

For: State and County Offices

**Additional Information for Processing Cotton Loans and Redemptions That Involve
Immediate Commodity Certificate Exchanges**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Notice CN-929 provided County Offices with:

- **revised** policy for requesting upland cotton loans that involve an immediate commodity certificate exchange, based on the date of the **request** rather than the date of processing
- instructions for processing such loan transactions.

B

Purpose

This notice provides County Offices with additional information for processing upland cotton loans and redemptions in APSS that involve immediate commodity certificate exchanges.

<p>Disposal Date</p> <p>December 1, 2002</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice CN-930

2 Processing Cotton Loans and Redemptions That Involve Immediate Certificate Exchanges

A

Loans That Involve Certificate Exchanges

County Offices shall process upland cotton loans in APSS according to 7-CN, paragraph 187, and the following additional instructions:

- “date documents received” will be determined in the normal manner using **latest** date:
 - CCC was made holder of receipts, even if date is after request date
 - all paper documentation received in County Office
 - of loan application
 - issue all loan proceeds to CCC.
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B

Exchanges for Loans That Involve 1 Payee

When the loan involves **1 payee**, County Offices shall process immediate commodity certificate exchanges according to 7-CN and these additional instructions:

- repayment date is date transaction is processed in APSS, **even if** the repayment was requested at an earlier date
 - receipt release date is actual date County Office releases the receipts to the designated buyer using the cotton PC software
 - use AWP in effect on date loan and immediate exchange for commodity certificates were **requested**
 - record repayment on a **current** CCC-257 using check that was issued to CCC during loanmaking
 - refund any overpayment to **producer**.
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Notice CN-930

2 Processing Cotton Loans and Redemptions That Involve Immediate Certificate Exchanges (Continued)

C

Exchanges for Loans That Involve Multiple Payees

When the loan involves **multiple payees**, County Offices shall process immediate commodity certificate exchanges according to 7-CN and these additional instructions:

- repayment date is date transaction is processed in APSS, **even if** repayment was requested at an earlier date
 - receipt release date is actual date County Office releases the receipts to the designated buyer using the cotton PC software
 - use AWP in effect on date loan and immediate exchange for commodity certificates were **requested**
 - record loan repayments for multiple producers with multiple checks on a **current CCC-257** as follows:
 - record checks issued to CCC beginning with **smallest amount** until collection amount is sufficient to purchase the certificate
 - refund any amount of overpayment to **producers** by:
 - multiplying refund amount times each producer's share
 - issuing separate check to each producer as payee for applicable amount
 - if additional loan checks issued to CCC remain, that were not needed to purchase commodity certificates, refund those amounts as follows:
 - record remaining check(s) as collection on current CCC-257 in Accounting through cash receipts using program code "REFREP"
 - refund "REFREP" collection amount recorded on CCC-257 to producers by:
 - multiplying check amount times each producer's share
 - issuing check to each producer for applicable amount in Accounting through check writing using program code "REFREP" and reference CCC-257 number used to deposit additional check.
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