

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
HARRISBURG, PENNSYLVANIA

TO:
State Office
Area Office

STATE PROCEDURE
NOTICE

ISSUE NO. 308
DATE: 08/11/2008

RURAL DEVELOPMENT MANUAL CHANGES - This PA is reissued to provide further guidance on mortgage satisfactions and include the requirement for satisfying mortgages other than for SFH borrowers. PA Instruction 1951-D, Servicing and Collections and HB-2-3550, Chapter 2, Section 2.30A

REQUIRED: If a loan is secured by real estate, the mortgage will be satisfied or released in accordance with RD Instructions and Pennsylvania State Law. A mortgage satisfaction is required to be in a form substantially similar to that provided the Mortgage Satisfaction Act ("Act") as amended in 2002. PA Form 451-1 can be used in cases where the closing agent for the refinancing (or other type closing) does not prepare a satisfaction piece for the Agency's signature.

Mortgage satisfactions should be processed by the agency as expeditiously as possible. Although PA State Law establishes a sixty-day time frame within which a mortgage satisfaction must be recorded, this sixty-day clock does not begin until the debtor sends to the agency a Notice to Satisfy. The debtor is required to send this Notice to Satisfy to the agency by certified or registered mail, return receipt requested. Once the debtor sends a Notice to Satisfy to the agency, the agency must satisfy the mortgage within sixty days or face penalties as provided by the Act

Single Family Housing Accounts - Area Office staff will prepare PA Form 451-1 when instructed to issue the Satisfaction of Real Estate Mortgage by CSC. To ensure the Satisfaction is recorded, it will be sent to the closing agent, or other agent as identified by CSC.

Other RD loans secured by Real Estate - Area Office Staff, up to their loan approval authority as outlined in RD 1901-A, are authorized to execute PA Form 451-1 in accordance with RD 1951-D, 1951.154 (a). Amounts that exceed Area Office Staff approval authority must be immediately forwarded to the appropriate State Office Program Director for execution.

REMOVE:
PA PN 259 (5/03/01) - HB-2-2550

INSERT:
PA PN 308 in 1951-D and
HB-2-3550, Chapter 2

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

SATISFACTION OF REAL ESTATE MORTGAGE

Made this _____ day of _____, 20____

Name of Mortgagor:
Name of Mortgagee: RURAL DEVELOPMENT formerly know as Farmers Home
Administration
Name of Last Assignee:
Date of Mortgage:
Original Mortgage Debt: \$

Mortgage recorded on _____ in the office of the Recorder of Deeds
for _____ County, Pennsylvania in Mortgage Book Volume _____, at page
_____.

The aforesaid mortgage is on real estate situate in _____ County,
Pennsylvania known as _____ and more fully described in
said mortgage, located in the Township/Borough of _____.

The undersigned hereby certifies that the debt secured by the above-
mentioned mortgage has been fully paid or otherwise discharged and that upon the
recording hereof, said mortgage shall be and is hereby fully and forever
satisfied and discharged. I hereby authorize the said Recorder to enter
Satisfaction of said Mortgage, upon the record thereof,

WITNESS the due execution hereof pursuant to delegated authority contained
in 7 Code of Federal Regulations 1900.3.

Witness

UNITED STATES OF AMERICA
By: _____
(Approving Official Name)
(Approving Official Title)
RURAL DEVELOPMENT
U.S. Department of Agriculture

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA

ss:

COUNTY OF _____

On this, the _____ day of _____, 200____ before me, the
undersigned officer, personally appeared APPROVING OFFICIAL NAME, who
acknowledged being the APPROVING OFFICIAL TITLE of the RURAL DEVELOPMENT, U.S.
Department of Agriculture, and that as APPROVING OFFICIAL TITLE, being authorized
to do so, executed the foregoing instrument in the capacity therein stated and
for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission expires: