

**AGREEMENT WITH PRIOR LIENHOLDER**  
**UNITED STATES DEPARTMENT OF AGRICULTURE**

Form RD 1927-8 (Rev. 11-07) FORM APPROVED  
OMB NO. 0575-0147

*Position 5*

**WHEREAS** \_\_\_\_\_ **(1)**  
(called the "Mortgagee") is the holder of a certain \_\_\_\_\_ **(2)**  
(Insert Mortgage, Purchase Contract or other Security Instrument)  
(called the "Security Instrument") recorded in the Real Estate Mortgage Records of \_\_\_\_\_ **(3)**  
\_\_\_\_\_ County;

**WHEREAS** \_\_\_\_\_ **(4)**  
(called the "Mortgagor") is (are) the owner(s) of certain real estate described in the above listed Security Instrument; and **WHEREAS**, Mortgagor has applied to the United States of America, United States Department of Agriculture, acting through the \_\_\_\_\_ **(5)** (called the "Government"), for a loan for the purpose of improving or purchasing and improving the real estate, to be secured by a mortgage, deed of trust, or other security instrument that will be subject to the Security Instrument held by or for the benefit of Mortgagee;

**THEREFORE**, in consideration of the making of the loan by the Government, Mortgagee, for Mortgagee's self, heirs, executors, administrators, successors, and assigns does hereby agree:

1) That the Mortgagee will not declare the Security Instrument to be in default because of the Government loan;

2) That the Mortgagee will not declare the Security Instrument to be in default and the indebtedness secured thereby will not be accelerated unless prior written notice has been provided to the Government by Certified Mail not less than **(7)** days prior to the intended action at the following address(es):  
\_\_\_\_\_ **(6)**  
\_\_\_\_\_;

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 0575-0147. 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.

Used by approving official when appropriate, in connection with a Farm Ownership (FO), or Rural Housing (RH) loan, made subject to an existing lien when it is determined that it is necessary to protect the Government's security interest against foreclosure action by the prior lienholder.

- PROCEDURE FOR PREPARATION : RD Instruction 1927-B and HB-1-3550. FSA Transferred Instructions 1941-A, 1943-A, and 1943-B.
- PREPARED BY : Approving official.
- NUMBER OF COPIES : Original and two (one extra copy if the recording official retains the original).
- SIGNATURES REQUIRED : Original by existing lienholder with proper acknowledgement, witnessed by Notary Public.
- DISTRIBUTION OF COPIES : Original retained in the Agency office, unless retained by recording official, in which case a conformed copy will be retained in the office. Copy to borrower; copy to existing lienholder at time of loan closing.

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3) That the Government may, at its option, cure any monetary default by paying the amount of the Mortgagor's delinquent payments to the Mortgagee, or pay the obligation in full and the Mortgagee will assign the lien to the Government;

4) That to the extent the Security Instrument secures future advances which have priority over the Government's security instrument, no advances for purposes other than taxes, insurance or payments on other prior liens will be made under any future advance feature of the Mortgagee's Security Instrument without the written consent of the Government;

5) That should the Mortgagee pursue foreclosure by advertisement (~~non~~-judicial foreclosure) of the Security Instrument, the Mortgagee will give the Government not less than (7) days prior written notice by Certified Mail at the address(es) set out above of the date, time, and place of the foreclosure sale;

6) That the Closing Agent/Attorney will record this Agreement and legal description with the Security Instrument in the appropriate Real Estate Mortgage Records;

**(The following items do not apply to Single Family Housing)**

7) That should the Government commence liquidation proceedings and thereafter acquire the real estate covered by the Security Instrument, the Mortgagee will not declare the Security Instrument to be in non-monetary default;

8) That this Agreement includes consent to the Government for making (or transferring) future loans and taking (or retaining) a related mortgage notwithstanding any provision of the Mortgage which prohibits a loan or mortgage (or transfer) without Mortgagee's consent; and

9) That should the Government obtain title to the property either by foreclosure or deed-in-lieu, Mortgagee will grant consent so the Government may transfer the property subject to the prior lien notwithstanding any prohibition in the Mortgagee's Security Instrument to the contrary.

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IN WITNESS WHEREOF, Mortgagee has executed this Agreement with the Government this (8)  
day of (8), 20      .

(9) (Seal)  
(Mortgagee)  
(9) (Seal)  
(Mortgagee)

**IF MORTGAGEE IS A CORPORATION:**  
(Corporate Seal)

(Name of Corporation - Mortgagee)  
(9)  
By (9)  
(Duly Authorized Officer)  
(9)  
(Title)

**ACKNOWLEDGMENT**

(10)  
(Address)  
(10)  
(Contact Person - Please Print)  
(10)  
(Telephone Number)

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

**(11) ACKNOWLEDGMENT**

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, the subscriber, a  
\_\_\_\_\_, in and for the above county and state,  
appeared \_\_\_\_\_, known to me to be \_\_\_\_\_, the person  
who executed the foregoing instrument, and he/she acknowledged to me that he/she executed the same for the uses  
and the purposes mentioned in it.

IN WITNESS WHEREOF, I have set my hand and seal at \_\_\_\_\_  
\_\_\_\_\_ the day and year listed above.

[SEAL] \_\_\_\_\_  
My commission expires \_\_\_\_\_

\_\_\_\_\_  
(Signature)

INSTRUCTIONS FOR PREPARATION

- (1) Indicate the name of the prior lienholder.
- (2) Indicate the type of instrument creating a lien against the security.
- (3) Insert Name of County where recorded.
- (4) Indicate the name(s) of the borrower(s) applicant(s).
- (5) Insert Agency name. (Rural Housing Service or Farm Service Agency)
- (6) Insert the address of the Agency State Office and, for Single Family Housing loans, the address of the Centralized Servicing Center, to the attention of Chief, Collection Services Branch.
- (7) Not less than twenty-one (21) days.
- (8) Insert the date the form is executed by the prior lienholder.
- (9) Signature of prior lienholder.
- (10) Insert address, name of contact person, and telephone number of prior lienholder.
- (11) Witness by Notary Public.