

§§ 1710.402–1710.403

7 CFR Ch. XVII (1–1–03 Edition)

§§ 1710.402–1710.403 [Reserved]

SOURCE: 58 FR 66260, Dec. 20, 1993, unless otherwise noted.

§ 1710.404 Additional requirements.

Additional requirements for insured electric loans are set forth in 7 CFR part 1714.

Subpart A—General

§ 1714.1 [Reserved]

§ 1710.405 Supplemental financing documents.

(a) The borrower is responsible for ensuring that the loan documents required for supplemental financing pursuant to §1710.110 are executed in a timely fashion. These documents are subject to RUS approval.

§ 1714.2 Definitions.

The definitions set forth in 7 CFR 1710.2 are applicable to this part, unless otherwise stated. References to specific RUS forms and other RUS documents, and to specific sections of such forms and documents, shall include the corresponding forms, documents, sections and lines in any subsequent revisions of these forms and documents.

(b) Security. Any security offered by the borrower to a supplemental lender is subject to RUS approval.

§ 1714.3 Applicability of provisions.

§ 1710.406 Loan approval.

(a) A loan is approved when the Administrator signs the administrative findings.

(a) *Insured electric loans approved on or after November 1, 1993.* On November 1, 1993, the Rural Electrification Loan Restructuring Act, Pub. L. 103–129, 107 Stat. 1356, (RELRA) amended the Rural Electrification Act of 1936, 7 U.S.C. 901 *et seq.*, (RE Act) to establish a new interest rate structure for insured electric loans. Insured electric loans approved on or after this date, are either municipal rate loans or hardship rate loans. Borrowers meeting the criteria set forth in §1714.8 are eligible for 5 percent hardship rate loans. The interest rate on loans to other borrowers is the municipal interest rate, and borrowers meeting the criteria set forth in §1714.7 are eligible for the interest rate cap on their municipal rate loans. Interest rates for the initial interest rate term and rollover terms (§1714.6) will be determined pursuant to §1714.4. Provisions for prepayment are set forth in §1714.9. The provisions of this subpart apply to loans approved on or after November 1, 1993, unless otherwise stated.

(b) If the loan is not approved, RUS will notify the borrower of the reason.

(b) *Insured electric loans approved prior to November 1, 1993.* These loans have a single interest rate applicable to the entire loan. The rate is generally 5 percent, but, in some cases, may be as low as 2 percent. These loans have a single interest rate term and may be prepaid at face value at any time. Provisions for discounted prepayment of these loans are set forth in 7 CFR part 1786.

§ 1710.407 Loan documents.

Following approval of a loan, RUS will forward the loan documents to the borrower for execution, delivery, recording, and filing, as directed by RUS.

§ 1714.4 Interest rates.

PART 1714—PRE-LOAN POLICIES AND PROCEDURES FOR INSURED ELECTRIC LOANS

Subpart A—General

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- 1714.4 Interest rates.
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Subpart B—Terms of Insured Loans

- 1714.50–1714.54 [Reserved]
- 1714.55 Advance of funds from insured loans.
- 1714.56 Fund advance period.
- 1714.57 Sequence of advances.
- 1714.58 Amortization of principal.
- 1714.59 Rescission of loans.

AUTHORITY: 7 U.S.C. 901 *et seq.*; 1921 *et seq.*; and 6941 *et seq.*

(a) *Municipal rate loans.* Each advance of funds on a municipal rate loan shall