

§ 1436.4

facility loan commodity crops being grown for the first time.

(2) For sugar-related loans, a projection from the processor of the processing volume, available storage capacity, volume not to be marketed due to marketing allotments, and other factors affecting the processor's storage need, as appropriate. CCC shall determine if the storage need is reasonable using data such as past processing volume and marketing allotments.

Subordination agreement means any agreement under which a party may subordinate a security interest in property to the interest of another party.

Uniform Commercial Code means the laws generally known by that name covering commercial transactions such as sales, negotiable instruments, and secured transactions.

[66 FR 4612, Jan. 18, 2001, as amended at 67 FR 54938, Aug. 26, 2002]

§ 1436.4 Availability of loans.

(a) An application for a loan shall be submitted to the administrative county office that maintains the records of the farm or farms to which the application applies. With State office approval, loans may be made or serviced by a county office other than the administrative county office. Upon request, the applicant shall furnish information and documents as the State or county committee deems reasonably necessary to support the application. This may include financial statements, receipted bills, invoices, purchase orders, specifications, drawings, plats, or written authorization of access.

(b) Borrowers who authorize delivery, site preparation, or construction actions without an approved loan, do so at their own risk and without creating any liability on behalf of CCC.

(c) For sugar-related loans, a loan application shall be submitted to the county FSA office that maintains the applicant's records. If no such records exist, loan applications shall be submitted to the county office serving the headquarters' location of the sugar processor.

[66 FR 4612, Jan. 18, 2001, as amended at 67 FR 54938, Aug. 26, 2002]

7 CFR Ch. XIV (1-1-08 Edition)

§ 1436.5 Eligible borrowers.

(a) *Borrower* means a person who, as landowner, landlord, operator, producer, tenant, leaseholder, sharecropper, or processor of domestically produced sugarcane or sugar beets:

(1) Has a satisfactory credit history according to the definition in §1436.3 and as recommended to the approving committee by a FSA employee with FSA loan approval authority;

(2) Demonstrates an ability to repay the debt arising under this program using a financial statement acceptable to CCC prepared within 90 days of the date of application, as recommended to the approving committee by a FSA employee with FSA loan approval authority;

(3) Has no disqualifying delinquent Federal debt under the Debt Collection Improvement Act of 1996;

(4) Is a producer of a facility loan commodity by CCC;

(5) Demonstrates a need for increased storage capacity as determined by CCC if the applicant is applying for a loan for a storage structure;

(6) Provides proof of crop insurance offered under the Federal Crop Insurance Program for insurable crops of economic significance on all farms operated by the borrower in the county where the storage facility is located;

(7) Is in compliance with USDA provisions for highly erodible land and wetlands conservation provisions according to 7 CFR part 12;

(8) Demonstrates compliance with any applicable local zoning, land use, and building codes for the applicable farm storage facility structures;

(9) Annually provides proof of flood insurance if CCC determines such insurance is necessary to protect the interests of CCC, and annually provides proof that the structures for which the loan is made has all peril structural insurance;

(10) Demonstrates compliance with the National Environmental Policy Act regulations at 40 CFR parts 1500-1508; and

(11) Has not been convicted under Federal or State law of a disqualifying controlled substance violation under 7 CFR part 718.

(b) For sugar related facility loans: