

For: State and County Offices

January 2000 Loan Interest Rates

Approved by: Controller, CCC



1 Announcing Loan Interest Rate Change

A

Background

Under provisions of the Federal Agriculture Improvement and Reform Act of 1996, 1996 and subsequent crop year commodity loans will accrue interest at a rate 1 percentage point higher than the CCC borrowing interest rate.

The interest rate in effect on January 1 is also CCC's rollover interest rate. The interest rate on commodity loans with an outstanding balance on December 31 is rolled over to the January interest rate. The January interest rate on those "rolled over" loan balances will remain in effect until the loan is either repaid, forfeited, or the succeeding January 1 arrives, whichever is first.

CRP and loan deficiency overpayment refunds, where the interest rate is based on the CCC borrowing rate in effect on the day the overpayment was made, will continue to accrue interest at the CCC borrowing interest rate.

B

Purpose

This notice announces CCC's variable interest rates for January 2000.

Continued on the next page

<p>Disposal Date</p> <p>February 1, 2000</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
---	--

Notice FI-2409

1 Announcing Loan Interest Rate Change (Continued)

C

Loans Applicable These interest rates:

- apply to all regular commodity loans and selected program overpayments disbursed during January 2000 as specified in subparagraph D
 - apply to all regular commodity loans with outstanding balances as of December 31 as specified in subparagraph D
 - are subject to adjustment each succeeding January 1.
-

D

Interest Rates The interest rate for January is:

- 5.750 percent per annum for CCC borrowing rate-based interest charges
 - 6.750 percent per annum for 1996 and subsequent crop year commodity loan borrowings.
-