

For: State and County Offices

**Recording Lien Searches and UCC-1's for Marketing Assistance Loans (MAL's)  
Less Than \$25,000**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

7 CFR Part 1421 was amended and published as a final rule on June 6, 2006. Several MAL and LDP policies and procedures have been amended to reflect the regulations provided in the final rule.

Lien searches and UCC-1 filings are **not** required for aggregate MAL loan amounts less than \$25,000.

APSS software has been amended to **not** require data entry fields for UCC-1 filing dates, where applicable, and lien search dates when the loan principal will be less than \$25,000.

**B Purpose**

This notice informs State and County Offices of the enhancements to APSS for recording lien searches and UCC-1 filing dates in APSS.

**C Contact**

For questions or situations **not** addressed in this notice, State Offices shall contact Laura Schlote, PSD, by either of the following:

- e-mail at [laura.schlote@wdc.usda.gov](mailto:laura.schlote@wdc.usda.gov)
- telephone at 202-720-7785.

<b>Disposal Date</b>	<b>Distribution</b>
March 1, 2007	State Offices; State Offices relay to County Offices

Notice PS-572

2 APSS Enhancements for Recording Lien Searches and UCC-1 Filings

A Processing MAL's Less Than \$25,000

APSS has been enhanced to **not** require data entry for UCC-1's or dates of lien searches when loan principals are less than \$25,000.

County Offices shall **only** enter the original loan approval date on Screen PLA13005 when UCC-1's or lien searches for loans less than \$25,000 were **not** performed.

**Note:** If lien searches are performed and UCC-1's are filed for under \$25,000, enter the date as applicable.

The following is an example of Screen PLA13005.

```
197-WRIGHT COUNTY                               PLA13005
PRICE SUPPORT - LOAN MAKING                      Version: AD43 09-15-06 16:01 Term H5
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                                CY 06 LOAN#      16 COMM CORN

UCC-1 or Chattel Mortgage Filing Date (MMDDYY)  _ .....
Date of Lien Search (MMDDYY)                  .....
Original Loan Approval Date (MMDDYY)  090106 ...

Do you wish to complete this process? (Y or N)  Y

Transaction balance shows a total disbursement amount of      10,205.00
This amount will be forwarded to Accounting to be disbursed according
to the producer shares applicable to the loan.

Press "Enter" To Continue      Cmd3=Previous Screen      Cmd7=End Of Job
```

B Processing MAL's for Producers With an Aggregate Amount Greater Than \$25,000

Producers may receive multiple loans throughout the crop year. When a loan is approved for an amount less than \$25,000, **but** with an aggregate amount of greater than \$25,000, County Offices are required to:

- perform a lien search
- file a UCC-1
- record lien search and UCC-1 filing dates on Screen PLA13005.

**Note:** Aggregate amount is defined as the total loan amount approved and disbursed for the specific crop year.

## Notice PS-572

### 2 APSS Enhancements for Recording Lien Searches and UCC-1 Filings (Continued)

#### C MAL's Immediately Repaid with Commodity Certificates

Lien searches are **not** performed and UCC-1 filings are recorded when a loan is disbursed and immediately repaid using commodity certificates.

Loans disbursed and immediately repaid using Commodity Certificates are exempt from the aggregate amount.