

For: State and County Offices

Processing Final Repayment on Farm Storage Facility Loans (FSFL's)

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The FSFL program was re-implemented in May 2000. The first loans were disbursed in July 2000. Final payments for FY 2000 FSFL's could be due CCC beginning in July 2007.

To prevent the creation of small balances on installment payments made after the due date, procedure was implemented instructing County Offices to use the due date as the repayment date if the installment payment was received within 15 calendar days of the due date.

This procedure was to be used for all installment payments **except** the final payment. The repayment date for the final payment **must** be the date the payment is actually received in the County Office.

B Purpose

This notice informs State and County Offices with FSFL's of the proper procedure to follow when:

- notifying producers on the 45-calendar-day reminder and notification letter of the final amount due
- entering the final loan payment in APSS.

C Contact

State Specialists with questions about this notice shall contact DeAnn Allen, PSD, by either of the following:

- e-mail at deann.allen@wdc.usda.gov
- telephone at 202-720-9889.

Disposal Date	Distribution
August 1, 2007	State Offices; State Offices relay to County Offices

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2 Procedure for Final Installment Payment

A Reminder and Notification Letters

Reminder and notification letters for FSFL's automatically print at start-of-day 45 calendar days before the installment due date. The amount due in this letter is the total amount due on the installment due date listed in the first column of the table in the reminder and notification letter. If the payment from the producer is received on any other day, the total amount owed will be different.

Note: County Offices must **not** change the amount that prints on the reminder and notification letters. The amount printed is correct. Differences from the amounts on the amortization table result from previous payments not being made on the due date.

County Offices shall attach the following note to the reminder and notification letter for the **final FSFL installment payment**.

“The **final** installment payment on your FSFL is due soon. The installment due date is listed in the first column of the table in this letter. The installment amount due is the total amount owed if the final loan payment is received in the FSA County Office on the installment due date. If payment is received on another day, the amount due will be different. Please contact the FSA County Office for the total amount due if the installment is received on a day different than the installment due date. Any collateral security on this loan will be released to the borrower when the entire principal has been repaid.”

B Manually Computing Final Payments in APSS

If the County Office is contacted for a final repayment amount for a day different from the installment due date, the County Office shall:

- compute the total amount due by taking option 3, “Loan Repayment/Inquiry”, on Screen VDA00000
- enter the date the payment will be received.

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2 Procedure for Final Installment Payment (Continued)

C Entering Repayment in APSS

Upon receiving the final loan payment, the County Office shall:

- enter the payment in APSS by taking option 1, “Lump Sum Repayment”, on Screen VDA00000
- enter as the repayment date the date the final installment payment was received in the County Office

Note: Do **not** follow procedure in the table in 1-FSFL, subparagraph 361 C for the **final** installment payment. 1-FSFL will be amended to include this clarification.

- issue a refund to the borrower if the amount remitted is greater than the amount needed to repay this loan in full
- follow procedure in 1-FSFL, subparagraph 150 H and paragraphs 231 and 232 for releasing security documents when full payment has been received
- notify borrowers according to 1-FSFL, subparagraph 150 D if an outstanding balance remains on the loan.

3 Action

A State Office Action

State Offices shall:

- assist County Offices with this notice
- ensure that County Offices are following this notice.

B County Office Action

County Offices shall:

- attach the note in subparagraph 2 A to the final reminder and notification letter
- compute, according to subparagraph 2 B, the correct amount due if the final installment payment is received on a day different from the installment due date
- record repayments according to subparagraph 2 C
- notify borrowers if an additional amount is owed
- release security documents according to procedure when the loan has been paid in full.