demonstrate the feasibility of the intermediary's program to meet the objectives of this program. The plan

must, at a minimum:

(i) Document the intermediary's ability to administer an IRP in accordance with the provisions of this subpart. In order to adequately demonstrate the ability to administer the program, the intermediary must provide a complete listing of all personnel responsible for administering this program along with a statement of their qualifications and experience. The personnel may be either members or employees of the intermediary's organization or contract personnel hired for this purpose. If the personnel are to be contracted for, the contract between the intermediary and the entity providing such service will be submitted for Agency review and the terms of the contract and its duration must be sufficient to adequately service the Agency loan through to its ultimate conclusion. If the Agency determines the personnel lack the necessary expertise to administer the program, the loan request will not be approved.

(ii) Document the intermediary's ability to commit financial resources under the control of the intermediary to the establishment of an IRP. This should include a statement of the source(s) of non-Agency funds for administration of the the intermediary's operations and financial assistance for projects.

(iii) Demonstrate a need for loan funds. As a minimum, the intermediary should identify a sufficient number of proposed and known ultimate recipients it has on hand to justify Agency funding of its loan request.

(iv) Include a list of proposed fees and other charges it will assess the ultimate

recipients it funds.

(v) Demonstrate to Agency satisfaction that the intermediary has secured commitments of significant financial support from public agencies and private organizations.

(vi) Provide evidence to Agency satisfaction that the intermediary has a proven record of obtaining private and/or philanthropic funds for the operation of similar programs to the one contained

in this subpart.

(vii) Include the intermediary's plan (specific loan purposes) for relending the loan funds. The plan must be of sufficient detail to provide the Agency with a complete understanding of what the intermediary will accomplish by lending the funds to the ultimate recipient and the complete mechanics of how the funds will get from the intermediary to the ultimate recipient. The service area, eligibility criteria, loan purposes, fees, rates, terms, collateral

requirements, limits, priorities, application process, method of disposition of the funds to the ultimate recipient, monitoring of the ultimate recipient's accomplishments, and reporting requirements by the ultimate recipient's management are some of the items that must be addressed by the intermediary's relending plan.

(3) Form FmHA 1940–20 for all projects positively identified as proposed ultimate recipient loans that are Class I or Class II actions under subpart G of part 1940 of this chapter.

- (4) Comments from the State single point of contact, if the State has elected to review the program under Executive Order 12372.
- (5) A pro forma balance sheet at startup and for at least 3 additional projected years; financial statements for the last 3 years, or from inception of the operations of the intermediary if less than 3 years; and projected cash flow and earnings statements for at least 3 years supported by a list of assumptions showing the basis for the projections. The projected earnings statement and balance sheet must include one set of projections that shows the IRP revolving fund only and a separate set of projections that shows the proposed intermediary organization's total operations. Also, if principal repayment on the IRP loan will not be scheduled during the first 3 years, the projections for the IRP revolving fund must extend to include a year with a full annual installment on the IRP loan.
- (6) A written agreement will be signed by the intermediary to assure that there is not misunderstanding concerning Agency audit requirements.
- (7) Form FmHA 400–4, "Assurance Agreement."
- (8) Complete organizational documents, including evidence of authority to conduct the proposed activities.
- (9) Evidence that the loan is not available at reasonable rates and terms from private sources or other Federal, State, or local programs.
  - (10) Latest audit report, if available.
- (11) Form FmHA 1910–11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- (12) Form AD–1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions."
- (13) Exhibit A–1 of FmHA Instruction 1940–Q.
- (b) Applications from intermediaries that already have an active IRP loan may be streamlined as follows:

(1) The material required by paragraphs (a)(6), (a)(8), and (a)(10) of this section may be omitted.

(2) A statement that the new loan would be operated in accordance with the work plan on file for the previous loan may be submitted in lieu of a new work plan.

(3) The financial information required by paragraph (a)(5) of this section may be limited to projections for the proposed new IRP revolving loan fund.

## § 1948.123 Filing and processing applications for loans.

- (a) Intermediaries' contact. Intermediaries desiring the assistance in this subpart may file applications with the State Office for the State in which the intermediary's headquarters is located. Intermediaries headquartered in the District of Columbia may file the application with the National Office, B&I Division, Washington, DC 20250–3221.
- (b) Filing applications. Intermediaries must file the complete application, in one package. Applications received by the Agency will be reviewed and ranked quarterly and funded in the order of priority ranking. The Agency will retain unsuccessful applications for consideration in subsequent reviews, through a total of four quarterly reviews.
- (c) Loan priorities. Priority consideration will be given to proposed intermediaries based on the following factors. Points will be allowed only for factors indicated by well documented, reasonable plans which, in the opinion of the Agency, provide assurance that the items have a high probability of being accomplished. The points awarded will be as specified in paragraphs (c)(1) through (c)(6) of this section. If an application does not fit one of the categories listed, it receives no points for that paragraph or subparagraph.

(1) Other funds. Points allowed under this paragraph should be based on documented successful history or written evidence that the funds are available.

- (i) The intermediary will obtain non-Federal loan or grant funds to pay part of the cost of the ultimate recipients' projects. The amount of funds from other sources will average:
- (A) At least 10% but less than 25% of the total project cost—10 points.
- (B) At least 25% but less than 50% of the total project cost—20 points.
- (C) 50% or more of the total project cost—30 points.
- (ii) The intermediary will provide loans to the ultimate recipient from its own funds (not loan or grant) to pay part of the costs of the ultimate recipients'