

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

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Farm Storage Facility Loan Program  
1-FSFL

Amendment 29

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Approved by: Acting Deputy Administrator, Farm Programs



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Amendment Transmittal

**A Reasons for Amendment**

Subparagraph 2 F has been amended to delete “or designee” from the table of approval authority for FSFL’s.

Subparagraph 10 D has been amended to clarify that applicant’s who authorize delivery, site preparation, or construction actions without an approved loan, do so at their own risk and without creating any liability on behalf of CCC.

Paragraph 10.5 has been added to authorize COC and STC loan approval authority for specific situations.

Subparagraph 12 C has been amended to clarify that the replacement of motors, fans, and wiring that has worn out is **not** authorized for loan when renovating storage structures.

Subparagraph 14:

- G has been amended to add information on letters of credit
- J has been amended to:
  - add that an appraisal can only come from a list of FLP approved appraisers
  - remove the statement, “if available, an estimate of value by FSA appraisal staff”.

Subparagraph 15 J has been amended to instruct STC, or representative, where to notate on CCC-185 and CCC-195, that FSFL was reviewed before disbursement as 1 of the first 3 applications filed and approved each year.

Subparagraphs 31 A and B have been amended to update Internet web addresses for obtaining FSFL fact sheets and forms.

## Amendment Transmittal (Continued)

### A Reasons for Amendment (Continued)

Subparagraph 42 D has been amended to remind County Offices to enter FSFL applications into APSS as soon as the producer has provided sufficient information.

Subparagraph 43:

- B has been amended to clarify that:
  - CCC-195 can be only be modified to address individual State laws
  - all modified CCC-195's **must** be sent to the National Office for approval
- D has been amended to correct and clarify CCC-195 instructions for items 6A through 19G and item 21C
- F has been amended to reference 12-PS, subparagraph 1505 N for instructions on printing the quarterly FSFL spot check register.

Subparagraph 44 G has been added to provide clarification on who shall conduct the financial analysis for a FSFL applicant.

Subparagraph 101:

- A has been amended to ensure that COC's review all FSFL's for an applicant to make sure the total does not exceed the maximum allowed
- B has been amended to remind County Offices to enter COC loan approvals, disapprovals, and request obligations in a timely manner.

Subparagraph 121 E has been amended to provide clarification on when CCC-191 is needed.

Subparagraph 150 C has been amended to add that the final FSFL installment payment shall include interest to the date payment is received in the County Office and to attach this provision to the reminder and notification letter for the final payment.

Subparagraph 319 C has been amended to include instructions on the detail in which to enter a description of the required security for an FSFL.

Subparagraph 347 B has been amended to delete the paragraph references in processing FSFL disbursements in Accounting.

Subparagraph 361 C has been amended to instruct County Offices that the date the payment is received in the County Office shall be used for the final FSFL payment.

Exhibit 2 has been amended to include a definition for construction of FSFL.

**Amendment Transmittal (Continued)**

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
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2 Program Information (Continued)

**E Waivers**

DAFP may authorize STC's and COC's to waive or modify deadlines and other program requirements in cases where lateness or failure to meet these other requirements does not adversely affect the FSFL operation. STC's and COC's without authority to act, may prepare a request for waiver to the applicable program requirement according to Part 18.

**F Execution**

The authority to approve all loan forms and documents prepared according to this handbook may be redelegated in writing:

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

Use the following table for exceptions.

<b>IF the loan applicant is...</b>	<b>THEN the approval authority shall be...</b>
a State, Federal, or non-Federal County Office employee, including CED's	STC * * *.
COC member	
DD	
STC member	
SED	
a relative to any of the above. See Exhibit 2.	

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

**2 Program Information (Continued)**

**G Approved FSFL Supplies or Vendors**

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

**3-9 (Reserved)**

## Part 2 Basic Loan Making Policies

## 10 Loan Availability

## A Signup

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

- at any time during normal office hours
- from producers in person, not by FAX
- at least 15 calendar days in advance of the COC meeting at which the application will be acted upon.

## B Where to Apply

Applications from eligible borrowers for a loan shall be submitted to the administrative County Office that maintains the applicant's farm records.

## C Documentation

Upon request, the applicant shall provide information and documents as STC or COC determines reasonably necessary to support the application. Examples are:

- financial statements
- receipted bills
- invoices
- purchase orders
- specifications
- drawings
- plats
- written authorization of access to the proposed storage site.

COC is responsible for taking appropriate action on the application.

**\*--D Producer Action Before Loan Approval**

FSFL applicants, who authorize delivery, site preparation, or construction actions without an approved CCC-185, do so at their own risk and **without** creating any liability on behalf of CCC.--\*

**\*--10.5 CCC-185 Approval Authority for Specific Situations****A COC Authorized Approval Authority**

CCC-185 approval should be obtained **before** any action is taken by the applicant to install the facility.

COC's:

- according to paragraph 101, have the authority to approve CCC-185's, unless STC establishes a lower limit for COC approval authority or STC approval is needed according to subparagraph 2 F
- in cases where applicants begin specific actions **before** CCC-185's are approved, may approve CCC-185's with STC concurrence, provided FSA-850 has been or can be satisfactorily completed according to Part 4, Section 3, and all other eligibility requirements can be met.

**Note:** In these cases, DAFP waiver is **not** needed. COC may issue CCC-185 approval, with STC concurrence, for the following actions completed **before** CCC-185 approval:

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

**Example:** The producer completes CCC-185 in the County Office on August 20, 2006. On September 5, 2006, a representative from the County Office visits the site to complete FSA-850. It is determined that the producer has completed the site preparation and the forms for the foundation are in place. FSA-850 can still be completed and no adverse impacts are identified based on FSA-850. The producer explains that he or she thought CCC-185 had been approved and he or she needed to start construction so that the bin would be completed in time to store the 2006 harvest. The approving COC determines the actions completed before CCC-185 approval do **not** adversely affect FSFL operation. COC may approve CCC-185, with STC concurrence, **without** requesting a DAFP waiver, if construction of the facility itself is **not** started until after CCC-185 approval.--\*

**\*--10.5 CCC-185 Approval Authority for Specific Situations (Continued)****B STC Authorized Approval Authority**

STC's may approve CCC-185's on which construction of the facility was started before approval, provided **all** of the following were on file in the County Office **before starting** construction of the facility itself:

- CCC-185 was completed and signed by the applicant
- \$45 application fee was received and deposited, as applicable
- all required documentation for financial analysis for all entities was submitted and received by the County Office
- FSA-850 has been completed with no significant adverse impacts identified.

**Note:** In these cases:

- DAFP waiver is **not** required
- STC **cannot** delegate CCC-185 approval process
- **all** other eligibility requirements **must** be met
- applicant **must** be informed that:
  - approval and funding is not guaranteed
  - applicant is starting construction at his own risk and **without** creating any liability on behalf of CCC.

See Exhibit 2 for the definition of construction of FSFL.--\*

**\*--10.5 CCC-185 Approval Authority for Specific Situations (Continued)****C DAFP CCC-185 Approval Required**

For CCC-185's where the specific situation is **not** covered under subparagraphs A and B, and COC determines CCC-185 would have otherwise been approved, the following actions shall be taken:

- document in COC and STC minutes the reasons why CCC-185 applicant completed the actions **before** receiving loan approval
- determine that all other applicant eligibility, FSA-850's, equipment eligibility, and collateral security requirements can be met, and CCC-185 would have been approved had the actions not been taken
- request DAFP waiver through STC according to subparagraphs 2 E and 276 A.

**Example:** The producer submits CCC-185 in the County Office on September 1, 2006. The producer is instructed by the County Office to provide supporting documentation to complete a financial analysis. On November 1, 2006, the producer provides the supporting documentation to the County Office. At that time, the final bills for the construction of the bin are also presented, and the producer informs the County Office that the bin has been completed.

**D No Approval Authorized**

If FSA-850 **cannot** be satisfactorily completed according to Part 4, Section 3, CCC-185 shall **not** be approved and a waiver request shall **not** be submitted to DAFP.--\*

## 12 Eligible and Ineligible Equipment (Continued)

### C Renovating Storage Structures

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

- the modification is:
  - necessary to renovate the storage capacity of the unit
  - not for maintaining, repairing, or replacing worn out items, such as motors, fans, and wiring that do not have a useful life of 10 years
- **\*--Note:** The replacement of motors, fans, and wiring that has worn out is **not** authorized.--\*
- for new purchase items, such as:
  - placing cement or wooden floors
  - grain kit for flat storage walls and bulkheads as needed
  - drying, aeration, or handling equipment
  - replacing any deteriorated bin walls or rings, roof panels, or other roofing material and related paid off-farm labor
- the applicant meets the storage need requirement.

**Note:** Storage that is deteriorated to the point where it is, in COC's opinion, no longer functional for storage purposes, will not be considered as existing storage capacity according to subparagraph 11 C.



**14 Security for Loans (Continued)****D Form of Real Estate Lien**

Real estate liens shall be in the form of a real estate mortgage, deed of trust, or other security instrument approved by CCC and according to applicable State laws.

**E Real Estate Lien Guidelines**

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

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

**F Land Separate From the Collateral**

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

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

**G Other Forms of Security**

Other forms of security may be considered to be acceptable by the approving committee, \*--such as irrevocable letters of credit, performance bonds, or similar CCC approved instruments. An irrevocable letter of credit **must** be:

- from a financial institution and provided by the applicant
- for the total of the loan principal plus interest
- for the entire term of the loan plus 60 calendar days
- written in a manner sufficient to protect CCC's security interest in the collateral

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

14 Security for Loans (Continued)

**G Other Forms of Security (Continued)**

- \*--used in each State, under guidance of the Regional OGC, to comply with laws specific to that State

**Note:** Any variances to FSFL requirements when letters of credit are used must be specified, in writing, from the Regional OGC.

- stored in a locked, fireproof file and not released until 30 calendars days from the date of the final repayment.--\*

**H Renovated Structures**

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

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

Filing and recording fees shall be paid according to the following table.

<b>IF the transaction is for...</b>	<b>THEN the fee is paid by...</b>
a credit report	CCC.
a collateral lien search	
filing a financing statement using a UCC document	
filing a fixture filing using a UCC document	
fees charged by a local or State municipally for expenses associated with a real estate lien search for severance agreement purposes	
termination of a financing statement using a UCC document	borrower.
filing a release or discharge of a real estate lien such as a mortgage	
filing a discharge of a severance agreement	
attorney fees related to a lien on real estate used to secure FSFL	
real estate lien, deed or title search related to a lien on real estate used to secure FSFL	
recording a severance agreement	
filing and recording a subordination agreement related to a lien on real estate used to secure FSFL	
all other instrument filing and recording transactions related to a lien on real estate used to secure FSFL	

**14 Security for Loans (Continued)**

**J Adequate Security and Appraisals of Real Estate**

Loans are considered to be adequately secured when the value of real estate security for the loan is at least equal to the loan amount. For loans where the value of real estate and \*-improvements offered as collateral is in doubt, approving committees may request an appraisal to be provided by the loan applicant at the applicant's expense from a list of FLP approved appraisers.--\*

**K Security on Leased Land**

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

**15 Loan Amount and Loan Approvals****A Aggregate Outstanding Balance**

The aggregate outstanding balance of all facility loans for each borrower signing CCC-186 may not exceed \$100,000.

**B Loan Limit**

The maximum principal amount of any loan shall not exceed \$100,000 for each borrower signing CCC-186.

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

**C Determining Loan Amount and Number of Borrowers**

The principal amount of any farm storage facility loan shall be 85 percent or less of the net cost of the applicant's needed storage or handling equipment, not to exceed \$100,000 for each borrower signing CCC-186.

The number of borrowers for loan limit purposes will be equivalent to "persons" determined for FSA program purposes on CCC-502.

**Example:** A partnership, recognized as such by FSA, consisting of 3 members, applies for a loan and demonstrates a need for additional grain storage. The loan may be made to the partnership, however, each member is determined to be a "person" and is willing to sign CCC-186 on behalf of the partnership. The loan limit in this case shall be \$300,000.

**15 Loan Amount and Loan Approvals (Continued)**

**I Approval Expiration**

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

**Note:** See paragraph 123 for further details.

**J STC Concurrence**

STC or its representative shall:

- concur before disbursement with the first 3 applications filed and approved each FY at an administrative County Office regardless of the amounts requested

**Note:** Additional reviews, including those following loan disbursement, may be conducted if determined necessary by STC.

- \*--document concurrence in the loan folder on CCC-185, item 18 and CCC-195, items 22 and 23

**Note:** In CCC-195, item 23 indicate that this spot check was required under subparagraph 15 J.--\*

- initiate corrective action where necessary.

**16 Downpayment**

**A Minimum Downpayment**

[7 CFR 1436.10] A minimum downpayment shall be:

- the difference between the net cost of the storage facility and the amount of the loan determined by paragraph 15
- made by the loan applicant to the supplier or contractor before the loan is disbursed.

**B Allowances**

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

16 Downpayment (Continued)

C Exclusions

The downpayment shall not include any of the following:

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

17 Disbursement

A Inspection and Approval

[7 CFR 1436.11] CCC shall disburse the loan when the farm storage facility has been:

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

B Evidence of Total Cost

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

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

C Joint Disbursement

Disbursements shall be made jointly to the borrower and the contractor or supplier.

**Exception:** Disbursement may be made to the borrower if the County Office determines the borrower has paid the contractor or supplier all amounts that are due and owing with respect to the facility.

**Part 3 Publicizing FSFLP**

**30 Publicity Requirements**

**A State Office Action**

\*--State Offices are encouraged to publicize the availability of FSFLP by:--\*

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

**B County Office Action**

County Offices shall publicize, at least twice per calendar year, preferably well in advance of the storage season for applicable crops, the availability of FSFLP by:

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

**31 Internet Web Sites**

**A Address for PSD Web Site**

\*--PSD shall provide FSFLP fact sheets at the Price Support page of the FSA web site at [http://www.fsa.usda.gov/FSA/newsReleases?area=newsrom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf\\_20050801\\_distr\\_en\\_fsflp05.html](http://www.fsa.usda.gov/FSA/newsReleases?area=newsrom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20050801_distr_en_fsflp05.html).--\*

**B Forms Web Site**

Forms are available from the FFAS Employee Forms Online Web Site at <http://intra3.fsa.usda.gov/dam/ffasforms/forms.html>.--\*

**32-41 (Reserved)**

**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.

<b>Topic</b>	<b>Reference</b>
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
- \*--enter CCC-185 in APSS according to paragraph 317.

**Notes:** It is very important to enter CCC-185 into APSS as soon as the producer has provided sufficient information. Additional FSFL apportionments may be necessary to cover obligations. Entering CCC-185's in APSS in a timely manner is imperative so that the additional apportionments can be obtained, if needed.--\*

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

## 43 Processing an Application (Continued)

**B Using CCC-195**

CCC-195 was developed to assist State and County Offices to avoid the types of errors that have been found by COR reviews. See subparagraph C for an example of CCC-195. CCC-195 is required to be completed for all FSFL's. It is **not** the intent of CCC-195 to supercede or replace procedure. County Offices should use CCC-195 as a reminder of the most frequently "erred" determinations when preparing FSFL applications.

State Offices shall:

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

**Note:** The current version of CCC-195 is available on FFAS Employee Forms Online Web Site.

- e-mail State CCC-195's that differ from the national CCC-195 to **deann.allen@wdc.usda.gov** for National Office approval
- issue only National Office approved CCC-195 to County Offices.--\*

County Offices shall:

- prepare CCC-195 received from the State Office for each FSFL that was not disbursed as of the date of receipt of CCC-195
- maintain CCC-195 in each FSFL folder
- check, initial, and date the appropriate box for each item as it is performed
- check, initial, and date the appropriate box for items that are not applicable
- ensure that all required signatures are on CCC-195, item 20 at loan disbursement.

**Note:** For those FSFL's not disbursed at the time the most current revision of CCC-195 is posted, attach a copy of the most current CCC-195 to the partially completed CCC-195. Obtain signatures on CCC-195, item 20 at loan disbursement.

43 Processing an Application (Continued)

C Example of CCC-195

Following is an example of CCC-195.

\*--

<p>This form is available electronically.</p>						
<p><b>CCC-195</b> (12-15-06)</p> <p><b>FARM STORAGE FACILITY LOAN (FSFL) PROCESSING CHECKLIST</b></p>	<p>USDA CCC</p>	<p>1. Name of Applicant</p>				
	<p>2. Date of Application (MM-DD-YYYY)</p>		<p>3. Loan No.</p>			
	<p>4. State Office Name</p>			<p>5. County Office Name</p>		
<p><b>6. Office Staff Actions:</b></p>		<p><b>Applicable References</b></p>	<p><b>YES</b></p>	<p><b>NO</b></p>	<p><b>Initials</b></p>	<p><b>Date</b></p>
<p>A. Discuss key program provisions with applicant.</p>		<p><i>Subparagraph 42A</i></p>				
<p>B. Complete <b>all items</b> on front side of manual CCC-185 (Loan Application and Approval for Farm Storage and Drying Equipment Loan Program) or prepare CCC-185 in APSS. Applicant must Initial Item 12B, if applicable.</p>		<p><i>Subparagraph 42E</i></p>				
<p>C. Collect application fee of \$45.00. Deposit immediately through accounting.</p>		<p><i>Subparagraphs 19A and 291</i></p>				
<p>D. Obtain copy of contracts, cost breakdown, or estimates for all proposed work.</p>		<p><i>Subparagraphs 10C and 42E</i></p>				
<p>E. Obtain copy of site plans, if available.</p>		<p><i>Subparagraph 10C</i></p>				
<p>F. Obtain copy of any building permits or zoning variances, if applicable.</p>		<p><i>Subparagraphs 11A and 59A</i></p>				
<p>G. Obtain proof of crop insurance or if sales period is over, ensure waiver statement for current year is in remarks of CCC-185.</p>		<p><i>Subparagraphs 11A and 58A</i></p>				
<p>H. Obtain actual income and expenses from most recent year available.</p>		<p><i>Subparagraph 44D</i></p>				
<p>I. Obtain financial statement that is less than 90 days old on FSA-2037, FSA-2038 or similar form.</p>		<p><i>Paragraph 44</i></p>				
<p>J. Obtain verification of debts and assets, if applicable, using FSA-440-32 (Verification of Debts and Assets).</p>		<p><i>Subparagraph 44F</i></p>				
<p>K. Obtain legal description of parcel(s) of land to be offered as security, such as described on a tax bill.</p>		<p><i>Paragraph 14</i></p>				
<p>L. Obtain legal description of parcel facility will be placed on (if Different than land offered for security).</p>						
<p>M. Remind applicant that all peril insurance, listing CCC as loss payee, and possibly, flood insurance, on the structure and equipment will be required.</p>		<p><i>Subparagraphs 58F and 58G</i></p>				
<p>N. Remind applicant that if real estate is required to secure the loan, title insurance or a title opinion will be required. This may result in attorney fees that must be paid by the applicant for title clearance and loan closing.</p>		<p><i>Subparagraph 115B</i></p>				
<p>O. Remind applicant that:</p> <ul style="list-style-type: none"> <li>● delivery, site preparation and construction cannot begin until after the loan is approved.</li> <li>● loans cannot be disbursed <b>until construction is complete</b>, final net cost is determined, and the facility is inspected.</li> </ul>		<p><i>Subparagraph 10D</i></p>				
		<p><i>Paragraph 17</i></p>				
<p>P. Discuss filing and recording fees and who pays each fee.</p>		<p><i>Subparagraph 14</i></p>				
<p>Q. Obtain CCC-10 (Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents) if a current one is not on file.</p>		<p><i>Paragraph 49</i></p>				
<p>R. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.</p>		<p><i>1-CM, Part 25</i></p>				

--\*

43 Processing an Application (Continued)

D Instructions for CCC-195

Complete CCC-195 according to the following.

Item	Instructions
1	Enter the name of applicant. If a joint loan, a separate CCC-195 is required for each applicant.
2	Enter the date CCC-185 is signed.
3	Enter the APSS-assigned loan number which is FY and loan number.
4	Enter the State where facility equipment will be located.
5	Enter the county where facility loan will be processed.
6A through 19G	*--For each item listed, check (✓) either “Yes” or “No”. Employee--* completing the action shall initial and date. If item is not applicable to this loan, ENTER “N/A” in “NO” column. Employee determining that action is not applicable, shall also initial and date.
20A	Any County Office employee who initials in items 6 through 19 shall sign as the preparer. By signing as the preparer, this does <b>not</b> insinuate that an employee checked items 6 through 19, only that this employee completed an item that was initialed by that employee.
20B	The County Office employee who signs item 20A shall enter the current date.
21A	CED or designated representative shall indicate whether or not they concur with how items 6 through 19 are completed. CED or designated representative shall review this CCC-195 for all FSFL’s.
21B	CED or designated representative who completed item 21A shall sign.
21C	CED or designated representative who signed item 21B shall enter the current date.  <b>Note:</b> If CED was 1 of the preparers who completed items 20A and B, CED shall <b>not</b> complete this section. DD shall complete items 22A through C for all of these loans. <b>In this instance only</b> , items 21A through C are to be left blank.--*
22A	When applicable, DD shall indicate whether or not they concur with how items 6 through 19 are completed. See paragraphs F and G for DD spot check procedure.
22B	DD who completed item 22A shall sign.
22C	DD who signed in item 22B shall enter the current date.
Remarks	Enter remarks, if applicable.

**43 Processing an Application (Continued)****E CED CCC-195 Spot Checks**

CED shall:

- review and check (✓) “Concur” or “Do Not Concur” with the completion of all CCC-195’s by his signature and date, in items 21A through C

**Note:** If CED was 1 of the preparers who signed and dated items 20A and B, CED shall **not** complete items 21A and B. DD shall complete items 22A through C for all of these loans.

- report to COC and the STC representative any CCC-195’s when “Do Not Concur” has been checked.

**F State Office Spot Check Selection**

The State Office shall:

- select the following for spot check by STC or their representative, at a minimum, every FY quarter:
  - three CCC-195’s, if 10 or less CCC-195’s have been completed
  - five CCC-195’s, if 11 through 1,000 CCC-195’s have been completed.
- \*--use the quarterly FSFL spot check register the County Office printed according to 12-PS, subparagraph 1505 N. This register lists all FSFL’s disbursed that quarter.--\*

\* \* \*

## 44 Financial Planning

### A Obtaining Balance Sheets and Cash Flow Statements

\*--County Offices shall use FSA-2037 and FSA-2038 in conjunction with the Farm Business Plan System, or a similar acceptable plan, prepared by either the borrower or a financial--\* institution within the last 90 calendar days from the applicant to determine:

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

### B Acceptable Balance Sheets and Cash Flow Statements

County Offices shall use 1 of the following to make the determinations in subparagraph A:

- \*--FSA-2037 and FSA-2038 available at the FSA eForms web site at--\*  
**<http://forms.sc.egov.usda.gov/eforms/mainervlet>**

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

- a balance sheet and cash flow statement that provides all the information necessary to make the determinations in subparagraph A.

**Note:** Existing plans used for FLP may be used, but must be revised to plan for FSFLP debt. FLP staff must be consulted before any revisions to existing plans take place.

### C Situation Where a Cash Flow Statement Is Not Necessary

Employees performing financial analysis may waive analysis of cash flow and accept only a balance sheet meeting the requirements of subparagraphs A and B from FSFL applicants when all of the following conditions apply:

- the loan amount will be \$10,000 or less
- review of the balance sheet indicates that the applicant has:
  - enough funds for the required FSFL downpayment
  - sufficient probable cash flow to pay the required FSFL installments.

**44 Financial Planning (Continued)**

**D Planning for Downpayment**

County Offices shall prepare or obtain a plan for the applicant's current FY:

- using actual expenses, if available
- showing enough cash available to make the required downpayment.

**E Planning for Future Installments Using the Farm Business Plan**

If the Farm Business Plan System is used, County Offices shall:

- prepare a projected plan for the applicant's FY in which the first loan installment is due showing the:
  - total cost of the storage facility
  - approximate amount of the loan
  - projected installment amount for the loan
- refer to Farm Business Plan System FSA User Guide (1-FLP, Exhibit 17) for guidance in determining if the applicant has a feasible plan.

**F Obtaining Verification of Debts and Assets**

County Offices shall:

- verify debts and assets only when debt and asset information provided by the applicant is determined to be incorrect
- if applicable, prepare FSA-440-32 for each applicant creditor according to the instructions on FSA-440-32.

**\*--G Financial Analysis**

The financial analysis of an FSFL applicant shall be performed by either an FLP or County Office employee with loan approval authority. A recommendation for approval or disapproval, based on the applicant's credit history and financial information, shall be provided to COC.--\*

**45 (Reserved)**

## Part 6 Approving Committee Review of Applications

### 101 COC Review

#### A Responsibility

COC shall determine:

- whether the applicant meets all eligibility requirements
- whether the proposed facility or renovation is eligible and needed
- whether the estimated yields and acreages to calculate needs are reasonable
- whether the environmental conditions of the site would place CCC at risk
- the type of security to be required
- the conditions of approval
- \*--that the loan limit per entity, on all the borrowers FSFL's does not exceed \$100,000.

#### B Approvals and Disapprovals

COC shall do either of the following:

- approve the loan within COC authority by signing CCC-185 and document determinations in executive COC minutes; enter COC approval date and request an obligation in APSS according to subparagraph 319 C

**Note:** It is imperative that County Offices enter COC approval date and request obligations in a timely manner. To ensure funding for all approved FSFL's, PSD continually monitors total FSFL obligations and needs this information to be current.--\*

- disapprove the loan, stating why in the COC executive meeting minutes.

**Note:** County Offices shall provide the applicant with notification and appeal rights, if applicable.

#### C Referrals to STC

For applications that require consideration by STC because STC has set a COC loan approval limit, County Offices shall submit:

- copies of the complete application with supporting documentation as specified by STC
- a copy of an aerial photograph of the proposed site where the facility will be located identifying roads and other key features
- recommendations from COC about the applicant's credit history, ability to repay, and type of security.

**101 COC Review (Continued)****D STC Action**

STC shall:

- approve or disapprove all applications referred
- indicate approval by signing CCC-185
- explain reasons for not approving applications in a memorandum to COC
- provide the applicant with notification of disapproval and appeal rights, if applicable, according to 1-APP
- return entire case file to the County Office.

**E Confidentiality of Applicant's Financial Information**

For CCC to provide confidentiality of an applicant's financial information, STC's and COC's shall:

- not view financial information, such as balance sheets and cash flow statements, provided by applicants
- not discuss an applicant's financial information with anyone outside of the State or County Office
- obtain a recommendation for approval concerning the applicant's credit history and ability to repay from an FSA employee with FSA loan approval authority
- use the recommendation to determine whether:
  - an applicant's credit history is satisfactory
  - the applicant has the ability to repay debt resulting from the loan.

**\*--Note:** The applicant's financial information is to be kept in their loan folder. After a complete review by an FSA employee with loan approval authority and COC approval of the loan, SED can mandate sealing any or all applicant's financial information in a sealed envelope to be kept in their loan folder.--\*

**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 and suppliers providing separate bills for supplies, work, or services performed in the construction of FSFL, whether their part of the project is included in the final amount of FSFL.

**Notes:** CCC-191 will **not** be required for a supplier of goods if the total cost is less than \$100 **and** the cost is not included in the final loan amount.--\*

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)

## C Reminder and Notification Letter (Continued)

County Offices are reminded **not** to change the amount that prints on the reminder and notification letter. Although these amounts may differ from the amounts on the amortization schedule printed at loan disbursement, the amounts on these letters are correct. Differences in the amounts are usually because of the annual installment payment being made on a date other than the actual due date. See paragraph 361 C for the repayment date to enter on Screen VDA11005.

\*--The **final** loan installment payment shall include interest to the date payment is received in the County Office. The table in subparagraph 360 C does not apply to the final loan payment. The following note shall be attached to the reminder and notification letter for the **final installment payment**:

“The **final** installment payment on your FSFL is due soon. The installment due date is listed in the 1st column of the table in the attached letter. The installment amount due is the total amount owed, if the final loan payment is received in the FSA County Office on the installment due date. If payment is received on another day, the amount due will be different. Please contact the FSA County Office for the total amount due, if the installment will be received on a day different than the installment due date. Any collateral security on this loan will **not** be released to the borrower until the entire principal has been repaid”--\*

## D Failure to Pay Installments Policy

[7 CFR 1436.13] If installments are not paid by the due date, County Offices shall:

- consider FSFL’s delinquent for FSFL purposes and eligible for offset from any payments due borrower on the next day after the due date, when the installment principal balance remaining after payment exceeds \$25
- mail a first demand letter to the contact borrower and all co-borrowers on the day after the due date describing actions that may be taken against the debtor if the installment is not paid within 30 calendar days of the date of the letter
- in addition to the first demand letter, mail 2 subsequent demand letters at 30 calendar day intervals if the installment is not paid
- collect additional interest to date of repayment
- initiate collection action against a debtor’s pro rata share of payments due any entity that the borrower participates in, either directly or indirectly
- initiate collection action against related persons or entities, irrespective of the debtors share when CCC determines that the debtor has established an entity or reorganized, transferred ownership, or changed their operation for the purpose of avoiding payment of the debt

## 150 Collecting Installments (Continued)

**D Failure to Pay Installments Policy (Continued)**

- cease collection activity until any appeal activity by the borrower is complete but withhold any FSA or CCC payments to the borrower for later offset

**Note:** Delinquent installments cannot be moved out of FSFLP status to claims status. This is because a portion of the outstanding principal balance is not due and because collateral that could be foreclosed upon exists.

- initiate foreclosure actions only after all efforts to collect the installment have been exhausted under delinquency policy.

**E Later Payment of an Installment**

FSA recognizes that installment due dates may not always coincide with dates by which crops are harvested and income is available. Debtors who cannot pay on the due date may request up to an additional 180 calendar days to pay an installment if they submit the following:

- a request in writing for COC consideration within 60 calendar days before or after the installment due date
- a current cash flow statement demonstrating that the installment can be paid within 180 calendar days after the due date.

Payment after the installment due date:

- does not change the system-calculated due date in APSS
- does not change the due date of the next installment
- allows debtors more time to pay an installment and allows the County Office to cease further collection action except for offset opportunities
- may be requested for each installment during the term of the loan
- requires collection of additional interest through the date of repayment of the installment.

**150 Collecting Installments (Continued)****E Later Payment of an Installment (Continued)**

County Offices shall:

- notify debtors of this option in the first demand letter sent the day after an installment is unpaid and subsequent letters sent within 60 calendar days of the due date
- process requests for COC approval or disapproval by obtaining:
  - the debtor's request in writing, including a reason why the installment cannot be paid on time
  - a recommendation about the debtor's ability to repay at a later date from an FSA employee with FLP loan approval authority
- notify debtors of COC decisions in writing
- resume collection activity according to subparagraph D if the installment is not paid by the COC-determined date
- continue to collect payment of the installment due plus additional interest by administrative offset of any CCC payments due the borrower.

**F Demand Letters**

If the installment is not paid, County Offices shall:

- mail the following demand letter to contact borrowers and all co-borrowers on the day after due date
- in addition to the first demand letter, mail 2 subsequent demand letters at 30 calendar day intervals if the installment is not paid
- calculate a new amount due for 30 calendar days from the date of the letter.

150 Collecting Installments (Continued)

F Demand Letters (Continued)

\*--

(Letter Date)

(Borrower Name)

(Borrower Address line 1)

(Borrower Address line 2)

Dear (Borrower Name),

Please be advised that according to the regulations at 7 CFR 1436.13 and the terms of CCC-186, Promissory Note and Security Agreement, an installment payment was due and payable for the Farm Storage Facility Loan Program on the date shown below. The installment has not been paid.

Please send your check payable to the Commodity Credit Corporation immediately for the new amount due (shown below) because of additional interest. Send your payment to the following address:

Commodity Credit Corporation  
 (insert office street address)  
 (insert City, State, and ZIP Code).

Loan Number	Date of Note and Security Agreement	Unpaid Installment Amount	Original Due Date	Amount Due 30 Days From Date of This Letter
		\$		\$

The amount due has been recorded for offset from any Farm Service Agency or Commodity Credit Corporation payment due you. Additionally, the Commodity Credit Corporation may declare the entire indebtedness immediately due and payable. If your loan is called, foreclosure proceedings may be initiated. Under foreclosure proceedings, the collateral securing the loan may be sold and the proceeds of the sale will be applied to the outstanding amount of the loan.

Feel free to give us a call if you have any questions. If for some reason, you cannot pay the amount due, contact our office immediately to discuss this situation.

(Insert as applicable according to subparagraph E.) Subject to COC approval, you may request up to 180 more calendar days after the due date to pay the installment. The request must be in writing, stating why you cannot pay the installment on time, and must be submitted with a current cash flow statement by no later than 60 calendar days after the installment due date. If approval for a later payment date is approved, CCC will continue to collect payment towards the installment due plus additional interest by administrative offset of CCC payments due you.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you have 30 calendar days from the date of this letter to request reconsideration, mediation, or an appeal. (Insert rights for reconsideration, mediation, and appeal according to 1-APP.)

You may also contact the County Office to receive a copy of the documents related to this determination.

County Executive Director  
 For the (County Name) FSA County Committee

--\*

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"> <li>• enter applicant's name, ID number and type, and FSFL number</li> <li>• PRESS "Enter".</li> </ul>	FSFL Menu VFA000 will be displayed.
2	On Menu VFA000: <ul style="list-style-type: none"> <li>• ENTER "2", "Approval Process (Generates a completed CCC-185, Re-access)"</li> <li>• PRESS "Enter".</li> </ul>	Screen VFA12500 will be displayed.
3	On Screen VFA12500: <ul style="list-style-type: none"> <li>• enter the following:                             <ul style="list-style-type: none"> <li>• amount approved pending funding</li> <li>• COC approval date</li> <li>* * *</li> </ul> </li> <li>•*--number of loan installments is displayed--*</li> <li>• PRESS "Enter".</li> </ul>	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"> <li>• <b>in detail</b>, enter the required collateral security on *--CCC-186 in 1 of the following formats:                             <ul style="list-style-type: none"> <li>• free form</li> <li>• as required by State law</li> <li>• as authorized, in writing, by OGC--*</li> </ul> </li> </ul> <p><b>Note:</b> The system provides 3 lines for entry. If more space is required, do all of the following:</p> <ul style="list-style-type: none"> <li>• provide an attachment</li> <li>• reference the attachment in this entry</li> <li>• require the borrowers to initial and date the attachment.</li> </ul> <ul style="list-style-type: none"> <li>• PRESS "Enter".</li> </ul> <p>*--<b>Note:</b> If a detailed description is <b>not</b> entered, ensure that the filed UCC-1 or real estate filing contains a detailed description.--*</p>	<p>Screen VFA13500 will be displayed.</p>
5	<p>On Screen VFA13500:</p> <ul style="list-style-type: none"> <li>• leave ranking criteria field <b>blank</b></li> <li>• enter appropriate notations in remarks, such as conditions of approval</li> </ul> <p><b>Note:</b> Three pages are provided for remarks.</p> <ul style="list-style-type: none"> <li>• PRESS "Enter".</li> </ul>	<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"> <li>• ENTER "Y" or "N", as applicable</li> <li>• PRESS "Enter".</li> </ul>	<p>If the answer is:</p> <ul style="list-style-type: none"> <li>• "Y", CCC-185 will be printed with <b>approval</b> information in item 14, "CCC Approval"</li> <li>• "N", Screen VFA13500 will be redisplayed and will allow the user to make changes.</li> </ul>

**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.

**347 Processing Disbursements (Continued)**

**B Processing FSFL Disbursements in Accounting**

After Screen ABK10001 is displayed according to subparagraph A, step 3, complete disbursement processing \* \* \*.

**Note:** If CCC-184 is needed to pay a contractor or if a joint check is needed, entering a payee's name in the field provided on Screen ABK10001 will cause CCC-184 to print rather than a direct deposit.

**348-360 (Reserved)**



**\*--Part 20 Automated FSFL Repayment Processing**

**361 Repayment Processing**

**A Accessing Repayment Processing**

To process an FSFL repayment, access FSFL functions according to subparagraph 304 C and:

- ENTER “5”, “Repayment Processing”, on Menu VCA005
- proceed to Screen VCA11000.

**B Data Entry**

Select FSFL for repayment processing according to this table.

Step	Action	Result
1	On Screen VCA11000: <ul style="list-style-type: none"> <li>• enter the loan FY and number</li> <li>• PRESS “Enter”.</li> </ul>	Screen VCA11500 will be displayed.
2	On Screen VCA11500: <ul style="list-style-type: none"> <li>• select the desired producer sequence number</li> <li>• PRESS “Enter”.</li> </ul>	Screen VCA12000 will be displayed.
3	On Screen VCA12000: <ul style="list-style-type: none"> <li>• ENTER “Y” or “N”, as applicable, to the question, “Is this the correct applicant?”</li> <li>• ENTER “Y” or “N”, as applicable, to the question, “Is the repayment date prior to today’s date?”</li> <li>• PRESS “Enter”.</li> </ul>	If the answer to the question, “Is the repayment date prior to today’s date?”, is: <ul style="list-style-type: none"> <li>• “Y”, users will be allowed to enter a repayment received before the system date</li> <li>• “N”, users will be allowed to do either of the following:                             <ul style="list-style-type: none"> <li>• process a repayment received on the system date</li> <li>• inquire about a future date repayment.</li> </ul> </li> </ul> Screen VDA00000 will be displayed.

361 Repayment Processing (Continued)

C Selecting a Repayment Option

Screen VDA00000 displays the following options for FSFL repayment:

- Lump Sum Repayment
- Installment Repayment Inquiry

**Note:** Installment Repayment Inquiry is an inquiry only function. Using this option will inform user of the amount owed by borrower based on date entered. Use the amount computed under this option and process as a “Lump Sum Repayment”.

- Loan Repayment/Inquiry.

\*--Functions of these options are described in subparagraphs D, E, and F. See the following table to determine which repayment process and processing date to use for all payments, **except** the final payment. **For the final** payment, the **date** the payment is **received** in the County Office **shall be used**. Use the “Loan Repayment/Inquiry” option to compute the amount due and enter the payment using the “Lump Sum Repayment” option.--\*

<b>IF the loan was disbursed on any date and the installment repayment is received...</b>	<b>THEN collect the following for the repayment amount...</b>	<b>AND use the following process...</b>	<b>AND use the following date (see subparagraph 361 B, step 3) on Screen VDA11005...</b>
before the installment due date	the amount on the notification and reminder letter	option 1, “Lump Sum Repayment”	date installment payment was received.
on or within 15 calendar days after the due date	the amount on the notification and reminder letter		installment due date.
more than 15 calendar days after the due date	total amount due for installment including interest to the date received  <b>Note:</b> Use the installment repayment inquiry option to compute the total amount owed to the date received.		date installment payment was received (with the entire principal amount for the installment paid and interest to the date received).

**Notes:** Regular installment repayments made more than 15 calendar days after the due date require either of the following actions:

- collecting additional interest at the time of repayment (the amount due may be calculated through option 2)
- creating a small installment principal balance that must be collected according to paragraph 150.5.

If all installment repayments are made before the due date and are for the amount on the notification and reminder letters that have printed out since November 2004, when the software was revised, then the final loan payment should be less.

## 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	15
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 Delegations 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, 10.5, 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, 319, 414

## Definitions of Terms Used in This Handbook

### Aggregate Outstanding Balance

Aggregate outstanding balance means the sum of the outstanding balances of all FSFLP loans disbursed to each borrower signing CCC-186.

### Assumption

Assumption means the act or agreement by which 1 borrower takes over or assumes the mortgage debt of another borrower.

### Collateral

Collateral means the storage structure, drying equipment, or handling equipment securing the loan.

### Commercial Purpose

Commercial purpose is defined as the storage and handling of grain, whether paid or unpaid, for persons other than the loan applicant, except for family members and tenants or landlords sharing in the crop requiring storage. Any facility that is in working proximity to any commercial storage operation shall be considered to be part of a commercial storage operation.

### Compromise

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

### \*--Construction of FSFL

Construction of FSFL means:

- erecting or building the sides and/or roof of a bin or silo
- framing the flat storage structure or building
- installing any equipment component or part for:
  - handling
  - drying
  - maintenance.--\*

### Crop of Economic Significance

Crop of economic significance means any insurable facility loan commodity that contributes 10 percent or more of the total expected value of all crops grown by the loan applicant except if the expected liability under the catastrophic level of crop insurance for a crop is equal to or less than the administrative fee for the crop, that crop shall not be economically significant.

### Direct Impact

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

## Definitions of Terms Used in This Handbook (Continued)

### Existing Storage

Existing storage is facility loan commodity storage at the proposed storage location, owned by the applicant, that has not deteriorated to the point where it is no longer functional for storage purposes.

### Facility Loan Commodity

Facility loan commodity means wheat, rice, raw or refined sugar, soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, or other oilseeds as determined and announced by CCC, dry peas, lentils, small chickpeas, harvested as whole grain and including peanuts, except that corn, grain sorghum, oats, wheat, or barley shall be included whether harvested as whole grain or other than whole grain.

### Financing Statement

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

### Flood Plains

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

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

### Indirect Impacts

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

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