

For: State and County Offices

Amortization of Suspended Shared Appreciation Agreement (SAA) Recapture

Approved by: Deputy Administrator, Farm Loan Programs



1 Interest Accrued by Suspended SAA Recapture

A

Background

Many accounts that had SAA recapture suspended according to FmHA Instruction 1951-S, section 1951.914(h), are currently coming to the end of the first 1-year term and must be considered for suspension renewal, payment, or amortization according to FmHA Instruction 1951-S, section 1951.914(h)(5).

B

Purpose

This notice ensures that interest accrued by the suspended SAA recapture is properly considered.

C

Contact

County Offices shall direct questions to the State Office. State Offices shall direct questions to Michael Cumpton, LSPMD at 202-690-4014.

D

Interest Calculation

Any interest accrued during the term of the SAA recapture suspension will **not** be capitalized. Interest accrued by the recapture amount during suspension will be divided equally among scheduled payments over the full term of the amortization and added to the amortized principal amount. If only a portion of the suspended recapture is amortized, only the pro-rata share of the accrued interest on the date of closing will be divided over the term of the amortization, and added to the amortized principal amount.

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| <p>Disposal Date</p> <p>June 1, 2001</p> | <p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p> |
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