

For: Cotton State and County Offices

Electronic Warehouse Receipt (EWR) Holder Requirements

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

7-CN, subparagraph 181 B provides that, to be eligible for a loan, CCC must be the current holder of EWR's. COPS error R120, "CCC is not current receipt holder for loan transaction", is generated when a loan is disbursed on EWR's for which CCC is not the current holder.

Marketing assistance loans for EWR's that do not reflect CCC as the current holder represent uncollateralized loans that must be repaid at principal plus interest.

B Purpose

This notice informs State and County Offices that loans cannot be disbursed on EWR's not held by CCC.

C Contact

State Offices shall direct questions about this notice to Julie Floriani by:

- telephone at 202-720-8374
- e-mail to julie_floriani@wdc.usda.gov.

Disposal Date	Distribution
August 1, 2005	Cotton State Offices; State Offices relay to County Offices

Notice CN-971

2 Confirming that CCC Is Current Holder of Loan Receipts

A Reviewing EWR Validation Report

County Offices must verify that CCC is the current holder of EWR's before disbursing a loan.

The **only** way that the current holder can be confirmed is to download EWR's from COPS and review the EWR Validation Report.

County Offices are **required** to download EWR's from COPS according to 7-CN, subparagraph 341 A before disbursing a loan. The EWR Validation Report will provide the current EWR holder. If the report indicates that CCC is **not** the current holder, County Offices shall inform the applicant that:

- the loan cannot be disbursed until CCC is the holder of the receipts
- the date CCC becomes holder will affect the "Date Documents Received" date. Storage credit is calculated from this date.

County Offices shall **not** manually enter receipts or classing data in APSS without contacting their State Price Support Specialist for guidance.

B Correcting COPS Error R120

County Offices shall immediately correct COPS R120 errors by processing a loan violation according to 7-CN, Part 7.

The current holder may transfer the receipts to CCC and the producer may re-apply for the loan. A new application is required because the date CCC becomes holder determines the "Date Documents Received" date.