

(g) *Authorized FmHA or its successor agency under Public Law 103-354 representatives to execute forms.* State Directors, District Directors, State Program Loan Chiefs, and County Supervisors are authorized to execute the Lender's Agreement (Form FmHA or its successor agency under Public Law 103-354 449-35, the Loan Note Guarantee, and/or the Assignment Guarantee Agreement.

[48 FR 30947, July 6, 1983, as amended at 50 FR 39885, Sept. 30, 1985; 51 FR 6710, Feb. 25, 1986; 51 FR 29905, Aug. 21, 1986; 52 FR 6500, Mar. 4, 1987; 58 FR 34308, June 24, 1993; 61 FR 67633, Dec. 23, 1996; 64 FR 7402, 7403, Feb. 12, 1999]

**§ 1980.62 Lender's sale or assignment of guaranteed portion of loan.**

Any sale or assignment by the lender of the guaranteed portion of the loan must be accomplished in accordance with the conditions in paragraph III of Form FmHA or its successor agency under Public Law 103-354 449-35. Only guaranteed portions of loans not in payment default as set forth in the terms of the debt instruments may be sold. Should the lender know at the time the loan application is being prepared that it plans to sell or assign any part of the guaranteed portion of the loan as provided in Form FmHA or its successor agency under Public Law 103-354 449-35, the lender will provide this information with the application of FmHA or its successor agency under Public Law 103-354.

[58 FR 34308, June 24, 1993, as amended at 64 FR 7403, Feb. 12, 1999]

**§ 1980.63 Defaults by borrower.**

(a) Refer to paragraph X of Form FmHA or its successor agency under Public Law 103-354 449-35.

(b) FmHA or its successor agency under Public Law 103-354 may be required to purchase the guaranteed portion of a loan(s) from holder(s) in the event of default or servicing problems. The County Supervisor will coordinate any requests from holder(s) located in close proximity to the local lender. If several holders are located outside the area, the State Director will handle the transaction and notify the County Supervisor. The County Supervisor will prepare a Form FmHA or its successor

agency under Public Law 103-354 1980-37, "FmHA or its successor agency under Public Law 103-354 Purchase of a Guaranteed Loan Portion," for each holder(s) and follow the instructions on the reverse of the form.

[52 FR 6501, Mar. 4, 1987, as amended at 58 FR 34308, June 24, 1993; 61 FR 67633, Dec. 23, 1996; 64 FR 7403, Feb. 12, 1999]

**§ 1980.64 Liquidation.**

(a) *Reference.* Refer to paragraph XI of Form FmHA or its successor agency under Public Law 103-354 449-35.

(b) *Lender's option.* If a lender has made a loan guaranteed by FmHA or its successor agency under Public Law 103-354 under previous regulations and the lender concludes that liquidation of the guaranteed loan is necessary because of one or more defaults or third party actions that the borrower cannot or will not cure, the lender has the option of liquidate the loan under the provisions of this subpart, or under the provisions of previous regulations. The lender will notify the State Director in writing within 10 days after its decision to liquidate if it desires to proceed under this subpart.

(c) *Settlement option.* If a lender acquires title to property either through voluntary conveyance or foreclosure proceeding, FmHA or its successor agency under Public Law 103-354 may elect to permit the lender the option to calculate the final loss settlement using the net proceeds received at the time of ultimate disposition of such property. The lender must submit its written request for this option to FmHA or its successor agency under Public Law 103-354, and FmHA or its successor agency under Public Law 103-354 must agree, prior to the lender submitting any request for estimated loss payment.

[48 FR 30947, July 6, 1983, as amended at 50 FR 39886, Sept. 30, 1985; 58 FR 34308, June 24, 1993; 64 FR 7403, Feb. 12, 1999]

**§ 1980.65 Protection advances.**

Refer to paragraph XII of Form FmHA or its successor agency under Public Law 103-354 449-35.

[58 FR 34308, June 24, 1993, as amended at 64 FR 7403, Feb. 12, 1999]