

## § 1434.6

less than 26 pounds, or drums having removable liners of polyethylene or other materials;

- (2) Bung-type drums;
- (3) Bulk tanks;
- (4) Plastic buckets and containers;
- (5) Steel drums which are severely enough dented as to cause damage to their lining, improper seal, or stacking capabilities; and
- (6) Rusted drums with corroded areas.

### § 1434.6 Application, availability, disbursement, and maturity.

(a) The deadline for requesting a loan offered under this part is March 31, 2001.

(b) Loans mature on demand but not later than the last day of the ninth calendar month following the month in which the note and security agreement was approved. When the final maturity date falls on a non-workday for county offices, CCC shall extend the final date to the next workday. Before the date determined in paragraph (a) of this section, a producer may re-offer as loan collateral any eligible honey that has been offered previously for a CCC loan and the loan has been repaid.

(c) A producer must request loans at the county office of the county where the honey is stored if the honey is stored at the producer's farm. A producer who requests a loan on honey stored in eligible storage other than the producer's farm, may request loans at either the county office of the county where the storage facility is located or at the county office of the county where the producer's main place of business is located. A CMA must request loans at the county office for the county in which the principal office of the CMA is located unless the State committee designates another county office. If the CMA has operations in two or more States, the CMA must file its loan applications at the county office for the county in which its principal office for each State is located.

(d) Subject to paragraph (a) of this section, loans for the 2000-crop of honey will be available to producers on such date as may be announced by the Secretary.

(e) Loans will be made on the honey as declared and certified by the pro-

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ducer on Form CCC-633 (Honey), (Honey Loan Certification and Worksheet) at the time the honey is pledged as collateral for a loan. The producer is also required to declare and certify on Form CCC-633 (Honey) the class (table or nontable) and floral source of the honey at the time the honey is pledged as collateral for a loan.

(f) The request for a loan shall not be approved until all producers having an interest in the honey sign the note and security agreement and CCC approves such note and security agreement. The disbursement of loans will be made by county offices on behalf of CCC.

(g) The loan documents shall not be presented for disbursement unless the honey subject to the note and security agreement:

- (1) Is eligible to be pledged as collateral for a loan;
- (2) Is in existence;
- (3) Has been extracted;
- (4) Is in eligible storage; and
- (5) Has not been blended or mixed with ineligible honey.

(h) If, after a loan is made, CCC determines that the producer or the honey collateral is not in compliance with any of the provisions of this part, the producer shall refund the total amount disbursed under loan and charges plus interest, including late payment interest as provided in part 1403 of this title.

(i) Subject to adjustments for quality and location as deemed appropriate by the Deputy Administrator, the average loan rate for loans made under this part shall be 85 percent of the average price of honey during the 5-crop years period preceding the crop year for which the loan is made, excluding the crop year in which the average price of honey was the highest and the crop year in which the average price of honey was the lowest in the period.

[64 FR 10924, Mar. 8, 1999, as amended at 65 FR 7956, Feb. 16, 2000; 65 FR 65716, Nov. 2, 2000]

### § 1434.7 Eligible storage.

(a) Loans will be made only on honey in eligible storage which shall consist of a storage structure located on or off the farm which is determined by CCC to be under the control of the producer and affords safe storage for honey

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pledged as collateral for a loan. If the honey located in a farm storage structure is pledged as collateral that secures more than one loan, the honey must be segregated so as to preserve the identity of the honey securing such loan. Honey securing a loan must also be segregated from any honey not pledged as collateral for a loan which is stored in the same structure.

(b) Producers may also obtain loans on honey packed in eligible containers and stored in facilities owned by third parties in which the honey of more than one person is stored if the honey which is to be pledged as collateral for a loan and which is stored identity preserved or is segregated from all other honey. Each container of the segregated quantity of honey shall be marked with the producer's name, loan number, and lot number so as to identify the honey from other honey stored in the structure.

### § 1434.8 Liens.

(a) CCC's security interest in the honey pledged as collateral is first and superior to all other security interests.

(b) The county office shall file or record, as required by State law, all financing statements needed to perfect a security interest in honey pledged as collateral for a loan. The cost of filing and recording shall be for the account of CCC.

(c) If there are any other security interests, liens, or encumbrances on the honey, CCC shall obtain waivers that fully protect the interest of CCC even though the security interests, liens, or encumbrances are satisfied from the loan proceeds. No additional security interests, liens, or encumbrances shall be placed on the honey after the loan is approved.

### § 1434.9 Fees and interest.

(a) A producer shall pay a nonrefundable loan service fee to CCC at a rate determined by CCC. The amount of such fees will be available in State and county offices and will be shown on the note and security agreement.

(b) Interest which accrues with respect to a loan shall be determined in

accordance with part 1405 of this chapter.

[64 FR 10924, Mar. 8, 1999, as amended at 65 FR 7956, Feb. 16, 2000]

### § 1434.10 Determination of quantity.

The amount of a loan shall be based on 100 per cent of the net weight in pounds of such quantity certified by the producer for honey on Form CCC-633 (Honey) which is pledged as security for the loan and covered by the note and security agreement. Estimates of the quantity of honey shall be made on the basis of 12 pounds for each gallon of rated capacity of the container.

### § 1434.11 Transfer of producer's interest prohibited.

Absent written approval from CCC, the producer shall not transfer either the remaining interest in, or right to redeem, the honey pledged as collateral for a loan on honey nor shall anyone acquire such interest or right. Subject to the provisions of §1434.14, a producer who wishes to liquidate all or part of a loan by contracting for the sale of the honey must obtain written approval from the county office on a form prescribed by CCC to remove a specified quantity of the honey from storage. Any such approval shall be subject to the terms and conditions set forth in the applicable form, copies of which may be obtained by producers at the county office.

### § 1434.12 Loss or damage.

The producer is responsible for any loss in quantity or quality of the honey pledged as collateral for a loan. CCC shall not assume any loss in quantity or quality of the loan collateral.

### § 1434.13 Personal liability of the producer.

(a) When applying for an individual or joint loan, each producer agrees:

(1) When signing Form CCC-633 (Honey), Honey Loan Certification and Worksheet and Form CCC-677 Farm Storage Note and Security Agreement, that the producer will:

(i) Provide correct, accurate, and truthful certifications and representations of the loan quantity and all other matters of fact and interest; and