

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

ASSIGNMENT GUARANTEE AGREEMENT

Type of Loan: Community Facilities Water and Waste Business and Industry Rural Energy for America

Case Number _____

_____ (Lender) has made a loan to

_____ in the principal amount of

\$ _____ as evidenced by a note dated _____. The United States of America, acting through the U.S. Department of Agriculture (USDA) entered into a Loan Note Guarantee (RD Form 5001-7) with the Lender applicable to such loan to guarantee the loan.

_____ (Holder) desires to purchase from the

Lender _____ % of the guaranteed portion of such loan. Copies of Borrower's note and the Loan Note Guarantee are attached hereto as a part hereof.

NOW, THEREFORE, THE PARTIES AGREE:

1. The principal amount of the loan now outstanding is \$ _____. The Lender hereby assigns to the Holder _____ % of the guaranteed portion of the loan representing \$ _____ of such loan now outstanding in accordance with all of the terms and conditions hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Note Guarantee.

2. **Loan Servicing.** The Lender will be responsible for servicing the loan in accordance with the Lender's Agreement, 7 CFR part 5001, and the Lender's loan servicing policies and procedures. Where a Lender's loan servicing policies and procedures address a corresponding requirement in 7 CFR part 5001, the Lender must comply with whichever is more stringent, unless otherwise approved by the Agency. The Lender will remain mortgagee and secured party of record. The loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan.

The Lender will receive all payments of principal and interest on the entire loan and shall promptly remit to each Holder its pro rata share less the Lender servicing fee.

3. **Servicing Fee.** The Holder agrees that the Lender will retain a servicing fee of _____ percent per annum of the unpaid balance of the guaranteed portion of the loan assigned hereunder.

4. **Purchase by Holder.** The Holder will hereby succeed to all payments of the Lender under the Loan Note Guarantee to the extent of the portion purchased. The Lender, however, will remain bound by all obligations under the Loan Note Guarantee and the program regulations found in 7 CFR part 5001, now in effect and future Agency program regulations not in conflict with the provisions hereof.

5. **Full Faith and Credit.** The Loan Note Guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which the Holder has actual knowledge at the time of this assignment, or which it participates in or condones.

6. **Rights and Liabilities.** The guarantee and right to require purchase will be directly enforceable by the Holder notwithstanding any fraud or misrepresentation by the Lender or any unenforceability of this Loan Note Guarantee by the Lender except for fraud or misrepresentation of which the Holder had actual knowledge at the time it became the Holder or in which the Holder participates or condones. Nothing contained herein will constitute any waiver by the Agency of any rights it possesses against the Lender. The Lender will be liable for and will promptly pay to the Agency any payment made by the Agency to the Holder which, if the Lender had held the guaranteed portion of the loan, the Agency would not be required to make.

According to the Paperwork Reduction Act of 1995, no persons are 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 0000-0000. The time required to complete this information is estimated to average 2 hours 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.

7. Repurchase by the Lender or the Agency. The repurchase by the Lender or the Agency will be in accordance with 7 CFR part 5001.

8. Lender's Obligations. The Lender consents to the purchase by the Agency of the note or the Holder's interest and agrees to furnish on request by the Agency a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by the Borrower on the loan and the amount then owed to any Holder. The Lender agrees that any purchase by the Agency does not change, alter or modify any of the Lender's obligations to the Agency arising from said loan or guarantee nor does it waive any of the Agency's right against the Lender, and that the Agency shall have the right to set-off against the Lender all rights inuring to the Agency as the Holder of this instrument against the Agency's obligation to the Lender under the Loan Note Guarantee.

9. Reassignment. The Holder may reassign the unpaid guaranteed portion of the loan sold hereunder. The assignee will succeed to all rights and obligations of the Holder hereunder.

10. Notices. All notices and actions will be initiated through the Agency at address:

LENDER:

ADDRESS:

ATTEST:

By _____

_____ (SEAL)

Title _____

Date _____

HOLDER:

ADDRESS:

ATTEST:

By _____

_____ (SEAL)

Title _____

Date _____

UNITED STATES OF AMERICA
Department of Agriculture

ADDRESS: _____

By _____

Title _____

Date _____