

Form RD 1940-43
(Rev. 8-00)

UNITED STATES DEPARTMENT OF AGRICULTURE

Form Approved
OMB No. 0575-0172

- (1) Rural Housing Service
 Rural Business-Cooperative Service
 Rural Utilities Service

Type Loan	(2)
Amount Financed \$	(3)

NOTICE OF RIGHT TO CANCEL

To: (4)

Your Right to Cancel

You are entering into a transaction that will result in a mortgage on your home. You have a legal right under Federal law to cancel this transaction, without cost, until midnight of the third business day after, whichever of the following events occurs last:

- (1) the date of closing of the transaction,
- (2) the date you received your Truth in Lending disclosure,
- (3) the date you received this notice of your right to cancel.

If you cancel the transaction, the mortgage is also canceled. Within 20 calendar days after we receive your notice, we must take the steps necessary to reflect the fact that the mortgage on your home has been canceled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.

How to Cancel

If you decide to cancel this transaction, you may do so by notifying the Agency as indicated above in writing, at

USDA, (5)

 (Field Office Address)

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice because it contains important information about your rights.

If you cancel by mail or telegram, you must send the notice no later than midnight of (6) _____, 20____ (or midnight of the third business day following the latest of the events listed above). If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I WISH TO CANCEL

 (Signature) (Date)

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.

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(see reverse)

To be used by field offices to inform individuals regarding their right to rescind any loan obligation in which a security interest will be acquired in property which is used as the borrower's principal dwelling, except that this right of rescission does not apply to a transaction which a security interest is created against the borrower's principal dwelling to finance the acquisition or initial construction of such dwelling. The right of rescission also does not apply to the refinancing of a loan covered in the preceding sentence if no new funds are advanced in such refinancing.

<u>PROCEDURE FOR PREPARATION</u>	: <u>RD Instruction 1940-I, FSA Transferred Instruction 1965-A, and HB-1-3550 and HB-2-3550.</u>
<u>PREPARED BY</u>	: System generated form.
<u>NUMBER OF COPIES</u>	: Original and sufficient copies to provide two copies to each person who owns and occupies as a principal dwelling the security involved.
<u>SIGNATURE REQUIRED</u>	: None, except in those cases in which an individual wishes to cancel the loan.
<u>DISTRIBUTION OF COPIES</u>	: One original only, plus two copies to each person with the right to cancel. Copy retained by RHS.

INSTRUCTIONS FOR PREPARATION

The system will:

- (1) Check Rural Housing Service.
- (2) Enter RH 502 or RH 504.
- (3) Insert the amount of the loan.
- (4) Insert the name and address of each person who has a right to cancel, that is each person who owns and occupies the security, on the appropriate copies. Two copies will be delivered or mailed to each such person at the time of the closing of the transaction.
- (5) Insert the address of the RHS field office originating the loan.
- (6) Insert the date three (3) business days after the closing date.