

## § 1714.57

(e) RUS will rescind the balance of any loan funds not advanced to a borrower as of the final date approved for advancing funds.

[60 FR 3734, Jan. 19, 1995, as amended at 61 FR 66871, Dec. 19, 1996]

### § 1714.57 Sequence of advances.

(a) Except as set forth in paragraph (b) of this section, concurrent loan funds will be advanced in the following order:

(1) 50 percent of the RUS insured loan funds;

(2) 100 percent of the supplemental loan funds;

(3) The remaining amount of the RUS insured loan funds.

(b) At the borrower's request and with RUS approval, all or part of the supplemental loan funds may be advanced before funds in paragraph (a)(1) of this section.

### § 1714.58 Amortization of principal.

(a) For insured loans approved on or after February 21, 1995:

(1) Amortization of funds advanced during the first 2 years after the date of the note shall begin no later than 2 years from the date of the note. Except as set forth in paragraph (a)(2) of this section, amortization of funds advanced 2 years or more after the date of the note shall begin with the scheduled loan payment billed in the month following the month of the advance.

(2) For advances made 2 years or more after the date of the note, the Administrator may authorize deferral of amortization of principal for a period of up to 2 years from the date of the advance if the Administrator determines that failure to authorize such deferral would adversely affect either the Government's financial interest or the achievement of the purposes of the RE Act.

(b) For insured loans approved before February 21, 1995, amortization of principal shall begin 2 years after the date of the note for advances made during the first and second years of the loan, and 4 years after the date of the note for advances made during the third and fourth years.

## 7 CFR Ch. XVII (1-1-05 Edition)

### § 1714.59 Rescission of loans.

(a) A borrower may request rescission of a loan with respect to any funds unadvanced by submitting a certified copy of a resolution by the borrower's board of directors.

(b) RUS may rescind loans pursuant to § 1714.56.

(c) Borrowers who prepay RUS loans at a discounted present value pursuant to 7 CFR part 1786, subpart F, are required to rescind the unadvanced balance of all outstanding electric notes pursuant to 7 CFR 1786.158(j).

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