

For: State and County Offices

**Applicable Interest Rates**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Assessing Interest Rate**

**A Background**

Payment centralization deployment began on December 3, 2008, routing all payment requests to National Payment Service (NPS) for processing regardless of where the payments were initiated. Payment centralization was fully deployed and NPS operational on December 9, 2008. With the implementation of payment centralization, normal APSS business processes will be enhanced to adapt to FMD’s new automated system and internal accounting controls, including repayment calculations.

8-LP, subparagraph 927 A states the interest rate is assessed at the rate applicable to commodity loans, subject to the January 1 adjustment, from the disbursement date to the earlier of the following:

- second day before date of repayment for loans disbursed by electronic funds transfer (EFT)
- repayment date for loans disbursed by CCC-184
- settlement date.

**B Purpose**

This notice informs County Offices that the interest rate shall be assessed at the rate applicable to the marketing assistance loan (MAL) from the disbursement date to the second day before date of repayment for loans disbursed **on and after** December 9, 2008.

Applicable handbooks will be amended accordingly.

<b>Disposal Date</b>  July 1, 2009	<b>Distribution</b>  State Offices; State Offices relay to County Offices
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## Notice LP-2108

### 1 Assessing Interest Rates (Continued)

#### C Contact

If there are questions about this notice, State Offices shall contact PSD according to the following.

Issue	Contact	Telephone	E-mail
policy	Jose Gonzalez	202-690-2534	<a href="mailto:jose.gonzalez@wdc.usda.gov">jose.gonzalez@wdc.usda.gov</a>
automation	Shayla Watson	202-690-0013	<a href="mailto:shayla.watson@wdc.usda.gov">shayla.watson@wdc.usda.gov</a>

#### D Loan Repayments, Settlements, and Commodity Certificate Exchanges

When processing loan repayments and commodity certificate exchanges, County Offices shall answer the question on Screens PPD11200 or PPD61000, “**Was this loan disbursed entirely by direct deposit?**”, as follows for loans disbursed:

- **before** payment centralization:
  - ENTER “**Y**” for MAL’s disbursed by direct deposit
  - ENTER “**N**” if CCC-184 was issued for the MAL
- **after** payment centralization ENTER “**Y**” for MAL’s disbursed either by direct deposit or a U.S. Treasury check.

This will provide the correct MAL repayment allowing the 2-day interest credit for MAL’s.