

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Farm Storage Facility Loan Program
1-FSFL**

Amendment 32

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Paragraph 45 has been added to include information on FSFL credit reports including:

- requesting reports
- FSFL credit report contract
- analyzing reports
- types of reports
- payment for reports and monthly reconciliation of bill
- State Office determination of sites and designated employees to request reports.

Paragraph 46 has been amended to remove information about obtaining and analyzing credit reports.

Subparagraph 152 A been amended to update when County Offices are to conduct collateral checks for all outstanding loans.

Subparagraph 167 B has been amended to instruct County Offices to request a lien search and credit report for new applicants requesting to assume a loan.

Subparagraph 292 B has been amended to:

- update and provide new procedure on paying for credit reports
- update the example for determining the correct program code to use when issuing payments for lien searches and recording fees.

Subparagraphs 319 E and F have been amended to clarify when loan applications may be withdrawn or deleted.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Paragraphs 346 and 347 have been withdrawn and FSFL disbursement procedure has been provided in the following paragraphs:

- 348 has been added to provide the disbursement options available with check centralization
- 349 has been added to provide instructions for Disbursement Option 1, closing FSFL’s immediately followed by disbursement
- 350 has been added to provide instructions for disbursement option 2, requesting loan disbursement before FSFL closing.

Paragraph 415 has been added to include information on the FSFL Report on Loans Not Closed.

Paragraph 440 has been amended to update disbursement corrections procedure.

Exhibits 10, 11, 12, and 13 have been added to provide additional information and examples of the FSFL disbursement process and screens.

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1, 2	4-7, 4-8	1, pages 1, 2
3, 4	4-8.5 through 4-8.8 (add)	10, page 1 (add)
5	4-9, 4-10	11, page 1 (add)
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44 Financial Planning

A Obtaining Balance Sheets and Cash Flow Statements

--County Offices shall use FSA-2037 and FSA-2038 or similar forms, prepared by either the borrower or a financial institution within the last 90 calendar days 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

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
- determine 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-2015 for each applicant creditor according to the instructions on FSA-2015.
- before requesting information on FSA-2015 from applicant's creditors, have the applicant sign FSA-2004 to give FSA the authority to verify their debts and assets.

Note: FSA-2004 shall be filed in the loan folder.

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 Credit History and Credit Reports**

A Obtaining Credit Reports

State or County Offices shall:

- request credit reports for all FSFL applicants only from the credit reporting agency under contract with CCC
- obtain a current report of the FSFL applicant’s credit history
- ensure that only FSFL credit reports are requested from the agency under contract to supply CCC with FSFL credit reports
- **not** collect the cost of the report from the applicant
- request credit reports in a timely manner
- ensure that reports requested for another County Office are processed timely and immediately sent to the requesting office.

Note: FLP Farm Business Plan shall not be used to obtain FSFL credit reports.

B Analyzing Credit History Reports

County Offices shall:

- analyze credit reports to detect:
 - patterns of late payments or nonpayments
 - bankruptcy and foreclosures
 - heavy use of short-term or high-interest loans or credit cards
- use pertinent information from the financial statements and credit history reports to prepare recommendations to COC.
- protect the hard copy of the credit report according to PII policy.--*

***--45 Credit History and Credit Reports (Continued)**

C Available Credit Reports

Credit reports will be available for the following FSFL applicants:

- individual – 1 specific person who is solely responsible for their debts
- joint – 2 **married** individuals who, according to the law in a specific State, jointly own assets and are responsible for the debts of each other
- entity – legal entities doing business as any of the following:
 - corporation
 - limited liability corporation or company
 - limited and general partnerships
 - trusts
 - estates.

Note: State and County Offices requesting entity credit reports shall also request individual or joint “Express 3 Bureau” reports for the members of the entity.

Notes: Unless States have been notified in writing by their Regional OGC, use the “**Joint**” search option if husbands and wives on the same application are searched.

Make certain the correct legal name and address is entered when requesting a credit report. CCC is charged for each request submitted even if the information is not correct. This includes typos.

When requesting any type of credit report, **only click “submit” once.**

Turn off the pop-up blockers before going on the designated site to request a credit report.

D Centralized Payment

Payments for all FSFL credit reports will be made to the approved contractor from the **FSA National** Office. State and County Offices shall **not** pay for credit reports.

E Monthly Reconciliation of Credit Report Bill

Before the National Office is able to pay the bill for FSFL credit reports requested the previous month, the entire bill must be reconciled.

Each month, authorized State and County Offices submitting requests for FSFL credit reports are required to provide to PSD, through the State Offices, the following information to aid in reconciliation:

- State
- county
- names of credit reports requested
- date of each request
- type of each request – individual, joint, or entity
- FSFL number including year.--*

--45 Credit History and Credit Reports (Continued)*F Monthly Reconciliation of Bill**

The reconciliation report is due in PSD by the tenth of the following month and must be sent to DeAnn Allen by either of the following:

- e-mail at **deann.allen@wdc.usda.gov**
- FAX at 202-690-1536.

State Offices must determine the date the reconciliation reports from the County Offices are required in the State Office to adhere to the due date of the monthly reconciliation to PSD.

Note: Because the bill **cannot** be paid until it is completely reconciled, the reconciliation report from the States that requested credit reports the previous month **must** be received in PSD by the tenth of the following month. There are **no** exceptions to the submission of this report.

G State Office Determination of Sites and Designated Employee at Each Site

To request credit reports for FSFL applicants, State Offices shall determine which:

- offices will be set up according to the following:
 - all County Offices
 - select County Offices throughout the State (a district or area office)
 - State Office
- employees in the selected offices will be authorized.

Note: The selected employee will be:

- responsible for all FSFL credit reports submitted from that location
- required to submit the reconciliation information in subparagraph F to the State Office by the due date.--*

***--45 Credit History and Credit Reports (Continued)**

H Request for Initial Set Up

After State Offices have determined which offices and designated employees to set up to request FSFL credit reports, the following information shall be sent to DeAnn Allen, PSD by e-mail at **deann.allen@wdc.usda.gov**:

- name of employee
- title
- name of office (State or County Office)
- address of office
- phone number of office and employee.

The information will be forwarded to the contract holder who will contact individuals for the initial set up and training instructions. The amount of time required before the initial set up will depend on the number of offices submitted at the same time.--*

46 * * * **Federal Delinquent Debt Reports**

* * *

A Delinquent Federal Debt Reports

County Offices shall:

- identify producers who are delinquent on Federal debts according to DCIA of 1996
- require FSFL applicants to certify to DCIA compliance on CCC-185
- not approve FSFL loans for delinquent Federal debtors, except when they may become nondelinquent before the loan is disbursed.

--B Delinquent Federal Debt Reports for Entities--

For borrowers that are entities, such as corporations and partnerships, and a member of this entity is determined to be delinquent, County Offices shall:

- not determine that the borrowing entity is ineligible for FSFL
- offset the delinquent member's pro rata share of the loan if the member is delinquent at the time the loan is to be disbursed
- apply the offset amount to the delinquent debt.

47 Obtaining and Filing UCC Financing Statements**A County Office Action**

County Offices shall:

- if applicable according to State law, obtain the applicant's signature on the applicable manual UCC form at the time of application and before the farm storage equipment is delivered to the farm
- prepare manual or electronic UCC forms according to State law as soon as an adequate description of the collateral is available using data from a current CCC-10 prepared according to paragraph 49
- perform a lien search or pay for lien searches to determine that no other liens are filed on the collateral
- document the lien search on FSA-2360 or similar form
- obtain lien waivers on CCC-190 if other liens are found on the collateral
- file UCC forms according to State law before, or as soon as possible after, the equipment is delivered to the proposed location
- pay filing or recording fees
- file UCC continuation forms **before** original UCC forms expire.

151 Real Estate Taxes

A Borrower's Responsibility

--[7 CFR 1436.14] On FSFL's where real estate is used as security, the borrower must:--

- pay all real and personal property taxes that may affect CCC's security interest in all collateral securing the note
- provide proof of payment of taxes, applicable to collateral securing FSFL, to the County Office annually.

B Unpaid Taxes

County Offices shall:

- not disburse loans secured by real estate when real estate taxes are not current
- monitor the real estate tax status applicable to collateral securing FSFL
- pay any unpaid taxes with respect to the collateral securing a loan when it appears CCC's security interest is in jeopardy
- bill the borrowers for the amount of the tax paid
- begin proper servicing action, such as calling the loan.

Note: See subparagraph 293 A for depositing reimbursement of reimbursable fees.

152 Maintenance and Liability

A Maintenance

[7 CFR 1436.15] The borrower must maintain the loan collateral in a condition suitable for the storage of 1 or more of the facility loan commodities.

County Offices shall:

- conduct collateral checks of all outstanding loans:
 - *--annually on those loans where the full annual installment payment is **not** made within 15 calendar days **after** the installment due date
 - on the third and sixth year of the loan where the annual installment payment is made either before or within 15 calendar days of the installment due date--*
- if possible, conduct checks in conjunction with other FSA loan program collateral checks
- document results of check on CCC-295B
- ensure that CCC is listed as a loss payee on fire and flood insurance policies

Note: Structures must be insured against all perils and against flooding if the structure is located in a flood plain.

- review proof of fire and flood insurance provided to FSA by insurance companies
- **annually** obtain proof of multi-peril insurance for each crop year for the entire term of the loan
- have rights of access where the facility is located according to a term in CCC-186 whether or not there is a real estate mortgage.

B Liability

Until the loan has been repaid, the borrower shall be liable for all damages to or destruction of the collateral. CCC shall not assume any loss of the loan collateral.

167 Assumptions (Continued)

B County Office Action

County Offices shall take the following action.

Step	Action
1	Approve assumptions only for applicants who meet all of the eligibility requirements according to subparagraph 11 A.
2	Obtain new severance agreements if applicable.
3	Prepare and record new security documents to protect CCC's interest in the collateral.
4	*--Request lien search and credit report on new applicants. Pay lien search, --* filing, and recording fees according to subparagraph 14 I..
5	Collect the application fee according to paragraph 19.
6	Prepare a manual CCC-185 to document that the applicant meets the storage need.
7	Include unpaid interest in the assumed loan unless the approving committee requires payment of interest to the date of assumption.
8	Use CCC-298 to document the assumption and COC approval.
9	Require the new borrower to pay filing and recording fees according to subparagraph 14 I.
10	Require the new borrower to pay the next installment when it is due.
11	Provide releases of security to the original borrower.
12	Call the loan and require repayment in full when there is not an eligible producer to assume a loan.

***--167 Assumptions (Continued)**

C Preparing CCC-298

County Offices shall prepare CCC-298 according to the following instructions.

Item	Instructions
1	State code.
2	County code.
3	Loan serial number.
4	Borrower's name, address, and telephone number that is on the current loan.
5	State where the loan is administered.
6	County where the loan is administered.
7	Legal description of where the equipment is located.
8A	Name, address, and telephone number of the buyer or survivor.
8B	County where buyer lives.
8C	State where buyer lives.
9A	Date that the original CCC-186 was executed.
9B	Principal amount of original loan.
9C	Principal amount that is unpaid.
9D	Date of the last installment.
9E	Interest rate in effect for the original loan.
10A	State where the security instrument is filed.
10B	County where the security instrument is filed.
10C	Kind of security instrument such as UCC financing statement, mortgage, or deed of trust.
10D	Date instrument was executed.
10E	Name of office where instrument was recorded.
10F	Book, volume, or document number.--*

Part 19 Automated CCC-185’s, CCC-186’s, and Disbursements

Section 1 Amortization Schedule and Fees

290 Amortization Schedule

A When to Use

--An automated amortization schedule may be used by County Offices for financial analysis only to provide estimated:--

- installment amounts
- principal plus interest for the entire FSFL period.

B Where to Find

Access the amortization schedule according to the following table.

Step	Action	Result
1	On Primary Selection Menu FAX250: <ul style="list-style-type: none"> • ENTER “1”, “Office Automation Functions” • PRESS “Enter”. 	Office Automation Functions Menu OAF010 will be displayed.
2	On Menu OAF010: <ul style="list-style-type: none"> • ENTER “11”, “Amortization Schedule” • PRESS “Enter”. 	Amortization Schedule Menu ODK000 will be displayed.
3	On Menu ODK000: <ul style="list-style-type: none"> • ENTER “1”, “Number of Payments” • PRESS “Enter”. 	Number of Payments Screen ODK15001 will be displayed. Go to subparagraph C.

290 Amortization Schedule (Continued)

C Amortization Screen ODK15001

Complete data entries on Screen ODK15001 according to the following table.

Field	Entry
“Name”	Producer or entity name
“Note Number”	FSFL number, if known, or any number the County Offices want to use for tracking purposes
“Note Amount”	Principle amount for estimate
“Installment Period”	“A” for annual
“Number of Payments”	“7”, which is the FSFL period at this time
“Interest Rate”	Interest rate to be used for estimate
“Interest Start Date”	1 day after the estimated disbursement date, for example “0709 2000”
“First Payment Date”	1 year from the estimated disbursement date, for example “0710 2001”

After all entries have been made on Screen ODK15001, PRESS “Enter”. Amortization Schedule Screen ODK18001 will display, for the applicable FSFL, the system-calculated estimated:

- installment amount
- total principal plus interest for the entire loan period.

Users shall review the results and print the schedule for financial analysis purposes only.

FSFL software will calculate FSFL amortization and print the Agreement Amortization *--Schedule when CCC-186 is printed according to paragraphs 349 and 350. --*

292 Issuing Payments for * * * Lien Searches and Recording Fees

A Fees Responsibilities

CCC is responsible for **paying** fees for:

- *--credit reports (paid by PSD)--*
- lien searches on collateral
- recording fees for financing statements on collateral.

*--**Note:** A contract for obtaining all FSFL credit reports has been secured. State and County Offices shall not longer directly pay for these reports. PSD will request payment.--*

The applicant shall pay all other fees according to subparagraph 14 I.

B Program Code for Paying Fees

The program code for **paying** fees for FSFL's is "XXFSFLRF", where "XX" equals the last 2 digits of the FY in which the fee is **paid**.

Examples: Any fee paid between:

- *--10-1-08 and 9-30-09 will be paid using code "09FSFLRF"
- 10-1-09 and 9-30-10 will be paid using code "10FSFLRF".--*

On Screen ANK31501, according to subparagraph C, step 6, users may enter special data for cross-referencing purposes.

C Paying Fees

County Offices shall pay FSFL lien search fees according to current Online Payment (OLP) application procedure.

305 Important Information for Processing FSFL's**A Processing Capabilities**

* * *

FSFL disbursement checks can **only** be issued through FSFL "Disbursement Functions"
--according to paragraphs 348, 349, and 350.--

B FY's

For Credit Reform reporting purposes, the "Fiscal Year" entered on Screen VCA11000 according to subparagraph 317 B, step 1, must be FY during which FSFL is "Approved Pending Funding" or "Disapproved" by COC.

*--**Example:** If CCC-185 is filed in FY 2009, but it cannot or will not be "Approved Pending Funding" by COC until after October 1, 2009, then the "Fiscal Year" entered on Screen VCA11000 shall be "2010".--*

FY used for the application number and FY in the application fee deposit code **must be** the same.

C FSFL Facility Types

These FSFL facility type numbers are allowable entries on Screen VFA10500 according to subparagraph 317 B, step 4, when entering CCC-185 data:

- "1" for **Storage Bin**
- "2" for **Storage Crib**
- "3" for **Upright Silo**
- *--"3HM" for **Upright Silo for High Moisture Grain**
- "3S" for **Upright Silo for Silage**--*
- "4" for **Flat Storage**
- "5" for **Affixed Handling Equipment**

305 Important Information for Processing FSFL's (Continued)

C FSFL Facility Types (Continued)

- “6” for **Affixed Drying Equipment**
- “7” for **Maintenance Equipment**
- “8” for **Additions/Modifications of Existing Storage**
- *--“9HM” for **Bunker-type, Horizontal, or Open Silos for High Moisture Grain**
- “9S” for **Bunker-type, Horizontal, or Open Silos for Silage.--***

PRESS “Help” on Screen VFA10500 to display this information.

306-316 (Reserved)

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

D Disapprovals

Complete CCC-185 **disapproval** 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 "3", "Disapprove CCC-185 Application" • PRESS "Enter". 	Screen VFA12000 will be displayed.
3	On Screen VFA12000: <ul style="list-style-type: none"> • enter the following: <ul style="list-style-type: none"> • date of disapproval • reason for disapproval, applicant's last name, and FSFL number in remarks • PRESS "Enter". 	A "warning" will be displayed indicating no re-access when this action is completed. PRESS "Enter". Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".
4	On Screen VFA17005: <ul style="list-style-type: none"> • ENTER "Y" or "N", as applicable • PRESS "Enter". 	If the answer is: <ul style="list-style-type: none"> • "Y", CCC-185 will be printed with disapproval information in block 18, "Remarks" •*--"N", Screen VFA12300 will be redisplayed from which the user can PRESS: <ul style="list-style-type: none"> • "Cmd3" to return to the previous screen to make changes • "Cmd7" to end the job and return to Menu VCA005.--*

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

E Withdrawals

CCC-185 may be withdrawn:

- before approval
- after obligation
- *--before CCC-186 has printed and before disbursement.

Notes: By using this option, any funds that have been obligated will be returned.

Use the withdrawal option to return obligated funds when applicant notifies the County Office that they no longer want the loan.--*

Complete CCC-185 **withdrawal** 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 "4", "Withdraw CCC-185 Application" • PRESS "Enter". 	Screen VFA12000 will be displayed.
3	On Screen VFA12000: <ul style="list-style-type: none"> • enter the following: <ul style="list-style-type: none"> • date of withdrawal • reason for withdrawal, applicant's last name, and FSFL number in remarks • PRESS "Enter". 	A "warning" will be displayed indicating no re-access when this action is completed. PRESS "Enter". Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".

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

E Withdrawals (Continued)

Step	Action	Result
4	On Screen VFA17005: <ul style="list-style-type: none"> • ENTER "Y" or "N", as applicable • PRESS "Enter". 	If the answer is: <ul style="list-style-type: none"> • "Y", CCC-185 will be printed with withdrawal information in block 18, "Remarks" •*--"N", Screen VFA12300 will be redisplayed from which the user can PRESS: <ul style="list-style-type: none"> • "Cmd3" to return to the previous screen to make changes • "Cmd7" to end the job and return to Menu VCA005.--*

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

F Deletions

CCC-185 may be deleted:

- before approval
- after obligation
- *--before or after CCC-186 has printed and before disbursement (disbursement option 1).

Notes: By using this option, any funds that have been obligated will be returned.

Use delete to return obligated funds due to an error. A new loan may be entered with the correct information.--*

Complete CCC-185 **deletion** 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 "5", "Delete CCC-185 Application" • PRESS "Enter". 	Screen VFA12000 will be displayed.
3	On Screen VFA12000: <ul style="list-style-type: none"> • enter the following: <ul style="list-style-type: none"> • date of deletion • reason for deletion, applicant's last name, and FSFL number in remarks • PRESS "Enter". 	A "warning" will be displayed indicating no re-access when this action is completed. PRESS "Enter". Screen VFA17005 will display the question, "Do you wish to complete this process? (Y or N)".

Section 5 Processing CCC-186's and Disbursements

346, 347 (Withdrawn -- Amend. 32)

***--348 FSFL Disbursements With Check Centralization**

A FSFL Disbursement Options

The following 2 options are available for disbursing FSFL's:

- closing then immediately requesting FSFL disbursement with FSFL proceeds made out to contact borrower **only** (disbursement option 1)
- submitting the request for a check and closing FSFL once the check is received in the County Office (disbursement option 2).

The entire FSFL disbursement **must** be made by:

- electronic funds transfer or check to the contact borrower (disbursement option 1)
- check(s) to the borrowers and/or other payees (disbursement option 2).

Note: These are the **only** 2 options available for FSFL disbursements and FSFL closing. **No other disbursement options are authorized.**

B Closing FSFL's Followed by FSFL Disbursement - Disbursement Option 1

Closing FSFL then immediately requesting FSFL disbursement is used when the disbursement proceeds will be made **only** to the contact borrower. County Offices will transmit the payment request to NPS. NPS will issue FSFL transaction statements. See paragraph 349 for instructions.

IF the...	THEN NPS will...
FSFL disbursement will be by direct deposit	deposit FSFL proceeds in the borrower's account within the specified time period.
borrower does not have direct deposit	send a request to Treasury to disburse a check. The check will be mailed to the borrower.

C Submitting Payment Requests Before FSFL Closing - Disbursement Option 2

If the disbursement **must** be made to multiple parties, including lien holders or contractors, County Offices can request Treasury checks **before** closing FSFL. The checks will be mailed to the County Office where CCC-186 will be prepared and FSFL closed. The County Office will enter FSFL closing date; interest on FSFL will start on that date. The checks will be given to the borrower at FSFL closing. See paragraph 350 for instructions.--*

***--349 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests**

A Sequence of Steps To Be Followed

Disbursement option 1 is for FSFL's that will be closed and followed **immediately** by the payment request. The option for adding an additional payee or modifying the mailing address is **not** currently available.

If there are **no** alternate payees; that is vendors are all paid, County Offices **must** take the following steps, **in sequence**, from Menu VCA005:

- “2”, “Note and Security Agreement Processing”, to close FSFL; see subparagraph B
- “3”, “Payment Requests”, to initiate payment requests; see subparagraph C
- access NPS to certify and sign payment requests; see subparagraph D.

Notes: Contact borrower will receive the entire disbursement either by automated clearing house or check mailed from Treasury directly to the borrower's address in SCIMS.

Interest Start Date (date FSFL closed) is software controlled.

B Closing FSFL's, CCC-186 Processing

On Menu VCA005, option “2” is to be taken if FSFL will be closed **immediately** after CCC-186 is printed. Therefore, the County Office **must** close and disburse FSFL on the **same day**.

Note: Using this option allows the Interest Start Date on both the Amortization Schedule and CCC-186 to be calculated by the software, and will automatically **allow 2 workdays** before interest begins on FSFL. This allows time for loan proceeds to be disbursed directly into the contact borrower's account, or to mail the check and loan transaction statement directly to the contact borrower, if **no** automated clearing house account. County Offices should review and verify this date with borrower.

The FSFL Amortization Schedule and CCC-186 closing processes are prepared on System 36 according to the following.

Step	Action
1	On Menu VCA005 , Facility Loans Menu, ENTER “2”, “Note and Security Agreement Processing”, and PRESS “ Enter ”.
2	On Screen VCA11000 , Facility Loans - ID Entry, enter fiscal year and FSFL number, and PRESS “ Enter ”.
3	On Screen VCA11500 , Facility Loans - Show Applicants, select producer and PRESS “ Enter ”.
4	On Screen VCA12000 , Facility Loans - Verify Chosen Producer, verify correct applicant and PRESS “ Enter ”.

--*

***--349 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)**

B Closing FSFL's, CCC-186 Processing (Continued)

Step	Action	
5 <u>1</u> /	On Screen VFB10000 , Farm Storage Facility Loan Program, no modifications are allowed; Screen VFB10000 is a warning screen for the user to verify the funded amount.	
	IF...	THEN PRESS...
	incorrect	" CMD7 "; see 1-FSFL, paragraph 334 for steps to correct funded amount.
	correct	" Enter ", to continue with closing.
6 <u>1</u> /	On Screen VFB10100 , Verification of Funded Amount, no modifications are allowed. PRESS " Enter " to continue with closing.	
7 <u>1</u> /	On Screen VFB10200 , Close and/or Request Payment, answer the question, "Do you want to close this loan now? (Y or N)".	
	IF user...	THEN...
	wants to complete FSFL closing immediately (the same as before centralized check writing)	ENTER " Y ", PRESS " Enter ", and go to step 8; see Exhibit 10.
	wants to request payment before closing FSFL (disbursement option 2)	ENTER " N " and PRESS " Enter "; see subparagraph 350 B, step 7 and Exhibit 11.
	does not want to close FSFL or request payment now	PRESS " Cmd7 " to exit closing FSFL's.
8 <u>1</u> /	On Screen VFB10300 , FSFL - Additional Borrowers, answer the question, "Are additional borrowers required to sign the CCC-186 Note and Security Agreement? (Y or N)".	
	Note: FSFL proceeds will be issued only to the contact borrower under disbursement option 1, even if additional borrowers are entered.	
	IF...	THEN ENTER...
	user wants to add borrowers to CCC-186	" Y " and PRESS " Enter ".
	there are no other borrowers	" N " and PRESS " Enter ".
9 <u>1</u> /	On Screen VFB13000 , Farm Storage Facility Loan Program, answer the question, "Do you wish to print an additional copy of the Amortization Report?" ENTER " Y " or " N ". PRESS " Enter ".	
	Note: The date on FSFL Amortization Report will be the date the report is prepared.	
10	On Screen VCA97000 , FSFL Printer ID Selection, change printer ID, if needed. PRESS " Enter ". FSFL Amortization Report will print.	
11 <u>1</u> /	On Screen VFA17005 , Farm Storage Facility Loan Program, answer the question, "Do you wish to complete this process? (Y or N)". ENTER " Y " and PRESS " Enter ".	
12	On Screen VCA97000 , FSFL Printer ID Selection, change printer ID, if needed. PRESS " Enter ". CCC-186 will print.	
13	On Screen VCE99910 , Farm Storage Facility Loan Program, answer the question, "Do you want to reprint this form? (Y or N)".	
	IF...	THEN ENTER...
	user wants to reprint CCC-186	" Y ".
	CCC-186 printed correctly and another copy is not needed	" N ".
	This completes FSFL closing process. Users are locked out of the closing process for FSFL. Menu VCA005 will be displayed.	
	Note: Users must immediately disburse FSFL. On Menu VCA005 , ENTER " 3 ", "Payment Requests", and PRESS " Enter "; see subparagraph C.	

1/ This step allows users to exit the closing process, and correct the funding obligation **before** completing the closing process, to ensure that FSFL's are disbursed with the correct dollar amounts. If County Offices exit the closing process, to re-access, on **Menu VCA005**, ENTER "**2**" and PRESS "**Enter**".--*

***--349 Disbursement Option 1 - Closing FSFL’s Followed by Submitting Payment Requests (Continued)**

C Processing Payment Requests Before NPS Cutoff

The payment **must** be:

- requested **immediately** after completing the closing process in subparagraph B, step 13
- submitted to NPS; on **Menu VCA005**, ENTER “3”, “Payment Requests”
- completed **before** the NPS **3 p.m. c.t. cutoff**.

The payment request for FSFL closed is submitted to NPS according to the following.

Step	Action
1	On Menu VCA005 , ENTER “3”, “Payment Requests”. PRESS “ Enter ”.
2	On Screen VCA11000 , Facility Loans - ID Entry, enter fiscal year and FSFL number. PRESS “ Enter ”.
3	On Screen VCA11500 , Facility Loans - Show Applications, select producer. PRESS “ Enter ”.
4	On Screen VCA12000 , Facility Loans Verify - Chosen Applicant, verify correct applicant. PRESS “ Enter ”.
5	On Screen VFC10000 , FSFL Payment Requests, complete Lien Search Date, UCC-1 Financing Statement Filing Date, and Real Estate Mortgage Filing Date, if applicable. PRESS “ Enter ”.
6	On new Screen VFC10010 , FSFL Payment Requests, the payable for disbursement will be listed. Since the closing is already completed, there are no alternate payees and this is not a joint payment, only the borrower will be listed. The user cannot change any entries on this screen. PRESS “ Enter ” to continue; see Exhibit 12.
7	On Screen VFA17005 , answer the question, “Do you wish to complete this process? (Y or N)”. ENTER “ Y ”. PRESS “ Enter ”. This process provides payment data to NPS. Note: There may be a delay of more than 20 minutes before the payment becomes available in NPS.
8	Menu VCA005 will be displayed.

--*

***--349 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests
(Continued)**

D Certifying and Signing Payment Requests in NPS

After submitting a payment request according to subparagraph C, the County Office **must** access NPS for certification and signing for release to Treasury **before** the 3 p.m. c.t. cutoff the **same day**.

Note: There may be a delay of more than 20 minutes before the payment becomes available in NPS to certify and sign.

After closing FSFL, process the payment request and, **before 3 p.m. c.t. the same day**, do the following:

- access NPS
- select the appropriate payment on the worklist
- certify and approve the payment request
- send to signing worklist
- complete signing process.

The FSFL Amortization Schedule and CCC-186 are completed with a pre-calculated Interest Start Date (anniversary date), beginning on the third workday after FSFL is closed; see subparagraph B. The certification and signing process **must** be performed the **same day** as the closing to ensure that the disbursement from Treasury is timed to coincide with that interest start date.

Note: The cutoff time for payments to enter the processing cycle for that day is 3 p.m. c.t. If payables are **not** certified and signed by 3 p.m. c.t., the payments will be delayed. Interest will start on the third workday whether the payments were certified and signed at 1 p.m. or 4 p.m. c.t.--*

--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's*A Sequence of Steps To Be Followed**

Disbursement option 2 will be used when a check is made out to the program participant and contractors or vendors. This option will be used to initiate special processing for payment requests where checks are to be prepared **before** closing FSFL and the checks are mailed to the County Office address. This process is triggered by a "Forced Check Indicator" in FSFL software. In addition, a process titled, "Alternate Payee Indicator" is incorporated into FSFL software, and triggered when checks **must** be made out to other payees in addition to the customer (borrower) who earned the payment.

If there are alternate or joint payees; such as vendors **not** all paid, County Offices **must** take the following steps, **in sequence**, from Menu VCA005:

- select option "2", "Note and Security Agreement Processing" to start closing process; see subparagraph B
- select option "3", "Payment Requests" to request payment; see subparagraph C
- access NPS to certify and sign payment requests; see subparagraph D
- select option "2" again, to re-access and complete FSFL closing on the scheduled closing date **after** checks are received; the Interest Start Date (date FSFL closed) **must** be manually entered; see subparagraph E.

Notes: County Office will receive checks from Treasury and loan transaction statements from NPS. County Office **must** arrange date for closing when checks and transaction statements have both been received. Re-accessing "2" will **not** be allowed until at least 3 workdays have passed since certification and signing of payment requests were completed in NPS. This is to allow time for Treasury to process and mail checks to the County Office.

Payments with more than 1 payee listed in:

- FSFL system are referred to as "joint payments"
- NPS are referred to as "alternate payees".--*

***--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)**

B Starting FSFL Closings, CCC-186 Processing

To be able to request checks **before** FSFL closing has been completed, County Offices **must** start FSFL closing process; on **Menu VCA005**, ENTER “2” and PRESS “Enter”. FSFL closing is **only** being initiated; it will **not** be completed at this time. Follow this table to initiate FSFL closing.

Step	Action	
1	On Menu VCA005 , Facility Loans Menu, ENTER “2”, “Note and Security Agreement Processing”. PRESS “Enter”.	
2	On Screen VCA11000 , Facility Loans - ID Entry, enter fiscal year and FSFL number. PRESS “Enter”.	
3	On Screen VCA11500 , Facility Loans - Show Applicants, select producer. PRESS “Enter”.	
4	On Screen VCA12000 , Facility Loans - Verify Chosen Producer, verify correct applicant. PRESS “Enter”.	
5 <u>1/</u>	On Screen VFB10000 , Farm Storage Facility Loan Program, no modifications are allowed; Screen VFB10000 is a warning screen for the user to verify the funded amount.	
	IF...	THEN PRESS...
	incorrect	“CMD7”; see 1-FSFL, paragraph 334 for steps to correct the funded amount.
	correct	“Enter”, to continue with closing.
6 <u>1/</u>	On Screen VFB10100 , Verification of Funded Amount, no modifications are allowed. PRESS “Enter” to continue if correct. If not correct, PRESS “CMD 7”.	
7 <u>1/</u>	On Screen VFB10200 , Close and/or Request Payment, answer the question “Do you want to close this loan now? (Y or N)”. ENTER “N” allowing the user to request checks before FSFL closing. Users must ENTER “N” to receive checks before closing. PRESS “Enter”; see Exhibit 11.	
	<p>Notes: “Y” must not be entered. If users enter “Y”, FSFL will be closed at this time and the check will not be sent to the County Office for closing at a later date.</p> <p>If you have more than 1 borrower and/or multiple payees, you must enter “N”. By entering “N”, the system allows users to later enter multiple payables (subparagraph C, step 6) and payee information (subparagraph D).</p>	
8	On Screen VFA17005 , Farm Storage and Facility Loan Program, answer the question “Do you wish to complete this process? (Y or N)”. ENTER “Y”. PRESS “Enter”. After answering “Y”, Screen VCE99910 will be displayed asking, “Do you want to reprint this form? (Y or N)”.	
9	Menu VCA005 will be displayed.	

1/ This step allows users to exit the closing process, and correct the funding obligation **before** completing the closing process, to ensure that FSFL's are disbursed with the correct dollar amounts. If County Offices exit the closing process, to re-access, on **Menu VCA005**, ENTER “2” and PRESS “Enter”.--*

***--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)**

C Completing Payment Requests

Under disbursement option 2, the County Office requests the checks be sent directly to their office **before** closing FSFL. To request checks be mailed to the County Office, forced check indicator **must** be triggered in the FSFL software.

To submit payment requests to NPS for forced checks for this FSFL, County Offices **must**, on **Menu VCA005**, ENTER “3”, “Payment Requests”. This process will allow the user to:

- access Screen VFC10010, FSFL Payment Requests
- enter up to 20 different payables amounts
- indicate whether each payable will be a joint payment
- ensure that the total dollar amount of all payable amounts entered equals the Payment Requests Total displayed on Screen VFC10010
- provide a warning message and **not** allow the process to continue if the amounts entered do **not** equal the Payment Requests Total displayed on Screen VFC10010
- pass the data to NPS when complete; alternate payee name, address, and other needed data will be entered when the user accesses NPS for the certification and signing process on each payable.

Note: This payment request process does **not** allow name and address entries on Screen VFC10010. Users will make those freeform entries in NPS for the payments where the joint payment indicator was “Y”.

Follow this table to complete the payment requests.

Step	Action
1	On Menu VCA005 , ENTER “3”, “Payment Requests”, and PRESS “ Enter ”.
2	On Screen VCA11000 , Facility Loans - ID Entry, enter fiscal year and FSFL number and PRESS “ Enter ”.
3	On Screen VCA11500 , Facility Loans - Show Applications, select producer. PRESS “ Enter ”.
4	On Screen VCA12000 , Facility Loans -Verify Chosen Applicant, verify correct applicant. PRESS “ Enter ”.
5	On Screen VFC10000 , FSFL Payment Requests, enter Lien Search Dates, UCC-1 Financing Statement Filing Date, and Real Estate Mortgage Filing Date, if applicable. PRESS “ Enter ”.

--*

***--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)**

C Completing Payment Requests (Continued)

Step	Action
6	<p>On new Screen VFC10010, FSFL Payment Requests, the payables for disbursement are listed.</p> <p>Since the closing is not completed, it is assumed there are joint payments or what NPS refers to as alternate payees. The user may change the amount of the payable defaulted and make additional entries for payables on this screen; see Exhibit 13.</p> <p>Screen-print this screen to help identify payments in NPS.</p> <p>When complete, answer the question, "Do you have more payables to enter? (Y or N)". ENTER "N". PRESS "Enter".</p>
7	<p>On Screen VFA17005, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "Y". PRESS "Enter" to complete this process and provide the payment data to NPS.</p>
8	<p>After several messages indicating the Data Control System is verifying information, Menu VCA005 will be displayed.</p> <p>On Menu VCA005, re-accessing options "2" and "3" will not be allowed until at least 3 workdays have passed since certification and signing of payment requests were completed in NPS. This is to allow time for Treasury to process and mail checks to the County Office.</p> <p>When checks arrive in the County Office, and after at least 3 workdays, County Offices must re-access Menu VCA005, option "2", to complete the closing according to subparagraph E.</p>

D Certifying and Signing Payment Requests in NPS

After submitting payment requests (subparagraph C), County Office **must** access NPS to:

- enter payee information for each payable
- complete certification and signing for each payable.

Note: If payables are **not** certified and signed **before** the 3 p.m. c.t. cutoff time for payments, the payments will be delayed.

Note: **After at least 3 workdays**, software will allow re-access to option "2", "Note and Security Agreement Processing", to complete FSFL closing process. County Offices are **not** to access option "2" for this FSFL for **at least 3 workdays.--***

***--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)**

E Re-Accessing FSFL Closings to Complete FSFL's

When the County Office receives the checks, they **must** immediately schedule a closing date with the borrowers. After at least 3 workdays **and** when the Treasury checks have been received in the County Office, on Menu VCA005, re-access option "2", "Note and Security Agreement Processing" to print CCC-186 and close the loan.

FSFL closing shall be completed within 21 calendar days of payment request certification and signing in NPS.

Note: The County Office **must** manually enter the Interest Start Date for FSFL during the closing process on System 36. This **must** be the date the actual closing takes place and CCC-186 is printed and signed by the borrowers. The **only** date allowed is the current date.

On the day FSFL will be closed, the County Office shall do the following.

Step	Action
1	On Menu VCA005 , ENTER "2", Note and Security Agreement Processing. PRESS "Enter".
2	On Screen VCA110001 , Facility Loans - ID Entry, enter fiscal year and loan number. PRESS "Enter".
3	On Screen VCA11500 , Facility Loans - Show Applicants, select producer. PRESS "Enter".
4	On Screen VCA12000 , Facility Loans - Verify Chosen Applicant, verify correct applicant. PRESS "Enter". Note: If less than 3 workdays have passed since submitting payment requests, the following message will be displayed on Screen VFA6000 , "Closing not allowed until 3 workdays after Payment Request". User must wait until 3 workdays have passed.
5	On Screen VFB10200 , Close and/or Request Payment, answer the question, "Do you want to close this loan now? (Y or N). Note: This defaults to "N" from user's initial access when checks were ordered to have available for closing. To proceed with the closing process, ENTER "Y". PRESS "Enter".

--*

***--350 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)**

E Re-Accessing FSFL Closings to Complete FSFL's (Continued)

Step	Action						
6	<p>On Screen VFB10200, Close and/or Request Payment, answer 2 questions as follows:</p> <ul style="list-style-type: none"> “Are additional Borrowers required to sign CCC-186 Note and Security Agreement? (Y or N)” <table border="1" data-bbox="451 520 1474 674"> <thead> <tr> <th data-bbox="451 520 1052 558">IF additional borrower signatures are...</th> <th data-bbox="1052 520 1474 558">THEN...</th> </tr> </thead> <tbody> <tr> <td data-bbox="451 558 1052 632">required and users ENTER “Y”</td> <td data-bbox="1052 558 1474 632">users will be allowed to add the additional borrowers.</td> </tr> <tr> <td data-bbox="451 632 1052 674">not required</td> <td data-bbox="1052 632 1474 674">ENTER “N”.</td> </tr> </tbody> </table> <ul style="list-style-type: none"> “Interest Start Date is: __/__/__”; enter interest start date. <p>Note: The Interest Start Date must be the date FSFL is closed because this is the date that interest will start. Interest Start Date cannot be a previous or future date.</p> <p>PRESS “Enter” to continue. FSFL Amortization Report will print.</p> <p>Note: A previous or future date is not allowed as the interest start date. The only date allowed is the current date.</p>	IF additional borrower signatures are...	THEN...	required and users ENTER “Y”	users will be allowed to add the additional borrowers.	not required	ENTER “N”.
IF additional borrower signatures are...	THEN...						
required and users ENTER “Y”	users will be allowed to add the additional borrowers.						
not required	ENTER “N”.						
7	<p>On Screen VFB13000, Farm Storage Facility Loan Program, a summary of payments will be displayed. Answer the question, “Do you wish to print an additional copy of the Amortization Report? (Y or N)”. ENTER “Y” or “N”. PRESS “Enter”.</p>						
8	<p>On Screen VCA97000, FSFL – Printer ID Selection, change printer ID, if needed. PRESS “Enter”. FSFL Amortization Report will print.</p>						
9	<p>On Screen VFB16500, Farm Storage Facility Loan Program, an informational message appears indicating the Amortization Schedule is printing.</p>						
10	<p>On Screen VFA17005, Farm Storage Facility Loan Program, answer the question, “Do you wish to complete this process? (Y or N)”. ENTER “Y” and PRESS “Enter”.</p>						
11	<p>On Screen VCA97000, FSFL Printer ID Selection, change printer ID, if needed. PRESS “Enter”.</p>						
12	<p>On Screen VCE99910, Farm Storage Facility Loan Program, answer the question, “Do you want to reprint this form? (Y or N).</p> <table border="1" data-bbox="391 1528 1474 1675"> <thead> <tr> <th data-bbox="391 1528 935 1566">IF...</th> <th data-bbox="935 1528 1474 1566">THEN...</th> </tr> </thead> <tbody> <tr> <td data-bbox="391 1566 935 1604">user wants to reprint CCC-186</td> <td data-bbox="935 1566 1474 1604">ENTER “Y” and PRESS “Enter”.</td> </tr> <tr> <td data-bbox="391 1604 935 1675">CCC-186 printed correctly and another copy is not needed</td> <td data-bbox="935 1604 1474 1675">ENTER “N” and PRESS “Enter”.</td> </tr> </tbody> </table> <p>This completes the closing process. Users are locked out of the closing process for FSFL. Menu VCA005 will be displayed.</p>	IF...	THEN...	user wants to reprint CCC-186	ENTER “Y” and PRESS “ Enter ”.	CCC-186 printed correctly and another copy is not needed	ENTER “N” and PRESS “ Enter ”.
IF...	THEN...						
user wants to reprint CCC-186	ENTER “Y” and PRESS “ Enter ”.						
CCC-186 printed correctly and another copy is not needed	ENTER “N” and PRESS “ Enter ”.						

Note: As soon as CCC-186 is signed by the borrowers, FSFL is considered closed and disbursed. Provide the checks to appropriate parties.--*

351-360 (Reserved)

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 FSFL Report on Loans Not Closed*A Report VFB405-R001**

Report VFB405-R001, "FSFL Program Reminders",:

- has been developed to monitor and remind County Offices that they have made payment requests for FSFL, but have **not** yet completed the closing processes (disbursement option 2)
- prints during start-of-day
- lists FSFL's requested through disbursement option 2 with the closing process not completed
- will not print if there are **no** FSFL's requested with the closing process not completed
- will not display FSFL's on the list that are closed.

Note: FSFL's closed followed by a payment request (disbursement option 1) will **not** be listed on Report VFB405-R001.

County Offices shall use Report VFB405-R001 to ensure that they do the following:

- receive the checks printed and mailed directly to the County Office by Treasury based on the payment requests submitted
- receive FSFL transaction statement that will be mailed directly to the County Office
- schedule FSFL closing within 21 calendar days from the date the initial payment request was submitted (certified and signed) through NPS.

DD's shall review Report VFB405-R001 monthly.--*

***--415 FSFL Report on Loans Not Closed (Continued)**

B Example Report VFB405-R001

This is an example of Report VFB405-R001 that lists FSFL's on the basis of the date the payable was certified and signed in NPS.

IOWA Agriculture WILLIAMS Report ID: VFB405 – R001	U.S. Department of Commodity Credit Corporation FSFL Program Reminders																				
As of 01/05/2009																					
As of today, payment requests or check disbursements for the following FSFL loans have been processed but FSFL's are not yet Closed.																					
<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>FSFL Loan No</u></th> <th style="text-align: left;"><u>Date Payable to NPS</u></th> <th style="text-align: left;"><u>Days left to Close</u></th> <th style="text-align: left;"><u>Disb. Amt</u></th> </tr> </thead> <tbody> <tr> <td>2008/00030 80,050.00</td> <td>12/12/2008</td> <td>0 (3*)</td> <td></td> </tr> <tr> <td>2009/00002 89,000.00</td> <td>12/18/2008</td> <td>3</td> <td></td> </tr> <tr> <td>2009/00007 69,999.99</td> <td>12/23/2008</td> <td>9</td> <td></td> </tr> <tr> <td>2008/00008 21,250.00</td> <td>01/02/2009</td> <td>18</td> <td></td> </tr> </tbody> </table>	<u>FSFL Loan No</u>	<u>Date Payable to NPS</u>	<u>Days left to Close</u>	<u>Disb. Amt</u>	2008/00030 80,050.00	12/12/2008	0 (3*)		2009/00002 89,000.00	12/18/2008	3		2009/00007 69,999.99	12/23/2008	9		2008/00008 21,250.00	01/02/2009	18		
<u>FSFL Loan No</u>	<u>Date Payable to NPS</u>	<u>Days left to Close</u>	<u>Disb. Amt</u>																		
2008/00030 80,050.00	12/12/2008	0 (3*)																			
2009/00002 89,000.00	12/18/2008	3																			
2009/00007 69,999.99	12/23/2008	9																			
2008/00008 21,250.00	01/02/2009	18																			
* = Number of days since Payment Request submitted																					
HAVE YOU RECEIVED THE CHECKS FOR ANY OF THESE LOANS? IF YES, TAKE IMMEDIATE ACTION TO ARRANGE A CLOSING WITH THE BORROWERS (AND ATTORNEY IF NEEDED) within the 21 day time limit as indicated above?																					
IF YOU HAVE NOT RECEIVED A CHECK, PLEASE REVIEW THE BORROWER'S ACCOUNT UNDER FINANCIAL SERVICES ON THE FSA INTRANET PAGE TO DETERMINE WHETHER THE CHECKS HAVE BEEN ISSUED BY THE US TREASURY!																					
WHEN YOU COMPLETE THE CLOSING, FSFL WILL NO LONGER APPEAR ON THIS LIST.																					

Note: The example Report VFB405-R001 includes FSFL that has passed the 21 calendar day timeframe for closing. This FSFL is designated by 0(NN*) in the “Days Left to Close” column. The “Days Left to Close” column displays the actual number of days remaining since the payment request was certified and signed in NPS, with the number of days over the 21-calendar-day timeframe in parenthesis.

If checks and loan transaction statements are **not** received by the County Office in a timely manner, the County Offices **must** contact their State Office to determine whether the checks were lost in transit. State Office personnel will follow current FMD procedure for handling these situations. County Office personnel **must** be pro-active in tracking these FSFL's to ensure that checks and loan transaction statements are received timely and closings are completed within the 21 calendar day timeframe.

For FSFL's where the checks were received by the County Office, but the borrower has decided **not** to proceed with FSFL, the County Office **must** take action to cancel FSFL. See subparagraph 440 B for instructions on canceling FSFL's after checks have been written.--*

416-425 (Reserved)

440 Canceling FSFL Transactions

A Disbursement Cancellation

Access and complete FSFL disbursement cancellations according to this table.

Step	Action	Result
1	On Application Selection Menu FAX07001: <ul style="list-style-type: none"> • ENTER “13”, “Price Support” • PRESS “Enter”. 	Price Support Main Menu PCA005 will be displayed.
2	On Menu PCA005: <ul style="list-style-type: none"> • ENTER “15”, “Farm Storage Facility Loan Functions” • PRESS “Enter”. 	Facility Loans Main Menu VCA005 will be displayed.
3	On Menu VCA005: <ul style="list-style-type: none"> • ENTER “9”, “Cancel Transaction” • PRESS “Enter”. 	Screen VCA11000 will be displayed.
4	On Screen VCA11000: <ul style="list-style-type: none"> • enter applicant’s name, ID number and type, and FSFL number • PRESS “Enter”. 	Screen VGA00005 will display all transactions for the selected FSFL.
5	On Screen VGA00005, ENTER “Y” next to the transaction to be reversed.	“Warning” will be displayed. PRESS “Enter”.
6	If the listed transaction is correct, PRESS “Enter”.	Screen ANK52010 will display the question, “Is the check to be canceled available? (Y or N)”.
7	On Screen ANK52010: <ul style="list-style-type: none"> • ENTER “Y” or “N”, as applicable • PRESS “Enter”. 	If the answer is: <ul style="list-style-type: none"> • “Y”, the cancellation process completes • “N”, the cancellation process completes and a receivable is established for the disbursement amount. The canceled FSFL is no longer accessible through FSFL software.

--*

440 Canceling FSFL Transactions (Continued)

***--B Disbursement Corrections for FSFL Disbursement Option 1 That Will Be Re-Issued**

FSFL corrections will be processed in APSS; however, users **must** ensure that a receivable is created in NPS if the initial FSFL proceeds were certified and signed in NPS. A receivable will **not** be established if FSFL has **not** been signed and certified in NPS.

The following steps **must** be followed to correct FSFL transactions.

Step	Action
1	Cancel FSFL disbursement and/or closing according to subparagraph A, and create an overpayment receivable, if FSFL was signed and certified in NPS.
2	Identify if the receivable has been established. This can be verified on the Receivable Report on the Intranet Debt Data Mart. Follow FMD guidance for obtaining the Receivable Report.
3	Receivable will be established for offset in NPS.
4	<p>Process the corrected FSFL in APSS. In FSFL System 36 APSS software, if CCC-186 was printed, the entire FSFL will need to be canceled. The County Office will then need to re-enter, approve, and receive an obligation for a new FSFL.</p> <p>If a new FSFL is entered, County Offices are reminded of the following:</p> <ul style="list-style-type: none"> • the original CCC-185 and approval date shall be entered; the approval date determines the interest rate and this rate must be the date FSFL was originally approved • request the total amount needed for FSFL even though the amount may not be the same as the amount originally requested; such as FSFL amount was increased or decreased after final bills were received.
5	Payment information will be replicated from System 36 to NPS.
6	Payment request will appear on the appropriate NPS worklist.
7	Through NPS, the payment will be offset to pay off receivable, as applicable. The payment will then be certified.
8	Payment will be routed to the signing worklist to be signed.
9	<p>If the corrected FSFL results in an:</p> <ul style="list-style-type: none"> • overpayment, an additional disbursement shall be issued accordingly • underpayment, a demand letter shall be issued for remaining balance.

--*

440 Canceling FSFL Transactions (Continued)

***--B Disbursement Corrections for FSFL’s That Will Be Re-Issued (Continued)**

County Offices shall ensure that a receivable is present in NPS **before** processing a disbursement on the new FSFL.

Note: Debt Management Reports will be available listing these receivables. Follow FMD guidance for obtaining Debt Management Reports.

If CCC-186 has been generated in the FSFL System 36 APSS software and later cancelled, then a new FSFL **must** be recorded. APSS will **not** allow corrections once CCC-186 has been generated.

If CCC-186 was printed for FSFL, but the payment was **not** requested (disbursement Option 1 only), FSFL can be deleted according to subparagraph 319 F.

C Disbursement Corrections for Disbursement Option 2 That Will Not Be Re-Issued

When a forced check is received (disbursement option 2) and the borrower informs the County Office that they **no** longer want FSFL’s, follow this table to cancel the disbursement.

Step	Action
1	County Office shall: <ul style="list-style-type: none"> • write “VOID” on the check and make a photo copy for the file • mail the check marked “VOID” to Treasury at the following address: <p style="margin-left: 40px;">U.S. DEPT OF TREASURY KANSAS CITY FINANCIAL CENTER (KFC) PO BOX 34668-1068 KANSAS CITY MO 64116-1068</p> • not use Federal Express to mail checks to Treasury.
2	County Office shall send an e-mail, to both of the following, requesting that the check be re-issued payable to CCC. The e-mail shall include the producer’s name, check number, and address to send the re-issued check: <ul style="list-style-type: none"> • Rhonda Quinlan at ronda.quinlan@kcc.usda.gov • Mary Grisham at mary.grisham@kcc.usda.gov.
3	County Office shall cancel FSFL according to subparagraph A, and create an overpayment receivable.
4	When the overpayment receivable has been created in NPS, and the re-issued check made payable to CCC is received in the County Office, the check must be applied as a collection to the receivable.

--*

440 Canceling FSFL Transactions (Continued)

D Repayment Cancellation

Access and complete FSFL repayment cancellations according to this table.

Step	Action	Result
1	On Application Selection Menu FAX07001: <ul style="list-style-type: none"> • ENTER "13", "Price Support" • PRESS "Enter". 	Price Support Main Menu PCA005 will be displayed.
2	On Menu PCA005: <ul style="list-style-type: none"> • ENTER "15" Farm Storage Facility Loan Functions" • PRESS "Enter". 	Facility Loans Main Menu VCA005 will be displayed.
3	On Menu "VCA005: <ul style="list-style-type: none"> • ENTER ""9" "Cancel Transaction" • PRESS "Enter" 	Screen VCA11000 will be displayed
4	On Screen VCA11000: <ul style="list-style-type: none"> • enter applicant's name, ID number and type, and FSFL number • PRESS "Enter". 	Screen VGA00005 will display all transactions for the selected FSFL.
5	On Screen VGA00005, ENTER "Y" next to the transaction to be reversed.	The correction posting check-off list will be printed.
6	If the listed transaction is correct, PRESS "Enter".	The repayment is reversed.

441 System Control Functions

A System Controls

County Offices will receive instructions when to use system control functions to process:

- full file uploads of FSFL data to NITC in a “VB1” file
- KCMO/SUAB instructed file save of FSFL data.

B Processing System Control Functions

Access and process system control functions according to this table.

Step	Action	Result
1	On Application Selection Menu FAX07001: <ul style="list-style-type: none"> • ENTER “13”, “Price Support” • PRESS “Enter”. 	Price Support Main Menu PCA005 will be displayed.
2	On Menu PCA005: <ul style="list-style-type: none"> • ENTER “15”, “Farm Storage Facility Loan Functions” • PRESS “Enter”. 	Facility Loans Main Menu VCA005 will be displayed.
3	On Menu VCA005: <ul style="list-style-type: none"> • ENTER “10”, “System Control Functions” • PRESS “Enter”. 	System Control Main Menu VBA000 will be displayed.
4	On Menu VBA000, as applicable: <ul style="list-style-type: none"> • enter either of the following: <ul style="list-style-type: none"> • “1”, “Schedule Full File Upload of Facility Loan Data (VB1)” • “2”, “KCMO/SUAB Instructed File Save of Facility Loan Data” • PRESS “Enter” to complete the process according to screen displayed instructions. 	

442-450 (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	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 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
CCC-526	Payment Eligibility Average Adjusted Gross Income Certification		11
CCC-902E	Farm Operating Plan for an Entity 2009 and Subsequent Program Years		15
CCC-902I	Farm Operating Plan for an Individual 2009 and Subsequent Program Years		15
CCC-903	Worksheet For Payment Eligibility and Payment Limitation Determinations		15
FEMA 81-93	Standard Flood Hazard Determination		43, 58
FSA-850	Environmental Evaluation Checklist		10, 10.5, 43, 71, 75
FSA-2004	Authorization to Release Information		44
FSA-2015	Verification of Debts and Assets		44
FSA-2037	Farm Business Plan Worksheet Balance Sheet		44
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		44
FSA-2360	Report of Lien Search		47
IRS-1098	Mortgage Interest Statement		11
UCC-1	National Financing Statement		172, 228, 319, 414

Disbursement Option 1 – Screen VFB10200 to Complete FSFL Closings Before Payment Requests

The following example of revised Screen VFB10200, shows how County Offices **must** respond to the question on closing FSFL, if FSFL is to be closed and payment is immediately requested (disbursement option 1).

On **Screen VFB10200**, Close and/or Request Payment, user **must** answer “**Y**” to allow the closing process to continue; see subparagraph 349 B, step 7. Upon completing FSFL closing process, user **must** immediately access the following:

- **Menu VCA005, “3”, “Payment Requests”,** to generate payment data for NPS; see subparagraph 349 C
- NPS to certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day; see subparagraph 349 D.

```
699-LAKESYDE
                                                    VFB10200
CLOSE AND/OR REQUEST PAYMENT                Version: AD81  11-12-08 15:14
Term E4
-----
JOHN OBEONE                                FSFL# 2009/00008

CCC-185 Approval Date:    11-12-2008

Funded Amount is:    50,000.00    Disbursement Amt will be:    50,000.00

Do you want to close this loan now? (Y or N):  Y

IMPORTANT
To close and request payment for this loan now, enter "Y".
To order checks needed for closing, enter answer "N".

To assure the correct interest start date for loans closed and payments
requested today, the NPS worklist for this loan must be certified and
signed before 3:00 PM central time today.

Press "Enter" To Continue    Cmd7=End Of Job
```


Disbursement Option 2 – Screen VFB10200 to Request Payments Before FSFL Closings

The following example of revised Screen VFB10200 shows how County Offices **must** respond to the question on closing FSFL, if FSFL payments are requested **before** FSFL closing (disbursement option 2).

On **Screen VFB10200, Close and/or Request Payment**, user **must** answer “N” to **stop** the closing process; see subparagraphs 349 B, step 7, and 350 B, step 7.

To request payments, user **must** immediately access the following:

- **Menu VCA005, “3”, “Payment Requests”,** to generate payment data for NPS; see subparagraph 350 C
- NPS to complete joint payee information and certify and sign the payment requests for release to Treasury **before** the 3 p.m. c.t. cutoff that day; see subparagraph 350 D.

```
699-LAKESYDE
VFB10200
CLOSE AND/OR REQUEST PAYMENT          Version: AD81  11-12-08 15:14 Term E4
-----
JOHN OBEONE                            FSFL# 2009/00008

CCC-185 Approval Date:    11-12-2008

Funded Amount is:        50,000.00    Disbursement Amt will be:    50,000.00

Do you want to close this loan now? (Y or N):  N

IMPORTANT
To close and request payment for this loan now, enter "Y".
To order checks needed for closing, enter answer "N".

To assure the correct interest start date for loans closed and payments
re-requested today, the NPS worklist for this loan must be certified and
signed before 3:00 PM central time today.

Press "Enter" To Continue    Cmd7=End Of Job
```


Disbursement Option 1– Screen VFC10010 to Complete Payment Requests After FSFL Closings

Under disbursement option 1, the only disbursement option is for the entire FSFL amount to be sent to the borrower by direct deposit or check. Additional payables are **not** allowed.

On **Screen VFC10010**, FSFL Payment Requests, user **cannot** change the entries on the screen; see subparagraph 349 C. The joint payment option **cannot** be changed to “**Y**”.

To complete the payment request, the user **must** do the following:

- answer the question, “Do you have more payables to enter? (Y or N)” with “**N**”; PRESS “**Enter**” to generate payment data for NPS
- access NPS to certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day; see subparagraph 349 D.

Note: If direct deposit, the funds will be deposited in borrower’s account in 2 workdays. If **not** direct deposit, a check will be mailed from Treasury to borrower’s address in SCIMS within 3 workdays. Loan transaction statements will be mailed directly to borrower.

An example of **Screen VFC10010** follows.

```
699-LAKESYDE
VFC10010
FSFL PAYMENT REQUESTS                               Version: AD81 11-12-08 15:28 Term E4
-----
JOHN OBEONE                                         FSFL# 2009/00008

                PAYABLES FOR DISBURSEMENT

Payable      Amount      Joint Pmt      Payable      Amount      Joint Pmt
#1           50,000.00      (Y or N)      #2
#3
#5           #6
#7           #8
#9           #10
#11          #12
#13          #14
#15          #16
#17          #18
#19          #20

Payment Requests Total:      $50,000.00
Do you have more payables to enter? (Y or N)  N
Press "Enter" To Continue      Cmd3=Previous Screen      Cmd7= End of Job
```


Disbursement Option 2 – Screen VFC10010 to Request Payments Before FSFL Closings

Under disbursement option 2, County Offices request checks **before** FSFL closing. The payments will all be checks and mailed directly to the County Office for FSFL closing.

On **Screen VFC10010**, FSFL Payment Requests, user can **change** and **add** entries to the screen; see subparagraph 350 C, step 6. User **must** do the following:

- change payable #1 amount to reflect actual amount due borrower, if any
- leave alternate payee indicator “N”, if check is to be payable to borrower only
- enter payment additional requests based upon vendor amounts due
- enter “Y”, for alternate payee indicator, when check is to be made payable to the borrower and vendor
- adjust payment amounts so that the all of the Payable Amounts listed do **not** exceed or are **not** less than the Payment Requests Total at the bottom of the screen.

If Payable Amounts or Joint Payment Indicators (Alternate Payee Indicators) are **not** complete, or if Payable Amounts either exceed or are less than the Payment Requests Total at the bottom of the screen:

- a warning message will be displayed and user will **not** be allowed to continue
- user **must** do the following:
 - answer the question, “Do you have more payables to enter? (Y or N)”, with “Y”
 - correct payable amounts
 - complete entries where either a payable amount or alternate payee indicator column is incomplete.

Notes: User should **not** make any more entries than needed.

Payable entries are limited to a maximum of 20.

To complete the payments request, user **must** do the following:

- answer the question, “Do you have more payables to enter? (Y or N)”, with “N” and PRESS “**Enter**” to generate payment data for NPS
- access NPS to complete joint payee information and certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day.

**Disbursement Option 2 - Screen VFC10010 to Request Payments Before FSFL Closings
(Continued)**

Note: All forced checks or checks requested **before** FSFL closing will be mailed from Treasury to the County Office within 3 workdays. The 3 workdays do **not** include the time the checks are in the mail. Loan transaction statements will be mailed directly to the County Office. Once checks and loan transaction statements are received by the County Office, the County Office shall schedule a closing within 21 calendar days of certifying and signing in NPS; see paragraph 415.

The following is an example of **Screen VFC10010**.

```

699-LAKESYDE                                     VFC10010
FSFL PAYMENT REQUESTS                           Version: AD81  11-12-08 15:28 Term E4
-----
JOHN OBEONE                                     FSFL# 2009/00008

                PAYABLES FOR DISBURSEMENT

Payable      Amount      Joint Pmt      Payable      Amount      Joint Pmt
#1           30,000.00      N              #2           12,000.56      Y
#3           7,999.44       Y              #4
#5
#7
#9
#11
#13
#15
#17
#19

Payment Requests Total:      $50,000.00
Do you have more payables to enter? (Y or N)  N
Press "Enter" To Continue      Cmd3=Previous Screen  Cmd7= End of Job
    
```

Note: Payable #1 was \$50,000.00 with Alternate Payee Indicator (Joint Pmt) of “N”. User changed Payable #1 Amount to \$30,000.00, added Payables #2 and #3 for \$12,000.56 and \$7,999.44, both with joint payment indicator of “Y”. Payable #1 will automatically be made out to borrower. Since there were **no** more payables to enter, user should answer the question, “Do you have more payables to enter? (Y or N)”, with “N” and PRESS “**Enter**”.

**Disbursement Option 2 - Screen VFC10010 to Request Payments Before FSFL Closings
(Continued)**

The payables will be provided to NPS as listed. User **must** access NPS **before** the 3 p.m. c.t. cutoff that same day to complete freeform entries for alternate payees where on Screen VFC10010, the alternate payee indicator was set to “**Y**”. API indicator (Joint Payment) setting “**N**” will automatically make the check payable to the borrower **only** and the County Office will **not** be given the opportunity to make any changes to the payee or address.

Note: Payments with more than 1 payee listed, in:

- FSFL system are referred to as “joint payments”
- NPS are referred to as “alternate payees”.

When freeform entries are completed for each alternate payee, the County Office **must** then complete the certification and signing process; see subparagraph 350 D. Data will be provided to Treasury; checks and loan transaction statements will normally be mailed to the County Office within 3 workdays. The 3 workdays do **not** include the time the checks are in the mail.

