

grant funds to the borrower. The borrower must receive the Administrator's approval of the final draft version of the documents prior to their execution.

(c) Borrowers must obtain the Administrator's written approval prior to revising or amending any loan, grant or security agreement, mortgage or note that has been reviewed and approved by the Administrator pursuant to paragraph (b) of this section. Additionally, the borrower must obtain the Administrator's written approval prior to executing, revising or amending any other agreement, in connection with the project, between the borrower and the owner(s) of the project, those undertaking the project or any intermediary that will re-lend or transfer the proceeds of the RUS funds.

(d) The borrower and the owner(s) of the project, or those undertaking the project, should make agreements and prepare documents in accordance with all applicable laws.

(Approved by the Office of Management and Budget under control number 0572-0090)

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§ 1703.31 Transfer of employment or business.

The project must not result primarily in the transfer of any existing employment or business activity from one area to another.

§ 1703.32 Environmental requirements.

(a) Prospective recipients of zero-interest loans or grants should consider the potential environmental impact of their proposed projects at the earliest planning stage and plan development in a manner that reduces, to the extent practicable, the potential to affect the quality of the human environment adversely.

(b) *Application for zero-interest loans or grants for project feasibility studies.* For a proposal to fund a project feasibility study, the only environmental information normally required is whether or not the proposed project being studied or analyzed will be located within an area protected under the Coastal Barrier Resources Act (16 U.S.C. 3501 *et seq.*) Generally, the use of Federal funds to promote development on

coastal barriers is strictly limited by the Coastal Barriers Resources Act.

(c) *Application for zero-interest loans or grants for a project that is not considered project feasibility studies.* (1) The Administrator will review support materials in the application and initiate an environmental review process pursuant to 7 CFR part 1794. This process will focus on any environmental concerns or problems that are associated with the project.

(2) The level and scope of the environmental review will be determined in accordance with the National Environmental Policy Act of 1969 (NEPA), as amended, (42 U.S.C. 4321 *et seq.*), the Council on Environmental Policy for Implementing the Procedural Provisions of NEPA (40 CFR parts 1500—1508), RUS's environmental policies and procedures (7 CFR part 1794) and other relevant Federal environmental laws, regulations and Executive Orders.

(3) Activity related to the project that will adversely affect the environment or limit the choice of reasonable alternatives must not be undertaken prior to completion of RUS's environmental review process.

§ 1703.33 Other considerations.

(a) *Equal opportunity and non-discrimination requirements.* All zero-interest loans and grants made under this subpart are subject to the non-discrimination provisions of title VI of the Civil Rights Act of 1964, as amended, (42 U.S.C. 1971 *et seq.*, 1975a *et seq.*, 2000a *et seq.*; 7 CFR part 15); section 504 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. 701 *et seq.*; 7 CFR part 15b); the Age Discrimination Act of 1975, as amended, (42 U.S.C. 6101 *et seq.*; 45 CFR part 90); and Executive Order 11246, Equal Employment Opportunity, (3 CFR, 1964—1965 Comp., p. 339) as amended by Executive Order 11375, Amending Executive Order 11246, Relating to Equal Employment Opportunity (3 CFR, 1966—1970 Comp., p. 684).

(b) *Architectural barriers.* All facilities financed with RUS zero-interest loans or grants that are open to the public or in which physically handicapped persons may be employed or reside must be designed, constructed, and/or altered to be readily accessible to, and usable by handicapped persons. Standards for

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these facilities must comply with the Architectural Barriers Act of 1968, as amended, (42 U.S.C. 4151 *et seq.*) and with the Uniform Federal Accessibility Standards (UFAS), (Appendix A to 41 CFR part 101.19, subpart 101-19.6).

(c) *Flood hazard area precautions.* In accordance with 7 CFR part 1788, if the project is in an area subject to flooding, flood insurance must be provided to the extent available and required under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 *et seq.*). The insurance must cover, in addition to the buildings, any machinery, equipment, fixtures and furnishings contained in the buildings. RUS will comply with Executive Order 11988, Floodplain Management (3 CFR, 1977 Comp., p. 117), and §1794.41 of this chapter, in considering the application for the project. As set forth in §1794.41 of this chapter, public notice is required if a project will be located in a floodplain.

(d) *Uniform relocation assistance.* Relocations in connection with this program are subject to 49 CFR part 24 as referenced by 7 CFR Part 21, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs except that the provisions in Title III, Uniform Real Property Acquisition Policy, of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended, (42 U.S.C. 4601-4655) (the "Uniform Act") do not apply to this program.

(e) *Drug-free workplace.* Grants made under this program are subject to the requirements set forth in 7 CFR part 3017, subpart F, Drug-Free Workplace Requirements, which implements the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 *et seq.*). A borrower requesting a grant will be required to certify that it will establish and make a good faith effort to maintain a drug-free workplace program.

(f) *Debarment and suspension.* The requirements of Executive Order 12549, Debarment and Suspension (3 CFR, 1986 Comp., p. 189), and 7 CFR part 3017, subparts A through E, Governmentwide Debarment and Suspension (Non-procurement), regarding debarment and suspension are applicable to this program.

(g) *Intergovernmental review of Federal programs.* (1) This program is subject to the requirements of Executive Order 12372, Intergovernmental Review of Federal Programs (3 CFR, 1982 Comp., p. 197) and 7 CFR part 3015, subpart V, Intergovernmental Review of Department of Agriculture Programs and Activities, which implements Executive Order 12372.

(2) With the exception of zero-interest loans and grants for project feasibility studies, proposed projects are subject to the state and local government review process set forth in 7 CFR part 3015. Under the review process, state and local governments have 60 days to comment on the proposed project.

(3) The Administrator will not give final approval to an application until the requirements of 7 CFR part 3015, subpart V, regarding state and local government review have been satisfied.

(h) *Restrictions on lobbying.* (1) The restrictions and requirements imposed by 31 U.S.C. 1352, entitled "Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions" and the implementing regulation, 7 CFR part 3018, New Restrictions on Lobbying, are applicable to this program. ca 7v15.018

(2) The regulation that implements this statute requires applicants for a zero-interest loan in excess of \$150,000 and applicants for a grant in excess of \$100,000 to file a certification statement regarding the use of Federal appropriated funds to lobby the Executive and Legislative branches of the Federal Government, and to file a disclosure form if engaged in these activities using unappropriated funds.

(3) In addition, persons that receive contracts or subcontracts in excess of \$150,000 under a zero-interest loan and persons that receive subgrants, contracts or subcontracts in excess of \$100,000 under a grant are required to file certification statements regarding lobbying the Executive and Legislative branches and, if engaged in these activities, to file disclosure forms.

§ 1703.34 Applications.

(a) Borrowers may file an application on any official workday during the