

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Farm Storage Facility Loan Program
1-FSFL

Amendment 27

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 C has been amended to add 1-EQ to the list of handbooks applicable to FSFLP.

Subparagraph 11 B has been amended to require that loans be joint when more than 1 borrower or entity has an interest in the facility.

Subparagraph 42:

- D has been amended to provide information on where CCC-185-1 can be obtained
- E, item 5A has been amended to provide additional information on CCC-185-1
- E, item 8 has been amended to provide a subparagraph reference for structures erected before approval
- G has been amended to provide a new example of a completed manual CCC-185
- H has been added to include instructions for a manual CCC-185-1
- I has been added to include an example of a manual CCC-185-1.

Paragraphs 70, 71, and 75 have been amended to remove information now in 1-EQ.

Paragraphs 72 through 74 have been withdrawn because this information is now in 1-EQ.

Note: Subparagraph 73 B has been moved to subparagraph 71 B.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 117:

- B has been amended to include an example of the revised CCC-296
- C has been amended to include an example of the revised CCC-299.

Subparagraph 121 E has been amended to add additional information on CCC-191 and when CCC-191 is required.

Subparagraph 167 D has been amended to include an example of the revised CCC-298.

Subparagraph 202:

- A has been amended to revise the instructions for CCC-400
- B has been amended to include an example of the revised CCC-400.

Subparagraph 317 B has been amended to clarify information entered on the automated CCC-185 and how co-applicants are included on CCC-185.

Subparagraphs 319 C, 332 B, and 334 B includes information on the amount of time required for an FSFL obligation to be received back in the County Office once it has been approved and transmitted.

Subparagraph 334 A, step 5 has been amended to revise the note about the approval process for a funding decrease.

Subparagraph 414 A has been amended to insert the option for the FSFL UCC-1 Report.

Subparagraph 414 E has been added to provide information for the FSFL UCC-1 Report.

Amendment Transmittal (Continued)

| Page Control Chart | | |
|---------------------------|---|-------------------------|
| TC | Text | Exhibit |
| 1, 2 | 1-1, 1-2 2-3, 2-4 4-1 through 4-6 4-6.3, 4-6.4 (add) 4-55, 4-56 4-56.5, 4-56.6 (remove) 4-57, 4-58 4-59 through 4-68 (remove) 4-69 (remove) 7-5, 7-6 7-6.5, 7-6.6 7-11, 7-12 9-2.9 through 9-2.12 10-5 through 10-8 13-1 through 13-4 19-35, 19-36 19-43, 19-44 19-57 through 19-70 21-43 through 21-48 | 1, pages 1, 2 page 3 |

Table of Contents

Page No.

Part 1 Basic Provisions

| | | |
|-----|---------------------------|-----|
| 1 | Overview | 1-1 |
| 2 | Program Information | 1-2 |
| 3-9 | (Reserved) | |

Part 2 Basic Loan Making Policies

| | | |
|-------|---|--------|
| 10 | Loan Availability..... | 2-1 |
| 11 | Eligible Borrowers..... | 2-3 |
| 12 | Eligible and Ineligible Equipment | 2-5 |
| 13 | Term of Loan..... | 2-7 |
| 14 | Security for Loans | 2-7 |
| 15 | Loan Amount and Loan Approvals | 2-10.6 |
| 16 | Downpayment | 2-13 |
| 17 | Disbursement..... | 2-14 |
| 18 | Interest Rate | 2-15 |
| 19 | Application Fee..... | 2-15 |
| 20-29 | (Reserved) | |

Part 3 Publicizing FSFLP

| | | |
|-------|------------------------------|-----|
| 30 | Publicity Requirements | 3-1 |
| 31 | Internet Web Sites | 3-2 |
| 32-41 | (Reserved) | |

Part 4 Accepting and Preparing Applications

Section 1 Applications and Supporting Information

| | | |
|-------|---|-------|
| 42 | Applications..... | 4-1 |
| 43 | Processing an Application | 4-6.6 |
| 44 | Financial Planning | 4-7 |
| 45 | (Reserved) | |
| 46 | Credit History and Federal Delinquent Debt Reports..... | 4-9 |
| 47 | Obtaining and Filing UCC Financing Statements | 4-10 |
| 48 | Federal Judgement Liens..... | 4-11 |
| 49 | Completing CCC-10 | 4-12 |
| 50-57 | (Reserved) | |

Table of Contents (Continued)

Page No.

Part 4 Accepting and Preparing Applications (Continued)

Section 2 Other Requirements

| | | |
|-------|--------------------------------------|------|
| 58 | Insurance Requirements | 4-31 |
| 59 | Local Land Use Law Requirements..... | 4-33 |
| 60-69 | (Reserved) | |

Section 3 Environmental Review

| | | |
|-------|--|------|
| 70 | Overview | 4-55 |
| 71 | Evaluating the Potential Environmental Effects | 4-56 |
| 72-74 | (Withdrawn--Amend. 27) | |
| 75 | Other Actions | 4-57 |
| 76-85 | (Reserved) | |

Part 5 (Reserved)

86-100 (Reserved)

Part 6 Approving Committee Review of Applications

| | | |
|---------|---|-----|
| 101 | COC Review | 6-1 |
| 102 | Completing Manual CCC-185, Page 2 | 6-3 |
| 103-114 | (Reserved) | |

Part 7 Closing Loans

| | | |
|---------|--|--------|
| 115 | Finalizing Loans..... | 7-1 |
| 116 | Examples of Loan Approval and Initial Determination Letters..... | 7-3 |
| 117 | Closing Loans Secured by Real Estate | 7-5 |
| 118 | CCC-297, Severance Agreement..... | 7-7 |
| 119 | Real Estate Lien Instruments..... | 7-8 |
| 120 | (Reserved) | |
| 121 | Final Review of Cost Documents | 7-11 |
| 122 | Inspection and Disbursement..... | 7-12.6 |
| 123 | Extension of Approvals..... | 7-15 |
| 124-135 | (Reserved) | |

Part 1 Basic Provisions

1 Overview

A Purpose

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

B Sources of Authority

Authority for the requirements in this handbook are as follows:

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

C Related FSA Handbooks

The following FSA handbooks concern FSFLP.

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

2 Program Information

A Administering FSFLP

[7 CFR 1436.2] FSFLP shall be:

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

B Restrictions

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

C STC Actions

STC shall:

- take any action required by this handbook that has not been taken by COC
- correct, or require COC to correct, an action taken by COC that is not according to this handbook
- require COC to withhold taking any action that is not according to this handbook.

D Determinations

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

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

11 Eligible Borrowers

A Basic Requirements

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

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

* * *

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

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

11 Eligible Borrowers (Continued)

B Determining Borrowing Entity

County Offices shall:

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

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

- of facility loan commodities that require storage at the proposed storage location
- who meets all other requirements
- inform borrowers requesting joint loans, or borrowers who are partnerships or joint ventures, that all reminders and pertinent information on the loan will be sent only to the contact producer
- inform borrowers on joint loans, secured by real estate, that the contact borrower will receive IRS-1098 for the entire amount.

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

Part 4 Accepting and Preparing Applications

Section 1 Applications and Supporting Information

42 Applications

A Initial Contact

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

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

42 Applications (Continued)

B Obtaining Forms and Filing Applications

Applicants:

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

C Accepting Applications

County Offices shall:

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

D Preparing CCC-185

County Offices shall prepare:

- manual CCC-185 for producer's signature and for data entry purposes unless sufficient information is available to prepare CCC-185 in APSS
- CCC-185 in APSS as soon as the producer has provided sufficient information.

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

42 Applications (Continued)

E Instructions for Preparing the Manual CCC-185

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

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

42 Applications (Continued)

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

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

42 Applications (Continued)

F Loan Folders

County Offices shall:

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

G Example of Manual CCC-185

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

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

| | | | | | |
|--|----------------|---|---|--|--|
| CCC-185 (08-20-01) | | U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation | | FOR COUNTY USE ONLY | |
| LOAN APPLICATION AND APPROVAL FOR FARM STORAGE AND DRYING EQUIPMENT LOAN PROGRAM | | | | 1. LOAN IDENTIFICATION NUMBER | |
| 2A. Name and Address of Loan Applicant (Including ZIP Code) Clark Farm, Inc. 282 State Route 245 Penn Yan, NY 14527 | | A. State Code 36 | B. County Code 123 | C. Loan No. 2007/00001 | |
| | | 2B. Tax Identification Number 13 189420 | | 2C. Telephone Number (Including Area Code) (315) 536-8989 | |
| | | 3. Requested Loan Amount \$ 40,254.00 | | | |
| 4. Purpose of Loan (For example, loan to purchase, construct, erect, install or remodel the farm storage facility.) Construct 2 - 15,000 Bu grain storage bins with grain spreader and motor, inside and outside ladders, perforated floor with aeration system and motor installed on concrete foundation to store corn and soybeans. See attached list. | | | | | |
| 5. Facility Equipment described in Item 4 needed for the storage, drying, or handling of the estimated production of the listed commodities on the farm. | | | | | |
| A. Farm Number | B. Commodities | C. Acres | D. Yield Per Acre | E. Total Production for Each Commodity (Item 5C times Item 5D = Item 5E) | |
| 999 | Corn | 100 | X 100 = | 10,000 | |
| 1652 | Corn | 100 | X 100 = | 10,000 | |
| 452 | Corn | 80 | X 100 = | 8,000 | |
| 888 | Corn | 80 | X 100 = | 8,000 | |
| 1000 | Corn | 40 | X 100 = | 4,000 | |
| 999 | Soybeans | 100 | X 40 = | 4,000 | |
| 1652 | Soybeans | 100 | X 40 = | 4,000 | |
| F. Total Production from Item 5E. ➡ | | | | 56,000 | |
| G. Total Estimated Production Times 2 (Item 5F times 2) ➡ | | | | 112,000 | |
| H. Existing Capacity ➡ | | | | 40,000 | |
| I. Additional Capacity Needed ➡ | | | | 72,000 | |
| J. Capacity of Proposed Storage Structure Described in Item 4. ➡ | | | | 30,000 | |
| K. Eligibility and Proration Indicator (Item 5I minus Item 5J) ➡ | | | | 42,000 | |
| 6. Date Facility Equipment Purchased or Tentative Purchase Date (MM-DD-YYYY) 10/24/06 | | 7. Name of Company Where Facility Equipment Was Purchased Acme Grain Systems Company | | | |
| 8. Date Facility Equipment Erected or Installed Or Tentative Date to Erect or Install (MM-DD-YYYY) 11/01/06 | | 9. Name of Company That Erected or Installed the Facility Equipment Acme Grain Systems Company | | | |
| 10. Date Facility Equipment Was/Will Be Delivered to the Farm (MM-DD-YYYY) 10/31/06 | | 11. Location of Real Estate on Which Facility Equipment Was/Will Be Erected or Installed 13 miles west of Penn Yan, New York on State Road 245 | | | |
| 12A. Name of Owner of Real Estate in Item 11 (If Other than Applicant) Richard Clark | | 12B. Lien Information (Name of Person Having a Lien or Interest in The Real Estate) Federal Land Bank of Springfield | | | |
| 13. APPLICANT'S CERTIFICATION | | | | | |
| The Applicant certifies that the statements made on this application are true, complete and correct to the best of the applicant's knowledge and belief, and made in good faith to obtain a loan. Section 1001 of Title 18, United States Code provides for criminal penalties to those who provide false statements on loan applications. | | | | | |
| Are you or any co-applicant delinquent on any federal non tax debt? (If YES, provide details in the remarks) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | | | | | |
| A. Signature of Applicant /s/ Richard Clark, President | | | B. Date of Application (MM-DD-YYYY) 10/24/06 | | |
| C. Signature of Co-applicant | | | D. Date of Application (MM-DD-YYYY) | | |

Page 1 of 2

42 Applications (Continued)

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

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

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

--*

42 Applications (Continued)

*-I Example of Manual CCC-185-1

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

| | | | | |
|--|-------------------|---|----------------------|--|
| This form is available electronically. | | Form Approved - OMB No. 0560-0204 | | |
| CCC 185-1 (10-19-06) | | U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation | | |
| LOAN APPLICATION AND APPROVAL FOR FARM STORAGE AND DRYING EQUIPMENT LOAN PROGRAM CCC-185 CONTINUATION SHEET | | FOR COUNTY USE ONLY | | |
| 1. LOAN IDENTIFICATION NUMBER | | | | |
| A. State Code | B. County Code | C. Loan Number | | |
| 36 | 123 | 2007/00001 | | |
| 5. Facility Equipment described in Item 4 needed for the storage, drying, or handling of the estimated production of the listed commodities on the farm. | | | | |
| A. Farm Number | B. Commodities | C. Acres | D. Yield Per Acre | E. Total Production for Each Commodity (Item 5C x Item 5D = Item 5E) |
| 452 | Soybeans | 80 | 40 = | 3,200 |
| 888 | Soybeans | 80 | 40 = | 3,200 |
| 1000 | Soybeans | 40 | 40 = | 1,600 |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| | | X | = | |
| Total: Include this amount in Item 5F, Form CCC-185 ➔ | | | | 8,000 |
| <p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436, Title 7, Code of Federal Regulations and the Commodity Credit Corporation Charter Act, 15 U.S.C. 714 et. seq. The information will be used to determine eligibility for CCC financing for farm storage and drying equipment. Furnishing the requested information is voluntary, however, without it CCC financing under the program cannot be provided. This information maybe provided to other agencies enforcing the provisions of the Act, IRS, Department of Justice, or other State and Federal law enforcement agencies and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, maybe applicable to the information provided.</p> <p>According to the Paperwork Reduction Act of 1995 an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 2 minutes per response, including the time for reviewing instructions searching existing data sources gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</p> | | | | |
| Debtor's Initials: <u>RC</u> | | Date Initialed: <u>10-24-06</u> | | |
| Co-Debtor's Initials: _____ | | Date Initialed: _____ | | |

--*

43 Processing an Application

A County Office Action

County Offices shall process an application as follows.

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

--Section 3 Environmental Review--

70 Overview

A Background

This section:

- ***--is consistent with FSA’s environmental regulations at 7 CFR Part 799, 1-EQ, and all--*** other environmental laws, regulations, and executive orders applicable to Federal actions
- contains provisions for implementing due diligence into the loan process.

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

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

B Objectives

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

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

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

* * *

***--71 Evaluating the Potential Environmental Effects**

A Preparing Evaluations

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

B Applicant Responsibilities

FSA expects applicants to:

- consider the potential environmental impacts of their requests at the earliest planning stages and to develop proposals that minimize the potential to adversely impact the environment
- contact County Offices to determine FSA's environmental requirements as soon as possible after they decide to apply for an FSFLP loan
- provide information necessary to evaluate their proposal's potential environmental impacts and alternatives to them. For example, the applicant will be required to provide a complete description of the project elements and the proposed site or sites to include location maps, topographic maps, and photographs when needed.--*

* * *

72-74 (Withdrawn--Amend. 27)

75 Other Actions

A Assessments

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

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

B Emergencies

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

C Monitoring

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

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

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

75 Other Actions (Continued)

D Due Diligence

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

* * *

76-85 (Reserved)

Part 5 (Reserved)

86-100 (Reserved)

--117 Closing Loans Secured by Real Estate--

A Borrower Selection of a Closing Agent

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

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

*--

| REQUEST FOR TITLE POLICY AND LEGAL SERVICES |
|---|
| <p>Date _____</p> <p>The undersigned hereby requests you to issue a mortgage policy of title insurance and perform loan closing and other legal services in accordance with instructions and requirements of the Commodity Credit Corporation (CCC), including the disbursement of any funds that I am required to provide in connection with the transaction by CCC.</p> <p>CCC is providing you a description of the real property to be mortgaged. It is understood that the closing cost (insert applicable statement from the following):</p> <ul style="list-style-type: none"> • has been agreed to by you and the undersigned • will have to be agreed to by you and the undersigned • is to be a reasonable figure to be set by you in accordance with your usual charges for comparable services • (another statement if the above statements are not appropriate). <p>Subject to that understanding, the undersigned loan applicant agrees to be responsible for payment of all closing costs and the mortgagee policy of title insurance, if applicable.</p> <p>It is understood that no liability or responsibility for payment of any portion of the closing costs is assumed by CCC or by any CCC representative or any officer, employee, or agency of the United States Department of Agriculture.</p> <p>_____ Signature of loan applicant</p> <p>_____ Address of loan applicant</p> |

--*

117 Closing Loans Secured by Real Estate (Continued)

B Example of CCC-296

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

*--

| | | | | | | | | |
|--|---|-----------------------------------|---------------------------|----------------|-------------------|--------------|----------------|-------------|
| This form is available electronically. | | Form Approved - OMB No. 0560-0204 | | | | | | |
| CCC-296 (10-19-06) | U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation | | | | | | | |
| FARM STORAGE FACILITY LOAN PROGRAM CERTIFICATION OF ATTORNEY | | | | | | | | |
| TO: Mr. John B. Lawyer 448 State Street Uptown, NY 55535 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">1. NAME OF LOAN APPLICANT</td> <td style="padding: 2px;">John G. Farmer</td> </tr> <tr> <td style="padding: 2px;">2. AMOUNT OF LOAN</td> <td style="padding: 2px;">\$ 66,000.00</td> </tr> <tr> <td style="padding: 2px;">3. LOAN NUMBER</td> <td style="padding: 2px;">2006I/00010</td> </tr> </table> | | 1. NAME OF LOAN APPLICANT | John G. Farmer | 2. AMOUNT OF LOAN | \$ 66,000.00 | 3. LOAN NUMBER | 2006I/00010 |
| 1. NAME OF LOAN APPLICANT | John G. Farmer | | | | | | | |
| 2. AMOUNT OF LOAN | \$ 66,000.00 | | | | | | | |
| 3. LOAN NUMBER | 2006I/00010 | | | | | | | |
| You have been selected by the Loan Applicant in Item I to prepare a title opinion, to obtain a commitment for a mortgage policy of title insurance and/or to handle the loan closing in connection with a Commodity Credit Corporation (CCC) loan application filed by his party. If you desire to do this work, please complete the bottom portion of this form and return it to this office immediately. You are cautioned not to begin work on this case until you are notified by the CCC official that based on the information presented you have been approved by CCC. | | | | | | | | |
| 4. SIGNATURE OF CCC OFFICIAL | DATE (MM-DD-YYYY) 09-30-2006 | | | | | | | |
| I hereby certify that I am a practicing attorney, a member in good standing of the bar of the State of _____ . I will provide title clearance through the use of: <input type="checkbox"/> a title opinion; or <input type="checkbox"/> a title insurance policy. When issuing a title insurance policy, that includes a closing protection letter, liability insurance and a fidelity bond are not required. | | | | | | | | |
| I am currently covered by Lawyer's Professional Liability Insurance in the amount \$ _____ per occurrence issued by _____ . The deductible is \$ _____ . The policy number is _____ . Coverage expires on _____ . I and all of my employees and associates having access to the funds involved in a CCC loan are currently covered by a fidelity bond in an amount not less than the amount of the subject loan. | | | | | | | | |
| 5. SIGNATURE OF ATTORNEY | DATE (MM-DD-YYYY) | | | | | | | |
| <input type="checkbox"/> APPROVED <input type="checkbox"/> NOT APPROVED | | | | | | | | |
| 6. SIGNATURE OF CCC OFFICIAL | DATE (MM-DD-YYYY) | | | | | | | |
| NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436, Title 7, Code of Federal Regulations and the Commodity Credit Corporation Charter Act, 15 U. S. C. 714 et seq. The information will be used to meet security requirements for CCC financing for farm storage and drying equipment. Furnishing the requested information is voluntary; however, without it CCC financing under the program cannot be provided. This information may be provided to other agencies enforcing the provisions of the Act, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 6 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE. | | | | | | | | |
| <small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</small> | | | | | | | | |

--*

117 Closing Loans Secured by Real Estate (Continued)

C Requesting CCC-299

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

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

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

*--

| | | | | | |
|--|--|--|--|---------------------------------------|--|
| CCC-299 (10-19-06) | | U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation | | Form Approved - OMB No. 0560-0204 | |
| | | 1. STATE CODE 36 | 2. COUNTY CODE 017 | | |
| | | 3. SERIAL NUMBER 2006-00003 | | | |
| TITLE OPINION - FARM STORAGE FACILITY LOAN PROGRAM <i>(See Page 2 for Privacy Act and Public Burden Statements)</i> | | | | | |
| PART A - PRELIMINARY TITLE OPINION | | | | | |
| TO THE TITLE EXAMINER: (1) John Q. Farmer, 844 Any Street, Uptown, NY 55555 <i>(Applicant's Name and Address)</i> | | | | | |
| _____ has applied for a loan under the Farm Storage Facility Loan Program. The loan would be secured by a (2) FIRST LIEN <input checked="" type="checkbox"/> (3) SECOND LIEN <input type="checkbox"/> , subject only to the prior lien of (4) _____, against the real property described on the attached schedule. | | | | | |
| PART B - CERTIFICATION OF TITLE EXAMINER | | | | | |
| Based on my examination of the title to the real estate described on the attached schedule, I am of the opinion that the above-named person can convey the lien indicated above, SUBJECT ONLY TO: | | | | | |
| a. Taxes and assessments not yet due. | | | | | |
| b. Outstanding oil and mineral rights. | | | | | |
| c. Easements and rights of way which do not affect the construction or utility of said storage or drying facilities. | | | | | |
| AND FURTHER SUBJECT TO the joinder, release or subordination of the following described persons or interest: (5) | | | | | |
| 4. NAME OF TITLE EXAMINER | | | 5. THIS TITLE IS CERTIFIED TO AS OF | | |
| PART C - FINAL TITLE OPINION | | | | | |
| RE: Mortgage, deed of trust, or other security instrument executed in favor of the Commodity Credit Corporation, described as follows: | | | | | |
| _____ duly filed for record in the County of (4) _____ <i>(1) Mortgageor(s)</i> <i>(2) Month & Day</i> <i>(3) Year</i> | | | | | |
| _____, State of (5) _____ on the (6) _____ day of _____, (7) <i>Month</i> _____, (8) <i>Year</i> _____, and recorded in Book (9) _____ Page (10) _____. Recorder's document or filing number (11) _____. (Show either book and page or document number.) | | | | | |
| I certify that the above described instrument constitutes a valid (12) FIRST LIEN <input type="checkbox"/> (13) SECOND LIEN <input type="checkbox"/> , against the real property described on the attached schedule, subject only to Exceptions Part B Items a through c above. | | | | | |
| 6. TITLE EXAMINER'S NAME AND ADDRESS | | | 7. DATE OF CERTIFICATION (MM-DD-YYYY) | | |
| NOTE TO TITLE EXAMINER: All actions necessary to remove, eliminate, or cure defects and objections or to satisfy or discharge items and encumbrances must be completed before the final opinion portion of this document is executed. | | | | | |
| PART D - COUNTY OFFICE INFORMATION | | | | | |
| 8A. SIGNATURE OF FSA COUNTY OFFICE OFFICIAL | | | 9. FSA COUNTY OFFICE NAME AND ADDRESS (including Zip code) | | |
| 8B. TITLE | | 8C. DATE (MM-DD-YYYY) | | TELEPHONE NUMBER (include Area code): | |

--*

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

D Transmittal of Title Information

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

Date _____

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

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

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

2) Proposed insured - Commodity Credit Corporation

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

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

Amount of loan - \$ _____

Type of loan - Farm Storage Facility Loan

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

Interest rate - _____%

Repayment period - 7 years.

121 Final Review of Cost Documents**A Acceptable Cost Documents**

County Offices shall review:

- final evidence of total cost
- proof of downpayment
- payment of amounts in excess of the loan.

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

B Examples of Acceptable Evidence

The following are examples of acceptable evidence of cost documents:

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

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

C County Office Action

County Offices shall:

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

121 Final Review of Cost Documents (Continued)**D Trade in Allowances**

County Offices shall not allow trade in allowances.

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

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

E Release of Liability

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

- the primary contractor who either constructs or subcontracts all aspects of the facility construction and presents 1 bill to the borrower for the entire FSFL project
- all contractors providing a separate bill for work or services performed in the construction of FSFL, whether their part of the project is included in the final amount of FSFL.

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

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

150 Collecting Installments (Continued)

G Loan Acceleration

CCC may:

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

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

H Releasing Security

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

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

***--I Delinquent FSFL’s for DCIA Purposes**

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

- a due and payable FSFL installment is not paid in full within 90 calendar days after the due date
- the installment principal balance, after a due and payable installment is applied, exceeds \$25, within 90 calendar days after the due date.--*

150 Collecting Installments (Continued)

J STC Review of Repayment Status

STC or representative shall:

- at least quarterly, review the Repayment Status Report

*--**Note:** See subparagraphs 414 A and H.--*

- ensure that County Offices are:
 - sending the required demand letter the day after the installment due date
 - sending other required demand letters timely
 - following correct procedure for collecting any delinquent payments.

150.5 Small FSFL Installment Principal Balances

A Why Small Balances Exist

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

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

B How to Detect Existing Small Principal Balances

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

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

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

150.5 Small FSFL Installment Principal Balances (Continued)**B How to Detect Existing Small Principal Balances (Continued)**

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

Note: County Offices are:

- encouraged to periodically run the “FSFL Repayment Status Report”, per *--subparagraph 414 G, to identify loans on which principal balances exist--*
- to take collection action according to subparagraph 150.5 C.

C Collection Actions

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

- if the producer has made a full installment payment and is behind the scheduled principal balance, do not pursue collection action. Notify the borrower that additional interest has accrued on the loan due to the timing of repayments. This amount will be collected with the next installment, unless the borrower voluntarily provides payments
- pursue collection of the installment principal balance, according to subparagraph 150 D, except use the demand letter in subparagraph E

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

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

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

D Minimizing the Creation of Small Principal Balances

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

--167 Assumptions (Continued)*C Preparing CCC-298 (Continued)**

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

167 Assumptions (Continued)

D Example of CCC-298

Following is an example of CCC-298.

*--

| | | | | | | |
|--|----------------------------------|--|---|---|---|----------------------|
| This form is available electronically. | | Form Approved - OMB No. 0560-0204 | | | | |
| CCC-298 (10-19-06) | | U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation | | 1. STATE CODE 36 | 2. COUNTY CODE 123 | |
| FARM STORAGE FACILITY LOAN PROGRAM ASSUMPTION AGREEMENT | | | | 3. LOAN SERIAL NUMBER 2001/00001 | | |
| (See Page 2 for Privacy Act and Public Burden Statements) | | | | | | |
| 4. BORROWER NAME AND ADDRESS (Including Zip code) Clark Farms, Inc. 282 State Route 245 Penn Yan, NY 14527 TELEPHONE NUMBER (Include Area Code): (315) 536-8989 | | | | | | |
| The farm storage, handling, or drying equipment (hereinafter called "property," described on Form CCC-186, loan serial number as above) are located as follows: | | | | | | |
| 5. THE STATE OF New York | | | 6. THE COUNTY OF Yates | | | |
| 7. LEGAL DESCRIPTION OF LOCATION OF EQUIPMENT: 11 Miles west of Penn Yan, NY, on State Route 245 described in Yates County Clerk's Book of Deeds Number 100 page 356. | | | | | | |
| The Commodity Credit Corporation (<i>hereinafter called "CCC"</i>), an agency and instrumentality of the United States, made available funds with which to purchase, erect, remodel, construct or install said property through a loan, which is evidenced and secured by a Promissory Note and Security Agreement (<i>Form CCC-186</i>), or by a promissory note and deed of trust or real estate mortgage (<i>hereinafter called "Mortgage"</i>), executed by the Borrower to CCC, in the State and County listed in Items 5 and 6 above. The mortgage provides that if the Borrower sells said property, then CCC may declare the whole of the indebtedness at once due and payable, and take other action as set out in said mortgage. However, the Borrower desires to sell said property to the Buyer listed in Item 8A, 8B, and 8C below (<i>hereinafter called the "Buyer"</i>). | | | | | | |
| 8A. BUYER'S NAME AND MAILING ADDRESS (Including Zip Code): Keith Clark 300 State Route 245 Penn Yan, NY 14527 TELEPHONE NUMBER (Include Area Code): (315) 765-9966 | | | 8B. COUNTY WHERE BUYER LIVES Yates | | | |
| | | | 8C. STATE WHERE BUYER LIVES New York | | | |
| 9. CCC is the holder of a note and security agreement as follows below: | | | | | | |
| A. DATE EXECUTED (MM-DD-YYYY) | B. AMOUNT OF ORIGINAL LOAN | C. PRINCIPAL UNPAID | D. LAST INSTALLMENT DATE (MM-DD-YYYY) | E. INTEREST RATE | | |
| 09/01/00 | \$ 29,100.00 | \$ 10,465.00 | 08/29/06 | 6.25 % | | |
| 10. The following security instruments were taken on property below: | | | | | | |
| A. STATE | B. COUNTY | C. KIND OF INSTRUMENT | D. DATE EXECUTED (MM-DD-YYYY) | E. OFFICE WHERE RECORDED | F. BOOK, VOLUME, DOCUMENT NUMBER | G. PAGE NUMBER |
| New York | Yates | UCC-1 Financing Statement | 05/18/00 | Yates County Clerk | 2000/943 | N/A |
| | | | | | | |
| 11. The buyer agrees to assume the loan as follows: | | | | | | |
| A. EFFECTIVE DATE (MM-DD-YYYY) | B. UNPAID PRINCIPAL | C. UNPAID INTEREST TO BE ASSUMED | D. TOTAL OF ITEM B AND ITEM C | E. DATE OF NEXT INSTALLMENT (MM-DD-YYYY) | F. INTEREST RATE | |
| 10/20/06 | \$ 10,465.00 | \$ 93.18 | \$ 10,558.18 | 09/01/07 | 6.25 % | |

--*

167 Assumptions (Continued)

D Example of CCC-298 (Continued)

*--

| | |
|---|---|
| CCC-298 (10-19-06) Page 2 | |
| BORROWER'S AND BUYER'S AGREEMENT CERTIFICATION | |
| <p><i>In consideration of the assumption of indebtedness and CCC's consent to the assumption and related conveyance of security property, if applicable, the Buyer agrees to jointly and severally assume liability and agrees to pay the entire unpaid indebtedness with the rates and terms stipulated in the debt and security instruments listed above.</i></p> <p><i>The provisions of said debt and security instruments and any outstanding agreements executed or assumed by the present debtors shall remain in full force and effect the same as if they had executed them as of the dates thereof as principal obligors.</i></p> | |
| 12A. BORROWER'S SIGNATURE /s/ Richard Clark for Clark Farms, Inc. | DATE (MM-DD-YYYY) 10/20/06 |
| 12B. CO-BORROWER'S SIGNATURE | DATE (MM-DD-YYYY) |
| 12C. CO-BORROWER'S SIGNATURE | DATE (MM-DD-YYYY) |
| 12D. CO-BORROWER'S SIGNATURE | DATE (MM-DD-YYYY) |
| 12E. CO-BORROWER'S SIGNATURE | DATE (MM-DD-YYYY) |
| 12F. CO-BORROWER'S SIGNATURE | DATE (MM-DD-YYYY) |
| 13A. BUYER'S SIGNATURE /s/ Keith Clark | DATE (MM-DD-YYYY) 10/20/06 |
| 13B. CO-BUYER'S SIGNATURE | DATE (MM-DD-YYYY) |
| 13C. CO-BUYER'S SIGNATURE | DATE (MM-DD-YYYY) |
| 13D. CO-BUYER'S SIGNATURE | DATE (MM-DD-YYYY) |
| 13E. CO-BUYER'S SIGNATURE | DATE (MM-DD-YYYY) |
| 13F. CO-BUYER'S SIGNATURE | DATE (MM-DD-YYYY) |
| COMMODITY CREDIT CORPORATION SECURED CREDITOR | |
| 14. COMMODITY CREDIT CORPORATION (Secured Creditor) | 15. NAME AND ADDRESS OF COUNTY FSA OFFICE (Including Zip Code): Yates County FSA Office 270 Lake Street Penn Yan, NY 14527 |
| By /s/ Phillip Morehouse, CED (Name and Title) | TELEPHONE NUMBER (Include Area Code): (315) 536-4012 |
| <p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436 and the Commodity Credit Corporation Charter Act, 5 USC 714 et. seq. The information will be used to determine eligibility for CCC financing for farm, storage and drying equipment. Furnishing the requested information is voluntary, however, without it CCC financing under the program cannot be provided. Failure to furnish the requested information will result in denial of CCC financing under this program. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</p> <p>According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</p> | |

--*

168-171 (Reserved)

***--Part 13 Selling Loan Collateral**

201 Sale Requested by Borrower

A County Office Action

Borrowers with loans not in default or called by CCC may voluntarily convey collateral to CCC by signing CCC-400.

Note: County Office shall take sale action according to paragraph 203.--*

202 Agreement for Sale of Loan Collateral

A Preparing CCC-400

County Offices shall prepare CCC-400 according to the following.

| Item | Instructions |
|-----------------|---|
| 1 | Enter the County Office name, address, and telephone number. |
| 2 | Enter the State code, county code, and loan number. |
| 3 | Enter the debtor's name and address. |
| 4 | Enter the debtor's telephone number. |
| *--A (1)-(3) | Enter the date, month, and year of this CCC-400. |
| A (4) | Enter the principal amount owed, written out. |
| A (5) | Enter the principal amount owed, in numerals. |
| A (6) | Enter the description of the loan collateral. |
| H 1A and 1B | The witness, unrelated to the debtor, shall sign and date. |
| H 1C and 1D | The debtor shall sign and date. |
| H 2A and 2B | The second witness, unrelated to the debtor, shall sign and date. |
| H 2C and 2D | The debtor's spouse shall sign and date. |
| H 3 | The COC chairperson shall sign. |
| H 3A | The authorized representative of CCC shall sign. |
| H 4A--* | The authorized representative of CCC shall sign. |

202 Agreement for Sale of Loan Collateral (Continued)

B Example of CCC-400

The following is an example of a completed CCC-400.

*--

| | | |
|--|--|--|
| This form is available electronically. | | Form Approved - OMB No. 0560-0204 |
| <p>CCC-400 (10-19-06)</p> <p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p style="text-align: center;">FARM STORAGE FACILITY LOAN PROGRAM AGREEMENT FOR SALE OF LOAN COLLATERAL</p> | <p>1. FSA County Office Name and Address (Including Zip Code):</p> <p>Yates County FSA Office 270 Lake Street Penn Yan, NY 14527</p> <p>Telephone Number (Including Area code): (315) 536-4012</p> | <p>2. Serial Number: 36/123/2000/00001</p> |
| <p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Part 1436 and the Commodity Credit Corporation Charter Act, 5 USC 714 et. seq. The information will be used to determine eligibility for CCC financing for farm, storage and drying equipment. Furnishing the requested information is voluntary; however, without it CCC financing under the program cannot be provided. Failure to furnish the requested information will result in denial of CCC financing under this program. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</p> <p>According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0204. The time required to complete this information collection is estimated to average 18 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p> | | |
| <p>3. Debtor's Name and Address (Including Zip Code):</p> <p>Clark Farms, Inc. 282 State Route 245 Penn Yan, NY 14527</p> | <p>4. Debtor's Telephone Number (Including Area Code):</p> <p style="text-align: center;">(315) 536-7281</p> | |
| <p>A. THIS AGREEMENT, is made (1) <u>20th</u> day of (2) <u>October</u>, (Year) (3) <u>2006</u></p> <p style="text-align: center;">between <u>Clark Farms, Inc.</u> (the Debtor)</p> <p>and the Commodity Credit Corporation shall remain in effect for six-months.</p> <p>The Debtor is indebted to CCC in the principal amount of (4) <u>Ten Thousand Four Hundred Sixty-five dollars</u> and no/100 (5) (\$ <u>10,465.00</u>) as evidenced by, a Promissory Note and Security Agreement (CCC-186) executed with respect to the following property (collateral) (6) <u>2-15,000 Bu Bins and related equipment</u>; the Debtor desires that CCC take possession of and to sell this property and to apply the sales proceeds to the debt owned by the Debtor to CCC together with such other costs, expenses, and indebtedness as are described in Item F.</p> <p>B. The Debtor conveys to CCC by execution of this Agreement possession of the collateral. The Debtor agrees that expenses incurred to preserve and sell the collateral shall be added to and become a part of the Debtor's indebtedness to CCC, under the same terms and conditions of the original note executed by the Debtor.</p> <p>C. CCC may:</p> <p>(1) To sell the collateral either at private sale or at public auction in the manner and at the place determined by CCC,</p> <p>(2) Purchase the collateral, and may execute a bill of sale, either in the name of the Debtor or in the name of CCC, for any such collateral sold at any such sale.</p> <p>D. The Debtor agrees that any loss of, deterioration of, or accidental damage to the collateral surrendered to CCC shall be borne by the Debtor. The Debtor releases and discharges CCC from liability for any and all claims of every nature whatsoever in connection with the handling, care, and sale by CCC of the collateral.</p> | | |
| <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</p> | | |

--*

Section 3 Processing CCC-185's

317 Initial Entry of CCC-185 Data

A Accessing Application Processing

To process **initial** CCC-185 data entries:

- access FSFL functions according to subparagraph 304 C and:
 - ENTER “1”, “Application/Approval Processing”, on Menu VCA005
 - proceed to Screen VCA11000
- complete processing according to subparagraphs B and C.

B Data Entry

Enter CCC-185 data according to this table.

| Step | Action | Result |
|-------------|--|------------------------------------|
| 1 | <p>On Screen VCA11000:</p> <ul style="list-style-type: none"> • enter the following: <ul style="list-style-type: none"> • *--contact applicant’s name, ID number, and type--* • the FY CCC-185 will be “Approved Pending Funding” or “Disapproved” by COC, see subparagraph 305 B • “N” for new system-assigned FSFL number • PRESS “Enter”. <p>*--Note: Only the name of the contact applicant is entered into the system. Any co-applicants’ names should be handwritten in CCC-185, item 2A and co-applicants shall sign and date in CCC-185, items 13C and 13D.--*</p> | Screen VCA12000 will be displayed. |

317 Initial Entry of CCC-185 Data (Continued)

B Data Entry (Continued)

| Step | Action | Result |
|------|---|---|
| 2 | <p>On Screen VCA12000:</p> <ul style="list-style-type: none"> • ENTER “Y” or “N”, as applicable, to the question, “Is this the correct producer?” • PRESS “Enter”. | <p>If “Y” was the entry:</p> <ul style="list-style-type: none"> • Screen VFA10000 will be displayed • the following will be displayed at the top of the screen: <ul style="list-style-type: none"> • applicant’s name • FSFL number. |
| 3 | <p>On Screen VFA10000:</p> <ul style="list-style-type: none"> • users are required to enter the following: <ul style="list-style-type: none"> • requested loan amount (\$1,000,000 or over require a password) • existing capacity (0 (zero) or higher) • capacity of proposed storage structure (may be 0 (zero) due to equipment only loans) • date: <ul style="list-style-type: none"> • purchased or tentative purchase date • delivered to the farm • erected or installed • application fee: <ul style="list-style-type: none"> • amount, for example “45.00” • date paid • CCC-257 deposit number, for example “0468” • PRESS “Enter”. | <p>Screen VFA10500 will be displayed.</p> |

319 Recording Actions for CCC-185's (Continued)

C Approvals

Complete CCC-185 **approval** processing according to the following table.

| Step | Action | Result |
|------|--|-------------------------------------|
| 1 | On Screen VCA11000: <ul style="list-style-type: none"> • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter". | FSFL Menu VFA000 will be displayed. |
| 2 | On Menu VFA000: <ul style="list-style-type: none"> • ENTER "2", "Approval Process (Generates a completed CCC-185, Re-access)" • PRESS "Enter". | Screen VFA12500 will be displayed. |
| 3 | On Screen VFA12500: <ul style="list-style-type: none"> • enter the following: <ul style="list-style-type: none"> • amount approved pending funding • COC approval date * * * •*--number of loan installments is displayed--* • PRESS "Enter". | Screen VFA13000 will be displayed. |

319 Recording Actions for CCC-185's (Continued)

C Approvals (Continued)

| Step | Action | Result |
|------|--|--|
| 4 | <p>On Screen VFA13000:</p> <ul style="list-style-type: none"> • in detail, enter the required collateral security in free form on CCC-186 <p>Note: The system provides 3 lines for entry. If more space is required, do all of the following:</p> <ul style="list-style-type: none"> • provide an attachment • reference the attachment in this entry • require the borrowers to initial and date the attachment. <ul style="list-style-type: none"> • PRESS "Enter". | <p>Screen VFA13500 will be displayed.</p> |
| 5 | <p>On Screen VFA13500:</p> <ul style="list-style-type: none"> • leave ranking criteria field blank • enter appropriate notations in remarks, such as conditions of approval <p>Note: Three pages are provided for remarks.</p> <ul style="list-style-type: none"> • PRESS "Enter". | <p>Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".</p> |
| 6 | <p>On Screen VFA17005:</p> <ul style="list-style-type: none"> • ENTER "Y" or "N", as applicable • PRESS "Enter". | <p>If the answer is:</p> <ul style="list-style-type: none"> • "Y", CCC-185 will be printed with approval information in item 14, "CCC Approval" • "N", Screen VFA13500 will be redisplayed and will allow the user to make changes. |

*--**Note:** The FSFL funding process takes **at least** 5 workdays from when the loan approval is entered and transmitted for funding to when the obligation is received back in the County Office.--*

332 Receiving Funding Download

A Obligation Download

FSFL funding obligations for CCC-185’s, which have been uploaded according to paragraph 331, will be returned to County Offices from NITC by a downloaded file that will be received **either**:

- through the start-of-day process
- according to this table.

| Step | Action | Result |
|------|---|---|
| 1 | On Primary Selection Menu FAX250: <ul style="list-style-type: none"> • ENTER “6”, “Telecommunications Functions” • PRESS “Enter”. | Telecommunications Menu FAX271 will be displayed. |
| 2 | On Menu FAX271: <ul style="list-style-type: none"> • ENTER “4”, “Transmit or Receive Files and Libraries” • PRESS “Enter”. | Transmit or Receive Files and Libraries Menu FCA923 will be displayed. |
| 3 | On Menu FCA923: <ul style="list-style-type: none"> • ENTER “6”, “Process Files Received During Day” • PRESS “Enter”. | If present, FSFL Obligation Download Transmission File “ssVB2ccc” will: <ul style="list-style-type: none"> • update FSFL obligation file • allow for processing: <ul style="list-style-type: none"> • CCC-186 • disbursement for funded CCC-185. |

B Verifying Funding

County Offices can verify that FSFL funding download has been received:

- from the Obligations Report according to paragraph 414

Note: The Obligations Report:

- lists **only** the most recently funded CCC-185’s, where the most recent download overlays the previous one and is not cumulative
- must be accessed; it is not an automatically printed report.

332 Receiving Funding Download (Continued)

B Verifying Funding (Continued)

- by being able to access FSFL functions for processing:
 - CCC-186's
 - disbursements.

***--Note:** The obligation process for a funding increase takes **at least** 5 workdays from when a new loan amount is entered, **approved**, and transmitted to when the increased loan amount is received back in the County Office. County Offices shall plan accordingly.--*

333 Changing CCC-185's After Funding

A Changes After Funding

After being funded, CCC-185 can be re-accessed to make changes that **do not** affect eligibility or funded amount, according to paragraph 318, without having:

- COC reconsideration
- to repeat the funding process.

FSFL funded amounts are based on estimates, so when final documented expenses are:

- **less** than FSFL funded amount:
 - County Offices shall **decrease** FSFL amount according to subparagraph 334 A
 - excess funds become available for national redistribution
- **more** than FSFL funded amount:
 - COC must determine eligibility and approve pending funding for an FSFL amount **increase**
 - County Offices shall increase FSFL amount according to subparagraph 334 B.

334 Re-Accessing CCC-185's to Decrease or Increase Funding

A Funding Decrease

To **decrease** a funded CCC-185 amount, re-access applicable CCC-185 according to subparagraph 304 C, ENTER "1", "Application/Approval Processing", on Menu VCA005 and PRESS "Enter", and complete processing according to the following table.

Note: All 7 steps **must** be completed.

| Step | Action | Result |
|-----------------|---|--|
| Changes | | |
| 1 | On Screen VCA11000: <ul style="list-style-type: none"> • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter". | FSFL Menu VFA000 will be displayed. |
| 2 | On Menu VFA000: <ul style="list-style-type: none"> • ENTER "1", "Application Processing (Re-access for changes)" • PRESS "Enter". | The following screens will display according to paragraph 317 and allow data changes: <ul style="list-style-type: none"> • Screen VFA10000 • Screen VFA10500 • Screen VFA10800 • Screen VFA11000 • Screen VFA11500. |
| 3 | On Screen VFA10000: <ul style="list-style-type: none"> • change "Requested Loan Amount" to decreased amount • PRESS "Enter". | Screen VFA10500 will be displayed. |
| 4 | Complete Screens VFA10500 through VFA11500, according to subparagraph 317 B, and PRESS "Enter". | Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)". |
| 5 | Complete process according to subparagraph 317 B, step 8. | Revised CCC-185 will be printed. *-- Note: Unless the approval process in step 6 is completed, the new loan amount on the revised CCC-185 will not apply to this loan.--* |
| Approval | | |
| 6 | Approve revised CCC-185 according to subparagraph 319 C. On Screen VFA12500 in subparagraph 319 C, step 3, correct "Amount Approved Pending Funding" to decreased "Requested Loan Amount". Do not change the "COC Approval Date". | Revised CCC-185 will be printed showing decreased "Requested Loan Amount" and revised approval information. |
| Funding | | |
| 7 | Decreased amounts require no upload-download action. | CCC-186 and disbursement can be processed. |

334 Re-Accessing CCC-185's to Decrease or Increase Funding (Continued)

B Funding Increase

To **increase** a funded CCC-185 amount, re-access applicable CCC-185 according to subparagraph 304 C, ENTER "1", "Application/Approval Processing", on Menu VCA005 and PRESS "Enter", and complete processing according to the following table.

Note: All 7 steps **must** be completed.

| Step | Action | Result |
|-----------------|---|--|
| Changes | | |
| 1 | On Screen VCA11000: <ul style="list-style-type: none"> • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter". | FSFL Menu VFA000 will be displayed. |
| 2 | On Menu VFA000: <ul style="list-style-type: none"> • ENTER "1", "Application Processing (Re-access for changes)" • PRESS "Enter". | The following screens will display according to paragraph 317 and allow data changes: <ul style="list-style-type: none"> • Screen VFA10000 • Screen VFA10500 • Screen VFA10800 • Screen VFA11000 • Screen VFA11500. |
| 3 | On Screen VFA10000: <ul style="list-style-type: none"> • change "Requested Loan Amount" to total needed • PRESS "Enter". | Screen VFA10500 will be displayed. |
| 4 | Complete Screens VFA10500 through VFA11500, according to subparagraph 317 B, and PRESS "Enter". | Screen VFA17005 will display the question, "Do you wish to complete this process?" |
| 5 | Complete process according to subparagraph 317 B, step 8. | Revised CCC-185 will be printed. Note: To approve increased funding, continue with step 6. |
| Approval | | |
| 6 | Approve revised CCC-185 according to subparagraph 319 C. On Screen VFA12500 in subparagraph 319 C, step 3, correct "Amount Approved Pending Funding" to new total "Requested Loan Amount". Enter the new "COC Approval Date". | Revised CCC-185 will be printed showing increased "Requested Loan Amount" and revised approval information. |
| Funding | | |
| 7 | Increased amounts require re-queue and receipt of additional funding according to paragraphs 331 and 332. | After receipt of increased funding, CCC-186 and disbursement can be processed. |

***--Note:** The FSFL funding process takes **at least 5** workdays from when the loan approval is entered and transmitted for funding to when the obligation is received back in the County Office.--*

335-345 (Reserved)

414 Administrative Reports

A Printing Reports

Print Administrative Reports according to the following table.

| Step | Title | Result |
|------|--|--|
| 1 | On Menu VAA010: <ul style="list-style-type: none"> ENTER “6”, “FSFL Administrative Reports Menu” PRESS “Enter”. | Administrative Reports Menu VAA045 will be displayed. |
| 2 | On Menu VAA045: <ul style="list-style-type: none"> ENTER, as applicable: <ul style="list-style-type: none"> “1”, “Print FSFL Status Report” “2”, “Print FSFL Obligations Report” “3”, “Print FSFL Installment Due Report” *--“7”, “FSFL UCC-1 Report”--* “8”, “FSFL Repayment History Report” “9”, “FSFL Repayment Installment Reminder Report” “10”, “FSFL Repayment Status Report” PRESS “Enter”. | The selected report will print for: <ul style="list-style-type: none"> option 1 (subparagraph B) option 2 (subparagraph C) option 3 (subparagraph D) *--option 7 (subparagraph E) option 8 (subparagraph F) option 9 (subparagraph G) option 10 (subparagraph H).--* |

B Example of Status Report

The following is an example of the Status Report, option “1” on Menu VAA045.

| MISSISSIPPI LEFLORE Report ID: VAA260-R001 | U.S. Department of Agriculture Farm Service Agency | Prepared: 08-07-00 As Of: 08-07-00 Page: 1 | | | |
|--|---|--|-----------------------|-----------------|-------------|
| FARM STORAGE FACILITY LOANS STATUS REPORT | | | | | |
| FSFL Number | Applicant/Borrower | Producer ID/Type | Loan Amount Requested | Loan Amount App | Status |
| 2000/00001 | John C Doe | 123 45 6789 S | \$100,000.00 | 00 | APPLICATION |
| 2000/00002 | Carl Kelly | 987 65 4321 S | \$ 43,500.00 | 00 | WITHDRAWN |
| 2000/00003 | Tim Smith | 334 56 7890 S | \$ 27,000.00 | \$ 27,000.00 | DISBURSED |
| 2000/00004 | Clark Kent | 541 68 5968 S | \$ 58,750.00 | \$ 49,685.00 | DISBURSED |
| 2000/97001 | James Rice | 511 98 7898 S | \$ 30,000.00 | \$ 30,000.00 | DISBURSED |
| 2000/97002 | Chuck Kelly | 412 65 4321 S | \$ 50,867.67 | \$ 50,867.67 | DISBURSED |

414 Administrative Reports (Continued)

C Example of Obligations Report

--The following is an example of the Obligations Report, option “2” on Menu VAA045.--

| | | | | | |
|------------------------|--|-------------------------|---------------------------|------------------------|---------------|
| State | U.S. Department of Agriculture | | | Prepared: 01-01-01 | |
| County | Farm Service Agency | | | As of: 01-01-01 | |
| Report ID: VAA270-R001 | Farm Storage Facility Loans Obligations Report | | | Page 1 | |
| <u>FSFL NUMBER</u> | <u>DATE TO COUNTY</u> | <u>DATE OF APPROVAL</u> | <u>DATE OF OBLIGATION</u> | <u>AMOUNT APPROVED</u> | <u>STATUS</u> |
| 2000/00001 | 09-15-00 | 07-21-00 | 09-15-00 | 27,500.00 | |
| 2000/00007 | 09-15-00 | 08-30-00 | 09-15-00 | 50,000.00 | |

Note: As indicated in subparagraph 332 B, the Obligations Report:

- lists **only** the most recently funded CCC-185’s; it is **not** cumulative
- must be accessed to print; it is **not** automatic.

D Installment Due Report

The Installment Due Report:

- is a snapshot of installments due by date for any calendar year
- may be sorted according to a selected date range
- does not track status of installments, such as paid or past due.

Note: An FSFL installment notification letter is automatically printed during SOD on or about 45 calendar days before the due date. This letter shall be mailed to the contact borrower and a copy maintained in the FSFL folder. See subparagraph 150 C.

If option 3, “Print FSFL Installment Due Report”, is selected on Menu VAA045, Screen VAA28000 will be displayed. Users may:

- PRESS “Enter” to print the report for an entire year
- for a specific date range, select a:
 - start date
 - stop date.

414 Administrative Reports (Continued)

D Installment Due Report (Continued)

--This is an example of the Installment Due Report, option “3” on Menu VAA045.--

| | | | | | |
|------------------------|--|---------------------------|-------------------------|-------------------------|----------------------------|
| State | U.S. Department of Agriculture | | Prepared: 01-01-01 | | |
| County | Farm Service Agency | | As of: 01-01-01 | | |
| Report ID: VAA280-R001 | FARM STORAGE FACILITY LOANS INSTALLMENT DUE REPORT | | Page: 1 | | |
| | | | ST/CTY: XX-000 | | |
| <u>INSTL DUE DT</u> | <u>FSFL NUMBER</u> | <u>APPLICANT/BORROWER</u> | <u>PRODUCER ID/TYPE</u> | <u>FSFL LOAN AMOUNT</u> | <u>INSTALLMENT AMT DUE</u> |
| July 15 | 2000/0003 | I. M. Borrower | 123-45-6789 | 35,000.00 | 6,352.50 |
| September 10 | 2000/0006 | John Doe | 223-45-6789 | 67,000.00 | 12,150.50 |
| November 28 | 2000/0002 | W. R. Partner | 123-45-6790 | 85,000.00 | 15,291.77 |

*--E UCC-1 Report

The UCC-1 Report:

- generates a list of projected FSFL lien (UCC-1) expiration dates on disbursed loans
- assists County Offices in identifying projected UCC-1 expiration dates so continuations can be filed before they expire
- depends on the data entered on Screen VFC10000 during loan disbursement. In some instances, a UCC-1 filing date was not needed. In this case, no date will appear in the “Date Last UCC-1 Filed” and “Project Exp Date (5 yrs from UCC-1)” fields on the UCC-1 Report. County Offices shall review the loan folder for the identified FSFL and notate the UCC-1 filing date, making sure to file the UCC-1 continuation before it expires.

If option 7, “FSFL UCC-1 Report”, is selected on Menu VAA045, Screen VAA75000 will be displayed. Users shall enter a specific date range.

Example: If the date range of May 20, 2000, through October 5, 2006, is entered, the report will provide projected expiration dates for disbursed loans for all UCC-1’s originally filed within that date range, as pulled from the information entered on Screen VFC10000 during loan disbursement.

If no UCC-1 filing dates were found for the date range entered, the message, “No UCC-1’s found for this Date Range”, will appear on Screen VAA75000.--*

414 Administrative Reports (Continued)

*--E UCC-1 Report (Continued)

The following is an example of the UCC-1 Report, option "7" on Menu VAA045.

| | | | | | |
|---|---|--|---------------|--------------------------|---|
| NEW YORK WATER GAP Report ID: VAA750-R001 | U.S. Department of Agriculture Commodity Credit Corporation FSFL UCC-1 Report As Of 10/05/2006 | Prepared: 10/05/2006 As Of: 10/05/2006 Page: 001 St/Cty: 36-125 | | | |
| UCC-1 REPORT FOR PERIOD 05/20/2000 through 10/05/2006 | | | | | |
| Orig. FSFL# | Applic Date | Borrower | Prod ID # | Date Last UCC-1 Filed | Project Exp Date (5 yrs from UCC-1) |
| 2002/00001 | 12/13/2001 | JAMES RABBIT | XXX XX XXXX S | 04/11/2002 | 04/11/2007 |

--*

F Repayment History Report

The Repayment History Report:

- is on a specified loan
- lists repayment dates and amounts on a specified loan.

--The following is an example of the Repayment History Report, option "8" on Menu VAA045.--

| | | | | |
|---|---|--|----------------|-----------------------------------|
| STATE COUNTY Report ID: VAA290-RO01 | U.S. Department of Agriculture Commodity Credit Corporation FSFL Repayment History Report As Of 11/09/2004 | Prepared: 11/09/2004 As Of: 11/09/2004 Page: 1 St/Cty: 00-000 | | |
| ----- | | | | |
| FSFL #: | 2001/00002 | FSFL Disbursement Date: 02/02/2001 | | |
| FSFL Disbursement Amount: | 67,455.00 | Installment Due Date: 02/02/2005 | | |
| FSFL Interest Rate: | 5.5000 | Annual Installment Amount: 11,869.68 | | |
| Outstanding Principal Balance: | 41,605.01 | Payment Amount Past Due: 00 | | |
| ----- | | | | |
| Name and Address of Contact Borrower: | | | | |
| JOE PRODUCER PO BOX 456 FARMING COMMUNITY, STATE. 00000-0000 | | | | |
| Payment Date | Payment Amount | Interest Paid | Principal Paid | Principal Balance (After Payment) |
| 02/02/2002 | \$11,869.68 | \$ 3,710.03 | \$ 8,159.65 | \$ 59,295.35 |
| 02/02/2003 | \$11,869.68 | \$ 3,261.24 | \$ 8,608.44 | \$ 50,686.91 |
| 06/10/2003 | \$10,059.53 | \$ 977.63 | \$ 9,081.90 | \$ 41,605.01 |
| Totals: | \$33,798.89 | \$ 7,948.90 | \$25,849.99 | |
| COUNTY FSA OFFICE BOX 123 CITY, STATE 00000-0000 Phone: (000) 000-0000 | | | | |

414 Administrative Reports (Continued)

G Repayment Installment Reminder Report

The Repayment Installment Reminder Report:

- prints all loans in the county with an amount due or those with an installment due within 45 calendar days
- lists installment amount due and the due date.

--The following is an example of the Repayment Installment Reminder Report, option "9" on Menu VAA045.--

| | | | | | | | |
|-------------------------|--|-------------------|------------|---------------------|------------------|-------------------|------------------------|
| STATE | U.S. Department of Agriculture | | | | Prepared: | 12/09/2004 | |
| COUNTY | Commodity Credit Corporation | | | | As Of: | 12/09/2004 | |
| Report ID: VAA520-R0001 | FSFL Repayment Installment Reminder Report | | | | Page: | 001 | |
| | As of 12/09/2004 | | | | St/Cty: | xx-xxx | |
| Loan Number | Borrower Name | Principal Balance | Anniv Date | Installment Amt Due | Interest Amt Due | Principal Amt Due | Daily Interest Accrual |
| 00/00002 | Joe Producer | \$ 8,302.34 | 10/05/2004 | \$ 3.26 | \$ 1.42 | \$ 1.84 | \$ 1.42 |
| 01/00001 | John Doe | \$14,050.57 | 08/17/2004 | \$ 4.38 | \$ 1.97 | \$ 2.41 | \$ 1.97 |
| 02/00008 | Two Brothers PT | \$17,233.00 | 11/09/2004 | \$ 2,779.05 | \$ 538.53 | \$2,240.52 | \$ 1.48 |
| 03/00010 | Farm Corporation | \$10,396.06 | 01/08/2005 | \$ 3,029.65 | \$ 666.38 | \$2,363.27 | \$ 1.82 |

414 Administrative Reports (Continued)

H Repayment Status Report

The Repayment Status Report:

- prints by:
 - single loan number
 - single ID number
 - all loans in the county

- gives payment status of:
 - A, ahead
 - B, behind
 - C, current.

--The following is an example of the Repayment Status Report, option "10" on Menu VAA045.--

| | | | | |
|------------------------|--------------------------------|--|----------------------|--|
| STATE | U.S. Department of Agriculture | | Prepared: 11/09/2004 | |
| COUNTY | Commodity Credit Corporation | | As Of: 11/09/2004 | |
| Report ID: VAA510-RO01 | FSFL Repayment Status Report | | Page: 001 | |
| | As Of 11/09/2004 | | St/Cty: 00-000 | |

| Loan Number | Borrower Name | Principal Balance | Accrued Interest | Daily Interest Accrual | Interest Rate | Date of Last Repayment | Payment Status | Annual Installment Amount |
|-------------|------------------|-------------------|------------------|------------------------|---------------|------------------------|----------------|---------------------------|
| 01/00002 | JOE PRODUCER | \$ 41,605.01 | \$3,247.48 | \$ 6.27 | 5.5000% | 06/10/2003 | \$ | \$ 11,869.68 |
| 02/00002 | JOHN DOE | \$ 87,339.05 | \$6,623.41 | \$ 9.57 | 4.0000% | 12/18/2002 | \$ | \$ 16,660.95 |
| 02/00003 | FARM CORPORATION | \$ 69,871.24 | \$1,799.42 | \$ 7.66 | 4.0000% | 03/19/2004 | \$ | \$ 13,328.76 |
| 02/00004 | TWO BROTHERS PT | \$ 90,000.00 | \$6,835.07 | \$ 9.86 | 4.0000% | | \$11,394.85*B | \$ 14,994.85 |

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

415-425 (Reserved)

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

| Number | Title | Display Reference | Reference |
|-----------|---|-------------------|--------------------|
| AD-1026A | Supplemental to AD-1026 (Continuation) | | 11 |
| B10 | Proof of Claim | | 172 |
| CCC-10 | Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents | 49 | 49 |
| CCC-184 | CCC Check | | 46, 172, 292, 347 |
| CCC-185 | Loan Application and Approval for Farm Storage and Drying Equipment Loan Program | 42, 102 | Text |
| CCC-185-1 | Loan Application and Approval for Farm Storage and Drying Equipment Loan Program CCC-185 Continuation Sheet | 42 | |
| CCC-186 | Promissory Note and Security Agreement | 136 | Text |
| CCC-186-1 | Farm Storage Facility Loan Program CCC-186-1 Continuation Sheet | | 137, 411, 412 |
| CCC-190 | Farm Storage Facility Loan Program Lien Waiver | | 43, 47 |
| CCC-191 | Farm Storage Facility Loan Program Release of Liability | 121 | 117 |
| CCC-193 | Real Estate for Farm Storage Facility Loan Program | | 119 |
| CCC-193-D | Farm Storage Facility Loan Deed of Trust for (State of _____) | | 119 |
| CCC-194 | Farm Storage Facility Loan Program Subordination Agreement (Lien on Real Property) | | 119 |
| CCC-195 | Farm Storage Facility Loan (FSFL) Processing Checklist | 43 | |
| CCC-257 | Schedule of Deposit | | 291, 317, 361, 426 |
| CCC-295A | Farm Storage Facility Loan Program Final Inspection of Facility Before Loan Disbursement | 122 | 172 |

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

Forms (Continued)

| Number | Title | Display Reference | Reference |
|------------|--|-------------------|----------------------------|
| CCC-295B | Farm Storage Facility Loan Program Annual Inspection Record | | 122, 152 |
| CCC-296 | Farm Storage Facility Loan Program Certification of Attorney | 117 | 115 |
| CCC-297 | Severance Agreement | | 14, 43, 115, 117, 118, 172 |
| CCC-298 | Farm Storage Facility Loan Program Assumption Agreement | 167 | 167, 426 |
| CCC-299 | Title Opinion - Farm Storage Facility Loan Program | 117 | 115 |
| CCC-400 | Farm Storage Facility Loan Program Agreement for Sale of Loan Collateral | 202 | 172, 181, 201, 203, 233 |
| CCC-502 | Farm Operating Plan for Payment Eligibility Review | | 11, 15 |
| CCC-526 | Payment Eligibility Average Adjusted Gross Income Certification | | 11 |
| FEMA 81-93 | Standard Flood Hazard Determination | | 43, 58 |
| FSA-431-2 | Farm and Home Plan | | 44 |
| FSA-440-13 | Report of Lien Search | | 47 |
| FSA-440-32 | Verification of Debts and Assets | | 44 |
| FSA-850 | Environmental Evaluation Checklist | | 10, 43, 71, 75 |
| FSA-2037 | Farm Business Plan Worksheet Balance Sheet | | 44 |
| FSA-2038 | Farm Business Plan Worksheet Projected/Actual Income and Expense | | 44 |
| IRS-1098 | Mortgage Interest Statement | | 11 |
| UCC-1 | National Financing Statement | | 172, 228, 414 |

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

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

| Approved Abbreviation | Term | Reference |
|-----------------------|--|---------------------|
| DCIA | Debt Collection Improvement Act | 11, 42, 43, 46, 150 |
| FSFLP | Farm Storage Facility Loan Program | Text, Ex. 2 |
| NITC | National Information Technology Center | 451 |
| SOD | Start-of-Day | 150, 150.5 |
| SORS | State Office Reporting System | 451 |

Redelegations of Authority

This table lists the redelegations of authority in this handbook.

| Redelegation | Reference |
|--|-----------|
| CED may be delegated authority by COC to sign all forms or documents, except CCC-185. Federal and non-Federal County Office employees, except those applications in which the person approving has a monetary interest, may be delegated authority by CED. See paragraph 2 for exceptions. | 2 |

