



Billing Code: 3410-XY-U

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Part 1779

Rural Housing Service

7 CFR Part 3575

Rural Business-Cooperative Service

7 CFR Part 4287

Notification of Guarantee Loan Payment Deferrals for Business and Industry Loan Guarantees, Rural Energy for America Program Loan Guarantees, Community Facilities Loan Guarantees, and Water and Waste Loan Guarantees

AGENCY: Rural Business-Cooperative Service, Rural Housing Service, and Rural Utilities Service, USDA.

ACTION: Notification.

SUMMARY: The Rural-Business Cooperative Service (RBCS), Rural Housing Service (RHS), and Rural Utilities Service (RUS) agencies of the Rural Development mission area, hereinafter referred to as Agency, will temporarily allow lenders with guaranteed loans with the Agency to unilaterally offer payment deferrals for the period specified in

the **DATES** section of this notification to their customers who may be experiencing temporary cash flow issues due to the Coronavirus (COVID-19) pandemic.

DATES: This policy is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER] and the temporary authorization expires on September 30, 2020.

FOR FURTHER INFORMATION CONTACT: For RBCS, Aaron Morris, Director, Program Processing Division, 202-720-1501, Aaron.Morris@usda.gov; for RHS, Deborah Jackson, Director, Guaranteed Loan Processing and Servicing Division, 202-720-8454, Deborah.Jackson2@usda.gov; for RUS, James Fritz, Water and Environmental Programs, 413-253-4303, James.Fritz2@usda.gov

SUPPLEMENTARY INFORMATION: In accordance with 7 CFR 4287.107 (RBCS), 7 CFR 3575.69 (RHS), and 7 CFR 1779.69 (RUS), the lender is responsible for servicing the entire loan and for taking all servicing actions that a reasonably prudent lender would perform in servicing its own portfolio of loans that are not guaranteed. Beginning immediately and through September 30, 2020, the USDA Business and Industry Guaranteed Loan Program (B&I), Rural Energy for America Program (REAP), Community Facilities Guaranteed Loan Program, and Water and Waste Guaranteed Program lenders may assist borrowers experiencing temporary cash flow issues resulting from the COVID-19 pandemic, by deferring payments for a period no longer than 180 days from the date the original payment is due. The lender must notify the Agency in writing of any payment deferments. Written notification to the Agency will meet the

standard for concurrence until September 30, 2020. After September 30, 2020, lenders must resume obtaining Agency approval in accordance with all applicable program regulations, forms, and existing authorities. A response from the Agency is not required. This guidance applies to all borrowers that had a current repayment status as of January 31, 2020.

If the 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 signed by both parties in these instances prior to executing any payment deferral action.

The Agency does not consider a loan that is under a deferral or forbearance agreement to be a delinquent loan. Unpaid interest accruing during a deferral or forbearance agreement is not subject to the limitation of the guarantee of accrued interest under 7 CFR 4287.145(d) (RBCS), 7 CFR 3575.3 (RHS), nor 7 CFR 1779.3 (RUS).

Bette B. Brand
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Rural Development

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