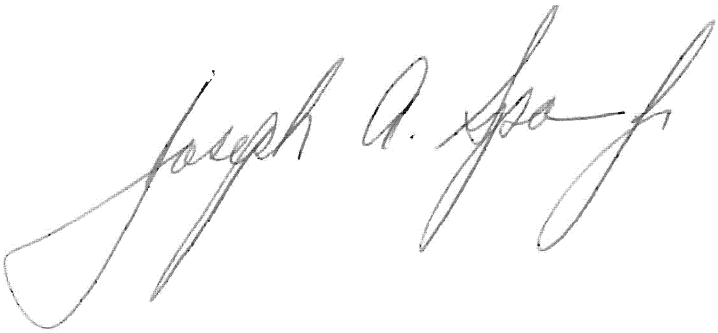
UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FI-3104

For: State and County Offices

July 2012 CCC, FSFL, SSFL, and TTPP 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.

TTPP payments made can be transferred to a third party for a lump sum payment provided that the value discounted in the exchange is less than the maximum discount rate authorized according to regulations at 7 CFR 1463.111.

B Purpose

This notice announces CCC programs' various interest rates for July 2012.

Disposal Date	Distribution
August 1, 2012	State Offices; State Offices relay to County Offices

1 Announcing Interest Rate Change (Continued)

C Applicability

These interest rates:

- apply to all regular MAL's and selected program overpayments disbursed during July 2012 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 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
- apply to assignments accepted during July 2012 as a lump sum exchange for the remaining TTPP payment stream due a producer or quota holder and will remain in effect until the payment is made to the producer or quota holder by the third party.

D Interest Rates

The interest rate for July is:

- 0.250 percent per annum for CCC borrowing rate-based interest charges
- 1.250 percent per annum for crop year commodity loans
- 1.125 percent per annum for FSFL CCC-185's "approved pending funding" by COC's or STC's with 7-year loan terms
- 1.625 percent per annum for FSFL CCC-185's "approved pending funding" by COC's or STC's with 10-year loan terms
- 1.875 percent per annum for FSFL CCC-185's "approved pending funding" by COC's or STC's with 12-year loan terms
- 2.125 percent per annum for SSFL CCC-185-SU's "approved pending funding" by STC's.

E TTPP Discount Rate

The discount rate applicable to assignments accepted in July is 5.00 percent. This is based on the prime rate plus 2 percent, rounded to the nearest whole number.