

| | | |
|--|---|----------------|
| USDA Form RD 1956-1 (Rev. 2-94) APPLICATION FOR SETTLEMENT OF INDEBTEDNESS | ADVISE NUMBER _____ | |
| | TAXPAYER IDENTIFICATION NUMBER _____ | DATE _____ |
| | STATE AND COUNTY OFFICE CODE _____ | CASE NO. _____ |
| | <input type="checkbox"/> COMPROMISE <input type="checkbox"/> ADJUSTMENT <input type="checkbox"/> CHARGE OFF <input type="checkbox"/> CANCELLATION | |

PART I GENERAL INFORMATION

A. I (We) _____ and _____
 of _____
(Name) (Name) (Address)

hereby request that my (our) indebted described in Part II (A) below be considered for settlement pursuant to the pertinent law and regulations and certify that the following statements are true and correct to the best of my (our) knowledge and belief.

B. AGE OF: DEBTOR _____ YEARS; CO-DEBTOR _____ YEARS; DEPENDENT CHILDREN _____

NAMES, AGE, AND RELATIONSHIP OF OTHER DEPENDENTS _____

PRESENT PHYSICAL CONDITION OF DEBTOR(S) GOOD FAIR POOR (describe in PART VIII)

PART II DEBTS OWED TO THE DEPARTMENT OF AGRICULTURE

| LOAN CODE IDENTIFICATION (1) | FINAL DUE DATE (2) | ORIGINAL AMOUNT (3) | UNPAID BALANCE (4) | | |
|---|-----------------------|------------------------|-----------------------|-----------|-------|
| | | | INTEREST | PRINCIPAL | TOTAL |
| (A) FmHA DEBTS FOR WHICH SETTLEMENT IS REQUESTED: | | | | | |
| | | | | | |
| (B) OTHER DEBTS OWED FmHA | | | | | |
| | | | | | |
| (C) DEBT OWED OTHER AGENCIES OF DEPARTMENT OF AGRICULTURE | | | | | |
| | | | | | |
| TOTALS | | | | | |

PART III INCOME AND EXPENSES OF APPLICANT FAMILY AND PAYMENTS MADE ON DEBTS

| ESTIMATED TOTAL GROSS INCOME LAST CALENDAR YEAR (1) | | ESTIMATED TOTAL GROSS INCOME PRESENT CALENDAR YEAR (2) | | ESTIMATED TOTAL GROSS INCOME NEXT CALENDAR YEAR (3) | |
|---|--------|--|--------|---|--------|
| SOURCE | AMOUNT | SOURCE | AMOUNT | SOURCE | AMOUNT |
| | | | | | |
| | | | | | |
| TOTALS | | | | | |

PRESENT PRINCIPAL EMPLOYMENT:

| (B) FAMILY LIVING EXPENSES DURING CALENDAR YEAR | PRESENT | NEXT | (E) PAYMENTS MADE BY FAMILY DURING CALENDAR YEAR | PRESENT | NEXT |
|---|---------|------|--|---------|------|
| Food | | | Real Estate Liens | | |
| Rent | | | Secured Chattel Debts | | |
| Personal Care | | | Unsecured Creditors | | |
| Household Operating | | | Farmers Home Administration | | |
| House & Household | | | Others | | |
| Appliance Repairs | | | TOTALS | | |
| School, Church & Recreation | | | (F) SUMMARY DURING CALENDAR YEAR | PRESENT | NEXT |
| Insurance: | | | 1. Total Income - (A) | | |
| Personal | | | 2. Total Expense (B) + (C) + (D) + (E) | | |
| Property | | | 3. Loans To be Received | | |
| Liability | | | 4. Total Available (1. -2. + 3.) | | |
| Other | | | 5. Capital Expenditures | | |
| TOTAL FAMILY LIVING EXPENSE | | | 6. Balance Available To Pay Debts (4. -.5.) | | |
| (C) FARM OR BUSINESS OPERATING EXPENSE (Excluding Interest) | | | 7. Balance Available To Pay FmHA Debt | | |
| (D) ALL TAXES | | | | | |

Public reporting burden for this collection of information is estimated to average 30 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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, AG Box 7630, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0118), Washington, D.C. 20503. Please DO NOT RETURN this form to either of these addresses. Forward to FmHA only.

If the decision contained above in this form results in denial, reduction or cancellation of FmHA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

| PART IV BALANCE SHEET (INDIVIDUALS) | | | | | | | | | |
|---|----------------|-----------------|----------------|----------|---|----------|-----------|-------------------|-----------|
| CURRENT FARM ASSETS | | | | \$ VALUE | CURRENT FARM LIABILITIES | | | | \$ AMOUNT |
| Cash: Savings: (\$) | | Checking: (\$) | | | Accounts and Notes Payable (Creditor& Due Date) | | | Past Due | |
| Other Invest:(Time Cert \$) | | (Other \$) | | | | | | | |
| Accounts and Notes Receivable | | | | | | | | | |
| Crops and Feed | Units | Value Per Unit | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Livestock to be sold | Units | Unit Weight | Value Per Unit | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | CCC Loan: (Security) (Due Date) | | | | |
| | | | | | Current Portion of Principal Due on: | | | | |
| | | | | | Intermediate Liabilities | | | | |
| | | | | | Long Term Liabilities | | | | |
| Growing crops | Acres | Cost/Acre | | | Accrued Interest on: | | | | |
| | | | | | Accounts and Notes Payable | | | | |
| | | | | | Intermediate Liabilities | | | | |
| | | | | | Long Term Liabilities | | | | |
| | | | | | Accrued Taxes | | | | |
| Supplies & Prepaid Expenses | | | | | Income Tax & Social Security | | | | |
| Leases | | | | | Other judgments, liens, etc.) | | | | |
| Other | | | | | Accrued Rent/Lease Payments) | | | | |
| TOTAL CURRENT FARM ASSETS | | | | 4 | TOTAL CURRENT FARM LIABILITIES | | | | 4 |
| INTERMEDIATE FARM ASSETS | | | | | INTERMEDIATE FARM LIABILITIES (portion due beyond 12 months) | | | | |
| Accounts & Notes Receivable beyond 12 months | | | | | Creditor | Due Date | Int. Rate | Amount Delinquent | |
| Breeding Livestock | Units | Value Per Unit | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Machinery, Equipment, Vehicles | | | | | | | | | |
| Cash Value, Life Ins. (Face Amt.) | | | | | CCC Grain Reserve | | | | |
| CCC Grain Reserve: (Qty.) (Value/Unit) | | | | | Facilities Pmt. \$ | | | | |
| Coop Stock | | | | | Loan Secured by Life Insurance | | | | |
| Other | | | | | Other | | | | |
| TOTAL INTERMEDIATE FARM ASSETS | | | | 4 | TOTAL INTERMEDIATE FARM LIABILITIES | | | | 4 |
| LONG TERM FARM ASSETS (Farm Real Estate) | | | | | LONG TERM FARM LIABILITIES (portion due beyond 12 months) | | | | |
| Total Acres | Date Purchased | Cost | | | Creditor | Due Date | Int. Rate | Amount Delinquent | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Coop Stock | | | | | | | | | |
| Equity in Partnerships/Corporations/joint Operations/Cooperatives | | | | | | | | | |
| Other | | | | | Other | | | | |
| TOTAL LONG TERM FARM ASSETS | | | | 4 | TOTAL LONG TERM FARM LIABILITIES | | | | 4 |
| TOTAL FARM ASSETS | | | | 4 | TOTAL FARM LIABILITIES | | | | 4 |

PART IV BALANCE SHEET (continued)

| NONFARM ASSETS | \$ VALUE | NONFARM LIABILITIES | | | | \$ AMOUNT |
|----------------------------------|----------|--|----------|---------------|-----------------|-------------------|
| Real Estate | | Nonfarm accounts payable | | | | |
| Car, Recreational Vehicles, etc. | | | | | | |
| Household goods | | | | | | |
| Cash value of Life Insurance | | | | | | |
| Stocks, bonds, and other | | | | | | |
| Nonfarm Business | | Nonfarm notes payable | | | | |
| | | Name of Creditor | Due Date | Interest Rate | Annual Install. | Principal Balance |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | TOTAL NONFARM LIABILITIES | | | | 4 |
| | | TOTAL LIABILITIES | | | | 4 |
| TOTAL NONFARM ASSETS | 4 | NET WORTH | | | | 4 |
| TOTAL ASSETS | 4 | TOTAL LIABILITIES AND NET WORTH | | | | 4 |

PART V BALANCE SHEET (ORGANIZATIONS)

| ASSETS | | LIABILITIES AND EQUITIES | |
|--|----------------|-------------------------------------|--|
| CURRENT ASSETS | | CURRENT LIABILITIES | |
| Cash on Hand and in Banks | | Accounts payable | |
| Time deposits and short-term investments | | Notes payable | |
| Accounts receivable | | Current portion of FmHA note | |
| Less: Allowance for doubtful accounts | () | Customer deposits | |
| Inventories | | Taxes payable | |
| Prepayments | | Interest payable FmHA | |
| | | | |
| TOTAL CURRENT ASSETS | | TOTAL CURRENT LIABILITIES | |
| FIXED ASSETS | | LONG-TERM LIABILITIES | |
| Land | | Notes payable FmHA | |
| Buildings | | | |
| Furniture and equipment | | TOTAL LONG-TERM LIABILITIES | |
| | | TOTAL LIABILITIES | |
| Less: Accumulated depreciation | () | EQUITY | |
| NET TOTAL FIXED ASSETS | | Retained earnings | |
| OTHER ASSETS | | Memberships | |
| | | TOTAL EQUITY | |
| TOTAL ASSETS | | TOTAL LIABILITIES AND EQUITY | |

PART VI DEBTOR'S OFFER AND CERTIFICATION

(A) I (We) am (are) unable to pay in full the indebtedness described in Part II (A) hereof, have acted in good faith in an effort to pay said indebtedness; have no reasonable prospects of being able to do so; and hereby offer the sum of _____

dollar (\$ _____) in full and complete settlement of said indebtedness, to be paid as follows:

\$ _____ submitted with this application. Receipt No. _____ Date _____
 \$ _____ on _____
 \$ _____ on _____
 \$ _____ on _____

I (We) understand that in the event of nonpayment of any of the above installments when due, the total indebtedness listed in Part 11 (A) of this application will be immediately due and payable and that any installments paid pursuant to this agreement will be applied in partial payment of the total indebtedness.

(B) I (We) have not transferred, without adequate consideration, any real or personal property to, nor have I (we) purchased any stocks or bonds or made any deposits in Postal Savings or banks for, the other members of my (out) immediate family or other close relatives during the past 5 years except (Explain)

(C) I (We) have met the requirements of the FmHA, or its predecessor agencies, in disposing of any mortgaged property except _____

(D) I (We) have read, or have had read to me (us), all of this application, which is made for the purpose of obtaining final settlement of my (our) indebtedness described in Part 11 (A) hereof, and hereby certify that all of the statements and representations contained herein are true in all respects to the best of my (our) knowledge and belief. I (We) understand that FmHA is required to report any written-off indebtedness to the Internal Revenue Service except debts forgiven in Title 11 Bankruptcy Action or debts for less than \$600.

PART VI DEBTOR'S OFFER AND CERTIFICATION (continued)

(E) In making this offer of settlement, I (we) understand and agree that (1) the amount offered will be deposited in the United States Treasury and held in suspense pending consideration of the offer, (2) if the offer is accepted I (we) will be notified, and (3) if the offer is rejected, I (we) will be notified and the amount offered will returned in the form of a United States Treasury check.

(F) All of the debts referred to in Part 11 (A) have been discharged in bankruptcy. Yes No

(G) Witness: _____
Address: _____
Witness: _____
Address: _____

Debtor: _____
Debtor: _____

(H) This application for debt settlement has been adopted by the _____ of the _____ and caused to be executed by the officers below on this _____ day of _____.

Attest: _____
Title: _____ (SEAL)

By: _____
Title: _____

PART VII FmHA COUNTY COMMITTEE RECOMMENDATION

To the best of our knowledge and belief the statements made by the debtor(s) in this application are true; we know of no assets or income of the debtor(s) which are not disclosed in the application, and we recommend that the proposed settlement be accepted rejected.

(Date)

(Signature)

(Signature)

(Signature)

PART V III RECOMMENDATION AND APPROVAL

I find from the statements and disclosures of the debtor(s) that the requirements of the pertinent law and regulation have have not been satisfied.

I recommend the acceptance rejection of the application of the debtor(s) as set out in Part VI hereof.

REMARKS: (Use a separate sheet, if necessary)

County Supervisor/District Director

(Address)

This settlement is recommended approved rejected under the authority contained in pertinent law and regulations.

State Director

Date

This settlement is approved rejected under the authority contained in pertinent law and regulations.

Administrator

Date