

For: State and County Offices

**Implementing the Farm Security and Rural Investment Act of 2002 (the Act)  
Emergency Loans for Seed Producers Program**

Approved by: Acting Deputy Administrator, Farm Loan Programs

*Alminda (Dee) Cole*

**1 Emergency Loans for Seed Producers Program**

**A**

**Background**

Section 10103 of the Act provides that the period of zero interest accrual on Emergency Loans for Seed Producers is extended from 18 months to 36 months.

**B**

**Purpose**

This notice provides the method for notifying producers with outstanding Emergency Loans for Seed Producers balances of the change. County Offices shall complete and send Exhibit 1 to each producer with an outstanding loan balance.

**C**

**Service Center  
Actions**

Execute Exhibit 1 for each loan closed. The acceptance signatures should include all parties that executed the original FSA-266.

Postage paid envelopes may be provided.

**D**

**Contact**

State Offices shall direct questions about this notice to Pat Elzinga, LMD at 202-720-3889.

<b>Disposal Date</b>	<b>Distribution</b>
July 1, 2003	State Offices; State Offices relay to County Offices

Letter to Producers With an Outstanding Loan Balance

\_\_\_\_\_ (Service Center Address)

\_\_\_\_\_ (Date)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (Borrower)  
\_\_\_\_\_  
\_\_\_\_\_ (Address)  
\_\_\_\_\_  
\_\_\_\_\_ (City, State, ZIP)

Dear \_\_\_\_\_,

Section 10103 of the Farm Security and Rural Investment Act of 2002, signed by President Bush on May 13, 2002, provides that the period of zero interest accrual on Emergency Loans for Seed Producers is extended from 18 months to 36 months. Farm Service Agency (FSA) is required to implement this change immediately. This letter is to inform you of the change and of the new terms of your Emergency Seed Producers loan with FSA. This change does not affect any other loans you may have with FSA. All other terms and conditions that you have previously agreed to by your signature on the closing documents for your Emergency Seed Producers loan remain in effect and will continue to remain unchanged.

Therefore, the FSA-2662, Promissory Note and Security Agreement, that you executed on \_\_\_\_\_ is amended as follows:

Part A - RATES AND TERMS

Interest Rate: The interest rate on the loan will be zero percent for 36 months or until the date of settlement of, completion of, or final disbursement of assets in the bankruptcy proceeding involving AgriBiotech, whichever comes first. Thereafter, interest will begin to accrue at the regular FSA farm operating loan-direct rate (available in any FSA county office).

Terms: The loan shall be due and payable upon the earlier of either 36 months from date of the execution of this Promissory Note and Security Agreement or the settlement of, completion of, or final distribution of assets in the bankruptcy proceeding involving AgriBiotech. However, any principal remaining thereafter will be amortized over a term of 7 years at the regular farm operating loan-direct interest rate in effect at that time.

The final due date of your loan will not exceed 120 months from \_\_\_\_\_ (enter date original FSA-2662 was executed), which is the date of your loan.

If you concur with this amendment, please sign below and return this letter to the address above. If you have any questions, please contact this office at \_\_\_\_\_.

Sincerely,

\_\_\_\_\_

ACCEPTED:

By: \_\_\_\_\_

**Note:** Add additional signatures lines if necessary.