

USDA-RHS
Form RD 3550-22
(Rev. 8-99)

FORM APPROVED
OMB NO. 0575-0172

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL HOUSING SERVICE ASSUMPTION AGREEMENT SINGLE FAMILY HOUSING	Type of Loan Assumed	Section 502
		Section 504
	Type of transferee	Program Transferee
		NonProgram Transferee
	Type of Assumption	New Rates and Terms
	Same Rates and Terms	
Sellers Case No:		
Transferee Case No:		

Used in connection with the assumption of direct Single Family Housing Loans.

This Agreement dated _____ is between the United States of America, acting through the Rural Housing Service, its successors and assigns (herein called the Government;) and _____ (herein called the Borrower or transferee), whose mailing address is: _____

The Government is the holder of one or more of the following debt instruments executed, _____ (the sellers), which instrument is secured by real property located in _____ County, State of _____ pursuant to the following security instruments:

Type of Debt Instrument	Date Executed	Original Principal	Interest Rate	Type of Security Instrument	Date Executed	Office Where Recorded	Book/Volume Document No.	Page No.

In consideration of the assumption of the indebtedness 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:

- The Borrower will assume the indebtedness and obligations of the above described debt and security instruments on (check only one):
 - Same rates and terms; or
 - New rates and terms with an interest rate of _____ percent (____%) per annum, the principal sum of _____ dollars (\$ _____), with the first instalment of principal and interest of \$ _____ due on _____, and \$ _____ thereafter on the _____ of each month until the principal and interest are fully paid, except that the final instalment of the entire indebtedness evidenced hereby, if not paid sooner, shall be due and payable _____ years from the date of this Agreement. Borrower shall escrow taxes and insurance in accordance with Agency regulations. By execution of this agreement borrower becomes personally obligated to repay the principal and interest to the Government on the terms stated herein.
- Payments of principal and interest shall be applied in accordance with Government's accounting procedures in effect on the date of receipt of the payments. If Borrower's payment has not been received by the end of _____ days after it becomes due, Borrower will pay a late charge of _____% of the overdue payment of principal and interest.
- The provision of the debt and security instruments hereby assumed shall, except as modified herein, remain in full force and effect, and Borrower assumes the obligations of and agrees to comply with all covenants, agreements, and conditions in said instruments, as modified here, as though Borrower had executed them as of the date thereof as principal obligors. Borrower agrees to be personally liable to the Government for the repayment of the obligation assumed herein. Nothing contained herein shall be construed to release the seller from liability on the above described debt instruments.
- Any provision of the debt or security instruments which requires that the Borrower occupy the Government financed dwelling or refinancing to another credit source does not apply to assumption by a non-program transferee.
- 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
RURAL HOUSING SERVICE
By: _____ (Borrower)
Title: _____ (Borrower)
Date: _____
Address: _____ (Cosigner)

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 0575-0172. 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.

- PROCEDURE FOR PREPARATION : HB-1-3550 and HB-2-3550.
- PREPARED BY : Loan approval official or Centralized Servicing Center (CSC).
- NUMBER OF COPIES : Original and two copies.
- SIGNATURES REQUIRED : Borrower and applicable Rural Housing Service (RHS) official.
- DISTRIBUTION OF COPIES : Original to be stapled to original Promissory Note and filed in the lockable fire resistant file. Copy to case file, copy to transferee.

GENERAL

A separate Form RD 3550-22 will be prepared for each loan being assumed.

The transferor is the seller or current owner of the property. The transferee is the assuming party; the purchaser or new owner of the property.

Most assumptions are processed on new rates and terms. Only in unusual circumstances, generally related to the death of a borrower, or transfer to a non-borrower ex-spouse as part of a divorce decree, are same rates and terms assumptions authorized. See 7 C.F.R. 3550.163 for further guidance.

This form may also be used in situations not involving a transfer when a non-borrower wants to assume liability for the debt on the same rates and terms and the original borrower will continue to own and occupy the house. (e.g., the borrower marries and the new spouse wants to be liable for the loan.) In such situations the assuming party will, for the purposes of the form, be referred to as the “transferee” although there is no actual transfer.

INSTRUCTIONS FOR PREPARATION

- (1) Check off applicable boxes. Insert the case number of both the transferor and transferee.
- (2) Insert the date the assumption is closed. This should be the same date the Assumption Agreement is signed.
- (3) Insert the names of the transferee (new owner).
- (4) Insert the mailing address of the transferee (new owner) after loan closing.
- (5) Insert the names of the transferors. The names of the transferors should come from the original Promissory Note.
- (6) Insert the name of the county (or parish) where the security property is located.
- (7) Insert the name of the state or commonwealth where the security property is located.
- (8) Insert the applicable information regarding the Promissory Note, Real Estate Mortgage, Deed of Trust, or other similar security instruments being assumed. The amount being assumed should be inserted in the unpaid amount section. The original interest rate from the original Promissory Note is placed in this part.
- (9) Check off this box only for assumptions on same rates and terms.
- (10) Check off this box for assumptions on new rates and terms.
- (11) Insert the current interest rate (in words) applicable to the type of transferee indicated in Item 1. For example, Eight and one-quarter.
- (12) Insert the current interest rate (in numbers). For example, 8.25.
- (13) and (14) Insert the amount assumed which will be either (a) the total of unpaid principal, unpaid interest, and any recapture of subsidy due or (b) the portion of the indebtedness equal to the market value of the property. If a downpayment is being made on the date the transfer is closed, the amount assumed will be the difference between the downpayment and the indebtedness being assumed under (a) or (b).
- (15) Insert the principal and interest payment for the first installment on the loan being assumed.

- (16) Insert the due date (in words) of the first scheduled payment.
- (17) Insert the principal and interest payment for the regular principal and interest installment on the loan being assumed.
- (18) Insert the date (in words) the scheduled installments are due.
- (19) Insert (in words) the term (length) of the loan being assumed. For example, Ten, Thirty, Thirty-three.
- (20) Insert (in numbers) the term (length) of the loan being assumed. For example, 10, 30, 33.
- (21a) Insert the number of grace days as determined by applicable state law.
- (21b) Insert percent of late charges as determined by applicable state law.
- (22) An authorized RHS official must sign the document and his/her name will be typed under the signature line. This would be the Loan Approval Official or the Director of the CSC (or designee), as applicable.
- (23) The transferees (new owners) must sign the document. Their names should be typed under the signature line. If the transferee is not an individual (for example, a nonprofit organization), consult with the Office of General Counsel for the appropriate signatories.
- (24) The cosigner, if applicable, must sign the document.