

Sample Prepayment Penalty Pass - Through Letter

Today's date

Mr. John Cioccia
Senior Vice President
Coastal Securities
5555 San Felipe, Suite 2200
Houston, TX 77056

Subject: USDA Loan Name: (Borrowers Name)
 USDA Loan Number:
 Note Principal Amount:

Dear Mr. Cioccia:

Please accept this correspondence as a formal agreement acknowledging that _____ ("Lender") agrees to pass through all prepayment penalties collected from _____ (Borrowers Name) to the Holder(s) of the guaranteed portion of the loan. Immediately upon collection by the Lender, the prepayment penalties shall be remitted to each Holder on a "pro-rata basis" according to the percentage of the USDA guarantee owned by each Holder.

Sincerely,
Name of Lending Institution

Signature of an authorized officer of the Lender