

## Sample Prepayment Penalty Pass - Through Letter

Today's date

Mr. John Cioccia  
Senior Vice President  
FTN Financial Capital Markets  
920 Memorial City Way, 11<sup>th</sup> Floor  
Houston, TX 77024

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

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