

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Farm Storage Facility Loan Program
1-FSFL**

Amendment 26

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 43 B has been amended to include additional provisions on CCC-195.

Subparagraph 43 C has been added to provide an example of CCC-195.

Page Control Chart		
TC	Text	Exhibit
	4-6.5, 4-6.6 4-6.7 through 4-6.10 (add)	

43 Processing an Application (Continued)

B Using CCC-195

CCC-195 is a Microsoft Word document, compiled to help State and County Offices avoid the types of errors that have been found by COR reviews. See subparagraph C for an example of CCC-195.

State Offices shall:

- as necessary, modify the national checklist for State use by using the blank lines provided on CCC-195 or by further editing the document in Microsoft Word

Note: The most current version of the national CCC-195 is available on the FFAS Employee Forms Online Website.

- e-mail State checklists that differ from the national checklist to **deann.allen@wdc.usda.gov**
- issue CCC-195 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 receipt of CCC-195
- maintain CCC-195 in each FSFL folder
- check the appropriate box for each item as it is performed
- check the appropriate box for items that are not applicable
- ensure that all required signatures are on CCC-195, items 21 through 23 at loan disbursement.

Note: For those 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, items 21 through 23 at loan disbursement.

43 Processing an Application (Continued)

*--C Example of CCC-195

Following is an example of CCC-195.

This form is available electronically.				
CCC-195 (11-20-06) FARM STORAGE FACILITY LOAN (FSFL) PROCESSING CHECKLIST	U.S. DEPARTMENT OF AGRICULTURE 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
6. Office Staff Actions:			Handbook 1-FSFL or Other Applicable References	Date Completed (MM-DD-YYYY)
A. Discuss key program provisions with applicant:			Subparagraph 42A	Check if Not Applicable
B. Complete all items on front side of manual CCC-185 (Loan Application and Approval for Farm Storage and Drying Equipment Loan Program) or prepare CCC-185 in APSS. Applicant must Initial item 12B, if applicable.			Subparagraph 42E	
C. Collect application fee of \$45.00. Deposit immediately through accounting.			Subparagraphs 19A and 291	
D. Obtain copy of contracts, cost breakdown, or estimates for all proposed work.			Subparagraphs 10C and 42E	
E. Obtain copy of site plans, if available.			Subparagraph 10C	
F. Obtain copy of any building permits or zoning variances, if applicable.			Subparagraphs 11A and 59A	
G. Obtain proof of crop insurance or if sales period is over, ensure waiver statement for current year is in remarks of CCC-185.			Subparagraphs 11A and 58A	
H. Obtain actual income and expenses from most recent year available.			Subparagraph 44D	
I. Obtain financial statement that is less than 90 days old on FSA-2037, FSA-2038 or similar form.			Paragraph 44	
J. Obtain verification of debts and assets, if applicable, using FSA 440-32 (Verification of Debts and Assets).			Subparagraph 44F	
K. Obtain legal description of parcel(s) of land to be offered as security, such as described on a tax bill.			Paragraph 14	
L. Obtain legal description of parcel facility will be placed on (if Different than land offered for security).			Paragraph 14	
M. Remind applicant that all peril insurance, listing CCC as loss payee, and possibly, flood insurance, on the structure and equipment will be required.			Subparagraphs 58F and 58G	
N. 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 115B	
O. Remind applicant that:			Subparagraph 10D	
<ul style="list-style-type: none"> ● delivery, site preparation and construction cannot begin until after the loan is approved. ● loans cannot be disbursed until construction is complete, final net cost is determined, and the facility is inspected. 			Paragraph 17	
P. Discuss filing and recording fees and who pays each fee.			Subparagraph 14I	
Q. 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 one is not on file.			Paragraph 49	
R. FSA-211 or acceptable documentation on file in county office for any individual signing in a representative capacity.			1-CM, Part 25	

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43 Processing an Application (Continued)

*--C Example of CCC-195 (Continued)

CCC-195 (11-20-06)		Handbook 1-FSFL or Other Applicable References	Date Completed (MM-DD-YYYY)	Page 2 of 5 Check if Not Applicable
7. Office Staff Verifications of Eligibility and Application Processing:				
A. Prepare a 6-position or similar folder for each CCC-185.		<i>Subparagraph 42F</i>		
B. For applications lacking required information, notify applicant in writing.		<i>Subparagraph 42C</i>		
8. Eligibility:				
A. Verify DCIA compliance by checking applicant certification on CCC-185 and CCC or FSA Claims records.		<i>Subparagraph 46C</i>		
B. Verify HEL and WC compliance with copy of AD-1026 (Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification) and AD-1026A (Supplemental to AD-1026 (Continuation)).		<i>Subparagraph 11A</i>		
C. Verify compliance with any zoning ordinances or building permits.		<i>Subparagraph 11A</i>		
D. Verify proof of crop insurance.		<i>Subparagraphs 11A and 58A</i>		
E. Review applicable flood maps and prepare FEMA-81-93. Notify applicant if flood insurance will be required.		<i>Subparagraphs 11A, 58G, and 72B</i>		
F. Verify compliance with controlled substance provisions by checking the controlled substance field in the producer's eligibility record.		<i>Subparagraph 11A and 2-PL, Paragraph 50 1-CM, Part 30</i>		
9. Lien Searches and Filing UCC's:				
A. Complete lien search for all UCC's, federal and State tax liens, and any judgements. Conduct real estate lien search to determine need for severance agreements. (Document on Form FSA-440-13)		<i>Paragraphs 47 and 48</i>		
B. File UCC financing statement on collateral as soon as description is available.		<i>Paragraph 47</i>		
C. Obtain lien waivers on CCC-190 (Farm Storage Facility Loan Program Lien Waiver), if applicable.		<i>Paragraph 47</i>		
10. Environmental and Historic Reviews:				
A. Notify State Historic Preservation Officer according to guidelines in applicable EQ directives. Notify Fish and Wildlife Service of proposed action, if applicable.		<i>Subparagraph 72L</i>		
B. Visit the site before site preparation and complete FSA-850 (Environmental Evaluation Checklist).		<i>Paragraphs 70 through 75</i>		
C. Complete FSA-851 (Environmental Risk Survey Form) for loans secured by real estate.		<i>Subparagraph 75D</i>		
D. Conduct further reviews as required, such as Class II Environmental Assessments.		<i>Paragraph 75</i>		
11. Determine Loan Amount, Storage Need and Equipment Eligibility:				
A. Determine maximum loan amount. Verify aggregate outstanding balance does not exceed \$100,000 for each borrower signing CCC-186 (Promissory Note and Security Agreement).		<i>Paragraph 15</i>		
B. Review CCC-185 and verify storage need.		<i>Subparagraph 11C</i>		
C. Verify eligibility of proposed structure and equipment.		<i>Paragraph 12</i>		

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43 Processing an Application (Continued)

*--C Example of CCC-195 (Continued)

CCC-195 (11-20-06)		Handbook 1-FSFL or Other Applicable References	Date Completed (MM-DD-YYYY)	Page 3 of 5 Check if Not Applicable
12. Creditworthiness:				
A. If applicant is a business entity, order applicable credit report.		Paragraph 46		
B. If applicant is an individual, order applicable credit report.		Paragraph 46		
C. Determine credit worthiness by reviewing credit reports.		Paragraph 46		
13. Ability to Repay: Individual with FLP Loan approval authority shall -				
A. Review a balance sheet cash flow plan for the current year Showing that a 15% down payment is available.		Subparagraph 44D		
B. Review a balance sheet and cash flow plan showing that there are funds available to pay the first installment amount.		Subparagraph 44E		
C. Prepare recommendation for COC, indicating whether applicant is creditworthy and has ability to make down payment and pay future installments.		Subparagraph 101E		
14. Collateral Security:				
A. Determine need for severance agreements and/or subordinations.		Paragraphs 118 and 119		
B. Prepare a recommendation to COC for collateral security Requirements and present prior to approval.		Paragraphs 14 and Subparagraph 101A		
15. County Committee Determinations to be Documented in Executive Meeting Minutes				
A. Date of Executive Meeting Minutes (date: _____)		Subparagraph 101B		
B. Applicant meets all eligibility requirements, including Creditworthiness and ability to repay.		Paragraphs 44 and 46 and Subparagraph 101A		
C. Proposed facility or renovation is eligible and needed.		Subparagraph 101A		
D. Yields and acreage used to calculate storage need are Reasonable.		Subparagraph 101A		
E. Environmental conditions of the site do not place CCC at risk.		Subparagraph 101A		
F. Type of collateral security required. Enter on CCC-185, item 17.		Subparagraphs 101A and 102A		
G. Approved or denied by signature on reverse of CCC-185. If Denied, enter zero in item 14A.		Subparagraph 102B		
H. Enter conditions of approval, such as all peril insurance or flood Insurance, in CCC-185 remarks section.		Subparagraph 101A and Paragraph 102		
I. If the application is one of first 3 received each FY or because of STC policy, refer application to STC.		Subparagraphs 15J, and 101C		

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43 Processing an Application (Continued)

*--C Example of CCC-195 (Continued)

CCC-195 (11-20-06)		Page 4 of 5	
	Handbook 1-FSFL or Other Applicable References	Date Completed (MM-DD-YYYY)	Check if Not Applicable
16. Approval Processing by Office Staff:			
A. Submit loan for funding through APSS.	Paragraph 331		
B. When notified of funding, issue approval letter. Record approval Or disapproval in APSS. Enter date approval letter is issued, on CCC-185, item 14D. Distribute CCC-185, according to Subparagraph 102C.	Subparagraphs 102A and 116A, Paragraphs 319 and 332		
C. Monitor approval expiration date. Obtain and act on requests for Extension of approval, if applicable.	Paragraph 123		
D. If applicable, issue disapproval letter.	Subparagraph 116B		
E. File UCC financing statement on collateral if not already filed.	Paragraph 47		
F. 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.	Paragraphs 118 and 119		
G. For loans to be secured by real estate, provide borrower with Letter to select title company and legal services	Subparagraph 117A		
H. For loans where borrower selects an attorney for title clearance, Obtain completed CCC-296 (Farm Storage Facility Loan Program Certification of Attorney) from attorney.	Subparagraph 117B		
I. For loans where borrower selects an attorney for title clearance, Obtain completed CCC-299 (Title Opinion - Farm Storage Facility Loan Program) from attorney.	Subparagraph 117C		
J. Obtain evidence of final net cost and compute final loan amount. Be sure: <ul style="list-style-type: none"> ● 15% minimum down payment amount has been paid ● 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) 	Subparagraphs 16A and 17B, Paragraph 121		
K. Obtain release of liability on CCC-191 (FSFL Program Release of Liability) from all contractors submitting bills.	Subparagraph 121E		
L. Obtain proof of all peril insurance (CCC as loss payee), crop Insurance, and current real estate tax.	Subparagraphs 58F and 115A		
M. Inspect the complete facility and document results on CCC-295A (Farm Storage Facility Loan Program Final Inspection of Facility Before Loan Disbursement).	Paragraph 122		
N. For loans not secured by real estate, confirm a loan closing date with applicant.	Subparagraph 115A		
17. Prepare for Closing			
A. For loans secured by real estate, send transmittal of title Information.	Subparagraph 117C and 117 D		
B. Review Title Opinion and update security requirements, if needed.			
C. Adjust funding obligation (if needed).	Paragraphs 333 and 334		
D. Verify UCC's, severance agreements, and subordinations have Been filed and recorded.	Paragraphs 118 and 119		
E. If applicable, obtain equipment lien waivers, on CCC-190, before Loan is disbursed.	Paragraph 47		

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43 Processing an Application (Continued)

*--C Example of CCC-195 (Continued)

CCC-195 (11-20-06)		Handbook 1-FSFL or Other Applicable References	Date Completed (MM-DD-YYYY)	Page 5 of 5 Check if Not Applicable
18. Closing Loans Not Secured by Real Estate:				
A. Prepare CCC-186 Promissory Note and Security Agreement.		<i>Subparagraph 115A and Paragraph 346</i>		
B. Obtain borrower signatures. Obtain signature of CCC Representative with authority to sign.		<i>Subparagraph 2F Paragraph 136</i>		
C. Disburse loan funds. If suppliers have not been paid, issue joint check. Unless payment by EFT, follow note in Subparagraph 347B to issue check.		<i>Paragraph 347 Subparagraph 17C</i>		
D. FSA-211 on file in county office for any Individual signing in a representative capacity.		<i>ICM, Part 25</i>		
19. Closing Loans Secured by Real Estate:				
A. Issue closing notification to borrower.		<i>Subparagraph 117E</i>		
B. Prepare CCC-186 Promissory Note and Security Agreement.		<i>Subparagraph 115B and Paragraph 346</i>		
C. Prepare checks. See note in Subparagraph 347B to issue check.		<i>Subparagraphs 122D, 17C and Paragraph 347</i>		
D. Prepare Real Estate Mortgage for FSFL Program on CCC-193 or FSFL Deed of Trust on CCC-193D.		<i>Paragraph 119</i>		
E. Issue closing instruction letter with applicable documents and CCC checks to closing agent.		<i>Subparagraph 117F</i>		
F. Receive loan closing statement from closing agent.		<i>Subparagraph 117F</i>		
G. FSA-211 on file in county office for any Individual signing in a representative capacity.		<i>ICM, Part 25</i>		
20. Certification:				
<i>I (we) the undersigned, certify the above items have been verified or updated accordingly.</i>				
21A. Checklist Prepared by:			21B. Date Prepared (MM-DD-YYYY)	
22A. CED Approval:			22B. Date Approved (MM-DD-YYYY)	
23A. DD Approval:			23B. Date Approved (MM-DD-YYYY)	

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