

For: State and County Offices

**2019 Peanut Loans Processing and Required Corrections**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The peanut loan rates were incorrectly calculated for the 2019 crop year because of a formula calculation error. The rates have been revised based on corrected formulas. The revised peanut loan rates for processing MAL's and LDP's for 2019 crop peanuts by type (Valencia, Spanish, Runner, and Virginia) have been recalculated and approved.

County Offices have disbursed 2019 loans at the incorrect loan rate without being aware of the issue. The new calculated loan rates have been loaded into all peanut supporting MAL systems and industry-related software.

FSA will continue to work closely with DMA's, peanut buying points, and peanut shellers to ensure that 2019 loan support rates and sound mature kernel (SMK) values are correct.

**B Purpose**

This notice informs:

- State and County Offices of the instructions for correcting previously disbursed loans and note and security agreements with incorrect loan values
- buying points and shellers of the instructions for correcting previously transmitted receipts and FSA-1007's with incorrect receipt values.

<b>Disposal Date</b>	<b>Distribution</b>
June 1, 2020 10-18-19	State Offices; State Offices relay to County Offices

## Notice PS-744

### 1 Overview (Continued)

#### C Loan Processing

As of October 10, 2019, County Offices were instructed to resume processing peanut loans.

Buying points and shellers have been instructed to resume processing FSA-1007's and peanut loan receipts after confirmation that software has been updated with the correct support and SMK rates. County Offices should verify that peanut receipt value on the detailed report matches the CLPS value before approving any new loans. If values do not match, contact the State Office immediately.

#### D Contacts

If there are questions about this notice, contact the appropriate office as follows.

Issue	Contact
Automation for MAL/LDP	Contact Dana Wood by either of the following: <ul style="list-style-type: none"><li>e-mail to <a href="mailto:dana.wood@usda.gov">dana.wood@usda.gov</a></li><li>telephone at 202-692-5288.</li></ul>
Policy for Peanuts	Contact George Pryor by either of the following: <ul style="list-style-type: none"><li>e-mail to <a href="mailto:george.pryor@usda.gov">george.pryor@usda.gov</a></li><li>telephone at 202-690-4799.</li></ul>
EWR, Inc.	Contact Mike Taylor by telephone at 901-753-4951.

### 2 Peanut Loan Corrections

#### A Identifying Incorrect Loans Within the System

A spreadsheet of loans having the incorrect loan value in production will be e-mailed from the National Office to State Offices. State Offices will send the spreadsheet to County Offices.

Because of the complexity of the correction process, step-action tables will be developed for FSA offices, DMA's, and industry-related sites. See Exhibits 1 through 6.

## Notice PS-744

### 2 Peanut Loan Corrections (Continued)

#### B Action for National Office – Instructions and Monitoring

Step-action tables serve as a high-level plan of action and were provided to the field on October 10, 2019. Contact Dana Wood if the step-action tables do not address a specific scenario.

Training will be made available to counties and DMA's that have receipts under loan.

**Note:** The National Office will also monitor all corrections made until all receipts are accounted.

#### C Action for Loans With a “DISBURSED” Status

Access the “**2019\_CLPS\_Peanut Loans**” spreadsheet provided to State Offices by the National Office and:

- filter to the applicable State and county
- verify column D “Loan Number” and column E “Loan Status”.

Access CLPS through the FSA Applications Page and:

- select applicable loans
- CLICK “Service”
- from the drop-down menu, select “Cancel Loan”

**Note:** Repayment transactions must be deleted in sequential order from newest to oldest before canceling the loan.

- follow step-action tables according to Exhibits 1 through 6

**Note:** If using EWR, receipts will automatically be released.

- print the **canceled** note and security agreement.

## Notice PS-744

### 2 Peanut Loan Corrections (Continued)

#### D Action for Loans With a “PENDING/DRAFT” Status

Access the “**2019\_CLPS\_Peanut Loans**” spreadsheet provided to State Offices by the National Office and:

- filter to the applicable State and county
- verify column D “Loan Number” and column E “Loan Status”.

Access CLPS through the FSA Applications Page and:

- select applicable loans
- CLICK “Edit”
- from the Loan Summary Screen, select “Cancel this Agreement” under the “CANCEL APPLICATION” assignment block
- CLICK “Submit”.

#### E Action for DMA Loans

Once receipts have been returned to DMA, return warehouse receipts to the original holder. Corrected receipts will be processed for loan in the same manner as original loans.

**Note:** DMA’s can use the same pre-processed file numbers as original loans.

#### F Action for Buying Points and Shellers

Buying points and shellers will recalculate the value of:

- FSA-1007’s by:
  - recalculating the value only
  - resubmitting FSA-1007 using the next sequence number

**Note:** Resubmission can be done in batches. Files do not have to be retransmitted on the day of the original transmission. Do not supersede or change the serial number of FSA-1007.

- peanut warehouse receipts by:
  - using the recalculated value of FSA-1007’s to rebuild the receipt value
  - uploading the maintenance file into EWR and changing **only** the “Receipt Value” field.

## Notice PS-744

### 2 Peanut Loan Corrections (Continued)

#### G Action for FSA County Offices – Reprocessing Loans

Before correcting any peanut loans, determine whether the producer has any outstanding receivables in an open status that will offset not pertaining to the loan corrections.

If the receivables are present, change the status to “Open for KC Review”. After the loan has been corrected and all offsets have been applied according to Exhibits 1 through 6, the receivable must be returned to “Open”.

Once notified that receipts have been corrected, County Offices will:

- download EWR receipts
- reprocess loans according to step-action tables according to Exhibit 1
- certify and sign all payments in NPS
- report daily progress to the National Office using the “2019\_CLPS\_Peanut Loans” spreadsheet.

### 3 Reports

#### A County Office Action

County Offices will follow this notice and step-action tables (Exhibit 1) to ensure that correct procedure is followed during this process. Report daily progress on the provided spreadsheet to the applicable State Office.

#### B State Office Action

State Offices will combine multiple spreadsheets and send the updated spreadsheet to Dana Wood each Tuesday and Thursday by COB.

#### C Timeline

New loans using receipts with the correct value were clear to start processing on October 10, 2019.

Buying points and shellers who have not yet confirmed that rates are updated within their systems must wait until confirmation is received.

An Informational Bulletin will be posted confirming resumption of loan processing in CLPS.

Correcting existing loans began on Friday, October 11, 2019. Although a deadline has not yet been set for correcting affected loans, County Offices should make every effort to correct loans within 30 calendar days.

**CLPS-Disbursed Loans**

Use the following step-action table to process CLPS-disbursed loans.

Step	System	Action
1	<b>CLPS</b>	Under “Loan Detail”, select “ <b>Cancel Loan</b> ”.  Print the canceled note and security agreement.
2	<b>NRRS</b>	Change receivable status to “ <b>OPEN FOR KC REVIEW</b> ” for the following: <ul style="list-style-type: none"> <li>• producer</li> <li>• assessments</li> <li>• authorized charges</li> <li>• load-in charges.</li> </ul>
3	<b>Excel</b>	On the provided spreadsheet, enter the new: <ul style="list-style-type: none"> <li>• loan number</li> <li>• loan value by receipt.</li> </ul>
4	<b>Receipts</b>	If this is an EWR-receipted loan, CLPS will release receipts when loan cancellation occurs.  If this loan has paper receipts, mail the paper receipts back to the warehouse for correction after cancellation of loan.  <b>Note:</b> This will be done by using “Certified Mailing”. In some instances, the warehouse may choose to pick up receipts in person.
5	<b>County Office</b>	Send a copy of the canceled CCC-678 agreement to the previous holder.  <b>Note:</b> Producers sign a power of attorney for warehouses and DMA’s to redeem loans on their behalf. In the case that FSA-211 is not on file, all producer PII must be redacted.  For DMA servicing counties, include the pre-processed file number on the canceled agreement.

CLPS-Disbursed Loans (Continued)

Step	System	Action
6	CLPS	<p>Once corrected receipts have been returned to the County Office:</p> <ul style="list-style-type: none"> <li>• enter the loan according to 16-PS, Part 3</li> <li>• ensure that the following are identical to the original loan:                             <ul style="list-style-type: none"> <li>• service fees</li> <li>• National and State assessments</li> <li>• authorized charges</li> <li>• load-in charges</li> <li>• “Application” date</li> <li>• “Date Docs Received” date</li> <li>• “Signed Docs Received” date</li> <li>• “Review” date</li> <li>• “COC Approval” date.</li> </ul> </li> </ul>
7	CLPS	Disburse the corrected loan.
8	NRRS	<p>Using the receivables recorded in step 4, change the receivable status to “Open”.</p> <p><b>Note:</b> This must be done for all receivables associated with the loan payment package.</p>
9	NPS	<p><b>Reset</b> the package payments.</p> <p><b>Note:</b> This action is required to pull in the most current receivables.</p>
10	NPS	<p>Review the package. Each payment should be offset except the service fee.</p> <p><b>Important:</b> Do <b>not</b> certify if offsets are not appearing. Contact the State Office immediately for further assistance.</p>
11	NPS	<p>Certify and sign payments <b>after</b> verification of offsets.</p> <p><b>Warning:</b> It is critical that these steps be completed correctly. Failure to properly certify and sign will result in having to cancel the loan and restart the process.</p>
12	County Office	Attach the printed new loan documents to the original generated CCC-678 and file in the producer’s MAL folder and include notes if special processing was required as instructed by the State Office.
13	County Office	E-mail the updated spreadsheet daily to <a href="mailto:dana.wood@usda.gov">dana.wood@usda.gov</a> .

**CLPS-Pending Loans**

Use the following step-action table to process CLPS-pending loans.

Step	System	Action
1	<b>CLPS</b>	On the Loan Summary Page, scroll to the “CANCEL APPLICATION” assignment block and: <ul style="list-style-type: none"> <li>• CLICK “Cancel this Agreement”</li> <li>• CLICK “Submit”.</li> </ul>
2	<b>Receipts</b>	If this is an EWR-receipted loan, CLPS will release receipts when loan cancellation occurs.  If this loan has paper receipts, mail the paper receipts back to the warehouse for correction after cancellation of loan.  <b>Note:</b> This will be done by using “Certified Mailing”. In some instances, the warehouse may choose to pick up receipts in person.
3	<b>County Office</b>	Notify the previous holder that receipts have been released.
4	<b>CLPS</b>	After the corrected receipts have been returned to the County Office: <ul style="list-style-type: none"> <li>• enter the loan according to 16-PS, paragraph 220</li> <li>• ensure that the following are identical to the original loan:                             <ul style="list-style-type: none"> <li>• service fees</li> <li>• National and State assessments</li> <li>• authorized charges</li> <li>• load-in charges</li> <li>• “Application” date</li> <li>• “Date Docs Received” date</li> <li>• “Signed Docs Received” date, if applicable</li> <li>• “Review” date, if applicable</li> <li>• “COC Approval” date, if applicable.</li> </ul> </li> </ul>
5	<b>CLPS</b>	Disburse the loan.
6	<b>NPS</b>	Certify and sign loan payment packages.
7	<b>Excel</b>	On the provided spreadsheet, enter the new: <ul style="list-style-type: none"> <li>• loan number</li> <li>• loan value by receipt.</li> </ul>
8	<b>County Office</b>	E-mail the updated spreadsheet daily to <b>dana.wood@usda.gov</b> .

**CLPS-Partial Repayments**

Use the following step-action table to process CLPS-partial repayments.

Step	System	Action
1	<b>CLPS/NRRS</b>	Cancel any repayments made to the loan by: <ul style="list-style-type: none"> <li>• activating the remittance in NRRS</li> <li>• deleting the repayment in CLPS.</li> </ul>
2	<b>CLPS</b>	Under “Loan Detail”, select “ <b>Cancel Loan</b> ”.  Print the canceled note and security agreement.
3	<b>NRRS</b>	Change receivable status to “ <b>OPEN FOR KC REVIEW</b> ” for the following: <ul style="list-style-type: none"> <li>• producer</li> <li>• assessments</li> <li>• authorized charges</li> <li>• load-in charges.</li> </ul>
4	<b>Excel</b>	On the provided spreadsheet, enter the receivable number.
5	<b>Receipts</b>	If this is an EWR-receipted loan, CLPS will release receipts when loan cancellation occurs.  If this loan has paper receipts, mail the paper receipts back to the warehouse for correction after cancellation of loan.  <b>Note:</b> This will be done by using “Certified Mailing”. In some instances, the warehouse may choose to pick up receipts in person.
6	<b>County Office</b>	Send a copy of the canceled CCC-678 agreement to the previous holder.  <b>Note:</b> Producers sign a power of attorney for warehouses and DMA’s to redeem loans on their behalf. In the case that FSA-211 is not on file, all producer PII must be redacted.  For DMA servicing counties, include the pre-processed file number on the canceled agreement.

CLPS-Partial Repayments (Continued)

Step	System	Action
7	CLPS	<p>Once corrected receipts have been returned to the County Office:</p> <ul style="list-style-type: none"> <li>• enter the loan for the unpaid receipts according to 16-PS, Part 3</li> </ul> <p><b>Notes:</b> The service fee is \$45, plus \$3 for each unpaid receipt on a loan.</p> <p>National and State assessments are system-calculated; do not override.</p> <ul style="list-style-type: none"> <li>• enter the loan for the paid receipts according to 16-PS, Part 4 loading the receipts as <b>paper receipts</b>.</li> </ul> <p><b>Notes:</b> The service fee is \$3 for each paid receipt.</p> <p>National and State assessments are system-calculated; do not override.</p>
8	Excel	<p>On the provided spreadsheet, enter the new:</p> <ul style="list-style-type: none"> <li>• loan number</li> <li>• loan value by receipt.</li> </ul>
9	NPS	<p><b>Reset</b> the package payments.</p> <p><b>Important:</b> This action is required to pull in the most current receivables.</p>
10	NPS	<p>Review the package. Each payment should be offset except the service fee.</p> <p><b>Important:</b> Do <b>not</b> certify if offsets are not appearing. Contact the State Office immediately for further assistance.</p>
11	NPS	<p>Certify and sign payments <b>after</b> verification of offsets.</p> <p><b>Warning:</b> It is critical that these steps be completed correctly. Failure to properly certify and sign will result in having to cancel the loan and restart the process.</p>
12	County Office	<p>Attach the printed new loan documents to the original generated CCC-678 and file in the producer’s MAL folder and include notes if special processing was required as instructed by the State Office.</p>

CLPS-Partial Repayments (Continued)

Step	System	Action
13	<b>Coordinate With Warehouse</b>	Additional funds from the warehouse are necessary to repay previously paid receipts.  Checks must be: <ul style="list-style-type: none"> <li>• in the amount of the difference owed between the original loan and the new loan</li> <li>• dated with the current date but entered with the original effective date as the previous paid receipt.</li> </ul> <b>Note:</b> This must be done for each receipt.
14	<b>NRRS/CLPS</b>	Apply applicable repayments according to 16-PS.
15	<b>NRRS</b>	<ul style="list-style-type: none"> <li>• Deactivate remittances.</li> <li>• Schedule deposit for additional funds.</li> </ul>
16	<b>Excel</b>	E-mail the updated spreadsheet daily to <b>dana.wood@usda.gov</b> .

**CLPS-Full Repayments**

Use the following step-action table to process CLPS-full repayments.

Step	System	Action
1	CLPS	Cancel any repayments made to the loan by: <ul style="list-style-type: none"> <li>• activating the remittance in NRRS</li> <li>• deleting the repayment in CLPS.</li> </ul>
2	CLPS	Under “Loan Detail”, select “ <b>Cancel Loan</b> ”.  Print the canceled note and security agreement.
3	NRRS	Change receivable status to “ <b>OPEN FOR KC REVIEW</b> ” for the following: <ul style="list-style-type: none"> <li>• producer</li> <li>• assessments</li> <li>• authorized charges</li> <li>• load-in charges.</li> </ul> Enter the following reason: “ <b>National Office correction process for 2019 Peanut Loans calculated using incorrect rate</b> ”.
4	Excel	On the provided spreadsheet, enter the receivable number.
5	County Office	Send a copy of the canceled CCC-678 agreement to the previous holder.  <b>Note:</b> Producers sign a power of attorney for warehouses and DMA’s to redeem loans on their behalf. In the case that FSA-211 is not on file, all producer PII must be redacted.  For DMA servicing counties, include the pre-processed file number on the canceled agreement.
6	CLPS	Once the corrected receipts have been returned to the County Office: <ul style="list-style-type: none"> <li>• enter the loan for the paid receipts according to 16-PS, Part 4 loading the receipts as <b>paper receipts</b></li> <li>• ensure that the following are identical to the loan processed originally:                             <ul style="list-style-type: none"> <li>• service fees</li> <li>• National and State assessments</li> <li>• authorized charges</li> <li>• load-in charges</li> <li>• “Application” date</li> <li>• “Date Docs Received” date</li> <li>• “Signed Docs Received” date</li> <li>• “Review” date</li> <li>• “COC Approval” date.</li> </ul> </li> </ul>

CLPS-Full Repayments (Continued)

Step	System	Action
7	CLPS	Disburse the corrected loan.
8	NRRS	Using the receivables recorded in step 4, change the receivable status to “Open”.  <b>Note:</b> Make sure to do this for all receivables associated with the loan payment package.
9	NPS	<b>Reset</b> the package payments.  <b>Important:</b> This action is required to pull in the most current receivables.
10	NPS	Review the package. Each payment should be offset except the service fee.  <b>Important:</b> Do <b>not</b> certify if offsets are not appearing. Contact the State Office immediately for further assistance.
11	NPS	Certify and sign payments <b>after</b> verification of offsets.  <b>Warning:</b> It is critical that these steps be completed correctly. Failure to properly certify and sign will result in having to cancel the loan and restart the process.
12	County Office	Attach the printed new loan documents to the original generated CCC-678 and file in the producer’s MAL folder and include notes if special processing was required as instructed by the State Office.
13	Coordinate With Warehouse	Additional funds from the warehouse are necessary to repay previously paid receipts.  Checks must be:  <ul style="list-style-type: none"> <li>• in the amount of the difference owed between the original loan and the new loan</li> <li>• dated with the current date but entered with the original effective date as the previous paid receipt.</li> </ul> <b>Note:</b> This must be done for each receipt.
14	NRRS/CLPS	Apply applicable repayments according to 16-PS.
15	NRRS	<ul style="list-style-type: none"> <li>• Deactivate remittances.</li> <li>• Schedule deposit for additional funds.</li> </ul>
16	Excel	On the provided spreadsheet, enter the new:  <ul style="list-style-type: none"> <li>• loan number</li> <li>• loan value by receipt</li> <li>• e-mail daily to <a href="mailto:dana.wood@usda.gov">dana.wood@usda.gov</a> as corrections are processed.</li> </ul>

## Shellers and Buying Points

The following step-action table is for sheller and buying points.

Step	System	Action
1	<b>PMP Team</b>	<p>PMP team will perform a data change record (DCR) on all processed FSA-1007's to show as "Inactive".</p> <ul style="list-style-type: none"> <li>DCR will mark unprocessed files as "E" Processed with Errors.</li> <li>To each transmission package, DCR will add the error message, "File not used because of MAL rate change affecting peanut purchase prices".</li> </ul>
2	<b>Sheller - BP</b>	<p>Correct the value using updated rates.</p> <p><b>Important:</b> Do not supersede or change the FSA-1007 serial number.</p>
3	<b>Sheller - BP</b>	<p>Shellers will:</p> <ul style="list-style-type: none"> <li>retransmit FSA-1007 to Kansas City</li> <li>use the next sequence number available.</li> </ul> <p><b>Note:</b> This may be done in batches, but it is not necessary to separate by original date of transmissions.</p>
4	<b>PMP Team</b>	PMP team will manually batch process and mark as "PROCESSED".
5	<b>Sheller - BP</b>	Verify that the receipt has been returned to the original holder.
6	<b>Sheller - BP</b>	<p>Upload the maintenance file to EWR, Inc. to update the receipt value only.</p> <ul style="list-style-type: none"> <li>Field 780 "Loan/LLDP Number" and Field 781 "Loan or LDP" must be blank.</li> <li>Receipt will be marked "Maintained".</li> </ul> <p><b>Note:</b> Do not change the receipt number.</p> <p>For assistance with EWR, Inc., contact Mike Taylor at 901-753-4951.</p>
7	<b>Sheller - BP</b>	Inform FSA/DMA that the receipt is ready for download.
8	<b>Sheller - BP</b>	<p>If the software does not allow for upload of "Maintenance Files", then contact Dana Wood, Price Support Automation Specialist, at 202-692-5288.</p> <p><b>Note:</b> Receipts may have to be voided and new receipts issued. This must be manually tracked.</p>
9	<b>Sheller - BP</b>	If the software does not allow for EWR and receipts are paper receipts, then correct the receipt value and return to the FSA/DMA office.

**DMA and DMA Servicing Counties**

The following step-action table is for DMA and DMA servicing counties.

<b>Step</b>	<b>System</b>	<b>Action</b>
1	<b>County Office</b>	Follow the applicable step-action table.
2	<b>DMA</b>	Release receipts back to the original holder.
3	<b>DMA</b>	Once the corrected receipts have been returned: <ul style="list-style-type: none"> <li>• contact the servicing county</li> <li>• keep receipts grouped by original loan disbursement</li> <li>• use the existing pre-processed files, if possible</li> <li>• send the new pre-processed file to the servicing county, if necessary.</li> </ul>
4	<b>DMA</b>	Pre-processed files should ensure that the following are identical to the loan processed originally: <ul style="list-style-type: none"> <li>• load-in charges</li> <li>• “Application” date</li> <li>• “Date Docs Received” date</li> <li>• “Disbursement” date</li> <li>• “Approval” date.</li> </ul>
5	<b>County Office</b>	If the pre-processed file is: <ul style="list-style-type: none"> <li>• existing file sequence number, then save .dat file to the F drive overwriting the original</li> <li>• new file sequence number, then save as normal.</li> </ul> Upload the pre-processed file normally in EWR.
6	<b>County Office</b>	Send new loan documentation to DMA.  Follow additional instructions from the applicable step-action table.