

§ 1469.6

7 CFR Ch. XIV (1-1-01 Edition)

(d) Loans will be made on the mohair (i.e., adult, yearling, spring kid, fall kid) as declared and certified by the producer on Form CCC-633 (Mohair), (Mohair Loan Certification and Worksheet) at the time the mohair is pledged as collateral for a loan.

(e) CCC shall not approve a loan application until the producer provides adequate assurance that the loan and all related charges will be paid to CCC in accordance with paragraph (f) of this section. The disbursement of loans will be made by county offices on behalf of CCC.

(f) The loan rate under this part shall be \$2 per pound for all mohair eligible to be pledged as collateral under this part. Until the loan and all related charges have been paid, CCC shall retain (and the producer shall agree that CCC shall retain) a first and superior security interest on all of the producer's current and future production of mohair, the security interest shall not be restricted to the mohair used in calculating the amount of the loan but shall cover all mohair (current and future) owned by the producer. Proceeds from the sale of loan mohair will be applied to the loan. Proceeds from the sale of non-loan mohair in which CCC holds a security interest will be applied to the loan only if the proceeds from the sale of the loan mohair are inadequate to pay the loan in full. The security interest shall also apply to the current and future mohair production of affiliated producers as defined in this part. CCC may require such additional security as it deems needed to assure repayment of the loan. In the event that the producer's present capability for producing mohair is such that a security interest on the producer's current and future production of mohair is not deemed to be sufficient, or if the loan is otherwise considered to be insufficiently secured, the CCC, as determined by the Executive Vice President, CCC, may require that 75 cents per pound, or such other amount as may be deemed appropriate by the Executive Vice President (taking into consideration the market value of the mohair) be deducted from the loan to provide additional security. Producers, in lieu of such reduction, may provide a letter of credit, bond, or

other form of security for the reduction amount, as approved by CCC. The Executive Vice President, CCC, may allow for releases from the security interest provided for in this section as needed to accomplish the goals of the program, and require the necessary assurances to determine the future production capability of a producer seeking a loan under this part.

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

[64 FR 10930, Mar. 8, 1999, as amended at 65 FR 7960, Feb. 16, 2000]

§ 1469.6 Security interests.

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

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

(c) If there are any security interests or encumbrances on the mohair, waivers that fully protect the interest of CCC must be obtained. For non-loan mohair which is subject to the security interest provided for in this part, CCC may require waivers of pre-existing security interests.

§ 1469.7 Fees.

A producer shall pay a non-refundable loan service fee to CCC at a rate determined by CCC. The amount of such fees will be available in State and county offices.

§ 1469.8 Determination of quantity.

The amount of a loan on the quantity of eligible loan mohair shall be based on 100 percent of the net weight in pounds of such quantity certified by the producer and verified by the warehouse for mohair which is pledged as security for the loan and covered by the note and security agreement.