

119TH CONGRESS  
2D SESSION

# S. 4141

To amend the Consolidated Farm and Rural Development Act to direct the Secretary of Agriculture to make temporary zero-percent interest loans under the community facilities direct loan program to construct or renovate certain rural hospitals, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 19, 2026

Mr. BENNET (for himself and Mr. MORAN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To amend the Consolidated Farm and Rural Development Act to direct the Secretary of Agriculture to make temporary zero-percent interest loans under the community facilities direct loan program to construct or renovate certain rural hospitals, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Rural Hospital Revital-  
5       ization Act of 2026”.

1 **SEC. 2. RURAL HOSPITAL REVITALIZATION LOANS.**

2 Subtitle A of the Consolidated Farm and Rural De-  
3 velopment Act is amended by inserting after section 306A  
4 (7 U.S.C. 1926a) the following:

5 **“SEC. 306B. RURAL HOSPITAL REVITALIZATION LOANS.**

6 “(a) IN GENERAL.—Under the community facilities  
7 direct loan program established under section 306(a)(1)  
8 (referred to in this section as the ‘community facilities di-  
9 rect loan program’), the Secretary shall make temporary  
10 zero-percent interest loans to eligible rural hospitals de-  
11 scribed in subsection (b) for the construction of replace-  
12 ment hospital facilities or the improvement or renovation  
13 of existing hospital facilities in accordance with this sec-  
14 tion.

15 “(b) ELIGIBLE HOSPITALS.—

16 “(1) IN GENERAL.—An eligible rural hospital  
17 described in this subsection is a rural hospital—

18 “(A) the campus (as defined in section  
19 413.65(a)(2) of title 42, Code of Federal Regu-  
20 lations (or successor regulations)) of which is in  
21 a county with a population of less than 20,000  
22 inhabitants;

23 “(B)(i) the campus (as so defined) of  
24 which is not less than 35 miles from the nearest  
25 hospital;

1 “(ii) if the campus (as so defined) of which  
 2 is in an area with mountainous terrain or only  
 3 secondary roads, as determined by the Sec-  
 4 retary, such campus is not less than 15 miles  
 5 from the nearest hospital;

6 “(iii) that is a critical access hospital (as  
 7 defined in section 1861(mm)(1) of the Social  
 8 Security Act (42 U.S.C. 1395x(mm)(1))); or

9 “(iv) that is a rural emergency hospital (as  
 10 defined in section 1861(kkk)(2) of that Act (42  
 11 U.S.C. 1395x(kkk)(2)));

12 “(C) that has been continuously licensed as  
 13 a hospital in the community in which the hos-  
 14 pital is located for not less than 30 years;

15 “(D) that submits to the Secretary an ap-  
 16 plication at such time, in such manner, and  
 17 containing such information to determine eligi-  
 18 bility under this paragraph and priorities under  
 19 paragraph (2) and such other information as  
 20 the Secretary may require, including—

21 “(i) a statement demonstrating the  
 22 need for the loan, which shall describe—

23 “(I) the age and condition of ex-  
 24 isting facilities to be replaced, im-  
 25 proved, or renovated, including a cer-

tification that funds from a loan under this section will not be used for facilities that have been significantly improved during the 10-year period preceding the date of the application; and

“(II) the manner in which the use of the loan funds will address issues relating to the quality and viability of the facilities to preserve access to healthcare;

“(ii) a demonstration that the hospital has had a positive impact in the community served by the hospital, which shall include—

“(I) a positive impact on access to primary healthcare, emergency services, and services required under conditions of participation applicable under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.); and

“(II) a meaningful economic impact; and

1 “(iii) a statement of the anticipated  
2 health and economic impacts of the loan,  
3 including—

4 “(I) an impact on sustaining the  
5 provision of services that the hospital  
6 currently provides;

7 “(II) an impact on offering  
8 healthcare services that the hospital  
9 does not currently offer, as appro-  
10 priate;

11 “(III) an impact on the provision  
12 of community-based services, includ-  
13 ing such services that influence social  
14 determinants of health;

15 “(IV) any other economic im-  
16 pacts; and

17 “(V) impacts compared to the  
18 impacts if the loan funds were not  
19 made available; and

20 “(E) that, subject to paragraph (3), is fi-  
21 nancially stable, as measured by having—

22 “(i) not less than 30 days cash on  
23 hand; and

24 “(ii) a projected debt-service coverage  
25 ratio of at least 1.2.

1           “(2) PRIORITIES.—In making loans under this  
2           section, the Secretary shall give priority to an eligi-  
3           ble rural hospital—

4                   “(A) that serves an area in which there are  
5                   fewer than 6 inhabitants per square mile, tak-  
6                   ing into consideration—

7                           “(i) the distance from the hospital to  
8                           a population center;

9                           “(ii) the travel time from the hospital  
10                          to reach a population center or specific  
11                          health service; and

12                          “(iii) seasonal variations in the need  
13                          for access to healthcare services;

14                   “(B) that requires replacement, improve-  
15                   ment, or renovation that is not financially fea-  
16                   sible at the rates and terms offered under the  
17                   community facilities direct loan program;

18                   “(C) for which not less than 50 percent of  
19                   its inpatient days or discharges and outpatient  
20                   visits during the most recent cost reporting pe-  
21                   riod for which data are available were attrib-  
22                   utable to—

23                           “(i) individuals entitled to, or enrolled  
24                           for, benefits under part A or enrolled for  
25                           benefits under part B of title XVIII of the

1 Social Security Act, including individuals  
 2 enrolled in a Medicare Advantage plan  
 3 under part C of such title;

4 “(ii) individuals eligible for medical  
 5 assistance under a State plan under title  
 6 XIX of the Social Security Act (or a waiv-  
 7 er of such a plan); or

8 “(iii) self-pay individuals; or

9 “(D) that meets 2 or more of the criteria  
 10 described in subparagraphs (A) through (C).

11 “(3) WAIVER.—The Secretary may waive the  
 12 requirements described in paragraph (1)(D) in the  
 13 case of a hospital that demonstrates sufficient com-  
 14 munity impacts described in paragraph (1)(C)(ii).

15 “(4) ELIGIBILITY.—For purposes of making  
 16 loans under this section, the Secretary shall consider  
 17 an eligible rural hospital described in paragraph (1)  
 18 to be eligible for the community facilities direct loan  
 19 program.

20 “(c) LOAN INTEREST AND TERMS.—

21 “(1) INITIAL INTEREST-FREE LOAN.—Except  
 22 as otherwise provided in this subsection, a loan  
 23 made under this section shall, for the first 5 years  
 24 of the loan—

25 “(A) have a zero percent interest rate; and

“(B) require repayment of principal for a period of 5 years, amortized—

“(i) in accordance with the expected amortization schedule of a loan under the community facilities direct loan program; and

“(ii) over a period that is equal to the lesser of—

“(I) the expected life of the facility being constructed or renovated; and

“(II) a maximum term of 40 years.

“(2) ASSESSMENT.—At the end of the 5-year period of a loan described in paragraph (1), the Secretary shall conduct an assessment of the financial stability of the eligible rural hospital to determine whether the hospital has the financial strength for the loan to be refinanced at the prevailing rates offered under the community facilities direct loan program.

“(3) REFINANCING.—If the Secretary determines through an assessment under paragraph (2) that an eligible rural hospital has sufficient financial strength to repay a loan under the community facili-



ties direct loan program, subject to subsection (d)(2), the Secretary shall refinance the loan under this section into a loan under the community facilities direct loan program—

“(A) at the prevailing interest rate applicable to a loan under the community facilities direct loan program;

“(B) without a requirement of the payment of any interest on the amount of principal repaid during the period in which the interest rate of the loan was zero percent;

“(C) based on the unpaid principal balance; and

“(D) amortized in accordance with the community facilities direct loan program for the remaining term of the loan.

“(d) RENEWALS.—

“(1) FAILURE UNDER ASSESSMENT.—

“(A) IN GENERAL.—If the Secretary determines through an assessment under subsection (c)(2) that an eligible rural hospital does not have sufficient financial strength to repay a loan under the community facilities direct loan program, the hospital may submit to the Secretary an application for a 1-time renewal of

1 the zero-percent interest loan in accordance  
2 with the terms described in subsection (c)(1)  
3 for 1 additional term of not more than 5 years.

4 “(B) REQUIREMENTS.—To be eligible for  
5 the renewal of a zero-percent interest loan  
6 under subparagraph (A), an eligible rural hos-  
7 pital shall demonstrate in the application sub-  
8 mitted under that subparagraph that the hos-  
9 pital—

10 “(i) has first applied for and accepted  
11 any available Federal technical assistance  
12 for rural hospitals to support operational  
13 improvements and improve financial sta-  
14 bility; and

15 “(ii) continues to meet all applicable  
16 community facilities direct loan program  
17 eligibility criteria.

18 “(C) REFINANCING.—At the end of the pe-  
19 riod for which a zero-percent interest loan is re-  
20 newed under subparagraph (A), the Secretary  
21 shall refinance the loan into a loan under the  
22 community facilities direct loan program in ac-  
23 cordance with subsection (c)(3).

24 “(2) INTEREST RATE PROTECTION.—

1           “(A) IN GENERAL.—If the Secretary deter-  
2 mines through an assessment under subsection  
3 (c)(2) that an eligible rural hospital has suffi-  
4 cient financial strength to repay a loan under  
5 the community facilities direct loan program,  
6 and the interest rate applicable to a loan under  
7 the community facilities direct loan program is  
8 more than 2.5 percent, the hospital may submit  
9 to the Secretary an application for a 1-time re-  
10 newal of the zero-percent interest loan in ac-  
11 cordance with the terms described in subsection  
12 (c)(1) for 1 additional term of 5 years.

13           “(B) REQUIREMENTS.—To be eligible for  
14 the renewal of a zero-percent interest loan  
15 under subparagraph (A), an eligible rural hos-  
16 pital shall demonstrate in the application sub-  
17 mitted under that subparagraph that the hos-  
18 pital—

19                   “(i) has had a positive impact on ac-  
20 cess to primary healthcare, emergency  
21 services, and services required under condi-  
22 tions of participation applicable under title  
23 XVIII of the Social Security Act (42  
24 U.S.C. 1395 et seq.) in the community  
25 served by the hospital; and

1 “(ii) has had positive impacts in the  
2 community described in subsection  
3 (b)(1)(C)(ii).

4 “(C) REFINANCING.—During the period of  
5 a zero-percent interest loan that has been re-  
6 newed under subparagraph (A), at any time  
7 that the interest rate applicable to a loan under  
8 the community facilities direct loan program is  
9 2.5 percent or less, the eligible rural hospital  
10 may elect to refinance the loan into a loan  
11 under the community facilities direct loan pro-  
12 gram in accordance with subsection (c)(3).

13 “(3) DISAPPROVAL.—If the Secretary dis-  
14 approves an application to renew a zero-percent in-  
15 terest loan under paragraph (1)(A) or (2)(A), the  
16 Secretary shall resolve the applicable issues in ac-  
17 cordance with the procedures that apply to the com-  
18 munity facilities direct loan program.

19 “(e) TECHNICAL ASSISTANCE GRANTS.—

20 “(1) IN GENERAL.—A hospital that receives a  
21 loan under this section shall be eligible for assistance  
22 through an award under a covered program to sup-  
23 port operational improvements and improve financial  
24 stability during—

1           “(A) the 5-year period of a zero-percent in-  
2           terest loan described in subsection (c)(1); and

3           “(B) any renewal of a zero-percent interest  
4           loan for a lack of sufficient financial strength  
5           under subsection (d)(1).

6           “(2) COVERED PROGRAM DEFINED.—In this  
7           subsection, the term ‘covered program’ means—

8           “(A) the Targeted Technical Assistance for  
9           Rural Hospitals Program of the Health Re-  
10          sources and Services Administration; and

11          “(B) the Rural Hospital Technical Assist-  
12          ance Program carried out by the rural develop-  
13          ment mission area, in cooperation with the Na-  
14          tional Rural Health Association.”.

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