

<b>FSA-2489</b> (Proposal 2)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Farm Service Agency  <b>ASSUMPTION AGREEMENT</b>	Position 2
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**PART A - GENERAL**

1. Full Case Number of Assuming Party (ST/CO/9 digits SSN/TIN)  - - 0		
2A. Type of Loan <input type="checkbox"/> OL <input type="checkbox"/> FO <input type="checkbox"/> EM <input type="checkbox"/> EE <input type="checkbox"/> SW <input type="checkbox"/> CL <input type="checkbox"/> Regular <input type="checkbox"/> Limited Resource <input type="checkbox"/> Non-Program	2B. Type of Security <input type="checkbox"/> Real Estate <input type="checkbox"/> Personal Property	
3A. Transferee Eligibility <input type="checkbox"/> (1) Eligible - Same rates and terms <input type="checkbox"/> (2) Eligible - New rates and terms <input type="checkbox"/> (3) Ineligible transferee	3B. Amount of Transfer <input type="checkbox"/> (1) Transfer for full amount of debt <input type="checkbox"/> (2) Transfer for less than full amount of debt	3C. Release of Liability <input type="checkbox"/> (1) Transferor released from personal liability <input type="checkbox"/> (2) Transferor not released from personal liability

**PART B - AGREEMENT**

4. **THIS AGREEMENT** dated (a) \_\_\_\_\_ is between the United States Department of Agriculture, acting through the Farm Service Agency ("Government,") and (b) \_\_\_\_\_  
 \_\_\_\_\_  
 ("assuming parties"), whose address is (c) \_\_\_\_\_  
 \_\_\_\_\_

5. **BECAUSE** Government is the holder of loans evidenced by certain debt instruments executed by the present debtor (a) \_\_\_\_\_, case number (b) \_\_\_\_\_, and identified as follows in Item 6.

6. DEBT INSTRUMENT DATA					
(a) Fund Code and Loan Number	(b) Date Executed	(c) Original Amount	(d) Unpaid Balance		(e) Interest Rate
			(1) Principal	(2) Interest	

7. **BECAUSE** in connection with such loans the following-described security instruments were taken on property described therein and located in (a) \_\_\_\_\_  
 County, State of (b) \_\_\_\_\_, and identified as follows in Item 8.  
 Initial: \_\_\_\_\_ Date: \_\_\_\_\_

8. SECURITY INSTRUMENT DATA				
(a) Instrument	(b) Date Executed	(c) Office Where Recorded or Filed	(d) Book, Volume, or Document	(e) Page


9. **THEREFORE**, in consideration of the assumption of indebtedness as herein provided, and the Government's consent to such assumption and to any accompanying conveyance or transfer of security property to the assuming parties, it is agreed as follows:

The assuming parties hereby jointly and severally assume liability for and agree to pay to the order of the Government, the amounts, and on the dates specified in the following checked block:

A.  **THE SUM OF (1)** \_\_\_\_\_ dollars (2) (\$ \_\_\_\_\_), plus **INTEREST** on the **UNPAID PRINCIPAL** at the rate of (3) \_\_\_\_\_ **PERCENT, (4)** ( \_\_\_\_\_ %) **PER ANNUM**, in (5) \_\_\_\_\_ installments due and payable as follows in Item 9C.

B.  Of the entire unpaid indebtedness under said debt and security instruments, **THE SUM OF (1)** \_\_\_\_\_ dollars (2) (\$ \_\_\_\_\_) principal, with **INTEREST** thereon at the rate of (3) \_\_\_\_\_ **PERCENT, (4)** \_\_\_\_\_ % **PER ANNUM** from the date hereof, plus (5) \_\_\_\_\_ dollars (6) (\$ \_\_\_\_\_) accrued interest as of the date hereof, without interest thereon, which accrued interest is included in the first installment written below in Item 9C.

C. The principal and interest shall be due and payable as follows:

(1) Installment Amount	(2) Due Date	(1) Installment Amount	(2) Due Date

and (3) \$ \_\_\_\_\_ thereafter on (4) \_\_\_\_\_ of each (5) \_\_\_\_\_ until the indebtedness hereby assumed is paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner, shall be due and payable on or before

(6) \_\_\_\_\_ ; (7) \_\_\_\_\_ years from the date of the original loan being assumed; or  (8) \_\_\_\_\_ ; (9) \_\_\_\_\_ years from the date of this assumption.

Prepayments of scheduled installments, or any portion of these installments, may be made at any time at the option of the borrower. Refunds and extra payments shall, after payment of interest, be applied to the last installments to become due under this note and shall not affect the obligation of the borrower to pay the remaining installments as scheduled in this assumption agreement

10. Payments shall be applied in accordance with FSA regulations.

11. If this assumption evidences a limited resource loan, Government may **CHANGE THE RATE OF INTEREST** in accordance with the regulations of the Government by giving the borrower thirty (30) days prior written notice at the borrower's last known address.

Initial: \_\_\_\_\_ Date: \_\_\_\_\_

12. If at any time it shall appear to the Government that the Borrower may be able to obtain financing from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and period of time, the Borrower will, at the Government's request, apply for and accept a loan in sufficient amount to pay this assumption agreement in full and, if the lender is a cooperative, to pay for any necessary stock. The provisions of this paragraph do not apply if the type of loan indicated in Item 2A is a non-program (NP) loan or Conservation Loan (CL).

13. For borrowers who fail to comply with the requirements of Item 12, the Government, at its option, may convert the loan rates and terms described in this assumption agreement to NP rates and terms. The interest rate will be the NP rate in effect at the time of default. The NP term will be the lesser of: (i) the term remaining for this assumption agreement, (ii) the useful life of the security, or (iii) twenty-five (25) years for farm ownership loans and emergency loans made for similar purposes or five (5) years for operating loans and emergency loans made for similar purposes. The conversion to NP rates and terms will occur only after all appeal options in 7 CFR Part 11 have been exhausted. Item 12 does not apply to loans once converted to NP. Borrowers with loans converted to NP rates and terms for failure to comply with the requirements of item 12 have defaulted on their loan agreements as indicated in item 14, which may impact future loan making and servicing applications, including Primary Loan Servicing and Homestead Protection.

14. The provisions of said debt security instruments, and of any outstanding agreements executed or assumed by the present debtors pertinent thereto, shall, except as modified herein, remain in full force and effect, and the assuming parties hereby assume the obligations of and agree to be bound by and to comply with all covenants, agreements and conditions contained in said instruments and agreements, except as modified herein, the same as if they had executed them as of the dates thereof as principal obligors. Any provisions of the debt and security instruments which require (a) that the borrower live on and operate the Government financed farm or (b) graduate to other sources of credit, will not apply to assumptions by an ineligible transferee.

15. This agreement shall be subject to the present regulations of the Government and its future regulations which are not inconsistent with the express provisions hereof.

PART C – SIGNATURES	
16A. Signature	16B. Date
17A. Signature	17B. Date
18A. Signature	18B. Date
19A. Signature	19B. Date
FSA USE ONLY	
20A. Agency Official's Name	20B. Title
21C. Signature	21D. Date

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