

Justification for Change – 0572-0015

This is a submission for approval of a non-material change request to revise instructions for RUS Form 219. A change request was previously approved for this form on February 13, 2015. However, the old version of Form 219 was inadvertently uploaded into ROCIS and received approval when the package was submitted for renewal before the October 31, 2015 expiration date. This change request is being submitted to correct the error and resubmit the correct version of Form 219.

RUS is making a non-material change to RUS Form 219 to revise instructions as a result of implementing the Energy Efficiency and Conservation Loan Program (EECLP). Brief instructions were included to the instructions for borrowers with energy efficiency projects seeking reimbursement under EECLP. The change is in the Instruction Tab and appears under the new heading Energy Efficiency and Conservation Loan Program which is located at the end of the instructions. The justification statement for the changes request is as follows:

During the loan approval process, Borrowers have identified the type of projects they will be using RUS funds for. In order to draw down on the funds available, the Borrower must provide the Agency with information that supports the use of the funds for the approved purposes. The following items are provided by the Borrower to RUS as part of the advance of loan funds procedure:

RUS Form 219

When a prospective Borrower requests and is granted an RUS loan, a loan contract is established between the Federal government, acting through the RUS Administrator, and the Borrower. At the time a prospective Borrower submits a loan application, the Borrower must provide RUS with a list of projects for which loan funds will be spent, along with an itemized list of the estimated costs of these projects as part of the required loan application documentation. Thus, the Borrower receives loan funds based upon estimated cost figures. If, during or after completion of the project(s), the actual costs prove to be different from the estimated costs, the Borrower must reconcile the discrepancies with RUS. The RUS Form 219 allows the Borrower to adjust those estimated expenditures to reflect actual expenditures. This form serves as a connecting line and provides an audit trail that verifies the evidence supporting the propriety of expenditures for construction of projects that supports the advance of funds. This form complies with OMB Circular A-129, which provides guidelines for appraising property used as collateral for direct or guaranteed loans. In the case of these RUS loans, the facilities being constructed with RUS loan funds serve as the collateral for those loans. RUS Form 219 is necessary, therefore, to comply with the appraisal requirements of the Circular and to assure that RUS does not advance more money than the facilities constructed, which serve as collateral, actually cost.

Change to Form 219

RUS makes the Form 219 available in an excel format for adaptable use by borrowers. RUS edited instructions on the Instruction tab of the Form 219 to be used for Energy Efficiency type loan projects. RUS deleted a separate “Energy Efficiency” tab on the form as the other forms can be used by borrowers with Energy Efficiency type loan projects.