

For: FSA Offices

Maturing CCC MAL's

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

MAL's mature on demand, but no later than the last day of the 9th calendar month **after** the month MAL is disbursed. A producer may settle an outstanding nonrecourse MAL:

- before the maturity date by repaying the MAL
- upon maturity, by delivering or forfeiting the commodity to CCC in satisfaction of the loan indebtedness
- after maturity and before CCC acquires the farm-stored commodity by repaying the outstanding MAL principal according to 8-LP, Part 7.

County Offices must notify producers with outstanding MAL's of the loan maturity date and the applicable options available:

- at least 45 calendar days, but not more than 60 calendar days, before maturity for farm and warehouse nonrecourse and recourse loans
- at least 30 calendar days before maturity for distress loans.

B Purpose

This notice reminds State and County Offices of the policy and procedures in 8-LP for MAL's nearing loan maturity and MAL's that remain open after loan maturity.

Disposal Date	Distribution
January 1, 2014	All FSA Office; State Offices relay to County Offices

Notice LP-2181

2 Action

A County Office Action

County Offices shall:

- send each borrower with an outstanding MAL the applicable maturity notification letter provided in 8-LP, Exhibits 7 through 10, according to 8-LP, paragraph 797, and Notice PS-703
- process repayments received according to 8-LP, Part 7
- process forfeitures of outstanding warehouse MAL's on the first workday after maturity according to 8-LP, Part 9 and Exhibit 8

Exception: If the maturity date falls on a nonworkday, the maturity date shall be the next workday.

Example: Loans with an August 31, 2013, maturity date, which is a Saturday, can be repaid through COB on Tuesday, September 3, 2013. County Offices shall **not** forfeit outstanding warehouse MAL's until Wednesday, September 4, 2013.

Note: Monday, September 2, 2013, is a Federal holiday.

- issue CCC-691 for all outstanding farm-stored nonrecourse MAL's on the first workday after maturity according to 8-LP, Part 8 and Exhibit 7
- establish a receivable through NRRS, according to 8-LP, Exhibits 9 and 10, subparagraphs A, for any "recourse loan" and "distress loan"
- continue to follow 8-LP policy for further actions.

Note: Specifically see 8-LP, Exhibits 7, 9, and 10, subparagraphs A.

B Peanut Forfeitures

For the current peanut forfeiture process in APSS, County Offices shall, on the loan maturity date or first workday after loan maturity if the maturity date is a nonworkday, and **before** processing any MAL forfeitures, notify their respective State Office of pending forfeitures.

State Offices notified by their County Offices of pending peanut forfeitures, **must** contact Cecile Wynne on the loan maturity date or first workday after loan maturity, if the maturity date is a nonworkday, for instructions on processing forfeitures in APSS, by either of the following:

- e-mail to cecile.wynne@wdc.usda.gov
- telephone at 202-720-8416.