

Date: October 10, 2014

To: USDA Guaranteed Loan Lender/Service

From: Patrick Kerrigan  
Farmer Mac 2 Program Manager

Re: New Document Delivery Instructions for Secondary Market  
USDA Farm Service Agency Guaranteed Portions

This memorandum is to inform you that USDA Farm Service Agency (FSA) recently amended their document delivery instructions for guaranteed portions that are sold on the secondary market. FSA informed Farmer Mac that effective immediately, FSA will use the following steps when issuing an Assignment of Guarantee (Form FSA-2242):

- 1) FSA to determine:
  - a) The name of the holder
  - b) The holder is not the borrower or a relation of the borrower and is not an owner or subsidiary of the lender itself
  - c) The loan is current
  - d) The lender is selling only the guaranteed portion of the loan
  - e) FSA is not currently holding a guaranteed portion of a loan for more than 180 days that the lender refused to repurchase from a holder.
- 2) Once it is determined the loan is eligible to be sold, FSA will verify that all information on the FSA-2242 is consistent with the FSA-2235 "Loan Guarantee."
- 3) The authorized agency official will sign the FSA-2242 and mail the hard copy **DIRECTLY** to the holder listed in item 3 along with a cover letter including USDA letterhead as verification of the guarantee.
- 4) The authorized USDA official will notify the lender that the FSA-2242(s) have been executed and sent to Farmer Mac II.

For all pending Farmer Mac II loan sales, lenders are requested to use the following holder name and mailing address on FSA-2242:

**Farmer Mac II LLC**  
**C/O Conterra Asset Management**  
**7755 Office Plaza Drive North, Suite 195**  
**West Des Moines, IA 50266**  
**settlements@conterraag.com**

# FARMER AC 2

SECONDARY MARKET FOR USDA GUARANTEED LOANS

These changes are effective immediately and are an interim step as new procedures are developed by USDA for the use of electronic signatures. These new procedures are necessary to mitigate the potential for fraudulent loan sale activity in the secondary market.

If you have any questions regarding this notice, please do not hesitate to contact me at 800-879-3276, extension 5560 or Judy Moye-Shala at extension 5544 or Riley Croghan at extension 6610. Farmer Mac greatly appreciates the relationships we have developed with the lenders who utilize the USDA guaranteed loan programs and we thank you for your business and support of our Farmer Mac 2 secondary market.