

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Farm Storage Facility Loan Program
1-FSFL (Revision 1)**

Amendment 8

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 11 A has been amended to:

- change the approval authority to allow for SED concurrence for CCC-185 specific situations listed in the subparagraph
- update the example.

Subparagraph 13 A has been amended to add honey as an eligible commodity based on the Secretary's authority to approve additional commodities.

Subparagraph 13 C has been amended to provide clarification for peanut hay eligibility.

Subparagraph 22 B has been amended to clarify that FSFL's may be approved for new components of used or pre-owned structures that are purchased and/or moved to a new location.

Subparagraph 24 C has been amended to provide that additional security may be required if it is determined by STC or COC that the storage structure has no resale value.

Subparagraph 24 I has been amended to provide that CCC pays the continuation of UCC-1 and UCC-1 as a fixture filing using UCC-3.

Subparagraph 24 N has been amended to provide new resale collateral value policy.

Subparagraph 24 O has been amended to provide that third party appraisals are acceptable according to subparagraph P.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Paragraph 33 has been amended to:

- remove the requirement to file CCC-674
- add lobbying disclosure certification language to CCC-186 (subparagraph 146 B)
- state that SF-LLL (subparagraph 33 C) is still required if the borrower will use funds received to lobby or otherwise influence the actions of a Federal official about a particular FSFL.

Subparagraph 34 C has been amended to provide that County Offices **must** make a field visit and conduct a collateral check of **all** FSFL's using asphalt flooring:

- at least once every other year
- and complete CCC-195 Servicing, items 12 E and 16, if necessary.

Subparagraph 51 G has been amended to provide an updated example of CCC-185 that includes:

- updated Privacy Act and Nondiscrimination Statement language
- an updated applicant certification statement at item 13 to include "By signing below, I acknowledge that, as a condition for the FSFL, I am required annually to provide proof of payment of real estate taxes, crop insurance or NAP; all-peril and flood insurance, if required."
- updated item 14, CCC Approval, to change the approval period from 4 to 6 months.

Subparagraph 52 C has been amended to provide an updated example of CCC-195 which includes changes to items:

- 11A
- 13C
- 15H

Subparagraph 52 D has been amended to provide that if it is determined by STC or COC that the collateral does not have resale collateral value, additional security may be required.

Subparagraph 52 E has been amended to provide that if CCC-195 is prepared by CED, STC designee **must** review CCC-195. If CCC-195 is 1 of the first three FSFL's received each FY, STC designee may complete item 22 and note in item 23 that, "CCC-195 was reviewed according to subparagraph 52 E".

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 53 G has been amended to include that if an irrevocable letter of credit is used as security for FSFL, a financial analysis and credit report are **not** required, unless it is required by STC.

Subparagraph 54 F has been amended to provide the current contact person.

Subparagraph 56 B has been amended to provide that if the irrevocable letter of credit is received in the County Office before the equipment is delivered to the proposed location, unless required by State law or STC, UCC-1 is **not** required.

Subparagraph 69 F has been amended to provide that if it is determined that the storage structure **cannot** be insured with all-peril structural insurance, DAFP waiver request is **required**, according to paragraph 301.

Subparagraph 115 A has been amended to reference resale value policy in subparagraph 24 N.

Subparagraph 116 B has been provided to provide and updated example of CCC-185, page 2.

Subparagraphs 130 A and B have been amended to provide that CCC-297 is required regardless of the FSFL amount for:

- all FSFL assumptions
- FSFL's where the security is owned by someone other than the borrower.

Subparagraph 130 B has been amended to add a note that additional security may be required for FSFL's with an aggregate outstanding FSFL balance equal or less than \$100,000, if STC or COC determines that the structure has no resale value. See subparagraph 24 N for guidance.

Subparagraph 133 E has been amended to include if the supplier and/or contractor was **not** paid, the County Office must notate on CCC-191 that, "no payment was made", and FSFL disbursement **must** be joint to the producer and supplier and/or contractor.

Subparagraph 134 A has been amended to:

- remove CCC-295B policy
- include that the facility inspection **must** be documented according to subparagraph 163 A and paragraph 167 on CCC-195 Servicing, item 12.

Subparagraph 135 A has been amended to clarify that STC's (or delegated SED) or COC's shall grant and approve extensions on CCC-185, item 14 C.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 146 B has been added to provide an updated example of CCC-186 that includes:

- updated Privacy Act and Discrimination Act language
- lobbying disclosure certification language added to item 11.

Subparagraph 158 A has been amended to provide that the installment is due and payable no later than the FSFL annual anniversary day until the principal plus accrued interest has been paid in-full.

Subparagraph 158 C has been amended to provide that CCC-195 Servicing shall be prepared at the same time the reminder and notification letter is mailed to FSFL producer.

Subparagraphs 158 H and 161 A have been amended to provide that security documents may be released earlier than 30 calendar days if, after SED review, it is determined FSFL has been satisfied and paid in-full. The authority for this release may **not** be redelegated.

Subparagraph 163 A has been amended to remove CCC-295B policy.

Paragraph 167 has been added to provide CCC-195 Servicing policy.

Subparagraph 231 C has been amended to provide that security documents may be released earlier than 30 calendar days if, after SED review, it is determined FSFL has been satisfied and paid in-full.

Subparagraph 312 B has been amended to provide that State Offices **must** contact the National Office for instructions when deleting and reentering XXFSFLFEES.

Subparagraph 314 E has been amended to provide that NRRS code “XXFSFLRF” shall be used for recording a lien search, UCC-1, and/or UCC-3 continuation recording fees in OLP.

Exhibits 1 and 15 have been amended to remove CCC-295B policy.

Exhibit 25 has been withdrawn because CCC-295B is being obsoleted.

Exhibits 35 and 36 have been amended to provide FY 2013 and FY 2014 examples.

B Obsolete Material

CCC-295B has been obsoleted by this amendment.

Amendment Transmittal (Continued)

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11 CCC-185 Approval Authorities for Specific Situations (Continued)

A COC Authorized Approval Authority (Continued)

COC's have the authority to approve CCC-185's for FSFL's for \$100,000 or less or *--\$250,000 or less **after** DD review, **with** STC or designated SED concurrence in cases--* where the applicants began specific actions before CCC-185 approval. The applicable actions include the following:

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

Note: Although producers will be proceeding at their own risk, COC can issue an approval *--conditional on STC or designated SED concurrence if 1 of the 3 actions in this--* subparagraph is applicable, and use the initial COC approval date and interest rate, if **all** of the following apply:

- CCC-185 was completed and signed by the applicant before starting any of the 3 actions in this subparagraph
- FSFL is \$100,000 or less or between \$100,000.01 to \$250,000 with DD review
- COC is FSFL approval authority
- all applicant eligibility requirements were met when COC issued conditional approval
- concurrence request is received in the State Office within 10 workdays of COC conditional approval.

Example: The producer completes CCC-185 in the County Office on *--August 20, 2013. On September 4, 2013, 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 construction needed to start so the bin would be completed in time to store the 2013 harvest. COC is the approving authority and determines the actions completed before CCC-185 approval do **not** adversely affect FSFL operation. COC may issue a conditional approval, with STC or designated SED concurrence, **without** requesting a DAFP waiver, if construction of the facility itself is **not** started until after CCC-185 approval.

The producer can start construction based on COC's conditional approval but the COC approval date for the funding should not be entered into the system until STC or designated SED has concurred.--*

11 CCC-185 Approval Authorities for Specific Situations (Continued)

A COC Authorized Approval Authority (Continued)

The following must be on file in the County Office **before** COC can approve FSFL:

- CCC-185 completed and signed by the applicant
- \$100 application fee per borrower was received and deposited, as applicable

Note: See paragraph 30.

- the financial analysis for all borrowers and entities was completed
- FSA-850 completed with **no** significant adverse impacts identified.

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
- \$100 application fee per borrower was received and deposited, as applicable

Note: See paragraph 30.

- all required documentation for financial analysis for all borrowers and entities were 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 **can** delegate CCC-185 approval process to SED only
- **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 CCC's behalf.

See Exhibit 2 for the definition of construction of FSFL.

11 CCC-185 Approval Authorities for Specific Situations (Continued)

C Expanded STC Authorized Approval Authority

STC's may approve FSFL's where construction started before loan approval if **all** of the following apply:

- total loan principal of the applicable loan application is \$250,000 or less
- total of this application and all other outstanding FSFL's to the same borrowers is \$300,000 or less
- the application and all documentation required for the financial analysis is submitted to the County Office within 3 months after construction completed
- all applicant eligibility, equipment eligibility, and collateral security requirements are met
- FSA-850 and, if applicable, FSA-851 completed with no significant adverse impacts identified.

If all these provisions apply:

- DAFP waiver is **not** required
- STC **can** delegate CCC-185 approval process to SED only
- loan approval date will be the date STC approves FSFL.

Note: Interest rate of FSFL is based on loan approval date.

D DAFP CCC-185 Approval Required

For CCC-185's where the specific situation is **not** covered under subparagraphs A through C, 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 FSFL 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

11 CCC-185 Approval Authorities for Specific Situations (Continued)

D DAFP CCC-185 Approval Required (Continued)

- request DAFP waiver through STC according to subparagraphs 2 E and 301 A.

***--Example:** The producer submits CCC-185 in the County Office on September 1, 2012. The producer is instructed by the County Office to provide supporting documentation to complete a financial analysis. On March 1, 2013, 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. The bills indicate construction was completed on October 31, 2012.--*

County Offices shall submit copies of the following to the State Office for forwarding to DAFP for approval requests:

- CCC-185
- FSA-850 and FSA-851, if applicable
- CCC-195
- memorandum from COC meeting
- COC minutes.

If STC requests a DAFP waiver, these documents shall be forwarded to DAFP, along with the following:

- memorandum from SED applicable to STC request
- copies of the STC minutes.

E 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.

13 Eligible FSFL Commodities

A Commodities Authorized Under CCC Charter Act

Eligible commodities authorized by CCC Charter Act for FSFL's include the following:

- feed grains, harvested as whole grain or other than whole grain include the following:
 - barley
 - corn
 - grain sorghum
 - oats
 - wheat
- honey
- other grains include the following:
 - buckwheat
 - speltz
 - triticale
- oilseeds include the following:
 - canola
 - crambe
 - flaxseed
 - mustard seed
 - rapeseed
 - safflower
 - sesame seeds
 - soybeans
 - sunflower seeds
- peanuts
- pulse crops include the following:
 - chickpeas
 - dry peas
 - lentils
 - dry beans
- rice.

1 Added based on the Secretary's authority to approve additional commodities.

13 Eligible FSFL Commodities (Continued)

B Cold Storage Facilities for FAV's Including Nuts

The following provides FAV's eligible for cold storage FSFL's that must be grown on cultivated farmland.

Eligible FAV's Including Nuts			
Almonds	Chestnuts	Leeks	Plums
Apples	Chicory/Radicchio	Lemons	Pomegranates
Apricots	Coconuts	Lettuce	Potatoes
Aronia Berries	Corn	Limes	Potatoes, Sweet
Artichokes	Cranberries	Macadamia Nuts	Prunes
Asparagus	Cucumbers	Mangos	Pumpkins
Avocados	Currants	Mushrooms	Radishes
Bamboo Shoots	Dates	Nectarines	Raisins
Bananas	Eggplant	Okra	Rhubarb
Beans	Elderberries	Olives	Rutabaga
Beets	Figs	Onions	Scallions
Blueberries	Garlic	Oranges	Shallots
Broccoli	Ginger	Papaya	Squash
Brussel Sprouts	Grapefruit	Parsnip	Strawberries
Cabbage	Grapes	Peaches	Tangelos
Caneberries	Green Peanuts	Peas	Tomatoes
Cantaloupes	Hazel Nuts	Pecans	Turnips
Carrots	Herbs	Peppers	Walnuts
Cashews	Honeydew	Pineapple	Water Cress
Cauliflower	Kiwifruit	Pistachios	Watermelon
Celery	Kohlrabi	Plantain	Yams
Cherries			

Note: Caneberries include blackberries and raspberries.

For FAV's, including nuts, **not** currently identified as eligible for cold storage FSFL's and the need has been determined, the State Office shall prepare a written document to justify the *--addition of the crop and e-mail to Toni Williams at toni.williams@wdc.usda.gov.--*

The justification document should, at a minimum, provide the following:

- general information about the fruit or vegetable, including its use
- cold storage needs
- market for the requested fruit or vegetable.

13 Eligible FSFL Commodities (Continued)

C Hay

Hay is defined as a grass or legume that has been cut and stored, and includes the following:

- commonly used grass mixtures include the following:
 - brome
 - costal Bermuda
 - fescue grass
 - orchard grass
 - rye grass
 - timothy grass
 - other native grass species prevalent in the region

- forage legumes include the following:
 - alfalfa
 - clovers
 - trefoil

* * *

Examples: Examples of grain legumes include, but are not limited to, the following:

- lentils
- * * *
- peas
- soybeans.

•*--all FSFL commodities that are baled after harvest for animal feed, including but not limited to peanuts, qualify as hay.--*

13 Eligible FSFL Commodities (Continued)

D Definition of Renewable Biomass

Renewable biomass is defined as any organic matter that is available on a renewable or recurring basis used for the production of energy in the form of heat, electricity, and liquid, solid, or gaseous fuels. Renewable biomass includes the following:

- algae
- crop residue including, but **not** limited to:
 - corn stover
 - orchard prunings
 - various straws and hulls
- plants and trees, **excluding old growth timber**
- renewable plant materials as follows:
 - feed grains
 - other agricultural commodities including, but **not** limited to:
 - soybeans
 - switch grass
- vegetative waste material including, but **not** limited to:
 - food waste
 - wood residue
 - wood waste
 - yard waste.

22 Renovating Structures and Pre-Owned Facilities

A Renovating Facilities

FSFL's may be approved for financing additions to or modifications of an existing storage facility, with an expected useful life of 15 years, 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 15 years
- **Note:** Replacing motors, fans, and wiring that has worn out is **not** authorized.
- for new purchase items, such as the following:
 - replacing 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
 - refrigeration units
- the applicant meets the storage need requirement.

Notes: 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. See subparagraph 15 B, step 4.

Existing structures for all FSFL eligible commodities are eligible for FSFL renovations as long as all requirements are met.

22 Renovating Structures and Pre-Owned Facilities (Continued)

B Pre-Owned Structures

FSFL's may be approved for **new** components of used or pre-owned structures that are ~~new~~-purchased and/or moved to a new location. Allowable net cost items are items such as the ~~new~~ following:

- site preparation
- foundation material and off-farm paid labor
- off-farm paid construction labor to erect the used or pre-owned structure
- new doors, new roof panels, and new rings needing replacement, and new grain dryer systems
- new insulation.

Items ineligible for FSFL are costs:

- of the used or pre-owned structure
- to disassemble and move the used or pre-owned structure.

23 FSFL Terms

A Maximum Term

[7 CFR 1436.7] The FSFL maximum term shall be 7, 10, or 12 years from the date of the execution of CCC-186 based on total FSFL principal as follows:

- if \$100,000 or less, 7-year FSFL term
- if \$100,000.01 to \$250,000, 7- or 10-year FSFL term
- if \$250,000.01 to \$500,000, 7-, 10-, or 12-year FSFL term.

B Extensions

No FSFL term extensions are authorized.

24 Security for FSFL's**A Secured by CCC-186's**

[7 CFR 1436.8] All FSFL's shall be secured by CCC-186 covering the farm storage facility. CCC-186 shall:

- grant CCC a security interest in the collateral
- be executed as required by State law where the collateral is located.

B Prior Liens on Real Estate

CCC's security interest in the **collateral**, such as the actual storage structure, shall constitute the sole security interest in collateral. If prior liens on the underlying real estate attach to the collateral, County Offices shall:

- unless waived by regional OGC, obtain CCC-297 from each prior or superior lienholder and each person, including the borrower, having an interest in the real estate on which the collateral is located **before** FSFL closing and disbursement and **before** the partial disbursement, if applicable

Notes: CCC-297 shall be filed with the appropriate county real estate records **before** FSFL closing.

See paragraph 130 and Exhibit 10 for more details.

- **not** allow any additional liens or encumbrances to be placed on the storage facility after FSFL is approved unless CCC approves otherwise in writing.

24 Security for FSFL's (Continued)

C Additional Security Requirements

Additional security is required if any of the following apply:

- FSFL amount exceeds \$100,000

Note: The new additional security policy increase from \$50,000 to \$100,000 also applies to FSFL's **approved** before August 28, 2012. FSFL's must be re-reviewed and approved by the approving official. The approving official **must** document the approval on CCC-185, item 18.

- the aggregate outstanding FSFL balance exceeds \$100,000

Notes: The aggregate outstanding FSFL balance is the sum of the outstanding balances of **all** FSFL's disbursed to borrowers signing CCC-186.

STC's may set a more restrictive Statewide policy for determining if additional security is required for FSFL's exceeding \$50,000.

Examples: The producer has an outstanding FSFL for \$75,000 and requests a new FSFL for \$40,000. Additional security is only required to secure the new or \$40,000 FSFL.

A 2-person partnership requests FSFL for \$105,000. FSFL is made to the partnership because the partnership is the farming entity. Additional security is needed as **FSFL** exceeds \$100,000.

- COC determines, as a result of financial analysis, that additional security is required

--Additional security may be required for FSFL's with an aggregate outstanding FSFL balance equal or less than \$100,000, if STC or COC determines that the structure has no resale value. See subparagraph 24 N for guidance.--

Note: COC shall determine resale collateral value based on local market conditions.

A lien on the real estate that includes the land where FSFL will be located is the preferred additional security.

FSFL's will be adequately secured when the real estate security for FSFL is at least equal to the FSFL amount.

For FSFL amounts secured by real estate, CCC's interest in the real estate shall be superior to all other lienholders. If the real estate is covered by a prior lien, a lien subordination may be obtained by a form approved for use in the State by the regional attorney.

Exception: If FSA holds a superior lien on applicable real estate through an FLP loan, subordination is **not** required. However, a junior real estate lien is **required**.

24 Security for FSFL’s (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
- used by each financial institution and reviewed and approved by the regional OGC each FY

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 calendar days after the date of the final repayment.

State Offices must check with their respective regional OGC to ensure that laws specific to their State are included in the irrevocable letter of credit.

The irrevocable letter of credit is considered sufficient security for FSFL when all requirements are met according to this paragraph and a financial analysis is not required, unless a more restrictive policy has been set by STC.

Note: At this time, an irrevocable letter of credit **cannot** be used along with other methods.

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.

IF the transaction is for...	THEN the fee is paid by...
a collateral lien search	CCC.
a credit report	
fees charged by a local or State municipality for expenses associated with a real estate lien search for CCC-297 purposes	
filing UCC-1	
filing UCC-1 as a fixture filing	
--continuation of UCC-1 and UCC-1 as a fixture filing using UCC-3--	

24 Security for FSFL’s (Continued)

I Fees for Filing and Recording UCC’s, Instruments, and Other Transactions (Continued)

IF the transaction is for...	THEN the fee is paid by...
all other instrument filing and recording transactions related to a lien on real estate used to secure FSFL	borrower.
attorney fees related to a lien on real estate used to secure FSFL	
fees charged by superior lienholders to subordinate or release collateral to CCC	
filing a discharge of CCC-297	
filing a release or discharge of a real estate lien, such as a mortgage	
filing and recording a subordination agreement 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 CCC-297	
terminating UCC-1 using UCC-3	

J Adequate Security and Appraisals of Real Estate

FSFL’s are considered to be adequately secured when the value of real estate security for FSFL, before installing the requested FSFL structure, is at least equal to FSFL’s amount. For FSFL’s where the value of real estate and previous improvements offered as collateral is in doubt, approving committees may request an appraisal, at the FSFL applicant’s expense, from a list of FLP-approved appraisers. The applicant must agree to the request for an appraisal.

Notes: To ensure consistency in determining the value of FSFL real estate security within a State, STC’s may set specific procedure to be followed. It is the responsibility of STC to ensure that all FSFL’s in their State are adequately secure.--*

If an appraisal was made on the real estate within the last year by a bank or for FLP, and the real estate values have remained consistent, that appraisal may be used to determine value, **if** the appraiser conducting the appraisal is on the list of FLP-approved appraisers.

K Security on Leased Land

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

24 Security for FSFL's (Continued)

L Partial and Final FSFL Closings Using Real Estate as Additional Security

* * *When real estate is used for the required additional security for the:

- partial disbursement, security applicable to the partial disbursement amount will be required **before** the partial disbursement FSFL closing
- final disbursement, security applicable to the total FSFL amount will be required **before** FSFL closing.

Examples: The following is an example of FSFL with both partial and final disbursements and the security required for each.

*--FSFL is approved for \$105,000. Half the facility is constructed and a partial disbursement is requested for \$52,500. UCC-1 has been filed on the structure, but additional security is **not** required when the \$52,500 partial disbursement is closed. When the final FSFL disbursement is made, additional security for both FSFL's totaling \$105,000 is **required**.

The following is an example of FSFL with both partial and final disbursements where additional security is required.

FSFL is approved for \$200,000. Half the facility is constructed and a partial disbursement is requested for \$100,000. Additional security is required for the \$100,000 partial disbursement and for the \$100,000--* final disbursement. The following options are available to the borrower:

- present 2 separate real estate mortgages, 1 for the partial disbursement and another for the final disbursement
- present 1 real estate mortgage to secure both the partial and final disbursement at the time of the partial disbursement, if possible according to the laws in the State. Check with the regional OGC to ensure that this is possible.

24 Security for FSFL's (Continued)

M Applying Value to FSFL Structure Separate From Real Estate

When FSFL real estate security is separate from FSFL collateral, the County Office may apply a value of no more than **20** percent of the loan amount to the structure if **all** of the following apply:

- CCC-297 is obtained from the owners of the real estate on which FSFL structure is located severing the FSFL structure from the real estate

Note: Unless State law, as determined by the regional OGC, makes using CCC-297 unnecessary, **and** CCC is adequately protected without CCC-297.

- UCC-1 is filed on FSFL structure giving CCC first lien position
- FSFL structure **must** have resale collateral value according to subparagraphs C and N.

See Exhibit 12 to determine the value of real estate security separate from the FSFL facility.

N Resale Collateral Value

--County Offices, with assistance from an FLP loan approval official, when required by subparagraph C, shall determine resale collateral value based on local market conditions-- and depreciation factors.

* * *

In most cases, the resale collateral value will **not** equal the outstanding loan value if the collateral is moved or sold and will be less than its fair market value. The resale collateral value **must** be a reasonable price that CCC can expect to receive if the loan has to be liquidated. A reasonable valuation will provide security for both the borrower and CCC.

Resale collateral values provided by a qualified expert, such as an FSA employee delegated chattel appraisal authority according to 1-FLP.

*--**Note:** Additional security may be required for FSFL's with an aggregate outstanding FSFL balance equal or less than \$100,000, if STC or COC determines that the structure has no resale value.--*

24 Security for FSFL’s (Continued)

N Resale Collateral Value

*--Use the following table as an option when it is determined by STC or COC that the storage structure has **no** resale collateral value and the producer does **not** have additional security available to secure FSFL.

IF the aggregate outstanding FSFL balance is...	THEN the FSA employee with loan approval authority must determine the producer has the ability to repay FSFL and is credit worthy, and STC...
\$25,000 or less	may determine Statewide that a downpayment of 20 percent of the eligible net costs is required. Note: A minimum downpayment of 15 percent is required according to subparagraph 27 A.
\$25,000.01 to \$50,000	must require Statewide a downpayment of 20 percent of the eligible net costs.
\$50,000.01 to \$100,000	must require Statewide a downpayment of 25 percent of the eligible net costs.

Notes: The new resale collateral value policy applies to FSFL’s approved **before February 12, 2013**. FSFL’s **must** be re-reviewed and approved by the approving official. The new policy does **not** apply to FSFL’s already disbursed.

State or County Offices **must** ensure that the additional downpayment is recorded on the FSFL disbursement calculator, according to subparagraph 28 H, and provide the following comment in FSFL Disbursement Calculator Excel worksheet, Part C:

“An additional downpayment was required according to 1-FSFL, subparagraph 24 N policy”.

CCC-297 is **not** required when the downpayment is 20 percent or more.--*

O Determining Security Values for Existing Structures

No security value can be given to existing structures unless the value of the property is included in an appraisal or the tax assessment statement. STC’s, COC’s, and/or FLP employees shall not assign a value to an existing structure based on common knowledge obtained from others in the community.

*--**Note:** Third party appraisals are acceptable according to subparagraph P.--*

32 FSFL Policy on Other Grants and Loans (Continued)

B FSFL's (Continued)

Example: The total cost of an FSFL structure is \$100,000. The producer receives a USDA RD REAP grant for \$25,000 for the same structure for the same or overlapping time period. The REAP grant is subtracted from the total cost of the structure. The producer is required to contribute at least 15 percent, or in this example \$11,250, of their own money to the project. The maximum amount the producer can receive for FSFL shall be \$63,750 as follows.

\$100,000	Total cost of structure
<u>- \$25,000</u>	REAP grant received for the same structure
\$ 75,000	Maximum FSFL amount before required downpayment
<u>- \$11,250</u>	Required 15 percent downpayment
\$ 63,750	Total eligible amount allowable for FSFL

C Applicable Grant and Loan Amounts

There may be costs associated with securing a Government grant or loan. The following are examples of eligible costs, with documentation, that may be subtracted from the grant or loan amount to be applied to FSFL.

- **Grant writer fee** – Grant writers are being hired to write grant proposals for many Government grants. The fee charged by the grant writer is either a flat fee or a percentage of the final grant.
- **Energy audits** – REAP grants and loan applicants may be required to provide and pay for an energy audit for their proposed project. If a REAP grant or loan is approved, the cost of the energy audit may be subtracted from FSFL.

Example: An approved FSFL applicant has hired a grant writer to prepare the grant proposal for a \$250,000 grain storage facility. The fee charged by the grant writer is 10 percent of the final grant award. The REAP grant is awarded for \$62,500. The grant recipient owes the grant writer \$6,250. The applicable grant amount for FSFL purposes is \$56,250. This amount must be subtracted from the total cost of the structure, as follows.

\$250,000.00	Total cost of structure
<u>- \$56,250.00</u>	REAP grant received less the grant writer fee
\$193,750.00	Maximum FSFL amount before required downpayment
<u>- \$29,062.50</u>	Required 15 percent downpayment
\$164,687.50	Total eligible amount allowable for FSFL

33 Lobbying Activity Provisions

A Applicability

Lobbying disclosure requirements apply to applicants and recipients of FSFL proceeds exceeding \$150,000.

B Filing Forms

FSFL recipients **must** file the form specified in this table for **each** FSFL exceeding \$150,000.

*--

IF monies received have...	THEN...
<p>not or will not be used to lobby or otherwise influence the actions of a Federal official about a particular FSFL</p>	<p>CCC-674 is not required because CCC-186, item 11 contains lobbying disclosure certification language. Loan applicants certify to compliance when signing CCC-186.</p>
<p>or will be used to lobby or otherwise influence the actions of a Federal official about a particular FSFL</p>	<p>file SF-LLL (subparagraph C). CCC-674 is not required because CCC-186, item 11 contains lobbying disclosure certification language. Loan applicants certify to compliance when signing CCC-186.</p>
	<p>Note: File SF-LLL-A if applicable (subparagraph D).</p>

--*

33 Lobbying Activity Provisions (Continued)

C Example of SF-LLL

The following is an example of SF-LLL.

Approved by OMB No. 0348-0046		
<p>DISCLOSURE OF LOBBYING ACTIVITIES Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 (See Reverse for public burden disclosure.)</p>		
<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change</p> <p>For Material Change Only: year _____ quarter _____ date of last report _____</p>
<p>4. Name and Address of Reporting Entity:</p> <p><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:</p> <p>Congressional District, If known:</p>		<p>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District, If known:</p>
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number, if applicable:</p>	
<p>8. Federal Action Number, If known:</p>	<p>9. Award Amount, If known:</p> <p>\$ _____</p>	
<p>10. a. Name and Address of Lobbying Registrant (If individual, last name, first name, MI):</p>	<p>b. Individuals Performing Services (Including address if different from No. 10a) (last name, first name, MI):</p>	
<p>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>		<p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Telephone No.: _____ Date: _____</p>
<p>Federal Use Only:</p>		<p>Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)</p>

33 Lobbying Activity Provisions (Continued)

C Example of SF-LLL (Continued)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred, Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be a prime or subaward receipt. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes.
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in Item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name and Middle Initial (MI).
11. Certifying official shall sign and date the form, print his/her name, title and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

33 Lobbying Activity Provisions (Continued)

D Example of SF-LLL-A

The following is an example of SF-LLL-A.

DISCLOSURE OF LOBBYING ACTIVITIES
CONTINUATION SHEET

Approved by OMB
0348-0046

Reporting Entity: _____ Page ____ of ____

%

Authorized for Local Reproduction
Standard Form--LLL-A

33 Lobbying Activity Provisions (Continued)

E County Office Action

County Offices shall follow procedures in this table **each** time FSFL exceeding \$150,000 is requested and the borrower will use the loan process to lobby or otherwise influence the actions of a Federal official according to subparagraph B.

Step	Action
1	Provide the borrower a copy of *** SF-LLL and SF-LLL-A with instructions to complete and return the applicable form to the County Office.
2	Disburse FSFL after the applicant or borrower returns the completed *** SF-LLL or SF-LLL-A, as applicable, to the County Office.
3	File the original *** SF-LLL and SF-LLL-A in the FSFL folder in the County Office.

Examples: A borrower is approved for FSFL totaling \$160,000. FSFL's for a partial disbursement of \$75,000 and a final disbursement of \$85,000 are made. *** SF-LLL is needed for the final disbursement, and both FSFL numbers shall be referenced.

A borrower is approved for FSFL totaling \$400,000. FSFL's for a partial disbursement of \$200,000 and a final disbursement of \$200,000 are made. *** SF-LLL is needed for **each** disbursement.

F Assistance

For situations **not** covered in this paragraph, County Offices shall contact PSD through their State Office price support specialist for additional assistance.

*--34 Asphalt Flooring for FSFL Structures With Commodities Harvested as Other Than Whole Grain

A Asphalt Flooring

Documentation from a number of land-grant universities, in certain regions, has concluded that asphalt flooring:

- is acceptable for use in storage pads for agricultural commodities
- has proven to be even more resilient than concrete in bunker silos and storage pads
- is successful only if constructed properly.

FSFL applicants requesting to use asphalt flooring in structures to store corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain, shall be:

- advised by the County Office that asphalt flooring must be constructed according to specific specifications in subparagraph B

Note: If not constructed according to the specific specifications, approval and/or FSFL disbursement is not authorized.

- informed that the STC or STC designated SED are the approval authority for FSFL's with asphalt flooring
- notified that additional security equal to the loan amount is required for all FSFL's with asphalt flooring used to store CCC Charter Act Commodities harvested as other than whole grain.

B Specifications for Asphalt Flooring

The following specifications must be followed for asphalt flooring for hay, renewable biomass structures and STC or STC designated SED approval of FSFL flooring for corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain:

- 6- to 12-inch well-packed crushed gravel base with drainage both inside and outside the footing to prevent water from getting under the asphalt
- 4 to 6 inches of high-grade asphalt, including 3 to 5 inches of fine material and 1 inch of very fine material--*

34 Asphalt Flooring for FSFL Structures With Commodities Harvested as Other Than Whole Grain (Continued)

B Specifications for Asphalt Flooring (Continued)

- compacted at least twice with a 20-ton roller:
 - first with a vibrating roller
 - second with a finishing roller to remove ripples
- sealed with an asphalt sealer.

Note: COC's or their designee will be responsible for monitoring construction to ensure that the asphalt flooring is constructed according to **all** the specifications in this subparagraph. STC will determine the number of field visits the county shall make to monitor construction.

C Required FSFL Spot Checks of Asphalt Flooring

County Offices are required to periodically conduct collateral checks of all outstanding FSFL's according to 1-FSFL, subparagraph 163 A.

To ensure that asphalt flooring is being properly maintained, County Offices must make a field visit and conduct a collateral check of all FSFL's using asphalt flooring:

- at least once every other year
- *--and complete CCC-195 Servicing, item 12 E to document the field visit, and record remarks in item 16.--*

Note: In addition, County Offices shall annually verify:

- structural and flood insurance
- multi-peril crop insurance.

D STC Action

For FSFL's storing corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain, STC's shall:

- determine with the assistance of their land-grant university and the National Institute of Food and Agriculture if asphalt is a viable option instead of concrete in their State
- advise their County Offices that asphalt flooring is acceptable only if properly constructed
- approve on a case by case basis, CCC-185 requests for using asphalt flooring
- require additional security for FSFL's with asphalt flooring.

34 Asphalt Flooring for FSFL Structures With Commodities Harvested as Other Than Whole Grain (Continued)

E COC and County Office Action

For FSFL's storing corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain, COC's and County Offices shall:

- inform FSFL applicants requesting to use asphalt flooring in their structures:
 - that STC approval, on a case-by-case basis is required
 - of construction specifications required for asphalt flooring according to subparagraph B
 - of required additional security required for using asphalt flooring
- submit each CCC-185 to STC for approval before construction.

G Example of Manual CCC-185

The following is an example of a manual CCC-185, page 1.

*--

This form is available electronically.		(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)		
CCC-185 U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation (02-12-13)		FOR COUNTY USE ONLY		
LOAN APPLICATION AND APPROVAL FOR FARM STORAGE AND DRYING EQUIPMENT LOAN PROGRAM		1. LOAN IDENTIFICATION NUMBER		
		A. State Code 36	B. County Code 123	C. Loan No. 2013/00001
2A. Name and Address of Loan Applicant (Including ZIP Code) Smith Farms, Inc. 202 State Road 245 Pen Yan, NY 14527		2B. Tax Identification No. (last 4 digits) 9420	2C. Telephone No. (Including Area Code) 123-555-5550	
		3A. Requested Loan Amount \$ 60,000.00	3B. Requested Loan Term 7	
4. Purpose of Loan (For example, loan to purchase, construct, erect, install or remodel the farm storage facility.) To purchase and construct a 50,000 bushel grain storage bin with aeration floor and grain spreader.				
5. Facility Equipment described in Item 4 needed for the storage, drying, or handling of the estimated production of the listed commodities on the farm.				
A. Farm Number	B. Commodities	C. Acres	D. Yield Per Acre	E. Total Production for Each Commodity (Item 5C times Item 5D = Item 5E)
350	corn	300	X 100 =	30,000
790	corn	200	X 100 =	20,000
350	soya	100	X 40 =	4,000
790	soya	100	X 40 =	4,000
			X =	
			X =	
F. Total Production from Item 5E.				58,000
G. Total Estimated Production Times Applicable Years				116,000
H. Existing Capacity				40,000
I. Additional Capacity Needed				76,000
J. Capacity of Proposed Storage Structure Described in Item 4.				50,000
K. Eligibility and Proration Indicator (Item 5I minus Item 5J)				26,000
6. Date Facility Equipment Purchased or Tentative Purchase Date (MM-DD-YYYY) 10-10-20XX		7. Name of Company Where Facility Equipment Was Purchased The Bin Company		
8. Date Facility Equipment Erected or Installed or Tentative Date to Erect or Install (MM-DD-YYYY) 10-10-20XX		9. Name of Company That Erected or Installed the Facility Equipment The Bin Company		
10. Date Facility Equipment Was/Will Be Delivered to the Farm (MM-DD-YYYY) 10-15-20XX		11. Location of Real Estate on Which Facility Equipment Was/Will Be Erected or installed NW 1/4 sec. 16 Beuton Twp. 13 miles of Pen Yan, NY on State Road 245		
12A. Name of Owner of Real Estate in Item 11 (If Other than Applicant) NONE		12B. Lien Information (Name of Person Having a Lien or Interest in the Real Estate) NONE		
13. APPLICANT'S CERTIFICATION				
The Applicant certifies that the statements made on this application are true, complete and correct to the best of the applicant's knowledge and belief, and made in good faith to obtain a loan. Section 1001 of Title 18, United States Code provides for criminal penalties to those who provide false statements on loan applications. Applicants are aware that credit reports will be requested on all applicants and co-applicants. By signing below, I acknowledge that, as a condition for the FSFL, I am required annually to provide proof of payment of real estate taxes, crop insurance or NAP; and all-peril and flood insurance, if required.				
Are you or any co-applicant delinquent on any Federal non-tax debt? (If "YES", provide details in the remarks) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				
A. Signature of Applicant (By) /s/ James Smith		B. Title/Relationship of the Individual if Signing in a Representative Capacity President		C. Date of Application (MM-DD-YYYY) 10-01-20XX
D. Signature of Co-applicant (By)		E. Title/Relationship of the Individual if Signing in a Representative Capacity		F. Date of Application (MM-DD-YYYY)

--*

51 CCC-185's (Continued)

H Completing Manual CCC-185-1's

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

Item	Instructions
1A	Enter State code.
1B	Enter county code.
1C	Leave blank until a number is assigned by APSS. Enter the number assigned when entered in APSS.
5A	Enter all FSA farm numbers where eligible and applicable facility commodities are produced and require storage at the proposed storage location.
5B	Enter applicable FSFL commodities that are produced on the farm.
5C	Enter up to a 3-year average acreage calculated from the most recent FSA-578's. See subparagraph E, item 5C for additional information.
5D	Enter a yield per acre that is determined to be reasonable by COC for each FSFL commodity. Indicate yields for each commodity using the same unit of measure.
5E	Multiply item 5C times item 5D for each FSFL commodity on each farm listed.
	The debtor and co-debtor must initial and date at the bottom of CCC-185-1.

--52 Processing CCC-185 Packages and Using CCC-195 (Continued)--**B Using CCC-195's**

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 D 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 ***--supersede or replace procedure. County Offices are **required** to use CCC-195 as a--*** reminder of the most frequently "erred" determinations when completing FSFL.

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 the FFAS Employee Forms/Publications Online Website.

- e-mail State CCC-195's that differ from the national CCC-195 to Toni Williams at **toni.williams@wdc.usda.gov** for National Office approval
- issue only National Office-approved CCC-195's 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 receiving CCC-195
- maintain CCC-195 in each FSFL folder
- check, initial, and date the appropriate box for each item as it is performed
- for items that are **not** applicable, CHECK (✓) "N/A", initial, and date
- ensure that all required signatures are in CCC-195, item 21 at FSFL disbursement
- obtain signature and date of CED on CCC-195, items 22B and 22C at loan disbursement.

Note: For 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 21 at FSFL disbursement.

--52 Processing CCC-185 Packages and Using CCC-195(Continued)--

C Completing CCC-195's

Complete CCC-195 according to the following table.

Item	Instructions
1	Enter the applicant's name. If a joint FSFL, a separate CCC-195 is required for each applicant.
2	Enter the date CCC-185 is signed.
3	Enter the APSS-assigned FSFL number that is FY and FSFL number.
4	Enter the State where facility equipment will be located.
5	Enter the county where FSFL will be processed.
6A through 20G	For each item listed, check (✓) either "Yes" or "No". The employee completing the action shall initial and date. If item is not applicable to this FSFL, *--CHECK (✓) "N/A" . The employee determining that the action is not--* applicable shall initial and date.
21A	Any County Office employee who initials in items 6 through 20 is required to sign as a preparer. Signing as the preparer does not insinuate that an employee checked items 6 through 20, only that the employee completed an item that was initialed by the employee.
21B	County Office employee who signs item 21A shall enter the current date.
22A through 22C	<p>CED shall indicate whether or not they concur with how items 6 through 20 are completed. CED or designated representative shall review CCC-195's for all FSFL's.</p> <p>CED who completed item 22A shall sign item 22B.</p> <p>CED who signed item 22B shall enter the current date in item 22C.</p> <p>Note: If CED was 1 of the preparers who completed items 21A and 21B, *--CED shall not complete this section. STC designee shall complete items 22A through 22C for all CED-prepared FSFL's.</p>
23	If this FSFL is 1 of the first 3 FSFL's received in FY, according to subparagraph E, STC designee shall review FSFL, before disbursement. To document the review, the reviewer shall notate FSFL has been reviewed, sign, and date and note that "CCC-195 was reviewed according to 1-FSFL, subparagraph 52 E".--*

52 Processing CCC-185 Packages and Using CCC-195(Continued)

D Example of CCC-195

The following is an example of CCC-195.

*--

This form is available electronically.								
CCC-195 (02-12-13) FARM STORAGE FACILITY LOAN (FSFL) PROCESSING CHECKLIST	U.S. Department of Agriculture Commodity Credit Corporation		1. Name of Applicant					
			2. Date of Application (MM-DD-YYYY)		3. Loan No.			
			4. State Office Name		5. County Office Name			
Office Staff Actions:			Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
6. While Working with Producer:								
A. Discuss key program provisions with applicant including provision that application must be approved before construction, insurance requirements, filing and search needs and who pays fees.			Subparagraph 51C					
B. Complete all items on front side of manual CCC-185 (Loan Application and Approval for Farm Storage and Drying Equipment Loan Program). Applicant must initial Item 12B, if applicable, and answer DCIA question in Item 13.			Paragraph 51					
C. Collect application fee of \$100.00 per borrower.			Paragraphs 30 & 312					
D. Enter application into APSS. If partial disbursement is requested, enter 2 separate applications.			Subparagraph 51D & paragraphs 338 & 353					
E. Schedule a farm visit to complete FSA-850 and, if applicable FSA-851.			Paragraphs 82, 83 & Handbook 1-EQ					
F. Obtain copy of contracts, cost breakdown, or estimates for all proposed work.			Subparagraphs 10C, 51C & 51E					
G. Obtain copy of site plans, if available, and building plan for hay and renewable biomass structures.			Subparagraphs 10C & 20A					
H. Obtain copy of any building permits or zoning variances, if applicable.			Subparagraph 12A & paragraph 70					
I. Obtain proof of crop insurance or if sales period is over, ensure waiver statement for current year is in remarks on CCC-185 and initialed by producer.			Subparagraphs 12A & 69A, B, C, & D					
J. Obtain actual farm expenses from most recent year available.			Paragraph 53					
K. Obtain financial statement that is less than 90 days old on FSA-2037, FSA-2038 or similar form.			Paragraph 53					
L. 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 CCC-10 is not on file.			Paragraph 58					
M. Remind applicant that delivery, site preparation and construction cannot begin until after the loan is approved.			Subparagraph 10D					
N. Inform applicant that any other government funding (including RD grants and loans) must be subtracted from the net loan amount.			Subparagraph 25D & paragraph 134.5					
7. Application Processing:								
A. Immediately deposit application fee through NRRS using XXFSFLFEES in Direct Sales XX represent the FY the FSFL was approved.			Paragraph 312 & Exhibit 35					
B. Prepare an 8-position or similar folder for each CCC-185.			Subparagraph 51F					
C. For applications lacking required information, notify applicant in writing.			Subparagraph 51C					
D. Order applicable credit report.			Paragraph 54					
E. Obtain verification of debts and assets, if applicable, using FSA-2015 (Verification of Debts and Assets).			Subparagraph 53F					
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.			Paragraph 31					

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52 Processing CCC-185 Packages and Using CCC-195(Continued)

D Example of CCC-195 (Continued)

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CCC-195 (02-12-13)		Page 2 of 6				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
8. Determine Loan Amount, Storage Need and Equipment Eligibility:						
A. Determine maximum loan amount not to exceed \$500,000. "Padding" the loan is not authorized.	Paragraph 25, Subparagraph 338B					
B. Review CCC-185 and verify storage need.	Paragraphs 15, 16 & 17					
C. Verify eligibility of proposed structure and equipment.	Paragraphs 19, 20, 21, & 22					
9. Applicant Eligibility:						
A. Verify DCIA compliance by checking applicant certification on CCC-185 and CCC or FSA Receivable records in NRRS.	Subparagraphs 12A, 51E, 52A, & paragraph 55					
B. Verify compliance with controlled substance provisions by checking the controlled substance field in the producer's eligibility record.	Subparagraph 12A Handbooks 3-PL, paragraph 32, & 1-CM, Part 30					
C. Producer of an eligible facility loan commodity.	Paragraphs 12 & 13					
D. Demonstrates the need for increased storage capacity.	Paragraphs 15, 16, & 17					
E. Verify proof of crop insurance and/or NAP coverage for applicable commodities.	Subparagraphs 12A, 69A, B, & C					
10. Lien Searches and Filing UCC's:						
A. Complete lien search for all UCC's and any judgments. If a mortgage is not needed, conduct real estate lien search to determine need for severance agreements. (Document on Form FSA-2360.)	Paragraphs 24, 56 & 57					
B. Obtain legal description of parcel facility will be placed on.	Paragraph 24, subparagraphs 10C & 51E					
C. Obtain legal description of parcel(s) of land to be offered as security, such as described on a tax bill, if applicable.	Paragraphs 24 & 131					
D. File UCC financing statement according to State law before, or as soon as possible after, the equipment is delivered to the proposed location.	Paragraph 56					
E. Obtain lien waivers on CCC-190 (Farm Storage Facility Loan Program Lien Waiver), if applicable.	Subparagraphs 52A & 56B, & Exhibit 16					
11. Ability to Repay: Individual with FLP Loan approval authority shall:						
A. Review a balance sheet and cash flow plan for the current year showing that enough cash is available to make the required down payment.	Subparagraph 53D					
B. Review a balance sheet and cash flow plan showing that there are funds available to pay the first installment amount.	Subparagraph 53E					
C. Determine credit worthiness by requesting and reviewing credit reports.	Paragraph 54					
D. Prepare written recommendation to COC, indicating whether applicant is creditworthy and has ability to make down payment and pay future installments.	Subparagraphs 53G & 115C					
12. Environmental and Historic Reviews:						
A. Visit the site before site preparation and complete FSA-850 (Environmental Evaluation Checklist).	Paragraphs 82, 83 & Handbook 1-EQ					
B. Complete FSA-851 (Environmental Risk Survey Form) for loans secured by real estate.	Paragraphs 82, 83 & Handbook 2-EQ					

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52 Processing CCC-185 Packages and Using CCC-195(Continued)

D Example of CCC-195 (Continued)

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CCC-195 (02-12-13)		Page 3 of 6				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
12. Environmental and Historic Reviews: (Continued)						
C. Notify State Historic Preservation Officer according to guidelines in applicable EQ directives. Notify Fish and Wildlife Service of proposed action, if applicable.	Subparagraph 81B					
D. Verify HEL and WC compliance with copy of the most current AD-1026 (Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification).	Subparagraphs 12A & 51C					
E. Verify compliance with any zoning ordinances or building permits.	Subparagraph 12A & paragraph 70					
F. Conduct further reviews as required, such as Class II Environmental Assessments.	Paragraphs 81, 82 & 83 & Handbooks 1-EQ & 2-EQ					
G. Review applicable flood maps and prepare FSA-850. Notify applicant if flood insurance will be required.	Subparagraphs 12A & 69G					
13. Collateral Security:						
A. Determine if applicant has other outstanding FSFL's. If the total outstanding loan balance with this loan exceeds \$100,000, additional security is required.	Subparagraph 24C					
B. Determine need for severance agreements and/or subordinations.	Paragraph 130					
C. Determine if collateral has resale value. If no resale collateral value, additional security may be required.	Subparagraphs 24N & 115A					
D. Prepare a recommendation to COC for collateral security requirements and present prior to approval.	Subparagraphs 24C & 115A					
14. Loan Approval:						
A. Refer application to appropriate approval official.	Subparagraph 2F					
B. Date of Executive Meeting Minutes (date: _____)	Subparagraph 115B					
C. Applicant meets all eligibility requirements, including creditworthiness and ability to repay.	Paragraphs 53 & 55 & subparagraph 115A					
D. Proposed facility or renovation is eligible and needed.	Subparagraph 115A					
E. Yields and acreage used to calculate storage need are reasonable.						
F. Environmental conditions of the site do not place CCC at risk.						
G. District Director review of loan and concurrence of approval before COC approval, if loan between \$100,000.01 and \$250,000.	Subparagraphs 2F & 115B					
H. Type of collateral security required. Enter on CCC-185, Item 17.	Subparagraphs 115A & 116A					
I. Approved or denied by signature on reverse of CCC-185. If denied, enter zero in Item 14A.	Subparagraphs 115B, 116A & B					
J. Enter conditions of approval, such as all peril insurance or flood insurance, in CCC-185 remarks section.	Subparagraphs 115A & 116A					
K. If the application is one of first 3 received each FY or because of STC policy, refer application to STC or designee to review before disbursement.	Subparagraph 52E					

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52 Processing CCC-185 Packages and Using CCC-195(Continued)

D Example of CCC-195 (Continued)

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CCC-195 (02-12-13)		Page 4 of 6				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
15. Approval Processing by Office Staff:						
A. Record approval and funding through APSS. Queue FSFL Detail Transmission Report.	Subparagraph 340C & paragraph 351					
B. When notified of funding, issue approval letter. Enter date approval letter is issued, on CCC-185, Item 14D. Distribute CCC-185, according to subparagraph 116C.	Subparagraphs 116B, 128A, & 352B					
C. Remind applicant that all peril structural insurance, listing CCC as loss payee, and possibly, flood insurance, on the structure and equipment will be required.	Paragraph 69					
D. 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.	Subparagraph 127B & paragraph 129					
E. Notify applicant that loans cannot be disbursed until construction is complete, final net cost is determined, and the facility is inspected. One partial disbursement not to exceed 50% of loan obligation is allowed.	Subparagraphs 127A & B, paragraphs 28, 133 & 134 Paragraph 28					
F. Discuss filing and recording fees and who pays each fee.	Subparagraph 24I					
G. If applicable, issue disapproval letter.	Subparagraphs 115B & 128B					
H. Monitor approval expiration date. Obtain and act on requests for extension of approval by STO, if applicable. FSFL must not be disbursed with an expired approval date. County offices must notify the borrower 14 workdays before the expiration date that they must request an extension in writing.	Paragraphs 26 and 135					
I. File UCC financing statement on collateral if not already filed.	Paragraph 56					
J. Request Severance Agreements on CCC-297 (Severance Agreement), or Subordination Agreements on CCC-194 [Farm Storage Facility Loan Subordination Agreement (Lien on Real Property)] or other form provided, if necessary.	Paragraph 130 & subparagraph 131E, Exhibits 10 & 18					
K. Obtain release of liability on CCC-191 (FSFL Program Release of Liability) from all Contractors/suppliers submitting bills.	Subparagraph 133E & F					
L. Obtain proof of all peril structural insurance (CCC as loss payee), crop insurance, and current real estate tax.	Paragraph 69, subparagraphs 127A & B					
M. Verify UCC's, severance agreements, and subordinations have been filed and recorded.	Subparagraphs 127A & 131E, & paragraph 130					
N. If applicable, obtain equipment lien waivers, on CCC-190, before loan is disbursed.	Subparagraph 56B & Exhibit 16					
O. Has form SF-LLL been obtained for FSFL disbursement, if applicable.	Paragraph 33					
16. Pre-Disbursement Document Review:						
A. Partial <input type="checkbox"/> or Final <input type="checkbox"/>	Paragraphs 28 and 134.5					
B. Obtain completed CCC-197 (Final Farm Storage Facility Loan Program Cost Certification) from borrower(s).	Paragraph 134.5					
C. Complete the FSFL disbursement calculator for a partial and/or final disbursement.	Subparagraph 28D					
D. Second party review of FSFL disbursement calculator.	Subparagraph 28G					
17. Partial Loan Disbursement (if applicable):						
A. Approved applicant requests partial disbursement.	Subparagraph 28B					
B. Inspect and verify the amount of construction completed. Document on CCC-295A (FSFL Program Final Inspection of Facility before Loan Disbursement).	Paragraph 134					

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52 Processing CCC-185 Packages and Using CCC-195(Continued)

D Example of CCC-195 (Continued)

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CCC-195 (02-12-13)		Page 5 of 6				
Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
17. Partial Loan Disbursement (if applicable): (Continued)						
C. Approved applicant supplied acceptable documentation for that portion (up to 50%) of construction completed.	<i>Subparagraph 28B</i>					
D. Determine if Disbursement will be made to borrower only or if Treasury checks are required for joint disbursement.	<i>Paragraph 366</i>					
If payment to borrower only, print CCC-186 and request payment on day of closing. Verify correct interest rate printed in Item 3.	<i>Paragraph 367</i>					
If Treasury check(s) required for other payees: <ul style="list-style-type: none"> • Request checks • When check(s) received, schedule closing within 21 days after payment request • Print CCC-186 and verify correct interest rate printed in Item 3. 	<i>Paragraph 368</i>					
E. Obtain borrower signatures. Obtain signature of CCC representative with authority to sign.	<i>Subparagraph 2F & paragraph 31</i>					
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	<i>Paragraph 31</i>					
18. Final Disbursement:						
A. Obtain evidence of final net cost and compute final loan amount. be sure: <ul style="list-style-type: none"> • 15% minimum down payment amount has been paid to suppliers • evidence of cost is date stamped by County Office • seller has signed evidence of cost • copy of original documents are retained in the loan folder (original evidence returned to borrower) 	<i>Paragraphs 27, 28 & 133</i>					
B. Inspect the complete facility and document results on CCC-295A (FSFL Program Final Inspection of Facility Before Loan Disbursement).	<i>Paragraph 134</i>					
C. Adjust funding obligation (if needed).	<i>Paragraphs 354 & 355</i>					
19. Closing Loans Secured by Real Estate:						
A. Provide borrower with letter to select title company and legal Services.	<i>Subparagraph 129A</i>					
B. Obtain completed CCC-296 (Farm Storage Facility Loan Program Certification of Attorney) from attorney.	<i>Subparagraphs 129B & C</i>					
C. Obtain completed CCC-299 (Title Opinion - Farm Storage Facility Loan Program) from attorney.	<i>Subparagraphs 129D & E</i>					
D. Review Title Opinion and update security requirements, if needed.	<i>Subparagraphs 129E & F</i>					
E. Issue closing notification to borrower.	<i>Subparagraph 129G</i>					
F. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.	<i>Subparagraph 127B & paragraph 366</i>					
G. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.	<i>Subparagraph 127B & paragraph 367</i>					
H. If Treasury check(s) required for disbursement (suppliers have not been paid): <ul style="list-style-type: none"> • request check(s) • when check(s) received, schedule closing within 21 days of payment request • print CCC-186, verify interest rate correct, and complete loan closing. 	<i>Paragraph 368</i>					
I. Send transmittal of title information.	<i>Subparagraph 129F</i>					

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52 Processing CCC-185 Packages and Using CCC-195(Continued)

D Example of CCC-195 (Continued)

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Office Staff Actions:		Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
Page 6 of 6							
19. Closing Loans Secured by Real Estate (Continued)							
J. Prepare Real Estate Mortgage for FSFL Program on CCC-193 or FSFL Deed of Trust on CCC-193D.	Paragraph 131						
K. Issue closing instruction letter with applicable documents and CCC checks to closing agent on day loan will be disbursed/closed.	Subparagraph 129G						
L. Receive and review loan closing statement from closing agent.	Subparagraph 129H						
M. The County Office must perform the final lien search within 5 workdays before FSFL closing and initial and date action was completed on CCC-195.	Subparagraph 127B						
20. Closing Loans Not Secured by Real Estate:							
A. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.	Subparagraph 127A & paragraph 366						
B. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.	Subparagraph 127A & paragraph 367						
C. If Treasury check(s) required for disbursement (suppliers have not been paid): <ul style="list-style-type: none">• request check(s)• when check(s) received, schedule closing within 21 days of payment request• print CCC-186, verify interest rate correct, and complete loan closing.	Subparagraph 127A & paragraph 368						
D. The County Office must perform the final lien search within 5 workdays before FSFL closing and initial and date action was completed on CCC-195.	Subparagraph 127A						
E. Obtain borrower signatures and initials.	Subparagraph 146A						
F. Obtain signature of CCC representative with authority to sign.	Subparagraph 146A						
G. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	Paragraph 31						
Certification:							
21A. Signature of Preparer(s)				21B. Date (MM-DD-YYYY)			
22A. I concur/do not concur the above items have been verified and updated.				<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur			
22B. STC Designee or CED Signature (Required for all Loans)				22C. Date (MM-DD-YYYY)			
23. Remarks							
24. Important: STC or STC designee shall review the first 3 FSFL's received and before disbursed each FY beginning on October 1.							
<small>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)</small> <small>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov.</small> <small>Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 945-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2000 (voice and TDD).</small>							

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52 Processing CCC-185 Packages and Using CCC-195(Continued)

E STC or Designee CCC-195 Concurrence

STC or designee shall:

- review **before** disbursement the first three FSFL's received each FY at an administrative County Office regardless of the amounts requested

Notes: Additional reviews, including reviews following FSFL disbursement, may be conducted if determined necessary by STC.

FY's begin on October 1 each year. STC or designee shall review the first three FSFL's received and before disbursed each FY beginning on October 1.

*--If CCC-195 is prepared by CED, STC designee **must** review CCC-195. If CCC-195 is 1 of the first three FSFL's received each FY, during the review, STC designee may complete item 22 and note at item 23 that "CCC-195 was reviewed according to 1-FSFL, subparagraph 52 E".

For the first three CCC-195's reviewed before disbursement each FY, CCC-195 review can be completed by the STC designee, by FAX or encrypted e-mail. A complete review of the loan documents, for the first 3, **must** also be reviewed.--*

- document review in the FSFL folder on CCC-185, item 18 and CCC-195, item 23

Note: In CCC-195, item 23, indicate that this review was required according to this subparagraph.

- indicate corrective action where necessary.

53 Financial Planning (Continued)

G Financial Analysis

The financial analysis of an FSFL applicant shall be performed by either an FLP or County Office employee with FLP loan approval authority. A detailed written recommendation for approval or disapproval, based on the applicant's credit history and financial information, shall be provided to COC. This written recommendation must be signed and dated by the individual providing the financial analysis.

Example: "Based on FSFL applicant John W. Banks' credit history and financial information, I recommend approval of the FSFL in the amount of \$_____. The information reviewed provides that Mr. Banks has a satisfactory financial position and demonstrates the ability to timely repay the FSFL."

A financial analysis is required for the members of the entity with the greatest share and a credit report must be obtained for the members.

Examples: If there is a:

- 4-member partnership, each sharing 25 percent, a financial analysis and credit report is required for all members of the partnership
- 2-member partnership, 60 percent for 1 member and 40 percent for the other member, a financial analysis and credit report is required for the member with the 60 percent share.

STC may determine whether a financial analysis and credit report is required for all members.

*--If an irrevocable letter of credit is used as security for FSFL, a financial analysis and credit report are **not** required, unless it is required by STC.--*

If additional information is necessary to evaluate an applicant's ability to repay FSFL, FSA-2002 and FSA-2003 may be requested.

Note: Use:

- FSA-2002 for 3 years financial history
- FSA-2003 for 3 years production history.

54 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 before the required financial analysis is completed
- 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. However, if an FLP credit report is available, that report may be used for FSFL purposes if generated within 90 calendar days of both CCC-185 and submission of information required for the financial analysis.

B Analyzing Credit History Reports

The authorized individual performing the financial analysis 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.

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

54 Credit History and Credit Reports (Continued)

C Available Credit Reports (Continued)

- entity – legal entities doing business as any of the following:
 - corporations
 - limited liability corporations or companies
 - limited and general partnerships
 - trusts
 - estates.

Notes: State and County Offices requesting entity credit reports shall also request individual *--or joint “Express 3 Bureau” reports for the members of the entity with the greatest shares.

Examples: If there is a:

- 4-member partnership, each sharing 25 percent, a financial analysis and credit report is required for all members of the partnership
- 2-member partnership, 60 percent for 1 member and 40 percent for the other member, a financial analysis and credit report is required for the member with the 60 percent share.--*

Unless State Offices have been notified in writing by their regional OGC, use the “**Joint**” search option if husbands and wives on the same CCC-185 are searched.

*--State and County Offices shall **not**:

- request Individual or Joint Mortgage reports
- **not** use any symbols (% , & , etc) in the request name.--*

Make certain the correct legal name and address are 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.**

To prevent being charged for duplicate credit reports, designated employees shall turn off pop-up blockers on the FSFL credit report web site as follows:

- go into the web site provided when authorized to request credit reports
- click on the following:
 - “Tools”
 - “Pop-up Blocker”
 - “Turn Off Pop-up Blocker”.

54 Credit History and Credit Reports (Continued)**D Centralized Payment**

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

F Monthly Reconciliation of Bill

The reconciliation report is due in PSD by the 10th of the following month and must be sent *--to Toni Williams at **toni.williams@wdc.usda.gov**, with cc: to Kimberly Pritchett at **kimberly.pritchett@wdc.usda.gov**--*

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

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

State Offices shall follow PII policy when submitting their monthly reconciliation to PSD.

55 FSFL and Federal Delinquent Debt Applicants (Continued)

D Delinquent Federal Debt Entity Applicants

When a person with a controlling interest in an entity, such as a shareholder, officer, or director, is a delinquent Federal debtor, an FSFL shall **not** be approved for that entity.

For borrowers that are entities and a member with less than a controlling interest of the entity is determined to be delinquent, the FSFL approval authority shall:

- **not** determine that the borrowing entity is ineligible for FSFL
- notify borrowing entity that the delinquent member's pro rata share of FSFL will be offset if the member's delinquent Federal nontax debt is not resolved before FSFL disbursement
- offset the delinquent member's pro rata share of FSFL if the member is delinquent at the time FSFL is to be disbursed
- apply the offset amount to the delinquent debt.

Note: The entity is still responsible for the entire loan amount, including the amount offset.

Applicable entities include, but are not limited to, the following:

- corporations
- limited partnerships
- limited liability companies
- general partnerships
- sole proprietorship
- trust
- estate.

56 Obtaining and Filing UCC-1's

A Obtaining UCC-1's for Financing Statements

UCC-1's for FSFL financing statements shall be obtained, completed, and submitted according to their State's laws.

B County Office Action

County Offices shall:

- if applicable according to State law, obtain the applicant's signature on the applicable manual UCC-1 when CCC-185 is submitted 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 58

Note: If the FSFL request is only for part of the structure, a lien shall be filed on the entire structure.

- file UCC forms according to State law before, or as soon as possible after, the equipment is delivered to the proposed location

***--Note:** If the irrevocable letter of credit is received in the County Office before the equipment is delivered to the proposed location, unless it is required by State law or STC, UCC-1 is **not** required.--*

- 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

Note: See Exhibit 16.

- pay filing or recording fees
- file UCC continuation forms within a 6-month period before the expiration of the original UCC forms.

69 Insurance Requirements (Continued)

E Failure to Obtain Crop Insurance or NAP Coverage

County Offices shall:

- monitor the borrower’s crop insurance or NAP status
- consider a lack of insurance or NAP to be an FSFL violation
- take action to call FSFL’s when borrowers do **not** maintain insurance or NAP coverage.

Note: Before calling FSFL’s, COC’s may request a waiver for the specified year only, according to subparagraph 2 E.

F All-Peril Structural Insurance

To protect CCC’s interest in collateral, County Offices shall:

- require borrowers to obtain all-peril structural insurance on all storage structures receiving FSFL financing
- ensure that amount of coverage shall always equal or exceed outstanding FSFL balance
- annually obtain proof of all-peril structural insurance that lists CCC as a loss payee as soon as it is available
- review proof of all-peril structural insurance provided to CCC periodically by insurance companies or borrowers
- take action to call FSFL’s when borrowers do **not** maintain insurance

Note: Before calling FSFL for lapse of insurance, COC’s, according to subparagraph 2 E, may request a waiver for failure to fully comply with FSFL requirements, if borrowers obtain insurance before the waiver is requested.

- ensure that CCC is listed on the all-peril structural insurance policy as a loss payee.

***--Note:** If it is determined that the storage structure **cannot** be insured with all-peril structural insurance, DAFP waiver is **required** according to paragraph 301.--*

G Flood Insurance

To protect CCC’s interest in collateral, County Offices shall:

- determine whether proposed storage facility sites are located in flood hazard areas by viewing national flood insurance program maps
- document the review on FSA-850
- ensure that FSA-850, item 3 B is completed

69 Insurance Requirements (Continued)

G Flood Insurance (Continued)

- *--document in FSA-850, item 16 that flood insurance coverage is required, if “Yes” is checked (✓) for any of the questions listed in item 3 B
- attach to FSA-850, any supporting documentation (such as flood maps, etc.) for evidence that flood insurance coverage is needed, if applicable
- see 1-EQ, subparagraph 23 B for additional guidance on properly completing FSA-850
- require the FSFL applicant to obtain flood insurance if the review documented on FSA-850 indicates that flood insurance is required--*
- **not** approve FSFL’s if flood insurance is required and **not** obtained or **not** available
- review proof of insurance provided by insurance companies to ensure that insurance is maintained for the life of FSFL
- take action to call FSFL’s when borrowers do **not** maintain insurance
- ensure that CCC is listed on the flood insurance policy as loss payee.

70 Local Land Use and State and County Building Code Requirements

A County Office Action on Local Land Use

To avoid conflicts with local land use laws, County Offices shall:

- determine whether local land use laws are applicable at the proposed storage facility location by contacting local code enforcement officers

Note: The information obtained from the contact shall be documented in the file.

- obtain, from producers, copies of applicable:
 - building permits
 - zoning variances
 - site plans
 - environmental evaluations and assessments
 - construction permits for flood hazard areas
- use information obtained for FSA eligibility purposes and environmental evaluations
- **not** approve FSFL’s where applicants are **not** in compliance with applicable local land use laws.

Part 6 Approving COC CCC-185 Reviews

115 CCC-185 Reviews

A Responsibility

The approving authority 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
- *--if FSFL is less than \$100,000, whether the structure has resale value, according to subparagraph 24 N

Notes: STC's may set a more restrictive Statewide policy for determining if additional security is required for FSFL's exceeding \$50,000.

If the value is less than the FSFL amount, additional security may be required.--*

- the type of security to be required
- the conditions of approval.

Note: Conditions of approval will include actions that must be taken or documents that must be provided **before** disbursement and shall **not** include eligibility determinations required by COC or other approving authority.

115 CCC-185 Reviews (Continued)

B Approvals and Disapprovals

COC shall do 1 of the following:

- for FSFL's with the total principal of \$100,000 or less, approve FSFL by signing CCC-185 and document the determinations from subparagraph A in the executive COC minutes
- for FSFL's with a total principal of \$100,000.01 to \$250,000, have DD or State Office designee review FSFL **before** approval

Note: Once the review is complete and all discrepancies are corrected, approve FSFL by signing CCC-185 and document the determinations from subparagraph A in the executive COC minutes.

- for FSFL's where the borrower's **total aggregate FSFL balance** is over \$250,000, have DD or State Office designee, before COC approval, review the most recent FSFL documents to ensure that the producer is financially able to meet all FSFL obligations

***--Note:** STC or STC-delegated SED **only** is the approval authority for an individual--* FSFL with a total principal of \$250,000.01 to \$500,000.

- disapprove FSFL, documenting why in the executive COC minutes.

DD or State Office designee shall, before approval by COC, review CCC-185 where the principal amount is equal to \$100,000.01 to \$250,000. If the review:

- reveals discrepancies or errors, the file shall be returned to the County Office for correction

Note: After corrections have been made, DD or State Office designee shall again review the file.

- is acceptable, a statement similar to the following shall be entered on CCC-185, item 18:

“From review of the completed documents and review of the financial documents, I concur with the recommendation of the FLM/FLO/SFLO, concurring with the financial ability of the applicant and I also recommend approval or disapproval of FSFL to COC.”

Note: DD or State Office designee shall sign and date the statement.

116 Completing Manual CCC-185, Page 2 (Continued)

B Example of CCC-185, Page 2

The following is an example of a completed CCC-185, page 2.

*--

CCC-185 (02-12-13)		Page 2 of 2	
14. CCC APPROVAL			
<p><i>A loan is approved by CCC for the approximate amount shown in Item 14A below, but not to exceed the amount authorized in the program regulations. Such loan shall be repayable in the number of equal annual installments shown in Item 14B. This approval shall become null and void 6 months after the date hereof unless the loan funds have been disbursed or this approval has been extended in writing by the State or County Committee. Loan funds will not be disbursed until property has been erected or installed and inspected and approved in accordance with program regulations.</i></p>			
A. Loan Amount Approved By CCC Pending Funding \$ 60,000.00	B. Number of Loan Installments 7	C. Final Loan Approval Expiration Date (MM-DD-YYYY) 1	D. Date CCC Contacted Loan Applicant of Final Expiration Date (MM-DD-YYYY) 10-08-20XX
15A. Signature of CCC Representative /s/ Keith Thompson		15B. Date (MM-DD-YYYY) 10-08-20XX	
16A. FSA County Office Name and Address (Including ZIP Code) Yates Farm Service Agency 270 Lake Street Penn Yan, NY 14527		17. Security Required: When loan approved, enter type of security that approving committee is requiring (UCC or chattel mortgage or 1st lien. Enter size of tract covered by lien, if required). 1 st Lien on the 133-acre parcel where facility is located.	
16B. Telephone Number (Including Area Code):			
18. Remarks I agree to purchase multi peril crop insurance for facility loan commodities during the next available sales period. I understand that any failure to meet this requirement will be constructed as a program violation.			
Applicant's Initials _____ Date _____			
*Conditions of approval 1) Applicant will purchase proof of all peril structural insurance			
<p>NOTE: <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for CCC financing for farm storage and drying equipment. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.</i></p> <p><i>This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i></p> <p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)</small></p> <p><small>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program_intake@usda.gov</small></p> <p><small>Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).</small></p>			

--*

116 Completing Manual CCC-185, Page 2 (Continued)

C Distribution

County Offices shall:

- retain the original in the FSFL folder
- attach to the APSS version of CCC-185
- send a copy to the FSFL applicant with the FSFL approval letter.

117-126 (Reserved)

129 Closing FSFL's Secured by Real Estate (Continued)

H FSFL Closing Instructions (Continued)

Additional information and instructions:

A copy of the loan closing statement signed by you, CCC-186, Promissory Note and Security Agreement, and all other executed documents required for loan closing are to be returned to the County Office within one day after the loan is closed. As soon as possible, after closing, provide the final mortgagee policy of title insurance and the recorded mortgage to the County Office.

_____ Date _____
 CCC Representative

Loan Closing Statement
 (To be completed by approved closing agent/attorney)

I certify that the subject loan was closed on _____ *insert date* _____ in accordance with written directions received from CCC. Enclosed are properly executed forms in connection with loan closing.

(Enter items to fit your situation)

____ 1. Original CCC-186, Promissory Note and Security Agreement.
 ____ 2. Original, recorded mortgage.
 ____ 3. Original, recorded subordination agreements from each mortgagee or other lienholder who holds an existing lien on the land (as required) (CCC-194 form).
 ____ 4. Original contractor certification or release of liability (CCC-191, Release of Liability form).
 ____ 5. Copy of the loan closing settlement statement.
 ____ 6. Proof of all-peril structural insurance.
 ____ 7. Other: _____.

 Signature of Approved Closing Agent/Attorney

 Signature Title Date

(Attorney must complete and sign the above loan closing statement after closing is completed and return to FSA.)

For CCC use only:

I have examined the loan closing documents and determined that the loan was properly closed in accordance with the instructions provided.

 CCC Representative Date

129 Closing FSFL’s Secured by Real Estate (Continued)

H FSFL Closing Instructions (Continued)

Upon returning the documents to the County Office, CED shall:

- review documents to ensure that all items have been completed and returned
- sign and date the statement at the end of the letter to document the review.

130 CCC-297

A When CCC-297 Is Required

To sever FSFL storage structure collateral from real estate, County Offices shall obtain CCC-297 from:

- prior or superior lienholders, including FSA
- the borrower if the borrower has interest in the real estate
- the lienholder of the property, where the facility is located, if constructed on leased or rented land
- all landowners on the real estate where the facility is located.

*--CCC-297 is **required**, regardless of FSFL amount, for:

- **all** FSFL assumptions
- FSFL’s where the real estate security is owned by someone other than the borrower.--*

B When CCC-297 Is Not Required

CCC-297 is **not** required if any of the following apply:

- collateral is considered a nonfixture
- an FSFL is secured by a first lien on the underlying real estate
- the regional attorney waives the requirement for CCC-297 because State law makes using such an agreement unnecessary

•*--the borrower agrees to do any of the following:

- increase the downpayment on the storage facility from 15 percent to 20 percent or more--*

130 CCC-297 (Continued)

B When CCC-297 Is Not Required (Continued)

- *--aggregate outstanding FSFL balance is \$100,000 or less

Note: Additional security may be required for FSFL's with an aggregate outstanding FSFL balance equal to or less than \$100,000, if STC or COC determines that the structure has **no** resale value. See subparagraph 24 N for guidance.--*

- provide another form of security acceptable to the Secretary.

Notes: If the borrower increases the downpayment from 15 percent to 20 percent, CCC-297's will **not** be required. The applicant **must** be informed of and request this option when CCC-185 is submitted.

If the applicant requests to use this option, notate in CCC-185, item 18, and have the applicant sign and date. At final closing, proof that the entire 20 percent downpayment was made is required, or the loan cannot be closed until either CCC-297 is provided or additional documentation showing that the 20 percent downpayment has been made is received by the County Office.

This option only applies to FSFL's of \$100,000 or less because all other FSFL's already require additional security and, in most instances when CCC has a mortgage on the underlying real estate, the facility is **not** severed from the real estate.

*--CCC-297 is **required** for **all** FSFL:

- assumptions
- where the security is owned by someone other than the borrower.--*

C State Office Action

State Offices shall:

- request changes and instructions to CCC-297 from the regional attorney
- make CCC-297 a State form
- provide a copy to PSD.

D County Office Action

County Offices shall:

- for FSFL's where a real estate lien is:
 - required, have the attorney obtain the properly completed and signed CCC-297

Notes: The attorney should perform all lien searches.

If the County Office knows the real estate lienholders, they may obtain properly completed CCC-297's before FSFL closing.

130 CCC-297 (Continued)

D County Office Action (Continued)

- **not** required, conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility and obtain properly executed CCC-297's

Note: See Exhibit 10.

- file CCC-297 before FSFL closing in the appropriate county real estate records unless the regional attorney waives the filing requirement.

Notes: If COC initially approves CCC-185 before receiving the necessary CCC-297's, then ENTER "The receipt of required CCC-297's" on CCC-185, item 18, as a condition of approval.

*--If County Offices are unable to obtain the required real estate lien searches from their County Recorder, the County Office shall use either of the following:

- local title company with moderate fees
- farm loan personnel trained to perform real estate lien searches.--*

E STC Action

STC's may enter into blanket CCC-297's with lenders if CCC-297's are approved by the regional attorney.

131 Real Estate Lien Instruments

A Security Instruments

State Offices shall develop a real estate lien instrument in consultation with their regional attorney. The security instrument may be a real estate mortgage, deed of trust, or other type of instrument. The security instrument must be used for all FSFL's to be secured with real estate. CCC-193 is a real estate mortgage available for FSFLP. CCC-193-D is a deed of trust available for FSFLP.

B Signatures

For a lien on real estate, **all** of the following shall sign the real estate lien instrument:

- the borrower, **only** if the borrower has an ownership interest in the land
- all persons or entities having an ownership interest in the applicable real estate
- the borrower's spouse shall also sign the instrument in States where spousal signatures are required by statute.

133 Final Review of Cost Documents (Continued)

D Trade in Allowances

County Offices shall **not** allow trade in allowances.

Example: The borrower has an old grain dryer valued at \$1,000 to:

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

The value of the old grain dryer **cannot** be used towards the downpayment for FSFL.

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 FSFL amount. See subparagraph F for additional exceptions.

Only one CCC-191 is required from each contractor supplying goods or performing services for each FSFL disbursement. 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 has been made. A new CCC-191 is required from the contractor if the contractor has presented bills for both the partial and final disbursement.

Examples: The borrower has paid the cement contractor the required 15 percent of his or her total cement bill as reflected in his or her 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, FSFL disbursement was made to the borrower and cement contractor. A new CCC-191, following disbursement with the contractor's name on the check, is **not** required from the contractor.

*--If the supplier and/or contractor did **not** receive payment, the County Office must notate on CCC-191, item 3 A that no payment was made and the FSFL disbursement **must** be joint to the producer and supplier and/or contractor.--*

133 Final Review of Cost Documents (Continued)

E Release of Liability (Continued)

The borrower requests both partial and final disbursements. For the:

- partial disbursement:
 - a complete bill and CCC-191 are presented by the cement contractor
 - a partial bill and CCC-191 are presented by the bin contractor for the construction completed
- final disbursement, the final bill and CCC-191 are presented by the bin contractor and electrician.

CCC-191 is necessary to protect CCC and the FSFL applicant from the following:

- mechanics or other liens
- claims arising against the contractor or subcontractors.

F Releasing Liability Exceptions

STC is authorized to approve an exception to current CCC-191 policy, on a case-by-case basis, under specified conditions.

The specified conditions include all of the following:

- waiver request is **only** for supplies from a retail establishment

Note: CCC-191 contains a release of liability and will still be required from anyone performing work on the structure with no exceptions to the cost.

Example: The total bill for the electrician to wire the fans in a grain bin totals \$950. CCC-191 is required because the bill includes services.

- total sales receipt supported amount for FSFL requesting a waiver of the CCC-191 policy is \$1,000 or less

Example: A producer has bills from Lowe's for \$550 and an electrical supply store for \$600. A CCC-191 waiver can only be requested for 1 of these bills because together the total is over \$1,000. A DAFP waiver for the other bill will be required.

134 Inspection and Disbursement

A Inspection

County Offices shall:

- inspect the facility before the partial **and** final disbursements
- document the results of the partial and final inspections in the FSFL folder on CCC-295A

Note: If both partial and final disbursements are requested, CCC-295A for each disbursement is required.

- document the results of the required annual inspection according to *--subparagraph 163 A and paragraph 167 in the FSFL folder on CCC-195 Servicing, item 12.

See:

- subparagraph 163 A for when inspections are required
- paragraph 167 for CCC-195 Servicing policy.--*

B Safety Guidelines

FSA is committed to providing a safe environment for employees who:

- inspect newly constructed storage facilities
- perform inspections of existing storage facilities.

Employees shall follow safety practices according to 5-LP, paragraph 89. In addition, observe the following guidelines when performing initial and annual FSFL inspections:

- do **not** climb stairs or ladders, unless it is necessary to visually locate handling equipment that will be collateral for FSFL and the equipment can be safely inspected
- if climbing stairs or ladders is necessary, use proper safety equipment, if available
- if handling equipment cannot be located, verify installation with the borrower
- do **not** attempt to locate serial numbers for equipment that is inaccessible or is **not** in a safe location
- document unsafe conditions on CCC-295A * * * that should be fixed by the borrower, such as loose ladders.

134 Inspection and Disbursement (Continued)

C Example of CCC-295A

The following is an example of CCC-295A.

*--

This form is available electronically.		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
CCC-295A (03-23-12)		FARM STORAGE FACILITY LOAN PROGRAM FINAL INSPECTION OF FACILITY BEFORE LOAN DISBURSEMENT	
BORROWER INFORMATION			
1A. Borrower's Name and Address (Including Zip Code) Clark Farms, Inc. 282 State Route 245 Penn Yan, NY 14527		2. Loan Number 2011/00001	
1B. Borrower's Telephone Number (Including Area Code): 315-536-8389			
INSTRUCTIONS: Review each item below. If "NO", explain deficiencies and corrective action needed in remarks.			
REQUIRED FINAL INSPECTIONS	YES	NO	REMARKS
3. Does structure and equipment match what was approved by COC?	X		
4. Was installation properly done?	X		
5. If cost of material or equipment was certified by the borrower, does it seem reasonable?	X		
6. Is there legal access to the site?	X		
7. Locate and record serial numbers of equipment: Grain spreaders: East Bin- #123456789 Middle Bin- #123456788 West Bin- #1234567777			
8. Additional Remarks: (Indicate item number for each remark.)			
9A. Signature of Agency Official Inspecting Facility /s/ R. Jones		9B. Title CED	9C. Date of Inspection (MM-DD-YYYY) 10/01/XXXX
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</small></p>			

--*

135 Extension of Approvals

A Extensions That May Be Granted

FSFL approvals expire 6 months after the date of approval. State and County Offices must follow this table for approval authority when granting an additional 6-month loan approval extension, not to exceed a total of 12 months.

IF the FSFL amount is...	THEN approval authority is...
less than or equal to \$250,000	COC after DD review.
greater than \$250,000	STC or delegated authority to SED only . The delegation of authority must be recorded in the STC meeting minutes.

Notes: An individual acting for SED does **not** have FSFL extension approval authority.

See the first table in subparagraph 2 F for exceptions applicable to FSA employees and their relatives.

Extensions become necessary only if the applicant has **not** completed construction or has **not** submitted all documentation required to disburse FSFL. Delays in disbursing FSFL within the control of CCC, such as funds obligation and the need for additional lien waivers discovered during the lien search 5 workdays before closing, do **not** require a request for extension from the applicant.

FSFL must **not** be disbursed with an expired approval date. If all documentation to disburse FSFL is received in the County Office and date-stamped before the FSFL expiration date, FSFL may be disbursed.

STC's (or delegated SED) or COC's shall:

•*--grant and approve extensions on CCC-185, item 14 C, **only** if the applicant:--*

- submits a written request for an extension within 7 calendar days of notification by the County Office or the FSFL approval period expiration date, whichever is later

Notes: County Offices shall notify borrowers by telephone, e-mail, or letter, 14 workdays before the expiration date that, if necessary, they must request an extension in writing.

Extensions may be approved after the FSFL approval period expiration date if the request for the extension was made in a timely manner.

- provides evidence that CCC-185 was made in good faith
- provides evidence that lack of completion is because of reasons beyond his or her control

Examples: The following are examples of reasons beyond the borrower's control:

- delays in the delivery of parts
- bad weather conditions
- lack of necessary skilled labor
- legal delays involving real estate liens.

135 Extension of Approvals (Continued)**A Extensions That May Be Granted (Continued)**

- grant extensions only for the time necessary to complete the installation
- **not** grant automatic extensions
- ensure that extensions can also be granted if the:
 - site preparation and foundation are both completed by the original FSFL approval period extension date
 - applicant provides a binding contract, signed by the applicant and supplier, proving there is a purchase commitment
- *--notate a new expiration date on CCC-185, item 14C.--*

B Requests for Extensions Beyond 12 Months

STC's **only** are authorized to grant extensions of FSFL approvals beyond 12 months, not to exceed 18 months from the date of the original approval. This authority may **not** be redelegated.

STC's must use discretion when approving extensions beyond 12 months, not to exceed 18 months of the original loan approval date. Based on the date the FSFL obligation appears in the system, CCC starts paying interest to Treasury on the obligated funds.

A DAFP waiver is required for extensions beyond 18 months of the original loan approval date.

State Offices must e-mail the following details about FSFL to Toni Williams at **toni.williams@wdc.usda.gov** when FSFL extensions are granted by STC beyond 12 months:

- FSFL number
- FSFL amount
- reason for extension beyond 12 months
- date STC approved the loan approval extension
- loan approval extension expiration date.

136-145 (Reserved)

Part 8 Disbursing FSFL's

146 Preparing Manual CCC-186

A Manually Preparing CCC-186

All FSFL's **must** be disbursed through the APSS software according to current FI notices and handbooks. See paragraphs 366, 367, and 368 for step-by-step instructions.

State Office specialists shall contact PSD for instructions if it is necessary to manually prepare CCC-186. If it is necessary to prepare a manual CCC-186, the State Office specialist responsible for FSFL must review for completeness before obtaining any signatures.

146 Preparing Manual CCC-186 (Continued)

*-B Example of CCC-186

The following is an example of CCC-186.

<p>This form is available electronically.</p> <p>CCC-186 (02-12-13)</p> <p>U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p align="center">Farm Storage Facility Loan Program</p> <p align="center">PROMISSORY NOTE AND SECURITY AGREEMENT</p>		<p align="center">FOR FSA USE ONLY</p> <p align="center">1. Loan Identification Number</p> <table border="1"> <tr> <td>A. State Code 23</td> <td>B. County Code 004</td> <td>C. Loan Number 2013/00001</td> </tr> </table>		A. State Code 23	B. County Code 004	C. Loan Number 2013/00001
A. State Code 23	B. County Code 004	C. Loan Number 2013/00001				
<p>7A. Debtor's Name and Address (Including ZIP Code) Keller Farms, Inc. 801 Camp Road Temple, ME 12345-1111</p>		<p>7B. Telephone Number (Including Area Code) 123-456-7899</p>				
<p>8. Co-Debtor's Name and Address (Including ZIP Code)</p>		<p>3. Annual Percentage Rate 1.8750 %</p> <p>4. Finance Charge 1/ \$ 3,351.29</p> <p>5. No. of Annual Installments 7</p> <p>6. Installment Amount \$ 6,765.90</p> <p>1/ Assuming installments are paid on anniversary date at the interest rate shown in Item 3 above.</p>				
<p>The undersigned Debtor(s) jointly and severally promise to pay to the order of the Commodity Credit Corporation (CCC) the principal amount shown above as "Amount Financed," together with interest and other charges provided herein. Payment shall be in the number of equal annual installments shown above with interest at the "Annual Percentage Rate" specified above. Equal loan installments, amortized over the loan term, are due and payable on the annual anniversary date. Payments shall be applied first to interest and then to principal. Payment of loan installments and interest shall be made by check, cash, money order, or by deduction from amounts due Debtor from CCC. Any delinquent amount may be deducted and paid out of any amounts due Debtor under any program carried out by any agency of the Department of Agriculture and any other agency of the United States. The Debtor waives presentment for payment, demand, protest, notice of protest, and notice of nonpayment of this note.</p> <p>Debtor hereby grants to CCC as collateral security for the payment of this note, plus interest and charges, a security interest in the following described farm storage equipment (a): 30' diameter Brock Grain Bin approximately 13,000 bushel, heater, grain spreader, and aeration system</p> <p>and the proceeds from any disposition of the collateral. The collateral shall not be sold without prior written authority of CCC. Such collateral is to be located upon the premises in Debtor's possession described (b): 52 acres Locust TWP Watson Co. Farm Number 80815</p> <p>Debtors shall grant CCC such additional security as it may require. The above provisions and those on the reverse side hereof have been read and considered by the undersigned. It is agreed that by signing this combined Promissory Note and Security Agreement, they make the representations, warranties, and agree to all the terms and conditions specified.</p>						
<p>9A. Debtor's Signature (By) /s/ James Keller</p>		<p>9B. Title/Relationship of the Individual if Signing in a Representative Capacity Self/Owner</p>				
<p>9C. Debtor's ID No. (Last 4 digits) 1234</p>		<p>9D. Date (MM-DD-YYYY) 03-25-12</p>				
<p>10A. Co-Debtor's Signature (By)</p>		<p>10B. Title/Relationship of the Individual if Signing in a Representative Capacity</p>				
<p>10C. Debtor's ID No. (Last 4 digits)</p>		<p>10D. Date (MM-DD-YYYY)</p>				
<p align="center">11. COMMODITY CREDIT CORPORATION SECURED PARTY</p>						
<p>11A. By: Approving Official's Signature /s/ Laura Leakes</p>		<p>12. FSA County Office Name and Address (Including ZIP Code) Farm Service Agency 702 Sims Creek Rd. Baltimore, ME 12345-1111</p>				
<p>11B. Title County Executive Director</p>		<p>11C. Date of Disbursement (MM-DD-YYYY) 03/25/2012</p> <p>Telephone Number (Include Area Code): 207-555-1212</p>				
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to specify the terms and conditions for the Farm Storage Facility Loan Program Note and Security Agreement. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.</p> <p>This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)</p> <p>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20260-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov.</p> <p>Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).</p>						

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146 Preparing Manual CCC-186 (Continued)

*--B Example of CCC-186 (Continued)

CCC-186 (02-12-13)	CCC-186 TERMS AND CONDITIONS	Page 2 of 3
<p>1 The Debtor represents, covenants, and agrees that:</p> <p>(a) The Debtor is the absolute and exclusive owner of the collateral, said collateral is free from all liens, encumbrances, or other security interests, and the Debtor will warrant and defend the collateral against the claims of all other persons.</p> <p>(b) The Debtor will use the loan funds secured hereby for the purpose for which they are advanced and will properly care for the collateral, and keep it in good condition and available for the storing and conditioning only approved facility loan commodities until the entire loan is repaid. The Debtor will promptly pay when due all indebtedness secured hereby, all taxes, liens, and other charges assessed upon or attaching to the collateral and will not encumber the collateral, remove, sell or otherwise dispose of the collateral or of any interest therein or permit others to do so.</p> <p>(c) Any authorized representative of CCC may at any time enter upon the premises where the collateral is located and inspect the same.</p> <p>(d) If any amounts required herein to be paid by him or her are not paid when due, they may be paid by CCC which shall be secured for such payments and interest thereon at the applicable rate of interest then in effect. Such payments shall be due and payable to CCC immediately without demand at the office of the FSA County Committee which signed this note.</p> <p>(e) During the life of this loan the loan collateral shall not be used by any commercial operation including, but not limited to, elevators, warehouses, dryers or processing plants. The storage and handling of approved facility loan commodities, whether paid or unpaid, for persons other than the borrower, except for family members as defined in 7 CFR Part 718, and/or tenants and landlords sharing in the crop requiring storage is not allowed. The entire indebtedness will immediately become due and payable if the above provisions are violated, except as authorized by CCC.</p> <p>2. The Debtor certifies that the evidence furnished to the FSA County Committee as to the cost of the collateral represents the total cost of such property and that all debts on the property in excess of the amount of the loan have been paid, that he or she has read this note and security agreement and that he or she understands and agrees that the loan is made subject to and in consideration of the representations, warranties and agreements contained therein, and that this note is subject to the present regulations of CCC and to its future regulations not inconsistent with the express provisions hereof.</p> <p>3. Upon default hereunder (<i>whether by failure to pay promptly any indebtedness or installment thereof or interest thereon, or to perform any covenants or agreements herein contained</i>), or if any of the Debtor's representations or warranties herein or if the loan application proves false, or upon the death, bankruptcy, insolvency, or incompetency of the Debtor or attachment or levy on collateral by any court process:</p> <p>(a) CCC may declare the entire indebtedness secured hereby immediately due and payable. In that event, CCC may remove the collateral and sell same.</p> <p>(b) The Debtor hereby waives all rights of notice, appraisal, compulsory disposition, exemption, and redemption he or she may otherwise have by law.</p> <p>(c) A default will exist under any other security instrument held by CCC and executed or assumed by the Debtor on real or personal property, and default under any such other security instrument will constitute default hereunder.</p> <p>4. If the collateral is acquired by CCC through foreclosure or other means, at the option of CCC and at no expense to CCC, such property shall remain on the above-described real estate for a period not to exceed six (6) months after the date of acquisition by CCC.</p> <p>5. Proceeds for disposition of the collateral shall be applied first on expenses of retaking, holding, preparing for sale, selling, and for payment of reasonable attorneys' fees and legal expenses incurred by CCC, second to the satisfaction of indebtedness secured hereby, third to the satisfaction of subordinate security interests to the extent required by law, fourth to any other obligations of the Debtor owing to or insured by CCC, and fifth to the Debtor. The Debtor will be liable for any deficiency owed to CCC after such disposition of proceeds of collateral.</p> <p>6. It is the intent of the Debtor and CCC that to the extent permitted by law and for the purpose of this note and security agreement the collateral covered hereby shall remain personalty and shall not be accessioned to other goods.</p> <p>7. If any provision of this note and security agreement is held invalid or unenforceable it shall not affect any other provisions hereof, but this note and security agreement shall be construed as if it had never contained such invalid or unenforceable provision.</p> <p>8. The rights and privileges of CCC under this note and security agreement shall inure to the benefit of its successors and assigns. All covenants, warranties, representations, and agreements of the Debtor contained in this note and security agreement are joint and several and shall bind personal representatives, heirs, successors, and assigns.</p>		

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146 Preparing Manual CCC-186 (Continued)

*--B Example of CCC-186 (Continued)

CCC-186 (02-12-13)	Page 3 of 3																																
CCC-186 TERMS AND CONDITIONS (Continued)																																	
<p>9. The terms and conditions contained on this form are in addition to the applicable program regulations found at 7 C.F.R. Part 1436. To the extent that the terms and conditions conflict with the regulations, the regulations prevail. Additionally, the regulations and statutes applicable to CCC operations apply to this program.</p> <p>10. CCC is authorized to file financing statements describing the collateral, to file amendments to the financing statements and to file continuation statements.</p> <p>11. If it is discovered that a producer did not comply with lobbying disclosure requirements (31 U.S.C. 1352), applicants for and recipients of: 1) A Federal loan exceeding \$150,000; or 2) A Federal contract, grant, or cooperative agreement payment exceeding \$100,000 must file, with the disbursing office a SF-LLL if they have or will use monies received for lobbying purposes. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p> <p>12. Debtor and Co-Debtors whose signature appears on CCC-186, Items 9A and 10A MUST initial and date the corresponding item numbers referenced below:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Initial</th> <th style="width: 25%;">Date</th> <th style="width: 25%;">Initial</th> <th style="width: 25%;">Date</th> </tr> </thead> <tbody> <tr> <td>9A JK</td> <td>03-25-12</td> <td>10A</td> <td></td> </tr> </tbody> </table> <p>13. If applicable, Co-Debtor(s) whose signature and date appears on CCC-186-1, Items 10A through Item 17A MUST initial and date the corresponding item numbers referenced below:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 12.5%;">Initial</th> <th style="width: 12.5%;">Date</th> </tr> </thead> <tbody> <tr> <td>10A</td> <td></td> <td>11A</td> <td></td> <td>12A</td> <td></td> <td>13A</td> <td></td> </tr> <tr> <td>14A</td> <td></td> <td>15A</td> <td></td> <td>16A</td> <td></td> <td>17A</td> <td></td> </tr> </tbody> </table>		Initial	Date	Initial	Date	9A JK	03-25-12	10A		Initial	Date	Initial	Date	Initial	Date	Initial	Date	10A		11A		12A		13A		14A		15A		16A		17A	
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10A		11A		12A		13A																											
14A		15A		16A		17A																											

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Part 9 Basic Servicing Policies

158 Collecting Installments

A Installment Payments

[7 CFR 1436.13] FSFL shall be repayable in equal annual installments of principal and interest amortized over the FSFL term.

--Installments are due and payable no later than the FSFL annual anniversary day until the-- principal plus accrued interest has been paid in full.

Note: County Offices shall process installment repayments according to Part 20.

B Method of Payment

The payment of each installment may be by any of the following:

- cash
- money order
- personal, certified, or cashier's check
- setoff, when applicable.

Note: Repayment shall be applied first to accrued interest and then to principal.

158 Collecting Installments (Continued)

C Reminder and Notification Letter

The following letter will be generated at SOD the first workday that is 45 calendar days from the installment due date of FSFL. If an installment due letter should be prepared on a nonworkday, the system will generate the letter the first workday after the 45 calendar days.

***--Note:** CCC-195 Servicing shall be initiated at the same time the reminder and notification letter is mailed to the FSFL producer.

Other letters, such as demand letters, call letters, or liquidation letters, must be prepared by the County Office as needed. See subparagraph 159 D when sending this notification letter.

USDA-Farm Service Agency County FSA Office Address City, State ZIP Code					(Date Letter Printed)	
REMINDER AND NOTIFICATION LETTER						
(Contact Borrower Name) (Contact Borrower Address 1) (Contact Borrower Address 2)						
Dear (Contact Borrower Name) :						
Please be advised that an installment payment will be due and payable for the Farm Storage Facility Loan (FSFL) Program loan 2009/00001 on 12/18/2013. The annual installment balance due is described in the following table.						
Installment Due Date	Installment Amount Due	Interest Amount Due	Principal Amount Due	Daily Interest Accrual		
12/18/2013	\$4,451.24	\$960.04	\$3491.20	\$2.62		
As of the date of this letter, the outstanding principal balance on this loan is \$15,318.64. Please send your check payable to the Commodity Credit Corporation (CCC) in time to reach the office at the following address by the due date:						
Commodity Credit Corporation (office street address) (city, State, and ZIP Code)						
If payment is not received on or before the due date, the amount due will be recorded for offset from any FSA or CCC payment due you. Additionally, the CCC can declare the entire indebtedness immediately due and payable. If your loan is called, foreclosure proceedings can be initiated. Under foreclosure proceedings, the collateral securing the loan can 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.						
CED's Name County Executive Director For the COUNTY FSA OFFICE						

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158 Collecting Installments (Continued)

G FSFL Acceleration

CCC may:

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

Note: FSFL may be paid in full or in part at any time before maturity without penalty.

H Releasing Security

Upon payment of FSFL in full, County Offices shall:

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

*--Security documents may be released earlier than 30 calendar days, if after the SED review, it is determined FSFL has been satisfied and paid-in-full. The authority for this release may **not** be redelegated.

Note: If final FSFL payment is made by cash, certified check, or money order, the borrower may request an accelerated release of security documents from SED. Included with the request, the County Office will send a copy of the final FSFL repayment receipt showing FSFL has been paid in full, and a copy of CCC-257 showing the remittance has been deposited. SED, after reviewing the documents, may advise the County Office in writing to proceed with releasing the security documents. The authority for this release may **not** be redelegated.--*

158 Collecting Installments (Continued)**I Updating Flags for Delinquent FSFL Borrowers**

On the day after the installment due date, County Offices shall set the other “Agency Claim Flag” in FSA-FS on all borrowers listed on the delinquent FSFL as follows:

- access the FSA Intranet Home Page at <http://fsaintranet.sc.egov.usda.gov/fsa/>
- CLICK:
 - “FSA Applications” under “Links”
 - “Financial Application” under “Financial Services”
 - “FSA Financial Services”
 - “I Agree” after the warning
- enter a valid eAuthentication user ID and password, and CLICK “Login” to continue
- CLICK “Select Customer” from the menu on the left side

Note: See 1-CM for instructions on selecting a customer from SCIMS.
- after the customer has been selected, the FSA-FS Menu will be displayed
- CLICK “Customer Profile” to change the flag setting for “Other Agency Debt”
- click the radio button under “Other Agency Debt” according to the following:
 - “Yes” to set the flag
 - “No” to remove a previously set flag
- CLICK:
 - “Update Profile” to record the flag setting
 - “Logoff” at the top right of the screen to exit FSA-FS.

161 FSFL's Paid in Full**A Releasing FSFL Security**

Upon payment of FSFL in full, County Offices shall:

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

*--Security documents may be released earlier than 30 calendar days, if after the SED review, it is determined FSFL has been satisfied and paid-in-full. The authority for this release may **not** be redelegated.

Note: If final FSFL payment is made by cash, certified check, or money order, the borrower may request an accelerated release of security documents from SED. Included with the request, the County Office will send a copy of the final FSFL repayment receipt showing FSFL has been paid in full, and a copy of CCC-257 showing the remittance has been deposited. SED, after reviewing the documents, may advise the County Office in writing to proceed with releasing the security documents. The authority for this release may **not** be redelegated.--*

162 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 FSFL's 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 FSFL when it appears CCC's security interest is in jeopardy

Note: See subparagraph 227 B.

162 Real Estate Taxes (Continued)

B Unpaid Taxes (Continued)

- bill the borrowers for the amount of the tax paid

Note: See paragraph 314 for depositing borrower reimbursement of CCC-paid taxes.

- begin proper servicing action, such as calling FSFL.

163 Maintenance and Liability

A Maintenance

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

County Offices shall perform collateral checks:

- at least once every other year for all FSFL’s using asphalt flooring, according to subparagraph 34 C
- for the following terms:
 - 7-year term – fourth year of FSFL
 - 10-year term – fourth and eighth year of FSFL
 - 12-year term – fourth and ninth year of FSFL

•*--where the full annual installment payment is **not** made within 15 calendar days after--* the installment due date.

Example: Producer Berry has an FY 2009 FSFL with a 7-year term and the annual installment repayment is due on May 1. The following table is a schedule of when collateral checks are required based on the date the annual installment repayment is received in the County Office.

Note: The future dates of annual installment repayments are used for this example only.

FSFL Term	Date Annual Installment Payment Received in the County Office	Collateral Check Required
Year 1	April 30, 2010	No
Year 2	May 1, 2011	No
Year 3	*--May 19, 2012--*	Yes
Year 4	April 30, 2013	Yes
Year 5	April 29, 2014	No
Year 6	*--May 22, 2015--*	Yes
Year 7	May 1, 2016	No

Important: If there is reason to believe CCC’s collateral is at risk, STC or COC may authorize the County Office to perform a collateral check at any time.

163 Maintenance and Liability (Continued)

A Maintenance (Continued)

- if possible, conduct checks in conjunction with other FSA loan program collateral checks

* * *

- annually verify structural and flood insurance policies by:
 - ensuring that CCC is listed as a loss payee
 - reviewing proof of insurance provided to FSA by insurance companies

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

- annually obtain proof of multi-peril crop insurance or NAP insurance for each applicable crop year for the entire FSFL term
- 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 FSFL 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 FSFL collateral.

164 Changes to a Farming Operation**A Farming Operation Changes**

FSFL's are approved and disbursed to a farming operation that is an eligible entity or eligible producer at the time of approval.

B Borrower Action

If any changes are made to a farming operation with an outstanding FSFL, the borrower **must** do 1 of the following:

- find an eligible borrower or entity to assume FSFL according to paragraph 177
- repay FSFL
- undergo new financial analysis to ensure that CCC's interests are protected and that the current borrower is in a position to continue making the scheduled FSFL payments.

Notes: The only way TIN can be changed on an outstanding FSFL is through the FSFL assumption process. If an individual borrower changes his or her farming operation to a corporation, the corporation **must** assume FSFL for IRS-1098 to report the interest paid to the new TIN. All the steps for FSFL assumption **must** be completed for the corporation.

The facility is still prohibited from being used as a commercial facility or operation as long as FSFL is outstanding.

165 Sale or Conveyance and Assumptions**A Sale of Collateral**

[7 CFR 1436.16] The collateral securing FSFL shall be sold by CCC whenever:

- CCC has called FSFL and it has **not** been repaid
- the borrower voluntarily conveys the collateral to CCC before repaying FSFL
- the borrower desires to convey other property securing FSFL without repaying FSFL.

Notes: Before a borrower sells or conveys the facilities or other property securing FSFL without repaying FSFL in full, the borrower shall obtain approval for sale or conveyance from COC.

The County Office shall not release any documents to release any liens, security, or allow removal of the FSFL structure until the full payment has been received according to subparagraph 161 A.

B Assumptions

An assumption of FSFL may be approved by CCC. The approval authority for FSFL assumption is the same as for a regular FSFL. See subparagraph 2 F.

166 Appeals, Misaction, and Misinformation**A Adverse Determinations**

Approving authorities making adverse determinations against FSFL applicants and borrowers shall:

- provide mediation, reconsideration, and appeal rights according to 1-APP
- follow procedure in 1-APP to process and act upon appeals.

B Misaction and Misinformation

When there is misaction, misinformation, or a situation involving the finality rule, follow procedure in 7-CP.

--167 CCC-195 Servicing*A Completing CCC-195 Servicing**

County Offices shall:

- prepare CCC-195 Servicing 45 calendar days before the installment due date for all outstanding FSFL's

Note: CCC-195 Servicing shall be initiated at the same time the reminder and notification letter are mailed to the FSFL producer according to 1-FSFL, subparagraph 158 C.

Example: FSFL installment due date is September 28, 2013. The County Office **must** complete CCC-195 Servicing on August 13, 2013, for items that can be answered before the installment due date. Items that cannot be answered before the installment due date **must** be answered within 120 calendar days after FSFL installment due date.

- maintain CCC-195 Servicing in each FSFL folder
- start using CCC-195 Servicing immediately
- check, initial, and date the appropriate box for each item as it is performed.

Notes: Do **not** line through items when initials and dates are required.

It is not practical for CCC-195 Servicing to address every conceivable situation about servicing FSFL's.

B Accessing CCC-195 Servicing

CCC-195 Servicing is available from the USDA Service Center Agencies eForms web site at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html>.--*

--167 CCC-195 Servicing (Continued)*C Modifying CCC-195 Servicing**

State Offices shall:

- only as necessary, and to incorporate individual State laws, modify CCC-195 Servicing for State use by editing the document in Microsoft Word

Note: The current version of CCC-195 Servicing is available through the FFAS Employee Forms/Publications Online Website at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html>.

- e-mail State CCC-195 Servicing's that differ from the national CCC-195 Servicing to Toni Williams at toni.williams@wdc.usda.gov for National Office approval
- issue **only** National Office-approved CCC-195 Servicing to County Offices.

D State Office or Designee Reviews

The State Office shall select the following every FY for each County Office for review beginning October 1:

- three CCC-195 Servicing, if 10 or less CCC-195 Servicing's have been completed
- five CCC-195 Servicing, if 11 or more CCC-195 Servicing's have been completed.

Notes: The State Office CCC-195 Servicing Review Report is due in the National Office on or before the 4th Friday each January following the new FY.

Selecting CCC-195 Servicing per County Office may be random and the State Office Review Report, SORS, FSFL Condensed, and or the FSFL system-generated Repayment History Report may assist with selecting CCC-195 Servicing's that must be reviewed.

Other FSFL administrative reports that may be used are:

- FSFL Status Report
- FSFL Installment Due Report
- FSFL Repayment Installment Reminder Report
- FSFL Repayment Status Report.--*

***--167 CCC-195 Servicing (Continued)**

E National Report

SED’s or designee shall report the following for each County Office to the National Office:

- number of CCC-195 Servicing reviewed by State Office
- number of “Do Not Concur” signed by State Office
- reason for “Do Not Concur”
- corrective action provided to the County Office to resolve CCC-195 Servicing finding.

SED or designee shall e-mail the report to **toni.williams@wdc.usda.gov**. Reports are due in the National Office by the 4th Friday each January, following the new FY.

F Completing CCC-195 Servicing

Complete CCC-195 Servicing according to the following table.

Item	Instructions
1	Enter producer’s name.
2	Enter FSFL loan number.
3	Enter State where facility or equipment is located.
4	Enter County Office name where FSFL was processed.
5 A	Enter FSFL Term (7, 10, or 12 years).
5 B	Enter FSFL annual term year. Example: FSFL was disbursed April 27, 2012, as FSFL 2012-00001, and CCC-195 Servicing was initiated on March 18, 2013. FSFL annual term year entered should be “1”.
6 A through 12 E	For each item listed, CHECK (✓) “ Yes ”, “ No ”, or “ N/A ”, as applicable. The employee completing the action shall initial and date each box. Note: When initials and date are required, lining through the item is not acceptable.

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*--167 CCC-195 Servicing (Continued)

F Completing CCC-195 Servicing (Continued)

Item	Instructions
13 A	<p>Any County Office employee who initials in items 6 through 12 is required to sign as a preparer. Signing as the preparer does not represent that an employee checked items 6 through 12, only that the employee completed an item that was initialed and dated.</p> <p>Note: There may be more than 1 preparer signing and dating CCC-195 Servicing.</p>
13 B	<p>County Office employee who signs item 13 A shall enter the current date.</p>
14 A through 14 C	<p>CED shall indicate whether or not they concur with how items 6 through 12 are completed. CED or designee representative shall review CCC-195 Servicing for all outstanding FSFL's.</p> <p>CED, or designee representative, who:</p> <ul style="list-style-type: none"> • completed item 14 A shall sign item 14 B • signed item 14 B shall enter the current date in item 14 C. <p>Note: If CED, or CED designee representative, was 1 of the preparers who completed items 6 through 12, CED, or CED designee representative, shall not complete this section. DD's must complete items 14 A through 14 C for all CED, or CED designee representative prepared FSFL's.</p>
15 A through 15 G	<p>During the applicable State Office or designee review of CCC-195 Servicing according to subparagraph 2 A, the State Office or designee shall respond to items 15 A through 15 D. Remarks or findings shall be noted for each question, if applicable.</p> <p>State Office or designee who:</p> <ul style="list-style-type: none"> • completed 15 E shall sign item 15 F • signed item 15 F shall enter the current date in item 15 G.
16	<p>Enter any remarks about any questions included on CCC-195 Servicing.</p>
17	<p>Important: Every FY the State Office or designee shall select the following for each County Office for review beginning October 1:</p> <ul style="list-style-type: none"> • three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed • five CCC-195 Servicing, if 11 through 1,000 CCC-195 Servicing have been completed.

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*--167 CCC-195 Servicing (Continued)

G Example of CCC-195 Servicing

This form is available electronically.

<p>CCC-195 Servicing (02-12-13)</p> <p style="text-align: right;">U.S. Department of Agriculture Commodity Credit Corporation</p> <p style="text-align: center;">FARM STORAGE FACILITY LOAN (FSFL) SERVICING CHECKLIST</p>	1. Name of Producer					
	2. Loan No.					
	3. State Office Name (Where facility or equipment is located)		4. County Office Name			
	5A. FSFL Term (7, 10, or 12)		5B. FSFL Annual Term Year			

Office Staff Actions:	Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
6. Collecting Installments						
A. Initiated a reminder and notification letter at the Start-of-Day, 45 calendar days before the FSFL annual installment due date.	<i>Subparagraph 158 C</i>					
B. Was the FSFL annual installment payment received timely and entered in both the System 36 and NRRS? If the answer is "YES", continue to Item 8. If the answer is "NO", complete the remainder of Item 6 and Item 7. Note: The annual installment repayment NRRS code is XXFSFL located in PSFSFL. XX represent the FY the FSFL was approved.	<i>Paragraph 380 Exhibit 36</i>					
C. Prepared and mailed a first demand letter on the day after the due date.	<i>Subparagraph 158 D</i>					
D. Established the "Other Agency Debt" flag in the producer's customer profile through FSA-Financial Services.	<i>Subparagraphs 158 D and I</i>					
E. Prepared and mailed a second demand letter 30 calendar days after the first demand letter. If the answer is "YES", also answer Item 12D.	<i>Subparagraph 158 D</i>					
F. Prepared and mailed a third demand letter 30 calendar days after the second demand letter.	<i>Subparagraph 158 D</i>					
G. Prepared collection action against a debtor's pro rata share of payments due any entity that the producer participates in, either directly or indirectly.	<i>Subparagraph 158 D</i>					
H. Prepared foreclosure actions after all efforts to collect the installment have been exhausted.	<i>Subparagraph 158 D</i>					
I. 120 calendar days after the installment due date, refer the producer to the National Office PSD.	<i>Subparagraph 158 D</i>					
7. Later Payment of an Installment, if applicable:						
A. Did the producer make a written request for COC consideration within 60 calendar days before or after the installment due date and a current cash flow statement demonstrating that the installment can be paid within 120 calendar days after the due date? Note: Payment after the installment due date may be requested 1 time only for each installment during the FSFL term.	<i>Subparagraph 158 E</i>					
B. Prepared and mailed to the producer the COC decision regarding the later payment of an installment.	<i>Subparagraph 158 E</i>					
C. Resumed collection activity according to actions listed at 6C through 6I, if the installment is not paid by the COC determined date.	<i>Subparagraph 158 E</i>					
8. Releasing Security, if applicable:						
A. FSFL is "paid in full." Initiate the release of security documents, as required by State law.	<i>Subparagraph 161A</i>					
B. Require the producer to pay all security release fees.	<i>Subparagraph 161A</i>					
C. Mark the original CCC-186 "paid" and forward to the producer 30 calendar days after the date of the final repayment.	<i>Subparagraph 161A</i>					

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*--167 CCC-195 Servicing (Continued)

G Example of CCC-195 Servicing (Continued)

Office Staff Actions:		Applicable References (1-FSFL (Rev. 1))	YES	NO	N/A	Initials	Date
9. Real Estate Taxes:							
A. Producer provided proof of payment of real estate taxes, applicable to the collateral securing the FSFL and real estate taxes are current. If the answer is "NO", complete Item 9B. If the FSFL is not secured with real estate, mark N/A.		Subparagraph 162 A					
B. Pay any unpaid taxes with respect to the collateral securing FSFL if appears CCC's security interest is in jeopardy.		Subparagraph 162B					
10. Annual Insurance Coverage Requirement:							
A. Multi-Peril Crop Insurance - Producer provided proof of multi-peril crop insurance, if applicable, for commodities stored in the structure.		Subparagraph 69 A					
B. All-Peril Structural Insurance - Producer provided proof of all-peril structural insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee.		Subparagraph 69 F					
C. Flood Insurance - Producer provided proof of flood insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee.		Subparagraph 69 G					
11. Financing Statements:							
A. UCC-1 is current. If the answer is "NO" continue to Item 11 B.		Subparagraph 56 B					
B. UCC-3 Continuation is filed.							
12. Collateral Inspection:							
A. Is a collateral inspection required for the applicable FSFL term? If the answer is "YES", complete the remainder of Item 12. If the answer is "NO", no further action is required for Item 12.		Subparagraph 163 A Paragraph 167					
B. Was there legal access to the facility site?							
C. Was there proper facility maintenance?							
D. Was this a collateral inspection needed because of a late FSFL annual installment repayment?							
E. If asphalt flooring is installed, a collateral check is required at least once every other year. Is an asphalt flooring check required for this year? If "YES", record remarks regarding the check in Item 16.		Subparagraph 34C					
13. Certification:							
A. Signature of Preparer(s)				B. Date (MM-DD-YYYY)			
14A. I concur/do not concur the above items have been verified or updated accordingly.						<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
14B. CED, CED Designee Representative or DD Signature (Required for all Loans)				14C. Date (MM-DD-YYYY)			
15. State Office or Designee Review:							
Question		YES	NO	Remarks or finding, if applicable			
15A. Did the County Office prepare the CCC-195 Servicing on the date the reminder and notification letter was mailed to the FSFL producer?							
15B. Did the respective employee check, initial, and date the appropriate box for each item as it was performed?							
15C. According to your review of CCC-195 Servicing and the actions taken, was the FSFL properly serviced?							
15D. Do you have other concerns regarding this FSFL?							
15E. I, the undersigned, certify the above items have been verified or updated accordingly.						<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
15F. State Office or Designee Signature				15G. Date (MM-DD-YYYY)			

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*--167 CCC-195 Servicing (Continued)

G Example of CCC-195 Servicing (Continued)

CCC-195 Servicing (02-12-13)	Page 3 of 3
16. Remarks	
17. Important:	
The State Office or designee shall select the following per County Office for review each FY, beginning October 1:	
<ul style="list-style-type: none">▪ three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed▪ five CCC-195 Servicing, if 11 through 1,000 CCC-195 Servicing have been completed	

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168-175 (Reserved)

231 Releasing Real Estate Security (Continued)

B Partial Release Preparation and Distribution

County Offices shall:

- prepare partial releases according to the following unless OGC requires other language according to State law
- file the partial release with the appropriate recording official according to State law
- distribute copies of the partial release to the following:
 - secured party
 - debtor
 - FSFL folder.

PARTIAL RELEASE					
<p>The Commodity Credit Corporation (CCC), as owner and holder of the following described security instruments, made and executed by (enter names of debtors, of (enter County where debtor located) County, State of (enter State where debtor located), filed or recorded in the (enter name of the office where security instruments were recorded), office of (enter county where office is located), State of (enter State where office is located), to wit:</p>					
Instrument	Mortgagee	Date of Instrument	Date Filed	Document, File or Book No.	Page No.
<p>for value received, does release from the lien of said instruments the following described property (describe property in detail).</p> <p>Only the above described property is released from the lien of the aforesaid instruments. This release shall not affect or modify the obligations secured by those lien instruments, and these obligations shall continue in force and in effect until fully paid, satisfied, and discharged.</p> <p>In witness whereof, CCC has signed this form on (enter date of execution).</p> <p>Witness: (enter signature of person witnessing CCC signature)</p> <p>For: Commodity Credit Corporation</p> <p>By: (signature of authorized representative of CCC)</p> <p>Title: (enter title of authorized representative of CCC)</p> <p>(Attach acknowledgment applicable to State for notarization)</p>					

231 Releasing Real Estate Security (Continued)**C Discharging Mortgage or Deed of Trust**

Discharges of real estate liens used to secure FSFL's are authorized when the:

- County Office determines that:
 - the lien has been fully satisfied by full payment of the amount due
 - 30 calendar days from the date of final payment of FSFL have lapsed
- borrower pays all costs associated with the release.

Note: If final FSFL payment is made by cash, certified check, or money order, the borrower may request an accelerated release of security documents from SED. Included with the request, the County Office will send a copy of the final FSFL repayment receipt showing FSFL has been paid in full, and a copy of CCC-257 showing the remittance *--has been deposited. SED may, **after** reviewing the documents **and** satisfaction, advise the County Office in writing to proceed with releasing the security documents before the 30 calendar days have elapsed from the date of the final payment of FSFL. The authority for this release may **not** be redelegated.--*

312 Application Fees (Continued)

B Program Code for Application Fees

The program code for **depositing** FSFL application fees is “XXFSFLFEES”, where “XX” represents the last 2 digits of the FY in which the FSFL application is expected to be “Approved Pending Funding” by STC or COC.

Examples: An application fee collected for FSFL that is “Approved Pending Funding” by COC between:

- 10-1-11 and 9-30-12 will be deposited using code “12FSFLFEES”
- 10-1-12 and 9-30-13 will be deposited using code “13FSFLFEES”.

The NRRS code “XXFSFLFEES”:

- **shall** only be used for application fees
- **must** equal \$100 when entering the FSFL application fee
- is located in **NRRS** under “Direct Sales”.

Note: State and County Offices must ensure that the FSFL application fee is selected from the “Direct Sales” NRRS drop-down menu and **not** selected from the “Price Support Farm Storage Facility Loan” NRRS drop-down menu.

Important: If application fee is received in FY 2012, but FSFL is not approved until FY 2013, application fee **must** be *-reentered in the system as, “13FSFLFEES”. State Offices **must** contact the National Office for instructions when deleting and reentering “XXFSFLFEES”.-*

Notes: For fees paid for by the County Office and reimbursed by the producer, see paragraph 314.

See Exhibit 34 for FSFL program codes, Exhibit 35 for FSFL application fee examples for recording in NRRS, and Exhibit 36 for FSFL repayment examples for recording in NRRS.

C Retaining Application Fee Information

County Offices shall record the following in the FSFL folder:

- amount of application fee paid in dollars and cents, for example “\$100.00”
- date application fee was paid and deposited
- CCC-257 number, for example “0468”.

D Depositing Application Fees

The FSFL application fee shall be deposited in NRRS using current FI procedure.

313 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** pay for these reports. PSD will request payment.

The applicant shall pay all other fees according to subparagraph 24 I.

B Program Code for Paying Fees

The program code for **paying** fees for FSFL lien searches and financing statements is *--“XXFSFLRF”, where “XX” equals the last 2 digits of the FY of the original loan approval.

Examples: Lien search and recording fees shall be coded as follows:

- a fee for filing UCC-1 for FSFL approved in FY 2010 and paid on October 4, 2010, shall be “10FSFLRF”
- a lien search on an individual assuming FY 2007 FSFL paid on September 9, 2010, shall be “07FSFLRF”.

C Paying Fees

County Offices shall submit payment requests for FSFL lien search and recording fees according to current OLP procedures in 1-FI.

314 Reimbursable Fees**A Reimbursable Fee--***

An example of a reimbursable fee is the borrower repaying the County Office for CCC-297 they filed for the producer. According to subparagraph 24 I, the producer is responsible for the cost associated with the filing of CCC-297. Other examples include, but are not limited to, the following:

- *--filing and discharging CCC-297
- filing and recording CCC-297 related to a lien on real estate
- filing a release or discharge of a real estate mortgage--*
- terminating a financing statement using a UCC document.

314 Reimbursable Fees (Continued)

*--A Reimbursable Fee (Continued)

FSFL recoverable/reimbursable costs are the responsibility of the borrower, but in some instances may be paid on behalf of the borrower by CCC because of timing issues, and then collected back from the borrower. These recoveries are manually recorded through NRRS and are separate from the FSFL application fee code.--*

B Payments for Reimbursable Fees Submitted by County Office

County Offices shall:

- use the OLP program code “XXFSFLAME” to pay for FSFL reimbursable fees that will be reimbursed by the applicant

Note: “XX” equals the last 2 digits of the FY of the original FSFL approval.

- submit the payment request for reimbursable fees according to current OLP procedures in 1-FI.

*--“XXFSFLAME” shall only be used for recording a recoverable/reimbursable fee receivable in NRRS.

Important: County Offices must use OLP “XXFSFLAME” to pay reimbursable fees that will be reimbursed by the borrower.--*

C Producer Remittance of Reimbursable Fees

The program code for depositing reimbursable fees paid for by the County Office and reimbursed by the applicant for FSFL’s is “XXFSFLAME”, where “XX” equals the last 2 digits of the FY in which the original FSFL was approved.

Note: All OLP’s made using program code “XXFSFLAME” shall be offset with a *--receivable in NRRS for the same amount.--*

314 Reimbursable Fees (Continued)**D Examples of Reimbursable Fees**

The following are examples of reimbursable fees.

- The County Office pays for recording CCC-297 for FSFL approved on August 16, 2011. OLP is coded as “11FSFLAME”. The borrower submits payment to the County Office for the cost of recording CCC-297 on October 14, 2011. The receivable is coded in NRRS as “11FSFLAME”.
- *--The borrower makes the final payment on their FY 2009 FSFL and wants UCC-1 released. The borrower gives the County Office a check for the cost of releasing UCC-1 and the receivable is coded in NRRS using code “09FSFLAME”. OLP is coded as “09FSFLAME”.--*

E Lien Search and UCC-1 Recording Fee

CCC is responsible for payment of lien searches on collateral and UCC-1 recording fees for financing statements on collateral. OLP code, “XXFSFLRF” is used to pay these fees, where “XX” equals the last 2 digits of the original FSFL approval.

Example: The County Office paid for a lien search for the FSFL approved on April 4, 2011 (FY 2011 FSFL). The County Office **must** enter the lien search fee as “11FSFLRF” when issuing payment to the payee.

NRRS code, “XXFSFLRF”:

- *--shall only be used for recording a lien search, UCC-1, or UCC-3 continuation recording fees in OLP--*
- is located in NRRS under “Existing Receivable”, then “Record New Receipt” using collection type, “Existing Receivable”.

“XXFSFLRF” must be used to return funds when there is an overdisbursement of lien search and UCC-1 recording fees.

NRRS code “XXFSFLRF” shall **not** be used to record FSFL:

- annual installment repayments
- application fees
- reimbursable fees.

315-324 (Reserved)

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

This table lists the required reports in this handbook.

Report Control Number	Title	Reporting Period	Submission Date	Negative Report	Reference
VFB405-R001	FSFL Program Reminders Report	Monthly by DD			415
VAA510-R001	FSFL Repayment Status Report	Quarterly by State Office			414

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification		51, Ex. 15
B10	Proof of Claim		186
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	58	51, 52, 56
CCC-185	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program	51, 116	Text, Ex. 15, 40, 41
CCC-185-1	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program (CCC-185 Continuation Sheet)	51	
CCC-186	Farm Storage Facility Loan Program Promissory Note and Security Agreement	146	Text, Ex. 2, 15
CCC-186-1	Farm Storage Facility Loan Program CCC-186-1 Continuation Sheet	147	31, 411, 412
CCC-190	Farm Storage Facility Loan Program Lien Waiver	Ex. 16	52, 56, 127, 129, Ex. 15
CCC-191	Farm Storage Facility Loan Program Release of Liability	133	28, 127, 129, 134.5, 230
CCC-193	Real Estate Mortgage for Farm Storage Facility Loan Program	Ex. 17	31, 127, 129, 131, Ex. 15
CCC-193-D	Farm Storage Facility Loan Deed of Trust for (State of _____)	Ex. 17	31, 127, 131

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-194	Farm Storage Facility Loan Subordination Agreement (Lien on Real Property)	Ex. 23	127, 129, 131, Ex. 15
CCC-195	Farm Storage Facility Loan (FSFL) Processing Checklist	52	11, 28, 127, Ex. 15
CCC-195 Servicing	Farm Storage Facility Loan (FSFL) Servicing Checklist	167	34, 134, 158
CCC-197	Final Farm Storage Facility Loan (FSFL) Program Cost Certification	134.5	28
CCC-257	Schedule of Deposit		158, 161, 231, 232, 312, 338, 353, 426
CCC-295A	Farm Storage Facility Loan Program Final Inspection of Facility Before Loan Disbursement	134	28, 127, 186, Ex. 15
CCC-296	Farm Storage Facility Loan Program Certification of Attorney	129	127
CCC-297	Severance Agreement	Ex. 10	Text, Ex. 15
CCC-298	Farm Storage Facility Loan Program Assumption Agreement	177	31, 426, Ex. 15
CCC-299	Title Opinion - Farm Storage Facility Loan Program	129	127
CCC-400	Farm Storage Facility Loan Program Agreement for Sale of Loan Collateral	210	31, 186, 197, 209, 211, 233
CCC-471	Non-Insured Crop Disaster Assistance Program (NAP) Application for Coverage (2010 and Subsequent Crop Years)		69
CCC-674	Certification of Contracts, Grants, Loans, and Cooperative Agreements	33	
CCC-901	Members Information 2009 and Subsequent Years		10, 31, 51, 52
CCC-902	Farm Operating Plan for Payment Eligibility Review		10, 12, 15, 51, 52
CCC-902E	Farm Operating Plan for an Entity 2009 and Subsequent Program Years		31
CCC-926	Payment Eligibility Average Adjusted Gross Income Certification		12
FSA-13-A	Data Security Access Authorization Form		451
FSA-211	Power of Attorney		31
FSA-578	Report of Acreage		12, 15, 51

Suggested FSFL Filing Guide for Eight Position Files

The following is a suggested FSFL filing guide that may be used for 8 position files:

- Position 1:
 - CCC-195
 - UCC-1
 - UCC-3
 - CCC-190
 - FSA-2360
 - FSA-2015

- Position 2:
 - CCC-186
 - CCC-298

- Position 3:
 - running case records
 - CCC-185
 - financial information
 - Credit Bureau Report
 - FSA-2004

- Position 4:
 - correspondence

- Position 5:
 - all legal information including legal description
 - all attorney information and forms
 - CCC-193
 - CCC-194
 - copy of CCC-297 (original filed where applicable)

Suggested FSFL Filing Guide for Eight Position Files (Continued)

- Position 6:
 - bills/invoices/statements
 - estimates
 - building plans and permits
 - CCC-295A
 - * * *

- Position 7:
 - proof of insurance – crop, structural, and flood

- Position 8:
 - AD-1026
 - FSA-850
 - FSA-851
 - Class II assessments
 - State Historical Preservation Officer determination
 - Tribal Historic Preservation Office documentation
 - FWS determination
 - appraisals.

Note: This suggested filing guide can be adjusted if 6 position folders are used.

FSFL Application Fee Example for Recording in NRRS

Producer John visited the County Office on April 27, 2011, to apply for a FY 2011 FSFL. FSFL was approved on June 1, 2011. The application fee of \$100 was collected for the FY 2011 FSFL.

Producer Darlene visited the County Office on August 1, 2012, to apply for a FY 2012 FSFL. FSFL was approved on September 2, 2012. The application fee of \$100 was collected for the FY 2012 FSFL.

Producer	Application Date	NRRS Program Code (Under Direct Sales)
John	April 27, 2011	11FSFLFEES
Darlene	August 1, 2012	12FSFLFEES

Important: FSFL application fees **must** be recorded in the amount of \$100 per borrower for FSFL.

The following includes the correct NRRS application fee program codes that **must** be entered for the applicable FY. The program code, “XXFSFLFEES” is accessed under NRRS “**Direct Sales**”.

*--

IF the application fee is for a loan approved in FY...	THEN use NRRS program code...
2001	“01FSFLFEES”.
2002	“02FSFLFEES”.
2003	“03FSFLFEES”.
2004	“04FSFLFEES”.
2005	“05FSFLFEES”.
2006	“06FSFLFEES”.
2007	“07FSFLFEES”.
2008	“08FSFLFEES”.
2009	“09FSFLFEES”.
2010	“10FSFLFEES”.
2011	“11FSFLFEES”.
2012	“12FSFLFEES”.
2013	“13FSFLFEES”.
2014	“14FSFLFEES”.

--*

FSFL Repayment Example for Recording in NRRS

*--Producer Keith visited the County Office on September 10, 2013, to make an annual installment repayment for a FY 2009 FSFL.

Producer Larry visited the County Office on November 1, 2013, to make an annual installment repayment for a FY 2010 FSFL.

Producer	Loan Repayment Date	NRRS Program Code (Under PSFSFL)
Keith	September 10, 2013	09FSFL
Larry	November 1, 2013	10FSFL

--*

The following includes correct NRRS loan repayment program codes for loan principal and interest. The program codes **must** be entered for the applicable FY that the loan was **approved**. The program code, "XXFSFL" is accessed under NRRS Price Support Farm Storage Facility Loan "PSFSFL."

Important: Do **not** use the FY the repayment was made.

*--

IF the repayment is for an FSFL approved in FY...	THEN use NRRS program code...
2000	"00FSFL".
2001	"01FSFL".
2002	"02FSFL".
2003	"03FSFL".
2004	"04FSFL".
2005	"05FSFL".
2006	"06FSFL".
2007	"07FSFL".
2008	"08FSFL".
2009	"09FSFL".
2010	"10FSFL".
2011	"11FSFL".
2012	"12FSFL".
2013	"13FSFL".
2014	"14FSFL".

--*

County Offices must continue to follow paragraph 380 for repayment processing. The annual installment repayment amount entered in System 36 **must** be the same as the annual installment repayment amount entered in NRRS.

At all times, the correct FSFL NRRS annual installment repayment code "XXFSFL" **must** be used. "XX" represents FY FSFL was approved.

FSFL NRRS code "XXFSFLMR" **must** only be used if the final annual installment repayment requires a refund to the producer. See Exhibit 34.

Example: The producer's FSFL final annual installment repayment is \$9,775 and the producer provides a check for \$10,000. NRRS code "XXFSFLMR" **must** be used because a refund is owed to the producer.

If the FSFL final annual installment repayment is the exact amount needed with **no** refund owed to the producer, FSFL NRRS annual installment repayment code "XXFSFL" **must** be used.

