

FSA-2361-B TX
(XX-XX-XX)

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

Position 1

**SUBORDINATION, NONDISTURBANCE AND
FORECLOSURE AGREEMENT**

WHEREAS the undersigned is the owner and holder of a prior lien on certain chattels of (a) _____

(hereinafter called "Borrower") in (b) _____

County, Texas, by virtue of a certain security instrument perfected by a financing statement filed for record on

(c) _____ in Financing Statement Records of Secretary of State of
Texas (herein called "Prior Lien"), and

WHEREAS Borrower has applied to the United States of America, acting by and through the United States
Department of Agriculture, Farm Service Agency, (herein called "Government") for a loan in the amount of

(d) _____, and

WHEREAS said loan will be secured by a lien on all or a part of the chattels described in the Prior Lien, and

WHEREAS the Government will not consummate said loan unless or until the undersigned executes this agreement,

NOW, THEREFORE, in consideration of the above, the undersigned does hereby covenant and agree for himself, his
heirs, executors, administrators, successors and assigns:

1. If said Prior Lien contains a clause intended to secure future advances to Borrower, the undersigned hereby subordinates any right to make future advances under such clause to the lien granted or to be granted by Borrower to the Government. It is specifically understood and agreed this instrument shall not be construed as a subordination of the Prior Lien except to the extent of the rights, if any, contained in said Prior Lien to make future advances. This agreement is not applicable to advances made by the undersigned necessary to preserve the security.
2. The undersigned hereby agrees not to repossess or otherwise disturb the possession of the property by the Borrower until one year from the date of the loan by the Government without obtaining prior written consent from the Government.
3. If after one year from the date of the loan by the Government should the undersigned, pursuant to the powers contained in the Prior Lien, foreclose or otherwise dispose of the chattel property on which the Government holds a junior or inferior lien, the undersigned agrees to give the Government written notice of the commencement of such foreclosure or disposition, which notice shall be delivered or forwarded by registered mail addressed to the Farm Service Agency, P.O. Box 2900, College Station, TX 77841, within three days from the date of commencement of such foreclosure or disposition. In addition, the undersigned agrees that upon such foreclosure or disposition of proceeds thereof, after application to expenses and the secured indebtedness of the undersigned as provided in the Business and Commerce Code, be paid to the Government the same as if written demand had been made by the Government pursuant to the Business and Commerce Code.

(e) EXECUTED AND DELIVERED THIS _____ DAY OF _____, 20 ____.

(f) Name

(g) Title

(h) Signature***(i)* ACKNOWLEDGEMENT**

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 the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1921 et. seq.). The information will be used to determine applicant/borrower ability to participate in and receive benefits under an FSA Loan Program. 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 determination that the applicant/borrower is unable to participate in and receive benefits under an FSA Loan Program.

Public Burden Statement (Paperwork Reduction Act): According to the Paperwork Reduction Act of 1995, 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. The time required to complete this information collection is estimated to average 30 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 by emailing to: askusda@usda.gov. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

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