

APPLICATION FOR SETTLEMENT OF INDEBTEDNESS

COMPROMISE
 ADJUSTMENT
 Charge Off
 CANCELLATION

NAME OF DEBTOR(S)
_____ AND _____
ADDRESSES)

PART I			
Rural Housing Service Debts	Final Due Date	Original Amount	Unpaid Balance
TOTALS			

PART 2 - MONTHLY INCOME AND EXPENSES OF BORROWERS			
Gross Monthly Income	Borrower	Co-Borrower	Total
Base Empl. Income			
Overtime			
Bonuses			
Commissions			
Dividend Interest			
Total			
Monthly expenses	Amount		Monthly Debt Payments Amount
Food			Rural Housing Service
Clothing			Car/Truck
Medical			Car/Truck
Personal Care			Other (Credit cards, Medical
Utilities			installment loans, personal debts)
Other			
School/Charities/Recreation			
Car/Transportation Expenses			
Insurance			Total
Car			
Health/Life			
Taxes			
Social Security			
Income Taxes			
Personal Property			
Child Care			
Child Support/Alimony			
Total			1. Total Income
			2. Total Expenses
			3. Total Debt Payments
			4. Balance Available (1-2-3) to pay RHS debt

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PART 3 - FINANCIAL STATEMENT

Item	Value (Assets)	Unpaid Debt	Creditor
Dwelling			
Other real estate			
Car (year & model)			
Car (year & model)			
Truck (year & model)			
Other vehicles/equipment			
Cash on Hand (<i>Bonds, Certificates, etc.</i>)			

PART 4 - OFFER AND CERTIFICATION

(A) As a borrower, I individually state that I am unable to pay in full the indebtedness described in Part I hereof, I have acted in good faith in an effort to pay said indebtedness; and I have no reasonable prospects of being able to do so. Therefore, I and any co-borrowers jointly offer the total sum of _____ dollars (_____) in full and complete settlement of said indebtedness, to be paid as follows:

\$ _____ on _____ 20__

\$ _____ on _____ 20__

\$ _____ on _____ 20__

I understand that if I do not pay any of the above payments when due, the total indebtedness listed in Part I of this application will be immediately due and payable and that any payments paid pursuant to this agreement will be applied to the total indebtedness.

(B) I have not transferred, for less than its value, any property to any relative or another party during the past 5 years except (*Explain*).

(C) I have not disposed of any mortgaged property in violation of the requirements of the Rural Housing Service (RHS), or its predecessor agencies, except _____ .

(D) I have read, or have had read to me, all of this application, which is made for the purpose of obtaining final settlement of indebtedness described in Part 1. I hereby certify that all of the statements and representations contained herein are true in all respects to the best of my knowledge and belief. I understand that RHS is required to report any written off indebtedness to the Internal Revenue Service except debts forgiven in bankruptcy or debts for less than \$600.

(E) In making this offer of settlement, I understand and agree that (1) if the offer is accepted I will be notified and the offered amount will be immediately submitted to RHS; (2) if the offer is rejected, I will be notified and if a payment in connection with the offer was submitted with the settlement application, RHS will return the payment to me.

(F) All of the debts referred to in Part I have been discharged in bankruptcy. Yes No

(G) BORROWER _____
(Signature)

BORROWER _____
(Signature)

REMAINDER OF FORM TO BE COMPLETED BY THE GOVERNMENT

PART 5 - JUSTIFICATION TO SUPPORT COMPROMISE OR ADJUSTMENT

PART 6 - JUSTIFICATION TO SUPPORT CANCELLATION OR CHARGE-OFF

- 1. Borrower is deceased and there is no reasonable prospects of recovering from Borrower's estate.
- 2. Borrower has been discharged in bankruptcy and is otherwise entitled to cancellation pursuant to Regulations.
(Copies of relevant supporting documents are attached).
- 3. Borrower's whereabouts are unknown; Borrower cannot be located without undue expense; Borrower has no known assets or future debt-paying ability; and there is not existing security for the debt.
- 4. There is no existing security for the debt; Borrower has no known assets from which collection could be made; and Borrower is unable to pay any part of the debt and has no reasonable prospect of being able to do so.
- 5. The Office of the General Counsel has advised by memorandum (copy attached) that the claim is legally without merit.
- 6. The Office of the General Counsel has advised by memorandum (copy attached) that the claim cannot be substantiated because evidence necessary to prove the claim in court cannot be produced.
- 7. Judgment was obtained by United States Attorney and their file is now closed; a period of 2 years has elapsed since any collections were made on the judgment; the borrower has no equity in property on which the judgment is a lien or on which it can presently be made a lien; and the judgment is uncollectible in whole or in part.
- 8. Other _____

PART 7 - RECOMMENDATION AND APPROVAL

This settlement is recommended approved rejected under the authority contained in pertinent law and regulations.

Central Servicing Official (<i>Signature</i>)	Date
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This settlement is recommended approved rejected under the authority contained in pertinent law and regulations.

Administrator (<i>Signature</i>)	Date
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