



## Electronic Loan Deficiency Payments (eLDPs)

### Overview

#### **eLDPs - Loan Deficiency Payments Go Online**

The Farm Service Agency's (FSA) new electronic Loan Deficiency Payment Service (eLDP) is an Internet-based service allowing producers to request LDPs online and, in most cases, receive approval and payment by direct deposit within 48 hours. eLDPs are available to eligible producers in all 50 States and are offered as an additional option to producers requesting an LDP. LDP benefits are still available at the local FSA county office. However, eLDP services provide greater flexibility to producers who conduct business online and want to avoid travel time to and from the local FSA office.

### How eLDPs Work

USDA provides eLDP services in a secure online environment that protects participants' privacy through stringent security measures. All participating customers will have an eLDP Customer Profile set up through a software application that validates their farming and crop information. Local FSA county offices will maintain Customer Profiles for accuracy. Customer Profile information is provided by the customer and verified by farm records stored in the local FSA county office.

FSA's eLDP customers can use a personal computer to submit an LDP application. After the eLDP is approved by USDA, the payment is automatically routed by electronic funds transfer to the customer's bank account.

The eLDP process is available 24/7, except during routine backup and maintenance periods. The applicable LDP rate is based upon the rate in effect on the application date for the location of the stored commodity.

### Customer Eligibility

To be eligible for eLDPs, customers must:

- Be in compliance with all annual eligibility requirements for marketing assistance loans and LDPs;
- Receive program payments by direct deposit;
- Have a valid e-mail address;
- Have an active USDA eAuthentication Level 2 account (formerly Webcaff);
- Complete form CCC-634-E, "Request for Electronic Loan Deficiency Payment Services," at their local FSA county office. (The CCC-634-E must be completed once each crop year. This information is used to determine eligibility and establish the Customer Profile.);
- Produce and harvest an eligible loan commodity.

### Commodity Eligibility

Eligible loan commodities include:

- barley
- crambe
- corn
- corn silage
- dry peas
- flaxseed
- grain sorghum
- honey
- mustard seed
- oats
- peanuts
- rapeseed
- rice
- safflower
- soybeans
- sunflower oil
- sunflower seeds
- wheat
- wool
- mohair
- unshorn pelts.

*For upland cotton producers, eLDPs will be available at a future date.*

### Customer Profiles

At this time, two types of eLDP Customer Profiles are available:

- Common Customer Profiles are used for an individual, a corporation, a limited-liability partnership, a limited-liability company, or a limited partnership.
- Partnership Profiles are used for a general partnership.

## **Fact Sheet**

### *Electronic Loan Deficiency Payments*

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Before an eLDP application can be submitted, a Customer Profile must be established once each crop year in the county where an eLDP is requested. Also, customers must obtain an eAuthentication Level 2 security access, which can be obtained with the help of the FSA county office.

FSA county offices will create and maintain Customer Profiles. The Customer Profile will include:

- Customer and commodity eligibility;
- Customer payment limitation for eLDP;
- Customer's (producer's) reasonable production, by commodity.

Customer Profiles will be updated over time by the customer's FSA county office whenever existing Customer Profile entries change. Customers are responsible for contacting the county office when a change to the profile is necessary.

### ***Accessing Application Forms for Participation***

Customers can request the eLDP services by completing form CCC-634-E at the following Web site: [www.sc.egov.usda.gov](http://www.sc.egov.usda.gov) or at USDA Service Centers. The eAuthentication Level 2 access can be obtained by completing the online process for approval at: [www.eauth.egov.usda.gov](http://www.eauth.egov.usda.gov).

### ***Background on LDPs***

USDA's Commodity Credit Corporation (CCC) makes available nonrecourse marketing assistance loans for certain commodities.

CCC establishes loan rates for these commodities annually at the national level, and adjusts the rates locally. Marketing loans provide interim financing for eligible producers, allowing them to store their crops at harvest (when prices tend to be low), then market their crops when prices rise.

Under certain circumstances, when applicable loan rates are greater than the posted county or announced national market price for eligible loan commodities, producers can repay loans at the announced applicable market price amount, without interest. Alternatively, a producer may be eligible for and choose to receive an LDP in lieu of securing a marketing loan. An LDP is the difference between the loan rate at a given location and the announced market price for the applicable commodity.

Marketing loans and LDPs help ensure an orderly distribution of commodities to the market throughout the year and prevent delivery of commodities as loan collateral to USDA. More information on marketing loans and LDPs is available in the FSA fact sheet "Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments."

### ***More Information***

More information on the eLDP services and LDPs is available from local FSA county offices and FSA's Web site at: [www.fsa.usda.gov/dafp/psd](http://www.fsa.usda.gov/dafp/psd). For more information on FSA programs, please go to [www.fsa.usda.gov](http://www.fsa.usda.gov).

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