

Request for Nonsubstantive Change

ICR 0560-0230

ICR 0560-0236

July 28, 2026

FSA DAFLP - LSPMD conducted a review of FSA-2062, and Instructions. This is a request for approval of nonsubstantive changes.

The changes include terminology and instructions which are being made to align the form with corresponding policy changes that will simplify and streamline the subordination process. The changes do not affect response time and burden.

FORM: FSA-2062 "Application for Subordination of Security for Commercial Credit" (5 Changes)

Change 1: Changes to Part A, Item 1 "Borrower Request"

CURRENT

PART A BORROWER REQUEST	
1. The undersigned (a) _____ _____ ("Borrower") in accordance with the terms of the security instruments now held by the United States, acting through U.S. Department of Agriculture, Farm Service Agency (called "Government") on the property, applies for a subordination.	
(b) Name of lender receiving proposed subordination	(c) Amount of subordination requested
(d) Proceeds from the subordination will be used as follows: _____ _____	
(e) Legal description of security to be subordinated (<i>attach description if more space needed</i>) _____ _____ _____	

CHANGE

FSA-2062 (Proposal 4)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency		OMB Approval No. 0560-0236 Expiration Date: XX/XX/XXXX	Position 5
APPLICATION FOR SUBORDINATION OF SECURITY FOR COMMERCIAL CREDIT					
PART A – BORROWER REQUEST					
1. The undersigned (a)					
("Borrower") in accordance with the terms of the security instruments now held by the United States, acting through U.S. Department of Agriculture, Farm Service Agency (called "Government") on the property, applies for a subordination.					
(b) Name of lender receiving proposed subordination					
(g) Loan Interest Rate and Terms					

1. Changed "(c) Amount of subordination requested" to "(c) Name of Loan Officer Contact"
2. Changed "(d) Proceeds from the subordination will be used as follows:" to "(d) Phone number/email"
3. Changed "(e) Legal description of security to be subordinated (attach description if more space needed)" to "(e) Amount of subordination requested"
4. Moved "(c) Amount of subordination requested" to "(e) Amount of subordination requested"
5. Moved "(d) Proceeds from the subordination will be used as follows:" to "(f) Proceeds from the subordination will be used as follows:"
6. Added (g)"Loan Interest Rates and Terms"
7. Moved "(e) Legal description of security to be subordinated (attach description if more space needed)" to "(h) Legal description of security to be subordinated (attach description if more space needed)"

Change 2: Shortened Part A Item 2 to 11 fillable rows

CURRENT

2. For security to be subordinated, name of lienholder, approximate amount of each lien, including FSA in the order of lien priority:			
A. Security	B. Name of Lienholder(s)	C. Approximate Amount of Lien	D. Lien Priority
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

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2. For security to be subordinated, name of lienholder, approximate amount of each lien, including FSA in the order of lien priority:

A. Security	B. Name of Lienholder(s)	C. Approximate Amount of Lien	D. Lien Priority
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Change 3: Changes to Part A, Item 3

CURRENT

3. Complete application for subordination of FSA security to a commercial lender:

With subordinations, FSA and the lender essentially partner in providing joint financing to you and share applicable financial and loan information.

FSA may accept the following items from you, or directly from the lender who may submit documents on your behalf, to support subordination requests using this form:

- ☐ written request or confirmation (e-mail) from the lender detailing the loan rate, term, purposes, security requirements, and what the lender specifically needs from FSA
- ☐ current financial statement from the borrower and all entity members or FSA-2037(s)
- ☐ the farm's operating plan, including a projected cash flow budget reflecting production, income, expenses, and debt repayment plan or FSA-2038
- ☐ loan agreements or other documentation outlining the approval, loan advance, and closing requirements
- ☐ copies of appraisals used by the lender (if necessary, FSA may obtain its own appraisal)
- ☐ copies of any construction and/or environmental documents, title opinions, and/or lien search used by the lender
- ☐ copy of credit report used by the lender. FSA will order credit report for you if necessary.
- ☐ Verification of nonfarm income such as 2 recent earnings statements or last year's tax forms
- ☐ AD-1026

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3. Complete application for subordination of FSA security to a commercial lender:

With a subordination, FSA and the lender essentially partner in providing joint financing to you. In addition to this application, FSA must receive the following items from you:

- ☐ [REDACTED]
- ☐ [REDACTED]
- ☐ [REDACTED]

1. Changed "With subordinations, FSA and the lender essentially partner in providing joint financing to you and share applicable financial and loan information. FSA may accept the following items from you, or directly from the lender who may submit documents on your behalf, to support subordination requests using this form:" to "With a subordination, FSA and the lender essentially partner in providing joint financing to you. In addition to this application, FSA must receive the following items from you:"
2. Removed "written request or confirmation (e-mail) from the lender detailing the loan rate, term, purposes, security requirements, and what the lender specifically needs from FSA"
3. Changed "current financial statement from the borrower and all entity members or FSA-2037(s)" to "Current financial statement from the borrower and all entity members on FSA-2037(s) or other similar format"
4. Removed "the farm's operating plan, including a projected cash flow budget reflecting production, income, expenses, and debt repayment plan or FSA-2038"
5. Removed "loan agreements or other documentation outlining the approval, loan advance, and closing requirements"
6. Removed "copies of appraisals used by the lender (if necessary, FSA may obtain its own appraisal)"
7. Removed "copies of any construction and/or environmental documents, title opinions, and/or lien search used by the lender"
8. Removed "copy of credit report used by the lender. FSA will order credit report for you if necessary."
9. Added "Verification of all debts. You may provide a copy of the credit report being used by the lender or FSA will obtain its own credit report for you. If debts in excess of \$5,000 are not shown on the credit report, you will be requested to provide another type of verification."
10. Removed "Verification of nonfarm income such as 2 recent earnings statements or last year's tax forms"

Change 4 – Changes to Part B, “Notifications, Certifications, and Acknowledgement”

CURRENT

	YES	NO
1. Are you currently or have you ever, and in the case of an entity any member of the entity, conducted business under any other name? If "YES," list names in Item 10.	☐	☐
2. Have you ever, or in the case of an entity any member of the entity, obtained a direct or guaranteed farm loan from FSA or Farmers Home Administration?	☐	☐
3. If Item 2 is "YES," did you receive any debt forgiveness through write-down, write-off, compromise, adjustment, reduction, charge-off, paying a loss on a guarantee, or bankruptcy? If "YES," provide details in Item 10.	☐	☐
4. Are you, or in the case of an entity any member of the entity, delinquent on any Federal debt or have any outstanding Federal judgments? If "YES," provide details in Item 10.	☐	☐
5. Are you, or in the case of an entity any member of the entity, involved in any pending litigation? If "YES," provide details in Item 10.	☐	☐
6. Have you, or in the case of an entity any member of the entity, ever been in receivership, discharged in bankruptcy, or filed a petition for reorganization in bankruptcy? If "YES," provide details in Item 10.	☐	☐
7. Are you, or in the case of an entity any member of the entity, an FSA employee or related to or closely associated with an FSA employee? If "YES," provide details in Item 10.	☐	☐
8. Are you now or have you ever, operated a farm? If "YES," provide number of years and details in Item 10.	☐	☐
9. Have you, or any entity members if applicable, ever been: (If "YES", provide details in Item 10)		
(a) Convicted under any Federal or State law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance within the previous 5 crop years? (See the Food Security Act of 1985, Pub. Law. 99-198)	☐	☐
(b) Determined ineligible for Federal benefits based on a conviction for the distribution of controlled substances or any offense involving the possession of a controlled substance under 21 U.S.C. 862?	☐	☐
(c) Determined ineligible for Federal benefits based on Federal Crop Insurance Corporation fraud? (See 7 U.S.C. 1515)	☐	☐
10. Additional answers. Write the Item number to which each answer applies. If you need additional space, use sheets of paper the same size as this page and write the applicant's name on each additional sheet.		

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Description	YES	NO
1. Are you currently or have you ever (or in the case of an entity, any member of the entity), conducted business under any other name? If "YES," list names in [redacted]	☐	☐
2. Are you (or in the case of an entity, any member of the entity), delinquent on any Federal debt or have any outstanding Federal judgments? If "YES," provide details in [redacted]	☐	☐
3. Are you (or in the case of an entity, any member of the entity), involved in any pending litigation? If "YES," provide details in [redacted]	☐	☐
4. Have you (or in the case of an entity, any member of the entity), ever been in receivership, discharged in bankruptcy, or filed a petition for reorganization in bankruptcy? If "YES," provide details in [redacted]	☐	☐
5. Are you (or in the case of an entity, any member of the entity), an FSA employee or related to or closely associated with an FSA employee? If "YES," provide details in [redacted]	☐	☐
6. Have you, or any entity members, if applicable, ever been: (If "YES", provide details in [redacted])		
(a) Convicted under any Federal or State law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance within the previous 5 crop years? (See the Food Security Act of 1985, Pub. Law. 99-198)	☐	☐
(b) Determined ineligible for Federal benefits based on a conviction for the distribution of controlled substances or any offense involving the possession of a controlled substance under 21 U.S.C. 862?	☐	☐
(c) Determined ineligible for Federal benefits based on Federal Crop Insurance Corporation fraud? (See 7 U.S.C. 1515)	☐	☐
7. Additional answers. Write the Item number to which each answer applies. If you need additional space, use sheets of paper the same size as this page and write the applicant's name on each additional sheet.		

1. Changed "Item 10" to "Item 7" in Part B. #1
2. Removed "Have you ever, or in the case of an entity any member of the entity, obtained a direct or guaranteed farm loan from FSA or Farmers Home Administration?"
3. Removed "If Item 2 is "YES," did you receive any debt forgiveness through write-down, write-off, compromise, adjustment, reduction, charge-off, paying a loss on a guarantee, or bankruptcy? If "YES," provide details in Item 10."
4. Changed "Item 10" to "Item 7" in Part B #2
5. Changed "Item 10" to "Item 7" in Part B #3
6. Changed "Item 10" to "Item 7" in Part B #4
7. Changed "Item 10" to "Item 7" in Part B #5
8. Changed "Item 10" to "Item 7" in Part B #6
9. Renumbered 4,5,6,7,8,9,10,11,12,13,14,15 to 2,3,4,5,6,7,8,9,10,11,12.

Change 5 – Changes to Part C “Certification and Signatures”

CURRENT

PART C CERTIFICATION AND SIGNATURES

I understand that until FSA executes a separate written instrument for subordination FSA's approval of this application will merely constitute and evidence FSA's consent, as lienholder, to the proposed transaction without in any way subordinating its liens, modifying the payment terms of my loans, or otherwise affect any FSA rights. If this application is approved, I agree to comply with such terms as may be set by FSA and to dispose of the proceeds as required.

I agree that none of the funds obtained as a result of this subordination will be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion of wetlands to produce an agriculture commodity as provided in 7 CFR part 12 or will adversely affect compliance with any of the environmental requirements of 7 CFR part 799.

The statements and representations made above are made in connection with the request for a subordination of the loan security. The making of any false statement or misrepresentations herein may be a crime punishable under the Title 18 U.S.C. 1001. I certify that the statements made are true, complete, and correct to the best of my knowledge and belief. Note: Whoever signs below should also initial and date each preceding page.

Additional pages should be added for additional signatures if needed.

CHANGE

PART C – CERTIFICATION AND SIGNATURES

sufficient cash inflows to pay for all cash outflow and supports repayment in full of the proposed commercial loan for which the subordination is requested.

I understand that until FSA executes a separate written instrument for subordination FSA's approval of this application will merely constitute and evidence FSA's consent, as lienholder, to the proposed transaction without in any way subordinating its liens, modifying the payment terms of my loans, or otherwise affect any FSA rights. If this application is approved, I agree to comply with such terms as may be set by FSA and to dispose of the proceeds as required.

I agree that none of the funds obtained as a result of this subordination will be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion of wetlands to produce an agriculture commodity as provided in 7 CFR part 12 or will adversely affect compliance with any of the environmental requirements of 7 CFR part 15.

The statements and representations made above are made in connection with the request for a subordination of the loan security. The making of any false statement or misrepresentations herein may be a crime punishable under the Title 18 U.S.C. 1001. I certify that the statements made are true, complete, and correct to the best of my knowledge and belief. Note: Whoever signs below should also initial and date each preceding page. Additional pages should be added for additional signatures if needed.

1. Added "I have worked with the lender to develop a cash flow budget or farm operating plan which shows that there is sufficient cash inflow to pay for all cash outflow and supports repayment in full of the proposed commercial loan for which the subordination is requested."
2. Changed "7 CFR part 799" to "7 CFR part 1b"