

**INSTRUCTIONS FOR PREPARATION OF RUS FORM 369**  
**Request for Approval to Sell Capital Assets**

RUS Form 369 must be completed and submitted when RUS approval of the sale of property is required. Please refer to the provisions of your Restated Mortgage and Security Agreement, Article III, Section 3.11, Limitations on Transfers of Property, to determine whether RUS approval of the sale of property is required.

Submit an original and two copies of Form 369 to RUS with Items 1 through 14 completed, together with information regarding the details of the sale, the computation of the selling price, one copy of a certified board resolution authorizing the sale, the cut-off date established (in the case of sales by assumption of debt) and any other material necessary for a full disclosure of the proposed transaction and its effect upon the system.

SALES FOR CASH. After RUS approval is granted (Item 15), RUS will return the original and two copies of Form 369 will be returned to the Seller. The Seller is then to complete Item 16, and return the original and one copy to the appropriate RUS division at the following address: Rural Utilities Service, 1400 Independence Ave., SW., Washington, DC 20250. One copy of the form should be retained in the Seller's file. If the proceeds are being used to prepay a note, a wire transfer should be made under normal payment procedures and the note should be specified.

SALES BY ASSUMPTION OF INDEBTEDNESS. After RUS approval and supplemental lenders' approvals are granted (as evidenced by both parties completion of Item 15, the original and two copies of the Form 369 will be returned to the Seller with any supplemental instructions necessary. Seller is to complete Item 16 and return the original and one copy to RUS as per the instructions received from the regional office. One copy should be sent to the supplemental lenders, if applicable, and one copy retained in the Seller's file.

CONDEMNATIONS. Submit Form 369 promptly after learning that property will be condemned, providing all known details. A board resolution need not be submitted for condemnations. Instead a copy of the petition or complaint in the suit should be submitted as an attachment to this form. Items 10, 11, and 12 may be completed by referring to the petition or complaint. Item 14 need not be completed. Items on the form which cannot be completed may be omitted at that time and submitted later. Approvals will not be considered until negotiations have been completed. Final RUS processing and approval of Form 369 requires complete information.

USDA-RUS

**REQUEST FOR APPROVAL TO SELL CAPITAL ASSETS**

**INSTRUCTIONS** – See reverse side of this form and RUS Bul. 1717M-1

|                               |   |  |                   |
|-------------------------------|---|--|-------------------|
| 1. Date of this Request       |   | 2. Closing Date of Sale  |                   |
|                               |   | 3. Borrower Designation of Seller  |                   |
| 5. Name and Address of Seller |   | 6. Name and Address of Purchaser   |                   |
| 7. Approximate Original Cost  | 8. Condition of Property (check one)<br><input type="checkbox"/> New <input type="checkbox"/> Scrap<br><input type="checkbox"/> Used Usable | 9. Type of Sale (check one)<br><input type="checkbox"/> Cash <input type="checkbox"/> Installment<br><input type="checkbox"/> Transfer <input type="checkbox"/> Transfer | 10. Selling Price |

11. Describe in sufficient detail to identify adequately the property and estimate its present value. If real estate, include legal description. Attach forms for partial release of lien, if necessary.

12. Reason for Sale (If additional space is needed, attach additional sheets.)

13. Disposition of Net Proceeds of Sales (Insert amount in appropriate space.)

A. To Cash (Check One)

General Fund Account ..... \$ \_\_\_\_\_

Construction Fund – Trustee Account..... \$ \_\_\_\_\_

B. To RUS as a Special Payment to be applied to Note(s) No. \_\_\_\_\_

Dated \_\_\_\_\_ \$ \_\_\_\_\_

C. To Supplemental Lender (if applicable) as a Special Payment to be Applied to Notes(s)

No. \_\_\_\_\_ Dated \_\_\_\_\_ \$ \_\_\_\_\_

D. Seller's Notes to be Assumed [For sale of property by assumption of indebtedness only. Designated RUS and/or supplemental lender (if applicable) and appropriate note of each.]

| DESIGNATION | DATE OF NOTE | AMOUNT OF NOTE(S) | AMOUNT TO BE ASSUMED |
|-------------|--------------|-------------------|----------------------|
|             |              |                   |                      |
|             |              |                   |                      |
|             |              |                   |                      |

E. Other (Include supplement lenders and amounts if applicable.)

14. Certifications: (Complete a or b, as applicable):

a. CERTIFICATION (financial interest)

Attached to this document is the identification of employees and board members that have financial interests associated with the proposed asset sale. The identification includes the individual's title and specific interest in the transaction. Also attached are the appropriate supporting documents (e.g. an independent certified appraisal of the asset to establish fair market value, an independent feasibility study that assures that the sale is in the best interest of the organization and RUS).

I hereby certify that the selling price is not less than the fair market value of the property, the sale is in the best interest of the mortgagee(s) and this organization; the system after the sale will constitute a satisfactory operating unit and will not jeopardize the repayment of the RUS or other loans, if any; and that all necessary approvals have been or will be obtained where required by law or by the articles of incorporation by-laws of this organization.

SELLER'S CORPORATE NAME

SIGNATURE OF AUTHORIZED OFFICIAL

TITLE OF AUTHORIZED OFFICIAL

b. CERTIFICATION (no financial interest)

I hereby certify that no employee or board member of this organization has a personal financial interest in the sale of this capital asset, the selling price is not less than the fair market value of the property, the sale is in the best interest of the mortgagee(s) and this organization; the system after the sale will constitute a satisfactory operating unit and will not jeopardize the repayment of the RUS or other loans, if any; and that all necessary approvals have been or will be obtained where required by law or by the articles of incorporation by-laws of this organization.

SELLER'S CORPORATE NAME

SIGNATURE OF AUTHORIZED OFFICIAL

TITLE OF AUTHORIZED OFFICIAL

15. APPROVAL is hereby given to complete the sale and release possession to the above-named purchaser of the property described above for the sum of \$ \_\_\_\_\_, contingent upon disposition of the proceeds in the manner stipulated above.

SIGNATURE OF AUTHORIZED OFFICIAL

DATE

ADMINISTRATOR

DATE

16. NOTICE OF FINAL ACTION – When delivery of the property has been made the borrower should notify RUS by completing the certification below.

CERTIFICATION

I certify that possession of the property indicated above was released on \_\_\_\_\_ and \$

\_\_\_\_\_ has been accounted for as approved above.

SIGNATURE OF AUTHORIZED OFFICIAL

TITLE OF AUTHORIZED OFFICIAL