

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

BORROWER NAME

**DISTRIBUTION LOAN APPLICATION CHECKLIST
AND INDEX**

LOAN DESIGNATION

	YES	NO	NA	DATE	
1.					Transmittal Letter to RUS with additional items (see attached instructions) (7 CFR 1710.401(a)(1))
2.					Transmittal Letter to Supplemental Lender (if required - 7 CFR 1710.110)
3.					Board Resolution requesting loan and release of information (sample form available) (7 CFR 1710.401(a)(2))
4.					RUS Form 740c - Cost Estimate & Loan Budget (7CFR 1710.401(a)(3))
					a. Reimbursement schedule (if applicable) (7 CFR 1710.401(a)(3)(iii))
					b. Useful life - statement certifying that at least 90% of the loan funds are for facilities with a useful life of 33 years or longer or attach schedule showing the costs and useful life of those facilities with a useful life less than 33 years. (see attached instructions) (7 CFR 1710.115)
					c. Location of Consumers, if applicable (if density exceeds 17) (7 CFR 1710.401(a)(3)(iv))
5.					RUS Form 740g - Application for Headquarters Facilities (if needed) (7 CFR 1710.401(a)(4))
6.					RUS Form 7 - Financial & Statistical Report: (not more than 60 days old) (7 CFR 1710.401(a)(5))
7.					Area Coverage & Line Extension Policy (s). (see attached instructions, Item #2 of transmittal letter) (7 CFR 1710.401(b))
8.					Current Load Forecast Study: (attach Board Resolution adopting if not previously submitted) (7 CFR 1710.401(c)(2)(i))
9.					Long Range Financial Forecast with Board Resolution (sample form available) and assumptions (7 CFR 1710.401(c)(1))
10.					Sensitivity Analysis (if required - see 7 CFR 1710, subpart G) (7 CFR 1710.401(c)(1))
11.					Copy of all Retail Rates (only if amended since last loan)
12.					Rate Comparison at average residential usage (see instructions) Include a narrative statement concerning recent and/or planned changes in retail rates (7 CFR 1710.401(a)(17))
13.					Attorney Opinion to include, but not limited to: property owned, corporate status, authorized place of business, borrower's legal name, debt limit, State regulatory approvals and subsidiaries (see attached instructions- sample form available) (7 CFR 1710.401(a)(7))
					a. Property description marked as Schedule B attached (page 4 of Mortgage)
					b. Debt Limit - date established and amount.
					c. Board Resolution attached (needed whenever the debt limit is different than that contained in last mortgage or an increase is required)
					d. Name of Power Supplier, Power Contract name and Date of Power Contract included as item "j"
14.					Special Resolution as required: (use of contractors, corrective action plans, etc.) List: _____
15.					Articles of Incorporation (only if amended since last loan) (7 CFR 1710.401(a)(14)(i))
16.					Bylaws (only if amended since last loan)(7 CFR1710.401(a)(14)(ii))
17.					CWP, Board Resolution approving the CWP, and BER (if not previously submitted)(7 CFR 1710.401(c)(2)(ii) & (iii))
18.					Statement concerning inclusion of facilities in rate base (see attached instructions)(7 CFR 1710.401(a)(15))
19.					Certification Regarding Debarment, Suspension & Other (Form AD 1047-Form available)(7 CFR 1710.401(a)(10))
20.					Lobbying Certification (Form available) (7 CFR 1710.401(a)(12))
21.					Uniform Relocation Act Assurance Statement (if not previously provided)(Form available)(7 CFR 1710.401(a)(11))
22.					Debt Delinquency Certification (Form available)(7 CFR 1710.401(a)(13))
23.					DSM or IRP Study (required for a loan for DSM or IRP facilities or equipment)(7 CFR 1710.401(c)(2)(iv))
24.					Copy of Standard Form 100 (if in excess of 100 employees)(7 CFR 1710.401(a)(9))
25.					Borrower's Statistical Profile-include comments (Only comment on adverse flags-GFR will assist with selection of adverse flags)
26.					Rural Development Activities (see sample format provided in form "Rural Development Activities.doc")
27.					Other (list - 7 CFR 1710.401 (a)(18))

THE FOLLOWING ITEMS ARE COMPLETED BY THE GENERAL FIELD REPRESENTATIVE

28.					RUS Form 602 - Analysis of Prior Loan Funds: (Only required if there is a balance in reserve)
29.					RUS Form 324 - Financial Forecast Review and Evaluation Worksheet (Not needed if the information is contained in the FAR).
30.					RUS Form 138- GFR Checklist and Report for Electric Loan Application
31.					Trendbux Analysis
32.					RELRA Worksheet (not required for Guaranteed applications) Rate Disparity and Consumer Data (if needed, density greater than 5.5) Note: In those cases where the borrower's density may go over 5.5 in the near future, this information should be provided even though the density is under 5.5. If density exceeds 17, the location of consumers must also be provided as attachment to RUS Form 740c (see item 4, c. above).
33.					Civil Rights Field Activity Review Report (Form 9 - if not previously submitted)

A total of 5 loan packets are needed for concurrent loan applications. RUS receives the original signature loan documents and one copy. The Supplemental lender receives one copy. The GFR receives one copy and one copy is for the borrower's records. The GFR loan packet and the RUS loan packets are sent to the GFR for final review. The Supplemental loan packet is sent directly to the Supplemental lender.

Remarks:

INSTRUCTIONS
FOR COMPLETING
RUS FORM 726

Item #

Description

1 Transmittal Letter to RUS

Items to be included in the transmittal letter as listed in 7 CFR 1710.401:

- a. Transmittal letter must be signed by the cooperative Manager.
- b. Include the corporate name of the borrower.
- c. Include the street address of the corporate headquarters.
- d. Include the Taxpayer ID of the cooperative.
- e. The need for flood hazard insurance must be addressed.
- f. Provide a breakdown of the funds by State.
- g. List of Counties served.
- h. Listing of threatened actions by third parties that could adversely effect the cooperative's financial condition including annexations or other actions affecting service territory, loads, or rates (example: potential loss of a large power consumer or large load concentration).
- i. Listing of pending regulatory proceedings.

A statement that there has been no change in area coverage or line extension policies.

(**Note:** If there has been a change then a copy of the new area coverage and/or line extension policy(s), as applicable, must be submitted to RUS - **see Form 726 item #7**)

2 Transmittal Letter to Supplemental Lender

Contact your supplemental Lender (if any) concerning the format for this letter.

3 Board Resolution requesting loan and release of information

Sample forms are provided. Please use the form that is appropriate for the type of loan requested:

- Municipal Rate Loan - Muni Rate Loan Resolution.doc
- 100% Municipal Rate Loan - Muni Rate Loan 100% Resolution.doc
- Hardship Rate Loan - Hardship Rate Loan Resolution.doc
- FFB Guaranteed Loan - FFB Guarantee Loan Resolution.doc
- Treasury Rate Loan - Treasury Rate Loan Resolution.doc

4 RUS Form 740c

See sample form "740c.xls" - instructions are provided with the form.

- 4.a.** Reimbursement Schedule - This schedule lists the date, amount, and identification number of each inventory of work orders and special equipment summary that form the basis for the borrower's request for reimbursement of general funds on the RUS Form 740c. See Sec. 1710.109.
- 4.b.** Useful life statement - A statement must be attached to the 740c certifying that at least 90% of the loan funds requested are for facilities with a useful life of 33 years or longer. If facilities are included in the loan that have a useful life of less than 33 years, and represent more than 10% of the loan, attach a schedule showing the costs and useful life of those facilities (reference 1710.115). (Sample statement provided as an attachment to the Form 740c)
- 4.c.** Location of Consumers - If the application is for a municipal rate loan subject to the interest rate cap, or for a loan at the hardship rate, and the average number of consumers per mile

of the total electric system exceeds 17, Form 740c must include, as a note, a breakdown of funds included in the proposed loan to furnish or improve service to consumers located in an urban area. See 7 CFR 1714.7(c) and 1714.8(d). This breakdown must indicate the method used by the borrower for allocating loan funds between urban and non urban consumers

5 RUS Form 740g

This form is only required if a loan is being requested to support the construction of headquarters facilities - see 7 CFR 1710.401(a)(4) for additional details.

6 RUS Form 7

Financial and statistical report. The form shall contain the most recent data available, which shall not be more than 60 days old when received by RUS.

7 Area Coverage and Line Extension Policy(s)

Attach a copy of the current Area Coverage and Line Extension Policy(s) only if there has been in the policy(s) since that last loan application.

8 Current Load Forecast Study

Attach a copy of the Board Resolution approving the most recent Load Forecast Study used to support this loan requested only if it has not been previously submitted.

9 & 10 Long Range Financial Forecast with Board Resolution/Sensitivity Analysis

Along with the loan application, the borrower shall submit to RUS a Long-Range Financial Forecast (LRFF), that meets the requirements of 7 CFR 1710, subpart G. The forecast shall include any sensitivity analysis or analysis of alternative scenarios required by subpart G of 7 CFR 1710, and shall be accompanied by a certified board resolution adopting, and indicating the board of directors' approval of, the LRFF, and directing management to take whatever steps may be necessary, including the filing for rate increases, to achieve the TIER goals set forth in the LRFF.

A sample Board resolution is available (see Financial Forecast Resolution.doc).

11 Copy of all Retail Rates

Attach a copy of all retail rates only if a change in the rates has taken place since the last loan application.

12 Rate Comparison at average residential rates

Comparison of rates with neighboring and/or competing utilities (IOU's and Muni's only). The Comparison should be based upon the average residential usage. This comparison should also include an explanation of any recent or planned changes in retail rates.

13 Attorney Opining

Submit an opinion of counsel (see sample form "Attorney Opinion.doc") which provides and opines to the accuracy of information relating to:

- (a) Counties where the borrower has personal or real property (existing facilities and new facilities).
- (b) The completeness and accuracy of the property schedule (Property Scheduled attached to this opinion as Schedule B).
- (c) The suitability of the property descriptions for inclusion in a mortgage.
- (d) The borrower's corporate status.
- (e) The borrower's authorized places of business.

- (f) The borrower's true and correct legal name.
- (g) The borrower's corporate debt limit.
NOTE: A new Board Resolution will be required (attach) whenever the debt limit is different than that contained in the last mortgage or whenever the debt limit is inadequate to cover all debt (past plus current application).
- (h) State Regulatory Approvals (loan documents would or would not require)
- (i) Taxpayer ID number
- (j) The name(s) of your Power Supplier(s), name(s) of the related contracts and date of the contracts. Note: These dates should be the last full, complete, contract, not amendments.
- (k) Statement concerning pending litigation or claims. If claims or pending litigation exist, provide a list including levels of related insurance coverage and potential effect.
- (l) Whether the borrower has one or more subsidiaries

14 Special Resolution

Submit all resolutions as required (GFR will provide information concerning this item).

15 Articles of Incorporation

Attach a copy of the current Articles of Incorporation only if modified since the last loan submittal.

16 Bylaws

Attach a copy of the current Bylaws only if modified since the last loan submittal.

17 CWP Board Resolution

Attach a copy of the Board Resolution approving the supporting CWP if not previously submitted.

18 Statement concerning inclusion of facilities in rate base

To fulfill the requirements of 7 CFR 1710.151(f): Submit a statement from management or an opinion of counsel indicating that, based upon available information, there is no reason to anticipate that any of the facilities included in the loan application will be excluded from the borrower's rate base by State regulatory authorities. This statement may be based upon the provisions of State law, rules and policies of State regulatory authorities, prior experience, and the recent experience of other utilities in the State.
NOTE: If provided by Management, the statement may be included in the transmittal letter.

19 Certificate Regarding Debarment

Form AD-1047, Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions. This statement certifies that the borrower will comply with certain regulations on debarment and suspension required by Executive Order 12549, Debarment and Suspension (3 CFR, 1986 Comp., p. 189). See 7 CFR part 3017 and Sec. 1710.123. (See sample form "Debarment.doc")

20 Lobbying Certification

This statement certifies that the borrower shall comply with certain requirements with respect to restrictions on lobbying activities. There are two forms of certification required. Form "Lobbying FFB.doc" should be used in support of FFB guaranteed loan applications. Form "Lobbying.doc" should be used for all other applications.

- 21 Uniform Relocation Act Assurance Statement**
This assurance, which need not be resubmitted if previously submitted, provides that the borrower shall comply with 49 CFR part 24, which implements the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended by the Uniform Relocation Act Amendments of 1987 and 1991. See Sec. 1710.124. (See also sample form "Relocation.doc")
- 22 Debt Delinquency Certification**
Federal debt delinquency requirements. See 1710.126. This report indicates whether or not a borrower is delinquent on any Federal debt. (See sample certification "Debt Certification.doc")
- 23 DSM or IRP study**
See 7 CFR 1710, Subpart H, for details relating to loans for demand side management and associated Integrated Resources Plans.
- 24 Standard Form 100**
Equal Employment Opportunity Employer Report EEO--1. This form, required by the Department of Labor, sets forth employment data for borrowers with 100 or more employees. A copy of this form, as submitted to the Department of Labor, is to be included in the application for an insured loan if the borrower has more than 100 employees. See Sec. 1710.122.
- 25 Borrower's Statistical Profile and Comments**
Attach a copy of the current Borrower's Statistical Profile (BSP). Also attach comments explaining each ratio that is flagged and considered adverse. The GFR will assist with determining which ratios are considered adverse.
- 26 Rural Development Activities**
Attach a narrative discussion of all rural development activities support by the borrower. (See sample format "Rural Development Activities.doc")
- 27 Other**
Attach other documents as required. The GFR will advise as to any other required documents.

Please be as specific as possible with your responses to the above items. If you need any assistance with addressing any item, please contact your GFR.