

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

Processing Peanut Loan Transfers

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 loan transfer functions. Peanut loans meeting the requirements can be transferred from:

- farm-to-warehouse
- warehouse-to-warehouse.

When loan transfers are processed in APSS, the system:

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

Because County Offices **cannot** process peanut loan transfers in APSS, peanut loan transfers shall be processed according to this notice.

B Purpose

This notice provides:

- instructions for processing peanut loan transfers in APSS
- examples of worksheets for peanut loan transfers.

Disposal Date	Distribution
November 1, 2008	Peanut State Offices; State Offices relay to County Offices, CMA's, and DMA's

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2 General Information

A Processing Transfers in APSS

County Offices shall process peanut loan transfers according to the following table.

Step	Action
1	Process a manual warehouse-stored loan according to paragraph 3. Note: Use the same disbursement date as the original loan that was approved for transfer. Disburse the loan proceeds payable to: <ul style="list-style-type: none">• CCC for the amount equal to the disbursement amount of the original loan approved for transfer• the producer for the remaining balance, when applicable.
2	Reverse the original loan approved for transfer and create a receivable according to paragraph 4.
3	Repay the receivable created when the original loan approval for transfer was reversed using the loan proceeds from the new warehouse-stored loan according to paragraph 5.

Note: The manual warehouse-stored loan **must** be processed first to determine whether the loan proceeds will cover the disbursement amount of the original loan being transferred. If there is a shortfall, interest shall be applied by creating a receivable according to subparagraph 4 A.

3 Processing Manual Warehouse-Stored Peanut Loans

A Determining Loan Information

Before processing the manual warehouse-stored loan, County Offices **must** have the loan folder available and take note of the following information from the **original** loan and use these dates when entering the data for the **new** warehouse-stored loan:

- loan application date
- disbursement date
- date of lien search
- loan approval date.

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3 Processing Manual Warehouse-Stored Peanut Loans (Continued)

A Determining Loan Information (Continued)

Other loan data shall be entered as follows.

IF processing a...	THEN...
farm-to-warehouse transfer	<ul style="list-style-type: none">• “Date Documents Received” shall be the actual date all loan documents associated with the transfer are received• “Date Receipt Issued” shall be the date shown on the new receipt• “Storage Date” shall be the date shown on the new receipt• “Storage Paid Through” shall be the date shown on the new receipt.
warehouse-to-warehouse transfer	<ul style="list-style-type: none">• “Date Documents Received” shall be the same as the original loan• “Date Receipt Issued” shall be the date on the original receipt• “Storage Date” shall be the date on the original loan• “Storage Paid Through” shall be the date shown on the new receipt.

See Exhibit 1 for an example of a completed farm-to-warehouse transfer worksheet and Exhibit 2 for an example of a completed warehouse-to-warehouse transfer worksheet.

Note: When using an electronic warehouse receipt (EWR), County Office **must** download EWR and print the EWR Detail List. Manually input the warehouse receipt data in APSS and file the EWR Detail List in the loan folder.

B Processing Warehouse-Stored Loans 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
- enter “N” to the question, “Is this a re-entry of a corrected loan”
- use the loan information determined according to subparagraph 3 A

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3 Processing Manual Warehouse-Stored Peanut Loans (Continued)

B Processing Warehouse-Stored Loans in APSS (Continued)

- process the manually disbursed loan amount as follows.

IF the new warehouse-stored loan disbursement amount is...	THEN issue...
less than or equal to the original loan amount associated with the loan being transferred	all loan proceeds to CCC.
more than the original loan amount associated with the loan being transferred	<ul style="list-style-type: none"> • a disbursement to CCC for the amount of the original loan or the amount of receivable to be created • the remaining loan disbursement amount to the producer and/or lienholder, if applicable.

4 Handling Receivable for the Original Peanut Loan

A Creating Receivable in APSS

County Offices shall create a receivable for the **original** peanut loan as follows.

Step	Action
1	On Price Support Main Menu PCA005, select option “7”, “Correct a Loan/LDP”.
2	Select applicable loan number and producer.
3	On Screen PXA00005, place “Y” next to “Loan Making” transaction type.
4	On Screen ANK52010, answer “N” to the question, “Do you have this check in your office?”
5	On Screen ANK52020: <ul style="list-style-type: none"> • the Basis for Debt Code will default to “10341” • answer “Y” to the question, “Do you want an initial notification letter printed?”
6	On Screen ANK52026, enter Reason Code “1”.
7	On Screen AQR15201, enter the following statement as basis of debt text, “the transfer of your farm-stored or warehouse-stored peanut Loan No. XXXXX to a warehouse stored peanut loan No. XXXXX.”
8	On Screen AQRPT01, the user will be prompted to print the following documents: <ul style="list-style-type: none"> • Receivable Establishment Verification Report • producer notification letter. <p>Note: Producer notification letters will be mailed to producers only if a balance remains after applying the loan proceeds according to subparagraph B.</p>

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4 Handling Receivable for the Original Peanut Loan (Continued)

B Applying Loan Proceeds From New Loan to Receivable

County Offices shall apply the loan proceeds from the **new** warehouse-stored loan to the receivable created when the **original** loan was reversed according to 67-FI, Part 5, Section 1.

Note: When repaying receivables, use as the repayment date, the date the receivables were created according to subparagraph A.

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

- marked “Paid” and filed in the loan folder, if the receivable is **paid in full** and **no** balance remains
- immediately mailed to the producer, if the receivable is **not paid in full** and a balance remains outstanding.

5 Repaying the New Warehouse-Stored Loans Processed

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.

Note: If using EWR, release the receipt to the new holder according to Notice PS-605.

Beginning with crop year 2007, APSS shall discontinue providing storage credit from the “Date Documents Received” date to the repayment.

Example of Peanut Loan Farm-to-Warehouse Transfer

A producer applied for a farm-stored certified peanut loan for 50 tons of peanuts on August 1, 2007, and was disbursed on August 1, 2007. On August 29, 2007, the producer filed CCC-681, to transfer his farm-stored loan to a warehouse-stored loan. The County Office authorized 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.

Peanut Loan Farm-to-Warehouse Transfer			
Original Peanut Loan (Farm-Stored Loan)		New Peanut Loan (Warehouse-Stored Loan)	
	Enter applicable information		Enter applicable information
Information	Column 1	Information	Column 2
Loan Application Date	8/1/07	Enter the same date as the original loan.	8/1/07
Date Documents Received	N/A	Enter the actual date all required loan documents for the new loan is received.	8/29/07
Date Receipt Issued	N/A	Enter the "Date Receipt Issued" from new receipt.	8/25/07
Storage Date	N/A	Enter the "Storage Date" from new receipt.	8/20/07
Storage Paid Through	N/A	Enter the "Storage Paid Through" from new receipt.	5/31/08
Disbursement Date	8/1/07	Enter the same date as original loan.	8/1/07
Date of Lien Search	8/1/07	Enter the same date as original loan.	8/1/07
Loan Approval Date	8/1/07	Enter same date as original loan.	8/1/07
Amount of disbursement for (Producer name and share)	\$17,536.90	Issue check to CCC for the amount equal to or smaller of the following	\$15,446.53 (apply to receivable according to paragraph 5)
		<ul style="list-style-type: none"> • original loan proceeds • new loan proceeds. Issue remaining amount to producer, when applicable.	\$
Amount of disbursement for (Producer name and share)	\$	Issue check to CCC for the amount equal to or smaller of the following:	\$
		<ul style="list-style-type: none"> • Original loan proceeds • New loan proceeds. Issue remaining amount to producer, when applicable.	\$

Example of Peanut Loan Warehouse-to-Warehouse Transfer

A producer applied for a warehouse-stored certified peanut loan for 42 tons of peanuts on August 1, 2007, and was disbursed on August 1, 2007. On August 28, 2007, the producer filed CCC-699, to transfer his warehouse-stored loan to another warehouse and obtain a warehouse-stored loan. The County Office authorized the transfer of the loan collateral from a CCC-approved warehouse to another CCC-approved warehouse.

The warehouse where the loan collateral was delivered issues a new warehouse receipt and the producer completes the warehouse-to-warehouse transfer at the County Office.

Peanut Loan Warehouse-to-Warehouse Transfer			
Original Peanut Loan (Warehouse-Stored Loan)		New Peanut Loan (Warehouse-Stored Loan)	
Information	Column 1	Information	Column 2
Loan Application Date	8/1/07	Enter the same date as the original loan.	8/1/07
Date Documents Received	8/1/07	Enter the same date as the original loan.	8/1/07
Date Receipt Issued	7/31/07	Enter the "Date Receipt Issued" from original receipt.	7/31/07
Storage Date	7/30/07	Enter the "Date Receipt Issued" from new receipt.	7/30/07
Storage Paid Through	5/31/08	Enter the "Storage Paid Through" from new receipt.	5/31/08
Disbursement Date	8/1/07	Enter the same date as original loan.	8/1/07
Date of Lien Search	8/1/07	Enter the same date as original loan.	8/1/07
Loan Approval Date	8/1/07	Enter same date as original loan.	8/1/07
Amount of disbursement for (Producer name and share)	\$11,832.62	Issue check to CCC for the amount equal to or smaller of the following:	\$11,832.62 (apply to receivable according to paragraph 5)
		<ul style="list-style-type: none"> • original loan proceeds • new loan proceeds. 	
		Issue remaining amount to producer when applicable.	\$
Amount of disbursement for (Producer name and share)	\$	Issue check to CCC for the amount equal to or smaller of the following:	\$
		<ul style="list-style-type: none"> • original loan proceeds • new loan proceeds. 	
		Issue remaining amount to producer when applicable.	\$