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(See Page 3 for Privacy Act and Paperwork Reduction Act Statements.)

FSA-2242
(11-30-23)

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

ASSIGNMENT OF GUARANTEE

PART A - BACKGROUND INFORMATION

1. Lender's Name and Mailing Address	2. Agency's Name and Mailing Address
3. Holder's Name, Mailing Address and Email Address	4. Borrower's Name 5. Loan Type ☐ FO ☐ OL ☐ CL 6. Case Number: A. State Cd. / B. County Cd. / C. Borrower's ID No. 7. Original Loan Amount $ 8. Date Promissory Note Executed 9. Amount of Principal Outstanding (a) $ _ (b) As of Date:

10. The United States of America, acting through the Farm Service Agency (Government), entered into a loan guarantee using FSA-2235/FSA-1980-27,or predecessor RD-449-34 or earlier version of the Agency loan guarantee with the lender. This loan has been issued with (a) _____ % guarantee. The holder agrees to purchase, and the lender assigns (b) _____ % of the guaranteed portion of the loan representing *(c)* $ _____ of such loan now outstanding according to the conditions in this agreement.

11. **SERVICING FEE:** The lender will retain a servicing fee of: *(a)* $ _____ or *(b)* _____ %.

Copies of the following are attached:

- FSA-2235/FSA-1980-27, "Loan Guarantee," or predecessor RD-449-34, "Loan Note Guarantee," or earlier versions of the Agency's guaranteed document.

- Promissory Note.

PART B - LENDER CERTIFICATION: The Lender certifies or agrees that:

1. Guarantee Fee	It has paid any required guarantee fee to the Government in exchange for the issuance of the loan guarantee.
2. Knowledge of Borrower Prepayment	It has no knowledge or information, through the exercise of reasonable diligence, that would indicate the likelihood of default or prepayment.
3. Payment Funds	In the event of prepayment, any funds will be either the borrower's own funds, or funds borrowed by the borrower pursuant to a separate transaction, and the prepayment is in accordance with the loan documents.
4. Servicing Responsibilities	It will be responsible for servicing the entire loan and will remain mortgagee and secured party of record.
5. Loan Security	The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan.
6. Remitting Payments	It will receive all payments of principal or interest (including any loan subsidy) and will promptly remit to the holder the holder's pro rata share determined according to the respective interests, in the loan, as agreed by the holder and lender.

PART C - REPURCHASE OF LOAN FROM HOLDER:

1. Lender Repurchase	The lender acknowledges that it has no authority to unilaterally repurchase the guaranteed portion from the holder without written concurrence from the Government. Lender may repurchase only as provided in this agreement and 7 C.F.R. Part 762.
2. Repurchase for Servicing Purposes	Lender may repurchase the loan to restructure loan payments or other servicing actions. If the borrower's ability to remain in business is directly dependent upon a change in the provisions relating to the borrower's installment payments, the Government may permit the lender to repurchase the guaranteed interest from the holder if all of the following conditions exist: a. Lender has submitted a written request to Government for concurrence providing justification for repurchase. b. The change in terms and conditions are to the borrower's benefit. c. The lender must change the loan terms and conditions if repurchased.
3. Government Repurchase for Servicing Purposes	If the lender does not repurchase the loan, Government at its option may purchase the guaranteed portions of the loan for servicing purposes.
4. Holder Demand for Repurchase	The holder will have the right to demand repurchase, in either of the circumstances below. The holder will notify the Government when circumstances exist that would give them the right to demand repurchase. The amount repurchased will be equal to the unpaid guaranteed portion of the principal and interest less lender's servicing fee. a. The borrower is in default not less than 60 days on principal or interest due on the loan; or, b. The lender has failed to remit to the holder the holder's pro rata share of any payment made by the borrower or the Agency.
5. Process for Holder to Demand Repurchase	a. To demand repurchase, the holder will send a letter to the lender with a copy to the Government demanding repurchase of the loan. b. The lender will repurchase the guaranteed portion if desired or if necessary to facilitate servicing of the loan such as the application of interest assistance, or to restructure the terms of a defaulted loan when the holder will not agree to the change. c. The lender will accept an assignment without recourse from the holder upon repurchase.
6. Government Repurchase	If the lender does not repurchase the loan, the holder must inform the Government that demand was made on the lender and the lender refused. Following the lender's refusal, the holder may continue as holder of the loan or demand that the Government purchase the guaranteed portion. If the holder demands Government purchase, the Government will pay the holder within 30 days when both the lender and holder agree on the repurchase amount. The Government will only pay interest that accrues up to 90 days after the holder has demanded repurchase by the lender. However, if the holder requested purchase by the Government within 60 days of the request to the Lender and for any reason not attributable to the holder and the lender, the Government cannot make payment within 30 days of the holder's demand to the Government, the holder will be paid interest to the date of the payment. The Government may purchase the guaranteed portion from the holder for servicing at any time at its option. When the Government purchases the guaranteed portion, the holder will re-assign the assignment of guarantee to the Government without recourse.
7. Lender Obligations for Government Repurchase	a. Lender consents to the purchase by the Government and agrees to furnish on request by Government a current statement certified by an appropriate authorized officer of the lender of the unpaid principal and interest then owed by the borrower on the loan and the amount then owed to any holder. Any discrepancy between the amount claimed by the holder and the information submitted by the lender must be resolved before payment will be approved. Such a conflict will suspend the running of the 30 day payment requirement. b. Lender agrees that any purchase by Government does not change, alter or modify any of the lender's obligations to Government arising from said loan or guarantee, nor does it waive any of Government's rights against lender and that Government has the right to set off against lender all rights inuring to Government as the holder of this instrument against Government's obligation to the lender under the loan guarantee.

PART D - GOVERNMENT NOTICES TO HOLDER AND LENDER	
1. Guarantee Fee	Government has received any required guarantee fee for issuance of the guarantee.
2. Lender Regulatory Obligations	Holder will succeed to all rights of the lender under the loan guarantee to the extent of the assigned portion of the loan. The lender, however, will remain bound by all obligations under the loan guarantee and the regulations found in 7 C.F.R. Part 762 now in effect and future regulations not inconsistent with the provisions of this agreement.
3. Full Faith and Credit	The loan guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which the holder has actual knowledge at the time of this assignment or which it participates in or condones.
4. Lender Reimbursement to Government	Nothing contained herein shall constitute any waiver by the Government of any rights it possesses against the lender. The lender agrees to promptly reimburse the Government for any payment to a holder in accordance with 7 C.F.R. Part 762 which, if such lender had held the guaranteed portion of the loan, Government would not be required to make.
PART E - HOLDER CERTIFICATION	
Certification	If necessary, the holder will join to institute foreclosure action, or in lieu of foreclosure, take a deed of conveyance.
PART F - HOLDER RIGHTS	
1. Right to Require Repurchase	The guarantee and right to require purchase will be directly enforceable by the holder notwithstanding any fraud or misrepresentation by the lender or any unenforceability of the loan guarantee by the lender.
2. Reassignment	The holder, upon written notice to Government and the lender, may reassign the unpaid guaranteed portion of the loan it holds. Upon such notification, the assignee will succeed to all rights and obligations of the holder hereunder.

PART G - SIGNATURES	
1. Lender's Representative Name *(print)*	2. Title *(print)*
3. Lender's Representative Signature	4. Date
5. Agency Official's Name *(print)*	6. Title *(print)*
7. Agency Official's Signature	8. Date
9. Holder's Representative Name *(print)*	10. Title *(print)*
11. Holder's Representative Signature	12. Date

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