



**FORM RD 1940-1**

(01-26-05) PN 382

-2- (Forms Manual Insert - Form RD 1940-1)

<u>PROCEDURE FOR PREPARATION</u>	:	RD Instructions 1902-A, 1942-A, 1942-G, 1944-B, 1944-K, 1944-N, 1948-B, 1951-A, 1951-E, 1955-C, 1962-A, 2015-C, 2033-A, 4274-D, 4284-F, and 4284-G; RUS Instructions 1780 and 1781; and FSA Transferred Instructions 1910-A, 1941-A, 1943-A, 1943-B, 1946-A and 1965-A.
<u>PREPARED BY</u>	:	Initiated by approving official and applicable RD Servicing Office. Entries will be made by approving official. (For B&I loans and TSA and TA grants initiated by State Office) (For CP loans/grants and Emergency Community Water Assistance Grants, initiated by applicable approval official) (For NNC loans/grants, initiated by National Office) (For IRP loans initiated by National Office)
<u>NUMBER OF COPIES</u>	:	Original and two copies for B&I, WWD, RC&D, WS, CF, IDG, NNC, and IRP. Original and three copies for all other insured loan/grant programs. Original and two copies for credit sale or assumption without a loan. Additional copies will be made as needed by the servicing office.
<u>SIGNATURES REQUIRED</u>	:	Original and copy signed by approving official and borrower. Copy by applicant except when the transaction being approved is an assumption or credit sale on ineligible terms. Other copies conformed.
<u>DISTRIBUTION OF COPIES</u>	:	Original retained in borrower's case folder.  : Signed copy to applicant/lender. For all programs EXCEPT Community and Business Programs, this notification must be mailed to the applicant/lender on the date of approval. For Community and Business Programs, MFH to nonprofit organizations and public bodies, and Agricultural Loan Mediation Program grants to state governments, this notification must be mailed to the applicant/lender on the obligation date.  : Copy to State Office (National Office for NNC loans/grants and IRP loans.)  : For a credit sale or assumption without a loan, original retained in the borrower's case folder, copy to State Office, or informational purposes, signed copy to the transferee when required by program instructions. Do not send a copy to the Finance Office.
<u>ADPS RELATED TRANSACTION CODE</u>	:	1A and 1B, Insured Loan and/or Grant-Obligation only or Obligation with Check Request.

GENERAL INSTRUCTIONS

- A. This form is used to make corrections and to request:
1. Funds to be obligated or reserved for insured loans.
  2. Funds to be obligated for grants.
  3. Funds to be dispersed (check request) for all or part of the funds to be obligated.
  4. Certain statistical information about the loan/grant and application.
- B. A form will be completed for each note or commitment requiring an obligation of funds except for Business and Industrial Loan Program where only one Form RD 1940-1 is required regardless of how many multiple notes or communications are associated with the loan.
- (Obligations, requested by telephone)* When authorized by program instructions, the Finance Office Check Request Station may be used to obligate or reserve funds. (Reserved funds represent a firm commitment to obligate funds on a specific future date). The loan types that can be obligated by telephone are identified in Item 18 Instructions for Preparation, by a footnote.
- C. This form is used to obtain certification and approval of credit sale or assumption, when required by program instruction. For a credit sale or assumption without a loan, complete Items 1 through 27 and applicable Items 30 through 34, Item 24 strike through "Amount of Loan" and insert applicable wording "Amount of Credit Sale" or "Amount of Assumption" and complete appropriate certification requirements. Item 17 will reflect type of assistance that is being assumed.