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(See Page 3 for Privacy Act and Public Burden Statements)

FSA-2025

(07-01-11)

U.S. DEPARTMENT OF AGRICULTURE

Farm Service Agency

Position 4

**NOTICE OF APPROVAL, TERMS AND CONDITIONS
AND
BORROWER RESPONSIBILITIES**

Date

[Borrower's Name]
[Borrower Name/Address]
[Borrower Address]
[City, State, Zip Code]

Your Farm Service Agency (FSA) (loan assumption request or Shared Appreciation Agreement Amortization, as applicable) was approved on [Date of approval]. To get this loan, you must accept the terms and conditions and meet the requirements set out in this letter.

Please read this letter carefully. Within 15 business days from the date of this letter, you must complete Part D, and return the letter to the local FSA office. **If you do not return this letter within 15 business days, your application will be withdrawn.**

The basic terms and conditions and borrower responsibilities are set forth in this letter; however, the letter is not intended to cover all terms and responsibilities. The documents you will sign at closing will specify all the binding loan terms, conditions and requirements. You must sign an assumption or amortization agreement and security instruments incorporating these and other necessary, usual, and customary terms before the loan will be closed. You must comply with all applicable laws and regulations for the farm loan. Subject to those qualifications, the terms and conditions are:

Part A - Terms and Conditions

1) **Amount** - The [Enter assumption or amortization] will be in the amount of \$ [Enter amount].

2) **Purpose**:

[Enter purpose(s) and amounts.]

3) **Interest Rate** – Your [Enter assumption or amortization] was approved at an interest rate of [Enter interest rate] percent. The interest rate actually charged will be the lower of this rate or the rate in effect at the time of closing. The non program rate is that rate in effect at approval.

4) **Term** - The term of the loan will be [Enter number as months or years].

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, 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, audiotape, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). 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, Mail Stop 9410, 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.

5) **Collateral** – The following collateral is required:

[Describe the security to be taken and lien position required.]

6) **Insurance** – Prior to closing you must obtain, and maintain for the life of the loan, hazard, crop, and flood or mudslide insurance coverage, as applicable, for any collateral securing the loan, in accordance with agency regulations. If you have questions about insurance requirements, please contact this office.

7) **Expiration** - This approval remains effective until the assumption or amortization is closed, material changes occur, or your application is withdrawn. You must report any material changes, financial or otherwise, that occur prior to closing. A material change is any change that could affect your eligibility for the loan or your ability to repay the loan. The loan closing and release of loan funds are subject to you and FSA agreeing upon all terms and conditions to be contained in the documentation required for the loan, including loan agreements, and security instruments.

8) **Additional Requirements and Comments**

[Enter any closing requirements, comments, etc.]

Part B - Borrower Responsibilities

When you have an FSA loan, you have certain responsibilities as an FSA borrower. Violation of any of these responsibilities may result in denial of further FSA assistance, and could cause your loan to be accelerated. This includes an intentional delinquency to obtain debt restructuring.

1) **Changes in Operation** – FSA approved your application based on facts you supplied about your operation. If any changes occur in your operation, you should notify your FSA Service Center immediately.

2) **Recordkeeping** - Keep accurate, up to date records of income and expenses for family living and farm operating expenses. You will promptly provide all information and records to FSA when requested to do so.

3) **Releases and Sales** – If the loan is secured by crops, livestock, or machinery, the FSA-2040 “Agreement and Record of the Disposition of FSA Security/Release of Proceeds,” which you signed is the agreement between FSA and you which explains what sales you plan to make, approximately when, and to whom those sales will be made, and how the proceeds from those sales will be used. You must inform FSA if you deviate from this plan by selling to other parties or plan to use the proceeds differently. This agreement is usually updated on an annual basis and you must cooperate with FSA to complete any new agreements.

4) **Payments** - Payments are due as agreed upon in the assumption or amortization agreement. It is essential that payments be made on time. Extra payments are encouraged whenever possible.

5) **Security** - The loan is secured by a Financing Statement, Security Agreement, real estate mortgage, or other security instruments (depending upon the type of loan security). These instruments give FSA a valid lien on crops, chattels, land, etc., as applicable. You must maintain and protect the FSA security in a responsible manner and promptly report to FSA any losses or other changes in the security. You are also responsible for paying any fees to file or continue the security instrument filings.

6) **Graduation** – FSA does not replace conventional credit. FSA credit is available to you only until such time as conventional credit is available to finance your needs. When, in accordance with Agency regulations and agreements, it appears that you may obtain credit at rates and terms then prevailing in the area and on terms you can reasonably be expected to meet, you will be required to apply for, and if approved by the lender, accept a loan sufficient to pay the balance of the FSA debt in full. The provisions of this paragraph do not apply to Non Program assumptions, shared appreciation amortizations, or Conservation Loans.

Part C - Agency Approval

A copy of this approval notice is enclosed for your records. Remember, if you do not return this notice within 15 business days, your application will be withdrawn.

For more information or if you have any questions, please contact (1) [this office or the specific office name] at (2) [County Office Address] or telephone (3) [phone number].

4A. Authorized Agency Official Name	4B. Signature	4C. Title
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Part D - Certification and Acceptance

I certify that the information provided with the application is true, complete, and correct to the best of my knowledge and is provided in good faith. (Warning: Section 1001 of Title 18, United States Code, provides for criminal penalties to those who willfully provide false statements to the Government. If any information is found to be false or incomplete, such finding may be grounds for denial of the requested action.)

I have ☐ read and agree to the terms and conditions and borrower responsibilities in this letter.

I have ☐ read and do not agree with all of the terms and conditions and borrower responsibilities in this letter and would like to meet to discuss my concerns.

1A. Borrower's Name	1B. Signature	1C. Date
2A. Borrower's Name	2B. Signature	2C. Date
3A. Borrower's Name	3B. Signature	3C. Date
4A. Borrower's Name	4B. Signature	4C. Date

NOTE: 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 eligibility and feasibility for loans and loan guarantees, and servicing of loans and loan guarantees. 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 denial for loans and loan guarantees, and servicing of loans and loan guarantees. The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

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 0560-0236. The time required to complete this information collection is estimated to average 10 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. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**