

(1) The first advance of loan funds to a borrower that has received interim financing approval generally will be limited to funds to repay any interim financing indebtedness and such additional amounts as RUS deems necessary. RUS will make no further advances of loan funds until the borrower has submitted evidence, in form and substance satisfactory to the Administrator, that (i) any indebtedness created by the interim financing and any liens associated therewith have been fully discharged of record and (ii) the borrower has satisfied all other conditions on the advance of additional loan funds.

(2) If the source of funds for interim financing is the borrower's internally generated funds, the borrower may request reimbursement of those funds along with advances for other purposes on the first Financial Requirement Statement.

[54 FR 13356, Apr. 3, 1989; 54 FR 16194, Apr. 21, 1989. Redesignated at 55 FR 39396, Sept. 27, 1990]

§§ 1737.43–1737.49 [Reserved]

Subpart F—Review of Application Procedures

§ 1737.50 Review of completed loan application.

(a) The completed loan application consists of:

(1) A completed RUS Form 490, "Application for Telephone Loan or Loan Guarantee;"

(2) A completed certification Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions," (see appendix A to 7 CFR part 3017);

(3) A market survey called the Area Coverage Survey (ACS);

(4) The plan and associated costs for the proposed construction, called the Loan Design (LD);

(5) Evidence that the borrower is participating in a telecommunications modernization plan in the state where the proposed construction will occur, unless the borrower is seeking a guaranteed loan; and

(6) Various supplementary information.

See 7 CFR part 1737 for additional information.

(b) RUS shall review the completed loan application, particularly noting subscriber data, grades of service, extended area service (EAS), connecting company commitments, commercial facilities, system and exchange boundaries, and proposed acquisitions. RUS shall review the LD to determine that the system design is acceptable to RUS, that the design is technically correct, that the cost estimates are reasonable, and that the design provides for area coverage service. RUS shall also review the population and incorporation status of all communities served or to be served by the borrower to determine if any nonrural areas are served and if municipal franchises are required. Any RUS lending for nonrural areas must be in accordance with 7 CFR part 1735. RUS shall also check the "List of Parties Excluded from Federal Procurement of Nonprocurement Programs", compiled, maintained and distributed by General Services Administration, to determine whether the borrower is debarred, suspended, ineligible, or voluntarily excluded (see 7 CFR 3017.505).

(c) RUS will notify the borrower if RUS recommends major changes in subscriber projections, design, cost estimates, or other significant matters. RUS will not continue loan processing until RUS and the borrower agree on all major changes.

[54 FR 13356, Apr. 3, 1989; 54 FR 16194, Apr. 21, 1989. Redesignated at 55 FR 39396, Sept. 27, 1990; 58 FR 66256, Dec. 20, 1993]

§ 1737.51 Approval of loan design.

RUS shall notify the borrower when the preloan data concerning the system design and costs and subscriber projections have been approved. If found acceptable, RUS will approve the LD with any required changes. A copy of the approved LD, with any significant changes, as determined by RUS, will be returned to the borrower.