

PROCEDURE REFERENCE :FmHA Instruction 1951-J

PURPOSE :Notice of acceleration to nonprogram (NP) borrowers (Farmer Program (Real Estate and/or Chattels) and Single Family Housing) discharged in bankruptcy who have not reaffirmed the debt.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
FARMERS HOME ADMINISTRATION  
(Location)

Date: \_\_\_\_\_

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
(Name and Address)

SUBJECT: NOTICE OF ACCELERATION OF YOUR FARMERS HOME  
ADMINISTRATION (FmHA) ACCOUNT

Dear

PLEASE TAKE NOTE that the Farmers Home Administration (FmHA) intends to enforce its (Real Estate Mortgage(s), Deed(s) of Trust, Security Agreement(s), Financing Statement(s), etc.) given or assumed by you as security for the following-described promissory note(s) and/or assumption agreement(s) and declares the indebtedness immediately due and payable.

Date of Instruments

Amount

The security instrument(s) referred to above are described as follows:

Recorded In:  
Date of Instrument Place of Recordation(Filing) Book No. Page No.

The decision to foreclose is made in accordance with the authority granted in the above-described security instrument(s) for the following reason(s):

The balance of the account is \$\_\_\_\_\_unpaid principal, and \$\_\_\_\_\_unpaid interest, as of \_\_\_\_\_19\_\_\_\_, plus additional interest accruing at the rate of \$ \_\_\_\_\_ per day thereafter, plus any advances to be made by the United States for the protection of its security, and the interest accruing on any such advances. Pursuant to the terms of the loan instruments FmHA is now exercising its option to declare this debt immediately due and payable, although FmHA has no intention of seeking to recover any part of this debt from assets you have other than the property which is security for the debt.

The security instrument(s) executed by you in favor of FmHA is(are) not affected by a discharge in bankruptcy and the security can still be foreclosed upon or liquidated to satisfy the secured debt, although a discharge under the Bankruptcy Code does render any debt discharged unenforceable as your personal obligation. In other words, if FmHA proceeds with foreclosure or liquidation, all property which is security would be sold. If the proceeds from that sale are not sufficient to pay off the debt, FmHA cannot seek a personal judgment against you for any deficiency. This letter is not intended as an act to collect or recover any debt from you for which your personal obligation has been discharged pursuant to 11 U.S.C. §524 but rather it is intended to collect or recover any such debt from the property which is security for the loan(s) made to you.

Unless full payment of the secured debt is received within 30 days from the date of this letter, the United States will take action to foreclose/liquidate under the authority granted in the above-described instrument(s). Payment should be made by cashier's check, certified check, or postal money order payable to the Farmers Home Administration and delivered to the FmHA County Supervisor at (street address or P.O. Box), (city), (zip code). If there is submitted to the United States any payment insufficient to pay the account in full or insufficient to comply with any arrangements agreed to between FmHA and yourself, that payment WILL NOT CANCEL the effect of this notice. If insufficient payments are received and credited to your account, no waiver or prejudice of any rights which the United States may have for breach of any promissory note or covenant in the security instrument(s) will result and FmHA may proceed as though no such payments had been made.

[THE ABOVE-DESCRIBED SECURITY INSTRUMENT(S) PROVIDES THAT THE UNITED STATES MAY FORECLOSE WITHOUT COURT ACTION BY SELLING THE PROPERTY AT PUBLIC SALE AFTER \_\_\_\_\_. THE GOVERNMENT INTENDS TO SELL THE PROPERTY IN THIS MANNER. NO FURTHER NOTICE IS REQUIRED TO BE GIVEN YOU CONCERNING THIS FORECLOSURE.] (This paragraph will be omitted in States with judicial foreclosure or where it conflicts with State law.)

If you think FmHA is in error in accelerating the account and proceeding with foreclosure, you may submit evidence within 15 calendar days to the undersigned documenting why the account is not in default. Your request will be forwarded to the next level supervisor within FmHA for consideration. This review will be based solely upon the record including your case file. Applicable statutes and regulations and the documentation you submit to support your position will be considered by the next higher supervisor.