

For: State and County Offices

New Policy for Paying Lien Search and UCC Filing Fees

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

According to:

- 8-LP, subparagraph 423 B, County Office shall file applicable UCC documents required by State law to perfect CCC’s security interest in commodities pledged as collateral for farm-stored loans
- 7 CFR 1421.104, CCC will conduct a lien search for all commodities pledged as collateral for a marketing assistance loan (MAL) and perfect its security interest in such commodity as provided for under State law.

Currently CCC pays for lien search and filing fees using the Online Payment (OLP) web-based application. Some recording offices require payment **before** a lien search is conducted or when filing UCC-1’s. In these cases, it is necessary to mail the payment to the County Office, causing a potential delay in the completion of the loanmaking process. Some State Offices have requested a change in policy to allow producers to pay the lien search or UCC filing fees.

B Purpose

This notice provides 2 options to producers requesting MAL’s, as follows:

- producers may pay the nonrefundable lien search and recording fees to file UCC documents, as applicable
- County Offices pay the lien search and recording fees.

C Contact

If there are questions about this notice, State Offices shall contact **Jose Gonzalez**, PSD, by e-mail to jose.gonzalez@wdc.usda.gov or telephone at 202-690-2534.

Disposal Date	Distribution
July 1, 2009	State Offices; State Offices relay to County Offices

Notice LP-2109

2 Action

A State Office Action

State Offices shall ensure that County Offices follow the instructions provided in this notice.

B County Office Action

County Offices shall:

- notify producers of the contents of this notice at the time of loan request
- advise producers that lien search and filing fees are nonrefundable
- remind producers that:
 - they agree to the CCC-601 terms and conditions that state that the producer is responsible for pledging commodities that are eligible for loan and free and clear of all liens, security interests, and other encumbrances
 - if a lien exists, the producer **must** obtain CCC-679 **before** MAL can be disbursed
 - if **not** previously filed, CCC-10 shall be completed in case a lien search is conducted and a financing statement needs to be filed.

3 Paying for Lien Search and Filing Fees

A Lien Search and Filing Fees Paid by Producers

Producers may pay for lien search and filing fees with a negotiable document made out to the applicable recording office using any of the following methods:

- check
- cashier's check
- money order.

The producer is responsible for any charges resulting from insufficient funds for returned checks. If payment is made by cashier's check or money order, the producer is responsible for the applicable service fees.

Producer-paid charges shall **not** be deducted from the loan proceeds.

Note: County Offices shall advise producers that paying for lien search and filing fees may decrease the lag time between a loan request and loan disbursement, but does **not** guarantee faster fund disbursement.

County Offices shall continue to process UCC-1's in the normal manner and attach the producer's check to UCC-1 when submitting it for filing.

B Lien Search and Filing Fees Paid by County Offices

County Offices paying for lien search and filing fees shall follow established policies and procedures according to 8-LP, paragraph 403.