

USDA Form RD 1951-12 (Rev. 5-98)		CLAIM NO. (For Finance Office Use Only) _____ AUDIT REPORT NO. _____ FINDING NO. _____ DATE OF CLAIM _____	
<b>CORRECTION OF LOAN ACCOUNT</b>			
1. BORROWER NAME: _____		2. CASE NUMBER: St. Co. Borrower's ID 0 0 _____	
3. AMOUNT OF ORIGINAL LOAN \$ _____	4. DATE CLOSED _____	5. FUND CODE _____ LOAN NO. _____	
6. CORRECTION OF LOAN TERMS:		INTEREST RATE CHANGED TO:	
(a) ENTIRE LOAN: _____		_____ %	
NEW INSTALLMENT:			
MONTHLY \$ _____		ANNUAL \$ _____	
(b) LOAN TO BE SEPARATED INTO PORTIONS AS FOLLOWS:		(i) ORIGINAL LOAN: FUND CODE _____ LOAN NO. _____ PRINCIPAL AMOUNT REDUCED TO: \$ _____ INTEREST RATE: _____ %	
NEW INSTALLMENT:			
MONTHLY \$ _____		ANNUAL \$ _____	
(ii) NEW LOAN: FUND CODE _____ LOAN NO. _____ PRINCIPAL AMOUNT: \$ _____ INTEREST RATE: _____ %			
INSTALLMENT:			
MONTHLY \$ _____		ANNUAL \$ _____	
(c) ACCELERATED REPAYMENT AGREEMENT (Form Attached)		(d) UNAUTHORIZED PAYMENT SUBSIDY (RHS) (i) Interest Credit Cancellation attached: _____ (ii) Corrected Interest Credit Agreement(s) attached: _____	
7. LIQUIDATION PENDING: (i) Flag "FAP" (ii) Flag "CAP"		8. CONTINUATION ON EXISTING TERMS APPROVED: _____	
9. PAYMENT REMITTED: AMOUNT \$ _____ SCHEDULE NO. _____			
10. REMARKS: _____ _____ _____			
11. SUBMITTED BY: _____ <i>(Signature of Agency Official)</i>		12. _____ <i>(Borrower)</i>	
_____ <i>(Type Name &amp; Title)</i>		_____ <i>(Borrower)</i>	
DATE SUBMITTED: _____		DATE: _____	
<i>Position 2</i>			

For use in cases specifically identified in OIG Audits **ONLY**. Used to advise the Finance Office of account adjustments necessary in connection with an unauthorized loan or subsidy.

(see reverse)

- PROCEDURE FOR PREPARATION : RD Instructions 1951-N and 1951-O.
- PREPARED BY : Agency Official.
- NUMBER OF COPIES : Original and two copies.
- SIGNATURES REQUIRED : Borrower and Agency Official.
- DISTRIBUTION OF COPIES : For all loan types except MFH: Original to Finance Office; copy in borrower's file; copy to borrower.

INSTRUCTIONS FOR PREPARATION

- (\*) Insert the Audit Report Number, Finding Number (from the audit report), and the Date of Claim (the date the initial letter was sent to borrower concerning unauthorized assistance). Leave Claim Number blank; the Finance Office will assign and insert the Claim Number.
1. Insert borrower's name.
  2. Insert borrower's case number.
  3. Insert amount of original loan. If more than one loan is unauthorized (or is being corrected), use a separate form for each original loan.
  4. Insert date loan was closed.
  5. Insert Fund Code and Loan Number of original loan.
  6. If loan terms are to be changed, place "X" in box. Otherwise leave all items under 6 blank.
    - (a) If correction applies to entire loan, place "X" in box and complete blanks under (a) only, by inserting the correct (changed) interest rate and monthly or annual installment, as applicable, calculated on original loan amount at the correct (new) interest rate using the same number of years as the original loan (same final due date).
    - (b) If loan is to be separated into portions, place "X" in box and complete blanks under (b) (i) and (ii) by inserting the fund code and loan number of the original loan, new principal amounts, correct interest rates for each loan, and monthly or annual installments, as applicable, calculated on new principal amounts at the correct interest rates using the same number of years as the original loan (same final due date).
    - (c) If borrower has entered into an accelerated repayment agreement on ineligible nonprogram terms (higher interest rate and shorter repayment period), place "X" in box and attach properly executed Form RD 1965-11 or Form RD 1951-4 for Farm Loan Programs.
    - (d) If unauthorized payment subsidy on a SFH loan are involved, place "X" in box and "X" in (d) (i) or (ii) as applicable; if SFH are not involved, leave all of (d) blank.
  7. If liquidation has been recommended or initiated, place "X" in box and "X" in the (i) or (ii) as applicable. The Finance Office will flag the account as indicated. "FAP" means "Foreclosure Action Pending" and "CAP" means "Court Action Pending".
  8. Place "X" in box if loan terms will not be changed and loan will be hereafter considered as "authorized".
  9. If unauthorized loan, portion of a loan, or subsidy is repaid by borrower, place "X" in box and insert the amount collected and the Schedule of Remittances (Form RD 451-2) number with which the collection was remitted.
  10. Insert any remarks necessary to explain or clarify any item above.
  11. Signature of Agency Official, typed name and title, and date form is submitted to the Finance Office.
  12. Signature(s) of all obligors and date signed.