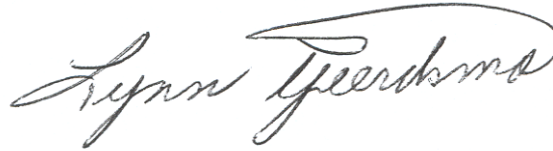


**For:** Peanut State and County Offices, CMA's, and DMA's

**Processing Peanut Loan Transfers**

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



**1 Overview**

**A Background**

8-LP, Part 8 and 12-PS, Part 5 provide policies and procedures for loan transfer functions. Peanut loans meeting the requirements can be transferred from:

- farm-to-warehouse
- warehouse-to-warehouse.

When loan transfers are processed in APSS, the system:

- creates a **new** loan with a new loan number
- maintains the same disbursement date and maturity date as the original loan.

Because County Offices **cannot** process peanut loan transfers in APSS, peanut loan transfers shall be processed according to this notice.

**B Purpose**

This notice provides:

- instructions for processing peanut loan transfers in APSS
- examples of worksheets for peanut loan transfers.

<b>Disposal Date</b>	<b>Distribution</b>
November 1, 2009	Peanut State Offices; State Offices relay to County Offices, CMA's, and DMA's

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**2 General Information**

**A Determining Loan Information**

**Before** processing the loan transfer, County Offices **must** have the loan folder available and use the dates below from the original loan when entering the data for the **new** warehouse-stored loan:

- loan application date
- disbursement date
- date of lien search
- loan approval date.

Other loan data shall be entered as follows.

<b>IF processing a...</b>	<b>THEN...</b>
farm-to-warehouse transfer	<ul style="list-style-type: none"> <li>• “Date Documents Received” shall be the actual date all loan documents associated with the transfer are received</li> <li>• “Date Receipt Issued” shall be the date shown on the <b>new</b> receipt</li> <li>• “Storage Date” shall be the date shown on the <b>new</b> receipt</li> <li>• “Storage Paid Through” shall be the date shown on the <b>new</b> receipt.</li> </ul>
warehouse-to-warehouse transfer	<ul style="list-style-type: none"> <li>• “Date Documents Received” shall be the same as the <b>original</b> loan</li> <li>• “Date Receipt Issued” shall be the date on the <b>original</b> receipt</li> <li>• “Storage Date” shall be the date on the <b>original</b> loan</li> <li>• “Storage Paid Through” shall be the date shown on the <b>new</b> receipt.</li> </ul>

See Exhibit 1 for an example of a completed farm-to-warehouse transfer worksheet and Exhibit 2 for an example of a completed warehouse-to-warehouse transfer worksheet.

**Note:** When using an electronic warehouse receipt (EWR), the County Office **must** download EWR and print the EWR Detail List. Manually input the warehouse receipt data in APSS and file the EWR Detail List in the loan folder.

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2 General Information (Continued)

B Processing Transfers in APSS

County Offices shall process peanut loan transfers according to the following table.

Step	Action
1	Reverse the original loan approved for transfer according to subparagraph 3 A. <b>Note:</b> The process shall create a receivable for the amount of the original loan.
2	Process a manual warehouse-stored loan according to subparagraph 3 B. <b>Notes:</b> Use <b>the same</b> disbursement date as the original loan that was approved for transfer. Disburse the loan proceeds payable to: <ul style="list-style-type: none"><li>• CCC for the amount equal to the disbursement amount of the original loan approved for transfer</li><li>• the producer for the remaining balance, when applicable.</li></ul>
3	Repay the receivable created when the original loan approved for transfer was reversed using the loan proceeds from the new warehouse-stored loan according to subparagraph 3 C.

**Note:** The proceeds from the manual warehouse-stored loan shall be used to cover the disbursement amount of the original loan being transferred. If there is a shortfall, interest shall be applied on the outstanding balance after the proceeds have been applied.

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### 3 Recording Transfers in APSS

#### A Reversing the Original Loan in APSS

County Offices shall reverse the **original** peanut loan and create a receivable for the **original** loan amount according to this table.

Step	Action
1	On Price Support Main Menu PCA005, select option “7”, “Correct a Loan/LDP”.
2	Select applicable loan number and producer.
3	On Screen PXA00005, place “Y” next to “Loan Making” transaction type.
4	On Screen ANK52010, answer “N” to the question, “Do you have this check in your office?”
5	On Screen ANK52020: <ul style="list-style-type: none"><li>• the Basis for Debt Code will default to “10341”</li><li>• answer “Y” to the question, “Do you want an initial notification letter printed?”</li></ul>
6	On Screen ANK52026, enter Reason Code “1”.
7	On Screen AQK15201, enter the following statement as basis of debt text, “the transfer of your farm/warehouse-stored peanut loan no. <i>(original loan number)</i> to a warehouse stored peanut loan no. <i>(new warehouse loan number)</i> ”  <b>Note:</b> Indicate whether it is a farm- or warehouse-stored loan transfer and the loan numbers.
8	On Screen AQKRPT01, the user will be prompted to print the following documents: <ul style="list-style-type: none"><li>• Receivable Establishment Verification Report</li><li>• producer notification letter.</li></ul> <b>Note:</b> Producer notification letters will be mailed to producers <b>only if a balance remains</b> after applying the loan proceeds according to subparagraph C.

#### B Processing the Manual Warehouse-Stored Loan in APSS

Process the new **manual** warehouse-stored loan in APSS according to 12-PS, Part 4 and the following instructions:

- record as manual loan, using 90000 series loan number
- enter “N” to the question, “Is this a re-entry of a corrected loan”
- use the loan information determined according to subparagraph 2 A

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3 Recording Transfers in APSS (Continued)

B Processing the Warehouse-Stored Loan in APSS (Continued)

- process the manually disbursed loan amount as follows.

<b>IF the new warehouse-stored loan disbursement amount is...</b>	<b>THEN issue...</b>
<b>less</b> than or equal to the <b>original</b> loan amount associated with the loan being transferred	<b>all</b> loan proceeds to CCC.
<b>more</b> than the <b>original</b> loan amount associated with the loan being transferred	<ul style="list-style-type: none"><li>• a disbursement to CCC for the amount of the original loan or the amount of receivable created according to subparagraph 3 A</li><li>• the remaining loan disbursement amount to the producer and/or lienholder, if applicable.</li></ul>

C Applying Loan Proceeds From New Loan to Receivable

County Offices shall apply the loan proceeds from the **new** warehouse-stored loan to the receivable created when the **original** loan was reversed according to 67-FI, Part 5, Section 1.

**Note:** When repaying receivables, use as the repayment date, the date the receivables were created according to subparagraph 3 A.

The producer notification letter printed during the correction process in subparagraph A shall be:

- marked “Paid” and filed in the loan folder, if the receivable is **paid in full** and **no** balance remains
- immediately mailed to the producer, if the receivable is **not paid in full** and a balance remains outstanding.

4 Repaying the New Warehouse-Stored Loans Processed

A Loan Repayment

Warehouse-stored loans processed according to this notice shall be repaid in the normal manner according to 8-LP, Part 9 and 12-PS, Part 7.

**Note:** If using EWR, release the receipt to the new holder according to Notice PS-631 when EWR is redeemed.

**Example of Peanut Loan Farm-to-Warehouse Transfer**

A producer applied for a farm-stored certified peanut loan for 50 tons of peanuts on August 11, 2008, which was disbursed on August 12, 2008. On August 29, 2008, the producer filed CCC-681, to transfer his farm-stored loan to a warehouse-stored loan. The County Office authorized the transfer of the loan collateral from a farm storage facility to a CCC-approved warehouse.

After inspection and grading, the peanuts were delivered to the warehouse, and the producer was issued a warehouse receipt which he took to the County Office.

<b>Peanut Loan Farm-to-Warehouse Transfer</b>			
<b>Original Peanut Loan (Farm-Stored Loan)</b>		<b>New Peanut Loan (Warehouse-Stored Loan)</b>	
	Enter applicable information		Enter applicable information
<b>Information</b>	<b>Column 1</b>	<b>Information</b>	<b>Column 2</b>
Loan Application Date	8/11/08	Enter the same date as the <b>original</b> loan.	8/11/08
Date Documents Received	N/A	Enter the <b>actual</b> date all required loan documents for the <b>new</b> loan is received.	8/29/08
Date Receipt Issued	N/A	Enter the "Date Receipt Issued" from <b>new</b> receipt.	8/29/08
Storage Date	N/A	Enter the "Storage Date" from <b>new</b> receipt.	8/29/08
Storage Paid Through	N/A	Enter the "Storage Paid Through" from <b>new</b> receipt.	5/31/08
Disbursement Date	8/12/08	Enter the same date as <b>original</b> loan.	8/12/08
Date of Lien Search	8/12/08	Enter the same date as <b>original</b> loan.	8/12/08
Loan Approval Date	8/12/08	Enter same date as <b>original</b> loan.	8/12/08
Amount of disbursement for (Producer name and share)	\$17,536.90	Issue check to CCC for the amount equal to or smaller of the following	\$15,446.53 <i>(apply to receivable according to subparagraph 3 C)</i>
		<ul style="list-style-type: none"> <li>original loan proceeds</li> <li>new loan proceeds.</li> </ul>	
		Issue remaining amount to producer, when applicable.	\$2,090.37
Amount of disbursement for (Producer name and share)	\$	Issue check to CCC for the amount equal to or smaller of the following:	\$
		<ul style="list-style-type: none"> <li>Original loan proceeds</li> <li>New loan proceeds.</li> </ul>	
		Issue remaining amount to producer, when applicable.	\$

**Example of Peanut Loan Warehouse-to-Warehouse Transfer**

A producer applied for a warehouse-stored certified peanut loan for 42 tons of peanuts on August 1, 2008, which was disbursed on August 1, 2008. On August 29, 2008, the producer filed CCC-699, to transfer his warehouse-stored loan to another warehouse and obtain a warehouse-stored loan. The County Office authorized the transfer of the loan collateral from a CCC-approved warehouse to another CCC-approved warehouse.

The warehouse to which the loan collateral was delivered issues a new warehouse receipt and the producer completes the warehouse-to-warehouse transfer at the County Office.

<b>Peanut Loan Warehouse-to-Warehouse Transfer</b>			
<b>Original Peanut Loan (Warehouse-Stored Loan)</b>		<b>New Peanut Loan (Warehouse-Stored Loan)</b>	
	Enter applicable Information		Enter applicable Information
<b>Information</b>	<b>Column 1</b>	<b>Information</b>	<b>Column 2</b>
Loan Application Date	8/1/08	Enter the same date as the <b>original</b> loan.	8/1/08
Date Documents Received	8/1/08	Enter the same date as the <b>original</b> loan.	8/1/08
Date Receipt Issued	7/31/08	Enter the "Date Receipt Issued" from <b>new</b> receipt.	7/31/08
Storage Date	7/30/08	Enter the "Date Receipt Issued" from <b>new</b> receipt.	7/30/08
Storage Paid Through	5/31/09	Enter the "Storage Paid Through" from <b>new</b> receipt.	5/31/09
Disbursement Date	8/1/08	Enter the same date as <b>original</b> loan.	8/1/09
Date of Lien Search	8/1/08	Enter the same date as <b>original</b> loan.	8/1/09
Loan Approval Date	8/1/08	Enter same date as <b>original</b> loan.	8/1/09
Amount of disbursement for (Producer name and share)	\$11,832.62	Issue check to CCC for the amount equal to or smaller of the following:	\$11,832.62 <i>(apply to receivable according to subparagraph 3 C)</i>
		<ul style="list-style-type: none"> <li>• original loan proceeds</li> <li>• new loan proceeds.</li> </ul>	
		Issue remaining amount to producer when applicable.	\$
Amount of disbursement for (Producer name and share)	\$	Issue check to CCC for the amount equal to or smaller of the following:	\$
		<ul style="list-style-type: none"> <li>• original loan proceeds</li> <li>• new loan proceeds.</li> </ul>	
		Issue remaining amount to producer when applicable.	\$