

FSA-2489 (Proposal 2)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency ASSUMPTION AGREEMENT	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

Privacy Act Statement: The following is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a - as amended). The authority for requesting the information identified on this form is the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1921 et. seq.). The information will be used to determine eligibility and feasibility for loans and loan guarantees, and servicing of loans and loan guarantees. The information collected on this form may be disclosed to other Federal, State, and local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in the applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information may result in a denial for loans and loan guarantees, and servicing of loans and loan guarantees.

Public Burden Statement (Paperwork Reduction Act): According to the Paperwork Reduction Act requirement, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0236. This form is voluntary. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to maryann.ball@usda.gov.

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