

USDA Form RD 1956-1 (Rev. 2-94) <h2 style="text-align: center;">APPLICATION FOR SETTLEMENT OF INDEBTEDNESS</h2>	ADVISE NUMBER _____	
	TAXPAYER IDENTIFICATION NUMBER _____	DATE 20 ____
	STATE AND COUNTY OFFICE CODE _____	CASE NO. _____
	<input type="checkbox"/> COMPROMISE <input type="checkbox"/> ADJUSTMENT <input type="checkbox"/> CHARGE OFF <input type="checkbox"/> CANCELLATION	

PART I GENERAL INFORMATION

A. I(We) _____ and _____
(Name) (Name)

of _____
(Address)

hereby request that my (our indebted described in Part II (A) below be considered for settlement pursuant to the pertinent law and regulations and certify that the following statements are true and correct to the best of my (our) knowledge and belief.

B. ARE OF: DEBTOR _____ YEARS; CO-DEBTOR _____ YEARS; DEPENDENT CHILDREN ____, ____, ____, ____, ____, ____,
 NAMES, AGE, AND RELATIONSHIP OF OTHER DEPENDENTS _____ P

PART II DEBTS OWED TO THE DEPARTMENT OF AGRICULTURE

LOAN CODE IDENTIFICATION (1)	FINAL DUE DATE (2)	ORIGINAL AMOUNT (3)	UNPAID BALANCE (4)		
			INTEREST	PRINCIPAL	TOTAL
(A) RURAL DEVELOPMENT DEBTS FOR WHICH SETTLEMENT IS REQUESTED:					
(B) OTHER DEBTS OWED RURAL DEVELOPMENT					
(C) DEBT OWED OTHER AGENCIES OF DEPARTMENT OF AGRICULTURE					
TOTALS					

PART III INCOME AND EXPENSES OF APPLICANT FAMILY AND PAYMENTS MADE ON DEBTS

(A) TOTAL GROSS INCOME LAST CALENDAR YEAR (20__) (1)		ESTIMATED TOTAL GROSS INCOME PRESENT CALENDAR YEAR (20__) (2)		ESTIMATED TOTAL GROSS INCOME NEXT CALENDAR YEAR (20__) (3)	
SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT
TOTALS					

PRESENT PRINCIPAL EMPLOYMENT: _____

(B) FAMILY LIVING EXPENSES DURING CALENDAR YEAR	PRESENT	NEXT	(E) PAYMENTS MADE BY FAMILY DURING CALENDAR YEAR	PRESENT	NEXT
Food	\$	\$	Real Estate Liens	\$	\$
Rent			Secured Chattel Debts		
Personal Care			Unsecured Creditors		
Household Operating			Rural Development	\$	\$
House & Household			Others		
Appliance Repairs			TOTALS	\$	\$
School, Church & Recreation			(F) SUMMARY DURING CALENDAR YEAR	PRESENT	NEXT
Insurance:			1. Total Income - (A)	\$	\$
Personal			2. Total Expense (B) + (C) + (D) + (E)		
Property			3. Loans To be Received		
Liability			4. Total Available (1. -2. + 3.)		
Other			5. Capital Expenditures		
TOTAL FAMILY LIVING EXPENSE	\$	\$	6. Balance Available To Pay Debts (4. -5.)		
(C) FARM OR BUSINESS OPERATING EXPENSE (Excluding Interest)	\$	\$	7. Balance Available To Pay Rural Development Debt	\$	\$
(D) ALL TAXES	\$	\$			

If the decision contained above in this form results in denial, reduction, or cancellation of Rural Development assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

estimated to be approximately 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, completing, and reviewing the collection of information. All responses to this collection of information are voluntary. However, in order to obtain or retain a benefit, the information in this form is authorized under "Section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926)," and "Section 310 B 7 (U.S.C. 1932) (Pub. L. 92-419, August 30, 1972) of the Consolidated Farm and Rural Development Act." Rural Development has no plans to publish information collected under the provisions of this program. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Rural Development Innovation Center, Regulations Management Division at ICRMTRRequests@usda.gov.

PART IV BALANCE SHEET (INDIVIDUALS)									
CURRENT FARM ASSETS				\$ VALUE	CURRENT FARM LIABILITIES				\$ AMOUNT
Cash: Savings: (\$)		Checking: (\$)			Accounts and Notes Payable (Creditor & Due Date)			Past Due	
Other Invest: (Time Cert \$)		(Other \$)							
Accounts and Notes Receivable									
Crops and Feed	Units	Value Per Unit							
Livestock to be sold	Units	Unit Weight	Value Per Unit						
					CCC Loan: (Security) (Due Date)				
					Current Portion of Principal Due on:				
					Intermediate Liabilities				
					Long Term Liabilities				
Growing crops	Acres	Cost/Acre			Accrued Interest on:				
					Accounts and Notes Payable				
					Intermediate Liabilities				
					Long Term Liabilities				
					Accrued Taxes				
Supplies & Prepaid Expenses					Income Tax & Social Security				
Leases					Other (judgments, liens, etc.)				
Other					Accrued Rent/Lease Payments				
TOTAL CURRENT FARM ASSETS					TOTAL CURRENT FARM ASSETS				
INTERMEDIATE FARM ASSETS					INTERMEDIATE FARM LIABILITIES (portion due beyond 12 months)				
Accounts & Notes Receivable beyond 12 months					Creditor	Due Date	Int. Rate	Amount Delinquent	
Breeding Livestock	Units	Value Per Unit							
Machinery, Equipment, Vehicles									
Cash Value, Life Ins. (Face Amt. \$)					CCC Grain Reserve				
CCC Grain Reserve: (Qty.) (Value/Unit)					Facilities	Pmt. \$			
Coop Stock					Loan Secured by Life Insurance				
Other					Other				
TOTAL INTERMEDIATE FARM ASSETS					TOTAL INTERMEDIATE FARM LIABILITIES				
LONG TERM FARM ASSETS (Farm Real Estate)					LONG TERM FARM LIABILITIES (portion due beyond 12 months)				
Total Acres	Date Purchased	Cost			Creditor	Due Date	Int. Rate	Amount Delinquent	
Coop Stock									
Equity in Partnerships/Corporations/joint Operations/Cooperatives									
Other					Other				
TOTAL INTERMEDIATE FARM ASSETS					TOTAL LONG TERM FARM LIABILITIES				
TOTAL FARM ASSETS					TOTAL FARM LIABILITIES				

PART IV BALANCE SHEET (continued)

NONFARM ASSETS	\$ VALUE	NONFARM LIABILITIES				\$ AMOUNT
Real Estate		Nonfarm accounts payable				
Car, Recreational Vehicles, etc.						
Household goods						
Cash value of Life Insurance						
Stocks, bonds, and other						
Nonfarm Business		Nonfarm notes payable				
		Name of Creditor	Due Date	Interest Rate	Annual Install.	Principal Balance
		TOTAL NONFARM LIABILITIES				
		TOTAL LIABILITIES				
TOTAL NONFARM ASSETS		NET WORTH				
TOTAL ASSETS		TOTAL LIABILITIES AND NET WORTH				

PART V BALANCE SHEET (ORGANIZATIONS)

ASSETS		LIABILITIES AND EQUITIES	
CURRENT ASSETS		CURRENT LIABILITIES	
Cash on Hand and in Banks		Accounts payable	
Time deposits and short-term investments		Notes payable	
Accounts receivable		Current portion of Rural Development note	
Less: Allowance for doubtful accounts	()	Customer deposits	
Inventories		Taxes payable	
Prepayments		Interest payable Rural Development	
TOTAL CURRENT ASSETS		TOTAL CURRENT LIABILITIES	
FIXED ASSETS		LONG-TERM LIABILITIES	
Land		Notes payable Rural Development	
Buildings			
Furniture and equipment		TOTAL LONG-TERM LIABILITIES	
		TOTAL LIABILITIES	
Less: Accumulated depreciation	()	EQUITY	
NET TOTAL FIXED ASSETS		Retained earnings	
OTHER ASSETS		Memberships	
		TOTAL EQUITY	
TOTAL ASSETS		TOTAL LIABILITIES AND EQUITY	

PART VI DEBTOR'S OFFER AND CERTIFICATION

(A) I (We) am (are) unable to pay in full the indebtedness described in Part II (A) hereof, have acted in good faith in an effort to pay said indebtedness; have no reasonable prospects of being able to do so; and hereby offer the sum of _____ dollar (\$ _____) in full and complete settlement of said

indebtedness, to be paid as follows:

\$ _____ submitted with this application. Receipt No. _____ Date _____
 \$ _____ on _____, 20____
 \$ _____ on _____, 20____
 \$ _____ on _____, 20____

I (We) understand that in the event of nonpayment of any of the above installments when due, the total indebtedness listed in Part II (A) of this application will be immediately due and payable and that any installments paid pursuant to this agreement will be applied in partial payment of the total indebtedness.

(B) I (We) have not transferred, without adequate consideration, any real or personal property to, nor have I (we) purchased any stocks or bonds or made any deposits in Postal Savings or banks for, the other members of my (our) immediate family or other close relatives during the past 5 years except (Explain) _____

(C) I (We) have met the requirements of Rural Development, or its predecessor agencies, in disposing of any mortgaged property except _____

(D) I (We) have read, or have had read to me (us), all of this application, which is made for the purpose of obtaining final settlement of my (our) indebtedness described in Part II (A) hereof, and hereby certify that all of the statements and representations contained herein are true in all respects to the best of my (our) knowledge and belief. I (We) understand that Rural Development is required to report any written-off indebtedness to the Internal Revenue Service except debts forgiven in Title 11 Bankruptcy Action or debts for less than \$600.

PART VI DEBTOR'S OFFER AND CERTIFICATION (continued)

(E) In making this offer of settlement, I (we) understand and agree that (1) the amount offered will be deposited in the United States Treasury and held in suspense pending consideration of the offer, (2) if the offer is accepted I (we) will be notified, and (3) if the offer is rejected, I (we) will be notified and the amount offered will returned in the form of a United States Treasury check.

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

(G) Witness: _____
 Address: _____
 Witness: _____
 Address: _____

Debtor: _____
 Debtor: _____

(H) This application for debt settlement has been adopted by the _____ of the _____ and caused to be executed by the officers below on this _____ day of _____, 20 ____.

Attest: _____
 Title: _____ (SEAL)

By: _____
 Title: _____

PART VII RURAL DEVELOPMENT COUNTY COMMITTEE RECOMMENDATION

To the best of our knowledge and belief the statements made by the debtor(s) in this application are true; we know of no assets or income of the debtor(s) which are not disclosed in the application, and we recommend that the proposed settlement be accepted rejected.

_____, 20 ____
 (Date)

 (Signature)

 (Signature)

 (Signature)

PART VIII RECOMMENDATION AND APPROVAL

I find from the statements and disclosures of the debtor(s) that the requirements of the pertinent law and regulations have not been satisfied.

I recommend the acceptance rejection of the application of the debtor(s) as set out in Part VI hereof.

REMARKS: (Use a separate sheet, if necessary)

_____, 20 ____

 County Supervisor/District Director

 (Address)

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

State Director

Date

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

Administrator

Date