

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY**

TYPE OF LOAN

- FO SW OL
 FO-NFE RL EM
 RH OTHER _____
(SPECIFY)

**SUPPLEMENTARY PAYMENT
AGREEMENT**

Position 2

STATE
COUNTY
CASE NO.
DATE

The undersigned (hereinafter called the "Borrower") being indebted for a loan made or insured by the United States of America, through the United States Department of Agriculture (hereafter called the "Government") as evidenced by a note or other debt instrument, (hereafter called the "notes"), dated _____, _____, _____, _____, _____, _____, _____, _____,

and desiring to provide for payment of such indebtedness by a supplementary plan of payments, hereby agrees with the Government, for good and valuable consideration, receipt of which is hereby acknowledged, as follows:

1. THE BORROWER WILL PAY ALL OR PART OF THE INSTALLMENTS OF PRINCIPAL AND INTEREST ON THE NOTES BY MAKING PARTIAL PAYMENTS EACH MONTH AS FOLLOWS:

(a) FOR THE REMAINDER OF THIS CALENDAR YEAR, BEGINNING _____ (month) _____ (year)
\$ _____ FOR _____ MONTHS.
(amount per month) (number)

(b) DURING EACH YEAR FOR THE REMAINDER OF THE TERM OF THE NOTE, BEGINNING JANUARY _____ (year) :

JANUARY	\$ _____	MAY	\$ _____	SEPTEMBER ...	\$ _____
FEBRUARY	\$ _____	JUNE	_____	OCTOBER	_____
MARCH	\$ _____	JULY	_____	NOVEMBER	_____
APRIL	\$ _____	AUGUST	_____	DECEMBER	_____

EACH PAYMENT SHOWN ABOVE SHALL BE MADE ON OR BEFORE THE _____ DAY OF THE RESPECTIVE MONTH INDICATED, AND ANY REMAINING UNPAID PORTION OF THE YEARLY PAYMENT SHALL BE MADE ON OR BEFORE THE ANNUAL INSTALLMENT DUE DATE SHOWN IN THE NOTES.

- Nothing herein shall be construed as affecting any of the terms or conditions of the notes or the instrument securing them, other than the payment schedule set forth in the notes,
- Upon **DEFAULT** by the Borrower in any of the terms or conditions of this agreement, the Government at its option may declare the entire indebtedness of the notes immediately due and payable.
- This agreement may be canceled or amended at any time by mutual agreement in writing between the Borrower and the Government.
 However, if the total indebtedness of the Borrower to the Government is increased because of money advanced pursuant to the terms of the notes, mortgages, deeds of trust, or security agreements or because of a reduction in the amount of interest credit or payment assistance allowed the Borrower under the provisions of the Housing Act of 1949, as amended, this agreement will be modified by the Government to increase the monthly payments of the Borrower in an amount sufficient to pay the entire indebtedness on or before the due date shown in the notes.

Make Check or Money Order payable to
and Mail or Deliver your payment to
Street Address or P.O. Box
Town State Zip Code

(Borrower)

(Co-borrower)

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 0560-0158. The time required to complete this information collection is estimated to average 15 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.

<u>PROCEDURE FOR PREPARATION</u>	: RD Instructions 1951-E, 1944-D, and 1965-B. FSA Transferred Instructions 1941-A, 1943-A, 1943-B, and 1965-A.
<u>PREPARED BY</u>	: Agency official.
<u>NUMBER OF COPIES</u>	: Original and one.
<u>SIGNATURES REQUIRED</u>	: Original by same person(s) who signed promissory note.
<u>DISTRIBUTION OF COPIES</u>	: Original in case file, copy to borrower.

INSTRUCTIONS FOR PREPARATION

- (1) Insert (a) State and (b) County in which farm or building site located, and (c) borrower's case number. When multi-housing projects are involved also insert the project number immediately after the case number.
- (2) When used in connection with new loan, the form will be executed and dated at the time of loan closing. When used subsequent to loan closing, insert date form is executed.
- (3) Check type of loan involved.
- (4) Insert date of promissory note or other debt instrument. When used in connection with new loan, date of note will be inserted at the time of loan closing.
- (5a) Insert (1) month and year in which payments will begin, (2) amount per month and (3) the number of months remaining in that year in which payments will be made.
- (5b) Insert year which will be the first full year after year above in (5a) and amount of proposed payments each month. Usually, no payments should be scheduled for December for loans to individuals and whenever practicable, payments also should be omitted for November. If necessary to help a family receiving regular nonfarm income budget its operating expenses, loan payments, may, in lieu of omitting the November payment, be omitted for the month or months in which taxes and insurance become due.
- (6) Monthly payments should, whenever possible, be scheduled on the same day of the month as the loan closing date with the exception that payments on loans closed after the 24th of a month will be scheduled during the first five days of a month.

When used in connection with new loans, insert this information prior to action on loan by loan approval official. When occasions occur to change existing supplementary payment agreements they should be revised in accordance with this policy.

When used for multi-housing loans insert installment amounts in accordance with the borrower's repayment ability. The installment amounts should be based on adjustments to the installments set out in the note, and any interest credit agreement in effect, taking into consideration that payments will be applied in the normal manner. Therefore the installment amounts to be recorded should *not* reflect adjustments for rental assistance or overage/surcharge.

- (7) Type names exactly as typed on promissory note.
- (8) Signatures will be the same as typed below the line.
- (9) Insert mailing address of the Servicing Office to which payment is to be made. If Direct Payment borrower, insert "Direct Payment."