

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

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**Farm Storage Facility Loan Program  
1-FSFL (Revision 1)**

**Amendment 6**

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**Approved by:** Acting Deputy Administrator, Farm Programs



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 1 D has been added to include policy for State supplements.

Subparagraph 26 A has been amended to include new FSFL approval policy.

Paragraph 28 has been amended to:

- include that an FSFL disbursement calculator must be completed before disbursing the partial disbursement and filed in the producer's folder
- include that an FSFL disbursement calculator must be completed before disbursing the final disbursement and filed in the producer's folder
- include FSFL disbursement calculator policy
- provide instructions to access the FSFL disbursement calculator
- provide instructions to use the FSFL disbursement calculator
- include secondary review policy for the FSFL disbursement calculator
- add an example of the FSFL disbursement calculator.

Paragraph 35 has been added to include honey FSFL policy.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

Subparagraph 52 A has been amended to add in step 6 that an FSA employee with FLP loan approval authority must:

- complete a financial analysis
- provide a written recommendation to verify the applicant has financial ability to provide downpayment and pay future installments.

Subparagraphs 52 B through E have been amended to update policy and instructions for CCC-195.

Subparagraph 53 G has been amended to remove the financial analysis requirement when an irrevocable letter of credit is used as security.

Subparagraph 115 B has been amended to provide:

- that STC or STC-delegated SED only is the approval authority for an individual FSFL with a total principal of \$250,000.01 to \$500,000
- actions needed when STC or COC meetings are conducted by conference call, e-mail, or polling process for CCC-185 approvals.

Subparagraph 116 A has been amended to update the instructions for CCC-185, item 14C to reflect the 6-month FSFL approval period.

Subparagraph 127 A has been amended to reflect that County Offices must initial and date that the final lien search was performed on CCC-195, step 20D.

Subparagraph 127 B has been amended to reflect that County Offices must initial and date that the final lien search was performed on CCC-195, step 19M.

Subparagraph 128 A has been amended to provide in the FSFL approval notification letter that loan approval will expire 6 months after the date of approval.

Subparagraphs 133 A and B have been amended to include that acceptable evidence must be signed and dated by the seller, if acceptable evidence of cost documents are not on original letterhead or stamped with the company's seal.

Paragraph 134.5 has been added to include CCC-197 policy.

Paragraph 135 has been amended to provide new extension of approvals policy.

Subparagraph 163 A has been amended to update collateral check policy.

**Amendment Transmittal (Continued)**

**A Reasons for Amendment (Continued)**

Subparagraph 380 A has been amended to include that the annual installment repayment amount entered in the FSFL software must be the same as the annual installment repayment amount entered in NRRS.

Exhibit 8 has been added to include examples of the worksheet for determining the estimated capacity of a honey storage structure.

Exhibit 34 has been amended to instruct County Offices to use XXFSFLMR in NRRS to record the FSFL final annual installment repayment. The amount entered **must** match the amount entered in the System 36. Once XXFSFLMR is entered, the system will prompt the user for the overpayment amount, if applicable.

Exhibit 36 has been amended to provide that the annual installment repayment amount entered in NRRS must be the same as the annual installment repayment amount entered in the FSFL software.

<b>Page Control Chart</b>		
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**Part 1 Basic Provisions**

**1 Overview**

**A Purpose**

[7 CFR 1436.1] This handbook provides the terms and conditions under which CCC may provide low cost financing for producers to build or upgrade farm storage and handling facilities for eligible commodities.

**B Sources of Authority**

Authorities for the requirements in this handbook are as follows:

- 7 CFR Part 1436
- CCC Charter Act, 15 U.S.C. 714 et seq.
- Food, Conservation, and Energy Act of 2008, 7 U.S.C. 7971 and 8789.

**C Related FSA Handbooks**

The following FSA handbooks concern FSFLP.

<b>IF the area of concern is about...</b>	<b>THEN see...</b>
actively engaged determinations	4-PL.
appeals	1-APP.
approved abbreviations, signatures, and authorizations	1-CM.
audits and investigations	9-AO.
disbursing lien search and UCC-1 recording fees	1-FI.
document retention period	25-AS.
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**\*--D State Supplements**

SED's are authorized to issue State supplements to this handbook.

**Note:** Additional State supplements may:

- **not** be issued to simply state verbatim, policies already established in the national handbook--\*

## 1 Overview (Continued)

### \*--D State Supplements (Continued)

- be issued:
  - when the national handbook does **not** provide complete guidance
  - to provide additional guidance for employees with limited experience
  - when State law requirements are **not** specifically addressed in the national handbook.--\*

## 2 FSFLP Information

### A Administering FSFLP

[7 CFR 1436.2] FSFLP will be:

- administered under the general supervision of DAFP
- carried out in the field by STC's, COC's, and FSA employees.

### B Restrictions

STC's and COC's, and representatives and employees thereof, do **not** have the authority to modify or waive any of the provisions of this handbook unless authorized by DAFP.

### C STC Actions

STC will:

- take any action required by this handbook that has not been taken by COC
- correct, or require COC to correct, an action taken by COC that is not according to this handbook
- require COC to withhold taking any action that is not according to this handbook.

STC may:

- approve CCC-185's up to the maximum approval amount
- establish additional limits for COC approval
- establish maximum per bushel or per unit of measure limits for net cost.

### D Determinations

No provision or delegation to STC or COC shall preclude the CCC Executive Vice President, or a designee, or the FSA Administrator, or a designee, from:

- determining any question arising under FSFLP
- reversing or modifying any determination made by STC or COC.

25 FSFL Amount (Continued)

**D Net Cost Items (Continued)**

- on-farm equipment cost not to exceed commercial rates approved by COC
- purchase price
- sales tax
- shipping charges
- site preparation costs.

**Notes:** The net cost shall **not** include the following:

- on-farm labor
- secondhand material
- travel expenses of the vendors.

Grants and loans from any Government Agency shall be subtracted from the FSFL amount before disbursement. See paragraph 32.

**E Larger Capacity Than Needed**

When a storage structure has a larger capacity than the applicant’s needed capacity, the net cost shall be prorated and the maximum FSFL amount computed as follows.

Step	Action
1	Divide the eligible net cost by the bushels of capacity.
2	Multiply the per bushel cost times the bushels of capacity for which the applicant is eligible.
3	Multiply the result times .85.

**Example:** Applicant proposes to build a 60,000 bushel storage bin. Net cost is \$75,000. Eligible storage need is 50,000 bushels. Net cost per bushel is \$1.25 (\$75,000 divided by 60,000 bushels). Eligible net cost is \$62,500 (\$1.25 times 50,000 bushels). Maximum FSFL amount is \$53,125 (\$62,500 times .85).

**F Ineligible Space in a Flat Storage Structure**

When a flat storage structure has space that is not used primarily for eligible commodity storage, such as office or marketing space, compute the maximum FSFL amount as follows.

Step	Action
1	Determine a factor for eligible space by dividing the square footage that is primarily used for eligible commodity storage by total square footage of the building.
2	Determine the total net cost of the building.
3	Multiply the result from step 2 times .85 and multiply that result times the factor from step 1.

**Example:** Applicant proposes to build a 75,000 square foot flat storage building. Net cost is \$75,000. Eligible storage space is 74,000 square feet. Factor for eligible space is .99 (74,000 divided by 75,000). The maximum FSFL amount is \$63,112.50 (\$75,000 times .85 times .99).

26 **FSFL Approvals**

**A Approval Expiration**

\*--FSFL approvals expire 6 months after the approval date, unless extended in writing for up to an additional 6 months by the applicable approving authority identified in subparagraph 2 F.

A second 6-month extension, for a total of 12 months from the original approval date, may be approved according to the following.

<b>IF the FSFL amount is...</b>	<b>THEN approval authority is...</b>
less than or equal to \$250,000	COC after DD review.
greater than \$250,000	STC or delegated authority to SED <b>only</b> .

The delegation of authority **must** be recorded in the STC minutes.

STC's only are authorized to grant extensions of FSFL approvals beyond 12 months, not to exceed 18 months from the date of approval.

**Notes:** See paragraph 135 for further details of extension of approvals.

FSFL must **not** be disbursed with an expired approval date.

Until the FSFL software is released to change the initial 4-month FSFL approval period to 6 months, a manual entry of the 6-month FSFL approval expiration date with initials is required in CCC-185, item 14 C.--\*

**B Term Options**

Borrowers may select the term of their FSFL depending on the amount borrowed.

Total principal amount term options are as follows:

- for \$100,000 or less, 7 years **only**
- for \$100,000.01 through \$250,000, the borrower may select 7 or 10 years
- for \$250,000.01 through \$500,000, the borrower may select 7, 10, or 12 years.

## 28 Disbursements (Continued)

**B Partial Disbursements (Continued)**

To receive the partial disbursement, the following are required **before** CCC-186 is prepared:

- acceptable documentation providing the cost of the completed portion
- security required for the principal amount **before** the partial disbursement is closed
- CCC-191's from contractors submitting bills for completed construction.

**Examples:** The following examples explain the maximum amount of the partial disbursement allowed.

- FSFL is approved for \$125,000. The applicant completes the site preparation, foundation, and the outer shell of the steel bin. Bills are presented to the County Office for \$100,000. The bills presented are over half of the approved total FSFL amount. The maximum partial disbursement the borrower can receive on this FSFL is \$62,500. Acceptable security is required for the \$62,500 **before** the partial disbursement is closed.
- FSFL is approved for \$100,000. The applicant completes the site preparation and foundation of the steel bin. Bills are presented to the County Office for \$25,000. The maximum partial disbursement the borrower can receive on this FSFL is \$25,000. Although additional security is required for \$100,000 before the final FSFL disbursement, only UCC-1 filing is **required** for the \$25,000 partial disbursement.

If the applicant requests the partial disbursement:

- there will be two FSFL's with 2 installment payments due each year
- a separate CCC-186 will be required for each FSFL
- only 1 **manual** CCC-185 will be required for the partial and final FSFL amounts.

## 28 Disbursements (Continued)

### B Partial Disbursements (Continued)

County Offices shall:

- assist producers with completing 1 manual CCC-185 for the total FSFL amount requested
- enter 2 separate FSFL's into the FSFL software following instructions in paragraph 353

**Notes:** Currently, to process partial and final FSFL disbursements, 2 separate FSFL's are required in FSFL software. One FSFL for 50 percent of the requested FSFL total will be initially entered into the FSFL software for the partial disbursement, and another FSFL for the other 50 percent of the requested FSFL amount will be entered into the FSFL software for the final disbursement.

Because the exact amount of the partial and final FSFL disbursements cannot be determined before the structure is completed, it may be necessary to increase or decrease the approved and obligated amounts for each FSFL when the total for each disbursement has been determined.

- enter the approval date and amount for each FSFL when the requested facility has been approved by COC or STC
- see paragraph 24 for FSFL security requirements for FSFL's with partial and final disbursements
- see paragraph 30 for application fees for FSFL's with partial and final disbursements
- \*--complete an FSFL disbursement calculator, according to subparagraph F, before disbursing the partial disbursement. The FSFL disbursement calculator must be filed in the producer's FSFL folder.--\*

### C Final Disbursements

CCC will disburse FSFL or make the final disbursement when:

- the **entire** facility has been:
  - assembled
  - constructed
  - installed
  - inspected and approved by COC representative
  - determined to be free of liens other than CCC's by a final lien search
- all security requirements have been met.

## 28 Disbursements (Continued)

## C Final Disbursements (Continued)

The borrower may change the FSFL term before the final FSFL disbursement **if**:

- the principal amount qualifies for a different FSFL term
- a new financial analysis indicates the annual payments will be manageable.

The final FSFL disbursement must subtract all grants and loans on the same structure from any Government Agency.

\*--An FSFL disbursement calculator must be completed, according to subparagraph F, before disbursing the final disbursement. The FSFL disbursement calculator must be filed in the producer's FSFL folder.--\*

**Example:** RD grants and loans.

If a partial disbursement has been issued, the FSFL term on the amount disbursed **cannot** be adjusted because CCC-186 establishing the interest rate and FSFL term has already been completed and the lien perfected.

**Note:** If a partial disbursement has been issued, and the final disbursement amount indicates that FSFL was approved at a longer term than should have been allowed, the final disbursement will be allowed to be made at the term originally determined if documentation is on file supporting the original FSFL term in the form of the following:

- written estimates from **all** suppliers
- purchase order or contract.

**Example:** The following example explains when a longer FSFL term then is authorized is allowed.

Documentation presented by the applicant indicates that the entire facility will cost \$120,000. The amount eligible for FSFL is 85 percent or \$102,000. This principal amount qualifies for the FSFL term of 7 or 10 years. The applicant requested, when CCC-185 was submitted, a 10-year FSFL term. When the final costs are presented, the total cost of the facility is \$116,000 of which 85 percent is \$98,600. The FSFL term for this amount is only 7 years. Because the original FSFL term was based on **written** estimates from all suppliers, the 10-year FSFL term is allowed.

**Note:** COC **must** document, on a case-by-case basis, approval for using the longer FSFL term in both the FSFL folder and COC minutes. Documentation supporting initial approval of the longer FSFL term **must** be maintained in the FSFL folder.

**28 Disbursements (Continued)****\*--D FSFL Disbursement Calculator**

The FSFL disbursement calculator was created to assist State and County Offices in calculating the final FSFL project costs and downpayment needed for FSFL.

When all final bills are received, County Offices **must** access the FSFL disbursement calculator, according to subparagraph E, and enter the appropriate information to document and calculate the final FSFL project costs and FSFL downpayment.

County Offices **must** complete and:

- attach a printout of the completed FSFL disbursement calculator to CCC-197
- file an FSFL disbursement calculator printout in the producer's FSFL file folder **before** a partial or final FSFL is disbursed.

**E Accessing the FSFL Disbursement Calculator**

The FSFL disbursement calculator:

- must be accessed and completed on a computer running Microsoft Excel 2007 software
- is available from the PSD web site located at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=flp-fp>. Under "Hot Links", CLICK "Disbursement Worksheet".

Manual calculation must **only** be used when the FSFL disbursement calculator is unavailable. A second party review according to subparagraph G applies.

**F Using the FSFL Disbursement Calculator**

County Offices must enter the following required data in the applicable fields:

- applicant's name
- FSFL number
- estimated FSFL amount
- type of disbursement (partial/final)--\*

## 28 Disbursements (Continued)

**\*--F Using the FSFL Disbursement Calculator (Continued)**

- eligible receipts for this FSFL that include the following:
  - vendor/contractor name
  - if vendor/contractor was paid in full (yes/no)
  - total amount of bill
  - payment method (check/money order/credit card/cash)
- comments, if applicable. Ineligible items may be listed in the comments.

**Notes:** The project cost, 85 percent final disbursement amount, 15 percent minimum downpayment, or required downpayment if \$500,000 loan amount, will be automatically calculated. The producer may provide funds to the County Office to lower the 85 percent final disbursement amount. The County Office must manually enter into the disbursement calculator the funds received from a Federal grant or loan, or additional downpayment from the producer. If funds were received from a Federal grant or loan, the funds should be captured in CCC-197, Part D according to subparagraph 134.5 E.

If the final loan amount exceeds the FSFL estimated and obligated amount, the County Office **must** review FSFL to determine whether a new financial analysis is needed. Additional funding may be required.

**G Secondary Review**

All data entered into the FSFL disbursement calculator shall be reviewed and verified by a second person to ensure data accuracy. The preparer and secondary reviewer shall enter their initials and the date the data was prepared and reviewed on CCC-195, item 16D. All discrepancies discovered during the review **must** be corrected **before** closing FSFL.--\*



**28 Disbursements (Continued)****I Inspection and Approval**

[7 CFR 1436.11] CCC shall disburse the final FSFL disbursement when:

- the farm storage facility has been:
  - assembled
  - constructed
  - delivered
  - installed
  - inspected, approved by COC representative, and documented on CCC-295A
  - determined to be free of liens other than CCC's by a final lien search
- all security requirements have been met.

**J Evidence of Total Cost**

The final disbursement will be made **only** if the borrower provides satisfactory evidence of the following:

- total cost of the facility
- payment of all debts on the facility in excess of FSFL amount
- required downpayment
- completed and signed CCC-191's from all contractors.

**K Joint Disbursements**

Disbursements shall be made jointly to the borrower and the contractor or supplier.

**Exception:** Disbursement may be made to the borrower if the County Office determines the borrower has paid the contractor or supplier all amounts that are due and owing with respect to the facility.



**\*--34 Asphalt Flooring for FSFL Structures With Commodities Harvested as Other Than Whole Grain (Continued)**

**B Specifications for Asphalt Flooring (Continued)**

- compacted at least twice with a 20-ton roller:
  - first with a vibrating roller
  - second with a finishing roller to remove ripples
- sealed with an asphalt sealer.

**Note:** COC’s or their designee will be responsible for monitoring construction to ensure that the asphalt flooring is constructed according to **all** the specifications in this subparagraph. STC will determine the number of field visits the county shall make to monitor construction.

**C Required FSFL Spot Checks of Asphalt Flooring**

County Offices are required to periodically conduct collateral checks of all outstanding FSFL’s according to 1-FSFL, subparagraph 163 A.

To ensure that asphalt flooring is being properly maintained, County Offices must make a field visit and conduct a collateral check of all FSFL’s using asphalt flooring:

- at least once every other year
- and complete CCC-295B to document the field visit.

**Note:** In addition, County Offices shall annually verify:

- structural and flood insurance
- multi-peril crop insurance.

**D STC Action**

For FSFL’s storing corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain, STC’s shall:

- determine with the assistance of their land-grant university and the National Institute of Food and Agriculture if asphalt is a viable option instead of concrete in their State
- advise their County Offices that asphalt flooring is acceptable only if properly constructed
- approve on a case by case basis, CCC-185 requests for using asphalt flooring
- require additional security for FSFL’s with asphalt flooring.--\*

**34 Asphalt Flooring for FSFL Structures With Commodities Harvested as Other Than Whole Grain (Continued)**

**E COC and County Office Action**

For FSFL's storing corn, oats, wheat, barley, and grain sorghum harvested as other than whole grain, COC's and County Offices shall:

- inform FSFL applicants requesting to use asphalt flooring in their structures:
  - that STC approval, on a case-by-case basis is required
  - of construction specifications required for asphalt flooring according to subparagraph B
  - of required additional security required for using asphalt flooring
- submit each CCC-185 to STC for approval before construction.

**\*--35 FSFL's for Honey**

**A Eligible Honey Floral Sources**

The following provides honey floral sources that are eligible for FSFL.

**Note:** The eligible floral sources are the same as for MAL and LDP.

<b>Floral Sources</b>	
Alfalfa	Mangrove
Apple	Manzanita
Aster	Mesquite
Athel	Mint
Avocado	Orange
Basswood	Partridge Pea
Bird's-foot Trefoil	Raspberry
Blackberry	Rattan Vine
Blueberry	Safflower
Brazil Brush	Sage
Brazilian Pepper	Salt Cedar (Tamarix Gallica)
Buckwheat	Saw Palmeto
Cabbage Palmetto	Snowberry
Catsclaw	Sourwood
Chinese Tallow	Soybean
Clover	Spanish Needle
Cotton	Spikeweed
Dandelion	Star Thistle (Barnaby's Thistle)
Eucalyptus	Sunflower
Fireweed	Sweet Clover
Gallberry	Titi
Goldenrod	Toyon
Heartsease (Smartweed)	Tulip Poplar
Horsemint	Tupelo
Huajillo	Vetch
Kiawe	Western Wild Buckwheat
Knapweed (American)	Wild Alfalfa
Lima Bean	Wild Cherry
Loosestrife	Yaupon
Macadamia	

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**\*--35 FSFL's for Honey (Continued)**

**B Determining Honey Storage Need**

Applicants must show a need for the honey storage capacity as determined by the following formula.

Step	Action
1	Determine the average of the applicant's share of honey production for the most recent 3 years of honey requiring storage at the proposed location.
2	COC shall determine whether the average annual production is reasonable. See subparagraph C.
3	Determine honey storage space needed to store 1 year's honey crop with the assistance of NIFA, land-grant university, or ARS publications. See subparagraphs C and D.
4	Determine capacity of proposed structure using the worksheet in Exhibit 8 or other verifiable documentation. All documentation used must be verifiable and kept in the loan folder. See subparagraph E.
5	Compare capacity of proposed honey facility with storage needed to determine whether applicant is eligible for additional storage.

**Note:** The honey storage need requirement will be determined based on previous production for 1 year, and the honey storage need will be determined to allow the storage of 1 year's honey production.

**C Determining Reasonable Commodity Production/Yield**

COC's must determine whether the applicant's production/yield for honey from subparagraph B, step 1 is reasonable.

COC's shall use the following resources in determining a reasonable yield:

- NIFA in the State
- land-grant university located in the State or neighboring State
- ARS publications
- NASS reports
- detailed producer records for past 3 years.

**Notes:** If the honey producer participated with NAP, documentation may be provided to assist with the producer's honey production.

County Offices may review the NASS Honey Annual Report, which contains the number of colonies producing honey, yield per colony, honey production, average price, price by color class, and value by State in the United States.

County Offices can review the latest NASS Honey Annual Report at [http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1191.--\\*](http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1191.--*)

**\*--35 FSFL's for Honey (Continued)****D Determining Honey Storage Needed**

An applicant's needed honey storage can be determined with the assistance of NIFA, land-grant universities, ARS publications, and NASS reports.

Applicable laws, regulations, construction codes, and zoning restrictions can also affect the size of a facility and where it can be located.

The following must be determined before defining the size of honey storage needed:

- volume of product to store
- honey containers
- volume required per container
- aisle space needed
- lateral and head space
- available site space.

**Note:** Honey stored in jars (processed) is considered ineligible for FSFL storage.

**E Determining Capacity of Honey Structure**

Capacity of the proposed structure can be obtained from the contractor constructing the honey storage facility. The applicant shall provide this information to the County Office.

**F Eligible Structures**

FSFL-financed honey storage structures must be used for the purpose for which the structure was constructed, assembled, or installed for the entire term of the loan. This requirement is applicable to all FSFL storage structures.

Honey storage facilities, with a useful life of at least 15 years, may be approved for financing a new facility, or additions/modifications to an existing storage facility, if CCC determines there is a need for the capacity of the structure.

FSFL eligible storage structures for honey must be:

- built of such quality that the structure can be insured
- built to protect the honey from sunlight and rain
- built to support snow load for the area
- properly drained.

Honey storage facilities must be built according to acceptable design guidelines from NIFA or land-grant universities.--\*

**\*--35 FSFL's for Honey (Continued)****G Eligible Components**

FSFL's financed for honey may include the following:

- safety equipment meeting OSHA requirements
- equipment to maintain and monitor the quality of stored honey, such as heat detectors
- electrical equipment
- concrete aprons essential to proper facility operation
- flooring:
  - suitable for the region where the facility is located
  - designed according to acceptable guidelines from NIFA or land-grant universities
  - made to avert water so the floor does **not** retain moisture.

**H Eligible Items for Honey FSFL's**

The net costs for honey FSFL's may include the following:

- approved electrical lighting and wiring
- archaeological study or attorney fees
- eligible equipment to maintain and monitor commodity quality
- installation costs
- new material and labor for concrete pads or other approved and acceptable flooring
- off-farm paid labor
- purchase price and sales tax of new structure or materials
- shipping and delivery charges
- site preparation costs.--\*

**\*--35 FSFL's for Honey (Continued)**

**I Ineligible Structures and Components**

The following, but not limited to the following, are ineligible for honey FSFL's:

- controlled atmosphere structures and components
- handling and processing equipment
- freezer units
- portable handling and cooling equipment
- portable or permanent weigh scales
- portable structures, including structures on wheels
- storage containers
- structures of temporary nature that require the weight or bulk of the honey stored to maintain its shape
- structures **not** suitable for honey storage.--\*

**36-40 (Reserved)**





52 Processing CCC-185 Packages

A County Office Action

County Offices shall process CCC-185 packages as follows.

Step	Action			
1	Collect the \$100 application fee per applicant and accept a completed CCC-185.			
2	Conduct a lien search when there is a sufficient description of facility and equipment. Obtain CCC-10, if <b>not</b> already on file. Once eligibility is determined, file UCC-1 on the collateral.			
3	<b>IF real estate lien is... THEN...</b>			
	<table border="1"> <tr> <td>required</td> <td>inform the applicant that he or she must obtain a CCC-approved attorney or title company for title clearance. The attorney or title company should perform all lien searches.</td> </tr> <tr> <td><b>not</b> required</td> <td>County Offices shall conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility to determine whether CCC-297's must be obtained.</td> </tr> </table>	required	inform the applicant that he or she must obtain a CCC-approved attorney or title company for title clearance. The attorney or title company should perform all lien searches.	<b>not</b> required
required	inform the applicant that he or she must obtain a CCC-approved attorney or title company for title clearance. The attorney or title company should perform all lien searches.			
<b>not</b> required	County Offices shall conduct a real estate lien search to identify holders of liens on real estate underlying the intended storage facility to determine whether CCC-297's must be obtained.			
4	Determine the storage need for increased storage capacity based on exiting storage availability and cropping history.			
5	Obtain and analyze a credit history report.			
6	<p>*--An FSA employee with FLP loan approval authority shall:</p> <ul style="list-style-type: none"> <li>• complete a financial analysis</li> <li>• provide a written recommendation to verify the applicant has financial ability--* to: <ul style="list-style-type: none"> <li>• provide downpayment</li> <li>• pay future installments.</li> </ul> </li> </ul>			
7	Obtain CCC-190 for waivers of prior liens on collateral, such as the storage structure, if applicable. See Exhibit 16.			
8	Obtain CCC-297 from holders of liens on real estate underlying the intended storage facility, including the borrower. CCC-297 shall be filed with the appropriate county real estate records <b>before</b> FSFL closing. See paragraph 130 and Exhibit 10.			
9	Verify the applicant answered the DCIA question in CCC-185, item 13.			
10	Complete FSA-850.			
11	For FSFL's secured by real estate, complete FSA-851.			
12	Verify whether the site is located in a flood hazard area. Complete FEMA 81-93 for all FSFL's.			
13	Obtain proof of multi-peril crop insurance.			
14	Verify compliance with HEL and WC provisions.			
15	Verify compliance with local land-use laws.			
16	Verify that applicant has <b>not</b> been convicted of growing controlled substances.			
17	Verify completion of CCC-901 and CCC-902.			

## 52 Processing CCC-185 Packages (Continued)

**B Using CCC-195's**

CCC-195 was developed to assist State and County Offices to avoid the types of errors that have been found by COR reviews. See subparagraph D for an example of CCC-195. CCC-195 is required to be completed for **all** FSFL's. It is **not** the intent of CCC-195 to supersede or replace procedure. County Offices should use CCC-195 as a reminder of the most frequently "erred" determinations when completing FSFL.

State Offices shall:

- only as necessary to incorporate individual State laws, modify CCC-195 for State use by using the blank lines provided on CCC-195 or by further editing the document in Microsoft Word

**Note:** The current version of CCC-195 is available on the FFAS Employee Forms/Publications Online web site.

- e-mail State CCC-195's that differ from the national CCC-195 to Toni Williams at **toni.williams@wdc.usda.gov** for National Office approval
- issue only National Office-approved CCC-195's to County Offices.

County Offices shall:

- prepare CCC-195 received from the State Office for each FSFL that was **not** disbursed as of the date of receiving CCC-195
- maintain CCC-195 in each FSFL folder
- check, initial, and date the appropriate box for each item as it is performed
- for items that are **not** applicable, ENTER "N/A" in the "No" column, initial, and date
- \*--ensure that all required signatures are in CCC-195, item 21 at FSFL disbursement
- obtain signature and date of CED on CCC-195, items 22B and 22C at loan disbursement.

**Note:** For FSFL's **not** disbursed at the time the most current revision of CCC-195 is posted, attach a copy of the most current CCC-195 to the partially completed CCC-195. Obtain signatures on CCC-195, item 21 at FSFL disbursement.--\*

## 52 Processing CCC-185 Packages (Continued)

## C Completing CCC-195's

Complete CCC-195 according to the following table.

Item	Instructions
1	Enter the applicant's name. If a joint FSFL, a separate CCC-195 is required for each applicant.
2	Enter the date CCC-185 is signed.
3	Enter the APSS-assigned FSFL number that is FY and FSFL number.
4	Enter the State where facility equipment will be located.
5	Enter the county where FSFL will be processed.
6A through *--20G	For each item listed, check (✓) either "Yes" or "No". The employee completing the action shall initial and date. If item is <b>not</b> applicable to this FSFL, ENTER "N/A" in the "NO" column. The employee determining that the action is <b>not</b> applicable shall initial and date.
21A	Any County Office employee who initials in items 6 through 20 is required to sign as a preparer. Signing as the preparer does <b>not</b> insinuate that an employee checked items 6 through 20, only that the employee completed an item that was initialed by the employee.
21B	County Office employee who signs item 21A shall enter the current date.
22A through 22C	<p>CED shall indicate whether or not they concur with how items 6 through 20 are completed. CED or designated representative shall review CCC-195's for <b>all</b> FSFL's.</p> <p>CED who completed item 22A shall sign item 22B.</p> <p>CED who signed item 22B shall enter the current date in item 22C.</p> <p><b>Note:</b> If CED was 1 of the preparers who completed items 21A and 21B, CED shall <b>not</b> complete this section. STC or its representative shall complete items 22A through 22C for all CED-prepared FSFL's.</p>
23	If this FSFL is 1 of the first 3 FSFL's received in FY, according to--* subparagraph E, STC or its representative shall review FSFL, <b>before</b> disbursement. To document the review, the reviewer shall notate FSFL has been reviewed, sign, and date.

52 Processing CCC-185 Packages (Continued)

D Example of CCC-195

The following is an example of CCC-195.

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<b>This form is available electronically.</b>							
<b>CCC-195</b> (05-23-12)  <b>FARM STORAGE FACILITY LOAN (FSFL)                  PROCESSING CHECKLIST</b>	<b>U.S. Department of Agriculture</b> Commodity Credit Corporation		1. Name of Applicant				
			2. Date of Application (MM-DD-YYYY)	3. Loan No.			
			4. State Office Name	5. County Office Name			
<b>Office Staff Actions:</b>			<b>Applicable References (1-FSFL)</b>	<b>YES</b>	<b>NO</b>	<b>Initials</b>	<b>Date</b>
<b>6. While Working with Producer:</b>							
A. Discuss key program provisions with applicant including provision that application must be approved before construction, insurance requirements, filing and search needs and who pays fees.			Subparagraph 51C				
B. Complete <b>all items on</b> front side of manual CCC-185 (Loan Application and Approval for Farm Storage and Drying Equipment Loan Program). Applicant must initial Item 12B, if applicable, and answer DCIA question in Item 13.			Paragraph 51				
C. Collect application fee of \$100.00 per borrower.			Paragraphs 30 & 312				
D. Enter application into APSS. If partial disbursement is requested, enter 2 separate applications.			Subparagraph 51D & paragraphs 338 & 353				
E. Schedule a farm visit to complete FSA-850 and, if applicable FSA-851.			Paragraphs 82, 83 & Handbook 1-EQ				
F. Obtain copy of contracts, cost breakdown, or estimates for all proposed work.			Subparagraphs 10C, 51C & 51E				
G. Obtain copy of site plans, if available, and building plan for hay and renewable biomass structures.			Subparagraphs 10C & 20A				
H. Obtain copy of any building permits or zoning variances, if applicable.			Subparagraph 12A & paragraph 70				
I. Obtain proof of crop insurance or if sales period is over, ensure waiver statement for current year is in remarks on CCC-185 and initialed by producer.			Subparagraphs 12A & 69A, B, C, & D				
J. Obtain actual farm expenses from most recent year available.			Paragraph 53				
K. Obtain financial statement that is less than 90 days old on FSA-2037, FSA-2038 or similar form.			Paragraph 53				
L. Obtain CCC-10 (Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to file a Financing Statement and Related Documents) if a current CCC-10 is not on file.			Paragraph 58				
M. <b>Remind</b> applicant that delivery, site preparation and construction cannot begin until after the loan is approved.			Subparagraph 10D				
N. Inform applicant that any other government funding (including RD grants and loans) must be subtracted from the net loan amount.			Subparagraph 25D & paragraph 134.5				
<b>7. Application Processing:</b>							
A. Immediately deposit application fee through NRRS using XXFSFLFEES in Direct Sales XX represent the FY the FSFL was approved.			Paragraph 312 & Exhibit 35				
B. Prepare an 8-position or similar folder for each CCC-185.			Subparagraph 51F				
C. For applications lacking required information, notify applicant in writing.			Subparagraph 51C				
D. Order applicable credit report.			Paragraph 54				
E. Obtain verification of debts and assets, if applicable, using FSA-2015 (Verification of Debts and Assets).			Subparagraph 53F				
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.			Paragraph 31				

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52 Processing CCC-185 Packages (Continued)

D Example of CCC-195 (Continued)

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CCC-195 (05-23-12)		Page 2 of 6			
Office Staff Actions:	Applicable References (1-FSFL)	YES	NO	Initials	Date
<b>8. Determine Loan Amount, Storage Need and Equipment Eligibility:</b>					
A. Determine maximum loan amount not to exceed \$500,000. "Padding" the loan is not authorized.	Paragraph 25, Subparagraph 338B				
B. Review CCC-185 and verify storage need.	Paragraphs 15, 16 & 17				
C. Verify eligibility of proposed structure and equipment.	Paragraphs 19, 20, 21, & 22				
<b>9. Applicant Eligibility:</b>					
A. Verify DCIA compliance by checking applicant certification on CCC-185 and CCC or FSA Receivable records in NRRS.	Subparagraphs 12A, 51E, 52A, & paragraph 55				
B. Verify compliance with controlled substance provisions by checking the controlled substance field in the producer's eligibility record.	Subparagraph 12A Handbooks 3-PL, paragraph 32, & 1-CM, Part 30				
C. Producer of an eligible facility loan commodity.	Paragraphs 12 & 13				
D. Demonstrates the need for increased storage capacity.	Paragraphs 15, 16, & 17				
E. Verify proof of crop insurance and/or NAP coverage for applicable commodities.	Subparagraphs 12A, 69A, B, & C				
<b>10. Lien Searches and Filing UCC's:</b>					
A. Complete lien search for all UCC's and any judgments. If a mortgage is not needed, conduct real estate lien search to determine need for severance agreements. (Document on Form FSA-2360.)	Paragraphs 24, 56 & 57				
B. Obtain legal description of parcel facility will be placed on.	Paragraph 24, subparagraphs 10C & 51E				
C. Obtain legal description of parcel(s) of land to be offered as security, such as described on a tax bill, if applicable.	Paragraphs 24 & 131				
D. File UCC financing statement according to State law before, or as soon as possible after, the equipment is delivered to the proposed location.	Paragraph 56				
E. Obtain lien waivers on CCC-190 (Farm Storage Facility Loan Program Lien Waiver), if applicable.	Subparagraphs 52A & 56B, & Exhibit 16				
<b>11. Ability to Repay: Individual with FLP Loan approval authority shall:</b>					
A. Review a balance sheet and cash flow plan for the current year showing that a 15% down payment is available.	Subparagraph 53D				
B. Review a balance sheet and cash flow plan showing that there are funds available to pay the first installment amount.	Subparagraph 53E				
C. Determine credit worthiness by requesting and reviewing credit reports.	Paragraph 54				
D. Prepare written recommendation to COC, indicating whether applicant is creditworthy and has ability to make down payment and pay future installments.	Subparagraphs 53G & 115C				
<b>12. Environmental and Historic Reviews:</b>					
A. Visit the site before site preparation and complete FSA-850 (Environmental Evaluation Checklist).	Paragraphs 82, 83 & Handbook 1-EQ				
B. Complete FSA-851 (Environmental Risk Survey Form) for loans secured by real estate.	Paragraphs 82, 83 & Handbook 2-EQ				

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52 Processing CCC-185 Packages (Continued)

D Example of CCC-195 (Continued)

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CCC-195 (05-23-12)		Page 3 of 6			
Office Staff Actions:	Applicable References (1-FSFL)	YES	NO	Initials	Date
<b>12. Environmental and Historic Reviews: (Continued)</b>					
C. Notify State Historic Preservation Officer according to guidelines in applicable EQ directives. Notify Fish and Wildlife Service of proposed action, if applicable.	Subparagraph 81B				
D. Verify HEL and WC compliance with copy of the most current AD-1026 (Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification).	Subparagraphs 12A & 51C				
E. Verify compliance with any zoning ordinances or building permits.	Subparagraph 12A & paragraph 70				
F. Conduct further reviews as required, such as Class II Environmental Assessments.	Paragraphs 81, 82 & 83 & Handbooks 1-EQ & 2-EQ				
G. Review applicable flood maps and prepare FEMA-81-93. Notify applicant if flood insurance will be required.	Subparagraphs 12A & 69G				
<b>13. Collateral Security:</b>					
A. Determine if applicant has other outstanding FSFL's. If the total outstanding loan balance with this loan exceeds \$50,000, additional security is required.	Subparagraph 24C				
B. Determine need for severance agreements and/or subordinations.	Paragraph 130				
C. Determine if collateral has resale value. If no collateral resale value, additional security is required.	Subparagraphs 24N & 115A				
D. Prepare a recommendation to COC for collateral security requirements and present prior to approval.	Subparagraphs 24C & 115A				
<b>14. Loan Approval:</b>					
A. Refer application to appropriate approval official.	Subparagraph 2F				
B. Date of Executive Meeting Minutes ( date: _____ )	Subparagraph 115B				
C. Applicant meets all eligibility requirements, including creditworthiness and ability to repay.	Paragraphs 53 & 55 & subparagraph 115A				
D. Proposed facility or renovation is eligible and needed.	Subparagraph 115A				
E. Yields and acreage used to calculate storage need are reasonable.					
F. Environmental conditions of the site do not place CCC at risk.					
G. District Director review of loan and concurrence of approval <b>before</b> COC approval, if loan between \$100,000.01 and \$250,000.	Subparagraphs 2F & 115B				
H. Type of collateral security required. Enter on CCC-185, Item 17.	Subparagraphs 115A & 116A				
I. Approved or denied by signature on reverse of CCC-185. If denied, enter zero in Item 14A.	Subparagraphs 115B, 116A & B				
J. Enter conditions of approval, such as all peril insurance or flood insurance, in CCC-185 remarks section.	Subparagraphs 115A & 116A				
K. If the application is one of first 3 received each FY or because of STC policy, refer application to STC or designee to review before disbursement.	Subparagraph 52E				

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52 Processing CCC-185 Packages (Continued)

D Example of CCC-195 (Continued)

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CCC-195 (05-23-12)		Page 4 of 6			
Office Staff Actions:	Applicable References (1-FSFL)	YES	NO	Initials	Date
<b>15. Approval Processing by Office Staff:</b>					
A. Record approval and funding through APSS. Queue FSFL Detail Transmission Report.	Subparagraph 340C & paragraph 351				
B. When notified of funding, issue approval letter. Enter date approval letter is issued, on CCC-185, Item 14D. Distribute CCC-185, according to subparagraph 116C.	Subparagraphs 116B, 128A, & 352B				
C. Remind applicant that all peril structural insurance, listing CCC as loss payee, and possibly, flood insurance, on the structure and equipment will be required.	Paragraph 69				
D. Remind applicant that if real estate is required to secure the loan, title insurance or a title opinion will be required. This may result in attorney fees that must be paid by the applicant for title clearance and loan closing.	Subparagraph 127B & paragraph 129				
E. Notify applicant that loans cannot be disbursed <b>until construction is complete</b> , final net cost is determined, and the facility is inspected.  One partial disbursement not to exceed 50% of loan obligation is allowed.	Subparagraphs 127A & B, paragraphs 28, 133 & 134  Paragraph 28				
F. Discuss filing and recording fees and who pays each fee.	Subparagraph 24I				
G. If applicable, issue disapproval letter.	Subparagraphs 115B & 128B				
H. Monitor approval expiration date. Obtain and act on requests for extension of approval by STO, if applicable. FSFL must not be disbursed with on expired approval date.	Paragraphs 26 and 135				
I. File UCC financing statement on collateral if not already filed.	Paragraph 56				
J. Request Severance Agreements on CCC-297 (Severance Agreement), or Subordination Agreements on CCC-194 [Farm Storage Facility Loan Subordination Agreement (Lien on Real Property)] or other form provided, if necessary.	Paragraph 130 & subparagraph 131E, Exhibits 10 & 18				
K. Obtain release of liability on CCC-191 (FSFL Program Release of Liability) from all Contractors/suppliers submitting bills.	Subparagraph 133E & F				
L. Obtain proof of all peril structural insurance (CCC as loss payee), crop insurance, and current real estate tax.	Paragraph 69, subparagraphs 127A & B				
M. Verify UCC's, severance agreements, and subordinations have been filed and recorded.	Subparagraphs 127A & 131E, & paragraph 130				
N. If applicable, obtain equipment lien waivers, on CCC-190, before loan is disbursed.	Subparagraph 56B & Exhibit 16				
O. Has from SF-LLL been obtained for FSFL disbursement, if applicable.	Paragraph 33				
<b>16. Pre-Disbursement Document Review:</b>					
A. Partial <input type="checkbox"/> or Final <input type="checkbox"/>	Paragraphs 28 and 134.5				
B. Obtain completed CCC-197 (Final Farm Storage Facility Loan Program Cost Certification) from borrower(s).	Paragraph 134.5				
C. Complete the FSFL disbursement calculator for a partial and/or final disbursement.	Subparagraph 28D				
D. Second party review of FSFL disbursement calculator.	Subparagraph 28G				
<b>17. Partial Loan Disbursement (if applicable):</b>					
A. Approved applicant requests partial disbursement.	Subparagraph 28B				
B. Inspect and verify the amount of construction completed. Document on CCC-295A (FSFL Program Final Inspection of Facility before Loan Disbursement).	.Paragraph 134				

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52 Processing CCC-185 Packages (Continued)

D Example of CCC-195 (Continued)

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CCC-195 (05-23-12)		Page 5 of 6			
Office Staff Actions:	Applicable References (1-FSFL)	YES	NO	Initials	Date
<b>17. Partial Loan Disbursement (if applicable): (Continued)</b>					
C. Approved applicant supplied acceptable documentation for that portion (up to 50%) of construction completed.	<i>Subparagraph 28B</i>				
D. Determine if Disbursement will be made to borrower only or if Treasury checks are required for joint disbursement.	<i>Paragraph 366</i>				
If payment to borrower only, print CCC-186 and request payment on day of closing. Verify correct interest rate printed in Item 3.	<i>Paragraph 367</i>				
If Treasury check(s) required for other payees:	<i>Paragraph 368</i>				
• Request checks					
• When check(s) received, schedule closing within 21 days after payment request					
• Print CCC-186 and verify correct interest rate printed in Item 3.					
E. Obtain borrower signatures. Obtain signature of CCC representative with authority to sign.	<i>Subparagraph 2F &amp; paragraph 31</i>				
F. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	<i>Paragraph 31</i>				
<b>18. Final Disbursement:</b>					
A. Obtain evidence of final net cost and compute final loan amount. be sure:	<i>Paragraphs 27, 28 &amp; 133</i>				
• 15% minimum down payment amount has been paid to suppliers					
• evidence of cost is date stamped by County Office					
• seller has signed evidence of cost					
• copy of original documents are retained in the loan folder (original evidence returned to borrower)					
B. Inspect the complete facility and document results on CCC-295A (FSFL Program Final Inspection of Facility Before Loan Disbursement).	<i>Paragraph 134</i>				
C. Adjust funding obligation (if needed).	<i>Paragraphs 354 &amp; 355</i>				
<b>19. Closing Loans Secured by Real Estate:</b>					
A. Provide borrower with letter to select title company and legal Services.	<i>Subparagraph 129A</i>				
B. Obtain completed CCC-296 (Farm Storage Facility Loan Program Certification of Attorney) from attorney.	<i>Subparagraphs 129B &amp; C</i>				
C. Obtain completed CCC-299 (Title Opinion - Farm Storage Facility Loan Program) from attorney.	<i>Subparagraphs 129D &amp; E</i>				
D. Review Title Opinion and update security requirements, if needed.	<i>Subparagraphs 129E &amp; F</i>				
E. Issue closing notification to borrower.	<i>Subparagraph 129G</i>				
F. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.	<i>Subparagraph 127B &amp; paragraph 366</i>				
G. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.	<i>Subparagraph 127B &amp; paragraph 367</i>				
H. If Treasury check(s) required for disbursement (suppliers have not been paid):	<i>Paragraph 368</i>				
• request check(s)					
• when check(s) received, schedule closing within 21 days of payment request					
• print CCC-186, verify interest rate correct, and complete loan closing.					
I. Send transmittal of title information.	<i>Subparagraph 129F</i>				

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52 Processing CCC-185 Packages (Continued)

D Example of CCC-195 (Continued)

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CCC-195 (05-23-12)		Page 6 of 6			
<b>Office Staff Actions:</b>	<b>Applicable References (1-FSFL)</b>	<b>YES</b>	<b>NO</b>	<b>Initials</b>	<b>Date</b>
<b>19. Closing Loans Secured by Real Estate (Continued)</b>					
J. Prepare Real Estate Mortgage for FSFL Program on CCC-193 or FSFL Deed of Trust on CCC-193D.	<i>Paragraph 131</i>				
K. Issue closing instruction letter with applicable documents and CCC checks to closing agent on day loan will be disbursed/closed.	<i>Subparagraph 129G</i>				
L. Receive and review loan closing statement from closing agent.	<i>Subparagraph 129H</i>				
M. The County Office must perform the final lien search within 5 workdays before FSFL closing and initial and date action was completed on CCC-195.	<i>Subparagraph 127B</i>				
<b>20. Closing Loans Not Secured by Real Estate:</b>					
A. Determine if disbursement will be made to borrower only or if checks to borrower and contractors are required.	<i>Subparagraph 127A &amp; paragraph 366</i>				
B. If disbursement to borrower only, on the day of closing, print CCC-186 and request payment. Verify interest rate is correct.	<i>Subparagraph 127A &amp; paragraph 367</i>				
C. If Treasury check(s) required for disbursement (suppliers have not been paid): <ul style="list-style-type: none"><li>• request check(s)</li><li>• when check(s) received, schedule closing within 21 days of payment request</li><li>• print CCC-186, verify interest rate correct, and complete loan closing.</li></ul>	<i>Subparagraph 127A &amp; paragraph 368</i>				
D. The County Office must perform the final lien search within 5 workdays before FSFL closing and initial and date action was completed on CCC-195.	<i>Subparagraph 127A</i>				
E. Obtain borrower signatures and initials.	<i>Subparagraph 146A</i>				
F. Obtain signature of CCC representative with authority to sign.	<i>Subparagraph 146A</i>				
G. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.	<i>Paragraph 31</i>				
<b>Certification:</b>					
21A. Signature of Preparer(s)		21B. Date (MM-DD-YYYY)			
22A. <i>I concur/do not concur the above items have been verified and updated.</i> <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur					
22B. CED Signature (Required for all Loans)		22C. Date (MM-DD-YYYY)			
23. Remarks					
24. <b>Important:</b> STC or STC designee shall review the first 3 FSFL's received and before disbursed each FY beginning on October 1.					
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--\*

52 Processing CCC-185 Packages (Continued)

E STC or Designee CCC-195 Concurrence

STC or designee shall:

- \*--review **before** disbursement the first 3 FSFL's received each FY at an administrative--\* County Office regardless of the amounts requested

**Notes:** Additional reviews, including reviews following FSFL disbursement, may be conducted if determined necessary by STC.

FY's begin on October 1 each year. STC or designee shall review the first \*--3 FSFL's received and before disbursed each FY beginning on October 1.

- document review in the FSFL folder on CCC-185, item 18 and CCC-195, item 23

**Note:** In CCC-195, item 23, indicate that this review was required according to this subparagraph.--\*

- indicate corrective action where necessary.



## 53 Financial Planning (Continued)

**G Financial Analysis**

The financial analysis of an FSFL applicant shall be performed by either an FLP or County Office employee with FLP loan approval authority. A detailed written recommendation for approval or disapproval, based on the applicant's credit history and financial information, shall be provided to COC. This written recommendation must be signed and dated by the individual providing the financial analysis.

**Example:** "Based on FSFL applicant John W. Banks' credit history and financial information, I recommend approval of the FSFL in the amount of \$\_\_\_\_\_. The information reviewed provides that Mr. Banks has a satisfactory financial position and demonstrates the ability to timely repay the FSFL."

A financial analysis is required for the members of the entity with the greatest share and a credit report must be obtained for the members.

**Examples:** If there is a:

- 4-member partnership, each sharing 25 percent, a financial analysis and credit report is required for all members of the partnership
- 2-member partnership, 60 percent for 1 member and 40 percent for the other member, a financial analysis and credit report is required for the member with the 60 percent share.

STC may determine whether a financial analysis and credit report is required for all members.

\*--If an irrevocable letter of credit is used as security for FSFL, a financial analysis is **not--\*** required.

If additional information is necessary to evaluate an applicant's ability to repay FSFL, FSA-2002 and FSA-2003 may be requested.

**Note:** Use:

- FSA-2002 for 3 years financial history
- FSA-2003 for 3 years production history.

## 54 Credit History and Credit Reports

### A Obtaining Credit Reports

State or County Offices shall:

- request credit reports for all FSFL applicants only from the credit reporting agency under contract with CCC
- obtain a current report of the FSFL applicant's credit history
- ensure that **only** FSFL credit reports are requested from the Agency under contract to supply CCC with FSFL credit reports
- **not** collect the cost of the report from the applicant
- request credit reports before the required financial analysis is completed
- ensure that reports requested for another County Office are processed timely and immediately sent to the requesting office.

**Note:** FLP Farm Business Plan shall **not** be used to obtain FSFL credit reports. However, if an FLP credit report is available, that report may be used for FSFL purposes if generated within 90 calendar days of both CCC-185 and submission of information required for the financial analysis.

### B Analyzing Credit History Reports

The authorized individual performing the financial analysis shall:

- analyze credit reports to detect:
  - patterns of late payments or nonpayments
  - bankruptcy and foreclosures
  - heavy use of short-term or high-interest loans or credit cards
- use pertinent information from the financial statements and credit history reports to prepare recommendations to COC
- protect the hard copy of the credit report according to PII policy.

### C Available Credit Reports

Credit reports will be available for the following FSFL applicants:

- individual – 1 specific person who is solely responsible for their debts
- joint – 2 **married** individuals who, according to the law in a specific State, jointly own assets and are responsible for the debts of each other

**Part 6 Approving COC CCC-185 Reviews****115 CCC-185 Reviews****A Responsibility**

The approving authority shall determine:

- whether the applicant meets all eligibility requirements
- whether the proposed facility or renovation is eligible and needed
- whether the estimated yields and acreages to calculate needs are reasonable
- whether the environmental conditions of the site would place CCC at risk
- if FSFL is less than \$50,000, whether the structure has resale value

**Note:** If the value is less than the FSFL amount, additional security is required.

- the type of security to be required
- the conditions of approval.

**Note:** Conditions of approval will include actions that must be taken or documents that must be provided **before** disbursement and shall **not** include eligibility determinations required by COC or other approving authority.

## 115 CCC-185 Reviews (Continued)

**B Approvals and Disapprovals**

COC shall do 1 of the following:

- for FSFL's with the total principal of \$100,000 or less, approve FSFL by signing CCC-185 and document the determinations from subparagraph A in the executive COC minutes
- for FSFL's with a total principal of \$100,000.01 to \$250,000, have DD or State Office designee review FSFL **before** approval

**Note:** Once the review is complete and all discrepancies are corrected, approve FSFL by signing CCC-185 and document the determinations from subparagraph A in the executive COC minutes.

- for FSFL's where the borrower's **total aggregate FSFL balance** is over \$250,000, have DD or State Office designee, before COC approval, review the most recent FSFL documents to ensure that the producer is financially able to meet all FSFL obligations

\*--**Note:** STC or STC-delegated SED **only** is the approval authority for an individual--\* FSFL with a total principal of \$250,000.01 to \$500,000.

- disapprove FSFL, documenting why in the executive COC minutes.

DD or State Office designee shall, before approval by COC, review CCC-185 where the principal amount is equal to \$100,000.01 to \$250,000. If the review:

- reveals discrepancies or errors, the file shall be returned to the County Office for correction

**Note:** After corrections have been made, DD or State Office designee shall again review the file.

- is acceptable, a statement similar to the following shall be entered on CCC-185, item 18:

“From review of the completed documents and review of the financial documents, I concur with the recommendation of the FLM/FLO/SFLO, concurring with the financial ability of the applicant and I also recommend approval or disapproval of FSFL to COC.”

**Note:** DD or State Office designee shall sign and date the statement.

## 115 CCC-185 Reviews (Continued)

**B Approvals and Disapprovals (Continued)**

- if FSFL is approved by COC, DD, or STC:
  - enter the COC approval date in the FSFL software according to subparagraph 340 C and queue the FSFL Detail Transmission File according to paragraph 351

**Note:** It is imperative that County Offices enter the COC approval date and request obligations within 5 workdays of approval to ensure that proper funding is available for disbursement.

- once the requested funding has been received back in the County Office, notify the borrower of FSFL approval using the letter in subparagraph 128 A. The borrower is **not** to be notified of approval before funding is received.

**Note:** An STC-designated DD, as applicable, is FSFL approval authority for **only** FSFL's specified in subparagraph 2 F.

\*--When STC or COC meetings are conducted by conference call, e-mail, or polling process for CCC-185 approvals, the following actions are **required**:

- record approval or disapproval of CCC-185 in the STC or COC meeting minutes
- document the date and method of approval on CCC-185, item 18, "Remarks" section
- STC or COC chairperson **must** sign CCC-185 at the next face-to-face meeting.

**Note:** After CCC-185 is approved by conference call, e-mail, or polling process, the CCC-185 loan approval date shall be recorded in APSS and uploaded for funding.

If a polling process is used, document in the STC or COC meeting minutes the names of the committee members who were polled, date of the polls, and the determinations.--\*

**C Confidentiality of Applicant's Financial Information**

For CCC to provide confidentiality of an applicant's financial information, STC's and COC's shall:

- **not** view financial information, such as balance sheets and cash flow statements, provided by applicants
- **not** discuss an applicant's financial information with anyone outside of the State or County Office
- obtain a written and signed recommendation for approval about the applicant's credit history and ability to repay from an FSA employee with FSA/FSFL approval authority

115 CCC-185 Reviews (Continued)

C Confidentiality of Applicant’s Financial Information (Continued)

- use the recommendation to determine whether:
  - an applicant’s credit history is satisfactory
  - the applicant has the ability to repay debt resulting from FSFL.

**Note:** The applicant’s financial information is to be kept in the applicant’s FSFL folder. After a complete review by an FSA employee with FSFL approval authority and COC/FSFL approval, SED may mandate sealing any or all applicants’ financial information in a sealed envelope to be kept in the applicant’s FSFL folder.

116 Completing Manual CCC-185, Page 2

A Completing CCC-185, Page 2

After careful consideration of CCC-185, supporting documentation, and staff recommendations, the applicable approving committee or designee shall complete CCC-185, page 2 according to the following table.

Item	Instructions
14A	Insert the amount determined according to paragraph 25.  <b>Exception:</b> The approving committee may enter the following: <ul style="list-style-type: none"> <li>• an amount that is less than the maximum amount based on the applicant’s request   <b>Note:</b> Enter the amount and the notation “as requested by applicant” in item 18.</li> <li>• an amount that is less than the maximum amount based on a COC, STC, or STC-designated DD decision   <b>Note:</b> Enter the amount and a notation in item 18 explaining reasons for the decision.</li> <li>• an amount that is less than the maximum amount based on certain conditions.   <b>Note:</b> List the conditions of approval in item 18.</li> </ul>
14B	Enter the number of FSFL installments.
14C	*--Enter a date that is 6 months following the date of approval.--*
14D	When known, enter the date the approval letter was sent to the applicant.
15	Approving authority shall sign and date.  <b>Notes:</b> Only COC, STC, or STC-designated DD, according to subparagraph 2 F, can approve.  FSFL approval authority can only be delegated to an STC-designated DD in situations specified in subparagraph 2 F.
16	Enter the County Office name and address.
17	Enter the type of security required by the approving committee, such as “1st lien on the 133-acre parcel where facility is located.”
18	Use for any appropriate remarks, such as conditions of approval.

Part 7 Closing FSFL’s

127 Finalizing FSFL’s

A Finalizing FSFL’s Not Secured by Real Estate

County Offices shall take the following steps, not necessarily in this order, when finalizing FSFL’s where FSFL is **not** secured by real estate.

Step	Action
1	If FSFL funding was approved, ensure that transmission requesting funding has taken place and return funding transmission has been received.
2	<b>After</b> return funding transmission is received in the County Office, notify the applicant of FSFL approval. See the example letter in subparagraph 128 A.
3	If FSFL was <b>not</b> approved by the applicable approving authority, notify the applicant. See the example letter in subparagraph 128 B.
4	As soon as possible, obtain evidence for and compute final net cost of facility. If the final FSFL amount exceeds the approved amount, return CCC-185 to COC for consideration. Obtain approval for increase to FSFL amount and request additional funding. See paragraph 133.
5	If applicable, prepare CCC-297 and obtain necessary signatures to sever collateral from real estate and file in appropriate county real estate records before FSFL closing. See paragraph 130 and Exhibit 10.
6	Inspect the facility according to paragraph 134.
7	Obtain proof: <ul style="list-style-type: none"> <li>• that the downpayment and any amount in excess of the approved FSFL amount has been paid</li> <li>• of all-peril structural insurance, multi-peril crop or NAP insurance, and if applicable, flood insurance, all with CCC as the loss payee.</li> </ul>
8	Ensure that the following are on file: <ul style="list-style-type: none"> <li>• CCC-190, if applicable</li> <li>• CCC-191, from each vendor according to subparagraph 133 E.</li> </ul>
9	If checks are needed, submit the payment request according to subparagraph 368 B. After checks are received in the County Office, immediately schedule a closing date.  <b>Note:</b> FSFL closing shall be completed within 21 calendar days of signing in NPS.
10	Within 5 workdays before FSFL closing, perform a final lien search on the collateral.  <b>Note:</b> County Office must initial and date that this action was completed on CCC-195, *--step 20D.--*
11	On the closing date: <ul style="list-style-type: none"> <li>• prepare CCC-186 for closing according to subparagraph 367 B or 368 E</li> <li>• meet with the applicant and obtain all necessary signatures</li> <li>• distribute checks to producers and other applicable payees.</li> </ul>

**Note:** These steps are applicable to both the partial and final disbursements for FSFL’s **not** secured by real estate.

127 Finalizing FSFL’s (Continued)

**B Finalizing FSFL’s Secured by Real Estate**

County Offices shall take the following steps, not necessarily in this order, when finalizing FSFL’s where FSFL is secured by real estate.

Step	Action
1	If FSFL funding was approved, ensure that transmission requesting funding has taken place and return funding transmission has been received.
2	<b>After</b> return funding transmission is received in the County Office, notify the applicant of FSFL approval and funding. See the example letter in subparagraph 128 A.
3	If FSFL was <b>not</b> approved by the applicable approving authority, notify the applicant. See the example letter in subparagraph 128 B.
4	The borrower selects a closing agent. Provide a letter to the applicant to use for requesting title clearance and legal services. See the example letter in subparagraph 129 A.
5	Obtain certification of attorney, if applicable, on CCC-296. See subparagraph 129 B.
6	Require title insurance or obtain title opinion. Use CCC-299 for title opinion requests according to subparagraph 129 D.
7	See subparagraph 129 F for the transmittal of the title information letter.
8	As soon as possible, obtain evidence for and compute final net cost of facility. If the final FSFL amount exceeds the approved amount, return CCC-185 to COC for consideration. Obtain approval for increase to FSFL amount and request additional *--funding. See subparagraph 2 F and paragraph 133 about approval for increases in the FSFL amount.--*
9	<p>Ensure that the following are on file:</p> <ul style="list-style-type: none"> <li>• CCC-190</li> <li>• CCC-297, if applicable according to paragraph 130</li> <li>•*--CCC-194 or either FSA-1927-8 or FSA-2319, according to subparagraphs 24 C--* and 131 E</li> <li>• CCC-191 for all vendors, according to subparagraph 133 E.</li> </ul>
10	Inspect the facility after it is completed and document on CCC-295A.
11	<p>Obtain proof:</p> <ul style="list-style-type: none"> <li>• that the downpayment and any amount in excess of the approved FSFL amount have been paid</li> <li>• of all-peril structural insurance, and if applicable, flood insurance with CCC as the loss payee</li> <li>• of multi-peril crop or NAP insurance</li> <li>• that real estate taxes are current.</li> </ul>

127 Finalizing FSFL's (Continued)

**B Finalizing FSFL's Secured by Real Estate (Continued)**

Step	Action
12	<p>If checks are required, submit the payment request for checks according to subparagraph 368 B. When checks are received, immediately schedule a closing date.</p> <p><b>Note:</b> FSFL closing must be completed within 21 calendar days of signing in NPS. Checks may be made out to the closing attorney to be held in escrow, if allowed by State law. In this case, the day the attorney cashes the check will be the date of FSFL closing and CCC-186 must be signed that day. In the case of escrow, the attorney will then issue checks as indicated in FSFL closing instructions.</p>
13	<p>Within 5 workdays before FSFL closing, perform a final lien search on the collateral.</p> <p><b>Note:</b> County Office must initial and date that this action was completed on *--CCC-195, step 19M.--*</p>
14	<p>Issue a notification of FSFL closing to the applicant. See the example letter in subparagraph 129 G.</p>
15	<p>Issue a closing letter to the agent with CCC-186 signed by the approving official together with other closing instructions. See the example letter in subparagraph 129 H.</p>
16	<p>Prepare the following:</p> <ul style="list-style-type: none"> <li>• CCC-186</li> <li>• CCC-193 or CCC-193-D.</li> </ul>
17	<p>The closing agent closes FSFL and provides the FSFL closing statement to the County Office.</p>

**Notes:** These steps are applicable to both the partial and final disbursements for FSFL's secured by real estate.

If a partial disbursement is requested and the FSFL principal of the partial is \$50,000 or less, the instructions in subparagraph A may be followed.

128 Examples of FSFL Approval and Initial Determination Letters

A Example of FSFL Approval Notification Letter

The following is an example of an FSFL approval notification letter.

\*--

<p>(Date of Letter)</p> <p>(Borrower Name)</p> <p>(Borrower Address Line 1)</p> <p>(Borrower Address Line 2)</p> <p>Dear (Borrower Name),</p> <p>Please be advised that the Commodity Credit Corporation has approved your request for a Farm Storage Facility Loan in the amount of \$_____. The loan will be repaid in equal installments over a period of ___ years and will carry an annual interest rate of _____% for the entire term. Your loan has also been funded.</p> <p>The loan was approved based upon the following (enter those that are needed):</p> <ul style="list-style-type: none"> <li>• Additional security is provided in the form of Real Estate or other form authorized by CCC.</li> <li>• Crop insurance or NAP coverage is purchased for all crops of economic significance.</li> <li>• All-peril structural insurance is obtained for an amount at least equal to the loan amount.</li> <li>• CCC-297's, Severance Agreements, are obtained from anyone with a lien or interest in the real estate underlying the structure.</li> </ul> <p>Loan approval will expire _____ (6 months after the date of approval). If you need additional time to complete construction, you must submit a request for an extension, in writing, providing evidence that the lack of completion is for reasons beyond your control.</p> <p>As soon as possible, you must:</p> <ul style="list-style-type: none"> <li>• Complete construction and notify this office when the facility is ready for inspection. The system, or components of the system, need to be inspected before use.</li> <li>• Provide evidence of final cost of the facility and the payment of the downpayment to this office.</li> <li>• Provide evidence that all-peril structural insurance has been obtained.</li> </ul> <p>We will:</p> <ul style="list-style-type: none"> <li>• Compute the final net cost of the facility and request an increase in funding, if needed.</li> <li>• Prepare loan documents and, if applicable, have mortgage documents prepared.</li> <li>• Notify you of a loan closing date.</li> </ul> <p>You are responsible for notifying this office to request a partial disbursement after a portion of your structure has been completed. One partial disbursement is authorized. This disbursement can be for up to 50 percent of the total anticipated loan amount and commensurate with the amount of construction completed.</p> <p>Please keep us informed of any changes that can affect your loan approval. If you should decide not to proceed with this loan, please inform our office, in writing, of your decision so obligated funds can be returned.</p> <p>Sincerely,</p> <p>County Executive Director</p>
--

--\*

133 Final Review of Cost Documents

A Acceptable Cost Documents

County Offices shall review:

- final evidence of total cost
- proof of downpayment

\*--Note: CCC-191's, signed and dated by the contractor or seller with the amount of the downpayment listed in items 3(a) and 3(b), are considered proof of downpayment.

- payment of amounts in excess of FSFL.

Note: Evidence must be signed and dated by the contractor or seller if evidence is not on the original letterhead or stamped with the company's seal.--\*

B Examples of Acceptable Evidence

The following are examples of acceptable evidence of cost documents:

- a sales document or receipt \* \* \*
- a certification \* \* \*
- a receipt \* \* \*
- \*--copies or facsimiles of documents with the contractor's or seller's original signature and date
- a canceled check, which is supported by a signed and dated sales document.

Notes: All acceptable evidence must be signed and dated by the contractor or seller if evidence is not on the original letterhead or stamped with the company's seal.

When a signature and date are required, initials are not acceptable.

Important: The amount of the final invoice or bill must not be included in the FSFL amount and FSFL shall not be disbursed if CCC-191 is not:

- properly completed
- signed and dated, if applicable
- supported with acceptable evidence.

Releasing liability exceptions policy according to subparagraph F applies.--\*

## 133 Final Review of Cost Documents (Continued)

## C County Office Action

County Offices shall:

- date-stamp the original evidence, make a copy for the FSFL folder, and return the original evidence to the borrower
- request the applicant to provide any additional information or documentation considered necessary to support costs or downpayment
- \*--verify evidence with the contractor or seller, if necessary--\*
- obtain reconsideration of financial analysis by either an FLP or County Office employee with FLP loan approval authority and by the applicable approving authority identified in subparagraph 2 F if final review indicates that:
  - final costs exceed costs on which original approval was based
  - final documentation includes items **not** in the original approval

**Example:** FSFL for \$95,000 was originally approved by COC. Final costs indicate that the new FSFL amount will be \$101,000. DD review is required before COC can approve the additional FSFL amount.

- if the approving authority determines the borrower eligible for the increased FSFL amount:
  - document this in the COC or STC minutes
- \*--in CCC-185, item 18, ENTER “STC or COC approved the FSFL increase totaling--\*  
[*new loan amount*] on [*date*]”
- request additional funding according to paragraph 355

**Note:** The interest rate does **not** change.

- ensure that all necessary actions and forms have been completed
- calculate the amount to be disbursed according to paragraphs 25 and 27.

## 133 Final Review of Cost Documents (Continued)

**D Trade in Allowances**

County Offices shall **not** allow trade in allowances.

**Example:** The borrower has an old grain dryer valued at \$1,000 to:

- trade in to the storage bin distributor
- use towards the downpayment.

The value of the old grain dryer **cannot** be used towards the downpayment for FSFL.

**E Release of Liability**

County Offices shall obtain CCC-191 for storage and handling facility construction projects from the following:

- the primary contractor who either constructs or subcontracts all aspects of the facility construction and presents 1 bill to the borrower for the entire FSFL project
- all contractors and suppliers providing separate bills for supplies, work, or services performed in the construction of FSFL, whether their part of the project is included in the final amount of FSFL.

**Notes:** CCC-191 will **not** be required for a supplier of goods if the total cost is less than \$100 **and** the cost is **not** included in the final FSFL amount. See subparagraph F for additional exceptions.

Only one CCC-191 is required from each contractor supplying goods or performing services for each FSFL disbursement. CCC-191 on file does **not** have to reflect that the total amount of the bill has been paid. CCC-191 can show a partial payment has been made. A new CCC-191 is required from the contractor if the contractor has presented bills for both the partial and final disbursement.

**Examples:** The borrower has paid the cement contractor the required 15 percent of his or her total cement bill as reflected in his or her total/final bill. The 15 percent is entered in CCC-191, items 3(a) and 3(b). As the cement contractor has **not** been totally paid, FSFL disbursement was made to the borrower and cement contractor. A new CCC-191, following disbursement with the contractor's name on the check, is **not** required from the contractor.

## 133 Final Review of Cost Documents (Continued)

### E Release of Liability (Continued)

The borrower requests both partial and final disbursements. For the:

- partial disbursement:
  - a complete bill and CCC-191 are presented by the cement contractor
  - a partial bill and CCC-191 are presented by the bin contractor for the construction completed
- final disbursement, the final bill and CCC-191 are presented by the bin contractor and electrician.

CCC-191 is necessary to protect CCC and the FSFL applicant from the following:

- mechanics or other liens
- claims arising against the contractor or subcontractors.

### F Releasing Liability Exceptions

STC is authorized to approve an exception to current CCC-191 policy, on a case-by-case basis, under specified conditions.

The specified conditions include all of the following:

- waiver request is **only** for supplies from a retail establishment

**Note:** CCC-191 contains a release of liability and will still be required from anyone performing work on the structure with no exceptions to the cost.

**Example:** The total bill for the electrician to wire the fans in a grain bin totals \$950. CCC-191 is required because the bill includes services.

- total sales receipt supported amount for FSFL requesting a waiver of the CCC-191 policy is \$1,000 or less

**Example:** A producer has bills from Lowe's for \$550 and an electrical supply store for \$600. A CCC-191 waiver can only be requested for 1 of these bills because together the total is over \$1,000. A DAFP waiver for the other bill will be required.

133 Final Review of Cost Documents (Continued)

**F Releasing Liability Exceptions (Continued)**

- dated sales receipt, identifying all items and costs, supported by a cancelled check or credit card statement.

**Note:** The dated sales receipt, identifying all items and costs, and supported by a canceled check must show that the credit card bill has been paid in full.

CCC-191 identifies if a supplier has been paid in full to determine whether joint payment is required. If supplier has **not** been paid in full, CCC-191 is required.

**Note:** STC can only delegate this approval to SED.

133 Final Review of Cost Documents (Continued)

G Example of CCC-191

The following is an example of CCC-191.

<p>This form is available electronically.  <b>CCC-191</b>                  (03-23-12)</p>		<p>U.S. DEPARTMENT OF AGRICULTURE                  Commodity Credit Corporation</p>	
<p><b>FARM STORAGE FACILITY LOAN PROGRAM                  RELEASE OF LIABILITY</b></p>			
<p><b>NOTE:</b> <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used by the contractor(s) to release the loan applicant and CCC from any liability concerning any and all claims, liens, and lien rights filed relating to construction or improvement work performed on a farm storage facility. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.</i></p> <p><i>This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration).</i></p> <p><i>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i></p>			
<p>1. Applicant's Name and Address (Including ZIP Code)                  Cordell Simmons                  1501 Blahe Drive                  Lawrence, Arkansas 12522</p> <p>Telephone Number (Including Area Code): 555-124-4569</p>		<p>2. Contractor's Name and Address (Including ZIP Code)                  Kelly's Cement                  88011 Circle Court                  Bloomfield, Arkansas 12521</p> <p>Telephone Number (Including Area Code): 555-123-8880</p>	
<p><b>3. CERTIFICATION:</b></p> <p>I hereby acknowledge the receipt of (a) _____ Sixteen hundred _____ dollars                  (b) (\$ <u>1,600.00</u> ) which represents <input checked="" type="checkbox"/> full or <input type="checkbox"/> partial payment of my contract/purchase invoice dated                  (c) <u>12-01-XXXX</u> for construction or improvement work on the (d) <u>permanet cement floor</u>                  _____ located in (e) _____ NE Sec. 2 lot 13 Lawrence County _____ and                  which is further described in my contract/purchase invoice. (When payment towards part of the total cost has been made by the loan applicant as evidenced by the final cost data on file in the County FSA Office, the remaining cost will be covered by joint disbursement of the loan.)</p> <p>I hereby release the loan applicant and the Commodity Credit Corporation (CCC) from any claims or liens filed against my business, or me, as an individual, on account of injuries sustained by any worker employed by me or by any subcontractor, arising by virtue of this contract/purchase invoice.</p> <p>I hereby also release the loan applicant and the Commodity Credit Corporation (CCC) from any and all claims, liens, and lien rights, of any kind, nature, or description whatsoever, filed against my business, or me, as an individual, by all who provided labor, materials, supplies, or equipment in the construction or improvement work on the above referenced structure.</p>			
<p>3(f) Signature of Contractor (By)                  /s/ <b>Mike Butler</b></p>		<p>3(g) Title/Relationship of the Individual if Signing in a Representative Capacity                  Owner</p>	<p>3(h) Date (MM-DD-YYYY)                  12-01-XXXX</p>
<p><b>WARNING</b></p> <p>The statements and representations made above are made in connection with construction financed in whole or in part by the Commodity Credit Corporation (CCC), United States Department of Agriculture (USDA). The statements and representations will be used to determine the release of USDA provided funds. The making of any false statement or misrepresentation herein may be a crime punishable under Title 18 U.S.C. Section 1001 which provides in part: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or statement or entry, shall be fined under [Title 18 of the United States Code] or imprisoned not more than five years, or both."</p>			
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</small></p>			

## 134 Inspection and Disbursement (Continued)

### D Disbursement

County Offices shall disburse FSFL as follows:

- \*--according to paragraphs 28, 134.5, 367, and 368
- disburse jointly to the borrower and suppliers unless there is evidence that all amounts due suppliers have been paid.

## 134.5 CCC-197

### A Overview

CCC-197 is available to assist FSA in identifying grant and loan recipients **before** preparing loan documents for the final closing of FSFL.

After completing CCC-197, FSFL borrowers will:

- identify all bills and invoices for the entire structure
- identify all other sources of funding for the FSFL structure
- sign and date a certification statement certifying that a request or application has **not** been submitted, approved, or paid by any Government grant or loan on the same structure or other collateral used for this FSFL and, if a grant or loan is received after FSFL is disbursed for the same structure, the grant or loan **must** be paid as a lump sum repayment to the outstanding FSFL.

### B When to File

CCC-197 **must** be filed in the County Office when final evidence of total cost is submitted, according to paragraph 133.

County Offices shall:

- assist the applicant in manually completing CCC-197 and obtain the applicant's signature
- discuss examples of acceptable evidence and CCC-191 requirement, if applicable, according to paragraph 133.

### C Approving CCC-197's

STC, COC, or designee shall approve CCC-197's **only** after CCC-197 is completely filed and all acceptable evidence is submitted, according to paragraph 133.--\*

\*--134.5 CCC-197 (Continued)

**D Maintaining CCC-197's**

CCC-197's shall be completed and maintained in the producer's FSFL file folder.

**E Instructions for Completing CCC-197's**

Complete CCC-197 according to the following table.

Item	Instructions
<b>Part A – General Information</b>	
1-3	Enter FSFL applicant's full name, telephone number (optional), and FSFL number.
4-6	Enter name, address, and telephone number of the FSA County Office.
7	Producer must select either "Partial Disbursement" or "Final Disbursement".
<b>Part B – FSFL Structure Bills and Invoices</b>	
8	Producer must provide the name of the vendor or contractor and approved STC/COC on-farm equipment.
9	Producer must provide the total amount of bill.
<b>For FSA Use Only</b>	
10	STC, COC, or designee must answer "Yes" or "No" to the question, "Was CCC-191 obtained, if applicable?" If "No" is answered, give the reason why not.  <b>Note:</b> CCC-191 and signed and dated final invoices must be for the same amount or the invoice total must be greater than the total entered on CCC-191, according to paragraph 133.
<b>Part C – Certification of Grants or Loans</b>	
11	Producer must answer "Yes" or "No" to the question, "Are there any unresolved claims or demands for payments pending with a vendor, contractor, subcontractor or material supplier in connection with the FSFL project? If "Yes", provide item number (8 A through 8 I) of the vendor or contractor in Item 18."
12	Producer must answer "Yes" or "No" to the question, "Has an application been submitted, approved or paid for by any other governmental loans or grants on the same structure or other collateral used for this FSFL? If "Yes", provide details of the loan and/or grant in Item 18. If "No", skip Part D."
<b>Part D – Grant and/or Other Loan Information</b>	
13	Producer must provide the total grant eligible costs.
14	Producer must provide the total grant or loan requested.
15	Producer must provide sources of funds, if a value is entered in items 13 and/or 14.
<b>Part E – Producer Certification</b>	
16A	Each producer must sign CCC-197 after carefully reading the information in Part E.
16B	Each producer must provide title/relationship of the individual signing in the representative capacity.
16C	Each producer must enter the last 4 digits of their TIN.
16D	Each producer must enter date CCC-197 was signed.
<b>Part F – STC, COC or Designee Signature (For FSA Use Only)</b>	
<b>Important:</b> STC, COC, or designee shall approve CCC-197 <b>after</b> all required CCC-191's are received and acceptable cost documents are received that support the total cost on CCC-191.	
17A	STC, COC, or designee shall sign.
17B	Enter the title of designee signing item 17A.
17C	Enter the date STC, COC, or designee signed item 17A.
18	Enter any remarks that may be pertinent to any information entered on CCC-197.

--\*

\*--134.5 CCC-197 (Continued)

F Example of CCC-197

The following is an example of a completed CCC-197.

This form is available electronically.		
CCC-197 (08-10-11)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
<b>FINAL FARM STORAGE FACILITY LOAN (FSFL) PROGRAM COST CERTIFICATION</b>		
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1436, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to obtain the program cost certification data required for the preparation of partial or final Farm Storage Facility Loan Program documents. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing under the Farm Storage Facility Loan Program.</p> <p>This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration).</p> <p>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p>		
This form needs to be completed and signed by the loan applicants before partial or final FSFL documents can be prepared.		
<b>PART A - GENERAL INFORMATION</b>		
1. Loan Applicant's Name  Terry Dawn Farms	2. Telephone Number (Including Area Code) (Optional)  555-123-4567	3. FSFL Number  2011/00015
4. County FSA Office Name  Buckhead County FSA Office	5. County FSA Office Address (Including Zip Code)  2020 Lewis Dr. Travis, MT 20155-1033	6. Telephone Number (Including Area Code)  555-221-1000
7. FSFL Disbursements (Check One): <input type="checkbox"/> Partial Disbursement <input checked="" type="checkbox"/> Final Disbursement		
<b>PART B – FSFL STRUCTURE BILLS AND INVOICES</b> (Applicants must provide information for bills and invoices received for the FSFL structure)		
8. Name of Vendor or Contractor	9. Total Amount of Bill	For FSA Use Only 10. CCC-191 Obtained (If Applicable)
A. C and G Contractors	\$ 100,000	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (If "NO", provide reason in Item 18)
B. Sand and Gravel	\$ 17,000	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (If "NO", provide reason in Item 18)
C. Kerry's Hardware	\$ 50,000	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (If "NO", provide reason in Item 18)
D. Jim and Patty's Construction	\$ 12,120.56	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (If "NO", provide reason in Item 18)
E. Home Depot	\$ 10,645	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (If "NO", provide reason in Item 18)
F. Williams Electrical Supply	\$ 25,000.89	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (If "NO", provide reason in Item 18)
G. Kelly's Concrete	\$ 33,000	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (If "NO", provide reason in Item 18)
H.	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO (If "NO", provide reason in Item 18)
I.	\$	<input type="checkbox"/> YES <input type="checkbox"/> NO (If "NO", provide reason in Item 18)
<small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</small>		

--\*

\*--134.5 CCC-197 (Continued)

**F Example of CCC-197 (Continued)**

<b>CCC-197</b> (08-10-11)		Page 2 of 2	
<b>PART C – CERTIFICATION OF GRANTS OR LOANS</b> ( <i>Borrower must answer the following questions</i> )			
		YES	NO
11. Are there any unresolved claims or demands for payments pending with a vendor, contractor, subcontractor or material supplier in connection with the FSFL project. If "YES", provide Item number (8 A through 8 I) of the vendor or contractor in Item 18.			x
12. Has an application been submitted, approved or paid for by any other governmental loans or grants on the same structure or other collateral used for this FSFL? If "YES", provide details of the loan and/or grant in Item 18. If "NO", skip Part D.			x
<b>PART D – GRANT AND/OR OTHER LOAN INFORMATION</b>			
13. Total Grant Eligible Costs	14. Total Grant or Loan Requested	15. Sources - Provide the sources of funds, if a value is entered in Items 13 and/or 14	
\$	\$		
<b>PART E – PRODUCER CERTIFICATION</b>			
<b>Certification:</b>			
<i>I certify that the information provided is true, complete, and correct to the best of my knowledge and is provided in good faith. I understand if any information is found to be false or incomplete, such finding may be grounds for denial of the FSFL. Additionally, I understand if I receive a grant or loan after the FSFL is disbursed for the same structure, the grant or loan must be paid as a lump sum repayment to the outstanding FSFL.</i>			
16A. Producer's Signature (By)	16B. Title/Relationship of the Individual if Signing in a Representative Capacity	16C. Last 4 Digits of Producer's TIN	16D. Date (MM-DD-YYYY)
<i>/s/ Terry Dawn</i>	Producer	xxxx	07-27-20XX
<b>PART F – STC, COC OR DESIGNEE SIGNATURE (FOR FSA USE ONLY)</b>			
17A. Signature of STC, COC or Designee	17B. Title	17C. Date Approved (MM-DD-YYYY)	
<i>/s/ Clark Tyson</i>	County Executive Director	07-27-20XX	
18. Remarks			

--\*

135 Extension of Approvals

**A Extensions That May Be Granted**

\*--FSFL approvals expire 6 months after the date of approval. State and County Offices must follow this table for approval authority when granting an additional 6-month loan approval extension, not to exceed a total of 12 months.

<b>IF the FSFL amount is...</b>	<b>THEN approval authority is...</b>
less than or equal to \$250,000	COC after DD review.
greater than \$250,000	STC or delegated authority to SED <b>only</b> . The delegation of authority <b>must</b> be recorded in the STC meeting minutes.

**Notes:** An individual acting for SED does **not** have FSFL extension approval authority.

See the first table in subparagraph 2 F for exceptions applicable to FSA employees and their relatives.--\*

Extensions become necessary only if the applicant has **not** completed construction or has **not** submitted all documentation required to disburse FSFL. Delays in disbursing FSFL within the control of CCC, such as funds obligation and the need for additional lien waivers discovered during the lien search 5 workdays before closing, do **not** require a request for extension from the applicant.

\*--FSFL must **not** be disbursed with an expired approval date.

STC's (or delegated SED) or COC's shall:--\*

- grant extensions only if the applicant:
  - submits a written request for an extension within 7 calendar days of notification by the County Office or the FSFL approval period expiration date, whichever is later

**Notes:** County Offices shall notify borrowers by telephone, e-mail, or letter, 14 workdays before the expiration date that, if necessary, they must request an extension in writing.

Extensions may be approved after the FSFL approval period expiration date if the request for the extension was made in a timely manner.

- provides evidence that CCC-185 was made in good faith
- provides evidence that lack of completion is because of reasons beyond his or her control

**Examples:** The following are examples of reasons beyond the borrower's control:

- delays in the delivery of parts
- bad weather conditions
- lack of necessary skilled labor
- legal delays involving real estate liens.

**135 Extension of Approvals (Continued)****A Extensions That May Be Granted (Continued)**

- grant extensions only for the time necessary to complete the installation
- **not** grant automatic extensions
- ensure that extensions can also be granted if the:
  - site preparation and foundation are both completed by the original FSFL approval period extension date
  - applicant provides a binding contract, signed by the applicant and supplier, proving there is a purchase commitment
- notate a new expiration date on CCC-185, item 18.

**B Requests for Extensions Beyond 12 Months**

\*--STC's **only** are authorized to grant extensions of FSFL approvals beyond 12 months, not to exceed 18 months from the date of the original approval. This authority may **not** be redelegated.

STC's must use discretion when approving extensions beyond 12 months, not to exceed 18 months of the original loan approval date. Based on the date the FSFL obligation appears in the system, CCC starts paying interest to Treasury on the obligated funds.

A DAFP waiver is required for extensions beyond 18 months of the original loan approval date.

State Offices must e-mail the following details about FSFL to Toni Williams at **toni.williams@wdc.usda.gov** when FSFL extensions are granted by STC beyond 12 months:

- FSFL number
- FSFL amount
- reason for extension beyond 12 months
- date STC approved the loan approval extension
- loan approval extension expiration date.--\*

**136-145 (Reserved)**

**161 FSFL's Paid in Full****A Releasing FSFL Security**

Upon payment of FSFL in full, County Offices shall:

- release or obtain the release of security documents, as required by State law, upon request by the borrower

**Note:** If final FSFL payment is made by cash, certified check, or money order, the borrower may request an accelerated release of security documents from SED. Included with the request, the County Office will send a copy of the final FSFL repayment receipt showing FSFL has been paid in full, and a copy of CCC-257 showing the remittance has been deposited. SED, after reviewing the documents, may advise the County Office in writing to proceed with releasing the security documents. The authority for this release may **not** be redelegated.

- require the borrower to pay all release fees
- mark the original CCC-186 "paid" and forward to the borrower after 30 calendar days from the date of repayment.

**162 Real Estate Taxes****A Borrower's Responsibility**

[7 CFR 1436.14] On FSFL's where real estate is used as security, the borrower must:

- pay all real and personal property taxes that may affect CCC's security interest in all collateral securing the note
- provide proof of payment of taxes, applicable to collateral securing FSFL, to the County Office annually.

**B Unpaid Taxes**

County Offices shall:

- **not** disburse FSFL's secured by real estate when real estate taxes are **not** current
- monitor the real estate tax status applicable to collateral securing FSFL
- pay any unpaid taxes with respect to the collateral securing FSFL when it appears CCC's security interest is in jeopardy

**Note:** See subparagraph 227 B.

162 Real Estate Taxes (Continued)

B Unpaid Taxes (Continued)

- bill the borrowers for the amount of the tax paid

**Note:** See paragraph 314 for depositing borrower reimbursement of CCC-paid taxes.

- begin proper servicing action, such as calling FSFL.

163 Maintenance and Liability

A Maintenance

[7 CFR 1436.15] The borrower must maintain the FSFL collateral in a condition suitable for the storage of 1 or more FSFL commodities.

\*--County Offices shall perform collateral checks:

- at least once every other year for all FSFL’s using asphalt flooring, according to subparagraph 34 C
- for the following terms:
  - 7-year term – fourth year of FSFL
  - 10-year term – fourth and eighth year of FSFL
  - 12-year term – fourth and ninth year of FSFL
- where the full annual installment payment is **not** made **on or before** the installment due date.

**Example:** Producer Berry has an FY 2009 FSFL with a 7-year term and the annual installment repayment is due on May 1. The following table is a schedule of when collateral checks are required based on the date the annual installment repayment is received in the County Office.

**Note:** The future dates of annual installment repayments are used for this example only.

FSFL Term	Date Annual Installment Payment Received in the County Office	Collateral Check Required
Year 1	April 30, 2010	No
Year 2	May 1, 2011	No
Year 3	May 2, 2012	Yes
Year 4	April 30, 2013	Yes
Year 5	April 29, 2014	No
Year 6	May 5, 2015	Yes
Year 7	May 1, 2016	No

**Important:** If there is reason to believe CCC’s collateral is at risk, STC or COC may authorize the County Office to perform a collateral check at any time.--\*

**Part 20 Automated FSFL Repayment Processing**

**380 Repayment Processing**

**A Accessing Repayment Processing**

To process an FSFL repayment, access FSFL functions according to subparagraph 325 C and:

- ENTER “5”, “Repayment Processing”, on Menu VCA005
- proceed to Screen VCA11000.

**\*--Notes:** County Offices must enter all FSFL repayments in both the FSFL software **and** deposit in NRRS according to current FI remittance procedure.

The annual installment repayment amount entered in the FSFL software must be the same as the annual installment repayment amount entered in NRRS.--\*

**B Data Entry**

Select FSFL for repayment processing according to the following table.

<b>Step</b>	<b>Action</b>	<b>Result</b>
1	On Screen VCA11000: <ul style="list-style-type: none"> <li>• enter FSFL’s FY and number</li> <li>• PRESS “Enter”.</li> </ul>	Screen VCA11500 will be displayed.
2	On Screen VCA11500: <ul style="list-style-type: none"> <li>• select the desired producer sequence number</li> <li>• PRESS “Enter”.</li> </ul>	Screen VCA12000 will be displayed.
3	On Screen VCA12000: <ul style="list-style-type: none"> <li>• ENTER “Y” or “N”, as applicable, to the question, “Is this the correct applicant?”</li> <li>• ENTER “Y” or “N”, as applicable, to the question, “Is the repayment date prior to today’s date?”</li> <li>• PRESS “Enter”.</li> </ul>	If the answer to the question, “Is the repayment date prior to today’s date?”, is: <ul style="list-style-type: none"> <li>• “Y”, users will be allowed to enter a repayment received before the system date</li> <li>• “N”, users will be allowed to do either of the following:                             <ul style="list-style-type: none"> <li>• process a repayment received on the system date</li> <li>• inquire about a future date repayment.</li> </ul> </li> </ul> Screen VDA00000 will be displayed.

380 Repayment Processing (Continued)

C Selecting a Repayment Option

Screen VDA00000 displays the following options for FSFL repayment:

- Lump Sum Repayment
- Installment Repayment Inquiry

**Note:** Installment Repayment Inquiry is an inquiry-only function. Using this option will inform the user of the amount owed by the borrower based on the date entered. Use the amount computed under this option and process as a Lump Sum Repayment.

- Loan Repayment/Inquiry.

**Note:** This option is used for the full repayment of the loan.

Functions of these options are described in subparagraphs D, E, and F. See the following table to determine which repayment process and processing date to use for all payments, **except** the final payment.

IF FSFL was disbursed on any date and the installment repayment is received...	THEN collect the following for the repayment amount...	AND use the following process...	AND use the following date (subparagraph D, step 2) on Screen VDA11005...
before the installment due date	amount on the notification and reminder letter	option 1, "Lump Sum Repayment"	date installment payment was received.
on or within 15 calendar days after the due date			installment due date.
more than 15 calendar days after the due date	total amount due for installment including interest to the date received  <b>Note:</b> Use the installment repayment inquiry option to compute the total amount owed to the date received.		date installment payment was received, with the entire principal amount for the installment paid and interest to the date received.

**Notes:** Regular installment repayments made more than 15 calendar days after the due date require either of the following actions:

- collecting additional interest at the time of repayment (the amount due may be calculated through option 2, "Installment Repayment Inquiry")
- creating a small installment principal balance that must be collected according to paragraph 159.

If all installment repayments are made before the due date and are for the amount on the notification and reminder letters, the final FSFL payment should be less.

## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

This table lists the required reports in this handbook.

Report Control Number	Title	Reporting Period	Submission Date	Negative Report	Reference
VFB405-R001	FSFL Program Reminders Report	Monthly by DD			415
VAA510-R001	FSFL Repayment Status Report	Quarterly by State Office			414

### Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification		51, Ex. 15
B10	Proof of Claim		186
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	58	51, 52, 56
CCC-185	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program	51, 116	Text, Ex. 15, 40, 41
CCC-185-1	Loan Application and Approval for Farm Storage and Drying Equipment Loan Program (CCC-185 Continuation Sheet)	51	
CCC-186	Farm Storage Facility Loan Program Promissory Note and Security Agreement	146	Text, Ex. 2, 15
CCC-186-1	Farm Storage Facility Loan Program CCC-186-1 Continuation Sheet	147	31, 411, 412
CCC-190	Farm Storage Facility Loan Program Lien Waiver	Ex. 16	52, 56, 127, 129, Ex. 15
CCC-191	Farm Storage Facility Loan Program Release of Liability	133	28, 127, 129, 134.5, 230
CCC-193	Real Estate Mortgage for Farm Storage Facility Loan Program	Ex. 17	31, 127, 129, 131, Ex. 15
CCC-193-D	Farm Storage Facility Loan Deed of Trust for (State of _____)	Ex. 17	31, 127, 131

## Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
CCC-194	Farm Storage Facility Loan Subordination Agreement (Lien on Real Property)	Ex. 23	127, 129, 131, Ex. 15
CCC-195	Farm Storage Facility Loan (FSFL) Processing Checklist	52	11, 28, 127, Ex. 15
CCC-197	Final Farm Storage Facility Loan (FSFL) Program Cost Certification	134.5	28
CCC-257	Schedule of Deposit		158, 161, 231, 232, 312, 338, 353, 426
CCC-295A	Farm Storage Facility Loan Program Final Inspection of Facility Before Loan Disbursement	134	28, 127, 186, Ex. 15
CCC-295B	Farm Storage Facility Loan Program Annual Inspection Record	Ex. 25	134, 163, Ex. 15
CCC-296	Farm Storage Facility Loan Program Certification of Attorney	129	127
CCC-297	Severance Agreement	Ex. 10	Text, Ex. 15
CCC-298	Farm Storage Facility Loan Program Assumption Agreement	177	31, 426, Ex. 15
CCC-299	Title Opinion - Farm Storage Facility Loan Program	129	127
CCC-400	Farm Storage Facility Loan Program Agreement for Sale of Loan Collateral	210	31, 186, 197, 209, 211, 233
CCC-471	Non-Insured Crop Disaster Assistance Program (NAP) Application for Coverage (2010 and Subsequent Crop Years)		69
CCC-674	Certification of Contracts, Grants, Loans, and Cooperative Agreements	33	
CCC-901	Members Information 2009 and Subsequent Years		10, 31, 51, 52
CCC-902	Farm Operating Plan for Payment Eligibility Review		10, 12, 15, 51, 52
CCC-902E	Farm Operating Plan for an Entity 2009 and Subsequent Program Years		31
CCC-926	Payment Eligibility Average Adjusted Gross Income Certification		12
FEMA 81-93	Standard Flood Hazard Determination		52, 69, Ex. 15
FSA-13-A	Data Security Access Authorization Form		451
FSA-211	Power of Attorney		31
FSA-578	Report of Acreage		12, 15, 51

## Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
FSA-850	Environmental Evaluation Checklist		11, 52, 81-83, 301, Ex. 15
FSA-851	Environmental Risk Survey Form		11, 52, 82, 301, Ex. 15
FSA-853A	Environmental Assessment		82
FSA-1927-8	Agreement With Prior Lien Holder (State of..)		127, 129
FSA-2002	3 Years Financial History		53
FSA-2003	3 years Production History		53
FSA-2004	Authorization to Release Information		51, 53, Ex. 15
FSA-2015	Verification of Debts and Assets		53, Ex. 15
FSA-2037	Farm Business Plan Worksheet Balance Sheet		51, 53
FSA-2038	Farm Business Plan Worksheet Projected/Actual Income and Expense		51, 53
FSA-2319	Agreement With Prior Lienholder		24, 127, 129
FSA-2360	Report of Lien Search		56, Ex. 15
IRS-1098	Mortgage Interest Statement		12, 164
NRCS-CPA-052	Environmental Evaluation Worksheet		82
SF-LLL	Disclosure of Lobbying Activities	33	
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet	33	
UCC-1	National Financing Statement		Text, Ex. 15, 16, 34
UCC-3	National Financing Statement Amendment		24, Ex. 15

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
ASG	Application Support Group	440
COTR	State Contracting Representative	Ex. 13
EA	environmental assessment	81-83
FSA-FS	FSA Financial Services	158
FSFLP	Farm Storage Facility Loan Program	Text, Ex. 2
NIFA	National Institute of Food and Agriculture	16, 17, 20
NRRS	National Receipts and Receivables System	158, 314
OLP	online payment	313, 314
OSHA	Occupational Safety and Health Administration	19-21, 35
REAP	Rural Energy for America Program	32
SEC	State Environmental Coordinator	82, 83
SFLO	Senior Farm Loan Officer	115
SOD	start-of-day	158, 352, 414, 415
SORS	State Office Reporting System	451
TAV	Tax Assessment Value	24

Redelegations of Authority

This table lists the redelegations of authority in this handbook.

Redelegation	Reference
CED may be delegated authority by COC to sign all forms or documents, except CCC-185. Federal and non-Federal County Office employees, except those applications in which the person approving has a monetary interest, may be delegated authority by CED. See paragraph 2 for exceptions.	2
DD may be delegated authority by STC to approve CCC-185 if the loan applicant is a COC or County Office employee or relative.	2
STC may redelegate authority for loan approval period extensions up to 8 months.	135
STC may redelegate CCC-185 approval to SED only.	2, 11, 115

**\*--Worksheet for Determining Capacity of a Honey Storage Structure**

**A Blank Example of Worksheet**

The following is a blank worksheet example for determining the estimated capacity of a honey storage structure.

<b>Worksheet for Determining Capacity of a Honey Storage Structure</b>		
1)	Size of proposed structure:	$\frac{\text{_____ ft.}}{\text{Width}} \times \frac{\text{_____ ft.}}{\text{Length}} \times \frac{\text{_____ ft.}}{\text{Height}}$
2)	Size of inside usable space:	$\frac{\text{_____ ft.}}{\text{Width}} \times \frac{\text{_____ ft.}}{\text{Length}} \times \frac{\text{_____ ft.}}{\text{Height}}$
3)	Percentage of floor space used for aisles and walkway: _____ percent. (The normal is usually around 25 percent.)	
4)	Useable floor space: _____ ft. x _____ ft. = _____ square ft. x <div style="display: flex; justify-content: space-around; width: 100%;"> <span>Inside Width</span> <span>Inside Length</span> </div>	
	_____ percent non-useable space = _____ square ft. of non-useable space.	
5)	_____ square ft. of useable space - _____ square ft. of non-useable space =  _____ square ft. of total useable floor space x _____ ft useable height = _____ useable cubic feet.	
6)	Available for honey storage is _____ cubic feet. (27 cubic feet per 1 cubic yard and _____ - 55 gallon honey drum requires 1 cubic yard).	
7)	_____ cubic feet divided by 27 cubic feet = _____ cubic yards = _____ unstacked _____ gallon honey drums. Round cubic yards down to nearest whole number.  _____ cubic yards x _____ -55 gallon honey drums (unstacked) = _____.	
8)	_____ - 55 gallon honey drums weighing 650 pounds can be stacked.	
9)	_____ honey drums x _____ (stacked 55 gallon honey drums) = _____ honey drums.	
10)	_____ - 55 gallon honey drums of estimated storage capacity in this storage structure.	
<b>Note:</b> States and Counties shall modify this worksheet, as needed.		

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**\*--Worksheet for Determining Capacity of a Honey Storage Structure (Continued)**

**B Completed Example of Worksheet**

The following is a completed worksheet example for determining the estimated capacity of a honey storage structure.

**Example:** A honey producer submits an application for a 12 ft. x 16 ft. x 15 ft. honey storage facility. The honey producer stores the honey in 55 gallon drums.

<b>Worksheet for Determining Capacity of a Honey Storage Structure</b>	
1) Size of proposed structure:	$\frac{12}{\text{Width}} \text{ ft.} \times \frac{16}{\text{Length}} \text{ ft.} \times \frac{15}{\text{Height}} \text{ ft.}$
2) Size of inside usable space:	$\frac{10}{\text{Width}} \text{ ft.} \times \frac{14}{\text{Length}} \text{ ft.} \times \frac{13.5}{\text{Height}} \text{ ft.}$
3) Percentage of floor space used for aisles and walkway:	<u>25</u> percent. (The normal is usually around 25 percent.)
4) Useable floor space:	$\frac{10}{\text{Inside Width}} \text{ ft.} \times \frac{14}{\text{Inside Length}} \text{ ft.} = \underline{140} \text{ square ft.}$  <u>25</u> percent non-useable space = <u>35</u> square ft. of non-useable space.
5)	$\underline{140} \text{ square ft. of useable space} - \underline{35} \text{ square ft. of non-useable space} =$  $\underline{105} \text{ square ft. of total useable floor space} \times \underline{13.5} \text{ ft useable height} = \underline{1417.50}$ useable cubic feet.
6)	Available for honey storage is <u>1417.50</u> cubic feet. (27 cubic feet per 1 cubic yard and <u>4</u> - 55 gallon honey drum requires 1 cubic yard).
7)	$\frac{1417.50}{27} \text{ cubic feet divided by } 27 \text{ cubic feet} = \underline{52.48} \text{ cubic yards} = \underline{208} \text{ unstacked}$ <u>55</u> gallon honey drums. Round cubic yards down to nearest whole number.  <u>52</u> cubic yards x <u>4</u> -55 gallon honey drums (unstacked) = <u>208</u> .
8)	<u>3</u> - 55 gallon honey drums weighing 650 pounds can be stacked.
9)	<u>208</u> honey drums x <u>3</u> (stacked 55 gallon honey drums) = <u>624</u> honey drums.
10)	<u>624</u> - 55 gallon honey drums of estimated storage capacity in this storage structure.
<b>Note:</b> States and Counties shall modify this worksheet, as needed.	

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**FSFL Program Codes**

The following provides FSFL program codes and their location in NRRS.

<b>Commonly Used FSFL NRRS Transaction Codes</b>		
<b>NRRS Program Code</b>	<b>Activity</b>	<b>NRRS Collection Type</b>
XXFSFLFEES	FSFL application fee. The required FSFL application fee is \$100 per borrower per FSFL.	Direct Sales
XXFSFL	FSFL annual installment repayment, which include obligated amount and interest.	PSFSFL
<b>Occasionally Used FSFL NRRS Transaction Codes</b>		
*--XXFSFLMR	FSFL <b>final</b> annual installment repayment code.  <b>Note:</b> County Offices must use XXFSFLMR in NRRS to record the FSFL final annual installment repayment. The amount entered <b>must</b> match the amount entered in the System 36. Once XXFSFLMR is entered, the system will prompt the user for the overpayment amount, if applicable.	PSFSFL--*
XXFSFLFCL	Collections – Sales proceeds of the liquidated FSFL collateral and claims activities when there is a loss.	PSFSFL
XXFSLLQC	Collections, payables, disbursements, and receivables. Expenses related to the sale of collateral of the liquidated FSFL.	PSFSFL
XXFSFLCLP	Sales proceeds of liquidated FSFL collateral and claim activities when there is a loss.	PSFSFL
XXFSFLBANKRUPT	Repayment of principal and interest for bankrupt status loans.	PSFSFL
<b>Important:</b> NRRS transaction code, “MISC” should <b>never</b> be used.		
<b>NRRS Receivable Code</b>		
XXFSFLAME	Recoverable and reimbursable costs that the producer is responsible for, such as, but not limited to, severance agreements and releasing of UCC-1.	
XXFSFLRF	Lien search and UCC-1 recording fees.	
XXFSFLBRWG	Collections, payables, disbursements, and receivables. Gain on sales of the collateral of the liquidated FSFL.	



**FSFL Repayment Example for Recording in NRRS**

Producer Keith visited the County Office on September 10, 2011, to make an annual installment repayment for a FY 2004 FSFL.

Producer Larry visited the County Office on November 1, 2011, to make an annual installment repayment for a FY 2006 FSFL.

<b>Producer</b>	<b>Loan Repayment Date</b>	<b>NRRS Program Code (Under PSFSFL)</b>
Keith	September 10, 2011	04FSFL
Larry	November 1, 2011	06FSFL

The following includes correct NRRS loan repayment program codes for loan principal and interest. The program codes **must** be entered for the applicable FY that the loan was **approved**. The program code, “XXFSFL” is accessed under NRRS Price Support Farm Storage Facility Loan “PSFSFL.”

**Important:** Do **not** use the FY the repayment was made.

<b>IF the repayment is for an FSFL approved in FY...</b>	<b>THEN use NRRS program code...</b>
2000	“00FSFL”.
2001	“01FSFL”.
2002	“02FSFL”.
2003	“03FSFL”.
2004	“04FSFL”.
2005	“05FSFL”.
2006	“06FSFL”.
2007	“07FSFL”.
2008	“08FSFL”.
2009	“09FSFL”.
2010	“10FSFL”.
2011	“11FSFL”.
2012	“12FSFL”.

\*--The annual installment repayment amount entered in NRRS must be the same as the annual installment repayment amount entered in the FSFL software.--\*

