

REPORTING REQUIREMENTS – NO FORMS

System for Award Management (SAM) Registration, General Certifications and Representations. At the time of application, each applicant must have an active registration in SAM before submitting its application in accordance with 2 CFR 25. This registration must remain current, accurate, and complete at all times during which the applicant has an active Federal award or an application under consideration.

Disappeared Debtors. The Agency may cancel debts when the debtor(s) has disappeared and cannot be found without undue expense. Reasonable efforts will be made to locate the debtor. These efforts generally include contact with members of the public who may have knowledge of the debtor's location.

The public burden is limited to responding to the Agency's contact and supplying information, if any is available, concerning the debtor's location. The Agency's contact and the response may be in person, by telephone, or by letter. Based on past performance, we anticipate there will be no cases of disappeared debtors.

Requesting Additional Information. The decision whether to accept or reject a compromise, adjustment, cancellation, or charge off, of the Agency's debt is usually based on the information contained on Form RD 1956-1. Occasionally, the approval official must obtain more information upon which to base the decision to settle the debt. When this is done, the servicing official will contact the debtor by telephone, in person, or by letter to obtain the additional information to complete the debt settlement action.

The information requested should be readily available from the respondent's financial records; therefore, the response time is limited to the time required to locate the information and respond to the servicing official's questions.

Delinquent Adjustment Agreements. Debtors who make adjustment agreements, promising to pay a reduced amount of debt over a fixed period of time in return for cancellation of the remaining debt, occasionally become delinquent on the agreed payments. When they become delinquent, servicing officials will contact them to ascertain the reasons for the delinquency. The public burden is limited to responding to the Agency's contact and supplying information on changed circumstances that justify the delinquency. The Agency contact, and the response may be in person, by telephone, or by letter.

Request for debt restructuring. This information from the borrower includes a letter requesting debt restructuring and financial projections, including balance sheet, budget, and cashflow statements for 3 years. The financial statements are to show the amount of cashflow available to support some restructured amount of debt, plus an amount to fund the Rural Development Reserve Account.

Operations Review. This review is to be performed by a firm contracted and paid by the Agency. The contractor will be on the premises of the borrower, gathering information and data for the final written report, which is to consist of a complete business and financial analysis of the borrower's operations. The report will cover such areas as: general, administrative, dietary, housekeeping, laundry, nursing, physical plant, social services, income potential, Federal and State insurance payments, rate analysis, etc.

Appraisal. The appraisal of the borrower's security property is to be performed by an independent, qualified fee appraiser. However, a small amount of time will be needed by the appraiser to discuss matters with borrower personnel.

Meetings with the borrower. Rural Development personnel will be performing debt restructuring and net recovery value calculation, based upon the operations review, appraisal, and other information. In this process, it is anticipated that contacts, meetings, and additional information will be needed from the borrower in order to finalize the calculations.

Appeal. The outcome of the final Rural Development determinations may bring disagreement from some borrowers. In these instances, the borrowers may request an appeal of the Agency's determination.

Borrower Accepts Restructuring. For borrowers who accept the debt restructuring and net recovery value calculations, certain additional information (including the signing of a Shared Appreciation Agreement and possible new debt instruments) may be necessary.

Borrower Accepts Net Recovery Buyout. For borrowers whose debt analysis calculations indicate that debt restructuring cannot be approved, and that Net Recovery Buyout is in order, they must pay off the Agency and execute a Net Recovery Buyout Recapture Agreement.

Debt Settlement Under the Federal Claims Collection Act. For borrowers whose debt and claims fall under the Federal Claims Collection Act, settlements must be submitted to, and approved by, the United States Attorney or Department of Justice.