

For: State and County Offices and CMA's, DMA's and LSA's

CCC-770 MAL and CCC-770 LDP/eLDP Questions and Answers (Q&A's)

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

PSD received several questions about CCC-770 MAL's and CCC-770 LDP/eLDP's (Exhibits 1 and 2).

CCC-770 MAL's and CCC-770 LDP/eLDP's:

- do **not** supersede or replace procedure
- are being revised because of questions received
- are available at **<http://165.221.16.90/DAM/ffasforms/forms.html>**
- are to be used as tools to:
 - to ensure applicable program policies and procedures are followed
 - minimize the risk in issuing incorrect loan disbursements and LDP benefits

B Purpose

This notice provides:

- responses so State and County Office questions about CCC-770 Eligibility's, CCC-770 MAL's, and CCC-770 LDP/eLDP's administered by PSD
- revised copies of CCC-770 MAL's and CCC-770 LDP/eLDP's.

Note: Revised CCC-770 MAL's and CCC-770 LDP/eLDP's **must** be completed for MAL and LDP requests completed on or after the date of this notice.

Disposal Date	Distribution
March 1, 2008	State Offices; State Offices relay to County Offices and FAX to CMA's, DMA's and LSA's

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2 CCC-770 Q&A's

A CCC-770 Eligibility Q&A's

The following are Q&A's about CCC-770 Eligibility's.

Q 1: What subsidiary year should be listed on CCC-770 Eligibility when a producer requests an MAL or LDP?

A 1: The requested MAL or LDP crop year shall agree with the present crop year listed on CCC-770 Eligibility for subsidiary year.

Example: If a 2006 crop year corn MAL request is submitted, CCC-770 Eligibility must provide 2006 crop year eligibility data (2006 subsidiary files).

Q 2: Are County Offices required to complete a 2006 crop year CCC-770 Eligibility, in addition to CCC-770 MAL and CCC-770 LDP/eLDP, for each 2006 crop year MAL or LDP request?

A 2: County Offices are required to complete a 2006 crop year CCC-770 Eligibility for all 2006 crop year MAL's and LDP's received on or after December 13, 2006 (8-LP, Amendment 14's issue date).

Q3: Is a new CCC-770 Eligibility required to be completed for every MAL and LDP request?

A3: No, if a current crop year CCC-770 Eligibility has already been completed and the information provided on the applicable CCC-770 is current and accurate (no changes in eligibility status).

B CCC-770 MAL and CCC-770 LDP/eLDP Q&A's

Q 1: What information must the County Office use to determine if the producer certified to having risk of loss in producing the requested MAL or LDP crop?

A 1: The producer certification of the crop acreage on the FSA-578.

Note: CCC-666, CCC-677, and CCC-678 will be amended to include certification language regarding the requirement that the producer has risk in producing the crop.

Q 2: Is the date completed necessary for each question?

A 2: Yes. The CCC-770 MAL or CCC-770 LDP/eLDP preparer (County Office staff) may not be able to answer all the questions on the CCC-770 on the same day.

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2 CCC-770 Q&A's (Continued)

B CCC-770 MAL and CCC-770 LDP/eLDP Q&A's (Continued)

- Q3: Is the date completed "field" provided for every question on the CCC-770 MAL or CCC-770 LDP/eLDP, the date the eligibility was completed or the date the specific numbered item on the CCC-770 MAL or CCC-770 LDP/eLDP was completed, verifying the requirement.
- A3: The date the specific numbered items on CCC-770 MAL or CCC-770 LDP/eLDP is completed, verifying the requirement.
- Q 4: Are questions 12 E and 13 F the same questions?
- A 4: Yes. CCC-770 MAL has been amended to remove question 12 E.
- Q 5: How do County Offices determine if the commodity is in existence and in a storable condition, if they do not visit the storage site?
- A 5: County Offices must determine the existence of the commodity and the storage conditions based on the producer's certification and County Office knowledge of planting and normal harvest dates.
- Q6: Who spot checks CCC-770 MAL's or CCC-770 LDP/eLDP's prepared by the CED?
- A6: For CCC-770 MAL's or CCC-770 LDP/eLDP's prepared by CED's, that are required to be spot checked, County Offices shall follow procedure they would normally follow when a review is required for County Office prepared documents and the preparer is the CED.
- Q7: Are the required number CCC-770 MAL and CCC-770 LDP/eLDP for spot check, as provided in 8-LP, subparagraph 25 H, combined to include the total CCC-770 MAL's and CCC-770 LDP/eLDP's to be selected from 1 list?
- A7: No. The number of required CCC-770 MAL's and CCC-770 LDP/eLDP's to be spot checked is per program.

Example: County Office A processed 25 MAL's (5 Cotton MAL's, 5 Rice MAL's, and 15 Corn MAL's) and 8 LDP's in the first quarter of FY 2007. County Office A is required to spot check ten CCC-770 MAL's and five CCC-770 LDP/eLDP's, according to the table provided in 8-LP, Paragraph 25 H.

Number of Checklists	Number of Checklists to Spotcheck
10 or less	5
11 through 1,000	10
more than 1,000	20

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2 CCC-770 Q&A's (Continued)

B CCC-770 MAL and CCC-770 LDP/eLDP Q&A's (Continued)

- Q8: When should County Offices report the 1st FY 2007 quarter results to State Offices?
- A8: The 1st FY 2007 quarter ended December 31, 2006; however, CCC-770 MAL's and CCC-770 LDP/eLDP's were not issued until December 13, 2006. Therefore, County Offices will not be required to report the 1st FY 2007 quarter results.
- Q9: How will State and County Offices randomly select CCC-770 MAL's and CCC-770 LDP/eLDP's for spot check?
- A9: Notice PS-582 provided instructions for printing the register to complete CCC-770 MAL's and CCC-770 LDP/eLDP's. A PS notice is forthcoming that will provide instructions for printing the register to complete CCC-770 LDP/eLDP's. The same register must be used when selecting the required number of spot checks, including the spot checks completed by CED's, DD's, and STC's according to 8-LP, paragraph 25.
- Q10: Should CCC-770 MAL's and CCC-770 LDP/eLDP's that were spot checked by the CED be filed separately?
- A10: CED's shall copy and file, by program, all CCC-770 MAL's and CCC-770 LDP/eLDP's that were spot checked by the CED. STC or designee (DD) will select the required 50 percent CED spot checks, from the applicable program file folder. State Offices shall develop a methodology for randomly selecting 50 percent required CED spot checked CCC-770 MAL's and CCC-770 LDP/eLDP's.
- Q11: The State Office spot check selection process requires a certain number of CCC-770 MAL's and CCC-770 LDP/eLDP's to be spot checked every quarter. Is the number of CCC-770 MAL's and CCC-770 LDP/eLDP's to be spot checked on a per county basis or based on the total number of MAL's and LDP's processed in the State within a quarter?
- A11: The number of State Office CCC-770 MAL's and CCC-770 LDP/eLDP's to be spot checked is on a per county basis.
- Q12: For CCC-770 MAL's, dated December 12, 2006, what checklist items are **not** applicable to MAL's made to CMA's?
- A12: The following items on CCC-770 MAL's are not applicable to CMA's:
- 9
 - 12 C
 - 13 A
 - 13B
 - 13I
 - 13K
 - 13L
 - 14A
 - 14C
 - 14E
 - 14 G

County Offices shall indicate "N/A" in the "NO" column for these items and notate in the Remarks Section that the items are not applicable to MAL's disbursed to CMA's.

Example CCC-770 MAL

This is an example CCC-770 MAL.

<p>CCC-770 MAL U.S. DEPARTMENT OF AGRICULTURE (04-04-07) Commodity Credit Corporation</p> <p align="center">MARKETING ASSISTANCE LOAN (MAL) PROCESSING CHECKLIST</p>						1. Name of Applicant					
						2. Date of Application (MM-DD-YYYY)			3. Loan Type:		
									Warehouse	FS- Cert.	FS- Measured
						4. State Office Name			5. County Office, DMA or CMA Name		
6. Commodity		7. Class/Type		8. Crop Year		9. Farm Number		10. Warehouse Code		11. No. of Warehouse Receipts:	
										Paper:	EWR:
12. MAL Request/Application:						Handbook or Other Applicable References		YES	NO	Initials	Date Completed
A. Is the CCC-666 properly completed and signed for farm-stored loans?						8-LP, subparagraph 400A					
B. For warehouse-stored loans, has the warehouse receipt been properly endorsed?						8-LP, subparagraph 448					
C. For measured loans, has the CCC-666, FSA-409 and the CCC-677-1 been completed and signed?						8-LP, Part 4					
D. Is the CCC-10 properly completed and on file?						8-LP, paragraph 414					
13. Producer/Commodity Eligibility Verification:											
A. Has the FSA-578 been properly completed and filed?						8-LP, subparagraph 100A					
B. Has the CCC-770 Eligibility checklist been completed and verified?						3-PL, paragraph 3					
C. Did the producer answer the question, "Are you or any co-applicant delinquent on any Federal non-tax debt?"						8-LP, subparagraph 101B					
D. Is the eligible loan commodity in existence and in storable condition?						8-LP, subparagraph 126					
E. Has the loan been requested on or before the final loan availability date?						8-LP, subparagraph 127C					
F. Did the producer certify to maintaining beneficial interest in the crop? <i>County Offices shall review contracts, if provided.</i>						8-LP, subparagraphs 129, 130, 131					
G. Is the quantity requested within the COC-established reasonable yield for the commodity? <i>County Offices MUST run queries.</i>						8-LP, subparagraph 132					
H. Did the producer certify to having risk of producing the crop?						8-LP, subparagraph 100A					
I. Has a second party review been properly completed? <i>Ensure that the loan application was initialed by the reviewer.</i>						8-LP, subparagraph 136A					
14. MAL Processing/Approval:											
A. Has a lien search been performed, if applicable?						8-LP, paragraph 403					
B. Have lien waivers been obtained, if applicable?						8-LP, paragraph 404					
C. For DAFP authorized loan deductions, were the deductions submitted on a statement of charges signed by the producer?						8-LP, paragraph 404					
D. Were the deductions made according to lien-holder instructions on CCC-679?						8-LP, paragraph 404					
E. Has the UCC-1 been properly filed and verification of the filing was received?						8-LP, paragraph 423					
F. Were CCC-683, Commodity Loan Seals provided for farm stored MAL?						8-LP, paragraph 425					

Example CCC-770 MAL (Continued)

CCC-770 MAL (04-04-07)		Page 2			
14. MAL Processing/Approval (<i>Continuation</i>):	Handbook or Other Applicable References	YES	NO	Initials	Date Completed
G. Has the CCC-665, Agreement for Grain Pledged as Collateral For CCC Commodity Loans, been properly completed, if applicable.	8-LP, paragraph 429				
H. Was the applicable loan rate for the stored commodity requested for loan verified? Note: Loan rate is based on where the commodity is stored.	8-LP paragraph 405				
I. Has form CCC-674 or SF-LLL been obtained, if applicable? (MAL disbursement greater than \$150,000)	8-LP, Paragraph 17				
15. Remarks					
<i>Certifications:</i>					
<i>I (we) the undersigned certify the above items have been verified or updated accordingly. I also certify that the producer will be provided the applicable Note and Security Agreement and the Note and Security Agreement Terms and Conditions upon the approval of the requested marketing assistance loan and that the policies and procedures were followed according to Handbook 8-LP and other policy handbooks, as applicable.</i>					
16A. Signature of Preparer(s)				16B. Date (MM-DD-YYYY)	
17A. I concur/do not concur the above items have been verified or updated accordingly.				<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
17B. CED Signature for Spotcheck				17C. Date (MM-DD-YYYY)	
18A. I concur/do not concur the above items have been verified or updated accordingly.				<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
18B. STC Designee Signature for Spotcheck				18C. Date (MM-DD-YYYY)	
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Example CCC-770 LDP/eLDP

This is an example CCC-770 LDP/eLDP.

<p>CCC-770 LDP/eLDP U.S. DEPARTMENT OF AGRICULTURE (04-04-07) Commodity Credit Corporation</p>		1. Producer/Applicant Name		2. Date of Application (MM-DD-YYYY)		
<p>Loan Deficiency Payment (LDP) and eLDP Program Review Checklist</p>		3. State Office Name		4. County Office Name		
		5. Crop Year		6. LDP or eLDP Number		
		7. Farm Number		8. Commodity/Class/Type		
		<p>NOTE: Properly completed forms mean completed according to the applicable procedure. This shall include proper signatures, shares, ID numbers, addresses, date stamp, etc.</p>				
9. LDP Request/Application		Handbook or Other Applicable References	YES	NO	Initials	Date Completed
A. Is there a properly completed and signed CCC-633 EZ Page 1 on file? Explain "NO" answer:		8-LP, subparagraph 301.5				
B. Was the CCC-633 EZ Page 1 filed prior to loss of beneficial interest? Explain "NO" answer:		8-LP, subparagraph 301.5				
C. Has the CCC-633 EZ, Page 1 been forwarded to other county offices, if applicable?		8-LP, subparagraph 301.5				
D. Was the completed CCC-633 EZ, Page 1 and applicable LDP benefit request page (page 2, 3 or 4) received in the county office on or before the final loan/LDP availability date?		8-LP, paragraph 127				
E. Are CCC-633 EZ, Page 1 and Pages 2, 3, or 4 date-stamped?		8-LP, subparagraph 301E				
F. Did the producer answer the question, "Are you or any co-applicant delinquent on any Federal non-tax debt?"		8-LP, subparagraph 101B				
G. Has a second party reviewer verified and initialed the applicable LDP benefits page (CCC-633 EZ, Page 2, 3 or 4) to ensure the applicable LDP request was properly completed and ready for approval and processing?		8-LP, paragraph 136				
10. Producer/Commodity Eligibility						
A. Is there a properly completed and timely filed FSA-578 on file for the applicable crop year, with all cropland reported? Explain "NO" answer:		8-LP, paragraphs 100 and 128				
B. Has producer eligibility been verified on the CCC-770 Eligibility Checklist?		8-LP, paragraph 100				
C. Is the quantity requested for LDP within the COC-established reasonable yield for the commodity? Note: County Office Must Run Price Support Queries.		8-LP, paragraph 132				
D. If the requested quantity exceeded COC established reasonable yield, did the COC determine the quantity was reasonable? Explain "NO" answer:		8-LP, paragraph 132				
E. Did the producer have risk of producing the crop?		8-LP, paragraph 100				
F. If LDP is based upon date beneficial interest is lost, was acceptable production evidence provided and was the LDP rate verified? Explain "NO" answer:		8-LP, paragraph 303				
G. Is LDP rate correct for request date and county where marketed or stored, if beneficial interest is maintained?		8-LP, paragraph 303				

Example CCC-770 eLDP/ELDP (Continued)

CCC-770 LDP/eLDP (04-04-07) Page 2

10. Producer/Commodity Eligibility (Continuation)	Handbook or Other Applicable References	YES	NO	Initials	Date Completed
H. Is LDP rate correct for the date beneficial interest was lost, if on the date of the request the producer no longer has beneficial interest?	8-LP, subparagraph 129A and paragraph 303				
I. Is LDP rate correct for "dates of Delivery", if LDP requested based on date of delivery?	8-LP, paragraph 303				
11. LDP Processing					
A. Has form CCC-674 or SF-LLL been obtained, if applicable? (LDP greater than \$100,000)	8-LP, paragraph 17				
B. Has the Financial Services System been updated to reflect assignments, if applicable? NOTE: All assignments should be on file and recorded in Financial Services as "LDP" and "LDP Web", for e-mails.	63-FI, Parts 3 and 4				
12. eLDP Processing					
A. Has eLDP customer profile been established?	15-PS, paragraph 251				
B. Has eLDP application been submitted and printed?	15-PS, Part 3				
13. Remarks:					
Certification:					
<i>I (we) the undersigned certify the above items have been verified or updated accordingly. I also certify that the applicable LDP documents will be filed in accordance with Handbook 25-AS and that the producer will receive the applicable LDP documentation according to policies and procedures found in Handbook 8-LP.</i>					
14A. Signature of Preparer(s)				14B. Date (MM-DD-YYYY)	
15A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur					
15B. CED Signature for Spotcheck				15C. Date (MM-DD-YYYY)	
16A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur					
16B. STC Designee Signature for Spotcheck				16C. Date (MM-DD-YYYY)	

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