

APPLICANT'S NAME: _____

PART II ITEMS REQUIRED FROM APPLICANTS FOR A COMPLETE APPLICATION

Date Received _____
By Whom _____
(Required for Subordinations)

- (1) Form FSA 410-1, "Request For Direct Loan Assistance," (Items 1, 22, 23, and 36 to be completed for subordination requests.)
- (2) Form RD 465-1, "Application For Partial Release, Subordination, Or Consent." **For real estate only.**
- (3) Letter from lender requesting the subordination with the specific amount, maturity date, and security to be subordinated identified.
- (4) A projection of income, expenses, and debt repayment on Form FmHA 431-2, "Farm and Home Plan."
- (5) Monthly cashflow statement for annual operating loans and others as needed.
- (6) If the lender's financial statement or cash flow budget are being utilized, obtain the borrower's signatures on all forms.
- (7) Form AD 1026A, attached to either Form AD 1026 or AD 1026-U and completed by FSA. Required only if changes have occurred on prior year's AD 1026 and 1026-U.
- (8) Form SCS-CPA-26, "Highly Erodible Land and Wetland Conservation Determination," completed by NRCS for HEL and wetlands referrals required by Form AD 1026A.

PART III FSA ACTION AFTER RECEIPT OF FORM FSA 410-1

Date Received _____
By Whom _____
(Required for Subordination Requests)

- (1) When Form FSA 410-1 is received, complete Item 28 Form FSA 410-1 and enter in MAC.
- (2) Check Item 21 of Form FSA 410-1 for identified relationship or association with FSA employees. For those identified sent Guide Letter 1900-D-2.
- (3) If all of the required application forms have NOT been received, send a letter similar to FmHA Guide Letter 1910-A-1 (20 day letter) (copy to DD) to the applicant and request forms and information needed within 10 days after receipt of an application.

PART IV FSA ACTIONS AFTER RECEIPT OF COMPLETED APPLICATION

After receipt of **ALL** completed forms and information required of the applicant are received application will be considered complete. FSA approval or disapproval should be given within 60 days of this date.

Date Received	By Whom	(Required for Subordination Requests)
_____	_____	(1) Document here the date of complete application and post this date into MAC and complete Item 28 B of Form FSA 410-1. <u>This is the date the last required document is received.</u> DATE OF COMPLETE APPLICATION: _____
_____	_____	(2) For Subordination of Chattel Security: If an existing appraisal exceeds 2 years or major changes have occurred, prepare Form FmHA 440-21, "Chattel Appraisal."
_____	_____	(3) For real estate subordinations, order a real estate appraisal or obtain one prepared for the lender if it complies with the requirements of the 1-FLP Handbook.
_____	_____	(4) Review and revise Form FmHA 431-2, "Farm and Home Plan," as needed with Applicant. Be sure it is complete, automated, signed, dated and contains key management practices and must be consistent with historical performance.
_____	_____	(5) Complete Form FmHA 1962-1, "Agreement For the Use of Proceeds/Release of Chattel Security." The period covered by the 1962-1 must match the period of Form FmHA 431-2, "Farm and Home Plan," and must be in ink. For chattel loans only.
_____	_____	(6) Real estate appraisal report received.
_____	_____	(7) Update the farm assessment regarding the subordination and compliance with the required subordination conditions.
_____	_____	(8) Include the suggested language immediately after numbered paragraph 3 on page 2 of Form FSA 460-2, "Subordination By The Government," (Rev. 03-19-03), "and in any event, is subject to a maximum limitation not to exceed \$_____." EXAMPLE: principal sum of the subordination = \$100,000, 6 months interest accrual at 6% = \$3,000, foreclosure costs = \$5,000; maximum limitation = \$108,000. Added language: "and in any event, is subject to a total limitation not to exceed \$108,000."
_____	_____	(9) Previously issued Form RD 460-2 (or Form RD 460-2), "Subordination By The Government," must be returned and marked paid in full.

CLOSING REQUIREMENTS

	Date Obtained	Check if Required
Amend or Continue Financing Statement (Secretary of State)	_____	()
Amend or Continue Financing Statement (County)	_____	()
UCC and EFS Lien Search (Secretary of State) required if a lien search is not currently in the file, or any time that crops are added.	_____	()
Brand Certificate, Bill of Sale	_____	()
Machinery Bill of Sale	_____	()
Preliminary Title Report	_____	()
Title Insurance (mortgagees policy)	_____	()
Insurance: Fire and extended coverage () Flood () Chattels () Other ()	_____	()
Form FmHA 426-2, "Property Insurance Mortgage Clause," or equivalent loss clause	_____	()
Form FSA 441-5, "Subordination Agreement" if required from other lienholders to FSA	_____	()
Form FmHA 441-10, "Non-disturbance Agreement"	_____	()
Form RD 460-2, "Subordination By The Government"	_____	()
Form FmHA 1927-1 OR, "Real Estate Mortgage" (on all real property and fixtures)	_____	()
Form RD 1927-4, "Transmittal of Title Information"	_____	()
Form RD 1927-5, "Affidavit Regarding Work of Improvement"	_____	()
Form FSA-OR 1927-5, "Subordination Agreement in Favor of the Government"	_____	()
Form RD 1927-15, "Loan Closing Instructions/Loan Closing Statement"	_____	()
Form RD 1924-2, "Description of Materials"	_____	()
Form FmHA 1924-3, "Service Building Specifications"	_____	()
Other:	_____	()
Other:	_____	()
Other:	_____	()

FOLLOW UP AFTER ISSUANCE OF THE SUBORDINATION

Post to Management System Application Processing Card.	_____	_____
Post and update MAC including follow-ups date for return of issued subordinations.	_____	_____