

§ 1703.147

provided a reasonable period of time to furnish the additional information.

(3) Based on the review in accordance with §1703.145 and other requirements of this subpart, make a preliminary determination of suitability for financial assistance. A loan recommendation will be prepared by the State Director with concurrence of the RUS telecommunications GFR that addresses the provisions of §§1703.144 and 1703.145 and other applicable requirements of this subpart.

(4) If the application is determined suitable for further consideration by RUS, forward an original and one copy of the application with a loan recommendation, signed jointly, to the Assistant Administrator, Telecommunications Program, Rural Utilities Service, Washington DC. The applicant will be notified by letter of this action. Upon receipt of the application from the State Director, RUS will conduct a cursory review of the application and the recommendation. A final determination will be made within 15 days. If the Administrator determines that a loan can be approved, the State Director will be notified and the State Director will notify the applicant. Applications for loans will be processed, and approved loans serviced, in accordance with §§1703.105 through 1703.112.

(5) If the State Director determines that the application is not suitable for further consideration by RUS, notify the applicant with the reasons for this determination. The applicant will be offered appeal rights in accordance with §1703.147.

(c) Applications submitted by RUS telecommunications GFRs or directly by applicants will be evaluated as they are submitted. All applicants must submit an original and two copies of a completed application. The applicant must also submit a copy of the application to the State government point of contact, if one has been designated for the State, at the same time it submits an application to the RUS. RUS will:

(1) Review each application for completeness in accordance with §1703.144, and notify the applicant, within 15 working days of receiving the application, of the results of this review, acknowledging a complete application, or citing any information that is incom-

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plete. To be considered for a loan, the applicant must submit any additional information requested to complete the application within 15 working days of the date of the RUS written response. If the applicant fails to submit such information, the application will be returned to the applicant.

(2) Within 30 days of the determination of a completed application in accordance with paragraph (c)(1) of this section, review the application to determine suitability for financial assistance in accordance with this subpart. Based on its review, RUS will work with the applicant to resolve any questions or obtain any additional information. The applicant will be notified, in writing, of any additional information required to allow a financial assistance recommendation and will be provided a reasonable period of time to furnish the additional information.

(3) If the application is determined suitable for further consideration by RUS, conduct a review of the application and financial assistance recommendation. A final determination will be made within 15 days. If the Administrator determines that a loan can be approved, the applicant will be notified. Applications will be processed, and approved loans serviced, in accordance with §§1703.105 through 1703.112 of subpart D.

(4) If RUS determines that the application is not suitable for further consideration, notify the applicant with the reasons for this determination. The applicant will be offered appeal rights in accordance with §1703.147 of this subpart.

§ 1703.147 Appeals.

Any appeal must be made, in writing, within 10 days after the applicant is notified of the determination to deny the application. Appeals shall be submitted to the Administrator, RUS, U.S. Department of Agriculture, 1400 Independence Ave., SW., STOP 1590, Washington, DC 20250-1590. Thereafter, the Administrator will review the appeal to determine whether to sustain, reverse, or modify the original determination. Final determinations will be made after consideration of all appeals. The Administrator's determination

will be final. A copy of the Administrator's decision will be furnished promptly to the applicant.

Subpart H—Deferments of RUS Loan Payments for Rural Development Projects

SOURCE: 58 FR 21639, Apr. 23, 1993, unless otherwise noted. Redesignated at 64 FR 14356, Mar. 25, 1999.

§ 1703.300 Purpose.

This subpart E sets forth RUS's policies and procedures for making loan deferments of principal and interest payments on direct loans or insured loans made for electric or telephone purposes, but not for loans made for rural economic development purposes, in accordance with subsection (b) of section 12 of the RE Act. Loan deferments are provided for the purpose of promoting rural development opportunities.

§ 1703.301 Policy.

It is RUS's policy to encourage borrowers to invest in and promote rural development and rural job creation projects that are based on sound economic and financial analyses. Borrowers are encouraged to use this program to promote economic, business and community development projects that will benefit rural areas.

§ 1703.302 Definitions and rules of construction.

(a) *Definitions.* For the purpose of this subpart, the following terms will have the following meanings:¹

Administrator means the Administrator of RUS.

Borrower means any organization which has an outstanding direct loan or insured loan made by RUS for the provision of electric or telephone service.

Cushion of credit payment means a voluntary unscheduled payment on an RUS note made after October 1, 1987, credited to the cushion of credit account of a borrower.

Deferment means a re-amortization of a payment of principal and/or interest on an RUS direct loan or insured loan for over either a 5- or 10 year period,

with the first payment beginning on the date of the deferment.

Direct loan means a loan that is made by the Administrator pursuant to section 4 or section 201 of the RE Act (7 U.S.C. 901 *et seq.*) for the provision of electric or telephone service in rural areas and does not include a loan made to promote economic development in rural areas.

Financially distressed borrower means an RUS-financed borrower determined by the Administrator to be either:

(i) In default or near default on interest or principal payments due on loans made or guaranteed under the RE Act;

(ii) A borrower that was in default or near default, but is currently participating in a workout or debt restructuring plan with RUS; or

(iii) Experiencing a financial hardship.

Insured loan means a loan that is made, held, and serviced by the Administrator, and sold and insured by the Administrator, pursuant to Section 305 of the RE Act (7 U.S.C. 901 *et seq.*) for the provision of electric or telephone service in rural areas and does not include a loan made to promote economic development in rural areas.

Job creation means the creation of jobs in rural areas, or in close enough proximity to rural areas so that it is likely that the majority of the jobs created will be held by residents of rural areas.

Project means a rural development project that a borrower proposes and the Administrator approves as qualifying under this subpart.

RE Act means the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*).

REA means the Rural Electrification Administration formerly an agency of the United States Department of Agriculture and predecessor agency to RUS with respect to administering certain electric and telephone loan programs.

RTB means the Rural Telephone Bank (telephone bank), a body corporate and an instrumentality of the United States, that obtains supplemental funds from non-Federal sources and utilizes them in making loans, operating on a self-sustaining basis to the extent practicable (section 401, RE Act).