

**For:** State and County Offices

**CCC-195 Servicing, “Farm Storage Facility Loan (FSFL) Servicing Checklist”**

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



**1 Using CCC-195 Servicing**

**A Background**

In an effort to minimize FSFL servicing errors, OIG recommended that the National Office issue an FSFL servicing checklist to reinforce FSFL procedures that relates to OIG common FSFL servicing audit findings.

It is **not** the intent of CCC-195 Servicing to supersede or replace procedure. County Offices must:

- complete CCC-195 Servicing annually for all outstanding FSFL’s
- recognize that the questions asked on CCC-195 Servicing are general in nature.

**B Purpose**

This notice informs State and County Offices of the following:

- new CCC-195 Servicing (Exhibit 1)
- CCC-195 Servicing shall be used 45 calendar days before the installment due date of the outstanding FSFL
- CCC-195 Servicing is **mandatory**
- CCC-295B is no longer required
- using CCC-195 Servicing shall start immediately.

**C Contact**

State Offices shall direct questions about this notice to Toni Williams by either of the following:

- e-mail at **toni.williams@wdc.usda.gov**
- telephone at 202-720-2270.

|                      |  |
|----------------------|--|
| <b>Disposal Date</b> | <b>Distribution</b>                                  |
| February 1, 2013     | State Offices; State Offices relay to County Offices |

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## Notice FSFL-85

### 1 Using CCC-195 Servicing (Continued)

#### D Accessing CCC-195 Servicing

CCC-195 Servicing is available from the USDA Service Center Agencies eForms web site at <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

#### E Completing CCC-195 Servicing

County Offices shall:

- prepare CCC-195 Servicing 45 calendar days before the installment due date for the outstanding FSFL

**Note:** CCC-195 Servicing shall be prepared at the same time the reminder and notification letter are mailed to the FSFL producer according to 1-FSFL, subparagraph 158 C.

**Example:** FSFL installment due date is September 28, 2013. The County Office **must** complete CCC-195 Servicing on August 13, 2013, for items that can be answered before the installment due date. Items that cannot be answered before the installment due date **must** be answered within 120 calendar days after FSFL installment due date.

- maintain CCC-195 Servicing in each FSFL folder
- start using CCC-195 Servicing immediately
- check, initial, and date the appropriate box for each item as it is performed.

**Notes:** Do **not** line through items when initials and dates are required.

It is not practical for CCC-195 Servicing to address every conceivable situation about servicing FSFL's.

CCC-295B is no longer required.

## Notice FSFL-85

### 1 Using CCC-195 Servicing (Continued)

#### F Modifying CCC-195 Servicing

State Offices shall:

- only as necessary, and to incorporate individual State laws, modify CCC-195 Servicing for State use by editing the document in Microsoft Word

**Note:** The current version of CCC-195 Servicing is available through the FFAS Employee Forms/Publications Online Website at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html>.

- e-mail State CCC-195 Servicing that differ from the national CCC-195 Servicing to Toni Williams at [toni.williams@wdc.usda.gov](mailto:toni.williams@wdc.usda.gov) for National Office approval
- issue **only** National Office-approved CCC-195 Servicing to County Offices.

### 2 CCC-195 Servicing Reviews

#### A State Office or Designee Reviews

The effective date to start using CCC-195 Servicing is **August 22, 2012**. Therefore, for FY 2012, State Offices or designee shall review CCC-195 Servicing according to the following from August 22, 2012, to September 30, 2012. Beginning with FY 2013, the State Office shall select the following every FY for each County Office for review beginning October 1:

- three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed
- five CCC-195 Servicing, if 11 or more CCC-195 Servicing have been completed.

**Notes:** The State Office CCC-195 Servicing Review Report for:

- FY 2012 is due to the National Office by COB October 26, 2012
- FY 2013 is due to the National Office by COB October 25, 2013.

Selecting CCC-195 Servicing per County Office may be random and the State Office Review Report, SORS, FSFL Condensed, and or the FSFL system-generated Repayment History Report may assist with selecting CCC-195 Servicing's that must be reviewed.

Other FSFL administrative reports that may be used are:

- FSFL Status Report
- FSFL Installment Due Report
- FSFL Repayment Installment Reminder Report
- FSFL Repayment Status Report.

## Notice FSFL-85

### 2 CCC-195 Servicing Reviews (Continued)

#### B National Report

SED's or designee shall report the following for each County Office to the National Office:

- number of CCC-195 Servicing reviewed by State Office
- number of "Do Not Concur" signed by State Office
- reason for "Do Not Concur"
- corrective action provided to the County Office to resolve CCC-195 Servicing finding.

SED or designee shall e-mail the report to [toni.williams@wdc.usda.gov](mailto:toni.williams@wdc.usda.gov). Reports are due in the National Office by the 4th Friday of the new FY.

### 3 CCC-195 Servicing Instructions

#### A Completing CCC-195 Servicing

Complete CCC-195 Servicing according to the following table.

| Item           | Instructions   |
|----------------|--|
| 1              | Enter producer's name.   |
| 2              | Enter FSFL loan number.  |
| 3              | Enter State where facility or equipment is located.  |
| 4              | Enter County Office name where FSFL was processed.   |
| 5A             | Enter FSFL Term (7, 10, or 12 years).  |
| 5B             | Enter FSFL annual term year.<br><br><b>Example:</b> FSFL was disbursed April 27, 2012, as FSFL 2012-00001, and CCC-195 Servicing was prepared on March 18, 2013. FSFL annual term year entered should be "1".  |
| 6A through 12D | For each item listed, CHECK (✓) "Yes", "No", or "N/A", as applicable. The employee completing the action shall initial and date each box.<br><br><b>Note:</b> When initials and date are required, lining through the item is <b>not</b> acceptable. |

**Notice FSFL-85**

**3 CCC-195 Servicing Instructions (Continued)**

**A Completing CCC-195 Servicing (Continued)**

| <b>Item</b>     | <b>Instructions</b>   |
|-----------------|---|
| 13A             | <p>Any County Office employee who initials in items 6 through 12 is <b>required</b> to sign as a preparer. Signing as the preparer does <b>not</b> represent that an employee checked items 6 through 12, only that the employee completed an item that was initialed and dated.</p> <p><b>Note:</b> There may be more than 1 preparer signing and dating CCC-195 Servicing.</p>  |
| 13B             | <p>County Office employee who signs item 13A shall enter the current date.</p>  |
| 14A through 14C | <p>CED shall indicate whether or not they concur with how items 6 through 12 are completed. CED or designee representative shall review CCC-195 Servicing for all outstanding FSFL's.</p> <p>CED, or designee representative, who:</p> <ul style="list-style-type: none"> <li>• completed item 14A shall sign item 14B</li> <li>• signed item 14B shall enter the current date in item 14C.</li> </ul> <p><b>Note:</b> If CED, or CED designee representative, was 1 of the preparers who completed items 6 through 12, CED, or CED designee representative, shall <b>not</b> complete this section. DD's <b>must</b> complete items 14A through 14C for all CED, or CED designee representative prepared FSFL's.</p> |
| 15A through 15G | <p>During the applicable State Office or designee review of CCC-195 Servicing according to subparagraph 2 A, the State Office or designee shall respond to items 15A through 15D. Remarks or findings shall be noted for each question, if applicable.</p> <p>State Office or designee who:</p> <ul style="list-style-type: none"> <li>• completed 15E shall sign item 15F</li> <li>• signed item 15F shall enter the current date in item 15G.</li> </ul>  |
| 16              | <p>Enter any remarks about any questions included on CCC-195 Servicing.</p>   |
| 17              | <p><b>Important:</b> Every FY the State Office or designee shall select the following for each County Office for review beginning October 1:</p> <ul style="list-style-type: none"> <li>• three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed</li> <li>• five CCC-195 Servicing, if 11 through 1,000 CCC-195 Servicing have been completed.</li> </ul>   |

Example of CCC-195 Servicing

|   |  |  |  |                           |           |            |                 |             |  |
|---|--|--|--|---------------------------|-----------|------------|-----------------|-------------|--|
| <p><b>This form is available electronically.</b></p> <p><b>CCC-195 Servicing</b> (08-23-12)      U.S. Department of Agriculture<br/>Commodity Credit Corporation</p> <p style="text-align: center;"><b>FARM STORAGE FACILITY LOAN (FSFL)<br/>SERVICING CHECKLIST</b></p>  |  | 1. Name of Producer  |  |                           |           |            |                 |             |  |
|   |  | 2. Loan No.  |  |                           |           |            |                 |             |  |
|   |  | 3. State Office Name ( <i>Where facility or equipment is located</i> ) |  | 4. County Office Name     |           |            |                 |             |  |
|   |  | 5A. FSFL Term ( <i>7, 10, or 12</i> )                                  |  | 5B. FSFL Annual Term Year |           |            |                 |             |  |
| <b>Office Staff Actions:</b>  |  |  | <b>Applicable References</b><br><i>(1-FSFL (Rev. 1))</i> | <b>YES</b>                | <b>NO</b> | <b>N/A</b> | <b>Initials</b> | <b>Date</b> |  |
| <b>6. Collecting Installments</b>   |  |  |  |                           |           |            |                 |             |  |
| A. Prepared a reminder and notification letter at the Start-of-Day, 45 calendar days before the FSFL annual installment due date.   |  |  | <i>Subparagraph 158 C</i>                                |                           |           |            |                 |             |  |
| B. Was the FSFL annual installment payment received timely and entered in both the System 36 and NRRS?<br><br>If the answer is "YES", continue to Item 8. If the answer is "NO", complete the remainder of Item 6 and Item 7.<br><br><b>Note:</b> The annual installment repayment NRRS code is XXFSFL located in PSFSFL. XX represent the FY the FSFL was approved.              |  |  | <i>Paragraph 380<br/>Exhibit 36</i>                      |                           |           |            |                 |             |  |
| C. Prepared and mailed a first demand letter on the day after the due date.   |  |  | <i>Subparagraph 158 D</i>                                |                           |           |            |                 |             |  |
| D. Established the "Other Agency Debt" flag in the producer's customer profile through FSA-Financial Services.  |  |  | <i>Subparagraphs 158 D and I</i>                         |                           |           |            |                 |             |  |
| E. Prepared and mailed a second demand letter 30 calendar days after the first demand letter.<br><br>If the answer is "YES", also answer Item 12C.  |  |  | <i>Subparagraph 158 D</i>                                |                           |           |            |                 |             |  |
| F. Prepared and mailed a third demand letter 30 calendar days after the second demand letter.   |  |  | <i>Subparagraph 158 D</i>                                |                           |           |            |                 |             |  |
| G. Prepared collection action against a debtor's pro rata share of payments due any entity that the producer participates in, either directory or indirectly.   |  |  | <i>Subparagraph 158 D</i>                                |                           |           |            |                 |             |  |
| H. Prepared foreclosure actions after all efforts to collect the installment have been exhausted.   |  |  | <i>Subparagraph 158 D</i>                                |                           |           |            |                 |             |  |
| I. 120 calendar days after the installment due date, refer the producer to the National Office PSD.   |  |  | <i>Subparagraph 158 D</i>                                |                           |           |            |                 |             |  |
| <b>7. Later Payment of an Installment, if applicable:</b>   |  |  |  |                           |           |            |                 |             |  |
| A. Did the producer request a written request for COC consideration within 60 calendar days before or after the installment due date and a current cash flow statement demonstrating that the installment can be paid within 120 calendar days after the due date?<br><br><b>Note:</b> One later payment of an installment may be requested by the producer during the FSFL term. |  |  | <i>Subparagraph 158 E</i>                                |                           |           |            |                 |             |  |
| B. Prepared and mailed to the producer the COC decision regarding the later payment of an installment.  |  |  | <i>Subparagraph 158 E</i>                                |                           |           |            |                 |             |  |
| C. Resumed collection activity according to actions listed at 6C through 6I, if the installment is not paid by the COC determined date.   |  |  | <i>Subparagraph 158 E</i>                                |                           |           |            |                 |             |  |
| <b>8. Releasing Security, if applicable:</b>  |  |  |  |                           |           |            |                 |             |  |
| A. FSFL is "paid in full." Initiate the release of security documents, as required by State law.  |  |  | <i>Subparagraph 161A</i>                                 |                           |           |            |                 |             |  |
| B. Require the producer to pay all security release fees.   |  |  | <i>Subparagraph 161A</i>                                 |                           |           |            |                 |             |  |
| C. Mark the original CCC-186 "paid" and forward to the producer 30 calendar days after the date of the final repayment.   |  |  | <i>Subparagraph 161A</i>                                 |                           |           |            |                 |             |  |

Example of CCC-195 Servicing (Continued)

| Office Staff Actions:  |                    | Applicable References<br>(1-FSFL (Rev. 1)) | YES                               | NO                     | N/A | Initials   | Date |
|--|--------------------|--|-----------------------------------|------------------------|-----|--|------|
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| <b>9. Real Estate Taxes:</b>   |                    |  |                                   |                        |     |  |      |
| A. Producer provided proof of payment of real estate taxes, applicable to the collateral securing the FSFL and real estate taxes are current.<br>If the answer is "NO", complete Item 9B.            | Subparagraph 162 A |  |                                   |                        |     |  |      |
| B. Pay any unpaid taxes with respect to the collateral securing FSFL if appears CCC's security interest is in jeopardy.  | Subparagraph 162B  |  |                                   |                        |     |  |      |
| <b>10. Annual Insurance Coverage Requirement:</b>  |                    |  |                                   |                        |     |  |      |
| A. Multi-Peril Crop Insurance - Producer provided proof of multi-peril crop insurance, if applicable, for commodities stored in the structure.   | Subparagraph 69 A  |  |                                   |                        |     |  |      |
| B. All-Peril Structural Insurance - Producer provided proof of all-peril structural insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee.                         | Subparagraph 69 F  |  |                                   |                        |     |  |      |
| C. Flood Insurance - Producer provided proof of flood insurance, if applicable, for collateral securing the FSFL. CCC is listed as loss payee.   | Subparagraph 69 G  |  |                                   |                        |     |  |      |
| <b>11. Financing Statements:</b>   |                    |  |                                   |                        |     |  |      |
| A. UCC-1 is current. If the answer is "NO" continue to Item 12 B.  | Subparagraph 56 B  |  |                                   |                        |     |  |      |
| B. UCC-1 Continuation is filed.  |                    |  |                                   |                        |     |  |      |
| <b>12. Collateral Inspection:</b>  |                    |  |                                   |                        |     |  |      |
| A. Is a collateral inspection required for the applicable FSFL term?<br>If the answer is "YES", complete the remainder of Item 12. If the answer is "NO", no further action is required for Item 12. | Subparagraph 163 A |  |                                   |                        |     |  |      |
| B. Was there legal access to the facility site?  |                    |  |                                   |                        |     |  |      |
| C. Was there proper facility maintenance?  |                    |  |                                   |                        |     |  |      |
| D. Was this a collateral inspection needed because of a late FSFL annual installment repayment?  |                    |  |                                   |                        |     |  |      |
| <b>13. Certification:</b>  |                    |  |                                   |                        |     |  |      |
| A. Signature of Preparer(s)  |                    |  |                                   | B. Date (MM-DD-YYYY)   |     |  |      |
|  |                    |  |                                   |                        |     |  |      |
|  |                    |  |                                   |                        |     |  |      |
|  |                    |  |                                   |                        |     |  |      |
| 14A. I concur/do not concur the above items have been verified or updated accordingly.   |                    |  |                                   |                        |     | <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur |      |
| 14B. CED, CED Designee Representative or DD Signature (Required for all Loans)   |                    |  |                                   | 14C. Date (MM-DD-YYYY) |     |  |      |
|  |                    |  |                                   |                        |     |  |      |
| <b>15. State Office or Designee Review:</b>  |                    |  |                                   |                        |     |  |      |
| Question   | YES                | NO   | Remarks or finding, if applicable |                        |     |  |      |
| 15A. Did the County Office prepare the CCC-195 Servicing on the date the reminder and notification letter was mailed to the FSFL producer?   |                    |  |                                   |                        |     |  |      |
| 15B. Did the respective employee check, initial, and date the appropriate box for each item as it was performed?   |                    |  |                                   |                        |     |  |      |
| 15C. According to your review of CCC-195 Servicing and the actions taken, was the FSFL properly serviced?  |                    |  |                                   |                        |     |  |      |
| 15D. Do you have other concerns regarding this FSFL?   |                    |  |                                   |                        |     |  |      |
| 15E. I, the undersigned, certify the above items have been verified or updated accordingly.  |                    |  |                                   |                        |     | <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur |      |
| 15F. State Office or Designee Signature  |                    |  |                                   | 15G. Date (MM-DD-YYYY) |     |  |      |
|  |                    |  |                                   |                        |     |  |      |

Example of CCC-195 Servicing (Continued)

|  |             |
|--|-------------|
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| 16. Remarks  |             |
| <b>17. Important:</b><br><br>The State Office or designee shall select the following per County Office for review each FY, beginning October 1: <ul style="list-style-type: none"><li>▪ three CCC-195 Servicing, if 10 or less CCC-195 Servicing have been completed</li><li>▪ five CCC-195 Servicing, if 11 through 1,000 CCC-195 Servicing have been completed</li></ul> |             |