***APPLICATION FOR SUBORDINATION OF SECURITY FOR COMMERCIAL CREDIT***

**INSTRUCTIONS FOR PREPARATION**

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| **Purpose:**  This form is used by borrowers to request subordination of security for commercial credit. The agency, in consultation with the borrower, completes the form and the borrower signs it at the County Office. | |
| **Handbook Reference:**  4-FLP | **Number of Copies:**  Original |
| **Signatures Required:**  Borrower(s) | |
| **Distribution of Copies:**  The Original of the form is retained in the County Office. | |
| **Automation-Related Transactions:** **(Instructions for writers: provide only the information required, i.e. ADPS TC 3K. If no automation actions are required, insert N/A)** DLS, FBP | |

## The borrower, with assistance of the agency, completes Part A, Items 1 - 14

| Item No./  Fld Name | Instruction |
| --- | --- |
| Part A – Borrower Request | |
| 1(a)  Borrower Names | Enter the name of the Borrower(s). |
| 1(b) Name of lender receiving proposed subordination | Enter name of lender who will receive the subordination. |
| 1(c) Amount of subordination requested | Enter amount of subordination being requested. |
| 1(d)  Proceeds from the subordination will be used as follows: | Enter description of how funds received from the subordination will be used. |
| 1(e)  Legal description of security to be subordinated | Enter legal description of security proposed for subordination. |
| 2(a)  Security | Enter a brief description of the security property affected by the subordination. Example: “Ford Tractor” or “40 acres.” Note: If subordination is for all machinery and equipment, each item will not need to be listed on the FSA-2060. |
| 2(b)  Name of Lienholder(s) | Enter the name of any lienholders, including FSA in the order of lien priority. |
| 2(c)  Approximate Amount of Lien | Enter the approximate amount of each lien. |
| 2(d)  Lien priority | Enter the lien priority of each lien – 1st, 2nd, 3rd, etc. |
| 3  Complete application for subordination of FSA security to a commercial lender | Optional - May use as a checklist. |
| **Part B – Notifications, Certifications and Acknowledgement** | |
| 1 - 9 | Check “YES” or “NO” to each of the nine questions. |
| 10  Additional Answers | If “YES” was checked in any of the nine certification questions, enter an explanation. |
| 11 through 15 | Read |
| **Part C – Certification and Signatures** | |
| 1A - 6A  Signature of Individual Applicant, Spouse or Entity Member | Enter the signatures of all liable parties |
| 1B - 6B  Capacity | Indicate capacity of each signator. |
| 1C – 6C  Date Signed | Enter the date signed. |
| ***Part D – FSA Use Only Approval- To be completed by the agency*** | |
| 1  Date FSA-2062 received | Enter date FSA-2062 was received. |
| 2  Date of Complete Application | Enter the date the application for subordination was completed. |
| 3(a) and (b) | Enter the FBP credit presentation title (a) and date (b) |