**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 asappropriate. |
| 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 theloan 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 *(amount stated on note that borrower is obligated to pay)* 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. *(Typically, the state office address is used)* |
| 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 | *Lender’s**Identifying Loan Number* | *Face Amount of Note* | *Percent of Guarantee* | *Amount Guaranteed* |
|  | **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 | *Lender’s**Identifying Loan Number* | *Face Amount of Note* | *Percent of Guarantee* | *Amount Guaranteed* |
|  | **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** |