



**United States Department of Agriculture
Rural Development**

August 20, 2019

TO: Elke Hodson Marten
Senior Desk Officer
Office of Management and Budget

THROUGH: Ruth Brown
USDA Information Collection Officer

FROM: Chad Rupe
Administrator
Rural Utilities Service

SUBJECT: Request for Emergency Approval of a New Information Collection Request for the New Regulation for Special Servicing of Telecommunications Programs Loans for Financially Distressed Borrowers

Rural Development (RD) is requesting emergency review and approval of a new information collection for the Rural Utilities Service (RUS) to implement its new regulation, *Special Servicing of Telecommunications Programs Loans for Financially Distressed Borrowers*. The new regulation outlines the general policies for servicing actions associated with financially distressed borrowers from the Telecommunications Infrastructure Loan Program, Rural Broadband Program, Distance Learning and Telemedicine Program, Broadband Initiatives Program, and Rural e-Connectivity Pilot Program. The rule has been determined to be Significant for purposes of Executive Order (E.O)12866. It has been submitted to OMB for review under E.O. 12866.

The Agency will publish the rulemaking action in the *Federal Register* as a Final rule; with request for comments to notify borrowers of the new servicing regulation. The Administrative Procedures Act exempts from prior notice rules any actions "relating to agency management or personnel or to public property, loans, grants, benefits, or contracts" (5 U.S.C. 553(b)(A)). The rule will become effective on the date of publication in the *Federal Register*. Therefore, in order to ensure that any Information Collection and Recordkeeping activities are approved on the effective date, RD is requesting emergency approval of the new information collection in coordination with OMB clearance of the associated rulemaking, As the use of normal clearance procedures is likely to prevent or disrupt the collection of information from borrowers, the 60-Day notice for comments is embedded in the Final rule; request for comments.

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Due to the need to consider comments received and then issue another notice for the *Federal Register* for an additional thirty days of comment, RD would not be able to complete the information collection process before potential distressed borrowers need servicing actions. Failure to collect proper information from borrowers could result in improper determinations of servicing assistance, hinder the government's recovery of such loans, increase legal costs to the borrower as well as encumber customer service. Please note that after the 60-Day comment period closes, RD will submit the collection package for a 3-year approval addressing any comments received.

This new information collection addresses RD's expanded authority to address servicing actions without having to coordinate with DOJ.

RD considers it imperative to begin using the expanded authority for servicing actions associated with the RUS Telecommunications Programs in order to: (1) maximize risk management of loan portfolio; (2) reduce duplication of effort between federal agencies, which may expedite servicing of distressed borrowers; (3) ensure efficient recovery of debt which may mitigate negative impact on program subsidy rates; and (4) simplify the servicing process for the Agency and therefore minimize the financial burden and costs on borrowers.

The RUS Telecommunications Program currently services and monitors loans according to existing regulations and loan documents. This regulation will apply to borrowers that: (1) seek assistance that is beyond the scope of regular servicing actions; (2) will ensure recipients comply with any of the revised terms in repayment on loans; and (3) ensures serving actions are handled consistently. The new servicing regulation is consistent with the Administration's efforts to streamline Government functions, improve the efficiency and effectiveness of Government activities, and strive to be more borrower-friendly. It will ensure consistency and appropriateness of the Agency's actions when borrowers default on their debts.

In compliance with OMB regulations (5 CFR Part 1320), which implements the Paperwork Reduction Act of 1995 (Pub. L. 104-13), the information collection and recordkeeping requirements that may be imposed by this section are submitted to OMB for emergency review and approval. Attached are the supporting statement and spreadsheet for this collection package.

Should you have any questions, please do not hesitate to contact Michele Brooks, Director, Rural Development Innovation Center-Regulation Management Division by telephone at (202) 690-1078 or by email at Michele.Brooks@usda.gov.

Thank you in advance for your quick review and response to us.