

Rural Utilities Service, USDA

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not exceed the weighted average of the expected remaining useful lives of the assets being financed (_____ years) as evidenced by the attached calculation of said weighted average lives.

(b) The principal of the loan evidenced by such Notes shall either be [check one and provide evidence in the second case]:

(1) repaid based on level payments of principal and interest throughout the life of the loan, or

(2) amortized at a rate that shall yield a weighted average life that is not greater than the weighted average life that would result from level payments of principal and interest throughout the life of the loan as evidenced by the attached analysis of said weighted average lives.

(c) The principal of the loan evidenced by such Notes has a maturity of not less than 5 years.

[Signed] _____
[Dated] _____
[Name] _____
[Title] _____
[Name and Address of Borrower] _____

EXHIBIT C-2—MANAGER’S CERTIFICATE REQUIRED UNDER LOAN CONTRACT SECTION 6.14 FOR REFINANCING NOTES

On behalf on _____ [Name of Borrower] I hereby certify that the Additional Note or Notes to be issued under Section [2.02] of the Mortgage on or about _____ [Date Note or Notes are to be Signed] _____ meet the requirement of Section [6.14] of the Loan Contract that the weighted average life of such Notes is not greater than the weighted average remaining life of the Notes being refinanced, as evidenced by the attached calculation of said weighted average lives.

[Signed] _____
[Dated] _____
[Name] _____
[Title] _____
[Name and Address of Borrower] _____

[60 FR 67410, Dec. 29, 1995, as amended at 65 FR 51749, Aug. 25, 2000]

PART 1721—POST-LOAN POLICIES AND PROCEDURES FOR INSURED ELECTRIC LOANS

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

Subpart A—Advance of Funds

§ 1721.1 Advances.

(a) Purpose and amount. With the exception of minor projects, insured loan funds will be advanced only for projects which are included in an RUS approved borrower’s construction work plan (CWP) or approved amendment and in an approved loan, as amended. Loan fund advances can be requested in an amount representing actual costs incurred.

(b) Minor project. Minor project means a project costing \$100,000 or less. Such a project qualifies for advance of loan funds even though it may not have been included in an RUS-approved borrower’s CWP, amendment to such CWP, or approved loan. Total advances requested shall not exceed the total loan amount. All projects for which loan fund advances are requested must be constructed to achieve purposes permitted by terms of the loan contract between the borrower and RUS.

(c) Certification. Pursuant to the applicable provisions of the RUS loan contract, borrowers shall certify with each request for funds to be approved for advance that such funds are for projects in compliance with this section and shall also provide for those that cost in excess of \$100,000, a contract or work order number as applicable and a CWP cross-reference project coded identification number. For a minor project not included in an RUS approved borrower’s CWP, the Borrower shall describe the project and do one of the following to satisfy RUS’ environmental requirements (see 7 CFR part 1794).

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(1) If applicable, state that the project is a categorical exclusion of a type described in §1794.21(b), which normally does not require preparation of an Environmental Report (ER); or

(2) If applicable, state that the project is a categorical exclusion of a type that normally requires an ER and then:

(i) Submit the ER with the request for funds to be approved for advance, or

(ii) If applicable, certify that it has analyzed the minor project with respect to a comprehensive service area environmental map and data base collected and used in preparing the ER for its RUS-approved borrower's CWP, and that on the basis of that information, the minor project will not be located in an environmentally sensitive area or location.

(d) *Noncompliance.* Where insured loan funds are found to have been advanced in noncompliance with this section, borrowers will be required to deposit the appropriate amount of the over-advance in the construction fund-trustee account and pay any accrued and unpaid interest to RUS. The Administrator will require borrowers, in order to remedy such noncompliance, to pay an additional amount equal to the interest on the funds over-advanced for the period such funds were outstanding, calculated at a rate equal to the difference between the RUS loan interest rate and the most recent rate at which RUS sold Certificates of Beneficial Ownership (CBO's). While RUS will generally permit the amount of over-advance deposited in the construction fund-trustee account to be subsequently used by the borrower for RUS approved projects, nothing in this section shall be construed to preclude RUS from exercising any rights or remedies which RUS may have pursuant to the loan contract.

[64 FR 72489, Dec. 28, 1999]

Subpart B—Extensions of Payments of Principal and Interest

SOURCE: 67 FR 485, Jan. 4, 2002, unless otherwise noted.

7 CFR Ch. XVII (1-1-03 Edition)

§ 1721.100 Purpose.

This subpart contains RUS procedures and conditions under which Borrowers of loans made by RUS may request RUS approval for extensions for the payment of principal and interest.

§ 1721.101 General.

(a) The procedures in this subpart are intended to provide Borrowers with the flexibility to request an extension of principal and interest as authorized under section 12(a) of the RE Act and section 236 of the Disaster Relief Act of 1970 (Public Law 91-606).

(b) The total amount of principal and interest that has been deferred, including interest on deferred principal, will be added to the principal balance, and the total amount of principal and interest that has been deferred will be re-amortized, through level payment, over the remaining life of the applicable note beginning in the first year the deferral period ends.

(c) Payment of principal and interest will not be extended more than 5 years after such payment is due as originally scheduled. However, in cases where the extension is being granted because, at the sole discretion of the Administrator, a severe hardship has been experienced, the Administrator may grant a longer extension provided that the maturity date of any such loan does not extend to a date beyond forty (40) years from the date of the note.

§ 1721.102 Definitions.

The definitions contained in 7 CFR 1710.2 are applicable to this subpart unless otherwise stated.

§ 1721.103 Policy.

(a) In reviewing requests for extension of payment of principal and interest, consideration shall be given to the effect of such extensions on the security of the Government's loans, and on the ability of the Borrower to achieve program objectives. It is the policy of RUS to extend the time for payment of principal and interest on the basis of findings that such extension does not impair the security and feasibility of the Government's loans and:

(1) Is essential to the effectiveness of the Borrower's operations in achieving