



BILLING CODE 3410-XY-U

DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

[Docket # RBS-20-CO-OP-0011]

**The Business and Industry Coronavirus Aid, Relief, and Economic Security Act
(CARES Act) Guaranteed Loan Program**

AGENCY: Rural Business-Cooperative Service, USDA.

ACTION: Notice of Funding Availability (NOFA).

SUMMARY: The Rural Business-Cooperative Service (RBCS), a Rural Development agency of the United States Department of Agriculture (USDA), announces that in response to the national COVID-19 Public Health Emergency, USDA Rural Development was provided additional funding assistance of \$20,500,000 in budget authority appropriated under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Business and Industry (B&I) Guaranteed Loan Program is administered through RBCS.

DATES: Applications will be accepted beginning on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and must be received no later than 11:59 PM Eastern Daylight Time on September 15, 2021, or until funds are expended. Program funding expires September 30, 2021.

ADDRESSES: If you wish to apply for assistance or need further information, contact the USDA Rural Development State Office in the State where your project is located. A list of USDA Rural Development State Offices and contact names are available at <http://www.rd.usda.gov>.

FOR FURTHER INFORMATION CONTACT: Mark Brodziski, Acting Administrator, Rural Business and Cooperative Service, Rural Development, U.S. Department of Agriculture, 1400 Independence Avenue, SW., Stop Washington, DC 20250-3221; e-mail: mark.brodziski@usda.gov; telephone (202) 205-0903.

SUPPLEMENTARY INFORMATION:

Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801), the Office of Information and Regulatory Affairs of the Office of Management and Budget designated this action as a major rule, as defined by 5 U.S.C. 804(2) because this action will result in an annual effect on the economy of \$100,000,000 or more. However, notwithstanding 5 U.S.C. 801, section 808(2) of the Congressional Review Act (5 USC 808(2)) permits that if any rule which an agency for good cause finds that notice and public procedure thereon

would be impracticable, unnecessary, or contrary to the public interest, shall take effect at such time that the Agency determines. USDA has determined, under section 808(2), that making these funds available through the issuance of this NOFA, as authorized in Division B, Title I of the CARES Act, supplements existing authority implemented in 7 CFR part 4279, subparts A and B, and 7 CFR part 4287, subpart B, and find good cause that notice and public procedure would be impracticable and contrary to the public interest, in light of the national COVID-19 Public Health Emergency. Such finding is made because withholding these funds would unduly delay the provision of emergency benefits under the CARES Act, which Congress intended to provide expeditious relief to address the current economic conditions arising from the COVID-19 emergency.

Overview

Federal Agency Name: Rural Development, Rural Business-Cooperative Service.

Funding Opportunity Title: Business and Industry Guaranteed Loan Program.

Announcement Type: Notice of Funding Availability (NOFA)

*Catalog of Federal Domestic Assistance (CFDA) Number:*10.768.

Dates: Applications will be accepted beginning on [**INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER**] and must be received no later than 11:59 PM Eastern Daylight Time on September 15, 2021, or until funds are expended. Program funding expires September 30, 2021.

Items in Supplementary Information

I. Funding Opportunity Description

II. Federal Award Information

III. Eligibility Information

IV. Application Submission Information

V. Other Information

I. Funding Opportunity Description

A. Purpose

This NOFA is being issued pursuant to the recently passed CARES Act. The CARES Act provides for additional funds to the Agency for use under the B&I Guaranteed Loan Program. The Agency is announcing the availability of funding through the B&I Guaranteed Loan program for eligible projects as set forth in this NOFA and applies only to the award of CARES Act funds for loans made available through the B&I Guaranteed Loan Program (B&I CARES Act Guaranteed Loan Program) pursuant to this notice. These provisions do not apply to loans funded under the Appropriations Act of 2020 or any other appropriations other than the CARES Act.

Subject to remaining availability of funding for the B&I CARES Act Guaranteed Loan Program, the Agency may publish a subsequent notice which may have terms and conditions that differ from this notice. Such modifications to program terms and conditions in subsequent notice(s) may be made to more appropriately align program funding with the purposes described in this notice and the CARES Act.

B. Implementation of CARES Act provisions.

Consistent with the purposes of the CARES Act, the Agency has determined that the most effective use of these program funds is to provide guaranteed loans to rural businesses in response to the economic conditions associated with the national COVID-19 Public Health Emergency. It is the Agency's intent that Guaranteed loan funds will be directed toward working capital loan purposes to support business operations and facilities in rural areas including agricultural producers. The amount of the B&I Cares Act Program Loan shall be based on a cash flow analysis and must not be greater than the amount needed to cure problems caused by the COVID-19 emergency.

In determining the type of enhancements that participating lenders would need to offer to generate quality loans and approve and disburse loan funds in a timely and efficient manner in these critical times, the Agency considered adjustments to several requirements of the B&I program where such adjustments can be made without compromising Agency underwriting standards. The Agency also evaluated adjustments to the program requirements in order to enable lenders greater flexibility in structuring loans in consideration of the borrowers' financial condition and capacity. For the B&I CARES Act Program, the Agency is extending loan authority to support agricultural production, simplifying the application procedures for smaller loans and adjusting program requirements regarding the maximum percentage of guarantee, the equity evaluation, the appraisal evaluation, the collateral evaluation, and the repayment terms for working capital loans.

As a result of these considerations and the funding purposes outlined in the CARES Act, the Agency decided to provide 90 percent guarantees to all CARES Act funded loans, set the guarantee fee at 2%, accept appraisals completed within two years of the date of the application, not require discounting of collateral for working capital loans, and extend the maximum term for working capital loans to 10 years.

II. Federal Award Information

A. Statutory Authority

This program is authorized under the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116-136).

B. Catalog of Federal Domestic Assistance (CFDA) Number

10.768.

C. Available funds

The CARES Act provides \$20,500,000 in budgetary authority for this program through September 30, 2021, which will support approximately \$951,000,000 in loan guarantees in accordance with the credit subsidy scoring based on the provisions of this Notice. The aggregate total amount of loans for agricultural production will initially be limited to 50 percent of the total amount of program level of B&I CARES Act Program, approximately \$475,500,000. The Agency may publish future notices in the Federal Register revising the limitation of the amount of funding made available for loans for agricultural production to align with the demand for these loans.

D. Funding limitations

The Agency will consider applications in the order they are received by the Agency. The Agency will distribute CARES Act funds on a first-come, first-served basis; however, in the event that demand exceeds the supply of funds, it is anticipated that toward the end of the funding period the Agency will need to assign priority points for the limited remaining funds, and for this purpose the Agency will compare an application to other pending applications that are competing for funding in accordance with 7 CFR 4279.166.

III. Eligibility Information

This section of the notice identifies provisions specific to guaranteed loan applications seeking CARES Act funds. Eligibility requirements for lenders, borrowers, and projects and all other provisions of 7 CFR part 4279, subparts A and B, and 7 CFR part 4287, subpart B, apply to B&I CARES Act Program guaranteed loans unless indicated otherwise in 7 CFR 4279.190 and as follows:

A. Eligible use of funds

Under the provisions of 7 CFR 4279.190(c)(2), B&I CARES Act Program guaranteed loans will be limited to loans for working capital loan purposes in accordance with 7 CFR 4279.190(c)(3). Loan proceeds may be used only to support facilities and business operations, including certain agricultural producers in rural areas that were in

operation on February 15, 2020. Loan proceeds must be disbursed through multiple draws on an as-needed monthly basis.

IV. Application Submission Information

A. Address to Request Application Package

Application materials may be obtained by contacting one of Rural Development State Offices, as identified via the following link: <https://www.rd.usda.gov/contact-us/state-offices>.

B. Filing preapplications and applications

Applications will be accepted beginning on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and must be received no later than 11:59 PM Eastern Daylight Time on September 15, 2021, or until funds are expended. Program funding expires September 30, 2021.

V. Other Information

A. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995, the information collection activities associated with this rule are covered under the Business and Industry (B&I) Guaranteed Loan Program, OMB Number: 0570-0069.

B. Nondiscrimination Statement

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, reprisal or retaliation for prior civil rights activity, political beliefs, marital status, familial or parental status, religion, sexual orientation, income derived from any public assistance program, or protected genetic information in employment, in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all applicants and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or complete the form at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue S.W., Washington, DC, 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Individuals who are deaf, hard of hearing or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us directly by mail or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

Bette B. Brand,
Deputy Under Secretary, Rural Development.

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