

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Marketing Assistance Loans and
Loan Deficiency Payments for
2002 and Subsequent Crop Years
8-LP (Revision 1)**

Amendment 19

Approved: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 22 B has been amended to instruct County Offices to send the applicable maturity notification letter at least 30 calendar days before the loan maturity.

Note: County Offices shall be reminded that producers agree to the maturity date as provided on the applicable signed CCC-677 or CCC-678; therefore, the maturity notification letter serves only as a reminder. It is still the responsibility of the producer to ensure that the loan principal, plus interest, if applicable, is repaid on or before the loan maturity date as provided on CCC-677 or CCC-678.

Subparagraph 25 B has been amended to clarify that because CMA's receive benefits just like any other producer, CCC-770 LDP/eLDP's and CCC-770 MAL's shall be prepared for approved CMA's. However, certain questions are **not** applicable to CMA's because CMA's are responsible for determining that each of their members participating in marketing pools are eligible for benefits.

Subparagraphs 25 C and E have been amended to update CCC-770 LDP/eLDP, item 10 C and CCC-770 MAL, item 13 G to change the note to read, "County Office must run price support queries or determine reasonableness based on maximum eligible quantity as applicable."

Note: The revised CCC-770 LDP/eLDP shall be used beginning with the date of this amendment.

Subparagraph 25 D has been amended for items 10, 11, and 12 to clarify questions that are **not** applicable to CMA's.

Subparagraph 25 F has been amended for items 13 and 14 to clarify questions that are **not** applicable to CMA's.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 301.5 A has been amended to include the correct item number.

Subparagraph 403 A has been amended to remove the requirement for County Offices and DMA's to conduct Federal and State tax liens. County Offices and DMA's are required to perform lien searches in the appropriate recording official's office according to State law.

Subparagraph 411 B has been amended to clarify the policy requirement instructing County Offices to ensure that the approval date and the disbursement date are the same when MAL is processed in APSS.

Subparagraph 411 D has been amended to clarify when the transaction summary report is generated by APSS. The report is only generated when previously saved loans are disbursed, according to 12-PS.

Subparagraph 601 A has been amended to replace the CCC-633 LDP reference with CCC-633 EZ.

Page Control Chart		
TC	Text	Exhibit
	1-35, 1-36 1-57 through 1-66 3-6.5 through 3-6.8 3-13, 3-14 4-7, 4-8 4-23, 4-24 4-27, 4-28 5-81, 5-82 6-1, 6-2 15-95, 15-96	1, pages 1, 2 pages 5-8

21 **Bankruptcy Cases (Continued)**

B State Office Action

State Offices shall:

- inform regional attorney of the bankruptcy filing
- monitor bankruptcy cases with the regional attorney's assistance
- follow advice of the regional attorney with respect to acceptance of repayment or before accepting delivery of loan collateral
- advise regional attorney of all legal notices received pertaining to bankruptcy proceedings.

C Bankruptcy Proceedings

State or County Office employees shall **not** attend bankruptcy proceedings, unless requested by the OGC representative.

22 Maturity Notification to Producers

A Preparing Lists of Maturing Loans

County Offices shall print lists of maturing loans:

- at least 45 calendar days, but not more than 60 calendar days, before maturity
- according to 12-PS, Part 14, Section 5.

B Preparing Maturity Notification Letters

County Offices shall:

- use the Price Support Query to print out loan maturity notification letters, according to 12-PS, paragraph 1489.5
- send the applicable notification letter, as printed and provided in subparagraphs E through G:
 - at least 30 calendar days, but not more than 60 calendar days, before maturity
 - to applicable producers advising of the loan maturity date and the applicable options available according to subparagraph D
 - inform producers of the additional maturity information according to subparagraph C
- for outstanding honey loans, see 2-LP Honey, paragraph 16.

*--The maturity notification letters serve as a reminder to the producers. Nonreceipt of maturity notification letter does **not** negate the producer's responsibility for repaying the outstanding loan principal plus interest, if applicable by the maturity date provided on the signed CCC-677 or CCC-678.--*

***--25 CCC-770 LDP/eLDP's and CCC-770 MAL's**

A Using CCC-770 LDP/eLDP's and CCC-770 MAL's

The Improper Payments Information Act of 2002 required each agency to:

- identify programs and activities susceptible to significant improper payments
- estimate the annual amount of improper payments and report that estimate to Congress
- report actions taken to reduce improper payments, including possible causes and a description of the steps in place to ensure accountability for reducing improper payments.

As a result of this mandate, it has been determined that CCC-770 LDP/eLDP's and CCC-770 MAL's will be used as tools to help minimize the number of improper payments.

It is not the intent that CCC-770 LDP/eLDP's and CCC-770 MAL's supersede or replace procedure. County Offices should use CCC-770 LDP/eLDP's and CCC-770 MAL's as reminders of the most frequent "erred" determinations/certifications when recording LDP's and MAL's in APSS or eLDP system.--*

25 CCC-770 LDP/eLDP's and CCC-770 MAL's (Continued)

B Handling CCC-770 LDP/eLDP's and CCC-770 MAL's

County Offices shall:

- complete CCC-770 LDP/eLDP or CCC-770 MAL for each LDP or MAL request
--received, including requests from approved CMA's--
- obtain CCC-770 LDP/eLDP or CCC-770 MAL (see Exhibits 6 and 13) at
<http://165.221.16.90/dam/ffasforms/currentforms.asp>
- maintain a copy of CCC-770 LDP/eLDP or CCC-770 MAL in each LDP or MAL folder.

The signature of the preparer certifies that each item necessary was completed. All employees that are directly involved with issuing each LDP or disbursing each MAL shall certify and date CCC-770 LDP/eLDP's or CCC-770 MAL's, as applicable.

25 CCC-770 LDP/eLDP's and CCC-770 MAL's (Continued)

C CCC-770 LDP/eLDP's

The following is an example CCC-770 LDP/eLDP.

*--

This form is available electronically. CCC-770 LDP/eLDP (10-29-07)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Producer/Applicant Name		2. Date of Application (MM-DD-YYYY)	
LOAN DEFICIENCY PAYMENT (LDP) AND eLDP PROGRAM REVIEW CHECKLIST		3. State Office Name		4. County Office Name			
		5. Crop Year		6. LDP or eLDP Number			
		7. Farm Number		8. Commodity/Class/Type			
NOTE: Properly completed forms mean completed according to the applicable procedure. This shall include proper signatures, shares, ID numbers, addresses, date stamp, etc.							
9. LDP Request/Application		Handbook or Other Applicable References	YES	NO	N/A	Initials	Date Completed
A. Is there a properly completed and signed CCC-633 EZ Page 1 on file? <i>Explain "NO" answer:</i>		8-LP, paragraph 301.5					
B. Was the CCC-633 EZ Page 1 filed prior to loss of beneficial interest? <i>Explain "NO" answer:</i>		8-LP, paragraph 301.5					
C. Has the CCC-633 EZ, Page 1 been forwarded to other county offices, if applicable?		8-LP, paragraph 301.5					
D. Was the completed CCC-633 EZ, Page 1 and applicable LDP benefit request page (page 2, 3 or 4) received in the county office on or before the final loan/LDP availability date?		8-LP, paragraph 127					
E. Are CCC-633 EZ, Page 1 and Pages 2, 3, or 4 date-stamped?		8-LP, subparagraph 301E					
F. Did the producer answer the question, "Are you or any co-applicant delinquent on any Federal non-tax debt?"		8-LP, subparagraph 101B					
G. Has a second party reviewer verified and initialed the applicable LDP benefits page (CCC-633 EZ, Page 2; 3 or 4) to ensure the applicable LDP request was properly completed and ready for approval and processing?		8-LP, paragraph 136					
10. Producer/Commodity Eligibility (Items 10A through 10E not applicable to CMA'S)							
A. Is there a properly completed and timely filed FSA-578 on file for the applicable crop year, with all cropland reported? <i>Explain "NO" answer:</i>		8-LP, paragraphs 100 and 128					
B. Has producer eligibility been verified on the CCC-770 Eligibility Checklist?		8-LP, paragraph 100					
C. Is the quantity requested for LDP within the COC-established reasonable yield for the commodity? NOTE: County Office must run price support queries or determine reasonableness based on maximum eligible quantity as applicable.		8-LP, paragraph 132					
D. If the requested quantity exceeded COC established reasonable yield, did the COC determine the quantity was reasonable? <i>Explain "NO" answer:</i>		8-LP, paragraph 132					
E. Did the producer have risk of producing the crop?		8-LP, paragraph 100					
F. If LDP is based upon date beneficial interest is lost, was acceptable production evidence provided and was the LDP rate verified? <i>Explain "NO" answer:</i>		8-LP, paragraph 303					

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25 CCC-770 LDP/eLDP's and CCC-770 MAL's (Continued)

C CCC-770 LDP/eLDP's (Continued)

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CCC-770 LDP/eLDP (10-29-07)		Page 2				
10. Producer/Commodity Eligibility (Continuation)	Handbook or Other Applicable References	YES	NO	N/A	Initials	Date Completed
G. Is LDP rate correct for request date and county where marketed or stored, if beneficial interest is maintained?	8-LP, paragraph 303					
H. Is LDP rate correct for the date beneficial interest was lost, if on the date of the request the producer no longer has beneficial interest?	8-LP, subparagraph 129A and paragraph 303					
I. Is LDP rate correct for "dates of Delivery", if LDP requested based on date of delivery?	8-LP, paragraph 303					
11. LDP Processing						
A. Has form CCC-674 or SF-LLL been obtained, if applicable? (LDP greater than \$100,000)	8-LP, paragraph 17					
B. Has the Financial Services System been updated to reflect assignments, if applicable? NOTE: All assignments should be on file and recorded in Financial Services as "LDP" and "LDP Web", for e-mails. (Not applicable to CMA's)	63-FI, Parts 3 and 4					
12. eLDP Processing						
A. Has eLDP customer profile been established? (Not applicable to CMA's)	15-PS, paragraph 251					
B. Has eLDP application been submitted and printed?	15-PS, Part 3					
13. Remarks:						
<p><i>Certification: I (we) the undersigned certify the above items have been verified or updated accordingly. I also certify that the applicable LDP documents will be filed in accordance with Handbook 25-AS and that the producer will receive the applicable LDP documentation according to policies and procedures found in Handbook 8-LP.</i></p>						
14A. Signature of Preparer(s)					14B. Date (MM-DD-YYYY)	
15A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur						
15B. CED Signature for Spotcheck					15C. Date (MM-DD-YYYY)	
16A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur						
16B. STC Designee Signature for Spotcheck					16C. Date (MM-DD-YYYY)	
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25 CCC-770 LDP/eLDP's and CCC-770 MAL's (Continued)

D CCC-770 LDP/eLDP Instructions

The following are FSA employee CCC-770 LDP/eLDP instructions.

Item	Instructions
1	Enter name of producer. This should be the name of the individual, joint operation, or entity for which benefits may be requested.
2	Enter date of LDP application.
3 and 4	Enter the State and county name.
5	Enter crop year.
6	Enter LDP or eLDP number.
7	Enter the farm number.
8	Enter commodity/class/type.
LDP Request/Application	
9 A - G	Enter: <ul style="list-style-type: none"> • a check (✓) in the appropriate box to designate either “Yes” or “No”. • preparer’s initials and the date the items were verified by preparer. Note: For CCC-770 questions not applicable, enter “N/A”
Producer/Commodity Eligibility Verification	
10 A - I	Enter: <ul style="list-style-type: none"> • a check (✓) in the appropriate box to designate either “Yes” or “No”. • preparer’s initials and the date the items were verified by preparer. *--Note: For CCC-770 questions not applicable, enter “N/A”. Questions 10 A through 10 E are not applicable to CMA’s.--*
LDP Processing/Approval	
11 A and B	Enter: <ul style="list-style-type: none"> • a check (✓) in the appropriate box to designate either “Yes” or “No”. • preparer’s initials and the date the items were verified by preparer. *--Note: For CCC-770 questions not applicable, enter “N/A”. Question 11 B is not applicable to CMA’s.--*

25 CCC-770 LDP/eLDP's and CCC-770 MAL's (Continued)

D CCC-770 LDP/eLDP Instructions (Continued)

Item	Instructions
eLDP Processing	
12 A and B	Enter: <ul style="list-style-type: none"> • a check (✓) in the appropriate box to designate either “Yes” or “No”. • preparer’s initials and the date the items were verified by preparer. <p>*--Note: For CCC-770 questions not applicable, enter “N/A”. Question 12 A is not applicable to CMA’s.--*</p>
13	Enter any remarks pertaining to any questions included on CCC-770.
Certification	
14 A and B	At the time of completion for each MAL request, the preparer shall sign and date.
15 A - C	CED shall enter (✓) in applicable box (Concur or Do Not Concur) and date. Note: This item will only be completed, if the applicable CCC-770 is selected for spot check.
16 A - C	DD shall enter (✓) in applicable box (Concur or Do Not Concur) and date. Note: This item will only be completed if the applicable CCC-770 is selected for spot check.

25 CCC-770 LDP/eLDP's and CCC-770 MAL's (Continued)

E CCC-770 MAL's

The following is an example CCC-770 MAL.

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This form is available electronically. CCC-770 MAL U.S. DEPARTMENT OF AGRICULTURE (10-29-07) Commodity Credit Corporation										1. Name of Applicant			
MARKETING ASSISTANCE LOAN (MAL) PROCESSING CHECKLIST										2. Date of Application (MM-DD-YYYY)		3. Loan Type:	
										Warehouse		FS- Cert.	FS- Measured
4. State Office Name					5. County Office, DMA or CMA Name								
6. Commodity		7. Class/Type		8. Crop Year		9. Farm Number		10. Warehouse		11. No. of Warehouse Receipts:			
										Paper:	EWR:		
12. MAL Request/Application:					Handbook or Other Applicable References	YES	NO	N/A	Initials	Date Completed			
A. Is the CCC-666 properly completed and signed for farm-stored loans?					8-LP, subparagraph 400A								
B. For warehouse-stored loans, has the warehouse receipt been properly endorsed?					8-LP, paragraph 448								
C. For measured loans, has the CCC-666, FSA-409 and the CCC-677-1 been completed and signed?					8-LP, Part 4								
D. Is the CCC-10 properly completed and on file?					8-LP, paragraph 414								
13. Producer/Commodity Eligibility Verification:													
A. Has the FSA-578 been properly completed and filed? <i>(Not applicable for CMA's).</i>					8-LP, subparagraph 100A								
B. Has the CCC-770 Eligibility checklist been completed and verified? <i>(Not applicable for CMA's).</i>					3-PL, paragraph 3								
C. Did the producer answer the question, "Are you or any co-applicant delinquent on any Federal non-tax debt?"					8-LP, subparagraph 101B								
D. Is the eligible loan commodity in existence and in storable condition?					8-LP, Paragraph 126								
E. Has the loan been requested on or before the final loan availability date?					8-LP, subparagraph 127C								
F. Did the producer certify to maintaining beneficial interest in the crop? <i>County Offices shall review contracts, if provided.</i>					8-LP, paragraphs 129, 130, 131								
G. Is the quantity requested within the COC-established reasonable yield for the commodity? <i>Note: County Office MUST run price support queries or determine reasonableness based on maximum eligible quantity as</i>					8-LP, paragraph 132								
H. Did the producer certify to having risk of producing the crop? <i>(Not applicable for CMA's).</i>					8-LP, subparagraph 100A								
I. Has a second party review been properly completed? <i>Ensure that the loan application was initialed by the reviewer.</i>					8-LP, subparagraph 136A								
14. MAL Processing/Approval:													
A. Has a lien search been performed, if applicable? <i>(Not applicable for CMA's).</i>					8-LP, paragraph 403								
B. Have lien waivers been obtained, if applicable?					8-LP, paragraph 404								
C. For DAFP authorized loan deductions, were the deductions submitted on a statement of charges signed by the producer?					8-LP, paragraph 404								
D. Were the deductions made according to lien-holder instructions on CCC-679?					8-LP, paragraph 404								
E. Has the UCC-1 been properly filed and verification of the filing was received? <i>(Not applicable for CMA's).</i>					8-LP, paragraph 423								
F. Were CCC-683, Commodity Loan Seals provided for farm stored MAL?					8-LP, paragraph 425								

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25 CCC-770 LDP/eLDP's and CCC-770 MAL's (Continued)

E CCC-770 MAL's (Continued)

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CCC-770 MAL (10-29-07)		Page 2				
14. MAL Processing/Approval (Continuation):	Handbook or Other Applicable References	YES	NO	N/A	Initials	Date Completed
G. Has the CCC-665, Agreement for Grain Pledged as Collateral For CCC Commodity Loans, been properly completed, if applicable.	8-LP, paragraph 429					
H. Was the applicable loan rate for the stored commodity requested for loan verified? Note: Loan rate is based on where the commodity is stored.	8-LP paragraph 405					
I. Has form CCC-674 or SF-LLL been obtained, if applicable? (MAL disbursement greater than \$150,000)	8-LP, paragraph 17					
15. Remarks						
<p><i>Certifications:</i> I (we) the undersigned certify the above items have been verified or updated accordingly. I also certify that the producer will be provided the applicable Note and Security Agreement and the Note and Security Agreement Terms and Conditions upon the approval of the requested marketing assistance loan and that the policies and procedures were followed according to Handbook 8-LP and other policy handbooks, as applicable.</p>						
16A. Signature of Preparer(s)					16B. Date (MM-DD-YYYY)	
<p>17A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur</p>						
17B. CED Signature for Spotcheck					17C. Date (MM-DD-YYYY)	
<p>18A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur</p>						
18B. STC Designee Signature for Spotcheck					18C. Date (MM-DD-YYYY)	
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25 CCC-770 LDP/eLDP's and CCC-770 MAL's (Continued)

F CCC-770 MAL Instructions

The following are FSA employee CCC-770 MAL instructions.

Item	Instructions
1	Enter name of producer. This should be the name of the individual, joint operation, or entity for which benefits may be requested.
2	Enter the date of MAL request (MM-DD-YYYY).
3	Enter (✓) by applicable loan type (warehouse, farm-stored, or farm-stored measured).
4 and 5	Enter State and County Office, DMA, or CMA name.
6 and 7	Enter commodity and class or type.
8	Enter crop year.
9	Enter farm numbers.
10	Enter warehouse code, for warehouse-stored loans.
11	Enter number of warehouse receipts pledged as collateral for MAL.
MAL Request/Application	
12 A - D	<p>Enter:</p> <ul style="list-style-type: none"> • a check (✓) in the appropriate box to designate either “Yes” or “No”. • preparer’s initials and the date the items were verified by preparer. <p>Note: For CCC-770 questions not applicable, enter “N/A”.</p> <p style="text-align: center;">Example: Question 12 A, “Is the CCC-666 properly completed and signed for farm-stored commodities?” is only applicable to farm-stored. Therefore, for warehouse-stored loans, this question is not applicable and “N/A” should be entered in the “NO” column.</p>
Producer/Commodity Eligibility Verification	
13 A - I	<p>Enter:</p> <ul style="list-style-type: none"> • a check (✓) in the appropriate box to designate either “Yes” or “No”. • preparer’s initials and the date the items were verified by preparer. <p>*--Note: For CCC-770 questions not applicable, enter “N/A”. Questions 13 A, 13 B, 13 G, and 13 H are not applicable to CMA’s.--*</p>

25 CCC-770 LDP/eLDP's and CCC-770 MAL's (Continued)

F CCC-770 MAL Instructions (Continued)

Item	Instructions
	MAL Processing/Approval
14 A - I	Enter: <ul style="list-style-type: none"> • a check (✓) in the appropriate box to designate either “Yes” or “No”. • preparer’s initials and the date the items were verified by preparer. *-- Note: For CCC-770 questions not applicable, enter “N/A”. Questions 14 A and 14 E are not applicable to CMA’s.--*
15	Enter any remarks pertaining to any questions included on CCC-770.
	Certification
16A and B	When completed, for each MAL request, preparer shall sign and date.
17 A - C	CED shall enter (✓) in applicable box (Concur or Do Not Concur) and date. Note: This item will only be completed, if the applicable CCC-770 is selected for spot check.
18A - 19C	DD shall enter (✓) in applicable box (Concur or Do Not Concur) and date. Note: This item will only be completed, if the applicable CCC-770 is selected for spot check.

*--301.5 CCC-633 EZ

A Page 1

The purpose of the CCC-633 EZ, page 1 is to:

- allow producers to indicate their intention to receive LDP benefits
- be completed 1 time per crop year to include all eligible commodities in which the producer maintains beneficial interest on the date page 1 is received in the applicable County Office
- cover all counties in which the producer or entity does business.

CCC-633 EZ, page 1:

- **must** be received in the County Office on or before subsequent CCC-633 EZ pages are submitted for payment

Note: DMA's and LSA's will obtain CCC-633 EZ from their customers.

- is crop year specific and does **not** apply for subsequent crop years
- may be submitted by the producer for the current crop year anytime after January 1, of that year including, but not limited to the time of:
 - acreage certification
 - DCP signup
 - CCC-633 EZ, page 2, 3 or 4, as applicable, submission to the FSA County Office.

Note: The producer **must** have beneficial interest in the requested quantity on the date the completed CCC-633 EZ, pages 1 and 2, 3, or 4 are submitted, if CCC-633 EZ, pages 1 and 2, 3, or 4 are submitted at the same time to the FSA County Office.

County Offices shall encourage producers to submit CCC-633 EZ, page 1 each crop year whether or not the producer plans to subsequently request a loan or LDP.

Because CCC-633 EZ, page 1 serves as the producer's **intention** to request and receive LDP benefits, the producer still maintains the ability to pledge the eligible commodity for MAL. The eligible commodity becomes ineligible for MAL, when page 2 or 4 has been submitted for payment of LDP benefits.--*

301.5 CCC-633 EZ (Continued)**A Page 1 (Continued)**

The County Office receiving the initial filing of CCC-633 EZ, page 1, will:

- complete Part D
- *--FAX or mail a copy to all County Offices, identified in item 5, in which the producer or entity has a farming interest

Note: If there are additional counties that the producer neglected to include in item 5,--* LDP benefits are not denied because that County Office did not receive CCC-633 EZ, page 1.

B Page 2

CCC-633 EZ, page 2 is for all harvested commodities, except cotton.

For commodities harvested as other than grain, fed, used for seed, or slaughtered, CCC-633 EW must be completed before LDP can be issued.

Producers may submit:

- multiple requests using the applicable CCC-633 EZ, page 2, 3, or 4 to cover all eligible quantities
- one CCC-633 EZ, page 2 to cover multiple commodities if the quantities are request on the same day, **except** cotton.

Example: Producer can submit CCC-633 EZ, page 2 on January 21, 2006, requesting LDP on corn and soybeans. Only one CCC-633 EZ, page 2 is necessary.

Note: Once CCC-633 EZ, page 2, 3, or 4 is submitted and approved for payment, **no** other changes can be made to the original request.

***--301.5 CCC-633 EZ (Continued)**

C Page 3

CCC-633 EZ, page 3 is for cotton LDP requests.

See 7-CN for information on CCC-633 EZ, page 3.

D Page 4

CCC-633 EZ, page 4 is for wool, mohair, and unshorn pelt LDP requests.

E Page 5

CCC-633 EZ, page 5 is a continuation sheet for additional signatures.

301.5 CCC-633 EZ (Continued)

F Completing CCC-633 EZ, Page 2

To receive LDP benefits, producers **must** complete and submit to DMA or County Office where the farm records are maintained for the farm on whose production the LDP is requested, CCC-633 EZ, page 2 or 4, as applicable. Producers who request an LDP benefit:

- and retain beneficial interest in the requested quantity, will receive LDP based on the LDP rate in effect in the county where the commodity is stored on the date a completed page 2 or 4, as applicable, is received in that DMA or County Office.
- after beneficial interest is lost in the requested quantity, will receive LDP based on the LDP rate in effect in the county where beneficial interest was lost

Note: CCC has the sole discretion for determining when beneficial interest is lost in the commodity as provided in subparagraph 129 G. Acceptable production evidence **must** be provided with page 2 or 4, as applicable, if the producer no longer retains beneficial interest in the requested quantity.

- based on the date of delivery, will receive LDP based on the LDP rate in effect in the county where the commodity was physically delivered on the date of delivery.

When production evidence is provided with page 2, LDP will not be subject to spot check.

IF the source of the LDP quantity (item 21) is...	THEN...
certified	subject to random spot check and producers are required to submit acceptable production evidence according to subparagraph 535 C.
measurement service	the County Office would initiate measurement service with FSA-409. The quantity indicated on CCC-633 EZ, page 2, would receive the LDP rate in effect on the date of LDP request, but would not be paid until verified by measurement service. The applicant must enter a specific quantity or “All” in CCC-633 EZ, page 2, item 20 for the payment request to be complete. This prevents the producer from leaving CCC-633 EZ, page 2, item 20 blank and then altering the request after the measurement service is completed because of a change in the LDP rate. * * *
production evidence	producers are required to submit acceptable production evidence according to subparagraph 535 C with their LDP request.

304 Eligible Quantity (Continued)

D Measured Quantity

Eligible producers may request measurement service to obtain LDP.

If measurement service is requested on FSA-409:

- complete CCC-677-1 in addition to CCC-633 EZ, page 2 or 4 * * *
- reduce the measured quantity to the maximum eligible moisture level if the commodity contains moisture exceeding the level for the commodity according to the applicable 2-LP.

LDP's requested by measurement service are not subject to spot check.

E Quantity Supported by Production Evidence

If producers do not wish to certify to the quantity or date delivered, requests can be completed by providing production evidence according to Part 5, Section 3.

If production evidence is provided at time of payment request, LDP will not be subject to spot check.

305 (Withdrawn--Amend. 13)

306 Types of LDP's

A Types of LDP's

LDP's are requested for any stored quantity the producer maintains beneficial interest in on date of request and can be either:

- farm-stored quantities
- warehouse-stored quantities.

LDP Type	LDP Rate
Beneficial interest maintained	Rate on date of request
Beneficial interest lost	Rate in effect on date sold according to acceptable sales evidence
Delivery date	Rate in effect on date delivered from the field
<p>Note: Beneficial interest maintained, but before delivery the producer requests to use rate in effect on date of delivery.</p>	

307 (Withdrawn--Amend. 13)

403 Lien Searches**A General Information**

[7 CFR 1421.104] A lien search * * * shall be performed in the appropriate recording official's office according to State law for:

- **all** loan requests that meet the criteria in subparagraph B, except for loans made to:
 - CMA's according to subparagraph D
 - a producer who will immediately exchange the commodity certificate for loan collateral according to Part 9, Section 8
- warehouse-stored collateral transferred to farm storage.

For multi-county producers, the loanmaking County Office shall conduct or obtain the lien search at the appropriate location according to State law.

Contact the regional attorney, through the State Office:

- when assistance or advice is needed
- for assistance when any of the following conditions apply:
 - producer has farming operations in more than 1 State
 - commodity is stored in another State
 - commodity is moved to another State during the loan period.

403 Lien Searches (Continued)

B When to Perform Lien Searches

County Offices shall conduct lien searches and file UCC-1 documents according to this table.

Loan Amount / Loan Type	Conduct Lien Search		UCC-1 or applicable financing statement	
	Yes	No	Yes	No
<\$25,000				
Farm-Stored		X	X	
Warehouse-Stored		X		X
>\$25,000				
Farm-Stored	X		X	
Warehouse-Stored	X			X
Note: If conducting lien searches is a free service provided through the State, lien searches may be conducted on all loans regardless of the dollar amount.				

--County Offices shall perform lien searches, including searches for Federal and State tax liens, and perfect the security interest, regardless of the loan amount, if 1 of the following-- applies:

- producer is, at the time of the loan request, either of the following:
 - involved in a bankruptcy
 - under investigation by OIG
- producer committed a MAL/LDP violation in the current or preceding crop year
- CCC is notified by the producer, lending institution, or lien holder that a lien exists on the commodity
- aggregate loan principal for the crop year will exceed \$25,000.

Note: County Offices shall file applicable UCC-1's required by State law, to protect CCC's security interest according to paragraph 423, regardless of MAL principal.

C Recording UCC-1 for Chattel Mortgage Filing Date in APSS

APSS was enhanced to **not** require filing dates of UCC-1 for loans less than \$25,000. County offices are instructed to enter the date UCC-1 was filed in the "UCC-1 or Chattel Mortgage Filing Date" field on Screen PLA13005 for **all** loans.

408 Loan Service Fee

A Establishing Loan Service Fee

[7 CFR 1421.104] CCC establishes a nonrefundable loan service fee that is deducted from each loan.

County Offices shall **not** add any other fees to the loan service fee established by CCC.

B Loan Service Fee Rates

The loan service fee:

- is not applicable to LDP's
- shall be the **smaller** of the following:
 - ½ (.005) of 1 percent times the gross loan amount
 - the amount shown in the following table.

Type of Loan	Loan Service Fee (In dollars)
Farm-stored	
<ul style="list-style-type: none"> • Per loan • Each storage structure with loan collateral over 1 	45 3
Warehouse-stored	
<ul style="list-style-type: none"> • Per loan • Each warehouse receipt over 1 	45 3
Distress, per loan	45

409 Loan Maturity Dates

A Nonrecourse and Recourse Loans

[7 CFR 1421.101] Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which the loan is disbursed.

For repledged loans:

- the maturity date shall be the same as the original loan maturity date
- in APSS, enter the approval date of the original loan to establish the proper maturity date for the repledged loan.

Distress loans mature on demand, but no later than 90 calendar days after the date the loan is *--disbursed. The collateral may be repledged for loan according to paragraph 482.--*

B Nonworkday

If the maturity date falls on a nonworkday, the maturity date shall be the next workday.

C Maturity Month Table

The following table shows applicable maturity months. Loans **cannot** be extended.

--Month Disbursed/Approved--	Maturity Month (Last Day)
June	March
July	April
August	May
September	June
October	July
November	August
December	September
January	October
February	November
March	December
April	January
May	February

411 Disbursing Loans

A Preparing CCC-677 or CCC-678

Prepare CCC-677 or CCC-678 in APSS according to 12-PS. See paragraph 490 for manually prepared loan documents.

All commodity loans must be disbursed through APSS. See 1-FI, paragraph 25 and 1-CM, paragraph 813 about manually issued CCC-184's.

Disburse loan proceeds as directed by each producer who has a share in the loan after offset, if applicable, unless CCC-679 indicates that the remaining disbursement is to be issued jointly to the lienholder.

B Approving CCC-677 or CCC-678

Approve CCC-677 or CCC-678 for CCC when:

- all lien waivers, if applicable, are obtained
- for farm-stored loans, UCC-1's are filed
- all required borrowers' signatures are obtained
- *--applicable CCC-184's are prepared, or the ACH record has been initiated for an EFT payment, according to 1-FI.--*

When CCC-677 or CCC-678 is approved, the person signing for CCC shall have determined that the producer and the commodity are eligible.

*--The approval date and the disbursement date, when recorded in APSS, shall be the **same** and shall be the latter of these 2 dates. The properly completed CCC-677 or CCC-678 must be signed before the loan can be approved and disbursed. The disbursement date shall not be--* later than 30 calendar days after the final date of availability.

C Denial Notification

See paragraph 402 for notifying producers when loan benefits are denied.

411 Disbursing Loans (Continued)**D Distributing Documents**

Provide producers with the following:

- copy of CCC-677 or CCC-678
- *--transaction statement
- transaction summary report generated by APSS, if applicable

Note: The transaction summary report provides written notification to the producer of the loan maturity date and interest rate. This report is only generated when previously saved loans are disbursed, according to 12-PS.--*

- CCC-601. See Exhibit 15.

E Filing Documents

File in:

- locked, custody fireproof file, the following **original** documents:
 - signed and approved CCC-677 or CCC-678
 - for warehouse-stored loans, warehouse receipts and, if applicable, KC-350
 - *--transaction summary report, if applicable--*
- producer's loan folder, **copies** of the following documents:
 - signed and approved CCC-677 or CCC-678
 - for warehouse-stored loans, warehouse receipts and, if applicable, KC-350
 - transaction summary report.

Note: See 25-AS.

535 Requirements (Continued)

L Maintaining Copies of Evidence Submitted

When production evidence is submitted, County Offices shall:

- make copies of the evidence submitted
- date-stamp and write the County Office name on the original evidence, except for warehouse receipts, before copying
- place copies in the loan or LDP folder
- carefully review production evidence to determine eligibility of:
 - the loan or LDP quantity
 - spot check verification according to Section 1
- return the originals to the producer.

See Sections 1 and 2 for:

- completing spot checks
- handling discrepancies.

536 Maximum Eligible Quantity**A Actual Production**

LDP's for commodities harvested as other than grain will be made on actual production.

Maximum eligible quantity is considered production evidence for:

- commodities harvested as other than grain according to Part 3, Section 2
- silage and commodities harvested as hay
- HM commodities stored in structures that cannot be measured
- commodities immediately fed during harvest * * *
- commodities fed or seed quantities planted after LDP is disbursed or market loan repayment with no paid measurement service:
 - before feeding
 - before seeding
 - after spot check.

Note: Complete CCC-633EW according to subparagraph F, as applicable.

B Quantity

Producers may request LDP, not to exceed maximum eligible quantity, on:

- **all** commodity harvested as other than grain, silage, or commodities harvested as hay
- number of acres harvested as other than grain
- percentage of production harvested as other than grain.

C STC and COC Responsibilities

STC and COC have a major role and responsibility in determining, reviewing, and approving certain determinations that affect many producers, such as determining whole kernel grain yields for producers who harvest crops as other than grain.

Part 6 Violations**Section 1 General Provisions****601 Producer Liability****A Liability**

When a producer obtains a commodity loan or requests an LDP, the producer agrees to the *--terms and conditions, when signing CCC-633 EZ, CCC-666, CCC-677, or CCC-678, and--* that the producer will **not**:

- provide an incorrect certification of the quantity or make any fraudulent representation, including misrepresentation of the eligibility of a commodity, for loan or LDP
- remove or dispose of a quantity of a commodity pledged as collateral for a CCC commodity farm-stored loan without prior approval of COC.

See Exhibit 2 for definitions of violations, as applicable.

B Violating Terms and Conditions

Any producer determined to have discrepancies not within tolerance and COC determines a violation occurred or have violated the terms and conditions of the applicable forms, identified in subparagraph A, shall be subject to:

- assessment of liquidated damages and other administrative actions, and shall be liable for monetary amounts as specified in the applicable regulations and terms and conditions of the applicable forms
- criminal prosecution under Federal law.

In cases of illegal activity, such as fraud, see 9-AO.

602 Loan and LDP Violations

A List of Loan and LDP Violators

County Offices shall:

- maintain a list of producers who have been determined to have an LDP discrepancy not within tolerance and COC determines a violation occurred, or violated the terms and conditions of the applicable forms identified in subparagraph 601 A
- keep producer's name on the list for 24 months after the date the discrepancy, as applicable, or when the violation is discovered.

This list of violators is:

- not considered an administrative action
- a method of determining whether the producer has had previous violations.

B Notifying Producer

When a violation is discovered, County Office shall:

- assume good faith cannot be determined when notifying the producer of the violation and the actions to be taken
- send the following notification letter to the producer
- determine what actions are to be taken and the amounts due according to subparagraph 613 D.

If the violation involves a COC member, refer the case to STC for determination.

STC shall follow this part when determining violations and assessing liquidated damages for all COC members considered to be involved in violations of loan or LDP.

1538 LDP's for Mohair and Wool**A Types of LDP's**

LDP's are requested for any stored quantity the producer maintains beneficial interest in on the date of request and can be either:

- farm-stored quantities
- warehouse-stored quantities.

B Requesting LDP's

LDP's for wool, mohair, and unshorn pelts shall be requested on CCC-633 EZ, page 4:

- after CCC-633 EZ, page 1 has been submitted for the applicable crop year
- before or after beneficial interest is lost.

* * *

C Canceling LDP Requests

LDP's requested on CCC-633 EZ, page 4 **cannot** be canceled at any time. Once the producer signs CCC-633 EZ, page 4, LDP is obligated to be paid by CCC to the producer.

D Certifying Graded or Ungraded

At the time a nonrecourse MAL or LDP request is submitted to the County Office, the producer must certify that they are requesting a graded or nongraded rate. Once the producer makes this certification and submits the LDP request to the County Office, it **cannot** be changed.

Note: It is the producer's option to select graded or ungraded. However, if the producer certifies to graded wool, a copy of the core test report must be provided to the County Office before benefits will be disbursed.

--1538 LDP's for Mohair and Wool (Continued)*E Additional Disbursements**

For certified LDP's **only**, an LDP disbursement in addition to the total quantity requested on CCC-633 EZ, page 4 may be available after delivery of the mohair or wool, when beneficial interest is lost, if the producer provides acceptable documentation in the form of a net weight receipt or settlement sheet to support the additional quantity sold or delivered.

The LDP rate for additional quantity, in excess of the certified quantity, will be based on the date of the initial LDP request for the certified quantity. Producers requesting additional disbursements on quantities exceeding the total quantity requested on the initial CCC-633 EZ, page 4 **must** submit documentation before the final availability date to receive the additional disbursement.

Note: The LDP rate in effect on the date beneficial interest is lost shall **not** be used for quantities in excess of a certified quantity of wool or mohair.

Additional LDP disbursements will **not** apply to quantities over the total quantity requested when **not** requested by the producer before the final availability date.

F Requesting Additional Disbursement for Excess Quantity

To make a request to receive LDP disbursement of an additional quantity in excess of the certified quantity, the producer must:

- have submitted CCC-633 EZ, page 1 for the current crop year before beneficial interest was lost
- have submitted CCC-633 EZ, page 4 for a certified quantity
- submit another CCC-633 EZ, page 4 request for payment on the quantity in excess of the certified quantity
- indicate the commodity (that is, wool or mohair) in CCC-633 EZ, page 4, item 64
- indicate the type of commodity (that is, graded wool or ungraded wool) in CCC-633 EZ, page 4, item 65
- indicate the net quantity in excess of the certified quantity being requested in CCC-633 EZ, page 4, item 66
- select quantity in excess of the certified quantity as the source of the quantity in CCC-633 EZ, page 4, item 67C--*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists the forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification		16, 100, Ex. 2, 6, 13
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	414	423, Ex. 13
CCC-25	Uniform Grain and Rice Storage Agreement (UGRSA)		Ex. 2
CCC-39	Request for Issuance of Duplicate Warehouse Receipt(s)	452	
CCC-156	Loading Order, Trust Order and Invoice for Charges		1016
CCC-184	CCC Check		Text
CCC-257	Schedule of Deposit		902, 971, 1204
CCC-258	Wire Transfer of Funds	918	
CCC-500	Loan Payment Receipt		900, 916-918, 991, 992
CCC-502	Farm Operating Plan for Payment Eligibility Review		16, 100, 104, 1517, Ex. 2, 6, 13

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-526	Payment Eligibility Average Adjusted Gross Income Certification		16, 100, 104, Ex. 6, 13
CCC-601	Commodity Credit Corporation Note and Security Agreement Terms and Conditions	Ex. 15	411, 613
CCC-631	CCC Wool Testing Facility Certification and Application	1510	1509
CCC-633EW	Loan and LDP Eligibility Worksheet Commodities Harvested as Other Than Grain Determining Maximum Eligible Quantity	536	
CCC-633 EZ	Loan Deficiency Payment (LDP) Agreement and Request		Text
CCC-633 GRAZING	Grazing Payment Program Application	376	373, 374, 375
CCC-633 LDP <u>1/</u>	Loan Deficiency Payment Certification and Application		308, 345, 536
CCC-633WM	Wool and Mohair Loan Quantity Certification and Worksheet	1527	1526, 1530
CCC-638	Confirmation of Sale	1060	1057
CCC-639	Competitive Bid Pricing Worksheet	1059	1057, 1060
CCC-643	Request for Shipping Instructions	1006	1004, 1005
CCC-664	Agreement to Permit Assumption of a Commodity Credit Corporation (CCC) Loan	1401	
CCC-665	Agreement for Grain Pledged as Collateral for CCC Commodity Loans	429	800, Ex. 13
CCC-666	Farm Stored Loan Quantity Certification	426	Text
CCC-674	Certification for Contracts, Grants, Loans, and Cooperative Agreements	17	Ex. 6, 13

1/ This form is obsolete.

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-699	Reconcentration Agreement and Trust Receipt	828	827, 829-831
CCC-700	Loan Deficiency Payment Statement	308	Ex. 6
CCC-700A	Loan Deficiency Payment Statement Continuation	308	Ex. 6
CCC-709 <u>1/</u>	Direct Loan Deficiency Payment Agreement		345, Ex. 25
CCC-770 LDP/eLDP	Loan Deficiency Payment (LDP) and eLDP Program Review Checklist	25	136, 301
CCC-770 MAL	Marketing Assistance Loan (MAL) Processing Checklist	25	136, 401
CCC-930	AMS Inspection Certificate of Quality Factors for Wool and Mohair	Ex. 80	1575, 1577
FAS-1007	Maintenance Delivery Task Description		535
FSA-211	Power of Attorney		3, 129, 970, 992
FSA-321	Finality Rule and Misaction/Misinformation		518, 519, 1556, 1557
FSA-409	Measurement Service Record		304, 426, 427, Ex. 6, 13
FSA-578	Report of Acreage		101, 373, 374, 536, 1516
KC-232	Notice of Approval or Change in Status of Storage Agreement or Contract	700	445, 701
KC-350	Warehouse Operator's Supplemental Certificate		411, 443, 446, 448, 449, 451, 815, 971, 1018, 1100, 1101, Ex. 13

1/ This form is obsolete.

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

Forms (Continued)

Number	Title	Display Reference	Reference
KC-350 (Grain)	Warehouse Operator's Supplemental Certificate		449
SF-LLL	Disclosure of Lobbying Activities	17	Ex. 6, 13
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet	17	
UCC-1	Financing Statement		403, 404, 411, 423, 426, 1527
UCC-1F	Effective Financing Statement		426, 1527
WA-302	Examination Report		447

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

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
ACH	automated clearing house	411
AGI	adjusted gross income	105, 300, 309
ATHM	acid treated high moisture (applicable to acid treated high moisture shelled corn and grain sorghum loans)	Text, Ex. 2
BCD, IMB	Bulk Commodities Division, Inventory Management Branch, KCCO	702, 805, 1000, 1026, 1057, 1101, Ex. 38
CAS	Corporate Affairs Staff	17
CBS	Concentration Banking System	918
CDP	Crop Disaster Program	373
DCIA	The Debt Collection Improvement Act of 1996	101, Ex. 2
DMA	Designated Marketing Association	301.5
EFT	electronic funds transfer	300, 308, 411, 927, 928
EM	excess moisture	126, 357, 522
F.O.B.	free on board	131, 1059, 1060, 1062
FOD, CMB	Financial Operations Division, Cash Management Branch, KCFO	1202
FOR	farmer-owned reserve	Ex. 4
FRB	Federal Reserve Board	900
HM	high moisture (applicable to high moisture barley, shelled corn, and grain sorghum loans)	Text, Ex. 2, 7
IWTO	International Wool Textile Organization	1509, 1510
lbs.	pounds	Ex. 47
MAL	Marketing Assistance Loan	Text
MOU	Memorandum of Understanding	407
PCP	posted county price	5, 985
RCP	regionally calculated price	985
Schlumberger	Schlumberger Estimated Commercial Top and Noil	1509, 1575
UCC	Uniform Commercial Code	414, 423
UGRSA	Uniform Grain and Rice Storage Agreement	994, 1531
USWA	United States Warehouse Act	4, 447
WAMLAP	Wool and Mohair Market Loss Assistance Program	1535

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

Redelegations of Authority

Redelegation of authority is provided in paragraph 3.