

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

**Reminder for Processing Loans Open After Maturity**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Marketing assistance loans (MAL's) mature on demand, but no later than the last day of the ninth calendar month **after** the month CCC-677 or CCC-678 is approved.

A recent review of the National Loan Maturity Report indicated there are several outstanding MAL's open **after** maturity. County Offices are responsible for following 8-LP, paragraph 23, for MAL's not repaid by the loan maturity date.

**B Purpose**

This notice reminds State and County Offices to follow policies and procedures in 8-LP for MAL's not repaid by the loan maturity.

**2 Action**

**A State Office Action**

State Offices shall ensure that County Offices are:

- taking necessary actions to ensure that settlements are processed promptly when delivery of the commodity is complete
- processing the settlements in APSS
- closing out the producer's MAL according to 8-LP.

<b>Disposal Date</b>	<b>Distribution</b>
September 1, 2008	State Offices; State Offices relay to County Offices and FAX to CMA's and DMA's

## Notice LP-2084

### 2 Actions (Continued)

#### B County Office Action

County Offices shall ensure that producers are informed of the additional maturity information, as applicable to the loan type.

For MAL's not repaid by the loan maturity date, County Offices shall on the next workday after maturity, do the following for a:

- **nonrecourse farm-stored loan**, issue delivery instructions with a demand letter
- **nonrecourse warehouse-stored loan**, forfeit warehouse receipts to CCC according to 8-LP, subparagraph 1100
- **farm-stored or warehouse-stored recourse loan:**
  - issue the demand letter
  - establish a claim on the 31<sup>st</sup> calendar day **after** the date of the demand letter
  - follow foreclosure proceedings according to 8-LP:
    - paragraph 1043
    - Part 10, Section 4.