

CONDITIONAL COMMITMENT

INSTRUCTIONS FOR PREPARATION

Purpose: Used by the agency to inform the lender the loan has been approved, funds are available, and set forth the conditions to be met before a Loan Guarantee will be issued.	
Handbook Reference: 2-FLP	Number of Copies: Original and one copy
Signatures Required: Lender and Authorized Agency Official.	
Distribution of Copies: Original to FSA and lender to retain copy	
Automation-Related Transactions: N/A	

Contact the State Office if additional guidance is needed.

Fld Name / Item No.	Instruction
1 Lender's Name and Mailing Address	Enter the name and mailing address of the lender.
2 Type of Loan	Check the box for the appropriate loan type.
3 Principal Amount of Loan or Line of Credit Ceiling	Enter the principal amount of the loan or line of credit ceiling.
4 Percent of Guarantee	Enter the percent of guarantee.
5 Loan Applicant's Name	Enter the loan applicant's full name. Format: LAST, FIRST MIDDLE
6 FSA Account number	Enter the FSA Account Number
7D Guarantee Fee	Enter the guarantee fee.
9	If the loan has been approved for participation in the Interest Assistance program, enter

Fld Name / Item No.	Instruction										
Interest Assistance Requirements	the number of years interest assistance is to be available. If the loan is not approved for participation in the interest assistance program, enter "NA" or "0".										
14 Loan Purpose	<p>Describe the specific purposes for which the loan funds have been approved.</p> <p>Note: GLS Data filled forms will only provide very limited information. Saving document to PDF and editing with additional detail is recommended when using data filled forms.</p> <p>Examples: \$250,000 line of credit for operating expenses and annual term debt payments from 2020 – 2025. Purchase planter for \$50,000. Purchase 50 head feeder steers for \$42,000. Refinance State Bank note #12123 for \$50,245 and Farm Bank note # 23234 for \$76,125. Construct new dairy barn including fixtures \$300,000.</p>										
15 Interest Rate and Terms	<p>Describe the interest rate and terms of the loan.</p> <p>Note: GLS Data filled forms will only provide very limited information. Saving document to PDF and editing with additional detail is recommended when using data filled forms.</p> <p>Examples:</p> <p>Interest Rate: WSJ Prime + 1.00% reset every 2 years initially 5.75% Repayment Period: 7 Year Term Payment Frequency: Annual Payments Equally Amortized</p> <p>Interest Rate: 4.7500% FIXED Repayment Period: 7 Year Term Payment Frequency: Annual Payments. 15-year amortization with 7-year balloon.</p>										
16 Security	<p>Describe the security for the loan.</p> <p>Note: For lien positions utilizing a shared position with the lender specific language similar to that outlined in Par 166 D shall be included in Item 17 of this form to establish proceed distribution in the event of liquidation</p> <p>Examples:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Item Description</th> <th>Lien Position</th> <th>Estimated Value</th> <th>Amount of Prior Lien</th> <th>Collateral Value</th> </tr> </thead> <tbody> <tr> <td>45 acres in Sec.</td> <td>1st</td> <td>\$430,000</td> <td>\$0</td> <td>\$430,000</td> </tr> </tbody> </table>	Item Description	Lien Position	Estimated Value	Amount of Prior Lien	Collateral Value	45 acres in Sec.	1 st	\$430,000	\$0	\$430,000
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45 acres in Sec.	1 st	\$430,000	\$0	\$430,000							

Fld Name / Item No.	Instruction				
	4-T5N R10 W. 60 acres in Sec. 10 Cedar Township	1 st lien shared with State Bank.	\$690,000	Shared 1 st lien. State Bank loan \$220,000.	\$470,000
	2005 JD 7220 Tractor	2 nd	\$40,000	\$10,000 Farmer's Bank & Trust	\$30,000
	Equipment	2 nd (Additional)	\$300,000	\$150,000 State Bank Loan #14575	\$150,000
17 Other Requirements	Enter any additional conditions not listed elsewhere in this document. Conditions should be case specific and tailored to the specific borrower. Long lists of standard conditions developed for all borrowers should NOT be used.				
18 Commitment Expiration	Enter the number of days this Conditional Commitment will be valid. The number of days should consider the time necessary for the borrower to meet any pre closing conditions, including construction if necessary, and the lender to complete any security perfections and other pre closing tasks. For example, a line of credit may be 60 days while construction may be 6 months.				
19A Signature of Authorized Agency Official	Enter signature of authorized agency official.				
19B Date	Enter date signed by authorized agency official.				
19C Name	Enter name of authorized agency official.				
19D Title	Enter title of authorized agency official				

NOTE: Blocks 20 – 21 B are completed by the lender.

20 Acceptance or Rejection of Conditions	If the conditions are acceptable, check box A; otherwise, select the appropriate response and describe proposed changes if applicable.
21B Anticipated time of closing	Enter the number of days until loan closing is expected.
22 Note to Lender	Enter the name and address of the FSA Office to which closing documents, as required, should be returned.

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NOTE: Blocks 23 A-D are completed by the lender.

23A Signature of Lender Representative	Enter the lender representative's signature.
23B Date	Enter the date signed by the lender representative.
23C Name	Print the lender representative's name.
23D Title	Print lender representative's title.