UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice PS-728

For: State and County Offices

Cleaning up Loan Activity in APSS and Reentry of Outstanding Crop Year 2015 Loans in Commodity Loan Processing System (CLPS)

Approved by: Acting Deputy Administrator, Farm Programs

Bradley Karmen

1 Overview

A Background

The System 36-based APSS has been used by County Offices to process price support commodity loans since the mid 1980's. Web-based CLPS software was developed to replace the functionality of APSS. Currently, loan making, repayment, and simple correction functionality is available on the web through CLPS for all commodities for the 2015 crop year. As a result, the System 36 data centers in County Offices may be shut down if there is no longer any loan activity in APSS.

Any open crop year 2015 loan in APSS must be removed and re-entered in CLPS so the closing of data centers may occur. Additionally, 2014 and previous crop year activity must be corrected in APSS, as applicable, allowing unresolved issues to be cleared to complete loan activity at maturity. Items that prevent the loan from being closed, which must be resolved include remaining small balances, APSS loan receivables, bankruptcies, and overdisbursements resulting from violation processing.

Loan repayments and collections for crop year 2014 shall continue to be recorded in both APSS and NRRS, using the "Price Support" collection type code on the drop-down menu in the normal manner.

B Purpose

This notice:

- provides instructions to cancel crop year 2015 loans created in APSS for re-entry in CLPS
- addresses open loan scenarios and provides instructions to resolve issues for all crop years.

Disposal Date	Distribution
June 1, 2016	State Offices; State Offices relay to County Offices

1 Overview

C Contact

For questions about this notice, State Offices shall follow this table.

IF questions are about…	THEN contact…
Price Support APSS or CLPS issues	Shayla Watson, PECD, by either of the following: • e-mail at **shayla.watson@wdc.usda.gov** • telephone at 202-690-0013.
	Mary Porter, PECD, by either of the following: • e-mail at **mary.porter@wdc.usda.gov** • telephone at 202-260-8061.
policies or procedures for NPS policy related to Price Support issues	Jackie Pickens, FMD, by either of the following: • e-mail at **jackie.pickens@wdc.usda.gov** • telephone at 615-277-2613.
	Darla Noah, PMO by either of the following: • e-mail at **darla.noah@kcc.usda.gov** • telephone at 816-926-2516
policies or procedures for Financial Services	Yanira Sanabria, FMD, by either of the following: • e-mail at **yanira.sanabria@wdc.usda.gov** • telephone at 202-772-6032.
	MarySue Tolle, PMO by either of the following: • e-mail at **marysue.tolle@kcc.usda.gov** • telephone at 816-926-5965.
NRRS receivables and collections	Rhonda Anthony, RMO, by either of the following: • e-mail at **rhonda.anthony@kcc.usda.gov** • telephone at 816-926-6330.

2 State Office Action

A Review and Maintain Reports

State Offices must review State Office Reporting System (SORS) reports to ensure that loans are not open past maturity. As necessary, the National Office will provide a list of open loans to State Offices to share with appropriate County Offices for further processing.

B Cleanup

State Offices shall ensure that APSS cleanup actions are completed and direct questions about the APSS clean up to the individuals in subparagraph 1 C.

3 County Office Action

A Review Reports

County Offices must review SORS reports as well as APSS generated reports to ensure that loans are not open past maturity. As applicable, County Offices must also review the lists of open loans provided by the National Office to the State office.

B Cleanup

County Offices shall ensure that APSS cleanup actions are completed and direct questions about the APSS clean up to the State Office.

4 Moving APSS Loans to CLPS for Non EWR Loans

A Cancelling Crop Year 2015 Loans in APSS

Crop year 2015 loans initially created in APSS must be cancelled and reissued in CLPS. Loans processed in APSS for commodities available in CLPS must be removed from APSS and re-entered in CLPS no later than March 1, 2016.

See the following procedure to reverse the loan in APSS and re-enter in CLPS for loans created without electronic warehouse receipts electronic warehouse receipts (EWR's).

Step	Action
1	In APSS, from Price Support Main Menu PCA005, select option 7, "Correct a Loan/LDP".
2	Enter the required information to select the applicable producer and loan to correct. **Note:** The user will have the option to view the loan details to ensure that the correct loan is chosen.
3	Once the loan is selected, Loan Correction Screen PXA00005 will be displayed showing the transaction type, transaction date, and transaction time.
4	Place a "Y" next to the Loan Making transaction to reverse the loan and PRESS "Enter" to continue.
5	Verify the loan to be reversed and PRESS "Enter" to continue.
6	A "Correction Posting Check-Off List" will automatically print, listing the reversed transactions.
7	If the loan was disbursed through APSS and certified and signed in NPS, the loan will be cancelled and a receivable will be automatically created in NRRS. **Note:** Do not manually create a receivable for a cancelled loan in NRRS. Verify that the receivable has been established according to 64-FI, paragraph 22.

4 Moving APSS Loans to CLPS (Continued)

B Re-Entering Loans in CLPS for Non-EWR Loans

See the following procedure for re-entering loans in CLPS for non-EWR loans.

Step	Action	
1	Enter and approve the loan in CLPS according to 16-PS. Enter the required dates in CLPS as follows.	
	IF the date in APSS is the…	**THEN enter in CLPS as the…**
	loan application date	original loan application date from APSS.
	lien search date	original date lien search date from APSS. Enter the loan disbursement date if the Lien Search was not required
	UCC-1 filing Date	original UCC-1 filing date.
	COC approval date	original disbursement date from APSS. **Important:** The APSS disbursement date must be entered at the COC approval date to ensure that the original interest rate and maturity date is recoded for the new loan in CLPS.
2	Ensure that the service fee is the same amount as previously deducted from the loan. Adjust the service fee as applicable.	
3	Disburse the loan through CLPS.	
4	In NPS, reconcile the receivable created from the cancellation of the APSS loan with the disbursement of the CLPS loan. Verify at certification and signing of the payable in NPS that the original loan disbursement is being offset against the new loan disbursement. **Important:** Ensure that the loan values are correct. There may be small differences in the loan disbursement amount because of rounding for direct attribution. Small balances left outstanding on the receivable in NRRS shall be written off according to 64-FI, paragraph 25. County Offices shall notify the State Office, and the State Office shall notify the National Office if there are any unexplained differences in the APSS loan amount and the CLPS loan amount.	

C Applying Repayments to Non-EWR Loans Partially Repaid in APSS

See guidance in the following table for entering repayments that were previously recorded in APSS.

Step	Action
1	Identify remittance status in NRRS.
2	• Update the remittance status to make available for correction • Activate the remittance if the remittance status is "Verified". • Delete the associate schedule of deposit if the remittance status is "Scheduled".
3	Delete the "PS" (APSS repayment) or "MISCINC" (Manual CLPS EWR repayment) receipt. **Note:** This functionality is only available for State and National Office users only.
4	Process the repayment in CLPS according to 16-PS.
5	Verify the repayment transmitted to CLPS successfully and de-activate the remittance in NRRS.

D Re-Entering Loans in CLPS for EWR Loans Without Repayments

Reverse the loan in APSS according to subparagraph 4 A. After reversing the loan, process the loan in CLPS using the same File Sequence number that was used to process the loan in APSS.

Process the loan in CLPS according to subparagraph 4 B. Enter the File Sequence number in the "Warehouse" section of the Commodity Information Screen to retrieve the EWR's from the preprocessed file and complete the loan in the normal manner.

Offset the receivable created when the loan was reversed according to subparagraph 4 B.

4 Moving APSS Loans to CLPS (Continued)

E Re-Entering Loans in CLPS for EWR Loans with Partial Repayments

Re-enter loans in CLPS that were initially created in APSS that have received partial repayments according to the following table.

Step	Action
1	Review the loan folder and identify the EWR's that were repaid.
2	Prepare a list of EWR's that were repaid with the following information: • State and/or county • loan number • commodity and/or type • warehouse code • EWR number(s).
3	Create a remedy ticket and include the list of EWR's that were repaid.
4	Enter in case in the SharePoint with the Remedy ticket number.
5	When notified that the EWR's that were repaid are ready for processing, reverse the loan in APSS according to subparagraph 4 A.
6	Process the loan in CLPS in the normal manner. Enter the File Sequence number in the "Warehouse" section of the Commodity Information Screen to retrieve the data from the preprocessed file.
7	Complete the loan disbursement in the normal manner.
8	Offset the receivable created when the APSS loan was reversed according to subparagraph 4 B.
9	Record the EWR repayments in CLPS according to paragraph 4 C.

5 APSS Cleanup Actions for Outstanding Loans in APSS for Crop Year 2014 and Prior

A Transferring Outstanding Loan Amounts to NRRS - Creating a Receivable

8-LP, Exhibit 11 provides guidelines for determining when a receivable shall be created for a loan.

Note: A receivable shall **not** be created for an outstanding commodity loan as a means to offset another program payment to repay a loan that has not yet reached the maturity or due date.

A receivable is automatically created in NRRS for a loan when the loan is cancelled or completely reversed in APSS only after it has been signed and disbursed through NPS.

5 APSS Cleanup Actions for Outstanding Loans in APSS for Crop Year 2014 and Prior (Continued)

A Transferring Outstanding Loan Amounts to NRRS - Creating a Manual Receivable (Continued)

A receivable must be manually created in NRRS to facilitate the debt management collection process when:

- the "Transfer to Claims" option is taken in APSS
- an overdisbursement resulting from a transfer violation or shortage that is not repaid immediately
- what is intended as the final payment is received for a loan and a balance of $10 or larger remains.

Notes: See subparagraph 4 B for guidance on write-off of small balances of $9.99 or less.

Receivables shall **not** be established for MAL's when the loan collateral is still available. Only when CCC has taken possession of the loan collateral shall a receivable be established.

See 8-LP for settlement or forfeiture procedures.

Remove an open MAL from APSS and create a receivable in NRRS manually according to the following table.

Step	Action
1	In APSS, from the Price Support Main Menu PCA005, ENTER "**8**", "Perform Loan/LDP Servicing Functions".
2	On Screen PVA005, ENTER "**3**", "Transfer a loan/LDP to Claims".
3	Identify the appropriate producer and loan in the normal manner.
4	On the Transfer to Claims Selection Screen, ENTER "**1**", "Full Transfer".
5	Enter the claim date on the next screen. See 8-LP, Exhibit 11 to determine when to enter the claim – which is the claim date.
6	Complete the transfer process in APSS and ensure that the Transfer to Claims Report has printed. **Important:** The Transfer to Claims Report is very important as it provides the total amount due to create the receivable in NRRS.
7	See 64-FI, paragraph 21 D to manually create a receivable in NRRS using the code, "XXCOMMLND". **Note:** The last 2 digits of crop year is XX, and "COMM" is for the abbreviated commodity name.
8	Use the information provided in the Transfer to Claims Report printout to determine the amount due.

5 APSS Cleanup Actions for Outstanding Loans in APSS for Crop Year 2014 and Prior (Continued)

A Transferring Outstanding Loan Amounts to NRRS - Creating a Receivable (Continued)

Step	Action
8 Cont.	Add the amounts due for the: • principal amount (XXCOMMLN) • regular loan interest (COMMCLINT) • additional 1 percent loan interest (XXADDLNINTCOMM), as applicable. This total will be entered as 1 receivable in the "Program Amount" field in NRRS on the Create a Receivable Screen. Do **not** make any entries on any fields under the Interest Information section and leave blank the "Program Interest" field and with "Late Payment Interest" selection.
9	In the "Reference" field enter the following: • "Discovery Code", "**Program Operations**" • "Basis Code", "**Program Earnings Exceeded**" • "Reference Type", "**Loan**" • "Reference Number", loan number of the loan transferred.
10	Notate in the "Create New Receivable" remarks section, the breakdown of the loan amounts for each code. **Example:** "Receivable includes loan principal $1,890.00 + regular loan interest $8.57 + additional 1% interest $20.77 = $1,919.34 total due."
11	If liquidated damages (PSLIDACOMM) are included with the loan, enter that amount in the "Program Charges" field. Enter any liquidated damages in the remarks section as well. **Example:** "Receivable includes loan principal $1,890.00 + regular loan interest $8.57 + additional 1% interest $20.77 = $1,919.34 total due. Liquidated damages included as a program charge in the amount of $191.93".

If a loan is past maturity, in bankruptcy status, or under OIG investigation, the loan must be transferred to NRRS using this same process. See:

- 63-FI, paragraph 171 to adjust the customer's bankruptcy status, as necessary
- 64-FI, paragraph 26 to change the status of a receivable, if collection process is to be delayed for litigation.

Important: See 8-LP, Exhibit 11 to determine the process for issuing demand letters. If a demand letter has been sent for a newly entered receivable, follow procedure in 64-FI, paragraph 24 to manually adjust the demand letter date to prevent the automatic generation of another demand letter.

5 APSS Cleanup Actions for Outstanding Loans in APSS for Crop Year 2014 and Prior (Continued)

B Small Balances

A small balance occurs when a loan has been fully repaid yet a balance in the amount of $24.99 or less remains in APSS. The small balance may be repaid by the producer or it may be written off to satisfy and close the loan.

Balances under $9.99 may be written off directly in APSS. Balance over $10.00 must first be removed from APSS and created as a receivable in NRRS. Follow the instructions in 64-FI, paragraph 25 to write-off receivables in NRRS. Also, see 64-FI, paragraph 3 for write-off authority and 58-FI for write-off policy.

Note: The State Claims officer has the ability to authorized writer-offs greater than $24.99.

To write off a small balance of $10.00 but less than $24.99 follow procedure in subparagraph 4 B.

To write off a small balance of $9.99 or less in APSS, follow the procedure in the table.

Step	Action
1	From the Price Support Main Menu PCA005, ENTER "**8**", "Perform Loan/LDP Servicing Functions".
2	From Screen PVA005, ENTER "**1**", "Write Off a Small Loan/LDP amount".
3	Search for the appropriate producer and loan in the normal manner.
4	Verify that the selected loan is correct.
5	On screen PAA20000, the loan balance is displayed. Press "**Enter**" to continue. **Note:** If the remaining balance is over $9.99, the user cannot proceed.
6	The "Small Balance Write off Report" will print. The user may print multiple copies of the report by answering "Y" to the question, "Would you like to reprint this report? (Y/N)". To complete the process, the user must enter "N" and presses "**Enter**".
7	The user is returned to Menu PVA005 once the process is complete. Save a copy of the "Small Balance Write-Off" Report in the producer's folder.

C Overdisbursements

An overdisbursement can occur as a result of several actions. If a shortage or violation is recorded, an overdisbursement is created based on the quantity recorded. If a loan is transferred (that is from farm to warehouse, or warehouse to warehouse), an overdisbursement could be generated because the quantity delivered to the new location is less than the original loan. First determine if the producer is ready to repay the overdisbursement by check or by offset of another program.

5 APSS Cleanup Actions for Outstanding Loans in APSS for Crop Year 2014 and Prior (Continued)

C Overdisbursements (Continued)

The following table provides instructions for repaying an overdisbursement when the producer is ready to repay immediately.

Step	Action
1	Identify if there is an overdisbursement to be repaid. Print the Loan and LDP's Overdisbursements Report according to 12-PS, paragraph 1465.
2	From Screen PCA005 in APSS, ENTER "**4**", "Repay a Loan/Refund LDP Amount".
3	Locate the appropriate producer and loan in the normal manner.
4	On the Price Support – Loan Repayments Screen PPD0000, ENTER "**5**", "Overdisbursement Repayment".
5	Enter the current date as the repayment date. **Note:** APSS will not allow users to back date overdisbursement repayments.
6	On Screen PPD73000, select the record to liquidate, enter the amount to be liquidated, and PRESS "**Enter**". The demand date shall be left blank. PRESS "**Enter**" again to proceed.
7	Screen PPD75000 will be displayed with the: • overdisbursement effective date (date overdisbursement was created in system) • overdisbursement principal liquidated (amount entered from Screen PPD73000) • interest due (from the principal to be liquidated) • liquidated damages due (if overdisbursement resulted from a violation) • total due.
8	Enter the amount to be repaid (total due) and ENTER "**N**", if there are no other records to be liquidated on the loan.
9	Screen PPD77000 will be displayed with the summary of the total due. To complete the repayment, ENTER "**Y**" and PRESS "**Enter**" to continue.
10	In NRRS, record the collection as described in 64-FI, subparagraph 38 to link it to the loan.

5 APSS Cleanup Actions for Outstanding Loans in APSS for Crop Year 2014 and Prior (Continued)

C Overdisbursements (Continued)

Repay an overdisbursement by program offset according to the following.

Step	Action
1	Identify if there is an overdisbursement to be repaid, print the Loan and LDP's Overdisbursements Report according to 12-PS, paragraph 1465.
2	In APSS, transfer the overdisbursement to claims according to 12-PS, paragraph 1220. ENTER "**3**", "Overdisbursement/Overpayment" as the transfer option.
3	After the transfer process is complete, save the Transfer to Claims Report, which will be used to create a manual receivable in NRRS.
4	Using the code, "XXCOMMLND", create a receivable in NRRS manually using the information from the Transfer to Claims Report. See subparagraph 4 A for instructions to create the receivable.
5	When a program payment is issued, ensure that the receivable is offset in NPS according to 1-FI. **Note:** Late interest will start accruing 30 days after the first demand letter is sent.

D Codes for NRRS Transactions

Codes in NRRS are listed alphabetically by crop year. When most Price Support codes are referenced, "XXCOMM" is a common prefix. In these cases:

- "XX" references the 2-digit crop year, such as "14" for "2014" or "13" for "2013"
- "COMM" references the abbreviated commodity, as follows.

Commodity	COMM Abbreviation	Commodity	COMM Abbreviation
Barley	BRLY	Peanuts	PNUT
Canola Seed	CAN	Peas (dry whole)	PEAD
Chickpeas (large and small)	CHKP	Rapeseed	RAP
Cotton Seed (Oilseed)	CNS	Raw Cane Sugar	RACS
Corn	CORN	Refined Beet Sugar	BSUG
Crambe Oilseed	CRAM	Rice	RICE
ELS Cotton	ELS	Safflower Seed	SAF
Flaxseed	FLX	Sesame	SEME
Grain Sorghum	SORG	Soybean	SOYA
Honey	HONY	Sunflower (oil type and confectioner)	SUN
In-Process Beat Sugar	IPBS	Sunflower Seed	SFN
In-Process Cane Sugar	IPCS	Unshorn Pelts	PELT
Lentils (Dry)	LEND	Upland Cotton	UPCN
Mustard Seed	MUS	Wheat	WHT
Oats	OATS	Wool	WOOL

5 APSS Cleanup Actions for Outstanding Loans in APSS for Crop Year 2014 and Prior (Continued)

D Codes for NRRS Transactions

The following is a list of commonly used codes in NRRS with a brief description.

Code	Description
XXCOMMLN	Selected when recording a repayment in NRRS under "Price Support" collection type drop-down menu. Do **not** use this code when manually creating a receivable.
XXCOMMLND	Selected when a receivable is manually established for a loan or overdisbursement that has been transferred to claims.
PSLIDACOMM	Selected when liquidated damages are assessed for a eLDP violation.

See 64-FI, Exhibit 7 for additional codes and their descriptions.

E Recording Shortages

Shortages must be recorded in APSS using the violation software. Before establishing the shortage, any repayment previously processed **must** be reversed. Shortage quantity **cannot** be greater than 10 percent.

Step	Action
1	From the Price Support Main Menu PCA005, ENTER "**8**", "Perform Loan/LDP Servicing Functions".
2	From Screen PVA005, ENTER "**16**", "Record a Loan/LDP Shortage/ Violation".
3	Search for the appropriate producer and loan in the normal manner.
4	On Screen PPD64000, ENTER "**N**" to the question, "Is this the recording of a shortage as a result of a spot check?" **Note:** If "Y" is entered, users will **not** be able to proceed.
5	Proceed with the processing in the normal manner; however, ensure that users ENTER "**W**" to waive liquidated damages.

5 APSS Cleanup Actions for Outstanding Loans in APSS for Crop Year 2014 and Prior (Continued)

E Recording Shortages (Continued)

Process a violation or shortage on a loan that has been fully or partially repaid according to the following.

Step	Action
1	Reverse repayment actions; on Screen PCA005, ENTER "**7**", "Correct a loan".
2	On Screen PVA005, ENTER "**16**", "Record a Loan/LDP Shortage/ Violation".
3	Proceed with the violation processing in the normal manner.
4	Reapply repayments in the normal manner. **Important:** Be sure to answer "**Y**" to the question, "Is this a manual transaction?", so that repayments can be applied accurately with the original date. Users will only be able to back date repayments to the original collection date, if users answer "**Y**" to the manual transaction question.
5	Do **not** rerecord the repayment in NRRS if user has previously recorded the repayment in NRRS.

Note: A receivable must be manually established in NRRS for any liquidated damages due with program code "PSLIDACOMM". Follow the instructions described in 64-FI, paragraph 21 to create manual receivables in NRRS.