Amendment Transmittal

A Reason for Issuance

Subparagraphs 4 A, 4 B, 4 D, and 4 E have been amended to remove the requirement to document Phase 1 actions in STC and COC minutes.

Subparagraph 65 B has been amended to clarify that share is assumed to be 100 percent to the primary policyholder unless otherwise designated.

Subparagraph 67 A has been amended to clarify that the primary policyholder must designate shares on FSA-520.

Subparagraph 85 E has been amended to remove the reference to FSA shares where the primary policyholder has an opportunity to share the payment with other producers associated with the policy.
3 General Information (Continued)

E Sign Up

The following table provides signup dates for ERP.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Signup</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1 for eligible producers with insured crops that received a crop insurance indemnity</td>
<td>May 23, 2022, through TBD</td>
</tr>
<tr>
<td>Phase 1 for eligible producer with NAP covered crops that received a NAP payment</td>
<td>TBD</td>
</tr>
<tr>
<td>Phase 2</td>
<td>TBD</td>
</tr>
</tbody>
</table>

F Modifying Provisions

Provisions in this handbook will **not** be revised without prior written approval from the National Office.

G Authorized Forms

The use of forms, worksheets, applications, or documents, other than those provided in this handbook or issued by the National Office is **not** permitted.

H Public Information

Follow instructions in 1-INFO for providing program information.
4 Responsibilities

A STC Responsibilities

Within the authorities and limitations in this handbook, STC’s must:

• direct the program administration within the respective State

• ensure that FSA State and County Offices follow program provisions

* * *

• handle appeals according to 1-APP

Note: For Phase 1, appeals do not apply because a payment has not been denied.

• require reviews to be conducted by DD’s to ensure that County Offices comply with program provisions

Note: STC’s may establish additional reviews to ensure ERP is administered according to these provisions.

• require all applications executed by SED, State Office employees, STC members, DD’s, COC members, CED’s, County Office employees, and their spouses to be sent to STC, or designee, and review for completeness

• take any oversight actions necessary to ensure that PIIA provisions are met to prevent County Offices from issuing improper payments

• comply with all program provisions.
B  SED Responsibilities

Within the authorities and limitations in this handbook, SED’s will:

- ensure that County Offices follow program provisions

** * * *

- handle appeals according to 1-APP

**Note:** For Phase 1, appeals do not apply because a payment has not been denied.

- ensure that DD’s conduct reviews according to subparagraph 5 B

**Note:** SED may establish additional reviews to ensure ERP is administered according to these provisions.

- ensure all County Offices publicize ERP provisions

- immediately notify the National Office ERP Program Manager of software problems, incomplete or incorrect procedures, specific problems, or findings

- take any oversight actions necessary to ensure that PIIA provisions are met to prevent County Offices from issuing improper payments

- comply with all program provisions

- safeguard confidentiality of records according to 3-INFO.
4 Responsibilities (Continued)

C DD Responsibilities

Within the authorities and limitations in this handbook, DD’s will:

- ensure that COC’s and County Offices follow program provisions
- conduct reviews according to subparagraph 5 B
- ensure all County Offices publicize ERP provisions
- immediately notify the SED or designated State Office employee of software problems, incomplete or incorrect procedures, specific problems, or findings
- take any oversight actions necessary to ensure that PIIA provisions are met to prevent County Offices from issuing improper payments.
- fully comply with all program provisions
- ensure that CED directs the County FSA Office to follow all program provisions
- review the first 5 ERP applications filed in a Service Center, to verify that a completed and signed FSA-520 was filed by the person or authorized representative prior to payment
- handle appeals according to 1-APP

Note: For Phase 1, appeals do not apply because a payment has not been denied.

- ensure all County Offices publicize ERP provisions
- take any oversight actions necessary to ensure that PIIA provisions are met to prevent County Offices from issuing improper payments
4 Responsibilities (Continued)

C DD Responsibilities (Continued)

• ensure that FSA assists persons by providing as much program information as it can in a variety of ways.

Notes: Because of limited resources, publication may or may not be by direct mail or on an individual basis. FSA meets its publication responsibilities by making broad program announcements in the press, print and electronic media, Federal Register documents, radio and television announcements, and through posting program information in USDA Service Centers.

FSA cannot be responsible for reaching out to every potential program participant with all program information. Producers must seek information on program details and not wait for FSA to individually write or communicate with them about program provisions. As resources permit, COC will ensure that program provisions are publicized and maintain a record of all publicity efforts.

D COC Responsibilities

Within the authority and limitations in this handbook, COC’s will:

• fully comply with all program provisions

• ensure that CED’s fully comply with all program provisions

• handle suspected fraud cases according to applicable procedure

• ensure that for each crop and unit on a Phase 1 application for which a producer is requesting payment, the claimed share adds up to 100 percent

• handle appeals according to 1-APP

Note: For Phase 1, appeals do not apply because a payment has not been denied.

***
4 Responsibilities (Continued)

D COC Responsibilities (Continued)

- ensure that producers receive complete and accurate program information

- ensure that program provisions and other important items are publicized as soon as possible after information is received from the National Office, including but not limited to the following:
  - application period
  - payment limitation
  - basic participant eligibility criteria

Note: For Phase 1, COC approvals or disapprovals are not required.
4  Responsibilities (Continued)

E  CED Responsibilities

Within the authorities and limitations in this handbook, CED’s will:

- fully comply with all program provisions
- ensure that all County Office employees fully comply with all program provisions
  - review the first 5 ERP applications filed in a Service Center according to subparagraph 5 A, to verify that a completed and signed FSA-520 was filed by the person or authorized representative prior to payment
- conduct CED reviews according to subparagraph 5 A
  - handle appeals according to 1-APP

**Note:** For Phase 1, appeals do not apply because a payment has not been denied.

***

- immediately notify SED or State Office program specialist responsible for the administration of ERP, through DD, of software problems, incomplete or incorrect procedures, specific problems, or findings
- take any oversight actions necessary to ensure that PIIA provisions are met to prevent County Offices from issuing improper payments
- ensure that FSA assists persons by providing as much program information as it can in a variety of ways.
- safeguard confidentiality of records according to 3-INFO.
4 Responsibilities (Continued)

F PT Responsibilities

Within the authorities and limitations in this handbook, PT’s will:

• fully comply with all program provisions
  • immediately notify the CED of software problems, incomplete or incorrect procedures, or specific problems
  • ensure that all program eligibility requirements have been met by producers before issuing any payment to ensure that PIIA provisions are satisfied
• safeguard confidentiality of records according to 3-INFO.

G Producer Responsibilities

The producer is responsible for being aware of program provisions and accurately certifying to all required information as applicable on FSA-520.

For Phase 1, producers may elect to participate by returning a completed FSA-520 to their recording county. Producers must:

• complete or have on file required forms listed in Part A of FSA-520
  • certify that their loss was due, in whole or in part, to a qualifying disaster event in item 15 for insured crops and item 23 for NAP crops
• agree to linkage requirements according to paragraph 46
• if applicable:
  • complete and submit FSA-510 certifying that at least 75 percent of the person or legal entity’s average AGI is derived from farming, ranching, or forestry related activities if the increased payment limitation is requested
  • certify to RMA SBI shares and obtain SBI signatures.
Phase 1 Process (Continued)

E Lifecycle

The lifecycle for Phase 1 is as follows:

- ERP payment is calculated using existing RMA or NAP data
- application is mailed to producer
- producer submits a complete application
- ERP payment is issued
  - producer is required to meet linkage by purchasing crop insurance or NAP, as applicable, for the crop in the next 2 available crop years.
A Eligible Producers

Eligible producers include the following:

- producers with a CCID that are primary policy holders of an FCIC reinsured policy
- producers with a CCID that are listed as SBI to a primary policy holder if the producer is one of the following RMA entity types:
  - individual operating as a business
  - spousal/married
  - landlord/tenant
  - revocable trust
  - *--transfer of right to indemnity--*

Example: A producer has a crop insurance policy for 100 percent share of sunflowers. FSA records indicate that the producer farms with a 30 percent share of the crop while his spouse has a 20 percent share, and the landlord has a 50 percent share. In addition to the producer, the names of the spouse and the landlord will be included on the FSA-520 because they are both eligible RMA entity types with Substantial Beneficial Interest to the primary policyholder. It is the responsibility of the primary policy holder to designate the appropriate shares for the unit and crops that suffered a qualifying loss. FSA will process the application by entering the shares in the software and distribute the Phase 1 payments, provided the producer, spouse and landlord each agree to the share designation and linkage requirements by signing the application.

Notes: Other SBI entity types not paid under Phase 1 may be eligible under Phase 2.

Insured producers in Puerto Rico are not included in Phase 1 but may be eligible for Phase 2.
65 Applying for ERP Phase 1

A Application Distribution

FSA and RMA will identify producers eligible to apply for ERP Phase 1 based on the criteria described in paragraphs 48 and 49. For each producer identified, FSA will generate an FSA-520 with certain items pre-filled with information already on file with USDA. A separate application will be generated for each applicable crop year.

ERP Phase 1 excludes losses to aquacultural species that were compensated under ELAP to avoid providing duplicate benefits.

Note: A letter will be sent with the application(s) explaining the Phase 1 process. See Exhibit 30 for a sample of the letter that will be sent to producers with insured crops.

B Application Process

Receipt of a pre-filled application form is not a confirmation that the producer, crop, or unit is eligible to receive an ERP Phase 1 payment.

To receive a payment, the producer must:

- certify that their crop insurance indemnity or NAP payment on which the ERP Phase 1 payment will be based was due, in whole or in part, to a crop production loss or a loss of trees, bushes, or vines caused by a qualifying disaster event

- review the list of qualifying disaster events and related conditions, and if a loss was due to drought, producers must also ensure that the county where the crop and unit was located meets the definition of “qualifying drought” as outlined in subparagraph 45 B.
Applying for ERP Phase 1

B Application Process (Continued)

- certify that they will meet the requirement to purchase crop insurance or NAP coverage, as applicable for the crop, at the 60/100 level of coverage or higher for insured crops or at the basic 50/55 (catastrophic) level or higher for NAP crops for the next 2 available crop years.

Producers are not required to request payment for all crops and units listed on their application to receive a Phase 1 payment.

Notes: During Phase 1, applications for eligible producers with insured crops that received an indemnity will be mailed first. A subsequent mailing will be sent to eligible producers who received a NAP payment.

Applications for policy holders with 2021 crop year coverage under STAX, SSCO, ECO, Margin Protection, and Area Risk Protection Insurance will be provided an updated application that reflects data for these specific RMA policy types when data for those policies becomes available.

The portion of the application for producers with crop insurance will include the physical state and county code, pay unit number, crop, and gross indemnity. The application will also include the primary policyholder and all producers with an SBI.

The primary policy holder must designate whether they have 100 percent interest in the crop or designate the appropriate share for themselves and the SBIs. Payments will be issued to the primary policyholder and to any SBI producer(s) with a share in the crop identified on the FSA-520 provided all signature and eligibility requirements are met.

*--Note: Share is assumed to be 100 percent to the primary policyholder unless otherwise designated.--*

For producers who received a NAP payment, the pre-filled applications will include the administrative state and county code, unit number, crop, pay group, and gross NAP payment.

FSA will also pre-fill the calculated ERP Phase 1 payment amounts, prior to any payment reductions.

Note: Only producers established with FSA with a CCID will be listed on the application.
A Completing FSA-520

The following table provides instructions for completing FSA-520.

<table>
<thead>
<tr>
<th>Item</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prepopulated with the applicable crop year (2020, 2021, or 2022) the primary policyholder or producer that received a crop insurance indemnity, NAP payment, or both.</td>
</tr>
<tr>
<td></td>
<td><strong>Notes:</strong> A separate application must be completed for each crop year the primary policyholder or producer received either a crop insurance indemnity, a NAP payment, or both.</td>
</tr>
<tr>
<td></td>
<td>Depending on available data, multiple applications for the same crop year may be provided.</td>
</tr>
<tr>
<td>2</td>
<td>Prepopulated with the application number assigned by the automated system.</td>
</tr>
<tr>
<td>3</td>
<td>Prepopulated with the producer or primary policyholder's recording State and FSA code.</td>
</tr>
<tr>
<td>4</td>
<td>Prepopulated with the producer or primary policyholder’s recording county and FSA code.</td>
</tr>
<tr>
<td>5</td>
<td>Prepopulated with the name, address (including city, state, and zip code) and telephone number of the producer’s or primary policyholder’s recording County Office where the application must be submitted.</td>
</tr>
<tr>
<td>A - B</td>
<td></td>
</tr>
</tbody>
</table>

Part A – Producer Agreement

Producers, which includes primary policyholders and any producers with substantial beneficial interest, agree to provide all information required or requested by FSA for program participation in ERP Phase 1. Producers must also certify whether they have experienced a qualifying loss and they understand that by receiving an ERP Phase 1 payment, they are required to purchase crop insurance or NAP coverage where crop insurance is not available, for the next two available crop years.

Producers must obtain crop insurance or NAP, as may be applicable:

- at a coverage level equal to or greater than 60 percent for insurable crops; or
- at the basic 50/55 (catastrophic) level or higher for NAP crops.

Example: Producer A is issued an ERP payment on June 1, 2022, for their 2020 corn and soybean loss. Producer A must purchase crop insurance or NAP, as applicable for the crop, for both the 2023 and 2024 crop years.
A Completing FSA-520 (Continued)

<table>
<thead>
<tr>
<th>Item</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part B – Producer Information</strong></td>
<td>The information in this section will be prepopulated based on the producer’s FSA records.</td>
</tr>
<tr>
<td><strong>Note:</strong> Each producer who received a crop insurance indemnity, a NAP payment, or both, for crop year 2020, 2021, or 2022, must apply in their recording county office.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Prepopulated with the producer or primary policyholder’s name, address including the ZIP code, and telephone number, including area code.</td>
</tr>
</tbody>
</table>

**Part C – Insured Crop Information**

Items 7 through 12 will be prepopulated with information obtained from RMA on the primary policyholder’s crops which received an indemnity for the crop year listed in item 1. The primary policyholder and all SBI’s identified on the policy will be *--prepopulated in item 12. Item 13 must be completed by the primary policyholder to designate 100 percent interest in the crop or designate the appropriate shares for themselves and the SBI’s (if applicable). Payments will be issued to the primary policyholder and to any SBI producer(s) with a share in the crop identified on FSA-520, provided all signature and eligibility requirements are met. Item 14 must be completed by the primary policyholder and SBI’s identified on the policy who are receiving a share--* of the crop. By answering the question in item 14, the primary policyholder and SBI’s are agreeing that in return for receiving an ERP payment on the crop, they must purchase crop insurance or NAP as outlined in Part A. Item 15 must be completed by the primary policyholder to certify that a qualifying loss has occurred on the crop as outlined in Part A.

Questions regarding prepopulated information from RMA should be directed to the primary policyholder’s crop insurance agent.

**Note:** A separate line item must be entered for each crop and unit which received an indemnity from crop insurance.

| 7 | Prepopulated with the physical location State and County Code for the crop based on RMA records. |
| 8 | Prepopulated with the RMA pay unit for the crop listed in item 9. |
| 9 | Prepopulated with the crop which received a crop insurance indemnity. |
| 10 | Prepopulated with the gross indemnity received from crop insurance for the unit and crop listed in items 8 and 9. |
A Completing FSA-520 (Continued)

<table>
<thead>
<tr>
<th>Item</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Prepopulated with the estimated ERP payment prior to any adjustment, for the unit and crop listed in items 8 and 9. Adjustments may include the following:</td>
</tr>
<tr>
<td></td>
<td>• reductions due to payment limitation</td>
</tr>
<tr>
<td></td>
<td>• increased payment limitation</td>
</tr>
<tr>
<td></td>
<td>• increased payment rate for historically underserved producers with a CCC-860 on file</td>
</tr>
<tr>
<td></td>
<td>• ERP payment factor.</td>
</tr>
</tbody>
</table>
| 12   | Prepopulated with the name of the primary policyholder who received a crop insurance indemnity on the crop and unit identified in items 8 and 9, along with any SBI's identified on the policy.  
**Note:** If the SBI does not have a CCID, they will not be listed on the application. |
| 13   | *—Manual entry completed by the primary policyholder to designate whether they have 100 percent interest in the crop identified in items 8 and 9, or designate the appropriate share for themselves and each SBI (if applicable).--*  
**Note:** Share is assumed to be 100 percent to the primary policyholder unless otherwise designated. If the ERP payment is divided for the unit and crop listed in items 8 and 9, shares must total 100 percent. |
| 14   | This item should be completed by the primary policyholder and each SBI (if applicable) in response to the following certification statement, “In return for receiving an ERP payment on this crop, I agree to purchase crop insurance or NAP as provided in Part A”.  
**IF…**  
**THEN check (✓)...**  
Yes  | “Yes”. Primary policyholder and each individual SBI (if applicable) is agreeing to purchase crop insurance or NAP for the crop listed in item 9. Primary policyholder and all SBI’s (if applicable) who are requesting payment under ERP, must sign Part E.  
No   | “No”. Primary policyholder and all associated SBI’s (if applicable) must sign Part E. |
### A Completing FSA-520 (Continued)

<table>
<thead>
<tr>
<th>Item</th>
<th>Instructions</th>
</tr>
</thead>
</table>
| 15   | This item should be completed by the primary policyholder in response to the following certification statement, “I certify that I had a qualifying loss as defined in Part A”.
| **IF… THEN check (✓)…** | |
| Yes  | “Yes”. Primary policyholder certifies they had a qualifying loss as provided in Part A, on the crop listed in item 9. Primary policyholder must sign Part E. |
| No   | “No”. Primary policyholder must sign Part E. |

#### Part D – NAP Crop Information

Items 16 through 21 will be prepopulated with FSA data for NAP-covered crops for which the producer received a payment for the crop year listed in item 1. Items 22 and 23 must be completed by the producer.

**Note:** A separate line item will be entered for each crop (pay group) and planting period for each unit that received a NAP payment from FSA.

| 16   | Prepopulated with the administrative State and county code. |
| 17   | Prepopulated with the NAP unit number associated to the administrative State and county listed in item 16. |
| 18   | Prepopulated with the crop that received a NAP payment for the crop year identified in item 1. |
| 19   | Prepopulated with the associated pay group for the crop identified in item 18. |
| 20   | Prepopulated with the producer’s NAP payment received for the crop identified in items 18 and 19, for the crop year identified in item 1. |
| 21   | Prepopulated with the total estimated ERP payment prior to any adjustments such as: |

- NAP indemnity
- Premiums
- Reductions due to payment limitation
- Increased payment limitation
- Increased payment rate for historically underserved producers with a CCC-860 on file
- ERP payment factor.
Payment Calculations (Continued)

D  Net Payment or Indemnity

Gross Calculated NAP payments and RMA indemnities will be reduced by the premiums and service fees paid by the producer.

E  RMA Phase 1 Payments

RMA is providing the Calculated ERP payments for any crops with a crop insurance indemnity. The calculated payment will be based on the information provided from RMA and automatically loaded in the application for the primary policy holder. Primary policy holders will have an opportunity to share the payment with producers associated on the insurance policy (SBI) as designated by the primary policy holder.

All RMA Calculated Phase I payments will have a payment factor of 0.75 applied due to availability of funding.

Each RMA calculated payment has a specific method to get to the loss calculation of:

- Expected Value, multiplied by
- ERP Factor, minus
- Actual Value, minus
- Salvage Value, multiplied by
- Unharvested/Prevented Plant Factor, minus
- [Indemnity or payment, minus
- Service fees, minus
- Paid premiums], times
- Producer share, Equals
- Estimated ERP Payment.

FSA will then apply:

- HUP factor, if applicable, equals
- Calculated ERP Payment.

See subparagraph 48 B for a complete listing of plan codes eligible for Phase 1
F  RMA Calculations

In general, RMA will calculate each producer’s loss consistent with the loss procedures for the type of coverage purchased but using the ERP factor. The RMA Phase 1 payments will take into consideration the difference between the expected value of the crop and the actual value of the crop as a result of qualifying disaster events. The expected value is the pre-loss dollar value of the crop and unit at the time of loss, consistent with the type of coverage purchased.

Note: The following also apply to RMA payments.

- Crops with an intended use of grazing are not eligible for Phase 1 payments.
- The payment will be calculated by RMA and automatically loaded in the system.
- For additional information regarding the data used and how the RMA payment was calculated, the applicant must contact their federal crop insurance agent.
- To ensure adequate funding is available, payments will be factored by 75 percent.