

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

Marketing Assistance Loan (MAL) Reminder

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

MAL's mature on demand, but no later than the last day of the ninth calendar month **after** the month MAL is disbursed.

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.

In addition, County Offices are reminded to document the beginning of harvest in the COC minutes for each loan commodity, according to 8-LP, subparagraph 2 A. Honey, mohair, unshorn pelts, and wool are **excluded** from this provision.

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.

Disposal Date	Distribution
April 1, 2009	State Offices; State Offices relay to County Offices and FAX to CMA's, DMA's, and LSA's

Notice LP-2105

2 Actions (Continued)

B County Office Action

County Offices shall:

- ensure that producers are informed of the additional maturity information, as applicable to loan type
- document the beginning of harvest in COC minutes according to 8-LP, subparagraph 2 A.

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

- **nonrecourse farm-stored loan**, issue delivery instructions with a demand letter according to 8-LP, Part 10, Section 1
- **nonrecourse warehouse-stored loan**, process loan forfeitures immediately after loan maturity
- **farm-stored recourse loan:**
 - issue the demand letter
 - establish a claim on the 31st calendar day **after** the date of the demand letter
 - follow foreclosure proceedings according to 8-LP:
 - subparagraph 1043 B
 - Part 10, Section 4
- **warehouse-stored recourse loan:**
 - issue the demand letter
 - establish a claim on the 31st calendar day **after** the date of the demand letter
 - follow foreclosure proceedings according to 8-LP, Part 10, Section 4.