

**CANCELLATION OR CHARGE-OFF OF  
INDEBTEDNESS**

STATE AND COUNTY OFFICE CODE

TAXPAYER ID NUMBER

CASE NO.

NAME OF DEBTOR(S)

ADDRESS(ES)

AND

FOR RHS OFFICE USE ONLY

FOR FINANCE USE ONLY

FUND CODE	LOAN CODE	FINAL DUE DATE	ORIGINAL AMOUNT OF DEBT	UNPAID BALANCE			FOCAL INTEREST	DATE OF CREDIT
				INTEREST	PRINCIPAL	TOTAL		
TOTAL(S)								

**REASON(S)**

1.  Debtor(s) deceased and there is no reasonable prospect of recovering from his/her estate.
2.  Debtor(s) has/have been discharged in Title 11 Bankruptcy.
3.  Debtor(s) has/have been discharged in bankruptcy other than Title 11. Copy of referee's order of discharge is attached.
4.  Debtor whereabouts unknown and debtor cannot be located without undue expense.
5.  There is no existing security for the debt, and debtor has no known assets from which collection could be made.
6.  Balance of principal amount of total indebtedness is less than the amount authorized in Section 1956.75(b) and efforts to collect have been unsuccessful or it is apparent that further collection efforts would be ineffectual or uneconomical.
7.  The office of the general counsel has advised by memorandum (copy attached) that the claim is legally without merit.
8.  The office of the general counsel has advised by memorandum (copy attached) that the claim cannot be substantiated because evidence necessary to prove the claim in court cannot be produced.
9.  Judgment obtained by United States Attorney, a period of 2 years has elapsed since any collections were made on the judgment; the judgment debtor (all debtors, if more than one), has no property on which the judgment is a lien or on which it can presently be made a lien; and the judgment is uncollectible in whole or in part.
10.  A transfer and assumption to a non-profit corporation to purchase a potentially-prepaying Section 515 loan has not been completed and the "Advance" for direct costs must be cancelled.

FACTS SUPPORTING CANCELLATION OR CHARGE-OFF

RECOMMENDATION AND APPROVAL

I HEREBY CERTIFY that the above facts in support of the cancellation or charge-off of debts described herein are true and correct to the best of my knowledge and belief, and that the requirements of the law and applicable regulations relating to such settlements have been met and recommended that it be \_\_\_\_\_

(Approved or Rejected)

\_\_\_\_\_  
*Rural Housing Service Official*

Date \_\_\_\_\_, 19 \_\_\_\_\_

\_\_\_\_\_  
*Address*

This settlement is \_\_\_\_\_ (if rejected, give reasons:)  
*(Approved or Rejected)*

Date \_\_\_\_\_, 19 \_\_\_\_\_

\_\_\_\_\_  
*State Director*