part 1744, subpart C for additional requirements for requisitions and advances.

§§ 1735.78–1735.79 [Reserved]

Subpart H—Acquisitions or Mergers Not Involving Additional Loan Funds

§ 1735.80 Submission of data.

When a borrower is not requesting loan funds for an acquisition or merger, the borrower shall first notify RUS and submit for review by RUS the documents and information listed in (a) through (l) of this section required by RUS.

(a) For any nonborrowers involved, their most recent balance sheets, operating statements, detail of plant accounts, reports to the state commission, and audits, if available.

(b) Completed RUS Form 507, ''Report on Telephone Acquisition.''

(c) A map (such as a road map) showing county lines, the boundaries of the proposed acquisition and the borrower's existing service territory, and the names of other telephone companies serving adjoining areas.

(d) A brief statement of the plans for incorporating the acquired facilities into the borrower's existing system.

(e) The number of subscribers currently receiving service in the areas involved in the acquisition or merger and the number of new subscribers that will be served over the next 5 years as a result of the acquisition or merger.

(f) Copies of deeds of real estate to be acquired, with an explanation of the proposed use of the land.

(g) Copies of security documents of any other lenders involved and any contracts or other rights of obligations to be assumed by the survivor.

(h) A list of all counties in which the proposed system will have facilities.

(i) If Article II, section 4(b) of the standard mortgage has not been made applicable, plans for operating the unified system.

(j) In the case of a merger, the proposed articles of merger that are to be used.

(k) In the case of an acquisition, the proposed purchase price, plus two copies of any options, bills of sale, or deeds, and two copies of any acquisition agreements. All of these documents are subject to RUS approval. If the acquisition agreement is approved by RUS, two copies of it shall be returned to the borrower.

(l) Any other data deemed necessary by the Administrator for an evaluation of the acquisition or merger.

(Approved by the Office of Management and Budget under control number 0572–0084)

[54 FR 14626, Apr. 12, 1989. Redesignated at 55 FR 39395, Sept. 27, 1990]

§§ 1735.81–1735.89 [Reserved]

Subpart I—Requirements for All Acquisitions and Mergers

SOURCE: 54 FR 14626, Apr. 12, 1989, unless otherwise noted. Redesignated at 55 FR 39395, Sept. 27, 1990.

§ 1735.90 Preliminary approvals.

(a) In cases where the borrower's schedule for completion of the proposed action leaves insufficient time for RUS to prepare and process the required documentation, including new mortgages and replacement notes, the borrower may request RUS to give preliminary approval to the acquisition or merger. However, the borrower may not obtain additional loan funds until the documentation is completed to RUS's satisfaction.

(b) Consideration of preliminary approvals generally will not be practicable in cases in which compensating benefits are required.

(c) RUS will not give preliminary approval when the lien of the mortgage on after-acquired property may be affected.

(d) Before RUS will grant preliminary approval, the borrower shall submit:

(1) Merger or acquisition documents required by state law;

(2) Acquisition agreements covering the transaction;

(3) Any required franchises, licenses, and permits;

(4) All required regulatory body approvals;

(5) All required corporate actions;

(6) Leases, contracts, and evidence of titles to be assigned to the purchaser; and