

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice FLP-945**

4-FLP, 5-FLP

**For:** State and County Offices**Guidance on FSA-2061 and FSA-2062****Approved by:** Acting Deputy Administrator, Farm Loan Programs**1 Overview****A Background**

In November 2023, LSPMD provided national Teams training on the new FSA-2061 and FSA-2062. Several questions and requests for clarification arose from the training.

**B Purpose**

This notice:

- provides answers and clarifies several questions from the training
- obsoletes Notice FLP-922.

**C Contacts**

If there are questions about this notice:

- County Offices will contact the State Office
- State Offices will contact either of the following:
  - Thomas Nii, Senior Loan Officer, LSPMD at [thomas.nii@usda.gov](mailto:thomas.nii@usda.gov)
  - Laura Fisher, Senior Loan Officer, LSPMD at [laura.fisher@usda.gov](mailto:laura.fisher@usda.gov).

**2 Suggested Form Revisions****A Recommended Revisions**

LSPMD received several questions, which prompted the need for further revisions to FSA-2061 and FSA-2062.

Disposal Date	Distribution
March 1, 2025 10-17-24	State Offices; State Offices relay to County Offices

**2 Suggested Form Revisions (Continued)**

**A Recommended Revisions (Continued)**

- For FSA-2061:
  - a request to remove “partial” from the title of the form as it is also used for releases of all security

**Response:** LSPMD has updated the title of the FSA-2061 to remove “partial”.

LSPMD has also provided clarification within the FSA-2061 form instructions. See the FSA-2061 and form instructions updated September 25, 2024.

- a request for clarity on which form to use for Subordination, Non-Disturbance, and Attornment (SNDA) agreements.

**Response:** LSPMD has updated the FSA-2061 and form instructions to add a new section(Part A, Item #1[c]) to specifically address SNDA agreements. See Exhibit 1 for a completed example for consent requests involving SNDA agreements.

- For FSA-2062, a request to add the following complete application requirements to the form:
  - Verification of Debts
  - Production Records
  - Lender Contact Information.

**Response:** LSPMD is working on updating the FSA-2062 and form instructions to address the verification of debts and lender contact information. Requests for production records has been clarified and addressed within the latest amendment to 4-FLP, subparagraph 23 A. See Exhibit 2 for examples on properly completing FSA-2062.

**2 Suggested Form Revisions (Continued)**

**B LSPMD Action**

LSPMD has also updated the FSA-2061 according to the following:

- Part A has been added and is designated for borrower requests affecting real estate security
- Part B has been added and is designated specifically for borrowers requesting the release of personal property security without monetary compensation
- Part C has been updated to consolidate certifications and signatures.

**Note:** Exhibit 1 examples have been updated for the new FSA-2061. A fifth example has been added to provide guidance on completing the new FSA-2061 for the release of personal property security without monetary compensation.

**3 Policy Clarifications for Both FSA-2061 and FSA-2062**

**A Q&A**

Q1: Is there a way to have a completed example of each form to show what is expected within each section of the form?

A1: See Exhibits 1 and 2.

Q2: Regarding both FSA-2061 and FSA-2062, are digital signatures acceptable from the applicant?

A2: According to 1-FLP, subparagraph 3 D, LSPMD does not require an original wet pen and ink signature and will accept a scanned email copy or FAXed copy of the borrower's signature on the form. In regard to digital signatures, borrowers must use a 2-factor authentication process and cannot type their name in generic font within the signature line.

Q3: Regarding both FSA-2061 and FSA-2062, why are complete application requirements different for each form?

A3: The forms are designed for 2 different purposes. The application for FSA-2061 is much simpler, as additional debt is not being incurred.

Q4: Could an online version of these forms be developed similar to the Online Loan Application (OLA)?

A4: DAFLP is evaluating all areas of FLP delivery that could potentially benefit from information technology modernization. As a part of this process, DAFLP is evaluating both routine and primary loan servicing, and the development of online versions of these forms is being considered.

**4 Policy Clarifications for FSA-2061**

**A Q&A**

Q1: There are many times that we receive subordination requests in relation to leases for wind farms, cell phone towers, transmission lines, etc. These requests are usually titled “Subordination, Non-Disturbance, and Attornment Agreement”. Which form do we use for these requests?

A1: 4-FLP, subparagraph 196 A states that FSA-2061 will be used for this purpose. As stated in subparagraph 2 A, LSPMD has updated the FSA-2061 and form instructions to add a new section (Part A, Item #1[c]) to specifically address SNDA agreements. Please also refer to Exhibit 1 for guidance, which provides a completed example for consent requests involving SNDA agreements.

Q2: Regarding Part A, items 8(d)(1) and (d)(4) of FSA-2061, if we are in October of 2023, what is acceptable to meet these requirements? Do we obtain 2022 information or 2023 year-to-date information? Or both?

A2: It depends on the situation. The year-to-date financials may be sufficient, as the latest financials are typically the most accurate representation of the borrower's current operation and best represents what is expected or projected for the next operating cycle. However, if the borrower experienced unique factors or a major loss within the year-to-date financials, LSPMD would likely need to rely upon the 2022 financials. Overall, the primary objective is to complete an operational review that shows what is expected for the next operating cycle.

Q3: If an operational review is only required once every 2 years, and we have completed one within that timeframe, can it be used to meet the requirements for an FSA-2061 decision?

A3: It depends on the situation. If the FSA-2061 request is for a partial release of an acre of non-productive land for a non-agricultural purpose, the most recent operational review may be sufficient to support the decision. However, if the operation's projections will change because of the proposed partial release of productive agricultural land that was previously relied upon, a new operational review would need to be completed.

Q4: Is a credit report required for an FSA-2061 request?

A4: No. LSPMD only requires information needed for an operational review, as LSPMD is not extending new credit. If the operational review shows that the borrower is financially distressed, the account should be serviced under 5-FLP, Part 3.

**4 Policy Clarifications for FSA-2061 (Continued)**

**A Q&A (Continued)**

Q5: Regarding FSA-2061, what timeframes and letters do we use for an incomplete application?

A5: There are no stated timeframes for a complete application and LSPMD is not authorized to send any form of an incomplete letter. However, FSA-2061 could be denied with reconsideration/mediation/appeal rights after multiple unsuccessful attempts by FSA to obtain a complete application from the borrower. See 4-FLP, subparagraph 16 B for borrowers who fail to cooperate with the operational review process, subject to COVID field guidance document restrictions. Continue to provide the best possible customer service when handling incomplete requests, which includes actively communicating with and reaching out to borrowers.

Q6: Is FSA-2061 needed to release personal property security?

A6: It depends on the situation. FSA-2040 and FSA-2045 will continue to be used to plan and account for the release of personal property security with monetary compensation. However, as discussed under subparagraph 2 B, the FSA-2061 has been updated and Part B of the form was added specifically to handle releases of Personal Property security without monetary compensation. Please refer to 4-FLP, Part 6, Section 5 and Part 7.

Q7: Why is FSA-2061 needed if all real estate security is being sold?

A7: FSA-2061 is used for both partial and full releases. LSPMD recognizes that the title of the form can be misleading and is in the process of updating the title. See subparagraph 2 A for more information on this issue. In situations where FSA is not expected to be paid in full, the purpose is to complete an operational review that reflects the operation after the transaction. If the operational review shows that the borrower is financially distressed, the account should be serviced under 5-FLP, Part 3.

Q8: If the borrower will pay all FSA debts in full from the sale of real estate, is FSA-2061 required?

A8: Yes. However, LSPMD has revised the FSA-2061 form instructions and will only require that Part A, items 1 through 5 be completed when the FSA debt will be paid in full by the transaction. As a result, this will eliminate the need to obtain materials listed under Part A, item 7. See the FSA-2061 form instructions updated September 25, 2024. LSPMD has also revised the corresponding requirements listed under 4-FLP, subparagraphs 62 B and 196 A (4-FLP, Amendment 42 dated April 16, 2024) and 5-FLP, subparagraph 462 A (5-FLP, Amendment 56 dated March 13, 2024). Keep in mind that the executed FSA-2026, FSA-2029, and FSA-2313 require the borrower to keep LSPMD informed and obtain consent from LSPMD before release of security. FSA-2061 is the official tool for these types of transactions.

Q9: If the borrower will pay all FSA debts in full due to graduation or refinancing through another lender, is FSA-2061 required?

A9: No. See the FSA-2061 form instructions updated September 25, 2024.

**4 Policy Clarifications for FSA-2061 (Continued)**

**A Q&A (Continued)**

Q10: For FSA-2061, Part B, item 1, what type of information should be included within the large box? Calculations? Or is it intended to be a written description of the transaction?

A10: A brief narrative describing the overall logic and support for the recommendation or approval. LSPMD has updated the form instructions to provide more clarity. See the FSA-2061 form instructions updated September 25, 2024. Exhibit 1 provides completed examples for guidance.

Q11: Regarding item 3 of FSA-2061, are these based on the liens before the release or consent action?

A11: Yes, LSPMD has provided clarification within the form instructions. See the FSA-2061 form instructions updated September 25, 2024.

Q12: Is there a reason why we have to document approval on both FSA-2061 and the FBP credit presentation?

A12: No. LSPMD has removed the requirement for FSA-2061 approval within FBP. See the FSA-2061 form instructions updated September 25, 2024.

Q13: We have many borrowers who purchase farmland and come back in a year or two requesting a partial release, as they would like to leverage their equity to build a residence on the farm. Can we look into some kind of expedited approval for situations such as this, maybe relaxed requirements on releases so that we can minimize the processing time for borrowers?

A13: DAFLP is considering this recommendation, which would require regulatory changes.

Q14: How is approval authority determined for FSA-2061? Is it based upon the amount of existing debts?

A14: Yes, approval authority is based on the total FSA indebtedness, after the transaction occurs according to the limitations within 1-FLP, subparagraph 29 D. See 4-FLP, subparagraph 199 A.

Q15: If FSA-2061 is received and processed and the borrower's purchase contract with the first buyer falls through, and the borrower readvertises their real estate, do they need to withdraw and reapply?

A15: If there are no other significant changes, have the borrower update and initial the existing FSA-2061. The form instructions have been rewritten to provide this clarification. See the FSA-2061 form instructions updated September 25, 2024.

**5 Policy Clarifications for FSA-2062**

**A Q&A**

Q1: Regarding the complete application list under item 3 of FSA-2062, the first item listed addresses the lender's written request or confirmation. Is this item optional since it is not listed as a requirement in 4-FLP, subparagraph 116 A?

A1: It is not required. LSPMD is working on updating FSA-2062, but the changes to this form may require OMB clearance. In the meantime, see the FSA-2062 form instructions updated February 6, 2024. Note that FSA should collaborate with the lender to review the subordination as discussed in 4-FLP, subparagraph 116 A.

Q2: For a complete subordination application, do we need FSA-2002, FSA-2003, FSA-2004, FSA-2005, and FSA-2006, or is it simply FSA-2062 and FBP?

A2: As with the new FSA-2001, FSA-2062 does not require the use of these additional forms.

Q3: With regard to the required financial statement, verification of non-farm income, and verification of debts, is it accurate to say that they need to be current or less than 90 days?

A3: Yes.

Q4: Since we are deferring to 3-FLP, subparagraph 42 A for the process of verifying debts, if a debt is less than \$5,000 and it does not show up on the credit report, do we take the borrower's word on the payment amount? With a tight cash flow, this could make a major difference in feasibility.

A4: No. 3-FLP, subparagraph 42 A specifically states that "the authorized agency official must verify the status of debts over \$5,000". However, this statement does not limit FSA from verifying debts of a lower amount when there is justification.

Q5: The problem with incorporating the FSA-2004 language within FSA-2062 is that when we verify debts, sometimes the lender wants us to send a copy of the authorization to them before they will release the information. Should we be sharing the entire FSA-2062 with the lender?

A5: No, send the lender the applicable portion of FSA-2062.

Q6: With regard to FSA-2062, what timeframes and letters do we use for an incomplete application?

A6: As a part of the Enhancing FLP Rule, 4-FLP subparagraph 116 C has been added, which requires that incomplete subordination applications be processed in accordance with 3-FLP paragraph 45.

Q7: For Part A, item 2 of FSA-2062, is the information entered pre-subordination?

A7: Yes, LSPMD has provided clarification within the form instructions. See the FSA-2062 form instructions updated February 6, 2024.

**5 Policy Clarifications for FSA-2062 (Continued)**

**A Q&A (Continued)**

Q8: Is the National Office planning on coming up with any procedures that would allow FSA to approve a subordination without an FBP credit presentation for a borrower who is refinancing with their current lender or a different lender to obtain a lower interest rate, but no other changes are being made?

A8: DAFLP will consider this recommendation.

Q9: If FSA-2062 is received and processed and the borrower later goes to a new lender, does the borrower need to withdraw and reapply?

A9: It depends on the situation. If no other significant changes are being made, the borrower could update and initial the changes on FSA-2062. Significant changes would require a new FSA-2062.

Q10: If someone is applying for both a direct loan and a subordination, which form do they use?

A10: Both FSA-2001 and FSA-2062 would be required.

Q11: Why doesn't FSA-2062 require approval on the form similar to FSA-2061?

A11: Each form serves a different purpose and process. Subordinations are approved within FBP and documented at the bottom of FSA-2062.

## Examples of How to Complete FSA-2061

### A Example 1: Release of a Portion of FSA Real Estate Security

Ms. Elsa L. Cropper operates her farm on a 100-acre parcel. She also possesses a separate 5-acre parcel adjacent to the farm, but this parcel does not contribute to farm production and is not relied upon for farm operations. Both parcels serve as FSA real estate security, but Ms. Cropper is requesting to sell the 5-acre parcel for \$40,000 and will apply all sales proceeds to her FSA loan number 41-01.

FSA-2061 (proposal 4)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	Position 5															
<b>APPLICATION FOR RELEASE OR CONSENT</b>																	
<p><b>INSTRUCTIONS:</b> Return this completed form to your County FSA Office.</p> <p><b>PART A - BORROWER REQUEST – REAL ESTATE SECURITY</b></p> <p>Note: If the transaction will result in all FSA debt being paid in full, Part A Items 1 through 5 are required.</p>																	
<p>1. The undersigned (a) <u>Elsa Lee Cropper</u></p> <p>(“Borrower”) in accordance with the terms of the real estate 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:</p> <p>(b) release,  <u>Sell a 5-acre parcel, which represents a portion of FSA Real Estate Security</u></p> <p>(c) Subordination, Non-Disturbance and Attornment Agreement (SNDA)</p> <p>(d) consent to,</p>																	
<p>2. Description of Property:</p> <p>Tax Parcel Number 991234567. Vacant parcel with no structures and no crops. This parcel has not contributed to farm production and is not currently relied upon for farm operations.</p>																	
<p>3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 33%;">A. Name of Lien Holder</th> <th style="width: 33%;">B. Approximate Amount of Lien</th> <th style="width: 34%;">C. Lien Priority</th> </tr> </thead> <tbody> <tr> <td>USDA, Farm Service Agency</td> <td>\$200,000</td> <td>1st</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority	USDA, Farm Service Agency	\$200,000	1st									
A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority															
USDA, Farm Service Agency	\$200,000	1st															
<p>4. The use to be made of the property covered by this application:</p> <p>Sold to a potential buyer via public listing.  Future use is not a concern as the borrower’s and FSA’s interest in the property are legally transferred and proceeds will not be utilized for any development and will be applied toward the borrower’s FSA loan.</p>																	
<p>5. The anticipated proceeds or benefits from this transaction are:</p> <p>\$40,000</p>																	
<p>6. Borrower proposes to use the proceeds as follows:</p> <p>Applied towards FSA loan #41-01 as an extra payment.</p>																	

## Examples of How to Complete FSA-2061 (Continued)

## A Example 1: Release of a Portion of FSA Real Estate Security (Continued)

FSA-2061 (proposal 4)			Page 2 of 5	
7. Complete Application for Release or Consent			YES	NO
A. Copy of proposed contract or agreement			<input checked="" type="checkbox"/>	<input type="checkbox"/>
B. Copy of environmental assessment for proposed release or consent, if available ( <i>This will not replace FSA's environmental assessment, but may be helpful as documentation</i> )			<input type="checkbox"/>	<input type="checkbox"/> N/A
C. Copy of survey, if needed, with legal description for partial release or consent			<input type="checkbox"/>	<input type="checkbox"/> N/A
D. Documentation required for operational review:				
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Current balance sheet			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(4) Annual crop and livestock production yields			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes			<input checked="" type="checkbox"/>	<input type="checkbox"/>
E. FSA will obtain an appraisal			<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>PART B - BORROWER REQUEST – PERSONAL PROPERTY SECURITY – ONLY FOR RELEASE WITHOUT COMPENSATION</b>				
1. The undersigned (a) _____				
<p>"Borrower") in accordance with the terms of the personal property 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:</p> <p>(b) release,</p> <p>_____</p>				
2. Description of Property from the current FSA-2028 (Security Agreement):				
3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:				
A. Name of Lien Holder		B. Approximate Amount of Lien	C. Lien Priority	
4. Complete Application for Release or Consent				
A. Documentation required for operational review:			YES	NO
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )			<input type="checkbox"/>	<input checked="" type="checkbox"/>
(2) Current balance sheet			<input type="checkbox"/>	<input checked="" type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )			<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4) Annual crop and livestock production yields			<input type="checkbox"/>	<input checked="" type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes			<input type="checkbox"/>	<input checked="" type="checkbox"/>
B. FSA will obtain an appraisal			<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Examples of How to Complete FSA-2061 (Continued)

## A Example 1: Release of a Portion of FSA Real Estate Security (Continued)

FSA-2061 (proposal 4)			Page 3 of 5
<b>PART C – CERTIFICATIONS AND SIGNATURES</b>			
1. Have you, or any members of an entity, if applicable, ever been:		YES	NO
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)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
C. Determined ineligible for Federal benefits based on Federal Crop Insurance Corporation fraud? (See 7 U.S.C. 1515)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Explanation for any "YES" answers to Item 1:			
<p>3. ECOA - RIGHT TO RECEIVE APPRAISAL: As part of the assistance provided by FSA, an appraisal report or written real estate valuation may be required to determine the value of the property you intend to pledge or have pledged as security. If FSA orders an appraisal or completes a written real estate valuation, you will receive a copy at no cost. You will receive a copy at least three business days prior to the closing of your loan or servicing action. On occasion, the three-day waiting period could cause a delay in closing the loan or servicing action. If you so choose, you have a right to waive this waiting period and a copy will be provided to you no later than the time of loan closing or servicing action.</p> <p>4. I understand that unless FSA executes a separate written instrument for partial release, FSA's approval of this application will merely constitute and evidence FSA's consent, as lienholder, to the proposed transaction without in any way releasing any of its security, 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 by FSA.</p> <p>The statements and representations made above are made in connection with the request for a change in the loan security and/or the release of USDA- provided funds. The making of any false statement or misrepresentations herein may be a crime punishable under 18 U.S.C., §1001. I certify that the statements made are true, complete, and correct to the best of my knowledge and belief.</p>			
5A. Signature of Borrower	SIGNATURE of Elsa Lee Cropper	5B. Date	10/10/2024
5A. Signature of Borrower		5B. Date	
5A. Signature of Borrower		5B. Date	
5A. Signature of Borrower		5B. Date	

## Examples of How to Complete FSA-2061 (Continued)

## A Example 1: Release of a Portion of FSA Real Estate Security (Continued)

FSA-2061 (proposal 4)			Page 4 of 5	
<b>PART D - FSA APPROVAL (For FSA Use Only)</b>				
1. Recommendation for approval/denial of the request and comments:		Borrower:	Elsa Lee Cropper	
<p>Recommend for Approval as the request meets all of the applicable conditions under 4-FLP subparagraph 196B, 197A(1), and 198A.</p> <p>The requested partial release will not affect the farm's repayment ability or ability to operate. The requested partial release will pay down the borrower's FSA debt, which will improve her overall financial position and chances of obtaining commercial credit in the future.</p> <p>Per 4-FLP subparagraph 198A(2), an appraisal was not required as the value of real estate involved is less than \$50,000. An estimated value was utilized, which has been documented within the file.</p>				
2A. Initial Payment		2B. Subsequent Payment		
(1) to prior liens		(1) % to prior liens		or
(2) to extra payment on FSA loan	\$40,000	(2) % to extra payment of FSA loan		or
(3) to regular payment on FSA loan		(3) % to regular payment of FSA loan		or
(4) other (specify): _____		(4) other (specify): _____		or
(5) to borrower		(5) % to borrower		or
3. I hereby:				
A. Recommend this application for approval <input checked="" type="checkbox"/>		B. Do NOT recommend this application be approved <input type="checkbox"/>		
C. Recommending Official Name John C. Green		D. Recommending Official Title Farm Loan Officer		
E. Signature  SIGNATURE of John C. Green		F. Date  10/11/2024		
4. I hereby:				
A. Approve this application <input checked="" type="checkbox"/>		B. Do NOT approve this application <input type="checkbox"/>		
C. Reason for denial of the request				
D. Approving Official Name Audrey S. Ashburn		E. Approving Official Title Farm Loan Manager		
F. Signature  SIGNATURE of Audrey S. Ashburn		G. Date  10/12/2024		

## Examples of How to Complete FSA-2061 (Continued)

### B Example 2: Release of All FSA Real Estate Security and FSA Is Expected To Be Paid in Full

Ranch That Goes Moo, LLC is selling all of their FSA real estate security, which includes a 200-acre parcel and 75-acre parcel. The properties will be listed for a total of \$550,000, and FSA is expected to be paid in full through the transaction.

FSA-2061 (proposal 4)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	Position 5															
<b>APPLICATION FOR RELEASE OR CONSENT</b>																	
<p><b>INSTRUCTIONS:</b> Return this completed form to your County FSA Office.</p> <p><b>PART A - BORROWER REQUEST – REAL ESTATE SECURITY</b></p> <p>Note: If the transaction will result in all FSA debt being paid in full, Part A Items 1 through 5 are required.</p>																	
<p>1. The undersigned (a) <u>Ranch That Goes Moo, LLC</u></p> <p>("Borrower") in accordance with the terms of the real estate 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:</p> <p>(b) release, <u>Sell all FSA security, which includes a 200-acre parcel and 75-acre parcel</u></p> <p>(c) Subordination, Non-Disturbance and Attornment Agreement (SNDA)</p> <p>(d) consent to,</p>																	
<p>2. Description of Property:</p> <p>200-acre parcel: Tax parcel # 995551116, which contains all pastureland. 75-acre parcel: Tax parcel #995551117, which contains a residence, barn, and pastureland.</p>																	
<p>3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 33%;">A. Name of Lien Holder</th> <th style="width: 33%;">B. Approximate Amount of Lien</th> <th style="width: 34%;">C. Lien Priority</th> </tr> </thead> <tbody> <tr> <td>USDA, Farm Service Agency</td> <td>\$400,000</td> <td>1st</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority	USDA, Farm Service Agency	\$400,000	1st									
A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority															
USDA, Farm Service Agency	\$400,000	1st															
<p>4. The use to be made of the property covered by this application:</p> <p>Sold to a potential buyer via public listing. Future use is not a concern as all FSA loans will be paid in full via the proposed sale.</p>																	
<p>5. The anticipated proceeds or benefits from this transaction are:</p> <p>\$550,000, which will pay all FSA loans (#41-02 &amp; #44-03) in full.</p>																	
<p>6. Borrower proposes to use the proceeds as follows:</p> <p> </p>																	

## Examples of How to Complete FSA-2061 (Continued)

**B Example 2: Release of All FSA Real Estate Security and FSA Is Expected To Be Paid in Full (Continued)**

FSA-2061 (proposal 4)		Page 2 of 5	
7. Complete Application for Release or Consent		YES	NO
A. Copy of proposed contract or agreement		<input type="checkbox"/>	<input type="checkbox"/>
B. Copy of environmental assessment for proposed release or consent, if available ( <i>This will not replace FSA's environmental assessment, but may be helpful as documentation</i> )		<input type="checkbox"/>	<input type="checkbox"/>
C. Copy of survey, if needed, with legal description for partial release or consent		<input type="checkbox"/>	<input type="checkbox"/>
D. Documentation required for operational review:			
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )		<input type="checkbox"/>	<input type="checkbox"/>
(2) Current balance sheet		<input type="checkbox"/>	<input type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )		<input type="checkbox"/>	<input type="checkbox"/>
(4) Annual crop and livestock production yields		<input type="checkbox"/>	<input type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes		<input type="checkbox"/>	<input type="checkbox"/>
E. FSA will obtain an appraisal		<input type="checkbox"/>	<input type="checkbox"/>
<b>PART B - BORROWER REQUEST – PERSONAL PROPERTY SECURITY – ONLY FOR RELEASE WITHOUT COMPENSATION</b>			
1. The undersigned (a) _____			
<p>"Borrower") in accordance with the terms of the personal property 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:</p> <p>(b) release,</p> <p>_____</p> <p>_____</p>			
2. Description of Property from the current FSA-2028 (Security Agreement):			
3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:			
A. Name of Lien Holder		B. Approximate Amount of Lien	C. Lien Priority
4. Complete Application for Release or Consent		YES	NO
A. Documentation required for operational review:			
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )		<input type="checkbox"/>	<input type="checkbox"/>
(2) Current balance sheet		<input type="checkbox"/>	<input type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )		<input type="checkbox"/>	<input type="checkbox"/>
(4) Annual crop and livestock production yields		<input type="checkbox"/>	<input type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes		<input type="checkbox"/>	<input type="checkbox"/>
B. FSA will obtain an appraisal		<input type="checkbox"/>	<input type="checkbox"/>

## Examples of How to Complete FSA-2061 (Continued)

**B Example 2: Release of All FSA Real Estate Security and FSA Is Expected To Be Paid in Full (Continued)**

FSA-2061 (proposal 4)		Page 3 of 5	
<b>PART C – CERTIFICATIONS AND SIGNATURES</b>			
1. Have you, or any members of an entity, if applicable, ever been:		YES	NO
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)		<input type="checkbox"/>	<input type="checkbox"/>
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?		<input type="checkbox"/>	<input type="checkbox"/>
C. Determined ineligible for Federal benefits based on Federal Crop Insurance Corporation fraud? (See 7 U.S.C. 1515)		<input type="checkbox"/>	<input type="checkbox"/>
2. Explanation for any "YES" answers to Item 1:			
<p>3. ECOA - RIGHT TO RECEIVE APPRAISAL: As part of the assistance provided by FSA, an appraisal report or written real estate valuation may be required to determine the value of the property you intend to pledge or have pledged as security. If FSA orders an appraisal or completes a written real estate valuation, you will receive a copy at no cost. You will receive a copy at least three business days prior to the closing of your loan or servicing action. On occasion, the three-day waiting period could cause a delay in closing the loan or servicing action. If you so choose, you have a right to waive this waiting period and a copy will be provided to you no later than the time of loan closing or servicing action.</p> <p>4. I understand that unless FSA executes a separate written instrument for partial release, FSA's approval of this application will merely constitute and evidence FSA's consent, as lienholder, to the proposed transaction without in any way releasing any of its security, 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 by FSA.</p> <p>The statements and representations made above are made in connection with the request for a change in the loan security and/or the release of USDA- provided funds. The making of any false statement or misrepresentations herein may be a crime punishable under 18 U.S.C., §1001. I certify that the statements made are true, complete, and correct to the best of my knowledge and belief.</p>			
5A. Signature of Borrower  SIGNATURE of Ranch That Goes Moo, LLC member with signature authority.	5B. Date  10/10/2024		
5A. Signature of Borrower	5B. Date		
5A. Signature of Borrower	5B. Date		
5A. Signature of Borrower	5B. Date		

## Examples of How to Complete FSA-2061 (Continued)

## B Example 2: Release of All FSA Real Estate Security and FSA Is Expected To Be Paid in Full (Continued)

FSA-2061 (proposal 4)				Page 4 of 5	
PART D - FSA APPROVAL (For FSA Use Only)					
1. Recommendation for approval/denial of the request and comments:		Borrower:	Ranch That Goes Moo, LLC		
Recommend approval as FSA will be paid in full.					
2A. Initial Payment		2B. Subsequent Payment			
(1) to prior liens		(1) % to prior liens		or	
(2) to extra payment on FSA loan	\$400,000	(2) % to extra payment of FSA loan		or	
(3) to regular payment on FSA loan		(3) % to regular payment of FSA loan		or	
(4) other (specify): _____		(4) other (specify): _____		or	
(5) to borrower		(5) % to borrower		or	
3. I hereby:					
A. Recommend this application for approval		<input checked="" type="checkbox"/>	B. Do NOT recommend this application be approved <input type="checkbox"/>		
C. Recommending Official Name John C. Green		D. Recommending Official Title Farm Loan Officer			
E. Signature  SIGNATURE of John C. Green		F. Date  10/11/2024			
4. I hereby:					
A. Approve this application		<input checked="" type="checkbox"/>	B. Do NOT approve this application <input type="checkbox"/>		
C. Reason for denial of the request					
D. Approving Official Name Audrey S. Ashburn		E. Approving Official Title Farm Loan Manager			
F. Signature  SIGNATURE of Audrey S. Ashburn		G. Date  10/12/2024			

## Examples of How to Complete FSA-2061 (Continued)

## C Example 3: Consent to Right-of-Way Easement on FSA Real Estate Security

Mr. Joseph M. Cooper has been approached by a land developer in the area, Big Land Corporation, who is in the process of developing new parcels behind Mr. Cooper's property and will need to develop an access road for those new parcels. The proposed access road would run along the entire western property line of Mr. Cooper's parcel, which is unfenced and 1,000 feet long. The road will encroach 15 feet into Mr. Cooper's property line throughout the entire western side of his parcel. In return for granting this right-of-way easement, the land developer is offering to pay Mr. Cooper \$15,000. Mr. Cooper is requesting FSA's consent and approval to grant the requested right-of-way easement.

FSA-2061 (proposal 4)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	Position 5															
<b>APPLICATION FOR RELEASE OR CONSENT</b>																	
<p><b>INSTRUCTIONS:</b> Return this completed form to your County FSA Office.</p> <p><b>PART A - BORROWER REQUEST – REAL ESTATE SECURITY</b></p> <p>Note: If the transaction will result in all FSA debt being paid in full, Part A Items 1 through 5 are required.</p>																	
<p>1. The undersigned (a) <u>Joseph Matthew Cooper</u></p> <p>("Borrower") in accordance with the terms of the real estate 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:</p> <p>(b) release,</p> <p>_____</p> <p>_____</p> <p>(c) Subordination, Non-Disturbance and Attornment Agreement (SNDA)</p> <p>_____</p> <p>(d) consent to, Grant Right of Way to Big Land Corporation for the Development of an Access Road</p> <p>_____</p>																	
<p>2. Description of Property: 15,000 sq. ft. portion of Tax Parcel Number 884412356. The proposed access road will run along the entire length of his western property line (1,000 ft. long) and will encroach 15 ft. into the borrower's property line throughout the entire western side of his parcel.</p>																	
<p>3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 33%;">A. Name of Lien Holder</th> <th style="width: 33%;">B. Approximate Amount of Lien</th> <th style="width: 34%;">C. Lien Priority</th> </tr> </thead> <tbody> <tr> <td>USDA, Farm Service Agency</td> <td>\$185,000</td> <td>1st</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority	USDA, Farm Service Agency	\$185,000	1st									
A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority															
USDA, Farm Service Agency	\$185,000	1st															
<p>4. The use to be made of the property covered by this application: Development of an access road by Big Land Corporation, which will provide access to new properties that are being developed behind the borrower's parcel.</p>																	
<p>5. The anticipated proceeds or benefits from this transaction are: \$15,000</p>																	
<p>6. Borrower proposes to use the proceeds as follows: Applied towards FSA loan #41-02 as an extra payment.</p>																	

## Examples of How to Complete FSA-2061 (Continued)

## C Example 3: Consent to Right-of-Way Easement on FSA Real Estate Security (Continued)

FSA-2061 (proposal 4)			Page 2 of 5	
7. Complete Application for Release or Consent			YES	NO
A. Copy of proposed contract or agreement			<input checked="" type="checkbox"/>	<input type="checkbox"/>
B. Copy of environmental assessment for proposed release or consent, if available ( <i>This will not replace FSA's environmental assessment, but may be helpful as documentation</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
C. Copy of survey, if needed, with legal description for partial release or consent			<input checked="" type="checkbox"/>	<input type="checkbox"/>
D. Documentation required for operational review:				
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Current balance sheet			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(4) Annual crop and livestock production yields			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes			<input checked="" type="checkbox"/>	<input type="checkbox"/>
E. FSA will obtain an appraisal			<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>PART B - BORROWER REQUEST – PERSONAL PROPERTY SECURITY – ONLY FOR RELEASE WITHOUT COMPENSATION</b>				
1. The undersigned (a) _____				
<p>"Borrower") in accordance with the terms of the personal property security instruments now held by the United States, acting through U.S. Department of Agriculture, Farm Service Agency (<i>called "Government"</i>) on the property, applies for:</p> <p>(b) release,</p> <p>_____</p> <p>_____</p>				
2. Description of Property from the current FSA-2028 (Security Agreement):				
3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:				
A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority		
4. Complete Application for Release or Consent			YES	NO
A. Documentation required for operational review:				
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )			<input type="checkbox"/>	<input type="checkbox"/>
(2) Current balance sheet			<input type="checkbox"/>	<input type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )			<input type="checkbox"/>	<input type="checkbox"/>
(4) Annual crop and livestock production yields			<input type="checkbox"/>	<input type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes			<input type="checkbox"/>	<input type="checkbox"/>
B. FSA will obtain an appraisal			<input type="checkbox"/>	<input type="checkbox"/>

## Examples of How to Complete FSA-2061 (Continued)

## C Example 3: Consent to Right-of-Way Easement on FSA Real Estate Security (Continued)

FSA-2061 (proposal 4)			Page 3 of 5
<b>PART C – CERTIFICATIONS AND SIGNATURES</b>			
1. Have you, or any members of an entity, if applicable, ever been:		YES	NO
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)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
C. Determined ineligible for Federal benefits based on Federal Crop Insurance Corporation fraud? (See 7 U.S.C. 1515)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Explanation for any "YES" answers to Item 1:			
<p>3. ECOA - RIGHT TO RECEIVE APPRAISAL: As part of the assistance provided by FSA, an appraisal report or written real estate valuation may be required to determine the value of the property you intend to pledge or have pledged as security. If FSA orders an appraisal or completes a written real estate valuation, you will receive a copy at no cost. You will receive a copy at least three business days prior to the closing of your loan or servicing action. On occasion, the three-day waiting period could cause a delay in closing the loan or servicing action. If you so choose, you have a right to waive this waiting period and a copy will be provided to you no later than the time of loan closing or servicing action.</p> <p>4. I understand that unless FSA executes a separate written instrument for partial release, FSA's approval of this application will merely constitute and evidence FSA's consent, as lienholder, to the proposed transaction without in any way releasing any of its security, 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 by FSA.</p> <p>The statements and representations made above are made in connection with the request for a change in the loan security and/or the release of USDA- provided funds. The making of any false statement or misrepresentations herein may be a crime punishable under 18 U.S.C., §1001. I certify that the statements made are true, complete, and correct to the best of my knowledge and belief.</p>			
5A. Signature of Borrower	SIGNATURE of Joseph Matthew Cooper		5B. Date 10/10/2024
5A. Signature of Borrower			5B. Date
5A. Signature of Borrower			5B. Date
5A. Signature of Borrower			5B. Date

## Examples of How to Complete FSA-2061 (Continued)

## C Example 3: Consent to Right-of-Way Easement on FSA Real Estate Security (Continued)

FSA-2061 (proposal 4)		Page 4 of 5		
<b>PART D - FSA APPROVAL (For FSA Use Only)</b>				
1. Recommendation for approval/denial of the request and comments: Borrower: Joseph Matthew Cooper				
<p>Recommend for Approval as the request meets all of the applicable conditions under 4-FLP subparagraph 196B, 197A(1), and 198A(2).</p> <p>A satisfactory FSA environmental review has been completed for the proposed access road, which included a review of the required ingress, egress, and staging areas.</p> <p>The requested easement will not affect the farm's repayment ability or ability to operate. The request will pay down the borrower's FSA debt, which will improve his overall financial position and chances of obtaining commercial credit in the future.</p> <p>Although this transaction does not involve a "disposition" or transfer of ownership, the requested easement would remain in effect indefinitely. As a result, 4-FLP subparagraph 198A(2) applies, but an appraisal was not required as the value of real estate involved is less than \$50,000. An estimated value was utilized, which has been documented within the file.</p>				
2A. Initial Payment		2B. Subsequent Payment		
(1) to prior liens		(1) % to prior liens		or
(2) to extra payment on FSA loan	\$15,000	(2) % to extra payment of FSA loan		or
(3) to regular payment on FSA loan		(3) % to regular payment of FSA loan		or
(4) other (specify): _____		(4) other (specify): _____		or
(5) to borrower		(5) % to borrower		or
3. I hereby:				
A. Recommend this application for approval <input checked="" type="checkbox"/>		B. Do NOT recommend this application be approved <input type="checkbox"/>		
C. Recommending Official Name John C. Green		D. Recommending Official Title Farm Loan Officer		
E. Signature  SIGNATURE of John C. Green		F. Date  10/11/2024		
4. I hereby:				
A. Approve this application <input checked="" type="checkbox"/>		B. Do NOT approve this application <input type="checkbox"/>		
C. Reason for denial of the request				
D. Approving Official Name Audrey S. Ashburn		E. Approving Official Title Farm Loan Manager		
F. Signature  SIGNATURE of Audrey S. Ashburn		G. Date  10/12/2024		

## Examples of How to Complete FSA-2061 (Continued)

### D Example 4: Consent to a Subordination for Non-Lending Purposes

Ms. Elizabeth S. Peppers has been approached by a wind energy company, Sustainable & Breezy Corporation, who would like to place a wind turbine on her farm. The wind energy company would like to enter into a 20-year lease with Ms. Peppers, which will allow for the building and operation of the wind turbine. The lease also notes that Ms. Peppers will receive an annual royalty payment of \$6,000 as compensation throughout the term of the lease. The wind energy company is also requiring that Ms. Peppers and FSA execute an SNDA agreement.

FSA-2061 (proposal 4)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	Position 5																		
<b>APPLICATION FOR RELEASE OR CONSENT</b>																				
<p><i>INSTRUCTIONS: Return this completed form to your County FSA Office.</i></p> <p><b>PART A - BORROWER REQUEST – REAL ESTATE SECURITY</b></p> <p><i>Note: If the transaction will result in all FSA debt being paid in full, Part A Items 1 through 5 are required.</i></p>																				
<p>1. The undersigned (a) <u>Elizabeth Sweet Peppers</u></p> <p>(“Borrower”) in accordance with the terms of the real estate 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:</p> <p>(b) release,</p> <hr/> <p>(c) Subordination, Non-Disturbance and Attornment Agreement (SNDA) Between Sustainable &amp; Breezy Corporation, Ms. Elizabeth Sweet Peppers, and FSA</p> <p>(d) consent to, 20-year Wind Turbine Lease with Sustainable &amp; Breeze Corporation</p>																				
<p>2. Description of Property:</p> <p>1.5-acre portion of Tax Parcel Number 331556668.</p>																				
<p>3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 33%;">A. Name of Lien Holder</th> <th style="width: 33%;">B. Approximate Amount of Lien</th> <th style="width: 34%;">C. Lien Priority</th> </tr> </thead> <tbody> <tr> <td>USDA, Farm Service Agency</td> <td>\$300,000</td> <td>1st</td> </tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>			A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority	USDA, Farm Service Agency	\$300,000	1st												
A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority																		
USDA, Farm Service Agency	\$300,000	1st																		
<p>4. The use to be made of the property covered by this application:</p> <p>Development of a wind turbine by a third party energy company – Sustainable &amp; Breezy Corporation.</p>																				
<p>5. The anticipated proceeds or benefits from this transaction are:</p> <p>\$6,000 annual royalty.</p>																				
<p>6. Borrower proposes to use the proceeds as follows:</p> <p>Applied towards FSA loan #41-01 as a regular payment.</p>																				

## Examples of How to Complete FSA-2061 (Continued)

## D Example 4: Consent to a Subordination for Non-Lending Purposes (Continued)

FSA-2061 (proposal 4)			Page 2 of 5	
7. Complete Application for Release or Consent			YES	NO
A. Copy of proposed contract or agreement			<input checked="" type="checkbox"/>	<input type="checkbox"/>
B. Copy of environmental assessment for proposed release or consent, if available ( <i>This will not replace FSA's environmental assessment, but may be helpful as documentation</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
C. Copy of survey, if needed, with legal description for partial release or consent			<input checked="" type="checkbox"/>	<input type="checkbox"/>
D. Documentation required for operational review:				
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Current balance sheet			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(4) Annual crop and livestock production yields			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes			<input checked="" type="checkbox"/>	<input type="checkbox"/>
E. FSA will obtain an appraisal			<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>PART B - BORROWER REQUEST – PERSONAL PROPERTY SECURITY – ONLY FOR RELEASE WITHOUT COMPENSATION</b>				
1. The undersigned (a) _____				
<p>"Borrower") in accordance with the terms of the personal property 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:</p> <p>(b) release,</p> <p>_____</p> <p>_____</p>				
2. Description of Property from the current FSA-2028 (Security Agreement):				
3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:				
A. Name of Lien Holder		B. Approximate Amount of Lien	C. Lien Priority	
4. Complete Application for Release or Consent			YES	NO
A. Documentation required for operational review:				
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )			<input type="checkbox"/>	<input checked="" type="checkbox"/>
(2) Current balance sheet			<input type="checkbox"/>	<input checked="" type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )			<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4) Annual crop and livestock production yields			<input type="checkbox"/>	<input checked="" type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes			<input type="checkbox"/>	<input checked="" type="checkbox"/>
B. FSA will obtain an appraisal			<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Examples of How to Complete FSA-2061 (Continued)

## D Example 4: Consent to a Subordination for Non-Lending Purposes (Continued)

FSA-2061 (proposal 4)			Page 3 of 5	
<b>PART C – CERTIFICATIONS AND SIGNATURES</b>				
1. Have you, or any members of an entity, if applicable, ever been:			YES	NO
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)			<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
C. Determined ineligible for Federal benefits based on Federal Crop Insurance Corporation fraud? (See 7 U.S.C. 1515)			<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Explanation for any "YES" answers to Item 1:				
<p>3. ECOA - RIGHT TO RECEIVE APPRAISAL: As part of the assistance provided by FSA, an appraisal report or written real estate valuation may be required to determine the value of the property you intend to pledge or have pledged as security. If FSA orders an appraisal or completes a written real estate valuation, you will receive a copy at no cost. You will receive a copy at least three business days prior to the closing of your loan or servicing action. On occasion, the three-day waiting period could cause a delay in closing the loan or servicing action. If you so choose, you have a right to waive this waiting period and a copy will be provided to you no later than the time of loan closing or servicing action.</p> <p>4. I understand that unless FSA executes a separate written instrument for partial release, FSA's approval of this application will merely constitute and evidence FSA's consent, as lienholder, to the proposed transaction without in any way releasing any of its security, 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 by FSA.</p> <p>The statements and representations made above are made in connection with the request for a change in the loan security and/or the release of USDA- provided funds. The making of any false statement or misrepresentations herein may be a crime punishable under 18 U.S.C., §1001. I certify that the statements made are true, complete, and correct to the best of my knowledge and belief.</p>				
5A. Signature of Borrower SIGNATURE of Elizabeth Sweet Peppers			5B. Date 10/10/2024	
5A. Signature of Borrower			5B. Date	
5A. Signature of Borrower			5B. Date	
5A. Signature of Borrower			5B. Date	

## Examples of How to Complete FSA-2061 (Continued)

## D Example 4: Consent to a Subordination for Non-Lending Purposes (Continued)

FSA-2061 (proposal 4)		Page 4 of 5		
<b>PART D - FSA APPROVAL (For FSA Use Only)</b>				
1. Recommendation for approval/denial of the request and comments:		Borrower:	Elizabeth Sweet Peppers	
<p>Recommend for Approval as the request meets all of the applicable conditions under 4-FLP subparagraph 196B and 197A(1).</p> <p>A satisfactory FSA environmental review has been completed for the proposed wind turbine, which included a review of the required ingress, egress, and staging areas.</p> <p>Our local OGC was also consulted and confirmed that all documents involved in the transaction meet legal sufficiency.</p> <p>Appraisal requirements of 4-FLP subparagraph 198A do not apply as the request does not involve disposition or transfer of ownership and the request is limited to the term of the lease.</p>				
2A. Initial Payment		2B. Subsequent Payment		
(1) to prior liens		(1) % to prior liens		or
(2) to extra payment on FSA loan	\$6,000	(2) % to extra payment of FSA loan	\$6,000	or
(3) to regular payment on FSA loan		(3) % to regular payment of FSA loan		or
(4) other (specify): _____		(4) other (specify): _____		or
(5) to borrower		(5) % to borrower		or
3. I hereby:				
A. Recommend this application for approval <input checked="" type="checkbox"/>		B. Do NOT recommend this application be approved <input type="checkbox"/>		
C. Recommending Official Name John C. Green		D. Recommending Official Title Farm Loan Officer		
E. Signature  SIGNATURE of John C. Green		F. Date  10/11/2024		
4. I hereby:				
A. Approve this application <input checked="" type="checkbox"/>		B. Do NOT approve this application <input type="checkbox"/>		
C. Reason for denial of the request				
D. Approving Official Name Audrey S. Ashburn		E. Approving Official Title Farm Loan Manager		
F. Signature  SIGNATURE of Audrey S. Ashburn		G. Date  10/12/2024		

## Examples of How to Complete FSA-2061 (Continued)

## E Example 5: Release of Personal Property Security Without Compensation

Mr. Dwight P. Wilson purchased his farmland over three years ago via a Direct Farm Ownership loan. FSA obtained a lien on the farmland and also took a lien on his 2019 John Deere tractor to meet the previous additional security requirements of 150 percent. Mr. Wilson's security margin is currently at 125 percent with the farmland alone. Mr. Wilson is requesting a release of the tractor as he would like to sell this piece of equipment and keep the proceeds.

FSA-2061 (proposal 4)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	Position 5																		
<b>APPLICATION FOR RELEASE OR CONSENT</b>																				
<p><b>INSTRUCTIONS:</b> Return this completed form to your County FSA Office.</p> <p><b>PART A - BORROWER REQUEST – REAL ESTATE SECURITY</b></p> <p>Note: If the transaction will result in all FSA debt being paid in full, Part A Items 1 through 5 are required.</p>																				
<p>1. The undersigned (a) _____</p> <p>(“Borrower”) in accordance with the terms of the real estate 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:</p> <p>(b) release,</p> <p>_____</p> <p>_____</p> <p>(c) Subordination, Non-Disturbance and Attornment Agreement (SNDA)</p> <p>_____</p> <p>(d) consent to,</p> <p>_____</p> <p>_____</p>																				
<p>2. Description of Property:</p> <p>_____</p>																				
<p>3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 33%;">A. Name of Lien Holder</th> <th style="width: 33%;">B. Approximate Amount of Lien</th> <th style="width: 34%;">C. Lien Priority</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>			A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority															
A. Name of Lien Holder	B. Approximate Amount of Lien	C. Lien Priority																		
<p>4. The use to be made of the property covered by this application:</p> <p>_____</p>																				
<p>5. The anticipated proceeds or benefits from this transaction are:</p> <p>_____</p>																				
<p>6. Borrower proposes to use the proceeds as follows:</p> <p>_____</p>																				

## Examples of How to Complete FSA-2061 (Continued)

## E Example 5: Release of Personal Property Security Without Compensation (Continued)

FSA-2061 (proposal 4)			Page 2 of 5	
7. Complete Application for Release or Consent			YES	NO
A. Copy of proposed contract or agreement			<input type="checkbox"/>	<input type="checkbox"/>
B. Copy of environmental assessment for proposed release or consent, if available ( <i>This will not replace FSA's environmental assessment, but may be helpful as documentation</i> )			<input type="checkbox"/>	<input type="checkbox"/>
C. Copy of survey, if needed, with legal description for partial release or consent			<input type="checkbox"/>	<input type="checkbox"/>
D. Documentation required for operational review:				
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )			<input type="checkbox"/>	<input type="checkbox"/>
(2) Current balance sheet			<input type="checkbox"/>	<input type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )			<input type="checkbox"/>	<input type="checkbox"/>
(4) Annual crop and livestock production yields			<input type="checkbox"/>	<input type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes			<input type="checkbox"/>	<input type="checkbox"/>
E. FSA will obtain an appraisal			<input type="checkbox"/>	<input type="checkbox"/>
<b>PART B - BORROWER REQUEST – PERSONAL PROPERTY SECURITY – ONLY FOR RELEASE WITHOUT COMPENSATION</b>				
1. The undersigned (a) <u>Dwight Peachy Wilson</u>				
<p>"Borrower") in accordance with the terms of the personal property 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:</p> <p>(b) release,  <u>2019 John Deere Tractor, which serves as additional security</u></p>				
2. Description of Property from the current FSA-2028 (Security Agreement): 2019 John Deere Tractor, Model #6120M, Serial #: 881234				
3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority prior to proposed transaction:				
A. Name of Lien Holder		B. Approximate Amount of Lien	C. Lien Priority	
USDA, Farm Service Agency		\$200,000	1st	
4. Complete Application for Release or Consent				
A. Documentation required for operational review:			YES	NO
(1) Actual financial performance for the past year ( <i>a copy of your last year's tax return or last year's income and expense records are acceptable</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Current balance sheet			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(3) Projected income/expense for next year ( <i>a copy of your current year's is also acceptable</i> )			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(4) Annual crop and livestock production yields			<input checked="" type="checkbox"/>	<input type="checkbox"/>
(5) Review and update, if needed, of assessment ( <i>copy attached</i> ). Please pencil in comments or changes			<input checked="" type="checkbox"/>	<input type="checkbox"/>
B. FSA will obtain an appraisal			<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Examples of How to Complete FSA-2061 (Continued)

## E Example 5: Release of Personal Property Security Without Compensation (Continued)

FSA-2061 (proposal 4)			Page 3 of 5
<b>PART C – CERTIFICATIONS AND SIGNATURES</b>			
1. Have you, or any members of an entity, if applicable, ever been:		YES	NO
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)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
C. Determined ineligible for Federal benefits based on Federal Crop Insurance Corporation fraud? (See 7 U.S.C. 1515)		<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Explanation for any "YES" answers to Item 1:			
<p>3. ECOA - RIGHT TO RECEIVE APPRAISAL: As part of the assistance provided by FSA, an appraisal report or written real estate valuation may be required to determine the value of the property you intend to pledge or have pledged as security. If FSA orders an appraisal or completes a written real estate valuation, you will receive a copy at no cost. You will receive a copy at least three business days prior to the closing of your loan or servicing action. On occasion, the three-day waiting period could cause a delay in closing the loan or servicing action. If you so choose, you have a right to waive this waiting period and a copy will be provided to you no later than the time of loan closing or servicing action.</p> <p>4. I understand that unless FSA executes a separate written instrument for partial release, FSA's approval of this application will merely constitute and evidence FSA's consent, as lienholder, to the proposed transaction without in any way releasing any of its security, 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 by FSA.</p> <p>The statements and representations made above are made in connection with the request for a change in the loan security and/or the release of USDA- provided funds. The making of any false statement or misrepresentations herein may be a crime punishable under 18 U.S.C., §1001. I certify that the statements made are true, complete, and correct to the best of my knowledge and belief.</p>			
5A. Signature of Borrower	SIGNATURE of Dwight Peachy Wilson	5B. Date	10/10/2024
5A. Signature of Borrower		5B. Date	
5A. Signature of Borrower		5B. Date	
5A. Signature of Borrower		5B. Date	

## Examples of How to Complete FSA-2061 (Continued)

## E Example 5: Release of Personal Property Security Without Compensation (Continued)

FSA-2061 (proposal 4)		Page 4 of 5		
<b>PART D - FSA APPROVAL (For FSA Use Only)</b>				
1. Recommendation for approval/denial of the request and comments:		Borrower:	Dwight Peachy Wilson	
<p>Recommend for Approval as the request meets all of the applicable conditions under 4-FLP subparagraph 146 D.</p> <p>Appraisals were not obtained for both the tractor and farmland. Per 4-FLP subparagraph 146 D (3), an evaluation of recent sales of similar properties was completed for both the tractor and farmland. The evaluation has been sufficiently documented within the file.</p>				
2A. Initial Payment		2B. Subsequent Payment		
(1) to prior liens		(1) % to prior liens		or
(2) to extra payment on FSA loan		(2) % to extra payment of FSA loan		or
(3) to regular payment on FSA loan		(3) % to regular payment of FSA loan		or
(4) other (specify): _____		(4) other (specify): _____		or
(5) to borrower		(5) % to borrower		or
3. I hereby:				
A. Recommend this application for approval <input checked="" type="checkbox"/>		B. Do NOT recommend this application be approved <input type="checkbox"/>		
C. Recommending Official Name John C. Green		D. Recommending Official Title Farm Loan Officer		
E. Signature  SIGNATURE of John C. Green		F. Date  10/11/2024		
4. I hereby:				
A. Approve this application <input checked="" type="checkbox"/>		B. Do NOT approve this application <input type="checkbox"/>		
C. Reason for denial of the request				
D. Approving Official Name Audrey S. Ashburn		E. Approving Official Title Farm Loan Manager		
F. Signature  SIGNATURE of Audrey S. Ashburn		G. Date  10/12/2024		

## Examples of How to Complete FSA-2062

## A Example 1: Crop and Equipment Subordination

Mr. Sprouts M. McGee currently holds an FSA term OL with an outstanding balance of \$80,153. This loan was originated at a total of \$100,000 and is secured by a first position blanket UCC on the borrower's annual growing crops and equipment. Mr. McGee is applying for a \$50,000 subordination to Farmers Bank USA. The requested subordination will allow him to obtain a \$50,000 one-year loan from Farmers Bank USA, which will provide working capital to cover his farm's annual operating expenses. Farmers Bank USA is requiring that they obtain a first lien position on the borrower's annual crop and 2015 Kubota tractor.

## **Examples of How to Complete FSA-2062 (Continued)**

## A Example 1: Crop and Equipment Subordination (Continued)

## Examples of How to Complete FSA-2062 (Continued)

## A Example 1: Crop and Equipment Subordination (Continued)

FSA-2062 (02-08-24)		Page 3 of 6	
PART B NOTIFICATIONS, CERTIFICATIONS AND ACKNOWLEDGMENT			
		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.		N/A
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.	#8: Owned and operated my own mixed vegetable farm since 2015.	
11.	<b>SPECIAL PROGRAM INFORMATION.</b>		
	Certain FSA programs are, by law, designed to reach targeted applicants. If you are interested in any of the programs described here or have questions about these programs and whether you may qualify for a specific program, the FSA office processing your application will help you.		
A.	<b>SOCIALLY DISADVANTAGED APPLICANTS:</b> A portion of FSA farm ownership, operating, and conservation loan funds are, by law, targeted to applicants who have been subjected to racial, ethnic or gender prejudice because of their identity as a member of a group, without regard to individual qualities. Under the applicable law, groups meeting this condition are: American Indians/Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians/Other Pacific Islanders, Hispanics and women. In addition, FSA has a down payment program, which receives special funding.		
B.	<b>BEGINNING FARMER ASSISTANCE:</b> FSA has the authority to assist beginning farmers through the farm ownership, operating, and conservation loan programs. A portion of FSA farm ownership, operating, and conservation loan funds are, by law, targeted to beginning farmers. In addition, FSA has a down payment program, which receives special funding. In some States, FSA has agreements with State beginning farmer programs to help meet the credit needs of beginning farmers.		
C.	<b>LIMITED RESOURCE LOANS:</b> Limited resource farm ownership and operating loans are available to qualified applicants. This program provides loans at reduced interest rates to low-income farmers whose operations and resources are so limited that they cannot pay the regular rates for FSA loans. The program is also intended to provide beginning farmers the opportunity to start a successful farming operation.		
12.	<b>RIGHTS AND POLICIES.</b>		
A.	<b>RIGHT TO FINANCIAL PRIVACY ACT OF 1978 (Public Law 95-630):</b> FSA has a right of access to financial records held by financial institutions in connection with providing assistance to you as well as collecting on loans made to you or guaranteed by the Government. Financial records involving your transaction will be available to FSA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required by law.		
Initials: <u>SMM</u> Date: <u>2/16/2024</u>			

## Examples of How to Complete FSA-2062 (Continued)

## A Example 1: Crop and Equipment Subordination (Continued)

FSA-2062 (02-06-24)		Page 4 of 6
<b>PART B – NOTIFICATIONS, CERTIFICATIONS AND ACKNOWLEDGMENT (Continued)</b>		
<p>B. <b>THE FEDERAL EQUAL CREDIT OPPORTUNITY ACT:</b> Prohibits creditors from discriminating against applicants on the basis of race, color, religion, sex, national origin, marital status, age (provided the applicant has the capacity to enter into a binding contract), because all or a part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.</p> <p>C. <b>ECOA – RIGHT TO RECEIVE APPRAISAL:</b> As part of the assistance provided by FSA, an appraisal report or written real estate valuation may be required to determine the value of the property you intend to pledge as security. If FSA orders an appraisal or completes a written real estate valuation, you will receive a copy at no cost. You will receive a copy at least three business days prior to the closing of your loan or servicing action. On occasion, the three-day waiting period could cause a delay in loan closing. If you so choose, you have a right to waive this waiting period and a copy will be provided to you no later than the time of loan closing.</p> <p>D. <b>FEDERAL COLLECTION POLICIES:</b> Delinquencies, defaults, foreclosures and abuses of loans involving programs of the Federal Government can be costly and detrimental to your credit, now and in the future. The lender in this transaction, its agents and assigns as well as the Federal Government, its agencies, agents and assigns, are authorized to take any and all of the following actions in the event loan payments become delinquent: (1) Report your name and account information to a credit bureau; (2) Assess additional interest and penalty charges for the period of time that payment is not made; (3) Assess charges to cover additional administrative costs incurred by the Government to service your account; (4) Offset amounts owed to you under other Federal programs; (5) Refer your account to a private attorney, collection agency or mortgage servicing agency to collect the amount due, foreclose the mortgage, sell the property and seek judgment against you for any deficiency; (6) Refer your account to the Department of Justice for litigation; (7) Take action to offset your salary, or retirement benefits; (8) Refer your debt to the Department of the Treasury for cross-servicing and offset against any amount owed to you by any Federal Agency such as an income tax refund; and (9) Report any resulting written-off debt to the Internal Revenue Service as taxable income. All of these actions can and will be used to recover debts owed to the Federal Government when in its best interests.</p>		
13.	RESTRICTIONS AND DISCLOSURE OF LOBBYING ACTIVITIES:	
<p>A. The applicant:</p> <p>(1) Certifies that if any funds, by or on behalf of the applicant, have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, or loan, the applicant shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.</p> <p>(2) Shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including contracts, subcontracts, and subgrants, under grants and loans) and that all subrecipients shall certify and disclose accordingly.</p> <p>B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this statement is a prerequisite for making or entering into this transaction. Any person who fails to file the required statement shall be subject to a civil penalty imposed by 31 U.S.C. 1352.</p>		
14.	DISQUALIFICATION DUE TO FEDERAL CROP INSURANCE FRAUD:	
<p>The applicant certifies that as an individual or any member of the entity, has not been disqualified for Federal benefits as provided in Section 515(h) of the Federal Crop Insurance Act (FCIA). Applicants who willfully and intentionally provide false or inaccurate information to the Federal Crop Insurance Corporation (FCIC) or to an approved insurance provider with respect to a policy or plan of FCIC insurance, after notice and an opportunity for a hearing on the record, will be subject to one or more of the sanctions described in section 515(h)(3) of FCIA.</p>		
15.	PERMISSION TO FILE FINANCING STATEMENT:	
<p>Under the Uniform Commercial Code, you do not have to sign the financing statement which allows FSA to obtain a security interest in your property. If the loan is approved and funded, FSA will file a financing statement at the earliest possible date, before you enter into a <b>SECURITY AGREEMENT. BY SIGNING BELOW, I GIVE FSA PERMISSION TO FILE A FINANCING STATEMENT PRIOR TO THE EXECUTION OF THE SECURITY AGREEMENT AS WELL AS TO FILE AMENDMENTS AND CONTINUATIONS OF THE FINANCING STATEMENT THEREAFTER.</b></p>		

PROCEED TO PART C
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Initials: <u>SMM</u>	Date: <u>2/16/2024</u>
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## Examples of How to Complete FSA-2062 (Continued)

## A Example 1: Crop and Equipment Subordination (Continued)

FSA-2062 (02-06-24)		Page 5 of 6
<b>PART C CERTIFICATION AND SIGNATURES</b>		
<p><i>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></p> <p><i>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.</i></p> <p><i>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.</i></p>		
1A. Signature of Individual Applicant, Spouse or Entity Member  SIGNATURE of Sprouts Matty McGee	1B. Capacity  <input checked="" type="checkbox"/> Self <input type="checkbox"/> Entity Representative	1C. Date Signed (MM-DD-YYYY)  2/16/2024
2A. Signature of Individual Applicant, Spouse or Entity Member	2B. Capacity  <input type="checkbox"/> Self <input type="checkbox"/> Entity Representative	2C. Date Signed (MM-DD-YYYY)
3A. Signature of Individual Applicant, Spouse or Entity Member	3B. Capacity  <input type="checkbox"/> Self <input type="checkbox"/> Entity Representative	3C. Date Signed (MM-DD-YYYY)
4A. Signature of Individual Applicant, Spouse or Entity Member	4B. Capacity  <input type="checkbox"/> Self <input type="checkbox"/> Entity Representative	4C. Date Signed (MM-DD-YYYY)
5A. Signature of Individual Applicant, Spouse or Entity Member	5B. Capacity  <input type="checkbox"/> Self <input type="checkbox"/> Entity Representative	5C. Date Signed (MM-DD-YYYY)
6A. Signature of Individual Applicant, Spouse or Entity Member	6B. Capacity  <input type="checkbox"/> Self <input type="checkbox"/> Entity Representative	6C. Date Signed (MM-DD-YYYY)
<b>PART D FSA USE ONLY</b>		
1. Date FSA-2062 Received 2/17/2024	2. Date Application Complete 2/17/2024	
3. Comments on recommendation and approval or denial of the subordination have been entered in FBP credit presentation titled (a) <u>2024 Equipment and Crop Subordination</u> and dated: (b) <u>2/26/2024</u> . The transaction was approved or rejected in the FBP.		

## Examples of How to Complete FSA-2062 (Continued)

## B Example 2: Real Estate Subordination

Greens for Good, LLC is an existing entity borrower operated by co-owners Olive Ann Peabody and Sage Leaf O’Leary. The borrower currently holds an FSA FO with an outstanding balance of \$80,255. This FO was obtained 20 years ago at an origination amount of \$230,000 and was used to purchase the borrower’s 100-acre farm parcel. FSA is secured by a first position mortgage on the 100-acre farm parcel. The borrower is applying for a \$130,000 subordination to Bank of Cultivation. The requested subordination will allow the borrower to obtain a \$130,000 20-year loan from Bank of Cultivation, which will be used to build a new multipurpose structure on the farm. The structure will serve as the farm’s headquarters, wash area, and packing area and will also include a retail storefront. The structure is reasonable in size and design for the planned farm operation. In addition, the borrower’s farm operation will produce all of the crops that are processed, stored, and sold within the structure. The borrower currently operates out of an existing old barn, but this building is too old and is no longer sufficient for the farm operation. The new structure is essential to the farm’s continued success as it will improve efficiency, improve profitability, and allow the borrower to maintain food-safety compliance. Bank of Cultivation is requiring that they obtain first mortgage position on the borrower’s 100-acre parcel.

## **Examples of How to Complete FSA-2062 (Continued)**

## B Example 2: Real Estate Subordination (Continued)

## Examples of How to Complete FSA-2062 (Continued)

## B Example 2: Real Estate Subordination (Continued)

FSA-2062 (02-06-24)		Page 3 of 6	
PART B NOTIFICATIONS, CERTIFICATIONS AND ACKNOWLEDGMENT			
		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.		N/A
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.		
	#8: Owned and operated my own leafy greens farm since 1996.		
11.	<b>SPECIAL PROGRAM INFORMATION.</b>		
	Certain FSA programs are, by law, designed to reach targeted applicants. If you are interested in any of the programs described here or have questions about these programs and whether you may qualify for a specific program, the FSA office processing your application will help you.		
A.	<b>SOCIALLY DISADVANTAGED APPLICANTS:</b> A portion of FSA farm ownership, operating, and conservation loan funds are, by law, targeted to applicants who have been subjected to racial, ethnic or gender prejudice because of their identity as a member of a group, without regard to individual qualities. Under the applicable law, groups meeting this condition are: American Indians/Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians/Other Pacific Islanders, Hispanics and women. In addition, FSA has a down payment program, which receives special funding.		
B.	<b>BEGINNING FARMER ASSISTANCE:</b> FSA has the authority to assist beginning farmers through the farm ownership, operating, and conservation loan programs. A portion of FSA farm ownership, operating, and conservation loan funds are, by law, targeted to beginning farmers. In addition, FSA has a down payment program, which receives special funding. In some States, FSA has agreements with State beginning farmer programs to help meet the credit needs of beginning farmers.		
C.	<b>LIMITED RESOURCE LOANS:</b> Limited resource farm ownership and operating loans are available to qualified applicants. This program provides loans at reduced interest rates to low-income farmers whose operations and resources are so limited that they cannot pay the regular rates for FSA loans. The program is also intended to provide beginning farmers the opportunity to start a successful farming operation.		
12.	<b>RIGHTS AND POLICIES.</b>		
A.	<b>RIGHT TO FINANCIAL PRIVACY ACT OF 1978 (Public Law 95-630):</b> FSA has a right of access to financial records held by financial institutions in connection with providing assistance to you as well as collecting on loans made to you or guaranteed by the Government. Financial records involving your transaction will be available to FSA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required by law.		
Initials:	OAP SLO	Date:	2/16/2024

## Examples of How to Complete FSA-2062 (Continued)

## B Example 2: Real Estate Subordination (Continued)

FSA-2062 (02-06-24)		Page 4 of 6
<b>PART B – NOTIFICATIONS, CERTIFICATIONS AND ACKNOWLEDGMENT (Continued)</b>		
<p>B. <b>THE FEDERAL EQUAL CREDIT OPPORTUNITY ACT:</b> Prohibits creditors from discriminating against applicants on the basis of race, color, religion, sex, national origin, marital status, age (provided the applicant has the capacity to enter into a binding contract), because all or a part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.</p> <p>C. <b>ECOA – RIGHT TO RECEIVE APPRAISAL:</b> As part of the assistance provided by FSA, an appraisal report or written real estate valuation may be required to determine the value of the property you intend to pledge as security. If FSA orders an appraisal or completes a written real estate valuation, you will receive a copy at no cost. You will receive a copy at least three business days prior to the closing of your loan or servicing action. On occasion, the three-day waiting period could cause a delay in loan closing. If you so choose, you have a right to waive this waiting period and a copy will be provided to you no later than the time of loan closing.</p> <p>D. <b>FEDERAL COLLECTION POLICIES:</b> Delinquencies, defaults, foreclosures and abuses of loans involving programs of the Federal Government can be costly and detrimental to your credit, now and in the future. The lender in this transaction, its agents and assigns as well as the Federal Government, its agencies, agents and assigns, are authorized to take any and all of the following actions in the event loan payments become delinquent: (1) Report your name and account information to a credit bureau; (2) Assess additional interest and penalty charges for the period of time that payment is not made; (3) Assess charges to cover additional administrative costs incurred by the Government to service your account; (4) Offset amounts owed to you under other Federal programs; (5) Refer your account to a private attorney, collection agency or mortgage servicing agency to collect the amount due, foreclose the mortgage, sell the property and seek judgment against you for any deficiency; (6) Refer your account to the Department of Justice for litigation; (7) Take action to offset your salary, or retirement benefits; (8) Refer your debt to the Department of the Treasury for cross-servicing and offset against any amount owed to you by any Federal Agency such as an income tax refund; and (9) Report any resulting written-off debt to the Internal Revenue Service as taxable income. All of these actions can and will be used to recover debts owed to the Federal Government when in its best interests.</p>		
13.	<b>RESTRICTIONS AND DISCLOSURE OF LOBBYING ACTIVITIES:</b>	
<p>A. The applicant:</p> <p>(1) Certifies that if any funds, by or on behalf of the applicant, have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, or loan, the applicant shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.</p> <p>(2) Shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including contracts, subcontracts, and subgrants, under grants and loans) and that all subrecipients shall certify and disclose accordingly.</p> <p>B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this statement is a prerequisite for making or entering into this transaction. Any person who fails to file the required statement shall be subject to a civil penalty imposed by 31 U.S.C. 1352.</p>		
14.	<b>DISQUALIFICATION DUE TO FEDERAL CROP INSURANCE FRAUD:</b>	
<p>The applicant certifies that as an individual or any member of the entity, has not been disqualified for Federal benefits as provided in Section 515(h) of the Federal Crop Insurance Act (FCIA). Applicants who willfully and intentionally provide false or inaccurate information to the Federal Crop Insurance Corporation (FCIC) or to an approved insurance provider with respect to a policy or plan of FCIC insurance, after notice and an opportunity for a hearing on the record, will be subject to one or more of the sanctions described in section 515(h)(3) of FCIA.</p>		
15.	<b>PERMISSION TO FILE FINANCING STATEMENT:</b>	
<p>Under the Uniform Commercial Code, you do not have to sign the financing statement which allows FSA to obtain a security interest in your property. If the loan is approved and funded, FSA will file a financing statement at the earliest possible date, before you enter into a <b>SECURITY AGREEMENT. BY SIGNING BELOW, I GIVE FSA PERMISSION TO FILE A FINANCING STATEMENT PRIOR TO THE EXECUTION OF THE SECURITY AGREEMENT AS WELL AS TO FILE AMENDMENTS AND CONTINUATIONS OF THE FINANCING STATEMENT THEREAFTER.</b></p>		
PROCEED TO PART C		
Initials:	OAP SLO	Date: <u>2/16/2024</u>

## Examples of How to Complete FSA-2062 (Continued)

## B Example 2: Real Estate Subordination (Continued)

FSA-2062 (02-06-24)		Page 5 of 6
<b>PART C CERTIFICATION AND SIGNATURES</b>		
<p><i>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></p> <p><i>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.</i></p> <p><i>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.</i></p>		
1A. Signature of Individual Applicant, Spouse or Entity Member  SIGNATURE of Greens for Good, LLC member with signature authority.	1B. Capacity  <input type="checkbox"/> Self <input checked="" type="checkbox"/> Entity Representative	1C. Date Signed (MM-DD-YYYY)  2/16/2024
2A. Signature of Individual Applicant, Spouse or Entity Member  SIGNATURE of Individual Olive Ann Peabody	2B. Capacity  <input checked="" type="checkbox"/> Self <input type="checkbox"/> Entity Representative	2C. Date Signed (MM-DD-YYYY)  2/16/2024
3A. Signature of Individual Applicant, Spouse or Entity Member  SIGNATURE of Individual Sage Leaf O'Leary	3B. Capacity  <input checked="" type="checkbox"/> Self <input type="checkbox"/> Entity Representative	3C. Date Signed (MM-DD-YYYY)  2/16/2024
4A. Signature of Individual Applicant, Spouse or Entity Member	4B. Capacity  <input type="checkbox"/> Self <input type="checkbox"/> Entity Representative	4C. Date Signed (MM-DD-YYYY)
5A. Signature of Individual Applicant, Spouse or Entity Member	5B. Capacity  <input type="checkbox"/> Self <input type="checkbox"/> Entity Representative	5C. Date Signed (MM-DD-YYYY)
6A. Signature of Individual Applicant, Spouse or Entity Member	6B. Capacity  <input type="checkbox"/> Self <input type="checkbox"/> Entity Representative	6C. Date Signed (MM-DD-YYYY)
<b>PART D FSA USE ONLY</b>		
1. Date FSA-2062 Received 2/17/2024	2. Date Application Complete 2/17/2024	
3. Comments on recommendation and approval or denial of the subordination have been entered in FBP credit presentation titled (a) <u>2024 Real Estate Subordination</u> and dated: (b) <u>2/26/2024</u> . The transaction was approved or rejected in the FBP.		