

**§ 1469.12 Release of the mohair pledged as collateral for a loan.**

(a)(1) A producer shall not move or dispose of any loan mohair pledged as collateral for a loan until prior written approval for such removal or disposition has been received from the county committee in accordance with this section.

(2) A producer may at any time obtain a release of all or part of the mohair remaining as loan collateral by paying to CCC the amount of the loan and any charges which had been made by CCC to the producer with respect to the quantity of the loan mohair released.

(3) When the proceeds of a sale of loan mohair are needed to repay all or part of a loan, the producer must request and obtain prior written approval of the county office on a form prescribed by CCC in order to remove a specified quantity of the mohair 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. Any such approval shall not constitute a release of CCC's security interest in the commodity or release the producer from liability for any amounts due and owing to CCC with respect to any loan indebtedness. With respect to non-loan mohair securing the loan, CCC may, in its discretion, release its security interest in the mohair if there are no loan amounts overdue at the time of the release.

(b) The note and security agreement shall not be released until all loan liability has been satisfied in full.

(c) After satisfaction of a loan, CCC shall release CCC's security interest in the mohair at the producer's request. The producer shall be responsible for payment of any fee for such release if such fee can be determined.

**§ 1469.13 Liquidation of loans.**

(a)(1) For loans made in FY 1999, the producer is required to repay the loan on or before maturity by payment of the amount of loan, plus any charges.

(2) For loans made in FY 2000, the producer is required to repay the loan on or before maturity by payment of the amount of loan plus interest, as applicable, and any charges.

(b) If a producer fails to settle the loan in accordance with paragraph (a) of this section within 30 calendar days from the maturity date of such loan, or other reasonable time period as established by CCC, a claim shall be established for the loan amount plus interest and any charges. CCC shall inform the producer before the maturity date of the loan of the date by which the loan must be settled or a claim will be established in accordance with part 1403 of this title. A failure to pay the loan in a timely manner will start the accrual of late payment interest, and costs.

[65 FR 7961, Feb. 16, 2000]

**§ 1469.14 Foreclosure.**

(a) Upon maturity and nonpayment of the loan, title to the unredeemed loan mohair securing the loan shall vest in CCC.

(b) If the total amount due on a loan or the unpaid amount of the note and charges is not satisfied upon maturity, CCC may remove the loan mohair from storage and assign, transfer, and deliver the mohair or documents evidencing title thereto at such time, in such manner, and upon such terms as CCC may determine at a public or private sale. Any such disposition may also be effected without removing the mohair from storage. CCC may become the purchaser of the whole or any part of the mohair at either a public or private sale.

(c) If the mohair is removed from storage by CCC and is sold, the value of the settlement shall be the proceeds from the sale of the mohair minus costs associated with the disposition of the mohair, and:

(1) If the value of the collateral computed at settlement is less than the amount due, the producer shall pay to CCC the amount of such deficiency plus charges, plus interest on such deficiency and CCC may take any action against the producer to recover the deficiency; or

(2) If the proceeds received from the sale of the loan mohair so computed are greater than the sum of the amount due, such excess shall be paid to the producer or, if applicable, to any secured creditor of the producer.