

FORMS MANUAL INSERT

FORM RD 1956-1

FORM APPROVED OMB NO. 0575-0118

USDA Form RD 1956-1 (Rev. 2-94)		ADVISE NUMBER _____	
APPLICATION FOR SETTLEMENT OF INDEBTEDNESS (4)		TAXPAYER IDENTIFICATION NUMBER (1) _____	DATE (2) 20 ____
		STATE AND COUNTY OFFICE CODE _____	CASE NO. (3) _____
		<input type="checkbox"/> COMPROMISE <input type="checkbox"/> ADJUSTMENT <input type="checkbox"/> CHARGE OFF <input type="checkbox"/> CANCELLATION	
PART I GENERAL INFORMATION (5)			
A. I(We) _____ and _____ of _____ 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. ARE OF: DEBTOR _____ YEARS, CO-DEBTOR _____ YEARS; DEPENDENT CHILDREN _____ NAMES, AGE, AND RELATIONSHIP OF OTHER DEPENDENTS _____ PRESENT PHYSICAL CONDITION OF DEBTOR(S) <input type="checkbox"/> GOOD <input type="checkbox"/> FAIR <input type="checkbox"/> POOR (describe in PART VIII)			
PART II DEBTS OWED TO THE DEPARTMENT OF AGRICULTURE (6)			
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 RD			
(C) DEBT OWED OTHER AGENCIES OF DEPARTMENT OF AGRICULTURE			
TOTALS			
PART III INCOME AND EXPENSES OF APPLICANT FAMILY AND PAYMENTS MADE ON DEBTS (7)			
(A) TOTAL GROSS INCOME LAST CALENDAR YEAR (20__) (1)		ESTIMATED TOTAL GROSS INCOME PRESENT CALENDAR YEAR (20__) (2)	
(B) TOTAL GROSS INCOME NEXT CALENDAR YEAR (20__) (3)			
SOURCE	AMOUNT	SOURCE	AMOUNT
TOTALS			
PRESENT PRINCIPAL EMPLOYMENT:			
(B) FAMILY LIVING EXPENSES DURING CALENDAR YEAR		(E) PAYMENTS MADE BY FAMILY DURING CALENDAR YEAR	
	PRESENT NEXT		PRESENT NEXT
Food	\$		Real Estate Liens
Rent			Secured Chattel Debts
Personal Care			Unsecured Creditors
Household Operating			Rural Development
House & Household			Others
Appliance Repairs			TOTALS
School, Church & Recreation			(F) SUMMARY DURING CALENDAR YEAR
Insurance:			PRESENT NEXT
Personal			1. Total Income - (A)
Property			2. Total Expense (B) + (C) + (D) + (E)
Liability			3. Loans To be Received
Other			4. Total Available (1. -2. +3.)
TOTAL FAMILY LIVING EXPENSE	\$	\$	5. Capital Expenditures
(C) FARM OR BUSINESS OPERATING EXPENSE (Excluding Interest)	\$	\$	6. Balance Available To Pay Debts (4. -5.)
(D) ALL TAXES	\$	\$	7. Balance Available To Pay RD Debt

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 0575-0118. 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.

If the decision contained above in this form results in denial, reduction or cancellation of RD 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.

Used by Debtors to request settlement of indebtedness.

Used by County Supervisor/District Director/State Director and County Committee to make recommendations concerning settlement of indebtedness.

Used by State Directors and the Administrator to approve settlement of indebtedness and transmit information to the Finance Office.

Used for housing debts only when borrower is making a compromise or adjustment offer. All other housing actions use Form RD 1956-2.

(see reverse)

PROCEDURE FOR PREPARATION

: RD Instructions 1956-B and 1955-C and RUS Staff Instruction 1782-1.

PREPARED BY

: Debtor or County Supervisor or District Director.

NUMBER OF COPIES

: Original and two copies.

SIGNATURES REQUIRED

: Original by debtor (unless not required by instructions), County committee (unless not required by instructions), County Supervisor or District Director or State Director and approved official.

DISTRIBUTION COPIES

: After approved
 - Original to State Office files.
 - Copy to Borrower's case files
 - copy used as input document to ADPS, unless coded as a "Compromise," "Adjustment, or "Bankruptcy," or if the fund code is greater than 49. If coded as a "Compromise," "Adjustment," or "Bankruptcy," or if the fund code is greater than "49" the copy must be sent to the finance Office for processing.

(03-16-94) SPECIAL PN

Revised (10-29-07) SPECIAL PN

INSTRUCTIONS FOR PREPARATION

- (1) Insert taxpayer identification number (TIN) or borrower's social security number (SSN) and Advise Number if the property has been acquired. When TIN or SSN are not available, enter 000-00-0000.
- (2) Insert date Debtor signs application, if signature required. Insert date County Supervisor/District Director completes form in all other cases.
- (3) Insert Debtor case number, Multi-housing debtors must include the project number as part of the case number.
- (4) Check appropriate block.
- (5) PART I. A. Complete name and last known address for all debtor whole debts are being settled.
B. For Community and Business Program or Multi-housing Program, complete only when applicable.
- (6) PART II Complete all items for every debt for which settlement is requested.
- (7) For Community and Business Program or Multi-housing Programs, Parts III and IV should be completed when the debtor is an individual(s) unless Part V is more appropriate.

For Farmer Programs, PARTS III and IV should be completed by debtor or County Supervisor except in the following cases:

- a. Debtor is deceased and debt is being settled under RD Instruction 1956-B, section 1956.70(b)(1).
- b. Debtor has disappeared and debt is being settled under RD Instruction 1956-B, section 1956.70(b)section 1956-75(a)(2).
- c. Debtor has been discharged in bankruptcy and debt is being settled under RD Instruction 1956-B, section 1956.70(b)(3).
- d. Debt is being charged off under RD Instruction 1956-B, section 1956.75.

PAGE 2 OF FORM RD 1956-1

(7)

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				TOTAL CURRENT FARM ASSETS			
INTERMEDIATE FARM ASSETS							
Accounts & Notes Receivable beyond 12 months							
Breeding Livestock	Units	Value Per Unit		Creditor			(portion due beyond 12 months) Due Date Int. Rate Amount Delinquent
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				TOTAL INTERMEDIATE FARM LIABILITIES			
LONG TERM FARM ASSETS (Farm Real Estate)							
Total Acres	Date Purchased	Cost		Creditor			(portion due beyond 12 months) Due Date Int. Rate Amount Delinquent
Coop Stock							
Equity in Partnerships/Corporations/Joint Operations/Cooperatives							
Other				Other			
TOTAL INTERMEDIATE FARM ASSETS				TOTAL LONG TERM FARM LIABILITIES			
TOTAL FARM ASSETS				TOTAL FARM LIABILITIES			

PAGE 3 OF FORM RD 1956-1

PART IV BALANCE SHEET (continued)

NONFARM ASSETS		S VALUE	NONFARM LIABILITIES					S 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					
			TOTAL LIABILITIES					
			NET WORTH					
TOTAL NONFARM ASSETS			TOTAL LIABILITIES AND NET WORTH					
TOTAL ASSETS								

PART V BALANCE SHEET (ORGANIZATIONS) (8)

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 RD note	
Less: Allowance for doubtful accounts ()			Customer deposits	
Inventories			Taxes payable	
Prepayments			Interest payable RD	
TOTAL CURRENT ASSETS			TOTAL CURRENT LIABILITIES	
FIXED ASSETS			LONG-TERM LIABILITIES	
Land			Notes payable RD	
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 (9)

(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 _____, 20____

 \$ _____ on _____, 20____

 \$ _____ on _____, 20____

I (We) understand that in the event of nonpayment of any of the above installments when due, the total indebtedness listed in Part II (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 (our) immediate family or other close relatives during the past 5 years except (Explain) _____

(C) I (We) have met the requirements of Rural Development, 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 II (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 RD 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.

Position 2 RD 1956-1 (Rev. 2-94)

(8) Completion of Part V is required for Community and Business Programs, and Multi-housing Programs, unless the debtor is an individual(s) and completion of Parts III and IV would be more appropriate.

(9) For Multi-housing Programs complete as appropriate. For Community and Business Programs Part VI is required under RD Instruction 1956-C, section 1956.124 (compromise and adjustment) and under section 1956.130(a) cancellation with application by debtor. Complete PART VI, item G or H, as appropriate.

For Farmer Programs, and Housing Programs, completion of Part VI, (with item G or H, as appropriate), is required in the following cases.

- a. Compromise or adjustment under RD Instruction 1956-B, section 1956.66(a) or section 1956.66(b).
- b. Cancellation under RD Instruction 1956-B, section 1956.70(a)

PAGE 4 OF FORM RD 1956-1

PART VI DEBTOR'S OFFER AND CERTIFICATION (continued)	
<p>(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 be returned in the form of a United States Treasury check.</p> <p>(F) All of the debts referred to in Part II (A) have been discharged in bankruptcy. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(G) Witness: _____ Debtor: _____ Address: _____ Witness: _____ Debtor: _____ Address: _____</p> <p>(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 _____, 20____.</p> <p>Attest: _____ By: _____ Title: _____ (SEAL) Title: _____</p>	
PART VII RD COUNTY COMMITTEE RECOMMENDATION (10)	
<p>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 <input type="checkbox"/> accepted <input type="checkbox"/> rejected.</p> <p>_____, 20____ (Date) _____ (Signature) _____ (Signature) _____ (Signature)</p>	
PART VIII RECOMMENDATION AND APPROVAL	
<p>I find from the statements and disclosures of the debtor(s) that the requirements of the pertinent law and regulations <input type="checkbox"/> have <input type="checkbox"/> have not been satisfied.</p> <p>I recommend the <input type="checkbox"/> acceptance <input type="checkbox"/> rejection of the application of the debtor(s) as set out in Part VI hereof.</p> <p>REMARKS: <i>(Use a separate sheet, if necessary)</i></p> <p style="text-align: center; font-size: 24pt;">(11)</p> <p>_____, 20____ _____ <small>County Supervisor/District Director</small> <small>(Address)</small></p>	
<p>This settlement is <input type="checkbox"/> recommended <input type="checkbox"/> approved <input type="checkbox"/> rejected under the authority contained in pertinent law and regulations.</p>	<p>State Director _____ Date _____</p>
<p>This settlement is <input type="checkbox"/> approved <input type="checkbox"/> rejected under the authority contained in pertinent law and regulations.</p>	<p>Administrator _____ Date _____</p>

(10) Complete as required by RD Instruction 1956-B or RD Instruction 1956-C, section 1956.109(d).

(11) Insert complete justification for recommendation made.