

**For:** State and County Offices, Cotton LSA's, and Cotton Clerks

**Software Modifications Contained in County Release Nos. 572/573 and 574 That Prints Revised CCC-Cotton A's, Allows Electronic Agent Designation (EAD) Status Update in APSS, and Cotton Online Processing System (COPS) to View the Current EAD Holder**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Notice CN-990:

- provided new policy for identifying loans as eligible for Centralized Cotton Redemption (CCR) using revised CCC-Cotton A and CCC-Cotton A-5
- instructed County Offices to set the EAD status flag in:
  - COPS after the loan is processed
  - APSS at time of loan making when modified software was released.

**B Purpose**

This notice provides information about:

- revised CCC-Cotton A and CCC-Cotton A-5, dated 9-30-05
- modified software to set EAD status flag released in County Release No. 574.

**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**.

<p><b>Disposal Date</b></p> <p>October 1, 2006</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices, Cotton LSA's, and Cotton Clerks</p>
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## Notice CN-994

### 2 Setting EAD Status Flags

#### A General Information

Under the initial 2004 crop process for setting a loan EAD status flag, County Offices waited until they received a copy of CCC-605 (usually FAXed by the producer's agent) before setting the EAD status flag in COPS to "Yes."

Revised CCC-Cotton A-5 and CCC-Cotton A, dated 9-30-05, provide the question "Do you agree that any agent you authorize to redeem this loan may use the automated EAD redemption process?" This allows the producer to authorize the use of CCR at the time of loan application **without receipt of CCC-605**.

Software was modified to:

- print CCC-Cotton A, dated 9-30-05, in County Release No. 572/573
- allow user to set EAD status flag at the time of loan making, in County Release No. 574.

#### B County Office Action

County Offices shall:

- use CCC-Cotton A-5 and CCC-Cotton A, dated 9-30-05, for all loans processed after the date of this notice
- for loans disbursed using revised CCC-Cotton A and CCC-Cotton A-5, dated 9-30-05, set EAD status flag:
  - **at the time of loan making** by entering either "Y" or "N" to the question, "Are all bales on this loan EAD eligible?" on Screen PLC10005 in APSS based on the producer's response on the revised CCC-Cotton A-5, Item 21

**Note:** This is a **required** entry.

- **after** the loan is disbursed by updating EAD status flag to either "Y" or "N" in COPS using the "EAD Status" option

**Note:** EAD status cannot be viewed or updated in COPS until the loan is established in COPS about 3-5 days after the disbursement date. If a merchant wants to redeem a loan immediately after disbursement, they must do so in the County Office.

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### 2 Setting EAD Status Flags (Continued)

#### B County Office Action (Continued)

- for loans disbursed using the earlier version of the CCC-Cotton A-5 and CCC-Cotton A, set EAD status flag in COPS using the web-based “EAD Status” option when a designated agent sends a copy of CCC-605 as the basis for setting the flag
- for CCC-605’s cancelled according to 7-CN, subparagraph 204 B, update EAD status flag to “N” in COPS to prevent redemption using CCR.

### 3 COPS Modifications

#### A General Information

EAD is also used to determine the current agent approved to redeem loan cotton in a County Office without the presentation of a paper CCC-605. However, merchants must identify:

- holder ID to whom the bales are to be released
- cotton to be redeemed by either a list of:
  - bales for partial redemptions
  - loan numbers for full redemptions.

If a paper CCC-605 is not presented to the County Office, the applicable AWP rate will be determined when **all** the following have occurred:

- funds are received
- list identifying cotton to be redeemed is received
- merchant is current EAD holder
- EAD status is “Yes”.

#### B Software Modifications

COPS has been modified to enable a user to view the current EAD holder and EAD status for all outstanding bales by loan number. Before the software modifications, the user had to view each bale separately to determine the current EAD holder and EAD status.

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### 3 COPS Modifications (Continued)

#### C County Office Action

For loans redeemed in County Offices without the presentation of a paper CCC-605, County Offices shall:

- verify that the:
  - merchant is the current EAD Holder
  - EAD status is “Y”
- screen print EAD status and file in the producer loan folder.

### 4 Use of Revised Cotton Forms

#### A LSA Action

LSA's cannot currently redeem loans using CCR process and make no use of any EAD record that might be established. For this reason, LSA's are authorized to:

- continue using CCC-Cotton A-5, dated 8-25-03, and CCC-Cotton A, dated 9-2-04
- use revised CCC-Cotton A-5, dated 9-30-05, and CCC-Cotton A, dated 9-30-05, and respond “No” to the question on each of those forms, “Do you agree that any agent you authorize to redeem this loan may use the automated EAD redemption process?”

#### B Cotton Clerk Action

Cotton clerks shall use CCC-Cotton A and CCC-Cotton A-5, dated 9-30-05, for all loans processed after the date of this notice.