

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
COMMUNITY PROGRAMS
WORKOUT AGREEMENT

Date: _____

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 0575-0066. Public reporting for this collection of information is estimated to be approximately 3 hours 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 required in 7 CFR 1951-E, Servicing of Community and Direct Business Programs Loans and Grants. 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

This Workout Agreement (Agreement) is made between _____
_____(Borrower) and the United States of America, acting
through the Department of Agriculture (Government).

The parties recite and declare that:

A. The Borrower has the following Direct Community Facilities, Association Recreation, or Water and/or Wastewater loans owed to the Government that are in default (if more space is needed, use an attachment):

<u>Loan No.</u>	<u>Loan Amount</u>	<u>Date of Loan</u>	<u>Amount Delinquent</u>	<u>Type of Default</u>
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B. The Government has the right to declare the entire balance of these loans immediately due and payable.

C. The parties wish to avoid any acceleration or other collection action by the Government by entering into this Agreement.

D. For the reasons stated above, and in consideration of the mutual covenants and promises of the parties, the Government and the Borrower agree as follows:

(1) Borrower will complete the following actions to resolve the defaults identified in paragraph A above, by the following completion dates (if more space is needed, use an attachment):

<u>Action</u>	<u>Completion Date</u>
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Action

Completion Date

- (2) The Government will not accelerate Borrower's loans if each action is completed to the satisfaction of the Government by the relevant completion date.
- (3) Failure of the Government to immediately exercise its rights to accelerate the Borrower's loans upon Borrower's failing to comply with the terms of this agreement will not preclude the Government from doing so for the same or a subsequent default at a later time. Any such failure shall not be construed as a waiver or relinquishment of the Government's rights to any collection, including subsequent acceleration.
- (4) No other loan terms contained in the respective notes, bonds, mortgages, or deeds of trust are modified by this Agreement.
- (5) This Agreement shall be binding on the successors and assigns of the parties and any present or subsequent owners, encumbrances, tenants, and subtenants.
- (6) This Agreement may not be changed except in a written document signed by both parties.
- (7) If any part of this Agreement is determined to be illegal or unenforceable by a court of competent jurisdiction, those other portions not affected by that decision shall remain in effect.

Borrower

Date

Government

Date

Instructions: Type the name and title of the authorized person signing for the Borrower and the Government under their signature.

Part II - Supporting information to be furnished by the Rural Development
Servicing office

Borrower Name _____

Case No. _____ State _____ County _____

Brief History of the Facility:

Reason(s) for Default (Explain)

Signature - Servicing Official

_____ Date