

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

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**Farm Storage Facility Loan Program  
1-FSFL (Revision 3)**

**Amendment 6**

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**Approved by:** Acting Deputy Administrator, Farm Programs



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 1 C has been amended to add related handbooks 10-CM and 11-CM.

Subparagraphs 10 F, 33 A, 33 J, 48 B, 50 D, 53 A, 154 B, 233 D, 234 E, and 237 B, have been amended to update Toni Williams' email address.

Subparagraphs 11 C and D have been amended to change all references to calendar year 2018 to 2022 in the examples.

Subparagraph 14 A has been amended to update policy for FSFL approval expiration.

Subparagraph 25:

- A has been amended to clarify DAFP does not have the authority to approve FSFL's for processing equipment or refrigerated beehive (honeybees) and livestock housing
- C has been amended to update instructions of where to submit FSFL DAFP waiver requests.

Subparagraphs 32 A, 33 B, 33 D, 48 B, and 48 C has been amended to clarify haylage and silage are eligible commodities.

Subparagraphs 33 C and 38 A have been amended to clarify floriculture is a commodity eligible for cold storage.

Subparagraph 33 D has been amended to clarify FSFL's used for animal feed must be used for animal feed by the producer.

Subparagraph 33 E has been amended to clarify that renewable biomass that is not produced by the FSFL applicant is not eligible for FSFL.

Subparagraph 34 A has been amended to clarify sod is an ineligible FSFL commodity.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

Subparagraph 39:

- A has been amended to add honey storage facilities must be built according to acceptable design guidelines approved by COC or STC and concurrence must be obtained from the National Program Manager instead of NIFA or land grant universities
- B has been amended to remove flooring for honey structures must be designed according to acceptable guidelines from NIFA or land grant universities.

Subparagraph 39 D has been amended to add extractor as an ineligible handling equipment for honey FSFL's.

Paragraph 41 has been amended to update the title to include auction purchases.

Subparagraph 41:

- B has been amended to add reminder that 1-EQ policy must be followed for FSFL renovations, pre-owned facilities and auction purchases
- C has been added to provide policy for auction purchases.

Subparagraph 42 A has been amended to add spade trucks as eligible storage and handling equipment.

Subparagraph 43 B has been amended to:

- clarify eligibility of solar panels for FSFL
- to add hard plastic durable bins, silage wagons and self-dumping or unloading forage/silage wagons as eligible handling equipment.

Subparagraph 43 C has been amended to include seed treaters as ineligible equipment for FSFL.

Subparagraph 48 C has been amended to clarify STC's are authorized to determine if 2 years of production is to be used when calculating storage need for haylage and silage. It must be a statewide policy.

Paragraph 65 has been added to include Urban Agriculture and Community Supported Agriculture.

Subparagraph 82 K has been amended to update data facts email for password resets.

Subparagraph 86 A has been amended to include State Office specialists in the FSFL LRA Program and define LRA.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

Subparagraph 96 B has been amended to add Whole-Farm Revenue Protection and Micro-Farm as acceptable forms of insurance.

Paragraphs 122, 142, 144, 216, and 291 have been amended to replace chattel with personal property

Subparagraph 157 C has been amended to clarify crop insurance or NAP coverage is not required for FSFL if the producer produces at a minimum 2 different NAP pay types of eligible hay and the cost exceeds \$650.

Subparagraph 158 D has been amended to add item 8D (Extension Beyond 18 months) on the CCC-185D.

Subparagraph 158 E has been amended to grant authority to the STC to approve extensions greater than 18 months not to exceed 24 months.

Subparagraph 158 F has been amended to require a DAFP waiver for extensions beyond 24 months.

Subparagraph 170 D has been amended to update 2017 to 2022 in the example.

Subparagraphs 187 F, 187 K, 263 E, 264 C, 272 B, 272 E, 272 F, and 272 I, have been amended to correct the link to the FFAS Employee Forms/Publication Online Website.

Subparagraph 209 A has been amended to provide a Reminder and Notification Letter for Final Installments.

Subparagraph 210 A has been amended to remove the note to follow Notice FSFL 186 and requirement to complete the CCC-195 Servicing TS during the pandemic.

Subparagraph 215 C has been amended to clarify status of FSFL's when there is a pending FTD at FSFL application but later determined a violation after FSFL disbursement.

Subparagraph 216 A has been amended to update calendar year references in the UCC filing example.

Paragraph 233 has been added to include policy for Repairing or Replacing FSFL Collateral and Additional Policies for Adverse Weather Conditions.

Subparagraphs 233 E, F, G, and H have been added to provide new policy for collateral damage and insurance proceeds due to adverse weather conditions and to contact the National Office for other insurable conditions.

Subparagraph 234 C has been amended to clarify application fee not required for FSFL assumptions for entity to entity with same members or individual to sole member entity.

## Amendment Transmittal (Continued)

### A Reasons for Amendment (Continued)

Paragraph 236 has been amended to remove the example for a Partial Release, provide that CCC-401(Exhibit 75) is to be completed for Farm Storage Facility Program Partial Release.

Subparagraph 244 A has been amended to authorize release of a divorced borrower from liability on FSFL's with an aggregate outstanding FSFL balance of \$250,000 or less.

Subparagraph 247:

- A has been amended to clarify CCC-777 submitted **after** the FSFL maturity date cannot be approved for deferral
- C has been amended to clarify deferral policy for FSFL's with a behind status
- E has been amended to update instructions for CCC-777 Item 3A
- G has been amended to clarify the CCC-777, FSFL credit action, and a completed FSFL deferral calculator must be provided to COC for review
- H has been amended to update link to access FSFL deferral calculator and remove the note
- I has been amended to clarify instructions for completing deferral calculator
- J has been amended to provide and updated example of a completed FSFL deferral calculator
- L has been amended to update the instructions for CCC-186 Addendum Item 1D
- N has been amended to provide a MS Teams Channel for deferral reporting to the National Office
- U has been amended to provide software is available in DLS to enter FSFL deferrals, 2-FSFL must be followed to enter FSFL deferrals in DLS

Paragraph 248 has been added to provide instructions for generating report in Data Marts to provide race, ethnicity, and gender information required for Civil Rights Report for FSFL's.

Subparagraph 302 B has been amended to remind County and State Offices they must ensure the correct accounting code information is used when paying FSFL fees with credit or purchase cards.

Exhibit 2 has been amended to remove chattel and add definitions for:

- community supported agriculture
- urban ag.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

Exhibits 20, 21, 22, and 23 have been amended to correct the link to the FFAS Employee Forms/Publication Online Website.

Exhibit 24 has been amended to correct the maximum loan amount for Regular New and Used Truck FSFL's from \$100K to \$500K, allow 10- and 12-year terms for Regular New Truck FSFL's and to update Producer History Requirement to read Storage Need Requirement in the FSFL Quick Guide Chart.

Exhibit 58 has been amended to add:

- approval box for 3<sup>rd</sup> extension on the CCC-185D
- statement in Box 6A that if the FSFL is disapproved, the reason for disapproval must be explained in remarks.

Exhibit 68 has been amended to include updated version of CCC-297.

Exhibit 70 has been amended to:

- inform FSFL borrowers of available options if the annual FSFL payment cannot be timely made by the installment due date
- add All-Peril Structural Insurance as an item that must be provided annually, if applicable.

Exhibit 71, subparagraph A has been amended to correct date in the example for Item 5B.

Exhibit 73 has been added to provide example of FSFL Reminder and Notification Letter sent to borrowers who have a final installment due.

Exhibit 74 has been added to provide an example of CCC-101, Agreement for Use of FSFL Collateral Insurance Proceeds.

Exhibit 75 has been added to provide an example of CCC-401

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**Part 1 Basic Provisions**

**Section 1 General Provisions**

**1 Overview**

**A Purpose**

[7 CFR 1436.1] This handbook provides the terms and conditions under which CCC may provide low cost financing for producers to store, handle and/or transport eligible commodities.

This handbook also provides policies and procedures to administer the FSFL program for the following:

- acquiring, constructing, installing and upgrading new or used, portable or permanently affixed, on-farm storage and handling facilities
- acquiring new or used, storage and handling trucks
- acquiring new or used, portable or permanently affixed storage and handling equipment.

**B Sources of Authority**

Authorities for the requirements in this handbook are as follows:

- 7 CFR Part 1436
- CCC Charter Act, 15 U.S.C. 714 et seq.
- Food, Conservation, and Energy Act of 2008, 7 U.S.C. 7971 and 8789.

# 1 Overview (Continued)

## C Related FSA Handbooks

The following FSA handbooks concern FSFL.

IF the area of concern is about...	THEN see...
acreage reporting	2-CP.
actively engaged determinations	4-PL or 5-PL.
appeals	1-APP.
approved abbreviations, signatures, and authorizations	1-CM.
audits and investigations	9-AO.
automation	2-FSFL.
*--customer data management	11-CM.--*
delegations of authority	16-AO.
disbursing, lien search, and UCC-1 recording fees	1-FI.
document retention period	32-AS.
environmental quality program	1-EQ.
environmental risk management	2-EQ.
establishing claims	58-FI.
*--farm records and reconstitutions	10-CM.--*
interest rates	50-FI.
IRS reporting	62-FI.
MAL yield	8-LP.
misaction and misinformation	7-CP.
payments and deposits	64-FI.
prompt payment	61-FI.
safety guidelines	5-LP.
SSFL's	12-SU.
web-based subsidiary files	3-PL (Rev. 2).

## D State Supplements

SED's are authorized to issue State supplements to this handbook.

State supplements may:

- **not** be issued to simply state verbatim, policies already established in this handbook
- be issued:
  - when this handbook does **not** provide complete guidance
  - to provide additional guidance for employees with limited experience
  - when State law requirements are **not** specifically addressed in this handbook
  - when STC have authority to be more restrictive or waive provisions.

## 10 FSFL Approval Authority (Continued)

### F FSFL's Within STC Approval Authority

\*--STC or designated SED must approve or disapprove the following:--\*

- CCC-185D's with a total aggregate outstanding FSFL balance of \$250,000.01 or greater
- biomass CCC-185D's
- CCC-185D's where STC has set other limitations for COC approval
- FSFL's with asphalt flooring.

For FSFL's where the producer's **total aggregate FSFL balance** is over \$250,000, DD or State Office designee with loan approval authority, before STC approval, must review the most recent FSFL documents to ensure that the producer is financially able to meet all FSFL obligations.

If STC or designated SED disapproves the CCC-185D, the reasons **must** be explained in a memorandum to COC.

See Part 9 for detailed information about FSFL decision and paragraph 13 for notification to applicant.

STC is the approval authority for all renewable biomass FSFL's. The following information **must** be immediately submitted by the State Office after STC approval to Toni Williams by \*--e-mail to **toni.williams@usda.gov**:--\*

- resale collateral value for which the facility is approved
- type of storage approved
- capacity of the storage facility
- county, FY, and FSFL number
- total FSFL amount approved.

**10 FSFL Approval Authority (Continued)****G Confidentiality of Applicant's Financial Information**

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

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

**Notes:** The applicant's financial information shall be kept in the applicant's FSFL folder. After a complete review by an FSA employee with FLP loan approval authority and STC and/or COC approval, SED may mandate sealing any or all of an applicant's financial information in an envelope to be kept in the applicant's FSFL folder.

Applicants may submit a written request for a copy of their credit report after it has been obtained from Data Facts, Inc.

## 11 FSFL's Where Any Delivery or Construction Has Begun Before Approval

### \*--A Environmental Review Program and Environmental Risk Management

All FSA actions including but not limited to FSFL requests require completion of an environmental review for compliance with NEPA.

NEPA requires that:

- Federal Agencies must consider all potential environmental impacts of their proposed actions by incorporating an analysis of impacts into their decision making processes and considering reasonable alternatives to those activities **before** implementing activities that have the potential to significantly impact the human environment
- all environmental processes must be fully completed before an action is begun or can be approved; therefore, actions **may not** be approved contingent to completion of any portion of the environmental review process
- agencies consult with and obtain comments from Federal Agencies that manage or have expertise about resources that are potentially affected (40 CFR 1502.25).

FSA's NEPA implementing regulations are found in 7 CFR Part 799. The process for implementing these regulations are described in 1-EQ and 1-FSFL, paragraph 110.

**Note:** FSA-850's completed for the environmental review for portable storage, equipment and/or storage and handling truck may not require a site visit provided there are no extraordinary circumstances.

All FSFL's secured by real estate will be evaluated for environmental risks by FSA staff by completing FSA-851, according to 2-EQ. This assessment is necessary to assess the suitability and value of proposed security and document lender liability due diligence.

The environmental review consisting of completion of FSA-850 or an EA as appropriate **must** be satisfactorily completed by trained FSA staff to establish a FONSI with no extraordinary circumstances, **before action is taken to initiate construction or approve CCC-185D.**

If FSA-850 or EA **cannot** be satisfactorily completed, CCC-185D will **not** be approved. There are no provisions for programmatic waiver requests, administrative exceptions, or misaction/misinformation regarding NEPA compliance.

FSA-851 must be completed and the findings evaluated before perfecting a lien on real estate security as provided by 2-EQ. If there are unresolved issues associated with the proposed property, then alternative real estate may be provided.--\*

## 11 FSFL's Where Any Delivery or Construction Has Begun Before Approval (Continued)

### B Actions That Impede Completion of an Environmental Review

The following producer actions must **not** occur at the FSFL site location or staging location before the environmental review processes have been fully concluded as provided by 1-EQ, subparagraphs 2 D and 5 A. The CCC-185D can only be approved after successful completion of the environmental review. Premature action includes but is not limited to:

- accepted delivery of equipment and/or materials for projects involving ground disturbance or construction
- clearing or removal of vegetation
- site grading level, preparation, or foundation construction
- removal of or alterations to any structures that are 50-years-old or older or located within a historic district.

### C Environmental Review Completed Before CCC-185D Approval

The environmental review is considered successfully completed when the required FSA-850 or EA processes have been concluded including consultations and public notices as appropriate and signature requirements are met to establish an environmental determination has been made, according to 1-EQ,

**Note:** FSA-850 and EA preparer and official signature requirements can be found at 1-EQ, subparagraph 31 B.

**\*--Example:** The producer requested FSFL to install a grain bin on October 25, 2022. FSA-850 was prepared and an environmental evaluation site visit was completed on October 27, 2022. Consultations with SHPO and FWS were completed and responses received November 20, 2022, found there were no potential environmental impacts. The FSA-850 preparer, who is CED, signed and dated FSA-850 on November 21, 2022, granting FSA-850 approval. COC determined the producer met all FSFL eligibility requirements and CCC-185D was approved on November 27, 2022.--\*

## 11 FSFL's Where Any Delivery or Construction Has Begun Before Approval (Continued)

**D Programmatic Waiver Request (Continued)**

The following provisions **must** be met before forwarding the case to the appropriate approving authority:

- all **required** documentation for financial analysis for all applicants and/or entities was received
- a favorable financial analysis **must** be received from the FSA employee with loan approval authority
- FSA-850 or EA must be satisfactorily completed before any action was taken to initiate ground disturbance or construction activities at the project or staging area and approval of the FSFL
- all applicant eligibility, equipment eligibility, and collateral security requirements, including satisfactory completion of the FSA-851, if necessary, **must** be met.

**\*--Example:** The producer requested FSFL in the amount of \$99,000 to install a grain bin on September 21, 2022. CCC-185 was properly completed and the \$100 application fee was collected. FSA-850 was drafted by the preparer and an environmental evaluation site visit was completed on September 22, 2022. Consultations were sent on September 22, 2022, to SHPO and FWS who both responded on October 12, 2022, that they had no concerns. FSA-850 was finalized with attachments of the consultation responses and signed by the preparer and reviewer on October 12, 2022. The FSA employee with loan approval authority recommended approval of the FSFL on October 13, 2022. The producer started site preparation on October 14, 2022. COC determined the producer met all FSA eligibility requirements and CCC-185D was approved on October 29, 2022.--\*

Based on policy in this subparagraph, FSFL can be approved by COC, as applicable, according to subparagraph E.

**Note:** If deemed necessary by STC or the National Office, additional information may be requested, such as, but not limited to, site preparation documentation and/or invoices to assist with determining eligibility and environmental compliance.

## 11 FSFL's Where Any Delivery or Construction Has Begun Before Approval (Continued)

**E Approval Authority for Producers Taking Actions Before CCC-185D Approval**

\*--All waiver requests for producers starting any actions after completion of the environmental review according to this paragraph **must** be reviewed, approved, or disapproved by the following table. The SEC is to be consulted regarding any issues or concerns regarding the NEPA environmental review or FSA-851 evaluation of real estate security.---\*

<b>IF the total aggregate outstanding FSFL balance amount is...</b>	<b>THEN the approval authority is...</b>
\$100,000 or less	COC.
\$100,000.01 to \$250,000	COC approval <b>after</b> DD review.
\$250,000.01 to \$500,000	STC or STC can delegate approval authority to SED or DAFO-appointed acting SED only.

The following provisions also are applicable:

- conditional approval for environmental compliance is **not** authorized
- interest rate of FSFL is based on CCC-185D approval date
- waiver provisions are **not** authorized for producers who requested FSFL **after** the FSFL project has been completed
- STC has authority to establish a more restrictive policy, statewide, if necessary.



## 12 Using Alternative Options for In-Person STC or COC Meetings

### A Conducting Meetings

When STC or COC meetings are conducted by conference call, e-mail, or polling process for CCC-185D approvals, the following actions are **required**:

- record CCC-185D approval or disapproval in STC or COC meeting minutes, as applicable
- document in STC or COC meeting minutes, as applicable, the names of the committee members that were polled, dates of the poll, and the determinations.

After CCC-185D is approved or disapproved by conference call, e-mail, or polling process, follow Part 9 for FSFL decision and paragraph 13 for notifying the applicant.

### B Signing CCC-185D When Alternative Option Is Used

If an alternative option is used to conduct STC and/or COC meeting:

- STC or COC chairperson, as applicable, **must** sign CCC-185D at the next opportunity
- document the date and method of approval in CCC-185D, item 5.

## 13 Notification to Applicant of Approval or Disapproval

### A Notifying Applicants

The applicant **must** be notified by notification letter when CCC-185D:

- approval has been entered and obligated in DLS
- is disapproved.

### B Approval Notification Letter

See Exhibit 7 for the Approval Notification Letter that is available electronically.

### C Adverse Determination Notification Letter

See Exhibit 8 for the Adverse Determination Notification Letter that is available electronically.

### \*--D Adverse Determination Notification Letter Based on Environmental Review

See Exhibit 9 for the Adverse Determination Notification Letter Based on Environmental Review that is available electronically.--\*

## 14 FSFL Approval Expiration

### A Approval Expiration

FSFL approvals expire 6 months after the approval date, **unless** extended in writing.

\*--Two additional 6-month extensions, for a total of 18 months from the original approval--\*  
date, may be approved according to the following.

IF the total aggregate outstanding FSFL amount is...	THEN approval authority is...
less than or equal to \$250,000	COC after DD or State Office designee review.
greater than \$250,000	STC or delegated authority to SED or DAFO-appointed acting SED <b>only</b> .
	<b>Note:</b> The delegation of authority <b>must</b> be recorded in STC minutes.

\*--STC's only are authorized to grant extensions of FSFL approvals beyond 18 months, **not** to exceed 24 months from the date of approval.--\*

### B Requesting Extension of the Approval Expiration

See paragraph 158 for detailed information on requesting extensions on the approval expiration date.

15-24 (Reserved)

## Section 3 Relief and Other Actions

## 25 Waivers

## A DAFP Waivers

DAFP may authorize STC's and COC's to waive or modify deadlines for other than NEPA compliance and other FSFL requirements in cases where lateness or failure to meet other FSFL requirements does **not** adversely affect the FSFL operation.

STC's and COC's may prepare a request for waiver to the applicable FSFL requirement according to this paragraph.

When COR determines a corrective action is **required** because FSFL was improperly disbursed or serviced and the producer wants FSFL to remain outstanding, a DAFP waiver is **required**.

\*--DAFP does not have the authority to approve FSFL's for processing equipment, refrigerated beehive (honey bees) storage, or livestock housing.--\*

## B County Office Action

\*--To address special situations, County Offices must:--\*

- prepare a memorandum to STC containing the following:
  - full details of the situation
  - purpose of the request
  - COC recommendations.
- provide copies of all **applicable** FSFL documents, including the following:
  - CCC-185
  - CCC-185-1
  - CCC-185D
  - CCC-186
  - CCC-186-1
  - COC and STC minutes
  - FSA-850 or EA as appropriate with underlying supporting documentation for consultation with SEC
  - FSA-851 when real estate security is involved
  - servicing forms and information.
- forward the request to STC.

## 25 Waivers (Continued)

### C State Office Action

\*--If STC concurs with COC request, State Offices must:

- consult with the SEC who in turn will consult the National Environmental Compliance Manager as necessary to resolve any issues regarding NEPA compliance--\*
- prepare a memorandum to DAFP containing the following:
  - full details of the situation
  - purpose of the request
  - STC and COC recommendations
- provide copies of all applicable FSFL documents listed in subparagraph B.

\*--**Note:** The original file and FSFL documents must **not** be sent.

- State Offices will submit FSFL DAFP waiver requests using the DAFP Relief Correspondence SharePoint site at **DAFP Correspondence (sharepoint.com)**.--\*

The National Office may request, at any time and for any case, additional information after the DAFP waiver is received.

### D DAFP Action

\*--DAFP must:--\*

- review
- approve or disapprove the request
- notify the applicable State Office.

## Part 2 FSFL Provisions

## 32 Eligible Commodities, Structure and Storage Needs Table

## A Helpful Table

This part provides detailed information for eligible commodities and structures as well as calculating storage needs. The following table identifies the maximum production storage capacity and applicable paragraphs for each commodity type.

<b>Commodity Type</b>	<b>Production Storage Capacity</b>	<b>Defining Eligible Commodity (paragraph)</b>	<b>Eligible Structures (paragraph)</b>	<b>Storage Need Calculations (paragraph)</b>
Aquaculture	1 year	33 K	38	50
Butter, Cheese, Eggs, Yogurt	1 year	33 I	38	50
Floriculture	1 year	33 G	38	50
*--Grain, Oilseeds, Silage, Etc.	2 years	33 B	36	48
Hay, Haylage--*	2 years	33 D	37	49
Hemp	1 year	33 N	46	56
Honey	1 year	33 F	39	51
Hops	1 year	33 L		50
Maple Sap	1 week	33 M		52A
Meat and Poultry	1 year	33 J	38	50
Milk	3 days	33 H	38	52B
Perishable Commodities, Nuts	1 year	33 C	38	50
Renewable Biomass	1 year	33 E	37	49
Seed Cotton	1 year	33 O	43	49
Wool	1 year	33 P	46	55

### 33 Eligible FSFL Commodities

#### A Documentation Necessary to Add a Commodity

\*--For any commodities **not** currently identified as eligible for FSFL's, STC must determine--\* whether the requested new commodity is produced in that State using resources including, but not limited to, NAP availability and/or NASS data.

\*--If the need has been determined by STC, the State Office must prepare a written document to justify the addition of the new commodity and send it by email to Toni Williams at **toni.williams@usda.gov**--\*

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

- general information about the commodity, including its use
- market for the requested commodity
- storage needs.

**Note:** State Offices **must** allow time for National Office approval of the requested commodity. In most cases, the Secretary's office **must** make the final decision about eligibility of a commodity.

### 33 Eligible FSFL Commodities (Continued)

#### B Grain, Oilseed, Pulse and Other Commodities

Eligible commodities authorized for FSFL's include the following:

- grains, harvested as whole grain or other than whole grain include the following:
  - barley
  - corn
  - grain sorghum
  - oats
  - quinoa
  - wheat
  - teff
- oilseeds include the following:
  - canola
  - crambe
  - flaxseed
  - mustard seed
  - rapeseed
  - safflower
  - sesame seeds
  - soybeans
  - sunflower seeds
- other grains include the following:
  - buckwheat
  - millet
  - speltz
  - triticale
  - rye

**Note:** Malted small grains are authorized.

- peanuts
- pulse crops include the following:
  - chickpeas (large and small)
  - dry beans
  - dry peas
  - lentils
- rice
- wild rice
- alfalfa, grass, and clover seed
- \*--silage used for animal feed.--\*

## 33 Eligible FSFL Commodities (Continued)

**C Eligible Perishable Commodities**

The following provides eligible perishable commodities eligible for cold storage FSFL's.

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

**Notes:** Caneberries include blackberries and raspberries.

Contact Toni Williams at [toni.williams@usda.gov](mailto:toni.williams@usda.gov) for guidance and/or authorization for an unlisted eligible perishable commodity.



## 33 Eligible FSFL Commodities (Continued)

**D Hay**

Hay means 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
    - millet
    - orchard grass
    - rye grass
    - sorghum/sudan
    - timothy grass
    - other native grass species prevalent in the region
  - forage legumes include the following:
    - alfalfa
    - clovers
    - trefoil
  - grain legumes include, but are **not** limited to, the following:
    - lentils
    - peas
    - soybeans
  - all FSFL commodities that are baled after harvest for animal feed qualify as hay including wheat straw, peanuts, and corn stubble
- \*--Example:** Wheat stubble baled that will be used for animal feed by the producer.
- haylage used for animal feed.--\*

**Note:** Processed and purchased hay is ineligible for FSFL financing.

**33 Eligible FSFL Commodities (Continued)****E Renewable Biomass**

Renewable biomass means 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 (compost) material including, but **not** limited to:
  - food waste
  - wood residue
  - wood waste
  - yard waste.

**\*--Note:** Renewable biomass that is not produced by the FSFL applicant is ineligible for FSFL.--\*

## 33 Eligible FSFL Commodities (Continued)

**J Meat and Poultry**

For FSFL purposes, the following are eligible livestock species:

- adult or nonadult beef cattle
- adult or nonadult beefalo
- adult or nonadult buffalo
- adult or nonadult dairy cattle
- elk
- moose
- alpacas
- deer
- emus
- goats
- llamas
- rabbits
- poultry, including egg-producing poultry
- sheep
- swine.

For storage purposes, the slaughtered meat and poultry may be:

- cured (salt or sugar)
- cut/sliced
- smoked
- ground.

**Note:** The producer must adhere to all applicable State laws for storing the slaughtered meat and poultry in the FSFL storage collateral.

For FSFL purposes, all other processing methods, such as but not limited to the following, are **not** eligible for a meat and poultry FSFL:

- cooking
- baking
- churning
- canning
- jarring
- dyeing
- other methods determined by STC.

For questionable situations, contact Toni Williams in the National Office at  
**\*--toni.williams@usda.gov.--\***

For a producer to be considered eligible for a meat and poultry FSFL, COC **must** determine the producer owned or leased the eligible livestock species for at least 30 calendar days.

## 33 Eligible FSFL Commodities (Continued)

**K Aquaculture**

Aquaculture species, for FSFL purposes, are defined as any species of aquatic organisms grown as food for human consumption, or fish raised as feed for fish that are consumed by humans. Aquaculture species include, but are **not** limited to:

- general species:
  - sturgeon fish
  - fish eggs
  - caviar
  - catfish
- crustaceans:
  - crabs
  - crawfish for food
  - lobster
  - prawns, freshwater
  - shrimp, saltwater
  - fin fish which include:
    - bass, hybrid striped
    - carp
    - perch, yellow
    - tilapia
    - trout
- mollusks:
  - abalone
  - clams
  - mussels
  - oysters
  - scallops
- seaweed:
  - kelp
  - dulse
  - laver
  - gacilaria
  - sea lettuce.

COC **must** determine the producer owns or has leased property with readily identifiable boundaries to produce the eligible aquaculture species for at least 30 calendar days.

## 34 Ineligible FSFL Commodities

### A List of Ineligible FSFL Commodities

The following are ineligible FSFL commodities:

- a commodity without a food value or energy value
- cider
- corn gluten
- firewood
- honeybees (beehives)
- illegal substances
- juices processed from an eligible commodity
- \*--livestock--\*
- manure
- marijuana (ineligible for Federal assistance)
- old growth timber
- processed commodities, unless identified in subparagraph 33 H, I, or J, which includes but is not limited to baking, canning and jarring
- roller creepfeeder
- \*--sod

**Note:** Sod, also known as turf, is the upper layer of soil with the grass growing on it that is often harvested into rolls used for the purpose of golf courses, sporting areas, lawns and roadways, and is not eligible for FSFL. However, some of the same grasses grown for sod-turf use can be grown for the purpose of animal feed and would be eligible for FSFL.--\*

- tobacco
- waste from domestic/residential/municipal sources
- waste from food source operations or food processing plants
- wine.

## 35 Eligible Applicants

### A Basic Requirements

[7 CFR 1436.5] Eligible applicant means any person, as defined in Exhibit 2, who, as a landowner, landlord, operator, producer, leaseholder, tenant, or sharecropper, meets **all** of the following eligibility requirements:

- demonstrates compliance with NEPA according to 40 CFR Parts 1500 through 1508, \*--7 CFR Part 799, and 1-EQ and 2-EQ--\*
- is in compliance with USDA provisions for HEL and WC according to 7 CFR Part 12
- has no delinquent Federal nontax debt as defined by DCIA of 1996 **unless** the delinquent debt is resolved before FSFL is disbursed
- has **not** been convicted under Federal or State law for a disqualifying controlled substance violation according to 1-CM, Part 30 or a crop insurance violation under 7 CFR Part 718
- is a producer of FSFL commodities as provided in paragraph 33

**Notes:** County Offices **must** review FSA-578's, including late-filed, to ensure that the producer produces eligible FSFL commodities.

Purchased commodities are **not** authorized for FSFL benefits.

- has a satisfactory credit history as determined by CCC
- demonstrates the ability to pay the downpayment and repay the debt resulting from FSFL
- demonstrates a need for increased storage capacity, **unless** the producer is submitting CCC-185 only for eligible handling and drying equipment, storage and handling trucks, or renovating an approved storage structure
- provides proof of multi-peril crop insurance offered under the Federal Crop Insurance Program, NAP, or dairy insurance, on all eligible FSFL commodities

**38 Eligible and Ineligible Structures for Eligible Perishable Commodity Cold Storage****A Eligible Structures**

\*--FSFL-financed cold storage structures for eligible perishable commodities, including floriculture, **must** be used for the purpose for which they were approved for the entire--\* FSFL term.

**Note:** See Exhibit 2 for the definition of cold storage facility.

Cold storage facilities with a useful life of at least the term of the loan and eligible for FSFL's include the following:

- cold storage facility of wood pole and post construction, steel, or concrete suitable for storing eligible perishable commodities produced by the producer
- walk-in including prefabricated, cold storage coolers that are suitable for storing the producer's eligible perishable commodities
- freezer units suitable for storing eligible commodities.

FSFL eligible cold storage structures must be built:

- of such quality that the structure can be insured
- to protect the eligible commodity from contaminants
- to support local climate conditions for the area.

Cold storage facilities must be built according to acceptable design guidelines from the manufacturer, NIFA or land-grant universities.

## 38 Eligible and Ineligible Structures for Eligible Perishable Commodity Cold Storage (Continued)

### B Eligible Components

Cold storage structures may have components that are permanently affixed or portable. See \*--subparagraph 43 B for eligible components and equipment.--\*

**Notes:** The area of a structure required to affix or station eligible handling equipment is eligible, in addition to the cold storage space.

Contact the National Office if a component is **not** listed to confirm eligibility of the component or questionable situations.

### C Eligible Items for Eligible Perishable Commodity FSFL's

See subparagraph 36 B for eligible items.

### D Ineligible Structures and Components

See subparagraph 36 D for ineligible items. In addition, the following are ineligible for eligible perishable commodity FSFL's:

- bin boxes
- controlled atmosphere structures and components
- store fronts to market the eligible perishable commodity
- structures determined by STC or COC as **not** suitable for eligible perishable commodity cold storage.

**Note:** Controlled atmosphere structures generally require rooms to be sealed so that gaseous exchange can be effectively controlled.



## 39 Eligible and Ineligible Structures for Honey

### A Eligible Structures for Honey

FSFL-financed honey storage structures **must** be used for the purpose for which the structure was approved for the entire FSFL term.

Honey storage facilities loans, with a useful life of at least the term of the loan, may be approved for financing a facility or additions and/or modifications to an existing storage facility, if CCC determines there is a need for the capacity of the structure.

FSFL eligible storage structures for honey **must** be built:

- of such quality that the structure can be insured
- to protect the honey from adverse weather conditions built to support snow load for the area
- with proper drainage.

\*--Honey storage facilities **must** be built according to acceptable design guidelines approved by COC or STC and concurrence after the COC or STC make the determination. Concurrence must be obtained from the National FSFL Program Manager by emailing **FSFLpolicy@usda.gov**.--\*

### 39 Eligible and Ineligible Structures for Honey (Continued)

#### B Eligible Components

FSFL's for honey may include the following:

- concrete aprons essential to proper facility operation
- electrical equipment
- equipment to maintain and monitor the quality of stored honey, such as heat detectors
- safety equipment meeting OSHA requirements
- flooring:
  - suitable for the region where the facility is located
  - \* \* \*
  - made to avert water so the floor does **not** retain moisture.

#### C Eligible Items for Honey FSFL's

See subparagraph 36 B for eligible items.

**39 Eligible and Ineligible Structures for Honey (Continued)****D Ineligible Structures and Components**

See subparagraph 36 D for ineligible items. In addition, the following includes, but is **not** limited to, structures and components ineligible for honey FSFL's:

- controlled atmosphere structures and components
- \*--extractors--\*
- processing equipment
- packing containers, such but not limited to retail honey containers
- storage space for storing bees or beehives
- structures of temporary nature that require the weight or bulk of the honey stored to maintain its shape
- structures determined by STC **not** suitable for honey storage.

## 40 Asphalt Flooring for FSFL Structures

### A Asphalt Flooring

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

- is acceptable for usage 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, must be advised by the County Office that:

- asphalt flooring **must** be constructed according to specific specifications in subparagraph B and 2-EQ, paragraph 81
- FSA is indemnified from any liability subsequently arising from the presence of asphalt or asbestos on the property

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

- \*--STC must review each CCC-185 and approve the CCC-185D for FSFL's with asphalt--\* flooring.

### B Specifications for Asphalt Flooring

COC's or designee will be responsible for monitoring construction to ensure that the asphalt flooring is constructed according to **all** the specifications in this subparagraph.

**Note:** STC **must** determine:

- the number of field visits the County Office shall make to monitor construction
- if the following specifications may be modified on a case by case basis.

The following specifications **must** be followed for asphalt flooring for all commodities:

- 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

**\*--41 Renovating Structures, Preowned Facilities, and Auction Purchases--\*****A Renovating Facilities**

Approval of CCC-185D for renovated structures **must** comply with all eligibility requirements, including the environmental review. See 1-EQ, paragraph 43 regarding consultations and special limitations regarding structure which may be over 50 years old or located within historic districts.

Existing structures for all FSFL eligible commodities are eligible for FSFL renovations as long as all requirements are met. Authorized loan terms for FSFL renovations are 3 and 5 years only.

**Note:** National Office, when a case is submitted for review, will determine if a longer term should be authorized.

Storage that is deteriorated to the point where it is, in STC or COC's opinion, no longer functional for storage purposes, will **not** be considered as existing storage capacity.

CCC-185D's may be approved for financing additions to, or modifications of, an existing storage facility with an expected useful life of at least the term of the loan, 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 at least the term of the loan
- for 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 off-farm labor costs
  - refrigeration units.

**\*--41 Renovating Structures, Preowned Facilities, and Auction Purchases (Continued)--\*****B Preowned Structures**

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

- purchase of the used or preowned structure
- site preparation
- foundation material and off-farm labor
- off-farm labor to erect the used or preowned structure
- doors, roof panels, and rings needing replacement
- dryer systems
- installation.

\*--The producer is responsible for the costs to disassemble and move the structure. Follow policy at 1-EQ, subparagraph 3 C for the environmental connected action.--\*

FSFL's will not be used to purchase real estate. The producer is responsible for the cost of the underlying real estate.

**\*--C Auction Purchases**

Eligible applicants may apply for a FSFL before purchasing storage, drying and handling equipment, or a storage and handling truck at an auction. The producer must describe the storage, equipment, or storage and handling truck they are interested in purchasing at the auction on CCC-185.

The information obtained on CCC-185 must be carefully reviewed by the County Office to determine an estimated value for the storage, drying and handling equipment, or storage and handling truck the producer may bid on at the auction.

It is customary the auction company may require a down payment to ensure the buyer is vested in the purchase. If a required down payment is paid to the auction company, the down payment will not prohibit the producer from FSFL eligibility, if all other eligibility requirements are met.

If the producer does not win the bid for the initially requested storage, drying and handling equipment, or storage and handling truck, and the producer bids on another item and win the bid, the COC or STC has authority to approve a similar item that was initially requested on CCC-185, at the same cost or no greater than 10 percent increased cost. The changes must be documented on the CCC-185, CCC-185D and COC or STC meeting minutes.--\*

**\*--41 Renovating Structures, Preowned Facilities, and Auction Purchases****C Auction Purchases (Continued)**

For all auction sale purchases requiring ground-breaking work, disassembling, or moving a storage structure from one location to another, all environmental requirements must be followed according to 1-EQ.

Following are examples to assist with auction purchases.

**Example 1:** Tina Cook applied for a FSFL in the amount of \$75,000 for a used grain trailer. The FSFL application fee was paid at the time of the FSFL request. Mrs. Cook will purchase the used grain trailer at an auction sale. Mrs. Cook's FSFL request was approved by the COC. Mrs. Cook may now bid on or purchase the used grain trailer at the auction sale. If Mrs. Cook is the bid winner, she will be required to pay a deposit and the deposit will be documented as part of the FSFL down payment. Next, Mrs. Cook will notify the County Office of the auction results and request the FSFL closing.

**Example 2:** Jimmy Tank applied for a FSFL in the amount of \$99,999.99, for a used storage and handling truck and a hay barn. The FSFL application fee was paid at the time of the FSFL request. Mr. Tank will purchase the used storage and handling truck and hay barn at an auction. Mr. Tank provided on CCC-185 the location of the auction, VIN and full description of the storage and handling truck and details about the hay barn located at the auction. The CED will complete the FSA-850 for the storage and handling truck and a separate FSA-850 for the storage structure, according to 1-FSFL paragraphs 42, 43, and Exhibit 10. The COC approved the FSFL request. Mr. Tank may now bid on or purchase the storage and handling truck and hay barn at the auction. If Mr. Tank is the bid winner, he will be required to pay a deposit and the deposit will be documented as part of the FSFL own payment. Next, Mr. Tank will notify the County Office of the auction results and request the FSFL closing.

Contact the National Office for additional guidance, if necessary.--\*





## 42 Eligible and Ineligible Storage and Handling Trucks

### A Eligible Storage and Handling Trucks

FSFL-financed storage and handling trucks **new or used** must be used for the purpose for which they were acquired for the entire FSFL term.

A storage capacity calculator worksheet is **not** required for eligible storage and handling truck FSFL requests.

Eligible storage and handling trucks, **new or used**, include the following, for FSFL purposes:

- cold storage trucks; a van or truck designed to carry perishable freight at specific temperatures. Cold storage trucks differ from simple insulated and ventilated vans which are commonly used for transporting fruit. Cold storage trucks can be ice-cooled or equipped with any variety of mechanical refrigeration systems.
- flatbed trucks; truck that has an open body in the form of a platform with no side walls for easy loading and unloading. These trucks can be categorized into different sizes which range from light, medium, or heavy duty, compact or full-size, or short and expandable beds.
- grain trucks; a piece of farm equipment made to accommodate grain products and are traditionally truck chassis units with a mounted grain “dump” body where grain commodities are transported from a field to either a point of sale or a storage bin.

**Note:** Similar trucks are eligible to transport other eligible FSFL commodities, such as but not limited to, onions and potatoes.

- \*--spade trucks used to move floriculture, trees, and shrubs from field location to storage or point of sale--\*
- storage trucks with a chassis unit; commonly referred to as a box truck, box van or straight truck, is a truck with a cargo body mounted on the same chassis with the engine and cab.
- semi-trucks or truck tractors, any vehicle configuration consisting of a power-unit designed in combination to draw or pull a semi-trailer or farm machinery.

**Notes:** All laws and regulations on the use of agriculture vehicles must be followed; including but not limited to, any weight restrictions imposed by State or local authorities.

There is no limit on the number of storage and handling truck FSFL requests a producer may submit; however, COC or STC must review the business operation to ensure the storage and handling trucks are not being purchased for a commercial operation and/or purposes, according to the definition in Exhibit 2.

**42 Eligible and Ineligible Storage and Handling Trucks (Continued)****A Eligible Storage and Handling Trucks (Continued)**

\* \* \*

FSA-850 must be completed for a storage and handling truck; however, a site visit is not required. See Exhibit 10 for an example of FSA-850 for a storage and handling truck FSFL request.

The new or used storage and handling truck must not have been purchased before the FSFL request (CCC-185) was submitted in the County Office, FSA-850 completed and CCC-185D approval provided.

State Offices **must** contact the National Office when there are questions about eligible and ineligible storage and handling trucks.

## 43 Storage and Handling Equipment

### A FSFL for Portable or Permanently Affixed Equipment

FSFL-financed equipment and handling components must be used for an eligible commodity and for the purpose the funds acquired to purchase, construct, assemble or install for the entire FSFL term and **may be portable or permanently affixed**.

FSFL's are for storage and handling equipment and storage and handling trucks only. Equipment for crop production, feeding livestock or harvesting is not eligible for FSFL's.

The **new or used** equipment and handling components must **not** have been purchased before CCC-185 was submitted in the County Office **and** CCC-185D is approved/disapproved.

**Note:** A down payment made to the dealer or vendor for the equipment does not mean the equipment was purchased.

Along with the FSFL request, a dated statement with the intent to purchase, or sales contract/order, must be provided and must include the location and description of the equipment and handling components.

A storage calculator worksheet is **not** required for handling equipment only FSFL requests.

\*--An environmental review for NEPA compliance must be completed for handling equipment FSFL requests; however, a site visit is not required, unless there will be ground disturbance for any of the equipment installation related infrastructure, or there are extraordinary circumstances as provided by 1-EQ, paragraph 25. Ground disturbance includes removal of vegetation as well as action related to running utility lines. See Exhibit 10 for an example of FSA-850 for a handling equipment FSFL.--\*

State and County Office employees must be allowed to inspect the equipment and handling components using CCC-295A or CCC-295C when necessary, before approval. The inspection results will assist with determining a fair and reasonable value, according to subparagraphs 122 J and K.

**43 Storage and Handling Equipment (Continued)****B Eligible Equipment**

Eligible equipment necessary for eligible FSFL commodities may include the following:

- augers
- automatic bale stackers
- back-up generators
- baggers/unloaders, excluding bags
- bale accumulators
- bale band-its, excluding ties
- bale bed carrier
- bale wrappers, excluding wrapping supplies
- \*--bins (hard, durable, plastic bins for vegetables and fruit)--\*
- bottler systems for honey and milk, excluding the honey and milk containers
- boxers
- brush polishers
- bulk bin tippers
- case palletizers
- circulation fans
- cold dip tanks
- conveyors

## 43 Storage and Handling Equipment (Continued)

### B Eligible Equipment (Continued)

- safety equipment meeting OSHA requirements

**Note:** County Offices are **not** responsible for determining that equipment meets OSHA standards.

- sealants
- self-dumping or non-dumping hay trailers
- \*-- self-dumping or unloading forage/silage wagons--\*
- self-propelled forklifts
- shelves
- \*--silage wagons--\*
- sizers
- skid steers
- \*--solar panels used for the sole purpose of providing energy to FSFL structure or other FSFL drying and handling equipment. Solar panels are not eligible for FSFL financing if it is connected to the electrical grid to collect energy for other components.--\*
- sorting bins and/or tables
- telehandler
- walk-in coolers
- washers
- Note:** Not to include truck washers or waxers.
- waxers
- weight graders
- weight scales:
  - portable
  - concrete installed weight scales to weigh the FSFL commodity

**Note:** FSFL requests for weigh scales exceeding \$100,000, must be reviewed on a case by basis by STC to determine whether the need is justified for the producer's operation.

- winch

## 43 Storage and Handling Equipment (Continued)

### B Eligible Equipment (Continued)

- equipment to improve, maintain, or monitor the quality of stored FSFL commodities, such as cleaners, moisture testers, and heat detectors, along with a proposed storage facility
- handling and drying equipment determined by COC to be needed and essential to the proper functioning of a storage system
- electrical equipment, such as pumps, lighting, motors, and wiring, integral to the proper operation of the storage and handling equipment, **excluding** installing electrical service to the electrical meter.

\* \* \*

\*--The following are examples of seed cotton packing, handling, storage, and transport equipment eligible for FSFL:

- module builder
- boll buggy
- storage structures, such as shed or concrete pad
- tractor implements to carry and stage modules
- hauling equipment, such as module truck, semi-trailer, or trailer
- other types of equipment COC determines essential to secure the quality of lint before ginning.--\*

**Note:** STC's may request DAFP approval of a wind turbine on a case by case basis.

State Offices **must** contact the National Office when there are questions about eligible and ineligible drying and handling equipment.

\*--The purchase or use of energy efficient equipment is encouraged for FSFL financing.--\*

**43 Storage and Handling Equipment (Continued)**

**C Ineligible Equipment**

Ineligible storage and handling equipment includes the following for all commodity types:

- ATV/gator
- backhoes
- chicken houses
- combines
- crushers
- extractors
- feed handling and processing equipment
- fuel trailers
- greenhouses
- grinders

## 43 Storage and Handling Equipment (Continued)

## C Ineligible Equipment (Continued)

- hay balers
- hay mowers
- hay rakes
- hay tedders
- hops baler
- hops picker
- livestock pens and trailers
- malting equipment
- milking machine pulsation units
- milking parlor equipment
- pay (wheel) loaders
- processing equipment
- production and feed facilities
- robotic milkers
- seed carts (pull type or trailered)
- \*--seed treaters--\*
- silage blowers
- storage structures and handling equipment determined by STC or COC that are not suitable for the applicable commodity and do not have a lifespan of at least the term of the loan
- storage structures to be used for a commercial purpose, as defined in Exhibit 2
- structures of a temporary nature **not** having a useful life of the term of the loan
- tractors, excluding truck tractors.

**Note:** The cost to purchase or install ineligible equipment **must not** be included in FSFL.



## Part 3 Determining Storage Need and Applicable Waivers

### 47 Storage Need Self-Certification

#### A Self-Certification Storage Need for All Eligible Commodities

The provision in this paragraph applies to producers of **all** eligible FSFL commodities who have applied for a Microloan. See paragraph 59.

Producers may self-certify to the storage capacity need when the aggregate outstanding balance is equal to \$50,000 or less. A written storage need waiver request from the producer is **not** required at the time of loan request and during the term of the FSFL.

**Note:** For the producer to be eligible to self-certify to the storage need, County Offices must verify the producer's aggregate outstanding FSFL balance does not exceed \$50,000.

#### B Self-Certification Calculator Worksheet

The storage need self-certification, must be:

- completed on a worksheet calculator available at <http://www.fsa.usda.gov/programs-and-services/price-support/Index>
- filed in the producer's FSFL folder.

The self-certified information will be used by STC's and COC's when reviewing the FSFL request to determine production reasonableness for the storage capacity need.

SED's may approve State Office developed storage capacity worksheet calculators for determining the FSFL storage structure need. National Office concurrence is **not** required.

**Important:** For all storage structure FSFL's, the:

- storage capacity calculator worksheet **must** be attached to CCC-185
- producer **must** sign and date the storage capacity calculator worksheet certifying to the requested storage need.

**Notes:** In most instances, using the producer's actual yield and production records for the eligible commodity, provides more accurate information for calculating the producer's storage need.

According to 2-CP, subparagraph 322 C, State and County Offices may spot check any producer **not** identified on the national producer selection list if there is reason to question the producer's compliance with any program provisions. The National Office will annually determine if additional producers should be added to the national producer selection list for compliance.

## 48 Determining Storage Need for Eligible Commodities Storing 2 Years of Production

### A Storage Need Determinations

When an applicant is not self-certifying to the storage need as provided in paragraph 47,  
 \*--County Offices must calculate the FSFL storage need using guidelines in this paragraph.--\*  
 This requirement applies only to FSFL requests that are to build or increase the size of storage structures.

Storage capacity calculators are located on PSD's web site at  
<http://www.fsa.usda.gov/programs-and-services/price-support/Index>

SED's may approve State Office developed storage capacity worksheet calculators for determining the FSFL storage structure need. National Office concurrence is **not** required.

STC's may establish storage specifications for commodities that can be properly stored for 2 years for their State using STC knowledge, NIFA, land-grant universities, available ARS publications, and extension guidelines.

### B General Statements on Calculating Acreage

A 3-year average acreage **must** be calculated for each FSFL commodity that requires storage at the proposed location, from the producer's share of up to the 3 most recent FSA-578's.

**Note:** County Offices **must** use FSA-578's for determining the average acreage of each eligible commodity.

A reasonable 1-year acreage and yield projection may be used instead of an average for any the following:

- newly acquired farms
- FSFL crops being grown for the first time
- cases where crop rotations adversely affect the acreage production
- cases where prevented planting or disasters adversely affect the average production.

**Notes:** Follow 2-CP policy for failed and prevented planting.

Producers may request an STC waiver to allow prevented planted acres that do **not** fall within the 2-CP failed and prevented planting guidelines.

\*--For questionable situations, State Offices must contact Toni Williams by e-mail to [toni.williams@usda.gov](mailto:toni.williams@usda.gov).--\*

## 48 Determining Storage Need for Eligible Commodities Storing 2 Years of Production (Continued)

### B General Statements on Calculating Acreage (Continued)

When a farming operation reorganizes and the **same** individuals or entities continue to operate the farm, the cropping history applicable to the previous operation may be used.

Late-filed FSA-578's **must** be filed according to 2-CP and a late fee may be paid for each crop year FSA-578 was filed late; however, State Offices may request a DAFP waiver according to paragraph 25 when late-filed FSA-578's do **not** meet the requirements in 2-CP, paragraph 21. STC's can approve FSFL request of \$100,000 or less. Other cases require a DAFP waiver.

\*--For FSFL's for structures to store silage or haylage, use the average acreage harvested as silage or haylage.--\*

For FSFL's for structures for hay, use **only** the hay acreage from established farms.

STC's are authorized to determine statewide, predominant use (intended vs actual) for hay acreage.

### \*--C Basic Information on Grain, Silage, or Haylage Yield Calculation--\*

The same unit of measure for yields **must** be used for each commodity.

\*--STC's are authorized to determine if 2 years of production is to be used when calculating storage need for haylage and silage. It must be a statewide policy.--\*

COC **must** determine the yield used for the storage calculation to be reasonable. The following are possible options for yields:

- MAL yields established according to 8-LP
- crop insurance proven production yields
- proof of actual production history provided by applicant.

# 48 Determining Storage Need for Eligible Commodities Storing 2 Years of Production (Continued)

## D Formula for Eligible Commodities Storing 2 Years of Production

Applicants shall demonstrate a need for storage capacity as determined by the following formula.

Step	Action	
1	Determine applicant and applicable farm operation from CCC-902.	
2	Determine up to a 3-year average acreage for each FSFL commodity, as provided in subparagraph B, using the applicant's share of crop on each tract and farm.	
3	Multiply each average acreage times the applicable crop yield as provided in subparagraph C and total. Multiply the result by 2.	
4	Deduct existing storage capacity (as defined in Exhibit 2) owned by the applicant for the applicable crops.	
5	<b>IF result from step 4 is...</b>	<b>THEN...</b>
	greater than zero	the applicant is eligible for the needed capacity, <b>not</b> to exceed the producer's proposed capacity or capacity to be upgraded.
	less than zero	notify the applicant that they are ineligible. Provide appeal rights according to 1-APP.
	greater than zero, but less than proposed storage capacity	see paragraph 54.

## 50 Determining Storage Need for Eligible Commodities Storing One Year of Production (Continued)

### C Eligible Perishable Commodity Yields (Continued)

Contact the Cooperative Extension Service at the State's land-grant university, or where relevant a local laboratory, to assist with reasonable yields and determining needed storage capacity for eligible perishable commodities in situations where that information **cannot** be reasonably furnished by the applicant.

**Notes:** State Offices can contact PSD for assistance, if they are unable to find a yield for a specific eligible fruit or vegetable.

Request National Office guidance when the producer's operation is unusual or if the producer is seeking to increase the operation's storage capacity to support a growing demand. DAFP review of the situation may result in waivers of certain FSFL provisions that restrict the producer's eligibility for FSFL.

Agriculture departments in each State have identified specific units of measure for eligible perishable commodities sold in their State. To determine the unit of measure that applies to a specific commodity in a particular State, contact the State's Department of Agriculture or check FSA's NCT web site.

To access NCT, go to <http://fsaintranet.sc.egov.usda.gov/fsa/applications.asp> to access the FSA Intranet page. Under "Applications Directory", CLICK "G-O", scroll down to "NCT – National Crop Table", which is listed by crop years, and click on the applicable grouped years to display the NCT - Main Menu. Follow the search options to search by year, crop, and State.

## 50 Determining Storage Need for Eligible Commodities Storing One Year of Production (Continued)

### D Formula for Eligible Perishable Commodity Cold Storage

The following **must** be determined **before** defining the size of refrigerated storage needed:

- volume of product to store
- produce containers (pallet bins, boxes, bulk)
- volume **required** per container
- aisle space needed (mechanical or manual operation)
- lateral and head space
- available site space.

**Note:** The area of a structure **required** to house eligible handling equipment and space **required** to move the storage containers are eligible, in addition to the cold storage space.

**Example:** The applicant stores pumpkins in 1,000 pound pallet boxes. Forklifts are **required** to move the pallets. Space for the driving lanes can be included in the cold storage request.

Kansas State University, Cooperative Extension Service publication MF-1039, titled “Storage Construction, Fruits & Vegetables”, may assist County Offices in determining the cold storage needed by an applicant.

**Note:** Because MF-1039 is no longer available online, State Offices may request a copy  
\*--from PSD by e-mail to [toni.williams@usda.gov](mailto:toni.williams@usda.gov) and [fsflpolicy@usda.gov](mailto:fsflpolicy@usda.gov)--\*.

Capacity of the proposed structure can be obtained from the manufacturer or contractor constructing the storage facility. The applicant should provide this information to the County Office.

## 53 Storage Need Waivers

### A Storage Need Waiver for All Commodities, Except for Eligible Perishable Commodities

The provisions in this subparagraph apply to producers who have **not** previously filed FSA-578's.

STC's may authorize:

- the acceptance of actual yield and production records to determine a 3-year average
- on a case-by-case basis, a waiver of late-filed fees when accepting late-filed FSA-578's for FSFL requests of \$100,000 or less.

**Notes:** The producer **must** request the storage need waiver in writing. The waiver determination **must** be maintained in the FSFL folder and documented in STC or COC meeting minutes.

STC has authority to establish a more restrictive policy and may redelegate authority to COC only for provisions provided in this subparagraph.

County Offices may request additional information from the producer to verify the reported yield and production.

**Notes:** See subparagraph B for eligible perishable commodity storage need waiver provisions.

**\*--In questionable situations, State Offices must contact Toni Williams by e-mail to [toni.williams@usda.gov](mailto:toni.williams@usda.gov).--\***

### B Storage Need Waiver for Eligible Perishable Commodity Producers

The provisions provided in subparagraph A may apply to eligible perishable commodity producers with **both** of the following:

- an aggregate outstanding FSFL balance of \$100,000 or less
- a minimum of 3 different types of eligible perishable commodities.

**Note:** The 3 different eligible perishable commodities may be butter, grapes, and oranges.

## 54 Ineligible Space and Larger Capacity

### A Ineligible Space in a Flat Storage Structure

When a storage structure has space that is **not** used primarily for eligible commodity storage, such as office or marketing space, compute the maximum FSFL amount, as follows.

Step	Action
1	Determine a factor for eligible space by dividing the square footage that is primarily used for eligible commodity storage by the total square footage of the building.
2	Determine the total net cost of the building.
3	Multiply the result from step 2 times .85 and multiply that result times the factor from step 1.

**Example:** Applicant proposes to build a 75,000 square foot flat storage building. Net cost is \$75,000. Eligible storage space is 74,000 square feet. Factor for eligible space is .99 (74,000 divided by 75,000). The maximum FSFL amount is \$63,112.50 (\$75,000 times .85 times .99).

### B Larger Capacity Than Needed

When a storage structure has a larger capacity than the applicant's needed capacity, the net cost shall be prorated and the maximum FSFL amount computed as follows.

Step	Action
1	Divide eligible net cost by the bu. of capacity.
2	Multiply per bu. cost times bu. of capacity for which the applicant is eligible.
3	Multiply result times .85.

**Example:** Applicant proposes to build a 60,000 bu. storage bin. Net cost is \$75,000. Eligible storage need is 50,000 bu. Net cost per bu. is \$1.25 (\$75,000 divided by 60,000 bu.). Eligible net cost is \$62,500 (\$1.25 times 50,000 bu.). Maximum FSFL amount is \$53,125 (\$62,500 times .85).



64 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 _____	
<p>Authorized for Local Reproduction Standard Form--LLL-A</p>		

## 64 Lobbying Activity Provisions (Continued)

**E County Office Action**

\*--County Offices must follow procedures in this table **each** time CCC-185 exceeding--\*  
\$150,000 is submitted and the borrower will use FSFL to lobby or otherwise influence the  
actions of a Federal official according to subparagraph B.

Step	Action
1	Provide the producer a copy of SF-LLL and SF-LLL-A with instructions to complete and return completed SF-LLL and SF-LLL-A, as applicable, to the County Office.
2	Disburse FSFL <b>after</b> the producer returns the completed SF-LLL and SF-LLL-A, as applicable, to the County Office.
3	File the original completed SF-LLL and SF-LLL-A, as applicable, in the FSFL folder in the County Office.

**Examples:** A producer is approved for FSFL totaling \$160,000. FSFL partial disbursement of \$75,000 is made. The final disbursement of \$85,000 **cannot** be made until SF-LLL for the final disbursement is received. Both FSFL  
\*--numbers must be referenced.--\*

A producer is approved for FSFL totaling \$400,000. FSFL's for a partial disbursement of \$200,000 and a final disbursement of \$200,000 **cannot** be made until SF-LLL is received for **each** disbursement.

**F Assistance**

\*--For situations **not** covered in this paragraph, County Offices must contact PSD through the--\*  
State Office's Price Support Specialist for additional assistance.

**\*--65 Urban Agriculture and Community Supported Agriculture****A Availability**

FSFL is available to anyone producing an eligible commodity in urban and suburban areas, regardless of business structure or whether they can get credit elsewhere and can be a valuable resource to support Urban Ag and CSA. FSFL microloans are intended to fit the needs of small farms, beginning farmers, niche, and non- traditional farm operations.

Urban agricultural projects range from small public and private community gardens to larger- scale urban farms and orchards. In addition to growing fresh produce, urban agricultural projects are producing ginger, ginseng, honey, floriculture, aquaculture, and fiber.

**B Eligible Commodities for Urban Ag and CSA applicants**

Eligible commodities include, but are not limited to grains, fruits, vegetables, nuts, mushrooms, aquaculture, floriculture, hemp, milk, maple sap, honey, meat, poultry, eggs, dairy products, and other storable commodities as determined by the Secretary.

**Note:** See subparagraph 33 C for a listing of all eligible perishable commodities eligible for cold storage.

**C Cold Storage and Equipment for Urban Ag and CSA applicants**

Cold storage facilities eligible for FSFL's that may be of interest for Urban Ag and CSA includes:

- facility of wood pole and post construction, steel, or concrete
- walk-in including prefabricated coolers
- freezer units.

**Note:** See paragraph 38 for eligible and ineligible perishable commodity cold storage structures.

Portable equipment that may be of interest for Urban Ag and CSA includes:

- storage coolers or containers
- bulk storage tanks.

**Note:** See paragraph 43 for eligible storage and handling equipment.--\*

**\*--65 Urban Agriculture and Community Supported Agriculture (Continued)****C Cold Storage and Equipment for Urban Ag and CSA applicants (Continued)**

Transportation and handling equipment that may be of interest for Urban Ag and CSA includes:

- cold storage trucks, ice-cooled or equipped with any variety of mechanical refrigeration systems
- flatbed trucks, open body in the form of a platform with no side walls for easy loading and unloading
- loaders and forklifts
- brush polisher
- trucks built to transport a specific commodity such as onions and potatoes.

**Note:** See paragraph 42 for eligible and ineligible storage and handling trucks.

**D Insurance**

Evidence of insurance must be provided by the applicant according to Part 6, Section 1. If applicable, MPCI, NAP or dairy coverage, all-peril structural insurance, automobile insurance, and flood insurance is required.

RMA insurance products that are based on farm revenue such as Whole-Farm Revenue Protection and Micro Farm policies may be considered adequate in lieu of MPCI, NAP, or dairy coverage.

**E Storage Need Determination and Waiver**

The storage need for eligible perishable commodities must be determined according to paragraph 50.

STC's may authorize the acceptance of actual yield and production records to determine a 3-year average for applicants who have not previously filed an acreage report on FSA-578. The applicant must request the storage need waiver in writing when FSA-578's are not on file.

The provisions provided in this subparagraph may apply to eligible perishable commodity producers with **both** of the following:

- an aggregate outstanding FSFL balance of \$100,000 or less
- a minimum of 3 different types of eligible perishable commodities.--\*

**\*--65 Urban Agriculture and Community Supported Agriculture (Continued)**

**F Eligible CSA**

Only subscription CSA operations may be considered eligible for FSFL. Annual payments the producer receives from subscribers may be used in the financial analysis as income. A copy of the community supported agriculture agreement or contract is required and must be provided for COC review.

**Note:** See Exhibit 2 for CSA definitions.

All producer eligibility requirements must be verified according to paragraph 35.

If a producer received a grant or loan from another Federal Government Agency for the same structure, handling equipment or storage and handling truck, see paragraph 63 for policy on other grants and loans for required actions.

**66-67 (Reserved)**



## 82 Credit History and Credit Reports (Continued)

**J Request for Initial Set Up**

After State Offices have determined the offices and designated employees to be set up to request FSFL credit reports, the following information must be sent to Toni Williams, PSD by e-mail at **toni.williams@usda.gov**:

- employee's name
- title
- GSA number
- County Office name
- office address
- phone number of office and employee
- e-mail address.

The information will be forwarded to Data Facts, Inc., who will contact individuals for initial set up and training instructions. The amount of time required before initial set up will depend on the number of offices submitted at the same time.

When the e-mail is received advising that the account has been established, the employee **must** login the same day the logon ID and password is received. Otherwise, the temporary password expires, and the process **must** be repeated.

Data Facts, Inc. has created user manuals for ordering Individual/Joint Reports (Tazworks) and Entity Reports (Experian BusinessIQ). The user manuals are available on the DAFP Training Site at **<https://inside.fsa.usda.gov/program-areas/dafp/dafp-training/index>**.

**K Account Password Maintenance**

Designated employees set up to request FSFL credit reports **must** access the specified request site once every 90 calendar days or their password will need to be reset.

It is recommended that a calendar event be established using Microsoft Outlook Calendar to remind the employee to change their password.

\*--Employees must email directly **support@datafacts.hs-inbox.com** to reset an expired password.--\*

**82 Credit History and Credit Reports (Continued)****\*--L Alternative Credit Report Options**

State and County Offices may authorize using the following alternate methods to assist with a FSFL financial analysis.

- FLP credit report that is already on file with FLP may only be used if generated within 90 days of both the CCC-185 and submission of information required for the financial analysis. FSA will not pay for an FLP credit report for FSFL's.
- If an Irrevocable Letter of Credit is used for entire loan amount, a credit report is **not** required.
- The producer may obtain a "free" online credit report from a credit reporting agency for loans with an aggregate outstanding balance of \$50,000 or less. The "free" online credit report must be dated within 90 calendar days of the FSFL request. A producer will not be reimbursed for a credit report if charged.

**Note:** The "free" online credit report must be from 1 of the 3 national credit reporting agencies: Equifax, Experian, or TransUnion.

- For FSFL's with an aggregate outstanding balance of \$25,000 or less, a financial analysis is **not** required, **unless** determined required by STC on a Statewide basis and not on a case-by-case basis, **if** the FSFL applicant is in good standing (no delinquent payments within 24 months) with the FSFL and FLP programs.

**Note:** The FSA employee with loan approval authority may enter in FBP notes that a financial review was waived according to 1-FSFL, subparagraph 82 K and recommend approval of FSFL.

If 1 of the authorized alternate methods is used as part of the financial review the method selected must be documented on the CCC-195 Processing checklist "Remarks" section.--\*



## 86 FSFL LRA Training Program

### A FSFL LRA Background

\*--The FSFL LRA training program was implemented to train CED's and State Office specialists to complete a financial analysis and recommend FSFL loan approval or--\* disapproval to COC or STC for loans with an aggregate outstanding balance of \$50,000 or less. The FSFL LRA training includes FSFL loan making, as well as reviewing and recommending FSFL credit actions in FBP. Currently, the intent of the program is:

- to perform financial analysis for FSFL only with an aggregate outstanding balance of \$50,000 or less
- alleviate FSFL workload burdens currently placed on DAFLP staff
- improve the delivery of FSFL's in counties without a full-time DAFLP presence
- \*--to provide an individually paced training to SED-selected CED's and State Office specialists at no cost.--\*

### B LRA Requirements

LRA trainees will be required to commit to the individually self-paced FSFL LRA training program for up to 6 months and must successfully complete a comprehensive proctored exam at the conclusion of the training.

There is no cost associated with enrolling and completing the FSFL LRA training program. The FSFL LRA training course is outlined in the following table:

FSFL LRA Training Course Outline	
Step	Action
1	Review/Study the FSFL LRA training manual and material provided by PSD.
2	Obtain access to FBP from State Office FBP Coordinator and complete FBP training assignments.
3	Complete quizzes 1 through 7 in AgLearn.
4	Complete final exam in AgLearn (proctored).
5	Complete FSFL LRA survey in AgLearn.
6	Complete a financial review for 2 case files assigned by the respective State Office contact within 30 calendar days.
7	The DD, State Office specialist or FLP employee will notify PSD that the financial review was adequately completed.
8	Receive a certificate of completion from the National Office.
9	Start completing financial reviews for FSFL's with an aggregate outstanding balance of \$50,000 or less. Before loan disbursement, the State Office or DD will review the first 3 loans completed per county, per FY.

--\*

87-95 (Reserved)



**Part 6 Other Requirements****Section 1 Insurance****96 Multi-Peril Crop Insurance, NAP Requirement, or Dairy Coverage****A Requirements**

For the purposes below, a crop of economic significance is defined as any insurable FSFL commodity that contributes 10 percent or more of the total expected value of all commodities grown by the applicant.

MPCI, NAP, or dairy coverage is **required** on all eligible insurable commodities for all borrowers **with an outstanding aggregate balance** of \$25,000.01 or more:

- stored in the FSFL-funded facility
- economic significance on all farms operated by the borrower in the county where the storage facility is located.

MPCI, NAP, or dairy coverage is **not** required for drying and handling equipment or storage and handling trucks, **unless**:

- determined necessary when the financial analysis is performed; or
- a more restrictive policy has been set by STC on a Statewide basis and **not** on case-by-case basis.

MPCI, NAP, or dairy coverage is **not** required when an Irrevocable Letter of Credit is provided to secure the FSFL, unless determined necessary by the STC.

FSFL dairy producers are required to provide an insurance policy that insures both of the following, at a minimum:

- dairy cattle death
- unexpected decreases in milk production.

## 96 Multi-Peril Crop Insurance, NAP Requirement, or Dairy Coverage (Continued)

### A Requirements (Continued)

If it is determined insurance is not available for the applicable commodity, the producer may request a waiver for the term of the loan and STC or COC may approve or disapprove.

\*--County Offices must require the producer to provide proof of multi-peril crop insurance--\* and/or verify NAP, or dairy coverage before disbursement, **except** if subparagraph D applies.

If multi-peril crop insurance, NAP, or dairy coverage is **not** available for some of the renewable biomass commodities, then COC minutes **must** document the unavailability of multi-peril crop insurance, NAP, or dairy coverage for each FSFL to which this applies.

**Note:** LGM or MPP are not required for FSFL eligibility.

### B Acceptable Forms of Insurance

\*--Acceptable forms of crop insurance are any level of coverage offered under FCIC including Whole-Farm Revenue Protection and Micro-Farm policies, NAP, or dairy insurance--\* policies.

Rainfall and Vegetation Index, Whole-Farm Revenue Protection, farm and ranch insurance policies are acceptable and must specify the eligible commodities being covered.

RMA's Pasture, Rangeland and Forage Program, PFR insurance is sufficient to insure hay.

### C Acceptable Proof of Insurance

\*--County Offices must accept proof of crop insurance, NAP, or dairy coverage, such as the--\* following:

- statements of coverage for the applicable crop year
- applications for insurance for the applicable crop year signed by the agent
- other forms of proof acceptable to CED.

\*--Evidence of insurance or a copy of CCC-471 must be maintained in the FSFL folder.--\*

Evidence of insurance must be provided by the borrower and documented on the CCC-195 Servicing when received by County Office.

### D Failure to Meet Multi-Peril, NAP, or Dairy Coverage Requirements

\*--County Offices must ensure multi-peril crop insurance, NAP, or dairy coverage--\* requirements are met before FSFL closing **unless** a waiver has been granted according to paragraph 157.

**122 Valuation of Security (Continued)****J Value of New Portable Storage Facilities, Handling Equipment and Storage and Handling Trucks**

County Offices are not required to value new portable storage structures, handling equipment, and storage and handling trucks. The sales documents, invoices and bills for new FSFL components are sufficient when determining the value.

**Note:** STC or COC may determine if the cost for the FSFL components are reasonable and request additional information to support the cost, if necessary.

If the aggregate outstanding FSFL balances require additional security, the following guidelines must be met:

- COC may assign a value of no more than **50 percent** of the FSFL amount for the items being purchased
- additional security as described in paragraph 121 must be obtained. The additional security plus the **50 percent** of the FSFL amount must equal **at least** 100 percent of the FSFL.

**K Value of Any Used Portable Storage Facilities, Handling Equipment and Storage and Handling Trucks**

County Offices may use the following resources for determining the value of **used** storage and facilities, handling equipment and storage and handling trucks:

- NADA
- Kelly Blue Book
- local auction/internet comparable sales
- bill of sale/invoice for a similar type of equipment
- reputable auction websites, such as Auctiontime.com
- **\*--qualified FSA expert, such as but not limited to, an employee delegated personal property appraisal authority according to 1-FLP.--\***

**122 Valuation of Security (Continued)****K Value of Any Used Portable Storage Facilities, Handling Equipment and Storage and Handling Trucks (Continued)**

If it is determined that these sources are not available to provide a fair and reasonable market value, STC or COC can use other sources, practical knowledge and expertise to determine a reasonable value to support the cost of the **used** FSFL component. The reasonable value must be a reasonable price that CCC can expect to receive if the FSFL collateral has to be liquidated.

For questionable situations, contact the National Office.

If the aggregate outstanding FSFL balance does not require additional security, the valuation of the **used** items to be purchased must be equal to or exceed the amount of the loan.

If the aggregate outstanding FSFL balance requires additional security, the following guidelines must be met:

- COC may assign a value of no more than **50 percent** of the FSFL amount for the **used** items being purchased

**Note:** For used items STC's are authorized to allow a reduced value of **20 percent** of the FSFL amount. This must be on a statewide basis and **not** on a case by case basis.

- additional security as described in paragraph 121 must be obtained. The additional security plus the **50 percent** (or 20 percent if reduced by State Committee) of the FSFL amount must equal **at least** 125 percent of the FSFL.

STC or COC must document on CCC-185D, item 5 the source used for determining a reasonable value. A reasonable valuation to support the cost will provide security for both the producer and CCC.

**123-139 (Reserved)**

**\*--142 Personal Property Lien Instruments--\*****A Perfecting Liens for Storage and Handling Trucks and Handling Equipment**

Filing UCC-1 provides FSA with a lien on the permanently affixed or portable (new or used) structure or FSFL equipment being acquired, installed or built.

**\*--Note:** For FSFL purposes, personal property is loan collateral that is not permanently affixed, such as, FSFL eligible portable drying and handling equipment, and storage and handling trucks.--\*

To perfect a lien on storage structures, storage and handling trucks and/or handling equipment with an identifiable number, such as serial numbers or VIN, the County Office must list the identifiable number on CCC-186 as FSFL collateral at closing.

For storage and handling trucks, when there is no existing Certificate of Title, serial number or VIN, the FSFL request must **not** be approved.

Because State laws vary for acquiring, installing, purchasing and perfecting liens for portable storage structures, handling equipment, and storage and handling trucks, **SED's are authorized** to issue State supplemental policy, that may be more restrictive; however, the State supplemental policy **must** at least include the following **how or when** requirements:

- full coverage automobile insurance (collision and comprehensive) must be provided
- State emissions and vehicle inspection must take place and will be verified, if applicable
- CCC will be listed as lienholder, if applicable
- Certificate of Title will be recorded at the State or local MVA.

It is recommended that SED's work with FSA employees with loan approval authority to establish the necessary State supplemental policy.

**B Obtaining UCC-1's for Financing Statements**

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

**\*--142 Personal Property Lien Instruments (Continued)--\*****C State Office Action**

The method to properly perfect a lien on security varies significantly between States. Each \*--SED, with regional OGC assistance, must issue a State supplement to provide additional--\* guidance on properly perfecting liens on portable structures, equipment and/or storage and handling trucks within their State.

\*--State Offices must:--\*

- contact their regional OGC to:
  - determine whether UCC Article 9, 2010 amendments have been adopted in their State
  - obtain guidance on filing new UCC-1's with their filing offices
  - obtain guidance on the **required** documents needed to verify changes for business entities and other registered organizations
  - \*--determine whether personal property lien and/or fixture filing are **required** for their State--\*
- modify or issue State supplements, as necessary, according to 1-AS.



**\*--142 Personal Property Lien Instruments (Continued)--\*****D County Office Action**

\*--County Offices must:--\*

- if applicable according to State law, obtain the applicant's signature on the applicable manual UCC-1 when CCC-185 is submitted and **before** or immediately after 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 141

\*--**Note:** If CCC-185 submitted is only for part of the structure, a lien must be filed on--\* the **entire** structure.

- ensure that UCC-1 is filed in the name as it appears on the valid State-issued driver's license or State-issued ID card

**Note:** UCC-1's **must** identify the debtor's exact full name, and if the debtor is an entity, the type and location of the entity as provided in paragraph 69.

- 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 Letter of Intent for Irrevocable Letter of Credit is received in the County Office with the application package, UCC-1 is **not** required, unless it is required by State law or STC.

- pay filing or recording fees as provided in paragraph 302
- maintain UCC filings according to paragraph 216.

## 143 Real Estate Lien Instruments

### A Form of Real Estate Lien

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

State Offices shall develop a real estate lien instrument in consultation with their regional OGC. 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 FSFL. CCC-193-D is a Deed of Trust available for FSFL. Refer to Exhibit 6 for examples.

See Part 11 for guidance on forms necessary at FSFL closing for securing real estate and perfecting liens on real estate.

### B Lien Provisions

The lien on the site on which the facility is to be located **must**:

- contain an exact legal description of the site
- grant CCC access rights to the property.

### C Signatures

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

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

## 143 Real Estate Lien Instruments (Continued)

### D County Office Action

\*--County Offices must:--\*

- prepare the instruments and provide to the closing attorney
- file a copy of the instrument in the FSFL folder
- provide a copy of the instrument to the borrower through the closing agent
- record the filing date, place, book, and page number on the County Office copy.

### E Closing Agent Action

\*--The closing agent must:--\*

- obtain all necessary signatures on the instrument
- file or record the original document according to State law.

### F Fees

The borrower shall pay all title fees according to paragraph 58.

## 144 Lien Searches

### \*--A Personal Property Lien Searches

Applicants must **not** allow any additional liens or encumbrances to be placed on the--\* storage facility, handling equipment or storage and handling truck after FSFL is approved **unless** CCC approves otherwise in writing.

A lien search **must** be performed to determine CCC has the necessary lien position required for the FSFL structure, equipment and/or storage and handling truck. The lien search **must** occur **after** the FSFL UCC-1 has been filed to determine the lien position.

\*--County Offices must perform a lien search to determine that no other liens are filed on the--\* collateral according to State policy.

**Note:** Some instances may require the lien search to also be performed using the seller's information.

\*--CCC is responsible for costs associated with personal property lien searches.--\*

**144 Lien Searches (Continued)****B Real Estate Lien Searches When FSFL Has No Real Estate for Security**

If the FSFL is for portable equipment and/or storage and handling trucks, this subparagraph does not apply.

In the initial stages of the application process, County Offices shall:

- conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility that will determine whether CCC-297's **must** be obtained
- document the lien search on FSA-2360 or similar form.

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

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

**C Real Estate Lien Searches When FSFL Has Real Estate for Security**

In the initial stages of the application process, County Offices shall:

- conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility that will determine whether CCC-297's **must** be obtained
- document the lien search on FSA-2360 or similar form.

If real estate is security for FSFL, the closing agent will complete a search of the records. This is accomplished by a title opinion or a title insurance policy. See paragraph 187 for detailed information.

## 144 Lien Searches (Continued)

### D Liens on FSFL Structure

\*--If the personal property lien search identifies other liens on the collateral before CCC--\*  
filing, County Office **must** obtain lien waivers. CCC-190 (Exhibit 56) shall be used.

\*--**Example:** If CCC is taking a lien on handling equipment, and the personal property lien--\*  
search indicates another lender has a lien on the equipment, obtain CCC-190 from  
the other lender.

### E Land Already Encumbered

\*--CCC's security interest in the **collateral**, such as the actual storage structure, must constitute  
the sole security interest in collateral.

If CCC requires a first lien and the real estate is already encumbered or subject to a prior lien,  
the County Office must advise the closing agent that a subordination agreement must be--\*  
obtained and recorded making CCC's lien a first lien on the real estate where the facility is to  
be located. This information will be provided to the closing agent in the letter discussed in  
subparagraph 187 F.

**Exception:** See subparagraph 121 B.

CCC-194 (Exhibit 57) is a subordination agreement that may be used for FSFL purposes.

State Offices may develop their own subordination agreement in consultation with their  
regional OGC.

In addition, if there are prior liens on the underlying real estate to which the collateral is  
\*--attached, County Offices must obtain CCC-297 according to paragraph 196.--\*

## 145-152 (Reserved)



## 153 Items To Be Reviewed for FSFL Approval (Continued)

**D STC Review**

STC or STC-delegated SED **only** is the approval authority for an individual FSFL with a total aggregate outstanding FSFL balance of \$250,000.01 or greater.

STC or STC-delegated SED shall approve or disapprove the following:

- CCC-185's with a total aggregate outstanding FSFL balance of \$250,000.01 or greater
- biomass CCC-185's
- CCC-185's where STC has set other limitations for COC approval.

County Offices shall forward to the applicable reviewing or approving officials the following:

- original case file, including the complete CCC-185 with documentation to support the determinations in subparagraph A
- an ArcGIS map layout of the proposed site where the facility will be located identifying roads and other key points
- written recommendation from COC:
  - advising if FSFL should be approved
  - suggested commodity yield for eligible perishable commodities and renewable biomass commodities

**Note:** It is recommended that alternative options for in-person COC meetings according to paragraph 12 be utilized to prevent delays of approval.

- recommendation in FBP, FSFL Credit Presentation from individual conducting the financial analysis about the applicant's credit history, ability to repay, and type of security.

Before STC or SED review, DD or State Office designee with loan approval authority shall also review all FSFL's where the borrower's **total aggregate outstanding FSFL balance** is over \$250,000 before STC or SED review.

## 154 FSFL Approval

### A Documenting FSFL Approval

If the decision is to approve FSFL after the review in paragraph 153 is complete and all \*--discrepancies are corrected, the appropriate approving official must:--\*

- complete CCC-185D, items 3 through 10A according to Exhibit 58
- approve FSFL with signature and date in CCC-185D, items 10B and 10C
- \*--**Note:** County Office employees must develop FSFL conditions as explained in--\* paragraph 156. By approving CCC-185D, the appropriate approving official is concurring with these FSFL conditions.
- document the determination in the executive COC and/or STC minutes, as applicable.

**Note:** If the FSFL is within the loan approval authority of a CED or FSA loan approval official for FSFL's with an aggregate outstanding balance of \$25,000 or less according to subparagraph 10 B, the COC will be informed at the next COC meeting that this loan was approved.

If STC is the approval authority, after approval return the case file to the County Office for FSFL processing, disbursement, and servicing.

### B Renewable Biomass FSFL's

STC is the approval authority for all renewable biomass FSFL's. The following information **must** be immediately submitted by the State Office after STC approval to Toni Williams by \*--e-mail to **toni.williams@usda.gov**:--\*

- resale collateral value for which the facility is approved
- type of storage approved
- capacity of the storage facility
- county and FSFL number
- total FSFL amount approved.



## 157 Insurance Waivers

**A Multi-Peril Crop Insurance, NAP, or Dairy Coverage Waivers**

COC may waive the multi-peril crop insurance, NAP or dairy program coverage requirement for FSFL's with an aggregate outstanding FSFL balance of \$100,000, or less if:

- it is too late for the producer to obtain multi-peril crop insurance or program coverage for the crop year
- the producer did **not** realize or forgot to purchase multi-peril crop insurance or program coverage for the crop year.

STC has authority to establish a more restrictive policy on a Statewide basis.

The waiver may apply to both of the following:

- a prior crop year
- current crop year.

After COC has made a determination, County Offices **must**:

- enter the following statement in CCC-185, item 14:
 

“I agree to purchase the required insurance for loan commodities during the next available sales period. I understand that my failure to meet this requirement will be construed as a program violation.”
- ensure that producers initial and date the statement in CCC-185, item 14 to signify that the statement will be complied with and is understood
- maintain a copy of the determination and statement in the FSFL folder and ensure that the determination is documented in COC minutes.

## 157 Insurance Waivers (Continued)

**B Waiver for Commodities Not Being Stored in Structure**

For commodities **not** being stored in the structure and the aggregate outstanding FSFL balance is \$100,000 or less, STC's may authorize COC's to determine whether multi-peril crop insurance is **required** for all commodities produced by the producer. For additional guidance, see paragraph 96.

If it is determined that multi-peril crop insurance is **not** required for commodities not being stored in the structure, COC is not authorized to allow the producer to store the uninsured commodity in the storage structure during the FSFL term. Contact the National Office for questionable situations.

If approved by COC, the County Office **must** have the applicant initial and date the following statement in CCC-185, item 14:

"I understand that I am **not** authorized to store my [*enter commodity*] production in the structure during the FSFL term."

**C Multi-Peril Crop Insurance or NAP Coverage Waivers for Hay Producers**

For hay producers, STC's are authorized to waive, on a case-by-case basis, multi-peril crop \*--insurance or NAP coverage if all of the following apply:--\*

- aggregate outstanding FSFL balance is \$100,000 or less
- \*--producer produces at a minimum 2 different NAP pay types of eligible hay
- multi-peril crop insurance or NAP coverage insurance cost for hay for producers with and without farming interests in multiple counties is greater than \$650.--\*

In place of the multi-peril crop insurance or NAP coverage, hay producers **must** obtain and maintain all-peril structural insurance on the hay stored in the FSFL structure.

The hay producer **must** annually submit, in writing to the County Office, a request to waive the multi-peril crop insurance or NAP coverage. STC will determine, on a case-by-case basis, if the request will be approved.

The producer's request and waiver determination **must** be maintained in the FSFL folder and documented in STC or COC meeting minutes.

STC has authority to establish a more restrictive policy and is authorized to redelegate authority to COC only for provisions provided in this subparagraph.

## 158 Approval Extensions (Continued)

**D Review of Applicant Request for Extension**

\*--STC's, delegated SED's, or COC's must:--\*

- grant the extension **only** if the applicant meets the requirements in subparagraph C
- grant extensions only for the time necessary to complete the FSFL project
- **not** grant automatic extensions
- if determined an extension will be granted, approve extensions on CCC-185D, item 8B, \*--8C, or 8D by notating the next expiration date.

**E Requests for Extensions Beyond 18 Months--\***

See subparagraph 185 F for a **required** financial review if FSFL closing has been delayed for more than a year.

\*--STC's **only** are authorized to grant extensions of FSFL approvals beyond 18 months, **not** to exceed 24 months from the date of the original approval. This authority may **not** be redelegated.

STC's **must** use discretion when approving extensions beyond 18 months, **not** to exceed 24 months of the original FSFL approval date.

**F Requests for Extensions Beyond 24 Months**

\*--DAFP waiver is **required** for extensions beyond 24 months of the original FSFL approval--\* date.

## 159-169 (Reserved)



**Part 10 Final Review of Documents****170 Disbursements****A General Information for FSFL Disbursement**

\*--All FSFL projects **must** be inspected using CCC-295A for (permanently affixed) and/or CCC-295C for (portable equipment) before disbursement.--\*

Actions required in Parts 10 and 11 shall be completed for both a partial and final disbursement.

**B Evidence of Total Cost**

The disbursement will be made **only** if the borrower provides satisfactory evidence of the following:

- total cost of the facility, handling equipment, and/or storage and handling truck as evidenced by completed and signed CCC-191's from all contractors, dealers, suppliers, and vendors
- payment of all debts on the collateral in excess of FSFL amount
- **required** down payment.

This is applicable to both partial and final disbursements.

The FSFL Disbursement Calculator and CCC-197 should include all CCC-191's received from contractors, suppliers, and vendors.

**C Purchasing Portable Storage Structures, Drying and Handling Equipment, and Storage and Handling Trucks**

The applicant may complete the purchase of the portable storage structures, drying and handling equipment and storage and handling trucks at any time **after** loan approval.

## 170 Disbursements (Continued)

**D Disbursement for Portable Storage Structures, Drying and Handling Equipment, and Storage and Handling Trucks**

The minimum down payment is required prior to closing the FSFL. CCC-191's **are** required for the minimum down payment (plus any voluntary additional amount paid) prior to closing. The disbursement calculator will be prepared utilizing the acceptable dated statement with the intent to purchase and/or sales contract/order.

The FSFL **may** be disbursed before the FSFL components are acquired or purchased. If FSFL funds are being disbursed to complete the acquisition or purchase, inform the producer the following must be returned to the County Office within **15 workdays** after the closing of the FSFL:

- a signed and dated original sales receipt for the purchase, including the seller's name, address and contact number
- for storage and handling trucks:
  - provide automobile insurance policy, according to paragraph 98
  - proof that the emission and/or vehicle inspection was successfully performed, as required in the State
  - proof that sales tax, registration fee and other applicable MVA fees were paid
  - certificate of title and lien release, if applicable.

**Note:** On a case-by-case basis, the borrower may request in writing, an extension of 15 workdays, but no more than 30 workdays, to provide to FSA the applicable documents for the purchase of the portable storage structure, drying and handling equipment, and/or storage and handling trucks.

**Example:** Producer Clark is purchasing a used grain auger. The producer submitted the FSFL request and sales order for the used grain auger in the amount of \$10,500, \*--in the County Office on November 7, 2022. A financial analysis was--\* performed by an FSA employee with loan approval authority. A recommendation is received from an FSA employee with loan approval to approve the FSFL request. The STC designated the CED approval authority to approve the FSFL request. The producer is notified of the approval, a closing date, and the amount of the minimum down payment required to be paid to the dealer or seller prior to closing. The producer visits the County Office to close the FSFL. The FSFL is disbursed. Producer Clark is instructed to return to the FSA County Office the original sales receipt for the purchase of the used grain auger within 15 workdays after the closing of the FSFL.

## 187 Closing FSFL's Secured by Real Estate (Continued)

**F Transmittal of Title Information**

To transmit information and documents to approved closing agents or title insurance companies for title clearance and FSFL closing services, County Offices must issue the following letter or a similar letter that is approved for use by the regional OGC.

**Note:** This letter is available on the FFAS Employee Forms/Publication Online Website in fillable format at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK "Find Current Forms Using Our Form Number Search". For "Form Number", ENTER "1-FSFL Par 187F".

<b>1-FSFL Par 187F</b>
(Use FSA County Office Letterhead format with local return address.)
<b>Transmittal of Title Information</b>
Date _____
_____, Attorney at Law Street City, State, and ZIP Code
Dear:
You have been selected by an applicant for a Commodity Credit Corporation loan to perform the title work and loan closing of this transaction in connection with the loan application identified below. The following documents are enclosed for preparation of a title opinion or a commitment for a mortgagee policy of title insurance and other handling in accordance with 7 CFR Part 1436.
1) Name of applicant _____ Address _____ Phone number _____ Marital Status (name of spouse, if married) _____ Loan Number _____ If the borrower is not the owner of the real estate, add Name of Real Estate Owner, Address, and Phone Number.
2) Proposed insured - Commodity Credit Corporation
The real estate security for the loan - all of the land described in paragraph 3.
Required lien position - CCC requires a first lien on the land described. If that is not possible, a junior lien may be taken that secures the loan amount.
Amount of loan - \$_____ (Calculated with 15% downpayment)
Type of loan - Farm Storage Facility Loan
Type and purpose of financing - The loan is being made to provide financing for the construction and/or installation of a farm storage facility on the land described in paragraph 3.
Interest rate - _____
Repayment period - _____ years

## 187 Closing FSFL's Secured by Real Estate (Continued)

## F Transmittal of Title Information (Continued)

- 3) Other information and documents attached, if applicable:
- a) CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program, or Deed of Trust, as applicable for the State.
  - b) legal description of land (copy of deed Warranty Deed is attached)
  - c) CCC-299, Title Opinion - Farm Storage Facility Loan Program
  - d) CCC-194, Farm Storage Facility Loan Subordination Agreement (Lien on Real Property), if needed
  - e) FSA-2319, Agreement with Prior Lienholder of real estate
  - f) CCC-190, Farm Storage Facility Loan Program Lien Waiver for structures
  - g) Other documents \_\_\_\_\_
- 4) Requirements of title insurance commitment:
- a) Alterations and omissions: If the **required** information is altered or omitted, the approving official is **not** authorized to accept the commitment, but **must** return it for completion.
  - b) Property description: The approved attorney **must** review the legal description of the land to ensure that the legal description and recital of all encumbrances, reservations, exceptions, and defects are complete and accurate. If a water right is to be included in the security for the loan, the approved attorney **must** also attach a full legal description of the water right followed by a recital of all encumbrances, reservations, exceptions, and defects. Land of water rights may be described by reference to a legally adequate description contained in the recorded instrument. A copy of this instrument **must** be provided to CCC for review before closing. If the description of the property is **not** legally adequate, the deficiency **must** be listed as a title defect and the necessary curative action **must** be included on CCC-299, Part B or in the commitment.
  - c) Encumbrances, reservations, exceptions, and defects mean all matters that would prevent CCC from obtaining the **required** lien on the property. These include, but are **not** limited to, liens; taxes and assessments; leases; easements; covenants; conditions; restrictions; reservations; rights relating to mineral oil, gas, geothermal, timber, and water rights; prior sales of part of the property; judgment, probate proceedings, bankruptcy proceedings, or pending court actions in Federal and State courts; other matters of record that affect title to the real property or the ability of the buyer to convey title or the seller to accept title; and legally inadequate property descriptions.
  - d) Scope of search: The approved attorney will determine:
    - 1) all owners of record of the real property
    - 2) whether there are any outstanding encumbrances, reservations, exceptions, and defects on the real property as outlined in paragraph c above
    - 3) if a water right is to be included in the security for the loan (the attorney or title insurance company will attach a full legal description of the water right)
    - 4) if there are any liens or recorded claims that would prevent CCC from obtaining an enforceable mortgage lien of the **required** priority on the security property. Title examination will include searches of records, or certificates from the clerks of appropriate State courts, Federal bankruptcy courts, and United States district courts, for the period determined necessary by local custom, to issue a title opinion or title insurance policy.
  - e) Homestead property: If a lien is being taken on homestead property, the necessary steps to take a valid lien on homestead **must** be taken and completed.



## 187 Closing FSFL's Secured by Real Estate (Continued)

**K FSFL Closing Instructions to Closing Agent**

\*--County Offices must prepare the following letter, or a similar letter that is approved for--\*  
use in the State by the regional OGC, to transmit FSFL closing instructions to the approved  
closing agent, attorney, or title insurance company.

**Note:** This letter is available on the FFAS Employee Forms/Publication Online Website in  
\*--fillable format at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>.--\*  
CLICK "Find Current Forms Using Our Form Number Search". For "Form  
Number", ENTER "1-FSFL Par 187K".

1-FSFL Par 187K

(Use FSA County Office Letterhead format with local return address.)

**FSFL Closing Instructions to Closing Agent**

Date \_\_\_\_\_

\_\_\_\_\_, Attorney at Law  
\_\_\_\_\_  
City, State, and ZIP Code

Dear:

Reference is made to the transmittal of title information dated (*insert date*) for a Commodity Credit Corporation (CCC) Farm Storage Facility Loan to (*insert name of applicant*), loan number (*insert FSFL number including year 20XX/XXXXX*). The requirements of that letter are incorporated by reference. Please notify the County Office when closing can occur. Loan checks **must** be handled according to the following instructions.

Please notify the applicant of all loan closing requirements and arrange for closing **no** later than 21 calendar days after the date of the loan check. If the loan is **not** closed by that date, return the loan check to the County Office.

CCC requirements regarding the exceptions in the commitment for the title insurance mortgagee, policy number (*insert policy number*) dated (*insert month and date*), (*insert year 20XX*), are as follows:  
(Complete items that apply.)

Number \_\_\_\_\_ **must** be removed. (*Closing attorneys like this format. Numbers correspond to # on title opinion. Add numbers as needed.*)

Number \_\_\_\_\_ **must** be subordinated to the lien of CCC that will be created at loan closing.

Number \_\_\_\_\_ may remain ahead of the lien of CCC that will be created at loan closing.

Number \_\_\_\_\_ **must** be changed as follows:

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

K FSFL Closing Instructions to Closing Agent (Continued)

The requirements below **must** be met at or before loan closing:

- applicant to provide proof of one-year all-peril structural insurance policy showing CCC as loss payee or mortgage payee
- other applicable requirements that have **not** been met, such as crop insurance
- signatures on mortgage that will be filed on the [enter legal description, township, county, State] will be **required**. Owners are listed as [insert owners]. *[If spouses are included, address accordingly.]*

The borrower **must** provide personal funds at closing to pay for their closing costs.

*[If the County Office is issuing the checks to the borrower/vendors, use the following language.]*

A CCC-186, Promissory Note and Security Agreement, and loan funds of \$ \_\_\_\_\_ will be delivered to your office by [insert date] as follows:

\$ \_\_\_\_\_ to \_\_\_\_\_ Vendor e.g. Bin Company (joint w/borrower if **not** totally paid) \_\_\_\_\_

\$ \_\_\_\_\_ to \_\_\_\_\_ Vendor e.g. Electric Company \_\_\_\_\_

\$ \_\_\_\_\_ to \_\_\_\_\_

\$ \_\_\_\_\_ to \_\_\_\_\_

*[If the County Office is issuing the check to the closing attorney to be held in escrow, use the following language.]*

A CCC-186, Promissory Note and Security Agreement, will be delivered to your office by [insert date].

Loan funds to be deposited in escrow with you will be disbursed as follows:

Pay \$ \_\_\_\_\_ to \_\_\_\_\_

Pay \$ \_\_\_\_\_ to \_\_\_\_\_

Pay \$ \_\_\_\_\_ to \_\_\_\_\_

Pay \$ \_\_\_\_\_ to \_\_\_\_\_

**Part 12 Basic Servicing Policies****Section 1 Routine Servicing****209 Producer Reminder Notification****A Sending Reminder Notification Letters**

The FSFL Reminder and Notification Letter begins the act of due process which satisfies the initial requirement to inform the producer of the debt owed.

FSFL reminder and notification letters are automatically generated and mailed from a central location under a National Office contract.

\*--An example of the Reminder and Notification Letter is found in Exhibit 70. An example of the Annual Reminder and Notification Letter for Final Installments is found in Exhibit 73.--\*

**Notes:** A courtesy copy of the letters mailed to FSFL producers will be provided to the State Office. The National Office will notify State Office by email each month when the reminder letters have been posted on the PSD FSFL SharePoint website.

An FSFL Reminder and Notification Letter will not be generated and mailed to the borrower if the borrower has filed for bankruptcy protection or has an approved FSFL deferral.

**B State Office Action**

State Offices must:

- access “Monthly FSFL Reminder Letters” on the PSD FSFL SharePoint website at <https://usdagcc.sharepoint.com/sites/fsa-dafp/psd/policy/SitePages/Home.aspx>
- download a copy of the letters mailed and forward the letter(s) to the respective County Office.

**C County Office Action**

County Offices must:

- **no** longer print and mail reminder and notification letters
- file the copy of the mailed letter in the producer’s FSFL folder once the letter is received from the State Office
- continue to initiate CCC-195 servicing 45 calendar days before the FSFL annual installment due date according to paragraph 210.

## 210 CCC-195 Servicing

### A Completing CCC-195 Servicing

\*--County Offices must:--\*

- prepare CCC-195 Servicing (Exhibit 71) 45 calendar days before the installment due date for all outstanding FSFL's

\* \* \*

**Example:** FSFL installment due date is August 20, 2021. The County Office **must** complete CCC-195 Servicing on July 19, 2021, 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
- check, initial, and date the appropriate box for each item as it is performed.
- complete the CCC-195 Servicing for FSFL's that are physically located in their county but the FSFL is administered in another county. The administrative county must share the loan details with the servicing county so that the FSFL can be properly serviced. The servicing county will forward the completed CCC-195 Servicing to the administrative county.

**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.

See Exhibit 71 for completing CCC-195 Servicing.

### B Accessing CCC-195 Servicing

CCC-195 Servicing is available from the FFAS Employee Forms/Publications Online Website at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>.

## 215 Inspections (Continued)

**A Required Inspections (Continued)**

**Example:** Producer Berry has an FY 2020 FSFL with a 10-year term and the annual installment payment is due on May 1, 2021. The following table is a schedule of when collateral checks are **required** based on the date the annual installment payment is received in the County Office.

**Note:** Future dates of annual installment payments were used for example **only**.

<b>FSFL Term</b>	<b>Date Annual Installment Payment Received in the County Office</b>	<b>Collateral Check Required</b>
Year 1	April 30, 2022	No
Year 2	May 1, 2023	No
Year 3	June 19, 2024	Yes
Year 4	April 30, 2025	Yes
Year 5	May 10, 2026	No
Year 6	April 27, 2027	No
Year 7	May 1, 2028	No
Year 8	June 3, 2029	Yes
Year 9	April 27, 2030	No
Year 10	May 31, 2031	No

County Offices must have right of access where the collateral is located according to a--\* term in CCC-186 whether or **not** there is a real estate mortgage.

The results of the **required** annual inspection **must** be documented in the FSFL folder in CCC-195 Servicing, item 12.

**B Asphalt Flooring Inspections**

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 or as determined by STC
- complete CCC-195 Servicing, item 12 E to document the field visit, and item 16 to record remarks.

**C HELC and WC Provisions**

If a violation of HELC and/or WC provisions is determined after FSFL has been disbursed, FSFL may remain outstanding as long as the producer continues to make the annual \*--installment payments timely. If there is a pending FTD, according to 6-CP, at the time of FSFL application and a wetland violation is determined after FSFL disbursement, FSA-569 must be reviewed to confirm FTD status and the FSFL is allowed to remain outstanding.--\*

## 216 Maintaining UCC Lien

### A Continuing UCC Filings

\*--UCC-1 filings (personal property and fixture) will lapse after 5 years, **unless** continued for an additional 5-year period. The continuance must be accomplished with a UCC-3 “Continuation”.--\*

The only time UCC-3 “Continuation” may be filed is during the last 6 months of the 5-year effective filing period. The continuation is effective from the date the original UCC-1 would have expired, even though the continuation is filed up to 6 months before the expiration.

\*--**Example:** UCC-1 was filed May 1, 2022.

UCC-3 “Continuation” may be filed anytime from November 1, 2026, through May 1, 2027.

If UCC-3 “Continuation” is filed timely within this period, UCC-1 is considered effective until May 1, 2032.--\*

### B County Offices Monitoring UCC Lien Expiration

County Office **must** ensure that a monitoring system is used so that UCC documents are continued timely.

Updating the DLS Dashboard is 1 option available for monitoring UCC documents.

### C Fees for UCC Lien Continuance or Amendment

All fees associated with continuing or amending UCC documents will be paid by CCC.

See paragraph 302 for guidance on processing UCC document filing fees.

**\*--233 Repairing or Replacing FSFL Collateral and Additional Policies for Adverse Weather Conditions--\***

**A Liability**

\*--Until FSFL has been repaid, the borrower must be liable for all damages to or destruction of the collateral. CCC must **not** assume any loss of the FSFL collateral.--\*

**B Occurrences**

Requests for repairing or replacing FSFL collateral may occur when:

- equipment wears out before reaching the end of its useful life
- equipment is damaged or destroyed by insurable loss
- insured structures and equipment are damaged or destroyed by insurable causes of loss, such as, but **not** limited to, wind storms and fire.

**C Collateral Will Not Be Repaired**

\*--When collateral is destroyed or damaged and **will not be repaired**, County Offices must:--\*

- inspect collateral to assess damage
- apply insurance proceeds as a regular FSFL payment
- create a claim for outstanding amounts after CCC has disposed of FSFL collateral, according to 58-FI provisions
- discuss with the approving authority if FSFL should be called according to paragraph 263 and/or determine whether DAFP waiver is needed to allow FSFL to remain outstanding until paid in full.

State Offices may contact the National Office for additional guidance when FSFL collateral will **not** be repaired.

**\*--233 Repairing or Replacing FSFL Collateral and Additional Policies for Adverse Weather Conditions (Continued)--\***

**D Collateral Will Be Repaired**

**\*--When collateral is damaged and *will be repaired* County Offices must:--\***

- notify producers that approval is **required** before existing FSFL security documents are amended for repair or replacement
- inspect collateral to assess damage
- advise borrowers that they may apply for a new FSFL for replacement facilities and equipment
- inspect collateral after repairs have been completed
- release insurance proceeds to borrower when borrower presents evidence of cost of repairs.

**\*--County Offices must hold insurance proceeds until repairs are completed *unless* other guidance is provided by the National Office. Insurance proceeds must **not** be deposited. **Do not let the check expire.** State specialists must contact PSD, at least 30 calendar days before a check expires, for instructions on how to proceed.--\***

When a portion of the insurance proceeds are needed by the borrower before the collateral can be repaired, the borrower **must** submit a written request to COC to release up to 20 percent of the insurance proceeds. After COC approval, the borrower **must** work with the insurance provider to have 2 checks issued. The County Office may then endorse 1 check for up to 20 percent to the borrower to repair the collateral. The second check **must** be held until all repairs are completed. After repairs are completed, the County Office **must** inspect the collateral and document the results on CCC-295A or CCC-295C. If the inspection verifies the collateral was repaired properly, the second check in the amount of 80 percent may be released to the borrower.

**Note:** If the insurance company is **not** willing to issue 2 checks, contact the National Office for guidance.



**\*--233 Repairing or Replacing FSFL Collateral and Additional Policies for Adverse Weather Conditions (Continued)--\***

**D Collateral Will Be Repaired (Continued)**

County Offices **must** ensure that acceptable evidence and CCC-191's are collected and reviewed to substantiate the repair costs. Collecting this information will ensure that FSA does **not** encounter a future liability or mechanics lien.

The borrower is responsible for the cost of amending and refiling FSFL security documents. The original approving authority **must** provide authorization to amend FSFL security documents.

**Note:** For questionable cases, contact Toni Williams by e-mail to  
\*--toni.williams@usda.gov.--\*

**\*--E Additional Policy for Adverse Weather Conditions**

County Offices are authorized to release 100 percent of the insurance proceeds to borrowers who will replace or repair damages to, or destruction of, FSFL collateral because of adverse weather conditions, such as but not limited to:

- hurricanes
- tornados
- blizzards
- derechos
- flooding.

State Office may contact National Office for other insurable conditions.--\*

**\*--233 Repairing or Replacing FSFL Collateral and Additional Policies for Adverse Weather Conditions (Continued)**

**F Repaired or Replaced Collateral after Adverse Weather Conditions**

When collateral is damaged and **will be repaired or replaced after adverse weather conditions**, County Offices must:

- notify producers that approval is **required** before existing FSFL security documents are amended for repair or replacement
- inspect collateral to assess damage (only if determined safe to do so)
- advise borrowers that they may apply for a new FSFL for replacement facilities and equipment
- inspect collateral after repairs or replacements have been completed.

County Offices are authorized to release 100 percent of the insurance proceeds, unless a lessor percentage is established by STC statewide and not on a case-by-case basis, when repairs or replacements are being made to FSFL collateral because of damages caused by adverse weather conditions.

The borrower **must** submit a written request to COC to release the insurance proceeds and agree to the CCC-101 terms and conditions. See Exhibit 74.

COC is authorized to approve or disapprove CCC-101 for any outstanding FSFL amount. After COC approval, the County Office may endorse the insurance check to the borrower to repair or replace the FSFL collateral. COC may delegate authority to CED. All delegations and CCC-101 approvals must be documented in the COC meeting minutes.

All CCC-101 disapprovals must be emailed to the National Office at **FSFLpolicy@usda.gov** within 15 calendar days after CCC-101 was disapproved.

After repairs or replacements are completed, borrowers must present evidence of cost of repairs, including CCC-191's, and the County Office **must** safely inspect the collateral and document the results on CCC-295A or CCC-295C.

If the inspection verifies the collateral was not repaired or replaced properly, State Offices must contact the National Office for additional guidance.--\*

**\*--233 Repairing or Replacing FSFL Collateral and Additional Policies for Adverse Weather Conditions (Continued)**

**G Authorized Time for Repairs or Replacements after Adverse Weather Conditions**

FSFL must be repaired or replaced within 1 year of CCC-101 approval. If additional time for repairs is required (up to 6 months), the FSFL borrower is required to contact the local County Office within 15 calendar days before the 1-year expiration date. COC is authorized to approve or disapprove CCC-101 extensions.

A DAFP waiver, according to paragraph 25, is required for extensions beyond 18 months.

CCC will continue to have a lien on the FSFL collateral, and the lien will remain effective until FSFL is paid in full.

The borrower must obtain authorization if the borrower decides to sell the FSFL collateral.

**H Authorization to Endorse the Insurance Proceeds to the Borrower after Adverse Weather Conditions**

After CCC-101 approval, CED is authorized to endorse the check to the FSFL borrower for 100 percent of the insurance proceeds to repair or replace the FSFL collateral.--\*

## 234 Assumptions

### A When Authorized

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

Assumptions are authorized, but **not** limited to, when the following situations occur:

- borrower requests an assumption to convey the secured property to another eligible producer
- borrower is deceased and an eligible heir or another eligible producer who is **not** liable for FSFL requests an assumption.

### B Application Package

The new applicant **must** apply for FSFL by completing CCC-185. The supplemental \*--application package information, according to paragraph 69, must also be provided.--\*

### C Application Fees for Assumptions

Application fees are **required** for assumptions according to paragraph 58 with 1 exception. A new application fee is **not** required, if the remaining co-borrowers will continue to meet FSFL eligibility requirements and demonstrate the need for the FSFL. For this situation, CED, COC, or FSA employee with loan approval authority may approve CCC-298.

\*--Assumptions that are entity to entity with same members do not require an application fee and individual to a sole entity (evolving the from the original individual) does not require an FSFL application fee.--\*

Record application fees for assumptions in DLS according to 2-FSFL.

## 234 Assumptions (Continued)

**D Accrued Interest**

Interest due on FSFL from the date of disbursement or date of last payment, as applicable, to the effective date of the assumption may be paid either by the original borrower or by the new applicant. CCC-298, item 11 C relates to “unpaid interest to be assumed”.

<b>IF the interest due is to be...</b>	<b>THEN...</b>
paid by the original borrower	<ul style="list-style-type: none"> <li>calculate the interest due according to 2-FSFL</li> <li>apply the interest payment <b>before</b> processing the assumption</li> </ul> <p><b>Note:</b> This payment:</p> <ul style="list-style-type: none"> <li>may be interest only with no principal repaid</li> <li><b>must</b> be applied <b>before dataloading the assumption</b> to credit the interest payment amount to the original borrower’s TIN.</li> </ul> <ul style="list-style-type: none"> <li>in CCC-298, item 11 C, ENTER “<b>0.00</b>” to indicate the <b>buyer is not</b> assuming unpaid interest.</li> </ul>
assumed by the buyer	<ul style="list-style-type: none"> <li>calculate the interest due according to 2-FSFL</li> <li>complete CCC-298, item 11 C, by entering the calculated interest due to indicate the <b>buyer is assuming</b> unpaid interest.</li> </ul> <p><b>Note:</b> This “unpaid interest to be assumed” <b>must</b> be entered on CCC-298 <b>before</b> buyers and co-buyers sign CCC-298 and the assumption is approved. When the next payment is applied to FSFL, interest will be calculated from the date of disbursement or date of last payment, as applicable. This assumed interest is <b>not</b> collected at the time of the assumption.</p>

## 234 Assumptions (Continued)

**E County Office Actions**

\*--County Offices must take the following actions.--\*

Step	Action
1	Prepare CCC-185 to document the applicant meets the storage need.
2	Collect the application fee in effect at the time the assumption is requested according to subparagraph C.
3	Request lien search and credit report on new applicants. Pay lien search, filing, and recording fees according to paragraph 58.
4	Approve assumptions only for applicants who meet <b>all</b> of the eligibility requirements according to paragraph 35.
5	Obtain new CCC-297's, if applicable.
6	Prepare and record new security documents to protect CCC's interest in the collateral.
7	Include unpaid interest in the assumed FSFL unless the approving STC or COC, as applicable, requires payment of interest to the date of assumption.
8	Use CCC-298 to document the assumption and STC or COC, as applicable, approval.
9	Require new applicant to pay filing and recording fees according to paragraph 58.
10	Provide releases of security to the original borrower. The original borrower pays all fees associated with releasing security.
11	Require new applicant to pay the next installment when it is due.
12	Call FSFL and require payment in full when there is <b>not</b> an eligible producer to assume FSFL.

Process assumption in DLS according to 2-FSFL, paragraph 550.

**Note:** For questionable cases, contact Toni Williams by e-mail to

\*--[toni.williams@usda.gov](mailto:toni.williams@usda.gov).--\*

## 235 UCC-1 Partial Releases Before FSFL Is Paid in Full

### A UCC-1 Partial Releases

Occasionally a borrower will sell a specific piece of equipment that is described on UCC-1. County Offices, after DD or State Office review, are authorized to complete a partial release of UCC-1, if the borrower pays the principal and interest cost of the equipment for release.

**Example:** FSFL UCC-1 describes 2 Sukup round steel grain bins 27 foot diameter, 6 rings height, drying equipment including fan, motor, and an unloading auger. The borrower requests the auger be released.

The borrower shall submit the request in writing. DD or State Office **must** determine the release will **not** jeopardize CCC's security value in the FSFL collateral.

### B County Office Action

County Offices shall:

- review the borrower's written request with the DD or State Office
- calculate the principal and interest that will be paid
- determine outstanding FSFL amount and value of the security after payment is received

**Note:** Review by an FSA employee with loan approval authority is **required** for FSFL's with additional security.

- after DD or State Office approval, review with COC
- collect the payment for the principal plus interest cost of the equipment being released
- apply producer's payment in DLS
- ensure that 30 calendar days from the date of payment of FSFL have lapsed according to paragraph 218
- complete UCC-3 to terminate the UCC filing for the partial release.

## 236 Partial Release of Real Estate

### A General Information on Partial Releases

Partial releases of real estate are allowed. After necessary information is obtained, COC  
\*--must make a determination on whether the partial release is approved.--\*

STC's have authority to establish a more restrictive Statewide policy for partial releases.  
This **must** be a Statewide basis and **not** on case-by-case basis.

### B Information Required by Borrower

\*--Borrower must:--\*

- submit a written request providing information about the release
- provide a survey of the real estate to be released, if necessary to ensure that the property being released is easily identifiable
- pay all costs associated with the release, including but **not** limited to, survey costs, appraisal fees, and filing fees.

### C Processing Request for Partial Release of Real Estate

\*--CCC-401 is required to process the request for partial release of real estate. See Exhibit 75.--\*

Items to consider on whether the release will jeopardize CCC's security interest include:

- property released will **not** interfere with access to or operation of remaining real estate
- \*--real estate on which the FSFL structure is located must **not** be released.

A valuation of the remaining real estate must be obtained as described in paragraph 122.--\*  
The methodology used to determine the security value for the outstanding FSFL amount **must** be maintained in the FSFL folder.

Partial release of real estate used to secure FSFL's is authorized when COC (or STC and/or SED if determined on a Statewide basis) determines that the:

- partial release will **not** jeopardize CCC's security interest
- remaining real estate has sufficient value to secure the outstanding FSFL principal amount
- remaining real estate is a saleable unit.



**236 Partial Release of Real Estate (Continued)****D Partial Release Preparation and Distribution**

County Offices must:

- complete a NEPA compliant environmental review of the proposed release and any connected action as provided by 1-EQ, subparagraph 3 C and paragraph 9.
- \*--prepare partial releases using CCC-401 **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.

\* \* \*

## 237 Real Estate Lien Subordination

### A Real Estate Subordination

Authority is provided to subordinate CCC's lien position if **all** of the following apply:

- adequate security is available to secure the outstanding FSFL amount according to paragraph 122

**Notes:** The methodology used to determine the security value for the outstanding FSFL amount **must** be maintained in the FSFL folder.

- FSFL is **not** in default
- \*--an environmental review is completed as provided by 1-EQ, subparagraph 9 B--\*
- the borrower:
  - in writing, requested that CCC subordinate its lien position
  - did **not** file bankruptcy, receive any new liens, increased credit lines, or encumbrances, **unless** CCC approves otherwise in writing
  - agrees that they will be responsible for all FSFL security re-filings and/or releases.

STC's have authority to establish a more restrictive Statewide policy for subordinating CCC's lien position. This **must** be a Statewide basis and **not** on case-by-case basis.

## 237 Real Estate Lien Subordination (Continued)

**B Approval Authority**

The subordination **must** be approved according to this table.

IF aggregate outstanding FSFL balance is...	THEN approval authority is...
less than or equal to \$250,000	DD.
greater than \$250,000	STC or delegated authority to SED <b>only</b> .

**Note:** Approval officials **must** ensure that all documents received from a creditor or financial institution for signature to subordinate CCC's lien position are reviewed **--thoroughly and will not adversely affect CCC's security and that the environmental review found no adverse impacts or extraordinary circumstances associated with any connected action. The approval official, as needed, must consult with the regional--\*** OGC for legal advice.

State Offices **must** provide the following information to the National Office within 30 calendar days after the subordination of CCC's lien position is approved:

- County Office
- FSFL number
- original FSFL amount
- amount of outstanding FSFL at time of subordination request.

**--The State Office price support specialist must provide the information to Toni Williams at [toni.williams@usda.gov](mailto:toni.williams@usda.gov)--\***

**238 Deceased Borrowers****A County Office Action**

When it is learned that an FSFL borrower has died, County Offices shall notify the State Office of the following:

- deceased borrower's name
- FSFL number
- date of original FSFL
- principal balance remaining
- whether other parties signed CCC-186 and are liable for the debt
- security for FSFL
- information on whether an estate probate has begun.

**B State Office Action**

When notified of a deceased borrower by a County Office, the State Office shall take the following action.

<b>Step</b>	<b>Action</b>
1	Contact regional OGC for advice in preparing a letter that notifies the fiduciary representative of the estate that: <ul style="list-style-type: none"> <li>• there is an outstanding CCC loan</li> <li>• FSFL is secured by CCC-186 and, if applicable, a mortgage or Deed of Trust on real estate.</li> </ul>
2	Obtain advice from the regional OGC as to the course of action CCC should take to continue FSFL.
3	Notify County Office of OGC's recommendations and the language to include in the notification letter.

**C Example Letters**

The following example letters are available electronically to contact the fiduciary representative.

<b>Exhibit</b>	<b>Letter</b>
81	Loan Secured by FSFL Fixture Only
82	Loan Secured by FSFL Fixture and Real Estate Mortgage or Deed of Trust

## 244 Divorce Policy

### A Applicability

STC's are authorized to release divorced borrowers from liability on FSFL's with an aggregate outstanding FSFL balance of \$250,000 or less.

For FSFL's with an aggregate outstanding FSFL balance greater than \$250,000, STC's and COC's are **not** authorized to release divorced borrowers from liability on FSFL. DAFP will consider a waiver, according to paragraph 25, for release of an individual's liability, if **both** of the following apply:

- jointly liable individual borrowers have divorced
- 1 spouse has withdrawn from the farming operation.

### B Request for Waiver

COC, with STC concurrence, may request DAFP to remove an individual from FSFL liability. The request must provide the following:

- a cover memorandum from the County Office with a recommendation from COC and including the following:
  - copy of CCC-186
  - outstanding principal amount
  - DLS screen print of annual installment payments
  - copies of UCC-1
  - current lien search
  - copies of any other pertinent information
- a recommendation, based on financial analysis, from an FSA employee with loan approval authority about the remaining borrower's ability to continue FSFL
- a recommendation, based on financial analysis, from an FSA employee with loan authority about the person withdrawing from FSFL, and confirming the person does **not**:
  - have any payment ability for FSFL
  - own any nonessential assets
- a copy of the divorce decree or property settlement document holding the withdrawing party **not** responsible for FSFL payments
- evidence of conveyance of the withdrawing party's interest in the security to the borrower with whom FSFL will be continued.

**245 Conveyance by Borrower to CCC****A Collateral Conveyance to CCC**

Borrowers with FSFL's **not** in default or called by CCC may voluntarily convey collateral to CCC by signing CCC-400.

**B County Office Action**

County Offices shall take sale action according to paragraph 271 and work closely with the regional OGC to sell the collateral.

**246 CCC-400****A Preparing CCC-400**

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

Item	Instructions
1	Enter County Office name, address, and phone number.
2	Enter State code, county code, FY, and FSFL number.
3	Enter borrower's name and address.
4	Enter borrower's phone number.
A	
*--(1)-(4)	Enter date, month, year of this CCC-400, and borrower's name.
(5)	Enter principal amount owed, written out.
(6)	Enter principal amount owed, in numerals.
(7)--*	Enter description of the FSFL collateral.
H	
1A and 1B	Witness, unrelated to the borrower, shall sign and date.
1C and 1D	Borrower shall sign and date.
2A and 2B	Second witness, unrelated to the borrower, shall sign and date.
2C and 2D	Borrower's spouse shall sign and date.
3	COC chairperson shall sign.
3A and 3B	Authorized representative of CCC shall sign and date.
4A and 4B	Authorized representative of CCC shall sign and date.

## 247 Financial Hardship Annual Installment Deferral

### A Applicability

FSFL borrowers experiencing financial hardship may request an annual installment deferral which will extend the next installment due date by 1 year. Approval of annual installment deferral may only be granted 1 time during the FSFL term.

Borrowers with more than 1 outstanding FSFL may request an annual installment deferral for each FSFL.

Delinquent FSFL's approved for an annual installment deferral will not be accelerated, foreclosed, or liquidated, and allows the County Office to cease further collection actions.

\*--CCC-777 submitted **after** the FSFL maturity date cannot be approved for deferral.--\*

### B One-Year Term Extension

Outstanding FSFL's with a term of 3, 5, 7, or 10 years may receive a one-time only, one-year term extension and will have a new maturity date.

The outstanding principal balance will continue to accrue daily interest at the original interest rate until the FSFL is paid in full.

The original interest rate and annual payment due date will remain the same.

The one-year extension is **not** authorized for a 12-year term FSFL.

**Note:** The 2018 Farm Bill, Section 1614 specifies that under no circumstances can a storage facility loan have a term of more than 12 years. Accordingly, extensions can be approved, but the extension cannot have a maturity date beyond the maximum 12-year term maturity permitted under law.

### C FSFL Deferment Request CCC-777

Borrowers will request to defer the annual installment by completing CCC-777.

Borrowers are required to:

- describe the financial hardship(s) that makes it hard to pay the FSFL annual installment payment
- upon request, provide COC or STC documentation to support the financial hardship
- submit the request before the loan term expires.

\*--For FSFL's without a delinquent past due amount and DLS payment status is "current", the annual installment payment amount will remain the same until the last payment, and the last payment will be higher.--\*

## 247 Financial Hardship Annual Installment Deferral (Continued)

**C FSFL Deferment Request CCC-777 (Continued)**

\*--CCC-777 and a current balance sheet must only be accepted when an upcoming next installment due date is within 60 calendar days or less.

**Example:** Next installment due date is April 1, 2024, then CCC-777 cannot be accepted before February 1, 2024.

FSFL's with installment status **behind**, CCC-777 may be accepted and the borrower must choose to defer either of the following:

- the next annual installment due date (future due date)
- the last annual installment due date (previous **past due** date).

The balance of all installment payments in arrears remains outstanding and continue to accrue interest. As a result, when FSFL is re-amortized using the FSFL Deferral Calculator the last installment payment due at maturity will be much higher (regular annual installment payment amount multiplied by the number of payments behind plus additional accrued interest).

**Example:** FSFL closed on August 1, 2019, with a 5-year term and August 1, 2024, maturity date. The borrower is behind on 4 annual installment payments as of August 1, 2023. On January 2, 2024, the borrower submits CCC-777 and may choose to defer either the **last** previous past due August 1, 2023, payment, or the **next** upcoming August 1, 2024, payment until August 1, 2025. If the borrower chooses to defer the past due 2023 annual installment payment the total outstanding balance plus interest will be due in 2 annual installment payments (2024 and 2025). If the borrower chooses to defer the next annual installment payment the total outstanding balance plus interest will be due in 1 payment (2025).--\*



**247 Financial Hardship Annual Installment Deferral (Continued)****D FSFL Approval Authority to Approve CCC-777**

To protect CCC's financial interests, approval authority for CCC-777 is as follows.

<b>IF the total aggregate outstanding FSFL balance amount is...</b>	<b>THEN the approval authority is...</b>
\$25,000 or less	CED and/or FSA employee with loan approval authority, if designated approval authority by STC.
\$100,000 or less	COC.
\$100,000.01 to \$250,000	COC approval after DD review.
\$250,000.01 or more	STC.

**Notes:** STC may delegate approval authority to SED or DAFO-appointed acting SED.

For CCC-777 approval authority for employees and relatives, see subparagraph 10 C.

Once approval is granted on CCC-777, borrowers must sign and date the CCC-186 Addendum no later than 15 business days after CCC-777 approval.



## 247 Financial Hardship Annual Installment Deferral (Continued)

**E Instructions for Completing CCC-777**

Complete CCC-777 according to the following instructions.

Item	Instructions
1A	Enter State code.
1B	Enter county code.
1C	Enter DLS-assigned FSFL number that is formatted with FY and FSFL number; for example, “2021/00002”.
2A	Enter the contact person, if different from borrower.
2B	Enter the borrower’s name and address.
2C	Enter telephone number.
3A	*--Enter the FSFL outstanding principal amount.--*
3B	Enter the current FSFL term year.  <b>Example:</b> The FSFL was disbursed with a 7-year term and the FSFL installment deferral request was received during the 4 <sup>th</sup> year of the FSFL term.
4	Briefly describe the financial hardship(s) that makes it hard to pay the FSFL annual installment payment.
5A through 5G	Enter answer to each question by checking (✓) “YES” or “NO”.
6	Review the deferral payment option requirements to extend the FSFL term for one-year.
7A and 7B	Enter answer to each question by checking (✓) “YES” or “NO”.
8A and 8B	Borrower’s signature and date.
9A through 13C	Co-borrower’s name, signature, and date.
14	Enter COC/STC determination by checking (✓) “Approved” or “Disapproved.”
15A through 15C	Enter COC/STC name, signature and date.
16	Enter any additional remarks.

## \*--247 Financial Hardship Annual Installment Deferral (Continued)

**F Example of CCC-777**

The following is an example of CCC-777.

<b>CCC-777</b> (08-10-20)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation	<b>FOR COUNTY FSA OFFICE USE ONLY</b>	
<b>FARM STORAGE FACILITY LOAN DEFERMENT REQUEST</b>		<b>1. LOAN IDENTIFICATION NUMBER</b>	
		<b>A. State Code</b>	<b>B. County Code</b>
<b>Note:</b> If you are unable to make the annual FSFL installment payment because of a financial hardship, please complete the form below to be considered for a loan deferment.		<b>2A. Contact Person, if different than borrower in Item 2B</b>	
<b>2B. Name and Address of FSFL Borrower</b>		<b>2C. Telephone Number (Include Area Code)</b>	
<b>3A. Outstanding FSFL Amount</b> \$		<b>3B. Current FSFL Term</b>	
<b>Terms and Conditions:</b>			
<ul style="list-style-type: none"> <li>CCC-777 must be filled out completely. There is <b>no</b> fee for this deferment.</li> <li>Return CCC-777 by mail, or e-mail, and retain a copy of the form for your personal records.</li> </ul>			
<b>4. Briefly describe the financial hardship(s) that makes it hard for you to pay your 20__ annual FSFL installment payment.</b>			
<b>5. Questions:</b>		<b>YES</b>	<b>NO</b>
<b>A. Are you or co-borrowers a family member of an FSA employee?</b>		<input type="checkbox"/>	<input type="checkbox"/>
<b>B. Is the FSFL collateral being used for commercial purposes? (If "YES", provide details in the Item 16 Remarks)</b>		<input type="checkbox"/>	<input type="checkbox"/>
<b>C. Are you and/or co-borrowers still farming?</b>		<input type="checkbox"/>	<input type="checkbox"/>
<b>D. Is the FSFL collateral in good condition?</b>		<input type="checkbox"/>	<input type="checkbox"/>
<b>E. Do you understand at any time while the FSFL is outstanding another eligible producer may assume the outstanding FSFL?</b>		<input type="checkbox"/>	<input type="checkbox"/>
<b>F. Will you and co-borrowers be able to timely make the next installment payment?</b>		<input type="checkbox"/>	<input type="checkbox"/>
<b>G. Do you understand if the FSFL has a 12-year term, the deferred payment option will not be approved to extend the maturity date for 1-year?</b>		<input type="checkbox"/>	<input type="checkbox"/>
<b>6. Deferred Payment Option:</b>			
Request a 1-year extension to the FSFL term.			
<b>Notes:</b>			
<ul style="list-style-type: none"> <li>Annual FSFL installment payments will remain the same <u>until</u> the last payment which will be larger.</li> <li>No collection is required for the current year annual FSFL installment payment.</li> <li>The current year annual FSFL installment payment will be added to the end of the loan term, extending the term for 1-year.</li> <li>The FSFL will have a new maturity date.</li> <li>An amended CCC-186 must be signed and dated.</li> <li>The original interest will remain the same.</li> </ul>			
<small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small>			
<small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small>			
<small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small>			

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## \*--247 Financial Hardship Annual Installment Deferral (Continued)

## F Example of CCC-777 (Continued)

CCC-777 (08-10-20)		Page 2 of 2
<b>Borrower's Certification:</b>		
<i>The Borrower certifies that the statements made on this application are true, complete and correct to the best of the borrower's knowledge and belief and made in good faith to defer the FSFL payment. Section 1001 of Title 18, United States Code provides for criminal penalties to those who provide false statements on loan applications.</i>		
7A. Have you or co-borrowers recently filed for bankruptcy protection? (If "YES", provide details in Item 16 Remarks)		<input type="checkbox"/> YES <input type="checkbox"/> NO
7B. Do you understand all parties to the original CCC-186, including co-borrowers, must agree to the Item 6 and sign below. (If "NO" provide details in the Item 16 Remarks)		<input type="checkbox"/> YES <input type="checkbox"/> NO
8A. Borrower's Signature		8B. Date (MM-DD-YYYY)
9A. Co-Borrower's Name	9B. Co-Borrower's Signature	9C. Date (MM-DD-YYYY)
10A. Co-Borrower's Name	10B. Co-Borrower's Signature	10C. Date (MM-DD-YYYY)
11A. Co-Borrower's Name	11B. Co-Borrower's Signature	11C. Date (MM-DD-YYYY)
12A. Co-Borrower's Name	12B. Co-Borrower's Signature	12C. Date (MM-DD-YYYY)
13A. Co-Borrower's Name	13B. Co-Borrower's Signature	13C. Date (MM-DD-YYYY)
<b>Approval/Disapproval Determination</b>		
14. COC/STC Determination: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved		
15A. Name of COC/STC	15B. Signature of COC/STC	15C. Date (MM-DD-YYYY)
16. Remarks		
<p><b>NOTE:</b> 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 the Federal Agriculture Improvement and Reform Act of 1996, as amended, the Commodity Credit Corporation Charter Act, as amended (15 USC 714 through 714p) and 7 CFR Part 1436. The information will be used to determine eligibility to participate in and receive benefits under the Farm Storage Facility Loan Program through certification of program costs. 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 to participate in and receive benefits under the Farm Storage Facility Loan Program.</p> <p><b>Paperwork Reduction Act (PRA) Statement.</b> This information collection is exempted from the PRA specified in 7 U.S.C. 8781(c)(2). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p>		

--\*

**247 Financial Hardship Annual Installment Deferral (Continued)****G Determining Eligibility**

For all CCC-777 requests, the following must be submitted to support the request and assist with a financial analysis determination:

- a current balance sheet, income and expense statements, and credit report for all required borrowers
- a letter explaining the borrower(s) future plan to ensure the deferred installment will be paid within 1 year, on or before the new due date.

A new FSFL credit action in FBP will document the analysis and recommendation of the \*--loan official. The CCC-777, FSFL credit action, and a completed FSFL deferral calculator must be provided to COC for review.--\*

If after the completion of the financial analysis it is determined the borrower currently has the financial means to pay their current installment amount, the CCC-777 must be disapproved and the borrower will be sent an adverse determination letter. This determination is no appealable. See Exhibit 83 for an example of the adverse determination letter.

CCC-777 must be properly completed and signed by:

- the contact borrower
- all co-borrowers.

All parties who originally signed the CCC-186 must agree to the CCC-777 terms and conditions.

See subparagraph 82 B for credit report authorization provisions.

**Notes:** The borrower is not required to pay a fee for the FSFL installment deferral.

There is no prepayment penalty for an early loan payoff.

At any time while the FSFL is outstanding the borrower may have another eligible producer assume the outstanding FSFL according to paragraph 234.

The borrower may receive a one-time annual installment deferral for the entire FSFL term and subsequently, receive a one-time only 120-calendar day later payment of an annual installment according to subparagraph 211 E.

The borrower is not eligible for a new FSFL until all FSFL's approved for an installment deferral have been paid in full.

FSFL's secured by an Irrevocable Letter of Credit that fully secures the FSFL are not eligible for an installment deferral. See subparagraph Q.

**247 Financial Hardship Annual Installment Deferral (Continued)****H FSFL Deferral Calculator\* \* \***

\*--County Offices will use the instructions in subparagraph I to complete the FSFL deferral calculator authorized by the National Office.

The authorized FSFL deferral calculator can be accessed under “Resources” at [Price Support \(usda.gov\)](https://www.usda.gov).--\*

The borrower(s) must:

- review the completed FSFL deferral calculator
- agree to the installment amounts for the remainder of the FSFL term
- sign the completed and printed calculator before the CCC-186 Addendum is prepared.

After completion of the FSFL deferral calculator a second party review is required. The calculator may be prepared by the FSFL County Office employee.

State and County Offices, including FLP staff must not use any unauthorized form or spreadsheet to re-amortize the FSFL.

\* \* \*

## 247 Financial Hardship Annual Installment Deferral (Continued)

**I Instructions for Completing Deferral Calculator**

\*--The deferral calculator **must** be completed **before** COC approval. Access DLS and go to--\* the FSFL Loan Inquiry Screen for the borrower to obtain information needed for completing the deferral calculator.

The following table provides the field descriptions and actions for the deferral calculator.

Field Description	Action
*--Installment Date being Deferred	<p>If loan status is “<b>Behind</b>” enter either the Last Past Due Date or Next Installment Due Date in DLS. This item is optional for the producer to select which payment to defer. Enter in MM/DD/YYYY format.</p> <p>If loan status is “<b>Current</b>” enter the Next Installment Due Date in DLS. Enter in MM/DD/YYYY format.--*</p>
FSFL Loan Number	Enter the loan number in DLS.
Original Loan Maturity Date	<p>Determine the original loan maturity date based on the number of years displayed for loan term and when the loan was closed in DLS.</p> <p><b>Example:</b> Loan closed 6/15/2015 + 7 year loan term = original maturity date 6/15/2022.</p> <p><b>Note:</b> The new maturity date will automatically populate in the calculator after all required data is entered.</p>
Loan Principal Balance	Enter the outstanding loan principal in DLS.
*--Date of Last Payment or Closing Date	<p>Enter the latest payment effective date as displayed under Loan History Transactions.</p> <p>If no payments have been made enter the Loan Creation date as displayed under Loan History Transactions.</p>
Outstanding Accrued Interest	No action for this item. Excel will automatically calculate the outstanding accrued interest.--*
Interest Rate	Enter the interest rate in DLS.
Number of Installment Payments Remaining	<p>Access the “History” tab under FSFL Loan Inquiry and review the Loan History Transactions to determine the total number of installments remaining for the original loan.</p> <p><b>Example:</b> loan term = 7 / total payments made <b>in full</b> = 4 / installments remaining = 3.</p> <p>*--For FSFL’s <b>behind 2 or more installment payments</b> enter the number of years remaining in the original loan term when CCC-777 is submitted.</p> <p><b>Example:</b> FSFL #2020/00001 - 7 year term - Maturity Date 6-30-2027 CCC-777 Dated by borrower 6-20-2024 Years remaining in term = 3--*</p> <p><b>Note:</b> Borrowers with a 12-year loan term are <b>not</b> eligible for an installment deferral.</p>
Next Installment Amount	*--Enter the Next Installment Amount displayed under Installment Status.--*



## 247 Financial Hardship Annual Installment Deferral (Continued)

**J Example of the Deferral Calculator**

\*--The following is an example of a completed the FSFL deferral calculator.--\*

Farm Storage Facility Loan Program - Deferral Calculator							
Customer Name:		Mid-West Farm & Ranch					
Next Installment Date		11/15/2020					
FSFL Loan Number		2015/00001					
Original Loan Maturity Date		11/15/2025					
Loan Principal Balance:		\$ 110,000.00					
Outstanding Accrued Interest:		\$ 1,435.00					
Interest Rate:		1.500%					
Number of Installment Payments Remaining:		6					
Next Installment Amount:		\$ 19,500.00					
Payment Date	Principal Payment	Interest Payment	Total Payment	Remaining Loan Balance	Daily Interest Accrual	Accrued Interest This Period	Unpaid Interest
11/15/2020	\$0.00	\$0.00	\$0.00	\$ 110,000.00	4.5205	\$ 1,650.00	\$ 1,435.00
11/15/2021	\$ 16,415.00	\$ 3,085.00	\$ 19,500.00	\$ 93,585.00	4.5205	\$ 1,650.00	
11/15/2022	\$ 18,096.23	\$ 1,403.78	\$ 19,500.00	\$ 75,488.78	3.8460	\$ 1,403.78	
11/15/2023	\$ 18,367.67	\$ 1,132.33	\$ 19,500.00	\$ 57,121.11	3.1023	\$ 1,132.33	
11/15/2024	\$ 18,643.18	\$ 856.82	\$ 19,500.00	\$ 38,477.92	2.3474	\$ 856.82	
11/15/2025	\$ 18,922.83	\$ 577.17	\$ 19,500.00	\$ 19,555.09	1.5813	\$ 577.17	
11/15/2026	\$ 19,555.09	\$ 293.33	\$ 19,848.42		0.8036	\$ 293.33	
11/15/2027	\$ -	\$ -	\$ -				
11/15/2028	\$ -	\$ -	\$ -				
11/15/2029	\$ -	\$ -	\$ -				
11/15/2030	\$ -	\$ -	\$ -				
Comments:	Reviewed the results of the calculator with borrower. KK, PT 11-2-2020						
2nd Party Reviewer: Concur JM, FLO					Date: 11-2-2020		
Contact Borrower's Signature:					Date:		

\*--Access the calculator at [FSFL-Deferral-Calculator-2024.xlsx \(live.com\)](#).--\*

**\*--247 Financial Hardship Annual Installment Deferral (Continued)**

**K CCC-186 Addendum**

State and County Offices will:

- prepare the CCC-186 Addendum using the approved CCC-777
- prepare the CCC-186 Addendum not later than 15 calendar days after CCC-777 is approved
- ensure all borrowers have agreed to the installment deferral changes, such as:
  - payment amounts provided on FSFL deferral calculator
  - next installment due date
  - new FSFL term maturity date.

**Notes:** After all approval actions have been completed, a copy of the CCC-777, FSFL deferral calculator, and CCC-186 Addendum must be provided to the contact borrower.

The original documents must be maintained in the borrower's FSFL folder.--\*

**247 Financial Hardship Annual Installment Deferral (Continued)****L Instructions for Completing CCC-186 Addendum**

Complete CCC-186 Addendum according to the following instructions.

**Notes:** Items 1, 2, 9, and 10 must be completed by State or County Office staff.

Items 3 through 8 must be completed by debtor and co-debtors.

<b>Item</b>	<b>Instructions</b>
1A	Enter name of FSFL debtor.
1B	Enter loan number.
1C	Enter the current FSFL term year.
1D	*--Enter the FSFL outstanding principal amount.  <b>Note:</b> The FSFL outstanding principal amount can be found in DLS.--*
2B and 2C	Enter information for the approved installment deferral.
3A through 3C	Enter the debtor's name, signature, and date.
4A through 8C	Enter the co-debtor's name, signature, and date.
9A	Enter signature of approving official.
9B	Enter the approving official position title.
10	Enter the name and complete address including ZIP code for the FSA County Office.

## \*--247 Financial Hardship Annual Installment Deferral (Continued)

**M Example of CCC-186 Addendum**

The following is an example of CCC-186 Addendum.

		<b>Date Stamp</b>	
<b>CCC-186 Addendum</b> (02-24-21)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
<b>ADDENDUM TO THE FARM STORAGE FACILITY LOAN PROMISSORY NOTE AND SECURITY AGREEMENT</b>			
1A. Name of FSFL Debtor			
1B. Loan Number	1C. Current FSFL Term Year	1D. Outstanding FSFL Amount  \$	
2. This addendum amends the above-described promissory note and security agreement and set forth the terms and conditions for the approved FSFL deferral.  The FSFL annual installment amounts for the remainder of the FSFL term are provided on the FSFL Deferral Calculator.  All security instruments listed on the original CCC-186 will remain "as is" until the FSFL is paid in full.			
A. Approved FSFL Deferral Option		B. Next FSFL Installment Payment Date (MM-DD-YYYY)	C. New Maturity Date (MM-DD-YYYY)
One-Year FSFL Term Extension			
Any outstanding FSFL principal amount deferred will continue to accrue interest at the same interest rate as provided on the original CCC-186.  <b>Important:</b> This addendum does not change any of the other terms or conditions of the original CCC-186.  The undersigned debtor and any co-debtors hereby agree to FSFL installment payments, plus any accrued interest on the principal amount deferred, on or before the installment due date, as set forth on the note being amended.			
3A. Debtor's Name	3B. Signature	3C. Date (MM-DD-YYYY)	
4A. Co-Debtor's Name	4B. Signature	4C. Date (MM-DD-YYYY)	
5A. Co-Debtor's Name	5B. Signature	5C. Date (MM-DD-YYYY)	
6A. Co-Debtor's Name	6B. Signature	6C. Date (MM-DD-YYYY)	
7A. Co-Debtor's Name	7B. Signature	7C. Date (MM-DD-YYYY)	
8A. Co-Debtor's Name	8B. Signature	8C. Date (MM-DD-YYYY)	
<b>COMMODITY CREDIT CORPORATION SECURED PARTY</b>			
9A. By: Approving Official's Signature	9B. Title	9C. Date (MM-DD-YYYY)	
10. FSA County Office Name and Address (Including ZIP Code)			

--\*

## \*--247 Financial Hardship Annual Installment Deferral (Continued)

## M Example of CCC-186 Addendum (Continued)

## CCC-186 Addendum (02-24-21)

Page 2 of 2

**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 the Federal Agriculture Improvement and Reform Act of 1996, as amended, the Commodity Credit Corporation Charter Act, as amended (15 USC 714 through 714p) and 7 CFR Part 1436. The information will be used to determine eligibility to participate in and receive benefits under the Farm Storage Facility Loan Program through certification of program costs. 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 to participate in and receive benefits under the Farm Storage Facility Loan Program.

**Paperwork Reduction Act (PRA) Statement.** This information collection is exempted from the PRA specified in 7 U.S.C. 8781(c)(2). 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.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

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**247 Financial Hardship Annual Installment Deferral (Continued)****N Reporting to the National Office**

Immediately after all installment deferral approval actions have been completed, the State

\*--Office must upload 1 PDF to [FPAC-FSA-Delinquent FSFL Status Audit and Deferral Program | Deferral Management | Microsoft Teams](#), which includes the following: --\*

- CCC-777
- FSFL deferral calculator signed by the borrower(s)
- CCC-186 Addendum.

\*--The pdf file name must be state, county, and borrower's name (e.g.: Ohio Lake R&J LLC).--\*

**Notes:** CCC-777 disapprovals must also be reported to the National Office.

Notify National Office if the borrower is enrolled in TOP.

**O Reminder and Notification Letter**

If the borrower is current and has not received a reminder letter before signing the CCC-186 Addendum, then the borrower's loan information will not be forwarded to the National contractor for mailing of the FSFL reminder letter.

**P Borrower's Currently Enrolled in TOP**

If a borrower is currently delinquent and entered in TOP, the borrower may apply for an FSFL installment deferral on CCC-777. If CCC-777 is approved and CCC-186 Addendum is signed by all parties, the borrower(s) will be removed from TOP by the National Office when

\*--the deferral is reported according to subparagraph N.--\*

**\*--247 Financial Hardship Annual Installment Deferral (Continued)****Q FSFL's Secured With an Irrevocable Letter of Credit**

If an FSFL is fully secured with an Irrevocable Letter of Credit, the borrower is not eligible for the FSFL installment deferral. The CCC-777 must be disapproved and an adverse determination notification letter must be mailed to the borrower. The County Office must also note in the CCC-777 "Remarks" section that they will work with the financial institution to collect the FSFL installment payment.

The National Office will review all cases when the FSFL is partially secured with an Irrevocable Letter of Credit. For guidance, State Offices must contact National Office by email to **toni.williams@usda.gov**.

See Exhibit 83 for an example of the adverse determination letter.

**R Completing FSA-850**

FSA-850 is required to be completed; however, a field visit is not required. County Offices must work with the State Office Environmental Coordinator as it pertains to categorical exclusion action.

**S Security Documents**

County Offices must ensure the expiration date on all FSFL security documents, such as but not limited to real estate mortgages, Deed of Trust, severance agreement, and UCC-1 filings are effective through the new loan maturity date.

**T CCC-195 Servicing Checklist**

The County Office must note on the CCC-195 Servicing checklist "Remarks" section that the FSFL was approved for an installment deferral and mark "N/A" along with initials and dates for items 6A, 6B, 6C, and 6E. All other CCC-195 Servicing checklist items must be completed.--\*

**247 Financial Hardship Annual Installment Deferral (Continued)**

**U DLS Software for Annual Installment Deferral**

\*--Follow 2-FSFL to enter deferrals in DLS. Once the FSFL deferral is entered in DLS and approved, the applicable installments will be deferred in the system. A new payment schedule is to be completed manually by completing the FSFL deferral calculator instructions in subparagraph F.

The FSFL Status Report provides the status of all FSFL deferrals entered in the DLS FSFL automation software.

See subparagraph N for reporting FSFL installment deferrals to National Office.

The National Office will record the next annual installment due date in DLS for the FSFL's when applicable and will notify the State Office specialist once completed.--\*

\* \* \*



**\*--248 FSFL Civil Rights Report****A Generating a Civil Rights Report**

State Offices may be asked to provide a servicing report for their State that identifies borrower's race, ethnicity, and gender as part of a Civil Rights report. This information can be generated in Data Marts.

**B Instructions for Generating a Civil Rights Report**

The following table provides instructions for generating data needed for a FSFL Civil Rights report.

<b>Step</b>	<b>Action</b>
1	Access the FSA Intranet at <a href="https://intranet.fsa.usda.gov/fsa/applications.asp">https://intranet.fsa.usda.gov/fsa/applications.asp</a>
2	Under "Applications Directory," CLICK " <b>D-F.</b> "
3	CLICK " <b>Data Marts.</b> "
4	CLICK " <b>OBIEE Reports/Dashboards.</b> "
5	Under Farm Loan Programs Data Marts, CLICK " <b>Select FSFL Reports.</b> "
6	Under FSFL Loan Making, CLICK " <b>Direct Applications Report FSFL.</b> "
7	Select applicable State from the drop-down menu.
8	CLICK " <b>Apply.</b> "
9	Select applicable Fiscal Year from the drop-down menu.
10	CLICK " <b>Apply.</b> "
11	Under Detail Report CLICK " <b>Excel Format.</b> "
12	CLICK " <b>Export.</b> "
13	CLICK " <b>Excel.</b> "

--\*

249-261 (Reserved)



## 263 Calling FSFL's (Continued)

**E Preparing Call Letter (Continued)**

\*--The following must be reproduced locally on FSA County Office letterhead.

**Note:** This letter is available on the FFAS Employee Forms/Publications Online web site at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK "Find--\* Current Forms Using Our Form Number Search". For "Form Number", ENTER "1-FSFL Par 263".

1-FSFL Par 263

(Use FSA County Office Letterhead format with local return address.)

**Preparing Call Letter**

(Date)  
(Borrower Name)  
(Borrower Address Line 1)  
(Borrower Address Line 2)

Dear (Borrower Name),

Our (insert date) letter advised you that an installment payment was due and payable for the Farm Storage Facility Loan Program as follows.

Loan Number	Date of Note and Security Agreement	Unpaid Principal Amount	Amount of Installment Due	Date Installment Due
		\$	\$	

You were also advised that the entire loan amount would be called if you did **not** take action by (insert date). Since you have **not** taken any action to pay the amount due, the entire loan plus interest is now due and payable. This entire amount is subject to setoff from any Agency of the U. S. Government.

If you do **not** take action to pay the entire loan plus interest by (insert 30 calendar days from the date of this letter), in the amount of (insert amount due), action will proceed on behalf of the Commodity Credit Corporation to take possession of the farm storage facility and equipment under loan. Under foreclosure proceedings, the collateral securing the loan may be sold and the proceeds of the sale will be applied to the outstanding amount of the loan.

Please send your check payable to the Commodity Credit Corporation to the County Office at the following address by the date due.

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

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

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

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

**264 Liquidation Actions****A Payment Not Received**

When FSFL is called and payment is **not** received within 30 calendar days from the date of the letter in subparagraph 263 E, County Offices shall:

- notify the State Office of pending liquidation

**Note:** The State Office shall contact PSD for instructions on how to process the liquidation in the automated FSFL system.

- consult, as needed, with the regional OGC through the State Office
- send the Liquidation Letter in subparagraph C and a copy of the promissory note
- **not** establish a claim until CCC has disposed of FSFL collateral according to this part.

**Note:** If there are questionable cases, State Offices should contact the National Office for guidance.

**B Borrower Options**

County Offices shall explain the following options to the borrower:

- voluntarily agree to allow removal of the collateral to facilitate sale by signing CCC-400, according to subparagraph 246 A
- object to removing collateral and require formal court foreclosure before collateral can be sold and removed.

**264 Liquidation Actions (Continued)****C Preparing Liquidation Letter**

If the FSFL amount plus interest is **not** paid, prepare the following Liquidation Letter:

- to **all** borrowers who:
  - signed CCC-186
  - signed real estate mortgage for FSFL security
- by certified mail, return receipt requested
- with CCC-400 enclosed and prepared according to subparagraph 246 A
- 30 calendar days after the date the Call Letter was sent according to subparagraph 263 E
- with a copy to the FSFL folder.

## 264 Liquidation Actions (Continued)

## C Preparing Liquidation Letter (Continued)

\*--The following must be reproduced locally on FSA County Office letterhead.

**Note:** This letter is available on the FFAS Employee Forms/Publications Online web site at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK "Find--\* Current Forms Using Our Form Number Search". For "Form Number", ENTER "1-FSFL Par 264".

1-FSFL Par 264

(Use FSA County Office Letterhead format with local return address.)

**Preparing Liquidation Letter**

(Date)

(Borrower Name)

(Borrower Address Line 1)

(Borrower Address Line 2)

Dear (Borrower Name),

Our (insert date) letter advised you that since you have **not** complied with the terms of your Farm Storage Facility Loan (FSFL), number (insert loan number), the Commodity Credit Corporation is calling the entire loan amount plus interest. Since you have **not** paid the entire amount due by the date specified, CCC **must** now take action to take possession of the storage facility and any other collateral used to secure the loan.

The storage facility and any other collateral used to secure the loan will be sold. The proceeds will be applied to the unpaid amount of the loan plus interest. Any costs of retaking and selling the facility will be added to the debt. Any deficiency in the debt left outstanding will still be an obligation to CCC and subject to setoff from any agency of the U.S. Government.

In order to facilitate sale of the collateral, please sign the enclosed form, Agreement for Sale of Loan Collateral (CCC-400). Return it to this office within 10 calendar days of the date of this letter. If you do **not** sign the form and object to the removal of collateral, a court foreclosure will proceed before collateral will be sold and removed.

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

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

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

Enclosure: CCC-400

## 272 Liquidating FSFL's Secured With Portable Collateral (Continued)

**B Notification of Disposition of Collateral Letter**

\*--The following must be reproduced locally on FSA County Office letterhead.

**Note:** This letter is available on the FFAS Employee Forms/Publications Online web site at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK "Find--\* Current Forms Using Our Form Number Search". For "Form Number", ENTER "1-FSFL Par 272B".

1-FSFL Par. 272B

(Use FSA County Office Letterhead format with local return address.)

**NOTIFICATION OF DISPOSITION OF COLLATERAL**

(Date)

To: (Borrower Name)  
(Co-Borrower Name)  
(Any other party listed in subparagraph A)

From: Commodity Credit Corporation  
(County Name) County FSA Office

We will sell the (Description of Collateral) by sealed bid to the highest qualified bidder as follows.

Day and Date: \_\_\_\_\_  
Time: \_\_\_\_\_  
Place: \_\_\_\_\_

You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell. You may request an accounting by calling us at (Phone Number).

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20XX.

Commodity Credit Corporation

\_\_\_\_\_  
(Signature)

By: (CED Name), County Executive Director  
(County Name) County FSA Office  
U.S. Department of Agriculture

Sent: Certified Mail, Return Receipt Requested

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis 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.) Persons with disabilities, who wish to file a program complaint, write to the address below or 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). 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).

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](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 by mail to 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 email at [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider and employer.

**272 Liquidating FSFL's Secured With Portable Collateral (Continued)****C Refusal to Authorize Sale**

County Offices shall contact the State Office:

- if the borrower refuses to sign CCC-400
- to request foreclosure advice from OGC and then act on directions received from OGC through the State Office
- for guidance if a lien filing is found and unsure if a notification letter should be sent.

**D Sale Methods**

With State Office concurrence and, in the case of foreclosure, at OGC's direction, County Offices shall sell the collateral for the best price obtainable using the following methods:

- conduct public auction on the property where the collateral is located
- private sale if COC determines the method is considered most advantageous to CCC
- sealed bids, allowing 30 calendar days from bid announcement to bid opening.

**Note:** On any FSFL collateral sold by CCC, before the sale, COC **must** establish a fair market value to be documented in COC minutes. Send a memorandum to the State Office to be forwarded to PSD of established fair market value.

**E Announcement of Sale and Invitation to Bid on CCC Loan Collateral**

The following:

- is an example of an announcement of sale and invitation to bid on CCC loan collateral
- may be used in its entirety or modified to fit the situation
- shall be reproduced locally on FSA County Office letterhead.

**Note:** The borrower **must** be sent a Notification of Disposition of Collateral Letter (subparagraph B) before CCC can advertise.



## 272 Liquidating FSFL's Secured With Portable Collateral (Continued)

**E Announcement of Sale and Invitation to Bid on CCC Loan Collateral (Continued)**

\*--The following announcement must be reproduced locally on FSA County Office letterhead.

**Note:** This letter is available on the FFAS Employee Forms/Publications Online web site at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK "Find--\* Current Forms Using Our Form Number Search". For "Form Number", ENTER "1-FSFL Par 272E".

1-FSFL Par. 272E

(Use FSA County Office Letterhead format with local return address.)

**ANNOUNCEMENT OF SALE AND INVITATION TO BID ON COMMODITY CREDIT CORPORATION (CCC) LOAN COLLATERAL**

The (*County Name*) County FSA Office at (*County Office Location*), acting on behalf of CCC, hereby announces a sale and invites bids for personal property used to secure a Farm Storage Facility Loan, subject to the terms and conditions of this Invitation to Bid. The collateral is described as follows:

\_\_\_\_\_

and is located at (*Collateral Location*).

Terms and conditions of bid and sale are as follows:

- 1) All bids **must** be submitted in writing on the form on the attached page. The bid offer **must** be in dollars and cents. The bidder understands that the bid is submitted on the collateral on a "as is" and "where is" basis.
- 2) Alternate or tie-in bids will **not** be accepted.
- 3) CCC reserves the right to accept or reject, in whole or part of, any or all bids, and in considering bids to take into consideration the financial responsibility of the bidder.
- 4) Prospective bidders may inspect the collateral before bidding by making arrangements with the County Executive Director (CED) at the above named County FSA Office.
- 5) All bids **must** be accompanied by a "non-refundable" certified check, cashier's check, postal money order, or bank draft, payable to the Commodity Credit Corporation, for at least a non-refundable 10 percent deposit of the total bid. Deposits of unsuccessful bidders will be returned. CCC may retain any or all deposits until a final acceptance is made.

Bids will be opened and evaluated at the above named County FSA Office on (*Date*), 20XX, at (*Time*). Bids will be considered only if received before the time of opening.

The successful bidder shall pay by cash, postal money order, certified check, or draft, guaranteed by the banking institution on which shown, or if approved by CED, uncertified personal or firm check within 15 workdays after the date of sale.

## 272 Liquidating FSFL's Secured With Portable Collateral (Continued)

## E Announcement of Sale and Invitation to Bid on CCC Loan Collateral (Continued)

1-FSFL Par. 272E

Page 2 of 2

The purchaser is responsible for making reasonable arrangements with the applicable owner to disassemble and/or remove the collateral and is responsible for all costs associated with the disassembly and removal of the loan collateral, including any damage that occurs to the collateral and/or to the underlying real property.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20XX.

Commodity Credit Corporation

By: (CED Name), County Executive Director  
(County Name) County FSA Office  
U.S. Department of Agriculture

*In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.*

*To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.*

## 272 Liquidating FSFL's Secured With Portable Collateral (Continued)

**F Bid Form for CCC Loan Collateral**

The following:

- is an example of a bid form for CCC loan collateral
- may be used in its entirety or modified to fit the situation
- must be reproduced locally on FSA County Office letterhead.

**Note:** This letter is available on the FFAS Employee Forms/Publications Online web site at **\*--<https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK "Find--\***  
Current Forms Using Our Form Number Search". For "Form Number", ENTER  
"1-FSFL Par 272F".

**1-FSFL Par. 272F**

(Use FSA County Office Letterhead format with local return address.)

**BID FORM FOR COMMODITY CREDIT CORPORATION (CCC)  
LOAN COLLATERAL**

The undersigned bidder offers to purchase from CCC the following property:

\_\_\_\_\_.

located at *(Property Location)* for the sum of \$ \_\_\_\_\_.

I understand that this bid is submitted on the collateral as a "as is" and "where is" basis. This bid is accompanied by a "non-refundable" certified check, cashier's check, postal money order, or bank draft, payable to the Commodity Credit Corporation, for at least a non-refundable 10 percent deposit of the total bid. Deposits of unsuccessful bidders will be returned. The successful bidder shall pay by cash, postal money order, certified check, or draft guaranteed by the banking institution on which shown, or if approved by the County Executive Director (CED), uncertified personal or firm check within 15 work days after the date of sale.

\_\_\_\_\_  
*(Bidders Signature) (Date)*

\_\_\_\_\_  
*(Print Bidder's Complete Name) (Bidder's Street Address)*

\_\_\_\_\_  
*(Bidder's Telephone Number) (Bidder's City, State, and ZIP Code)*

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

**272 Liquidating FSFL's Secured With Portable Collateral (Continued)****G Bill of Sale**

After the sale, County Offices shall:

- complete and sign a bill of sale (subparagraph I)
- place the original bill of sale in the FSFL folder
- provide a copy to the following:
  - borrower
  - buyer.

**H Distributing Sales Proceeds**

Sales proceeds shall be distributed in the following order:

- satisfying borrower's indebtedness to CCC, including cost of sale
- payment to junior lienholders if approved by OGC
- payment to the borrower.

**Note:** Establish a claim if the borrower's debt is **not** completely liquidated by sale of the FSFL collateral.

DLS contains a process for FSFL liquidation. Following the sale of FSFL collateral, the County Office shall follow 2-FSFL, paragraph 551 to transfer FSFL to NRRS.

## 272 Liquidating FSFL's Secured by With Portable Collateral (Continued)

## I Example of Bill of Sale

\*--The following bill of sale must be reproduced locally on FSA County Office letterhead.

**Note:** This letter is available on the FFAS Employee Forms/Publications Online web site at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK "Find--\* Current Forms Using Our Form Number Search". For "Form Number", ENTER "1-FSFL Par 272I".

## 1-FSFL Par. 272I

(Use FSA County Office Letterhead format with local return address.)

**BILL OF SALE**

In consideration of *[enter dollar amount received]*, receipt of which is hereby acknowledged, the Commodity Credit Corporation (CCC), an agency and instrumentality of the United States within the Department of Agriculture, hereby sells and delivers unto *[enter name of buyer]*, Buyer, of *[enter County where buyer located]*, County, State of *[enter State where buyer located]*, all the right, title, and interest of CCC, Secured Party, and pursuant to the terms and conditions of Promissory Note and Security Agreement by and between CCC and *[enter name of former borrower]*, Debtor, or the Agreement for Sale of CCC Loan Collateral dated *[enter date of CCC-400]*, all the right, title, and interest of said debtor in and to the following described property:

*[Describe property in detail]:*

To have and to hold unto said Buyer, his heirs, executors, administrators and assigns forever, in witness whereof, CCC has caused this Bill of Sale to be signed on *[enter date of execution]*.

Commodity Credit Corporation

By *[enter signature of authorized representative of CCC]*

*[Enter date of signature.]*

\_\_\_\_\_  
(Notary Signature) (Stamp)

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

## 273 Liquidating FSFL's Not Secured by Real Estate With Nonmovable or Nonsaleable Collateral

### A Liquidating Actions

When FSFL's have been called and a Liquidation Letter has been issued to borrower, the collateral **must** be sold to liquidate FSFL. However, for FSFL's with nonmovable or nonsaleable collateral and no real estate lien, the County Office shall:

- obtain COC determination that the collateral **cannot** be moved or **cannot** be sold
- have COC establish a fair market value for the collateral and document in COC minutes
- obtain OGC advice through the State Office
- if farm has been sold and the new landowner:
  - meets FSFL eligibility requirements, ask the new landowner to assume FSFL according to paragraph 234
  - does **not** assume FSFL, ask the new landowner to buy the collateral by private sale from CCC
- if the collateral **cannot** be sold or there is a balance remaining after a sale, establish a ~~\*-receivable~~ in NRRS for the outstanding balance, including interest and applicable sales costs, and notify the National Office of the amount liquidated in DLS.--\*

**Part 14 Bankruptcy****291 Bankruptcy Actions****A Notification**

After notification by a bankruptcy court that a borrower has filed or is filing for bankruptcy,  
\*--County Offices must:

- perform a UCC personal property and fixture lien search to verify CCC's lien position,--\* according to subparagraphs 144 A and B
- send a copy of the notice of filing to the State Office for forwarding to the regional OGC
- **not** take any action:
  - to possess or sell the collateral
  - prohibited by the Bankruptcy Code
- obtain advice from OGC through the State Office **before** taking any action against the person or property filing a petition for bankruptcy.

**Notes:** With the approval of the regional OGC, it is strongly suggested that the State Office file a Proof of Claim (Form 410) on **all** FSFL's in bankruptcy with the bankruptcy court by the due date, including copies of the following:

- CCC-186
- CCC-190
- CCC-295A
- CCC-295C
- CCC-297
- equipment lists
- UCC-1's and amendments.

The Proof of Claim (Form 410) can be found at  
**<http://www.uscourts.gov/services-forms/forms?k=&c=67&=Apply>** or  
**[http://www.uscourts.gov/sites/default/files/form\\_b\\_410\\_16.pdf](http://www.uscourts.gov/sites/default/files/form_b_410_16.pdf)**.

See 63-FI and follow instructions for entering bankruptcy in FSA-FS.

**291 Bankruptcy Actions (Continued)****A Notification (Continued)**

After receiving notification of a bankruptcy filing, the State Office shall e-mail the following  
 \*--bankruptcy information to Toni Williams at **toni.williams@usda.gov** and Kimberly Kempel  
 at **kimberly.kempel@usda.gov**:--\*

- name and address of borrower
- State and county
- year and FSFL number
- date of bankruptcy filing
- bankruptcy chapter filed
- FSFL principal balance at bankruptcy filing
- original FSFL principal
- date FSFL disbursed
- verification that UCC filing is current
- provide expiration date of UCC filing.

**B Form B10, Proof of Claim**

After receiving guidance from OGC, State Offices may delegate to County Offices to file Form B10 with the Bankruptcy court, if advised and based on type of bankruptcy filed.

The following cite should be considered when a FSFL debtor has filed bankruptcy and Form B10 is **required**.

“11 U.S.C. § 502(b)(9) (“a claim of a governmental unit shall be timely filed if it is filed before 180 days after the date of the order for relief or such later time as the Federal Rules of Bankruptcy Procedure may provide”); Fed. R. Bankr. P. 3002(c)(1) (“A proof of claim filed by a governmental unit, other than for a claim resulting from a tax return filed under § 1308, is timely filed if it is filed **not** later than 180 days after the date of the order for relief. A proof of claim filed by a governmental unit for a claim resulting from a tax return filed under § 1308 is timely filed if it is filed no later than 180 days after the date of the order for relief or 60 days after the date of the filing of the tax return. The court may, for cause, enlarge the time for a governmental unit to file a proof of claim only on motion of the governmental unit made before expiration of the period for filing a timely proof of claim.”).”



## Part 15 Fees

## 301 Program-Related Codes

## A Collecting Application Fees

An FSFL application fee of \$100 per FSFL applicant **must** be collected according to paragraph 58. Record the application fee as soon as it is collected in DLS. See 2-FSFL for correctly recording the FSFL application fee.

In addition to the FSFL application fee, the applicant is responsible for paying for certain filing fees associated with their FSFL as identified in subparagraph 58 C.

The application fee for FSFL assumption **must** be collected when the assumption is requested, according to paragraph 234.

**302 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. The National Office is responsible for paying all costs associated with FSFL credit reports.

\*--The applicant must pay all other fees according to subparagraph 58 C.--\*

State and County Offices must use DLS for paying all fees for FSFL lien searches and financing statements.

**B Paying Fees**

County Offices must submit payment requests for FSFL lien search and recording fees according to current 2-FSFL procedures.

\*--When credit or purchase cards are used to pay FSFL fees, State and County Office employees must ensure they are using the correct FSFL accounting information to pay and reconcile the charges.--\*

**Note:** Recoverable fees can only be processed using the “pay now” or “pay later” options. Therefore, the user is not authorized to select “credit card” for FSFL recoverable fees.

## Reports, Forms, Abbreviations, and Redelegations of Authority Reports

None

### Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		69, Ex. 32
410	Proof of Claim		291
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	Ex. 53	69, 141
CCC-101	Agreement for Use of FSFL Collateral Insurance Proceeds	Ex. 74	233
CCC-185	Loan Application for Farm Storage Facility Loan Program	Ex. 28	Text, Ex. 32
CCC-185-1	Loan Application for Farm Storage Facility Loan Program (CCC-185 Continuation Sheet)		25
CCC-185D	Determination for Farm Storage Facility Loan Program	Ex. 58	Text
CCC-186	Farm Storage Facility Loan Program Promissory Note and Security Agreement	Ex. 67	Text, Ex. 2, 32
CCC-186 Addendum	Addendum to the Farm Storage Facility Loan Promissory Note and Security Agreement		247
CCC-186-1	Farm Storage Facility Loan Program Promissory Note and Security Agreement (CCC-186 Continuation Sheet)	Ex. 67	6
CCC-190	Farm Storage Facility Loan Program Lien Waiver	Ex. 56	144, 156, 291, Ex. 32
CCC-191	Farm Storage Facility Loan Program Release of Liability	173	Text, Ex. 32, 64
CCC-193	Real Estate Mortgage for Farm Storage Facility Loan Program	Ex. 6	6, 143, Ex. 32
CCC-193-D	Farm Storage Facility Loan Deed of Trust for (State of_)	Ex. 6	6, 143
CCC-194	Farm Storage Facility Loan Subordination Agreement (Lien on Real Property)	Ex. 57	144, 156, Ex. 32
CCC-195	Farm Storage Facility Loan (FSFL) Processing Checklist	Ex. 29	74, 185, 247 Ex. 32
CCC-195 Servicing	Farm Storage Facility Loan (FSFL) Servicing Checklist	Ex. 71	209, 210, 215, 247, 262

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

## Forms (Continued)

Number	Title	Display Reference	Reference
CCC-195A	Farm Storage Facility Loan (FSFL) Security Checklist	Ex. 30	74, 185, 195
CCC-195B	Farm Storage Facility Loan (FSFL) No Security Checklist	Ex. 31	74, 185, 195
CCC-197	Final Farm Storage Facility Loan (FSFL) Program Cost Certification	Ex. 64	156, 170, 174, 175
CCC-257	Schedule of Deposit		218
CCC-295A	Farm Storage Facility Loan Program Final Inspection of Permanently Affixed FSFL Collateral Before Loan Disbursement	171	170, 233, 291 Ex. 32
CCC-295B	Form Obsoleted on 2/12/13		
CCC-295C	Farm Storage Facility Loan Program Final Inspection of Portable Drying and Handling Equipment/Storage/ Handling Truck Before Loan Disbursement	171	170, 233, Ex. 32
CCC-296	Farm Storage Facility Loan Program Certification of Attorney	187	
CCC-297	Severance Agreement	Ex. 68	Text, Ex. 32, 51
CCC-298	Farm Storage Facility Loan Program Assumption Agreement	234	6, Ex. 32
CCC-299	Title Opinion - Farm Storage Facility Loan Program	187	
CCC-400	Farm Storage Facility Loan Program Agreement for Sale of Loan Collateral	246	6, 243, 245, 264, 272, 291
CCC-401	Farm Storage Facility Loan Partial Release	Ex. 75	236
CCC-471	Non-Insured Crop Disaster Assistance Program (NAP) Application for Coverage with Buy-Up Option (2015 and Subsequent Crop Years)		96
CCC-674	Certification of Contracts, Grants, Loans, and Cooperative Agreements		64
CCC-777	Farm Storage Facility Loan Deferment Request	247	
CCC-901	Members Information Agricultural Act of 2014		6, 69
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years		35, 48, 49, 50 69
CCC-902E	Farm Operating Plan for an Entity-Agricultural Act of 2014		6

## Reports, Forms, Abbreviations, and Delegations of Authority Reports (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information - Agricultural Act of 2014		35
FSA-211	Power of Attorney		6
FSA-569	NRCS Report of HELC and WC		215
FSA-578	Report of Acreage		35, 48, 49, 50, 53
FSA-850	Environmental Evaluation Checklist	Ex. 10	Text, Ex. 32
FSA-851	Environmental Risk Survey Form		Text, Ex. 32
FSA-858	Determining If A Wetland May Be Present		10
FSA-2002	3 Years Financial History		85
FSA-2003	3 years Production History		85
FSA-2004	Authorization to Release Information		69, 82, 85, Ex. 32
FSA-2015	Verification of Debts and Assets		85, Ex. 32
FSA-2037	Farm Business Plan Worksheet Balance Sheet		69, 85
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and		69, 85
FSA-2071	Transmittal of Documents		218
FSA-2165	Administrative Appraisal Review for Real Estate Appraisals		Ex. 52
FSA-2319	Agreement With Prior Lienholder		121, 122, 156
FSA-2340	Selection of Attorney/Title Agent		187
FSA-2360	Report of Lien Search		144, Ex. 32
IRS-1065	U.S. Return of Partnership Income		6
IRS-1098	Mortgage Interest Statement		35, 211, 231
NRCS-CPA-052	Environmental Evaluation Worksheet		11, 110
SF-LLL	Disclosure of Lobbying Activities	64	
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet	64	
UCC-1	UCC Financing Statement		Text, Ex. 32, 51,
UCC-3	UCC Financing Statement Amendment		58, 216, 235, 302, Ex. 32

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

## Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
APOC	appraisal point of contact	Ex. 51, Ex. 52
CSA	Community supported agriculture	65
EA	environmental assessment	109-112
FBP	farm business plan	10, 82, 85, 86, 153, 154, 185, 195, 247
FGD	Forage Determination	49
FICO	Fair Issac Corporation	82
FONSI	finding of no significant impact	11
FPAC	Farm Production and Conservation	110, 247
FSA-FS	FSA Financial Services	262
FSFLP	Farm Storage Facility Loan Program	Ex. 101
FTD	field technical determination	215
GWR	Gross Weight Rating	42
LRA	loan recommendation approval authority	86
MPCI	Multi-Peril Crop Insurance	96
MVA	Motor Vehicle Administration	43
OLP	online payment	242
OSHA	Occupational Safety and Health Administration	36-39
REAP	Rural Energy for America Program, USDA RD	62
SEC	State Environmental Coordinator	11, 110, 111
SFLO	Senior Farm Loan Officer	10, 153
SHPO	State Historic Preservation Officer	11
SORS	State Office Reporting System	210
TAV	tax assessed value	122
THC	tetrahydrocannabinol	33
Urban Ag	urban agriculture	65
VIN	vehicle identification number	43

## Definitions of Terms Used in This Handbook

### Aggregate Outstanding FSFL Balance

Aggregate outstanding FSFL balance means the sum of the outstanding balances of all FSFL's disbursed to each borrower signing CCC-186.

### Assumption

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

### CCC Charter Act Commodities

CCC Charter Act commodities mean commodities originally authorized for FSFL under the CCC Charter Act and include the following:

- barley
- corn
- grain sorghum
- oats
- wheat
- crambe
- sesame seed
- rice
- soybeans
- sunflower seed
- canola
- rapeseed
- safflower
- flaxseed
- mustard seed
- dry peas
- lentils
- small chickpeas, harvested as whole grain and including peanuts.

**Note:** Corn, grain sorghum, oats, wheat, or barley shall be included whether harvested as whole grain or other than whole grain.

### Cold Storage Facility or Referred to as Eligible Perishable Commodities

Cold storage facility means a facility, or rooms within a facility, that are specifically designed and constructed for the cold temperature storage of eligible perishable commodities. The temperature and humidity in these facilities must be able to be regulated to specified conditions required for the commodity requiring storage.

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

### Collateral

Collateral means the new or used, permanently affixed or portable storage structure, drying equipment, handling equipment or storage and handling trucks securing FSFL.

### Commercial Purpose

Commercial purpose means any activity using equipment, storage and handling truck or structure for hire, for persons other than the FSFL applicant, except for family members and tenants or landlords sharing the crop requiring storage. Any facility that is in working proximity to any commercial storage operation will be considered to be part of a commercial storage operation.

### \*--Community Supported Agriculture (CSA)

Subscription CSA Operation means a farmer-driven operation where the farmer owns or leases the farm, organizes the CSA, produces the farm products, and recruits the customer members or subscribers.

Shareholder CSA Operation means a consumer-driven operation where the consumer organizes the CSA, owns or leases the farm, and hires a farmer to produce the farm products.--\*

### Construction of FSFL

Construction of FSFL means:

- erecting or building the sides and/or roof of a bin or silo
- framing the flat storage structure or building
- installing any permanently affixed equipment component or part for:
  - handling
  - drying
  - maintenance.
- site preparation including removal of vegetation and/or foundation work.

### Crop of Economic Significance

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



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

### Execution Date

Execution date means the date the party signs the contract with the proper formalities; for example, witnesses, if required.

### Existing Storage

Existing storage means FSFL commodity storage, owned by the applicant that has **not** deteriorated to the point where it is no longer functional for storage purposes. The existing storage shall be what is owned by the borrower in the county where the storage facility is located unless the State Committee determines that existing storage shall be considered for farms located statewide. This must be a statewide determination and not on a case by case basis.

### Facility

Facility means any on-farm storage and handling facility or structure, storage and handling equipment, or storage and handling truck, for which an applicant may receive FSFL financing to acquire or upgrade. Such facilities can be new or used, fixed or portable.

### Eligible Facility Loan Commodities

\*--Eligible facility loan commodity means corn, grain sorghum, oats, quinoa, wheat, barley, rice,--\* raw or refined sugar, soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, crambe, sesame seed, alfalfa, grass and clover seed, millet and other grains and oilseeds as \*--determined and announced by CCC, dry peas, lentils, or chickpeas (large and small) harvested--\* as whole grain, peanuts, hay, renewable biomass, fruits and vegetables (including nuts), aquaculture, floriculture, hops, hemp, seed cotton, wool, milk, rye, triticale, maple sap, honey, meat, poultry, eggs, cheese, butter, yogurt, and other storable commodities as determined by the Secretary. Corn, grain sorghum, wheat, and barley are included whether harvested as whole grain or other than whole grains.

### Family Member

A family Member is defined, according to 7 CFR Part 718 and Part 1410, as “an individual to whom a person is related as spouse, lineal ancestor, lineal descendant, or sibling, including a:

- (1) Great grandparent
- (2) Grandparent
- (3) Parent
- (4) Child, including a legally adopted child
- (5) Grandchild
- (6) Great Grandchild
- (7) Sibling of the family member in the farming operation
- (8) Spouse of a person listed in items 1 through 7.”

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

### FSFL Microloan

FSFL microloan means a loan for which the applicant's aggregate outstanding FSFL balance will be equal to or less than \$50,000 at the time of loan application and disbursement. The terms for a FSFL microloan are 3, 5, or 7 years.

### Financing Statement

\*--Financing statement means a document that gives legal notice of a lien on personal property--\* when properly filed or recorded.

### Flood Plains

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

- Base flood plain (or 100-year flood plain) is the area subject to inundation from a flood of a magnitude that occurs once every 100 years on the average, the flood having a 1 percent chance of being equaled or exceeded in any given year.
- Critical action flood plain (or 500-year flood plain) is the area subject to inundation from a flood of a magnitude that occurs once every 500 years on the average, the flood having a 0.2 percent chance of being equaled or exceeded in any given year.
- CFR 799.2 (a)(2) states that "Consistent with Departmental Regulations and related Executive Orders, it is FSA policy not to approve or fund proposed actions that as a result of their identifiable impacts, direct, indirect, or cumulative, would lead to or accommodate either the conversion of these uses or encroachment upon them."

### Grain Legumes for Hay

Grain legumes for hay mean hay where the entire plant, including the seeds, is harvested at maturity and used for animal feed.

### Hay

Hay means a grass or legume that has been cut and stored. This may include crop residues if baled and used as feed, such as wheat straw.

### Lien

Lien means a legally enforceable hold or claim on the property of another and obtained as security for the payment of indebtedness or an encumbrance on property to enforce payment of an obligation.

**Definitions of Terms Used in This Handbook (Continued)****Person**

Person means any individual, group of individuals, partnership, corporation, estate, trust, association, cooperative, tribal venture, or other business enterprise, or other legal entity who is, or whose members are, a citizen or citizens of the United States, or a legal resident alien.

**Portable Equipment and Storage Structures**

Portable equipment and storage structures means non-affixed equipment and storage containers that are manufactured to be mounted, hitched, or transported with a farm vehicle, truck, or trailer and its primary function is to store or handle eligible facility loan commodities at a different farm, market, or storage locations. Examples of portable equipment include but are not limited to, bulk tanks, conveyors, augers, vacuums, pilers, scales, batch dryers, and storage containers.

**Relative**

Relative, as defined in 3-PM, Exhibit 2, means an individual who is related to the employee, as father, mother, son, daughter, brother, sister, uncle, aunt, great-uncle, great-aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister, or who is the grandfather or grandmother of the spouse of the employee, or who is the fiancé or fiancée of the employee.

**Renewable Biomass Commodity**

Renewable biomass commodity means any organic matter that is available on a renewable or recurring basis used for producing energy in the form of heat, electricity, and liquid solid or gaseous fuels.

**Resale Collateral Value**

Resale collateral value means collateral that can be sold and moved to a new location for which compensation equal to the outstanding FSFL value can be expected.

**Satisfactory Credit History**

Satisfactory credit history means a history of repaying debts as they came due unless the failure to repay or tardiness in payment was because of circumstances beyond the applicant's control as determined by CCC upon proof submitted by the applicant.

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

### Stand-Alone Structures

Stand-alone structures mean structures that are **not** dependent on anything else and can function independently.

An example of a structure that would not be considered a stand-alone structure is when 2 hay sheds are built, and the sheds share common components, such as, but **not** limited to, access door, wall, or roof. One maximum FSFL can be approved for the project; however, a lien must be filed for both sheds.

An example of a structure that would be eligible for an FSFL is when a producer may have multiple grain bins at one location. Each of those grain bins would be eligible for an FSFL loan even if they may be connected by a catwalk or distribution system. They would not have a common component such as wall or roof.

A producer is requesting an FSFL to add a milk house to an existing building. The milk house structure may be attached to an existing building; however, there will be one FSFL issued for the project. In addition, a lien must be filed for the FSFL structure and the existing building.

### Storage and Handling Truck

Storage and handling truck means a CCC-approved commodity storage truck or van designed to carry eligible commodities and **may** be equipped with a variety of mechanical refrigeration systems and will be used to store, handle, and move eligible commodities from the producer's farm location to market or storage. \* \* \*

### Term of Loan

Term of loan means the duration, in years, of a loan payable in a fixed number of equal installments.

### Uniform Commercial Code (UCC)

UCC means the system of laws adopted in all States about commercial transactions, such as sales, negotiable instruments, and secured transactions.

### \*--Urban Ag

Urban Ag means the cultivation, processing, and distribution of agricultural products in urban and suburban areas.--\*

### Used or Pre-Owned Structure

Used or pre-owned structure means a structure that was previously owned by someone other than the manufacturer or dealer, and the buyer cannot obtain the original manufacturer's warranty.

## Worksheet for Determining Hay and Biomass Storage Capacity in a Structure

An applicant's needed storage can be determined with NIFA and land-grant university assistance or with the following worksheet that is available electronically in a fillable format on the FFAS

\*---Employee Forms/Publication Online Website in fillable format at

**<https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>**. CLICK "Find Current--\* Forms Using Our Form Number Search". For "Form Number", ENTER "1-FSFL Exhibit 20".

The following is a completed example worksheet for determining hay storage capacity in a structure.

1-FSFL Exhibit 20	
<b>WORKSHEET FOR DETERMINING HAY STORAGE CAPACITY IN A STRUCTURE</b>	
1)	Average acres of hay planted: _____
2)	COC determined reasonable yield: _____ tons per acre
3)	Production: _____ average acres of hay x _____ tons per acre = _____ tons x 2 years production = _____ tons of storage needed for 2 years production
4)	Size of proposed structure: _____ ft. x _____ ft. x _____ ft. = _____ cu. ft. Width Length Height to Plate
5)	Tons of storage: _____ cu. ft. of storage divided by <b>250 cu. ft./ton</b> = _____ tons of storage in proposed structure.
Use either of these conversion factors: 1 pound of hay requires 0.125 cubic ft. of space or 1 short ton of hay requires 250 cubic ft. of space.	
Note: COC's shall use either of these conversion factors unless the applicant supplies the County Office detailed documentation of a higher yield.	
6)	Compare the tons of storage in proposed structure with the tons of storage needed for 2 years production minus the existing hay storage to determine if applicant is eligible for additional storage.
	Tons of storage needed for 2 Years production: _____
	Tons of storage in proposed structure: _____
	Existing hay storage: _____



## Worksheet for Determining Capacity of a Cold Storage Structure

The following worksheet can be used to compute the storage need requirement and capacity of a cold storage structure. This worksheet is available on the FFAS Employee Forms/Publication \*--Online Website in fillable format at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>.--\* CLICK "Find Current Forms Using Our Form Number Search". For "Form Number", ENTER "1-FSFL Exhibit 21".

The following is a completed example worksheet for determining capacity of a cold storage structure, as follows.

**Example:** Producer has  $\frac{1}{2}$  acre of apples that yield about **330** bu. of applies per year. An application is submitted for an **8 ft. x 8 ft. x 12 ft.** cold storage facility. A tray pack carton, storing a bu. of apples, takes **1.67** cu. ft. of storage space.

How much of the producer's production can be stored at 1 time?

1-FSFL Exhibit 21

**Worksheet for Determining Capacity of a Cold Storage Structure**

- 1) Size of proposed structure:  $\frac{\quad}{\text{Width}} \text{ ft.} \times \frac{\quad}{\text{Length}} \text{ ft.} \times \frac{\quad}{\text{Height}} \text{ ft.}$
- 2) Size of inside usable space:  $\frac{\quad}{\text{Width}} \text{ ft.} \times \frac{\quad}{\text{Length}} \text{ ft.} \times \frac{\quad}{\text{Height}} \text{ ft.}$
- 3) Percentage of floor space used for aisles and walkway:  $\frac{\quad}{\quad}$  percent.  
(The normal is usually around 25 percent.)
- 4) Useable space:  $\frac{\quad}{\text{Inside Width}} \text{ ft.} \times \frac{\quad}{\text{Inside Length}} \text{ ft.} = \frac{\quad}{\quad} \text{ square ft. useable space} \times$   
 $\frac{\quad}{\quad} \text{ percent non-useable space} = \frac{\quad}{\quad} \text{ square ft. of non-useable space.}$
- 5)  $\frac{\quad}{\quad} \text{ square ft. of useable space} - \frac{\quad}{\quad} \text{ square ft. of non-useable space} =$   
 $\frac{\quad}{\quad} \text{ square ft. of total useable space.}$
- 6) Available height after subtracting shelves and 1.5 ft. of space between containers  
and ceiling:  $\frac{\quad}{\text{Inside Height}} \text{ ft.} - 1.5 \text{ ft.} - \frac{\quad}{\text{Total Shelves}} \text{ ft.} = \frac{\quad}{\quad} \text{ ft. useable height.}$
- 7) Cubic ft. available for storage:  $\frac{\quad}{\quad} \text{ square ft. of usable space} \times$   
 $\frac{\quad}{\quad} \text{ ft. useable height} = \frac{\quad}{\quad} \text{ cu. ft.}$
- 8)  $\frac{\quad}{\quad} \text{ total cu. ft. divided by } \frac{\quad}{\quad} \text{ capacity per cu. ft. container or bushel} =$   
 $\frac{\quad}{\quad} \text{ total storage capacity in bu.}$

**Note:** States and Counties shall modify this worksheet, as needed.





## Worksheet for Determining Capacity of a Honey Storage Structure

Determine the capacity of proposed structure using the following worksheet or other verifiable documentation. All documentation used must be verifiable and kept in the FSFL folder. This worksheet is available on the FFAS Employee Forms/Publication Online Website in fillable \*--format at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK "Find Current--\* Forms Using Our Form Number Search". For "Form Number", ENTER "1-FSFL Exhibit 22".

The following is a completed example worksheet for determining the estimated capacity of a honey storage structure, as follows.

**Example:** A honey producer submits an application for a 12 ft. x 16 ft. x 15 ft. honey storage facility. The honey producer stores the honey in 55 gallon drums.

1-FSFL Exhibit 22

**Worksheet for Determining Capacity of a Honey Storage Structure**

- 1) Size of proposed structure:  $\frac{\quad}{\text{Width}}$  ft. x  $\frac{\quad}{\text{Length}}$  ft. x  $\frac{\quad}{\text{Height}}$  ft.
- 2) Size of inside usable space:  $\frac{\quad}{\text{Width}}$  ft. x  $\frac{\quad}{\text{Length}}$  ft. x  $\frac{\quad}{\text{Height}}$  ft.
- 3) Percentage of floor space used for aisles and walkway:  $\frac{\quad}{\quad}$  percent.  
(The normal is usually around 25 percent.)
- 4) Useable floor space:  $\frac{\quad}{\text{Inside Width}}$  ft. x  $\frac{\quad}{\text{Inside Length}}$  ft. =  $\frac{\quad}{\quad}$  square ft. x  $\frac{\quad}{\quad}$  percent non-useable space =  $\frac{\quad}{\quad}$  square ft. of non-useable space.
- 5)  $\frac{\quad}{\quad}$  square ft. of useable space -  $\frac{\quad}{\quad}$  square ft. of non-useable space =  $\frac{\quad}{\quad}$  square ft. of total useable floor space x  $\frac{\quad}{\quad}$  ft. useable height =  $\frac{\quad}{\quad}$  useable cubic ft.
- 6) Available for honey storage is  $\frac{\quad}{\quad}$  cubic ft.  
(27 cubic ft. per 1 cubic yard and  $\frac{\quad}{\quad}$  - 55 gallon honey drum requires 1 cubic yard).
- 7)  $\frac{\quad}{\quad}$  cubic ft. divided by 27 cubic ft. =  $\frac{\quad}{\quad}$  cubic yards =  $\frac{\quad}{\quad}$  unstacked  
gallon honey drums. Round cubic yards down to nearest whole number.  
 $\frac{\quad}{\quad}$  cubic yards x  $\frac{\quad}{\quad}$  -55 gallon honey drums (unstacked) =  $\frac{\quad}{\quad}$ .
- 8)  $\frac{\quad}{\quad}$  - 55 gallon honey drums weighing 650 pounds can be stacked.
- 9)  $\frac{\quad}{\quad}$  honey drums x  $\frac{\quad}{\quad}$  (stacked 55 gallon honey drums) =  $\frac{\quad}{\quad}$  honey drums.
- 10)  $\frac{\quad}{\quad}$  - 55 gallon honey drums of estimated storage capacity in this storage structure.

**Note:** States and Counties shall modify this worksheet, as needed.



**Example Worksheet for Determining Capacity of Milk Bulk Tank**

These worksheets are available on the FFAS Employee Forms/Publications Online web site at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK “Find Current Forms Using--\* Our Form Number Search”. For “Form Number”, ENTER “1-FSFL Exhibit 23”.

Once a Day Milk Pick-Up					
A	B = A x 3	C = B/8.6	County Office Use		
Quantity on Milk Pick-up Slip	1 Day Pick-up Times 3	Gallons	Existing Capacity of Milk Storage	Requested Tank Size or Next Size Available (if requested)	Approved Tank Size for Milk Storage

Every Other Day Milk Pick-up					
A	B = A x 1.5	C = B/8.6	County Office Use		
Quantity on Milk Pick-up Slip	Every Other Day Pick-up Times 1.5	Gallons	Existing Capacity of Milk Storage	Requested Tank Size or Next Size Available (if requested)	Approved Tank Size for Milk Storage



**FSFL Quick Guide**

The following FSFL table provides loan and facility types, down payment requirement, maximum loan amount, and applicable loan terms, based on new or used equipment.

\*--

Loan Type	Facility Type	Condition	Down Payment	Max Loan Amount	Storage Need Requirement	Terms (years)				
						3	5	7	10	12
<b>Regular</b>	Structure and Equipment	New	15%	\$500k	Based on Commodity	√	√	√	√	√
		Used	15%	\$500k		√	√			
	Truck	New	15%	\$500k		√	√	√	√	√
		Used	15%	\$500k		√	√			
<b>Microloan</b>	Structure, Equipment and Truck	New	5%	\$50k	Self-certification	√	√	√		
		Used	5%	\$50k	Self-certification	√	√			

--\*



**CCC-185D, Determination for Farm Storage Facility Loan Program**

**A Instructions for Completing CCC-185D**

Complete CCC-185D according to the following instructions.

<b>Item</b>	<b>Instructions</b>
1A	Enter State Code.
1B	Enter County Code.
1C	Enter DLS-assigned FSFL number that is formatted with FY and FSFL number; for *--example "2024/00002.--"
2A	Enter the applicant's name.
3	Check the applicable boxes for conditions the applicant must complete before or after closing.
4	Check the type of security required by COC/STC.
5	Enter remarks.
6A	*--Enter COC/STC Determination. If disapproved, enter reason for disapproval in item 5 remarks.--*
6B	Enter loan amount approved by COC/STC.
7	Check number of loan installments.
8A	Enter final loan approval expiration date.
8B	Enter 1st extension date.
8C	Enter 2nd extension date.
*--8D	Enter 3 <sup>rd</sup> extension date.--*
9	Enter date CCC mailed approval notification letter to applicant.
10A	Enter name of COC/STC.
10B	COC/STC signature required.
10C	Enter COC/STC signature date.
11A	Check the applicable box for COC/STC approval/disapproval of loan increase.
11B	Enter final approved loan amount pending funding.
12A	Enter name of COC/STC.
12B	COC/STC signature required.
12C	Enter COC/STC signature date.

## CCC-185D, Determination for Farm Storage Facility Loan Program (Continued)

### B Example of CCC-185D

The following is an example of a completed CCC-185D.

\*--

<b>CCC-185D</b> (12-10-24)		<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation	
<b>DETERMINATION FOR</b> <b>FARM STORAGE FACILITY LOAN PROGRAM</b>		<b>FOR COUNTY USE ONLY</b>	
		<b>1. LOAN IDENTIFICATION NUMBER</b>	
		A. State Code	B. County Code
		C. Loan No.	
2. Applicants Name			
<b>PART A - CCC APPROVAL</b>			
<i>A loan is approved by CCC for the approximate amount shown in Item 6B 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 7. 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 structure has been constructed and/or installed, inspected and approved in accordance with program regulations.</i>			
3. Approval is conditionally granted with the following conditions being met at the applicable time prior to or after closing:			
<input type="checkbox"/> All-Peril Structural Insurance <input type="checkbox"/> Full Coverage Automobile Insurance <input type="checkbox"/> Multi-Peril Crop Insurance or NAP coverage <input type="checkbox"/> Obtain required state emissions and vehicle inspection <input type="checkbox"/> Flood Insurance <input type="checkbox"/> Dairy Insurance <input type="checkbox"/> Additional Security Required – see Item 4 for description <input type="checkbox"/> Severance agreement will be provided from: _____ <input type="checkbox"/> Other: _____			
4. Security Required: When loan approved, check type of security required by COC/STC:			
<input type="checkbox"/> Structure, Equipment and/or Storage and Handling Truck <input type="checkbox"/> Real Estate (Identified Lien Position _____) <input type="checkbox"/> Irrevocable Letter of Credit <input type="checkbox"/> Other: _____			
5. Remarks			
6A. Original COC/STC Determination: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved If the COC/STC determination is Disapproved, explain reason for disapproval in Item 5 Remarks.		6B. Original Loan Amount Approved by CCC Pending Funding \$ _____	
		7. Number of Loan Installments: <input type="checkbox"/> 3 years <input type="checkbox"/> 5 years <input type="checkbox"/> 7 years <input type="checkbox"/> 10 years <input type="checkbox"/> 12 years	
8A. Final Loan Approval Expiration Date (MM/DD/YYYY):		8B. 1 <sup>st</sup> Extension Date (MM/DD/YYYY):	
8C. 2 <sup>nd</sup> Extension Date (MM/DD/YYYY):		8D. 3 <sup>rd</sup> Extension Date (MM/DD/YYYY):	
9. Date CCC Mailed Approval Notification Letter to Applicant (MM/DD/YYYY):			
10A. Name of COC/STC		10B. Signature of COC/STC	
		10C. Date (MM/DD/YYYY)	
<b>PART B – APPROVAL OF LOAN INCREASES</b>			
11A. Final COC/STC Determination: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved		11B. Final Approved Loan Amount Pending Funding \$ _____	
12A. Name of COC/STC		12B. Signature of COC/STC	
		12C. Date (MM/DD/YYYY)	
<small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small>			
<small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="#">How to File a Program Discrimination Complaint</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small>			

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**CCC-297, Severance Agreement**

**A Completing CCC-297**

CCC-297 shall be completed according to the following instructions.

<b>Item</b>	<b>Instructions</b>
a	Enter name of borrower.
b	Enter name of co-borrower, if applicable.
c	Enter name of town or city where borrower resides.
d	Enter County where borrower resides.
e	Enter State where borrower resides.
f	Describe the FSFL structures/components that are affixed to the real estate.
g	Enter legal description of real estate to which the FSFL structures/components are affixed.
h	Enter numeric day of the month the agreement is executed.
i	Enter month the agreement is executed.
j	Enter year the agreement is executed.
k	If the owner of the real estate is an entity, enter the name of the entity.
l	If an entity name is entered in item k, the authorized representative must sign.
m	Enter title of the authorized representative.
n and o	If real estate is owned by individuals, owners must sign.
p - w	To be completed by the notary witnessing signatures in items k through o.

CCC-297, Severance Agreement (Continued)

B Example of CCC-297

The following is an example of CCC-297.

\*--

This form is available electronically.

CCC-297  
(12-10-24)

U.S. DEPARTMENT OF AGRICULTURE  
Commodity Credit Corporation

SEVERANCE AGREEMENT

See Page 2 for Privacy Act and Paperwork Reduction Act Statements.

WHEREAS, (a) \_\_\_\_\_ and  
(b) \_\_\_\_\_, of (c) \_\_\_\_\_, County of  
(d) \_\_\_\_\_, State of (e) \_\_\_\_\_, (herein called Debtors), have  
applied to the Commodity Credit Corporation (herein called the Secured Party), for a loan and have agreed to give the  
Secured Party a security interest in the following-described fixture(s) (f):

which fixture(s) is (are) affixed to the following-described real estate: (Add legal description) (g):

NOW, THEREFORE, in consideration of the making or insuring of such loan by the Secured Party, the undersigned parties hereby (1) consent that the Debtors may grant to the Secured Party a security interest in said fixture(s) under the Uniform Commercial Code, (2) consent to the installation of said equipment and agree said equipment shall be and remain severed from the real property described above, and (3) agree that upon default of Debtors the Secured Party may (a) take possession of and remove said fixture(s) without notice to the undersigned parties and without liability to them for any diminution of value of the real estate caused by the absence of the fixture(s) or by any necessity for replacing the fixture(s), and (b) enforce its security interest against said fixture(s) as personality.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

--\*

CCC-297, Severance Agreement (Continued)

B Example of CCC-297 (Continued)

\*--

CCC-297 (12-10-24)

Page 2 of 2

IN WITNESS WHEREOF, the undersigned parties hereto have executed this instrument

this (h) \_\_\_\_\_ day of (i) \_\_\_\_\_, (j) \_\_\_\_\_ (year).

if a corporation:

\_\_\_\_\_  
(k) Name of Corporate (Mortgagee) (Owner) \*

\_\_\_\_\_  
(n) Individual (Mortgagee) (Owner) \*

By \_\_\_\_\_

\_\_\_\_\_  
(l) Duly Authorized Officer

\_\_\_\_\_  
(o) Individual (Mortgagee) (Owner) \*

\_\_\_\_\_  
(m) Title

CORPORATE  
SEAL

"Mortgagee" includes holder of any type of real estate lien.

\*Delete "Mortgagee" or "Owner."

(p) STATE OF \_\_\_\_\_ }  
(q) COUNTY OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT:

On this (r) \_\_\_\_\_ day of (s) \_\_\_\_\_ in the year (t) \_\_\_\_\_, before me, the undersigned, a Notary Public in and for said State, personally appeared (u) \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her/their capacity (ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person on behalf of which the individual(s) acted, execute the instrument.

(SEAL) \_\_\_\_\_

(v) Notary Public

My commission expires (w) \_\_\_\_\_

(MM-DD-YYYY)

**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 Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Farm Storage Facility Loan Program through documentation of a severance agreement when there are real estate lien holders involving the land where a storage structure is to be located. 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 to participate in and receive benefits under the Farm Storage Facility Loan Program.

This information collection is exempted from the Paperwork Reduction Act, as specified in the Agricultural Act of 2014 (Pub. L. 113-79, 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.

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## Example of Annual Reminder and Notification Letter

The following letter is available on the FFAS Employee Forms/Publication Online Website in \*--fillable format at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “1-FSFL Exhibit 70”.

<p>(Use Agency Letterhead format with local return address.)</p> <p style="text-align: center;"><b>USDA-Farm Service Agency</b> <b>County FSA Office</b> <b>Address</b> <b>City, State ZIP Code</b></p> <p style="text-align: center;"><b>REMINDER AND NOTIFICATION LETTER</b></p> <p><b>(Contact Borrower Name)</b> <b>(Contact Borrower Address 1)</b> <b>(Contact Borrower Address 2)</b></p> <p>Dear <b>(Contact Borrower Name)</b>:</p> <p>Please be advised that an installment payment will be due and payable for the Farm Storage Facility Loan (FSFL) No. XXXX/XXXXXX on XX-XX-20XX. The annual installment balance due is described in the following table.</p> <table border="1" style="margin-left: auto; margin-right: auto;"><thead><tr><th style="text-align: center;">Installment Due Date</th><th style="text-align: center;">Installment Amount Due</th><th style="text-align: center;">Daily Interest Accrual</th></tr></thead><tbody><tr><td style="height: 20px;"></td><td style="text-align: center;">\$</td><td style="text-align: center;">\$</td></tr></tbody></table> <p>Our records indicate the outstanding principal balance on this loan is \$XX,XXX.XX. Please make your check payable to the Commodity Credit Corporation (CCC) and send it to the office listed below: Commodity Credit Corporation <b>(Office Street Address)</b> <b>(City, State, and ZIP Code)</b></p> <p>If you remit a check for payment, it may be converted to an Electronic Funds Transfer (EFT) from your Bank account. The check will be voided and destroyed within 14-calendar days of successful payment.</p> <p>In addition, the following items must be provided annually to this office, <i>if applicable</i>:</p> <ul style="list-style-type: none"><li>• Proof of payment of real estate taxes</li><li>• Multi-peril crop insurance</li><li>• Auto insurance</li><li>• Flood insurance</li><li>• All-peril insurance</li></ul> <p>If you are unable to make the annual installment, you can request a one-time annual installment deferral, or receive a one-time 120-calendar day later payment of an annual installment. You may not be eligible for a new FSFL until all FSFL's approved for an installment deferral have been paid in full. FSFL's secured by an Irrevocable Letter of Credit that fully secures the FSFL are not eligible for an installment deferral.</p> <p>At any time while the FSFL is outstanding you may have another eligible producer assume the outstanding FSFL.</p> <p>Feel free to give us a call if you have any questions.</p> <p>CED's Name County Executive Director</p>	Installment Due Date	Installment Amount Due	Daily Interest Accrual		\$	\$	<p><b>1-FSFL Exhibit 70</b> (12-10-24)</p> <p><b>(Date Letter Printed)</b></p>
Installment Due Date	Installment Amount Due	Daily Interest Accrual					
	\$	\$					

--\*



## CCC-195 Servicing, Farm Storage Facility Loan (FSFL) Servicing Checklist

### A Completing CCC-195 Servicing

Complete CCC-195 Servicing according to the following table.

Item	Instructions
1	Enter producer's name.
2	Enter FSFL number.
3	Enter State where facility or equipment is located.
4	Enter County Office name where FSFL was processed.
5A	Enter FSFL term (3, 5, 7, 10, or 12 years).
5B	Enter FSFL annual term year.  *-- <b>Example:</b> FSFL was disbursed August 26, 2022, as FSFL 2022/00001, and CCC-195 Servicing was initiated on July 11, 2023. FSFL annual term year should be "1"--*
5C	Enter FSFL installment due date.
6 A through 12 E	For each item listed, CHECK (✓) "Yes", "No", or "N/A", as applicable. The employee *--completing the action must initial and date each box.--*  <b>Note:</b> When initials and date are <b>required</b> , lining through the item is <b>not</b> acceptable.
13 A	Any County Office employee who initials in items 6 through 12 is <b>required</b> to sign as a preparer. Signing as the preparer does <b>not</b> represent that an employee checked items 6 through 12, only that the employee completed an item that was initialed and dated.  <b>Note:</b> There may be more than 1 preparer signing and dating CCC-195 Servicing.
13 B	*--County Office employee who signs item 13 A must enter the current date.--*
14 A through 14 C	*--CED must indicate whether or <b>not</b> they concur with how items 6 through 12 are completed. CED or designee representative must review CCC-195 Servicing for all outstanding FSFL's.  CED, or designee representative, who:  <ul style="list-style-type: none"> <li>completed item 14 A must sign item 14 B</li> <li>signed item 14 B must enter the current date in item 14 C.</li> </ul> <b>Note:</b> If CED, or CED designee representative, was 1 of the preparers who completed items 6 through 12, CED, or CED designee representative, must <b>not</b> complete this section. DD's <b>must</b> complete items 14 A through 14 C for all--* CED, or CED designee representative prepared FSFL's.

CCC-195 Servicing, Farm Storage Facility Loan (FSFL) Servicing Checklist

A Completing CCC-195 Servicing

Item	Instructions
15 A through 15 G	<p>During the applicable State Office or designee review of CCC-195 Servicing according to subparagraph 210 D, 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"><li>• completed 15 E shall sign item 15 F</li><li>• signed item 15 F shall enter the current date in item 15 G.</li></ul>
16	Enter any remarks about any questions included on CCC-195 Servicing.
17	<p><b>Important:</b> 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"><li>• three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed</li><li>• five CCC-195 Servicing, if 11 through 1,000 CCC-195 Servicing have been completed.</li></ul>



# **Example of Annual Reminder and Notification Letter for Final Installment**

The following letter is available on the FFAS Employee Forms/Publication Online Website in fillable format at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>. CLICK “Find Current Forms Using Our Form Number Search”. For “Form Number”, ENTER “1-FSFL Exhibit 73”.

\*--

<p>(Use Agency Letterhead format with local return address.)</p> <p style="text-align: center;"><b>USDA-Farm Service Agency</b> <b>County FSA Office</b> <b>Address</b> <b>City, State ZIP Code</b></p> <p style="text-align: center;"><b>REMINDER AND NOTIFICATION LETTER</b> <b>(Final FSFL Installments Only)</b></p> <p><b>(Contact Borrower Name)</b> <b>(Contact Borrower Address 1)</b> <b>(Contact Borrower Address 2)</b></p> <p>Dear <b>(Contact Borrower Name)</b>:</p> <p>Please be advised that an installment payment will be due and payable for the Farm Storage Facility Loan (FSFL) No. XXXX/XXXXXX on XX-XX-20XX. The annual installment balance due is described in the following table.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th style="text-align: center;">Installment Due Date</th> <th style="text-align: center;">Installment Amount Due</th> <th style="text-align: center;">Daily Interest Accrual</th> </tr> <tr> <td></td> <td style="text-align: center;">\$ <i>(Contact County Office for Final Payoff Amount)</i></td> <td style="text-align: center;">\$</td> </tr> </table> <p>The installment amount due is available only by contacting the County Office and requesting the current total outstanding loan amount based on the date of repayment. Please make your check payable to the Commodity Credit Corporation (CCC) and send it to the office listed below: Commodity Credit Corporation <b>(Office Street Address)</b> <b>(City, State, and ZIP Code)</b></p> <p>If you remit a check for payment, it may be converted to an Electronic Funds Transfer (EFT) from your Bank account. The check will be voided and destroyed within 14-calendar days of successful payment.</p> <p>In addition, the following items must be provided annually to this office, <i>if applicable</i>:</p> <ul style="list-style-type: none"> <li>• Proof of payment of real estate taxes</li> <li>• Multi-peril crop insurance</li> <li>• Auto insurance</li> <li>• Flood insurance</li> <li>• All-peril insurance</li> </ul> <p>If you are unable to make the annual installment, you can request a one-time annual installment deferral, or receive a one-time 120-calendar day later payment of an annual installment. You may not be eligible for a new FSFL until all FSFL's approved for an installment deferral have been paid in full. FSFL's secured by an Irrevocable Letter of Credit that fully secures the FSFL are not eligible for an installment deferral.</p> <p>At any time while the FSFL is outstanding you may have another eligible producer assume the outstanding FSFL.</p> <p>Feel free to give us a call if you have any questions.</p> <p>CED's Name County Executive Director</p>	Installment Due Date	Installment Amount Due	Daily Interest Accrual		\$ <i>(Contact County Office for Final Payoff Amount)</i>	\$	<p><b>1-FSFL Exhibit 73</b> (12-10-24)</p> <p>(Date Letter Printed)</p>
Installment Due Date	Installment Amount Due	Daily Interest Accrual					
	\$ <i>(Contact County Office for Final Payoff Amount)</i>	\$					

--\*



# **Example of CCC-101, Agreement for Use of FSFL Collateral Insurance Proceeds**

The following is an example of CCC-101.

<b>CCC-101</b> (07-11-22)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation	
<b>AGREEMENT FOR USE OF FSFL COLLATERAL INSURANCE PROCEEDS</b>		
<i>See page 2 for Privacy Act and Paperwork Reduction Act Statements</i>		
<b>FOR COUNTY FSA OFFICE USE ONLY</b>		
<b>1. LOAN IDENTIFICATION NUMBER</b>		
<b>A. State Code</b>	<b>B. County Code</b>	<b>C. Loan Number</b>
<b>2A. Name of FSFL Borrower</b>		<b>2B. Address of FSFL Borrower (Include Zip Code)</b>
<b>2C. Telephone Number (Include Area Code)</b>		<b>2D. Contact Person, if different than borrower in Item 2A.</b>
<b>3A. Outstanding FSFL Amount</b>  \$		<b>3B. FSFL Maturity Date (MM-DD-YYYY)</b>

This Agreement is between the Commodity Credit Corporation (CCC) and the undersigned.

I understand that in addition to this Agreement, CCC and I have an effective CCC-186, FSFL Promissory Note and Security Agreement in place which provides additional terms and conditions I must legally adhere to for the outstanding FSFL.

4A. Dates Adverse Weather Occurred Resulting In FSFL Collateral Needing Repairs	4B. Amount of Insurance Proceeds
	\$
	\$
	\$
	\$
	\$

**5. How Insurance Proceeds Will Be Used?**  
 I understand that CCC is releasing to me 100 percent (\$ \_\_\_\_\_) of the insurance proceeds jointly assigned to CCC and myself for repairs and/or replacement of FSFL collateral. I understand these proceeds may only be used for these purposes until FSA verifies through inspection that the collateral was repaired and/or replaced properly.

I understand I have 1-year from the approval date in Item 10C to complete the necessary repairs and/or replacements and must request an inspection by FSA officials of the said collateral to verify that the collateral was properly repaired or replaced within that time. If additional time for repairs is necessary (up to 6 months), I must contact the local FSA County Office within 15 calendar days prior to 1-year from the COC approval date at Item 10C to request such extension.

I understand CCC will continue to have a lien on the collateral securing the above listed FSFLs and the lien will remain effective in accordance with my CCC-186, FSFL Promissory Note and Security Agreement. I understand I am responsible for the cost of amending and refileing the FSFL security documents.

If I decide to sell the FSFL collateral, I will contact the local FSA County Office immediately to discuss my options.

**6. What Records Must I keep?**  
 I must keep records of how I used the insurance proceeds. I must provide records, including CCC-191's to the local FSA County Office on request.

Date Stamp

Example of CCC-101, Agreement for Use of FSFL Collateral Insurance Proceeds (Continued)

CCC-101 (07-11-22)

Page 2 of 2

7. What Happens if I Violate This Agreement?

If I use the insurance proceeds in violation of how such proceeds are required to be used under this Agreement, I will have violated this Agreement and may be required to return any insurance proceeds not previously used in accordance with Item 5 to CCC. CCC may declare the entire indebtedness on the FSFL immediately due and payable under the terms of my CCC-186, FSFL Promissory Note and Security Agreement and 7 CFR 1436.13(e) for failure to maintain the loan collateral in a condition suitable for the storage or handling of a facility loan commodity. I understand that CCC may also bring legal action against me and refer my case for possible criminal actions against me.

8. Signatures

*The signatures acknowledge that I (we) understand this Agreement and will abide by it.*

A. Signature	B. Title	C. Date (MM-DD-YYYY)

APPROVAL/DISAPPROVAL DETERMINATION FOR COUNTY FSA OFFICE USE ONLY

9. COC Determination: ☐ Approved ☐ Disapproved

10A. Name of COC	10B. Signature of COC	10C. Date (MM-DD-YYYY)
	(1) Date (MM-DD-YYYY)	(2) Initial/Date
11A. CCC-101 Expiration Date		
11B. Extension Date		
11C. Date COF Mailed Approved CCC-101 to FSFL Borrower		

12. Remarks

**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 the Federal Agriculture Improvement and Reform Act of 1996, as amended, the Commodity Credit Corporation Charter Act, as amended (15 USC 714 through 714p) and 7 CFR Part 1436. The information will be used to determine eligibility to participate in and receive benefits under the Farm Storage Facility Loan Program through certification of program costs. 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 to participate in and receive benefits under the Farm Storage Facility Loan Program.

**Paperwork Reduction Act (PRA) Statement.** This information collection is exempted from the PRA specified in 7 U.S.C. 8781(c)(2). 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.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

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**Example of CCC-401, Farm Storage Facility Loan Partial Release**

**A Instructions for Completing CCC-401**

Complete CCC-401 according to the following table.

<b>Item</b>	<b>Instructions</b>
1	Enter name of debtors.
2	Enter county where debtor located.
3	Enter state where debtor located.
4	Enter name of the office where security instruments were recorded.
5	Enter county where office is located.
6	Enter State where office is located.
7	Enter instrument or legal document.
8	Enter mortgagee.
9	Enter date of instrument.
10	Enter date filed.
11	Enter Document, File, or Book Number
12	Enter Page Number
13	Enter detail description of property.
14	Enter date of execution.
15	Enter signature of person witnessing CCC signature.
16	Enter signature of authorized representative of CCC.
17	Enter title of authorized representative of CCC.

Example of CCC-401, Farm Storage Facility Loan Partial Release

**B Example of CCC-401**

The following is an example of CCC-401.

<b>CCC-401</b> (12-10-24)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation  <b>FARM STORAGE FACILITY LOAN PARTIAL RELEASE</b>
<b>INSTRUCTIONS:</b> <i>Return this completed form to your County FSA Office.</i>	

The Commodity Credit Corporation (CCC), as owner and holder of the following described security instruments,  
made and executed by (1) \_\_\_\_\_ of (2) \_\_\_\_\_  
County, State of (3) \_\_\_\_\_.

Filed or recorded in the (4) \_\_\_\_\_, office of (5) \_\_\_\_\_  
State of (6) \_\_\_\_\_ to wit:

(7) Instrument	(8) Mortgagee	(9) Date of Instrument	(10) Date Filed	(11) Document, File or Book No.	(12) Page No.

For value received, does release from the lien of said instruments the following described property (13)

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.

In witness whereof, CCC has signed this form on (14)\_\_\_\_\_.

Witness: (15) \_\_\_\_\_  
*(Signature of person witnessing CCC signature)*

For: Commodity Credit Corporation

By: (16) \_\_\_\_\_  
*(Signature of authorized representative of CCC)*

Title: (17) \_\_\_\_\_

*[Attach acknowledgment applicable to State for notarization.]*

Example of CCC-401, Farm Storage Facility Loan Partial Release (Continued)

B Example of CCC-401 (Continued)

CCC-401 (12-10-24)

Page 2 of 2

**NOTE: Privacy Act Statement:** 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, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.); the Agricultural Act of 2014 (Pub. L. 113-79); and the Farm Storage Facility Loan Program, 7 CFR Part 1436. The information will be used to determine eligibility to participate in and receive benefits under the Farm Storage Facility Loan Program. 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 to participate in and receive benefits under the Farm Storage Facility Loan Program.

**Paperwork Reduction Act (PRA) Statement:** This information collection is exempted from the PRA as specified in the 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

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