

PROCEDURE FOR PREPARATION : FSA handbook 2-FLP.
 PREPARED BY : Lender in consultation with FSA.
 NUMBER OF COPIES : Preparer.
 SIGNATURE REQUIRED : Original and three copies.
 DISTRIBUTION OF COPIES : Original copy to FSA servicing office. Copy to the lender and attach a copy to Form RD-449-30, Guaranteed Loan Report of Loss.

INSTRUCTIONS FOR PREPARATION

Lenders must complete Items 1 through 23.

Items 1-23

Fld Name / Item No.	Instruction
1 Borrower Name	Enter the Borrower’s name as shown on the promissory note.
2	Enter the Borrower’s 15-digit case number. Show the state and county

Fld Name / Item No.	Instruction
FSA Case Number	code and the borrower’s social security or Internal Revenue Service Tax Identification Number. Example: 29-037-0987654328
3 FSA Loan Number	Enter the Agency assigned loan number. All guaranteed loan numbers begin with 50. (Example: 50-01, 50-02. The loan number can be obtained from the FSA 1980-41, Guaranteed Loan Status Report). If a borrower has multiple guaranteed loans, complete this form for each loan being considered for write down.
4A Principal	Enter the principal balance of the guaranteed loan being considered for write down.
4B Interest	Enter the amount of unpaid accrued interest on the guaranteed loan being considered for write down.
4C Total	Enter the result of adding Items 4A and 4B.
5A Interest Rate for Restructuring	Enter the proposed interest rate for restructuring the loan after write down.
5B Restructuring Terms	Enter the proposed term for restructuring the loan after write down.
5C Payment Table Multiplier or Amortization Factor	Enter the payment table multiplier or the amortization factor for the loan. If the Lender does not use published amortization tables, enter result of entering \$1.00 into Lender’s loan payment calculator.
5D Type of Amortization	Check the box that identifies the type of amortization payment schedule show on the promissory note.
6 Balance Available	Enter the balance available to pay debt from the plan developed by the Borrower and the Lender.
6A Less Payments to Other Creditors	Enter the amount to be paid to other creditors. This amount will be taken from the plan developed by the Borrower and the Lender.
6B Available for Repayment on Guaranteed Loan	Enter the result of subtracting Item 6A from Item 6. This is the amount available to pay on the Guaranteed Loan.
7 Present Value	If annual amortization was used enter the result of Item 6B divided by Item 5C. If monthly amortization was used enter the result of Item 6B divided by 12 months divided by Item 5C multiplied by 12. (Note: If the amortization factor is from a table used to amortize a loan of \$1,000 the

Fld Name / Item No.	Instruction
	decimal point must be moved 3 spaces to the left.) NOTE: Item 7 must be equal to or greater than Item 14 in order to obtain debt write down. If Item 7 is less than Item 14, the account should be liquidated.
8A Market Value of Real Estate Security	Enter the market value of the real estate based on a current appraisal.
8B Estimated Time For Final Disposition	Enter the estimated liquidation period in months.
9 Expected Income or Value Increase For Real Estate Security	Enter the total income or value increase for the entire holding period. This includes, but not limited to, rent, royalties, projected property appreciation, values gained due to restrictions placed on collateral (such as Conservation Easements, Conservation Reserve Program, etc.)
10A Market Value of Chattel Security	Enter the market value of the chattel security based on a current appraisal.
10B Estimated Time For Final Disposition	Enter the estimated liquidation period in months.
11 Total Value of Security	Enter the result of adding Items 8A, 9, and 10A.
12a Prior Liens	Enter the dollar amount of the prior liens including unpaid taxes. Use actual amounts based on statements or invoices.
12b(1) Real Estate Depreciation	Enter the dollar amount of depreciation anticipated during the holding period.
12b(2) Chattel Depreciation	Enter the dollar amount of depreciation anticipated during the holding period.
12c Repairs	Enter the estimated dollar amount of essential repairs needed during the holding period. Attach an itemized estimate.
12d(1) Closing Costs	Enter the estimated dollar amount of closing costs.
12d(2) Surveys	Enter the dollar amount of the cost to be incurred for a real estate survey.
12d(3)	Enter the estimated dollar amount of freight expenses. (Example:

Fld Name / Item No.	Instruction
Freight	hauling equipment or livestock to an auction)
12d(4) Outside Environmental or Technical Assessments	Enter the dollar amount of estimated costs if outside assistance is needed for environmental and technical assessments on the property.
12e Advertising	Enter the estimated dollar amount of advertising costs.
12f(1) Real Estate Commission	Enter the estimated dollar amount of commission to be paid if the property is to be listed with a broker.
12f(2) Equipment Commission	Enter the estimated dollar amount of commission to be paid if the equipment is to be sold at auction.
12f(3) Livestock Commission	Enter the estimated dollar amount of commission to be paid if the livestock are to be sold at auction.
12g Interest Cost	Enter the dollar amount of interest accrual for additional 90 days from the date of this form. Attach a ledger.
12h Other Expenses	Enter the dollar amount of other estimated expenses. Itemize the expenses.
12i Hazardous Waste Removal	Enter the dollar amount of anticipated costs for removal of hazardous waste from the property.
13 Total Costs	Enter the results of adding Items 12a through 12i.
14 Net Recovery Value	Enter the result of subtracting Item 13 from Item 11.
15 Total Loan Balance	Enter the dollar amount from Item 4c.
16 Present Value	Enter the dollar amount from Item 7.
17 Difference	Enter the result of subtracting Item 16 from Item 15.
18 Remaining Loan Balance	Enter the result of subtracting Item 17 from Item 15.
19 Write Down Loss Claim	Enter the result of multiplying the percentage of the guarantee by Item 17. (Example: 90% X \$1,000)

Fld Name / Item No.	Instruction
20 Remarks or Attachments	Enter any remarks that may further explain any of the above information.
21A & 21B Preparer's Name	Enter the printed or typed name of the person preparing this form followed by the preparer's signature.
22 Date	Enter the date the form was prepared.
23 Office Location	Enter the office location.

PART B - NET RECOVERY VALUE CALCULATIONS FOR GUARANTEED WRITEDOWNS, Continued			
12. EXPENSES OR VALUE DECREASE, <i>Continued</i>			
d. Other Costs			
(1) Closing costs	(plus)	\$	
(2) Surveys	(plus)	\$	
(3) Freight	(plus)	\$	
(4) Outside Environmental or Technical Assessments	(plus)	\$	
e. Advertising	(plus)	\$	
f. Commissions			
(1) Real Estate	(plus)	\$	
(2) Equipment	(plus)	\$	
(3) Livestock	(plus)	\$	
g. Interest Cost - Interest accrual for additional 90 days from the date of this form. (Attach Ledger)	(plus)	\$	
h. Other Expenses (Describe)	(plus)	\$	
i. Hazardous Waste Removal (<i>Attach Estimate</i>)	(plus)	\$	
13. TOTAL COSTS (<i>Add Items 12a through 12i</i>)	(equal)	\$	
14. NET RECOVERY VALUE (<i>Item 11 minus Item 13</i>)		\$	
PART C - LOSS CLAIM CALCULATIONS			
15. TOTAL LOAN BALANCE (<i>Item 4c</i>)		\$	
16. PRESENT VALUE (<i>Item 7</i>)		\$	
17. DIFFERENCE (<i>Item 15 minus Item 16</i>)		\$	
18. REMAINING LOAN BALANCE (<i>Item 15 minus Item 17</i>)		\$	
19. WRITEDOWN LOSS CLAIM (_____ % <i>Guarantee times Item 17</i>)		\$	
20. REMARKS, ATTACHMENTS			
21A. Preparer's Name	21B. Preparer's Signature	22. Date <i>MM-DD-YYYY</i>	23. Office Location
<p><small>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, (7 USC 1921 et seq., and the regulations promulgated thereunder, to solicit the information requested on this form. The information requested is necessary for FSA to determine eligibility for financial assistance, service your loan, and conduct statistical analyses. Supplied information may be furnished to other Department of Agriculture agencies, the Department of the Treasury, 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 this form or its rejection.</small></p> <p><small>According 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 0560-0155. The time required to complete this information collection 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. RETURN THIS COMPLETED FORM TO YOUR LOCAL FSA OFFICE.</small></p>			