

APPLICATION FOR SUBORDINATION OF SECURITY FOR COMMERCIAL CREDIT

INSTRUCTIONS FOR PREPARATION

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

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	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 – 1 st , 2 nd , 3 rd , 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	Enter the date the application for subordination was completed.

Item No./ Fld Name	Instruction
Date of Complete Application	
3(a) and (b)	Enter the FBP credit presentation title (a) and date (b)