FSA-2520 Date of Modification: (01-23-08)

ACCEPTANCE OF PRIMARY LOAN SERVICING For Borrowers who Received FSA-2512 and Applied for Servicing

INSTRUCTIONS FOR PREPARATION

Purpose:

This form is used by borrowers, who were notified that they were considered to be **current**, **financially distressed**, **or less than** 90 days past due and that applied for servicing, to accept an offer of loan servicing on their direct Farm Loan Programs loans. It is provided to the borrower by mail with FSA-2519. Borrowers must execute, by signing and returning this form to the agency, in order to accept the terms of primary loan servicing being offered by the borrower.

Handbook Reference:	Number of Copies:
5-FLP	Original and one copy
	3

Signatures Required:

All borrowers (entity and individual persons) that executed the promissory note or assumption agreement and have not been previously released of liability for the debts. They may all sign one form or each sign separate forms.

Distribution of Copies:

Original will be sent to the Borrower along with FSA-2519. A copy of the blank form will be placed in the official agency casefile to evidence that it was sent along with FSA-2519. If the borrower is requesting servicing, they will return the original form, with signatures. Once returned, a copy of the signed form will be place with the remainder of the application package in the official agency casefile.

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) AgCREDIT

The Address of the FSA servicing office will be completed by the Agency. In addition, the servicing office must insert only the paragraphs that pertain to the individual case. The Agency will also fill in the name of the person/persons required to execute the acceptance in blocks 3-6A.

All information in yellow highlights on the form is for agency information and direction only.

These phrases or sentences should be removed from the notice before mailing to the borrower.

The form will need to be unlocked for revisions to be made.

Acceptance by the borrower will be indicated by marking the box of optional paragraphs. Then items 3B &C, 4B &C, 5B & C, and 6B & C are completed by the Borrower. These items may need to be renumbered if paragraph 2 is included in the letter

Fld Name / Item No.	Instruction
1 Acceptance of Offer	The agency will enter either one of the first two paragraphs, depending on which one applies to the case at hand. The first option is a restructure (and may include a writedown) as per the DALRS calculations. The second paragraph is used to indicate an offer is being made, either with or without a writedown. The borrower will have the option of deciding whether to accept the writedown or not.

Fld Name / Item No.	Instruction
	If there is to be no paragraph 2, the number preceding paragraph 1 can be removed.
2 Non- essential Assets	If the borrower has nonessential assets identified on the FSA-2517, this paragraph will be retained. Otherwise, the paragraph will be deleted
3A-6A Borrower Name	The agency official will type the name of the borrower that should sign the form. This will be one of the parties that executed the promissory note or assumption agreement. All borrowers (entity and individual persons) that executed the promissory note or assumption agreement and have not been previously released of liability for the debts, must execute a form in order to be considered for servicing. They may all sign one form or each sign separate forms.
3B-6B Signature	The borrower named in Item 3A will sign the response form. All borrowers (entity and individual persons) that executed the promissory note or assumption agreement and have not been previously released of liability for the debts, must execute a form in order to be considered for servicing. They may all sign one form or each sign separate forms.
3C-6C Date	The date will be entered by the borrower when they sign the form.

Contact the State Office if additional guidance is needed.