

UNITED STATES DEPARTMENT OF AGRICULTURE

SUBJECT: Loan Closing Instructions and Loan Closing Statement

Farm Service Agency

FOR:

Rural Business-Cooperative Service

TO:

Rural Utilities Service

Reference is made to Form RD 1927-4, "Transmittal of Title Information," dated \_\_\_\_\_

Please notify the loan approval official of the agency of the United States Department of Agriculture (USDA) noted above when closing can occur and any loan checks intended for this transaction will be forwarded. Loan checks must be handled pursuant to RD Instruction 1927-B (7 CFR part 1927, subpart B) and other instructions enclosed.

Notify the applicant of all loan closing requirements and arrange for closing not later than \_\_\_\_\_ days of the date the loan funds are transferred to your account. If the loan is not closed by that date, the loan funds will be removed electronically from your escrow account.

Our requirements regarding the exceptions in your preliminary title opinion or title insurance binder No. \_\_\_\_\_ dated \_\_\_\_\_, 20\_\_\_\_ are as follows:

- No. \_\_\_\_\_ must be removed. must be subordinated to the lien of the United States which will be
- No. \_\_\_\_\_ created at loan closing. may remain ahead of the lien of the United States which will be
- No. \_\_\_\_\_ created at loan closing. must be changed as follows:
- No. \_\_\_\_\_

The requirements checked below must be met at or before loan closing:

- Income under exceptions No. \_\_\_\_\_ to be assigned to the USDA on Form RD 443-16
- Verify balances secured by liens referred to in the following exceptions:

No. \_\_\_\_\_ must not exceed \$ \_\_\_\_\_ at loan closing.  
 No. \_\_\_\_\_ must not exceed \$ \_\_\_\_\_ at loan closing.

- Applicant to provide paid in full receipt for a one-year standard fire and extended coverage insurance policy or binder
- Written evidence that the water system is acceptable
- Written evidence that the waste disposal system is acceptable
- Termite and pest certification
- Other

Loan funds plus \$ \_\_\_\_\_ of borrower's personal funds required by USDA to be deposited in escrow with you will be disbursed as follows:

Pay \$ \_\_\_\_\_ to \_\_\_\_\_  
 Pay \$ \_\_\_\_\_ to \_\_\_\_\_  
 Pay \$ \_\_\_\_\_ to \_\_\_\_\_

Pay a sum not exceeding \$ \_\_\_\_\_ for borrower's share of closing costs. You are to deposit the balance of funds in a countersignature bank account by making a check payable to the borrower and endorsed as follows:" For deposit only

in my supervised bank account in \_\_\_\_\_ pursuant to Deposit Agreement dated \_\_\_\_\_  
The endorsed check is to be attached to the enclosed Form RD 402-1 and delivered to the designated bank.

The following instruments and forms must be completed and, if applicable, executed at, or before, loan closing. All forms a i-e to be executed or conformed as required by RD Instruction 1927-B or other applicable instructions. After loan closing, the approved attorney or title company will complete the last column and return the items listed, with this form, to USDA..

Orig.	No. of Copies	No. Signed	No. to USDA	Form Number	Form Name
				400-1	Equal Opportunity Agreement
				400-4	Assurance Agreement
				402-1	Deposit Agreement
				1924-19	Builder's Warranty
					10 Year Warranty
				426-2	Property Insurance Mortgage Clause (Without Contribution)
				1940-17	Promissory Note
					Amount of 1st year installment = \$
					Amount of subsequent installments = \$
				3550-14	RE Mortgage/Deed of Trust
				1927-1	Real Estate Mortgage/Deed of Trust
				1927-5	Affidavit Regarding Work of Improvement
				1927-8	Agreement with Prior Lienholder
				1927-10	Final Title Opinion
				1927-	Warranty Deed
				440-9	Supplementary Payment
				440-34	Option to Purchase Real Property
				1940-59	Settlement Statement
				443-16	Assignment of Income from Real Estate Security
				1955-49	Quitclaim Deed
					Assumption Agreement

**Additional Information and Instructions:**

A copy of this Loan Closing Statement signed by you, the executed promissory note, and all other executed documents required for loan closing must be returned to the loan approval official within one day after the loan is closed, except as soon as possible after closing you must provide the loan approval official with the final policy of title insurance and, if applicable, the real estate mortgage or deed of trust.

\_\_\_\_\_ Date \_\_\_\_\_  
**Loan Approval Official**

**LOAN CLOSING STATEMENT** (To be completed by attorney/title company)

I certify that the subject loan was closed on \_\_\_\_\_, in accordance with RD Instruction 1927-B and other written directions received from USDA. Enclosed are the properly executed forms in connection with loan closing.

By \_\_\_\_\_ Date \_\_\_\_\_  
 Title \_\_\_\_\_

**FOR USDA USE ONLY:** I have examined the loan closing documents and determined that the loan was properly closed in accordance with instructions provided:

\_\_\_\_\_ Date \_\_\_\_\_  
**Loan Approval Official**  
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