

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

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

Amendment 7

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 C has been amended to include 6-PL and 1-IA.

Subparagraphs 6 C, 6 H, 33 A, 35 A, 58 B, 141 B, 143 C, 185 E, and 272 A have been amended to clarify requirements for all FSFL applicants, borrowers, co-signers, and co-applicants.

Subparagraphs 6 C, 10 A, 25 B, 35 C, 35 D, 57 B, 59 B, 60 B, 60 D, 75 A, 84 B, 120 A, 121 A, 141 A, 142 A, 187 L, 197 B, 215 A, 218 A, 232 B, 234 F, 238 A, B and D, 244 B, 263 E, 264 C, 265 B, 272 A, and 291 A and C have been amended to include CCC-200.

Subparagraphs 10 F, 33 A, 33 C, 33 J, 48 B, 50 D, 53 A, 82 H, 82 J, 154 B, 233 D, 234 E, 247 Q, and 291 A, C, and D have been amended to update the email address.

Subparagraph 33 J has been amended to include bison as an eligible livestock species.

Subparagraph 35 C has been amended to clarify that a financially responsible adult co-signing for a minor must be a producer of an eligible commodity.

Subparagraph 35 D has been amended to update and clarify multiple borrower rules.

Subparagraphs 36 C and 38 A have been amended to include shipping containers.

Subparagraph 58 A has been amended to remove the spouse as an FSFL applicant if the spouse is not an eligible producer.

Subparagraphs 82 A, B, C, and F have been amended to include DLS and clarify that credit reports must **not** be ordered for spouses or co-applicants who are **not** eligible FSFL applicants.

Subparagraph 82 J has been amended to update the link to the DAFP Hub.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 83 C has been amended to remove spouses that are delinquent debtors, if required by State law.

Subparagraphs 85 A and B have been amended to include a DLS customer profile printout, and that nonproducing applicant (includes spouse and co-signors) debt and income must not be used in the financial analysis if the spouse or co-signor is not considered an eligible applicant according to subparagraph 35 A.

Subparagraph 85 F has been amended to clarify spousal income is not included in a financial analysis if the spouse is not an eligible applicant.

Subparagraph 185 E has been amended to clarify signature requirements.

Paragraph 195 has been amended to include the revised CCC-186 and CCC-186-1 and the new CCC-200, and CCC-200-1.

Subparagraph 233 F has been amended to clarify separate CCC-101's must be completed for each FSFL, when multiple FSFL's will be repaired or replaced after adverse weather conditions.

Subparagraph 234 G has been amended to provide updated example of CCC-298 Farm Storage Facility Loan Assumption Agreement.

Subparagraph 237 B has been amended to remove requirement for State Offices to email National Office details regarding real estate lien subordinations when approved.

Subparagraph 247 D has been amended to clarify CCC-777 approval policy.

Subparagraph 247 I has been amended to update instructions for the FSFL Deferral Calculator.

Subparagraphs 247 L and M have been amended to update the instructions and example of CCC-186 Addendum.

Paragraph 249 has been added to include nonmonetary default policy.

Paragraph 250 has been added to include ILOC servicing guidance.

Exhibit 2 has been amended to include definitions for:

- borrower
- co-borrower
- co-signor
- eligible applicant.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Exhibit 6 has been amended to add updated versions of CCC-193 and CCC-193D.

Exhibit 28 has been amended to clarify CCC-185 instructions.

Exhibit 67 has been amended to provide an example of the revised CCC-186, CCC-186-1 and instructions.

Exhibit 84 has been added to provide an example of the Nonmonetary Default Notification Letter.

Exhibit 85 has been added to provide an example of the Nonmonetary Default Demand Letter

Exhibit 86 has been added to provide an example of CCC-200 FSFL Security Agreement, CCC-200-1 Continuation Sheet, and instructions.

Exhibit 87 has been added to provide an example of the ILOC Withdraw Request Letter.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

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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	*--5-PL or 6-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.
--integrity and accountability in FSA programs	1-IA--
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.

6 FSFL Signature Authority Documentation Requirements (Continued)

B Entity Signature Authority for FSFL's (Continued)

IF the entity documents...	THEN the...
do not allow for redelegation of signature authority	<p>following may be used to authorize an agent to sign for the entity for:</p> <ul style="list-style-type: none"> • corporations, either of the following: <ul style="list-style-type: none"> • FSA-211 signed by all officers • resolution of the board of directors, signed by an officer of the corporation, providing name of agent authorized to sign for the corporation • limited partnerships and other similar entities, FSA-211 signed by all members of the entity • LLC's, FSA-211 signed by all members or authorized managers. <p>Notes: Certain properly executed and completed affidavits, on file in a County Office should be used as evidence of signature authority. These affidavits should be honored as evidence of signature authority by State and County Offices.</p> <p>County Offices shall review CCC-902E, Part C to ensure that members and their respective shares have not changed, if FSA-211 or an affidavit recently executed is used as evidence of signature authority.</p> <p>Example: ABC Corporation charter designates Mike Jones as the corporate officer with signature authority for the corporation. The corporate charter does not indicate that the authority to sign for ABC Corporation may be redelegated. Mike Jones cannot redelegate his signature to sign for ABC Corporation. However, an agent may be authorized to sign for ABC Corporation, if all officers of ABC Corporation sign FSA-211.</p>

6 FSFL Signature Authority Documentation Requirements (Continued)

C Joint Venture Signature Authority for All FSFL's

Members of a joint venture may appoint an individual on FSA-211 to **request** FSFL on CCC-185. **All** members of the joint venture **must** sign FSA-211. Members of the joint venture are appointing an attorney-in-fact to act on behalf of the joint venture.

Note: If an attorney-in-fact has **not** been appointed on FSA-211 to act on behalf of the joint venture, all members **must** sign CCC-185.

***--All** eligible producers according to paragraph 35 that are members of a joint venture are required to sign the following FSFL security documents:--*

- CCC-186
- CCC-186-1
- *--CCC-200
- CCC-201--*
- CCC-193 (Exhibit 6)
- CCC-193-D (Exhibit 6)
- CCC-298
- CCC-400
- all other real estate lien forms approved for use by a regional OGC
- UCC-1, if signatures are **required**.

Notes: FSA-211 for the joint venture does **not** authorize the appointed person to sign for individual members on FSFL security documents.

--OGC confirmed that statutory and regulatory authorities require FSFL applicants and borrowers to be a producer of an eligible commodity and meet all eligibility requirements according to 7 CFR 1436.5. An FSFL request must be approved for eligible applicants only. Regional attorneys may consult with National OGC for additional guidance or clarification.--

County Offices shall review CCC-902E, Part C or CCC-901, Part A for joint ventures for member names to ensure that all members have signed FSA-211 and all applicable FSFL security documents.

6 FSFL Signature Authority Documentation Requirements (Continued)

C Joint Venture Signature Authority for All FSFL's (Continued)

Determine acceptable evidence of signature authority for a joint venture as an entity according to the following table.

IF the individual signing for the joint venture is...	THEN acceptable evidence of authority is a valid FSA-211 signed by...
a member of the joint venture	all members of the joint venture for CCC-185 only . Note: Certain properly executed and completed affidavits, on file in a County Office should be used as evidence of signature authority. These affidavits should be honored as evidence of signature authority by State and County Offices, if the members and their respective shares are unchanged.
an agent	all members of the joint venture.

The following are examples of FSFL signature requirements for joint ventures.

Example 1: ABC Joint Venture has a permanent TIN and is comprised of Jane Black, Bob Green, and Mike Brown.

ABC Joint Venture is the owner and operator of a farm and submits CCC-185. FSA-211 is on file in the County Office authorizing Mike Brown to sign for *--ABC Joint Venture. For CCC-186, CCC-200, and all applicable security--* documents listed in this subparagraph, all 3 members, including spouses, if **required** by State law, will be **required** to sign. FSFL disbursement will be issued to ABC Joint Venture using their permanent TIN.

Example 2: DEF Joint Venture does **not** have a permanent TIN and is composed of Mike Smith and Tom Williams.

DEF Joint Venture is the operator of a farm and submits CCC-185. Because DEF Joint Venture does **not** have a permanent TIN, CCC-185 **must** be submitted in the names of the 2 members with Mike Smith designated as the contact borrower. Both members shall be listed as co-applicants on all FSFL documents. Both members, including spouses, if **required** by State law, will *--be **required** to sign CCC-186, CCC-200, and all applicable security--* documents listed in this subparagraph. FSFL disbursement will be issued under Mike Smith's TIN as the contact borrower.

6 FSFL Signature Authority Documentation Requirements (Continued)**D General Partnership Signature Authority for FSFL's**

For all FSFL's issued to general partnerships, the partnership **must** provide the Articles of Partnership. If no Articles of Partnership are available, IRS documents, such as IRS-1065 (Schedule K-1) showing members and their respective shares, may be used. A written statement identifying all members and shares of the partnership and signed by all members of the partnership may be used as acceptable documentation the first year the partnership is in effect, or if the membership of the partnership has changed and the partnership has **not** filed any IRS forms.

Notes: Certain properly executed and completed affidavits, on file in a County Office should be used as evidence of signature authority. These affidavits should be honored as evidence of signature authority by State and County Offices.

County Offices shall review CCC-902E, Part E to ensure that membership of the general partnership and their respective shares have **not** changed.

Any member of a general partnership may:

- sign for the general partnership
- bind all members **unless** the Articles of Partnership are more restrictive.

Note: FSA considers this policy acceptable because the majority of States have laws that provide for this; however, this is **not** the case for any other business enterprise.

A member of a general partnership may:

- execute FSA-211 to appoint an attorney-in-fact to act on behalf of the general partnership
- bind all members, **unless** the Articles of Partnership restrict member's authority.

6 FSFL Signature Authority Documentation Requirements (Continued)

H Spouse and Attorney-in-Fact Signatory Authority for Entities and Joint Operations (Continued)

--Spouses that are considered an eligible producer may sign on behalf of each other's-- **individual** interest in a corporation, joint venture, limited partnership, LLC, or other similar entity, **unless** a written notification denying a spouse this authority is provided to the County Office. Individuals who are appointed as an attorney-in-fact for another individual may sign for that **individual's** interest in a corporation, joint venture, limited partnership, LLC, or other similar entity.

Examples: Jane Brown is a member of JBB Inc. The corporate charter for JBB Inc. requires all members to sign documents for the corporation. Jane Brown's spouse may sign for Jane Brown's individual member interest in the *--corporation only if the spouse is considered an eligible producer of an eligible commodity. Jane Brown appointed Mike Black as her personal--* attorney-in-fact on FSA-211. Mike Black may sign for Jane Brown's individual member interest in the corporation.

Jack Green is a member of JJJ Joint Venture. All members of JJJ Joint Venture signed FSA-211 appointing Jack Green attorney-in-fact for the joint venture. Jack Green's spouse shall **not** sign for Jack Green as the authorized signatory for JJJ Joint Venture. Jack Green appointed Bill Brown as his personal attorney-in-fact on FSA-211. Bill Brown **cannot** sign for Jack Green as the authorized signatory for JJJ Joint Venture.

Jill White is a member of EE Joint Venture. No member of EE Joint Venture is authorized to sign for the joint venture and bind all members; therefore, all members **must** sign documents for the joint venture. Jill White's spouse may sign for Jill White's individual interest in the joint venture. Jill White appointed Mike Jones as her personal attorney-in-fact on FSA-211. Mike Jones may sign for Jill White's individual interest in the joint venture.

*--**Note:** Spouses are authorized to sign FSFL documents only if the spouse is a producer of an eligible commodity.--*

I Sole Proprietorship Signatory Authority

A sole proprietorship is a business operation conducted by an individual under a name other than the name of the individual. This individual may sign all FSFL forms and documents for the business operation, if a signed CCC-902E, Part C lists only this 1 individual as a member of the proprietorship.

7-9 (Reserved)

Section 2 Approval Authorities

10 FSFL Approval Authority

A Delegations of Authority for All Forms Except CCC-185D

The authority to approve all FSFL forms, **except** CCC-185D, and documents prepared according to this handbook may be delegated in writing by:

- COC to CED, **except** CCC-185D's and applications in which CED has a monetary interest
- CED to Federal and non-Federal County Office employees, **except** CCC-185D's, *--CCC-186's, CCC-200's, and applications in which the person approving has a--* monetary interest
- STC to FLM, SFLO, FLO, or FSA employee with loan approval authority, **except** CCC-185D's and applications in which the person approving has a monetary interest
- FLM to Federal and non-Federal County Office employees, **except** CCC-185D's, *--CCC-186's, CCC-200's, and applications in which the person approving has a--* monetary interest.

Notes: STC may authorize SED to designate offices where FLP employees will administer the FSFL program.

COC and STC are not authorized to sign required environmental review documents for a complete application, including but not limited to FSA-850, FSA-851, FSA-858, or environmental assessments. See 1-EQ, subparagraph 31 B for environmental review signature requirements.

--See subparagraph 195 B for guidance on who has authority to sign CCC-186 and CCC-200 as approving official for CCC.--

B Authority to Approve FSFL's and Sign CCC-185D

CCC-185D approval must be obtained **before** any action is taken by the applicant to install the facility or drying and/or handling equipment. See paragraph 11.

COC or STC only is the approval authority for CCC-185D. STC may redelegate CCC-185D approval authority to:

- CED or FSA employee with loan approval authority for FSFL's with an aggregate outstanding balance of \$25,000 or less
- SED or DAFO-appointed acting SED **only**.

An individual acting for CED, FSA employee with loan approval authority, DD or SED **does not** have CCC-185D approval authority.

10 FSFL Approval Authority (Continued)

B Authority to Approve FSFL's and Sign CCC-185D (Continued)

Approval of CCC-185D is authorized **only** after completion of the appropriate level of environmental review as provided by 1-EQ, subparagraph 31 B.

See subparagraph C for information on FSFL's for employees and their relatives.
To protect CCC's financial interests, approval authority for FSFL's is as follows.

IF the total aggregate outstanding FSFL balance <u>1/</u> <u>2/</u> amount is...	THEN the approval authority is...	Reference
\$25,000 or less	CED and/or FSA employee with loan approval authority, if designated approval authority by STC	Subparagraph D
\$100,000 or less	COC.	Subparagraph D.
\$100,000.01 to \$250,000	COC approval after DD review. <u>3/</u>	Subparagraph E.
\$250,000.01 or more	STC.	Subparagraph F.

Note: When the aggregate outstanding FSFL balance is equal to or exceeds \$250,000.01, the approval authority is the STC.

1/ For FSFL's with partial and final disbursements, the two FSFL amounts are combined.

2/ Aggregate outstanding FSFL balance includes the new request and any principal balance on existing FSFL's. For example, producer has an outstanding FSFL for \$90,000 and requests a new FSFL for \$30,000. DD review of the \$30,000 FSFL request is **required before** COC approval.

3/ DD's **must** review **all** CCC-185's with a total aggregate outstanding FSFL principal amount between \$100,000.01 and \$250,000. FSFL approval date will be the date COC approves FSFL **after** DD review.

Exception: STC is the approval authority for **all** renewable biomass CCC-185D's.

Notes: All increases to the original approved FSFL amounts **must** be referred to the original approval authority or a higher authority, if **required**, for the total aggregate outstanding FSFL balance amount. See paragraph 176.

DD concurrence is necessary for all FSFL's with asphalt flooring, regardless of the FSFL balance.

The correct review process will vary depending on FSFL approval authority required and whether the applicant has taken delivery or begun construction. See subparagraphs D through F and paragraph 11 for additional guidance. However, it is not possible to complete the requisite environmental reviews for approval of FSFL requests after the fact of initiating construction or site preparation, as provided by 1-EQ, subparagraphs 2 D and 5 A.

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 PSD by e-mail to **FSFLPolicy@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.

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
 - *--CCC-200
 - CCC-200-1--*
 - COC and STC minutes

25 Waivers (Continued)

B County Office Action (Continued)

- 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.

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.

Commodity Type	Production Storage Capacity	Defining Eligible Commodity (paragraph)	Eligible Structures (paragraph)	Storage Need Calculations (paragraph)
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 PSD at **FSFLPolicy@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.

Notes: 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.

--OGC confirmed that statutory and regulatory authorities require FSFL applicants and borrowers to be a producer of an eligible commodity and meet all eligibility requirements according to 7 CFR 1436.5. An FSFL request must be approved for eligible applicants only. Regional attorneys must consult with National OGC for additional guidance or clarification.--

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.

Eligible Perishable Commodities			
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 PSD at FSFLPolicy@usda.gov for guidance and/or authorization for an--
unlisted eligible perishable commodity.

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
- *--bison.--*

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 PSD at FSFLPolicy@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:** OGC confirmed that statutory and regulatory authorities require FSFL applicants and borrowers to be a producer of an eligible commodity and meet all eligibility requirements according to 7 CFR 1436.5. Regional attorneys must consult with the National OGC for additional guidance and clarification if necessary.

An FSFL request must be approved for eligible applicants only.--*

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

35 Eligible Applicants (Continued)

A Basic Requirements (Continued)

- demonstrates compliance with any applicable local zoning, land use, and building codes for the applicable farm storage facility structures
- provides all-peril structural insurance and, if **required**, flood insurance.

Note: If the county flood map is updated, either before **or** after FSFL disbursement, and the flood map indicates FSFL is in an area requiring flood insurance, the producer **must** immediately purchase insurance. This also applies if it is later discovered that flood insurance should have been **required** before FSFL disbursement.

CCC-941 does **not** apply to FSFL's.

B Determining Borrowing Entity

*--County Offices must:

- determine the borrowing entity from CCC-902 according to 5-PL
- allow borrowers who are otherwise eligible to enter into joint FSFL's with another eligible borrower, if adequate security requirements can be met
- require FSFL's to be joint when more than 1 borrower or entity has an interest in the *--items(s) that will be financed with FSFL--*

Example: Two brothers with separate farming operations are submitting CCC-185 for 1 grain storage bin. The brothers will be **required** to obtain 1 joint FSFL for *--the bin. The bin will be jointly owned with each brother jointly and severally responsible and liable for the entire FSFL. They may **not** apply for 2 separate FSFL's, such as each for one-half the FSFL principal.--*

35 Eligible Applicants (Continued)

B Determining Borrowing Entity (Continued)

- **not** permit schemes to be perpetrated to evade the FSFL limit per structure

Note: The borrowing entity will be the producer:

- of FSFL commodities that require storage at the proposed storage location
- who meets all other requirements.
- inform borrowers submitting joint CCC-185, or borrowers who are partnerships or joint ventures, that all reminders and pertinent information on FSFL will be sent **only** to the contact borrower
- inform borrowers on joint FSFL's that the contact borrower will receive IRS-1098 for the entire amount.

C Applicants Who Are Minors

Applicants who are minors may be approved for FSFL if:

- minor meets all eligibility requirements
- *--minor signs CCC-186 and CCC-200
- financially responsible adult meets all eligibility requirements as a producer of an eligible commodity, as approved by COC, and cosigns CCC-186 and CCC-200.

An application fee and a financial analysis is required for the minor and the adult who will cosign CCC-186 and CCC-200.--*

D Multiple Borrowers

--Multiple borrowers are allowed for FSFL's. Each eligible applicant or borrower signing CCC-186 and CCC-200 is jointly and severally liable for the entire FSFL amount.--

At this time, one IRS-1098 will be issued to the contact borrower.

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

36 Eligible and Ineligible Structures and Equipment (Continued)

C Eligible Storage and Handling Facilities for All FSFL Eligible Commodities (Continued)

- structures that are bunker-type, horizontal, or open silo structures, with at least 2 concrete walls and a concrete floor, designed for FSFL commodity storage and having a useful life of at least the term of the loan
- renovating existing storage, according to paragraph 41, without an increase in storage capacity
- remanufactured oxygen-limiting storage structures built to the original manufacturer's design specifications using original manufacturer's rebuild kits designed for FSFL commodity storage and having a useful life of at least the term of the loan

Notes: STC's:

- are strongly encouraged to only allow rebuilt kits from the original manufacturer of oxygen-limiting storage structures to ensure that these structures are rebuilt correctly and ensure the safety of the structure
- are authorized to approve rebuilt kits from original manufacturer of oxygen-limiting storage structures for FSFL's \$25,000 or less
- may request a DAFP waiver to allow companies other than the original manufacturer of the oxygen-limiting storage structure to supply rebuild kits for FSFL-financed structures.

DAFP waiver requests shall:

- follow paragraph 25
- be for the specific company located at a specified location
- be submitted **before** approving FSFL's using manufacturer's rebuild kits
- include copies of all pertinent information about the following:
 - company
 - how their rebuild kits are manufactured
 - warranty offered on their rebuild kits.

36 Eligible and Ineligible Structures and Equipment (Continued)

C Eligible Storage and Handling Facilities for All FSFL Eligible Commodities (Continued)

- area of the shed/structure to house and protect electronic and control equipment
- walk-in including prefabricated storage coolers or containers
- cheese storage structures
- portable storage containers, essential to the proper storage of the eligible commodity
- bulk tanks suitable for storing honey, maple sap, and milk
 - *--portable storage facilities and containers, including 20' and 40' shipping containers,--* which are manufactured storage containers that may be used when transported, hitched, or mounted on a trailer or truck for the purpose of storing and handling eligible commodities
- uptake and discharge re-circulatory systems that are used for storage and holding tanks for aquaculture products, wherein the water used is exclusively from on-farm aquifers and is discharged back on the farm

Note: FSFL's are authorized when the holding or storage structure will have uptake or discharge water that comes from natural sources, tributaries, coastal and ocean waters, or perennial waterways.

- electrical equipment, such as lighting, motors, and wiring, integral to the proper operation of the storage and handling equipment, **excluding** installing electrical service to the electrical meter
- 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, without showing a need and/or obtaining FSFL for the storage structure
 - liquefied petroleum tanks to fuel dryers
- safety equipment, as **required** by CCC, such as lighting and inside and outside ladders.

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

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
- *--20' and 40' refrigerated shipping containers.--*

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.

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 PSD by e-mail to
FSFLPolicy@usda.gov.*

49 Determining Storage Need for Hay, Biomass, and Seed Cotton (Continued)

D Formula for Hay and Biomass Storage (Continued)

Applicants shall demonstrate a need for storage capacity as determined by the following formula. See Exhibit 20 for an example of the need calculation.

Step	Action	
1	Determine applicant entity and applicable farm operation from CCC-902, if available for other farm program purposes.	
2	Determine up to a 3-year average acreage for each FSFL commodity, as provided in subparagraph B, using the borrower'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	IF result from step 4 is...	THEN...
	greater than zero	the applicant is eligible for the needed capacity, not to exceed the applicant'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.

E Storage Need Determinations for Seed Cotton

Applicants **must** show a need for the seed cotton capacity as determined by the following formula and information in this paragraph.

The quality of seed cotton can only be maintained for a limited period of time. The seed cotton storage need will be determined based on production from 1 year.

When an applicant is not self-certifying to the storage need as provided in paragraph 47,
--County Offices will calculate the FSFL storage need using guidelines in paragraph 50.--

Storage capacity calculators are located on PSD's website 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.

50 Determining Storage Need for Eligible Commodities Storing One Year of Production**A Storage Need Determinations for Eligible Perishable Commodities**

Subparagraph 33 C provides a complete list of eligible perishable commodities.

Applicants **must** show a need for the cold storage capacity as determined by the following formula and information in this paragraph.

The cold storage need will be determined based on production from 1 year.

The quality of all eligible perishable commodities can only be maintained for a limited period of time. Cold storage facilities can extend this period of time and maintain the quality of eligible perishable commodities.

See Exhibit 21 for a worksheet that can be used to compute the storage need requirement and capacity of a proposed structure for eligible perishable commodities.

When an applicant is not self-certifying to the storage need as provided in paragraph 47, County Offices shall calculate the FSFL storage need using guidelines in this paragraph.

Storage capacity calculators are located on PSD's website 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.

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 **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 PSD by e-mail to FSFLPolicy@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).

Part 4 FSFL Policies and Application Processing

Section 1 FSFL-Making Policies

57 Partial and Final Disbursement Options

A FSFL Disbursement Policy

The 2008 Farm Bill Section 1614 (e) provides authority for 1 partial and 1 final principal disbursement so that borrowers can facilitate purchasing and constructing a storage facility, acquiring drying and handling equipment, and acquiring storage and handling trucks. A partial disbursement is **not** required.

At the time of application, in CCC-185, item 3D, applicants indicate whether they are requesting 1 or 2 disbursements. National Office program manager approval is required to change this election after FSFL has been approved in DLS.

B Partial Disbursements

One partial disbursement:

- may be requested by the borrower when a portion of the FSFL project has been acquired or completed
- will be commensurate with the amount of the approved FSFL project that has been completed, supported by documentation and inspected, if applicable
- can be disbursed **up** to the maximum amount of 50 percent of the projected and approved total FSFL amount, **not** to exceed \$250,000.

If the applicant requests the partial disbursement:

- there will be two FSFL's with 2 installment payments due each year
- *--a separate CCC-186, CCC-200, and closing in DLS will be **required** for the partial--* and final FSFL amounts
- only 1 **manual** CCC-185 will be required for the partial and final FSFL amounts.

57 Partial and Final Disbursement Options (Continued)

B Partial Disbursements (Continued)

County Offices shall:

- assist producers with completing 1 CCC-185 for the total FSFL amount requested
- enter the partial and final FSFL request in DLS following instructions in 2-FSFL, paragraph 31
- see paragraph 187 for FSFL security requirements for FSFL's with partial and final disbursements
- see paragraph 58 for application fees for FSFL's with partial and final disbursements
- ensure all CCC-185D conditions are met before partial disbursements are disbursed
- ~~*--~~ensure CCC-186 and CCC-200 are properly signed and dated for the partial~~--*~~ disbursement.

58 FSFL Fees

A County Office Action

County Offices shall:

- charge FSFL applicants a nonrefundable application fee of \$100 per borrower per FSFL
- collect the application fee when CCC-185 is submitted.

Note: The application fee is necessary to cover the costs to CCC for making FSFL's. These costs include the following:

- credit reports
- lien searches
- UCC-1 filings.

If in CCC-185, item 3D the applicant elects the partial and final disbursement option, only 1 application fee is required even though there will be 2 separate FSFL's disbursed.

* * *

The application fee for assumptions **must** be collected at the time the assumption is requested.

B Multiple Borrowers

A husband and wife would be considered 2 borrowers and each charged an application fee **if** both are receiving farm program payments on the farm whose production is used to determine FSFL eligibility.

***--Note:** A spouse is authorized to sign FSFL documents if the spouse is considered an eligible producer and meets all FSFL eligibility requirements according to subparagraph 35 A.--*

Farming entities, **excluding** joint ventures that are paid under one TIN, will be considered 1 applicant and charged 1 application fee.

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

*--Filing and recording fees must be processed using DLS and shall be paid according to the following.

IF the transaction is for...	THEN the fee is paid by...
a collateral lien search (includes lien searches determined necessary by OGC for underlying real estate)--*	CCC.
a credit report	
fees charged by a local or State municipality for expenses associated with a real estate lien search for CCC-297 (Exhibit 68) purposes	
filing UCC-1	
filing UCC-1 as a fixture filing	
continuation of UCC-1 and UCC-1 as a fixture filing using UCC-3	
motor vehicle lien search, lien filing fee, and recording fees	
all other instrument filing and recording transactions related to a lien on real estate used to secure FSFL	the borrower.
fees for motor vehicle emission inspection and other required state inspections	
attorney fees related to a lien on real estate used to secure FSFL	
fees charged by superior lienholders to subordinate or release collateral to CCC	
filing a discharge of CCC-297	
filing a release or discharge of a real estate lien, such as a mortgage	
filing and recording a subordination agreement related to a lien on real estate used to secure FSFL	
real estate lien, deed, or title search related to a lien on real estate used to secure FSFL	
recording CCC-297	
terminating UCC-1 using UCC-3	

See paragraph 302 for assistance when processing and ordering checks for filing fees as displayed in this table.

59 FSFL Microloan Provisions

A FSFL Microloan Amount

The maximum amount of an FSFL microloan shall **not** exceed an aggregate outstanding FSFL balance of \$50,000.

*--If a producer submits an FSFL microloan request for \$30,000, and subsequently, submits an FSFL microloan request for \$40,000, and the \$40,000 FSFL microloan is disbursed before the \$30,000 FSFL microloan request, the producer is only eligible for an FSFL microloan of no more than \$10,000.

If the producer wants to proceed with the \$30,000 FSFL request, the \$30,000 FSFL microloan request must be deleted in DLS and re-entered in DLS as an FSFL regular loan. The application fee provided for the \$30,000 FSFL microloan can be used for the FSFL regular loan.--*

State and County Offices are required to verify in DLS, **the aggregate outstanding FSFL balance does not** exceed \$50,000 at the time of loan approval **and** disbursement.

A nonrefundable \$100 application fee per borrower is required per FSFL microloan request.

A financial analysis is required for all FSFL microloan requests except when the loan will be secured with an Irrevocable Letter of Credit.

--A severance agreement is not required from the holder of any prior lien on the real estate parcel on which the facility is located for a FSFL microloan.--

Partial and final disbursements are applicable to an FSFL microloan.

The producer must select on CCC-185, item 3 B whether the FSFL request is for an FSFL microloan. State and County Offices must **not** assume the request is an FSFL microloan.

Refer to paragraph 60 for additional information on loan amount. The variances for an FSFL microloan versus regular FSFL's are the following:

- down payment requirement of 5 percent
- availability to self-certify to the storage need
- the aggregate outstanding loan amount threshold of \$50,000.00.

59 FSFL Microloan Provisions (Continued)

B FSFL Microloan Terms

The FSFL microloan shall have a maximum term of 3, 5, or 7 years for **new** and 3 or 5 years for **used** storage structures, equipment and storage and handling trucks, from the date of the *--execution of CCC-186 and CCC-200.--*

STC has authority to establish policy when determining whether new and used equipment may be listed on one FSFL request or separate requests.

The STC authority must be documented in the STC regular meeting minutes.

Example: John Clark submitted one FSFL request in the amount of \$46,000, for a new portable grain vacuum and used batch dryer. The maximum loan term for the **new** portable grain vacuum is 7 years. The maximum loan term for the **used** batch dryer is 5 years. Because both eligible FSFL components are on the same FSFL request, the maximum loan term is 5 years (using the maximum loan term for used equipment).

Notes: Based on authorization provided to STC's in this subparagraph for determining if new and used equipment can be included on one FSFL request, the loan term must be limited to the eligible FSFL component with the lowest term.

The STC authorization and example also applies to a regular FSFL (maximum loan amount \$500,000) when a new and used storage structure, handling equipment or storage and handling truck FSFL request is received.

All FSFL-financed equipment, structures and storage and handling trucks (new or used) must have a useful life for at least the FSFL term.

An FSFL microloan should be made available to producers of **all** commodities, provided that eligibility requirements are satisfied.

59 FSFL Microloan Provisions (Continued)**C Down Payment**

A minimum down payment for an **FSFL microloan** shall be:

- 5 percent of the eligible net costs
- made by the applicant to the contractor, seller, supplier, or vendor.

Example: The producer's FSFL microloan request was approved for \$50,000. Supported by a dated sales contract, the net cost of the equipment included on the FSFL microloan request is \$53,000. The minimum down payment of 5 percent of \$53,000, is \$2,650. Although, the total net cost of the equipment is \$53,000, and the dated sales contract indicates \$2,650 was paid to the supplier, the FSFL microloan maximum amount of \$50,000, will be disbursed to the producer. The difference of \$350 must be paid by the producer at or prior to closing.

An FSFL disbursement calculator for the microloan **must** be completed and filed in the producer's FSFL folder before the FSFL microloan is disbursed.

See paragraph 61 for other provisions of down payment requirements.

D Monthly Interest Rate

The interest rate for FSFL microloans are the same as the interest rate for a regular FSFL. See paragraph 62.

E Processing Microloans

See paragraph 47 for guidance on self-certification by the applicant. All other processing and security requirements for FSFL microloans are the same as a regular FSFL.

60 FSFL Amount and Terms (Except Microloan)**A Maximum Amount**

The maximum amount of each FSFL shall **not** exceed \$500,000. A borrower may have multiple FSFL's. Each separate FSFL **must** meet all eligibility, financial and security requirements for FSFL.

Only one FSFL is allowed on a stand-alone structure. Therefore, if 2 adjoined storage structures are built, only one FSFL is authorized for the eligible components and a lien will be placed on the adjoined structures.

Note: See Exhibit 2 for a definition and example of stand-alone structure.

B Determining FSFL Amount

The principal amount of any FSFL shall be 85 percent or less of the net cost of the applicant's needed storage, drying and/or handling equipment, **not** to exceed \$500,000 for each FSFL.

--Each borrower signing CCC-186 and CCC-200 is jointly and severally liable for the entire-- FSFL amount.

Grants and loans from any Federal Government Agency for the same purpose as the FSFL loan shall be subtracted from the FSFL amount before disbursement. See paragraph 63.

C Net Cost

[7 CFR 1436.9] The cost on which FSFL shall be based is the net cost of the following:

- items listed in paragraphs 36 through 43
- accessories
- eligible facility
- services to the applicant after discounts and rebates.

Note: STC may establish a maximum per bu. or per unit of measure for net cost.

60 FSFL Amount and Terms (Except Microloan) (Continued)

D Maximum Term

[7 CFR 1436.7] The FSFL maximum term shall be 3, 5, 7, 10, or 12 years from the date of
--the execution of CCC-186 and CCC-200 based on total FSFL principal as follows if:--

- \$100,000 or less, 3, 5, 7-year FSFL term **only**
- \$100,000.01 to \$250,000, 3, 5, 7, or 10-year FSFL term
- \$250,000.01 to \$500,000, 3, 5, 7, 10, or 12-year FSFL term.

Used storage structures, equipment, and storage and handling trucks shall have a maximum
--term of 3 or 5 years from the date of the execution of CCC-186 and CCC-200.--

The term **must** be specified when CCC-185 is submitted, because the required financial analysis **must** take into account the annual installment payment amount.

Applicants may select the term in CCC-185, item 3C based on the amount requested.

After FSFL is approved in DLS, the term or disbursement type **cannot** be changed unless the final FSFL amount is changed because the project cost was more than estimated and an increase is requested by the applicant. A decrease in the FSFL amount may be necessary, if after reviewing acceptable documents, such as, but not limited to, receipts and/or sales invoices and it is determined the FSFL amount should be decreased.

Based on whether the FSFL amount will be decreased or increased, a different term category may be required. For questionable situations, contact the National Office.

STC has authority to establish policy when determining whether new and used equipment may be included on one FSFL request or separate requests. If the STC approves the use of one request, the loan term must be limited to the eligible FSFL component with the lowest term.

See Exhibit 24 for a quick guide on loan types, down payments, maximum loan amount and terms.

61 Down Payment**A Minimum Down Payment**

[7 CFR 1436.10] A minimum down payment shall be:

- 15 percent of the eligible net costs
- the difference between the net cost of the storage facility, storage truck and/or storage handling and process equipment and the amount of FSFL determined by paragraph 60
- made by the FSFL applicant to the contractor, dealer, seller, supplier or vendor **before** the final FSFL disbursement.

Notes: See subparagraph 59 C for the minimum down payment requirement applicable to FSFL microloan and provisions.

--An FSFL disbursement calculator will be completed in DLS before the FSFL is disbursed and the calculator must be filed in the producer's FSFL folder.--

B Allowances

The down payment may be the proceeds of a loan from a nongovernment source. FSA employees with loan approval authority shall ensure that down payments obtained from nongovernment loans are accounted for when determining the applicant's ability of repaying FSFL.

75 Application Processing and Producer File Folder Maintenance**A FSFL Folders**

County Offices shall:

- prepare a 6- or 8-position or similar folder for each CCC-185
- file all applicable documents in the folder

Note: See Exhibit 32 for a **suggested** filing guide.

- *--safeguard the original CCC-186 and CCC-200 and all security documents according--*
to 32-AS, paragraph 59.

When there are separate FSFL's for partial and final disbursements, all documents for both FSFL's shall be filed in the same folder.

B Processing Application Fees

County Office **must** collect the application fee when accepting CCC-185, input the application fee in DLS according to 2-FSFL, and deposit immediately according to 64-FI.

See paragraph 301 for additional guidance.

75 Application Processing and Producer File Folder Maintenance (Continued)

C Notify Applicant of Missing Information

An employee shall review the application information submitted for completeness and
 *--missing forms or information according to paragraph 69 and promptly initiate the
 environmental review kick-off meeting with completion of 1-EQ, Exhibit 15 according to
 1-EQ, subparagraph 2 D.--*

CCC-185 and other forms should be reviewed for completeness. For example, verify that the applicant answered the DCIA question in CCC-185, item 11.

If all **required** items are **not** received within 15 workdays of application receipt, the County Office **must** notify the applicant in writing of the items needed. The letter **must**:

- grant 15 workdays for the applicant to provide the missing information
- notify the applicant that a new application fee will be collected if the FSFL request is withdrawn and the applicant must re-apply for the FSFL.

If no response is received within 15 workdays from the applicant, the County Office may withdraw the FSFL request in DLS and no further action is required by the applicant.

If a response is received within 15 workdays from the applicant, requesting no more than 15 additional workdays, the County Office may approve the request. No additional extensions are authorized.

Note: The letter notifying the applicant of missing information may be sent by certified mail, if necessary.

Contact the National Office for questionable situations.

D Entering Application Information Into DLS

The FSFL application shall be entered into DLS according to 2-FSFL. Ensure the FSFL information is correctly entered as a final disbursement only or as a partial/final disbursement, based on CCC-185, item 3D.

It is very important to enter the FSFL request in DLS as soon as the producer has provided the application fee and sufficient information.

E DLS-Assigned Loan Number

The FSFL number will automatically be assigned by DLS when the application is entered. FSFL numbers will be the FY followed by the next sequential number for that county. For example: "2018-00001". The FSFL number **must** coincide with the FY the application approval/disposition occurs. If FSFL request is **not** processed in the FY that the request was received, see 2-FSFL for the appropriate action to be taken.

76-81 (Reserved)

Part 5 Credit and Financial Worthiness

82 Credit History and Credit Reports

A Obtaining Credit Reports

--State or County Offices must:--

- request credit reports for all FSFL applicants only from the credit reporting agency under contract with CCC which is currently Data Facts, Inc.
- obtain a current report of the FSFL applicant's credit history
- ensure that **only** FSFL credit reports are requested from the agency under contract to supply CCC with FSFL credit reports
- *--not request credit report for spouse unless the spouse is an eligible applicant--*
- **not** collect the cost of the report from the applicant
- request credit reports before the **required** financial analysis is completed
- ensure that reports requested for another County Office are processed timely and immediately sent to the requesting office.

State and County Offices requesting entity credit reports shall also request individual or joint reports for the members of the entity with the greatest shares. See subparagraph 85 G to determine if a credit report is required for members of the entity with the greatest shares.

Examples: If there is a:

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

For FSFL requests with an aggregate outstanding balance of \$50,000 or less, a financial analysis for entity members with the greatest shares is **not** required unless STC determines it is necessary on a Statewide basis and not on a case-by-case basis.

Notes: FLP FBP shall **not** be used to obtain FSFL credit reports. However, if an FLP credit report is available, that report may be used for FSFL purposes if generated within 90 calendar days of both CCC-185 and submission of information **required** for the financial analysis.

If the applicant provides a Letter of Intent from a lender that an Irrevocable Letter of Credit will be utilized for the entire loan amount according to subparagraph 121 E, a credit report and financial review is **not** required.

82 Credit History and Credit Reports (Continued)

B Applicant Authorization

*--The Fair Credit Reporting Act requires, at a minimum, a signature from all eligible FSFL applicants for whom a credit report will be requested. **Immediately before** requesting a credit report from Data Facts, Inc., a signature is **required** from all eligible FSFL--* applicants and/or entity members for which CCC needs a credit report to determine eligibility.

Signature on CCC-185 is acceptable for Fair Credit Reporting Act compliance. If additional signature space is needed to authorize the credit report, use CCC-185, item 12.

County Offices may use FSA-2004 for authorization if the individual for whom FSA is requesting a credit report has **not** signed CCC-185. The Fair Credit Reporting Act requires a signature from the individual authorizing the credit report. **In community property States**, a husband or wife **cannot** sign FSA-2004 on behalf of the spouse.

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

C Available Credit Reports

Credit reports will be available for the following FSFL applicants:

- “Individual”, 1 specific person who is solely responsible for their debts
- “Joint”, 2 **married** individuals who according to the law in a specific State, jointly own *--assets, are eligible FSFL applicants and are responsible for the debts of each other--*
- “Entity”, legal entities doing business as any of the following:
 - corporations
 - estates
 - limited and general partnerships
 - LLC’s
 - trusts.

82 Credit History and Credit Reports (Continued)

D Ordering Credit Reports

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

State and County Offices shall **not** request individual or joint mortgage reports.

Ensure that the correct legal name and address are entered when requesting a credit report. CCC is charged for each request submitted, even if the information is incorrect. This includes typographical errors.

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

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

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

*--E Ordering Credit Reports for Individuals, Joint and Entities

FSA has a contract with Data Facts, Inc. for ordering credit reports. Data Facts has 2 different platforms when ordering credit reports for individuals/joints and entities. The Data Facts Compliance Team will provide end users with an user ID and instructions to create a password for both portals.

FSFL credit reports for **entities only** will be ordered through the Experian Business IQ portal **<https://gateway.secure.experian.com/BusinessIQ/login.html>**.

FSFL credit reports for **individuals/joints only** will be ordered through a portal within Data Facts, Inc. called Tazworks at **<https://datafacts.instascreen.net/sso/login.taz>**.

User manuals for ordering credit reports entities and individuals/joints are available at **https://inside.fsa.usda.gov/program-areas/dafp/dafp-training/index.--***

82 Credit History and Credit Reports (Continued)

F Analyzing Credit History Reports

The authorized individual performing the financial analysis shall:

- analyze credit reports to detect:
 - patterns of late payments or non-payments
 - bankruptcy and foreclosures
 - heavy usage of short-term or high-interest loans or credit cards
- *--use pertinent information from DLS, the financial statements, and credit history--* reports to prepare recommendations to COC
- protect the hard copy of the credit report according to PII policy
- consider the FICO score (available on the credit report) when determining credit worthiness.

Notes: FICO scores are used by lenders to make accurate reliable and fast credit risk decisions.

The scores are highly predictive measures of applicant and customer risk.

FICO scores **are not** available for Experian business credit reports.

The following resources are also available to assist in understanding credit reports and credit scores:

- <https://www.myfico.com/credit-education/whats-in-my-credit-report>
- <https://www.lifelock.com/learn-credit-finance-what-is-credit-report.html>
- https://www.myfico.com/credit-education/what-is-a-fico-score.--*

G Centralized Payment

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

82 Credit History and Credit Reports (Continued)

***--H Monthly Reconciliation of Credit Report Invoice**

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

State Offices must provide to the National Office at **FSFLPolicy@usda.gov**, the name(s) of the State Office contact(s) who are responsible for reconciling the monthly credit report invoice for their State. The National Office will provide PSD SharePoint access to the FSFL Credit Report folder to those State Office contacts.

Following are the steps included in the monthly reconciliation.

Each month, the National Office will post the invoice to the PSD Share Point Site at **<https://usdagcc.sharepoint.com/sites/fsa-dafp/psd/policy/SitePages/Home.aspx>**. Access the report according to the following:

- Navigate to “FSFL Credit Reports”
- Navigate to “Applicable Month”
- Navigate to “Applicable Year”.
- The National Office will notify the State Office contacts by email to provide:
- notification that that the monthly invoice has been posted to the FSFL SharePoint Site
- date the reconciliation report is due
 - name of the National Office POC who will assist in answering questions about the monthly reconciliation.

The most current version of the FSFL Reconciliation Spreadsheet is available at the DAFP Training Site under National Farm Storage Facility Loan Training Policy & Automation at **<https://inside.fsa.usda.gov/program-areas/dafp/dafp-training/index>**.

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

Because the invoice **cannot** be paid until it is completely reconciled, the reconciliation report from State Offices that requested credit reports the previous month **must** be posted to the PSD SharePoint site by the date provided by the National Office. There are **no** exceptions--* to submitting this report.

82 Credit History and Credit Reports (Continued)**H Monthly Reconciliation of Credit Report Invoice**

--Contact PSD for resolving credit report discrepancies at FSFLpolicy@usda.gov.--

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

To request credit reports from Data Facts, Inc., for FSFL applicants, State Offices shall determine the:

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

The selected employee will be:

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

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 PSD by e-mail at **FSFLPolicy@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 Business IQ). The user manuals are available on the DAFP *--FSFL Training Site at **<https://usdagcc.sharepoint.com/sites/FPAC-FSA-FSFL/SitePages/Training.aspx>**--*

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.--*

83 FSFL and Federal Delinquent Debt Applicants

A FSFL Compliance With DCIA

County Offices shall:

- identify producers who are delinquent on Federal debts according to DCIA
- require FSFL applicants to certify to DCIA compliance on CCC-185.

FSFL approval authority shall **not** approve FSFL's for delinquent Federal debtors, **unless** the delinquent Federal nontax debt will be resolved on or before FSFL disbursement. See 58-FI.

Note: A Federal nontax debt is a debt that an individual owes to the Federal Government, other than taxes, according to IRS; for example, a Federal student loan.

B CAIVRS

FLP employees have access to the CAIVRS reporting system. If an FLP employee has accessed CAIVRS within the past 90 calendar days for the FSFL applicant, the information obtained from the CAIVRS reporting system may be used.

A CAIVRS report will **not** be obtained for an FSFL application unless a report has **previously** been obtained for an FLP application. County Offices will **not** order a CAIVRS report for FSFL only applications.

C Identifying Applicable Parties for Delinquent Debt

Delinquent Federal debt includes debt by any applicant.

If the applicant is a joint applicant, all individuals are reviewed for delinquent Federal debt status.

If the applicant is a joint venture, all members are considered. * * *

83 FSFL and Federal Delinquent Debt Applicants (Continued)

C Identifying Applicable Parties for Delinquent Debt (Continued)

If the applicant is an entity, all members shall be considered. Applicable entities include, but are **not** limited to, the following:

- corporations
- estates
- general partnerships
- limited partnerships
- LLC's
- sole proprietorships
- trusts.

D Resolving Delinquent Federal Debt

Applicants delinquent on Federal debt may provide proof that the delinquency is paid in full before FSFL approval.

If the applicant is unable to resolve the delinquency before FSFL approval, FSFL approval authority shall:

- **not** determine that the applicant is ineligible for FSFL
- notify applicant that the delinquency will be offset if the delinquent Federal nontax debt is **not** resolved before FSFL disbursement
- offset the delinquent Federal debt at FSFL disbursement

Note: If the delinquent Federal debt will be offset at disbursement, FSFL approval official **must** increase the down payment amount when considering whether a feasible plan can be achieved.

- apply the offset amount to the delinquent debt.

If the delinquent Federal debt is offset at FSFL disbursement, the applicant is still responsible for the entire FSFL amount, including the amount offset. In addition, if the delinquency is offset, the applicant **must** provide additional down payment to ensure that all bills for the FSFL structure are paid in full at or before disbursement.

84 Federal Judgment Liens**A Background**

U.S.C. Title 28, Section 3201, enacted in 1999, provides that a debtor with a judgment lien against the debtor's property as a result of debt to the U.S. shall **not** be eligible to receive any grant or loan that is made by the Federal Government until the judgment is paid in full or otherwise satisfied.

B Outstanding Federal Judgment Liens

*--The FSFL applicant and anyone who will sign CCC-186 and CCC-200 shall **not** have any--* outstanding unpaid judgment liens obtained by the U.S. in any court.

Exception: These judgments do **not** include Federal judgment liens filed as a result of action in the U.S. Tax Courts.

C County Office Action

County Offices shall:

- perform searches of recorded judgment dockets and applicable real estate records to identify applicants who may have outstanding Federal judgment liens
- **not** approve CCC-185D's for applicants who have unresolved Federal judgment liens filed against them
- continue FSFL processing if applicants prove they have satisfied Federal judgment liens
- **not** use FSFL proceeds to pay Federal judgment liens.

85 Financial Planning

A Analyzing Balance Sheets and Cash Flow Statements

Use FSA-2037 and FSA-2038 or similar forms, prepared by either the applicant or a financial institution within 90 calendar days of submission, to determine the following:

- that the applicant has the financial ability to make the down payment according to subparagraph D
- that the applicant has the financial ability to timely repay FSFL according to subparagraph E
- whether COC or STC should approve or disapprove FSFL
- the level of collateral security needed.

***--Note:** Spousal debt and income must not be used in the financial analysis if the spouse is not considered an eligible applicant according to subparagraph 35 A.

The borrower's DLS customer profile must be printed and filed in the borrower's FSFL folder to verify any outstanding FLP and FSFL debt not listed on the credit report.--*

B Acceptable Balance Sheets and Cash Flow Statements

Use 1 of the following to make the determinations in subparagraph A:

- FSA-2037 and FSA-2038 available at the FSA eForms web site at **<https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>**
- balance sheet and cash flow statement approved for usage in the State
- balance sheet and cash flow statement that provides all the information necessary to make the determinations in subparagraph A.

***--Note:** Existing plans used for FLP may be used, but **must** be revised to plan for FSFL debt, and must not include spousal debt and income if the spouse is not considered an eligible applicant according to paragraph 35 A. FLP staff **must** be consulted--* before any revisions to existing plans take place.

85 Financial Planning (Continued)

C When a Cash Flow Statement Is Not Necessary

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

*--when all of the following conditions apply.

Aggregate outstanding total of all FSFL's, including the new FSFL	Debt to Asset ratio	Net worth of the requested FSFL amount or greater	Required down payment from working capital is at least
Up to \$10,000.00	50 percent or less	2	1 time
\$10,000.01 - \$30,000.00	40 percent or less	4	3 times
\$30,000.01 - \$50,000.00	30 percent or less	6	5 times

For loan amounts provided in the table:

- FSA employee with loan approval authority must review the balance sheet, and
- all requirements must be met, including the applicants **must** be current on all payments to all creditors, including FSA and CCC.

Example: Requested loan amount: \$7,000 (FSFL ML)

Debt to Asset ratio: 33 percent (required 50 percent or less)

Net worth is: \$200,000 (required at least 2 times of FSFL amount (\$7,000) = \$14,000)

Working capital: \$130,000 (required 5 percent down payment = \$350).--*

D Planning for Down Payment

Prepare or obtain a plan for the applicant's current FY:

- total cost of the storage facility, storage and handling truck, and/or handling equipment
- approximate amount of FSFL
- using actual expenses, if available
- showing enough cash available to make the **required** down payment
- showing increased down payment needed to pay any offset that may occur according to paragraph 83 for delinquent Federal debt.

85 Financial Planning (Continued)**E Planning for Future Installments in Typical Year**

Prepare a projected plan for the applicant's FY in which the first FSFL installment is due showing the projected installment amount for FSFL.

The employee performing the financial analysis will determine whether the applicant has a feasible plan.

F Obtaining Additional Information if Needed

County Offices may:

- verify debts and assets only when debt and asset information provided by the applicant is different than shown on the credit report or through a lien search
- if applicable, prepare FSA-2015 for each applicant's creditor according to the instructions on FSA-2015
- before requesting information on FSA-2015 from the applicant's creditors, have the applicant sign FSA-2004 to give FSA the authority to verify their debts and assets.

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

If information provided is not sufficient to evaluate an applicant's ability to repay FSFL, FSA-2002 and FSA-2003 may be requested.

Note: Use:

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

If authorized by STC, on a Statewide basis, up to 3 years of tax returns may be requested to assist with the financial analysis. If a joint tax return is provided, the spousal income must not be used in the financial analysis if the spouse is not considered an eligible applicant according to subparagraph 35 A.--*

Part 7 Securing FSFL's

120 Security for FSFL's

***--A Secured by CCC-200's**

[7 CFR 1436.8] All FSFL's shall be secured by CCC-200 covering the farm storage facility, equipment and/or storage and handling trucks. CCC-200 shall:--*

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

B Description of Security for FSFL

FSFL's shall be secured by a lien on the farm storage facility, equipment, and/or storage and handling trucks financed.

Exception: FSFL's completely secured by an Irrevocable Letter of Credit, for any loan amount, as described in subparagraph 121 E.

Additional security may be **required**. See paragraph 121.

Liens will be perfected on the proposed security. Guidance on perfecting liens is found in Part 8.

C Renovated Structures

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

D Security on Leased Land

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

For all cases, CCC-297 is **required** from the land owner when the FSFL structure is placed on real estate **not** owned by the borrower.

Notes: If an Irrevocable Letter of Credit will secure the entire FSFL, a CCC-297 is not required unless it is required by State law.

A CCC-297 requirement must not be waived when a producer increases the down payment for a FSFL micro loan.

121 Additional Security Requirements

A When Additional Security Is Required

Additional security is **required** if any of the following apply:

- aggregate outstanding FSFL balance exceeds \$100,000

Note: Aggregate outstanding FSFL balance means the sum of the outstanding balances of **all** FSFL's disbursed to borrowers signing CCC-186.

- STC has authority to establish a more restrictive policy; however, requiring additional security **must** be for FSFL's greater than \$50,000 and **must** be statewide and **not** on a case-by-case basis.

Examples: These examples are based on STC determining statewide additional security is **not** required for FSFL's with an aggregate outstanding FSFL balance less than \$100,000.

- Producer has an outstanding FSFL of \$75,000 and requests a new FSFL for \$30,000. Additional security is only required to secure the new \$30,000 FSFL.
- A 2-person partnership submits CCC-185 for \$105,000. FSFL is made to the partnership because the partnership is the farming entity. Additional security is needed because FSFL exceeds \$100,000.

STC or COC shall determine resale collateral value based on local market conditions. See subparagraph 122 F for guidance.

STC or COC does **not** have authorization:

- to require additional security for FSFL's with an aggregate outstanding FSFL balance of \$50,000 or less
- on a case-by-case basis, to determine whether additional security is required because of a financial analysis or type of structure when the FSFL amount is less than the additional security threshold established by STC.

Part 11 Closing FSFL's

Section 1 Finalizing FSFL's

185 Required Final Actions

A Completed CCC-195, CCC-195A, and/or CCC-195B Requirement

County Offices shall ensure that CCC-195, CCC-195A (real estate security), and/or CCC-195B (no real estate security) are properly completed before closing a partial or final FSFL.

All required actions to finalize FSFL's secured with or without real estate security are provided on CCC-195A and CCC-195B. See paragraph 74 and Exhibits 29, 30, and 31 for completing required FSFL checklists.

B Verify Loan Conditions Met

Before closing FSFL, County Office employees shall verify that FSFL conditions as stated on the approved CCC-185D have been met.

C Real Estate Taxes

If real estate is taken as additional security, County Office:

- **must** verify that real estate taxes have been paid
- **not** disburse FSFL's secured by real estate when real estate taxes are **not** current.

D Final Lien Search Policy

A final lien search is required **before** FSFL can be disbursed. For FSFL's with no real estate security, State and County Offices are **required** to perform and record the final lien search within 5 workdays before the check is requested in DLS **or** FSFL closing.

For FSFL's with real estate security, see paragraph 187.

For FSFL's involving only purchase of storage and handling equipment and/or storage and handling trucks, the elapsed time from approval to loan closing may be much shorter. State and County Offices may be able to only order one lien search, provided it is within 5 workdays before the check is requested in DLS **or** the FSFL closing.

Notes: If an Irrevocable Letter of Credit will secure the entire FSFL, a lien search is not necessary, unless required by STC.

--For FSFL's being closed by an attorney or closing agent, a final lien search is not required by State and County Office employees. A final lien search will be performed and documented by the attorney or closing agent.--

185 Required Final Actions (Continued)**E Signature Requirements**

*--All members of a joint venture, including spouses, if spouse is considered an eligible producer of an eligible commodity, **must** sign all FSFL security documents, and are jointly and severally liable for the entire debt.--*

State supplements **must** provide guidance on signature requirements for promissory notes and security documents for other entities. All eligible applicants signing FSFL documents must meet requirements in subparagraph 35 A.

See paragraph 6 for FSFL signature authority documentation requirements.--*

F Closing Delayed More Than a Year

If closing of FSFL is delayed for more than a year after FSFL approval, the financial analysis **must** be reassessed. County Offices **must** obtain an updated balance sheet and cash flow information.

A financial analysis shall be conducted according to subparagraph 85 G. It is **not** necessary to complete a new FBP, FSFL Credit Presentation. The financial analysis will only verify there have been no adverse financial changes that would negatively impact down payment ability or the producer's ability to repay FSFL.

If it is determined that FSFL should **not** be closed because of financial changes, FSFL **must** be reviewed by the applicable approving authority for a determination and, if necessary, an Adverse Determination Notification Letter **must** be provided according to subparagraph 13 C.

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

K FSFL Closing Instructions to Closing Agent (Continued)

Additional information and instructions:

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

CCC Representative

Date

Loan Closing Statement

[To be completed by approved closing agent/attorney]

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

[Enter items to fit your situation.]

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

Signature of Approved Closing Agent/Attorney

Signature

Title

Date

*[Attorney **must** complete and sign the above loan closing statement after closing is completed and return to FSA.]*

For CCC use only:

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

CCC Representative

Date

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

L Review of FSFL Documents After Closing

After FSFL closing, the closing agent **must** return the appropriate FSFL documents, ~~including CCC-186 and CCC-200, to the County Office. CCC-299 with Part C~~ **must be** ~~timely completed or the Title Insurance Policy~~ **must** be provided by the closing agent.

On receipt of all FSFL documents in the County Office, the FSA employee shall:

- review documents to ensure that all items have been completed and returned
- immediately properly close FSFL in DLS according 2-FSFL, paragraph 401
- sign and date the statement at the end of the letter to document the review.

188-194 (Reserved)

Section 2 Disbursing FSFL's***--195 Preparing CCC-186 and CCC-200****A Preparing CCC-186 and CCC-200--***

See 2-FSFL, Part 6 for the following DLS FSFL automation procedures:

- disbursement
- check request
- preparation of CCC-186 and CCC-200
- FSFL closing.

*--The CCC-186 and CCC-200 must be generated in DLS and **must** be prepared according to 2-FSFL, paragraph 401. Once the CCC-186 and CCC-200 is printed, a 2nd party review must be completed by an employee who did not generate the CCC-186 and CCC-200 in the DLS FSFL automated system. The employee who completes the 2nd party review of the CCC-186 and CCC-200 must initial and date the applicable processing checklist. Second party reviewers must pay particular attention to ensure the loan term is correct on the CCC-186.

The CCC-186-1 Continuation and the CCC-200-1 Continuation sheets are **not** automated forms and must be completed manually, if applicable. Follow instructions in Exhibit 67 to complete CCC-186-1 and Exhibit 86 to complete CCC-200-1.

When DLS is unavailable:

- follow instructions in Exhibit 67 to manually prepare CCC-186
- follow instructions in Exhibit 86 to manually prepare CCC-200.--*

--195 Preparing CCC-186 and CCC-200 (Continued)--

B FSA Representative Execution of Note

*--CCC or FSA representative **must** execute CCC-186 and CCC-200. This may be CED, acting CED, or COC member. If STC has delegated authority to execute FSFL documents according to subparagraph 10 A, an FSA loan approval official may execute CCC-186 and CCC-200.--*

C Process Loan Closing

*--Immediately after all required signatures and dates are obtained on CCC-186 and CCC-200, the applicable State and/or County Office **must** input the loan closing in DLS.--* See 2-FSFL, paragraph 401.

197 Storing Original Security Documents

A Document Storage Requirement

Original security documents must be stored in a locked, fireproof cabinet until authorized to release according to paragraph 218.

B Security Document Examples

*--Examples of original security documents include, but are **not** limited to, CCC-186, CCC-200, and Irrevocable Letter of Credit.--*

198 Overdisbursements and Underdisbursements

A Collecting Overdisbursements

County Offices shall collect overdisbursements when any of the following apply:

- error was made by CCC
- error was made by the borrower and FSFL will **not** be called
- error was made by a third party and the borrower is **not** at fault.

Example: Total FSFL cost was \$10,000. FSFL was disbursed for \$9,500, but it was later found that because of a mistake by the contractor on the final cost documentation, the correct amount was \$8,500. The overdisbursed amount **must** be refunded.

The overdisbursement collection will **not** be considered towards the borrower's installment. State Offices should contact the National Office for further guidance on applying the overdisbursement collection in DLS.

B Error by CCC

If the overdisbursement was because of an error by CCC, County Offices shall:

- obtain COC determination that the error was made by CCC
- issue a demand letter according to subparagraph 262 D and pursue collection

Note: Modify the demand letter as applicable.

- process the refund as a regular payment according to 2-FSFL, paragraph 462, **except** do **not** charge interest. Use the disbursement date as the payment date. Contact PSD for additional guidance.

198 Overdisbursements and Underdisbursements (Continued)**C Error by Borrower or Third Party**

If the overdisbursement was because of an error by the borrower or a third party, County Offices shall:

- obtain COC determination that the error was made in good faith by the borrower or third party, and is **not** a program violation to the extent FSFL should be called
- issue a demand letter according to subparagraph 262 D and pursue collection

Note: Modify the demand letter as applicable.

- process the refund as a regular payment with interest, according to 2-FSFL, paragraph 462. Contact PSD for additional guidance.

D Correcting Underdisbursed FSFL's

For underdisbursed FSFL's because of errors by CCC or the borrower, contact PSD for guidance on correcting FSFL.

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**.

FSFL Term	Date Annual Installment Payment Received in the County Office	Collateral Check Required
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 and CCC-200 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.

218 FSFL's Paid in Full and Releasing Security***--A Original CCC-186 and CCC-200**

The original CCC-186 and CCC-200 **must** be marked "Paid" and forwarded to the--* borrower after 30 calendar days from the date of payment.

If the borrower requests release before 30 calendar days, see subparagraph B.

B Releasing FSFL Security Earlier Than 30 Calendar Days

Security documents may be released 30 calendar days after the FSFL is paid in full. The release may be earlier than 30 calendar days after FSFL is paid in full, if after SED review, it is determined FSFL has been satisfied and paid in full and the payment was by cash, certified check, or money order. The authority for this release may **not** be redelegated.

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

If a release of security request is received from the borrower for immediate release at the time of a bank loan closing, SED is authorized to release the security documents only after it is confirmed at the bank that closing certified funds will be used to pay the outstanding FSFL in full.

218 FSFL's Paid in Full and Releasing Security (Continued)**C Releasing FSFL Security Documents**

After FSFL is paid in full, County Offices must wait 30 calendar days and then:

- release or obtain the release of security documents, as **required** by State law, on request by the borrower

Note: See subparagraph D for releasing an Irrevocable Letter of Credit and subparagraph E for specific information on discharging the mortgage or Deed of Trust.

- require the borrower to pay all release fees.

If the borrower requests a release before 30 calendar days, follow the guidance in subparagraph B.

Note: FSA-2071 may be used to record documents and/or forms being returned to the borrower after the FSFL has been paid in full.

--CED is the CCC representative authorized to release a storage and handling truck title unless documented differently in the STC or COC minutes.--

D Releasing Irrevocable Letter of Credit

The original Irrevocable Letter of Credit must be marked paid in full and returned to the financial institution. The County Office must maintain a copy of the Irrevocable Letter of Credit marked paid in full in the producer's file folder.

Section 2 Other Servicing

231 Changes to a Farming Operation

A Farming Operation Changes

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

B Borrower Action

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

- find an eligible borrower or entity to assume FSFL according to paragraph 234
- repay FSFL
- submit current financial documents so that a financial analysis can be completed to ensure that CCC's interests are protected and that the current borrower is in a position to continue making the scheduled FSFL payments.

***--Exception:** If the FSFL is secured with an Irrevocable Letter of Credit a financial analysis is not required unless required by STC.--*

If the borrower is no longer farming and is approved to continue making the FSFL payments by the original approval official, the multi-peril crop insurance, NAP, or dairy insurance coverage requirement, according to paragraph 96 may **not** be required. CCC-195 Servicing, "Remarks" section **must** be noted each year that crop insurance, NAP, or dairy insurance coverage is **not** required.

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

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

232 Relocating FSFL Collateral

A Applicability

Requests by borrowers to move FSFL collateral are permissible when either:

- the borrower wants to move collateral to a new location
- another producer wants to buy the collateral and assume FSFL.

B Destination County Office Action

County Offices may approve requests to move collateral when:

- the collateral is movable and **not** secured by a real estate lien
- COC determines that the move will **not** impair CCC's security interest
- all moving expenses are paid by the borrower
- before the collateral is moved:
 - *--necessary changes to CCC-186 and CCC-200 are made according to OGC advice--*
 - a lien and deed search is performed
 - an amended UCC-1 describing the new location is filed at the borrower's expense
 - CCC-297's are obtained as necessary
- an on-site inspection at the new location is performed by the administrative or destination County Office
- environmental conditions have been reviewed.

When collateral is moved outside the county that administers FSFL, the destination County Office shall assist the administrative County Office with lien and deed searches and with an on-farm inspection.

Note: Do **not** transfer FSFL's from 1 County Office to another under this provision.

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 PSD by e-mail to **FSFLPolicy@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.

***--Note:** A separate CCC-101 must be submitted for each FSFL when multiple FSFL's are being repaired or replaced after adverse weather conditions. Insurance companies must provide separate estimates of damage for each FSFL.--*

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.

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”.

IF the interest due is to be...	THEN...
paid by the original borrower	<ul style="list-style-type: none"> • calculate the interest due according to 2-FSFL • apply the interest payment before processing the assumption <p>Note: This payment:</p> <ul style="list-style-type: none"> • may be interest only with no principal repaid • must be applied before dataloading the assumption to credit the interest payment amount to the original borrower’s TIN. • in CCC-298, item 11 C, ENTER “0.00” to indicate the buyer is not assuming unpaid interest.
assumed by the buyer	<ul style="list-style-type: none"> • calculate the interest due according to 2-FSFL • complete CCC-298, item 11 C, by entering the calculated interest due to indicate the buyer is assuming unpaid interest. <p>Note: This “unpaid interest to be assumed” must be entered on CCC-298 before 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 not 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 all 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 not an eligible producer to assume FSFL.

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

***--Note:** For questionable cases, contact PSD by e-mail to FSFLPolicy@usda.gov.--*

234 Assumptions (Continued)**F Preparing CCC-298**

CCC-298 documents the assumption of the existing debt by the new borrower. CCC-298's will be processed manually. CCC-298 **must** be:

- signed by all **required**:
 - borrowers
 - co-borrowers
 - buyers
 - co-buyers
- approved by COC or STC, as applicable.

CCC-298's:

- maintain the original:
 - FSFL number
 - interest rate
 - installment due date
 - installment amount
 - maturity date
- may only be processed on disbursed FSFL's
- remove 1 or more original borrowers and co-borrowers
- add 1 or more new buyers and co-buyers.

234 Assumptions (Continued)

F Preparing CCC-298 (Continued)

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

*--

Item	Instructions
1	Enter Administrative State name and code.
2	Enter Administrative County name and code.
3	Enter FSFL loan number, including FY.
4	Enter borrower's name that is on the current FSFL.
5	Enter additional address information, if applicable.
6A-E	Enter address, city, State, and ZIP code.
7A-B	Enter primary phone number and alternate phone number, if applicable.
8	Enter email address (optional).
9A-C	Enter State, County, and legal description of where the property is located.
10	Enter name of the buyer or survivor.
11A-E	Enter address, city, State, and ZIP code.
12A-B	Enter primary phone number and alternate phone, if applicable.
13A-B	Enter county and State where the buyer lives.
14A	Enter date that the original CCC-186 and CCC-200 were executed.
14B	Enter principal amount of original FSFL.
14C	Enter principal amount that is unpaid.
14D	Enter date of the last installment.
14E	Enter interest rate in effect for the original FSFL.
15A	Enter State where the security instrument is filed.
15B	Enter county where the security instrument is filed.
15C	Enter kind of security instrument, such as UCC-1, mortgage, or Deed of Trust.
15D	Enter date the instrument was executed.
15E	Enter name of the office where the instrument was recorded.
15F	Enter book, volume, or document number.
15G	Enter page number in the book where the instrument is recorded, if applicable.
15H	Check (✓) if new security.
16A	Enter effective date of assumption.
16B	Enter amount of unpaid principal to be assumed.
16C	Enter unpaid interest to be assumed, if any.
16D	Enter total of items 16B and 16C.
16E	Enter date of the next installment according to the original schedule.
16F	Enter interest rate applicable to the original FSFL.
17A-C	Original borrower or representative must sign, enter title, and date.
18A-21C	Co-borrower(s) or representatives must sign, enter title, and date.
22A-C	Buyer or representative must sign, enter title, and date.
23A-25C	Co-buyer(s) or representatives must sign, enter title, and date.
26A-C	CCC representative must sign, enter their title and date.
26D-E	Enter name, address, and phone number of the County Office to administer FSFL.

--*

234 Assumptions (Continued)

G Example of CCC-298

The following is an example of CCC-298.

*__

CCC-298 (01-23-26)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Administrative State <i>Name</i> <i>Code</i>	2. Administrative County <i>Name</i> <i>Code</i>
FARM STORAGE FACILITY LOAN PROGRAM ASSUMPTION AGREEMENT				3. Loan Number	
INSTRUCTIONS: RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.					
PART A – BORROWER'S INFORMATION					
4. Applicant's Name <i>(Person or Legal Entity)</i>				5. Additional Address Information Line	
6A. Address Line 1				7A. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
6B. Address Line 2				7B. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
6C. City	6D. State	6E. Zip		8. Email Address <i>(optional)</i>	
PART B – STORAGE AND EQUIPMENT INFORMATION					
9. The farm storage, handling, or drying equipment and storage and handling truck (hereinafter called "property," described on Form CCC-186 and CCC-200, for the loan number as above, in Item 3) are located as follows:					
9A. The State of				9B. The County of	
9C. Legal Description of Location of Equipment					
The Commodity Credit Corporation (<i>hereinafter called "CCC"</i>), an agency and instrumentality of the United States, made available funds with which to purchase, erect, remodel, construct or install said property through a loan, which is evidenced and secured by a Promissory Note (Form CCC-186) and Security Agreement (Form CCC-200), or by a promissory note, and security agreement, deed of trust or real estate mortgage (hereinafter called "Mortgage"), executed by the Borrower to CCC, in the State and County listed in Item 9. The mortgage provides that if the Borrower sells said property, then CCC may declare the whole of the indebtedness at once due and payable, and take other action as set out in said mortgage. However, the Borrower desires to sell said property to the Buyer listed in Part C below (hereinafter called the "Buyer"). The Buyer(s) must be a producer of an eligible FSFL commodity, according to 7 CFR 1436.5 (a)(4).					
PART C – BUYER'S INFORMATION					
10. Buyer's Name <i>(Person or Legal Entity)</i>				12A. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
11A. Address Line 1				12B. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
11B. Address Line 2				13A. County Where Buyer Lives	
11C. City	11D. State	11E. Zip		13B. State Where Buyer Lives	
PART D – SECURITY AND LOAN ASSUMPTION INFORMATION					
Security Agreement Information					
14. CCC is the holder of the note, and a security agreement as follows below:					
A. Date Executed (MM-DD-YYYY)	B. Amount of Original Loan	C. Principal Unpaid	D. Last Installment Repayment Date (MM-DD-YYYY)	E. Interest Rate	
	\$	\$		%	

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234 Assumptions (Continued)

G Example of CCC-298 (Continued)

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<div style="display: flex; justify-content: space-between;"> CCC-298 (01-23-26) Page 2 of 3 </div>							
15. The following security instruments were taken on property below:							
A. State	B. County	C. Kind of Instrument	D. Date Executed (MM-DD-YYYY)	E. Office Where Recorded	F. Book, Volume, Document Number	G. Page Number	H. Check if New Security
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
Loan Assumption Information							
16. The buyer agrees to assume the loan as follows:							
A. Effective Date (MM-DD-YYYY)	B. Unpaid Principal	C. Unpaid Interest to be Assumed	D. Total of Item B and Item C	E. Date of Next Installment (MM-DD-YYYY)	F. Interest Rate		
	\$	\$	\$		%		
PART E – BORROWER'S AND BUYER'S AGREEMENT CERTIFICATION							
<i>In consideration of the assumption of indebtedness and CCC's consent to the assumption and related conveyance of security property, if applicable, the Buyer agrees to jointly and severally assume liability and agrees to pay the entire unpaid indebtedness with the rates and terms stipulated in the debt and security instruments listed above.</i>							
<i>The provisions of said debt and security instruments and any outstanding agreements executed or assumed by the present debtors shall remain in full force and effect the same as if they had executed them as of the dates thereof as principal obligors.</i>							
Borrower's Information							
17A. Borrower's Signature (By)		17B. Title/Relationship of the Individual if Signing in a Representative Capacity			17C. Date (MM-DD-YYYY)		
18A. Co-Borrower's Signature (By)		18B. Title/Relationship of the Individual if Signing in a Representative Capacity			18C. Date (MM-DD-YYYY)		
19A. Co-Borrower's Signature (By)		19B. Title/Relationship of the Individual if Signing in a Representative Capacity			19C. Date (MM-DD-YYYY)		
20A. Co-Borrower's Signature (By)		20B. Title/Relationship of the Individual if Signing in a Representative Capacity			20C. Date (MM-DD-YYYY)		
21A. Co-Borrower's Signature (By)		21B. Title/Relationship of the Individual if Signing in a Representative Capacity			21C. Date (MM-DD-YYYY)		

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234 Assumptions (Continued)

G Example of CCC-298 (Continued)

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CCC-298 (01-23-26)		Page 3 of 3
PART E – BORROWER'S AND BUYER'S AGREEMENT CERTIFICATION (Continued)		
Buyer's Information		
22A. Buyer's Signature (By)	22B. Title/Relationship of the Individual if Signing in a Representative Capacity	22C. Date (MM-DD-YYYY)
23A. Co-Buyer's Signature (By)	23B. Title/Relationship of the Individual if Signing in a Representative Capacity	23C. Date (MM-DD-YYYY)
24A. Co-Buyer's Signature (By)	24B. Title/Relationship of the Individual if Signing in a Representative Capacity	24C. Date (MM-DD-YYYY)
25A. Co-Buyer's Signature (By)	25B. Title/Relationship of the Individual if Signing in a Representative Capacity	25C. Date (MM-DD-YYYY)
PART F – COMMODITY CREDIT CORPORATION SECURED CREDITOR		
26A. Commodity Credit Corporation (Secured Creditor) Signature (By)	26B. Title/Relationship of the Individual if Signing in a Representative Capacity	26C. Date (MM-DD-YYYY)
26D. Name and Address of County FSA Office (Including Zip Code):		26E. FSA Office Phone Number
<p>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 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 determination of borrower eligibility for CCC financing for farm storage and drying equipment. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Farm Storage Facility Loan Program.</p> <p>Paperwork Reduction Act (PRA) Statement. This information collection is exempted from PRA as specified in 7 U.S.C. 8781 (c)(2)(A).</p> <p>Non-Discrimination Statement: 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, 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.</p> <p>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.</p> <p>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at How to File a Program Discrimination Complaint USDA 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.</p> <p>USDA is an equal opportunity provider, employer, and lender.</p>		

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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 only .

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.

* * *

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 CCC-200 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.

Step	Action
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"> • there is an outstanding CCC loan •*--FSFL is secured by CCC-186 and CCC-200 and, if applicable, a mortgage or--* Deed of Trust on real estate.
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.

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

238 Deceased Borrowers (Continued)**D Typical Order of Events**

Although processing deceased borrower FSFL's will vary dependent on the situation, the following is the typical order of events when FSFL will **not** be paid in full and FSA is forced to proceed:

- a letter is sent to the fiduciary representative advising them of the outstanding FSFL debt
--with CCC-186 and CCC-200 proof of debt enclosed--
- County Offices shall monitor local legal publications to determine whether an estate is being administered
- if applicable, an assumption is processed to eligible parties
- if an estate is **not** probated and the heirs show no indication of resolving FSFL, State Office shall make a determination whether to proceed to service FSFL according to Part 13 by calling FSFL and liquidating the security.

239-241 (Reserved)

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 and CCC-200--*
 - 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 (Continued)

D FSFL Approval Authority to Approve CCC-777

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

IF the total aggregate outstanding FSFL balance amount is...	THEN the approval authority is...
\$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.

*--A request for deferment is **not** complete unless all supporting documentation in subparagraph 247 G is provided along with a complete CCC-777. If supporting documentation is not provided, notify the borrower CCC-777 cannot be processed without the supporting documentation and continue delinquent servicing actions, if applicable.

CCC-777 must **not** be entered into DLS until all required supporting documentation is on file.

CCC-777 must be approved **within 45 days** from the date the request and supporting documentation is received in the County Office. All delinquent servicing actions, if applicable, must continue until CCC-777 is approved. The due process period for loan delinquency does **not** stop when the borrower submits CCC-777 to the County Office.--*

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)

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 at
 --<https://usdagcc.sharepoint.com/sites/FPAC-FSA-FSFL>--

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.

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 “Behind” 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 “Current” 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>Example: Loan closed 6/15/2015 + 7 year loan term = original maturity date 6/15/2022.</p> <p>Note: The new maturity date will automatically populate in the calculator after all required data is entered.</p>

247 Financial Hardship Annual Installment Deferral (Continued)

I Instructions for Completing Deferral Calculator (Continued)

Field Description	Action
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> <p>*--If the last payment was a partial payment, use the date of the last full installment payment.--*</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>Example: loan term = 7 / total payments made in full = 4 / installments *--remaining = 3 (must include the last installment payment being deferred).--*</p> <p>For FSFL’s behind 2 or more installment payments enter the number of years remaining in the original loan term when CCC-777 is submitted *--plus 1 to include the last installment payment being deferred.--*</p> <p>Example: FSFL #2020/00001 - 7 year term - Maturity Date 6-30-2027 CCC-777 Dated by borrower 6-20-2024 *--Years remaining in term = 3 + 1 = 4--*</p> <p>Note: Borrowers with a 12-year loan term are not eligible for an installment deferral.</p>
Next Installment Amount	<p>Enter the Next Installment Amount displayed under Installment</p> <p>*--Status in DLS.--*</p>

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.

Item	Instructions
1A	Enter name of FSFL debtor.
*--1B	Enter name of FSFL co-debtor.
1C	Enter name of FSFL co-debtor.--*
1D	Enter loan number.
1E	Enter the current FSFL term year.
1F	Enter the FSFL outstanding principal amount. Note: 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 * * * signature and date.
4A through 8C	Enter the co-debtor's * * * signature and date.
*--9A through 9C	Enter signature of approving official, position title, and date.
10A and 10B	Enter the name and complete address including ZIP code for the FSA County Office and telephone number.--*

247 Financial Hardship Annual Installment Deferral (Continued)

M Example of CCC-186 Addendum

The following is an example of CCC-186 Addendum.

*__

CCC-186 Addendum (12-23-25)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation			
FARM STORAGE FACILITY LOAN CCC-186, PROMISSORY NOTE ADDENDUM					
INSTRUCTIONS: Return this completed form to your County FSA Office.					
APPLICANT'S INFORMATION					
1A. Debtor's Name <i>(Person or Legal Entity)</i>	1B. Co-Debtor's Name <i>(Person or Legal Entity)</i>	1C. Co-Debtor's Name <i>(Person or Legal Entity)</i>			
1D. Loan Number	1E. Current FSFL Term Year	1F. Outstanding FSFL Principal Amount \$			
2. This addendum amends the above-described CCC-186, Promissory Note and sets 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.					
A. Approved FSFL Deferral Option		B. New Next FSFL Installment Payment Date <i>(MM-DD-YYYY)</i>	C. New Maturity Date <i>(MM-DD-YYYY)</i>		
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. Important: This addendum does not change any of the other terms or conditions of the original CCC-186. The undersigned Debtor and Co-debtor(s) and those Co-Debtors listed in the CCC-186-1 (collectively, the Debtor or Debtors) agree to FSFL installment payments, plus any accrued interest on the principal amount deferred, on or before the installment due date, as set forth in the Promissory Note being amended.					
3A. Debtor's Signature <i>(By)</i>	3B. Title/Relationship of Representative	3C. Date <i>(MM/DD/YYYY)</i>			
4A. Co-Debtor's Signature <i>(By)</i>	4B. Title/Relationship of Representative	4C. Date <i>(MM/DD/YYYY)</i>			
5A. Co-Debtor's Signature <i>(By)</i>	5B. Title/Relationship of Representative	5C. Date <i>(MM/DD/YYYY)</i>			
6A. Co-Debtor's Signature <i>(By)</i>	6B. Title/Relationship of Representative	6C. Date <i>(MM/DD/YYYY)</i>			
<table border="1" style="margin-left: auto;"> <tr> <td style="text-align: center;">DATE STAMP</td> </tr> <tr> <td style="height: 100px;"></td> </tr> </table>				DATE STAMP	
DATE STAMP					

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

M Example of CCC-186 Addendum (Continued)

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CCC-186 Addendum (12-23-25)			Page 2 of 2
7A. Co-Debtor's Signature (By)	7B. Title/Relationship of Representative	7C. Date (MM/DD/YYYY)	
8A. Co-Debtor's Signature (By)	8B. Title/Relationship of Representative	8C. Date (MM/DD/YYYY)	
COMMODITY CREDIT CORPORATION SECURED PARTY			
11A. Approving Official's Signature	11B. Title	11C. Date (MM/DD/YYYY)	
12A. FSA County Office Name and Address (Including ZIP Code)		12B. Telephone Number (Include Area Code)	

Privacy Act Statement: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 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 U.S.C. 714 through 714p) and the Farm Storage Facility Loan Program Regulations (7 C.F.R. 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 PRA as specified in 7 U.S.C. 8781(c)(2)(A).

Non-Discrimination Statement: 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, 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 State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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 <https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> 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, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

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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 **FSFLPolicy@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.

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

--249 Nonmonetary Default*A Nonmonetary Default Policy**

When a borrower is in nonmonetary default, due process must be provided to inform the borrower of the nonmonetary default and before declaring servicing options that may include accelerating the FSFL.

Providing due process to borrowers in nonmonetary default includes timely mailing the borrower a notification letter and demand letters according to Exhibits 84 and 85.

As provided in the Nonmonetary Default Notification Letter, borrowers will have an opportunity to resolve the nonmonetary default. However, if the nonmonetary default is not resolved after 120 calendar days after the date of the 30-day nonmonetary default notification letter, the National Office will work with State Offices to initiate the outstanding FSFL balance (including principal plus interest) to TOP and CCC may declare the indebtedness immediately due and payable. After consultation with the regional attorney, the FSFL may be accelerated and other servicing actions, such as but not limited to foreclosure may occur.

State Offices must immediately consult with their regional attorney for nonmonetary default FSFL concerns that may put CCC collateral at risk.

B FSFL Nonmonetary Default Notification Letter

The Nonmonetary Default Notification Letter is manually prepared according to Exhibit 84 and must thoroughly provide the reason(s) for the nonmonetary default.

The borrower must respond or provide evidence that the nonmonetary default has been resolved within 30 calendar days of the notification letter.

County Offices must:

- maintain a copy of the Nonmonetary Default Notification Letter in the borrower's FSFL folder
- contact the borrower and arrange an inspection of the FSFL collateral if the nonmonetary default is not resolved after the nonmonetary notification letter expires
- document the nonmonetary default inspection findings on CCC-195 Servicing Checklist, item 16 and maintain a copy in the borrower's FSFL folder.--*

--249 Nonmonetary Default*C Nonmonetary Default Demand Letter**

After the Nonmonetary Default Notification Letter has expired (30 calendar days of the date of the letter), the first Nonmonetary Default Demand Letter must be manually prepared and mailed to the contact borrower and all co-borrowers, on the next workday after the nonmonetary default notification letter expires.

The Nonmonetary Default Demand Letter must be drafted to include the same reason(s) provided in the Nonmonetary Notification Letter and must describe actions that may be taken against the borrower if the nonmonetary default is not resolved within 30 calendar days of the date of the letter, according to Exhibit 85.

The borrower must respond or provide evidence that the nonmonetary default has been resolved within 30 calendar days of the first Nonmonetary Default Demand letter.

If the borrower does not respond to the first Nonmonetary Default Demand Letter, two additional 30-day Nonmonetary Demand Letters must be mailed to the borrower, if the nonmonetary default concerns have not been resolved.

Example: The Buck COF determined ABC Farms has a nonmonetary default. A 30-day Nonmonetary Default Notification Letter was mailed to ABC Farms on May 30, 2025. If ABC Farms does not resolve the FSFL nonmonetary default by the date the nonmonetary notification letter expires, the County Office must mail ABC Farms the first Nonmonetary Demand letter and subsequently, two additional 30-day Nonmonetary Demand letters, as applicable, if the nonmonetary default concerns have not been resolved.

County Offices must maintain a copy of the Nonmonetary Default Demand Letters in the borrower's FSFL folder.--*

--250 Delinquent FSFL's Secured with an ILOC*A Delinquent FSFL and ILOC**

When a producer becomes delinquent with the annual FSFL installment, the act of due process must be provided to inform the producer of the debt owed and before declaring the delinquent FSFL debt due must be paid in full. Providing due process to producers with delinquent FSFL's includes timely mailing of the required reminder notification letter and demand letters according to paragraph 262.

The ILOC must not expire no earlier than 60 calendar days after the expiration of the FSFL. The borrower or the financial institution must **not** amend, cancel or terminate the legally binding ILOC until 60 calendar days after the loan maturity date of the loan.

Note: STC's are authorized to determine statewide and not on a case-by-case basis that the ILOC must not expire no earlier than 120 calendar days after the expiration of the FSFL.

B ILOC Withdraw Request Letter

When an ILOC is used to secure the FSFL and only after all due process has been provided, the County Office must notify the financial institution on the first day after the third demand letter expires (30 calendar days after the third demand letter was mailed to the producer) that a withdrawal is being requested.

The financial institution must honor the ILOC Withdrawal Request Letter as provided within the ILOC, which is often 7 calendar days after the letter is mailed.--*

--250 Delinquent FSFL's Secured with an ILOC*B ILOC Withdraw Request Letter (Continued)**

County Offices must:

- thoroughly review the ILOC to determine if the ILOC allows for multiple partial draws before requesting a partial draw
- prepare an ILOC Withdrawal Request Letter according to Exhibit 87 in an amount to satisfy the delinquent FSFL only
- ensure that the request does **not** include the entire FSFL outstanding amount due, unless the term has expired, and the full outstanding amount is due
- enclose a copy of the third demand letter and all required documents, including attestations and witnesses, as required by the ILOC to request a partial draw from the financial institution
- maintain a copy of the ILOC Withdrawal Request Letter, including all demand letters
- maintain the ILOC in a fireproof cabinet and demand letters in the producer's FSFL folder.

Note: State Offices must contact the regional attorney and National Office if the financial institution requests the original ILOC with the ILOC Withdrawal Request Letter.

C ILOC Provisions

ILOC Provisions may be used for FSFL's partially secured with an ILOC. FSFL's secured with an ILOC are ineligible for a FSFL hardship annual installment deferral.

Provisions must be followed for the below situations where the producer is not compliant with FSFL policies, such as but not limited to:

- using the FSFL storage facility other than for the purpose in which the FSFL was approved for
- selling the grain bin without COC approval
- insurance policy lapse
- nonpayment of real estate taxes.--*

251-261 (Reserved)

263 Calling FSFL's (Continued)**B COC Action**

COC shall:

- follow subparagraph A when considering calling FSFL's to protect CCC's interests
- consult State Office
- take action to call any FSFL approved by COC
- provide recommendations by memorandum to STC to call any FSFL approved by STC.

C Potential Violations

If the reasons for calling FSFL involve potential civil or criminal violations, County Offices shall:

- report the case to OIG through the State Office
- provide a full statement of the facts of the case with applicable documentation through the State Office to OIG
- **not** make recommendations about any administrative action according to 9-AO, subparagraph 50 D
- take action only after receiving legal advice from OGC.

D Notifying Borrower

On final determination to call FSFL, County Offices shall:

- notify the borrower using the letter in subparagraph E
- file a copy of the letter in the FSFL folder.

263 Calling FSFL's (Continued)**E Preparing Call Letter**

*--Prepare the following Call Letter for **all** borrowers who signed CCC-186 and CCC-200--* and file a copy in the FSFL folder. Send the Call Letter by certified mail, return receipt requested, 30 calendar days after the date of the last demand letter sent according to subparagraph 262 D, if:

- an installment due has **not** been paid in full
- *--there has been a violation of the terms and conditions of CCC-186 and CCC-200 or--* the regulations at 7 CFR Part 1436.

Note: Modify the Call Letter to explain violations, as applicable.

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 and CCC-200--*
 - 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

265 Reinstatements

A Reinstating FSFL's

County Offices shall reinstate FSFL's under regular terms when all of the following apply:

- CCC has **not** taken possession of the collateral
- borrower files a written request and satisfies COC that:
 - the payment was **not** made for reasons beyond the borrower's control
 - borrower had made a good faith effort to comply with FSFL terms
- current installment is paid.

B Reinstated FSFL Terms and Conditions

When FSFL's are reinstated, all original terms and conditions of FSFL, according to the
 --applicable CCC-186 and CCC-200 and any other security documents, shall apply.--

266-270 (Reserved)

271 Sale of Collateral**A Selling FSFL Collateral**

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

- CCC has called FSFL and it has **not** been repaid
 - the borrower voluntarily conveys the collateral to CCC before repaying FSFL according to paragraphs 245 and 246
- the borrower desires to convey other property securing FSFL without repaying FSFL.

B COC Approval Requirement

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

C Releasing FSFL Documentation

County Offices shall **not** release any documents to release any liens, security, or allow removal of the FSFL collateral until the full payment has been received according to paragraph 218.

272 Liquidating FSFL's Secured With Portable Collateral

A Action Instead of Foreclosure

When FSFL's have been called and a Liquidation Letter (paragraph 264) has been issued to the borrower, the collateral **must** be sold to liquidate FSFL. FSFL with collateral that is considered portable and is **not** secured by real estate may be liquidated or partially liquidated *--under the terms of CCC-186 and CCC-200. County Offices shall:

- obtain borrower's signature and, if **required** by law and spouse is an eligible producer, spouse's signature on CCC-400 prepared according to paragraph 246--*
- perform a lien search, no more than 10 calendar days before sending the Notification of Disposition of Collateral Letter (subparagraph B), to search:
 - property records where fixture filing was performed
 - UCC records
- send the Notification of Disposition of Collateral Letter to the following:
 - borrower
 - all co-borrowers
 - anyone who has notified CCC that they have interest in or claim to the collateral
 - any other secured party or lienholder whose interest:
 - is recorded in the county where the collateral is located
 - is indexed under the borrower's name
 - identifies CCC's collateral as of 10 calendar days before the date of notification
- use the date the Notification of Disposition of Collateral Letter is sent as the date that CCC takes possession of the FSFL collateral
- determine, with assistance from a FSA employee with loan approval authority, the estimated resale value of the collateral if the collateral will be sold. The cost of the sale expenses will be estimated and subtracted from the estimated resale value to determine whether it is in CCC's financial best interest to sell the collateral.

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-200--*
- 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.

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 PSD at **FSFLPolicy@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.”).”

291 Bankruptcy Actions (Continued)

C Reorganization Plans

After the court notifies either the State or County Office that a confirmed plan of
 --reorganization has been approved and the terms and conditions of CCC-186 and CCC-200--
 and supplemental documents are changed by court order, County Office or State Office must:

- establish bankruptcy reorganization plan in DLS according to 2-FSFL, paragraph 552.

*--**Notes:** If the terms and conditions of CCC-186 and CCC-200 and supplemental--*
 documents are changed by court order, the County Office through the State
 Office, shall contact PSD for the correct and up-to-date procedures to follow to
 revise FSFL terms.

A copy of the reorganization plan **must** be provided by e-mail to
 --FSFLPolicy@usda.gov.--

- accept payments according to the reorganization plan
- refer the claim to OGC for legal action if a borrower defaults on the payment schedule or any provision of the court-approved plan
- notify the National Office when the Bankruptcy Reorganization Plan has been satisfied.

D State Office Reporting Requirement to National Office

State Offices must notify National Office **immediately** of any communication from:

- bankruptcy court
- bankruptcy trustee
- regional OGC
- payments made according to the bankruptcy plan (screen print from DLS).

States with FSFL producers who have filed bankruptcy must submit a **quarterly** report to the National Office by the following date summarizing any activity during the quarter related to the FSFL in bankruptcy including communication with the bankruptcy court, bankruptcy
 *--trustee, regional OGC, and payments. If there was no activity related to the active
 bankruptcy case during the quarter a negative report is required. The quarterly reports are
 due to FSFLPolicy@usda.gov:--*

- December 31
- March 31
- June 30
- September 30.

291 Bankruptcy Actions (Continued)**E Selling Collateral**

If the bankruptcy court authorizes CCC to sell the collateral, rather than accepting payments according to a reorganization plan, County Offices shall:

- ask the borrower to sign CCC-400:
 - prepared according to paragraph 246
 - revised with OGC advice
- sell FSFL collateral according to Part 13
- apply sales proceeds to the outstanding FSFL amount
- if sales proceeds exceed the amount due CCC, refund the excess amount to the producer
- transfer the unpaid FSFL balance to claims if:
 - there is an unpaid FSFL balance
 - collateral has been sold
 - FSFL has been discharged by the bankruptcy court.

When FSFL collateral is sold under a bankruptcy plan, the following information **must** be sent to PSD:

- fair market value determined by COC
- sales proceeds received
- date sales proceeds received
- sales expenses
- date FSFL liquidated.

292-300 (Reserved)

Reports, Forms, Abbreviations, and Redelegations of Authority Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-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	Ex. 67	Text, Ex. 2, 32
CCC-186 Addendum	Farm Storage Facility Loan CCC-186, Promissory Note Addendum		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 Servicing	Farm Storage Facility Loan (FSFL) Servicing Checklist	Ex. 71	209, 210, 215, 247, 262
CCC-195A	Farm Storage Facility Loan (FSFL) Security Checklist	Ex. 30	74, 185, 195

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

Forms (Continued)

Number	Title	Display Reference	Reference
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-200	Farm Storage Facility Loan Program Security Agreement	Ex. 86	Text
CCC-200-1	Farm Storage Facility Loan Program Security Agreement Continuation Sheet	Ex. 86	25, 195
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

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.

*--Borrower

Borrower means the individual or entity who will legally be responsible for repaying the outstanding CCC debt and agrees to the terms and conditions provided in CCC-186 and CCC-200.--*

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.

Definitions of Terms Used in This Handbook (Continued)

*--Co-borrower

Co-borrower means the individual or entity who will legally be responsible for repaying the outstanding CCC debt and agrees to the terms and conditions provided in CCC-186 and CCC-200.--*

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.

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.

Definitions of Terms Used in This Handbook (Continued)

*--Co-signor

Co-signer means a party, other than the applicant, who meets all eligibility requirements and joins in the execution of a promissory note and security agreement to ensure its repayment. The co-signer becomes jointly and severally liable to comply with the repayment terms of FSFL.--*

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.

*--Eligible Applicant

An eligible FSFL applicant means any person 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, 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 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 1-FSFL, paragraph 33

Notes: County Offices must review FSA-578's, including late-filed, to ensure that the applicant has an ownership share interest in 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 down payment 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--*

Definitions of Terms Used in This Handbook (Continued)***--Eligible Applicant (Continued)**

- demonstrates compliance with any applicable local zoning, land use, and building code for the applicable farm storage facility structures
- provides all-peril structural insurance and, if required, flood insurance.

Note: A person applying for FSFL is considered an applicant while the FSFL request is being processed. After loan closing, the applicant becomes the borrower.--*

***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of _____)**

A Example of CCC-193

The following is an example of CCC-193.

<p>This form is available electronically. CCC-193 (11-19-15)</p>	<p>U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p>REAL ESTATE MORTGAGE FOR FARM STORAGE FACILITY LOAN PROGRAM</p>																				
<p><small>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. 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.</small></p> <p><small>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 appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE</small></p>																					
<p>1. THIS MORTGAGE is made and entered into by the undersigned</p> <p>Landowner(s) (a) _____ residing in _____ County, whose post office address is (b) _____, State, _____ in behalf of Applicant, (c) _____ _____ residing in (d) _____ County, whose post office address is (e) _____, State, (f) _____, both together herein called "Borrower," and the Commodity Credit Corporation, a corporate agency of the United States of America within the United States Department of Agriculture, herein called the "Government," and:</p> <p>2. WHEREAS Borrower is indebted to the Government as evidenced by one or more promissory note(s) or assumption agreement(s), herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:</p> <table style="width: 100%; border-collapse: collapse;"><thead><tr><th style="width: 35%;">A. Date of Instrument (MM-DD-YYYY)</th><th style="width: 35%;">B. Principal Amount</th><th style="width: 30%;">C. Annual Rate of Interest</th><th style="width: 30%;">D. Due Date of Final Installment (MM-DD-YYYY)</th></tr></thead><tbody><tr><td></td><td style="text-align: center;">\$</td><td></td><td style="text-align: center;">%</td></tr><tr><td></td><td style="text-align: center;">\$</td><td></td><td style="text-align: center;">%</td></tr><tr><td></td><td style="text-align: center;">\$</td><td></td><td style="text-align: center;">%</td></tr><tr><td></td><td style="text-align: center;">\$</td><td></td><td style="text-align: center;">%</td></tr></tbody></table> <p>And the note evidences a loan to Borrower pursuant to the Commodity Credit Corporation Charter Act, 15 U.S.C. Part 714, et seq., and the Farm Storage Facility Loan Program under 7 CFR Part 1436.</p> <p>Landowner executes this mortgage as consideration to induce the Government's loan to Applicant, to provide additional security for said loan(s) and for the purpose of subjecting the property herein described and owned by them to all of the terms and provisions of this mortgage and the debt secured thereby to the same extent and in the same manner as if the undersigned had joined in executing the note with the Applicant.</p> <p>And this instrument also secures such future advances necessary for the Government to protect its security which shall include, but not be limited to, advances for payment of real property taxes, special assessments, prior liens, hazard insurance premiums, and costs of repair, maintenance, or improvements.</p> <p>3. NOW, THEREFORE, in consideration of the loan(s), Borrower does hereby grant, bargain, sell, transfer, convey, mortgage, and assign with general warranty unto the Government property situated in the State(s) of (a) _____, County(ies) of (b) _____, and described as (c) _____ _____ _____ _____</p> <p>together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, and all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance or condemnation or any part thereof or interest therein - all of which are herein called "the property";</p>		A. Date of Instrument (MM-DD-YYYY)	B. Principal Amount	C. Annual Rate of Interest	D. Due Date of Final Installment (MM-DD-YYYY)		\$		%		\$		%		\$		%		\$		%
A. Date of Instrument (MM-DD-YYYY)	B. Principal Amount	C. Annual Rate of Interest	D. Due Date of Final Installment (MM-DD-YYYY)																		
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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)**

A Example of CCC-193 (Continued)

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4. TO HAVE AND TO HOLD the property unto the Government and its assigns forever and in fee simple;

The Government is obligated to disburse the entire principal amount in no more than two disbursements, provided the disbursements are for purposes authorized by the Government at the time of loan closing. Pursuant to the lien priority laws of the Commonwealth of Pennsylvania, as amended, this Mortgage shall secure all such disbursements, plus interest thereon, regardless of the time when the disbursements are made.

5. BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns **WARRANTS THE TITLE** to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified herein above, and **COVENANTS AND AGREES** as follows:

- (a) To pay promptly when due any indebtedness to the Government hereby secured.
- (b) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Government.
- (c) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.
- (d) The Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any cost and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.
- (e) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured thereby, in any order the Government determines.
- (f) To use the loan evidenced by the note solely for purposes authorized by the Government.
- (g) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.
- (h) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.
- (i) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as CCC from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.
- (j) To comply with all laws, ordinances, and regulations affecting the property.
- (k) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorney's fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.
- (l) Except as provided by the Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government.
- (m) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.
- (n) If (1) the interest rate, payment, terms or balance due on the loan is adjusted, (2) the mortgage is increased by an amount equal to deferred interest on the outstanding principal, (3) the maturity of the debt evidenced by the note or any indebtedness to the Government secured by this instrument is extended or deferred or the payments on such debt are renewed and rescheduled, (4) any party who is liable under the note or for the debt is released from liability to the Government, (5) the lien on a portion of the property is released, (6) the lien on the property or any part thereof is subordinated, and/or (7) the Government waives any other of its rights under this instrument, the lien or the priority of this instrument of Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument shall be unaffected unless the Government says otherwise in writing. **HOWEVER**, any forbearance by the Government-whether once or often-in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.
- (o) Default hereunder shall constitute default under any other real estate, or under any personal property or other security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such security instrument shall constitute default hereunder.
- (p) **SHOULD DEFAULT** occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the parties named as Borrower die or be declared incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared as insolvent or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (1) declare the entire amount

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of _____) (Continued)**

A Example of CCC-193 (Continued)

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unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (2) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (3) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, and the Government may foreclose this instrument by court action and sell the property as prescribed by law.

(q) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (1) costs and expenses incident to enforcing or complying with the provisions hereof, (2) any prior liens required by law or a competent court to be so paid, (3) the debt evidenced by the note and all indebtedness to the Government secured hereby, (4) inferior liens of record required by law or a competent court to be so paid, (5) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (6) any balance to Borrower. In case the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

(r) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

(s) Borrower agrees that the Government will not be bound by any present or future State laws, (1) providing for valuation, appraisal, homestead or exemption of the property, (2) prohibiting maintenance of any action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, (3) prescribing any other statute of limitations, (4) allowing any right of redemption or possession following any foreclosure sale, or (5) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State laws.

(t) This instrument shall be subject to the present regulations of the Government, and to its future regulations not inconsistent with the express provisions hereof.

(u) The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Government pursuant to applicable regulations of the Government.

(v) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

6. Witness the hand(s) and seal(s) of Borrower this (a) _____ day of (b) _____ (c) _____.

(d) _____

(Borrower's Signature)

(Borrower's Signature)

(Borrower's Signature)

(Borrower's Signature)

(e) STATE OF _____ } ss:
(f) COUNTY OF _____ }

ACKNOWLEDGMENT

On this (g) _____ day of (h) _____ in the year (i) _____, before me, the

undersigned, a Notary Public in and for said State, personally appeared (j) _____ and (k) _____ 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/they 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) (l) _____

(Name of Notary Public)

My commission expires (m) _____

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, 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 State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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 <https://www.usda.gov/oasdr/hq/foia/program-discrimination-complaint> 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) 632-6992. 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, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.id@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of _____) (Continued)**

B Example of CCC-193-D

The following is an example of CCC-193-D.

Mail after recording to (a) _____ This instrument was prepared by (b) _____	<div style="border: 1px solid black; padding: 5px;"><div style="display: flex; justify-content: space-between;"><div>CCC-193-D (11-19-15)</div><div>U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</div></div><div style="text-align: center; padding: 10px 0;">FARM STORAGE FACILITY LOAN DEED OF TRUST FOR (State of _____)</div><div style="border: 1px solid black; padding: 5px; font-size: 0.8em; margin: 10px 0;">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. 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 appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE</div></div>								
<p>THIS MORTGAGE is made and entered into by the undersigned</p> <p>Landowner(s) (c) _____ residing in _____ County, whose post office address is (d) _____, State, _____ in behalf of Applicant, (e) _____ residing in (f) _____ County, whose post office address is (g) _____, State, (h) _____.</p> <p>The trustee is (i) _____ whose mailing address is (j) _____ (State of (k) _____), both together herein called "Borrower," and the Commodity Credit Corporation, a corporate agency of the United States of America within the United States Department of Agriculture herein called the "Beneficiary ", and:</p> <p style="margin-top: 20px;">WHEREAS Borrower is indebted to the Beneficiary as evidenced by one or more promissory notes or assumption agreements, herein called "note" which has been executed by the Borrower, contains provisions setting forth the interest rate, is payable to the order of the Beneficiary, authorizes acceleration of the entire indebtedness at the option of the Beneficiary upon any defaults by the Borrower, and being further described as follows:</p> <table border="0" style="width: 100%; margin-top: 10px;"><tr><td style="text-align: center;">(l) Date of Instrument</td><td style="text-align: center;">(m) Principal Amount</td><td style="text-align: center;">(n) Annual Rate of Interest</td><td style="text-align: center;">(o) Due Date of Final Installment</td></tr><tr><td>_____</td><td>_____</td><td>_____ %</td><td>_____</td></tr></table> <p style="margin-top: 20px;">And the note(s) evidences a loan or loans to Borrower pursuant to the Commodity Credit Corporation Charter Act, 15 U.S.C. Part 714, <u>et seq.</u>, and the Farm Storage Facility Loan Program under 7 CFR Part 1436.</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;">Initial _____ Date _____Page 1 of 7</div>		(l) Date of Instrument	(m) Principal Amount	(n) Annual Rate of Interest	(o) Due Date of Final Installment	_____	_____	_____ %	_____
(l) Date of Instrument	(m) Principal Amount	(n) Annual Rate of Interest	(o) Due Date of Final Installment						
_____	_____	_____ %	_____						

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)**

B Example of CCC-193-D (Continued)

Landowner executes this mortgages as consideration to induce the Beneficiary's loan to Applicant, to provide additional security for said loan(s) and for the purpose of subjecting the property herein described and owned by them to all of the terms and provisions of this mortgage and the debt secured thereby to the same extent and in the same manner as if the undersigned had joined in executing the note with the Applicant.

And it is the purpose and intention of this instrument that it shall secure payment of the note as well as such future advances as may be deemed necessary by Beneficiary for Beneficiary to protect its security. Such advances may include, but not be limited to, advances for payment of real property taxes, special assessments, prior liens, hazard insurance premiums, and costs of repair, maintenance, or improvements,

NOW, THEREFORE, in consideration of the loan(s) Borrower grants to Trustee, in trust, with power of sale the following described property situated in the State of *(p)* _____ County or Counties of *(q)* _____ , and more particularly described as: *(r)* _____

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, including but not limited to a right of ingress and egress, the rents, issues and profits thereof and revenues and income therefrom, all improvements and personal property now or later erected thereon or attached thereto or reasonably necessary to the use thereof, all water, water rights, water stock, wells, pumps, pumping plants and equipment pertaining thereto, and all payments at any time owing the Borrower by virtue of any sale, lease, transfer, conveyance or condemnation or any part thereof or interest therein - all of which are herein called "the property."

IN TRUST, NEVERTHELESS, (a) at all times when the note is held by Beneficiary, or in the event that Beneficiary should assign this note without insurance of the payment of the note, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision for the payment of an insurance or other charge, and (b) in any event and at all time to secure the prompt payment of all advances and expenditures made Beneficiary, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or any supplementary agreement, the provisions of which are hereby incorporated herein and made a part hereon.

BORROWER, for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS the estate claimed and the title thereto unto Trustee for the benefit of Beneficiary against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, COVENANTS AND AGREES as follows:

1. To repay promptly when due the principal together with interest thereon.
2. To pay to Beneficiary such fees and other charges as may now or hereafter be required by regulations of the Beneficiary.
3. If required by Beneficiary, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the property.
4. The Beneficiary may at any time pay any other amounts including advances for payment of prior as well as junior liens, required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for Borrower's account. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.
5. All advances by Beneficiary, including advances for payment of prior as well as junior liens, required by the terms of this instrument, with interest shall be immediately due and payable by Borrower to the Beneficiary without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Beneficiary shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or an indebtedness to the Beneficiary secured herein, in any order the Beneficiary determines.
6. To use the loan evidenced by the note solely for purposes authorized by the Beneficiary.
7. To pay when due all taxes, liens, judgments, encumbrances and assessments lawfully attaching to or assessed against the property, including charges, and assessments in connection with water, water rights, and water stock pertaining to or reasonably

Initial _____ Date _____

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)**

B Example of CCC-193-D (Continued)

necessary to the use of the real property described above, and promptly deliver to the Beneficiary without demand receipts evidencing such payments.

8. To keep the property insured as required by and under insurance policies approved by Beneficiary and, at its request, deliver such policies to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon the loan or any other indebtedness secured hereby in such order as Beneficiary may determine, or at the Beneficiary's option may be released to Borrower. Such application or release will not cure or waive any default hereunder.

9. To maintain improvements in good repair and make repairs required by the Beneficiary; operate the property in a good and husbandmanlike manner; comply with farm conservation practices as the Beneficiary may from time to time prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Beneficiary, cut remove, or lease any timber, gravel, oil, gas, coal or other minerals except as may be necessary for ordinary domestic purposes.

10. To comply with all laws, ordinances, and regulations affecting the property.

11. To pay or reimburse Beneficiary and Trustee for expenses incurred by either that were reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default) including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorney's fees, trustee's fees, court costs and expenses of advertising, selling and conveying the property.

12. Except as otherwise provided by regulations of the Beneficiary, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred or encumbered, voluntarily or otherwise, without the written consent of Beneficiary.

13. At all reasonable times the Beneficiary and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

14. If (a) the interest rate, payment, terms or balance due on the loan is adjusted, (b) the deed of trust is increased by an amount equal to deferred interest on the outstanding principal, (c) the maturity of the debt evidenced by the note or any indebtedness to Beneficiary secured by this instrument is extended or deferred or the payments on such debt are renewed and rescheduled, (d) any party who is liable under the note or for the debt is released from liability to Beneficiary, (e) the lien on a portion of the property is released, (f) the lien on the property or any part thereof is subordinated, and/or (g) Beneficiary waives any other of its rights under this instrument, the lien or the priority of this instrument of Borrower's or any other party's liability to Beneficiary for payment of the note or debt secured by this instrument shall be unaffected unless Beneficiary says otherwise in writing.

HOWEVER, any forbearance by Borrower whether once or often-in-exercising any right or remedy under this instrument, or otherwise affected by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

15. Default hereunder may constitute default under any other real estate, or under any personal property or other security instrument held by Beneficiary and executed or assumed by Borrower, and any default under such other security instrument may constitute default hereunder.

16. **SHOULD DEFAULT** occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the parties named as Borrower(s) die or be declared incompetent, or should any of the parties named as Borrower(s) be discharged in bankruptcy or declared an insolvent, or make an assignment for the benefit of its creditors, Beneficiary, at its option, with or without notice, may: (a) declare the entire amount unpaid under the and any indebtedness to Beneficiary hereby secured immediately due and payable; (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property; (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual power of receivers in like cases; (d) without prior hearing authorize and request Trustee to foreclose this instrument and to sell the property as provided by law; and (e) bring an action to foreclose this instrument, obtain a deficiency judgment, or enforce any other remedy provided by law.

17. At the request of Beneficiary, Trustee may foreclose this instrument by advertisement and sale of the property as provided by law, for cash or secured credit at the option of Beneficiary, notice of such sale to be served on Borrower by registered or certified mail, return receipt requested, no less than ten days prior to the date of the hearing as required by NCGSA § 45-21.16 (or as otherwise permitted by law); such sale may be adjourned from time to time without other notice than oral proclamation at the time and place appointed for such sale; and at such sale Beneficiary and its agents may bid and purchase as a stranger; Trustee at Trustee's

Initial _____ Date _____

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of ____) (Continued)**

B Example of CCC-193-D (Continued)

option may conduct such sale without being personally present through Trustee's delegate authorized by Trustee for such purpose orally or in writing, and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at foreclosure sale shall be conclusive evidence that the sale was conducted by Trustee personally or through Trustee's delegate duly authorized in accordance herewith.

18. The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing of complying with this instrument; (b) any prior liens required by law or a competent court to be so paid; (c) the debt evidenced by the note and all indebtedness to Beneficiary secured hereby; (d) inferior liens of record required by law or a competent court to be so paid; (e) at option of Beneficiary, payment made be made to any other indebtedness of Borrower owing to Beneficiary; and (f) any balance remaining to Borrower. In case Beneficiary is the successful bidder at foreclosure or other sale of all or any part of the property, Beneficiary may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to Beneficiary in the order prescribed above.

19. All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative by law.

20. Borrower agrees that Beneficiary will not be bound by any present or future State laws: (a) providing for homestead or exemption of the property; (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within such action must be brought; (c) prescribing any other statute of limitations; (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Beneficiary may be regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to the new Borrower. Borrower expressly waives the benefit of any such State laws.

21. This instrument shall be subject to the present regulations of Beneficiary, and to its future regulations not inconsistent with the express provisions hereof.

22. Notices given hereunder shall be sent by certified mail unless otherwise required by law, and addressed, unless and until some other address is designated to the parties hereto at their address given above.

23. Upon full and final payment of all indebtedness hereby secured and the performance and discharge of each and every condition, agreement and obligation, contingent or otherwise, contained herein or secured hereby, Beneficiary shall request Trustee to execute and deliver to Borrower at the above post office address a full reconveyance of the property within 60 days after written demand by Borrower and Borrower hereby waives the benefits of all laws requiring earlier execution or delivery of such reconveyance.

24. Borrower further agrees that he will remain in compliance with the provisions of 7 CFR 1436.5(a)(7) or successor regulation pertaining to highly erodible land and wetlands conservation provisions.

25. Beneficiary and its assigns, without notice and without specifying any reason therefore, may appoint a Substitute Trustee in place and stead of Trustee named herein, by filing for record in the office where this instrument is recorded an instrument of appointment. The Substitute Trustee may or may not be an employee of Beneficiary. Upon such filing, all the estates, rights, powers, and trusts granted to Trustee shall transfer to the Substitute Trustee. Any right to notice of substitution and bond from any trustee are hereby waived.

26. As additional security, Borrower hereby agrees that the assignment of leases and rents in this instrument is immediately effective on the recording of this instrument. Upon default, the Borrower will receive any rents in trust for Beneficiary, and Borrower will not commingle the rents with any other funds. Any amounts collected shall be applied at Beneficiary's discretion first to costs of managing, protecting and preserving the property, and to any other necessary related expenses. Any remaining amounts shall be applied to reduce the debt evidenced by the note(s). Borrower agrees that Beneficiary may demand that Borrower and Borrower's tenants pay all rents due or to become due directly to Beneficiary if the Borrower defaults and Beneficiary notifies Borrower of the default. Upon such notice, Borrower will endorse and deliver to Beneficiary any payments of rents. If the Borrower becomes subject to a bankruptcy, then Borrower agrees that Beneficiary is entitled to receive relief from the automatic stay in bankruptcy for the purpose of enforcing this assignment.

27. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary pursuant to applicable regulations of Beneficiary.

Initial _____ Date _____

CCC-193-D (11-19-15) Page 4 of 7

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***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of _____) (Continued)**

B Example of CCC-193-D (Continued)

28. If any portion of this instrument or application thereof to any person or circumstance is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

By signing below, Borrower accepts and agrees to the terms and covenants contained in this instrument and in any rider executed by Borrower and recorded with this instrument.

_____(SEAL) _____(SEAL)
(s) (t)

_____(SEAL) _____(SEAL)
(u) (v)

29. ACKNOWLEDGMENT

STATE OF (a) _____ }
COUNTY OF (b) _____ } ss. (Individual)

On this (c) _____ day of (d) _____, before me personally appeared (e) _____ and (f) _____ to be known to me to be the same person(s) whose name is subscribed to the foregoing instrument, and acknowledged that (he or she) signed and delivered the instrument as (his or her) free and voluntary act, for the uses and purposes set forth.

(g) (SEAL)

(h)
NOTARY PUBLIC

My commission expires: (i) _____

The foregoing certificate(s) of (j) _____

is (are) certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of (k) _____ County, (STATE of (l) _____) in Book (m) _____ Page (n) _____.

This (o) _____ day of (p) _____, A.D., (q) _____ at (r) _____ o'clock (s) _____ M.

(t) _____ By (u) _____
Register of Deeds Deputy/Assistant Register of Deeds

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, 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 State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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 <https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> 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, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

Note: Pages 6 and 7 applies to entities only and will not be recorded for individuals.

CCC-193-D (11-19-15) Page 5 of 7

***--CCC-193, Real Estate Mortgage for Farm Storage Facility Loan Program and CCC-193-D, Farm Storage Facility Loan Deed of Trust for (State of _____) (Continued)**

B Example of CCC-193-D (Continued)

30. ACKNOWLEDGMENT	
STATE OF (a) _____	}
COUNTY OF (b) _____	
ss. (Corporation)	
The foregoing instrument was acknowledged before me this (c) _____ day of (d) _____, by (e) _____, President and (f) _____, Secretary of (g) _____, a (h) _____ corporation, on behalf of the corporation.	
(i) (SEAL)	
(j) _____ NOTARY PUBLIC	
My commission expires: (k) _____	
The foregoing certificate(s) of (l) _____	
is (are) certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of (m) _____ County, (STATE of (n) _____) in Book (o) _____ Page (p) _____.	
This (q) _____ day of (r) _____, A.D., (s) _____ at (t) _____ o'clock (u) _____ M.	
(v) _____ Register of Deeds	By (w) _____ Deputy/Assistant Register of Deeds
<small>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).</small>	
<small>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter 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. USDA is an equal opportunity provider and employer.</small>	
Initial _____ Date _____	CCC-193-D (11-19-15) Page 6 of 7

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31. ACKNOWLEDGMENT

STATE OF (a) _____ }
COUNTY OF (b) _____ } ss. (Partnership)

The foregoing instrument was acknowledged before me this (c) _____ day of (d) _____, by (e) _____, Partners on behalf of the (f) _____ a (g) _____ partnership.

(h) (SEAL) _____
(i) _____
NOTARY PUBLIC

My commission expires: (j) _____

The foregoing certificate(s) of (k) _____ is (are) certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of (l) _____ County, (STATE of (m) _____) in Book (n) _____ Page (o) _____.

This (p) _____ day of (q) _____, A.D., (r) _____ at (s) _____ o'clock (t) _____ .M.

(u) _____ By (v) _____
Register of Deeds Deputy/Assistant Register of Deeds

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, audiotope, 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, 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. USDA is an equal opportunity provider and employer.

Initial _____ Date _____

CCC-193-D (11-19-15) Page 7 of 7

CCC-185, Loan Application for Farm Storage Facility Loan Program

A Instructions for Completing CCC-185

CCC-185 shall be completed according to the following instructions.

Item	Instructions
1A	Enter State code.
1B	Enter county code.
1C	Leave blank until a number is assigned by DLS. Enter DLS-assigned FSFL number that is formatted with FY and FSFL number; for example “2017/00002”.
2A	*--Enter the name and complete address including ZIP Code for the primary borrower who is applying for FSFL. Co-applicants may be added in item 14.--*
2B	Enter the last 4 digits of the loan applicant’s TIN. If applying as an entity, use the entity’s ID number.
2C	Enter the loan applicant’s telephone number including area code.
3A	*--Enter the requested loan amount. The principal amount of any FSFL must be 85 percent or less of the net cost of the applicant’s needed storage structure and drying and/or handling equipment, not to exceed \$500,000 for each FSFL.--*
3B	Check “YES or NO” to indicate if the applicant is applying for a “ Microloan (ML) ” For ML purposes, the applicant must understand the total aggregate FSFL outstanding balance at the time of disbursement cannot exceed \$50,000.00.
3C	Check the box for the requested loan term of the loan. The requested loan term must be consistent with the eligible terms for the requested loan amount in Item 3A according to *--Exhibit 24.--* Note: Loan terms 3 or 5 years must be selected for used storage, equipment and/or storage and handling trucks, regardless of loan amount.
3D	Check the applicable box for disbursement type requested.
4	Check the applicable commodity(s) type for the FSFL request.
5	Check facility and equipment needed for the storage based on the commodity(s) selected.

Completing CCC-185, Loan Application for Farm Storage Facility Loan Program (Continued)

A Instructions for Completing CCC-185 (Continued)

Item	Instructions
6A	Provide a detailed description of the facility, equipment type, and/or storage and handling truck. (Indicate if facility, equipment and/or storage and handling truck is used and model year of the truck).
6B	Check "YES or NO" to indicate if the FSFL project will include clean energy or energy efficient equipment.
7A	Enter legal description of where the permanently affixed storage facility and equipment will be erected and/or installed, or where the portable storage facility, equipment and/or storage and handling truck will be regularly stored.
7B	Enter legal owner of the real estate of where the permanently affixed storage facility and equipment will be erected and/or installed, or where the portable storage facility, equipment and/or storage and handling truck will be regularly stored.
8	Enter the complete name or names of the owner of the real estate, if applicable, only if it is different than the loan applicant.
9A	List the names of all lienholders on the real estate where the storage will be located, if applicable.
9B	If there are no lienholders enter "None" and initial and date.
10	Applicant must thoroughly read the applicant's certification and initial and date if information is provided in the other space.
11	Applicant certifies for DCIA compliance by checking (✓) "Yes" or "No". If "YES", provide details in Item 13, "Additional Remarks."
12	Will the storage facility, equipment and/or storage and handling truck be used for commercial purposes? Check the "Yes" or "No" boxes.
13	Are you or any co-applicant a family member of an FSA employee? Check the "Yes" or "No" boxes.
14	Enter additional remarks that will assist the CCC official with determining loan eligibility.
15	The applicant or co-applicant shall sign.
16	*--Enter percentage of ownership share interest of production for each applicant or co-applicant as recorded on FSA-578.--*
17	Enter applicant's or co-applicant's title.
18	Enter date applicant or co-applicant signed.

CCC-186, Farm Storage Facility Loan Program Promissory Note * * *

A Preparing CCC-186

The CCC-186 is generated in DLS. County Offices must ensure that CCC-186 is properly prepared according to 2-FSFL.

If CCC-186 is being prepared for portable drying and handling equipment or a storage and handling truck, the preparer must include a complete description of the FSFL and the location of where the FSFL collateral will be regularly stored.

If an Irrevocable Letter of Credit is provided to secure the FSFL, CCC-186 must be noted with the following information:

An Irrevocable Letter of Credit from _____ secures FSFL No. _____ in the amount of \$____.XX, plus applicable interest for the entire term.

***--B Instructions for Completing CCC-186**

Complete CCC-186 according to the following instructions.

Item	Instructions
1A	Enter State name and code.
1B	Enter county name and code.
1C	Enter DLS-assigned FSFL number that is formatted with FY and FSFL number. Example: "2026/00002"
2	Enter principal amount financed from CCC-185D, item 11B.
3	Enter the interest rate in effect on the day CCC-185 is approved, CCC-185D, item 10C.
4	Manually prepare the FSFL Amortization Schedule Calculator posted on the DAFP Hub: https://usdagcc.sharepoint.com/sites/FPAC-FSA-FSFL to determine the amount financed.
5	Enter the number of annual installments from CCC-185D, item 7.
6	Manually prepare the FSFL Amortization Schedule Calculator posted on the DAFP Hub: https://usdagcc.sharepoint.com/sites/FPAC-FSA-FSFL to determine the installment amount.
7 through 14	Enter the applicant's information for each item as applicable.
15A through 16D	Each applicant must sign, enter title if applicable, enter last 4 digits of their tax identification number, and date.
17A and 17B	Approving official must sign and enter position title.
17C	Enter the date the FSFL funds are disbursed.
18A through 18B	Enter County Office name, address, and telephone number.

--*

CCC-186, Farm Storage Facility Loan Program Promissory Note * * * (Continued)

C Example of CCC-186

The following is an example of CCC-186.

*__

<p>CCC-186 U.S. DEPARTMENT OF AGRICULTURE (12-23-25) Commodity Credit Corporation</p> <p style="text-align: center;">FARM STORAGE FACILITY LOAN PROGRAM PROMISSORY NOTE</p>	FOR COUNTY OFFICE USE ONLY		
<p>1. Loan Identification Number</p>			
<p>A. Administrative State <i>Name</i> <i>Code</i></p>	<p>B. Administrative County <i>Name</i> <i>Code</i></p>		
<p>C. Loan Number:</p>			
<p>2. Amount Financed \$</p>	<p>3. Annual Interest Rate % \$</p>		
<p>4. Finance Charge (<i>Assuming installments are paid on the annual due date at the interest rate shown in Item 3 above.</i>) \$</p>			
<p>5. Number of Annual Installments</p>	<p>6. Installment Amount \$</p>		
<p>INSTRUCTIONS: Return this completed form to your County FSA Office.</p>			
<p>PART A – APPLICANT'S INFORMATION</p>			
<p>7. Debtor's Name (<i>Person or Legal Entity</i>)</p>			
<p>8A. Address Line 1</p>	<p>9A. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell</p>		
<p>8B. Address Line 2</p>	<p>9B. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell</p>		
<p>8C. City</p>	<p>8D. State</p>		
<p>8E. Zip</p>	<p>10. Email Address</p>		
<p>11. Co-Debtor's Name (<i>Person or Legal Entity</i>)</p>			
<p>12A. Address Line 1</p>	<p>13A. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell</p>		
<p>12B. Address Line 2</p>	<p>13B. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell</p>		
<p>12C. City</p>	<p>12D. State</p>		
<p>12E. Zip</p>	<p>14. Email Address</p>		
<p>The undersigned Debtor(s) and Co-Debtor(s) and those Co-Debtors listed in the CCC-186-1 (collectively, the Debtor or Debtors) jointly and severally promise to pay to the order of the Commodity Credit Corporation (CCC) the principal amount shown above as "Amount Financed," together with interest and other charges provided herein. Payment shall be in the number of equal annual installments shown above with interest at the "Annual Percentage Rate" specified above. Equal loan installments, amortized over the loan term, are due and payable on the annual anniversary date. Payments shall be applied first to interest and then to principal. Any delinquent amount may be deducted and paid out of any amounts due Debtor under any program carried out by any agency of the Department of Agriculture and any other agency of the United States. The Debtor waives presentment for payment, demand, protest, notice of protest, and notice of nonpayment of this note.</p> <p>Debtors and Security Grantor(s) shall grant CCC such security as it may require in accordance with 7 C.F.R. Part 1436 or any successor regulations. The above provisions and those included herein have been read and considered by the undersigned. It is agreed that by signing this promissory note, the Debtor makes the representations, warranties, and agrees to all the terms and conditions specified.</p>			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #d3d3d3; text-align: center;">DATE STAMP</td> </tr> <tr> <td style="height: 100px;"></td> </tr> </table>		DATE STAMP	
DATE STAMP			

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CCC-186, Farm Storage Facility Loan Program Promissory Note * * * (Continued)

C Example of CCC-186 (Continued)

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CCC-186 (12-23-25)		Page 2 of 4	
PART A – APPLICANT'S INFORMATION (Continuation)			
15A. Debtor's Signature (By)	15B. Title/Relationship of Representative	15C. Debtor's ID Number (Last 4 digits)	14D. Date (MM-DD-YYYY)
16A. Co-Debtor's Signature (By)	16B. Title/Relationship of Representative	16C. Debtor's ID Number (Last 4 digits)	16D. Date (MM-DD-YYYY)
PART B – COMMODITY CREDIT CORPORATION SECURED PARTY			
17A. Approving Official's Signature	17B. Title	17C. Date of Disbursement (MM/DD/YYYY)	
18A. FSA County Office Name and Address (Including ZIP Code)		18B. Telephone Number (Include Area Code)	

Privacy Act Statement: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a - as amended). The authority for requesting the information identified on this form is Farm Storage Facility Loan Program Regulations (7 C.F.R. 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 the debtor's agreement to comply with the terms and conditions contained in the promissory note. 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 PRA as specified in 7 U.S.C.8781(c)(2)(A). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

Non-Discrimination Statement: 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, 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 State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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 <https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> 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, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

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CCC-186, Farm Storage Facility Loan Program Promissory Note * * * (Continued)

C Example of CCC-186 (Continued)

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CCC-186 (12-23-25)

Page 3 of 4

CCC-186 TERMS AND CONDITIONS

1. The Debtor represents, covenants, and agrees that:
 - A. The Debtor will use the loan funds secured hereby for the purpose for which they are advanced and will properly care for the collateral, keep it in good condition and is available for the storing and handling for eligible facility loan commodities until the entire loan is repaid. The Debtor will promptly pay when due all indebtedness secured hereby, all taxes, liens, and other charges assessed upon or attaching to the collateral and will not encumber the collateral, remove, sell or otherwise dispose of the collateral or of any interest therein or permit others to do so.
 - B. Any authorized representative of CCC may at any time enter upon the premises where the collateral is located and inspect the same.
 - C. If any amounts required herein to be paid by the Debtor are not paid when due, they may be paid by CCC which shall be secured for such payments and interest thereon at the applicable rate of interest then in effect. Such payments shall be due and payable to CCC immediately without demand at the office of the FSA County Committee which signed this note.
 - D. During the life of this loan the loan collateral shall not be used by any commercial operation including, but not limited to, elevators, warehouses, dryers or processing plants. The storage and handling of approved facility loan commodities, whether paid or unpaid, for persons other than the borrower, except for family members as defined in 7 C.F.R. Part 718, and/or tenants and landlords sharing in the crop requiring storage is not allowed.
2. The Debtor certifies that the evidence furnished to the FSA County Committee as to the cost of the collateral represents the total cost of such property and that all debts on the property in excess of the amount of the loan have been paid, that the Debtor has read this promissory note and that the Debtor understands and agrees that the loan is made subject to and in consideration of the representations, warranties and agreements contained therein, and that this promissory note is subject to the present regulations of CCC and to its future regulations not inconsistent with the express provisions hereof.
3. Any amount advanced or expended by the CCC for the collection of this promissory note or to preserve or protect any security for the loan or otherwise expended under the terms of any security agreement or other instrument executed in connection with the loan evidenced by this promissory note shall, at the option of CCC, become a part of and bear interest at the same rate as the principal of the debt evidenced by this promissory note and be immediately due and payable by the Debtor to the CCC without demand.
4. The terms and conditions contained on this form are in addition to the applicable program regulations found at 7 C.F.R. Part 1436, Farm Storage Facility Loan Program Regulations, and any successor regulations. To the extent that the terms and conditions conflict with the regulations, the regulations prevail. Additionally, the regulations and statutes applicable to CCC operations apply to this program.
5. Security instruments taken in connection with the loans evidenced by this promissory note and other related obligations are not affected by addendums or any other modifications of the promissory note. These security instruments shall continue to remain in effect and the security given for the loan evidenced by this promissory note shall continue to remain as security for the loan evidenced by the promissory note, and for any other related obligations.
6. If it is discovered that a producer did not comply with lobbying disclosure requirements (31 U.S.C. 1352), applicants for and recipients of: 1) A Federal loan exceeding \$150,000; or 2) A Federal contract, grant, or cooperative agreement payment exceeding \$100,000, must file with the disbursing office a SF-LLL if they have or will use monies received for lobbying purposes. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
7. The Debtor recognizes that the loan described in this promissory note will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity as provided in 7 C.F.R. Part 12 and to any successor regulation.

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CCC-186, Farm Storage Facility Loan Program Promissory Note * * * (Continued)

C Example of CCC-186 (Continued)

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<p>CCC-186 (12-23-25)</p> <p>8. Failure to pay when due any debt evidenced by this promissory note, or failure to perform any covenant or agreement under this promissory note, or if any of the Debtor's representations or warranties herein or in the loan application proves false, or the death, bankruptcy, insolvency, or incompetency of the Debtor shall constitute default under this and any other FSFL promissory note or FSFL debt instrument or instrument securing real or personal property or otherwise relating to such debt; and default under any other instrument shall constitute default under this promissory note. Upon such default, the CCC at its option may declare all or any part of any such indebtedness immediately due and payable.</p> <p>9. Debtor(s) and Co-Debtor(s) whose signature appears on CCC-186, Items 15A and 16A must initial and date the corresponding item numbers referenced below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Initial</td> <td style="width: 33%; text-align: center;">Date (MM-DD-YYYY)</td> <td style="width: 33%; text-align: center;">Initial</td> <td style="width: 33%; text-align: center;">Date (MM-DD-YYYY)</td> </tr> <tr> <td>15A.</td> <td></td> <td>16A</td> <td></td> </tr> </table> <p>10. If applicable, Co-Debtor(s) whose signature and date appears on CCC-186-1, Item 10A MUST initial and date below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 12.5%; text-align: center;">Initial</td> <td style="width: 12.5%; text-align: center;">Date (MM-DD-YYYY)</td> <td style="width: 12.5%; text-align: center;">Initial</td> <td style="width: 12.5%; text-align: center;">Date (MM-DD-YYYY)</td> <td style="width: 12.5%; text-align: center;">Initial</td> <td style="width: 12.5%; text-align: center;">Date (MM-DD-YYYY)</td> <td style="width: 12.5%; text-align: center;">Initial</td> <td style="width: 12.5%; text-align: center;">Date (MM-DD-YYYY)</td> </tr> <tr> <td>10A.</td> <td></td> <td>11A.</td> <td></td> <td>12A.</td> <td></td> <td>13A.</td> <td></td> </tr> <tr> <td>14A.</td> <td></td> <td>15A.</td> <td></td> <td>16A.</td> <td></td> <td>17A.</td> <td></td> </tr> </table>	Initial	Date (MM-DD-YYYY)	Initial	Date (MM-DD-YYYY)	15A.		16A		Initial	Date (MM-DD-YYYY)	Initial	Date (MM-DD-YYYY)	Initial	Date (MM-DD-YYYY)	Initial	Date (MM-DD-YYYY)	10A.		11A.		12A.		13A.		14A.		15A.		16A.		17A.		<p>Page 4 of 4</p>
Initial	Date (MM-DD-YYYY)	Initial	Date (MM-DD-YYYY)																														
15A.		16A																															
Initial	Date (MM-DD-YYYY)	Initial	Date (MM-DD-YYYY)	Initial	Date (MM-DD-YYYY)	Initial	Date (MM-DD-YYYY)																										
10A.		11A.		12A.		13A.																											
14A.		15A.		16A.		17A.																											

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CCC-186, Farm Storage Facility Loan Program Promissory Note * * * (Continued)

***--D Instructions for Completing CCC-186-1**

Complete CCC-186-1 according to the following instructions.

Item	Instructions
1A	Enter State name and code.
1B	Enter county name and code.
1C	Enter DLS-assigned FSFL number that is formatted with FY and FSFL number. Example: “2026/00002”
2A through 9J	Enter the applicant’s information for each item as applicable.
10A through 10D	Each applicant must sign, enter title if applicable, enter last 4 digits of their tax identification number, and date.
11	Enter remarks, if applicable.

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CCC-186, Farm Storage Facility Loan Program Promissory Note * * * (Continued)

E Example of CCC-186-1

The following is an example of CCC-186-1.

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CCC-186-1 (12-23-25)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
FARM STORAGE FACILITY LOAN PROGRAM PROMISSORY NOTE (CCC-186 CONTINUATION SHEET)		FOR COUNTY OFFICE USE ONLY	
		1. Loan Identification Number	
		A. Administrative State <i>Name</i>	B. Administrative County <i>Name</i>
		<i>Code</i>	<i>Code</i>
		C. Loan Number	
INSTRUCTIONS: Return this completed form to your County FSA Office.			
PART A – PRODUCER INFORMATION			
2A. Co-Debtor's Name		2B. Identification Number <i>(Last 4 Digits)</i>	
2C. Address Line 1		2H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
2D. Address Line 2		2I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
2E. City	2F. State	2G. Zip	2J. Email Address
3A. Co-Debtor's Name		3B. Identification Number <i>(Last 4 Digits)</i>	
3C. Address Line 1		3H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
3D. Address Line 2		3I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
3E. City	3F. State	3G. Zip	3J. Email Address
4A. Co-Debtor's Name		4B. Identification Number <i>(Last 4 Digits)</i>	
4C. Address Line 1		4H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
4D. Address Line 2		4I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
4E. City	4F. State	4G. Zip	4J. Email Address
5A. Co-Debtor's Name		5B. Identification Number <i>(Last 4 Digits)</i>	
5C. Address Line 1		5H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
5D. Address Line 2		5I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
5E. City	5F. State	5G. Zip	5J. Email Address

DATE STAMP

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CCC-186, Farm Storage Facility Loan Program Promissory Note * * * (Continued)

E Example of CCC-186-1 (Continued)

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CCC-186-1 (12-23-25)				Page 2 of 3
PART A – PRODUCER INFORMATION (Continuation)				
6A. Co-Debtor's Name			6B. Identification Number (Last 4 Digits)	
6C. Address Line 1			6H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
6D. Address Line 2			6I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
6E. City	6F. State	6E. Zip	6J. Email Address	
7A. Co-Debtor's Name			7B. Identification Number (Last 4 Digits)	
7C. Address Line 1			7H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
7D. Address Line 2			7I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
7E. City	7F. State	7G. Zip	7J. Email Address	
8A. Co-Debtor's Name			8B. Identification Number (Last 4 Digits)	
8C. Address Line 1			8H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
8D. Address Line 2			8I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
8E. City	8F. State	8G. Zip	8J. Email Address	
9A. Co-Debtor's Name			9B. Identification Number (Last 4 Digits)	
9C. Address Line 1			9H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
9D. Address Line 2			9I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
9E. City	9F. State	9G. Zip	9J. Email Address	
PART B – PRODUCER'S CERTIFICATION				
<i>The undersigned debtor(s) agrees to all terms and conditions specified in Form CCC-186 "Promissory Note" with the same loan identification number. Debtor(s) who sign and date in Items 10A must also initial and date the corresponding Item numbers on CCC-186, Page 3, Item 7.</i>				
10A. Co-Debtor's Signature (By)	10B. Title/Relationship of Representative	10C. Co-Debtor's ID Number (Last 4)	10D. Date (MM/DD/YYYY)	

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CCC-186, Farm Storage Facility Loan Program Promissory Note * * * (Continued)

E Example of CCC-186-1 (Continued)

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CCC-186-1 (12-23-25)		Page 3 of 3	
PART B – PRODUCER'S CERTIFICATION (Continuation)			
10A. Co-Debtor's Signature (By)	10B. Title/Relationship of Representative	10C. Co-Debtor's ID Number (Last 4)	10D. Date (MM/DD/YYYY)
11. Remarks			

Privacy Act Statement: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a - as amended). The authority for requesting the information identified on this form is the Farm Storage Facility Loan Program Regulations (7 C.F.R. 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 the debtor's agreement to comply with the terms and conditions contained in the promissory note. 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 PRA as specified in 7 U.S.C. 8781(c)(2)(A).

Non-Discrimination Statement: 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, 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 State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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 <https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> 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, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

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***--Example of an FSFL Nonmonetary Default Notification Letter**

The following is an example of the FSFL Nonmonetary Default Notification Letter and instructions.

(Use Agency Letterhead format with local return address.)

(Date of Letter)

(Borrower Name)

(Borrower Address line 1)

(Borrower Address line 2)

Dear (Borrower Name),

Please be advised that according to the regulations in 7 CFR Part 1436 and the terms provided according to the CCC-186, FSFL Promissory Note and CCC-200, Security Agreement, we have determined a nonmonetary default has occurred with FSFL No. XXXX/XXXXX. The reason we made this determination is :

(Insert in plain language specific reasons why there is a nonmonetary default.)

At any time while the FSFL is outstanding you may have another eligible borrower assume the outstanding FSFL.

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

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

Please contact our office if you have any questions.

CED's Name
County Executive Director

--*

Example of an FSFL Nonmonetary Demand Letter

The following is an example of an FSFL Nonmonetary Demand Letter and instructions.

(Use Agency Letterhead format with local return address.)

(Date of Letter)

(Borrower Name)

(Borrower Address line 1)

(Borrower Address line 2)

Dear (Borrower Name),

Please be advised that according to regulations in 7 CFR Part 1436 and the terms provided according to the CCC-186, FSFL Promissory Note and CCC-200, Security Agreement, we have determined a nonmonetary default has occurred with FSFL No. XXXX/XXXXX. The reason we made this determination is:

(Insert in plain language specific reasons why there is a nonmonetary default.)

The total outstanding FSFL amount is now due. The amount due is available by contacting the _____ County Office. Please send your check payable to the Commodity Credit Corporation immediately. Send the check payable to Commodity Credit Corporation to the following address:

Commodity Credit Corporation

(Insert office street address)

(Insert City, State, and ZIP Code).

If you remit a check 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 receipt of the successful payment.

If the nonmonetary default is not resolved, the Commodity Credit Corporation may declare the entire indebtedness immediately due and payable. If your loan is called, foreclosure proceedings may be initiated. Under foreclosure proceedings, the collateral securing the loan may be sold and the proceeds of the sale will be applied to the outstanding amount of the loan.

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

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

Please contact our office if you have any questions.

CED's Name

County Executive Director

***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-200-1 Continuation**

A Instructions for Completing CCC-200

Complete CCC-200 according to the following instructions.

Item	Instructions
1A	Enter State name and code.
1B	Enter county name and code.
1C	Enter DLS-assigned FSFL number that is formatted with FY and FSFL number. Example: “2024/00002”
1D	Enter principal amount financed.
2A through 4J	Enter the applicant’s information for each item as applicable.
7	Enter a complete description of the collateral according to State policy.
8	Enter the physical location of the collateral including address, FSN, tract number, parcel number, and legal description according to State policy.
10A through 12D	Each applicant must sign, enter title if applicable, enter last 4 digits of their tax identification number, and date.
13A and 13B	Approving official must sign and enter position title.
13C	Enter the date the FSFL funds are disbursed.
13D through 13F	Enter County Office name, address, and telephone number.

***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-200-1 Continuation**
(Continued)

B Example of CCC-200

The following is an example of CCC-200.

CCC-200 (12-23-25)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
FARM STORAGE FACILITY LOAN (FSFL) PROGRAM SECURITY AGREEMENT		FOR COUNTY OFFICE USE ONLY	
		1. Loan Identification Number	
		A. Administrative State <i>Name</i>	B. Administrative County <i>Name</i>
		<i>Code</i>	<i>Code</i>
		C. Loan Number	D. Amount Financed \$
INSTRUCTIONS: Return this completed form to your County FSA Office.			
PART A – APPLICANT INFORMATION			
2A. Debtor's Name		2B. Identification Number (Last 4 Digits)	
2C. Address Line 1		2H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
2D. Address Line 2		2I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
2E. City	2F. State	2G. Zip	2J. Email Address
3A. Co-Debtor's Name		3B. Identification Number (Last 4 Digits)	
3C. Address Line 1		3H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
3D. Address Line 2		3I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
3E. City	3F. State	3G. Zip	3J. Email Address
4A. Security Grantor's Name		4B. Identification Number (Last 4 Digits)	
4C. Address Line 1		4H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
4D. Address Line 2		4I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
4E. City	4F. State	4G. Zip	4J. Email Address
<p>5. THIS SECURITY AGREEMENT is made between the United States of America, acting through the U.S. Department of Agriculture, Commodity Credit Corporation (Secured Party), and Debtor(s) and Co-Debtor(s) (collectively, the Debtor or Debtors), listed at Items 2A. and 3A., the Security Grantor(s) (collectively, the Security Grantor or Security Grantors) listed at Item 4A., as applicable, and those Debtors and Security Grantors listed in the CCC-200-1.</p> <p>This agreement must be signed by all Debtors and all Security Grantors. The terms and conditions contained on this form are in addition to the applicable program regulations found at 7 C.F.R. Part 1436. To the extent that the terms and conditions conflict with the regulations, the regulations prevail. Additionally, the regulations and statutes applicable to CCC operations apply to this program.</p>			
<div style="border: 1px solid black; width: 200px; height: 80px; margin: 0 auto; position: relative;"> <div style="position: absolute; top: -10px; left: 0; right: 0; background-color: #cccccc; text-align: center; font-weight: bold;">DATE STAMP</div> </div>			

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***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-200-1 Continuation
(Continued)**

B Example of CCC-200 (Continued)

CCC-200 (12-23-25)

Page 2 of 5

6. **BECAUSE** Debtor is justly indebted to Secured Party as evidenced by certain Promissory Notes or other instruments, all of which are called the "Promissory Note," which has been executed by Debtor and which is payable to the order of Secured Party, and authorizes acceleration of the entire indebtedness at the option of Secured Party upon any default by Debtor; and it is the purpose and intent of this Security Agreement to secure prompt payment of the Promissory Note and the timely performance of all obligations and covenants contained in this Security Agreement.

NOW THEREFORE, in consideration of said above Promissory Note and (1) to secure the prompt payment of all existing and future indebtedness and liabilities of Debtor to Secured Party, all with interest; (2) in any event and at all times to secure the prompt payment of all advances and expenditures made by Secured Party, with interest, as described in this Security Agreement; and (3) the timely performance of every covenant and agreement of Debtor and Security Grantor contained in this Security Agreement or in any supplementary agreement.

7. **DEBTOR AND SECURITY GRANTOR HEREBY GRANT** to Secured Party a security interest in the following described collateral:

The above said collateral shall not be sold without prior written authority of Secured Party. Such collateral is to be located upon the premises in Debtor's and/or Security Grantor's possession as described in the following location:

The Debtor and Security Grantor shall grant CCC such security as it may require in accordance with 7 C.F.R. Part 1436 or any successor regulations. The above provisions and those below have been read and considered by the undersigned. It is agreed that by signing this Security Agreement, the Debtor and Security Grantor make the representations, warranties, and agree to all the terms and conditions specified.

8. **DEBTOR AND SECURITY GRANTOR WARRANT, COVENANT, AND AGREE THAT:**

- (a) Debtor and Security Grantor are the absolute and exclusive owners of the above-described collateral, and such collateral is free from all liens, encumbrances, security and other interests except any existing liens, encumbrances, security or other interests in favor of Secured Party. Debtor and Security Grantor will defend the collateral against the claims and demands of all other persons.
- (b) Statements contained in Debtor's loan application and related loan documents are true and correct and that Debtor's and Security Grantor's names, as stated in the loan application and in this Security Agreement, are Debtor's and Security Grantor's complete legal names; Debtor will (1) use the loan funds for the purposes for which they were approved; and Debtor and Security Grantor will (2) maintain the loan collateral in a condition suitable for the storage or handling of one or more of the facility loan commodities; (3) insure the collateral in such amounts and manner as may be required by Secured Party, and if they fail to do so, Secured Party, at its option, may procure such insurance; (4) permit Secured Party to inspect the collateral at any reasonable time; (5) not abandon the collateral or encumber, conceal, remove, sell or otherwise dispose of it or of any interest in the collateral, or permit others to do so, without the prior written consent of Secured Party;

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***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-200-1 Continuation
(Continued)**

B Example of CCC-200 (Continued)

CCC-200 (12-23-25)

Page 3 of 5

- (6) not permit the collateral to be levied upon, injured or destroyed, or its value to be impaired; and (7) maintain accurate records of the collateral, furnish Secured Party any requested information related to the collateral and allow Secured Party to inspect and copy all records relating to the collateral.
- (c) Debtor will pay promptly when due all (1) indebtedness evidenced by the Promissory Note and any indebtedness to Secured Party secured by this Security Agreement; (2) all rents, taxes, liens, insurance premiums, levies, assessments, and other encumbrances, and costs of lien searches and maintenance and other charges now or later attaching to, levied on, or otherwise pertaining to the collateral or this security interest; (3) filing or recording fees for instruments necessary to perfect, continue, service, or terminate this security interest; and (4) fees and other charges now or later required by regulations of the Secured Party.
- (d) Secured Party is authorized to file financing statements describing the collateral, to file amendments to the financing Statements, and to file continuation statements. The filing of any prior financing statements is ratified.
- (e) Debtor will immediately notify Secured Party of any material change in the collateral or in the collateral's location; change in Debtor's name, address, or location; change in any warranty or representation in this Security Agreement; change that may affect this security interest or its perfection; and any event of default.
- (f) Secured Party may at any time pay any other amounts required in this instrument to be paid by Debtor and not paid when due, including any costs and expenses for the preservation or protection of the collateral or this security interest. All such expenses shall bear interest at the rate borne by the Promissory Note and will be recovered from the Debtor.
- (g) All advances by Secured Party as described in this Security Agreement, together with interest, shall be immediately due and payable by Debtor to Secured Party without demand and shall be secured by this Security Agreement. No such advance by Secured Party shall relieve Debtor from breach of the covenant to pay. Any payment made by Debtor may be applied on the Promissory Note or any indebtedness to Secured Party hereby, in any order Secured Party determines.
- (h) In order to secure or better secure the above-mentioned obligations or indebtedness, Debtor agrees to execute any further documents, including additional security instruments on such real and personal property as Secured Party may require and to take any further actions reasonably requested by Secured Party to evidence or perfect the security interest granted herein or to effectuate the rights granted to Secured Party herein.
- (i) During the life of this loan the loan collateral shall not be used by any commercial operation including, but not limited to, elevators, warehouses, dryers or processing plants. The storage and handling of approved facility loan commodities, whether paid or unpaid, for persons other than the borrower, except for family members as defined in 7 C.F.R. Part 718, and/or tenants and landlords sharing in the crop requiring storage is not allowed.

9. IT IS FURTHER AGREED THAT:

- (a) Until default, Debtor and Security Grantor may retain possession of the collateral.
- (b) **Default** shall exist under this Security Agreement if Debtor fails to perform or discharge any obligation or to pay promptly any indebtedness secured by this Security Agreement or to observe or perform any covenants or agreements in this Security Agreement or in any supplementary agreement contained, or if any of Debtor's representations or warranties herein prove false or misleading, or upon the death or incompetency of the parties named as Debtor, or upon the bankruptcy or insolvency of any one of the parties named as Debtor, or, where applicable, if Security Grantor fails to perform or discharge any obligation or to preserve or to observe or perform any covenants or agreements in this Security Agreement or in any supplementary agreement contained, or if any of Security Grantor's representations or warranties herein prove false or misleading. Default shall also exist if any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands, as described in 7 CFR Part 12 or any successor regulation. Upon any default:
- (1) Secured Party, at its option, with or without notice as permitted by law may (a) declare the unpaid balance on the Promissory Note and any indebtedness secured by this Security Agreement immediately due and payable; (b) enter upon the premises and inspect the same, take possession of, repair, improve, use, and operate the collateral or make equipment usable, for the purpose of protecting or preserving the collateral or this lien, or preparing or processing the collateral for sale, and (c) exercise any sale or other rights accorded by law. Secured Party may disclaim all warranties relating to title, possession, quiet enjoyment, merchantability, fitness or the like in any disposition of the collateral;
- (2) If the collateral is acquired by Secured Party through foreclosure or other means, at the option of Secured Party and at no expense to Secured Party, such property shall remain on the above-described real estate for a period not to exceed six (6) months after the date of acquisition by Secured Party;

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***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-200-1 Continuation
(Continued)**

B Example of CCC-200 (Continued)

CCC-200 (12-23-25)

Page 4 of 5

- (3) Debtor and Security Grantor (a) agree to assemble the collateral and make it available to Secured Party at such times and places as designated by Secured Party; and (b) waive all notices, exemptions, compulsory disposition and redemption rights;
- (4) A default shall exist under any other security instrument held by Secured Party and executed or assumed by Debtor on real or personal property. Likewise, default under such other security instrument shall constitute default under this Security Agreement.
- (c) Proceeds from disposition of collateral shall be applied first on expenses of retaking, holding, preparing for sale, processing, selling and the like and for payment of reasonable attorneys' fees and legal expenses incurred by Secured Party, second to the satisfaction of prior security interests or liens to the extent required by law and in accordance with current regulations of the Secured Party, third to the satisfaction of indebtedness secured by this Security Agreement, fourth to the satisfaction of subordinate security interests to the extent required by law, fifth to any obligations of Debtor(s) owing to Secured Party and sixth to Debtor(s). Any proceeds collected under insurance policies shall be applied first on expenditures made by Secured Party, with interest, as provided above, second on the debt evidenced by the Promissory Note, unless Security Party consents in writing to their use by Debtor(s) under Secured Party's direction for repair or replacement of the collateral, third on any other obligation of Debtor(s) owing to Secured Party, and any balance shall be paid to Debtor(s) unless otherwise provided in the insurance policies. Debtor(s) will be liable for any deficiency owed to Secured Party after such disposition of proceeds of the collateral and insurance.
- (d) It is the intent of Debtor, Security Grantor, and Secured Party that to the extent permitted by law and for the purpose of this Security Agreement, no collateral covered by this Security Agreement is or shall become realty or accessioned to other goods.
- (e) Debtor and Security Grantor agree that the Secured Party will not be bound by any present or future State exemption laws. Debtor and Security Grantor expressly **WAIVE** the benefit of any such State laws.
- (f) Secured Party may comply with any applicable State or Federal law requirements in connection with the disposition of the collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the collateral.
- (g) This Security Agreement is subject to the present regulations of the Secured Party and to its future regulations not inconsistent with the express provisions of this Security Agreement.
- (h) If any provision of this Security Agreement is held invalid or unenforceable, it shall not affect any other provisions, but this Security Agreement shall be construed as if it had never contained such invalid or unenforceable provision.
- (i) The rights and privileges of Secured Party under this Security Agreement shall accrue to the benefit of its successors and assigns. All covenants, warranties, representations, and agreements of Debtor(s) contained in this Security Agreement are joint and several and shall bind personal representatives, heirs, successors, and assigns.
- (j) Failure of the Secured Party to exercise any right, whether once or often, shall not be construed as a waiver of any covenant or condition or of the breach of such covenant or condition. Such failure shall also not affect the exercise of such right without notice upon any subsequent breach of the same or any other covenant or condition.
- (k) **SECURED PARTY HAS INFORMED DEBTOR THAT DISPOSAL OF PROPERTY COVERED BY THIS SECURITY AGREEMENT WITHOUT THE CONSENT OF SECURED PARTY, OR MAKING ANY FALSE STATEMENT IN THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT, MAY CONSTITUTE A VIOLATION OF FEDERAL CRIMINAL LAW.**
- (l) Debtor acknowledges that Secured Party loaned money to me/us to purchase items of collateral that serve as security for my/our loan.

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***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-200-1 Continuation
(Continued)**

B Example of CCC-200 (Continued)

CCC-200 (12-23-25)		Page 5 of 5	
PART D – CERTIFICATION			
<i>I certify that the information provided is true, complete and correct to the best of my knowledge and is provided in good faith. (Warning: Section 1001 of Title 18, United States Code, provides for criminal penalties to those who provide false statements. If any information is found to be false or incomplete, such finding may be grounds for denial of the requested action.)</i>			
10A. Debtor's Signature (By)	10B. Title/Relationship of Representative	10C. Debtor's ID Number (last 4 digits)	10D. Date (MM/DD/YYYY)
11A. Co-Debtor's Signature (By)	11B. Title/Relationship of Representative	11C. Debtor's ID Number (last 4 digits)	11D. Date (MM/DD/YYYY)
12A. Security Grantor	12B. Title/Relationship of Representative	12C. Debtor's ID Number (last 4 digits)	12D. Date (MM/DD/YYYY)
PART E – COMMODITY CREDIT CORPORATION SECURED PARTY			
13A. By: Approving Official Signature	13B. Title	13C. Date of Disbursement (MM/DD/YYYY)	
13D. FSA County Office Name	13E. FSA County Office Address	13F. Telephone Number (Include Area Code)	
<p>Privacy Act Statement: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a - as amended). The authority for requesting the information identified on this form is the Farm Storage Facility Loan Program Regulations (7 C.F.R. 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 the debtor's agreement to comply with the terms and conditions contained in the Security Agreement. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Farm Storage Facility Loan Program.</p> <p>Paperwork Reduction Act (PRA) Statement: This information collection is exempted from PRA as specified in 7 U.S.C. 8781(c)(2)(A).</p> <p>Non-Discrimination Statement: 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, 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.</p> <p>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.</p> <p>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint 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, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.</p> <p>USDA is an equal opportunity provider, employer, and lender.</p>			

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***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-200-1 Continuation
(Continued)**

C Instructions for Completing CCC-200-1

Item	Instructions
1A	Enter State name and code.
1B	Enter county name and code.
1C	Enter DLS-assigned FSFL number that is formatted with FY and FSFL number. Example: "2024/00002"
1D	Enter principal amount financed.
2A through 13J	Enter the applicant's information for each item as applicable.
14A through 14D	Each applicant must sign, enter title if applicable, enter last 4 digits of their tax identification number, and date.
15A through 15C	If applicable, Security Grantor must sign, enter title or relationship of representative, and date.
16	Enter remarks if necessary.

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***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-200-1 Continuation
(Continued)**

D Example of CCC-200-1

The following is an example of CCC-200-1 Continuation.

CCC-200-1 (12-23-25)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
FARM STORAGE FACILITY LOAN PROGRAM SECURITY AGREEMENT (CCC-200 CONTINUATION SHEET)		FOR COUNTY OFFICE USE ONLY	
		1. Loan Identification Number	
		A. Administrative State <i>Name</i> <i>Code</i>	B. Administrative County <i>Name</i> <i>Code</i>
		C. Loan Number	D. Amount financed \$
INSTRUCTIONS: Return this completed form to your County FSA Office.			
PART A – CO-DEBTOR'S INFORMATION			
2A. Co-Debtor's Name		2B. Identification Number (<i>Last 4 Digits</i>)	
2C. Address Line 1		2H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
2D. Address Line 2		2I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
2E. City	2F. State	2G. Zip	2J. Email Address
3A. Co-Debtor's Name		3B. Identification Number (<i>Last 4 Digits</i>)	
3C. Address Line 1		3H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
3D. Address Line 2		3I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
3E. City	3F. State	3G. Zip	3J. Email Address
4A. Co-Debtor's Name		4B. Identification Number (<i>Last 4 Digits</i>)	
4C. Address Line 1		4H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
4D. Address Line 2		4I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
4E. City	4F. State	4G. Zip	4J. Email Address
5A. Co-Debtor's Name		5B. Identification Number (<i>Last 4 Digits</i>)	
5C. Address Line 1		5H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
5D. Address Line 2		5I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
5E. City	5F. State	5G. Zip	5J. Email Address

***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-201 Continuation**
(Continued)

D Example of CCC-200-1 (Continued)

CCC-200-1 (12-23-25)			Page 2 of 4
PART A – CO-DEBTOR'S INFORMATION (Continuation)			
6A. Co-Debtor's Name		6B. Identification Number (<i>Last 4 Digits</i>)	
6C. Address Line 1		6H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
6D. Address Line 2		6I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
6E. City	6F. State	6G. Zip	6J. Email Address
7A. Co-Debtor's Name		7B. Identification Number (<i>Last 4 Digits</i>)	
7C. Address Line 1		7H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
7D. Address Line 2		7I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
7E. City	7F. State	7G. Zip	7J. Email Address
8A. Co-Debtor's Name		8B. Identification Number (<i>Last 4 Digits</i>)	
8C. Address Line 1		8H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
8D. Address Line 2		8I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
8E. City	8F. State	8G. Zip	8J. Email Address
9A. Co-Debtor's Name		9B. Identification Number (<i>Last 4 Digits</i>)	
9C. Address Line 1		9H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
9D. Address Line 2		9I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
9E. City	9F. State	9G. Zip	9J. Email Address
10A. Security Grantor's Name		10B. Identification Number (<i>Last 4 Digits</i>)	
10C. Address Line 1		10H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
10D. Address Line 2		10I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
10E. City	10F. State	10G. Zip	10J. Email Address

***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-201 Continuation
(Continued)**

D Example of CCC-200-1 (Continued)

CCC-200-1 (12-23-25)			Page 3 of 4	
PART A – CO-DEBTOR'S INFORMATION (Continuation)				
11A. Security Grantor's Name			11B. Identification Number <i>(Last 4 Digits)</i>	
11C. Address Line 1			11H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
11D. Address Line 2			11I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
11E. City	11F. State	11G. Zip	11J. Email Address	
12A. Security Grantor's Name			12B. Identification Number <i>(Last 4 Digits)</i>	
12C. Address Line 1			12H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
12D. Address Line 2			12I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
12E. City	12F. State	12G. Zip	12J. Email Address	
13A. Security Grantor's Name			13B. Identification Number <i>(Last 4 Digits)</i>	
13C. Address Line 1			13H. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
13D. Address Line 2			13I. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell	
13E. City	13F. State	13G. Zip	13J. Email Address	
PART D – PRODUCER'S CERTIFICATION				
<i>The undersigned debtor(s) agrees to all terms and conditions specified in Form CCC-200 "Security Agreement" with the same loan identification number.</i>				
14A. Co-Debtor's Signature (By)	14B. Title/Relationship of Representative	14C. Debtor's ID Number <i>(Last 4 digits)</i>	14D. Date <i>(MM/DD/YYYY)</i>	

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***--CCC-200 Farm Storage Facility Loan Program Security Agreement and CCC-201 Continuation
(Continued)**

D Example of CCC-200-1 (Continued)

CCC-200-1 (12-23-25)		Page 4 of 4	
PART D – PRODUCER'S CERTIFICATION (Continuation)			
14A. Co-Debtor's Signature (By)	14B. Title/Relationship of Representative	14C. Debtor's ID Number (Last 4 digits)	14D. Date (MM/DD/YYYY)
15A. Security Grantor's Signature (By)	15B. Title/Relationship of Representative	15C. Date (MM/DD/YYYY)	
15A. Security Grantor's Signature (By)	15B. Title/Relationship of Representative	15C. Date (MM/DD/YYYY)	
16. Remarks			

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 Farm Storage Facility Loan Regulations Program (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 the debtor's agreement to comply with the terms and conditions contained in the Security Agreement. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Farm Storage Facility Loan Program.

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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 State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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 <https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> 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, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

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Example of ILOC Withdraw Request Letter

The following is an example of the ILOC Withdraw Request Letter.

Date:

Name of the Financial Institution

Address:

City, State and ZIP Code

SUBJECT: Farm Storage Facility Loan (FSFL) Irrevocable Letter of Credit Partial Withdrawal
Request

In accordance with the Irrevocable letter of Credit provided to secure *(enter producer's name)*,
FSFL No. XXXX/XXXXX, the Commodity Credit Corporation (CCC) hereby request a partial
withdraw in the amount of \$ _____, to satisfy the delinquent FSFL No.
XXXX/XXXXX.

(Enter the producer's name) was recently mailed a FSFL Reminder and Notification Letter and
three 30-day demand letters which provided notification that delinquent FSFL debt collections
will start if the delinquent FSFL payment is not received by *(enter the date the third demand
letter expires)*.

Enclosed you will find a copy of the third demand letter mailed to *(enter the producer's name)*
and *(list and enclose the required documents the Irrevocable letter of Credit requires for a
partial draw)* required by your financial institution to make the partial draw.

Please make the check payable to the Commodity Credit Corporation and send it to the office
listed below within 7 calendar days or the time permitted under the terms of the Irrevocable
Letter of Credit.

Commodity Credit Corporation

(Office Street Address)

(City, State and ZIP Code)

Feel free to give us a call if you have any questions.

Enclosures

Sincerely,

CED's Name

County Executive Director

