



DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Rural Housing Service

Rural Business-Cooperative Service

7 CFR Part 5001

[Docket No. RUS-19-Agency-0030]

RIN 0572-AC63

OneRD Guaranteed Loan Regulation

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

ACTION: Final rule; technical amendments.

SUMMARY: On September 30, 2024, Rural Development's Rural Business-Cooperative Service, Rural Housing Service, and Rural Utilities Service, agencies of the United States Department of Agriculture (USDA), published a final rule with comment for the OneRD Guarantee Loan Program (OneRD). The final rule made necessary revisions to the policy and procedures that strengthened the oversight and management of the growing Community Facilities, Water and Waste Disposal, Business and Industry, and Rural Energy for America guarantee portfolios. Following implementation of this final rule, the Agency found that corrections were necessary due to an incorrect definition of affiliate, and a section and sentence that were removed erroneously. This document corrects the final regulation.

DATES: This rule is effective **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Address all comments concerning this correction to Crystal Pemberton, Regulations Management Division, Rural Development Innovation Center, U.S. Department of

Agriculture, 1400 Independence Ave., SW, Stop 1522, Washington, DC 20250; telephone (202) 260-8621 ; e-mail Crystal.Pemberton@usda.gov.

FOR FURTHER INFORMATION CONTACT: Crystal Pemberton, Regulations

Management Division, Rural Development Innovation Center, U.S. Department of Agriculture, 1400 Independence Ave., SW, Stop 1522, Washington, DC 20250; telephone (202) 260-8621 ; e-mail Crystal.Pemberton@usda.gov.

SUPPLEMENTARY INFORMATION:

Rural Development’s Rural Business-Cooperative Service, Rural Housing Service, and Rural Utilities Service are issuing corrections to the final rule that published September 30, 2024, at 89 FR 79698.

The definition of “affiliate” has been modified to clarify that it means a person or entity that is closely attached or connected to another organization. For the purposes of program eligibility, the principles outlined in this regulation, and any successor regulation, are used to establish affiliation. Additionally, the Agency is adding the definition for “commercially available” as it was erroneously removed from the regulation previously.

List of Subjects in 7 CFR Part 5001

Business and industry, Community facility, Energy efficiency improvement, Loan programs, Renewable energy, Rural areas, Rural development, Water and waste disposal.

For the reasons discussed in the preamble, Rural Business-Cooperative Service, Rural Housing Service, and Rural Utilities Service amends 7 CFR part 5001 with the following technical amendments:

Part 5001 – GUARANTEED LOANS

1. The authority citation for part 5001 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1926(a); 7 U.S.C. 1932(a); and 7 U.S.C. 8107.

2. Amend § 5001.3 by revising the definition for “affiliate” and adding in alphabetical order the definition for “Commercially available” to read as follows:

§ 5001.3 Definitions.

* * * * *

Affiliate means a person or entity that is closely attached or connected to another person or entity. For the purposes of program eligibility, the principles outlined in 13 CFR 121.301(f), and any successor regulation, are used to establish affiliation.

* * * * *

Commercially available means a system that meets the requirements of either paragraph (1) or (2) of this definition.

(1) A domestic or foreign system that:

(i) Has both a proven and reliable operating history and proven performance data for at least one year specific to the use and operation to the proposed application;

(ii) Is based on established design and installation procedures and practices and is replicable;

(iii) Has professional service providers, trades, large construction equipment providers, and labor who are familiar with installation procedures and practices;

(iv) Has proprietary and balance of system equipment and spare parts that are readily available;

(v) Has service that is readily available to properly maintain and operate the system; and

(vi) Has an existing established warranty that is valid in the United States for major parts and labor; or

(2) A domestic or foreign system that has been certified by a recognized industry organization whose certification standards are acceptable to the Agency.

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3. Amend § 5001.105 by revising paragraph (b)(7) to read as follows:

§ 5001.105 Eligible B&I projects and requirements.

* * * * *

(b) * * *

(7) Agricultural production, when not eligible for Farm Service Agency (FSA) farm loan programs assistance and when it is part of an integrated business also involved in the processing of agricultural products. Any agricultural production considered for guaranteed loan financing must be owned, operated, and maintained by the business receiving the guaranteed loan. Examples of potentially eligible agricultural production include but are not limited to an apple orchard in conjunction with a food processing plant; poultry buildings linked to a meat processing operation; or sugar beet production coupled with storage and processing.

(i) The agricultural production portion of any loan must not exceed 50 percent of the total loan or \$5 million, whichever is less.

(ii) The limitations in paragraph (b)(7)(i) do not apply to the following types of businesses:

(A) Commercial nurseries engaged in the production of ornamental plants, trees, and other nursery products, such as bulbs, flowers, shrubbery, flower and vegetable seeds, sod, and the growing of plants from seed to the transplant stage;

(B) Forestry, which includes businesses primarily engaged in the operation of timber tracts, tree farms, forest nurseries, harvesting of forest products, and related activities, such as reforestation;

(C) The growing or harvesting of mushrooms;

(D) The growing of hydroponics;

(E) The boarding and/or training of animals;

(F) Commercial fishing; and

(G) Production of algae and aquaculture, including conservation, development, and utilization of water for aquaculture.

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4. Amend § 5001.106 by revising the introductory paragraph to read as follows:

§ 5001.106 Eligible REAP – Renewable Energy System (RES) projects and requirements.

For a REAP RES project to be eligible for a loan guarantee under this part, it must meet the criteria specified in § 5001.102(a) through (c) and in paragraphs (a) through (e) of this section and be for a borrower eligible to submit an application for the project in accordance with § 5001.126. If taxable bonds are utilized as debt instruments the provisions of § 5001.105(b)(19) must be met.

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Joe Gilson,
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Rural Development.

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