

FSA-2684
(proposal 3)

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

Position 2

LAND CONTRACT RECAPTURE AGREEMENT

This agreement made this (1) _____ day of (2) _____, (3) _____, is entered into between (4) _____ hereinafter referred to as "seller" and the Farm Service Agency (FSA). FSA has paid a loss claim on the land contract of the seller under the Standard Guarantee Plan, to which a copy of this agreement is being attached. The seller chose the appraisal method of payment rather than liquidation, and is retaining the property. This agreement will expire (5) _____, five years from the date of the loss payment.

This agreement is secured by the following real estate security instrument, given in exchange for payment of the loss claim:

6. Date of Security Instrument	7. Records of County	8. State	9. Filing Information (Book, Page, Reel, etc.)	10. Grantor

Based on the appraisal the value of the property is \$ (11) _____, and the amount of the loss claim paid to the seller was (12) \$ _____.

In consideration of FSA making the loss claim payment, seller agrees to pay to the FSA the increase in market value (appreciation) of the real estate described in the Security Instruments if the market value of the real estate increases between the date of this agreement and the end of the 5 year period, or sooner, if the land is conveyed before the expiration of the 5 year period. "Convey" includes sale, gift, contract for sale, purchase agreement, or foreclosure. "Convey" does not include transfer of title to spouse upon death of the seller. Collection of recapture, however, will take place if the surviving spouse sells or conveys the subject property before the expiration of this agreement.

The total amount of recapture due FSA from the seller will never exceed the amount of the loss claim that was paid, and will be reduced by the amount that the former defaulted purchaser of the property has paid down on the principal of the loss claim. The Agency will make the determination of the amount to be repaid, which will be determined by the selling price, or the value determined by a new appraisal performed by the Agency at Agency expense. For purposes of determining the amount of recapture, the market value of the property may be reduced by the contributory value of certain capital improvements made to the property in the time period from the loss claim to final disposition.

13A. Print Seller Name	13B. Seller's Signature	13C. Date (MM-DD-YYYY)
14A. Print Seller Name	14B. Seller's Signature	14C. Date (MM-DD-YYYY)
15. Authorized Agency Official Name		16. Authorized Agency Official Title
17. Signature of Authorized Agency Official		18. Date (MM-DD-YYYY)

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a - as amended). The authority for requesting the information identified on this form is the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1921 *et. seq.*). The information will be used to determine eligibility and feasibility for loans and loan guarantees, and servicing of loans and loan guarantees. The information collected on this form may be disclosed to other Federal, State, and local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in the applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information may result in a denial for loans and loan guarantees, and servicing of loans and loan guarantees. The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-xxxx. The time required to complete this information collection is estimated to average **xx minutes** per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**