

## Instructions For Form FSA 2253

### **SHARED APPRECIATION AGREEMENT FOR GUARANTEED LOANS**

FSA Guaranteed Farm Loan Program lenders execute this form when a guaranteed loan that is secured by real estate is written down and a write-down loss claim is paid by FSA. This agreement is required by law and provides that the lender and the Government are entitled to a share of the appreciation in value of real estate that is security for the loan being written down.

Submit the original of the completed form in hard copy or facsimile to the appropriate FSA servicing office. The lender must retain a copy for their customer files, and a copy should be provided to the customer or borrower.

***Lenders must complete Items 1 through 12. The Guaranteed Loan Borrower and Guaranteed Loan Co-Borrower must complete Items 13 and 14. The Lender completes Item 15. The Lender's Authorized Representative completes Item 16.***

***If the borrower has more than three loans or additional lines of a specific item are required, attach an addendum to the form as necessary.***

#### ***Items 1 - 12***

<b>Fld Name / Item No.</b>	<b>Instruction</b>
1(a) Lender Name	Enter the name of the Lender that is carrying out the write-down.
1(b) Borrower Name(s)	Enter the name of the borrower(s) liable for the debt.
1(c) Effective Date	Enter the date that the written down notes are executed as the effective date of the balances being written down.
1(d) Effective Date Plus 5 Years 2A Date	Enter the date exactly 5 years from the date this form is to be signed.  Enter this date as the effective date of the balances that exist on the loan prior to the write-down.

<b>Fld Name / Item No.</b>	<b>Instruction</b>
2B Principal Amount	Enter the principal amount of the loan as of the date of this agreement, for each note owed by the borrower, before the loan is written down.
2C Interest Rate	Enter the interest rate that is being charged on the subject loan at the time of the write-down.
2D Due Date	Enter the date that the existing promissory note indicates that installments are due on the loan.
2E Lender's Loan Number	Enter the numerical identifier that the lender has assigned to the loan.
3(a) Unpaid Principal	Enter the total from the principal amounts listed in Column 2B.
3(b) Unpaid Interest	Enter the total amount of interest owed by the borrower on the loan(s) as of the date of this agreement, before write-down.
3(c) Write-down Amount	Enter the total amount of write-down calculated on the Form FSA-1980-88 that was completed as required to complete this transaction. It should be the same as the total of the amounts entered in Column 5D below.
4 Security Value	Enter the appraised dollar value of the real estate that is covered by this agreement.
5A Date	Enter the date of the write-down for each note written down. This should be the same date for each row as entered in Item 2A.
5B Principal Amount	Enter the principal dollar amount of the debt that remains on each loan after the new written down loan documents are executed.
5C Interest Rate	Enter the rate of interest to be charged on each loan after the write-down.
5D Write-down Amount	Enter the total amount of interest and principal that is being written down on each loan.
5E Due Date	Enter the date that the restructured promissory note indicates that installments are due on the loan.
5F Lender's Loan Number	Enter the lender's loan identification number for each loan being written down.
6A Date of	Enter the date of the mortgage or deed of trust securing the loan or loans being written down.

<b>Fld Name / Item No.</b>	<b>Instruction</b>
Security Instrument	
6B Records of County and or State	Enter the local or state government entity where the instrument securing the write-down and remaining guaranteed debts are filed.
6C Reel	Enter the location identification information for the security instrument securing the write-down and remaining guaranteed debts.
6D Book or Page	Enter the detailed filing or recording location identification information for the security instrument securing the write-down and remaining guaranteed debts.
6E Grantor	Enter the grantor's name from the subject security instruments.

***Items 7 - 11 Lenders and Borrowers should read the Conditions of Agreement***

***Item 12 for Lender's use as needed.***

<b>Fld Name / Item No.</b>	<b>Instruction</b>
12 Remarks or Additions	Enter in appropriate remarks or additions.

***Items 13 - 14 are completed by the Guaranteed Borrower and Co-borrower (if any).***

<b>Fld Name / Item No.</b>	<b>Instruction</b>
13 Borrower's Signature and Date	Enter the signature and date of the borrower who is receiving the write-down.
14 Co-Borrower's Signature and Date	Enter the signature and date of co-borrower, if applicable.

***Item 15 and 16 are completed by the Lender and Lender's Authorized Representative.***

<b>Fld Name / Item No.</b>	<b>Instruction</b>
15 Lender's Name	Enter the name and title of the Lender's representative.
16 Lender's Authorized Representa- tive's Signature and Date	Enter the signature and date of the authorized representative of the Lender.