

For: State and County Offices

**June 2004 CCC and Farm and Sugar Storage
Facility Loan (FSFL/SSFL) Program Interest Rates**

Approved by: Controller, CCC



1 Announcing Interest Rate Change

A Background

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

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.

FSFL and SSFL Program loans will accrue interest at an interest rate equivalent to the rate of interest charged on Treasury Securities of comparable maturity.

B Purpose

This notice announces CCC programs' various interest rates for June 2004.

Disposal Date	Distribution
August 1, 2004	State Offices; State Offices relay to County Offices

Notice FI-2639

1 Announcing Interest Rate Change (Continued)

C Applicability

These interest rates:

- apply to all regular commodity loans and selected program overpayments disbursed during June 2004 as specified in subparagraph D
- are subject to adjustment each succeeding January 1, except where noted
- apply to FSFL activity based on the date CCC-185 is “approved pending funding” by COC or STC and remain in effect for the 7-year term of the loan
- apply to SSFL activity based on the date CCC-185-SU is “approved pending funding” by STC and remain in effect for the 15-year term of the loan.

D Interest Rates

The interest rate for June is:

- 1.625 percent per annum for CCC borrowing rate-based interest charges
- 2.625 percent per annum for 1996 and subsequent crop year commodity loan borrowing
- 4.250 percent per annum for FSFL CCC-185’s “approved pending funding” by COC’s or STC’s
- 5.125 percent per annum for SSFL CCC-185-SU’s “approved pending funding” by STC’s.