Production Flexibility Contract		
CCC-502	Farm Operating Plan for Payment Eligibility Review for _____		106
CCC-526	Payment Eligibility Average Adjusted Gross Income Certification		106
CCC-601	Commodity Credit Corporation Note and Security Agreement Terms and Conditions		615
CCC-605P	Designation of Agent – Peanuts		615, 618
CCC-633 EZ	Loan Deficiency Payment (LDP) Agreement and Request		205, 615
CCC-678	Warehouse Storage Note and Security Agreement		615
CCC-679	Lien Waiver	92, 619	103, 620
CCC-694-1	CCC-Determined Value and Commodity Certificate Worksheet		135
CCC-694-2	Acknowledgment of Commodity Certificate Purchase		621
CCC-697	Request to Lock in a Market Loan Repayment Rate		621
CCC-770 DMA	DMA Peanut MAL or LDP Processing Checklist	Ex. 19	615.1
CCC-719	ACRS Transaction Report (Report Control No. FM-596R)		89
CCC-732	CMA or LSA Producer Payment Limitation Request	159, 160	Text
CCC-736 (Addendum)	Privacy Act, Public Burden, and Penalty Statement for CMA and LSA Loan and Loan Deficiency Payment (LDP) Forms	Ex. 4	89

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-846	Application for Approval of Cooperative Marketing Association for Loan and Loan Deficiency Payments (LDP)	55	38, 53, 54, 73
CCC-846-1	Loan and Loan Deficiency Payment (LDP) Recertification for Approved Cooperative Marketing Associations (CMA's)	57	22, 53, 54, 56
CCC-846-1A	Recertification of Status for Approved Loan Servicing Agents or Designated Marketing Associations		604
CCC-912	Agreement of Authorized Loan Servicing Agent		2, 602
CCC-912-P	Agreement for Designated Marketing Association Terms and Conditions for Peanuts	Ex. 17	601
CCC Cotton A-5	Statement of Eligibility and Information Worksheet		106
CCC-Cotton G	Cotton Cooperative Loan Agreement		2, 54, 139
CCC-Cotton G-4	Cotton Reconcentration Agreement		54
FSA-211	Power of Attorney	618	600, 615
FSA-211A	Power of Attorney Signature Continuation Sheet		618
FSA 440-13	Report of Lien Search		619
FSA-578	Report of Acreage		224, 238, 300, 383

Abbreviations

This table lists all abbreviations used in this handbook.

Approved Abbreviation	Term	Reference
AB	Automation Branch, PSD	73, 76, 190, 251, 315
ACRS	Automated Cotton Reporting System	2, 3, 73, 383
AGI	Adjusted Gross Income	106, 132, 134, 330
APSS	Automated Price Support System	140, 615, 622
BIA	Bureau of Indian Affairs	151, Ex. 10, 11, 12
CAIVRS	Credit Alert Interactive Voice Response System	106
CCB	Cotton Commercial Bank	16, 53, 92
CCC	Commodity Credit Corporation	Text, Ex. 2
CED	County Executive Director	3

***--CCC-770 DMA, DMA Peanut MAL or LDP Processing Checklist**

The following is an example of CCC-770 DMA.

This form is available electronically.

CCC-770 DMA (12-06-06) DMA PEANUT MAL or LDP PROCESSING CHECKLIST	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. Applicant's Name	2. Date of Application (MM-DD-YYYY)
	3. State Office Name		4. DMA Name
	5. Loan/LDP Number	6. Crop Year	
6. Pre MAL or LDP DMA Actions:		Handbook or Other Applicable References	Date Completed
A. Discuss key program provisions with applicant.		8-LP, LP Notices	
B. Obtain name, address and ID number used to conduct business with FSA.		1-CMA, paragraph 225	
C. Obtain FSA-211 if requested. If producer is an entity or joint operation, obtain documents authorizing representative to sign.		1-CMA, paragraph 618 1-CM, Part 25, Section 3	
D. Obtain CCC-10 if a current one is not on file.		1-CMA, paragraph 615	
E. Before each loan is disbursed, conduct lien search. Document results.		1-CMA, paragraph 619	
F. If there are lienholders on the crop, obtain lien holder instructions on CCC-679.		1-CMA, paragraph 619	
G. When available, obtain paper receipts or EWR data. For EWR's instruct holder to request that DMA be made holder.		1-CMA, paragraph 615	
H. Determine whether producer has beneficial interest in commodity.		1-CMA, paragraph 615	
I. Submit producer ID number to CMA eligibility process.		1-CMA, paragraph 236	
J. Receive producer eligibility data from CMA process and if necessary resolve eligibility problems.		1-CMA, Part 7	
K. Determine whether sufficient PLM is available for LDP's or MLG's.		1-CMA, Section 7	
L. Producer or POA should file CCC-633 EZ Page 1 in case an LDP is requested.		1-CMA, paragraph 615	
7. MAL Processing:			
A. Prepare a folder for each MAL.		1-CMA, paragraph 615	
B. For applications lacking required information, notify applicant and obtain necessary information.		1-CMA, paragraph 615	
C. If DAFP authorized deductions to MAL are applicable according to a producer signed statement of charges, obtain lien holder instructions on CCC-679.		1-CMA, paragraph 620	
D. Verify DCIA compliance by checking applicant certification on CCC-678 or a separate certification and take further action if producer is not in compliance.		1-CMA, paragraph 107	
E. Instruct EWR provider to make CCC holder of EWR.		1-CMA, paragraph 615	
F. Producer or POA signs CCC-678.		1-CMA, paragraph 615	
G. Complete CCC-678 (date documents received shall be the disbursement date).		1-CMA, paragraph 615	
H. Disburse funds to producer using authorized drawdown funds or wait for funds from service county office.		1-CMA, paragraph 615	
I. Obtain and retain CCC-674 or SF-LLL for MAL's exceeding 150,000.		8-LP, paragraph 17	
J. Provide producer with copies of CCC-678 and CCC-601.		1-CMA, paragraph 615	
K. Distribute assessment amounts to NPB and applicable States.		1-CMA, paragraph 620	

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***--CCC-770 DMA, DMA Peanut MAL or LDP Processing Checklist (Continued)**

CCC-770 DMA (12-06-06)		Page 2 of 3	
8. Obtain MAL from Service County Office:	Handbook or Other Applicable References	Date Completed	Check if Not Applicable
A. Within 3 workdays of disbursement group and submit MAL's with same disbursement date, peanut type, warehouse code, and State where peanuts were inspected, by either of the following methods: <ul style="list-style-type: none"> • manually with individual paper warehouse receipts or EWR numbers, and the EWR provider's name representing bundled MAL's • create pre-processed files. 	<i>1-CMA, paragraph 615</i>		
9. MAL Servicing Actions:			
A. Collect repayment using repayment type requested by producer or their agent on CCC-605 (P+, MLG, or certificate).	<i>1-CMA, paragraph 615</i>		
B. Repay underlying MAL's obtained from service county office. Create and provide a repayment summary report (1 sheet for each receipt number) to the service County Office.	<i>1-CMA, paragraph 621</i>		
C. Service county offices releases receipts to DMA, DMA releases receipts to producers or agent.	<i>1-CMA, paragraph 615</i>		
D. Send Notices of MAL Maturity 45 days before maturity date.	<i>1-CMA, paragraph 615</i>		
E. Collect excess storage paid as a result of forfeitures.	<i>1-CMA, paragraph 622</i>		
F. Accept and process lock in requests, provide daily report to service county office.	<i>1-CMA, paragraph 621</i>		
G. Process producer violations as applicable.	<i>1-CMA, paragraph 623</i>		
H. Record transactions for Section 1614 report purposes.	<i>1-CMA, paragraph 555</i>		
I. Record MAL volume amounts for volume report purposes.	<i>1-CMA, paragraph 550</i>		
10. LDP Processing:			
A. Complete CCC-633 EZ, page 2.	<i>1-CMA, paragraph 615</i>		
B. If EWR's are applicable, instruct current holder to notify the EWR provider to amend EWR to show peanuts were used to obtain LDP.	<i>1-CMA, paragraph 615</i>		
C. Have producer or power of attorney sign LDP documents.	<i>1-CMA, paragraph 615</i>		
D. Obtain and retain CCC-674 or SF-LLL for LDP's exceeding \$100,000.	<i>8-LP, paragraph 17</i>		
E. Disburse funds to the producer from DMA's CCC authorized drawdown account or wait for funds from the service County Office. Note: The LDP rate applicable to the CCC-633 EZ request is the rate in effect on the date DMA receives the request or the date BI was lost.	<i>1-CMA, paragraph 615</i>		
11. Obtain LDP from service county office			
A. Group LDP's with same LDP rate, approval date, and peanut type. Submit each group to the service County Office by either of the following methods: <ul style="list-style-type: none"> • manually with individual paper warehouse receipts or EWR numbers, and the EWR provider's name representing bundled MAL's or LDP's • create a preprocessed file 	<i>1-CMA, paragraph 615</i>		

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