

FSA-2026 (Proposal 6)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency		Position 2
PROMISSORY NOTE				
<i>See Page 3 for Privacy Act and Public Burden Statements.</i>				
1. Name		2. State		3. County
4. Case Number	5. Fund Code	6. Loan Number		7. Date
8. TYPE OF ASSISTANCE		9. ACTION REQUIRING PROMISSORY NOTE:		
		<input type="checkbox"/> Initial loan <input type="checkbox"/> Conservation easement <input type="checkbox"/> Deferred payments <input type="checkbox"/> Subsequent loan <input type="checkbox"/> Rescheduling <input type="checkbox"/> Debt write down <input type="checkbox"/> Consolidation <input type="checkbox"/> Reamortization		

10. For value received, the undersigned borrower and any cosigners jointly and severally promise to pay to the order of the United States of America, Department of Agriculture, acting through the Farm Service Agency (Government), the principal sum of

(a) _____

_____ dollars (b)(\$ _____), plus interest on the unpaid principal balance at the **rate** of (c) _____ percent (d)(_____ %) per annum. If this note is for a Limited Resource loan (indicated in Item 8) the Government may **CHANGE THE RATE OF INTEREST** in accordance with its regulations, by giving the borrower thirty (30) days prior written notice by mail to the borrower's last known address. The new interest rate shall not exceed the highest rate established in the Government's regulations for the type of loan indicated in Item 8.

11. Principal and interest shall be paid in (a) _____ installments as indicated below, except as modified by a different rate of interest, on or before the following dates:

(b) Installment amount	(c) Due Date	(b) Installment amount	(c) Due Date
\$		\$	
\$		\$	
\$		\$	
\$		\$	

and (d) \$ _____ thereafter on the (e) _____ of each (f) _____ 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 (g) _____ years from the date of this note, and except that prepayments may be made as provided below. The consideration for this note shall also support any agreement modifying the foregoing schedule of payments.

12. If the total amount of the loan is not advanced at the time of loan closing, the loan funds shall be advanced to the borrower as requested by the borrower and approved by the Government. Approval by the Government will be given, provided the advance is requested for a purpose authorized by the Government. For an initial disbursement, interest will begin on the date of disbursement or the date of loan closing whichever is most advantageous to the borrower. Subsequent disbursements for a multiple advance loan accrue interest on the date of disbursement.

Borrower authorizes FSA to enter the amounts and dates of such advances in Item ##. Question for OGC: is this a legal requirement or is this remnant of pre-automation time? The date and amount of advance are recorded in the new automated Direct Loan System.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

Initial _____

Position 2

13. Any amount advanced or expended by the Government for the collection of this note or to preserve or protect any security for the loan or otherwise expended under the terms of any security agreement or other instrument executed in connection with the loan evidenced by this note, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced by this note and be immediately due and payable by the borrower to the Government without demand.

14. Every payment made on any indebtedness evidenced by this note shall be applied according to priorities set in 7 CFR 765. Nonprogram loans are not eligible for deferral.

15. Prepayments of scheduled installments, or any portion of these installments, may be made at any time at the option of the borrower. Refunds and extra payments shall, after payment of interest, be applied to the last installments to become due under this note and shall not affect the obligation of the borrower to pay the remaining installments as scheduled in this note.

16. If the Government at any time assigns this note and insures the payment of it, the borrower shall continue to make payments to the Government as collection agent for the holder. While this note is held by an insured holder, prepayments made by the borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for the final payment, be retained by the Government and remitted to the holder on an installment due date basis. The effective date of any prepayment retained and remitted by the Government to the holder on an installment due date basis shall be the date of the prepayments by the borrower, and the Government will pay the interest to which the holder is entitled accruing between such date and the date of the Treasury check to the holder.

Question for OGC: *is this still needed? There are less than 300 insured loans left nation-wide.*

17. Property constructed, improved, purchased, or refinanced in whole or in part with the loan evidenced by this note shall not be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. Unless the Government consents otherwise in writing, the borrower will operate such property as a farm.

NOTE: INCLUDE THE EMAIL FOR OGC

18. If "Debt Write Down," "Consolidation," "Rescheduling," or "Reamortization" is indicated in Item 9, this note is given to consolidate, reschedule or reamortize, but not in satisfaction of, the unpaid principal and interest on the following described notes or assumption agreements under new terms:

(a) FUND CODE/ LOAN NO.	(b) FACE AMOUNT	(c) INTEREST RATE	(d) DATE <i>(include year)</i>	(e) ORIGINAL BORROWER	(f) LAST INSTALL. DUE <i>(include year)</i>
	\$	%			
	\$	%			
	\$	%			
	\$	%			
	\$	%			
	\$	%			
	\$	%			

19. Security instruments taken in connection with the loans evidenced by these described notes and other related obligations are not affected by this consolidation, rescheduling, or reamortization. These security instruments shall continue to remain in effect and the security given for the loans evidenced by the described notes shall continue to remain as security for the loan evidenced by this note, and for any other related obligations.

20. If at any time it shall appear to the Government that the borrower may be able to obtain financing from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and period of time, the borrower will, at the Government's request, apply for and accept a loan in sufficient amount to pay this note in full and, if the lender is a cooperative, to pay for any necessary stock. The provisions of this paragraph do not apply if the loan represented by this promissory note was made to the borrower as a nonprogram loan.

Initial _____

21. The borrower recognizes that the loan described in this note will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity as provided in 7 CFR Part 1940, subpart G, Exhibit M.

22. Failure to pay when due any debt evidenced by this note or perform any covenant of agreement under this note shall constitute default under this and any other instrument evidencing a debt of the borrower owing to the Government or securing or otherwise relating to such debt; and default under any such other instrument shall constitute default under this note. Upon such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

23. This note is given as evidence of a loan to the borrower made by the Government pursuant to the Consolidated Farm and Rural Development Act and for the type of loan as indicated in Item 8. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions of this note.

24. Presentment, protest, and notice are waived.

(SEAL)

SIGNATURE BLOCK PENDING

Note: OGC: Do we need the Borrower's new address here? .

NOTE: *The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a): the Farm Service Agency (FSA) is authorized by the Consolidated Farm and Rural Development Act, as amended (7 USC 1921 et seq.), or other Acts, and the regulations promulgated thereunder, to solicit the information requested on its application forms. The information requested is necessary for FSA to determine eligibility for credit or other financial assistance, service your loan, and conduct statistical analyses. Supplied information may be furnished to other Department of Agriculture agencies, the Internal Revenue Service, The Department of Justice or other law enforcement agencies, the Department of Defense, the Department of Housing and Urban Development, the Department of Labor, the United States Postal Service, or other Federal, State, or local agencies as required or permitted by law. In addition, information may be referred to interested parties under the Freedom of Information Act (FOIA), to financial consultants, advisors, lending institutions, packagers, agents, and private or commercial credit sources, to collection or servicing contractors, to credit reporting agencies, to private attorneys under contract with FSA or the Department of Justice, to business firms in the trade area that buy chattel or crops or sell them for commission, to Members of Congress or Congressional staff members, or to courts or adjudicative bodies. Disclosure of the information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Tax identification Number, may result in a delay in the processing of an application or its rejection.*

According to the Paperwork Reduction to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-XXXX. The time required to complete this information collection is estimated to average 20 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.

Initial _____