

April 2020

OMB NO. 0575-0066

“7 CFR 1951-E, Servicing of Community and Direct Business Programs Loans and Grants”

Justification for Non-Substantive Change

Due to the current COVID-19 pandemic, Community Facilities (CF) is allowing flexibilities to borrowers to request forbearance if they are experiencing financial hardship. Multifamily Housing has existing authority in 7 CFR §1951.242 to take special servicing actions as part of a workout plan to prevent a default, and under that authority will approve a deferral of loan payments.

Rural Development (Agency) is requesting approval of this non-substantive change request to include additional burdens and responses for the already approved form RD 1951-10 “Workout Agreement”. The Agency also requests to include a “request for deferral” in written format.

The Agency estimates that about 5,000 or half of its current CF borrowers will request a work agreement and deferral request. This will result in an additional 10,000 responses and 15,835 burden hours.