

UNITED STATES DEPARTMENT OF AGRICULTURE

DEPOSIT AGREEMENT

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NAME AND ADDRESS OF DEPOSITOR(S) SOCIAL SECURITY OR IRS NO.

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AGENCY NAME AND ADDRESS DEPOSIT ACCOUNT NO.

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NAME AND ADDRESS OF BANK, SAVINGS AND LOAN OR CREDIT UNION

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THIS AGREEMENT is made on \_\_\_\_\_, between United States of America, acting through the United States Department of Agriculture (hereinafter, "Government"), the above-named Depositor(s) (hereinafter, "Depositor"), and the above-named Bank, Savings and Loan, or Credit Union, (hereinafter, "Financial Institution").

In consideration of loans or other advances of funds made by the Government and the depositing in the Financial Institution, to the credit of the Depositor in the account or accounts (hereinafter, "account") established pursuant to this agreement, of moneys, derived from such loans or other advances of funds, or moneys otherwise obtained by the Depositor, it is agreed as follows:

1. **Security Interest: Government.** The Depositor assigns, transfers, and pledges to the Government the above-mentioned account and deposits, made before or after this agreement, and conveys to the Government a security interest in all money deposited in this account, as security for the repayment of any and all indebtedness now or later owed by the Depositor to the Government, and for the performance of the obligations and agreements of the Depositor in connection with such advances or indebtedness.
2. **The Financial Institution Agrees To:**
  - a. Comply with instructions originated by the Government directing disposition of the funds in this account without further consent or approval by the Depositor;
  - b. At any time upon written demand or order by the Government, pay over to the Government the balance then on hand, or any part of the balance demanded. The death, disability, or insolvency of the Depositor shall not impair the power of the Government to demand or order such withdrawal;

*According to the Paperwork Reduction, Act of 1995, no persons are 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 0575-0189. The time required to complete this information collection is estimated to average 5 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.*

- c. At any time upon written demand or order by the Government, forward a statement showing account activity, including sufficient information to reconcile the account, to the Government Office at the address shown above.
3. **Setoff.** The Financial Institution agrees that it will not assert any right of setoff or recoupment, except service charges, with respect to the funds deposited pursuant to this agreement by reason of any indebtedness or claim now or later owed to or acquired by it.
4. **Control of Deposit Account.** The Financial Institution agrees that it will not, for the purpose of the Uniform Commercial Code, obtain or assert "control" over this account or enter into an agreement with any other creditor allowing that creditor to have "control" of this account or the funds on deposit therein and that it hereby subordinates any security interest it may have or claim in this account or in the funds on deposit therein to the security interest granted to the Government in this Agreement.
5. **Exculpation of Bank.** The Depositor and Government agree that the Financial Institution shall have no liability to either of them for any loss or damage that either or both may claim to have suffered or incurred, either directly or indirectly, by reason of this Agreement or any transaction or service contemplated by its provisions, unless occasioned by the gross negligence or willful misconduct of the Financial Institution. The Financial Institution shall be under no obligation with respect to the expenditure of funds after their withdrawal from the Financial Institution in accordance with the provisions of the Agreement. Upon making payment pursuant to an order or check duly executed by the Depositor and the countersigning officer, or pursuant to the written demand or order of the Government, the Financial Institution shall be discharged from all obligations with respect to the funds so released.
6. **Indemnification by Depositor.** Depositor agrees to indemnify the Financial Institution and hold it harmless from and against any and all claims, other than those ultimately determined to be founded upon gross negligence or willful misconduct of the Financial Institution, and from and against any damages, penalties, judgements, liabilities, losses, or expenses (including reasonable attorney fees and disbursements) incurred as a result of the assertion of any claim, by any person or entity, arising out of, or otherwise related to, any transaction conducted or service provided by the Financial Institution through the use of any account at the Financial Institution pursuant to the procedures provided for or contemplated by this Agreement.
7. **Statements and Other Information.** The Financial Institution shall notify the Government if the account is closed, by sending written notification to the Government Office at the address noted above.
8. **Miscellaneous.**

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- a. This Agreement may be amended only by a written instrument executed by the Government, the Financial Institution and the Depositor acting by their respective duly authorized representatives.
- b. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns, but neither the Depositor nor the Financial Institution shall be entitled to assign or delegate any of its rights or duties under this Agreement without first obtaining the express prior written consent of the Government.
- c. This Agreement may be executed in any number of several counterparts, each of which shall be deemed an original but all of which together shall constitute one and other same instrument.
- d. This Agreement is an agreement between the Financial Institution and the Depositor governing the deposit account within the meaning of Section 9-304(b) of the Uniform Commercial Code (“UCC”). The designation of the Financial Institution’s address as the jurisdiction (“Jurisdiction”) for purposes of the UCC shall be controlling in the event of any conflict between this Agreement and any other agreement between the Financial Institution and the Depositor governing this account.
- e. This Agreement shall be governed by federal law which, for purposes of this Agreement, includes Article 9 of the UCC as adopted in the Jurisdiction of the Financial Institution.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement, as of the day and year first written above.

\_\_\_\_\_  
FINANCIAL INSTITUTION,

\_\_\_\_\_  
DEPOSITOR,

BY: \_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

UNITED STATES OF AMERICA,  
acting through the  
UNITED STATES DEPARTMENT OF  
AGRICULTURE

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BY \_\_\_\_\_

\_\_\_\_\_  
(Title)

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