

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**CCC Cotton Authorized
Loan Servicing Agent Program
22-CN (Revision 2)**

Amendment 14

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reason for Amendment

Subparagraph 54 D has been amended to clarify procedure for invoices that remain unpaid 30 calendar days after notification letter for forfeited cotton loans.

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54 Collecting Charges Due on Forfeited Loans (Continued)

D Collecting Charges Due From Producer (Continued)

- if statement of charges is **correct**:
 - send producer a notification letter for charges due according to subparagraph E
 - file a copy of the statement of charges in the producer's loan folder.

If invoice is **paid within 30 calendar days** of the notification letter, LSA's shall:

- acquire a manual code by contacting Jan DeLancey at 816-926-2638 or Diana Johnson at 816-926-1945
- if automated, transmit the CCC-719 trailer record with another bale detail record to NITC

Note: Include the COPS invoice number [23] obtained from the COPS web site. An authorization code will be generated.

- e-mail the following information to Diana Johnson at **diana.johnson@kcc.usda.gov**:
 - charges to be repaid as indicated on the COPS Producer Collection Invoice
 - number of bales forfeited
 - Producer Collection Invoice number
 - authorization code
 - date of wire transfer
- FAX a completed CCC-719 to FSC, FCMO, CLIG at 816-926-5940 with the following information for each invoice:
 - charges to be repaid as indicated on the COPS Producer Collection Invoice
 - number of bales forfeited
 - Producer Collection Invoice number
 - authorization code
 - date of wire transfer

•*--if invoice remains **unpaid 30 calendar days after** the date of the notification letter:

- transfer the required information to the administrative State and/or County Office as follows:
 - LSA notification letter
 - documentation of any collection activity
 - producer collection invoice.--*

54 Collecting Charges Due on Forfeited Loans (Continued)

D Collecting Charges Due From Producer (Continued)

Transfer a Producer Collection Invoice payment in COPS according to the following.

Step	Action	Results
1	On the COPS Home Page, under the “Invoicing tab”, CLICK “Invoice Review”.	The Invoice Review Screen will be displayed.
2	On the Invoice Review Screen, click the Invoice Type drop-down menu, CLICK “Producer Collection Invoice”, and click the list button.	The Invoice List Screen will be displayed.
3	Click on the line item for the desired invoice to be transferred.	The Producer Collection Invoice Detail Screen will be displayed.
4	On the Producer Collection Invoice Detail Screen, enter the administrative State or county code field where the documents are being transferred and CLICK “Transfer Invoice”.	A confirmation box will be displayed asking if user is sure he/she wants to transfer the invoice.
5	If LSA is certain that a transfer is to take place, CLICK “OK”.	The Producer Collection Invoice Detail Screen will be displayed reflecting a changed invoice status from “Waiting Payment” to “Transferred Producer”.

Note: Any funds collected by LSA **after** the debt has been referred shall be forwarded to the administrative County Office to be recorded as a debt collection. Do **not** remit funds according to 21-CN, paragraph 433.

54 Collecting Charges Due on Forfeited Loans (Continued)

E Notification Letter for Debt Collection

This is an example of the initial notification letter for charges due.

Dear Producer:

It has been determined that you owe CCC \$_____. The amount due is a result of the forfeiture of your cotton loan number _____.

You were notified of this loan's maturity date and of the options available to you. By having decided to forfeit the loan collateral in satisfaction of the loan, you agreed to pay to CCC at rates that are specified in the storage agreement between the warehouse and CCC, all:

- warehouse storage charges that accrued **before** the date all documents required from you for the loan were provided to LSA
- unpaid warehouse receiving charges including any charges for new ties
- unpaid warehouse compression charges
- any difference between the warehouse CSA loan rate and the storage credit rate during the loan period from date documents received to maturity.

You may contact this office to review records related to the determination of this debt or to receive an explanation of the debt. You may obtain a copy of the records subject to copying charge.

You have 30 calendar days from the date of this letter to seek an informal review and request reconsideration of the determination of the debt. In requesting the reconsideration, provide a written explanation of the basis of your disagreement with the determination and provide documentation to support your position.

You may pay your debt by check payable to (**insert LSA name**) and mail the check to this office at the above address. Please contact this office at _____ if you have any questions. We will work with you to resolve this matter.

If this debt is not resolved, CCC reserves the right to use all additional actions available to recover the debt. The debt may be collected by internal administrative offset from any CCC or FSA payment that may be due to you. Additional actions that may be taken to recover the debt include the assessment of late payment interest, administrative costs, and penalties; administrative wage garnishment; reporting the debt to credit bureaus; referring the debt to private collection agencies and debt collection centers; collecting the debt by offset of qualified disbursements and refunds, including federal tax refunds; referring the debt to litigation (if collection administratively is unsuccessful); and reporting the debt to the Internal Revenue Service if the debt, or any portion of the debt, is discharged. Once your debt is more than 180 days delinquent, we are required to refer the debt to the Department of Treasury for collection.

Our records do not reflect that you have filed for bankruptcy protection under Title II of the United States Code. If you have filed bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures.

Sincerely,

LSA Official

_____ LSA Office

55 **Loan Reconcentrations**

A Background

CCC may, from time to time, decide to relocate loan collateral. KCCO shall notify LSA's of cotton intended for reconcentration and specific instructions LSA's shall follow in processing reconcentrations. LSA's shall then notify producers of their options of repaying the loan or allowing the reconcentration.

B How LSA's Process Reconcentrations

LSA's shall process reconcentrations according to this table.

IF the producer chooses to...	THEN...
allow the reconcentration	<ul style="list-style-type: none"> • follow instructions in the KCCO notification letter about the reconcentration • deliver a shipping and receiving list to CCB to do either of the following: <ul style="list-style-type: none"> • obtain applicable warehouse receipts • instruct CCB to notify EWR provider to amend EWR to show original warehouse as holder Note: EDS shall prepare and provide shipping and receiving lists for LSA's. • send released individual card warehouse receipts to original warehouse • after receiving replacement individual card warehouse receipts from new warehouse: <ul style="list-style-type: none"> • submit receipts to CCB • provide EWR receipt number to CCB that shows CCC as holder • pay any related charges to the reconcentration and obtain reimbursement from CCC according to 21-CN • file copies of all documents.
repay the loan	follow instructions in 21-CN, Part 4.

56-70 (Reserved)