

For: State and County Offices

Processing Transfers of Farm-Stored Loan to Warehouse-Stored Loan for Peanuts

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

8-LP, Part 8 and 12-PS, Part 5 provide policies and procedures for transferring a farm-stored peanut loan to a warehouse-stored loan where the loan amount is adjusted for premiums and discounts.

The transfer process in APSS:

- creates a **new** warehouse-stored loan with a new loan number
- maintains the same disbursement date and maturity date as the original farm-stored loan.

Currently, County Offices cannot process a transfer of a farm-stored peanut loan to a warehouse-stored loan in APSS.

B Purpose

This notice:

- reissues instructions for transferring a farm-stored loan to a warehouse-stored loan
- includes modified instructions on entry of the "Date Document Received"
- provides updated examples in Exhibits 1 and 2.

<p>Disposal Date</p> <p>March 1, 2005</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices, Peanut CMA's and DMA's.</p>
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2 General Information

A Processing Transfers in APSS

County Offices shall process the transfer of a farm-stored peanut loan to a warehouse-stored loan in APSS in this order:

- process a manual warehouse-stored loan according to paragraph 3, and:
 - use the same disbursement date as the farm-stored loan
 - disburse loan proceeds payable to:
 - CCC for the farm-stored loan disbursement amount
 - the producer for remaining balance when applicable
- reverse farm-stored loan and create a receivable according to paragraph 4
- repay receivable created when the farm-stored loan was reversed using loan proceeds from warehouse-stored loan according to paragraph 5.

Explanation: It is necessary to process the manual warehouse-stored loan first in order to determine whether the loan proceeds are enough to cover the farm-stored-loan amount. If there is a shortfall, interest shall be applicable according to subparagraph 4 A.

3 Processing Manual Warehouse-Stored Peanut Loans

A Determining Loan Information

Before establishing the warehouse-stored loan in APSS, County Offices shall manually complete the loan worksheet in Exhibit 1. This worksheet will provide guidance in entering certain important dates and transactions to ensure that the warehouse-stored loan is recorded properly.

Complete the loan worksheet according to the following:

- under "Farm Stored Loan" in Column 1, enter the dates and applicable information from the **original farm-stored loan**
- under "Warehouse Stored Loan" in Column 2, enter the dates and applicable information as instructed.

See Exhibit 2 for an example of a completed worksheet.

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3 Processing Manual Warehouse-Stored Peanut Loans(Continued)

B Processing Warehouse-Stored Loan in APSS

Process the manual warehouse-stored loan in APSS according to 12-PS, Part 4 and the following instructions:

- record as manual loan, using 90000 series loan number
- use the loan worksheet to determine and enter:
 - loan application date
 - "date document received" date
 - "date warehouse receipt issued" date
 - "date commodity received" date
 - disbursement date
 - date of lien search
 - loan approval date
 - amount to be issued to CCC
- on Screen PLC12010, the manual loan amount and disbursement amount shall be the **same** as the displayed calculated loan amount and disbursement
- process the manually disbursed loan amount as follows:
 - if the warehouse-stored loan disbursement amount is **less** than the farm-stored loan disbursement amount, issue **all** loan proceeds to CCC
 - if the warehouse-stored loan disbursement amount is **more** than the farm-stored loan amount, issue the:
 - disbursement amount of the farm-stored loan, or receivable to be created, to CCC
 - remaining loan disbursement amount to the producer.

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4 Creating Receivable for Farm-Stored Peanut Loan

A Creating Receivable in APSS

County Offices shall create a receivable for the farm-stored loan by using Option 7, "Correct a Loan/LDP", from Price Support Main Menu PCA005 as follows:

- select applicable loan number and producer
- on Screen PXA00005, place a "Y" next to Loan Making transaction type
- on Screen ANK52010, answer "N" to the question, "Do you have this check in your office?"
- on Screen ANK52020:
 - the Basis of Debt Code will be defaulted to "10341"
 - if the warehouse-stored loan amount is:
 - **greater** than the farm-stored loan disbursement amount, **do not** enter any additional information or change any data on this screen
 - **less** than the farm-stored loan disbursement amount, and will not completely liquidate the receivable, enter:
 - the **current date** as the Interest Start Date
 - "CCCINT" as the Interest Program Code
 - PRESS "Enter"
 - answer "Y" to the question, "Do you want an initial notification letter printed?"
- on Screen ANK52026, enter reason code "1"
- on Screen AQK15201, enter the following statement as Basis of Debt Text: "the transfer of your farm-stored peanut Loan No. XXXXX to a warehouse-stored peanut loan"

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4 Creating Receivable for Farm-Stored Peanut Loan (Continued)

A Creating Receivable in APSS (Continued)

- the user will be prompted on Screen AQKRPT01 to print the following documents:
 - Receivable Establishment Verification Report
 - producer notification letter.

Note: The producer notification letter will be mailed to the producer **only if a balance remains** after the warehouse-stored loan proceeds have been applied to the receivable amount.

5 Repaying Receivable Created for Farm-Stored Loan

A Applying Loan Proceeds to Receivable

County Offices shall apply the loan proceeds from the warehouse-stored loan to the receivable created when the farm-stored loan was reversed, according to 67-FI.

The producer notification letter printed during the correction process in subparagraph 4 A shall be:

- marked "Paid" and filed in the loan folder, if the receivable is **paid in full** and **no** balance remains
- revised to reflect the unpaid balance, if the receivable is **not paid in full** and a balance remains outstanding.

Note: This revised letter shall be mailed immediately to the producers.

6 Repaying Warehouse-Stored Loans Processed According to This Notice

A Loan Repayment

Warehouse-stored loans processed according to this notice shall be repaid in the normal manner according to 8-LP, Part 9 and 12-PS, Part 7.

APSS will calculate a storage credit from the "Date Documents Received" date to the repayment date.

Farm-to-Warehouse Peanut Loan Transfer Worksheet

Farm-to-Warehouse Peanut Loan Transfer Worksheet			
Farm-Stored Loan		Warehouse-Stored Loan	
	Enter applicable information		Enter applicable information
Information	Column 1	Information	Column 2
Loan Application Date		Enter same as Farm-Stored Column 1	
"Date Document Received" Date		Enter the "Date Document Received" Date (the date all required loan documents are received)	
Date Receipt Issued		Enter as shown on warehouse receipt	
Date Commodity Received		Enter as shown on warehouse receipt	
Disbursement Date		Enter same as Farm-Stored Column 1	
Date of Lien Search		Enter same as Farm-Stored Column 1	
Loan Approval Date		Enter same as Farm-Stored Column 1	
Amount of disbursement for (Producer name and share)	\$	Issue check to CCC for smaller of the following: <ul style="list-style-type: none"> • Column 1 amount • loan proceeds. 	\$
		Issue remaining amount to producer, when applicable.	\$
Amount of disbursement for (Producer name and share)	\$	Issue check to CCC for smaller of the following: <ul style="list-style-type: none"> • Column 1 amount • loan proceeds. 	\$
		Issue remaining amount to producer, when applicable.	\$

Example of Completed Farm-to-Warehouse Loan Worksheet

A producer applied for a farm-stored certified peanut loan for 2 tons of peanuts on December 1, 2003. The farm-stored loan was disbursed by the County Office on December 31, 2003. On January 22, 2004, the producer requested to transfer his farm-stored loan to a warehouse-stored loan. The producer filed a CCC-681 with the County Office authorizing the transfer of the loan collateral from a farm storage facility to a CCC-approved warehouse.

After inspection and grading, the peanuts were delivered to the warehouse, and the producer was issued a warehouse receipt which he took to the County Office.

Before recording the transfer in APSS, the County Office shall complete the information relating to the dates associated with the loans.

Farm-to-Warehouse Peanut Loan Transfer Worksheet			
Farm-Stored Loan		Warehouse-Stored Loan	
	Enter applicable information		Enter applicable information
Information	Column 1	Information	Column 2
Loan Application Date	12/1/03	Enter same as Farm-Stored Column 1	12/1/03
"Date Document Received" Date		Enter the "Date Document Received" Date (the date all required loan documents are received)	1/22/04
Date Receipt Issued		Enter as shown on warehouse receipt	1/22/04
Date Commodity Received		Enter as shown on warehouse receipt	1/22/04
Disbursement Date	12/31/03	Enter same as Farm-Stored Column 1	12/31/03
Date of Lien Search	12/31/03	Enter same as Farm-Stored Column 1	12/31/03
Loan Approval Date	12/31/03	Enter same as Farm-Stored Column 1	12/31/03
Amount of disbursement for (Producer name and share)	\$707.88	Issue check to CCC for smaller of the following:	\$686.77
		<ul style="list-style-type: none"> • Column 1 amount • loan proceeds. 	
		Issue remaining amount to producer, when applicable.	\$0.00
Amount of disbursement for (Producer name & share)	\$	Issue check to CCC for smaller of the following:	\$0.00
		<ul style="list-style-type: none"> • Column 1 amount • loan proceeds. 	
		Issue remaining amount to producer, when applicable.	\$0.00

Note: The \$686.77 loan proceeds would be applied to the receivable according to paragraph 5.