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U.S. DEPARTMENT OF AGRICULTURE

Farm Service Agency

Position 1

**AGREEMENT FOR VOLUNTARY LIQUIDATION
OF CHATTEL SECURITY**

PART A - BORROWER AGREEMENT

1. THIS AGREEMENT is made on (a) _____, by and between
(b) _____

(Borrower), and the United States of America, acting through the U.S. Department of Agriculture, Farm Service Agency (Government).

2. The Borrower desires the collateral covered by the security instruments to be sold and the proceeds applied to the Borrower's debt to the Government, including such indebtedness as may be created pursuant to this agreement.

THEREFORE, it is mutually agreed as follows:

- The Borrower will sell the following described property in the manner describe below:
- The Borrower agrees to give and, simultaneously with the execution of this instrument, does give to the Government custodial possession of the following described collateral:

Private Sale	
(a) Item Description	(b) Minimum Price

Public Auction
(c) Item Description

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3. If the Government takes custodial possession of the collateral, the Borrower agrees that:
 - (a) The Government may incur such expenses as it deems necessary to cultivate or harvest any growing crops or to maintain the value of, protect, preserve, keep, care for, transport, or sell any collateral surrendered by the agreement; and that any expenditures made or incurred by the Government for any such purposes, together with interest, from the date of the expenditures, at the same rate as that specified in any note executed by the Borrower in favor of the Government, shall become an indebtedness of the Borrower to the Government.
 - (b) The Government may sell the collateral either at a private sale or at public auction, the manner and place of sale to be at the discretion of the government and that it may bid at any such sale. The Government may execute a bill of sale or other conveyance for any such collateral sold at any such sale. If any of the collateral is sold at a private sale, the Government agrees not to sell it for less than the minimum price, except that perishable collateral will be sold privately for the best cash price obtainable. Farm commodities such as grain, cotton, or tobacco, etc., for which there is a local established market, will be sold at a private sale for a cash price in line with current market quotations for commodities of similar grade, type, or other recognized classification. If the collateral is sold at public sale, the agreed minimum sale price has no application and the collateral may be sold to the highest bidder.
 - (c) The Government agrees to exert its best efforts, but shall not be required to sell the collateral within 30 days from the date of this agreement or to care for the collateral pending the sale.
 - (d) The Borrower agrees that any loss resulting from the death, spoliation, deterioration, damage, disappearance, or theft of any of such collateral shall be borne by the Borrower, except when such loss is due to the negligence or positive wrongful act of any agent of the Government or of a caretaker in whose custody such collateral has been placed by the Government pending sale. The Government shall determine when such negligence or wrongful act exists and the amount of the loss and such determination shall be conclusive. In such cases, the Government will pay an amount equal to the loss sustained for application in accordance with the priorities established in paragraph 4. The Borrower releases and forever discharges the Government from liability for any and all claims of every nature whatsoever in connection with the handling, care, and sale by the Government of the collateral, except the obligation of the Government to distribute the sale proceeds as provided in paragraph 4.
 - (e) If the Government holds a sale at public auction, it may employ a licensed auctioneer and pay the auctioneer's fees out of the proceeds of the sale.
4. The Borrower and the Government agree that the proceeds of such sale will be applied in payment of (a) first, the expenses of conducting the sale, including any cost of advertising and search of lien records, or the reimbursement of the Government for any such expenditures as it may have made or incurred; (b) second, the expense of cultivation, harvest, protection, preservation, transportation, custody, care, storage, preparation for sale and any tests or inspections required by law of the property, pending the sale, or the reimbursement of the Government for any such expenditures as it may have made or incurred; (d) third, secured claims in the order of their priority; (d) fourth, any other indebtedness of the Borrower, owed to or insured by the Government, which is unsecured or is secured by liens on other property; and (e) fifth, the balance, if any, to the Borrower.
5. Nothing contained in this agreement shall be construed to release the Borrower or any other party from liability for any deficiency owing to the Government after application of the proceeds as provided in this agreement.

6. In the event the Borrower agrees to sell the collateral at either a private sale or public auction and has not done so within 60 days of this agreement, the Government may take the necessary action to foreclose on the collateral to collect the debt.

7. The term “Borrower” shall be construed to include the heirs, successors, administrators, executors, assigns, agents, and principals of the Borrowers.

8A. Borrower's Name	8B. Signature	8C. Date
9A. Borrower's Name	9B. Signature	9C. Date
10A. Borrower's Name	10B. Signature	10C. Date
11A. Borrower's Name	11B. Signature	11C. Date

12A. Authorized Agency Official Name	12B. Title
12C. Signature	12D. Date

PART B – AGREEMENT OF LIENHOLDERS TO SALE OF CHATTEL SECURITY

The undersigned, having secured claims against property described in the above Agreement for Voluntary Liquidation of Chattel Security, agree to all of the terms and provisions of the agreement.

The undersigned further agree that they will execute and deliver releases of their liens on the property sold, and that if they fail to execute or deliver such releases, the Government may do so as their agent.

13A. Name and Address of Lienholder	13B. Signature	13C. Date
	13D. Security/Collateral	13E. Lien Amount \$
14A. Name and Address of Lienholder	14B. Signature	14C. Date
	14D. Security/Collateral	14E. Lien Amount \$
15A. Name and Address of Lienholder	15B. Signature	15C. Date
	15D. Security/Collateral	15E. Lien Amount \$
16A. Name and Address of Lienholder	16B. Signature	16C. Date
	16D. Security/Collateral	16E. Lien Amount \$

Note: *The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a): the Farm Service Agency (FSA) is authorized by the Consolidated Farm and Rural Development Act, (7 USC 1921 et seq), and the regulations promulgated thereunder, to solicit the information requested on this form. The information requested is necessary for FSA to determine eligibility for financial assistance, service your loan, and conduct statistical analyses. Supplied information may be furnished to other Department of Agriculture agencies, the Department of the Treasury, the Department of Justice or other law enforcement agencies, the Department of Defense, the Department of Housing and Urban Development, the Department of Labor, the United States Postal Service, or other Federal, State, or local agencies as required or permitted by law. In addition, information may be referred to interested parties under the Freedom of Information Act (FOIA), to financial consultants, advisors, lending institutions, packagers, agents, and private or commercial credit sources, to collection or servicing contractors, to credit reporting agencies, to private attorneys under contract with FSA or the Department of Justice, to business firms in the trade area that buy chattel or crops or sell them for commission, to Members of Congress or Congressional staff members, or to courts or adjudicative bodies. Disclosure of the information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Tax Identification Number, may result in a delay in the processing of this form or its rejection.*

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