**Instructions for RD 4281-12**

***ASSIGNMENT GUARANTEE AGREEMENT***

**The lender uses this form to assign or sell all or part of the guaranteed portion of a loan.**

**An Assignment Guarantee Agreement should be issued for each guaranteed note the lender wishes to sell or assign.**

**If a loan is subsequently sold or assigned the Agency must be notified using any format, including that used by the Securities Industry and Financial Markets Association. The original Assignment Guarantee Agreement must be transferred to the new holder.**

**Lenders must complete all items identified in the following table.**

*Blanks on the form are unnumbered; however, they are numbered in the below table from left to right on each line and then by line from top to bottom of each page. There are three examples following the instruction language on the completion of the table and the paragraph immediately following the table.*

|  |  |
| --- | --- |
| **Fld Name / Item No.** | **Instruction** |
| Program | Indicate the applicable program |
| 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. |
| Line 1. | Enter the name of the lender |
| Line 2. | Enter the name of the borrower |
| Line 3. | Enter the principal amount of the loan |
| Line 4. | Enter the date the Promissory Note(s) were executed |
| Line 5. | Enter the percent of loan guarantee. Example: 80%. |
| Line 6. | Enter the dollar amount that equals the guaranteed portion of the loan(s). Example: For a $2,000,000 loan with an 80%  guarantee, enter $1,600,000 |
| Line 7. | Enter the total number of notes issued for the project |
| Table | Use the plus and minus signs to add or remove lines as needed from the table to provide one line to describe each promissory note (with the information in the next to be covered by this Assignment Guarantee Agreement.. The total number of lines in the table should equal the entry made in line 7 above. |
| Table - Lender’s Identifying Loan Number | Enter the lender assigned number associated with each individual loan to the borrower |
| Table - Lender's Identifying Promissory Note Number | Enter the lender assigned promissory note number. |
| Table -Face Amount | Enter the face amount *(amount stated on note that borrower is obligated to pay)* |
| Table - Percent of Guarantee | Enter the percent of the loan guarantee. |
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| Table - Amount Guaranteed | Face amount times percent of guarantee |
| Table - Total – Face Amount of Note | Add all “face amount of note(s)” and enter total. Total should equal “principal amount of loan” noted in Line 3  above |
| Table -Total – Amount Guaranteed | Add all “amount(s) guaranteed” and enter total. Total should equal entry in Line 6 above |
|  |  |
| Line 8. | Enter the Holder’s name |
| Line 9. | Enter the percent of the guaranteed loan the holder desires to  purchase |
| Line 10. | Enter the Promissory Note Number of the subject assignment |
| Item 1. | Enter the principal amount of the loan now outstanding |
| Item 1a. | Enter the percent of the guaranteed portion of the Promissory  Note the lender assigns the holder *(Should match entry in Line 9 above)* |
| Item 1b. | Enter the dollar amount that equals the guaranteed portion of the loan assigned to holder |
| Item 2. | Read Only |
| Item 3. Servicing Fee | Enter the percent of the annual servicing fee the holder  agrees the lender will retain |
| Item 4. | Read Only |
| Item 5. | Read Only |
| Item 6. | Read Only |
| Item 7. | Read Only |
| Item 8. | Read Only |
| Item 9. | Read Only |
| Item 10. | Read Only |
| Item 11. | Read Only |
| Item 12. | Read Only |
|  |  |
| Item 13: Line 1 | Enter RBCS |
| Item 13: Line 2 | Enter State in which the USDA Agency is initiating notices. |
| Item 13: Line 3 | Enter the mailing address for Agency correspondence  related to the Assignment Guarantee Agreement *(Typically, the state office address is used)* |
| Date | Enter the date this agreement is signed |
| By | Enter the name of the USDA approval official authorized to sign the Assignment Guarantee Agreement |

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| Title | Enter the title of the USDA approval official authorized to sign the Assignment Guarantee Agreement |
| Lender | Enter the name of the lender |
| Address | Enter the address of the lender |
| By | Enter the lender representative Signature required |
| Title | Enter the title of the lender representative |
| Holder | Enter the name of the holder |
| Address | Enter the address of the holder |
| By | Enter the holder’s signature |
| Title | Enter the holder’s title |

**Example 1 *(partial)*:**

The lender closed the loan using a single. 100% of note #0002021001 in the face amount of

$2,000,000, with an 80% USDA guarantee is being assigned to LMN Financial.

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| --- | --- | --- | --- | --- |
| Add/ Remove | *Lender’s Identifying Note Number* | *Face Amount* | *Percent of Total Loan Amount* | *Amount Guaranteed* |
|  | **00020210001** | **$2,000,000.00** | **80%** | **$1,600,000** |
| Total: |  | **$2,000,000.00** |  | **$1,600,000** |

**LMN Financial** (Holder) desires to purchase from Lender **100** percent of the

guaranteed portion of Promissory Note Number **00020210001**. Copies of Borrower’s Promissory Note(s) and Loan Promissory Note Guarantee are attached hereto as a part hereof. Upon

execution, a copy of all Assignment Guarantee Agreements associated with a Promissory Note will be attached to the original Promissory Note to be physically retained by original Lender. The original of the Assignment is retained by the Holder. Holder's rights to payments are listed

herein.

All terms not otherwise defined have the definitions given to them in the 7 CFR part 5001.3.

NOW, THERFORE, THE PARTIES AGREE:

1. The principal amount of the Promissory Note now outstanding is **$ 2,000,000**. Lender hereby assigns to Holder **100** percent of the guaranteed portion of the Promissory Note representing

**$1,600,000** of such loan now outstanding in accordance with all of the terms and conditions

hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Promissory Note Guarantee and any applicable fees.

**Example 2 *(partial)*:**

The lender closed the loan using multiple notes. 100% of note #0002021002 in the face amount of $500,000, with an 80% USDA guarantee is being assigned to LMN Financial.

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| Add/ Remove | *Lender’s Identifying Note Number* | *Face Amount* | *Percent of Total Loan Amount* | *Amount Guaranteed* |
|  | **00020210001** | **$1,000,000.00** | **80%** | **$800,000** |
|  | **00020210002** | **$500,000** | **80%** | **400,000** |
|  | **00020210003** | **$500,000** | **80%** | **400,000** |
| Total: |  | **$2,000,000.00** |  | **$1,600,000** |

**LMN Financial** (Holder) desires to purchase from Lender **100** percent of the

guaranteed portion of Promissory Note Number **0002021002**. Copies of Borrower’s Promissory Note(s) and Loan Promissory Note Guarantee are attached hereto as a part hereof. Upon

execution, a copy of all Assignment Guarantee Agreements associated with a Promissory Note will be attached to the original Promissory Note to be physically retained by original Lender. The original of the Assignment is retained by the Holder. Holder's rights to payments are listed

herein.

All terms not otherwise defined have the definitions given to them in the 7 CFR part 5001.3.

NOW, THERFORE, THE PARTIES AGREE:

1. The principal amount of the Promissory Note now outstanding is **$ 500,000**. Lender hereby assigns to Holder **100** percent of the guaranteed portion of the Promissory Note representing

**$400,000** of such loan now outstanding in accordance with all of the terms and conditions

hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Promissory Note Guarantee and any applicable fees.

**Example 3 *(partial)*:**

The lender closed the loan using multiple notes. 50% of note #0002021003 in the face amount of

$500,000, with an 80% USDA guarantee is being assigned to LMN Financial.

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| Add/ Remove | *Lender’s Identifying Note Number* | *Face Amount* | *Percent of Total Loan Amount* | *Amount Guaranteed* |
|  | **00020210001** | **$1,000,000.00** | **80%** | **$800,000** |
|  | **00020210002** | **$500,000** | **80%** | **400,000** |
|  | **00020210003** | **$500,000** | **80%** | **400,000** |
| Total: |  | **$2,000,000.00** |  | **$1,600,000** |

**LMN Financial** (Holder) desires to purchase from Lender **50** percent of the

guaranteed portion of Promissory Note Number **0002021003**. Copies of Borrower’s Promissory Note(s) and Loan Promissory Note Guarantee are attached hereto as a part hereof. Upon

execution, a copy of all Assignment Guarantee Agreements associated with a Promissory Note will be attached to the original Promissory Note to be physically retained by original Lender. The original of the Assignment is retained by the Holder. Holder's rights to payments are listed

herein.

All terms not otherwise defined have the definitions given to them in the 7 CFR part 5001.3.

NOW, THERFORE, THE PARTIES AGREE:

1. The principal amount of the Promissory Note now outstanding is **$ 500,000**. Lender hereby assigns to Holder **50** percent of the guaranteed portion of the Promissory Note representing

**$200,000** of such loan now outstanding in accordance with all of the terms and conditions

hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Promissory Note Guarantee and any applicable fees.