

Instructions for RD 4281-10

LOAN NOTE GUARANTEE

The Agency executes this guarantee instrument to set forth the terms and conditions of the guarantee.

The Agency must complete all items identified in the following table.

Blanks on the form are numbered from left to right on each line and then by line from top to bottom of each page.

Fld Name / Item No.	Instruction
Borrower Name	Enter the name of the borrower
Lender Name	Enter the name of the lender
Lender's Tax ID Number	Enter the tax identification number of the lender
Lender's Address	Enter the address of the lender
USDA's Borrower Unique Entity Identifier	Enter the USDA's Borrower Unique Entity Identifier which is either the GLS or CPAP borrower ID number as appropriate.
Principal Amount of Loan ("Loan") \$	Enter the principal amount of the loan
Date of Note(s)	Enter the date that notes were executed. All notes attached to a project should be executed by the lender and borrower on the same date when the loans are closed
Type of Loan	Check the Food Supply Chain Guaranteed Loan Program
The guaranteed portion...Blank 1.	Enter the dollar amount that equals the guaranteed portion of the loan(s). Example 1: \$2,000,000 loan with 80% guarantee, enter \$1,600,000.
...Blank 2.	Enter the percent guaranteed of the total loan principal. Example: 80%, 70%, or 60% guaranteed as applicable to the loan program per published annual fee notice
...Blank 3.	Enter the total number of notes issued for the project
Table	Use the plus and minus icons to add or remove notes associated with the project. The total number of lines in the table should equal the entry made in line 3 above. See examples below

Lender's Identifying Loan Number	Enter the number associated with each individual note issued by the lender
Face Amount of Note	Enter the face amount (<i>amount stated on note that borrower is obligated to pay</i>) of the note
Fld Name / Item No.	Instruction
Percent of Guarantee	For each note, enter the percent to be guaranteed
Amount Guaranteed	Face amount of note times percent of guarantee equals amount guaranteed
Total – Face Amount of Note	Add all “face amount of note(s)” and enter total. Total should equal “principal amount of loan” noted above
Total – Amount Guaranteed	Add all “amount(s) guaranteed” and enter total. Total should equal entry in Line 1
14. Notices	
Line 1	Enter the applicable USDA Agency, RBCS, initiating notices
Line 2	Enter state in which the USDA is initiating notices
Line 3	Enter mailing address for Agency correspondence related to the Loan Note Guarantee. (<i>Typically, the state office address is used</i>)
By	Signature of approval official
Date	Enter the date this Loan Note Guarantee is signed
Line Under By	Enter name of USDA approval official authorized to sign the Loan Note Guarantee
Title	Enter title of the USDA approval official authorized to sign the Loan Note Guarantee
Assumption Agreement by	If applicable, enter name of entity that assumes the Loan Note Guarantee
Dated	If applicable, enter the date the Loan Note Guarantee is assumed
Assumption Agreement by	If Loan Note Guarantee is assumed for a second time, enter Signature of entity that assumes the Loan Note Guarantee
Dated	If Loan Note Guarantee is assumed for a second time, enter the date the Loan Note Guarantee is assumed

Example 1:

The guaranteed portion of the loan is **\$1,600,000**, which is **80%** percent of total loan principal. The principal amount of the loan is evidenced by **1** notes (include bonds as appropriate) described below. The guaranteed portion of each note is indicated below.

Add/ Remove	<i>Lender's</i>	<i>Face</i>	<i>Amount of Note</i>	<i>Percent of</i>	<i>Amount Guaranteed</i>

	<u>Identifying Loan Number</u>		<u>Guarantee</u>	
	00020210001	\$2,000,000.00	80%	\$1,600,000
Total:		\$2,000,000.00		\$1,600,000

Example 2:

The guaranteed portion of the loan is **\$1,600,000**, which is **80%** percent of total loan principal. The principal amount of the loan is evidenced by **3** notes (include bonds as appropriate) described below. The guaranteed portion of each note is indicated below.

Add/ Remove	<u>Lender's Identifying Loan Number</u>	<u>Amount of Note</u>	<u>Percent of Guarantee</u>	<u>Amount Guaranteed</u>
	00020210001	\$1,000,000	80%	\$800,000
	00020210002	\$500,000	80%	\$400,000
	00020210003	\$500,000	80%	\$400,000
Total:		\$2,000,000.00		\$1,600,000