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**FSA-2253**

(Proposal 1)

**U.S. DEPARTMENT OF AGRICULTURE**  
Farm Service Agency

**SHARED APPRECIATION AGREEMENT FOR GUARANTEED LOANS**

1. This agreement is entered into between (a) \_\_\_\_\_, hereinafter referred to as "lender" and  
(Lender Name)  
(b) \_\_\_\_\_, hereinafter referred to as "borrower" on (c) \_\_\_\_\_  
(Borrower Name(s)) (Effective Date)  
(MM-DD-YYYY)  
and expires on (d) \_\_\_\_\_.  
(Effective Date Plus 5 Years)  
(MM-DD-YYYY)

2. Lender, after concurrence by United States Department of Agriculture, has agreed to write-down a portion of the borrower's debt. The debt prior to the write-down is:

A. Date (MM-DD-YYYY)	B. Principal Amount	C. Interest Rate	D. Due Date (MM-DD-YYYY)	E. Lender's Loan Number
	\$	%		
	\$	%		
	\$	%		

3. This agreement is attached to the notes or line of credit agreements described above. As of the date of this agreement, before write-down, the total unpaid principal balance on these notes or line of credit agreements was (a) \$ \_\_\_\_\_  
(Unpaid Principal)  
and the unpaid interest balance was (b) \$ \_\_\_\_\_. The total amount written-down is (c) \$ \_\_\_\_\_.  
(Unpaid Interest) (Write-down Amount)

4. The market value of the security covered by this agreement at the time of write-down is \$ \_\_\_\_\_.  
(Security Value)

5. The debt remaining after the write-down is as follows:

A. Date (MM-DD-YYYY)	B. Principal Amount	C. Interest Rate	D. Write-down Amount	E. Due Date (MM-DD-YYYY)	F. Lender's Loan Number
	\$	%	\$		
	\$	%	\$		
	\$	%	\$		

6. The notes or line of credit agreements described above are secured by the following real estate security instruments:

A. Date of Security Instrument (MM-DD-YYYY)	B. Records of County and or State	C. Reel	D. Book or Page	E. Grantor

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7. As a condition to, and in consideration of, lender writing down the loan(s) and restructuring the loan(s), borrower agrees to pay the lender a portion of the value of the real estate security property described in Item 6, if that real estate increases in value and this agreement expires, or sooner if one of the following occurs during the term of this agreement:
  - (a) All of the notes or line of credit agreements in Item 5 are paid in full or otherwise satisfied;
  - (b) Borrower stops farming;
  - (c) Any of the promissory notes in Item 5 are accelerated;
  - (d) When any of the real estate described in Item 6 is sold or conveyed. Convey means, sale, gift, contract for sale, purchase agreement, or foreclosure. Convey does not mean transfer of title to spouse upon death of borrower. In the case of a transfer to a spouse upon the borrower's death, shared appreciation will be due when any of the events described in item 7 occurs. If a portion is sold, appreciation will be calculated and due for that portion. For the remaining property, this agreement will remain in effect for any real estate security not sold.
8. The amount due the lender will be as follows:
  - (a) Seventy-five percent of any positive appreciation in the market value of the property described in Item 6 if any of the events described in Item 7 occurs four (4) years or less from the date of this agreement.
  - (b) Fifty percent of any positive appreciation in the market value of the property described in Item 6 if any of the events described in Item 7 occurs on the 5th anniversary of the agreement, or sooner, if after 4 years from the date of this agreement any of the events described in Item 7 occurs.
9. The amount of recapture by lender will be based on the difference between the value of the security at the time recapture is due and the date of this agreement. Both values will be determined through an appraisal conducted by lender. The amount of recapture will not exceed the amount of write-down as stated on this form.
10. Repayment of the recapture amount may be rescheduled or reamortized under terms and conditions contained in FSA guaranteed loan regulations if the borrower is unable to pay the recapture amount when it becomes due.
11. If borrower violates any of the terms of this agreement, lender can accelerate all of borrower's notes and liquidate the security property.
12. REMARKS OR ADDITIONS:

13A. Borrower's Signature	13B. Date (MM-DD-YYYY)	14A. Co-Borrower's Signature	14B. Date (MM-DD-YYYY)
15. Lender's Name		16A. Lender's Authorized Representative's Signature	16B. Date (MM-DD-YYYY)

**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 in this agreement. The information requested is necessary for FSA to determine eligibility for credit or other 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 agreement or its rejection.*

*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 1 hour 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 COUNTY FSA OFFICE.***