

**For:** State and County Offices

**Reminder for Processing Loans Open After Maturity**

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



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**1 Overview**

**A Background**

Marketing assistance loans (MAL's) mature on demand, but no later than the last day of the 9th calendar month after the month CCC-677 or CCC-678 is approved.

A recent review of the National Loan Maturity Report indicated there are several outstanding MAL's open after maturity. County Offices shall review and follow 8-LP, paragraph 23 for MAL's not repaid by the loan maturity date.

**B Purpose**

This notice reminds State and County Offices to follow 8-LP for loans not repaid by the loan maturity.

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**Disposal Date**

March 1, 2005

**Distribution**

State Offices; State Offices relay to County Offices

## Notice LP-1957

### 2 Action

#### A State Office Action

State Offices shall ensure that all loans open after maturity are closed-out in APSS no later than April 30, 2004. For loans involved in bankruptcy or other circumstances that require the loan to remain outstanding. State Offices shall notify Carolyn Hunter at [carolyn\\_hunter@wdc.fsa.usda.gov](mailto:carolyn_hunter@wdc.fsa.usda.gov) of the loan status by April 30, 2004.

#### B County Office Action

County Offices shall ensure that producers are informed of the following additional maturity information, as applicable to the loan type for loans not repaid by the loan maturity date. On the next workday after loan maturity for:

- **nonrecourse farm-stored** loans, issue delivery instructions with a demand letter
- **nonrecourse warehouse-stored** loans, forfeit warehouse receipts to CCC, according to 8-LP, subparagraph 1100
- **farm-stored or warehouse-stored recourse** loans:
  - issue the demand letter
  - establish a claim on the 31<sup>st</sup> calendar day after the date of the demand letter
  - follow foreclosure proceedings according to 8-LP, paragraph 1043 and Part 10, Section 4.

County Offices shall inform the State Price Support Specialist of loans that cannot be closed-out because of bankruptcy or other circumstances that require the loan to remain outstanding.