

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Marketing Assistance Loans and Loan Deficiency
Payments for 2008 and Subsequent Crop Years
8-LP (Revision 2)**

Amendment 12

Approved: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

All references to “APSS”, with regard to LDP’s, have been removed throughout because LDP’s are now all processed through the eLDP web-based system.

Subparagraphs 1 A, 1 B, 225 C, 226 C, 1007 D, 1500 A and B, 1515 A, 1535 C, and 1538 B, and Exhibits 2 and 67, have been amended to add a note about the suspension of FY 2015 mohair LDP’s and MAL’s from December 17, 2014, through September 30, 2015, and cite the applicable authority.

Subparagraph 1 B has been amended to add the Consolidated and Further Continuing Appropriations Act, 2015, as a source of authority for this handbook.

Subparagraph 2 B has been amended to reference 16-AO for redelegating the authority to approve all loan and LDP forms and documents.

Subparagraph 3 A has been amended to update the list of FSA handbooks.

Subparagraph 23:

- A has been amended to revise the requirements for using CCC-770 LDP and CCC-770 MAL
- B and C have been amended to update CCC-770 LDP and instructions
- D and E have been amended to update CCC-770 MAL and instructions.

Subparagraph 24 G has been amended to update the mailing address for submitting requests for new or modified commodity assessment collections.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 25 A has been amended to:

- require completing CCC-770 MAL **before** recording corrections to MAL's
- clarify procedure for issuing an additional disbursement for MAL in which an incorrect loan rate or quantity was disbursed.

Subparagraph 25 B has been amended to require completing CCC-770 LDP **before** recording corrections to LDP's.

Subparagraph 31 B has been amended to change the small balance amount County Offices can write off through APSS and eLDP from \$25 to \$9.99 because APSS and eLDP are only programmed to write off amounts less than \$10.

Subparagraph 35 B has been amended to add:

- all affiliated persons to the following required forms:
 - AD-1026
 - CCC-941
- the required COC determination for:
 - actively engaged in farming
 - cash rent tenant
 - member contribution.

Subparagraph 36 A has been amended to:

- add a note requiring completing CCC-770 MAL or CCC-770 LDP, if recording a correction
- clarify where additional information may be obtained when a replacement check from Treasury is required.

Subparagraphs 40 A, 40 D, and 40 E have been amended to clarify current policy and procedure when the status of a UGRSA warehouse changes.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 200 A has been amended to add or clarify the following LDP and MAL eligibility requirements:

- FSA-578's on all cropland on a farm
- applicable farm numbers on LDP and MAL applications and security agreements
- references 2-CP for the CARS report to identify "Farms with Unreported Cropland"
- AD-1026 for producer and all affiliated persons
- CCC-941 for producer and all affiliated persons
- CCC-902 for COC determinations on:
 - actively engaged in farming
 - cash rent tenant
 - member contribution
- for State and local governments, if payments and benefits used to support public schools.

Subparagraph 201 A has been amended to add a note that a producer is ineligible for LDP and MAL if the producer or any affiliated persons violates WC and HELC provisions.

Paragraph 234 has been amended to update the reference to CCC-770 LDP.

Subparagraph 500 A has been amended to require that:

- CCC-666 is completed for warehouse-stored loan requests for all commodities **except** peanuts and cotton. For peanut MAL's, State Offices may require that CCC-666 be completed for peanut loan requests in the State
- CCC-677-1 is completed when measurement service is requested.

Subparagraph 501 A has been amended to add a note that LDP and MAL applications may be accepted in any County Office, but **must** be sent to the County Office where the producer's farm records are maintained for approval and disbursement.

Subparagraph 501 D has been amended to add the following eligibility requirements for loans:

- AD-1026 for producer and all affiliated persons
- CCC-10 signed and on file with current information
- CCC-941 for producer and all affiliated persons required for market loan gain repayments.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 501 D, step 5 has been amended to add the Interim PS Query Tool used to determine reasonable quantity and available amount.

Subparagraph 504 E has been amended to:

- clarify where the results of the lien search are to be filed after printing
- add a note that FSA-2360 may be used to record lien search results if written authorization is granted by PSD.

Subparagraph 505 C has been amended to add a note about written DAFP authorization for offsets from loan proceeds for any charges for commodities other than peanuts.

Subparagraph 506 A has been amended to provide new policy that if a farm-stored loan is transferred into warehouse storage, or a warehouse loan is transferred to another warehouse or to farm storage, the loan rate shall remain the same for the entire loan term.

Subparagraph 509 B has been amended to remind employees that:

- the maturity date is determined by the loan approval date
- only County Office employees delegated or redelegated with MAL approval can approve note and security agreements.

Subparagraphs 509 D and E have been amended to delete all reference to the transaction Summary Report because this report is no longer generated. The Note and Security Agreement generated at loan disbursement provides written notification to the producer of the loan maturity date and interest rate.

Subparagraph 511 A has been amended to provide that:

- if the collateral securing a farm-stored commodity loan is transferred to an approved warehouse for storage, the loan rate for the new warehouse loan shall be the same rate as the farm-stored loan
- an additional disbursement for an increase in the loan quantity shall **not** be authorized if a farm-stored commodity loan is transferred to an approved warehouse for storage. During the loan availability period, the producer may request a separate loan for any additional quantities exceeding the initial loan quantity.

Subparagraph 523 A had been amended to address the forms required when submitting a loan application.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraphs 524:

- A has been amended to clarify the information required for specific items on CCC-666
- B and C have been added to address completing CCC-666 for warehouse loan requests with EWR's and paper receipts
- D has been amended to display the revised CCC-666.

Subparagraph 525 A has been amended to add notes about other required forms needed for loans and LDP's.

Subparagraph 540 A has been amended to add the requirement that CCC-666 be completed for warehouse loans for all commodities, **except** cotton and peanuts. State Offices can require CCC-666 for peanut loans in their State.

Subparagraph 540 D has been amended to add clarification that loan collateral moved to a new storage location, either farm or warehouse, will retain the loan rate of the initial loan.

Subparagraph 540 G has been amended to match the language in the MAL regulation at 7 CFR 1421.106(d)(2).

Subparagraph 545 A has been amended to clarify the warehouse receipt requirements for commodities under loan.

Subparagraphs 615 B and G have been amended to clarify that the loan rate for a farm-stored loan transferred to warehouse storage shall be the same rate as the initial farm-stored loan rate.

Subparagraphs 615 E, F, G, and H have been amended to clarify that the maximum warehouse loan quantity resulting from farm-to-warehouse transfers shall **not** exceed 100 percent of the transferred farm-stored quantity.

Subparagraphs 700 C, 720 A, and 747 A have been amended to delete the reference to concentration banking counties or system because it is no longer applicable.

Subparagraph 700:

- D has been amended to clarify that the repayment date for wire transfers is the date the funds are received in CCC's account
- E has been amended to add in the note that additional disbursements for errors only **must** be completed **before** recording market loan repayments on warehouse-stored loans.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 715 A has been amended to add a note clarifying procedure when a producer is **not** eligible for market gain because of noncompliance with AGI, and the CCC-determined value is below the loan rate.

Subparagraph 716 M has been amended to clarify that if the sales proceeds are needed to repay a farm-stored loan at a locked-in rate, CCC-681-1 must be requested.

Subparagraph 716 N has been amended to:

- clarify that if CCC-697 is requested on a farm-stored loan that is later transferred to a warehouse-stored loan, the locked-in rate transfers to the warehouse-stored loan
- delete the 110 percent overrun under a farm to warehouse transfer because this provision is no longer applicable.

Subparagraph 720 B has been amended to clarify the repayment date for funds sent to CCC's account by wire transfer.

Subparagraph 797 B has been amended to clarify that County Offices shall use the loan maturity list to identify loans and prepare notification letters for loans nearing maturity, according to 12-PS.

Subparagraph 866 A has been amended to clarify CCC's policy, when CCC acquires title to unredeemed collateral, with regards to the market value in excess of MAL indebtedness.

Subparagraph 1000 B has been amended to clarify the following provisions for LDP's:

- applicable AGI form **must** be on file for the producer and all affiliated persons for each crop year
- AD-1026 is required for producer and all affiliated persons
- CCC-902 **must** be filed and COC determination made to determine eligibility.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 1000 H has been amended to clarify the following in:

- Step 1, CCC-633 EZ is complete and signed by **all** required producers
- Step 2:
 - AD-1026 and CCC-941 are completed for producer and all affiliated persons
 - CCC-902 is completed and COC has made determinations on:
 - actively engaged in farming
 - cash rent tenant
 - member contribution
 - producer is compliant with DCIA, foreign persons, controlled substance, and fraud provisions.

Subparagraphs 1001 D and 1007 B have been amended to delete the provision that separate CCC-633 EZ, page 2 or 3 is required for all production from ACRE-elected farms, because ACRE is no longer applicable after the 2013 crop year.

Subparagraph 1002 A has been amended to clarify that CCC-633 EZ, page 1 may be submitted by the producer for the next crop year beginning October 1 of the preceding crop year.

Subparagraph 1004 C about ACRE has been removed, because ACRE is no longer applicable.

Subparagraph 1006 B has been amended to delete all reference to ACRE for the 2013 crop year.

Subparagraph 1007 B has been amended to delete “non-ACRE-elected” from the description of the example of CCC-633 EZ, page 2, and throughout the subparagraph.

Subparagraph 1009 A has been amended to delete the statement about crop year 2013 LDP’s denied because of AGI compliance, because the final availability date has past.

Subparagraphs 1020 E, 1030 C, and 1040 D have been amended to delete all reference to ACRE-elected farms from the narrative and the tables.

Subparagraph 1101 A has been amended to add crop years 2015 through 2018 to the eligibility requirements subject to payment limitation for graze-out payments.

Subparagraphs 1201 B, 1210 D, and 1215 D have been amended to delete the policy about crop year 2013 commodities produced on ACRE-elected farms, because ACRE is no longer applicable.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 1220 E has been amended to correct an error from a previous amendment about the loan rate for distress loans.

Exhibit 4 has been added to provide a table listing the eligibility requirements for MAL's, market loan gains, and LDP's.

Exhibit 5 has been amended to replace CCC-601 with the current version.

B Obsolete Form

CCC-770 LDP/eLDP is obsoleted by this amendment because it has been replaced by CCC-770 LDP.

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Part 1 General Information and Administrative Provisions

Section 1 Introduction and Purpose

1 Purpose and Authority

A Purpose

[7 CFR 1421.1] This handbook provides general instructions for administering commodity loans and LDP's primarily for barley, canola, corn, crambe, dry peas, flaxseed, grain sorghum, large chickpeas, lentils, mohair, mustard seed, oats, peanuts, rapeseed, safflower, sesame seed, small chickpeas, soybeans, sunflower seed, wheat, and wool (graded and ungraded).

However, these provisions may pertain to other commodities. When these provisions apply, the individual commodity handbooks will reference this handbook.

***--Notes:** The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--*

Provisions specific to individual commodities are issued on a continuing basis in the following handbooks:

- 7-CN
- 14-CN
- 2-LP Grains and Oilseeds
- 2-LP Honey
- 2-LP Peanuts
- 2-LP Rice
- 10-SU.

B Sources of Authority

Authority for the policies prescribed in this handbook is in the following:

- 7 CFR Part 1421
- Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, for 2013 crop year loans disbursed on or after October 1, 2013, that were reduced for sequestration
- Food, Conservation, and Energy Act of 2008
- American Taxpayer Relief Act of 2012
- Agricultural Act of 2014.
- ***--Consolidated and Further Continuing Appropriations Act, 2015, suspended mohair for FY 2015.--***

1 Purpose and Authority (Continued)

C Loan and LDP Program Objectives

The loan and LDP program objectives are to:

- provide interim financing to assist with the orderly marketing of eligible commodities
- minimize loan forfeitures and market disruptions that could occur when loan rates exceed market prices.

2 Signatures, Authorizations, and Approvals

A Signatures

County Offices shall:

- follow 1-CM for producer signature and authorization provisions
- see 1-CM for a list of forms **not** approved for FAXed and scanned signatures.

B Redelelegation of Authority by COC or CED

The authority to approve all loan and LDP forms and documents prepared according to this *-handbook may be redelegated, in writing according to 16-AO, by:--*

- COC to CED, except forms and documents in which CED has a monetary interest
- CED to Federal and non-Federal County Office employees, except forms and documents in which the person approving has a monetary interest.

Reminder: Cross training in all applicable program areas shall be completed **before** signing authority redelegation is made.

Follow this table for exceptions to redelegate authority for approval of loans and LDP's.

IF the producer is...	THEN the approval authority shall be...
a Federal or non-Federal State or County Office employee	CED.
COC member	
DD	
SED	
STC member	
CED	COC.

Note: Questionable cases may be referred to the next higher authority for determination.

3 Related Handbooks and Web Sites

A FSA Handbooks

FSA handbooks related to loan and LDP programs are listed in this table.

Handbook	Purpose
9-AO	Audits and investigations.
--16-AO	State and County organization and administration.--
1-APP	Program appeals, mediation, and litigation.
25-AS	State and County records operations.
1-CM	Common management and operating provisions.
2-CM	Farm reconstitutions.
3-CM	Farm, tract, and crop data.
--9-CM	Common Payment System.--
1-CMA	Eligibility and payment limitation procedures for CMA's and LSA's. CMA, DMA, and LSA common LDP's
7-CN	Cotton loans and LDP provisions.
--14-CN	Procedure for cotton clerks.--
2-CP	Acreage and compliance determinations.
6-CP	HELC and WC provisions.
7-CP	Finality rule and equitable relief.
* * *	* * *
1-FI	Processing payments initiated through NPS.
3-FI	State and county deposits and receipts.
50-FI	Interest rates.
58-FI	Managing FSA and CCC debt.
61-FI	Handling prompt payment interest penalties.
62-FI	Reporting data to IRS.
63-FI	Assignment and Joint Payment system.
64-FI	*--Establishing and reporting receipts and receivables in NRRS.--*
2-LP Grains and Oilseeds	Provisions for grains and oilseeds. Commodity data specific to wheat, feed grains, and oilseeds.
2-LP Honey	Loans and LDP's for honey.
--2-LP Peanuts	Loans and LDP's for peanuts.--
2-LP Rice	Provisions for rice.
5-LP	Commodity inspectors.
1-PL	Payment limitations.
--3-PL	Web-based subsidiary files for 2009 and subsequent years.--
4-PL	Payment eligibility, payment limitation, and AGI.
--5-PL	Payment eligibility, payment limitation, and AGI according to Agricultural Act of 2014.--
12-PS	Automated price support procedures and common functions for grains, oilseeds, and rice.
15-PS	Web-based price support procedures and common functions for grains, oilseeds, and rice.
20-PS	State Office loan and LDP reporting and SORS.
10-SU	Sugar loans.

3 Related Handbooks and Web Sites (Continued)

B Warehouse Operator Handbooks, Letters, and Notices

Warehouse operator handbooks, letters, and notices to industry for authorized Federal and *-non-Federal warehouses are available at
www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=was.

C Useful Web Sites

The following web sites provide information used to administer loans and LDP's.

Web Site Content	Web Site Address
Accessing the National Compliance Review Database	To: <ul style="list-style-type: none"> enter results of spotchecks, www.agcounts.usda.gov access producer selection list at http://fsaintranet.sc.egov.usda.gov/ffas/farbill/ccc/default.htm.*
Authorized Storage Rates	http://erielake.sc.egov.usda.gov/whserates/grain/warehouse_rates.asp
Authorized Warehouses (Including Federal)	https://saltlake.sc.egov.usda.gov/approved_whses/ugrsa/approved_ugrsa_whses.asp
Cotton	www.fsa.usda.gov/Internet/FSA_File/cotton_rates.xls
Dairy and Sweetener	www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=dsa
Economic and Policy Analysis	www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=landing
Fact Sheets	www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet
Federally Licensed Warehouses	https://saltlake.sc.egov.usda.gov/approved_whses/uswa/approved_whses_uswa.asp
Forms	*--For: <ul style="list-style-type: none"> employees, http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html public, http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home.*
FSA Home Page	www.fsa.usda.gov/FSA/webapp?area=home&subject=landing&topic=landing
Handbooks	www.fsa.usda.gov/FSA/webapp?area=home&subject=lare&topic=hbk
Honey LDP Rates	www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=dsa . Scroll down and CLICK "Monthly CCC Honey 30-Day Repayment Rate".

22 Bankruptcy Cases

A Basic Provisions

Follow this table for producers in bankruptcy status.

IF a producer...	AND...	THEN the County Office shall...	
is involved in bankruptcy proceedings	requests a loan or LDP	contact the regional attorney, through the State Office, for advice about loan or LDP availability.	
files for bankruptcy	has an outstanding loan	after receiving a Notice of Bankruptcy filing for a producer, follow these steps.	
		Step	Action
		1	Perform an immediate collateral inspection of all the producer’s outstanding farm-stored commodity loans and quantities applicable to LDP’s.
		2	Continue to monitor the collateral in storage through the latest of the following: <ul style="list-style-type: none"> • liquidation of indebtedness • completion of performance under a plan, if applicable • submission, as applicable, of disposition or production evidence.
		3	Access the debtor’s customer profile in financial services and set the indicator flag for “bankruptcy”.
		4	Flag all the debtor’s loans as “bankruptcy” according to 12-PS.
		5	Forward a summary memorandum and legible copies of the following, as applicable, to the State Office: <ul style="list-style-type: none"> • results of the collateral inspection • completed, signed copies of CCC-677, CCC-678, financing statements, and any other documentation to support amounts owed to CCC.
		6	Notify the State Office immediately if loan collateral is going out of condition or is removed or disposed without authority.
7	Continue to forward all future notices from the court to the State Office.		

22 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.

*--23 CCC-770 LDP and CCC-770 MAL

A Using CCC-770 LDP and CCC-770 MAL

CCC-770 LDP and CCC-770 MAL are management tools to help minimize the number of improper payments and address deficiencies identified by a review or spot check.

All County Office employees working with LDP's and MAL's, at the beginning of **each** crop year, are required to complete:

- CCC-770 LDP for the first 5 LDP's processed
- CCC-770 MAL for the first 3 MAL's processed.

Note: SED's may require new employees or employees processing LDP's and MAL's for the first time, to complete more than the required number of CCC-770's.

SED, STC or designee, DD, or CED shall determine:

- when County Offices are to complete additional CCC-770 LDP and CCC-770 MAL, if apparent internal control deficiencies are found during CED, STC representative, DD, or CORP reviews
- when additional internal controls are necessary to reduce improper payments.

CCC-770 LDP or CCC-770 MAL, as applicable, is **required** to be completed for any LDP or MAL that was disbursed, reversed with a receivable established, and is being re-entered, **before** LDP or MAL is re-entered to ensure that all eligibility requirements and signatures have been obtained.--*

*--23 CCC-770 LDP and CCC-770 MAL (Continued)

B CCC-770 LDP

The following is an example CCC-770 LDP.

This form is available electronically.						
CCC-770 LDP (12-09-14) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation LOAN DEFICIENCY PAYMENT (LDP) PROCESSING CHECKLIST	1. Producer/Applicant Name		2. Date of Application (MM-DD-YYYY)			
	3. Administrative or Producing State & County Office		4. Disbursing County Office			
	5. Crop Year		6. LDP Number			
	7. Farm Number (Not Required)		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
A. Is there a properly completed and signed CCC-633 EZ Page 1 on file? Explain "NO" answer: (Note: If "NO", LDP shall not be processed.)		8-LP, paragraphs 1002 and 1007; 7-CN, subparagraph 261F, and paragraph 261.5				
B. Was the CCC-633 EZ Page 1 filed prior to loss of beneficial interest? Explain "NO" answer: (Note: If "NO", LDP shall not be processed.)		8-LP, paragraph 1002 7-CN, paragraphs 261.5 and 275.5				
C. Was the CCC-633 EZ, Page 1 approved by an individual delegated or re-delegated to approve CCC-633 EZ's, after all required signatures have been obtained?		8-LP, paragraphs 2 and 1007; 7-CN, paragraph 14				
D. Has CCC-633 EZ, Page 1 been forwarded to other county offices, if applicable?		8-LP, paragraph 1002; 7-CN, subparagraph 261G				
E. 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 226; 7-CN, paragraph 263				
F. Was CCC-633 EZ, Page 1 and applicable LDP benefit request page (page 2, 3 or 4) completed according to instruction, and signed by all applicable and required producers?		8-LP, paragraph 1007; 7-CN, paragraph 261.6				
G. Do individuals signing in a representative capacity have the documentation on file in the county office allowing them to sign for that individual or entity and request an LDP?		8-LP, paragraph 1007; 7-CN, paragraph 45				
H. Are CCC-633 EZ, Page 1 and Page 2, 3, or 4 date-stamped and was the date of receipt verified according to procedure?		8-LP, subparagraph 1001E; 7-CN, paragraph 263				
I. Did the producer answer the question, "Are you or any co-applicant delinquent on any Federal Non-tax debt?"		8-LP, subparagraph 202A; 7-CN, paragraph 100.5				
J. 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 234; 7-CN, subparagraphs 271A and 274J				
K. Is the applicable page 2, 3 or 4 approved by an individual delegated or re-delegated to approve CCC-633 EZ's, after all producers signatures have been obtained AND before processing?		8-LP, paragraphs 2 and 1007; 7-CN, paragraphs 14, 261.5 and 274				
10. Producer/Commodity Eligibility		Handbook or Other Applicable References	YES	NO	N/A	Initials
A. Has the FSA-578 been properly completed and filed showing applicant has a share in the commodity?		8-LP, paragraph 200 and 201; 7-CN, subparagraph 100A, 2-CP, paragraphs 15 and 16				
B. Has all cropland on the farm been reported on FSA-578? If not, does the applicant understand that all cropland on the farm must be reported by the final crop reporting date in the State or all production from that farm is ineligible for LDP?		8-LP, paragraph 200 and 201; 7-CN, subparagraph 100A; 2-CP, paragraph 16				
C. Has AD-1026 been filed by applicant and all affiliated persons according to 6-CP?		8-LP, paragraphs 200 and 201, 7-CN, subparagraph 100A; 6-CP, paragraphs 17, 302 and 601				
<p><i>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).</i></p> <p><i>To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</i></p>						

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*--23 CCC-770 LDP and CCC-770 MAL (Continued)

B CCC-770 LDP (Continued)

CCC-770 LDP (12-09-14)		Page 2 of 2			
10. Producer/Commodity Eligibility (Continuation)	Handbook or Other Applicable References	YES	NO	N/A	Initials
D. Has CCC-941 been completed and compliance verified for the applicant and all affiliated persons according to 5-PL?	8-LP, paragraphs 200 and 1000; 7-CN, subparagraph 100A; 5-PL, paragraphs 3, 291 and 294				
E. Has CCC-902 and CCC-901, if an entity, been completed, and the applicant determined to be actively engaged in farming?	8-LP, paragraphs 200 and 1000; 7-CN, paragraphs 43 and 100; 5-PL, paragraphs 17, 41 and 44				
F. Does applicant have payment limitation available?	8-LP, subparagraph 34A; 7-CN, subparagraph 43A; 5-PL, subparagraph 3R, and paragraph 17				
G. Does applicant and all affiliated persons, if applicable, meet the eligibility requirements for controlled substance, delinquent debt, fraud and foreign person?	8-LP, paragraphs 201-203 and 1001; 7-CN, paragraphs 40, 100,100.5 and 101				
H. Is the quantity requested for LDP within the COC established reasonable yield for the commodity and profile established?	8-LP, paragraph 230, 7-CN, subparagraph 119B				
I. If the requested quantity exceeds COC established reasonable yield, did the COC determine the quantity reasonable? Explain "NO" answer:	8-LP, paragraph 230, 7-CN, subparagraph 119C				
J. If LDP is based upon date beneficial interest is lost, was acceptable Production evidence provided and was the LDP rate verified? Explain "NO" answer:	8-LP, paragraphs 227 and 1004; 7-CN, paragraph 262				
K. Is LDP rate correct for request date and county where marketed or stored, if beneficial interest is maintained? (N/A for cotton)	8-LP, paragraph 1004				
L. Is LDP rate correct for "Dates of Delivery", if LDP requested based on date of delivery? (N/A for cotton)	8-LP, paragraph 1004				
11. LDP Processing					
A. For LDP's exceeding \$100,000, has CCC-674 or SF-LLL been obtained before LDP is processed?	8-LP, paragraph 28 7-CN, paragraph 37				
B. Has the FSA Financial Services Web Application (FSAFS) been updated to reflect assignments, if applicable?	63-FI, Parts 3 and 4				
C. Has LDP summary page been printed, filed in LDP folder, and a copy given to producer?	15-PS, Part 2, 7-CN, Subparagraph 285.2I				
12. Cotton – Specific LDP Processing					
A. If request is for a module-lock-in LDP, is the request date after the beginning-of-harvest-date for the County?	7-CN, paragraph 275				
B. If request is for a module-lock-in LDP, does production evidence from the gin indicate that the bales were produced from the modules identified on the original application?	7-CN, subparagraph 275B and 262A				
C. Has CCC-Cotton AA-1 been printed, filed in LDP folder and a copy given to producer?	7-CN, subparagraph 278C				
13. Remarks					
14. Certification:					
<i>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 applicable handbooks.</i>					
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 / STC Designee signature					15C. Date (MM-DD-YYYY)

--*

*--23 CCC-770 LDP and CCC-770 MAL (Continued)

C CCC-770 LDP Instructions

The following are FSA employee CCC-770 LDP 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	Enter administrative or producing State and County Office.
4	Enter disbursing County Office, if different from item 3. Note: An entry is not required if the same as item 3.--*
5	Enter crop year.
6	Enter LDP * * * number.
7	Not required to be completed.
8	Enter commodity/class/type.
LDP Request/Application	
*--9 A - K	Employee answering question: <ul style="list-style-type: none"> • shall CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. Note: For CCC-770 LDP questions not applicable, CHECK (✓) “N/A” and initial.
Producer/Commodity Eligibility	
10 A - L	Employee answering question: <ul style="list-style-type: none"> • shall CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. Notes: For CCC-770 LDP questions not applicable, CHECK (✓) “N/A” and initial. Questions 10 A through E, and G through J, are not applicable to CMA’s.
LDP Processing	
11 A - C	Employee answering question: <ul style="list-style-type: none"> • shall CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. Notes: For CCC-770 LDP questions not applicable, CHECK (✓) “N/A” and initial.--* Question 11 B is not applicable to CMA’s.

*--23 CCC-770 LDP and CCC-770 MAL (Continued)

C CCC-770 LDP Instructions (Continued)--*

Item	Instructions
***	***
Cotton-Specific LDP Processing	
*--12 A through C	Employee answering question: <ul style="list-style-type: none"> • shall CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. <p>Notes: For CCC-770 LDP questions not applicable, CHECK (✓) “N/A”.</p> <p style="text-align: center;">Questions 12 A through C are only applicable to cotton LDP’s.</p>
13	Enter any remarks about any questions included on CCC-770 LDP.
Certification	
14 A and B	At the time of completing the LDP request, all preparers shall sign and date.
15 A - C	CED or STC designee shall CHECK (✓) appropriate box to designate either--* “Concur” or “Do Not Concur”, and date. <p>Note: This item will only be completed if the applicable CCC-770 LDP is selected for spot check.</p>
***	***

*--23 CCC-770 LDP and CCC-770 MAL (Continued)

D CCC-770 MAL's

The following is an example CCC-770 MAL.

This form is available electronically.										
CCC-770 MAL (12-09-14)			U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation			1. Name of Applicant				
MARKETING ASSISTANCE LOAN (MAL) PROCESSING CHECKLIST (FOR ALL COMMODITIES EXCEPT COTTON)						2. Date of Application (MM-DD-YYYY)		3. Loan Type:		
								Warehouse Stored	Farm Stored	
						4. State Office Name		5. County Office, DMA or CMA Name		
6. Commodity		7. Class/Type		8. Crop Year	9. Loan Number		10. Warehouse Code		11. No. of Warehouse Receipts:	
									Paper:	EWR:
12. MAL Request/Application:						Handbook or Other Applicable References	YES	NO	N/A	Initials
A. Is the CCC-666 properly completed and signed for all certified and measured farm stored loans and warehouse stored loans for all commodities except peanuts? Note: CCC-666 can also be required for a warehouse peanut MAL application as determined by State Office.						8-LP, paragraphs 500, 540 and 524				
B. For warehouse-stored loans, has the paper receipt been properly endorsed by borrower or CCC made holder of the EWR?						8-LP, paragraph 545				
C. If measurement service is requested, has the CCC-666 been completed and signed, and the applicable portions of the FSA-409 and CCC-677-1 been completed?						8-LP, paragraphs 524 and 525				
D. Is the CCC-10 properly completed, signed and on file for all types of loan applications?						8-LP, paragraph 502				
13. Producer/Commodity Eligibility Verification:										
A. Has the FSA-578 been properly completed and filed showing applicant has a share in the commodity? (Not applicable for CMA's).						8-LP, paragraph 200				
B. Has all cropland on the farm been reported on FSA-578? If not, does the applicant understand that all cropland on the farm must be reported by the final crop reporting date in the State or all production from that farm is ineligible for MAL? (Not applicable for CMA's).						8-LP, paragraph 200				
C. Has AD-1026 been filed by applicant and all affiliated persons according to 6-CP?						6-CP, paragraphs 17, 302 and 601				
D. Does applicant and all affiliated persons, as applicable, meet the eligibility requirements for foreign person, controlled substance, delinquent debt, and fraud?						8-LP, paragraphs 201-203				
E. For all loans that require a CCC-666, did the producer answer the question, "Are you or any co-applicant delinquent on any Federal non-tax debt?"						8-LP, paragraphs 202, 523 and 524				
F. Has commodity eligibility (in existence and in storable condition) been verified via certification on CCC-666 or by measurement service?						8-LP, paragraph 225				
G. Has the loan been requested on or before the final loan availability date?						8-LP, paragraph 226				
H. Is the quantity requested within the COC-established reasonable yield for the commodity? Note: County Office MUST determine reasonableness based on maximum eligible quantity, as applicable.						8-LP, paragraph 230				
I. Has a second party review been properly completed on CCC-666? Ensure that CCC-666 was initiated by the reviewer.						8-LP, paragraph 234				
14. MAL Processing/Approval:										
A. Has the UCC-1 been properly filed and verification of the filing received on all farm stored loans? (Not applicable for CMA's).						8-LP, paragraph 521, and subparagraphs 504B and C				
B. Has a lien search been performed, if applicable? Results of lien search must be printed and filed in the loan folder. (Not applicable for CMA's,)						8-LP, paragraph 504				
C. Have all required lien waivers been signed by lienholders and are on file in the county office?						8-LP, paragraph 505				

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*--23 CCC-770 LDP and CCC-770 MAL (Continued)

D CCC-770 MAL's (Continued)

CCC-770 MAL (12-09-14)		Page 2 of 2			
14. MAL Processing/Approval (Continuation):	Handbook or Other Applicable References	YES	NO	N/A	Initials
D. For DAFP authorized loan deductions, were the deductions submitted on a statement of charges signed by the producer?	8-LP, paragraphs 505 and 547				
E. Were authorized deductions and joint payments made according to lienholder instructions on CCC-679?	8-LP, paragraph 505				
F. Were CCC-683, Commodity Loan Seals provided for farm stored MAL?	8-LP, paragraph 523 and Exhibit 16				
G. Has the CCC-665, Agreement for Grain Pledged as Collateral for CCC Commodity Loans, been properly completed and all required signatures obtained, if applicable for commingled production?	8-LP, paragraph 527				
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 506				
I. Has a second party review been properly completed on CCC-677 or CCC-678 with the reviewer initialing the applicable form?	8-LP, paragraph 234				
J. For MAL disbursements greater than \$150,000, if loan proceeds will be used for lobbying, has SF-LLL been obtained?	8-LP, paragraph 28				
K. Is the CCC-677 or CCC-678 approved by an individual delegated or re-delegated to approve these forms?	8-LP, paragraphs 2 and 509				
L. Is the approval the same day or after the date all producer signatures were obtained AND before processing the disbursement?	8-LP, paragraph 509				
15. Remarks					
<p>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 the applicable handbooks.</i></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 / STC Designee Signature				17C. Date (MM-DD-YYYY)	
<p>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).</p> <p>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.</p>					

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--23 CCC-770 LDP and CCC-770 MAL (Continued)--

E 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 date of MAL request (MM-DD-YYYY).
3	*--CHECK (✓) either “Warehouse Stored” or “Farm Stored”, as applicable.--*
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 loan number.
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>*--Employee answering question:</p> <ul style="list-style-type: none"> • shall CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. <p>Note: For CCC-770 MAL questions not applicable, CHECK (✓) “N/A” and initial.</p> <p>Example: Question 12 B, “For warehouse-stored loans, has the paper receipt been properly endorsed by borrower or CCC made holder of the EWR?”, is only applicable to warehouse-stored. Therefore, for farm-stored loans, this question is not applicable and user should enter check (✓) in the “N/A” column and initial.</p>
Producer/Commodity Eligibility Verification	
13 A - I	<p>Employee answering question:</p> <ul style="list-style-type: none"> • shall CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. <p>Notes: For CCC-770 MAL questions not applicable, CHECK (✓) “N/A” and initial.</p> <p>Questions 13 A, 13 B, and 13 H are not applicable to CMA’s.--*</p>

--23 CCC-770 LDP and CCC-770 MAL (Continued)--

E CCC-770 MAL Instructions (Continued)

Item	Instructions
MAL Processing/Approval	
14 *--A - L--*	*--Employee answering question: <ul style="list-style-type: none"> • shall CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. <p>Notes: For CCC-770 MAL questions not applicable, CHECK (✓) “N/A” and initial.</p> <p style="text-align: center;">Questions 14 B and 14 E are not applicable to CMA’s.--*</p>
15	Enter any remarks about any questions included on CCC-770 MAL.
Certification	
16A and B	When completed, for the MAL request, all preparer’s shall sign and date.
17 A - C	*--CED or SED designee shall CHECK (✓) appropriate box to designate either “Concur” or “Do Not Concur”, and sign and date. <p>Note: This item will only be completed if the applicable CCC-770 MAL is--* selected for spot check.</p>
***	***

24 Collecting Commodity Assessments and Other Fees**A Applicability**

[7 CFR 1405.9] The Secretary of Agriculture has the authority to collect approved State and Federal commodity assessments on behalf of State or Federal entities from the proceeds of MAL's. The assessment may be collected at the time MAL is disbursed or forfeited. The provisions outlined in this paragraph include new and existing collections.

Grain sorghum and soybeans have Federal assessments that would be collected in addition to any individual State assessment.

B Conditions for Collection

For State commodity assessments the State entity **must**:

- submit a written request for commodity assessment collection and a copy of the State legislation authorizing the commodity assessment to the applicable SED; the written request **must** indicate when the assessment is to be collected according to subparagraph A, and the name of the State entity director or official authorized to enter into an agreement with CCC
- provide a written opinion from the Office of the Attorney General that verifies the State director or authorized official has legal authority to enter into an agreement with CCC and that the State legislation authorizing commodity assessment collection is in compliance with Pub. L. 108-470
- have the director or authorized signing official of the State entity sign MOU agreeing to the terms and conditions as provided in MOU according to subparagraph C.

For Federally mandated commodity assessments, the Federal entity **must** submit a written request and a copy of the Federal statute authorizing the commodity assessment collection to the PSD Director.

CCC will deduct the commodity assessments according to the Federal statute.

24 Collecting Commodity Assessments and Other Fees

D Example MOU (Continued)

6. The (specify commodity) assessments collected by CCC will be remitted monthly to the (association, board, or commission). Each remittance will be supported by a listing showing the county code number and name of the office that made the collection, the loan or account number assigned, the crop year and quantity of (specify commodity) pledged for MAL or forfeited to CCC, the amount of the MAL or forfeiture, the amount of the assessment collected, and the producer's name, and address.

7. The (association, board, or commission) will not release any information received under this Memorandum of Understanding to any other individual or organization.

8. Any refund of the amount of such assessment shall be made directly to the producer by the (association, board, or commission). CCC shall have no responsibility for making refunds.

9. CCC will not have any responsibility to make additional collection of any (specify commodity) assessment where, owed to error, the amount of such assessment was undercollected. CCC will notify the producer of the amount owed as the result of an error and a copy of this notification will be provided to the (association, board, or commission).

10. The provisions of this Memorandum of Understanding shall not apply to (specify commodity) handled by a CCC-approved cooperative marketing association (CMA) or a CCC-approved designated marketing association (DMA). The (association, board, or commission) may arrange for the collection of assessments on such (specify commodity) directly with the approved CMA or DMA.

11. The effective date of this Memorandum of Understanding shall be the final date of signature below. However, assessment collection hereunder will begin only after all applicable Farm Service Agency Offices in the State have received the assessment collection software, and the assessment deduction is scheduled to begin. This Memorandum of Understanding may be modified by mutual agreement between the parties in writing and may be terminated by either party thirty calendar days after written notice is provided to the other party.

(State association, board, or commission)

Date

By _____
Director

COMMODITY CREDIT CORPORATION

Date

By _____
(name of State) State Executive Director

02-24-06
Approval Date

24 Collecting Commodity Assessments and Other Fees (Continued)**E Deduction of Commodity Assessment**

Upon the approval and the receipt of properly signed MOU's, APSS will be modified to deduct the commodity assessment, as applicable. Federal and State entities shall be informed of the necessary automation enhancements associated with deducting the commodity assessment fees. Software enhancements could take as long as 8 weeks from the date PSD receives the properly signed and dated MOU or written request (Federal entities).

F Modifying an Existing Commodity Assessment Collection

Federal and State entities **must** submit to the applicable SED:

- written request for modifying an existing collection, indicating when the modified collection is to begin and the name of the Federal or State entity director or official authorized to enter into an agreement with CCC
- copy of the legislation authorizing the change in the rate
- method of collection, etc.

G Submitting Requests for New or Modified Commodity Assessment Collections

State Offices shall mail requests to:

DIRECTOR, USDA, FSA, PSD
 1400 INDEPENDENCE AVE SW
 *--STOP 0501
 WASHINGTON DC 20250-0501.--*

H New and Modified Commodity Assessment Approval or Disapproval

PSD will review each request for a new or modified commodity assessment collection and respond to the appropriate SED, in writing, with the determined preliminary approval or disapproval.

24 Collecting Commodity Assessments and Other Fees (Continued)**I Deducting Federal Grain Sorghum Commodity Assessment for Loan Collateral**

CCC has been authorized to collect the grain sorghum research and promotion fee from the proceeds of farm- or warehouse-stored MAL's when the loans are disbursed. A 0.6 percent of the net market value research and promotion fee will be deducted from the producer's loan proceeds based on the value of MAL at disbursement, in addition to any individual State assessment.

CCC will remit the collected fees to the National Grain Sorghum Board no later than 60 calendar days after the last day of the month in which they were offered as collateral for MAL.

Grain sorghum DMA's and CMA's are responsible for collecting the research and promotion fee from DMA or CMA disbursed loans and remitting the collection to the National Grain Sorghum Board. The first handler/purchaser is responsible for collecting and remitting all grain sorghum research and promotion fees for commercially purchased grain sorghum.

J Collection of the Federal Soybean Commodity Assessment

CCC has been authorized to collect the national soybean assessment and promotion fee when processing farm-stored soybean loan settlements and warehouse-loan forfeitures. The assessment is collected in loan settlement or forfeiture at the rate of 0.5 percent of the settlement value.

25 Incorrect Loan or LDP Rate or Incorrect Quantity Used

A Incorrect Loan Rate or Quantity Used

If an incorrect loan rate or quantity was used because of a data entry error, use the following.

<p>IF an incorrect loan rate or quantity for loan was used that results in money owed...</p>	<p>THEN...</p>
<p>CCC</p>	<ul style="list-style-type: none"> • correct the loan •*--complete CCC-770 MAL before re-recording--* • re-record the loan with the correct loan rate or quantity that will result in an overdisbursement of the loan <p>Note: Follow 12-PS for:</p> <ul style="list-style-type: none"> • correcting the loan • re-recording the loan. <ul style="list-style-type: none"> •*--verify the receivable in NRRS. <p>Notes: The proceeds from the new loan will be applied to the receivable.</p> <p>The initial notification letter will be issued through NRRS for any balance owed.--*</p>

25 Incorrect Loan or LDP Rate or Incorrect Quantity Used (Continued)

A Incorrect Loan Rate or Quantity Used (Continued)

<p>IF an incorrect loan rate or quantity for loan was used that results in money owed...</p>	<p>THEN...</p>
<p>the producer and the loan has been repaid to zero</p>	<p>if all of the repayments, principal plus interest, were repaid, no additional action is necessary.</p> <p>if 1 or more of the repayments were repaid as a market repayment:</p> <ul style="list-style-type: none"> • correct the loan •*--complete CCC-770 MAL before re-recording--* • re-record the loan with the correct loan rate or quantity that will result in an under disbursement of the loan <p>Note: Follow 12-PS for:</p> <ul style="list-style-type: none"> • correcting the loan through APSS • re-recording the loan through APSS • in NPS, reconcile repaying the receivable, if applicable, resulting from the correction. <ul style="list-style-type: none"> • re-record the repayments according to 12-PS, Part 7, that were removed when the loan was corrected.

25 Incorrect Loan or LDP Rate or Incorrect Quantity Used (Continued)

A Incorrect Loan Rate or Quantity Used (Continued)

*--

<p>IF an incorrect loan rate or quantity for loan was used that results in money owed...</p>	<p>THEN...</p>
<p>the producer with the loan having an outstanding balance and the producer requests the additional disbursement</p>	<ul style="list-style-type: none"> • notify the producer of the under disbursement • if the producer requests the additional disbursement in writing, proceed as follows: <ul style="list-style-type: none"> • correct the loan by reversing the loan in APSS <p>Note: A receivable will be established in NRRS</p> • complete CCC-770 MAL before re-reentering • re-enter the loan with the correct loan rate or quantity which will result in an additional disbursement and repay the receivable established above when the original loan was reversed.
<p>the producer with the loan having an outstanding balance and the producer does not request to receive the additional disbursement</p>	<p>if the loan is later:</p> <ul style="list-style-type: none"> • repaid in full and all payments were paid principal and interest, no additional action is necessary • repaid as a market gain repayment: <ul style="list-style-type: none"> • follow the instructions in the box above to correct the loan and process the additional disbursement • re-record any repayments removed when the loan was corrected • record the market gain repayment • delivered to CCC at maturity: <ul style="list-style-type: none"> • follow the instructions in the box above to correct the loan and process the additional disbursement • re-record any repayments removed when the loan was corrected • process the settlement according to 12-PS.

--*

25 Incorrect Loan or LDP Rate or Incorrect Quantity Used (Continued)

B Incorrect LDP Rate or Quantity Used

If an incorrect LDP rate or quantity was used because of a data entry error, use the following.

IF an incorrect LDP rate or quantity for LDP was used that results in money owed...	THEN...
CCC	<ul style="list-style-type: none"> • correct LDP •*--complete CCC-770 LDP before re-recording--* • * * * re-record LDP with the correct LDP rate or quantity that will result in an overpayment of LDP •*--verify the receivable in NRRS. <p>Note: Follow 15-PS for correcting LDP.--*</p>
the producer	<ul style="list-style-type: none"> • correct LDP •*--complete CCC-770 LDP before re-recording--* • re-record LDP with the correct LDP rate or quantity that will result in an underpayment of LDP •*--verify the payable in NPS.--*

26 Interest Rates and Calculations

A Interest Applicable to Loans

The interest rate:

- applicable to CCC loans shall be:
 - equal to the interest rate announced by CCC for the month in which the loan is disbursed
 - adjusted on January 1 to equal the interest rate announced for the month of January by CCC
- is assessed at the rate applicable to the loan, subject to January 1 adjustment, from the disbursement date to the **earlier** of the following:
 - second day before date of repayment for loans disbursed through NPS
 - settlement date.

See 50-FI for applicable interest rates.

The monthly interest rates announced for 1996 and subsequent crop years include the additional 1 percent applicable to loans. This additional 1 percent is **not** applicable to LDP's.

A loan deficiency resulting from processing a settlement becomes a **receivable** and will be handled according to NRRS.

31 Overdisbursements, Overpayments, and Receivables

A Overdisbursements, Overpayments, and Receivables

A producer is personally liable for repaying:

- any loan amount disbursed or LDP exceeding the amount authorized, including any charges plus applicable interest
- any deficient amount determined to be owed CCC, plus interest.

B Notifying Producers

--For loans and LDP's, producers will be notified of amounts owed of \$9.99 or more in-- writing, according to Exhibit 11. Take action, as applicable, according 58-FI and the following.

IF...	THEN...
the overdisbursement or overpayment is not because of a loan or LDP violation	collect the amount owed as follows: <ul style="list-style-type: none"> •*--for loans, if the amount owed is \$9.99 or less and is discovered: <ul style="list-style-type: none"> • before settlement, do not collect immediately; however, collect on the next repayment • after settlement, do not send the producer a demand letter; immediately write off the small balance according to 12-PS • for LDP's processed through eLDP, if the amount owed is: <ul style="list-style-type: none"> • \$9.99 or less, write off the small balance according to 15-PS • more than \$9.99, follow procedure in 58-FI for demanding--* payment.
a receivable is created because an amount remitted to CCC is less than the amount required	if the total amount outstanding is: <ul style="list-style-type: none"> •*--\$9.99 or less, see 12-PS • more than \$9.99 with outstanding loan balance, collect on next repayment • more than \$9.99 with no outstanding loan balance, follow NRRS--* procedures.

*--**Note:** APSS will **not** allow a write off of more than \$9.99. Follow 58-FI for procedure for amounts owed between \$10 and \$24.99.--*

32, 33 (Reserved)

35 Prompt Payment Act (Continued)

B Payment Due Dates (Continued)

IF the program is for...	THEN the payment due date is...
LDP's	<p>30 calendar days from the date the producer provides all information needed to complete the LDP request. This information includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> • acreage certification •*--AD-1026's for producer and all affiliated persons--* <p>Note: Includes farm plans.</p> <ul style="list-style-type: none"> • all signatures, as applicable • applicable CCC-902's according to 4-PL and 5-PL <p>*--Note: CCC must make the following determinations:</p> <ul style="list-style-type: none"> • actively engaged in farming • cash rent tenant • member contributions. <ul style="list-style-type: none"> • CCC-941 for 2014 and 2015 for producer and all affiliated persons--* • certifies the quantity <p>Notes: For commodities harvested as other than grain and quantity is certified in acres, the prompt payment due date is 30 calendar days from the date COC determines the maximum eligible quantity according to paragraph 336.</p> <p>COC is required to establish the maximum eligible quantity within 30 calendar days from the date all required information is available.</p> <ul style="list-style-type: none"> • delivery date, if the date of delivery is needed to determine the applicable LDP rate • requesting LDP on CCC-633 EZ, page 1 and the applicable benefits page (2, 3, or 4). <p>Notes: County Offices must determine maximum quantity eligible before LDP payments can be made.</p> <p>Every effort must be made to process LDP's expeditiously as soon as all required information has been received.</p>

35 Prompt Payment Act (Continued)

B Payment Due Dates (Continued)

IF the program is for...	THEN the payment due date is 30 calendar days...
settlements	after County Office receives all of the following: <ul style="list-style-type: none"> • properly completed warehouse receipt • if applicable, CCC-691 for the commodity subject to the settlement • documentation required to complete the transaction.
payments that are the subject of an ongoing judicial action, including when the payee has filed for bankruptcy	after judicial action is completed.

C Paying Prompt Payment Interest

County Offices shall pay prompt payment interest when payment dates, according to subparagraph B and 61-FI, are **not** met. Maximum prompt payment interest is 1 year’s interest (360 days).

The prompt payment interest rate is issued semiannually, by notice, and included in 50-FI.

36 Unnegotiated Treasury Checks

A Unnegotiated Loan Treasury Checks

If unnegotiated Treasury checks for a loan disbursement or LDP are returned to the County Office, follow this table.

IF all unnegotiated Treasury checks for...	THEN...
a loan disbursement are returned to the County Office and no repayments have been made on the loan	cancel the loan as follows: <ul style="list-style-type: none"> • use the “Correct a Loan/LDP” process, according to 12-PS, to remove the loan making transaction; a receivable will automatically be created in NRRS • send the Treasury check to Kansas City according to 1-FI, subparagraph 131 F, and request a new check made payable to CCC • apply the check, made payable to CCC, to the receivable. <p>Notes: LDP may be made on the quantity originally requested on the canceled loan, if eligibility requirements are met and requests are made within the applicable crop year final loan availability period.</p> <p>*--If re-recorded, CCC-770 LDP or CCC-770 MAL must be completed.--*</p>
a loan disbursement are not returned to the County Office	<ul style="list-style-type: none"> • use the “Correct a Loan/LDP” process, according to 12-PS, to remove the loan making transaction; a receivable will automatically be created in NRRS • NRRS will notify producer of the receivable amount owed CCC *--according to 1-FI, subparagraph 200 A.--* • when producer pays amount owed, apply to receivable • do not release any collateral until receivable is repaid.

36 Unnegotiated Treasury Checks (Continued)

A Unnegotiated Loan Treasury Checks (Continued)

IF all unnegotiated Treasury checks for...	THEN...
LDP are returned to the County Office, processed through eLDP * * *	<ul style="list-style-type: none"> • use the correction process to cancel LDP; a receivable will automatically be created in NRRS •*--request a replacement check from Treasury, according to 1-FI, subparagraph 220 A, and apply to the receivable in NRRS--* according to 64-FI. <p>Notes: The same LDP quantity may not be pledged as collateral for a loan; however, if the producer later requests another LDP for the same LDP quantity, an LDP would be made as follows:</p> <ul style="list-style-type: none"> • if within the final loan availability period • for the original LDP quantity • at the same LDP rate in effect for the date the original LDP was requested.
LDP processed through eLDP * * * are not returned to the County Office	use the correction process to cancel LDP. A receivable will be automatically created in NRRS.

37 State Office Reporting System (SORS)**A Individual Report Availability**

SORS, available on FSA Intranet, provides up-to-date access to national, State, county, and individual reports on:

- LDP's
- MAL's.

*--To access SORS, go to **<http://fsaintranet.sc.egov.usda.gov/fsa>**. Under "Resources", CLICK "**FSA Applications**"; under "Application Directory", CLICK "**P-Z**"; and CLICK "**SORS – State Office Reporting System**".--*

Note: For authority to access SORS, submit FSA-13-A to SLR. On FSA-13-A, in the "Resource Privilege" Section, under "**WEB**", select "**Add**" and in "EAS Role(s)" blank, ENTER "**app.fsa.sors.readonly**".

B Activity Reports

*--Official USDA weekly and monthly reports, and unofficial cumulative price support loan and LDP activity reports are available to the general public on the Price Support web page at **www.fsa.usda.gov/FSA**; under "Programs and Services", CLICK "**Price Support**", and--* under "Related Topics", CLICK "**Price Support Reports**".

38, 39 (Reserved)

Section 4 Warehouse Status Notification

40 Notification of UGRSA Warehouse Status

A Notification

--KCCO shall notify PSD, and the applicable SED's, of the following on KC-232:--

- newly approved warehouses
- reinstated warehouses
- removed warehouses
- terminated warehouses.

Note: See subparagraph B for an example of KC-232.

*--PSD shall notify the appropriate State Offices of the applicable warehouse status by providing a copy of KC-232, when notified by KCCO.

State Offices shall notify the appropriate County Offices of the warehouse status changes by providing a copy of KC-232, when notified by PSD and/or KCCO, and obtain information requested by PSD.--*

County Offices shall post for 30 calendar days, in a public area, newly approved warehouses or warehouse status updates received from State Offices.

B States Without an Operating Warehouse Licensing Program (UGRSA Required)

The following States do **not** have an operating warehouse licensing program and warehouse operators will **be** required to execute a UGRSA for MAL purposes:

- | | |
|-----------------|------------------|
| • Alaska | • New Jersey |
| • Arizona | • New Mexico |
| • California | • New York |
| • Connecticut | • North Carolina |
| • Delaware | • Oregon |
| • Florida | • Pennsylvania |
| • Hawaii | • Rhode Island |
| • Maine | • Utah |
| • Maryland | • Vermont |
| • Massachusetts | • Virginia |
| • Nevada | • West Virginia. |
| • New Hampshire | |

Note: This listing is based on USDA's interpretation of current State laws.

40 Notification of UGRSA Warehouse Status (Continued)

C Example of KC-232

The following is an example of KC-232

*--

<i>See reverse side for Privacy Act, Public Burden, and Nondiscrimination Statements.</i>		OMB Exempt	
KC-232 (09-17-12)	U. S. DEPARTMENT OF AGRICULTURE Farm Service Agency Post Office Box 419205 Kansas City, Missouri 64141-6205	Agmt. Type <input type="checkbox"/> CSA <input type="checkbox"/> HSA <input type="checkbox"/> PCSA	<input type="checkbox"/> PSA <input type="checkbox"/> SSA <input type="checkbox"/> UGRSA AGREEMENT NO. _____ NOTICE DATE _____ WAREHOUSE CODE _____ FEDERAL LICENSE NO. _____ INITIATOR'S REFERENCE LINE _____ WAREHOUSE LOCATION (City, County, State) _____
NOTICE OF APPROVAL OR CHANGE IN STATUS OF STORAGE AGREEMENT/SCHEDULE OF WAREHOUSES			
NAME AND ADDRESS OF WAREHOUSE OPERATOR			
<input type="checkbox"/> APPROVED	Capacity	<input type="checkbox"/> TERMINATED	
<input type="checkbox"/> New Agreement		The above Storage Agreement is being terminated as of this date, under conditions explained below, reserving to CCC and other interested parties all rights and privileges which may have accrued under the agreement. <input type="checkbox"/> DELETED The above warehouse(s) is being deleted from the above Storage Agreement as of this date, under conditions explained below, reserving to CCC and other interested parties all rights and privileges which may have accrued under the agreement. <input type="checkbox"/> REINSTATED The warehouse(s) described above is being reinstated to CCC's List of Approved Warehouses as of this date. CCC owned or loan commodities, or commodities delivered to CCC for purchase under a price support program subject to the terms of the above agreement can, until further notice be stored or handled through this warehouse(s).	
<input type="checkbox"/> Addition - New Code			
<input type="checkbox"/> Capacity Change -	From: _____ To: _____		
<input type="checkbox"/> OTHER (See explanation below.) <input type="checkbox"/> REMOVED FROM LIST The warehouse(s) described above is being removed from CCC's List of Approved Warehouses as of this date for conditions explained below. Until further notice, no additional CCC-owned or loan commodities, or commodities delivered to CCC for purchase under a price support program subject to the terms of the above agreement can be stored or handled through this warehouse(s).			
EXPLANATION OF CHANGE			
COMMODITY CREDIT CORPORATION: BY: _____ CONTRACTING OFFICER			
TO: SED, State FSA Office FROM: Director, Kansas City Commodity Office COPIES TO:		PUBLIC ANNOUNCEMENT <input type="checkbox"/> Should be made (please notify interested counties) <input type="checkbox"/> Should NOT be made	
DISTRIBUTION (Check all applicable designations)			
<input type="checkbox"/> SED, State FSA Office	<input type="checkbox"/> KC-1117		
<input type="checkbox"/> State Licensing Authority	<input type="checkbox"/> GIMS:		
<input type="checkbox"/> Warehouse Licensing & Examination Division - EB and/or LB	<input type="checkbox"/> PCIMS:		
<input type="checkbox"/> Contract Reconciliation Division - FRB	<input type="checkbox"/> Other:		
<input type="checkbox"/> Contract File Copy			
<input type="checkbox"/> Reading File Copy			

--*

40 Notification of UGRSA Warehouse Status (Continued)

C Example of KC-232 (Continued)

*--

<p>KC-232 (REVERSE)</p> <p style="text-align: center;">PRIVACY ACT AND PUBLIC BURDEN STATEMENTS</p> <p>The authority for entering the information identified on this form is 7 CFR Part 1423, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171). The information will be used to inform the storing warehouse operator of approval or if there is a change in the contract status. The information 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-2, Farm Records File (Automated).</p> <p>The authority for collecting the following information is Public Law 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</p> <p>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.</p> <p style="text-align: center;">NONDISCRIMINATION STATEMENT</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).</p> <p>To file a complaint of Discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</p>

--*

40 Notification of UGRSA Warehouse Status (Continued)

D Warehouse Status Changes

Follow this table when a warehouse has been newly approved, removed, terminated, or reinstated from the approved list.

Step	Applicable Office	Action
1	KCCO	<p>*--Inform PSD and the appropriate SED when a particular--* warehouse has been newly approved, removed, terminated, or reinstated from the approved list and include the following information on the KC-232:</p> <ul style="list-style-type: none"> • reason for the approval, removal, termination, or reinstatement • whether a public notice should be made.
*--2	PSD	<p>Contact the appropriate State Office to:</p> <ul style="list-style-type: none"> • notify them of the change in the status of a particular warehouse • request specific information depending on the status change. <p>Based on the status change, the following may be applicable:</p> <ul style="list-style-type: none"> • if the warehouse has been removed from the approved list, send a copy of KC-232 received from KCCO • public notice announcing the approval, removal, termination or reinstatement may be required based on the advice of KCCO. <p>Note: The State Office may provide additional suggestions for the public notice. Exercise caution in using reasons not fully investigated and established by KCCO.</p>
3	State Office	<p>Immediately contact the appropriate County Office to:</p> <ul style="list-style-type: none"> • notify them of the change in the status of a particular warehouse • request specific information depending on the status change. <p>Advise County Offices to refer inquiries on the reasons for removal to either of the following:</p> <ul style="list-style-type: none"> • KCCO • manager of the warehouse.--*
4	County Office	<p>Post a copy of KC-232 in the County Office, in a public place, for 30 calendar days.</p>

40 Notification of UGRSA Warehouse Status (Continued)

E Warehouse Termination

Follow this table when a warehouse is terminated.

Step	Applicable Office	Action
1	KCCO	*--Inform PSD and the appropriate SED when a particular--* warehouse is terminated. * * *
*--2	PSD	Contact the appropriate State Office to: <ul style="list-style-type: none"> • notify them that a particular warehouse has been terminated • provide policy and instructions for calling all outstanding MAL's in the terminated warehouse.
3	State Office	Immediately identify County Offices with outstanding MAL's in the terminated warehouse by generating the warehouse loan summary report in SORS. Notify the applicable County Offices of the termination and loan call, including PSD instruction for completing the loan call.--*
4	County Office	Identify warehouse-stored loans in the terminated warehouse. If any outstanding loans in the county include commodities stored in the terminated warehouse, issue a letter to each loan borrower *--according to PSD loan call instructions. Followup to assure the loan call is completed timely. Call the loans according to instructions received from PSD, except--* for producers who have filed bankruptcy. For producers who have filed bankruptcy, County Offices shall: <ul style="list-style-type: none"> • send a letter explaining the situation to both of the following: <ul style="list-style-type: none"> • regional attorney, through the State Office • "LOAN CALL" USDA, KCCO, PD, MB STOP 8748 PO BOX 419205 KANSAS CITY MO 64141-6205 • follow the regional attorney's advice.

41 Violations and Suspected Violations by Warehouse Operator

A Necessary Action by County Offices

When a violation of the storage agreement or loan and LDP regulations is discovered or suspected, the County Office shall immediately notify the State Office of the circumstances.

B Necessary Action by State Offices

When a violation of the storage agreement or loan and LDP regulations is discovered or suspected, the State Office shall notify:

USDA, KCCO, WLED
STOP 9148
PO BOX 419205
KANSAS CITY MO 64141-6205.

42-199 (Reserved)

Part 2 Common Loan and LDP Provisions

Section 1 Producer Eligibility

200 Eligible Producers

A Definition of Eligible Producer

[7 CFR 1421.4] Eligible producer means a person or legal entity that:

- has complied with annual program requirements including:
 - reporting acreage for **all** cropland on the farms according to 2-CP

***--Notes:** FSA-578's **must** be obtained for the specific commodity on the farm **before** MAL disbursements and LDP benefits are received for that specific commodity. Report acreage, according to 2-CP, for all cropland on the farm on which the crop pledged as collateral or LDP was produced by the applicable final reporting date. Failure to report all cropland on a farm shall be considered noncompliance with program requirements and considered a violation according to 2-CP, Part 2, and all production from the farm is ineligible for LDP and MAL.--*

If there are 2 or more **separate** operations under the **same** farm number in the same County Office, a reconstitution should be performed according to 10-CM.

***--**The ineligible farm numbers **must not** be included on CCC-633 EZ, CCC-666, CCC-677, or CCC-678.

See 2-CP, paragraphs 318 and 380.5 for information on a CARS report for identifying "Farms with Unreported Cropland".

- completing AD-1026 according to 6-CP for producer and all affiliated persons
- completing CCC-931C or CCC-933 for the 2013 crop year market loan gains
- completing CCC-941 for 2014 and 2015 for producer and all affiliated persons--*

200 Eligible Producers (Continued)

A Definition of Eligible Producer (Continued)

- completing applicable CCC-902 according to 4-PL and 5-PL

Notes: CCC-902 is required for foreign person determination on both loans and LDP's. See subparagraph 203 A.

*--CCC-902, and CCC-901 if an entity, is required for crop year 2014 market loan gains and LDP's. In addition, the COC **must** make the following determinations:

- actively engaged in farming
 - cash rent tenant
 - member contribution.--*
- has a beneficial interest in the eligible commodity for which a loan or LDP is requested
 - shares in the risk of producing the applicable commodity.

*--**Note:** See Exhibit 4.--*

The person or legal entity may be any of the following:

- landowner
- landlord or waterlord
- tenant
- sharecropper.

*--**Exception:** Beginning with the 2014 crop year, States, local governments, political subdivisions, and agencies there are eligible for loans, market loan gains, and LDP's with respect to land owned by the State, if the payments and benefits are used to support public schools. See 5-PL paragraph 174 for additional information.--*

Legal entity means the entity either:

- owns land or an agricultural commodity, product, or livestock
- produces an agricultural commodity, product, or livestock.

200 Eligible Producers (Continued)**B Company or Other Legal Entity**

An eligible producer may be an irrigation company or other legal entity that provides **all or part** of the following that are necessary to produce and harvest a crop:

- equipment
- labor
- land
- water.

C Estates and Trusts

An eligible producer may be an estate or trust, including any of the following:

- receiver of an insolvent debtor's estate
- executor or an administrator of a decedent's estate
- guardian of any of the following:
 - an estate
 - a ward
 - an incompetent person
- trustees of a trust estate, if their representative authority is legally valid (1-CM).

200 Eligible Producers (Continued)**D Minors**

A minor may be an eligible producer; however, signature requirements in 1-CM **must** be met.

E Heirs of Deceased Producer

An eligible producer may be an heir of a deceased producer, whether succession of interest occurs before or after harvest, when **all** of the following apply:

- succeeds to the beneficial interest of the deceased in the commodity, including purchase from other heirs
- assumes the decedent's obligation under a loan if a loan has already been obtained
- for farm-stored loans, ensures that safe storage continues
- completes CCC-686, according to paragraph 205, when the heirs want to obtain or assume a loan and either of the following applies:
 - there will be no administration or probate of the estate
 - administration or probate of the estate is closed.

F Hybrid Seed Contract Producer Eligibility

When determining if a producer under a hybrid seed contract is eligible for LDP or MAL, the County Offices shall **not** take into consideration existing hybrid seed contracts when determining beneficial interest eligibility. However, all other LDP and MAL program requirements are applicable.

Note: The contract **must:**

- specify that it is a hybrid seed contract
- be for an eligible loan commodity.

201 Ineligible Producers**A Ineligibility**

Ineligible producers are producers who:

- have **not** reported acreage for all cropland on the farms requesting MAL and/or LDP for the current crop year according to 2-CP

--Note:** FSA-578's **must** be obtained for the specific commodity on the farm **before-- MAL disbursements and LDP benefits are received for that specific commodity. Report acreage, according to 2-CP, for all cropland on the farm on which the crop pledged as collateral or LDP was produced. Failure to report all cropland on a farm shall be considered noncompliance with program requirements and considered a violation according to 2-CP, Part 2.

- violate WC and HELC provisions according to 6-CP

***--Note:** A producer is ineligible for MAL and LDP if the producer or any affiliated person violates WC and/or HELC provisions.--*

- have **not** complied with applicable program requirements
- are convicted under Federal or State law of a controlled substance violation according to 1-CM
- have a delinquent nontax debt to the Federal Government according to paragraph 202
- violate FCIC provisions as determined by FCIC.

Section 2 Commodity Eligibility

225 Eligible Commodities

A Eligibility Requirements

[7 CFR 1421.5] To be eligible for a loan or LDP, the commodity **must**:

- have been produced by an eligible producer on a farm
- be in existence and in a storable condition
- be merchantable for food, feed, or other uses determined by CCC
- **not** contain mercurial compounds, toxin-producing molds, or other substances poisonous to humans or animals

Exception: For commodities containing vomitoxin and aflatoxin, see paragraph 231.

- meet the definition for the applicable commodity in the Official United States Standards for grain, rice, whole dry peas, split peas, and lentils, or beans for pulse crops, as applicable

Note: See subparagraph J for eligible commodities, classes, subclasses, and varieties.

- meet the specific commodity eligibility requirements for a nonrecourse loan
- **not** be:
 - substituted, purchased, bartered, or received as a gift
 - produced on land owned by the Federal Government, if the land is occupied without lease, permit, or other rights of possession.

Note: A commodity pledged as collateral for loan or LDP that is **not** produced and harvested by the eligible producer, but was exchanged for a commodity produced and harvested by the eligible producer is ineligible for loan and is considered a substitution.

B Substituted Commodities

Substituted commodities are commodities that are **not** harvested, sheared, or slaughtered by the eligible producer for the applicable crop year. Substituted commodities are **ineligible** for LDP's and MAL's.

If a County Office determines that a loan or LDP has been disbursed on substituted commodities, handle according to Exhibit 11, subparagraph M.

225 Eligible Commodities (Continued)

C Commodities Eligible for Loan or LDP

The commodities eligible for a loan or LDP include:

- barley

- *--cotton

Note: See 7-CN.--*

- corn
- grain sorghum

Notes: Including dual purpose sorghum varieties as determined by CCC.

See Exhibit 13 for eligible grain sorghum varieties and applicable yields.

- honey

*--**Note:** See 2-LP Honey.--*

- mohair

*--**Note:** The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--*

- oats
- oilseeds

Note: Including canola, crambe, flaxseed, mustard seed, rapeseed, safflower seed, sesame seed, soybeans, and sunflower seeds.

- *--peanuts

Note: See 2-LP Peanuts.--*

225 Eligible Commodities (Continued)

C Commodities Eligible for Loan or LDP (Continued)

- pulse crops

Note: Including large and small chickpeas, dry peas, and lentils.

- rice

Note: Long and medium grain; medium grain includes short grain (2-LP Rice).

- wheat

- wool

Note: Graded and nongraded.

- any of the commodities, listed in this subparagraph, mechanically harvested as other than grain, **excluding** hay or silage (paragraph 520).

Note: Hay, silage, and unshorn pelts are eligible for LDP **only** (paragraph 1020).

226 Loan and LDP Final Availability Dates

A Availability

[7 CFR 1421.7] Loans and LDP's are available to eligible producers in any area in the U.S. and Puerto Rico where the applicable commodity is produced.

B Requesting Loans and LDP's

Requests for loans and LDP's shall be made on or before the final availability date for the respective commodities.

226 Loan and LDP Final Availability Dates (Continued)

C Final Availability Date

[7 CFR 1421.7] This table provides the final availability date for loans and LDP's for the commodities listed.

Commodity	Final Availability Date
Mohair Peanuts Unshorn Pelts (LDP only) Wool	January 31
Barley Canola Crambe Flaxseed Honey Oats Rapeseed Wheat Sesame Seed	March 31
Corn Dry Peas Grain Sorghum Lentils Mustard Seed Rice Safflower Seed Chickpeas Soybeans Sunflower Seed	May 31

***--Note:** The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--*

When the final availability date falls on a nonworkday, the final date shall be extended to the next workday.

D Final Disbursement Date

The approved disbursement date shall **not** be later than 30 calendar days after the final loan availability date. When the final loan availability date falls on a nonworkday, the final date shall be extended to the next workday.

State Offices may grant extensions in 15-calendar-day increments, as applicable.

233 Loans Ineligible for Delivery or Forfeiture (Continued)**D Insufficient Value or Excess Sales Price**

If the settlement value was insufficient to clear the amount owed on the loan, establish the receivable in NRRS.

If the sales price exceeds the amount needed to repay principal and charges plus interest on the loan, the excess shall be for:

- recourse loans, refunded to the producer
- nonrecourse loans, retained by CCC.

234 Second Party Reviews**A Reviews**

A second party review of eligibility requirements for CCC-633WM's, CCC-666, CCC-677's, CCC-677S, CCC-678's, CCC-678S, and CCC-633 EZ, pages 1 through 5, as applicable, shall be performed **before** disbursement. Reviewer **must** initial CCC-633WM or CCC-666, as applicable, and CCC-677 or CCC-677S for farm-stored loan, CCC-678 or CCC-678's for warehouse-stored loan, or CCC-633 EZ for LDP application, when review is completed.

The second party reviewer shall also check that the correct loan or LDP rate is used on all bins and/or receipts on each loan or LDP. The correct rate is determined according to paragraphs 506 and 1004.

Before a loan or LDP is issued, CCC-770 LDP * * * or CCC-770 MAL **must** be completed according to paragraph 23.

Note: CCC-677S and CCC-678S were the applicable Note and Security Agreements for crop year 2013 MAL's disbursed on or after October 1, 2013, where the loan amount was reduced 5.1 percent for sequestration.

B Approving Reviews

*--If PT accepts LDP or MAL request, then he/she will **not** initial as the second party reviewer.--*

It is recommended that CED's in 2-person County Offices:

- initial as second party reviewer
- sign as approving official, as designated by COC.

--235 Commodities From ACRE-Elected Farms for Crop Year 2013 Only*A Crop Year 2013 Commodities Harvested from ACRE-Elected Farms**

The ACRE Program reduces applicable (county, regional, or national) loan commodity rates by 30 percent if producers on a farm make the decision to elect to participate in the ACRE Program on the farm for the 2013 crop year.

Note: The Agricultural Act of 2014 did **not** continue the ACRE program. Therefore, the ACRE reduction will **not** apply after the 2013 crop year.--*

Commodities harvested from an ACRE-elected farm will have a 30 percent reduction in MAL rates.

Example: \$2 base county loan rate x 70 percent = \$1.40 applicable loan rate.

Notes: The applicable loan repayment option (the lesser of loan rate principal plus interest, 30-day, or alternative rate) will **not** be similarly adjusted with a 30 percent reduction to calculate the applicable CCC-determined value (PCP, regional county price, national posted price, or AWP).

The loan rate used to determine LDP rates on ACRE elected farms will be reduced by 30 percent, accordingly.

Commingled commodities harvested from ACRE and non-ACRE elected farms **must** be placed under separate loans.

Warehouse stored ACRE commodities require separate warehouse receipts.

If ACRE and non-ACRE production cannot be distinguished separately, then the entire quantity is subject to the 30 percent reduction in MAL rates.

Wool, mohair, and honey are **not** subject to ACRE provisions.

Part 5 Loanmaking Provisions

Section 1 Basic Loanmaking

500 Obtaining Loans

A Loan Availability

[7 CFR 1421.100] Eligible producers may obtain loans by placing the eligible commodity in:

- approved farm storage structure and obtaining a loan, on the quantity determined according to paragraph 528, using either of the following options:
 - CCC-666 for a certified farm-stored loan request
 - CCC-666 and FSA-409 for a measured farm-stored loan request.

***--Note:** CCC-677-1 **must** also be completed when measurement service is requested.--*

- CCC-authorized warehouse storage and obtaining a loan on 100 percent of the net quantity shown on the warehouse receipt
- *--CCC-666 must** also be completed for warehouse-stored loan requests for all commodities, **except** peanuts and cotton.

Note: For peanut MAL's, the State Office may require CCC-666 be completed for peanut loan requests in the State.--*

Eligible producers may obtain LDP's instead of loans. See Part 10 for LDP provisions.

B Producers in Bankruptcy

For producers involved in bankruptcy proceedings, see paragraph 22.

500 Obtaining Loans (Continued)**C CMA's Obtaining Loans**

CMA's may:

- obtain farm-stored loans on commodities that are stored on the member's farm in approved storage structures, if other eligibility requirements are met, such as beneficial interest
- obtain warehouse-stored loans on commodities stored in approved warehouses, *--according to paragraph 536--*
- request separate loans for commodities determined eligible for nonrecourse or recourse loans
- **not** obtain loans on quantities on which members:
 - obtain individual LDP's
 - place under individual loans and eventually deliver to CMA, unless the producer repays the loan at principal and plus interest **before** delivery to CMA

CMA's shall request loans at a CMA service County Office identified in 1-CMA.

501 Requesting Loans**A Where Producers Request Loans**

[7 CFR 1421.104] Producers shall request loans through the County Office that maintains the farm program records.

If the producer farms in more than 1 county, the County Office **first** contacted shall:

- accept requests and process loans
- contact other County Offices when either of the following applies:
 - request covers eligible production from more than 1 farm and the farm program records are kept in more than 1 County Office
 - loans were received from more than 1 County Office
- send a copy of the loan documents to the applicable County Office
- complete CCC-770 MAL **before** approving the loan disbursement, **if applicable** (paragraph 23).

Notes: See subparagraph D for an example of processing loan applications.

*--Any County Office can accept LDP and MAL applications, but the receiving County Office **must** route the application to the County Office that maintains the producer's farm records for approval and disbursement.

Only DAFP can authorize an LDP or MAL to be disbursed in a County Office where the producer has no farming interests.--*

501 Requesting Loans (Continued)**B When to Request Loans**

Requests for loans:

- may be received by mail, FAX, telephone, or filed in person
- are documented on CCC-666 for farm-stored loan requests according to paragraph 524 instructions
- shall be requested no later than the final loan availability date according to subparagraph 226 C

Note: When the final loan availability date falls on a nonworkday, the final date shall be extended to the next workday.

- shall be requested **before** beneficial interest is considered lost (paragraph 227)
- is complete when CCC-666 for farm-stored loan requests is signed by producer, approved by CCC, and all required documents are received
- can be canceled or revised **before** the loan is disbursed
- shall be processed and disbursed through APSS as soon as possible according to the applicable commodity handbook
- shall be handled according to the Prompt Payment Act requirements in paragraph 35 and 61-FI.

Note: County Offices shall **not** honor requests from producers to delay disbursements on completed applications.

Farm-stored loan requests can be electronically transmitted to the County Office where the farm records are maintained, if the applicable producer received electronic access credentials through eAuthentication. Electronically transmitted loan requests are processed in APSS in the normal manner.

C Joint Loans

Loans may be disbursed jointly if the commodity is either of the following:

- jointly owned
- stored in the same storage structure.

501 Requesting Loans (Continued)

D Suggested Loan Processing Table

The following is an example guide that may be used when processing loan applications and completing loan approvals and disbursements. Use is optional.

Step	Action
1	<p>Accept loan request by phone, in person or by FAX.</p> <ul style="list-style-type: none"> • Ensure that: <ul style="list-style-type: none"> • application, CCC-666, CCC-677-1, or FSA-409 is complete and signed by producer for farm-stored loan requests • FSA-211 is on file, if applicable. • County Office may find it helpful to have the producer mark on a map or plat book page of a township the exact location of the storage structures for farm-stored loan requests. •*--Check to see if producer has a signed CCC-10 on file in the office. If not on file or incorrect, producers must complete and sign CCC-10.--*
2	<p>The following is needed for security documentation:</p> <ul style="list-style-type: none"> • UCC-1 on file and active for farm-stored loan requests for the loan period as determined by the individual State • lien search, as determined by the individual State • obtain CCC-679's on all parties with a security interest in the producer's crop, as determined by the lien search, or notified by a lienholder. <p>Note: If necessary, obtain copies of non-standard filings, as determined by individual States, to determine if CCC-679 is needed.</p>

501 Requesting Loans (Continued)

D Suggested Loan Processing Table (Continued)

Step	Action
3	<p>Check the following eligibility for all producers on CCC-666, if applicable:</p> <ul style="list-style-type: none"> • FSA-578 has been filed, as applicable •*--AD-1026 completed by producer and all affiliated persons and in compliance--* • CCC-902E or CCC-902I completed according to 4-PL and 5-PL •*--CCC-941 for the 2014 and 2015 crop year from producer and all affiliated persons <p>Note: AGI compliance is not required for MAL disbursement, but is required for market loan gain repayments and LDP's. County Offices are encouraged to have CCC-941 completed, if CCC-941 becomes applicable.--*</p> <ul style="list-style-type: none"> • commodity eligibility • DCIA compliance • storage eligibility.

501 Requesting Loans (Continued)

D Suggested Loan Processing Table (Continued)

Step	Action
4	<p>A second party, according to paragraph 234, shall review and check:</p> <ul style="list-style-type: none"> • bu. calculations for: <ul style="list-style-type: none"> • certified loans • measured loans • warehouse loans • loan rate to ensure the correct rate, according to subparagraph 506 A, is used. <p>Ensure that FSA-409, Part B is complete, if applicable.</p>
5	<p>Quantity eligibility according to paragraph 230.</p> <p>Ensure that quantity is within the COC set maximum yield for that commodity and crop year.</p> <p>*--Enter the loan bu. from the application on the Interim PS Query Tool to determine reasonable quantity and available amount.--*</p>
6	<p>If applicable, ensure that CCC-665 is completed and on file before disbursing commingled loans.</p>
7	<p>Load and/or process loan requests in APSS according to 12-PS.</p> <p>If all required information is on file and producer is in the office to sign CCC-677, CCC-677S, CCC-678, or CCC-678S then the loan can be completed in APSS.</p> <p>If CCC-677, CCC-677S, CCC-678, or CCC-678S is to be mailed to the producer for signatures or the producer will be coming into the office at a later date to sign, then the loan can be printed and saved in APSS.</p> <p>Note: CCC-677S and CCC-678S were the applicable Note and Security Agreements for crop year 2013 MAL's disbursed on or after October 1, 2013, where the loan amount was reduced 5.1 percent for sequestration.</p>

504 Lien Searches (Continued)**D When to Perform Lien Searches**

Lien searches shall be performed:

- **after** the loan request is filed and **before** the loan is approved and disbursed
- when collateral for a warehouse-stored loan is transferred to farm storage according to paragraph 617.

Do **not** perform the lien searches **before** requests are filed.

Advise producers that loans **cannot** be disbursed until lien searches are completed and necessary CCC-679's are obtained according to paragraph 505.

E Action After Lien Searches Are Performed

When lien searches are completed, County Offices shall:

- *--print lien search results, if obtained by email or online
- file hard copy of lien search results in applicable loan folders--*
- file results of searches in applicable loan folders
- **before** loan disbursement, **require** producers to provide CCC-679's according to paragraph 505, for each lienholder discovered on lien search.

*--**Note:** State Offices may request written authorization from PSD to record lien search results on FSA-2360, if it is **not** possible to print the results. If written authorization is granted, directions will be given on how lien search results are to be recorded.--*

F CMA, DMA, and LSA Responsibilities

CMA's, DMA's, and LSA's shall be reminded of their responsibility to pledge eligible commodities for CCC loan free of any liens based on their respective financial agreement.

If CMA, DMA, or LSA has pledged the commodity offered or to be offered for loan to obtain a line of credit, CMA, DMA, or LSA shall provide CCC-679 that is:

- completed according to subparagraph 505 D
- signed by the applicable lending institution.

G Paying Lien Search Fees

Issue payment using the online payment web-based application for the lien search fees, *--according to 1-FI, Exhibit 7.--*

504 Lien Searches (Continued)**H Lien Search and Filing Fees Paid by Producers**

--To decrease the lag time between a loan request and loan disbursement, producers may-- pay for lien search and filing fees with a negotiable document made out to the applicable recording office using checks, cashier's checks, or money orders.

The producer is responsible for any charges resulting from insufficient funds for returned checks. If payment is made by cashier's check or money order, the producer is responsible for the applicable service fees. Producer-paid charges shall **not** be deducted from the loan proceeds.

Note: County Offices shall advise producers that paying the lien search and filing fees may decrease the lag time between a loan request and loan disbursement, but does **not** guarantee faster fund disbursement.

County Offices shall continue to process UCC-1's in the normal manner and attach the producer's check to UCC-1 when submitting UCC-1 for filing.

505 CCC-679's**A Obtaining CCC-679's**

CCC-679's shall be obtained by the producer or CMA, DMA, or LSA, as follows:

- **before** loan disbursement
- if liens or encumbrances are recorded, include CCC-679's from FSA FLP representatives
- even if the liens or encumbrances will be satisfied from the loan proceeds
- if **actual** notice is received from a lienholder
- for IRS Federal tax liens, if the producer certifies that the lien exists.

CCC-679's are **not** required for unrecorded liens **unless** the County Office has received actual notice of a lien from the lienholder.

Note: Notice of Levy received from IRS is considered evidence of a lien; therefore, CCC-679 **must** be sent to IRS.

CCC-679 shall be obtained from CMA, DMA, or LSA, according to 1-CMA, when CMA, DMA, or LSA informs the County Office that a lien is present.

Note: Lienholder may sign CCC-679 and FAX to the County Office.

505 CCC-679's (Continued)

C Completing CCC-679, Item 5, Block (c)

Complete CCC-679, item 5, block (c) according to this table.

IF...	AND...	THEN...
administrative offset does not apply		on CCC-679, item 5, block (c), value line, ENTER “ none ”.
administrative offset does apply		on CCC-679, item 5, block (c), value line, enter the offset amount as of the date CCC-679 is prepared.
	the lienholder is any of the following: <ul style="list-style-type: none"> • CCC • FmHA • FSA • FSA, formerly FmHA • USDA • USDA, formerly FmHA 	<ul style="list-style-type: none"> • on CCC-679, item 5, block (c), value line, enter the offset amount as of the date CCC-679 is prepared • calculate the estimated net disbursement amount as follows: <ul style="list-style-type: none"> • multiply applicable county loan rate for the commodity times the quantity for loan • deduct assessments, fees, and administrative offsets, as applicable.
statement of charges signed by the producer, according to paragraph 547, accompanies the receipt *--Note: Written DAFP authorization is required for any offsets for commodities, other than peanut charges, according to paragraph 547.--*		do either of the following: <ul style="list-style-type: none"> • add the total dollar amount of the charges to any other offset amounts • modify the statement to add language stating whose charges are being offset without specifying the type or amount of the charges.

505 CCC-679's (Continued)

D Completing CCC-679 for CMA's

Complete CCC-679 for CMA's according to subparagraph 504 D and this table.

Item	Instructions
1A-C	Enter county name, address, telephone and FAX.
2	Enter CMA's name and address.
3	Enter crop year of the commodity.
4	Enter name of the commodity. More than 1 commodity may be listed. Enter each commodity. Example: Enter, "Corn, Soybeans, Wheat".
5	Lienholder must indicate how the monetary proceeds are to be distributed by entering a check (✓) in 1 of the boxes provided. See subparagraph C to complete item 5, block (c).
6	Enter lienholder's or authorized agent's name and address.
7A-C	Lienholder identified in item 6 must sign and date CCC-679. Exception: If the lienholder is CCC, a signature is not required.

505 CCC-679's (Continued)

G Obtaining Additional CCC-679's

If additional liens or situations that do **not** fully protect CCC's interest are discovered **after** a loan is disbursed, County Offices shall:

- obtain additional CCC-679's
- take any other necessary action, according to the regional attorney's advice, including calling the loan.

The following are examples of situations that do **not** protect CCC's interest:

- lien or liens were overlooked during the lien search
- all CCC-679's were **not** obtained
- UCC-1's were **not** filed properly
- UCC-1's were **not** extended when required.

506 County Loan Rates

A Determining Base County Loan Rates

[7 CFR 1421.9] Base county loan rates shall be applied according to this table for the applicable crop year.

IF the commodity is...	THEN use the loan rate...
farm-stored	for the county where the commodity is stored, adjusted for the applicable reductions according to paragraph 520.
<p>both of the following:</p> <ul style="list-style-type: none"> • farm-stored • transferred from farm to farm, to another county, or to another State 	for the county in which the commodity was originally located when the loan was disbursed.
warehouse-stored	<p>for the county where the commodity is stored.</p> <p>Note: Apply premiums and discounts at forfeiture only.</p>
<p>both of the following:</p> <ul style="list-style-type: none"> • warehouse-stored • stored in a warehouse operating under a merged code agreement 	<p>for the location to which the producer delivered the commodity.</p> <p>Notes: The warehouse receipt issued under merged warehouse code agreements must show location and county to which the commodity was delivered.</p> <p>Apply premiums and discounts at forfeiture only.</p>
* * *	
<p>both of the following:</p> <ul style="list-style-type: none"> • warehouse-stored • represented by a warehouse receipt indicating the “grain covered by this receipt has been redeposited” 	where the receipt is issued.
<p>*--either of the following:</p> <ul style="list-style-type: none"> • transferred from farm storage to warehouse storage • transferred from warehouse storage to another warehouse or to farm storage 	<p>of the original loan.</p> <p>Note: The loan rate of the new loan will remain the same as the original loan and will neither increase nor decrease because of the new storage location.--*</p>

508 Loan Maturity Dates (Continued)

B Nonworkday

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

C Maturity Month Table

This 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

509 Disbursing Loans

A Preparing Note and Security Agreements

Prepare CCC-677, CCC-677S, CCC-678, or CCC-678S in APSS according to 12-PS.

All commodity loans **must** be recorded through APSS and disbursed through NPS. For manual processing when APSS will be unavailable for an extended period of time, State Offices shall contact the National Office.

Note: CCC-677S and CCC-678S were the applicable Note and Security Agreements for crop year 2013 MAL’s disbursed on or after October 1, 2013, where the loan amount was reduced 5.1 percent for sequestration.

Disburse loan proceeds to 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.

509 Disbursing Loans (Continued)**A Preparing Note and Security Agreements (Continued)**

After all offsets have been deducted from the loan proceeds as indicated on CCC-679, item 5 (c), disburse the remaining loan proceeds by either of the following methods:

- EFT or check to the producer, if item 5(a) was checked where all lienholders indicate they do **not** want to be included on the disbursement
- 1 check to the producer and lienholders requesting joint payment in item 5(b) or (c).

Note: Loan proceeds are **not** assignable. See 63-FI, paragraph 64.

B Approving Note and Security Agreements

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

- all lien waivers, if applicable, are obtained
- for farm-stored loans, UCC-1's are filed

Note: Do **not** delay loan disbursement after UCC-1 has been recorded by the proper official.

- second party review has been completed according to paragraph 234
- CCC-770 MAL has been completed, if applicable
- all required borrowers' signatures are obtained.

Notes: Each producer signing CCC-677, CCC-677S, CCC-678, or CCC-678S is jointly and severally liable for repayment of the amount due.

The loan approval date **must not** be before the date all required borrower's signatures are obtained on the current CCC-677, CCC-677S, CCC-678, or CCC-678S.

*--The maturity date is determined by the loan approval date.

Only County Office employees delegated or re-delegated with loan approval authority can approve CCC-677, CCC-677S, CCC-678, and CCC-678S.--*

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

The properly completed CCC-677, CCC-677S, CCC-678, or CCC-678S **must** be signed **before** the loan can be approved and disbursed. The disbursement date shall **not** be later than 30 calendar days after the approval date or final loan availability date.

509 Disbursing Loans (Continued)**C Denial Notification**

See paragraph 503 for notifying producers when loan benefits are denied.

D Distributing Documents

Provide producers a copy of the following:

- *--all approved CCC-677, CCC-677S, CCC-678, or CCC-678S with signatures
- CCC-677, CCC-677S, CCC-678, or CCC-678S generated at disbursement, if applicable

Note: CCC-677, CCC-677S, CCC-678, or CCC-678S generated at loan disbursement provides written notification to the producer of the loan maturity date and interest rate. The Note and Security report is only generated when previously saved loans are disbursed according to 12-PS.--*

- CCC-601 (Exhibit 5).

E Filing Documents

File in:

- locked, custody, fireproof files, the following **original** documents:
 - *--all signed and approved CCC-677, CCC-677S, CCC-678, or CCC-678S--*
 - for warehouse-stored loans, warehouse receipts and, if applicable, KC-350 (Grain) or KC-350 (Oilseed)

* * *

- producer's loan folder, **copies** of the following documents:
 - *--all signed and approved CCC-677, CCC-677S, CCC-678, or CCC-678S--*
 - for warehouse-stored loans, front and back of the warehouse receipts and, if applicable, KC-350 (Grain) or KC-350 (Oilseed)

Important: The warehouse receipt **must** show endorsement.

* * *

Note: See 25-AS for filing details.

510 COC Approval of Certain Farm-Stored Loans

A COC Approval Required

[7 CFR 1421.4] Cases shall be referred to COC **before** approving a farm-stored loan when an otherwise eligible producer has:

- been convicted of a criminal act in connection with the loan and LDP programs
- made a misrepresentation in connection with the loan and LDP programs
- unlawfully disposed of or willfully converted CCC loan collateral
- caused the County Office difficulty in settling a previous loan.

COC shall approve a loan **only** when satisfied that CCC's interests are **fully protected**.

B Denial Notification

See paragraph 503 for notifying producers when loans are denied.

511 Additional Disbursement Guidelines

A Farm-Stored Loans

For farm-stored loans, follow this table when additional disbursements are available.

IF...	THEN...
request is made for an increase in loan quantity only Example: Certified loan quantity that is later measured or weighed.	an additional disbursement for an increase in the loan quantity shall not be authorized. During the loan availability period, producers may request a separate loan or LDP for quantities exceeding the initial loan quantity.
farm-stored commodity is transferred to an approved warehouse for storage	*--The loan rate for the warehouse-stored loan shall be the same rate as the farm-stored loan. An additional disbursement for an increase in the loan quantity shall not be authorized. During the loan availability period, producers may request a separate loan or LDP for quantities exceeding the initial loan quantity.--*

B Warehouse-Stored Loans

If requested by the producer, an additional disbursement for money **only** may be processed for an error resulting in underdisbursement. * * *

An additional disbursement for money **only** shall be processed **before** loans are repaid at a market loan repayment rate for errors resulting in underdisbursement.

--Process correction for the additional disbursements, if applicable, according to 12-PS.--

512-519 (Reserved)

522 Eligible Storage Structures (Continued)

B Approved Warehouse Storage

Warehouse-stored loans are available for commodities stored in authorized warehouses or at the time either of the following occurs:

- warehouse-stored loan is requested
- farm-stored loan collateral is transferred to warehouse storage.

Authorized warehouse storage, as defined in 7 CFR 1421.103(c)(1), consists of warehouses that:

- are Federally licensed under USWA
- if **not** Federally licensed:
 - are in compliance with State laws in a State with an operating warehouse licensing program and that issue warehouse receipts that meet the criteria for MAL's, as specified in 7 CFR 1421.107
 - or in a State without an operating warehouse licensing program, have entered into UGRSA with CCC.

--523 Producer Requests for Loans--**A Using CCC-666's**

Producers shall certify to the quantity and quality of a commodity and the eligibility for a certified farm-stored loan. County Offices shall accept the producer's certification on CCC-666.

*--For loans where measurement service is requested, CCC-666 **must** also be completed along with CCC-677-1 and FSA-409. Measured quantity shall be entered according to instructions for completing CCC-666 in paragraph 524.

CCC-666 shall also be used for warehouse-stored loans for all commodities, **except** peanuts and cotton.

Exception: State Offices may require CCC-666 be used for peanut MAL requests.--*

Remind producers of the administrative actions applicable for incorrect certification.

COC shall **not** require that all loans based on the producer's certification be spot-checked or measured before or after disbursement.

--523 Producer Requests for Loans (Continued)--**B Signing CCC-666's**

The producer shall sign CCC-666 certifying:

- to having beneficial interest in the commodity
- the quantity in the structures and how the determination was made
- the quantity on which to base the loan
- the storability of the commodity
- to the quality of the commodity
- the location of the commodity and, if applicable, additional designated storage structures
- *--that CCC-683 will be posted on the structures containing farm-stored loan collateral--*** as instructed when the loan is disbursed
- whether there are lienholders having an interest in the commodity that will secure the loan
- the class applicable to the commodity
- that the identity of the commodity securing the farm-stored loan will remain unchanged
- the commodity securing the farm-stored loan will **not** be moved or commingled with any other commodity without prior written approval of the County Office.

If producers designate additional storage structures according to paragraph 526,
--farm-stored loan collateral may be moved without prior County Office approval.--

Before signing CCC-666, the producer **must** ENTER “**yes**” or “**no**” to the question, “Are you or any co-applicant delinquent on any Federal non-tax debt?” If the producer answers “**yes**”, see subparagraph 202 B.

524 Completing and Distributing CCC-666's

--A Completing CCC-666's for Farm-Stored Loan Requests--

Complete CCC-666 according to this table.

Item	Instructions
1A-1B	Enter County Office's name, address, and telephone number.
2	Enter applicable information. For joint loans, enter all producers' names and addresses.
3	Enter location or legal description where commodity is stored.
4	Enter crop year of commodity.
5	*--Enter commodity. If corn, indicate if shelled, ear, cracked, rolled, or crimped.
6	Select 1 in each row, "Nonrecourse" or "Recourse" and "Farm" or "Warehouse".
7	Enter State and county codes and loan number applicable to the County Office disbursing the loan. Note: Loan number is not entered until received from the recording system.--*
8	Ask producer if there are liens on the commodity. If there are: <ul style="list-style-type: none"> • lienholders, enter lienholder's name and address for each producer • no lienholders, producer shall ENTER "none" and initial the entry.
9	Enter farm number or numbers where the commodity for the loan was produced. *--May also enter "All" to indicate commodity was produced on all farms in which producer has a share. Note: If all cropland on a farm listed will not be reported by the final reporting date, that farm number shall not be entered. All crop acres on a farm must be reported or no production from the farm is eligible for LDP or MAL.
10	If designated by producer, enter other payee information including amounts, and attach invoice, if applicable.--*
11	Enter County Office-assigned seal numbers for each storage structure containing loan collateral. Note: Producer-assigned bin numbers may be used instead of County Office-assigned seal numbers. Record the applicable producer or County Office-assigned bin/seal numbers on CCC-683.

524 Completing and Distributing CCC-666's (Continued)

--A Completing CCC-666's for Farm-Stored Loan Requests (Continued)--

Item	Instructions
12	Enter description of structure and location. Example: "Round steel bin next to barn."
13	Enter class, variety, or type of commodity.
14	<p>*--Acceptable entries are:</p> <ul style="list-style-type: none"> • producer measurements - bin diameter and height or height, length, and width must be included • FSA measurements, no other entries required in this item if CCC-677-1 is attached • scale tickets, attach copies and indicate attached.--* <p>Notes: County Offices must be satisfied that the producer's basis for quantity determined is acceptable.</p> <p>Do not accept manufacturer's rated capacity of the structure as a determination of certified quantity.</p> <p>If item 14 is not completed, the MAL will be considered an improper payment.</p> <p>County Offices shall complete measured loan requests according to paragraph 525.</p>
15	Enter producer's certification of quantity in structure, as determined from entries in item 14. Enter total of entries at bottom of column.
16	Enter quantity in structure that is eligible for loan. Entry shall not exceed quantity in item 15. Enter total of entries at bottom of column. Note: For measured loans in item 19 B, County Offices shall ENTER, " See FSA-409 and CCC-677-1 ".
17	Enter quantity for loan (paragraph 528). Enter total of entries at bottom of column.

524 Completing and Distributing CCC-666's (Continued)

--A Completing CCC-666's for Farm-Stored Loan Requests (Continued)--

Item	Instructions
18	<p>*--Enter any information pertinent to the loan request.</p> <p>Producer shall sign (item 18B) and date (item 18D) the Producer Certification.</p> <p>Note: DCIA questions must be answered or request shall not be approved.</p> <p>In item 18C, enter title and/or relationship to the individual, if signing in a representative capacity.--*</p> <p>County Offices shall:</p> <ul style="list-style-type: none"> • ensure that all applicable CCC-666 items are completed • explain to the producer the administrative actions that may be taken if the certification is incorrect • ensure that the producer has read the Producer Certification statement before the producer signs the Producer Certification.
19 A	*--Enter amount for offset and for other payees, if applicable, from item 10.--*
19 B	<p>Do the following:</p> <ul style="list-style-type: none"> • enter additional structures designated by the producer •*--indicate moisture content certified by the producer for excess moisture or HM commodities--* • indicate whether the: <ul style="list-style-type: none"> • commodity will be dried • structure can be measured.
*--19C	Second party review for completeness - initial and date. Must not be employee assisting producer in completing CCC-666 or approving the MAL request.
20	Enter date the lien search was completed as indicated on documentation in the County Office. If lien search not required, enter "N/A".--*
21	Enter date the County Office forwarded UCC-1 or UCC-1F to the applicable recording official to be recorded.
--22	<p>County Office employee shall enter date all needed documents for loan were received. This is used to record date and is not required to be completed before County Office employee signs and dates in items 23 and 24.</p> <p>Note: Documents include both required loan and producer eligibility documents.--</p>
23-24	County Office employee shall sign and date, for CCC, approving request.

524 Completing and Distributing CCC-666's (Continued)

***--B Completing CCC-666's for Warehouse Loans With EWR's**

Complete CCC-666 for warehouse loans with EWR's and an accompanying printout with receipt numbers and other required information according to this table.

Item	Instructions
1-2	Complete according to table in subparagraph A.
3	Enter warehouse name and State and county location where stored.
4-10	Complete according to table in subparagraph A.
11	If EWR printout attached, enter " EWR " and "See Attached" is entered in item 12.
12	Enter "See Attached", if EWR printout is attached.
13-16	No entries required for warehouse loans with EWR's on attached printout.
17	Enter total quantity requested for loan on last line.
18	See table in subparagraph A.
19A	County Office shall enter amount for offset and for other payee, if applicable, from item 10.
19B	County Office may enter any other pertinent information.
19C	Second party review for completeness - County Office employee must initial and date. Must not be employee assisting producer in completing CCC-666 or approving the MAL request.
20	County Office shall enter date the lien search was completed as indicated on documentation in the County Office. If lien search not required, enter " N/A ".
21	Entry not required for warehouse loans.
22	County Office shall enter date all needed documents for loan were received. This is used to record date and is not required to be completed before County Office employee signs and dates in items 23 and 24.
23-24	County Office employee shall sign and date, for CCC, approving request.

--*

524 Completing and Distributing CCC-666's (Continued)

*--C Completing CCC-666's for Warehouse Loans With Paper Receipts

Complete CCC-666 for warehouse loans with paper receipts according to this table.

Item	Instructions
1-2	Complete according to table in subparagraph A.
3	Enter warehouse name and State and county location where stored.
4-10	Complete according to table in subparagraph A.
11	Enter paper warehouse receipt numbers.
12	Copy warehouse receipts and attach. Enter "See Attached".
13-16	No entries required for warehouse loans with copies of warehouse receipts attached.
17	Enter total quantity requested for loan on last line.
18	See table in subparagraph A.
19A	County Office shall enter amount for offset and for other payee, if applicable, from item 10.
19B	County Office may enter any other pertinent information.
19C	Second party review for completeness. County Office employee must initial and date. Must not be employee assisting producer in completing CCC-666 or approving the MAL request.
20	County Office shall enter date the lien search was completed as indicated on documentation in the County Office. If lien search not required, enter "N/A".
21	Entry not required for warehouse loans.
22	County Office shall enter date all needed documents for loan was received. This is used to record date and is not required to be completed before County Office employee signs and dates in items 23 and 24.
23-24	County Office employee shall sign and date, for CCC, approving request.

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524 Completing and Distributing CCC-666's (Continued)

D Example of CCC-666 (Continued)

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CCC-666 (04-14-15)	Page 2 of 2
<p>NOTE: <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1421, 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 a commodity loan program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under a commodity loan program.</i></p> <p><i>This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration). The provisions of criminal and civil fraud statutes, including 18 U.S.C. 286, 371, 641, 651, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729, may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i></p>	
<p><i>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).</i></p> <p><i>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.</i></p>	

--*

E Distributing CCC-666

File original in the producer's loan folder and provide a copy to the producer.

525 Measurement Service for Loans or LDP's

A Requesting Measurement Service

The producer may request and receive measurement service for a loan application or LDP for all commodities. County Offices shall:

- *--complete FSA-409 according to 2-CP--*
- initially prepare CCC-677-1 for use by the commodity loan inspector (Exhibit 15).

*--Notes: For loans, producer **must** also complete and sign CCC-666.

For LDP's, CCC-633 EZ, page 1 **must** be completed and on file, **and** the applicable CCC-633 EZ, page 2, 3, or 4, **must** be completed and signed.--*

A paid measurement service may be requested up to 30 calendar days before a producer submits a loan application. If a loan request is **not** made within 30 calendar days after measurement service is completed, the producer may certify to the quantity pledged for a loan or pay for another measurement service.

See Part 10 when measurement service is needed to determine quantity for LDP request.

County Offices shall **not** provide measurement service for commodities stored in:

- authorized warehouses (commercial storage)
- structures that **cannot** be safely accessed
- **sealed structures**, such as oxygen-limiting structures.

Measurement service may be used for production evidence if fee is paid and producer indicates on CCC-677-1, block 32, within 30 calendars of measurement service completion. Producer should be immediately notified of measurement service results.

If the loan is spot-checked, the spot check results may be used as production evidence, if the producer pays for measurement service within 30 calendar days of the spot check being completed and CCC-677-1, block 32 is checked.

525 Measurement Service for Loans or LDP's (Continued)**B Measurement Service Fees**

Establish measurement service fees according to 2-CP.

Fees may be either:

- collected when the producer requests the measurement service or after completion
- deducted from the loan or LDP proceeds as a payee to CCC.

C Producer Responsibilities

[7 CFR 1421.105] The producer **must** provide access to the commodity during inspection. If safe access to the structure and commodity is **not** available, the commodity inspector shall:

- **not** complete the measurement service request
- record the conditions on CCC-677-1 and report the findings to the County Office.

To ensure accurate measurements, the producer should:

- leave excess space on top of commodity in structure
- level the commodity, if possible
- square ends and sides of commodity piles by using bulkheads if commodity is stored in a flat structure.

540 Requesting Warehouse-Stored Loans**A Warehouse Receipts**

[7 CFR 1421.106] When requesting warehouse-stored loans, producers shall present acceptable warehouse receipts from an authorized warehouse, as specified in subparagraph 535 B.

*--CCC-666 shall be completed for warehouse loans, for all commodities, **except** cotton and peanuts.

Exception: State Offices may require CCC-666 be used for peanut MAL requests.--*

See 2-LP Grains and Oilseeds for commodity specific warehouse receipt requirements.

B Warehouse-Stored Quantity

Warehouse-stored loans stored in an approved warehouse will be limited to 100 percent of the eligible net weight specified on the warehouse receipt or, if applicable, KC-350 (Grain) or KC-350 (Oilseed).

If the quantity on the receipt represents eligible and ineligible quantities, require the producer to obtain a receipt representing only the eligible quantity.

Any cost for replacement receipts shall be at the producer's expense.

C Commodity Loan Eligibility

To be eligible for CCC commodity loan, the quantity and quality of grain represented by a warehouse receipt **must** reflect the commodity produced and delivered by the producer.

540 Requesting Warehouse-Stored Loans (Continued)

D Loan Rates

CCC will **not** adjust loan rates for warehouse-stored loans using premiums and discounts at loanmaking for any commodities **except** cotton and peanuts. Follow PS directives, 7-CN, and 12-PS for applicable software instructions.

Note: Each producer signing CCC-677, CCC-677S, CCC-678, or CCC-678S is jointly and severally liable for repayment of the amount due.

Use the loan rate for the county where the commodity is stored **except** for situations covered in this table.

IF the commodity is warehouse-stored and...	THEN use the loan rate...
stored in a warehouse operating under a merged code agreement	for the location to which the producer delivered the commodity. The warehouse receipt issued under merged warehouse code agreements must show the location and county to which the commodity was delivered.
represented by a warehouse receipt indicating the “grain covered by this receipt has been redeposited”	where the receipt is issued. The commodity is considered stored at the original point of delivery.
physically moved to the warehouse location indicated on the warehouse receipt	*--for the initial loan.--* * * *

The loan rate shall be adjusted according to subparagraphs 520 C through H.

***--Note:** The loan rate for both farm- and warehouse-stored commodities moved to a new storage location, either farm or warehouse, will remain the same for the entire loan term.--*

540 Requesting Warehouse-Stored Loans (Continued)

E Handling Charges

* * * Producers **must** provide acceptable documentation specifying that all in-handling charges have been provided for or paid before either of the following:

- a warehouse-stored loan will be disbursed for the commodity
- recording a settlement of a forfeited farm-stored loan.

Acceptable documentation includes either of the following:

- prepaid in-handling charges recorded directly on the warehouse receipt
- certification signed by the warehouse operator with the following language:

“Arrangements for the payment of all in-handling charges have been made by the depositor of the commodity covered by the receipts numbers (*insert receipt numbers*). No lien will be asserted by the warehouse operator against Commodity Credit Corporation or any subsequent holder of the warehouse receipt for in-handling charges.”

Notes: A loan disbursement can be offset to provide for charges other than in-handling, if the warehouse receipt indicates in-handling charges have been provided for or paid.

If using rice EWR's, the prepaid in-handling indicator **must** be set to “Y” to indicate in-handling charges have been provided for or paid for the quantity to be eligible for a warehouse-stored MAL.

Other references for offsets are found in paragraphs 30, 547, and 548.

F Storage Charges

Do **not** require producers to prepay storage charges. However, the producer **must** make arrangements for storage charges through the maturity date of the warehouse-stored loan.

Keep proof of prepaid storage in the producer's loan folder.

540 Requesting Warehouse-Stored Loans (Continued)

G Storage Not Paid Through Maturity of Loan

If the warehouse receipt does **not** show the storage has been paid through maturity of the loan, the warehouse operator shall provide either of the following:

- an endorsement prepared and signed by the warehouse operator on the warehouse receipt or applicable KC-350 (Grain) or KC-350 (Oilseed) indicating storage charges have been prepaid through maturity
- the attached statement cross-referenced to the warehouse receipt and signed by the warehouse operator.

***--Example:** “Storage arrangements have been made by the depositor of the commodity--* covered by this receipt through (date through which storage has been provided). No lien will be asserted by the warehouse operator against CCC or any subsequent holder of the warehouse receipt for the storage charges that accrued **before** the date forfeited to CCC.”

Note: Do **not** disburse the loan if the warehouse operator fails to provide a **signed** endorsement or statement.

The County Office shall reduce the loan rate to reflect storage through maturity date of the loan, **only** if the loan is forfeited and storage charges had **not** been prepaid through maturity.

Note: County loan rates will no longer be reduced at loanmaking to account for unpaid storage charges through maturity.

If a reduction is made, the reduction is computed through APSS by multiplying the daily storage rate times the number of days; round the result to the nearest tenth of a cent.

The number of days is determined by the later of the following dates through the maturity date:

- date the commodity was received in the warehouse
- date storage charges started
- date from which storage was provided.

Note: For policy on peanuts, see 2-LP Peanuts and applicable LP and PS notices.

544 When Warehouse Operator Is Producer (Continued)**C Verification for States Not Requiring UGRSA**

Through the State licensing authority, the State Office shall assist County Offices in identifying:

- structures that are approved under the applicable State licensing authority
- owner, partners, or officers associated with the warehouse.

County Offices shall verify that no duplication of loans is being made on the same commodity that may be erroneously under farm-stored loan.

Note: If there is a duplication of loans, erroneously made farm-stored loans shall be called.

If necessary, visit the storage location to determine whether there is:

- loan duplication
- sufficient commodity in proper storage space to cover loan obligations.

545 General Warehouse Receipt Requirements**A General Requirements**

[7 CFR 1421.107] All warehouse receipts shall:

- represent eligible commodity actually stored in an authorized warehouse
- *--be a paper receipt, or EWR issued through a DACO-approved EWR provider

Note: All receipts **must** have a valid CCC warehouse code.

- be negotiable, if paper receipt, or loanable, if EWR--*
- be issued to the eligible producer or CCC, as applicable, or in the case of loans made to CMA's, the receipt should be issued to CMA
- *--be endorsed on the back by the producer, if receipt is paper
- for EWR's, CCC shall be made holder of EWR--*
- show ownership, if commodity is owned by the warehouse operator, solely, jointly, or in common with others
- contain a statement that commodity is insured.

* * *

If the warehouse receipt is accompanied by applicable KC-350, KC-350 shall contain the insured statement if **not** stated as such on the warehouse receipt.

545 General Warehouse Receipt Requirements (Continued)**A General Requirements (Continued)**

All warehouse receipts shall show **all** of the following:

- type of commodity
- name and location of storing warehouse
- CCC-assigned warehouse code
- warehouse receipt number
- date receipt was issued
- date commodity was deposited or received
- date to which storage has been paid according to subparagraph 540 G **or** storage start date
- whether commodity was received by rail, truck, or barge
- amount per bu. or cwt of prepaid in or out charges
- signature of the warehouse operator or authorized agent
- prepaid in handling charges (if **not** prepaid, a statement **must** be provided according to subparagraph 540 E.)

Note: Grading factors **must** substantiate the grade assigned by the warehouse operator.

B Merged Warehouse Receipt Requirements

Warehouse operators operating under a merged warehouse code agreement shall show, on warehouse receipts, the location and county to which the producer delivered the commodity.

615 Transferring Loans From Farm Storage to Warehouse Storage**A Authorization**

County Offices may complete CCC-681 to authorize the transfer of farm-stored loan collateral to warehouse storage if **all** of the following can be accomplished within 15 calendar days of the transfer, but no later than the maturity date:

- complete the movement of collateral to the warehouse
- return the warehouse receipts to the County Office
- provide all applicable signatures on new loan documents.

--B Maturity Date and Loan Rate--

The loan maturity date for the warehouse-stored loan shall be the same date as the farm-stored loan maturity date.

--The loan rate for the new warehouse-stored loan shall be the same rate as the farm-stored loan.--

C Warehouse Charges

The producer **must** provide for warehouse charges according to Part 5, Section 3.

D Definition of Transferred Loan Quantity

Transferred loan quantity, for farm to warehouse transfers, is the loan quantity liquidated from the farm-stored loan.

615 Transferring Loans From Farm Storage to Warehouse Storage (Continued)**E Maximum Transferred Quantity**

Warehouse-stored loan quantities, resulting from farm-to-warehouse transfers, shall **not** ~~exceed~~ 100 percent of the **transferred** farm-stored loan quantity.

Note: If transferred within the loan availability period, a **new** loan or LDP may be requested on the eligible quantity exceeding 100 percent of the transferred farm-stored loan ~~quantity~~.

F Transferring Entire Loan Quantity

When the **entire** farm-stored loan quantity is transferred to warehouse storage, the transferred loan quantity is the outstanding farm-stored loan quantity **before** the transfer.

The warehouse-stored loan quantity is the quantity delivered to the warehouse, **not** to exceed ~~100 percent~~ of the outstanding farm-stored loan quantity **before** the transfer. ~~exceed~~

615 Transferring Loans From Farm Storage to Warehouse Storage (Continued)

G Partial Transfer of the Loan Quantity

When **part** of the loan quantity is transferred, the transferred loan quantity is the quantity delivered to the warehouse. Accordingly the:

- farm-stored loan quantity **after** the transfer is the difference between the following:
 - farm-stored loan quantity before the transfer
 - quantity delivered to the warehouse

Note: The remaining farm-stored loan quantity is subject to spot check. See subparagraph 317 D for tolerance levels when shortages are discovered after partial transfers were approved according to this subparagraph.

- *--warehouse-stored loan will be the quantity delivered from the farm to the warehouse and will **not** result in an additional disbursement for an additional quantity or higher loan rate because of the loan rate of the warehouse location.

Note: The loan rate for the new warehouse-stored loan shall be the same rate as the farm-stored loan.--*

H Completing Transfer

Complete the farm-to-warehouse transfer through APSS:

- according to 12-PS
- for the quantity and quality shown on the warehouse receipt and, if applicable, KC-350 (Grain) or KC-350 (Oilseed)

*--**Note:** Quantity **cannot** be greater than the quantity that was under the applicable farm-stored loan.--*

- deducting loan service fees according to subparagraph 507 B.

All producers who signed CCC-677 or CCC-677S shall endorse the warehouse receipts and sign CCC-678 or CCC-678S generated through APSS within 15 calendar days of the transfer, but **no** later than the loan maturity date.

615 Transferring Loans From Farm Storage to Warehouse Storage (Continued)

I Commodity Transferred

When the loan collateral is transferred to warehouse storage and the grading factors require using the additional schedule of discounts, notify the producer of the following choices:

- adjust the loan rate to 20 percent of the loan rate according to subparagraph 540 D to continue the nonrecourse loan
- ***--Note:** For wheat, do **not** adjust the loan rate to 20 percent of the loan rate if the **only** discount on the additional schedule of discounts is for falling numbers. See information on falling number discounts for wheat in 2-LP Grains and Oilseeds.--*
- notify the producer that the loan can be converted to a recourse loan within 30 calendar days.

Complete the conversion to a recourse loan according to Part 12 and the following:

- ***--**use the “Correct a Loan/LDP” process, according to 12-PS
- a receivable will automatically be created in NRRS
- re-record as a manual recourse farm-stored measured loan according to 12-PS

Note: For corrections, assign the next 90,000 number from the CCC-676. A 90,000 number will denote a manual loan and allow users to enter the original disbursement date.

- NRRS will automatically apply the proceeds of the new loan to the receivable created when the nonrecourse loan was reversed
- any outstanding amount still owed will remain as an outstanding receivable and will be processed in the normal manner according to 64-FI.--*

If forfeited, **only at forfeiture** adjust the loan rate for **all** the quality factors recorded on the warehouse receipt using the appropriate discounts in the applicable 2-LP.

Note: Do **not** adjust the loan rate for quality factors when disbursing the warehouse-stored loan.

Part 7 Repayments, Releases, and Loan Maturity

Section 1 General Provisions

700 General Repayment Information

A Types of Repayments

After the date of disbursement, farm-stored and warehouse-stored loans may be repaid at any time during the loan period.

The producer may repay the loan at the lesser of either the following:

- loan principal plus interest
- CCC-determined value under the marketing loan provisions according to Section 2
- *--reduced loan principal plus interest for 2013 crop year MAL's disbursed on or after October 1, 2013, which were reduced 5.1 percent for sequestration.--*

Note: Marketing loan repayment provisions are **not** applicable to recourse loans.

700 General Repayment Information (Continued)**B Acceptable Forms of Payment**

County Offices shall accept the following forms of payment from producers or buyers as repayment for loans:

- cash
- certified or cashier's checks
- checks issued, at producer's request, payable:
 - solely to CCC
 - to CCC and other applicable lienholders
- checks made payable solely to CCC or the applicable County Office
- checks that include producer's name as 1 of the payees
- money orders
- personal checks from producers or buyers

Exception: See subparagraph C for guaranteed remittances.

- wire transfers.

C Guaranteed Remittances

To protect CCC's interest, STC, COC, or CED may require guaranteed remittance:

- for **all** repayments
- on a countywide basis
- on a Statewide basis (by STC **only**).
- on an individual basis.

Follow 64-FI for dishonored checks. * * * See paragraph 702.

700 General Repayment Information (Continued)

D Repayment Date

The repayment date shall be the date the repayment is received in the County Office that disbursed the loan.

--For repayment through wire transfer, the repayment date will be the date the funds are received in CCC's account.--

E Recording Repayments

Record repayments according to 12-PS.

Note: Before recording market loan repayments on warehouse-stored loans, make *--additional disbursements, for errors **only**, according to paragraph 511.--*

CCC-500 will be generated by APSS. County Office shall:

- sign and date CCC-500
- provide the producer the original CCC-500 as a receipt for the repayment
- keep a copy in the loan folder.

Note: Do **not** send CCC-500 to FRB.

Prepare and deposit collections according to 3-FI and 64-FI.

700 General Repayment Information (Continued)

F CCC-500 Explanation and Action

This table provides explanations and actions required for CCC-500's.

Item	Explanation/Action
1-6	Self explanatory.
7	Total amount received from borrower.
8	Information for this repayment, as follows: A total number of bu./cwt./lbs redeemed B*--principal liquidated (reduced principal for sequestered MAL's)--* C interest paid D cost to the borrower on a per bu./cwt./lb. basis.
9	Information on the outstanding balance after repayment, as follows: A number of bu./cwt./lbs remaining under loan B loan principal remaining on the loan.
10	Details on the repayment, as follows: A seal number or warehouse receipt number identifying where the grain is stored B total number of bu./cwt./lbs redeemed C date loan was disbursed D date loan was repaid E amount the borrower repaid, including principal and interest F number of bu./cwt./lbs remaining under loan after the repayment G loan principal outstanding on the loan after the repayment. Note: If all bins or receipts do not fit on CCC-500, CCC-500-1 will print in APSS.
11	Reserve storage and other charges, as follows: A no longer applicable B no longer applicable C if the loan was loaded in the violation software, list the liquidated damages paid by this repayment.
12	Notice to borrower of dishonored check provisions.
13	Amount of waived interest will be listed if a marketing loan repayment was processed.
14	County Office shall sign and date.

Section 2 Types of Repayment

714 Principal Plus Interest Repayments

A Applicability of Repayment at Principal Plus Interest

Producers are required to repay loans at principal plus interest for the following reasons:

- after 15th calendar day after expiration of CCC-681-1 for the quantity delivered
- loans disbursed as recourse loans
- * * *
- incorrect certification determination
- loan has been called
- for any quantity delivered on CCC-681-1 after maturity
- matured loans.

Note: Producers may repay matured loans according to subparagraph 700 H.

See subparagraph 416 C for repaying quantities removed or disposed of without prior written authorization.

715 Marketing Loan Repayments

A Cash Marketing Loan Repayments

Market loan repayments with cash are at the **lesser** of the following:

- principal plus interest
- CCC-determined value.

Note: The CCC-determined value is the lesser of the 30-calendar-day PCP or the alternative PCP or rate, as applicable.

The CCC-determined value, in some cases, may be higher than the loan rate, but less than the loan principal plus interest.

***--Example:** If the producer is **not** eligible for market gain because of noncompliance with AGI requirements and the CCC-determined value is below the loan rate, the County Office shall enter the loan rate as the CCC determined value. In this case, the producer will **only** be repaying the loan principal, because all interest will be forgiven and there is no market gain. Process the repayment according to 12-PS.--*

B Determining CCC-Determined Value

The CCC-determined value for the day the repayment is received in the County Office that disbursed the loan shall be used in determining the repayment rate.

Follow Section 6 to calculate the CCC-determined value using the terminal market prices posted on the “Daily Market Rates” for commodities that are downloaded from KCCO.

See paragraph 716 for locking-in repayment rates on CCC-697.

716 Locking-In Repayment Rates (Continued)**L Quantity Requests Not Repaid Under CCC-697**

Loan quantities can be locked-in on CCC-697 only 1 time. If producers do not repay the quantity specified on CCC-697 on or before the expiration date, County Office shall:

- flag the loan folder to indicate quantity not eligible for further lock-in requests
- not include this quantity in any subsequent CCC-697 request.

M Terms and Conditions

The contact producer must initial each CCC-697, Part B term and condition for **each** request and ensure that all persons who sign CCC-697 are aware of **all** CCC-697, Part B terms and conditions.

CCC-697, Part B terms and conditions are as follows:

- CCC-697 **cannot** be canceled, terminated, or changed after approval
- the locked-in rate for the quantity specified on CCC-697, Part A:
 - expires on the earlier of the date of repayment, 60 calendar days from date of approval, or 14 calendar days before the loan maturity date
 - is the rate in effect on the date CCC-697 is approved
 - is applicable to the specified quantity until the CCC-697 expires
- if the loan is repaid after the loan maturity date, repayments shall be at principal plus applicable interest
- all signatures from all producers **who share** in the loan quantity have been obtained
- multiple CCC-697's can be outstanding at the same time, but **cannot** be in effect for the same quantity
- if the commodity represented by CCC-697 is transferred out of issuing county, then all CCC-697's applicable to the loan are cancelled

716 Locking-In Repayment Rates (Continued)

M Terms and Conditions (Continued)

- the repayment rate locked-in with this CCC-697 is applicable to the entire quantity entered on CCC-697, Part A and **cannot** exceed the outstanding loan quantity
- **only** whole warehouse receipts can be locked in at 1 time
- all repayments on a loan with an outstanding CCC-697 will be applied in order, according to the oldest outstanding CCC-697 on file for that loan, including warehouse-stored loan requests
- *--if sales proceeds are needed to repay a farm-stored loan, CCC-681-1 **must** be requested.--*

N Warehouse Receipts

If CCC-697 is requested on a farm-stored loan that is later transferred to a warehouse-stored loan or a warehouse-stored loan reconcentration has been requested, the:

- warehouse receipts **must** be issued for the quantity requested on CCC-697
- locked-in rate transfers to the warehouse-stored loan with no changes. * * *

Note: A subsequent CCC-697 shall **not** be approved on any loan resulting from a transfer where the original loan had an outstanding, expired, or canceled CCC-697. This includes any loan quantity that was **not** locked in on CCC-697. * * *

O Called Loans

The repayment rate locked in on CCC-697 is **not** applicable to called loans.

See Part 4 for procedure on loan violations.

719 Lump-Sum Repayments (Continued)

C Example of Manual Calculations (Continued)

Step	Instructions	Bin No.	Action	Result
3	Use lump-sum repayment to repay entire loan quantity in a bin.	3	Bin 3 was selected for repayment first. $\$4,500 - \$1,033.93 =$	Amount remaining \$3,466.07
		2	Bin 2 was selected for repayment $\$3,466.07 - \$2,067.86 =$	Amount remaining \$1,398.21
		1	The remaining lump-sum amount is insufficient to repay bin 1.	See step 4.
4	Divide amount remaining by the amount needed to repay the last bin to determine a liquidation factor. Round factor to 9 decimal places.	1	$\$1,398.21 \div \$2,067.86 =$.676162796 (liquidation factor)
5	Multiply liquidation factor determined in step 4 by outstanding bin quantity to determine quantity to be repaid. If calculation results in a partial unit, round up to next whole unit.	1	Multiply calculated quantity to be repaid by the loan rate to determine the principal to be liquidated. Interest is the difference between the principal liquidated and the amount remaining to be applied. Quantity to repay rounded to next whole unit: $1,000 \times .676162796 = 676.162796$ Principal to be repaid = $677 \times \$2.00 =$ Interest = $\$1,398.21 - \$1,354.00 =$ Total repayment =	677 bu. \$1,354.00 <u>44.21</u> \$1,398.21

720 Wire Transfer Repayments

A Background

Wire transfer repayments are available through APSS. Producers or buyers may wire transfer repayments directly to CCC’s account at the U.S. Department of Treasury.

* * *

B Processing Wire Transfer Repayments

CCC-258 is provided to producers or buyers by County Offices to cross-reference loans redeemed by CCC-258.

County Offices can use their manual log of wire transfer numbers, maintained according to 3-FI, paragraph 39, to enter the loan numbers to which the wire transfer will apply.

The date the wire transfer receipt and CCC-258 are received in the County Office is the date of repayment. Use PCP in effect on the date the receipt of the wire transfer is received.

Process loan redemptions made by wire transfer according to the following.

Step	Action
1	Upon request from a buyer or producer for a loan redemption by wire transfer, provide (by FAX, if requested) CCC-258 according to subparagraph C.
2	Advise the buyer or producer that the completed CCC-258 is to be: <ul style="list-style-type: none"> • transmitted to the bank providing the wire transfer • FAXed by the bank or the buyer to the County Office on the day of the wire transfer with the bank’s receipt of the wire transfer.
3	Accept the wire transfer receipt from the bank as confirmation of receipt of funds and record the repayment through APSS. The system will generate CCC-500 as a *--receipt for the wire transfer. The date the wire transfer funds are received in CCC’s account is the date of repayment. Also, use the CCC-determined value or PCP in effect on the date the wire transfer funds are received in CCC’s account.--* See 3-FI for additional information on how to record remittance. CCC-258 states that if funds are transferred to CCC’s account after the date in block 3, additional interest may be due.

745 Repayment for Quantity Delivered on CCC-681-1

A Repayment Due Date

Although a new CCC-681-1 to the same buyer may be approved to give the producer additional time to deliver, the repayment for the quantity delivered during the authorized delivery period on a specific CCC-681-1 is **due** by the end of the 15-calendar-day grace period of the specific CCC-681-1.

The grace period allows County Offices to **accept any payment** on or before the 15th calendar day after CCC-681-1 expiration date.

Note: If the end of the 15-calendar-day grace period falls on a nonworkday, the expiration date shall be extended to the next workday.

Example: Producer requested CCC-681-1 on 5,000 bu. of corn. CCC-681-1 expired on May 31, 20XX. The producer delivered 4,000 bu. on May 28, 20XX. The producer requested a new CCC-681-1 on June 1, 20XX, to deliver the remaining 1,000 bu. The producer is responsible for repaying 4,000 bu. within the 15-calendar-day grace period after CCC-681-1 expiration date of May 31, 20XX. Repaying 4,000 bu. of corn would be required by June 15, 20XX. If June 15, 20XX, is a nonworkday, the 15-calendar-day grace period shall be extended to the **next** workday.

B Buyer's Responsibility

The buyer shall:

- contact the County Office to obtain the applicable repayment amount
- provide repayment made payable as approved by the County Office and according to subparagraph 700 B
- provide **delivery evidence**, according to paragraph 742, with the repayment
- provide repayment checks in sufficient time for producers to obtain all required endorsements.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)

C Determining Applicable Repayment Rate

County Offices shall follow this table for determining applicable repayment rate when **all** of the following apply:

- quantity is **delivered**:
 - **during** the authorized delivery period
 - **by the** maturity date
- payment is accompanied with delivery evidence
- payment is made by either buyer or producer.

IF the repayment is received...	AND the producer...	THEN the repayment rate is the...
<ul style="list-style-type: none"> • during the authorized delivery period • on or before the 15th calendar day after the CCC-681-1 expiration date 	does not have an unexpired locked-in repayment rate on CCC-697	lesser of the following: <ul style="list-style-type: none"> • principal plus interest • the market repayment rate in effect on the date payment is received. <p>*--Note: For any quantity shown on delivery evidence as delivered after the loan maturity, repayment is at principal plus interest.--*</p>
	has an unexpired locked-in repayment rate on CCC-697	locked-in rate shown on the applicable CCC-697.
after the 15th calendar day after the expiration date	did or did not lock in a repayment rate	principal plus interest.

D Repayment Rate for Quantities Delivered After Maturity

Any quantity delivered **after** the loan maturity date, regardless of whether during an authorized delivery period or not, **must** be repaid at principal plus interest.

746 Payment Not Timely Received (Continued)

B Notification of Nonreceipt of Repayment (Continued)

File a written request, including evidence to support your position with the County FSA Committee, within 30 calendar days after the date of this letter:

- if you want to contest this determination, including:
 - the amount due
 - administrative actions applicable to the loan maturity date
- to obtain a reconsideration and an informal hearing.

During these 30 calendar days, you may also inspect and copy records located at the above address that relate to this determination.

Sincerely,

County Executive Director,
_____ County FSA Office

cc: *(Buyer designated on CCC-681-1)*

747 Notification Letter to Buyer Designated on CCC-681-1

A Buyer's Check Returned for Insufficient Funds

Notify the applicable buyer, with respect to CCC-681-1, with a copy of the letter to the producer, if the buyer submits an insufficient funds check.

Notes: County Offices shall follow paragraph 702 and 64-FI for procedure to establish the receivable.

* * *

Follow 3-FI for accepting replacement check and collecting the dishonored check fee for these remittances.

B State Office Notification

When a buyer, representing an authorized warehouse to store CCC loan collateral, submits an insufficient funds check, **immediately** notify PSD, through the State Office.

748 Denying Marketing Authorizations

A COC Determinations

COC's may determine that a buyer is **not** eligible for future designations on CCC-681-1.

B Buyer Ineligibility

Buyers are **not** eligible for future designations on CCC-681-1 if buyers:

- repeatedly fail to comply with CCC-681-1 required provisions
- are noncompliant for reasons within the buyer's control.

749-769 (Reserved)

Section 8 Loan Maturity

797 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.

B Preparing Maturity Notification Letters

County Offices shall:

- *--use the Loan Maturity List to identify loans, according to 12-PS, and prepare notification letters for loans nearing maturity--*
- send the applicable notification letter, as printed and provided in Exhibits 7 through 10:
 - at least 45 calendar days, but **not** more than 60 calendar days, before maturity for farm and warehouse nonrecourse and recourse loans
 - at least 30 calendar days before maturity for distress loans
 - 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 reminders 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 CC-677, CCC-677S, CCC-678, or CCC-678S.

797 Maturity Notification to Producers (Continued)

C Additional Maturity Information

County Offices shall ensure that producers are informed of the following additional maturity information, as applicable to the loan type.

For loans **not** repaid by the loan maturity date, on the next workday after maturity:

- delivery instructions will be issued with a demand letter for **nonrecourse farm-stored** loans regardless of whether a CCC-681-1 has been issued

***--Note:** See Exhibit 7, subparagraph F.--*

- warehouse receipts will be forfeited **immediately** to CCC for **nonrecourse warehouse-stored** loans
- for **farm- or warehouse-stored recourse** loans:
 - begin foreclosure proceedings according to paragraph 866 and Part 8, Section 3
 - ***--establish** receivable through NRRS, if applicable, according to Exhibits 9 and 10, subparagraphs A--*
 - the receivable amount is equal to the principal plus interest.

Repayments made **after** maturity and **before** queuing the forfeiture or settlement of the loan:

- may be accepted
- shall be made at principal and charges plus interest.

Interest will continue to accrue at the interest rate applicable to the loan until the loan is repaid or transferred to receivables.

See paragraph 803 for **nonrecourse farm-stored** loans not delivered or repaid by expiration of CCC-691.

Section 4 Uncommon Liquidation Situations

866 Foreclosures

A Nonrecourse Loans

In cases where no repayment, delivery, or liquidation is made by the producer by the expiration, or extended expiration, date of CCC-691, COC shall on the day **after** CCC-691 expiration, or extended expiration date, notify the producer using the letter in Exhibit 7, subparagraph H, that:

- CCC may, to the extent permitted by law, repossess the collateral by:
 - entering the premises
 - removing the entire loan quantity

Note: CED shall obtain a court order from regional attorney, through the State Office, if necessary.

- the producer shall bear all expenses incurred for the delivery.

When the delivery has been completed, handle CCC-691 in the normal manner according to Section 2 and Exhibit 7, subparagraph A, “farm-stored nonrecourse loan”.

Notes: Enter the expenses, incurred by the County Office in the delivery of the commodity, on CCC-691, Part C.

The producer’s signature is **not** required.

*--When CCC acquires title to the unredeemed collateral, CCC shall **not** pay for any market value that collateral may have in excess of MAL indebtedness (the unpaid amount of the note and charges plus interest).--*

B Recourse Loans

Farm-stored recourse loan foreclosure shall be handled as a local sale, according to Section 3, on the 31st calendar day after the date of the demand letter. See:

- Exhibit 9, subparagraph A, “recourse loans”
- Exhibit 10, subparagraph A, “distress loan”.

The producer shall bear all expenses incurred for the sale.

866 Foreclosures (Continued)

C Notifying Producer of Removal

Use the following letter to notify the producer, according to subparagraph A, when collateral will be removed from the farm:

- *--nonrecourse loans, see Exhibit 7, subparagraph H
- recourse loans, see Exhibit 9, subparagraph E
- recourse/ distress loans, see Exhibit 10, subparagraph E.--*

Note: County Office shall notify the producer of all the applicable appeal options available as determined by the decision-making authority.

* * *

Part 10 LDP's

Section 1 General Provisions

1000 Basic Provisions

A Definition of LDP's

[7 CFR 1421.200] LDP's are payments made to producers who, although eligible to obtain a CCC loan, agree to forgo the loan in return for a payment on the eligible commodity.

B General Provisions

LDP's:

- will be processed through eLDP web site by the County Office or producer
- will be issued by EFT or check, as applicable, subject to assignment
- are subject to administrative offset according to 58-FI
- shall be subject to AGI requirements

Notes: The applicable AGI document is required before CCC-633 EZ, page 2, 3, and 4 are approved. The LDP rate is determined according to paragraph 1004. See current AGI policy for additional information.

--CCC-941 is applicable for the 2014 and 2015 crop years for producer and all affiliated persons.--

* * *

A valid AGI certification is on file according to 4-PL, Part 6 and 5-PL, Part 6 for each applicable crop year.

- *-- require AD-1026 according to 6-CP for producer and all affiliated persons--*
- **must** be approved when all eligibility requirements are met, but the LDP rate is determined according to paragraph 1004
- are subject to payment limitations for crop year 2014 together with market loan gains, PLC and ARC – see subparagraph 34 A for additional information
- **cannot** be canceled or repledged once a request has been made or disapproved

Note: LDP requests disapproved because the requested quantity exceeded the maximum eligible commodity may be approved if the producer provides acceptable production according to paragraph 230.

1000 Basic Provisions (Continued)

B General Provisions (Continued)

- **cannot** be repaid to request a subsequent loan or LDP on the same quantity
- are **not** subject to commodity assessments
- are subject to spot check according to Part 3
- will be paid when approved

* * *

- *--require CCC-902, and CCC-901 if an entity, and COC **must** make the following determinations:
 - actively engaged in farming
 - cash rent tenant
 - member contribution--*
- exceeding \$100,000 requires the applicant to comply with lobbying disclosure requirements (paragraph 28).

Lien searches and lien waivers are **not** required.

--Note: See subparagraph 200 A and Exhibit 4 for eligibility requirements.--

C Producer and CMA Eligibility Requirements

Producers and approved CMA's for their members, applying for LDP, must:

- meet eligibility requirements in Part 2, as applicable
- agree to forgo obtaining a loan for the quantity on which LDP is requested.

D Storage Requirements

[7 CFR 1421.200] Approved storage requirements are waived for LDP's.

E LDP Numbers

LDP numbers will be assigned by the Web. The number assigned by eLDP will be provided from an external site for eLDP's processed by both County Offices and producers.

1000 Basic Provisions (Continued)

F Filing LDP's

LDP's shall be maintained in 1 of the following:

- a separate LDP file for **each** request received
- LDP file for **each** producer
- LDP file for **each** producer by commodity.

See subparagraph H for an example of a County Office checklist for determining eligibility and processing an LDP request.

G LDP Amount Reported to IRS

LDP amounts are reported to IRS; however, LDP's made to CMA's are **not** reported to IRS.

H Suggested County Office Checklist for LDP's

The following is an example checklist that can be used when completing LDP approvals and issuing payments.

Step	Action
1	Take CCC-633 EZ at counter or remove from FAX machine and do the following: <ul style="list-style-type: none"> • date stamp application and supporting documentation, such as production evidence • ensure that: <ul style="list-style-type: none"> • *--CCC-633 EZ is complete and signed by all required producers--* • CCC-633 EZ, page 1 is on file, if producer is submitting pages 2, 3, or 4 • FSA-211 is on file, if applicable • LDP rate is correct for date of request and county where stored.

1000 Basic Provisions (Continued)

H Suggested County Office Checklist for LDP's (Continued)

Step	Action
2	<p>Check the following eligibility for all producers on the applicable LDP request:</p> <ul style="list-style-type: none"> ●*--AD-1026 completed for producer and all affiliated persons--* ● beneficial interest, if applicable <p>***</p> <ul style="list-style-type: none"> ●*--CCC-902, and CCC-901 if an entity. In addition, COC must make the following determinations: <ul style="list-style-type: none"> ● actively engaged in farming ● cash rent tenant ● member contribution ● completed AGI certification for producer and all affiliated persons <p>Notes: CCC-941 is applicable for 2014 and 2015 crop years.--*</p> <p>***</p> <p style="text-align: center;">A valid AGI certification is on file according to 4-PL, Part 6 and 5-PL, Part 6 for each applicable crop year.</p> <ul style="list-style-type: none"> ● commodity eligibility ●*--compliance with DCIA, foreign person, controlled substance, and fraud provisions ● all crop acres reported on FSA-578, unless honey, mohair, or wool.--* <p>***</p>
3	<p>Quantity eligibility according to paragraph 230.</p> <p>Ensure that quantity is within COC set maximum yield for that specific commodity and crop year.</p> <p>Ensure that producer's profile is updated in eLDP with eligibility for current crop year.</p>

1001 Requests for LDP's Documented on CCC-633 EZ (Continued)

C Multi-County Producers

If the producer farms in more than 1 county, the County Office first contacted shall:

- accept the LDP request on CCC-633 EZ, page 2, 3, or 4
- contact the other County Offices when either of the following applies:
 - the request covers eligible production from more than 1 farm and the farm program records are kept in more than 1 County Office
 - LDP's were received from more than 1 County Office
- FAX LDP requests to the applicable administrative County Office for completion.

If a single CCC-633 EZ, page 2, 3, or 4, includes production from multiple farms that are located in a different county, the County Office that accepts the LDP request **must** indicate in item 32 that "multiple LDP's will be issued to cover the requested quantity according to this LDP request".

Note: The applicable administrative County Office **must**:

- verify the COC-established maximum yield for the eligible production in the applicable county
- document in item 32 where the verification of information was obtained.

D Commingled Commodities

For LDP requests on commingled commodities, producers may request individual or joint LDP's. For joint LDP's, all producers whose share of the commodity is included **must** sign CCC-633 EZ, page 2, 3, or 4.

* * *

1001 Requests for LDP's Documented on CCC-633 EZ (Continued)

E Approvals and Payments

LDP requests must be:

- approved when all eligibility requirements are met
- date-stamped when CCC-633 EZ, pages 1 and 2, 3, or 4 are received in the County Office to indicate the intention and the request date.

Note: If the FAX machine preprints the correct date time, when any of the CCC-633 EZ, pages are received in the County Office or if the date is printed on an eForms submission, then the date stamp is not required.

Issue payments when:

- CCC-633 EZ, page 1 has been filed and pages 2, 3, or 4 have been approved
- all required production evidence, such as delivery documentation, has been received for LDP's on which beneficial interest has been lost
- second party review has been completed according to paragraph 234; reviewer should initial and date CCC-633 EZ, page 2, 3, or 4
- CCC-770 LDP/eLDP has been completed and signed, if applicable.

F Prompt Payment

See paragraph 35 for prompt payment due dates.

G Canceling CCC-633 EZ's

CCC-633 EZ, page 2, 3, or 4 **cannot** be canceled at any time. After producers sign CCC-633 EZ, page 2, 3, or 4, LDP is obligated to be paid by CCC to the producer.

H Deferred Payments

Payments **cannot** be deferred or delayed at any time. All payments **must** be made as soon as possible after the date of request.

1002 CCC-633 EZ's

A Page 1

The purpose of 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 legal entity does business.

CCC-633 EZ, page 1:

- **must** be received in the County Office on or **before** subsequent CCC-633 EZ, pages 2, 3, or 4 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 next crop year, beginning **October 1** of the **--*** preceding crop year, through the final loan availability date for the applicable commodity, as long as the producer still has beneficial interest in the commodity.

Note: For crop year 2014, LDP's were not authorized until the FR notice was published on Friday, March 28, 2014. CCC-633 EZ, page 1, could not be accepted until that date.

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.

1002 CCC-633 EZ's (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; FAX or mail omitted County Offices a copy of CCC-633 EZ, page 1 when identified.

B Page 2

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

For commodities harvested as other than grain, fed, or used for seed, determine a yield according to paragraph 336.

Note: The option of using 3 similar farms is **no** longer allowed.

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 requested on the same day.

Example: Producer can submit CCC-633 EZ, page 2 on January 21, 2010, for 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 CCC-633 EZ.

C Page 3

CCC-633 EZ, page 3 is for cotton; see 7-CN.

D Page 4

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

1003 FAXed CCC-633 EZ's (Continued)

C Signatures

Followup original copies and signatures are **not** required for FAXed CCC-633 EZ's.

D CCC-633 EZ's Requested But Not Received

If a producer inquires about a FAXed CCC-633 EZ that was not received, County Offices shall:

- require producer to submit documentation to verify the date and time of the CCC-633 EZ FAX transmission
- accept producer's completed CCC-633 EZ
- document the date CCC-633 EZ was FAXed and the reason the FAX was not received
- use the LDP rate in effect on the date printed by the FAX machine on the original CCC-633 EZ transmittal
- **not** accept or approve producer's CCC-633 EZ unless the producer can provide actual FAXed date verification.

Note: Incomplete transmissions are **not** considered to be valid CCC-633 EZ's.

1004 LDP Rates

A Effective LDP Rate

LDP rate is the rate in effect on the date:

- of request, if beneficial interest is maintained on date of request
- beneficial interest is lost according to acceptable production evidence
- of delivery, if the producer requests the date of delivery option on the applicable CCC-633 EZ, page 2 **before** delivering the requested quantity.

The date beneficial interest is lost is the date the producer loses control of the commodity through sale, feeding to livestock, or delivery to an unauthorized warehouse, livestock feeder, processor, ethanol or bio diesel plant, or wool pool.

For commodities immediately fed during harvest, see subparagraph F.

B Determining LDP Rates * * *

LDP rates are determined by the amount the applicable commodity loan rate exceeds the CCC-determined value for where:

- the commodity is stored for LDP in which the producer maintains beneficial interest
- beneficial interest is lost in the requested commodity.

Use LDP rate in effect until the next posting of the repayment/LDP rates.

Example: Use LDP rate announced on Friday for commodities delivered on a Saturday, Sunday, or Monday Federal holiday.

For eligible commodities stored out of the United States, base the LDP rate on the County where LDP is requested.

See Part 7, Section 6 for determining the CCC-determined value.

* * *

1004 LDP Rates (Continued)**C LDP Rate for Multiple Deliveries**

The LDP rate for multiple deliveries of production covered under CCC-633 EZ is based on the first consecutive quantity delivered, unless otherwise designated on CCC-633 EZ.

Selecting a specific delivery date to obtain LDP rate for all quantity delivered is **not** permitted.

If multiple deliveries occur for production delivered under CCC-633 EZ and:

- multiple LDP's will be made, LDP rate is based on the date of delivery for the quantity being paid under LDP, as applicable
- a single LDP will be made, the weighted average LDP rate for the total quantity will be determined based on the eligible LDP rate for the dates eligible quantity was delivered.

D Determining LDP Amounts

LDP amounts are calculated by multiplying the applicable LDP rate times the LDP quantity requested.

E LDP Rate for FAXed CCC-633 EZ, page 2, 3, or 4

For FAXed CCC-633 EZ, page 2, 3, or 4, the LDP rate is the applicable rate in effect when CCC-633 EZ, page 2, 3, or 4 is received in the County Office, if LDP request is completed according to this paragraph.

Example: If the rate is announced at 7 a.m. e.t. and the FAXed CCC-633 EZ is received at 5 a.m. e.t., LDP rate is the rate in effect on the previous workday.

F Fed or Processed Commodities

Commodities stored on the farm that were harvested as feed or later processed may be requested on CCC-633 EZ, page 2 after harvest ends. For commodities fed during harvest, LDP's shall be requested on CCC-633 EZ, page 2. If feeding dates are within reason, LDP rate is based on the date the producer certifies that the commodity was fed. **Questionable cases may be reviewed by the COC for reasonableness.**

1005 Eligible Quantity

A Commodity Eligibility Requirements

To be eligible for LDP, the quantity of commodity **must**:

- meet eligibility requirements in Part 2, including beneficial interest requirements
- have been produced by an eligible producer

Note: Producers found ineligible after submitting CCC-633 EZ, page 1, and are later able to reestablish eligibility **before** the final loan/LDP availability day, are eligible to request LDP payment on CCC-633 EZ, page 2 or 4 based on the day of LDP request or day beneficial interest was lost.

- not have been previously pledged as collateral for a loan and repaid with cash at a rate less than the principal plus interest
- not have been previously requested or paid for LDP.

Note: Producers **must** submit a valid CCC-633 EZ, page 1 **before** losing beneficial interest.

IF...	THEN...
producer maintains beneficial interest and has submitted CCC-633 EZ, page 2 before submitting CCC-633 EZ, page 1	the LDP rate would be based on the date a correctly signed and completed CCC-633 EZ, page 1 is received in the County Office.
beneficial interest has been lost and CCC-633 EZ, page 2 is submitted before CCC-633 EZ, page 1 is received in the County Office	that quantity is ineligible for LDP.

The following are eligible for LDP:

- a quantity of a commodity eligible to be repledged for a nonrecourse loan
- silage and hay derived from an eligible loan commodity.

Note: Silage, hay, and roasted commodities are **not** eligible for MAL.

For LDP's on:

- commodities harvested as other than grain, see Section 2
- low quality commodities, see Section 3
- contaminated commodities, see Section 4
- HM or excess moisture commodities, see Section 5.

1006 LDP Types

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.

B Rate for Type

This table provides guidance for determining LDP rate based on LDP type provided CCC-633 EZ, page 1 is on file.

LDP Type	LDP Rate
Beneficial interest maintained.	Rate on date of request.
Beneficial interest lost.	Rate in effect on date sold or date delivered to a non-authorized warehouse according to acceptable sales evidence.
Delivery date. Note: Beneficial interest maintained, but before delivery the producer requests to use rate in effect on date of delivery.	Rate in effect on date delivered from the field.

* * *

1007 Completing CCC-633 EZ's

A Page 1

Complete CCC-633 EZ, page 1 according to the following.

Item	Instructions
1	Enter name and address of the producer (individual, joint operation, or legal entity) for which benefits may be requested.
2	Enter telephone/cell number, including area code, of the producer.
3	Enter last 4 digits of TIN for the producer in item 1.
4	Enter crop year for the commodities covered by CCC-633 EZ.
5	<p>Enter States and the counties where the producer has an interest for the designated crop year.</p> <p>Note: CCC-633 EZ covers interests in all eligible LDP commodities of the producer in item 1. The County Office that first receives page 1, shall forward to other County Offices, as applicable, by FAX or mail.</p>
Part A – Terms and Conditions	
All producers requesting LDP shall review and understand the terms and conditions of this agreement.	
Part B – Methods of Payment Request	
All producers requesting LDP shall review and understand the methods by which a payment request may be initiated under this agreement.	
Note: Page 2, 3, or 4 must be received in the County Office before the final loan availability date for the applicable commodity.	

1007 Completing CCC-633 EZ's (Continued)

A Page 1 (Continued)

Item	Instructions
Part C – Producer Signature and Certification	
6 and 7	<p>After reading the certification statement, the producer needs to sign and date in items 6 and 7. The signatures indicate the producer has reviewed and agrees to the conditions listed. There will be one CCC-633 EZ, page 1 per producer. Multiple signature lines are provided for cases where multiple signatures are required to act for an operation or legal entity. If additional signature lines are needed, the producer shall use page 5, Part C.</p> <p>In item 6B, “Title/Relationship”, the signatory shall enter their relationship authorizing them to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc.</p> <p>Example: Treasurer of Smith Bros., Inc.</p> <p>If the applicant is not signing in the representative capacity, leave field 6B blank. If “SELF” is written to indicate the producer is signing on behalf of their own self, it is acceptable; however, not necessary.</p> <p>Note: Generally, there will be one CCC-633 EZ, page 1 per producer. Multiple signature lines are provided for cases where multiple signatures are required to act for the operation or legal entity. If additional signature lines are needed, the producer shall use page 5, Part C.</p>
Part D – CCC Agreement (FSA Use Only)	
8	Enter signature of authorized CCC representative.
9	Enter title of authorized CCC representative.
10	Enter date of CCC representative’s signature.
11	Enter additional information pertinent to the approval or disapproval of agreement.
12	Enter name and address of the County FSA Office, LSA, or DMA receiving and signing the original page 1. The County Office may enter their assigned State and county code in place of their name and address.

Note: Pages 2, 3, or 4 **must** accompany all requests for payment. If additional information is needed to determine eligible producer, net quantity, and payment rate, then the request will **not** be paid until evidence is provided.

1007 Completing CCC-633 EZ's (Continued)

B Page 2

Complete CCC-633 EZ, page 2 according to the following. * * *

Item	Instructions
Part E – Request for LDP	
13A	Enter producer's name, address, and phone number, including area code. Note: This should be the same as in item 1.
13B	Enter last 4 digits of TIN of the producer in item 13A.
14	Enter alternate phone number, including area code, of producer in item 13A (optional).
15	Enter crop year for which LDP is requested.
16	Enter State and county where the farm records are maintained.
17	Check (✓) either "Yes" or "No" to the question, "Are you or any co-applicant delinquent on any Federal Non-tax debt?" If "Yes" is checked, explain in item 32.
18	For FSA use only. Enter processing system-assigned LDP number.
19	Enter commodity for which LDP is requested along with the class, variety, or type, as applicable. For sunflowers, ENTER "oil" or "other", as applicable. If the commodity requested is wheat and the class is mix, applicants must indicate the predominate class of wheat.
20	Enter net quantity and unit of measure requested for this payment. Note: User may enter "All" if the producer selects the "date of delivery" option or a measured LDP. For commodities harvested as other than grain, the quantity may be certified as tons, acres harvested, bu., lbs, or cwt. CCC is required to establish a whole grain yield according to paragraph 336.

1007 Completing CCC-633 EZ's (Continued)

B Page 2 (Continued)

Item	Instructions
Part E – Request for LDP (Continued)	
21	<p>Check (✓) the box from the following that corresponds with the source of the quantity in item 20:</p> <ul style="list-style-type: none"> • “A”, “Certified”, if no acceptable production and/or sales evidence is provided at the time of payment request <p>Note: Certified quantities are subject to spot check and CCC may require production evidence to support the certification.</p> <ul style="list-style-type: none"> • “B”, “Measurement Service”, if measurement service is requested to determine quantity <p>Note: The servicing County Office will initiate a measurement service at the location described in item 22. By requesting measurement service, the applicant agrees the quantity determined by measurement service will be the maximum quantity eligible for LDP and the request for payment is irrevocable.</p> <ul style="list-style-type: none"> • “C”, “Production Evidence”, if request for payment is accompanied by production and/or sales evidence. <p>Note: When acceptable production and/or sales evidence is provided at the time of payment request, no additional documentation will be required.</p>
22	<p>Enter:</p> <ul style="list-style-type: none"> • State, if necessary, and county where the quantity in item 20 is stored • location within the same county where the commodity is stored. <p>Example: Bin number, legal description, and/or land description; enter the warehouse name if commodity is warehouse-stored.</p> <p>A separate LDP request must be completed for quantities stored in a different county.</p>
23A and 23B	<p>Enter date of this request, date BI was lost, or the date of delivery. If a request has multiple dates (such as date of feeding or sale) and production evidence or schedule/ledger that is provided shows when BI is lost, this item can be left blank. If page 2 is filed before delivery and the producer wants to use the “date of delivery” option, Box “B” must be checked.</p>

1007 Completing CCC-633 EZ's (Continued)

B Page 2 (Continued)

Item	Instructions
Part E – Request for LDP (Continued)	
24	<p>For FSA use only. Enter LDP rate in effect according to the applicable date as provided in item 23. For multiple dates of delivery, ENTER “See Attached Production Evidence”.</p> <p style="text-align: center;">* * *</p>
Part F – Producer Certification	
25 through 27	<p>After reading the certification statement, the producer must sign, enter share percentage of the LDP quantity, and date in items 25A, 26, and 27. The signatures indicate the producer has reviewed and agrees to the conditions listed. There will be one CCC-633 EZ per producer. Multiple signature lines are provided for cases where multiple signatures are required to act for an operation or entity. If additional signature lines are needed, the producer shall use page 5, Part F. The approval date will be the date all required signatures are in the County Office.</p> <p>In item 25B, “Title/Relationship”, the signatory shall enter their relationship authorizing them to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc.</p> <p>Example: Treasurer of Smith Bros., Inc.</p> <p>If the applicant is not signing in the representative capacity, leave field 25B blank. If “SELF” is written to indicate the producer is signing on behalf of their own self, it is acceptable; however, not necessary.</p> <p>If beneficial interest has not been lost, the effective LDP rate will be based on the time and date a properly completed request for payment is received in the FSA County Office.</p>
Part G – CCC Approval	
28	Enter signature of authorized CCC representative.
29	Enter title of authorized CCC representative.
30	Enter date of CCC representative’s approval.
31	FSA office will check (✓) either “Approved” or “Disapproved”.
32	<p>Enter any additional information pertinent to the approval or disapproval of this payment request. Second party review initials are required.</p> <p style="text-align: center;">* * *</p>

1007 Completing CCC-633 EZ's (Continued)

C Page 3

Complete CCC-633 EZ, page 3 according to 7-CN.

D Page 4

Complete CCC-633 EZ, page 4 according to the following.

Notes: Items 57 through 86 are **only** applicable to wool, mohair, or unshorn pelt LDP's.

--The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--

Item	Instructions
Part M – Request for Wool, Mohair, or Unshorn Pelt LDP	
57	Enter producer's name and address. Note: This should be the same as in item 1.
58	Enter last 4-digits of the applicant's TIN.
59	Enter telephone/cell number, including area code, of the producer.
60	Enter crop year for which LDP is requested.
61	Check either "Yes" or "No" to the question, "Are you or any co-applicant delinquent on any Federal non-tax debt"? If "Yes", then explain in item 86.
62	Enter State and county where the farm records are maintained.
Part N – Complete for Wool or Mohair	
63	For FSA use only. Enter processing system-assigned LDP number
64	Check either "Mohair" or "Wool" to indicate the applicable commodity for which this LDP is requested.
65	If "wool" is selected in item 64, check either "Graded" or "Ungraded" to indicate applicable type of wool. If graded is selected, enter the micron and yield from the core test report (Exhibit 40) in item 86, "Additional Information". Note: This item is not applicable to mohair.
66	Enter net quantity requested for this payment in lbs.

1007 Completing CCC-633 EZ's (Continued)

D Page 4 (Continued)

Item	Instructions
Part N – Complete for Wool or Mohair (Continued)	
67	<p>Check the box from the following that corresponds with the source of the quantity in item 66:</p> <ul style="list-style-type: none"> • “A”, “Certified”, if quantity is based on producer certification and no acceptable production and/or sales evidence are provided at the time of payment request <p>Note: Certified quantities are subject to spot check and CCC may require production evidence to support the certification.</p> <ul style="list-style-type: none"> • “B”, “Production Evidence”, if quantity is based on an attached invoice, weight receipt, or settlement sheet and/or sales evidence • “C”, “Quantity in Excess of Certified Quantity”, if quantity is based on a request for an additional LDP disbursement on a quantity in excess of previously submitted request (CCC-633 EZ, page 4) for a certified quantity after delivery of the wool or mohair when beneficial interest is lost. <p>Acceptable documentation in the form of a net weight receipt or settlement sheet from the sale or delivery of the wool and mohair must be provided to support the additional quantity in excess of the certified quantity.</p>
68	<p>Enter:</p> <ul style="list-style-type: none"> • State, if necessary, and county where the quantity in item 66 is stored • location within the same county where the commodity is stored. <p>Example: Barn/shed location, legal description, and/or land description, enter the warehouse name if commodity is warehouse-stored or stored by a commissioned agent.</p> <p>A separate LDP request must be completed for quantities stored in a different county.</p>
69	<p>Enter date of this request or the date beneficial interest was lost. If a request has multiple dates, such as sale, delivery, or slaughter, and production evidence or schedule/ledger is provided that shows when beneficial interest is lost, then this item can be left blank.</p>
70	<p>For FSA use only. Enter LDP rate in effect as it determines when beneficial interest was lost or when an acceptable application is submitted.</p>

1007 Completing CCC-633 EZ's (Continued)

F Example of CCC-633 EZ

The following is an example of CCC-633 EZ, page 1.

*--

This form is available electronically.

CCC-633 EZ (03-28-14)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Name and Address of Producer (Include ZIP Code) (Please Print) William Green 510 Hwy 123 Anywhere, ST 00001	
LOAN DEFICIENCY PAYMENT (LDP) AGREEMENT AND REQUEST				2. Telephone or Cell Number (Include Area Code): 999-555-1212	
All eligible producers entering into this agreement MUST meet marketing assistance loan eligibility and have beneficial interest in the quantities covered by this agreement for the applicable crop year when signing this form. A producer is considered to have beneficial interest in the specified quantities if the producer has ALL of the following:				3. ID Number (Last 4 Digits): XXXX	
<ul style="list-style-type: none"> • title to the commodity • control of the commodity 				4. Crop Year: 20XX	
File this form BEFORE loss of beneficial interest (title and control) to indicate your intentions to receive Loan Deficiency Payment (LDP) benefits for this crop year for all counties and all eligible harvested, sheared, or slaughtered commodities for the individual, joint operation, or entity identified in Item 1. The CCC-633 EZ - LDP Request (Page 2), Cotton LDP Request (Page 3), or Request for Wool, Mohair, or Unshorn Pelt LDP (Page 4) must be completed BEFORE the final loan/LDP availability date to receive LDP benefits.				5. State(s) and County(s) State, Jones County	
PART A - TERMS AND CONDITIONS					
<ul style="list-style-type: none"> • The LDP rate will be based on the earlier of: a) the date beneficial interest is lost as applicable to specific commodity provisions; or b) the LDP request date as submitted on the CCC-633 EZ (Page 2) Part E, or CCC-633 EZ (Page 4) for wool, mohair, and unshorn pelts. For cotton LDP's requested on CCC-633 EZ Cotton (Page 3), the LDP rate will be based on the information provided on Page 3. • Quantities covered by this agreement were produced by the producer and not purchased or acquired directly or indirectly from any other source or committed under a marketing agreement to a Cooperative Marketing Association (CMA). • As a condition of receiving an LDP, a producer (or members of a CMA) must first resolve delinquent federal non-tax debt(s). The debt(s) must be resolved before the final loan/LDP availability date. • CCC may request copies of contracts and supplemental documentation to determine eligible quantity and when beneficial interest was lost. • If a Marketing Assistance Loan (MAL) is disbursed for a quantity covered by this agreement and the MAL is repaid at a price less than principal and interest, this agreement becomes null and void for that specific quantity. • All producers with an interest in the quantity covered by this agreement must sign a CCC-633 EZ Part C, to obtain LDP benefits. 					
PART B - METHODS OF PAYMENT REQUEST (Request must be submitted by final loan/LDP availability date.)					
<ul style="list-style-type: none"> • For quantities represented by verifiable production evidence under this agreement, submission of evidence in combination with Part E, Part N, or Part O of this form as applicable shall be considered a request for payment. Evidence must include sufficient data to determine producer and commodity eligibility and LDP rate. • For quantities for which verifiable evidence is unavailable (i.e., certified quantities, fed quantities, quantities used for seed, silage, etc.), the request for payment shall be initiated by recording a certification of quantity on Part E, Part N, or Part O of this form as applicable. Additional information may be requested by CCC to determine producer and commodity eligibility and LDP rate. • Submission of an eLDP shall be a request for payment. The CCC-633 EZ Part E is not required for that specific quantity. • For Cotton Producers Only: Producer agrees: a) any request for a module lock-in or post-ginning LDP is irrevocable and cannot be cancelled or revised unless the LDP is denied due to AGI; b) any request for a gin-direct LDP is irrevocable on or after the date of ginning; c) entry of information on Page 3 of this application constitutes an irrevocable application for the Adjusted World Price (AWP) to be locked in on the date an accurately completed application is submitted for an LDP based on gin-provided documentation identifying the bales produced from the module/storage unit for which the AWP lock-in applies. 					
PART C - PRODUCER SIGNATURE AND CERTIFICATION (For additional signatures, complete CCC-633 EZ Continuation, Part C)					
I/we certify all information entered on this form is true and correct. By certifying to the terms and conditions in Part A, the producer(s) hereby enters into this agreement with CCC for all eligible commodities. The producer(s) agrees: 1) any false claim or false statement may lead to civil liability or criminal prosecution; 2) LDP's may be selected for spot-check and the producer will be required to provide supplemental documents to determine program eligibility; 3) to forgo a commodity loan on the quantity requested for LDP unless a quantity is denied LDP due to payment limitation; 4) not to refund any LDP amount in order to obtain a commodity loan; 5) this agreement and subsequent payment request is subject to CCC determination of producer and commodity eligibility subject to 7 CFR Parts 1421, 1425, 1427 and 1434; 6) that CCC shall require refund of LDP, plus interest, from the date of payment if producer(s) and/or commodity is later determined ineligible by CCC; 7) CCC shall assess administrative penalties and/or liquidated damages in accordance with 7 CFR Parts 1421, 1425, 1427 or 1434, as applicable, if producer(s) misrepresented the eligible quantity and/or commodity covered by this agreement; 8) the maximum eligible quantity and yield determinations must equal the quantity and yield determinations for disaster or crop insurance indemnity payments, when and if applicable; and 9) to submit the applicable CCC-633 EZ, Page 2, Page 3, Page 4 or an eLDP online request before obtaining LDP amounts.					
6A. Producer's Signature (BY) <i>/s/ William Green</i>		7. Date (MM-DD-YYYY) 04-01-2014		6A. Producer's Signature (BY) <i>/s/ John Doe</i>	
6B. Title/Relationship (Individual Signing in a representative capacity)		7. Date (MM-DD-YYYY)		6B. Title/Relationship (Individual Signing in a representative capacity)	
PART D - CCC AGREEMENT (FOR CCC USE ONLY)					
8. Signature of CCC Representative <i>/s/ John Doe</i>		10. Date (MM-DD-YYYY) 04-01-2014		11. Additional Information	
9. Title of CCC Representative CED		10. Date (MM-DD-YYYY)		12. Name and Address of County FSA Office or LSA or DMA Jones County FSA Office 1521 Main Street Anywhere, ST 00001	
NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1421, 7 CFR Part 1425, 7 CFR Part 1427, 7 CFR Part 1434, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) as amended by the American Taxpayer Relief Act of 2012, and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility for loan deficiency payment program benefits. 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-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for loan deficiency payment program benefits. This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F--Administration). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.					
The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited basis will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 945-6136 (in Spanish).					
If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html , or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov . USDA is an equal opportunity provider and employer.					

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1007 Completing CCC-633 EZ's (Continued)

F Example of CCC-633 EZ (Continued)

The following is an example CCC-633 EZ, page 2 for * * * farm production.

CCC-633 EZ (03-28-14)									
PART E - REQUEST FOR LDP									
13A. Contact Name and Address of Producer (Include Zip Code) (Please Print) William Green 510 Hwy 123 Anywhere, ST 00001			13B. ID Number (Last 4 digits) XXXX		14. Telephone or Cell Number (Include Area Code) (Optional) 999-555-1212		15. Crop Year 20XX	17. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 32. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
16. State and County where Farm Records are Maintained State, Jones County									
A completed CCC-633 EZ, Page 1 must be on file before beneficial interest (title and control) is lost in the requested quantity for this to be considered a valid request for payment. This request for payment, with acceptable production evidence (if applicable), must be submitted to the County FSA office that administers the farm records for the requested commodity and quantity.									
Complete Items 19 through 23 and sign/date below. Indicate in Item 21 if this is a certified LDP, request for measurement service, or indicate production evidence is attached, as applicable. When beneficial interest has been lost, indicate date of sale, fed, used for seed, etc, as applicable, in Item 23. If additional entries are needed, provide data on an additional CCC-633 EZ, Page 2.									
18. LDP No. (CCC Use Only)	19. Commodity Class, Variety, Type	*20. Net Quantity Requested and Unit of Measure (bu., tons, cwt., lbs., etc.)	21. Source of Quantity (Check one of the following)			22. Stored or Delivery Location, if applicable (State, County, Warehouse, or Bin Site) Examples: Warehouse-Stored: Ohio, Athens Co., ABC Warehouse Farm-Stored: Texas, Webb Co., 30' Butler Bin, North of House	23. Effective Date of LDP Rate (MM-DD-YYYY)		24. LDP Rate (CCC Use Only)
			A. Certified	*B. Measurement Service	C. Production Evidence		A. Date of LDP Request or Date Beneficial Interest Was Lost	B. Check to Request Date of Delivery	
	Rice-Rough-Long	10,000 cwt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Nw 1/4 sec. 10 Jones Co. North 36' Bin	08-29-XX	<input type="checkbox"/>	.10
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
* If measurement service is requested, I agree to pay the required fee(s) and agree this request is irrevocable. The quantity determined by measurement service will be the maximum quantity eligible at the time of this request. Producer must enter in Item 20, a specific quantity or "ALL" for this LDP application to be valid.									
PART F - PRODUCER CERTIFICATION (For additional signatures, complete CCC-633 EZ Continuation, Part F)									
I certify all information entered on this form is true and correct. By completing Part E and signing and dating this form, I hereby make a request for payment from the Commodity Credit Corporation (CCC) for the commodity described above under the terms and conditions as provided on the CCC-633 EZ, Loan Deficiency Payment (LDP) Agreement and Request. I also understand that a CCC-633 EZ, Page 1 MUST be on file at the FSA County Office for this LDP request to be considered complete.									
25A. Producer's Signature (By) <i>William Green</i>	25B. Title/Relationship (Individual Signing in a Representative Capacity)	26. Share % 100%	27. Date (MM-DD-YYYY) 08-29-XX	25A. Producer's Signature (By)	25B. Title/Relationship (Individual Signing in a Representative Capacity)	26. Share %	27. Date (MM-DD-YYYY)		
PART G - CCC APPROVAL (FOR CCC USE ONLY)									
28. Signature of CCC Representative <i>John Doe</i>	29. Title of CCC Representative CED	30. Date (MM-DD-YYYY) 08-29-XX	31. Action: <input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED	32. Additional Information/Second Party Review					

1009 Notification of Denied LDP Benefits

A Denied LDP Notification

When the producer is denied LDP benefits, County Offices shall:

- immediately notify the producer in writing
- use the applicable letter in Exhibit 11, subparagraph K or L about denial of loan or LDP benefits and include the following:
 - reason for denying LDP
 - appeal rights according to 1-APP.

Notes: Rewrite the letter to reflect the reason for LDP denial, as applicable.

See Exhibit 11, subparagraph A, “Miscellaneous Notification Letters for Loans and LDP’s”.

For crop years 2014 through 2018, LDP’s requested and denied because of AGI and/or payment limitations are eligible for nonrecourse loans, if all other eligibility requirements are met.

* * *

1010-1019 (Reserved)

Section 2 Commodities Harvested as Other Than Grain**1020 Eligibility for LDP****A Eligible Harvested as Other Than Grain Commodities**

Eligible commodities include barley, canola, chickpeas (small and large), corn, crambe, dry peas, flaxseed, grain sorghum, lentils, mustard seed, oats, rapeseed, rice, safflower, sesame seed, soybeans, sunflower seed, or wheat that meet the definitions included in Official U.S. Standards for Grain.

B Eligible Commodities

Eligible commodities harvested as other than grain are any loan commodities produced on a farm that are:

- harvested as:
 - cobbage
 - cracked, rolled, or crimped
 - earlage
 - ground corn
 - hay
 - silage
- mutilated, mixed, or ground with other parts of the plant that produced the commodity
- processed immediately upon harvest or later processed, as applicable
- roasted
- stored in an unmeasurable structure.

Note: Hay, silage, and roasted commodities are **not** eligible for MAL.

Commodities **must** be mechanically harvested. Grazing is **not** considered harvested and is **not** eligible for LDP. See Part 11 for graze-out payments.

1020 Eligibility for LDP (Continued)

C Requests

LDP's must be requested on CCC-633 EZ, page 2, **after** page 1 has been submitted.

D Maximum Eligible Quantities

To process LDP on commodities harvested as other than grain, determine the maximum eligible production according to paragraph 336.

LDP requests may be certified to establish the LDP rate and should be certified in tons or acres, as applicable.

When the bu. or cwt. is determined, according to paragraph 336, the LDP request can be approved and payment made.

E LDP Rate

Use the LDP rate applicable to the date of:

- request
- delivery
- harvest for commodities fed during harvest
- loss of beneficial interest, **only** if CCC-633EZ, Page 1, was filed timely.

* * *

The following table illustrates how the LDP rate for a commodity harvested as other than *--grain is computed for two CCC-determined values.

Determining Commodity Other Than Grain LDP Rate			
Line	Description	Example 1	Example 2
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	Loan Rate for Commodities Other Than Grain: 30 Percent of Loan Rate, according to subparagraph 520 D (.30 x Line 1)	\$1.80	\$1.80
3	CCC-Determined Value of Commodity	\$1.20	\$3.07
4	LDP Rate for Commodities Other Than Grain (Line 2 - Line 3)	\$0.60	\$0.00

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* * *

1021-1029 (Reserved)

Section 3 Low Quality Commodities

1030 Eligibility for LDP

A Eligible Low Quality Commodities

Commodities with test weight and quality factors falling to the additional schedule of discounts in the applicable 2-LP handbook are considered “low quality” and are eligible for LDP.

Note: Wheat that is on the additional schedule of discounts because of falling numbers **only**, and all other grading and quality factors are not on the additional schedule, does **not** qualify as low quality wheat. See information on falling number discounts for wheat in 2-LP Grains and Oilseeds.

B LDP Request

Request LDP’s on CCC-633 EZ, page 2, 3, or 4, as applicable, **after** page 1 has been submitted.

C LDP Rate

Use the LDP rate applicable to the date of:

- request for LDP
- delivery
- feeding for commodities fed during harvest
- loss of beneficial interest, **only** if CCC-633 EZ, page 1 was filed timely.

The following table illustrates how the LDP rate for a low quality commodity is computed *--for two CCC-determined values.

Determining Low Quality Commodity LDP Rate			
Line	Description	Example 1	Example 2
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	Loan Rate for Low Quality Commodities: 20 Percent of Loan Rate, according to subparagraph 520 F (.20 x Line 1)	\$1.20	\$1.20
3	CCC-Determined Value of Commodity	\$0.80	\$3.07
4	LDP Rate for Low Quality Commodities (Line 2 – Line 3)	\$0.40	\$0.00

--*

1030 Eligibility for LDP (Continued)

D Production Evidence

Production evidence is **required** according to Part 3, Section 3, when producers are selected for spot check.

1031-1039 (Reserved)

Section 4 Contaminated Commodities

1040 Eligibility for LDP**A Eligible Contaminated Commodities**

Contaminated commodities are commodities that contain any of the following:

- mercurial compounds
- toxin producing molds, such as aflatoxin
- other substances poisonous to humans or animals
- any contamination in food commodities.

Illegally contaminated and nonmarketable commodities that test positive for a contaminant are **not** eligible for loan or LDP.

B Eligible Commodities

Contaminated commodities are eligible for nonrecourse loans, but only at 10 percent of the loan rate, according to Part 5, Section 2. Any contaminated commodity must be merchantable to be eligible. Any commodity eligible for nonrecourse loan is eligible for LDP under this section.

Contaminant testing is **not** required for LDP.

C LDP Request

Request LDP's on CCC-633 EZ, page 2, 3, or 4, as applicable, **after** page 1 has been submitted.

D LDP Rate

Use the LDP rate applicable to the date of:

- request for LDP's
- delivery
- harvest for commodities immediately fed during harvest
- loss of beneficial interest, **only** if CCC-633 EZ, page 1 was filed timely.

1040 Eligibility for LDP (Continued)

D LDP Rate (Continued)

* * *

The following table illustrates how the LDP rate for a contaminated commodity is computed *--for two CCC-determined values.

Determining Contaminated Commodity LDP Rate			
Line	Description	Example 1	Example 2
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	Loan Rate for Contaminated Commodities: 10 Percent of Loan Rate, according to subparagraph 520 E (.10 x Line 1)	\$0.60	\$0.60
3	CCC-Determined Value of Commodity	\$0.40	\$3.07
4	LDP Rate for Contaminated Commodities (Line 2 – Line 3)	\$0.20	\$0.00

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* * *

E Production Evidence

Production evidence is **required** according to Part 3, Section 3, when producers are selected for spot check.

1041-10491 (Reserved)

Part 11 Graze-Out Payments

1100 General Provisions

A Definition of Graze-Out Payments

[7 CFR 1421.300] Graze-out payments are payments made to eligible producers who although eligible to obtain a loan:

- elect to use acreage planted with barley, oats, triticale, or wheat for livestock grazing
- agree to forgo any other harvesting of the commodity on this acreage during the applicable crop year.

B Definition of Triticale

Triticale is grain that consists of 50 percent or more of whole triticale (X Triticosecale Wittmack) and **not** more than 10 percent of other grains for which standards have been established under the United States Grain Standard Act.

C Prohibiting Crop Insurance Indemnity or NAP

Producers who elect to graze barley, oats, triticale, or wheat will **not** be eligible for an indemnity for the same acres under the Federal Crop Insurance Act or NAP.

1101 General Information**A Eligibility Requirements**

Graze-out payments are subject to the same basic eligibility requirements as commodity loans and LDP's including, but **not** limited to the following:

- AGI provisions
- beneficial interest
- conservation compliance
- death, incompetency, disappearance, or dissolution of a producer
- foreign person determinations
- misaction or misinformation
- offsets
- *--payment limitations for crop years 2014 through 2018, together with market loan--* gains, PLC and ARC, see subparagraph 34 A for additional information.

B Application Period

The application period for graze-out:

- begins on the first day of mechanical harvest as determined by COC
- ends on March 31 of the calendar year following the year the crop is normally harvested.

Producers may file an application for graze-out anytime during this application period.

Reminder: Applications may **not** be cancelled or withdrawn once requested.

COC shall determine and document in COC minutes, the beginning harvest date in the county for barley, oats, triticale, or wheat. This will be the earlier of the normal harvest date for grain or the normal harvest date when harvested as other than grain.

1201 Loan Rates**A Final Date to Request Loan**

The producer must request the loan by the final availability date for the commodity according to subparagraph 226 C.

B Loan Rate

The loan rate shall be, for commodities stored in structures that:

- can be measured, 100 percent of the base county loan rate if the quantity is:
 - measured and the structure may or may not be sealed after being measured
 - certified and the structure will **not** be sealed
- **cannot** be measured, 75 percent of the base county loan rate.

Example: \$2 base county loan rate x 75 percent = \$1.50 applicable loan rate.

Structures that are sealed shall be considered structures that “cannot be measured”.

* * *

C Moisture Determination

The moisture determination may be determined by any of the following:

- local warehouse or State inspection facilities at producer’s expense
- FSA employee
- producer’s certification of moisture, when the commodity is in a structure that **cannot** be measured.

Do **not**:

- obtain sample or certification for test weight
- adjust for test weight and pack factors.

D Determining Farm-Stored Loan Quantity

When excess moisture is determined according to subparagraph 528 C, apply the applicable moisture shrink factor, according to Exhibit 12, to the determined loan quantity.

Do **not** apply a discount for excess moisture.

1201 Loan Rates (Continued)

E Loan Quantity Adjusted for Moisture

The loan quantity shall be:

- * * * 100 percent of the certified or measured quantity * * *
- adjusted for the applicable moisture shrink factor, according to Exhibit 12, to reflect the quantity at the 2-LP standard moisture level.

Example: Grain sorghum is 14.0 percent and corn is 15.5 percent.

F Establishing Repayment Schedule

If commodity will be fed, County Offices shall establish a loan repayment schedule with each producer:

- at loan disbursement
- to ensure that the loan is repaid before:
 - the commodity is removed for feed
 - loan maturity.

County Offices shall establish a system to periodically monitor the repayment schedule.

1202-1209 (Reserved)

Section 2 Corn and Grain Sorghum HM Recourse Loans**1210 Commodity Recourse Loans****A Availability**

To provide the maximum benefits to producers who normally harvest and store all or a portion of their corn or grain sorghum at moisture levels exceeding 2-LP standards, even if the moisture level is below the maximum STC-established level, producers may obtain a recourse loan for:

- HM corn or grain sorghum stored in structures capable of storing ensilage

Example: Grain stored in Harvestore, pit silo, or oxygen limiting structures.

- an acquired quantity to replace HM corn and grain sorghum according to paragraph 1211.

B Eligibility

HM corn and grain sorghum **must** meet the definition for the applicable commodity according to the U.S. Standards for Grain that, in part, require 50 percent or more whole kernels and a moisture level higher than the 2-LP standard * * * moisture level for HM corn and grain sorghum.

In **all** cases, HM corn and grain sorghum **must** be harvested as grain.

1210 Commodity Recourse Loans (Continued)**C Final Date to Request Loan**

The producer **must** request the loan by the final availability date for the commodity according to subparagraph 226 C. See paragraph 1211 for the final request date on acquired grain.

D Loan Rate

The loan rate shall be, for commodities stored in structures that:

- can be measured, 100 percent of the base county loan rate if the quantity is:
 - measured and the structure may or may not be sealed after being measured
 - certified and the structure will **not** be sealed
- **cannot** be measured, 75 percent of the base county loan rate.

Example: \$2 base county loan rate x 75 percent = \$1.50 applicable loan rate.

Structures that are sealed shall be considered structures that “**cannot** be measured”.

* * *

E Moisture Determination

The moisture determination may be determined by any of the following:

- local warehouse or State inspection facilities at producer’s expense
- FSA employee
- producer’s certification of moisture, when the commodity is in a structure that **cannot** be measured.

Do **not**:

- obtain sample or certification for test weight
- adjust for test weight and pack factors.

Section 3 Cracked, Rolled, or Crimped Shelled or Ear Corn Recourse Loans**1215 Cracked, Rolled, or Crimped Corn Recourse Loans****A Availability**

Farm-stored recourse loans are available to eligible producers of shelled or ear corn that has been cracked, rolled, or crimped.

If LDP was paid on the corn, it is ineligible for loan.

***--Note:** Corn must have been initially harvested as either shelled or ear corn.--*

B Acceptable Cracked, Rolled, or Crimped Ear Corn

Acceptable cracked, rolled, or crimped **ear** corn may contain:

- broken kernels and cob reduced to pieces sufficiently large enough to identify by observation that the material is kernel and cob
- only minimal stalk, leaves, husk, and other additives
- less than 50 percent of whole kernels.

C Limitations

The authority to make loans on cracked, rolled, or crimped corn is limited to shelled or ear corn placed in eligible farm storage. This authority shall **not** be extended to any other variations of processed corn, including but **not** limited to the following:

- earlage
- ground corn
- silage.

1215 Cracked, Rolled, or Crimped Corn Recourse Loans (Continued)

D Loan Rate

The loan rate, including HM cracked, rolled, or crimped corn, shall be:

- 70 percent of the county loan rate if the commodity can be measured

Example: \$2 base county loan rate x 70 percent = \$1.40 applicable loan rate.

- 52.5 percent of the county loan rate if the commodity **cannot** be measured.

Example: \$2 base county loan rate x 52.5 percent = \$1.05 applicable loan rate.

* * *

E Maximum Loan Quantity

The loan quantity shall be:

- limited to 100 percent of the quantity certified by the producer or measured by the County Office
- adjusted for moisture according to subparagraph G.

County Offices shall:

- document on CCC-666 or CCC-677-1 that the corn is:
 - cracked, rolled, or crimped
 - ear or shelled
- ENTER “**RCK**” on Screen PLB10000 in the “Class/Variety” field when recording the loan in APSS.

Section 4 Distress Loans**1220 Initiating Distress Loans****A Availability**

[7 CFR 1421.103] State Office may initiate a distress loan program when **both** of the following apply:

- commodity is stored on the ground or in temporary facilities
- when there is a shortage of storage at harvest time:
 - on the farm
 - in local warehouses.

B Notification of Program

When a distress loan program is initiated in the State or in designated areas within the State:

- State Office shall notify:
 - PSD
 - County Offices
- County Offices shall immediately notify producers of the availability of distress loans for commodities stored in ineligible storage.

In addition to the availability of the distress loan program, provide producers with the information in subparagraphs C and D.

1220 Initiating Distress Loans (Continued)

C Loan Requests

Loan requests **must** be made and loan documents signed within 30 calendar days after harvest completion.

D Storage Location

The storage location for the commodity offered as collateral for the distress loan **must** be **both** of the following:

- protected from animals
- located so that water drainage will **not** seriously affect the quality or quantity of the commodity.

E Maximum Quantity and Loan Rate

The maximum quantity eligible for a certified or measured distress loan shall **not** exceed ***--75 percent of the eligible quantity. The loan rate shall not be reduced.--***

F Maturity Date

Distress loans mature on demand, but no later than 90 calendar days after the date the loan is disbursed.

The collateral may be repledged to secure a MAL, not to exceed the normal 9-month loan period according to paragraph 1221.

G Loan Repayment

On or before the distress loan maturity date, the loan **must** be repaid at principal plus interest. If collateral for the distress loan will be repledged, see subparagraph 1221 B.

H Preparing CCC-677

CCC-677 shall be prepared in APSS according to 12-PS.

Part 15 Mohair, Unshorn Pelt, and Wool Provisions**1500 General Information****A Purpose**

This Part provides general instructions for administering loans and LDP's for the following commodities:

- mohair

***--Note:** The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--*

- unshorn pelts
- wool
 - graded
 - ungraded.

Use this Part with the existing policy in this handbook, as applicable.

B Applicable Crop Years

The legislative source of authority in subparagraph 1 B authorizes nonrecourse LDP's and MAL's for mohair, unshorn pelts, and wool be made available to eligible producers from the 2014 through the 2018 crop years.

***--Note:** The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--*

1500 General Information (Continued)

C Loan and LDP Common General Provisions References

Except as otherwise noted in this Part, general LDP and MAL policies and requirements not specifically mentioned in this Part remain in effect according to provisions in this handbook.

1501-1504 (Reserved)

Section 2 General Provisions

1515 Basic Provisions

A Statutory Loan Rates

*--The national statutory loan rates provided in the Agriculture Act of 2014 for mohair and wool produced during the 2014 through 2018 crop year are as follows.

Commodity	Loan Rate 2014 Through 2018
Graded Wool	\$1.15 per pound
Mohair	\$4.20 per pound
Ungraded Wool	\$0.40 per pound

Note: Crop year specific loan rates will be announced each crop year by press release and an LP notice.

The loan rates, premiums, and discounts will be national rates. See Exhibit 67 for the--* most current crop year specific loan rates.

B Final Availability Date

The final availability date to request:

- a mohair or wool loan or LDP is **January 31** of the year following the year in which the applicable commodity is sheared
- an LDP for unshorn pelts is **January 31** of the year following the year in which the unshorn lamb is slaughtered.

1515 Basic Provisions (Continued)**C Announcing Posted Prices**

Prices for wool and mohair, if applicable, will be announced each Tuesday at 3 p.m., e.t. until further notice. The posted prices will become effective Wednesday at 12:01 a.m. e.t.

***--Notes:** The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--*

If the posted prices are **not** announced as scheduled, the last posted prices announced will remain in effect until the next rate changes are announced. Therefore, a producer will receive the rate in effect on the day of the request.

D Availability

Loans and LDP's are available to eligible producers in any area in the U.S. and Puerto Rico where the applicable commodity is produced.

E Requesting Loans and LDP's

Requests for loans and LDP's shall be made on or before the final availability date for requesting loans and LDP's.

F Final Disbursement Date

The disbursement date shall not be later than 30 calendar days after the final loan availability date. When the final loan availability date falls on a nonworkday, the final date shall be extended to the next workday.

State Offices may grant extensions in 15-day increments, as applicable.

G Crop Year

The crop year applicable to mohair, unshorn pelts, and wool is the calendar year beginning January 1 and ending December 31.

Section 4 LDP Provisions**1535 LDP Requirements****A General LDP Provisions**

LDP requirements provided in this section are subject to the general provisions provided in Part 10, Section 1.

B Producer Eligibility Requirements

Producers applying for LDP must:

- meet eligibility requirements in Section 1, as applicable
- with the exception of unshorn pelts, agree to forgo obtaining a loan for the quantity on which LDP is requested.

C LDP Benefits

CCC-633 EZ's shall be used to request LDP benefits for wool, mohair, and unshorn pelts. CCC-633 EZ has been developed to encompass both basic and field direct LDP's.

CCC-633 EZ is a 2-part LDP request consisting of multiple pages that allow producers to do both of the following:

- indicate their intentions to receive LDP benefits before losing beneficial interest in the eligible commodity using CCC-633 EZ, page 1
- submit a request for an LDP benefit for wool, mohair, and unshorn pelts at any time during the loan/LDP availability period before or after losing beneficial interest in the commodity, using CCC-633 EZ, page 4.

***--Note:** The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--*

1535 LDP Requirements (Continued)**D Eligible Quantity**

To be eligible for LDP, the quantity of commodity must:

- meet eligibility requirements in Section 1
- have been produced by an eligible producer
- not have been previously pledged as collateral for a loan and repaid with cash at a rate less than the principal, plus interest
- not have been previously requested or paid for LDP.

A quantity of a commodity eligible to be repledged for a nonrecourse loan is eligible for LDP.

E LDP Common Provisions

The following provisions are common to nonrecourse MAL's and are also common to LDP's:

- beneficial interest
- final availability date
- assignments
- administrative offsets
- spot checks
- eligibility requirements

F Nonapplicable LDP Provisions

The following provisions common for loans are **not** required for LDP:

- lien searches
- lien waivers
- approved storage
- premiums and discounts
- State commodity assessments.

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.

***--Note:** The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--*

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 LDP or MAL 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		35, 200, 501, 1000, Ex. 4
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	502	501, 521, 617
CCC-25	Uniform Grain and Rice Storage Agreement (UGRSA)		318, 702
CCC-39	Request for Issuance of Duplicate Warehouse Receipt(s)	549	
CCC-156	Loading Order, Trust Order and Invoice for Charges		816
CCC-257	Schedule of Deposit		318, 702
CCC-258	Wire Transfer of Funds	720	
CCC-491	Beneficial Interest Certification Sheet	228	
CCC-500	Loan Payment Receipt	700	416, 700, 718-720
CCC-500-1	Loan Payment Receipt Continuation Sheet		700
CCC-601	Commodity Credit Corporation Note and Security Agreement Terms and Conditions	Ex. 5	10, 410, 510
CCC-605	Authorization of Electronic Agent and Designation of Agent - Cotton		Ex. 4
CCC-605P	Designation of Agent – Peanut		Ex. 4
CCC-631	CCC Wool Testing Facility Certification and Application	1510	1509

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-633EW	Loan and LDP Eligibility Worksheet Commodities Harvested as Other Than Grain Determining Maximum Eligible Quantity	336	
CCC-633 EZ	Loan Deficiency Payment (LDP) Agreement and Request	261.6	Text, Ex. 4
CCC-633 GRAZING	Grazing Payment Program Application	1105	1102-1104
CCC-633WM	Wool and Mohair Loan Quantity Certification and Worksheet	1527	234
CCC-638	Confirmation of Sale	860	857
CCC-639	Competitive Bid Pricing Worksheet	859	858, 860
CCC-643	Request for Shipping Instructions	806	804
CCC-664	Agreement to Permit Assumption of a CCC Loan		206
CCC-665	Agreement for Grain Pledged as Collateral for CCC Commodity Loans	527	501, 600
CCC-666	Commodity Loan Request	524	Text, Ex. 4
CCC-674	Certification for Contract, Grants, Loans, and Cooperative Agreements	28	1000
CCC-676	LDP and Loan Number Register		615
CCC-677	Farm Storage Note and Security Agreement		Text
CCC-677S	Farm Storage Note and Security Agreement (for sequestered 2013 loans)		Text
CCC-677-1	Farm Storage Loan Worksheet	Ex. 15	Text
CCC-678	Warehouse Storage Note and Security Agreement		Text
CCC-678S	Warehouse Storage Note and Security Agreement (for sequestered 2013 loans)		Text
CCC-679	Lien Waiver	505	30, 504, 510, 547, 607, 754
CCC-681	Authorization to Move Loan Collateral for Rotation or Transfer	614	613, 615, 619
CCC-681-1	Authorization for Delivery of Loan Collateral for Sale	743	Text, Ex. 2
CCC-683	Commodity Loan Seal	Ex. 16	316, 523, 524
CCC-685	Authorization to Release Warehouse Receipts	770	
CCC-686	Application for Loan or LDP by Heirs (On a Commodity Produced by a Person Who Has Died)	205	200
CCC-687-1	Approval to Commingle or Move Loan Collateral	600	317, 526
CCC-691	Commodity Delivery Notice	801, 816, 817	Text

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-692	Settlement Statement		822, 862
CCC-697	Request to Lock In a Market Loan Repayment Rate	717	Text
CCC-699	Reconcentration Agreement and Trust Receipt	628	627, 629-631
CCC-770 LDP	Loan Deficiency Payment (LDP) and eLDP Program Review Checklist	23	25, 36, 234
CCC-770 MAL	Marketing Assistance Loan (MAL) Processing Checklist	23	25, 36, 234, 501, 509
CCC-901	Members Information Agricultural Act of 2014		200, 1000, Ex. 4
CCC-902	Farm Operating Plan		35, 200, 203, 501, 1000, Ex. 4
CCC-930	AMS Inspection Certificate of Quality Factors for Wool and Mohair	1575	
CCC-931C	Average Adjusted Gross Income (AGI) Certification and Consent to Disclose Tax Information (For Successors to Conservation Program Contracts and Agreements Only)		35, 200, 501, 1000, Ex. 2
CCC-933	Average Adjusted Gross Income (AGI) Certification and Consent to Disclose Tax Information (for 2013)		35, 200, 501, 1000, Ex. 2
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information		35, 200, 501, 1000, Ex. 4
CCC-1099-A	Report of Loan, Forfeiture, Settlement, and Abandonment to Producer		27
CCC-1099-A-2	Important Information About IRS Form 1099-A		27
CCC-1099-G	Report Payments to Producers (Reported to IRS)		27
CCC-1099-MISC	20XX Miscellaneous Income		27
FSA-211	Power of Attorney		227, 770, Ex. 4
FSA-321	Finality Rule and Misaction/Misinformation		318
FSA-409	Measurement Service Record		500, 523-525, 1002, 1005, 1008
FSA-578	Report of Acreage		Text, Ex. 4
FSA-2360	Report of Lien Search		504

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

Forms (Continued)

Number	Title	Display Reference	Reference
KC-232	Notice of Approval or Change in Status of Storage Agreement/Schedule of Warehouses		40
KC-350 (Grain)	Warehouse Operator's Supplemental Certificate		Text
KC-350 (Oilseed)	Warehouse Operator's Supplemental Certificate		Text
KC-385	Merger of Locations Under a Single CCC Code Number		537
SF-LLL	Disclosure of Lobbying Activities	28	
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet	28	
UCC-1	Financing Statement		502, 504, 521, 524
UCC-1F	Effective Financing Statement		524, 1527
WA-302	Examination Report		544

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
F.O.B.	freight on board	228, 858, 859, 860, 862
HM	high moisture	Text, Ex. 2, 15
MB	Merchandising Branch	40, 605, 817, 826, 901
PCP	posted county price	3, 235, 720, 785, 786
PD	Procurement Division	41, 605, 817, 826, 901
RCP	regionally calculated price	235, 785, 786
SCB	Storage Commodities Branch	537, 800
SORS	State Office Reporting System	3, 37, 40
USWA	U.S. Warehouse Act	3, 522, 535, Ex, 2
WLED	Warehouse Licensing and Examination Division	40, 537, 800

Delegations of Authority

Delegation of authority is provided in paragraph 2.

Definitions of Terms Used in This Handbook**Administrative Actions**

Administrative actions mean punitive actions taken against a producer who incorrectly certifies a quantity or makes any fraudulent representation with respect to obtaining a loan or LDP, or removes or disposes of a farm-stored commodity pledged as collateral for a loan without authorization.

Administrative actions include:

- calling the loan
- requiring the producer to repay the outstanding loan principal and charges, plus accrued interest, with cash applicable to the loan quantity involved in the violation
- requiring repayment of LDP quantity involved in a violation
- requiring repayment of the entire LDP quantity
- assessing liquidated damages on the quantity involved in the violation
- denying the producer farm-stored loans, and LDP's without production evidence, up to 24 months after the violation is discovered
- assessing interest on storage payment refunds, if applicable.

Alternate Bid

Alternate bid means a bid that provides for an amount to be added to or deducted from the stated bid amount.

Authorized Commodities

Authorized commodities mean the following:

- barley
- corn
- grain sorghum, including dual purpose sorghum varieties as determined by CCC.
- honey

Definitions of Terms Used in This Handbook (Continued)

Authorized Commodities (Continued)

- mohair

***--Note:** The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.--*

- oats
- oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower seed, sesame seed, soybeans, and sunflower seeds
- pulse crops, including large and small chickpeas, dry peas, and lentils
- rice, long and medium grain (medium grain includes short grain according to 2-LP Rice)
- wheat
- wool, graded and nongraded
- any of the commodities listed in this definition, mechanically harvested as other than grain, **excluding** hay or silage (paragraph 520).

Note: Hay, silage, and unshorn pelts are eligible for LDP **only** (paragraph 1020).

Authorized Warehouse Storage

Authorized warehouse storage means warehouses that are either of the following:

- Federally licensed under USWA
- if **not** Federally licensed, are either of the following:
 - in compliance with State laws in a State with an operating warehouse licensing program and issues warehouse receipts that meet the criteria for MAL's as specified in paragraph 545
 - located in a State without an operating warehoused licensing program and have entered into UGRSA with CCC.

Buyer

Buyer means the warehouse operator, broker, agent, or other person or entity the producer designates for issuing CCC-681-1.

***--MAL, Market Loan Gain, and LDP Eligibility Requirements**

The following table lists the specific eligibility requirements **required** for MAL disbursements and principal and interest repayments, MAL market loan gain repayments, and LDP's, and the forms required.

Eligibility Requirement	Form required before:		
	MAL Disbursement and Principal and Interest Repayment	MAL Market Loan Gain Repayment	LDP
FSA-578 on file showing share in requested commodity.	FSA-578	FSA-578	FSA-578
Actively engaged and cash rent tenant determinations.	N/A	CCC-902, and CCC-901 if an entity.	CCC-902, and CCC-901 if an entity.
AGI determinations.	N/A	CCC-941	CCC-941
Beneficial interest in commodity. <u>1/</u>	Producer must retain beneficial interest in commodity from time of planting through date MAL is redeemed or CCC takes title.	Producer must retain beneficial interest in commodity from time of planting through date MAL is redeemed.	Producer must retain beneficial interest in commodity from time of planting through date CCC-633 EZ, Page 1 is filed in County Office.
Conservation compliance determination.	AD-1026	AD-1026	AD-1026
Controlled substance determination.	Program participants convicted under Federal or State law of planting cultivating, growing, producing, harvesting, or storing a controlled substance are ineligible for LDP's and MAL's for the current and 4 succeeding crop years.		
Delinquent debt determination. Producer certification.	CCC-666	CCC-666	CCC-633 EZ, page 2, 3, or 4.
Foreign person determination.	CCC-902I, Part B or CCC-902E, Part C, as applicable.	CCC-902	CCC-902
Fraud determination, including FDIC fraud.	Determination made and records updated in the National Office.		
LDP agreement.	N/A	N/A	CCC-633 EZ, page 1 filed in County Office.
Member contribution.	N/A	CCC-902 and CCC-901	CCC-902 and CCC-901
Power of attorney.	FSA-211, CCC-605, or CCC-605P to designate agent authorized to redeem MAL collateral.	FSA-211, CCC-605, or CCC-605P to designate agent authorized to redeem MAL collateral.	FSA-211

1/ Beneficial interest means the producer maintains control of and title to the commodity.

Notes: Eligibility flags for the entity and **all** entity members **must** be updated in the Subsidiary File, according to 3-PL and 5-PL.

If the required determinations are **not** made and the Subsidiary File is updated, a market gain repayment and/or LDP will be denied or reduced to the producer or payment entity.

Entity members are **required** to complete CCC-941 and AD-1026, according to 5-PL and 6-CP.--*

Example of CCC-601

The following is an example of CCC-601.

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This form is available electronically.
CCC-601
(10-30-13)

See Page 7 for Privacy Act and Paperwork Reduction Act Statements.
U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

**COMMODITY CREDIT CORPORATION
NOTE AND SECURITY AGREEMENT TERMS AND CONDITIONS**

NOTE: Marketing Assistance Loans and Commodity Loans may be reduced by a specified percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011. Should a reduction be required, the total loan amount shall be reduced by the required sequestration reduction.

1. GENERAL.

(a) Definitions. The following definitions shall apply to this form, CCC-601, and any appendix thereto.

"Amount Due" means that amount of the loan due CCC on the maturity date which is (A) the sum of: (1) the total loan amount; (2) any applicable charges; as determined by CCC and applicable interest as provided in the definitions found in this agreement, or (B) at CCC's discretion, an amount that is less than the sum of the amount of the loan principal plus charges and applicable interest.

"CCC" means the Commodity Credit Corporation.

"Classification" means the measurement results provided by the Agricultural Marketing Service of color grade, leaf, staple length, uniformity, extraneous matter and micronaire, and for upland cotton, strength.

"Collateral" means the kind, class, type, and quantity of the commodity which has been pledged by the producer as collateral for the satisfaction of the loan as identified in the Note. The collateral consists of (A) with respect to farm-stored loans, the entire quantity of the commodity which is stored as identified in the Note and any authorized replacement of such quantity; or (B) with respect to warehouse-stored loans, the commodity represented by the warehouse receipts identified in the Note and any required supporting documents.

"Interest" means for a CCC commodity loan disbursed by a U.S. Treasury issued check or by EFT, an amount calculated when repaid on a daily basis from the date of disbursement to, but not including, the second day before the date of repayment (7 CFR Part 1405).

"Loan Service Fee" means the service fee deducted at loan disbursement and is calculated as follows: (A) for wheat, feed grains, oilseeds, lentils, dry peas, chick peas, wool, mohair, peanuts, rice, and seed cotton, the smaller of $\frac{1}{2}$ of 1 percent (.005) times the gross loan amount or \$45 per loan plus \$3 for each storage structure, warehouse receipt, rick or module, as applicable, over 1; (B) for ginned cotton, the smaller of $\frac{1}{2}$ of 1 percent (.005) times the gross loan amount or \$7.50 per loan plus 90 cents for each bale; (C) for sugar, \$60 per loan; and (D) for distress loans, \$45 per loan.

"Note" means any CCC Note and Security Agreement which by reference incorporates this form.

"Reduced Loan Amount" means the total loan principal amount after any sequestration reduction.

"Regulations" means the regulations in Title 7 of the Code of Federal Regulations which are applicable to the crop of the commodity described in the Note.

"Schedules of Premiums and Discounts" means the premiums and discounts established by CCC which are applicable to the grade or classification of the commodity as determined from the grading factors reflected on a: (A) warehouse receipt; (B) Federal Grain Inspection Service official grading certificate; (C) Agricultural Marketing Service Classification; or (D) Core test report from a CCC-approved testing facility. These premiums and discounts shall be used in the settlement of a nonrecourse loan if the producer does not repay the loan as required by the program regulations. Copies of the schedules of premiums and discounts are available in State or county Farm Service Agency offices.

"Sequestration Reduction Rate" means the reduction rate required by the Budget Control Act of 2011, and applicable to specified programs to reduce government spending.

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Example of CCC-601 (Continued)

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"Total Disbursement Amount" means the disbursement amount after the sequestration reduction, service fees, applicable commodity assessment, and other fees are subtracted. This amount includes any offsets paid to others on the producer's behalf by CCC.

"Total Loan Amount" means the amount so identified in the Note, and is the applicable statutory loan rate for the specified commodity at the storage location identified, including those premiums and discounts applicable at loan making, times the loan quantity.

All other words and phrases shall have the meanings assigned to them in the regulations found at 7 CFR Parts 718, 1400, 1403, 1405, 1421, 1425, 1427, 1434 and 1435.

(b) Joint and Several Liability. Each producer signing the Note is jointly and severally liable for payment of the amount due. If a producer has granted another person the authority to act on behalf of the producer with respect to any, or all, of the provisions of this note, if the actions of such other person result in loss or damage to CCC, the producer and such person shall be jointly and severally liable for payment to reimburse CCC for each losses or damages.

(c) Notification. Several of the terms and conditions of the Note require the producer to notify CCC of actions to be taken by the producer. Any such notification must be made by notifying a representative of CCC at the Farm Service Agency county office that prepared the Note. All notices which CCC must provide to the producer will be mailed to the producer at the address maintained by that office. The producer will be deemed to have received such notice upon deposit, as first class or priority mail, in the U.S. Mail.

(d) Applicable Sections. Except as may otherwise be stated herein: (i) Sections 1 through 3, 5 through 7 and 11 are applicable to all loans; (ii) Section 4 is only applicable to nonrecourse loans; (iii) Section 8 is only applicable to farm-stored nonrecourse loans; (iv) Section 9 is only applicable to warehouse-stored nonrecourse loans; (v) Section 10 is only applicable to recourse loans.

(e) Applicable Regulations. The Note evidences a CCC loan made in accordance with Title 7 of the Code of Federal Regulations. Applicable parts of Title 7 of the Code of Federal Regulations are incorporated by reference as a part of the Note.

2. EQUAL OPPORTUNITY. Participation in CCC Programs is open to all eligible applicants without regard to race, color, religion, national origin, age, sex, marital status, or disability.

3. LOAN MATURITY. The Note will mature at the earlier of the maturity date stated in the Note or any earlier date determined by CCC. If CCC makes demand for payment before the stated maturity date, the producer will be notified in writing of the accelerated maturity date.

4. LIQUIDATION OF NONRECOURSE LOANS. On or before the loan maturity date, the producer may repay the loan by paying the amount due. If the producer repays the loan at a rate less than the sum of the loan principal plus charges and interest, the producer must provide to CCC evidence of production of the commodity which had been pledged as collateral for the loan. In lieu of repayment of the amount due, the producer may, in accordance with Sections 8 and 9, deliver the collateral to CCC. In the case of farm-stored loans, the producer shall bear all expenses including receiving charges of the delivery of the collateral to the delivery point stated in the delivery instructions issued by CCC. The producer will pay to CCC any costs incurred by CCC if the producer fails to deliver the collateral in accordance with such instructions. All wool and mohair nonrecourse marketing assistance loans not repaid by the loan maturity date must be liquidated through local sales at the farm storage location within a 60-calendar day period at no storage expense to CCC. Any charges incurred by CCC as a result of the local sale will be paid by the producer.

5. WAIVER OF PRESENTMENT. The producer waives presentment for payment, demand, protest, notice of protest, and notice of non-payment of the Note.

6. PRODUCER'S RESPONSIBILITY.

(a) General. The producer must be in compliance with all applicable program requirements and must have beneficial interest in the commodity pledged as collateral for the loan.

(b) Liens. The producer must pledge commodities that are eligible for loan and that are free and clear of all liens including Federal and State tax liens, security interests, and other encumbrances. No additional liens or encumbrances shall be placed on the loan collateral after the loan is approved.

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Example of CCC-601 (Continued)

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CCC-601 (10-30-13)

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- (c) **Movement of Collateral.** The producer will not move any collateral from the location stated in the Note without prior approval of CCC and then only in accordance with instructions issued by CCC or provisions of CCC-699C, Cotton Transfer Agreement. If such movement is not completed as instructed by CCC or the collateral is disposed of, either CCC may at its discretion accelerate the loan maturity date, assess liquidated damages as specified in Section 6(g), and take other administrative actions, as determined appropriate by CCC, including denial of future loans.
- (d) **Access to Collateral.** The producer will allow CCC to enter the premises and inspect the collateral. In the case of high moisture collateral stored in oxygen-limiting structures, the producer must open the facility when requested by CCC to permit inspection of the collateral. If safe access to the collateral is not provided or if the inspection cap on the facility is not opened to permit visual inspection of the collateral, the loan maturity date may be accelerated.
- (e) **Certification.** The producer must provide an accurate certification of the quantity of the commodity to be pledged as collateral for a loan. If CCC determines that the producer has filed an incorrect certification of such eligible quantity, CCC may at its discretion accelerate the loan maturity date, assess liquidated damages, as specified in Section 6(g), and take other administrative actions, as determined by CCC, including denial of future loans.
- (f) **Loss or Damaged Loan Collateral.** The producer is responsible for any loss in quantity or quality of the commodity pledged as collateral for a farm-stored or warehouse-stored loan. CCC shall not assume any loss in quantity or quality of the loan collateral regardless of where stored.
- (g) **Liquidated Damages.** If CCC determines that the producer has violated provisions of Sections 6(c), 6(e), or 7(a), liquidated damages may be assessed on the quantity of the commodity which is involved in the violation. For each violation, CCC will review the actions of the producer to determine if the producer acted in good faith to comply with such provisions.
- (i) For producers determined to have violated provisions of Section 6(c) and if CCC determines that the producer acted in good faith, liquidated damages may be assessed by multiplying the quantity involved in the violation by 10 percent of the loan rate. The producer shall pay such liquidated damage penalties plus the lesser of (1) the principal amount of the loan and charges plus interest, (2) CCC determined value on the date the violation occurred plus 15 percent of the applicable loan rate with respect to the quantity involved in the violation within 30 days of notification by CCC, or CCC will call the loan involved in the violation and require full payment at principal and charges plus interest. For honey, the producer shall pay the principal amount of the loan and charges plus interest.
- (ii) For producers determined to have violated provisions of Section 6(e) or 7(a), and if CCC determines the producer acted in good faith, liquidated damages maybe assessed by multiplying the quantity involved in the violation by 10 percent of the loan rate. The producer shall pay such liquidated damages plus the principal amount of the loan and charges plus interest with respect to the quantity involved in the violation, within 30 days of notification by CCC, or CCC will call the loan involved in the violation.
- (iii) If CCC determines that the producer did not act in good faith with regard to the violation, or for cases other than the first or second offense, CCC will call the loan involved in the violation and may assess liquidated damages computed by multiplying the quantity involved in the violation by 10 percent of the loan rate. The producer shall pay such liquidated damages plus the principal amount of the loan and charges plus interest.
- (h) **Delinquent Federal Nontax Debt.** If it is discovered that a producer incorrectly certified to the DCIA question, the producer will be notified that the loan must be repaid at principal and interest immediately.
- If a producer receives a loan and it is later discovered that the producer has a delinquent Federal nontax debt, the producer will be notified that the delinquent Federal nontax debt must be resolved before the final loan availability date for the applicable commodity. If the delinquent Federal nontax debt is not resolved before the final loan availability date, the producer must repay the loan at principal plus interest.
- (i) **Certification for Contracts, Grants, Loans and Cooperative Agreements.** If it is discovered that a producer did not comply with lobbying disclosure requirements (31 U.S.C. 1352), applicants for and recipients of :1) A Federal loan exceeding \$150,000; or 2) A Federal contract, grant, or cooperative agreement payment exceeding \$100,000 must file, with the disbursing office a SF-LLL if they have or will use monies received for lobbying purposes. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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Example of CCC-601 (Continued)

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CCC-601 (10-30-13)

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- (j) **Miscellaneous Charges.** Miscellaneous charges, such as but not limited to storage and receiving are the sole responsibility of the producer requesting the MAL or commodity loan.

7. **LIABILITY OF PRODUCER.**

- (a) **Fraud or Conversion.** If the producer has made a fraudulent representation in obtaining the loan or has engaged in or aided in the conversion of the collateral, the producer will be liable for the amount of the loan, for any additional amounts paid to the producer, and for all costs which CCC would not have incurred had it not been for the fraudulent representation or conversion, plus interest on such amounts. In addition, CCC may assess liquidated damages, as specified in Section 6(g), and take other administrative actions, as determined by CCC, including denial of future farm-stored loans.
- (b) **Poisonous Substances and Contamination.** The producer will be liable for any damage resulting from tendering to CCC any commodity, whether or not accepted by CCC, containing mercurial compounds, toxin producing molds or other substances poisonous to humans or animals.
- (c) **Over-disbursement or Under-collection.** If the amount disbursed under the Note exceeds the amount authorized by the applicable regulations or a repayment made by the producer is insufficient to repay the amount due, the producer will be liable for repayment of such amounts and charges, if any, plus interest.
- (d) **Claims.** If the producer fails to settle the loan within 30 calendar days from the maturity date of the loan, or such other date as CCC may agree to, a claim for the amount due will be established in accordance with applicable statutes and regulations.
- (e) **Ineligible Commodities.** If at any time CCC determines that the commodity pledged as collateral is ineligible to be pledged as collateral for the loan, the producer shall be liable for the amount of the loan or if the producer repaid the loan at a rate less than the sum of the loan principal plus charges and interest for the ineligible quantity, the producer must repay to CCC the difference between such sum and the repayment amount, plus interest on such amounts. If the producer has received credit from CCC for storage, such amount must also be repaid. Ineligible commodities may not be delivered to CCC in satisfaction of the amount due, except as may be determined by CCC. If CCC allows the producer to deliver the commodity to CCC in satisfaction of the amount due, the value of the commodity shall be determined as specified by either Section 8(b) or 9(c).

8. **FARM-STORED NONRECOURSE LOANS.**

- (a) **General.** This section is applicable to a loan made with respect to collateral stored in CCC-approved storage under the control of the producer and not in a public warehouse.
- (b) **Settlement.** (i) If the producer elects to deliver the collateral to CCC in satisfaction of the amount due in accordance with Section 4, CCC will not accept delivery of any quantity of commodity in excess of 110 percent of the eligible outstanding loan quantity, at time of settlement, as determined by CCC. If a quantity in excess of the eligible quantity is included on the warehouse receipt tendered to CCC for such delivery, the producer shall provide for the correction of such warehouse receipt and other applicable documents. If the producer does not take action to correct such warehouse receipt, CCC shall provide for such corrected documents and any charges incurred by CCC shall be for the account of the producer. The collateral shall be delivered in bulk form except as determined by CCC. If the loan collateral is delivered to CCC in satisfaction of the amount due, in accordance with Section 4, the value of the collateral for purposes of settlement will be determined using the applicable schedules of premiums and discounts on the basis of the quality of the collateral for the quantity which is delivered to CCC. (ii) Settlement of corn is collateral will be made on a shelled corn basis. (iii) If the value of the collateral at settlement is less than the amount due because of any loss in quantity or quality of the collateral, the producer will pay to CCC the amount of such deficiency and charges, plus interest on such deficiency from the date of disbursement. (iv) If the value of the collateral at or subsequent to the time of settlement is greater than the amount due, CCC will retain such excess and will not pay such amount to any party. (v) If at any time prior to the maturity date of the loan the collateral can no longer be properly stored due to deterioration or for any other reason, the producer may authorize CCC to sell such collateral on behalf of the producer. (vi) Title to the collateral will vest in CCC only after delivery of the collateral to CCC in accordance with Section 4.

9. **WAREHOUSE-STORED NONRECOURSE LOANS.**

- (a) **General.** This section is applicable to a loan that has been made with respect to eligible commodities pledged as loan collateral which is stored in a warehouse approved by CCC.
- (b) **Rights of CCC.** At any time prior to the date CCC takes title to the collateral or the date the producer redeems such collateral, in order to protect its interest, CCC may move the collateral from one storage location to another storage

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Example of CCC-601 (Continued)

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CCC-601 (10-30-13)

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location, take actions to protect or determine the quality of the collateral, or accelerate the maturity date of such loan. Any charges incurred by CCC as the result of such actions will be paid by the party redeeming such collateral.

- (c) **Settlement.** (i) If the producer elects to forfeit the collateral in satisfaction of the amount due in accordance with Section 4, the value of the collateral for purposes of settlement will be determined using the applicable schedules of premiums and discounts on the basis of the weight, grade, and other quality factors stated on the warehouse receipt or supporting documents. (ii) If the value of the collateral at or subsequent to the time of settlement is less than the amount due, the producer will pay to CCC the sum of the amount of such deficiency plus charges, and interest which has accrued on such deficiency from the date of disbursement. (iii) If the value of the collateral at settlement is greater than the amount due, CCC will retain such excess and will not pay such amount to any party. (iv) Title to the collateral will vest in CCC on the day following the loan maturity date. (v) CCC may elect to calculate such settlement values based on the net weight, good condition, and classification as reflected on the warehouse receipt delivered to CCC, whether such receipt is the receipt issued by the original storing warehouse and presented for calculating the loan amount or a receipt issued by a subsequent warehouse due to the transfer of such commodity while pledged as collateral for a CCC loan.
- (d) **Cotton EWR's.** For all bales on the cotton loan specified in the Note that are represented by an electronic warehouse receipt (EWR), the producer hereby: 1) acknowledges having exclusive authority to authorize and designate an entity to transfer holdership of EWR's to CCC; 2) authorizes the individual or entity that transfers holdership of EWR's to CCC for loan, in accordance with requirements of the EWR provider, to (a) establish at the direction of the producer an Electronic Agent Designation (EAD) for the loan cotton as identified on CCC-605, Designation of Agent, and (b) identify the loan cotton eligible for electronic redemption; 3) agrees that the designate agent, or any subsequent agent, identified by form CCC-605 or by the agent field of the EWR is authorized to repay the CCC loan obligation of the cotton; 4) requests and authorizes CCC to accept repayment from, and release loan collateral of the note to the individual or entity identified in the agent field of the EWR for the bales; 5) agrees to hold CCC harmless for any errors that may result from reliance on the information supplied by the producer, producer's agent, or subsequent agent through the EWR or otherwise; and 6) acknowledges that the loan may be removed from the EAD redemption process by specific request to the FSA County Office that processed the loan (see question on CCC-Cotton A-S).
- (e) **Cotton Loan Redemptions and Settlement.** (i) The amount by which an upland cotton loan repayment value may be reduced for the value of storage charges during the period of the loan shall be zero for any period the cotton is stored outside and shall otherwise be calculated based on the maximum payment rate determined for the warehouse and announced by CCC. Cotton shall be considered by CCC to be stored outside if it is stored outside any time during the period of the loan exceeding the 15-day period that starts with the first day the warehouse is notified the cotton is pledged as collateral for a CCC loan. (ii) If the producer elects to forfeit either upland cotton or ELS cotton loan collateral to CCC in satisfaction of the amount due in accordance with Section 1(a), the producer shall pay to CCC: (at rates that are specified in the storage agreement between the warehouse where the cotton is stored and CCC) (1) all warehouse storage charges associated with the forfeited cotton that accrued before the cotton was pledged as collateral for the loan; (2) any accrued warehouse receiving charges associated with the forfeited cotton, including, if applicable, charges for new bale ties, unpaid warehouse compression, or other charges as may be levied by the storing warehouse, and (3) Warehouse storage charges for periods of outside storage or charges that exceed the maximum storage credit rates for the loan period paid by CCC to the warehouse.
- (f) **Transfer of CCC Upland or ELS Cotton or Peanut Loan Collateral.** Collateral for an upland or ELS cotton or peanut marketing assistance loan may be transferred from a CCC-approved warehouse to another CCC-approved warehouse if CCC holds as security for the loan a warehouse receipt with respect to such commodity and the following terms and conditions of this subsection are met. (i) The producer may grant authorization to transfer loan collateral only to the agent designated and authorized by the producer to redeem all or a portion of the loan collateral. Any authorization to transfer loan collateral granted by the producer may be transferred by such agent of the producer to a subsequent agent as provided by the terms of applicable CCC forms. A producer is not obligated by CCC to grant authorization to transfer loan collateral as a condition of designating and authorizing any agent to redeem from loan all or a portion of the loan commodity. (ii) CCC will calculate any loan redemption for transferred cotton based on the credits, and charges with respect to the shipping warehouse under the transfer authorization. If a producer delivers transferred cotton to CCC in satisfaction of a loan obligation, CCC will settle such collateral delivery based on the charges effective at the receiving warehouse plus any unpaid charges at the shipping warehouse. (iii) As a condition for CCC to approve the transfer of cotton loan collateral, the requestor of a transfer, whether such requestor is the producer, or the producer's agent, must agree to pay all charges that may result from such transfer or intended transfer and be responsible for all losses of quantity or quality that result from the transfer. Despite any such agreement, the producer is responsible for any charges associated with the transfer of CCC cotton loan collateral including those that are not paid by any agent, or subsequent agent, the producer authorized to request such a transfer and who agreed to pay such charges. All such unpaid charges are for the account of the producer and shall not be charged to the outstanding balance of the loan obligation. CCC will not assume any liability for any charge associated with the transfer of any cotton loan collateral. (iv) The producer is responsible to CCC for all losses of quantity or quality associated with the transfer of

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Example of CCC-601 (Continued)

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CCC-601 (10-30-13)

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CCC cotton loan collateral including unpaid losses on transfers made at the request of an agent of the producer even if the agent had agreed to pay such charges. CCC does not assume any loss in quantity or quality resulting from transfer of the loan collateral. (v) If at any time prior to the maturity date of the loan the collateral can no longer be properly stored due to deterioration or for any other reason, the producer may authorize CCC to sell such collateral on behalf of the producer. (vi) Title to the collateral will vest in CCC only after delivery of the collateral to CCC in accordance with Section 4.

10. RECOURSE LOANS.

- (a) **General.** CCC may make recourse loans available to eligible producers of high moisture corn, high moisture grain sorghum, seed cotton, and other commodities, as determined by CCC. If such loans are available, the producer is liable for the entire amount due and may not deliver the collateral to CCC in satisfaction of the amount due, except as may be determined by CCC.
- (b) **Availability of Nonrecourse Loans.** In limited circumstances, CCC may allow the producer to pledge as collateral for a nonrecourse loan the commodity which has been previously pledged as collateral for a recourse loan. The maturity date for such loans shall be as determined by CCC. If this option is made available by CCC, the producer must immediately repay the entire amount due under the recourse loan.
- (c) **High Moisture.** Producers of corn and grain sorghum who normally harvest all or a portion of their crop in a high moisture condition may obtain recourse loans from CCC. High moisture means moisture content in excess of: (i) for corn, 15.5 percent; and (ii) for grain sorghum, 14.0 percent. Producers of such high moisture commodities who deliver such commodities to a feedlot, feed mill, or commercial or on farm high moisture storage that does not meet CCC's requirements for approved storage may acquire, in the same county, a like quantity of such commodity to replace the applicable quantity of high moisture feed grains to obtain a loan. Such producers must: (i) complete the applicable CCC forms; and (ii) provide to CCC: (A) certified scale tickets which adequately describe the commodity, the weight of the commodity and the moisture content of the commodity; or (B) if such scale tickets are not available, measurements of the high moisture feed grain made while the commodity was in the field or in storage. Such loans will be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity not to exceed the quantity determined by multiplying: (i) the acreage of the feed grain in a high moisture condition harvested on the producer's farm; by (ii) the lower of the farm program yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grains were obtained.
- (d) **Seed Cotton.** The producer may, prior to the maturity date, with the written approval of CCC move seed cotton from the location where stored to a gin in order to gin such cotton and sell the cottonseed obtained therefrom. (i) If prior to the maturity date the amount due has not been paid, the producer will pay to CCC an amount equal to the proceeds obtained from the sale of the cottonseed and the lint cotton or, if a loan or loan deficiency payment is made by CCC with respect to the lint cotton, CCC will deduct the amount due from any such proceeds which are disbursed. (ii) If prior to the maturity date the amount due has not been paid or the collateral has not been ginned, the producer must, as instructed by CCC, move the collateral to a gin at the producer's expense. If the producer fails to move the collateral as instructed by CCC, CCC may enter the premises and remove, gin, and sell the collateral. Any proceeds from the sale of the collateral will be retained by CCC and applied to the amount due. (iii) If the amount due has not been paid and warehouse receipts have been issued with respect to lint cotton obtained from the collateral, the producer will deliver the receipts to CCC or allow CCC to obtain from any person such receipts. CCC may sell such cotton, if the amount due has not been paid by the maturity date.
- (e) **Discretionary Loans.** Commodities which are pledged as collateral for a non-recourse loan as provided in Sections 8 and 9 but which are determined to be ineligible to be pledged as collateral for such a loan due to the quality of the commodity or other factors affecting value of the commodity; or the storage of the commodity is unapproved storage, may, at CCC's sole discretion, be pledged as collateral for a recourse loan.
- (f) **Settlement.** (i) If CCC allows the producer to deliver to CCC in satisfaction of the amount due the quantity of the collateral which is described in the Note, the value of the collateral for purposes of settlement will be equal to the proceeds received from the sale or barter of the commodity. Title to the collateral will vest in CCC only after delivery of the collateral to CCC in accordance with Section 4. (ii) If the value of the collateral at settlement is less than the amount due, the producer will pay to CCC the amount of such deficiency plus charges, and applicable interest with respect to such deficiency from the date of disbursement. (iii) If the proceeds received from the sale or barter of the commodity are greater than the sum of the amount due plus any costs incurred by CCC in conducting the sale of the commodity, the amount of such excess will be paid to the producer or, if applicable, to any secured creditor of the producer.

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Example of CCC-601 (Continued)

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11. ADMINISTRATIVE AND JUDICIAL REVIEW.

The producer may obtain an administrative hearing in accordance with 7 CFR Part 780 with respect to a dispute arising between CCC and the producer concerning the Note, and must exhaust such administrative remedy prior to initiating a judicial action in a court of competent jurisdiction.

12. DISCLOSURE TO PRODUCERS.

CCC, in its capacity as lien holder of collateral pledged commodities, may share non private information with potential buyers of these commodities. This information may include, but not be limited to, loan quantity and principal.

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1421, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F – Administration) as amended by the American Taxpayer Relief Act of 2012 (see Pub. L. 112-240, Title VII, Extension of Agricultural Programs). The information will be used to specify the terms and conditions for a CCC Note And 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-2, Farm Records File (Automated) and 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 concerning the processing of the CCC Note And Security Agreement.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F – Administration) as amended by American Taxpayer Relief Act of 2012 (Pub. L. 112-240, Title VII, Extension of Agricultural Programs.)

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.

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Mohair and Wool Loan Rates

***--A Mohair LDP and MAL Suspension**

The Consolidated and Further Continuing Appropriations Act, 2015, signed on December 17, 2014, suspended mohair LDP's and MAL's for the balance of FY 2015 or from December 17, 2014, through September 30, 2015.

B 2015 Crop Year Loan Rates for Wool and Mohair

Loan rates applicable to 2015 crop year eligible mohair and wool are as follows.--*

Commodity	Micron	All Regions Loan Rate (\$/lb.)
Graded (Clean)Wool	<18.6	\$3.88
	18.6 - 19.5	\$3.38
	19.6 - 20.5	\$2.94
	20.6 - 22.0	\$2.72
	22.1 - 23.5	\$2.56
	23.6 - 25.9	\$2.33
	26.0 - 28.9	\$1.78
	29.0 and over	\$1.38
Nongraded (Greasy) Wool		\$0.40
Mohair		\$4.20

***--C 2014 Crop Year Loan Rates for Wool and Mohair**

Loan rates applicable to 2014 crop year eligible mohair and wool are as follows.

Commodity	Micron	All Regions Loan Rate (\$/lb.)
Graded (Clean)Wool	<18.6	\$3.88
	18.6 - 19.5	\$3.38
	19.6 - 20.5	\$2.94
	20.6 - 22.0	\$2.72
	22.1 - 23.5	\$2.56
	23.6 - 25.9	\$2.33
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