Agency employees, members of their families, known close relatives, or business or close personal associates, is subject to the provisions of subpart D of part 1900 of this chapter.

(d) Copies of all forms, regulations, and Instructions referenced in this subpart are available in the National Office or any State Office.

§ 1948.102 Definitions and abbreviations.

(a) *General definitions*. The following definitions are applicable to the terms used in this subpart.

Agency. The Federal agency within the United States Department of Agriculture (USDA) with responsibility assigned by the Secretary of Agriculture to administer the IRP.

Agency IRP loan funds. Cash proceeds of a loan obtained from the Agency through the IRP, including the portion of an IRP revolving fund directly provided by the Agency IRP loan. Agency IRP loan funds are Federal funds.

Intermediary. The entity requesting or receiving Agency IRP loan funds for establishing a revolving fund and relending to ultimate recipients.

IRP revolving fund. A group of assets, obtained through or related to an Agency IRP loan and recorded by the intermediary in a bookkeeping account or set of accounts and accounted for, along with related liabilities, revenues, and expenses, as an entity or enterprise separate from the intermediary's other assets and financial activities. All Agency IRP loan funds received by an intermediary must be deposited into an IRP revolving fund. The intermediary may transfer additional assets into the IRP revolving fund. Loans to ultimate recipients are advanced from the IRP revolving fund. The receivables created by making loans to ultimate recipients, the intermediary's security interest in collateral pledged by ultimate recipients, collections on the receivables, interest, fees, and any other income or assets derived from the operation of the IRP revolving fund are a part of the IRP revolving fund.

Principals of intermediary. Members, officers, directors, and other individuals or entities directly involved in the operation and management of an intermediary.

Processing office/officer. The processing office for an IRP application is the office within the Agency administrative organization with assigned authority and responsibility to process the application. The processing office is the primary contact for the proposed intermediary and maintains the official application case file. The processing officer for an application is

the person in charge of the processing office. The processing officer is responsible for ensuring that all regulations and Instructions are complied with in regard to applications under her/his jurisdiction.

Revolved funds. The cash portion of an IRP revolving fund that is not Agency loan funds, including funds that result from loaning out the Agency IRP loan funds and then collecting all or part of the loans, and including fees and interest collected on such loans.

Revolved funds shall not be considered Federal funds.

Rural area. All territory of a State that is not within the outer boundary of any city having a population of 25,000 or more, according to the latest decennial

Servicing office/officer. The servicing office for an IRP loan is the office within the Agency administrative organization with assigned authority and responsibility to service the loan. The servicing office is the primary contact for the borrower and maintains the official case file after the loan is closed. The servicing officer for a loan is the person in charge of the servicing office. The servicing officer is responsible for ensuring that all regulations and Instructions are complied with in regard to loans under her/his jurisdiction.

State. Any of the 50 States, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Technical Assistance. A function performed for the benefit of an ultimate recipient or proposed ultimate recipient, which is a problem solving activity. The Agency will determine whether a specific activity qualifies as technical assistance.

Ultimate recipient. An entity or individual that receives a loan from an intermediary's IRP revolving fund.

- (b) *Abbreviations*. The following are applicable to this subpart:
- (1) B&I—Business and Industry
- (2) FmHA—Farmers Home Administration
- (3) *IRP*—Intermediary Relending Program
- (4) OGC—Office of the General Counsel(5) OIG—Office of the Inspector General
- (6) *OMB*—Office of Management and Budget
- Budget (7) *RDLF*—Rural Development Loan Fund
- (8) *USDA*—United States Department of Agriculture

§ 1948.103 Eligibility requirements—Intermediary.

(a) The types of entities which may become intermediaries are:

- (1) Private nonprofit corporations.
- (2) Public agencies—Any State or local government, or any branch or agency of such government having authority to act on behalf of that government, borrow funds, and engage in activities eligible for funding under this subpart.

(3) Indian groups—Indian tribes on a Federal or State reservation or other federally recognized tribal groups.

- (4) Cooperatives—Incorporated associations, at least 51 percent of whose members are rural residents, whose members have one vote each, and which conduct, for the mutual benefit of their members, such operations as producing, purchasing, marketing, processing or other activities aimed at improving the income of their members as producers or their purchasing power as consumers.
 - (b) The intermediary must:
- (1) Have the legal authority necessary for carrying out the proposed loan purposes and for obtaining, giving security for, and repaying the proposed loan
- (2) Have a proven record of successfully assisting rural business and industry, or, for intermediaries that propose to finance community development, a proven record of successfully assisting rural community development projects of the type planned.
- (i) Except as provided in paragraph (b)(2)(ii) of this section, such record will include recent experience in loan making and servicing with loans that are similar in nature to those proposed for the IRP and a delinquency and loss rate acceptable to the Agency.
- (ii) The Agency may approve an exception to the requirement for loan making and servicing experience provided:
- (A) The proposed intermediary has a proven record of successfully assisting rural business and industry or rural community development projects of the type planned but the assistance is other than lending; and
- (B) The proposed intermediary will, before the loan is closed, bring individuals with loan making and servicing experience and expertise into the operation of the IRP revolving fund.
- (3) Have the services of a staff with loan making and servicing expertise acceptable to the Agency.
- (4) Have capitalization acceptable to the Agency.
- (c) No loans will be extended to an intermediary unless:
- (1) There is adequate assurance of repayment of the loan based on the fiscal and managerial capabilities of the proposed intermediary.