

**AGREEMENT WITH PRIOR LIENHOLDER
UNITED STATES DEPARTMENT OF AGRICULTURE**

Form RD 1927-8 (Rev. 1-02) FORM APPROVED
OMB NO. 0575-0147

Position 5

WHEREAS _____ **(1)**

(called the "Mortgagees") is the holder of a certain _____ **(2)**
(Insert Mortgage, Purchase Contract of other Security Instrument)

(called the "Security Instrument") recorded in Book No. _____ **(3)** Page _____ **(3)**
of the _____ **(3)** Records of _____ **(3)** County;

WHEREAS _____ **(4)** and _____ **(4)**

(called the "Mortgagor") is (are) the owner(s) of certain real estate described in the above listed security instrument; and **WHEREAS**, Mortgagor has applied to the United States of America, United States Department of Agriculture, acting through the _____ **(5)** (called the "Government"), for a loan for the purpose of improving or purchasing and improving the real estate, to be secured by a mortgage, deed of trust, or other security instrument that will be subject to the Security Instrument held by or for the benefit of Mortgagee;

THEREFORE, in consideration of the making of the loan by the Government, Mortgagee, for mortgagee's self, heirs, executors, administrators, successors, and assigns does hereby agree:

1) That the mortgagee will not declare the Security Instrument to be in default and the indebtedness secured thereby will not be accelerated unless prior written notice has been provided to the Government at the following address:

_____ **(6)**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0147. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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Used by approving official when appropriate, in connection with a Farm Ownership (FO), or Rural Housing (RH), made subject to an existing lien when it is determined that it is necessary to protect the Government's security interest against foreclosure action by the prior lienholder.

(see reverse)

- PROCEDURE FOR PREPARATION : RD Instructions 1927-B and HB-2-3550. FSA Transferred Instruction 1941-A, 1943-A, and 1943-B.
- PREPARED BY : Approving official.
- NUMBER OF COPIES : Original and two (one extra copy if recorded and the recording official retains the original).
- SIGNATURES REQUIRED : Original by existing lienholder with proper acknowledgement.
- DISTRIBUTION OF COPIES : Original retained in the Agency office, unless retained by recording official, in which case a conformed copy will be retained in the office. Copy to borrower; copy to existing lienholder at time of loan closing.

REVERSE OF FORM RD 1927-8

Said notice will be delivered to the Government by Certified Mail not less than (7) days prior to the intended action;

2) That the Government may, at its option, cure any monetary default by paying the amount of the Mortgagor's delinquent payments to the Mortgagee, or pay the obligation in full and the Mortgagee will assign the lien to the Government;

3) That should the Government commence liquidation proceedings and thereafter acquire the real estate covered by the security instrument, the Mortgagee will not declare the security instrument to be any non-monetary default;

4) That to the extent the Security Instrument secures future advances which have priority over the Government's security instrument, no advances for purposes other than taxes, insurance or payments on other prior liens will be made under any future advance feature of the mortgagee's security instrument without the written consent of _____.

5) That this agreement includes consent to the Government for making (or transferring) loans and taking (or retaining) the related mortgage notwithstanding any provision of the Mortgage which prohibits a loan or mortgage (or transfer) without Mortgagee's consent;

6) That should the Government obtain title to the property either by foreclosure or voluntary conveyance, Mortgagee will grant consent so the Government may transfer the property subject to the prior lien notwithstanding any prohibition in the Mortgagee's security instrument to the contrary.

FORM RD 1927-8

IN WITNESS WHEREOF, Mortgagee has executed this Agreement with Prior Lienholder this **(8)**
day of **(8)** , _____.

_____ **(9)** (Seal)
(Mortgagee)

_____ **(9)** (Seal)
(Mortgagee)

IF MORTGAGEE IS A CORPORATION:
(Corporate Seal)

_____ **(9)**
(Name of Corporation - Mortgagee)

By _____ **(9)**
(Duly Authorized Officer)

_____ **(9)**
(Title)

_____ **(10)**

_____ **(10)**
(Address)

ACKNOWLEDGMENT

_____ **(10)**
(Contact Person - Please Print)

_____ **(10)**
(Telephone Number)

INSTRUCTIONS FOR PREPARATION

- (1) Indicate the name of the prior lienholder.
- (2) Indicate the type of instrument creating a lien against the security.
- (3) Insert all recording information for the prior lien.
- (4) Indicate the name(s) of the borrower(s) applicant(s).
- (5) Insert Agency name.
- (6) Insert the address of the Agency office making the loan.
- (7) Specify a period of time established by the State Office in consultation with Office of the General Counsel.
- (8) Insert the date the form is executed by the prior lienholder.
- (9) Signature of prior lienholder.
- (10) Insert address, name of contact person, and telephone number of participating lender.