

under Public Law 103-354 determines the release will not adversely affect the Government's interest. Release may be approved when payment is received by FmHA or its successor agency under Public Law 103-354 in the amount of the market value, as determined by FmHA or its successor agency under Public Law 103-354, of the property to be released. Proceeds from such transactions (less related expenses authorized by FmHA or its successor agency under Public Law 103-354) will be applied to the FmHA or its successor agency under Public Law 103-354 indebtedness as an extra payment or to prior liens in order of lien priority.

(b) *Easements, right-of-ways, and lease of mineral rights or other rights.* Consent may be given by FmHA or its successor agency under Public Law 103-354 for the borrower to grant an easement or lease mineral rights when it is determined by FmHA or its successor agency under Public Law 103-354 the action will not adversely affect the Government's interest. The granting of an easement or right-of-way and lease of mineral rights may be approved when payment is received by FmHA or its successor agency under Public Law 103-354 in the amount of the market value, as determined by FmHA or its successor agency under Public Law 103-354, for rights granted or benefits are derived which are equal to or greater than the value of the property being disposed of. Proceeds from these transactions (less related expenses authorized by FmHA or its successor agency under Public Law 103-354) will be applied to the FmHA or its successor agency under Public Law 103-354 debt as an extra payment or to prior liens in order of lien priority.

(c)-(d) [Reserved]

§ 1951.461 Release of valueless FmHA or its successor agency under Public Law 103-354 lien without monetary consideration.

Release of an FmHA or its successor agency under Public Law 103-354 lien without monetary consideration may be granted when it is determined by FmHA or its successor agency under Public Law 103-354 to have no present or prospective value or when enforce-

ment would be ineffectual or uneconomical. Judgment liens or statutory redemption rights may be released only with prior consent of OGC.

§ 1951.462 Deceased borrower.

When an NP borrower dies, FmHA or its successor agency under Public Law 103-354 will determine whether or not arrangements can be effected for continuation of the loan under one of the provisions of this section. If not, the loan may be liquidated according to § 1951.468 of this subpart. The servicing actions and the circumstances under which they may be considered are outlined in paragraphs (a) through (d) of this section.

(a) *Continue with jointly liable borrower.* If a jointly liable borrower will repay the loan and fulfill other obligations of the loan, FmHA or its successor agency under Public Law 103-354 will take no action to liquidate the loan.

(b) *Assumption by spouse not liable for the FmHA or its successor agency under Public Law 103-354 debt.* The spouse of a deceased borrower who is not liable for the FmHA or its successor agency under Public Law 103-354 debt and who wishes to assume the debt may do so in accordance with § 1951.463(d)(1) of this subpart.

(c) *Continue with joint tenant, tenant by the entirety, or other person.* When a joint tenant, tenant by the entirety, or other person who inherits title to (or an interest in) the security property, on which the principal residence is located, by devise, descent, or operation of law upon the death of a borrower makes payments as scheduled in the promissory note (or assumption agreement), FmHA or its successor agency under Public Law 103-354 may not take action to liquidate the loan as long as the property is adequately maintained, real estate taxes and assessments are paid when due, and the dwelling is not known to be uninsured (if funds for taxes and insurance are being escrowed, the escrow is a part of the scheduled payments). The loan may be assumed in accordance with § 1951.463(d) of this subpart; however, assumption of the indebtedness is not required. Continuation with a joint tenant, tenant by the entirety, or other person under