

**FORMS MANUAL INSERT**

**FORM RD 3560-57**

FORM APPROVED OMB NO. 0575-0189

Form RD 3560-57 (02-05)  <b>APPLICATION FOR SETTLEMENT OF INDEBTEDNESS</b>		ADVISE NUMBER (1) TAXPAYER IDENTIFICATION NUMBER (1)      DATE (2) <u>  </u> / <u>  </u> / <u>  </u> CASE NUMBER (3)      PROJECT NUMBER (3) <input type="checkbox"/> COMPROMISE <input type="checkbox"/> ADJUSTMENT (4) <input type="checkbox"/> CHARGE OFF <input type="checkbox"/> CANCELLATION	
<b>PART I GENERAL INFORMATION (5)</b> A. I(We) _____ the owners of _____ (Name and Address of Debtor) _____ (Name and Address of Property) hereby request that the indebtedness described 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.			
<b>PART II DEBTS OWED TO THE DEPARTMENT OF AGRICULTURE (6)</b>			
LOAN CODE IDENTIFICATION (1)	FINAL DUE DATE (2)	ORIGINAL AMOUNT (3)	UNPAID BALANCE (4)
			INTEREST      PRINCIPAL      TOTAL
(A) RHS DEBTS FOR WHICH SETTLEMENT IS REQUESTED:			
(B) OTHER DEBTS OWED RHS			
(C) DEBT OWED OTHER AGENCIES OF DEPARTMENT OF AGRICULTURE			
TOTALS			
<b>PART III FINANCIAL INFORMATION (7)</b> The following documents are attached: <input type="checkbox"/> A current financial statement and cash flow projects <input type="checkbox"/> Verification of income <input type="checkbox"/> Verification of assets for the past 12 months <input type="checkbox"/> Verification of debts greater than \$1,000 <input type="checkbox"/> Tax returns for the past three years <input type="checkbox"/> Other: _____ (Specify)			
<b>PART IV DEBTOR'S OFFER AND CERTIFICATION (8)</b> (A) I (We) am (are) unable to pay in full the indebtedness described in Part II hereof. I (We) 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 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, bonds, mutual funds, or made any deposits in banks or money market accounts, for others during the past 5 years except: _____ (Explain)			

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

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 1 hour 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 Debtors to request settlement of indebtedness.

Used by Servicing Official 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.

(see reverse)

- PROCEDURE FOR PREPARATION : 7 CFR part 3560 and HB-3-3560.
- PREPARED BY : Debtor or Servicing Official.
- NUMBER OF COPIES : Original and two copies.
- SIGNATURES REQUIRED : Original by debtor, Servicing Official, or State Director and/or Administrator.
- DISTRIBUTION OF COPIES : After approved:
  - Original to State Office file.
  - Copy to Borrower's case file.

### INSTRUCTIONS FOR PREPARATION

GENERAL INSTRUCTIONS: Prepare a Form RD 3560-57 for each party liable for the debt.

- (1) Insert taxpayer identification number (TIN) or debtor's social security number (SSN) and Advise Number, if the property has been acquired.
- (2) Insert date application is prepared by debtor.
- (3) Insert debtor case number and the project number.
- (4) Check appropriate block.
- (5) PART I Insert debtor's name and address and property name and address.
- (6) PART II Complete all items for every debt for which settlement is requested.
- (7) PART III Attach all items listed on the form.
- (8) PART IV Complete as appropriate.
- (9) PART V Complete and insert justification for recommendation made.

**NOTE:** The State Director may approve or reject proposed debt settlements when the outstanding balance of the indebtedness amount is less than one million dollars. The National Office must approve or reject any settlements totaling one million dollars or more.

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PART IV DEBTOR'S OFFER AND CERTIFICATION (continued) (8)

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

(D) I (We) have read all of this application, which is made for the purpose of obtaining final settlement of my (our) indebtedness described in Part II 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 RHS 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 \$1,000.

(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.

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

(G) Witness: \_\_\_\_\_ Debtor: \_\_\_\_\_  
Address: \_\_\_\_\_  
Witness: \_\_\_\_\_ Debtor: \_\_\_\_\_  
Address: \_\_\_\_\_

(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 \_\_\_\_\_.

Attest: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ (SEAL) Title: \_\_\_\_\_

PART V RECOMMENDATION AND APPROVAL (9)

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

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

REMARKS: (Use a separate sheet, if necessary)

\_\_\_\_\_, 20 \_\_\_\_\_

Servicing Official

(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

Position 2