

For: Cotton State and County Offices

**Clarification for Processing Repayments of Transferred Cotton**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Notice CN-1018 advised State and County Offices that:

- transferred loan collateral **must** be repaid using Centralized Cotton Redemption (CCR)
- County Offices shall **not** accept repayment for transferred cotton in the local office.

**B Purpose**

This notice provides State and County Offices with clarification for processing repayments of transferred cotton.

**C Contact**

State Offices shall direct questions about this notice to Julie Floriani, PSD, by either of the following:

- e-mail at [julie.floriani@wdc.usda.gov](mailto:julie.floriani@wdc.usda.gov)
- telephone at 202-720-8374.

**2 Repaying Transferred Cotton**

**A Identifying Bales**

Because APSS has **not** been modified to calculate storage credit correctly for cotton that has been transferred, these bales **must** be redeemed using CCR. Notice CN-1019 provided information about COPS e-mail notifications that advise County Offices, CMA's, and LSA's about loans that contain transferred bales.

Disposal Date	Distribution
August 1, 2008	Cotton State Offices; State Offices relay to applicable County Offices

## Notice CN-1021

### 2 Repaying Transferred Cotton (Continued)

#### A Identifying Bales (Continued)

When a merchant requests repayment of loan collateral in the County Office, it **must** first be determined whether any of the bales included in the request have been transferred.

**Note:** County Offices will receive cotton PC error “9”, if transferred bales are released using the cotton PC software, indicating that the bale has **not** been released.

County Offices do not have to identify transferred bales in a CCR repayment. CCR repayments shall be processed in the normal manner.

#### B County Office Action

When receiving a repayment request by a merchant, County Offices shall:

- use the transfer e-mail notification and the Cotton Transfer Detail Report in COPS according to Notice CN-1020 to determine which bales can be redeemed in the County Office
- **not** process repayment for any bale that has been approved for transfer **unless** the transfer has been:
  - terminated, and repayment instructions have been provided by the National or Kansas City Offices
  - canceled
- advise the State Price Support Specialist that a repayment for transferred bales has been received.

#### C State Office Action

State Price Support Specialist shall contact either of the following for further instructions:

- Julie Floriani by:
  - e-mail at **julie.floriani@wdc.usda.gov**
  - telephone at 202-720-8374
- Gene Rosera by:
  - e-mail at **gene.rosera@wdc.usda.gov**
  - telephone at 202-720-8481.