

FORM APPROVED
OMB NO. 0575-0086

Form FmHA 1965-13 (Rev. 7-94) UNITED STATES DEPARTMENT OF AGRICULTURE FARMERS HOME ADMINISTRATION ASSUMPTION AGREEMENT (FARMER PROGRAM LOANS)	Case No.					
	<table border="1"> <tr> <td>Type of Loan</td> <td> <input type="checkbox"/> Eligible Transferee <input type="checkbox"/> Ineligible Transferee <input type="checkbox"/> Transfer for full amount of debt <input type="checkbox"/> Transfer for less than full amount of debt <input type="checkbox"/> Transferor released from personal liability <input type="checkbox"/> Transferor NOT released from personal liability <input type="checkbox"/> </td> </tr> <tr> <td>(Specify)</td> <td></td> </tr> <tr> <td> <input type="checkbox"/> Direct <input type="checkbox"/> Insured </td> <td></td> </tr> </table>	Type of Loan	<input type="checkbox"/> Eligible Transferee <input type="checkbox"/> Ineligible Transferee <input type="checkbox"/> Transfer for full amount of debt <input type="checkbox"/> Transfer for less than full amount of debt <input type="checkbox"/> Transferor released from personal liability <input type="checkbox"/> Transferor NOT released from personal liability <input type="checkbox"/>	(Specify)		<input type="checkbox"/> Direct <input type="checkbox"/> Insured
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(Specify)						
<input type="checkbox"/> Direct <input type="checkbox"/> Insured						

THIS AGREEMENT dated _____, 19____, between the United States of America, acting through the Farmers Home Administration (called the "Government"), and _____ and _____

(called the "assuming parties"), whose post office address is _____

BECAUSE the Government is the holder or insurer of loan(s) evidenced by certain debt instrument(s) executed by the present debtor(s)

Case number _____, and identified as follows:

TABLE I

Instrument	Executed	Principal Amount	Unpaid on Date Hereof		Int. Rate	Ins. Chg. Rate
			Principal	Accrued Interest		

BECAUSE in connection with such loan(s) the following-described security instrument(s) were taken on property described herein and located in _____ County, State of _____

TABLE II

Instrument	Executed	Office Where Recorded or Filed	Book, Volume, or Document	Page

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Office, GIRM, AG Box 7630, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project, (OMB No. 0575-0086), Washington, D.C. 20503. Please DO NOT RETURN this form in either of these addresses. Forward to FmHA only.

THEREFORE, in consideration of (i) the assumption of indebtedness as herein provided, and (ii) the Government's consent to such assumption and to any accompanying conveyance or transfer of security property to the assuming parties, it is agreed as follows:

1. The assuming parties hereby jointly and severally assume liability for and agree to pay to the order of the Government or to the order of the insured lender through the Government if and when an insured lender is the holder of said debt instrument(s), at the office of the Farmers Home Administration shown below, the amounts, and at the times, specified in the following subparagraph (a) or (b) designated by an X in the appropriate block:

(a) THE SUM OF _____ dollars
(\$ _____), plus INTEREST on the UNPAID PRINCIPAL at the rate of _____ PERCENT

(_____ %) PER ANNUM, in _____ installments as follows:
\$ _____ on _____, 19 _____

and \$ _____ thereafter on the _____ of each _____ until the PRINCIPAL and INTEREST are fully paid except that the FINAL INSTALLMENT of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and PAYABLE _____ (_____) YEARS from the DATE of this assumption agreement.

(b) Of the entire unpaid indebtedness under said debt and security instrument(s), the sum of _____ dollars (\$ _____) principal, with interest thereon at the rate of _____ percent per annum from the date hereof, plus _____

dollars (\$ _____) accrued interest as of the date hereof, without interest thereon, which accrued interest is included to the first installment written below. The principal and interest shall be due and payable as follows:

\$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____
\$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____
\$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____
\$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____
\$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____ \$ _____ on _____, 19 _____

and \$ _____ thereafter on January 1st of each year until the indebtedness hereby assumed is paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner, shall be due and payable on or before, _____, 19 _____.

2. Payments shall be applied in accordance with the accounting procedures of the Farmers Home Administration.

3. If this assumption evidences a limited resource loan, the Government may CHANGE THE RATE OF INTEREST in accordance with the regulations of the Farmers Home Administration, not more often than quarterly by giving the borrower thirty (30) days prior written notice to the borrower's last known address.

4. The provisions of said debt and security instrument(s) and of any outstanding agreements executed or assumed by the present debtors pertinent thereto, shall except as modified herein, remain in full force and effect, and the assuming parties hereby assume the obligations of and agree to be bound by and to comply with all covenants, agreements and conditions contained in said instrument(s) and agreements, except as modified herein, the same as if they had executed them as of the dates thereof as principal obligors, including any obligation to pay the Government an insurance charge in addition to interest, if as provided in such instrument(s). Any provisions of the debt and security instrument(s) which require (a) that the borrower occupy the FmHA financed dwelling, (b) live on and operate the FmHA financed farm or (c) graduate to other sources of credit, will not apply in assumptions by an ineligible transferee.

5. This agreement shall be subject to present regulations of the Farmers Home Administration and its future regulations which are not inconsistent with the express provisions hereof.

6. When the loan(s) hereby assumed is held by an insured lender, prepayments made by the assuming parties may, except for final payment, be retained by the Government and remitted to the holder on an annual installment due date basis or other basis established by Farmers Home Administration regulation. Final payment will be remitted promptly. The effective date of every payment made by the assuming parties shall be the date the payment is made by them. The Government will pay the interest to which the holder is entitled accruing between the effective date of the payment and the date of the Treasury check to the holder.

ASSUMING PARTIES:

(Borrower)

(Co-Borrower)

UNITED STATES OF AMERICA

(Title)

FARMERS HOME ADMINISTRATION

(Office Address)

-2- (Forms Manual Insert - Form FmHA 1965-13)

A single Form FmHA 1965-13, "Assumption Agreement" will be used for all direct loans of the same type involving the same insurance fund regardless of the interest rate shown on each note, bond, or assumption agreement (referred to as the "note"), except as provided in item (15) below. For example, all Insured Farm Ownership (FO) loans are one type. All Direct Soil and Water (SW) loans are another type as are Direct Recreation Loans (RL), Direct Operating (OL), Direct Emergency Loans (EM), etc.

INSTRUCTIONS FOR PREPARATION

- (1) Enter case number of transferee. If case number is to be assigned, enter State and County Office code only.
- (2) Enter the two digit Fund Code, Kind Code and Loan Number of the transferee, separating each with dashes (i.e., 46-12-01). Enter the Kind Code from the following if applicable, if not enter -NA-.

Direct Farm Ownership:

00 - Farm Enterprise (FE) - Beginning Farmer (BF) - Regular
 00 - Non Farm Enterprise (NFE) - SDA - Gender
 00 - NFE - SDA - Ethnic
 03 - Limited Resource
 03 - FE - BF - Limited Resource
 05 - FE - Regular - SDA - Gender
 05 - FE - BF - Regular - SDA - Ethnic
 05 - FE - BF - Regular - SDA - Gender

15 - FE - Limited Resource - SDA - Gender
 15 - FE - BF - Limited Resource - SDA - Ethnic
 15 - FE - BF - Limited Resource - SDA - Gender
 22 - BF Down Payment - Regular
 23 - BF Down Payment - SDA - Ethnic
 23 - BF Down Payment - SDA - Gender
 25 - Softwood Timber

Direct Operating Loan:

01 - BF - Regular - 1 yr
 01 - BF - Regular - 7 yr
 03 - Limited Resource
 03 - BF - Limited Resource - 1 yr
 03 - BF - Limited Resource - 7 yr
 05 - BF - Regular - 1 yr - SDA
 05 - BF - Regular - 7 yr - SDA
 15 - BF - Limited Resource - 1 yr - SDA
 15 - BF - Limited Resource - 7 yr - SDA

25 - Softwood Timber
 33 - BF - Regular - Special Asst - 1 yr
 33 - BF - Regular - Special Asst - 7 yr
 34 - BF - Regular - Special Asst - 1 yr - SDA
 34 - BF - Regular - Special Asst - 7 yr - SDA
 43 - BF - Limited Resource - Special Asst - 1 yr
 43 - BF - Limited Resource - Special Asst - 7 yr
 44 - BF - Limited Resource - Special Asst - 1 yr - SDA
 44 - BF - Limited Resource - Special Asst - 7 yr - SDA

Emergency:

21 - EM Citrus Grove Rehabilitation/Reestablishment
 25 - Softwood Timber
 61 - EM Actual Loss - Unable to Get
 Credit Elsewhere - Real Estate
 Purposes
 62 - EM Actual Loss - Unable to Get
 Credit Elsewhere - Operating
 Purposes

Form FmHA 1951-47, "Farmer Programs - Noncash Credit for Purchase of Easement Rights"

27 - Limited Resource
 29 - All Other Farmer Program type loans except Limited Resource loans.

Enter the next consecutive loan number that is available for the transferee.

- (3) Check appropriate blocks. In each case three blocks will be checked. Eligible or ineligible transferee; full amount or less than full amount of debt; released or not released of liability.
- (4) Date transfer is closed. This is the same date on which Assumption Agreement is signed.
- (5) Enter name post office address of assuming parties (transferee). When the assuming parties will live on the property securing the loan, the address shown will be the address of that property.
- (6) Enter name(s) of debtor (transferor), including all persons or entities liable under notes or assumption agreements.
- (7) Enter case number of transferor.
- (8) Describe note or assumption agreement, date, original principal amount. Unpaid principal and accrued interest will be shown as of the date the transfer is closed. Insert the two digit fund code, kind code and loan number(s) in the "Instrument" column, separating each with dashes (i.e., 46-12-01) for a maximum of six loans.

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- (9) Enter the interest rate for the note or assumption agreement being transferred.
- (10) Enter under "Insurance Charge Rate" the rate of any separate insurance charge related to the loan. This will be 1% for insured FO and SW loan notes bearing a revision date prior to January 8, 1959.
- (11) If only real estate is involved enter the county and state in which the security instrument(s) is filed or recorded. If chattel security instruments are involved, whether or not real estate security instruments are involved, enter a colon after "therein" and delete the balance of the line.
- (12) Enter in this table the full information required on each security instrument. This includes both chattel and real estate mortgages, deeds of trust or other security instruments which secure the instrument described in Table 1. If chattel security instruments are involved, whether or not real estate security instruments are involved, show (in the third column) the office, county, and state of filing or recordation. Enter the two digit fund code, kind code and the next consecutive loan number, for the transferee, in the instrument column, separating each with dashes (i.e., 46-12-01).
- (13) Use and check block in subparagraph (a) for all loans to be repaid in equal amortized annual or monthly installments of principal and interest. (Example: FO or SW).
- (14) Enter the amount of the loan to be assumed. This will be the total amount (interest and principal) of all notes and any amount due the insurance account except when (a) only a portion of the debt equal to the market value of the property is being assumed, the amount of such value will be shown, or (b) a downpayment is being made on the date the transfer is closed to reduce the amount of the debt, such amount will be deducted from the total debt.
- (15) Enter the appropriate rate of interest as determined in FmHA Instructions 440.1, Exhibit B, 1965-A or 1962-A or as authorized by the National Office for cases not covered by program instruction. Whenever possible, all insured notes or direct notes for the same type of loan will be consolidated, rescheduled, or reamortized. If notes having different interest rates are assumed without the interest rate being changed, a separate assumption agreement will be executed for each note or group of notes bearing the same rate.
- (16) Enter the number of installments over which the amount assumed will be amortized. The number of installments for an annual installment note will be the number of years over which the loan is to be repaid plus 1. For monthly payments, enter the number of years over which the loan is to be repaid times 12.
- (17) Enter the amount of the first installment to be paid on the loan. *For annual installments*, the amount to be entered cannot be less than the interest accruing from the date of closing to the following January 1, or more than a regular amortized installment. *For monthly installments*, enter the amount of a regular amortized monthly installment computed by multiplying the amount of the loan by the monthly amortization factor for the applicable interest rate and number of months over which the loan is to be repaid and rounding to the *higher* dollar.
- (18) Enter the date of the first installment, which for annual installments will be the first January 1 following the date of closing the transfer. For monthly installments, the first installment will be due one month after the date of the assumption agreement. If the assumption agreement is dated 29, 30, or 31, enter 28th.
- (19) Enter the amount of a regular annual or monthly amortized installment. For annual installments, a regular amortized installment is computed by multiplying the amount assumed by the annual amortization factor for the applicable interest rate for the number of years over which the loan is to be repaid and rounding to the *higher* dollar. For monthly installments, a regular monthly installment is computed in accordance with (17).
- (19a) For annual installments, enter the words "1st of JANUARY". For monthly installments, enter the same date as used in (18).
- (19b) For annual installments, enter the word "YEAR"; for monthly installments, enter the word "MONTH".
- (20) Enter in words and figures, the number of years over which the amount assumed will be payable.
- (21) Use and check block for OL, EM, EO, SW codes 24 and certain NP (nonprogram loans) when a loan is assumed and will be repaid in unequal installments. Also, check block for assumption of FO and OL loans by eligible limited resource applicants, or for deferrals when deferred payments are necessary for a transferee to repay the loan. Deferred payments may be authorized only in accordance with the conditions and for the duration outlined in FmHA Instruction 1951-S.
- (22) Enter the total amount of principal being assumed. If the total amount of the debt is not being assumed, the principal amount of the debt will be assumed first and then accrued interest to the extent of the amount being assumed.
- (23) Enter the appropriate rate of interest. The rate of interest will be determined in accordance with FmHA Instruction 440.1, Exhibit B or 1965-A unless an exception was authorized by the National Office.
- (24) Enter the amount of accrued interest being assumed.

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- (25) a. For EO, SW codes 24, and NP loans having principal only installments, insert the unpaid accrued interest assumed in the first blank and schedule it for payment on the first principal installment. Schedule principal installments at least annually with each installment shown on a separate line. The first installment must be scheduled within one year of the date shown in item (4). The total of all principal installments must equal the principal amount assumed (see item (22)). Delete and initial the statement "and a final installment in the amount of any remaining portion of the indebtedness hereby assumed which shall be paid on or before _____, 19 _____."
- b. For OL and EM loans the amortized installments will be computed as outlined in the Forms Manual Insert for Form FmHA 1940-17. The accrued interest will be added to the first installment. Delete and initial the statement "Interest hereafter accrued shall be due and payable on the same dates as principal installments." The installment date will be January 2, except for the final installment referred to in the language below the scheduled installments.
- (26) Enter the amount in figures, of equal amortized installments which become due following the installment(s) shown in item (25). If none insert "0".
- (27) Enter final due date.
- (28) The assuming parties will sign in the space indicated and the name(s) will be typed below each signature line as outlined in loan making requirements for the type of loan or for NP assumptions as follows:
- Individuals* - Type names of assuming party(ies), and co-borrower(s) if required by State law, below lines for signatures.
- Corporations and Cooperatives* - The name of the corporation or cooperative will be typed above the space provided for signatures, and the name and title of each official to sign for the corporation or cooperative will be typed below their signature.
- Partnerships* - The name of the partnership will be typed above the space provided for signatures. Also the words "As Partners" will be typed immediately beneath the name of the partnership, and the name of each partner and spouse, if required by State law, will be typed below their signature.
- Limited Partnerships* - The name of the limited partnership will be typed above the space provided for signatures, exactly as the name appears on the Limited Partnership Agreement. The name and title of each General Partner will be typed below their signature.
- (29) The appropriate approving official will sign in this space.
- (30) The name and title of the approving official will be typed here.
- (31) Type in address of the County Office.

The County Office will securely attach the original assumption agreement to the original note(s) covered by such agreement.