

action is: 10.767, Intermediary Relending Program.

Program Administration

Due to reorganization actions within the Department of Agriculture, the Intermediary Relending Program is currently administered by the Rural Business and Cooperative Development Service (RBCDS). The RBCDS is a successor to the Rural Development Administration, which was a successor to the Farmers Home Administration.

Paperwork Reduction Act

The information collection requirements contained in 7 CFR part 1951 subpart R have been approved by the Office of Management and Budget (OMB) and assigned OMB control number 9575-0131, in accordance with the Paperwork Reduction Act of 1980. The revised information collection requirements contained in 7 CFR part 1948 subpart C will be submitted to OMB for review under Section 3504(h) of the Paperwork Reduction Act. Public reporting burden for this collection of information is estimated to vary from 30 minutes to 56 hours per response with an average of 3.27 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Please send written comments to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for USDA, Washington, DC 20503. Please send a copy of your comments to Jack Holston, Agency Clearance Officer, USDA, RECD, Ag. Box 0743, Washington, DC 20250.

Intergovernmental Review

As set forth in the final rule and related Notice to 7 CFR part 3015, subpart V, 48 FR 29112, June 24, 1993, Intermediary Relending Loans are subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. RBCDS conducts intergovernmental consultation in the manner delineated in FmHA Instruction 1940-J, "Intergovernmental Review of Farmers Home Administration Programs and Activities."

Civil Justice Reform

This document has been reviewed in accordance with Executive Order 12778. It is the determination of RBCDS that this action does not unduly burden the Federal Court System in that it meets all applicable standards provided in section 2 of the Executive Order.

Environmental Impact Statement

This document has been reviewed in accordance with FmHA Instruction 1940-G, "Environmental Program." RBCDS has determined that this proposed action does not constitute a major Federal action significantly affecting the quality of the human environment, and in accordance with the National Environmental Policy Act of 1969, Public Law 91-190, an Environmental Impact Statement is not required.

Background

This regulatory package is an initiative to enhance the program through revisions based on experience with operation of the program. The primary changes include the following:

1. The regulation is completely reorganized for improved clarity.
2. Definitions are provided for "Agency IRP loan funds," "IRP revolving fund," "revolved funds," and "technical assistance." Throughout the document, clarifications are provided as to which requirements apply only to Agency IRP loan funds, which apply to revolved funds, and which apply to everything in the IRP revolving fund.
3. Agency State Offices are authorized to accept and process all applications except those from applicants located within Washington, D.C., which will be processed by the National Office.
4. Eligibility requirements for intermediaries are revised to clarify that a proposed intermediary that does not have lending experience may still qualify for a loan if it will arrange for services of people with lending experience.

5. Eligibility requirements are revised to provide that proposed intermediaries that have an outstanding Federal judgement are not eligible.

6. Eligibility requirements are provided for Ultimate recipients.

7. Eligible purposes for loans to ultimate recipients are revised to be more consistent with the Business and Industry loan program, authorize loans for refinancing and recreation facilities (except golf courses, gambling and race tracks).

8. Security requirements are clarified.

9. General guidelines are provided for interest rates and terms of loans to ultimate recipients, along with clarification that such rates must be within limits established in the intermediary's work plan.

10. Loan ceilings are revised to provide that, subject to certain conditions, intermediaries may receive a series of subsequent loans of up to \$1 million each to a combined total of up

to \$15 million. The ceiling on loans to an ultimate recipient is raised to \$250,000.

11. The intermediary's responsibilities for maintaining the intermediary revolving fund are clarified and a provision is added for establishment of a reserve for bad debts of 15 percent of the intermediary's portfolio.

12. Loan disbursement procedures are revised to allow intermediaries to draw up to 25 percent of their loan at loan closing. The funds may be placed in an interest bearing account if they are not immediately needed for loans to ultimate recipients.

13. The requirement for intermediaries to operate in accordance with an approved work plan is clarified and guidelines are provided for RBCDS approval of work plan revisions.

14. The contents of a complete application and work plan are revised to eliminate some unnecessary items, provide more detail on what should be covered regarding relending plans, add certifications regarding debarment, Federal debt collection policies, and lobbying, and provide for streamlined applications for subsequent loans.

15. The priority point scoring system is revised to adjust the percentages required to qualify for points based on service area income compared to the poverty line, provide for points based on service area income compared to Statewide non-metropolitan income, provide for points based on loans to underrepresented groups, and provide more guidelines for the assigning of points by the Administrator.

16. The requirement for a certification by the intermediary regarding equity is removed.

17. Guidelines are provided for information to be submitted to RBCDS regarding proposed loans to ultimate recipients and for RBCDS review and response to the information.

In addition, a number of issues were explored and alternatives were considered in preparing this Proposed Rule. An internal taskforce of State Directors and other State Office personnel has recommended alternatives to some of the material in this proposed rule and additional changes that have not been incorporated into this proposed rule. We invite and encourage comments and suggestions in these areas or in others germane to the mission and purpose of the program. To the extent that comments received raise new issues or cause revision of the proposed regulation which are outside the scope of the subject matter area now contemplated by this proposal, the Agency will publish a new proposal. We