

Form RD 455-4  
(Rev. 9-85)

*Position 1*

UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Development and Farm Service Agency

**AGREEMENT FOR VOLUNTARY LIQUIDATION OF CHATTEL SECURITY**

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ and \_\_\_\_\_, called the Debtor, and the United States of America, acting through the Rural Development and/or Farm Service Agency, called the Government.

The Debtor is indebted for loans or advances owed to or insured by the Government in the amount of \$ \_\_\_\_\_, with interest, which indebtedness or insurance obligation is secured in whole or in part by security instruments on certain collateral (including crops, chattels and fixtures) described below; and

The Debtor desires the Government to take possession of and to sell the collateral covered by the security instruments and to apply the proceeds of such sale in liquidation of Debtor's indebtedness owing to the Government, including such indebtedness as may be created pursuant to this agreement.

THEREFORE, it is mutually agreed as follows:

1. The Debtor agrees to give and, simultaneously with the execution of this instrument, does give to the Government possession of the following-described collateral:

| <i>Itemized description</i> | <i>Minimum price for private sale</i> |
|-----------------------------|---------------------------------------|
|                             |                                       |

2. The Debtor agrees that the Government may incur such expenses as it deems necessary to cultivate or harvest any growing crops or to maintain the value of, protect, preserve, keep, care for, transport, or sell any collateral surrendered by the agreement; and that any expenditures made or incurred by the Government for any such purposes, together with interest, from the date of the expenditure, at the same rate as that specified in any note executed by the Debtor in favor of or insured by the Government, shall become an indebtedness of the Debtor to the Government.

3. The Debtor agrees (a) that the Government may sell the collateral either at private sale or at public auction, the manner and place of sale to be at the discretion of the Government and that it may bid at any such sale; (b) that the Government may execute a bill of sale or other conveyance for any such collateral sold at any such sale. If any of the collateral is sold at private sale, the Government agrees not to sell it for less than the minimum price stated in paragraph 1, except that perishable collateral will be sold privately for the best cash price obtainable and farm commodities such as grain, cotton, or tobacco, etc., for which there is a local established market, will be sold at private sale for a cash price in line with current market quotations for commodities of similar grade, type, or other recognized classification. If the collateral is sold at public sale, the agreed minimum sale price has no application and the collateral may be sold to the highest bidder.

4. The Government agrees to exert its best efforts, but shall not be required (a) to sell the collateral within 30 days from the date of this agreement and (b) to care for the collateral pending the sale.

Used to obtain written consent of borrowers for the liquidation of property by either private sale or public auction.

**(see reverse)**

- PROCEDURE FOR PREPARATION : RD Instructions 1955-A and 1962-A
- PREPARED BY : County Supervisor.
- NUMBER OF COPIES : Original and one, plus copy for each lienholder.
- SIGNATURES REQUIRED : Original and all copies by borrower, co-borrower, (if co-borrowers name appears on the Security Instrument), lienholders, and County Supervisor.
- DISTRIBUTION COPIES : Original retained in County Office; copy to borrower; copy to each lienholder.

## REVERSE OF FORM RD 455-4

5. The Debtor agrees that any loss resulting from the death, spoilation, deterioration, damage, disappearance, or theft of any of such collateral shall be borne by the Debtor, except when such loss is due to the negligence or positive wrongful act of any agent of the Government or of a caretaker in whose custody such collateral has been placed by the Government pending sale. The Government shall determine when such negligence or wrongful act exists and the amount of the loss and such determination shall be conclusive. In cases falling within the foregoing exception, the Government will pay an amount equal to the loss sustained for application in accordance with the priorities established in paragraph 6. The Debtor releases and forever discharges the Government from liability for any and all claims of every nature whatsoever in connection with the handling, care, and sale by the Government of the collateral described in paragraph 1, except the obligation of the Government to distribute the sale proceeds as provided in paragraph 6.

6. The Debtor and the Government agree that the proceeds of such sale will be applied in payment of: First, the expenses of conducting the sale, including any cost of advertising and search of lien records, or the reimbursement of the Government for any such expenditures as it may have made or incurred; second, the expenses of cultivating, harvesting, protecting, preserving, transporting, custody, care, storage, preparation for sale and any tests or inspections required by law of the property, pending the sale, or the reimbursement of the Government for any such expenditures as it may have made or incurred; third, secured claims in the order of their priority; fourth, any other indebtedness of the Debtor, owed to or insured by the Government, which is unsecured or is secured by liens on other property; and fifth, the balance, if any, to the Debtor.

7. In the event that the Government determines to hold a sale at public auction, it may employ a licensed auctioneer and pay the auctioneer's fees out of the proceeds of the sale.

8. Nothing contained in this agreement shall be construed to release the Debtor or any other party from liability for any deficiency owing to or insured by the Government after application of the proceeds as provided in this agreement. Any such deficiency shall be immediately due and payable.

9. The word "Debtor" shall be construed to include the heirs, successors, administrators, executors, assigns, agents, and principals of the Debtor, and the word "Government" shall be construed to include the assigns and agents of the Government.

IN WITNESS WHEREOF, the parties to this agreement signed it on the day and year first written above.

UNITED STATES OF AMERICA. \_\_\_\_\_  
*Debtor*

By \_\_\_\_\_  
*County Supervisor* *Debtor*

\_\_\_\_\_  
*(Debtors' post-office address)* *(County)* *(State, Zip Code)*

### AGREEMENT OF LIENHOLDERS TO SALE OF CHATTEL SECURITY

The undersigned, having secured claims against property described in the above Agreement for Voluntary Liquidation of Chattel Security, agree to all of the terms and provisions of the agreement.

The undersigned further agree that they will execute and deliver releases of their liens on the property sold, and that if they fail to execute or deliver such releases, the Government may do so as their agent.

| DATE | LIENHOLDER (SIGNATURE) | AMOUNT AND ITEM SECURED |
|------|------------------------|-------------------------|
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