

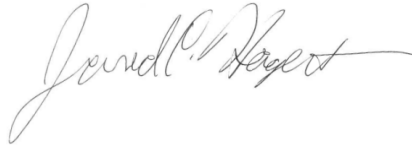
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

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

Amendment 8

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 6 C has been amended to clarify OGC guidance.

Subparagraph 10 G has been amended to remove Data Facts, Inc.

Subparagraph 69 B has been amended to clarify required documentation for entity applicants.

Paragraph 82 has been amended to update policy and procedure for obtaining credit reports.

Subparagraph 85 G has been amended to include majority owners (principal members).

Subparagraph 195 A has been amended to remove instructions when DLS is unavailable.

Subparagraph 302 A has been amended to clarify fees for credit reports.

Exhibit 67 has been amended to remove the manual instructions to complete CCC-186.

Exhibit 84 has been amended to correct the nonmonetary default notification letter.

Exhibit 86 has been amended to update the instructions to complete CCC-200.

Amendment Transmittal (Continued)

Page Control Chart		
TC	Text	Exhibit
	1-1, 1-2 1-5, 1-6 1-11, 1-12 1-17 through 1-30 1-35, 1-36 1-41 through 1-56 4-29, 4-30 5-1 through 5-6 5-6.5, 5-6.6 (remove) 5-13, 5-14 11-39, 11-40 15-1 through 15-4	67, pages 1-2 84, page 1 86, pages 1-2 pages 7-10 page 11

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.

4 FSFL Information

A Administering the FSFL Program

[7 CFR 1436.2] The FSFL Program will be:

- administered under the general supervision of DAFP
- carried out in the field by STC's, COC's, and FSA employees.

Farm program staff administer numerous program areas. FLP staff is involved in the FSFL program by assisting, at a minimum, with the financial review. SED may establish priorities for farm program and FLP staff for FSFL activities.

B Restrictions

STC's and COC's, and representatives and employees thereof, do **not** have the authority to modify or waive any of the provisions of this handbook **unless** authority is provided by DAFP.

C STC Actions

STC will:

- take any action **required** by this handbook that has **not** been taken by COC
- correct, or require COC to correct, an action taken by COC that is **not** according to this handbook
- require COC to withhold taking any action that is **not** according to this handbook
- require all FSFL checklists to be completed for FSFL making and FSFL servicing
- require completion of the environmental review by trained FSA staff prior to initiation of action by an applicant to begin a project and/or approval of the request.

STC may:

- approve CCC-185D's up to the maximum approval amount
- *--establish additional limits for COC approval on a Statewide basis and **not** on a case by case basis
- establish maximum per bushel or per unit of measure limits for net cost.--*

4 FSFL Information (Continued)

D Determinations

No provision or delegation to STC or COC shall preclude the CCC Executive Vice President, or a designee, or the FSA Administrator, or a designee, from:

- determining any question arising under FSFL
- reversing or modifying any determination made by STC or COC.

5 Facility, Drying and Handling Equipment and Storage and Handling Trucks Purpose and Useful Life

A Facility Purpose

The intent of the FSFL Program is to provide on-farm storage to producers to store and handle eligible facility loan commodities they produce. FSFL collateral **must** be used for the purpose for which the FSFL storage, equipment and storage and handling truck was acquired, *--constructed or installed for the **entire** FSFL term, unless prior approval was authorized to temporarily use the FSFL components for other agricultural-related items until the next harvest season.--*

FSFL must **not** be approved to provide financing for purchased commodities or commercial storage facilities.

B Facility Useful Life

To ensure the FSFL will be adequately secured throughout the FSFL term, CCC has determined the useful life of the eligible collateral **must** be at least the term of the loan.

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-200-1--*
- CCC-193 * * *
- CCC-193-D * * *
- 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 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 can only be approved for eligible applicants. 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)

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)

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 from FSA after it has been obtained.--

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

A Conducting Meetings

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

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

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

B Signing CCC-185D When Alternative Option Is Used

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

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

13 Notification to Applicant of Approval or Disapproval

A Notifying Applicants

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

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

B Approval Notification Letter

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

C Adverse Determination Notification Letter

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

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

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

14 FSFL Approval Expiration

A Approval Expiration

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

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

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

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

B Requesting Extension of the Approval Expiration

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

15-24 (Reserved)

69 Obtaining Forms and Filing CCC-185's (Continued)

B Items Needed for an FSFL Application Package (Continued)

- storage capacity calculator (except for FSFL requests that are only for storage and handling equipment and/or storage and handling truck or requests for improvements to existing structures without increasing storage capacity of existing storage structure)
- AD-1026
- CCC-10, see paragraph 141 for detailed information
- *--CCC-901 or CCC-902, if available for other farm program purposes--*
- FSA-2004, if applicable, see paragraph 82 for additional information
- FSA-2037 or similar financial statement form, see paragraph 85
- FSA-2038 or similar projected income and expense form, see paragraph 85
- documentation to support proposed FSFL structure plan, if applicable, as follows:
 - building plan, specifications, or detailed drawing
 - cost estimates
 - dimensions of proposed structure
 - purchase orders
- legal description of the parcel where the facility will be placed if the loan request includes a storage structure that will be permanently affixed to the real estate
- legal description of all properties offered as additional security, if applicable
- plat map or aerial photograph with the structure's location marked
- a contract with a buyer, if submitting a renewable biomass CCC-185
- planting history if **not** on file, see paragraph 48
- written authorization of access to the proposed storage site if the structure is being placed on real estate **not** owned by the applicant
- valid State-issued driver's license or State-issued ID card, if **required** by State law for UCC filing information
- application fee according to subparagraph 58 A

69 Obtaining Forms and Filing CCC-185's (Continued)

B Items Needed for an FSFL Application Package (Continued)

- proof of crop insurance or other program coverage according to paragraph 96
- letter of intent from financial institution about Irrevocable Letter of Credit according to subparagraph 121 E, Exhibit 69 if applicable.

Note: If the applicant intends to utilize an Irrevocable Letter of Credit as security for the **entire** FSFL, the letter of intent from the financial institution should be received with the application package. This will allow the County Office to waive the financial review; in addition, the County Office will not initiate actions pertaining to perfecting security liens unless required by STC, statewide, not on a case by case basis. Otherwise, a financial analysis is required, and the Irrevocable Letter of Credit must be provided at the time of loan closing.

- for an entity applicant, entity documents documenting the following:
 - list of entity members and the number of shares and percentage of ownership
 - *--balance sheet and projected income and expense information for the entity and members according to subparagraph 85 G*--
 - authorization to incur debt
 - parties **required** to sign security and debt instruments.

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

Part 5 Credit and Financial Worthiness

82 Credit History and Credit Reports

A Obtaining Credit Reports

Once a complete application package is received from the applicant, State or County Offices must:

- *--request current credit reports for all FSFL applicants from FLP staff

Note: Authorized FLP agency officials with access to FBP will obtain the credit reports while providing a financial analysis of the operation using Equifax, Experian, and Trans Union data through the FBP “General” menu screen.--*

- not request credit report for spouse unless the spouse is an eligible applicant
- **not** collect the cost of the report from the applicant

* * *

- 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 must also request individual or joint reports for the majority owners (principal members) of the entity.--

* * *

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

Note: * * *

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 * * *, 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.

* * *

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)

***--E Analyzing Credit History Reports**

The authorized individual performing the financial analysis must:--*

- 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 FLP and FSFL outstanding debt information from the applicant's customer profile in DLS, the financial statements, and credit history reports to prepare a FSFL credit action recommendation 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.

* * *

***--F Centralized Payment**

Payments for all FSFL credit reports will be made to the applicable parties by the--* **National Office**. State and County Offices will **not** pay for FSFL credit reports.

82 Credit History and Credit Reports (Continued)

--G 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. * * *
- 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.

85 Financial Planning (Continued)

G Financial Analysis

--The financial analysis of an FSFL applicant must be performed by either an FLP or County Office employee with FLP loan approval authority within a reasonable timeframe, no later than 45 calendar days after a complete application package is received in the County Office (including all required forms, supporting documentation requested, and the application fee).--

The FBP, FSFL Credit Presentation recommendation for approval or disapproval, based on the applicant's credit history and financial information, shall be provided to COC or STC. The FBP, FSFL Credit Presentation recommendation **must** include:

- FSFL amount
- FSFL term
- down payment ability
- whether producer can timely repay FSFL
- if additional security is **required**, see paragraph 122 for the summary of the valuation of security policy.

Example: “Based on FSFL applicant's credit history and financial information, I recommend approval of the FSFL in the amount of \$ _____ with a loan term of ____ years. The information provided demonstrates the applicant is creditworthy and has the ability to make the down payment and timely repay FSFL.”

If it is determined during the financial analysis that the producer **cannot** reasonably make the annual installment payments for the requested FSFL, the FSA employee with loan approval authority may recommend a lower amount for FSFL.

The Farm Business Plan User Guide provides guidance for FSA employees with loan approval authority to use the FBP, FSFL Credit Presentation to document their recommendation of FSFL approval or disapproval.

Note: The Farm Business Plan User Guide is located at <https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index>.

85 Financial Planning (Continued)

G Financial Analysis (Continued)

If an Irrevocable Letter of Credit is used as security for FSFL and a letter of intent or guarantee is provided with the FSFL application package, a financial analysis and credit report are **not** required, **unless** it is required by STC. This determination will be on a statewide basis and **not** on a case-by-case basis. The acceptable Irrevocable Letter of Credit must be provided at or before FSFL closing.

If an increase of up to 10 percent of the FSFL is requested by the producer after FSFL has been approved, a new financial analysis is **not** required, **unless** it is required by STC. See subparagraph 176 B.

*--For entity applicants, a financial analysis is **required** for the majority owners (principal members).--*

Examples: If there is a:

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

STC may determine whether a financial analysis is **required** for all members. This determination will be on a statewide basis and **not** on a case-by-case basis.

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

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.

* * *

--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.

Part 15 Fees

301 Program-Related Codes**A Collecting Application Fees**

An FSFL application fee of \$100 per FSFL applicant **must** be collected according to paragraph 58. Record the application fee as soon as it is collected in DLS. See 2-FSFL for correctly recording the FSFL application fee.

In addition to the FSFL application fee, the applicant is responsible for paying for certain filing fees associated with their FSFL as identified in subparagraph 58 C.

The application fee for FSFL assumption **must** be collected when the assumption is requested, according to paragraph 234.

302 Issuing Payments for Lien Searches and Recording Fees**A Fees Responsibilities**

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

- *--credit reports (no action required by State and County Offices)--*
- lien searches on collateral
- recording fees for financing statements on collateral.

Note: * * * The National Office is responsible for paying all costs associated with FSFL credit reports * * * generated from FBP.

The applicant must pay all other fees according to subparagraph 58 C.

State and County Offices must use DLS for paying all fees for FSFL lien searches and financing statements.

B Paying Fees

County Offices must submit payment requests for FSFL lien search and recording fees according to * * * 2-FSFL procedures.

When credit or purchase cards are used to pay FSFL fees, State and County Office employees must ensure they are using the correct FSFL accounting information to pay and reconcile the charges.

Note: Recoverable fees can only be processed using the “pay now” or “pay later” options. Therefore, the user is not authorized to select “credit card” for FSFL recoverable fees.

303 Reimbursable Fees**A Reimbursable Fee**

An example of a reimbursable fee is the borrower repaying the County Office for CCC-297 filed for the producer. According to subparagraph 58 C, the borrower is responsible for the cost associated with the filing of CCC-297. Other examples include, but are **not** limited to, the following:

- all * * * forms related to a lien on real estate
- filing a release or discharge of a real estate mortgage or deed of trust
- filing a discharge of CCC-297
- terminating a financing statement using a UCC document.

FSFL recoverable and/or reimbursable costs are the responsibility of the borrower, but in *--some instances may be paid on behalf of the borrower by CCC because of timing issues--* and then collected back from the borrower. See 2-FSFL for guidance on entering recoverable fees in DLS.

303 Reimbursable Fees (Continued)

B Payments for Reimbursable Fees Submitted by County Office

County Offices must:

- *--use DLS to **pay** for FSFL reimbursable fees that will be reimbursed by the applicant/borrower, according to 2-FSFL--*

* * *

- *--submit the payment request for reimbursable fees according to current 2-FSFL procedures.--*

* * *

C UCC Recording Fee

CCC is responsible for payment of lien searches on collateral and UCC-1 recording fees for *--financing statements on collateral. See 2-FSFL.

When FSFL's are paid in full, the UCC termination fee is the responsibility of the borrower, and the UCC termination fee **must** be processed according to subparagraphs A and B.--*

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.

* * *

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

C Example of CCC-186

The following is an example of CCC-186.

*--

CCC-186 U.S. DEPARTMENT OF AGRICULTURE (12-23-25) Commodity Credit Corporation FARM STORAGE FACILITY LOAN PROGRAM PROMISSORY NOTE	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:			
	2. Amount Financed \$	3. Annual Interest Rate %		
	4. Finance Charge (<i>Assuming installments are paid on the annual due date at the interest rate shown in Item 3 above.</i>) \$			
	5. Number of Annual Installments	6. Installment Amount \$		
INSTRUCTIONS: Return this completed form to your County FSA Office.				
PART A – APPLICANT’S INFORMATION				
7. Debtor’s Name (<i>Person or Legal Entity</i>)				
8A. Address Line 1	9A. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell			
8B. Address Line 2	9B. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell			
8C. City	8D. State	8E. Zip		
10. Email Address				
11. Co-Debtor’s Name (<i>Person or Legal Entity</i>)				
12A. Address Line 1	13A. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell			
12B. Address Line 2	13B. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell			
12C. City	12D. State	12E. Zip		
14. Email Address				
<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%;"> <tr> <td style="text-align: center;">DATE STAMP</td> </tr> <tr> <td style="height: 50px;"> </td> </tr> </table>			DATE STAMP	
DATE STAMP				

--*

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.)

--If the nonmonetary default is not resolved within 30 calendar days from the date of this letter, 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.--

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

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

A Instructions for Completing CCC-200

--CCC-200 must be printed from DLS. After CCC-200 is printed from DLS, complete any incomplete items 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. *--If an Irrevocable Letter of Credit is provided to secure the FSFL, then CCC-200 item 7 must also include the following information: "An Irrevocable Letter of Credit from (enter lending institution) secures FSFL No. (enter loan number) in the amount of \$(enter amount) plus applicable interest for the entire term."--*
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.
--12A through 12 D	Security Grantor must sign, enter title if applicable, enter last 4 digits of their TIN, and date. This item may be left blank if there is no security grantor for the collateral. Note: Security Grantor is a person or legal entity that has an ownership interest in the collateral securing the FSFL, but does not have an ownership interest in the borrower's farming operation and is not responsible for repaying the FSFL.--
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.

<p>CCC-200 (12-23-25)</p> <p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p style="text-align: center;">FARM STORAGE FACILITY LOAN (FSFL) PROGRAM SECURITY AGREEMENT</p>		<p>FOR COUNTY OFFICE USE ONLY</p>			
		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 \$		
<p>INSTRUCTIONS: Return this completed form to your County FSA Office.</p>					
<p>PART A – APPLICANT INFORMATION</p>					
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>					
<table border="1" style="margin-left: auto; margin-right: 0;"> <tr> <td style="background-color: #cccccc; text-align: center;">DATE STAMP</td> </tr> <tr> <td style="height: 80px;"></td> </tr> </table>				DATE STAMP	
DATE STAMP					

--*

**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. *--Note: Security Grantor is a person or legal entity that has an ownership interest in the collateral securing the FSFL, but does not have an ownership interest in the borrower’s farming operation and is not responsible for repaying the FSFL.--*
16	Enter remarks if necessary.

***--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		FOR COUNTY OFFICE USE ONLY			
FARM STORAGE FACILITY LOAN PROGRAM SECURITY AGREEMENT (CCC-200 CONTINUATION SHEET)				1. Loan Identification Number			
				A. Administrative State		B. Administrative County	
				<i>Name</i>		<i>Code</i>	
				<i>Code</i>		<i>Name</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-200-1--*
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-200-1--*
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 (Last 4 Digits)	
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 (Last 4 Digits)	
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 (Last 4 Digits)	
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 (Last 4 digits)	14D. Date (MM/DD/YYYY)

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

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.

