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(see section 319, Public Law 101–121 (31 U.S.C. 1352)).

(6) Executed copy of Form AD–1047, “Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions” (see appendix A to 7 CFR part 3017).

(7) Borrower’s determination of loan maturity, including information noted in §1735.43(a) of this chapter as required.

(8) Approved depreciation rates for items under regulatory authority jurisdiction.

(9) A statement that the borrower is or is not delinquent on any Federal debt, such as income tax obligations or a loan or loan guarantee from another Federal agency. If delinquent, the reasons for the delinquency must be explained and RUS will take such explanation into consideration in deciding whether to approve the loan. RUS Form 490, “Application for Telephone Loan or Guarantee,” contains a section for providing the required statement and any appropriate explanation.

(10) Any other supporting data required by the Administrator.

(c) The following must be submitted for all borrowers requesting funds for refinancing:

(1) Copies of all bonds, notes, mortgages, and contracts covering outstanding indebtedness proposed to be refinanced.

(2) For each note or bond, the name of the creditor, original amount of debt and amount as of last year-end, purpose of debt, dates incurred and due, interest rates, and repayment terms.

(3) Justification for refinancing and evidence that the use of loan funds is necessary and incidental to furnishing or improving rural telephone service. See 7 CFR 1735.21.

(d) Borrowers requesting loan funds for acquisitions should refer to RUS bulletins 329–4, 321–2, 325–1, and 326–1 for requirements.

(Approved by the Office of Management and Budget under control number 0572–0079)

§ 1737.32 Loan Design (LD).

(a) A loan application requires supporting data collectively called a “Loan Design.” The LD contains a forecast of service requirements and a narrative with supporting exhibits. Most of the items included in the LD are similar for all loan applications. However, as noted below, there are certain additional requirements for initial loans and for any exchange areas not previously financed by RUS, and other additional requirements for subsequent loans for areas previously financed by RUS. The LD must conform to the borrower’s state telecommunications modernization plan unless the borrower is seeking a guaranteed loan (for additional information concerning the plan, see 7 CFR part 1751, subpart B).

(b) Because of the importance and complexity of the engineering studies necessary for the LD, it should be prepared by a competent experienced telecommunications engineer. While the LD is subject to RUS approval, the borrower’s selection of an engineer to perform preloan work is not. Note: The borrower’s selection of an engineer to perform postloan work is subject to RUS approval. This should be considered when selecting a preloan engineer; if the same individual or company is to perform both services. See 7 CFR 1753.17.

(c) An LD for initial loans or for any exchange areas not previously financed by RUS requires an Outside Plant Design that provides:

(1) The most economical and practical design for a telephone system that meets immediate service demands; and

(2) The basis for orderly expansion of the system to serve the widest practical number of rural establishments.

(d) The LD for a subsequent loan (which only includes areas previously financed by RUS) does not require a detailed Outside Plant Design. The detailed Outside Plant Design for these subsequent loans may be completed for RUS review and approval after loan approval, but before staking is started and plans and specifications are prepared. By scheduling preparation of the outside plant design closer to preparation for construction, the need for redesign resulting from changing conditions and its attendant costs are reduced.

(e) Guidelines on preparing an LD are provided in RUS Telecommunications Engineering and Construction Manual section 205.

(f) The LD shall include a narrative, several exhibits, and a certification, as explained below:

(1) Narrative. This section discusses the following topics, as appropriate.

(i) General. The purposes and amount of the proposed construction and both immediate and long range plans must be covered. The source and amount of any nonloan funds to be used for this construction must be discussed.

(ii) Subscriber data. The basis for the subscriber forecast, including any unusual factors expected to influence growth, must be discussed. Reasons for growth projections which vary from historic trends must be explained.

(iii) Proposed construction. All proposed construction must be described fully. Reference to the BER must be made here.

(iv) Service area. For subsequent loans only, proposed construction which is not within the boundaries of prior loan projects must be discussed. New areas