

REPORTING REQUIREMENTS OF THIS COLLECTION – NO FORMS APPROVED
(Items are in order of regulation appearance)

Environmental Evaluation (Written)

Certain servicing actions require borrowers to submit evidence that security property has been evaluated for releases of hazardous substances of petroleum products. The Agency requires that borrowers, as a minimum, complete a questionnaire prior to transaction approval. The requirement is necessary to protect the Government's interest when taking possession of property subject to environmental contamination. This evaluation will be completed and submitted by 23 borrowers at 8.25 hours per response.

Application for Commercial Credit- Graduation (Written)

Pursuant to RUS 1782.11, Refinancing Requirements, existing borrowers are routinely reviewed to determine whether they have the capacity to refinance their outstanding indebtedness through a commercial credit source. The review, including the initial screening, is completed by the Agency using the Audit/Financial Statements. If the initial screening determines that they may be able to refinance, then the borrower is required to solicit credit from conventional sources. If the conventional creditor is willing, the borrower is required to refinance. The results of the review are recorded as applicable. The application will be completed and submitted by 15 borrowers at 16.5 hours per response.

Appraisal (Written)

An appraisal, completed by a qualified, independent third-party source, may be required as a result of some contemplated servicing actions, such as transfer and assumptions and liquidation actions. The appraisal is completed in conformity with statutes and regulations by a licensed appraiser. The resulting report is reviewed by Agency staff to qualify the validity of the report. An appraisal will be completed and submitted by 28 borrowers at 1.5 hours per response.

Conveyance Instrument- Purchase Agreement, etc. (Written)

In the instance that there is a sale or exchange of property, the participating parties must submit a fully authorized conveyance instrument that outlines the terms of the transfer, which is reviewed by the Agency for validity. This agreement must include language pertaining to civil rights covenants outlined in 7 CFR 1901. A conveyance instrument will be completed and submitted by 15 borrowers at 2 hours per response.

Rights and Obligations Assumptions Agreement (Written)

When there is a sale or exchange of secured property, the participating parties must submit a written agreement assuming all rights and obligations of the original borrower. If for any reason the assuming party does not wish to comply with the established parameters, then they are deemed an ineligible borrower and handled in accordance with established statutes and regulations. The Agreement, which could be in the form of a Purchase Agreement or another legally amenable format, must be reviewed and agreed to by the Agency. An Agreement will be completed and submitted by 15 borrowers at 1 hour per response.

Consent of Lienholders (Written)

The Agency must approve all transfers to eligible transferees. In order to protect the Agency's security interest, a determination must be made that no liens, judgments or similar claims against the security exist prior to transferring the property. The Agency requires the written consent of any other lienholder as a condition of approving the transfer. The impact on the public is limited to obtaining the written consent of lienholders. Consent will be obtained and submitted for 23 borrowers at 1 hour per response.

Letter of Conditions (Written)

Following the review and initial authorization of a transfer and assumption transaction, the Agency will issue a Letter of Conditions, which is reviewed and agreed to by the involved parties. The Letter of Conditions spells out all terms, covenants, and other pertinent items relevant to the administration of the assumed loans. The applicant acknowledges the formal acceptance of the included items through Form RD 1942-46, Letter of Intent to Meet Conditions (below). The Letter of Conditions will be reviewed and authorization submitted by 23 borrowers at 15 minutes per response.

Insurance (Written)

Prior to the Agency approving a transfer and assumption, borrowers must obtain adequate insurance to protect the Government's financial interest. The type of insurance varies by borrower and may include liability, workers compensation, floodplains, etc. The Agency will evaluate each transaction on a case-by-case basis. The Insurance procurement documentation will be completed and submitted by 23 borrowers at 2 hours per response.

Security Instruments (Written)

Depending on the type of organizational structure and State statutes, it may be necessary to prepare new debt instruments to affect transfers and assumptions requested by borrowers. Transfers may require issuance of new debt instruments if more than one type of loan is used in financing a project, if loans were obligated in different fiscal years, or other extenuating circumstances exist. The precise form of the security agreement will vary by state and borrower. New debt instruments will be completed and submitted by 23 borrowers at 2 hours per response.

Assumption/Disposition of Grant Agreement Terms (Written)

RUS requires borrowers/transferees and leasees to assume all rights and obligations of the grant agreement for sales, transfers, or leases of a facility. To document the Assumption/Disposition of Grant Agreement Terms, all participating parties will agree to and execute an Agreement. The Agreement is reviewed and approved by the Agency to qualify for completeness. An Agreement will be completed and submitted by 23 borrowers at 15 minutes per response.

Subordination/Parity Narrative Request (Written)

Borrowers may find it necessary to secure funding from outside sources to finance portions of their facility. The process may require that the Agency subordinate or lower its security position to a parity level. In order to approve a borrower's request to subordinate or parity debt, the Agency requires a written request from the borrower with supporting documentation as cited in 7 CFR 1782.17(a). Subordination/Parity Requests will be completed and submitted by 15 borrowers at 1 hour per response.

Statement on Availability to Obtain Credit Elsewhere (Written)

In the instance that a borrower is seeking a Parity lien, the Agency must consider whether they can refinance the debt with conventional credit at reasonable rates and terms. The borrower must submit a statement and supplemental information in order to justify whether they can refinance. The Agency subsequently qualifies the submitted information. As needed, the Agency may request additional information. This is a separate review from the Graduation items previously referenced. A statement will be completed and submitted by 15 borrowers at 1 hour per request.

Management Agreements (Written)

When an Agency financed facility is to be leased or managed by other parties, the borrower must furnish copies of the proposed management agreement for approval by the Agency. The review

and approval is necessary to protect the Government's interest. The borrower is ultimately responsible for operating, maintaining, and managing the facility even though the functions are performed by a third party under a management agreement. Agreements will be completed and submitted by 15 borrowers at 1 hour per response.

Bankruptcy Orders and Supplemental Information (Written)

In the event that a borrower enters a situation calling for debt settlement, either partially or in whole, the borrower must submit any Bankruptcy Orders or other relevant supplemental information. This includes all Court Orders, legal documents, or information related thereto. The Agency then reviews the information in accordance with established regulations and procedures. The items herein will be completed and submitted by 1 borrower at 1.5 hours per response.

Repayment Agreement (Written)

Borrowers subject to the Treasury Offset Program are provided an opportunity to avoid being submitted by entering into a written repayment agreement. The repayment agreement allows borrowers to avoid future Federal assistance payments offset by agreeing to a new repayment agreement. The Agreement is reviewed and approved by the Agency. The Agreement will be completed and submitted by 1 borrower at 1 hour per response.

RUS Staff Instruction 1782-1, Exhibit E- Rescheduling Agreement (Written)

The Agency requires completion of Exhibit E when the borrower is requesting debt rescheduling. It is sometimes advantageous for borrowers to reschedule debt instead of issuing a new debt instrument to effect re-amortization of a loan. The Agency provides Exhibit E to Staff Instruction 1782-1, which may be used for this purpose. The Agreement will be completed and submitted by 15 borrowers at 45 minutes per response.

Voluntary Conveyance- Board Resolution (Written)

If a borrower decides to voluntarily convey any property to the Agency, the borrower's authorizing documents must be submitted for review. An action of this nature will require a Board Resolution, or similar document, summarizing a vote of leadership to proceed with said action. The Resolution, or supplemental document, and its supporting information is vital to ensuring that the Agency is able to adhere to established regulations and procedures. The Resolution will be completed and submitted by 1 borrower at 1 hour per response.