

USDA taking steps to aid rural areas

WASHINGTON, March 25, 2020 – USDA Rural Development has taken a number of immediate actions to help rural residents, businesses and communities affected by the COVID-19 outbreak. Rural Development will keep our customers, partners, and stakeholders continuously updated as more actions are taken to better serve rural America.

OPPORTUNITIES FOR IMMEDIATE RELIEF

Rural Housing Service

Single-Family Housing

Effective March 19, borrowers with USDA single-family housing Direct and Guaranteed loans are subject to a moratorium on foreclosure and eviction for a period of 60 days. This action applies to the initiation of foreclosures and evictions and to the completion of foreclosures and evictions in process.

Guaranteed Loan Program:

- Guaranteed Loan borrowers who are in default or facing imminent default due to a documented hardship can have payments reduced or suspended by their lender for a period not to exceed 12 months delinquency. Once the hardship is resolved, the lender can modify the loan to cure the delinquency or make up the missed payments based on the borrower's individual circumstances.
- Guaranteed Loan servicing questions should be directed to: sfhgld.program@usda.gov.

Direct Loan Program:

- USDA has waived or relaxed certain parts of the application process for Single-Family Housing Direct Loans, including site assessments, and has extended the time period that certificates of eligibility are valid.
- A Direct Loan borrower who is experiencing a reduction of income by more than 10 percent can request a Payment Assistance package to see if he/she is eligible for payment assistance or for more assistance than currently received.
- Moratorium Assistance is available for Direct Loan borrowers experiencing medical bill expenses (not covered by insurance) or job loss because of COVID-19. Qualifying borrowers can receive a moratorium on house payments for a period of time, repaid at a later date.
- Direct Loan questions should be directed to USDA's Customer Service Center at 800-414-1226 (7:00a.m.-5:00 p.m. Eastern Time Monday-Friday) or <https://www.rd.usda.gov/contact-us/loan-servicing>. Call volume and wait times are high at this time.

Multi-Family Housing

Multi-Family Housing is taking several steps to help owners, management agents and tenants maintain quality housing during the COVID-19 outbreak. Specifically, three immediate steps are effective for Section 515 Multi-Family properties:

- Tenant certifications due March 31, April 30 and May 31 for Multi-Family properties have been

extended to June 30 with no late fees or overage charges, as allowed in Multi-Family guidance (HB-3-3560, Chapter 4, Section 4.11). This extension will allow for additional time to complete needed certifications while avoiding face-to-face meetings as recommended by the Centers for Disease Control and Prevention (CDC). • Late fees on Section 515 mortgages will be waived, subject to waiver authority in 7 CFR 3560.403 (c)(3).

- Section 515 Annual Financial Statements due March 31 will be extended 30 days, as per Multi-Family guidance (HB-2-3560 Chapter 4, Section 4.16-H). USDA is exploring whether a longer extension is appropriate and will provide further guidance.
- Current policy states that owners must process an interim recertification at the tenant's request if there is a change in income of \$50 or more per month. The owner should already have this policy in writing and apply it consistently. To the maximum extent possible, we encourage all owners to work with all tenants with impacted income to adjust rent payments.
- USDA encourages all owners to work with impacted residents and families to adjust rent payments, enter into forbearance agreements, and lessen the impact on affected residents. At this time, no additional subsidy funding has been made available. If borrowers are temporarily unable to make loan payments, the Agency may waive late fees and enter into an official workout plan.

Rural Utilities Service

- On March 20, 2020, USDA extended for 60 days the deadline for Telecommunications and Electric Program borrowers and grantees to submit their annual CPA audit. In most cases, such audits are due to the agency by April 30, 2020.
- USDA is waiving borrower covenant requirements for loan agreement financial ratios for the period from Jan. 1, 2020, through Dec. 31, 2020. Additionally, USDA is waiving all financial reporting requirements associated with existing Rural Utilities Service (RUS) loan and grant covenants beginning Jan. 1, 2020 through June 30, 2020.
- The RUS Administrator has delegated authority to the RUS Telecommunications, Electric, and Water and Environmental Programs to consider requests to waive certain site inspection requirements during the current COVID-19 National Emergency.
- Applicants will be able to use alternative methods to notify the public, such as through videoconferences, teleconferences and public notices on websites and in local newspapers, as a substitute for the public meeting notification requirement for water and waste projects.
- On a case-by-case basis, USDA will help Electric Program borrowers gain access to obligated funds more quickly at current low interest rates by considering extensions of loan terms (within statutory limits); considering requests to move obligated funds between the Electric Program's six budget purposes where the new purpose has cleared environmental review; and by considering Temporary Normal Inventory (TNI) requests.
- For assistance, please contact:

Ø Electric Program: Christopher McLean, Christopher.mclean@usda.gov, 202-407-2986

Ø Telecommunications Program: Laurel Leverrier, laurel.leverrier@usda.gov, 202-495-9142

Ø Water and Environmental Programs: Edna Primrose, edna.primrose@usda.gov, 202-494-5610

Rural Business-Cooperative Service

- Beginning immediately, through July 31, 2020, USDA Business and Industry Loan Guarantees

(B&I) and Rural Energy for America Program (REAP) Guaranteed lenders may assist borrowers experiencing temporary cash flow issues by deferring payments for a period no longer than 120 days. The lender must notify The Agency in writing of any payment deferments. Written notification to the Agency will meet the standard for concurrence until July 31, 2020. A response from the Agency is not required. This guidance applies to ALL borrowers that had a current repayment status as of March 1, 2020.

Ø If the guaranteed loan has been sold on the secondary market, the secondary market holder and lender must agree to the deferment actions being taken. The Agency will expect a written agreement from both parties in these instances.

- RBCS intermediary borrowers continue to have authority to service loan portfolios independent of USDA. Intermediary borrowers participating in these programs may approve loan payment deferrals may to their borrowers without USDA approval. These programs are: Ø Intermediary Relending Program (IRP)

Ø Rural Business Development Grant (RBDG)

Ø Rural Economic Development Loan and Grant (REDL and REDG)

Ø Rural Microentrepreneur Assistance Program (RMAP)

- For existing Intermediary Relending Program (IRP) and Rural Economic Development Loan (REDL) borrowers, the Agency is committed to maintaining well-capitalized intermediary lenders and will work with you on loan servicing requests on a case-by-case basis to make sure you remain a pillar in our rural business communities.

EXTENSION OF APPLICATION DEADLINES

USDA is extending the application window for the following programs:

Rural Business-Cooperative Service

- USDA extended the application deadline for the *Rural Business Development Grant* (RBDG) program to no later than April 15, 2020. Contact the Rural Development office for the deadline in your state. USDA announced the extension in an Unnumbered Letter posted March 19, 2020.
- USDA extended the application deadline for the *Rural Energy for America Program* (REAP) to April 15, 2020. For additional information, see page 16925 of the March 25, 2020, Federal Register.

Many Signals Communications