

Federal Railroad Administration, DOT

§ 260.3

referred to in paragraph (b) of this section, the Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Administrator or the Comptroller General, may be related or pertinent to such financial assistance.

[40 FR 29080, July 10, 1975, as amended at 43 FR 21890, May 22, 1978]

APPENDIX A TO PART 256—CERTIFICATE

The following is the form of the certificate to be executed by each person signing a pre-application or application:

_____ (Name of Person) certifies that he is the Chief Executive Officer of _____ (Name of Agency or Organization); that he is authorized to sign and file with the Federal Railroad Administrator this (pre-application or application); that he has carefully examined all of the statements contained in the (pre-application or application) relating to _____; that he has knowledge of the matters set forth therein and that all statements made and matters set forth therein are true and correct to the best of his knowledge, information and belief.

[43 FR 21890, May 22, 1978]

PART 260—REGULATIONS GOVERNING LOANS AND LOAN GUARANTEES UNDER THE RAILROAD REHABILITATION AND IMPROVEMENT FINANCING PROGRAM

Subpart A—Overview

Sec.

- 260.1 Program authority.
- 260.3 Definitions.
- 260.5 Eligible purposes.
- 260.7 Priority consideration.
- 260.9 Loan terms.
- 260.11 Investigation charge.
- 260.13 Credit reform.
- 260.15 Credit risk premium.

Subpart B—FRA Policies and Procedures for Evaluating Applications for Financial Assistance

- 260.17 Credit risk premium analysis.
- 260.19 Preapplication meeting.

Subpart C—Applications for Financial Assistance

- 260.21 Eligibility.
- 260.23 Form and content of application generally.
- 260.25 Additional information for Applicants not having a credit rating.
- 260.27 Additional information for loan guarantees.
- 260.29 Third party consultants.
- 260.31 Execution and filing of the application.
- 260.33 Information requests.
- 260.35 Environmental assessment.

Subpart D—Standards for Maintenance of Facilities Involved in the Project

- 260.37 Applicability.
- 260.39 Maintenance standards.
- 260.41 Inspection and reporting.
- 260.43 Impact on other laws.

Subpart E—Procedures To Be Followed in the Event of Default

- 260.45 Events of default for guaranteed loans.
- 260.47 Events of default for direct loans.
- 260.49 Avoiding defaults.

Subpart F—Loan Guarantees—Lenders

- 260.51 Conditions of guarantee.
- 260.53 Lenders' functions and responsibilities.
- 260.55 Lender's loan servicing.

AUTHORITY: 45 U.S.C. 821, 822, 823; 49 CFR 1.49.

SOURCE: 65 FR 41841, July 6, 2000, unless otherwise noted.

Subpart A—Overview

§ 260.1 Program authority.

Section 502 of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. 821 *et seq.*, authorizes the Secretary of Transportation to provide direct loans and loan guarantees to State and local governments, government sponsored authorities and corporations, railroads, and joint ventures that include at least one railroad. The Secretary's authority has been delegated to the Administrator of the Federal Railroad Administration, an agency of the Department of Transportation.

§ 260.3 Definitions.

As used in this part—

§ 260.5

49 CFR Ch. II (10–1–02 Edition)

(a) *Act* means the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. 821 *et seq.*

(b) *Administrator* means the Federal Railroad Administrator, or his or her representative.

(c) *Applicant* means any State or local government, government sponsored authority or corporation, railroad, or group of two or more entities, at least one of which is a railroad, participating in a joint venture, that submits an application to the Administrator for a direct loan or the guarantee of an existing obligation under which it is an obligor or for a commitment to guarantee a new obligation.

(d) *Borrower* means an Applicant that has been approved for, and has received, financial assistance under this part.

(e) *Credit risk premium* means that portion of the total subsidy cost to the Government of a direct loan or loan guarantee that is not covered by Federal appropriations and which must be paid by Applicant or its non-Federal infrastructure partner before that direct loan can be disbursed or loan guarantee can be issued.

(f) *Direct loan* means a disbursement of funds by the Government to a non-federal borrower under a contract that requires the repayment of such funds.

(g) *FRA* means the Federal Railroad Administration.

(h) *Financial assistance* means a direct loan, or a guarantee of a new loan issued under this part.

(i) *Holder* means the current owner of an obligation or the entity retained by the owner to service and collect an obligation which is guaranteed under the provisions of this part.

(j) *Including* means including but not limited to.

(k) *Infrastructure partner* means any non-Federal source of the Credit Risk Premium which must be paid to the Administrator in lieu of, or in combination with, an appropriation in connection with financial assistance provided under this part.

(l) *Intermodal* means of or relating to the connection between rail service and other modes of transportation, including all parts of facilities at which such connection is made.

(m) *Lender* means the non-Federal entity making a loan to an Applicant for which a loan guarantee under this part is sought.

(n) *Loan guarantee* means any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal Lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

(o) *Obligation* means a bond, note, conditional sale agreement, equipment trust certificate, security agreement, or other obligation.

(p) *Obligor* means the debtor under an obligation, including the original obligor and any successor or assignee of such obligor.

(q) *Project* means the purpose for which financial assistance is requested.

(r) *Railroad* means a rail carrier subject to part A of subtitle IV of title 49, United States Code.

(s) *Subsidy cost of a direct loan* means the net present value, at the time when the direct loan is disbursed, of the following estimated cash flows:

- (1) Loan disbursements;
- (2) Repayments of principal; and
- (3) Payments of interest and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries; including the effects of changes in loan terms resulting from the exercise by the borrower of an option included in the loan contract.

(t) *Subsidy cost of a loan guarantee* means the net present value, at the time when the guaranteed loan is disbursed, of the following estimated cash flows:

- (1) Payments by the Government to cover defaults, delinquencies, interest subsidies, or other payments; and
- (2) The payments to the Government including origination and other fees, penalties and recoveries.

§ 260.5 Eligible purposes.

(a) Financial assistance under this part is available solely to:

- (1) Acquire, improve, or rehabilitate intermodal or rail freight or passenger equipment or facilities, including