

Farm Credit Administration

§ 614.4440

This is a FIXED RATE LOAN—the stated rate of interest is not subject to change during the life of the loan.

This is an ADJUSTABLE RATE LOAN—the stated rate of interest is subject to change during the life of the loan.

If an Adjustable Rate Loan—The interest rate on the loan may be changed (*Period*).

The interest rate may be changed a maximum ±(*Percentage*).

You will be notified 10 days prior to any increase in the effective rate or simultaneously with any decrease in the effective rate.

The Standard Adjustment Factor(s) which the institution takes into account in making adjustments to the interest rate is (are) (*list the factors*).

The Standard Adjustment Factors may or may not be changed during the life of the loan.

Except with respect to eligible borrower stock under section 4.9A of the Farm Credit Act of 1971, stock that is purchased in this institution is at risk.

See your contract documents for further information on loan terms and conditions.

Should you have any questions concerning the information contained in this form please contact us at (*Telephone Number*).

Form 2

This loan is not subject to the Truth in Lending Act, 15 U.S.C. 1601, et seq. The following disclosure is made in accordance with section 4.13(a) of the Farm Credit Act of 1971, as amended, 12 U.S.C. 2199.

DISCLOSURE OF A CHANGE IN THE EFFECTIVE INTEREST RATE

Date: _____

Lender: _____
(Name)

Borrower: _____
(Name)

This is to inform you that on (*loan and loan number*),

The effective rate of interest will be adjusted effective (*Date*).

The effective rate of interest on your loan is changed to (*Percentage*) from (*Percentage*). This change resulted from a:

1. Change in the amount of stock borrowers are required to hold in the lender to (*Percentage*) from (*Percentage*).

2. Change in the stated rate of interest on your loan effective (*Date*).

The stated rate of interest on your loan changed to (*Percentage*) from (*Percentage*).

The change was computed based on the:

Standard adjustment factors—factors mentioned on the initial interest rate disclosure.

Other—describe.

3. Change for other reasons—describe.

Should you have any questions concerning the information contained herein, please contact us at (*Telephone Number*).

[53 FR 35451, Sept. 14, 1988, as amended at 54 FR 1153, Jan. 12, 1989; 54 FR 50736, Dec. 11, 1989; 61 FR 11304, Mar. 20, 1996]

§614.4368 Disclosure of differential interest rates.

(a) A qualified lender offering more than one rate of interest to borrowers shall, at the request of a borrower:

(1) Provide a review of the loan to determine if the proper interest rate has been established;

(2) Explain to the borrower in writing the basis for the interest rate charged; and

(3) Explain to the borrower in writing how the credit status of the borrower may be improved to receive a lower interest rate on the loan.

(b) A qualified lender offering more than one rate of interest as described in paragraph (a) of this section, shall notify prospective borrowers not later than the time of loan closing of their right to request a review under paragraph (a) of this section.

Subpart L—Actions on Applications; Review of Credit Decisions

SOURCE: 53 FR 35452, Sept. 14, 1988, unless otherwise noted.

§614.4440 Definitions.

For purposes of this subpart, the following definitions shall apply:

(a) *Adverse credit decision* means a decision to deny the credit applied for, or approve an extension of credit in an amount less than the amount applied for; to deny an application for restructuring;

(b) *Applicant* means any person who completes and executes a formal application for an extension of credit from a qualified lender, or a borrower who completes an application for restructuring;

(c) *Application for restructuring* means a written request—

(1) From a borrower for the restructuring of a distressed loan in accordance with a preliminary restructuring