

Rural Utilities Service, USDA

§ 1789.151

accepted a Small Business Administration guarantee and the contract is for \$1,000,000 or less. For minor construction contracts under which work will be done in sections and no section will exceed a total cost of \$250,000, the borrower may waive the requirement for a contractors' bond.

§ 1788.50 Acceptable sureties.

Surety companies providing contractors' bonds shall be listed as acceptable sureties in the U.S. Department of Treasury Circular No. 570. The circular is maintained through periodic publication in the FEDERAL REGISTER and is available on the Internet under ftp://ftp.fedworld.gov/pub/tel/sureties.txt, and on the Department of the Treasury's computer bulletin board at 202-874-6817.

§§ 1788.51-1788.53 [Reserved]

§ 1788.54 Compliance with contracts.

It is the responsibility of the borrower to determine, before the commencement of work, that the engineer, architect, and the contractor have insurance that complies with their contract requirements.

§ 1788.55 Providing RUS evidence.

When RUS shall specifically so direct, the borrower shall also require the engineer, the architect, and the contractor, to forward to RUS evidence of compliance with their contract representative of the insurance company and include a provision that no change in or cancellation of any policy listed in the certificate will be made without the prior written notice to the borrower and to RUS.

PART 1789—USE OF CONSULTANTS FUNDED BY BORROWERS

Subpart A—Policy and Procedures With Respect to Consultant Services Funded by Borrowers—General

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AUTHORITY: 7 U.S.C. 901-950b; Pub. L. 103-354, 108 Stat. 3178 (7 U.S.C. 6941 *et seq.*).

SOURCE: 61 FR 48606, Sept. 16, 1996, unless otherwise noted.

Subpart A—Policy and Procedures With Respect to Consultant Services Funded by Borrowers—General

§ 1789.150 Purpose.

This part sets forth policies and the procedures for implementing subsection (c) of section 18 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*)(RE Act) which authorizes the Rural Utilities Service (RUS) to use the services of Consultants funded by the Borrowers to facilitate timely action on Applications by Borrowers for financial assistance and other approvals.

§ 1789.151 Definitions.

As used in this part:

Administrator means the Administrator of the Rural Utilities Service (RUS).

Application means a request for financial assistance under the RE Act or such other approvals as may be required of the RUS pursuant to the terms of outstanding loan or security instruments or otherwise.

Borrower means any organization which has an outstanding loan(s) made or guaranteed by RUS or its predecessor agency, the Rural Electrification Administration (REA) under the RE Act or any organization which has submitted or submits an Application before RUS.