



Rural Development May 26, 2016

Rural Utilities Service

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THROUGH: Charlene Parker  
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FROM: Brandon McBride  
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Rural Utilities Service

SUBJECT: Rural Energy Savings Program (RESP)  
Request for Emergency Review and Clearance

**Abstract of Program and Implementation**

The Rural Utilities Service makes mortgage loans and loan guarantees to electric and telecommunications systems to provide and improve electric and telecommunications service in rural areas pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*) (RE Act). On December 18, 2015, the 2016 Omnibus Appropriations Bill (H.R. 2029, Pub. L. No. 114-113) received Congressional approval. Section 744 of the Omnibus Appropriations Bill appropriated funding to carry out section 6407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a) provided that the Secretary launch the Rural Energy Savings Program (RESPA) authorized by this section during the 2016 Fiscal Year and that the program be carried out through the U.S. Department of Agriculture, Rural Utilities Service (RUS).

The purpose of the RESPA is to provide funds to eligible entities that agree to accept loan funds to make loans to qualified consumers for the purpose of implementing residential energy efficiency measures or farm efficiency measures approved by the Secretary of Agriculture. Entities seeking funding under this program will have to submit applications that include information establishing applicant and project eligibility, certifications that the applicant is a legal entity in good standing (as applicable), and operating in accordance with the laws of the state(s) where the applicant has a place of business, and agreements that are required for similar loan programs. After project approval, lenders must submit periodic reports to ensure that funds are being used for viable energy efficiency projects.

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### **Reason for Emergency Clearance**

RUS is requesting emergency approval for a new collection of information in support of the Rural Energy Savings Program

Congress provided mandatory funding in H.R. 2029, for the specific purpose of expediting the implementation of the program. Congress provided the funding with the provision that the Secretary launch the program during the 2016 fiscal year. The agency has determined that issuing a Notice of Funding Availability (NOFA) is the best course of action to allow for the program to launch in Fiscal Year 2016. The NOFA must be published and applicants must be allowed an adequate time frame to complete and submit applications. In addition, the program must review and award funding to selected eligible applicants prior to the close of the 2016 fiscal year. A normal clearance process would delay the actual implementation of the program. More importantly, delay would render the allocation ineffective if implementation were not in effect for the 2016 fiscal year.

The RESP program supports the President's energy strategy by increasing energy efficiency in homes of rural Americans. Home efficiency upgrades are part of the President's all-of-the-above energy strategy that results in job creation, financial savings by rural homeowners, and decreased carbon pollution. The collection of information is essential to the mission of the agency and is vital for the agency to make informed decisions regarding the eligibility of borrowers. The agency will utilize the information collection to ensure that funds obtained by borrowers from the Government are awarded and used appropriately (e.g., used for the purposes for which the funding was awarded), and to ensure the program complies with the bill establishing the RESP program and with any regulations establishing administration of the RESP program.

Based upon experience operating the program in fiscal year 2016 under the NOFA, the agency will determine the course of action to follow for a future rulemaking to codify the program. RUS requests approval of this Emergency Paperwork Burden package on or before June 10, 2016.

Attachments