

USDA  
Form RD 1965-9  
(Rev. 12-97)

**MULTI FAMILY HOUSING  
ASSUMPTION AGREEMENT** (1)

Type of Loan: (Check one)  RCH  RRH  LH  RHS

Terms: (Check one)  Same  New

Case Number: \_\_\_\_\_

Project Number: \_\_\_\_\_

THIS AGREEMENT dated (4) \_\_\_\_\_, 19 \_\_\_\_ is between the United States of America, acting through the Rural Housing Service or its successor (herein called the Government), and the assuming parties, (5)

(herein called Borrower), who mailing address is (6)

The Government is the holder of debt instrument(s) executed by (7)

identified as follows:

**TABLE I**

Kind of Instrument	Date Executed	Principal Amount	UNPAID ON DATE HEREOF			Int. Rate	Ins. Charge Rate
			Principal	Accrued Interest	Late Fees		
(8)	(8)	(8)	(8)	(8)	(8)	(9)	(10)
		Totals	(11)	(11)	(11)		

And such loans are secured instrument(s) taken on property described therein which is located in (12) \_\_\_\_\_  
County, State of (13)

**TABLE II**

Kind of Instrument	Date Executed	Office Where Recorded	Book/Volume/ Document Number	Page Number
(14)				

RD 1965-9 (Rev. 12/97)

Position 2

Used to transfer multi family housing loans to borrowers assuming the Agency debt. Do not complete for 100% membership change.

(see reverse)

- PROCEDURE FOR PREPARATION : RD Instructions 1951-K and 1965-B.
- PREPARED BY : District Director.
- NUMBER OF COPIES : Original and two.
- SIGNATURES REQUIRED : All copies by borrower and Agency representative.
- DISTRIBUTION OF COPIES : Original to Field Office attached to original promissory note; signed copy to transferees; signed copy to Field Office case file.

**REVERSE OF FORM RD 1965-9**

In consideration of the assumption of indebtedness and subsidy as herein provided and the Government's consent to this assumption and related conveyance of the security property, if applicable, it is agreed as follows:

1. The assuming parties hereby jointly and severally assume liability for and agree to pay to the order of the Government at the office shown below (or other as may later be specified) the amounts, including all obligations and duties under any note or other security instrument identified above, the principal sum of (15) dollars (\$ (15)) plus interest at the rate of (16) percent ((16)%) per annum, payable in installments as follows:
  - a. \$ (17) on (18), 19(18), and \$ (19) thereafter on the (19a) of each (19b) until the principal and interest are fully paid, except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable on or before (20).
  - b. Upon completion of this assumption all payments will be converted to the Predetermined Amortization Schedule System (PASS) and, the first installment in the amount of \$ (21) will be due and payable on (22), 19(22). Thereafter, regular installments, each in the amount of \$ (23) will be due and payable on the first day of each month until the principal and interest are fully paid, except that the final installment of the entire indebtedness evidenced hereby, if not paid sooner, shall be due and payable on or before (24).
2. Payments of principal and interest shall be applied in accordance with the Government's accounting procedures in effect on the date of the receipt of the payment. The Borrower agrees to pay late charges in accordance with the Government's regulations in effect when a late charge is assessed.
3. The provisions of said debt and security instruments and of any outstanding agreement executed or assumed by the present debtors pertinent thereto shall, except as modified herein, remain in full force and effect, and the assuming parties hereby assume obligations of and agree to be bound by and comply with all covenants, agreements and conditions contained in said instruments and agreements, except as modified herein, the same as if they had executed them as of the dates thereof as principal obligors.
4. Provisions of the debt and security instrument(s) which require that the borrower graduate to another credit source do not apply to an assumption on ineligible terms. (An assumption on ineligible terms has been identified by the approval official and so noted in the official case file maintained at the Government's office noted in this document.)
5. The property secured by the instruments described in Table II was obtained or improved through Federal financial assistance. This property is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the property continues to be used for the same or similar purpose for which financial assistance was extended or so long as the purchaser owns it, whichever is longer.
6. This Agreement is subject to present regulations of the Government and to its future regulations which are not inconsistent with the express provisions hereof.

UNITED STATES OF AMERICA

By (26)  
 \_\_\_\_\_  
 (Title)  
 \_\_\_\_\_  
 (27)  
 (Office Address)  
 \_\_\_\_\_

(25)  
 \_\_\_\_\_  
 (Borrower)  
 \_\_\_\_\_  
 (Borrower)  
 \_\_\_\_\_  
 (Borrower)  
 \_\_\_\_\_  
 (Borrower)

**INSTRUCTIONS FOR PREPARATION**

NOTE: When more than one loan is being assumed at same rates and terms, a separate Assumption Agreement must be prepared for each loan, using the same project number. Transfers (same terms) will not consolidate loans. For Transfers (new terms), all loans on the project may be included on the same form. The new terms transfer will consolidate the loans and recoverable cost items. Each project being transferred requires a separate Assumption Agreement and project number. Project numbers are assigned by AMAS when the MSA for the transfer is complete. Projects *may not* to consolidated by transfer.

- (1) Place "X" in the appropriate box to indicate whether the debt being assumed is RCH, RRH, LH, or RHS loan.
- (2) Place "X" in the appropriate box to indicate whether the assumption is at same or new terms.
- (3a) Enter the Case Number of the assuming party.
- (3b) Enter the Project Number of the assuming party assigned by AMAS.
- (4) Enter the effective date of the transfer. This is the date on which the Assumption is closed. However, if the effective date is the first of the month and the first falls on a Saturday, Sunday or a holiday, the forms may be signed on the last working day before the first and documents may be filed on the first working day after the first.
- (5) Insert name(s) of assuming party(ies).
- (6) Insert address of assuming party.
- (7) Insert name(s) of transferor(s).
- (8) Table I: Enter on a separate line the full information required on each note, assumption agreement, or reamortization agreement covered by this agreement. (The document described must be the document which set the terms being assumed.) The accrued interest, overage and late fees will be handled as follows:

**DIAS TO PASS - SAME TERMS**

First of the month closing: Use the MIXI screen in AMAS to accrue interest and related charges. Enter last day of the previous month as the "accrual date." The unpaid interest and overage shown on the MIXI screen will be collected from the transferor at closing and credited to the transferor's account. Item 8, accrued interest and late fees will be shown as "0".

Other than first of the month closing: Use the MIXI screen in AMAS to accrue interest and related charges. Enter the date the transfer is closed as the "accrual date." The unpaid interest and overage shown on the MIXI screen will be collected from the transferor at closing and credited to the transferor's account. Item 8, accrued interest and late fees will be shown as "0".

**PASS TO PASS - SAME TERMS**

First of the month closing: Use MIXI screen to accrue interest. Enter 30th day of the previous month as the "accrual date." The unpaid interest, plus any unpaid overage, will be shown in Item 8 in the accrued interest column and WILL NOT be collected at closing. The account must be current so no unpaid late fees will be shown.

Other than first of the month closing: Use MIXI screen to accrue interest. Enter the date the transfer is closed as the "accrual date." The unpaid interest, plus any unpaid overage, will be shown in Item 8 in the accrued interest column and WILL NOT be collected at closing. The account must be current so no unpaid late fees will be shown.

DIAS TO PASS - NEW TERMS

First of the month closing: Use the MIXI screen in AMAS to accrue interest and related charges. Enter last day of the previous month as the "accrual date." The unpaid interest and overage shown on the MIXI screen will be entered in the accrued interest column.

Other than first of the month closing: Use the MIXI screen in AMAS to accrue interest and related charges. Enter the date the transfer is closed as the "accrual date." The unpaid interest and overage shown on the MIXI screen will be entered in the accrued interest column.

PASS TO PASS - NEW TERMS

First of the month closing: Use MIXI screen to accrue interest. Enter 30th day of the previous month as the "accrual date." The unpaid interest, plus any unpaid overage, will be shown in the accrued interest column and any unpaid late fees will be shown in the late fee column.

Other than first of the month closing: Use MIXI screen to accrue interest. Enter the date the transfer is closed as the "accrual date." The unpaid interest, plus any unpaid overage, will be shown in the accrued interest column and any unpaid late fees will be shown in the late fee column.

- (9) Enter the interest rate for the note, reamortization agreement or previous assumption agreement being assumed.
- (10) Enter under the "Insurance Charge Rate" the rate of any separate insurance charge related to the loan. The rate is applicable only for transfers to ineligible applicants.
- (11) Enter the total principal, total interest (including any unpaid overage), and total late fees of all loans and recoverable cost items shown above.
- (12) and (13) If only real estate is involved enter the county and State in which the security instrument(s) is filed or recorded.
- (14) Enter in this table (Table II) the full information required on each instrument. This includes both chattel and real estate mortgages, deeds of trust or other security instruments which secure the instruments described in Table I. (For loans on PASS, information relative to Form RD 460-10, "New Promise to Pay," or Form RD 1951-50, "Multiple Family Housing Conversion Agreement," will also be shown in this table.) If chattel security instruments are involved, whether or not real estate security instruments are involved, show (in the 3rd, 4th, and 5th columns) the office, county and State of filing or recordation.
- (15) Enter the sum of items 11 shown on the face of the form and any amount due the insurance account, except when a portion of the debt equal to the market value of the property is being assumed, the amount of such value will be shown. If a down payment is being made on the date the transfer is being closed, the amount of the debt being assumed will be shown in this item and the down payment will be credited to the transferee's account as an extra payment. Payment must be effective the day *after* the transfer effective date.
- (16) Enter the appropriate rate of interest as determined in RD Instruction 440.1, Exhibit B, RD Instruction 1965-B, or as authorized by the National Office for cases not covered by program instructions. For transfers to ineligible applicants, the interest rate will be determined in accordance with RD Instruction 440.1, Exhibit B or as authorized by the National Office in cases not covered by program instructions. If notes having different interest rates are assumed, as authorized under Section 1965.65 of RD Instruction 1965-B, without the interest rate being changed, a separate assumption agreement will be executed for each note.

COMPLETE ITEMS 17 THRU 22 FOR RRH AND RCH TRANSFERS FROM PASS TO PASS AND LH AND RHS FROM DIAS TO DIAS.

- (17) LH or RHS - for annual installments on a new terms transfer, the amount to be entered cannot be more than the interest accruing for one year from the date of the transfer and must be due on the first of a month. (In the case of seasonal LH or an on-farm LH it may be the first day of a month coinciding with the end of a season or whenever the farmer expects income from crops.) It may not be more than a regular amortized installment. An interest only installment will be calculated using the DIAS formula (unpaid principal times subsidized interest rate, divided by 365, times the remaining days between date of closing *through* date interest only payment is due). The remaining days will be calculated using the Julian Calendar in Exhibit G to RD Instruction 440.1.

The regular amortized annual installment will be computed on a calculator which computes amortized payments. The payment will be calculated to the nearest penny.

RRH or RCH - All installments will be monthly. Enter the installment as follows:

SAME TERMS PASS TO PASS CLOSED ON THE FIRST DAY OF THE MONTH

Enter the same nonsubsidized payment shown on the MIFI screen for the Transferor.

SAME TERMS PASS TO PASS CLOSED OTHER THAN THE FIRST DAY OF THE MONTH

Enter the same nonsubsidized payment shown on the MIFI screen for the Transferor.

NOTE: Transferor pays the payment due for first day of month in which transfer is closed. Transferee pays payment for first day of following month. No interest only installment required.

- (18) Enter the date of the first installment. For monthly installments, the first installment will be due the first of the month after the AED. (If closed on the first day of the month, the closing date becomes the AED; if closed other than the first day of the month, the AED is the first day of the following month.) For annual installments, the first installment will be due one year from the AED. The date of the last interest only installment becomes the AED.
- (19) Enter the amount of a regular annual (for LH or RHS) or monthly (for PASS) amortized installments.
- Enter the "first".
  - Enter month for monthly payment borrowers or month of the year for annual payment borrowers.
- (20) For same terms transfers insert the final due date shown on the promissory note, assumption agreement, or reamortization agreement being assumed. For transfers on new terms the final date may not be more than the term authorized under §1965.65 of RD Instruction 1965-B.

COMPLETE ITEMS 21-24 FOR ALL TRANSFERS CONVERTING FROM DIAS TO PASS.

- (21) For transfer closed on the first day of the month, enter the amount of the first amortized installment.

For transfers closed other than the first of the month, calculate an interest only installment from the day of closing through the 30th day of the month by multiplying the principal shown in item 15 times the nonsubsidized interest rate shown in item 16, divided by 360, times the number of days from the date of closing to the first of the following month (using 30-day months).

EXAMPLE: Transfer closed August 15th  
30 days - 15 = 15 remaining days  
\$659,781.10 principal x .095 interest  
divided by 360 days = \$174.11 interest per day  
\$174.11 x 15 remaining days = \$2611.65 interest only installment  
THE INTEREST ONLY INSTALLMENT TO BE INSERTED IN THIS ITEM IS BASED ON THE NON-SUBSIDIZED INTEREST RATE. HOWEVER, THE INTEREST ONLY PAYMENT COLLECTED FROM THE TRANSFEREE AND CREDITED TO THE TRANSFEREE'S ACCOUNT MUST BE CALCULATED ON THE SAME INTEREST CREDIT RATE IN EFFECT FOR THE PREVIOUS BORROWER. THE SAME FORMULA FOR CALCULATING THE INTEREST PAYMENT WILL BE USED, BUT SUBSTITUTE THE SUBSIDIZED INTEREST RATE (i.e., 1%) FOR THE NONSUBSIDIZED RATE.

(22) Enter the date of the first "interest only" installment. This will be the first of the month following the closing of the transfer. Enter the date of the first monthly installment for first of the month transfers. (This must be one month from the date of closing.)

(23) Enter the amount of the regular amortized installment.

(24) Insert the final due date.

(25) The assuming parties will sign in the space indicated and the name(s) will be typed below lines for each signature.

Individuals - Type names of transferee(s), and spouse(s) if required by State law, below signature lines.

Corporations and Cooperatives - The name of the corporation or cooperative will be typed above the space for signatures, and the name and title of each official to sign for the organization will be typed below their signature.

(26) The District Director or other appropriate delegated official will sign in the space and the official's name will be typed below the signature line.

(27) Type in address of the Field Office.

The Field Office will attach the original assumption agreement to the original note(s) assumption agreement (new terms), or reamortization agreement (new terms) covered by such agreement. Any conversion agreement or new promise to pay executed by the transferor will also be attached.