are particularly interested in comments in the following areas:

1. The specific mission of the IRP program in the context of the USDA rural development missions.

The taskforce has recommended the following mission statement be substituted in § 1948.101(b) of the proposed rule: "The purpose of the program is to alleviate poverty and increase economic activity and employment in rural communities, especially disadvantaged and remote communities, through gap financing administered by community-based organizations, targeted primarily towards smaller and emerging businesses, in partnership with other public and private resources, and in accordance with State and regional strategy based on identified community needs. This purpose is achieved through loans made by the Agency to intermediaries that establish programs for the purpose of providing loans to ultimate recipients for business activities and community development(s) in a rural area." Would it be helpful to have this more detailed and descriptive mission statement in the regulation?

2. The type of credit needs for which IRP funding is most appropriate.

What scale of business, type of asset financed, and range of risk should be targeted? For example, should revolving or seasonal lines of credit be eligible loan purposes? The taskforce believes there is a crucial need for revolving credit lines for small businesses. The Agency has been hesitant to allow IRP funds to be used for revolving lines of credit because of the increased risks and special lender expertise needed. Is this a service intermediaries should be providing?

3. Loan size limits for ultimate recipients.

The proposed rule would allow intermediaries to make some loans of up to \$250,000 (§ 1948.114(b)). This proposal was based primarily on reports from some intermediaries of a need for commercial credit in the \$150,000 to \$250,000 range. The taskforce is concerned that the proposed higher loan limit to ultimate recipients might diminish the effectiveness of the program in providing financing for micro-enterprise revolving loan funds which are a target area for rural development policy. Might it be appropriate to retain the existing loan limit of \$150,000? How great is the need for loans exceeding \$150,000? If the \$150,000 limit is retained should exception authority be provided to the Administrator for higher amounts? If so,

what should the criteria be for approving an exception.

4. Outcome and performance measures.

There is a significant need for information which documents the rural community and economic development outcome achieved as a result of IRP activity. What are appropriate outcome and performance measures and reporting requirements for the intermediary loan funds financed by the program, and for the funded activities of the ultimate recipients of the loans?

5. Experience requirements.

To enable more socially oriented community-based organizations to use the program, the taskforce has suggested further revising the eligibility requirements for intermediaries. They have proposed allowing loans to intermediaries that have experience in assisting rural business or community development, but not necessarily lending experience. The proposed rule, as well as current policy, would allow this, but only if the Intermediary will bring individuals with loan making and servicing experience and expertise into the operation (§ 1948.103(b)(2)). Would relaxing the requirement for individuals with lending experience achieve the goal of bringing more socially oriented intermediaries into the program?

6. Citizenship requirements.

The taskforce recommended further revising the eligibility requirements for ultimate recipients to allow intermediaries to make loans to businesses owned by non-U.S. citizens if the project funded creates or retains jobs for U.S. residents. Such loans would be restricted to fixed assets located in the U.S. and the business would have to have managers that are U.S. citizens or legally admitted to the U.S. for permanent residence. Would this provision significantly help to provide jobs?

7. Management consultant fees.

The taskforce has suggested further revising the eligible loan purposes for loans to ultimate recipients to include management consultant fees. Could this enhance the likelihood of success for ultimate recipients?

8. Technical assistance.

The taskforce has suggested further revising the eligible loan purposes to allow intermediaries to use IRP funds to provide direct technical assistance to ultimate recipients or prospective recipients. Would this change be valuable? Is technical assistance an appropriate use for IRP funds?

9. Security requirements. When the IRP was initiated in 1988, the security required for most loans to intermediaries was a blanket pledge of the IRP revolving fund. In 1991, the regulation was revised to require assignments on all promissory notes and security documents (§ 1948.113(a)(2)). Intermediaries have complained from time to time about being required to provide the assignments and the taskforce has suggested that the requirement be removed. Is the providing of assignments an inordinate burden on the intermediary?

10. Review and concurrence for loans to ultimate recipients.

Current regulations require intermediaries to obtain the Government's review and concurrence in the IRP loans it proposes to make to ultimate recipients. This proposed rule clarifies the limited scope of review required for concurrence (§ 1948.128) and also clarifies that the requirement for review and concurrence applies only to Federal loan funds and does not apply to loans made from the revolving fund from collections on previous loans. The taskforce, in addition, suggests exempting intermediaries that have demonstrated a successful track record of lending IRP funds and servicing loans from the requirement. Most of the impact of this change would be on subsequent loans to intermediaries. Another alternative would be to simply not require Government review and concurrence on loans to ultimate recipients made from subsequent loans to intermediaries. Should it be necessary for intermediaries to obtain Government concurrence on every proposed loan from Federal funds?

11. Multiple IRP revolving funds. Intermediaries are required to establish separate bookkeeping accounts and bank accounts for the IRP revolving fund. Intermediaries that receive more than one IRP loan are required to establish a separate revolving fund with separate accounts for each loan. The proposed rule would allow the funds to be combined with Government consent and under certain conditions (§ 1948.115(b)(5)). The taskforce recommended alternate language that would allow the funds to be combined without Government consent unless the purposes of the loans were significantly different. Should intermediaries with more than one IRP loan be required to obtain Government consent to avoid setting up entirely separate funds for each?

12. Environmental assessments. Are the intergovernmental and environmental review requirements referenced in the proposed rule excessive for loan funds of this type? How could they be streamlined?

13. Loan agreements.