

FORMS MANUAL INSERT

FORM RD 3560-1

<p>Fom RD 3560-1 (02-05)</p>	<p><i>Position 5</i></p> <p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT</p> <p>APPLICATION FOR PARTIAL RELEASE, SUBORDINATION, OR CONSENT</p> <p>PART I (Completed by Borrower)</p> <p style="text-align: center;">(1)</p> <p>The undersigned _____ <i>(Name of Borrower)</i></p> <p style="text-align: center;">(1)</p> <p>whose address <i>(Including ZIP Code)</i> is _____ in accordance with the terms of the security instruments held by the Rural Housing Service (hereafter referred to as "Agency") on their property, apply for release or subordination of the liens of said security instruments or consent to the following transaction.</p> <p style="text-align: center;">(2)</p> <p>_____ _____ _____ <i>(Description)</i></p> <p>1. List prior lienholders in order of priority and attach the proposed security instrument.</p> <p>Lien Priority #1: (3)</p> <p>Name: _____ Address: _____ Amount of Lien: \$ _____</p> <p>Lien Priority #2:</p> <p>Name: _____ Address: _____ Amount of Lien: \$ _____</p> <p>Lien Priority #3:</p> <p>Name: _____ Address: _____ Amount of Lien: \$ _____</p> <p>Lien Priority #4:</p> <p>Name: _____ Address: _____ Amount of Lien: \$ _____</p> <p>Lien Priority #5:</p> <p>Name: _____ Address: _____ Amount of Lien: \$ _____</p>	<p>FORM APPROVED OMB NO. 0575-0189</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>STATE</td></tr> <tr><td>COUNTY</td></tr> <tr><td>CASE NO./PROJECT NO.</td></tr> <tr><td>PROJECT NAME:</td></tr> </table>	STATE	COUNTY	CASE NO./PROJECT NO.	PROJECT NAME:
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According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not 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 0575-0189. The time required to complete this information collection 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.

Used by Agency borrowers to obtain the consent of the Government to perform certain functions, to permit Junior liens or to request partial release from the terms of real estate security instruments.

(see reverse)

PROCEDURE FOR PREPARATION : 7 CFR part 3560 and HB-3-3560.

PREPARED BY : Borrower and Servicing Official.

NUMBER OF COPIES : Original and one.

SIGNATURES REQUIRED : Borrower, Servicing Official and Approval Official.

DISTRIBUTION OF COPIES : When Form has been processed and approved in accordance with appropriate instructions: Original to Borrower, copy in the Borrower's Servicing folder.

INSTRUCTIONS FOR PREPARATION

PART I: Completed by the Borrower

- (1) Insert the name(s) and address(es) of the borrower(s) as shown on the security instrument(s).
- (2) State the purpose for which the release, subordination, or consent is needed, such as a change to the Borrower's organizational structure or controlling interest; conveyance or right of way; to obtain financial resources for repairs or improvements for the property. (Attach a copy of the land survey, proposed organization changes, etc., as appropriate.)
- (3) If applicable, prioritize lien holders by lien position; include name, address including the zip code, and dollar amount owed to each. (Attach a copy of the proposed security instrument, as it will read, if transaction is approved.)
- (4) If applicable, complete the section by inserting the name and address including the zip code of the proposed lessee or purchaser. (Attach a copy of the proposed lease or conveyance.)
- (5) If applicable, insert the legal description of the land to be used in the transaction, include rider, if necessary. (Attach a copy of the proposed deed, easement, or other form of title conveyance.)
- (6) Insert a statement showing what use is to be made of the property covered by this application.
- (7) List the anticipated uses of the proceeds from this transaction to include such items as closing costs, debts owed to prior lien holders, extra payments on the loan, appraisal fees, costs of repairs or improvements, etc.
- (8) Borrower(s) will sign the application as their name(s) appear on the security instrument(s). If the borrower is an organization, its authorized representative will sign and the representative's titles will be shown.

PART II: Completed by the Agency

- (9) If applicable, check the appropriate boxes for the proposed transaction and its effect on the operation and the value of the property in this application. Insert dollar figures of the present market value of the property before and after the transaction. Also, show the present value of the property to be disposed of.
- (10) Describe how the proposed transaction will affect the property physically, operationally and its salability. Include types and dollar amount estimates of benefits or damages.
- (11) If applicable, allocate proceeds as if transaction were approved.

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2. Name of proposed lessee or purchaser: _____ **(4)**
Address: _____

Attach a copy of the proposed lease/conveyance.

3. Description of property to be covered by the release, subordination, or consent:

(5)

4. The use to be made of the property covered by this application is:

(6)

5. The anticipated proceeds from this transaction are: Initial payment \$ _____
Subsequent payment(s) \$ _____

(7)

6. If this application is approved, the undersigned borrower agrees to comply with such terms as may be prescribed by Agency and to disposition of the proceeds as required by Agency pursuant to its regulations, including the method of applying payments to the borrower's loan accounts. It is expressly understood that unless a separate written instrument of subordination or partial release is executed and delivered by Agency pursuant to this application, approval by Agency of this application will merely constitute and evidence its consent, as lienholder, to the proposed transaction without in any way subordinating its lien, releasing any of its security, modifying the payment terms of the loan, or otherwise affecting any rights of Agency.

Date: _____ **(8)** _____
By: _____
Title: _____
(Borrower Name)
(Signature)

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PART II
(Completed by Agency)

1. The proposed transaction: **(9)**
 WILL WILL NOT prevent or make more difficult the successful operation of this property.
 WILL WILL NOT reduce the efficiency of the property.

2. The proposed transaction will affect the value of this property as security for the loan as follows:
Present Market Value
(a) Value of Real Estate Before **(9)** _____
(b) Value of Real Estate After _____
(c) Value of Real Estate Disposed of _____

3. The following damages benefits will result to this property from the transaction:

(10)

I hereby recommend that this application be approved and that the proceeds be applied or released as follows:

(11)

INITIAL PAYMENT TO:

SUBSEQUENT PAYMENTS TO:

- \$ _____ extra payment on Agency loan
- \$ _____ regular payment on Agency loan
- \$ _____ borrower regular income
- \$ _____ prior lienholder debts
- \$ _____ pre-closing costs
- \$ _____ post-closing costs
- \$ _____ repairs or enlargement of complex
- \$ _____ purchase additional property
- \$ _____ increase reserves
- \$ _____ pay investor capital losses
- \$ _____ pay additional income tax
- \$ _____ other (specify): _____
- \$ _____ other (specify): _____

- \$ _____ or _____ % extra payment on Agency loan
- \$ _____ or _____ % regular payment on Agency loan
- \$ _____ or _____ % borrower regular income
- \$ _____ or _____ % prior lienholder debts
- \$ _____ or _____ % pre-closing costs
- \$ _____ or _____ % post-closing costs
- \$ _____ or _____ % repairs or enlargement of complex
- \$ _____ or _____ % purchase additional property
- \$ _____ or _____ % increase reserves
- \$ _____ or _____ % pay investor capital losses
- \$ _____ or _____ % pay additional income tax
- \$ _____ or _____ % other (specify): _____
- \$ _____ or _____ % other (specify): _____

Date: _____

Recommended by: _____
(Signature of Servicing Official)

Title: _____

Date: _____ Approved Disapproved by: _____
(Signature of Approval Official)

Title: _____
United States Department of Agriculture
Rural Housing Service