

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 only
Signatures Required: Borrower(s)	
Distribution of Copies: The Original of the form is retained in the County Office.	
Automation-Related Transactions: DLS, FBP	

The borrower, with assistance of the agency, completes Part A, Items 1 – 14.

***Note:** Minor revisions to this document during processing may be initialed and dated as appropriate in lieu of submitting a new FSA-2062*

For new direct FLP loans, FSA-2001 is also required. All check boxes and signatures are required on both forms. Application documents provided on FSA-2001 do not need to be duplicated for FSA-2062.

Part A – Borrower Request

Item	Instruction
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) Name of Loan Officer Contact	Enter the name of the Loan Officer Contact
1(d) Phone Number/email	Enter the phone number /email of Loan Officer Contact
1(e) Enter Amount of Subordination	Enter the Amount subordination request.
1(f) Enter Proceeds	Enter proceeds from the subordination and how they will be used.
1(g) Legal Description	Enter the legal description of security be subordinated.

Item	Instruction
2A Security	Enter a brief description of the security property which will be 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-2062. Note: Enter information pre-subordination.
2B Name of Lienholder(s)	Enter the name of any lienholders, including FSA in the order of lien priority. Note: Enter information pre-subordination.
2C Approximate Amount of Lien	Enter the approximate amount of each lien. Note: Enter information pre-subordination.
2D Lien priority	Enter the lien priority of each lien – 1 st , 2 nd , 3 rd , etc. Note: Enter information pre-subordination.
3 Complete application for subordination of FSA security to a commercial lender	Optional - May use as a checklist. Note: Written request or confirmation from the lender is not required for a complete application, but FSA should collaborate with the lender to review the subordination request. Additional information may be requested if needed in order to complete an analysis for an operational review, under 4 FLP part 2

Part B – Notifications, Certifications and Acknowledgement

Item	Instruction
1 – 6 Description	Check "YES" or "NO" to each of the eight questions.
7 Additional Answers	If "YES" was checked in any of the nine certification questions, enter an explanation.
8 – 12 Information	Read

Part C – Certification and Signatures

Item	Instruction
1A – 5A Signature of Individual Applicant, Spouse or Entity Member	Enter the signatures of all liable parties
1B – 5B Capacity	Indicate capacity of each signature.
1C – 5C Date Signed	Enter the date signed.

Part D – FSA Use Only Approval- To be completed by the agency

Item	Instruction
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) Title/Date	Enter the FBP credit presentation title (a) and date (b)