

**ASSUMPTION AGREEMENT**

**INSTRUCTIONS FOR PREPARATION**

<b>Purpose:</b> This form is used in connection with assumptions of Farmer Program Loans. Loans being assumed can be consolidated using one assumption agreement for each loan type. A separate assumption agreement is needed for loans with different fund codes.	
<b>Handbook Reference:</b> 4-FLP	<b>Number of Copies:</b> Original and Two
<b>Signatures Required:</b> Original to be signed and both copies conformed (/s/).	
<b>Distribution of Copies:</b> Original should be kept in the locking, fireproof safe. Attached to the promissory notes being assumed. A conformed copy should be placed in the assuming parties case file attached to the assumed note(s). A conformed copy is given to the assuming party/borrower. (If the transferring parties are released of liability, a copy of the Release of Liability should be kept with the original and file copy of the assumption agreement for future reference.)	
<b>Automation-Related Transactions: (Instructions for writers: provide only the information required, i.e. ADPS TC 3K. If no automation actions are required, insert N/A)</b> ADPS – 1M for the Assumption. Possibly 3K for cancellation of any unassumed amount, if a release of liability is also granted.	

***Borrower and/or Co-Borrower must complete Items 14A through 14D by signing the agreement.***

Items 1 through 13, and Items 15A through 16B are completed by FSA only.

<b>Fld Name / Item No.</b>	<b>Instruction</b>
1 Full Case Number	Enter the 2 digit number assigned to your state farm loan program accounts (non-FIPS); the 3 digit number assigned to your county farm loan program accounts (Non-FIPS); and (beginning with 0) the 9 digit social security or tax identification number assigned to the account.
2A Type of Loan	Enter a checkmark in the appropriate checkbox to indicate whether the type of loan is Operating (OL), Farm Ownership (FO), Emergency (EM), Economic Emergency (EE), or Soil and Water (S&W). A separate assumption agreement is needed for each type of loan(s). Enter a checkmark in the appropriate checkbox to indicate whether the specific type of loan is a non-program, regular or a limited resource loan.
2B	Enter a checkmark to indicate if the security is Real Estate or Chattels.

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Type of Security	Both checkboxes may be checked if security is both.
3A Transferee Eligibility	Enter a checkmark in the appropriate checkbox to indicate what category the borrower is in: Item 1 - Eligible Transferee - Same rates and terms. Item 2 - Eligible Transferee - New rates and terms. Item 3 - Ineligible Transferee.
3B Amount of Transfer	Mark the appropriate checkbox. Item 1 - Transfer for full amount of debt. Item 2 - Transfer for less than full amount of debt.
3C Release of Liability	Mark the appropriate checkbox. Item 1 - Transferor released from personal liability. Item 2 - Transferor NOT released from personal liability
4(a) Date	Enter the date of the Assumption Agreement.
4(b) Names	Enter the name(s) of the assuming party(ies) who is/are entering into this Agreement.
4(c) Address	Enter the address (including the Zip Code) of the assuming party(ies) who are entering into this Agreement.
5(a) Present Debtor	Enter the name(s) of the present debtor(s) of which the Government is the holder or insurer of their loan(s) evidenced by certain debt instrument(s).
5(b) Case Number	Enter the full case number of the present debtor's Agreement identified in Item 6(a).
6(a) Fund Code and loan number	Enter the Loan Number and fund code of the debt instrument(s).
6(b) Date	Enter the date of the Debt Instrument identified in Item 6(a).
6(c) Original Amount	Enter the original principal dollar amount of the Debt Instrument identified in Item 6(a).
6(d)(1) Unpaid Principal	Enter the unpaid principal dollar amount of the identified in Item 6(a).
6(d)(2) Unpaid interest	Enter the unpaid interest of the unpaid balance of the Debt Instrument identified in Item 6(a). <i>Be sure to include all interest – non-capitalized, deferred, set-aside, etc.</i>

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6(e) Interest Rate	Enter the Interest Rate of the Debt Instrument identified in Item 6(a).
7(a) County	Enter the name of the county where the security instrument(s) are filed or recorded.
7(b) State	Enter the name of the state where the security instrument(s) are filed or recorded.
8(a) Security Instrument	Describe the instrument – real estate mortgage, deed of trust, UCC filing, etc.
8(b) Date Executed	Enter the date the Security Instrument identified in Item 8(a) was executed.
8(c) Recording Office	Enter the name of the office where the security instrument was recorded or filed for the Security Instrument in Item 8(a). <i>I.e., Clerk and Recorder, Secretary of State, etc.</i>
8(d) Recording Information	Enter the name/number of the book, volume or document that identifies the filing or record. This may also be a microfiche number.
8(e) Recording Page	Enter the page number of the book, volume, or document.
9A Full Assumption	Enter a checkmark in the checkbox if the assuming parties jointly and severally assume the liability and agree to pay the Government for the dollar amount in Item 9A(1). (Either A or B are marked, not both.)
9A(1) Assumption Amount	Enter the amount ( <i>dollar amount</i> spelled out) of debt the executing parties have agreed to assume.
9A(2) Assumption Amount	Enter the amount ( <i>numeric figures</i> ) of debt the executing parties have agreed to assume.
9A(3) Interest Rate	Enter the annual percentage rate that will accrue on the amount assumed in Items 9A(1) and (2) above spelled out.
9A(4) Interest Rate	Enter the annual percentage rate that will accrue on the amount assumed in Items 9A(1) and (2) above <i>in numeric digits</i> .
9A(5) Number of Installments	Enter the number of installments.
9B Partial Assumption or Accrued	Enter a checkmark in the checkbox if the assuming parties jointly and severally assume the entire unpaid indebtedness under said debt and security instruments. Or, enter a checkmark in the checkbox if the assumption includes assumption, without capitalization of interest from previous party.

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Interest Assumption	
9B(1) Amount	Enter the sum ( <i>spelled out</i> ) of the unpaid indebtedness under said debt and security instruments.
9B(2) Amount	Enter the sum ( <i>numeric digits</i> ) of the unpaid indebtedness under said debt and security instruments.
9B(3) Interest Rate	Enter the annual percentage rate of interest (spelled out) that the Borrower and/or Co-Borrower agree to pay on the unpaid principal.
9B(4) Interest Rate	Enter the annual percentage rate of interest (numeric figure) that the Borrower and/or Co-Borrower agree to pay on the unpaid principal.
9B(5) Amount	Enter the dollar amount ( <i>spelled out</i> ) of accrued interest as of the date hereof, without interest thereon which the interest is included in the first installment of the Agreement.
9B(6) Amount	Enter the dollar amount ( <i>numeric digits</i> ) of accrued interest as of the date hereof, without interest thereon which the interest is included in the first installment of the Agreement.
9C(1) Installment Amount	Enter the dollar amount ( <i>in numeric digits</i> ) of the first installment. If the installments are the same amount due each period, enter only one installment here, completing other blanks with N/A (Not applicable) and proceed to Item 9C(3).
9C(2) Installment Due Date	Enter the due date of the first installment. If the installments are the same amount due each period, enter only one installment here, completing other blanks with N/A (Not applicable) and proceed to Items 9C(4) and (5).
9C(3) Amount	Enter the dollar amount ( <i>in numeric digits</i> ) of each subsequent installment due except the final installment.
9C(4) Day	Enter the day when the installment is due FSA. If the payments are annually, this will include the day and month, i.e., the 9 <sup>th</sup> day of December.
9C(5) Frequency	Enter the timeframe when the installment is due FSA, i.e, month, year, etc. For example, combined with Item 9C(4) above, installments may be due “on the 9 <sup>th</sup> day of December of each year”.
9C(6) Specific Due Date	If the loan is assumed on same rates and terms, enter the specific date the final payment is due which would be on a specific date; a specific number of years from the date of the original loan. If the loan being assumed was made on January 1, 1980 and was a 40 year loan, then this item would then read “ <b>January 1, 2020</b> ; 40 years from the date of the original loan being assumed.” Either Items 9C(6) and (7) are completed or Items 9C(8) and (9), not both.
9C(7) Number of Years	If the loan is assumed on same rates and terms, enter the specific number of years from the date of the original loan. If the loan being assumed was made on January 1, 1980 and was a 40 year loan, then this item

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	would then read 40 years as follows: “January 1, 2020; <b>40</b> years from the date of the original loan being assumed.” Either Items 9C(6) and (7) are completed or Items 9C(8) and (9), not both.
9C(8) Due Date	If the loan is assumed on new rates and terms, enter the specific date the final payment is due which would be on a specific date; a specific number of years from the date of the assumption loan. Either Items 9C(6) and (7) are completed or Items 9C(8) and (9), not both.
9C(9) Number of Years	Enter the number of years (numeric figure) the assuming party/parties have to fully pay the amount agreed. (I.e., 20, 40, etc.)
10-13	To be read. No entry required
14A & 14B Signature and date	The Borrower signs and dates the Assumption Agreement.
15A & 15B Signature and date	The Borrower signs and dates the Assumption Agreement.
16A & 16B Signature and date	The Borrower signs and dates the Assumption Agreement.
17A & 17B Signature and date	The Borrower signs and dates the Assumption Agreement. If additional signature blocks are required, they can be placed below the FSA Use Only blocks.

*Items 18A through 18D are for FSA use only.*

18A - 18D FSA Signature, title and date	The FSA Official’s typed or printed name and title are entered. The Authorized Agency Official signs and dates the Assumption Agreement.
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