

FSA-2026 (proposal 3) **U.S. DEPARTMENT OF AGRICULTURE** Farm Service Agency **Position 2**

PROMISSORY NOTE

| | | | |
|-----------------------|--------------|--|-----------|
| 1. Name | | 2. State | 3. County |
| 4. Case Number | 5. Fund Code | 6. Loan Number | 7. Date |
| 8. TYPE OF ASSISTANCE | | 9. ACTION REQUIRING PROMISSORY NOTE: <input type="checkbox"/> Initial loan <input type="checkbox"/> Rescheduling <input type="checkbox"/> Subsequent loan <input type="checkbox"/> Consolidation <input type="checkbox"/> Conservation easement <input type="checkbox"/> Re-amortization <input type="checkbox"/> Amortized Shared Appreciation <input type="checkbox"/> Deferred payments <input type="checkbox"/> Debt write-down | |

10. FOR VALUE RECEIVED, the undersigned Borrower ("Borrower") and any cosigners jointly and severally promise to pay to the order of the United States of America, acting through the Farm Service Agency, United States Department of Agriculture ("Government"), or its assigns, at its office in (a) _____ or at such other place as the Government may later designate in writing, the principal sum of (b) _____ dollars (c) (\$ _____), plus, interest on the

unpaid principal balance at the **RATE** of (d) _____ percent (e) _____ (%) per annum. If this note is for a Limited Resource loan (indicated in Item 8) the Government may **CHANGE THE RATE OF INTEREST** in accordance with its regulations, by giving the Borrower thirty (30) days prior written notice by mail to the Borrower's last known address. The new interest rate shall not exceed the highest rate established in the Government's regulations for the type of loan indicated in Item 8. The interest rate may be modified to non-program (NP) rates under Item 22.

11. Principal and interest shall be paid in (a) _____ installments as indicated below, except as modified by a different rate of interest on or before the following dates:

| (b) Installment amount | (c) Due Date | (b) Installment amount | (c) Due Date |
|------------------------|--------------|------------------------|--------------|
| \$ | | \$ | |
| \$ | | \$ | |
| \$ | | \$ | |
| \$ | | \$ | |

in the amount (d) \$ _____ thereafter on the (e) _____ of each (f) _____ until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable (g) _____ years from the date of this note, and except that prepayments may be made as provided below. The consideration for this note shall also support any agreement modifying the foregoing schedule of payments. Loan terms may be modified to NP terms under Item 22.

12. If the total amount of the loan is not advanced at the time of loan closing, the loan funds shall be advanced to the Borrower as requested by the Borrower and approved by the Government. Approval by the Government will be given, provided the advance is requested for a purpose authorized by the Government. Interest shall accrue on the amount of each advance from the actual date disbursed.

Initial _____ Date _____

13. Any amount advanced or expended by the Government for the collection of this note or to preserve or protect any security for the loan or otherwise expended under the terms of any security agreement or other instrument executed in connection with the loan evidenced by this note shall, at the option of the Government, become a part of and bear interest at the same rate as the principal of the debt evidenced by this note and be immediately due and payable by the Borrower to the Government without demand.

14. Every payment made on any indebtedness evidenced by this note shall be applied according to priorities set in 7 CFR Part 765, or any successor regulation.

15. Prepayment 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 note.

16. Property constructed, improved, purchased, or refinanced in whole or in part with the loan evidenced by this note shall not be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. Unless the Government consents otherwise in writing, the Borrower will operate such property as a farm.

17. If "Debt Write-Down," "Consolidation," "Rescheduling," or "Re-amortization" is indicated in Item 9, this note is given to consolidate, reschedule or re-amortize, but not in satisfaction of, the unpaid principal and interest on the following described notes or assumption agreements under new terms:

| (a) FUND CODE/ LOAN NO. | (b) FACE AMOUNT | (c) INTEREST RATE | (d) DATE (MM-DD- YYYY) | (e) ORIGINAL BORROWER | (f) LAST INSTALL. DUE (MM-DD-YYYY) |
|----------------------------------|--------------------|-------------------------|---------------------------------|--------------------------|---|
| | \$ | % | | | |
| | \$ | % | | | |
| | \$ | % | | | |
| | \$ | % | | | |
| | \$ | % | | | |
| | \$ | % | | | |
| | \$ | % | | | |

18. Security instruments taken in connection with the loans evidenced by these described notes and other related obligations are not affected by this consolidation, write-down, rescheduling, or re-amortization. These security instruments shall continue to remain in effect and the security given for the loans evidenced by the described notes shall continue to remain as security for the loan evidenced by this note, and for any other related obligations.

19. 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 note 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 loan represented by this promissory note was converted to a NP loan or made to the Borrower as a Conservation Loan.

20. The Borrower recognizes that the loan described in this note will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity as provided in 7 CFR Part 12 and to any successor regulation.

Initial _____ Date _____

21. Failure to pay when due any debt evidenced by this note or perform any covenant of agreement under this note shall constitute DEFAULT under this and any other instrument evidencing a debt of the Borrower owing to the Government or securing or otherwise relating to such debt; and default under any such other instrument shall constitute default under this note. Upon such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable or, if the default is solely based on a failure to comply with the requirements of Item 19, convert all loans to NP rates and terms under Item 22.

22. For Borrowers who fail to comply with the requirements of Item 19, the Government, at its option, may convert the loan rates and terms described in this note to NP rates and terms. The interest rate will be the NP rate in effect at the time of default. The NP terms will be the lesser of: (i) the term remaining for this note, (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 19 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 19 have defaulted on their loan agreements as indicated in Item 21, which may impact future loan making and servicing applications, including Primary Loan Servicing and Homestead Protection.

23. This note is given as evidence of a loan to the Borrower made by the Government pursuant to the Consolidated Farm and Rural Development Act and for the type of loan as indicated in Item 8. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions of this note.

24. Presentment, protest, and notice are waived.

Signature(s) As Described In State Supplement:

25. Addendum for Deferred Interest (See page 8 of instructions)

Initial _____ Date _____

Privacy Act Statement: The following statement 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 Direct Loan Making (7 C.F.R. Part 764), Direct Loan Servicing-Regular (7 C.F.R. Part 765), Direct Loan Servicing-Special (7 C.F.R. Part 766), the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to establish the Borrower's agreement to the terms and conditions for obtaining the requested FSA Farm Loan Programs benefits. The information collected on this form may be disclosed to other Federal, State, 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 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 of the requested FSA Farm Loan Programs benefits.

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 0560-0237 and 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 askusda@usda.gov OMN NO. 0560-0237).

Non-Discrimination Statement: In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

Initial _____ Date _____