

§ 1980.66

§ 1980.66 Additional loans or advances.

Refer to paragraph XIII 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]

§ 1980.67 Bankruptcy.

(a) *Reference.* Form FmHA or its successor agency under Public Law 103-354 449-30, "Loan Note Guarantee Report of Loss," will be used for calculations of all estimated and final loss determinations. Payments will be made in accordance with applicable FmHA or its successor agency under Public Law 103-354 regulations.

(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 borrower has filed for protection under a reorganization bankruptcy, the lender has the option of requesting an estimated loss payment under the provisions of this part.

[54 FR 1549, Jan. 13, 1989, as amended at 61 FR 67633, Dec. 23, 1996; 64 FR 7403, Feb. 12, 1999]

§ 1980.68 Lender's request to terminate Loan Note Guarantee.

If the Loan Note Guarantee has not automatically terminated the lender may request FmHA or its successor agency under Public Law 103-354 to terminate the Loan Note Guarantee(s), for any reason, provided the lender holds all the guaranteed portions of the loan. (See paragraph 12 of Form FmHA or its successor agency under Public Law 103-354 449-34.) The lender will provide the County Supervisor with a written notice that the loan(s) is (or are) paid in full and/or termination of the Loan Note Guarantee(s) enclosing the original Form(s) FmHA or its successor agency under Public Law 103-354 449-34 for cancellation.

[53 FR 26413, July 12, 1988. Redesignated at 54 FR 1549, Jan. 13, 1989, as amended at 61 FR 67633, Dec. 23, 1996; 64 FR 7403, Feb. 12, 1999]

§§ 1980.69-1980.79 [Reserved]

§ 1980.80 Appeals.

Only the borrower, lender and/or holder can appeal an FmHA or its suc-

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cessor agency under Public Law 103-354 decision. The borrower must jointly execute in the written request by either party for review of an alleged adverse decision made by FmHA or its successor agency under Public Law 103-354 and both must participate in the appeal. In cases where FmHA or its successor agency under Public Law 103-354 has denied or reduced the amount of final loss payment to the lender, the adverse decision may be appealed by the lender only. A decision by a lender adverse to the borrower is not a decision by FmHA or its successor agency under Public Law 103-354, whether or not concurred in by FmHA or its successor agency under Public Law 103-354. Appeals will be handled in accordance with directions set out in subpart B of part 1900 of this chapter.

[53 FR 26413, July 12, 1988]

§ 1980.81 Access to records of lenders.

Upon request by FmHA or its successor agency under Public Law 103-354 the lender will permit representatives of FmHA or its successor agency under Public Law 103-354 (or other agencies of the U.S. Department of Agriculture authorized by that Department) to inspect and make copies of any of the records of the Lender pertaining to FmHA or its successor agency under Public Law 103-354 guaranteed loans. Such inspection and copying may be made during regular office hours of the lender, or any other time the lender and FmHA or its successor agency under Public Law 103-354 finds convenient.

§ 1980.82 State supplements to this regulation.

FmHA or its successor agency under Public Law 103-354 State Directors may supplement this regulation subject to National Office review to the extent necessary to properly implement the program in their States.

§ 1980.83 FmHA or its successor agency under Public Law 103-354 forms.

(a) *FmHA or its successor agency under Public Law 103-354 forms incorporated in this subpart.* Forms FmHA or its successor agency under Public Law 103-354 449-34, FmHA or its successor agency under Public Law 103-354 449-35 and

FmHA or its successor agency under Public Law 103-354 449-36 are incorporated in this subpart, made a part hereof, and appear as appendices A, B, and C in the FEDERAL REGISTER. Copies of the forms may be obtained from any FmHA or its successor agency under Public Law 103-354 office.

(b) [Reserved]

[48 FR 30947, July 6, 1983, as amended at 50 FR 39886, Sept. 30, 1985; 51 FR 6711, Feb. 25, 1986; 51 FR 29905, Aug. 21, 1986; 52 FR 6501, Mar. 4, 1987; 52 FR 22290, June 11, 1987; 54 FR 4, Jan. 3, 1989; 54 FR 42483, Oct. 17, 1989; 56 FR 8260, Feb. 28, 1991; 57 FR 6068, Feb. 20, 1992; 58 FR 34308, June 24, 1993; 60 FR 53256, Oct. 13, 1995; 64 FR 7403, Feb. 12, 1999]

§ 1980.84 Replacement of guaranteed loan documents.

(a) [Reserved]

(b) *Requirements.* When a Loan Note Guarantee, Contract of Guarantee, or Assignment Guarantee Agreement is lost, stolen, destroyed, mutilated, or defaced while in the custody of the lender or holder, the lender will coordinate the activities of the party who seeks the replacement documents and will submit the required documents to the Agency for processing. The requirements for replacement are as follows:

(1) A certificate of loss properly notarized which includes:

(i) Legal name and present address of the owner, who is requesting the replacement forms.

(ii) Legal name and address of lender of record.

(iii) Capacity of person certifying.

(iv) Full identification of the Loan Note Guarantee, or Assignment Guarantee Agreement including the name of the borrower, FmHA or its successor agency under Public Law 103-354 case number, date of the Loan Note Guarantee, Assignment Guarantee Agreement, face amount of the evidence of debt purchased, date of evidence of debt, present balance of the loan or line of credit, percentage of guarantee and if Assignment Guarantee Agreement, the original named holder and the percentage of the guaranteed portion of the loan assigned to that holder. Any existing parts of the document to be replaced should be attached to the certificate.

(v) A full statement of circumstances of the loss, theft, or destruction of the

Loan Note Guarantee, or Assignment Guarantee Agreement.

(vi) The holder shall present evidence demonstrating current ownership of the Loan Note Guarantee and note or Assignment Guarantee Agreement. If the present holder is not the same as the original holder, a copy of the endorsement of each successive holder in the chain of transfer from the initial holder to present holder must be included. If copies of the endorsement cannot be obtained, best available records of transfer must be presented to FmHA or its successor agency under Public Law 103-354 (e.g., order confirmation, canceled checks, etc.).

(2) An indemnity bond acceptable to FmHA or its successor agency under Public Law 103-354 shall accompany the request for replacement except when the holder is the United States, a Federal Reserve Bank, a Federal Government Corporation, a State or Territory, or the District of Columbia. The bond may be with or without surety. The bond shall be with surety except when the outstanding principal balance and accrued interest due the present holder is less than \$1,000,000 verified by the lender in writing in a letter of certification of balance due. The surety shall be a qualified surety company holding a certificate of authority from the Secretary of the Treasury and listed in Treasury Department Circular 580.

(3) All indemnity bonds must be issued and/or payable to the United States of America acting through the Farmers Home Administration or its successor agency under Public Law 103-354. The bond shall be in an amount not less than the unpaid principal and interest. The bond shall save FmHA or its successor agency under Public Law 103-354 harmless against any claim or demand which might arise or against any damage, loss, costs, or expenses which might be sustained or incurred by reasons of the loss or replacement of the instruments.

(4) In those cases where the guaranteed loan was closed under the provisions of paragraph III(A)(2) of Form FmHA or its successor agency under Public Law 103-354 449-35, known as the "Multi-Note System," FmHA or its successor agency under Public Law 103-